

FEDERAL RESERVE BULLETIN

ISSUED BY THE
FEDERAL RESERVE BOARD
AT WASHINGTON

FEBRUARY, 1918



WASHINGTON
GOVERNMENT PRINTING OFFICE
1918

FEDERAL RESERVE BOARD.

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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 officers and directors may have it sent to not less than ten names at a subscription price of \$1 per annum.

No complete sets of the Bulletin for 1915 are available. Bound copies of the Bulletin for 1916 may be had at \$5 per copy.

SECOND EDITION OF THE INDEX DIGEST.

The Federal Reserve Board has had prepared a second edition of the Index Digest of the Federal Reserve Act, by Hon. Charles S. Hamlin, member of the Federal Reserve Board, the first edition of which was published in 1915. While the edition is primarily for the use of the Board, enough copies will be printed to supply the demand of banks and others who may desire to purchase them. Those who desire copies (bound in paper) should at once remit \$1 or (bound in cloth) \$1.25 to the Federal Reserve Bank of the district in which the subscriber is resident. Copies of the edition, when published, will be transmitted to the respective Federal Reserve Banks for distribution.

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VOL. 4

FEBRUARY 1, 1918.

No. 2

REVIEW OF THE MONTH.

The first month of the year 1918 finds the Federal Reserve system in a condition of increasing strength and responsibility. The total gold on hand on Jan. 18 was \$1,784,307,000, the largest accumulation of the metal ever in the possession of the Federal Reserve Banks. The reserve percentage held against notes and deposits is approximately 65 per cent, while the membership of State institutions has increased during the month by 46, bringing the total State membership to 296 with combined resources of \$5,036,051,076. The final figures for gross earnings for the calendar year 1917, elsewhere presented in detail in this issue, are \$15,838,859, and net earnings \$11,202,993. The operations of the gold settlement fund for 1917 amount to \$26,962,946,500, as against \$5,757,836,000 during the preceding year. Items cleared during the month ending January 15 of the present year number 359,067, as compared with 241,933 cleared during the corresponding period in 1917. There has thus been during the past 12 months a very great increase both in the scope of the banks' operations, in their holdings of gold, in their membership, in their total resources, and in their capacity to meet such demands as may be brought to bear upon them. As a result of the sale of the second Liberty loan, there has been a considerable increase in commitments of Federal Reserve Banks upon paper secured by Government obligations, and the paper discounted by them is still in process of liquidation, only three months having elapsed since the completion of subscriptions to the loan. The final installment upon the second Liberty loan was paid on January 15, and a reasonable

period must be allowed for the adjustment of transactions growing out of it. On January 25 the total amount of paper collateralized by Government obligations held by all Federal Reserve Banks had been reduced to \$312,520,000. While this sum is larger than the amount held at the corresponding date subsequent to the first Liberty loan, the sum thus remaining unliquidated is relatively moderate, considering the scope of the Government loans placed during the year.

The annual report of the Federal Reserve Board was sent to Congress on January 22. There is published elsewhere in this issue a general synopsis or digest of the salient features of the report. The following summary, with reference to the outcome of the operation of the system during the year 1917, is presented in the report itself and affords a sketch of the general situation as affected by Government financing:

Taking the year as a whole, it will be noted that, although there has been a great increase in the total assets of the system, there has been a reduction of gold and lawful money reserves from 81.4 per cent at the beginning, to 63.6 per cent at the end of the year, but it should not be overlooked that the figures for December 28, 1917, represent the condition existing at a time when the process of distributing the second Liberty loan was still uncompleted. The question whether the final absorption by the ultimate investor of the second Liberty loan and the resulting financial adjustments would bring about as favorable a situation as that which existed at the closing of the first loan, is still an open one, but indications are that there will be a larger amount of bonds left in the hands of the banks and that a correspondingly greater volume of discounts secured by Government obligations may remain

with the Federal Reserve Banks than was the case at the close of the first Liberty loan. The existing condition is susceptible of improvement and will be improved as the public performs its duty of absorbing the Government loans out of savings. The position of the banks with respect to credit expansion is indicated by the condensed statement of the deposits, loans, discounts, and investments of the national banks as reported to the Comptroller of the Currency on November 20, 1917, as compared with corresponding figures on December 31, 1914, November 10, 1915, and November 17, 1916.

[In thousands of dollars; 000 omitted.]

	Dec. 31, 1914.	Nov. 10, 1915.	Nov. 17, 1916.	Nov. 20, 1917.
Deposits, net, on which reserve is computed.....	6,668,325	8,256,662	9,976,980	10,348,806
Loans and discounts, in- cluding overdrafts.....	6,363,435	7,241,140	8,355,101	9,550,571
United States bonds.....	791,995	777,765	724,473	² 2,354,183
Other stocks, bonds, and securities ¹	1,313,778	1,343,822	1,747,794	1,949,619

¹ Exclusive of Federal Reserve Bank stock.

² Includes United States certificates of indebtedness and payments on account of subscriptions for Liberty loan bonds.

It is proper to point out that while, during the year 1917, there has been a lessening of the fluidity and immediate availability of the country's banking resources, the change is not surprising when there is considered the extent of the requirements which have been made upon our banking system. It is evident also, from an analysis of the figures, that the decrease in reserve strength is attributable only in a minor degree to normal commercial discounts and that it is mainly the result of Government financing and the consequent demands upon our resources.

Comparative figures of chief assets and liabilities of member banks in principal cities under date of December 7, 1917, and January 18, 1918, throw some light on the part played by the banks of the country in the financial operations of the Government. Figures for the two dates are not exactly comparable, the earlier figures reflecting condition of 607 banks, while those for the later date represent totals for 662 banks, but they are sufficiently indicative of the general trend of development during the period following the consummation of the second Liberty loan. The largest changes

are shown under the head of United States securities owned, net demand deposits, and Government deposits. The first item shows a decrease from 1,763.1 to 935.8 millions. In this total of 935.8 millions on the date named there were included about 275 millions of the 700 millions of United States bonds deposited with the United States Treasurer to secure circulation, besides relatively small amounts of other Government securities issued before the war.

Loans secured by Government obligations show a slight increase during the period from 373.5 to 381.3 millions, while other loans and investments (exclusive of permanent investments) increased from 9,470.1 to 9,897.2 millions. Aggregate loans and investments of reporting banks show a decrease from 11,606.8 to 11,214.3 millions. The decrease would, of course, have been larger had the number of reporting banks remained constant.

Reserves of these banks (all held with their Federal Reserve Banks) show an increase for the period from 1,137.8 to 1,147.3 millions, while cash in vault went up from 388.2 to 394.9 millions, the increases under these two heads to a large extent representing amounts credited to newly reporting banks.

Net demand deposits increased from 8,391 to 8,901.9 millions, and time deposits from 1,259.9 to 1,361.8 millions. The ratio of combined vault cash and reserve to combined net demand and time deposits shows a decline from 15.8 to 15.0 per cent. For the banks in the three central reserve cities this ratio declined from 17.2 to 16.5 per cent. Different results are obtained if in figuring reserve percentages account is taken of Government deposits, against which no reserve need be carried by member banks. These deposits show a decline from 1,475.6 to 354.7 millions, while for all three classes of deposits combined the apparent decline is from 11,126.5 to 10,618.5 millions. On the basis of these figures the ratio of combined cash and reserve to deposits of all reporting banks shows an increase between the two dates from 13.7 to 14.5 per cent. For the banks in the three central reserve cities this ratio increased from 14.3 to 16.0 per cent.

It is noteworthy that aggregate loans and investments on both dates were in excess of total deposits, the ratio of total investments to total deposits of all reporting banks showing an increase from 105 to 106.2 per cent. For the banks in the central reserve cities this ratio shows a decline from 102 to 100.2 per cent.

Between December 21, 1917, and January 25, 1918, the Federal Reserve Banks liquidated nearly 70 millions of bills discounted and bought, and increased their holdings of United States securities by about 14.6 millions. Bills discounted on hand show a decrease of 65.8 millions, while discounts secured by war obligations (including both customers' paper and member banks' collateral notes) increased from 298.2 to 312.5 millions, or from 43 to slightly below 50 per cent of the total discounts held. Other discounted paper on hand decreased by over 80 millions from 295.2 to 315.1 millions and constitutes at present but slightly over one-half of the total discounts by the banks. A decrease of 4 millions is indicated in the total holdings of paper bought in the open market, all the banks except at New York and Boston reporting net liquidation of this class of paper. New York increased its holdings of bought paper from 138.7 to 168.3 millions, or from about 50 to over 60 per cent of the total reported on the two dates.

Investments in Government short-term securities, chiefly certificates of indebtedness, increased from 58.1 to 72.7 millions, the New York bank alone reporting an increase of 10.6 millions in the temporary investments of this class of securities. United States long-term securities held by the banks show practically no change. Other earning assets include, besides warrants on both dates, also \$2,765,000 of bill of lading drafts on the later date.

During the period under review net deposits of the Federal Reserve Banks increased from 1,466.3 to 1,492.9 millions, gold reserves from 1,645.5 to 1,726.5 millions, and Federal Reserve notes in circulation from 1,227.6 to 1,234.9

millions. The ratio of total earning assets to net deposits, which on the earlier date stood at 73.7 per cent, declined to about 69 per cent, while the ratio of total reserve to combined net deposit and Federal Reserve note liabilities went up from 62.9 to 65.4 per cent.

In the following table are shown the changes between December 21, 1917, and January 25, 1918, in the totals of discounted and purchased bills held by each of the Federal Reserve Banks, also changes in the aggregate holdings of other classes of earning assets:

[In thousands of dollars, i. e., 000 omitted.]

Federal Reserve Bank.	Dec. 21, 1917.	Jan. 25, 1918.	Net increase.	Net decrease.
Boston.....	70,158	62,151	.....	8,007
New York.....	397,450	390,898	.....	6,552
Philadelphia.....	65,331	47,989	.....	17,342
Cleveland.....	77,921	62,338	.....	15,583
Richmond.....	44,644	45,657	1,013	.....
Atlanta.....	23,765	18,172	.....	5,593
Chicago.....	116,194	119,445	3,251	.....
St. Louis.....	47,897	35,896	.....	12,001
Minneapolis.....	23,050	15,366	.....	7,684
Kansas City.....	35,356	32,580	.....	2,776
Dallas.....	25,157	22,762	.....	2,395
San Francisco.....	44,529	48,320	3,791	.....
Total bills.....	971,452	901,574	.....	69,878
Total United States securities.....	108,568	123,194	14,626	.....
Other earning assets.....	1,102	4,902	3,800	.....
Total investments held.....	1,081,122	1,029,670	.....	51,452

On January 17 the Secretary of the Treasury announced that he had offered for subscription at par and accrued interest through the Federal Reserve Banks, \$400,000,000 of Treasury certificates of indebtedness, payable on April 22, 1918, with interest at 4 per cent per annum from January 22, 1918. Subscriptions were received at Federal Reserve Banks up to the close of business on Tuesday, January 29, 1918. This offering was oversubscribed, allotments in full being made in the order in which subscriptions were received in the several districts. The certificates when issued will be in denominations of \$1,000, \$5,000, \$10,000, and \$100,000, and, as in former offerings, it is announced that the certificates will be exempt both as to principal and interest from all taxation now or later to be imposed by the United

States, or by any local taxing authorities except estate and inheritance taxes, graduated income taxes, and excess profits and war profits taxes now imposed or to be imposed upon the incomes or profits of individuals and corporations. The graduated income taxes and excess profits taxes do not, however, apply to bonds and certificates whose principal does not exceed \$5,000. Provisions with respect to redemption at par and accrued interest at specified dates before maturity are made applicable to this issue as well. The new issue is the thirteenth successive offering of certificates that has occurred since the entry of the United States into the war, and is the first step anticipatory of a third general loan. Of the first eleven issues of certificates, five were funded into the first Liberty loan and six into the second, while the twelfth issue was marketed for the purpose of anticipating the proceeds of taxes due in June, 1918, under the excess profits and income provisions of the new legislation of 1917. The thirteenth issue is thus the first of those to be floated in anticipation of the third Liberty loan.

The Board has taken measures to call to the attention of the several Federal Reserve Banks the importance of securing a wide and uniform distribution of these certificates of indebtedness which will be issued pending receipts from the next bond issue. In a communication to the several banks it has estimated that the amount to be raised will probably average about \$300,000,000 per week, and it decided to secure as widespread an absorption of these certificates as possible in order that no particular group of banks may be called upon to absorb more than its due share, thereby compelling itself to curtail necessary credits in order to carry these securities. With a view to preventing the development of such a situation, it has been suggested that Federal Reserve Banks effect an organization which will enable them to carry on an effective campaign for the wide distribution of the certificates in districts. The Federal Reserve Banks have been advised to inaugurate a campaign of education with the view of hav-

ing members understand the necessity of curtailing nonessential credits, or sorting out and sending in gold certificates and gold coin, of securing more State banks as members, and of absorbing their proper proportion of these short-term Treasury certificates. In a communication to the several banks, the Board under date of January 14, says:

"A special department of your bank might be organized for this work under the immediate supervision of some prominent banker in your district, of vision and influence, and, after your organization has been effected, representative bankers from various parts of your district might be asked to visit you with the view of acquainting themselves with the requirements of the situation, and of devising the best means of meeting them. A definite proportion of certificates might be allotted to each of your banks, and committees formed in each group of the various State banking associations whose duty it would be to correspond with and to visit all banks in the group, and to urge upon them the importance of cooperation. It should be pointed out to your member and nonmember banks that by investing in these Treasury certificates of indebtedness, and in placing them with their depositors, they would best insure themselves against undue strain in arranging for payments for subscriptions to the next Liberty loan issue. The ensuing bond campaign is going to be a most vigorous one, and special attention will be paid to the country districts. By arousing interest in the sale of Treasury certificates, you will not only render most effective service to the Government in providing for its financial necessities, but you will do a great deal toward preventing expansion of unnecessary credits, and will avoid a strain upon your member banks and upon your own bank which, if not anticipated in this way, might be very embarrassing."

The distribution of capital and credit between enterprises in accordance with their relative importance from the standpoint of the winning of the war has had the careful attention of the Federal Reserve Board for some time past. In its annual report the Board said: "There must be a conservation of credit as well as of goods, and credit, generally speaking, should not be used except where it is required for the common welfare, as in planting crops, the manufacture

of necessary articles, or in such construction work as may be essential in bringing about increased production. Limitation in ordinary lines of credit is necessary to make room for the credits required by the Government for the purchase of supplies essential for war purposes. It must be expected that the war activities of the Government will bring about a further expansion of deposits and loans in banks, and in order to keep our credit structure strong it is necessary that the banks should exert their influence and lend their energies to a more general absorption of Government loans by savings and to limitation of private credits wherever practicable without causing hardship. We must look to the future and prepare unceasingly for further demands which may be made upon us."

In applying the idea of conservation of capital and credit the Federal Reserve Board, at the request of the Secretary of the Treasury, has undertaken the duty of passing upon such plans or proposals for issues of capital designed to finance new enterprises or to refinance or extend old ones as may be submitted to it. Elsewhere in this issue (p. 77) will be found a full statement concerning this work.

While no specific authority has been conferred upon any administrative agency to approve or disapprove new undertakings, a number of corporations, executives, bankers, and municipal officials have already submitted plans for new enterprises or new issues; and it is now apparent that the Government may count upon a full measure of cooperation on the part of States, municipalities, and private corporations, with the result that a large number of such plans for future development will be submitted from time to time. The Secretary of the Treasury strongly urges upon the corporations and bankers of the country that before making contracts requiring the use of labor and material, and before placing new issues of securities or agreeing to purchase such new issues, they confer with the Federal Reserve Board in order that it may determine whether the under-

taking covered by any proposed issue is necessary for the public use and welfare, or contributes toward winning the war. The question at issue is not, the Secretary points out, one merely of capital, but also one of material and labor. "Public improvements or private enterprises which in times of peace might be entirely proper," he says, "should now be considered in the light of, or in connection with, the great governmental problems arising out of our military necessities."

In order to carry out the functions thus undertaken by the Federal Reserve Board, there has been named an advisory committee whose personnel and purposes were announced in a statement issued to the public on January 27. A special committee of the Board, consisting of Messrs. Warburg, Delano, and Hamlin, is assigned to the supervision of new capital issues, while in addition to these three members the proposed advisory committee is to consist of Mr. Allen B. Forbes, senior partner of the firm of Harris, Forbes & Co., New York City; Mr. F. H. Goff, president of the Cleveland Trust Co., Cleveland, Ohio; and Mr. Henry C. Flower, president of the Fidelity Trust Co., Kansas City, Mo. Mr. Forbes will act as chairman of the advisory committee. The counsel of the committee will be Mr. B. W. Palmer, of the firm of Storey, Thorndike, Palmer & Dodge, Boston. The Capital Issues Committee will organize at each of the twelve Federal Reserve Banks local committees for the purpose of furnishing to the committee such additional information and recommendations as the Board may require in dealing with cases originating in the respective districts. These local committees will consist in each case of the chairman of the board of directors and the governor of the respective Federal Reserve Banks and three additional members particularly equipped by banking or business experience to serve with these ex officio officers of the bank; in addition the Board will approve a list of names of qualified persons in those localities, who may be called in as sub-

stitutes or additional advisers for such local committees whenever required. The committee does not expect to deal with cases touching railroad financing, but it will give advice with respect to the sale of securities involving municipal, public utility, and industrial financing. The committee will act in a manner similar to that of the Capital Issues Committee in London, which exercises its influence, relying upon voluntary cooperation on the part of banks, bankers, and business men of the country. For the time being the committee does not contemplate passing upon individual issues of securities aggregating less than \$500,000, in the case of industrial and public utility corporations, and \$250,000 in the case of municipalities; nor upon securities having a maturity of less than one year. The work thus undertaken is in line with the plan which has already been announced in the Board's annual report as well as in its New Year's announcement respecting the necessity of saving bank credit as well as goods. Many indications of a disposition to cooperate have already been received, various important municipalities submitting their plans for proposed financing in order to obtain the advice of the new organization. A considerable number of private enterprises have done likewise, and the Board asks for the aid and support of all those bankers, trust companies, and other concerns which are from time to time interested in the issue of securities, as well as that of the business community, at whose instance, or in whose behalf such issues are placed on the market.

Carrying still further the idea of a plan to sustain the credit of those industries which are performing functions essential or desirable in connection with the conduct of the war, the Secretary of the Treasury announced on January 29 a draft of a measure to create a "War Finance Corporation." The function of the corporation would be to make advances to applicants, including commercial banks, savings banks, and other bankers or trust companies, which shall have advanced funds to industrial

enterprises necessary to the war in cases where they can not obtain such aid through regular banking channels, as well as in exceptional cases directly to persons, firms, corporations, or associations, whose operations shall be necessary or contributory to the prosecution of the war. The Secretary proposes that the corporation in question be permitted to have outstanding at any one time its own notes or obligations in an amount aggregating not more than eight times its paid-in capital, such notes or obligations to mature in not less than one or more than five years from the dates of issue.

In a statement regarding the proposed corporation, issued to the press on February 1, the Secretary of the Treasury says:

"As a corollary to the provision for the extension of credits, the bill provides for approval by the corporation, through a system of licenses, of issues of securities with a view to preventing the use of capital in unnecessary expenditures during the period of the war. This is of great importance to the country in order to conserve the supply of new capital and make it available for Government loans and essential war purposes. The Secretary of the Treasury has already asked for the voluntary submission to the Federal Reserve Board of any projected capital issue and has asked the Federal Reserve Board to pass upon such issues. The Federal Reserve Board is already performing this patriotic service, and in doing that has secured the cooperation of prominent bankers acting in an advisory capacity. The work which the Board has taken on this line should be regarded as preliminary to and laying the basis and furnishing in no small part the organization for the work which the corporation will have to do."

Further details of the plan are presented in full on p. 95 of this issue.

For the five weeks ending January 18 the net outward gold movement totaled about \$1,932,000, compared with \$3,426,000 for the preceding four weeks. Gold imports for the five weeks totaling \$3,506,000 came largely from Canada, Mexico, and South American countries, while gold exports totaling about \$5,438,000 were consigned chiefly to Mexico, Canada, and Chile.

Net gold imports for the calendar year 1917 totaled \$181,542,000, compared with \$529,952,000 for the year 1916, and \$420,529,000 the year before. The gain in the country's stock of gold since August 1, 1914, was \$1,050,785,000, as may be seen from the following exhibit:

[In thousands of dollars; i. e., 000 omitted.]

	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914.....	23,253	104,972	181,719
Jan. 1 to Dec. 31, 1915.....	451,955	31,426	420,529
Jan. 1 to Dec. 31, 1916.....	685,745	155,793	529,952
Jan. 1 to Dec. 31, 1917.....	553,713	372,171	181,542
Jan. 1 to Jan. 18, 1918.....	2,253	1,777	481
Total.....	1,716,924	666,139	1,050,785

¹ Excess of exports over imports.

The gold embargo has continued throughout the month upon practically the same basis as heretofore, the most important development being the conclusion of an agreement with the Government of Argentina whereby funds up to \$40,000,000 may be deposited with the Federal Reserve Bank of New York as a basis for the furnishing of exchange upon Argentina. This arrangement contemplates the exportation of gold to that country, should such shipment be desired, immediately after the close of the war. Arrangements have also been completed for the establishment of an additional Indian credit of 10,000,000 rupees, which sum has been distributed to importers in proportion to their needs through the Federal Reserve Bank of New York. Other negotiations for the working out of exchange arrangements with the governments of various countries to which gold would otherwise be shipped in settlement of international balances are expected shortly to be brought to a conclusion, and it is believed will result in avoiding the necessity of transferring specie.

In the following table are set forth data showing the increases or decreases in the number of banks on the par lists of various Federal Reserve Banks for the 12 months ending December 15, 1917. The tabulation shows that six districts have made gains during the period in question, and that of these, three have made very substantial progress. One district

is in about the same position as a year ago, while in four there has been some falling off.

It is proper to point out, however, that these percentages are somewhat misleading in certain cases. For example, there is no gain in the Boston district because all the banks in that district, both member and nonmember, have from the outset remitted at par. It may be that in some other cases also, where the gain has been small, it is because the number of banks reporting a year ago represented a larger proportion of all the banks in the district than in other districts which apparently make a better showing.

Where good progress has been made, it has been almost invariably due to energetic solicitation by one or more members of the staff of the bank who have devoted their attention to the matter and have done actual work for the purpose of adding to their par list.

Clearing membership in Federal Reserve system for the year 1917.

District.	Member banks.			
	Month ending—		Increase or decrease.	Per cent.
	Jan. 15.	Dec. 15.		
Boston.....	402	399	¹ 3	¹ 0.75
New York.....	623	651	28	4.49
Philadelphia.....	632	628	¹ 4	¹ .63
Cleveland.....	752	763	11	1.46
Richmond.....	521	529	8	1.53
Atlanta.....	389	391	2	.51
Chicago.....	1,044	1,084	40	3.84
St. Louis.....	468	479	11	2.35
Minneapolis.....	707	773	66	9.33
Kansas City.....	943	959	16	1.70
Dallas.....	619	633	14	2.26
San Francisco.....	522	534	12	2.30
Total.....	7,622	7,823	208	2.73

District.	Nonmember banks.			
	Month ending—		Increase or decrease.	Per cent.
	Jan. 15.	Dec. 15.		
Boston.....	242	242	(²)	.....
New York.....	313	343	30	0.96
Philadelphia.....	282	310	78	33.62
Cleveland.....	492	565	73	14.88
Richmond.....	286	266	¹ 20	¹ 7.00
Atlanta.....	416	326	¹ 90	¹ 21.63
Chicago.....	1,429	2,331	902	63.13
St. Louis.....	883	997	114	12.91
Minneapolis.....	1,100	1,033	¹ 67	¹ 6.09
Kansas City.....	1,408	1,527	119	8.45
Dallas.....	221	211	¹ 10	¹ 4.53
San Francisco.....	1,108	1,170	62	5.59
Total.....	8,130	9,321	1,191	14.64

¹ Decrease.

² All banks in Boston district are in the clearing system.

By the terms of a circular given to the public January 28, there has been put into practical operation the terms of the Executive order of November 23, 1917, in which provision was made for a definite regulation of foreign exchange transactions. The new system calls for the creation, under the direction of the Federal Reserve Board, of a system of regular reports by all persons engaged in foreign exchange business of every description, and will thus enable the Board to maintain a careful oversight or check upon practically the whole exchange business of the country. As heretofore stated, provision has been made for the immediate installation of this system, and an office has been opened in New York City for the purpose of facilitating the gathering of the regular reports which are called for by the new plan. Licenses will be regularly issued to applicants under the provisions of the new order, the text of which is published in this issue on pages 81-86. Hitherto there has been nothing to prevent banks from making remittances according to their own discretion and judgment, except in cases where there was reason to suppose that the transactions proposed to them were for account or benefit, direct or indirect, of an enemy alien, in which event it was necessary to bring the matter before the War Trade Board. This condition of affairs is now terminated, and the system of licensing, already referred to, is substituted therefor. The new regulations provide that "a dealer shall require every customer purchasing foreign exchange from him or selling foreign exchange to him, to file a statement showing the purpose of such purchase or sale with such details as the Federal Reserve Board may require, including a declaration to the effect that no enemy or ally of enemy of the United States has any interest directly or indirectly in such purchase or sale. The Federal Reserve Board shall prescribe the form of such declaration. Copies of such statements shall be furnished by such dealer upon request to the Federal Reserve Board, through the several Federal Reserve Banks."

Foreign exchange.

Exchange Agreement With Argentina.

It was announced at the Treasury on January 7 that Secretary McAdoo has concluded through the State Department an arrangement with the Argentine Government to stabilize exchange between the two countries and to check the depreciation of the American dollar on the Argentine market, which had threatened to become a serious obstacle to trade between the two countries.

Under the arrangement, the Argentine Government revives a law which was passed immediately after the outbreak of the European war, under which American business men, owing money to Argentine merchants, may deposit such amounts with the Argentine ambassador, who in turn deposits these amounts in current account with the Federal Reserve Bank of New York. The Argentine Government agrees that the balance of this account will not be shipped in gold until after the ratification of the treaty of peace ending the present war, and the American Government agrees that no obstacles will at that time be interposed to the shipment of the said balance in gold. Payments to the Argentine ambassador are to be on the basis of the relative gold value of the two currencies plus a charge of 3 per cent to cover transportation, insurance, and other charges.

The arrangement with the Argentine Government permits such deposits up to \$40,000,000 with the Argentine ambassador, but it is confidently expected that if this amount proves inadequate, arrangements for increasing the limit can be made with the Argentine Government.

Erratum.

On page 5 of the January Bulletin, in paragraph headed "Earnings and dividends" it is stated that "eight banks have paid their dividends to the end of the year 1917. The four remaining banks have paid all dividends to June 30, 1917," etc. This statement should read: "Six banks have paid full dividends to the end of the

year 1917, four to June 30, 1917, and the remaining two banks to the end of 1916."

Priorities in Capital Issues.

The following statement issued in the morning papers of January 27, 1918, gives the details of the Board's organization for the oversight of capital issues:

It was learned to-day that the Capital Issues Committee of the Federal Reserve Board has completed the draft of its general plans of organization.

In Washington, in addition to the three members of the Federal Reserve Board whose names have heretofore been announced, there will be an advisory committee consisting of Mr. Allen B. Forbes, senior partner of the firm of Harris, Forbes & Co., New York City; Mr. F. H. Goff, president of the Cleveland Trust Co., Cleveland, Ohio; and Mr. Henry C. Flower, president of the Fidelity Trust Co., Kansas City, Mo.

Mr. Forbes will act as chairman of the advisory committee. The counsel of the committee will be Mr. Bradley W. Palmer, of the firm of Storey, Thorndike, Palmer & Dodge, Boston. Mr. Stephen L. Selden, at present identified with the Aircraft Board, will be the executive secretary of the committee, in which capacity he will be assisted by Mr. James Q. Newton, of Denver, Colo. All these have offered their services without compensation. The advisory committee will have an office with the Federal Reserve Board in the Treasury Building and the staff of the committee will be located in the Metropolitan Bank Building, opposite the Treasury Building.

The Capital Issues Committee will organize at each of the twelve Federal Reserve Banks local committees for the purpose of furnishing to the committee such additional information and recommendations as the Board may require in dealing with cases originating in the respective districts. These local committees will consist of the chairman of the board and the governor of the respective Federal Reserve Banks and three additional members, particularly equipped by banking or business experience, to serve with these ex officio officers of the bank; in addition the Board will approve a list of names of experts and prominent citizens in those localities who may be called in as substitutes or additional advisers for such local committees whenever required.

The committee does not expect to deal with cases touching railroad financing, but it will give advice with respect to the sale of securities involving municipal, public utility, and industrial financing. The committee will act in a manner similar to that of the Capital Issues Committee in London, which exercises its influence relying upon voluntary cooperation on the part of the banks, bankers, and business men of the country.

For the time being the committee does not contemplate passing upon individual issues of securities aggregating less than \$500,000, in the case of industrial and public utility corporations, and \$250,000 in the case of municipalities; nor upon securities having a maturity of less than one year. This does not mean that for smaller amounts the committee does not desire the cooperation of all concerned. Indeed, it is considered imperative that a policy of avoiding appropriations for unessential expenditures be adopted by all with the most scrupulous care. The committee hopes in due course it will be able to devise ways and means to deal also with transactions of smaller scope.

It is distinctly understood that the committee will not pass upon the intrinsic merits of individual cases, but only upon the question of whether or not the objects for which money is to be raised and spent are essential to and compatible with the national welfare at this time.

It is the committee's desire that applications be addressed to it at Washington. From there, if necessary, they will be transmitted for further local investigation to the respective districts.

There is no doubt that pending possible action by Congress the committee can count upon the heartiest cooperation of all concerned. As a matter of fact, it has already received communications from all parts of the country asking for its advice.

With the statement in question the following letter was given out for issue in the various Federal Reserve districts:

DEAR SIR: In order to win the war, it is imperative at this time that goods, credit, and savings be placed at the disposal of the Government in the largest possible measure. Any unnecessary production or consumption of goods, and any unnecessary use of credit, saps and weakens the fighting strength of the nation.

There is no doubt about the willingness of the people of the United States to meet the Government's requirements generously and without reserve; but they demand, and are

entitled to, guidance as to which industries and pursuits are to be considered as necessary for the best interest of the country, and, therefore, are to be stimulated, and which, on the other hand, are to be held as unnecessary and, therefore, to be discouraged under present circumstances.

The problem affects with peculiar force our banking operations because credit improperly granted not only wastes to that extent funds that should be made available to the Government, but misdirects at the same time the use of labor and material which should be devoted to our national purposes.

To bring about a proper control of credit is, therefore, one of the foremost endeavors of nations at war, and it is for this reason that European belligerent countries have created some central organizations whose duty it is to state authoritatively whether or not the sale of securities (stocks or bonds or notes) is in the public interest, no securities being placed by voluntary agreement or by act of law, except with the approval of these bodies.

In a letter dated January 11, 1918, Secretary McAdoo invited the Federal Reserve Board:

"as another patriotic service to assume the responsibility of passing upon such proposals as may be submitted to them in respect to capital expenditures or issues of new securities."

At the same time, the Secretary issued a public statement, which is printed below.

The Board, acting upon this letter, passed a resolution accepting this charge, appointing three of its members, Messrs. Warburg, Hamlin, and Delano, to act as a Capital Issues Committee, authorizing the committee to engage the necessary staff and to appoint an expert advisory committee to assist it in investigating and passing upon all cases that would come before it.

Messrs. Allen B. Forbes, senior partner of the firm of Harris, Forbes & Co., New York City; F. H. Goff, president of the Cleveland Trust Co., Cleveland, Ohio; and Henry C. Flower, president of the Fidelity Trust Co., Kansas City, Mo., were then invited to become members of the advisory committee, and in a fine spirit of patriotism, they have agreed to serve in this capacity. The committee will not pass upon the intrinsic merit of securities to be offered for sale; it will only examine into two questions:

(1) Whether the offer is timely with respect to the financial operations to be undertaken by the Government from time to time, and

(2) Whether the objects for which the funds are to be raised by the offer of securities are

compatible with the public interest as above described.

In developing its policies as to the various classes of cases involved and in passing upon them individually, the committee expects to seek advice from the various departments and boards at Washington and, in addition, it expects, whenever necessary, to call upon the chairman and governor of each Federal Reserve Bank for a local investigation and report, authorizing them to invite, from a list to be approved by the Board, not more than three men likely to be able to give expert and judicial advice in the case, to join with them in particular examination and report.

The committee is mindful of the fact that, on the part of the banks and bankers, there is no legal obligation to submit their cases. It will be an entirely voluntary act by them. The committee has no doubt, however, that it may count upon their single minded patriotic cooperation. The committee hopes that before offering for sale stocks, bonds or notes of corporations in amounts of \$500,000 and above, and in the case of States, counties, and municipalities of \$250,000 and above, advice will be sought from it as to whether such sale at the time will be held to be compatible with the public interest. While the committee will be glad to give advice to the best of its knowledge and ability in all questions of credit submitted to it, it does not in general expect to pass upon notes having less than one year to run.

You are requested to bring this letter to the notice of the banks and investment houses of your district and to invite their cordial cooperation.

Application forms are in course of preparation, and they should be addressed to "Federal Reserve Board, Capital Issues Committee, Washington, D. C."

Very truly, yours,

PAUL M. WARBURG,
Chairman, Capital Issues Committee.

The statement issued by the Secretary of the Treasury, referred to above, is as follows:

"In my annual report to Congress, dated December 3, 1917, I referred to the importance at this time of avoiding unnecessary capital expenditures in both public and private enterprises. While no specific authority has been conferred upon me to approve or disapprove new undertakings, a number of corporation executives, bankers, and municipal officials, inspired by the idea that they should do

nothing which would in any way retard our efforts in the prosecution of the war, have submitted to me plans for new enterprises or new issues of securities.

"It is now apparent that the Government may count upon a full measure of cooperation on the part of the States, municipalities, and private corporations, with the result that a large number of such plans for future developments will be submitted from time to time. It therefore becomes necessary that each of these proposals receive adequate consideration and that a recommendation be made without delay as to the course to be pursued.

"Pending action by Congress, I have requested the Federal Reserve Board to pass upon such proposals as may be submitted to them or referred to them by me, and advise whether or not such expenditures of capital or such issues of new securities should be made. The Board has consented to undertake this responsible work, and I therefore strongly urge upon the corporations and the bankers of the country, that before making contracts requiring the use of labor and material, or before placing new issues of securities or agreeing to purchase new issues of securities, they confer with the Federal Reserve Board in order that it may determine whether the undertaking covered by the proposals is necessary for the public health and welfare, or contributes directly toward winning the war.

"This is not alone a question of capital, but of material and labor. Public improvements or new private enterprises which in time of peace might be entirely proper, should now be considered in the light of, or in connection with, the great Governmental problems arising out of our military necessities. I am confident that I can count upon the cordial cooperation of all concerned in this great work of conserving our capital resources, so that we may devote them primarily to bringing victory and peace."

Annual Report of the Federal Reserve Board.

The Federal Reserve Board transmitted to the Speaker of the House of Representatives on January 22 its fourth annual report. As usual this report, with exhibits and statistics attached thereto, and including the reports of Federal Reserve agents, will be transmitted to every member bank. Simultaneously with the

transmission of the report, the following statement, intended briefly to summarize some of the salient features of the document, was made public:

War's effect upon national finance and banking is reflected in the fourth annual report of the Federal Reserve Board, transmitted to the Speaker of the House of Representatives on Tuesday, January 22. The Board reviews the conditions brought about by the great growth of foreign trade and the various measures intended to remedy resulting difficulties or forestall dangers that have been put into effect in consequence. Chief among the latter are the provision of a large supply of Federal Reserve notes, which were provided and conveniently stored early in the year 1917, the development of numerous expedients for the conservation of the gold supply, and the application of the amendments of June 21, 1917, to the Federal Reserve act, for the purpose of enlarging reserves and strengthening the lending power of the several banks.

The Board calls attention to the effect of the war upon the banking and credit situation, both public and private, pointing out the rise in prices, but emphasizing the fact that while during the year 1917 there has been a lessening of the fluidity and availability of the country's banking resources the change is not surprising in view of the heavy requirements. It also points out that these changes in prices are not necessarily due to alterations in the banking position, but that abnormal demands and the withdrawal of labor and capital have had an important and far-reaching effect. "Banking expansion," the Board says, "is an unavoidable incident of war finance, but every effort should nevertheless be made to counteract it so far as possible by eliminating banking credit not clearly needed for the purpose of purchasing or carrying goods necessary for the life of a nation at war." From the standpoint of the private individual it is noted that the effect of the Government's borrowing on a large scale has been to withdraw from the market a large proportion of the funds normally available for other loans. This tendency has resulted in an effort to make paper ordinarily regarded as ineligible available for rediscount at Federal Reserve Banks. The policy of the Board, however, has invariably been to refuse such applications and to maintain the liquid character of bank assets. "Under no circumstances," says the report, "can the Board admit the eligibility of pa-

per * * * which in its essential character fails to conform to sound banking principles." The report, however, suggests early consideration by Congress of the problem of corporate financing, in the belief that no satisfactory solution of the general corporate and credit problem will be found that does not involve some degree of government intervention. The Board is of the opinion that some plan for such intervention or aid can be worked out that will meet the situation satisfactorily. One effect of the war has been to enlarge the earning power of the Federal Reserve Banks in a very material degree. The gross earnings are given as \$15,800,000 and the net earnings as \$11,200,000. The dividends declared during the year are about \$6,800,000. Six of the banks have paid their dividends completely up to the end of the year 1917, while four others have paid up to June 30, 1917, and the remaining two have paid to the end of the year 1916. Although the banks are not operated primarily for profit, the Board calls attention to the fact that during the coming year their earnings will undoubtedly be large, and that a substantial franchise tax will be paid to the Government out of excess earnings. The amount paid this year to the Government is \$1,134,234. In connection with the management of the banks the Board explains that the events of the past year have done much to bring into their proper relationship the several elements of the Federal Reserve system, and that the position of the Board as the governing body of all the banks is now well defined, the line of distinction between the local managements of each institution and the general policies of the system growing more and more marked. Among the activities of the year that are incidentally described are the further extension and development of the clearing and collection system and the continuation of work under the Clayton Act, permits for service as directors being granted in 182 cases. Applications for fiduciary powers have been granted in 112 cases.

The expense of conducting the work of the Board during the year has been a little less than \$250,000, including all salaries, while the cost of the gold-settlement fund for the year has been about \$3,500, or \$0.013 per \$1,000.

While no far-reaching amendments to the Federal Reserve act are recommended, a number of minor changes are suggested for the consideration of Congress. Among these is a change in the present method of electing directors called for by the fact that under

present conditions only a minority of all banks entitled to vote are taking an active part in the selection; a change in the denominations of Federal Reserve notes intended to permit the issue of large bills; a change in the terms of section 22, which relates to transactions between directors and their respective banks; the amendment of section 25 designed to provide for the incorporation under Federal Reserve charter of banks for foreign trade, and the amendment of section 25 to permit the establishment of branches of national banks in the cities where such banks are located.

In closing, the Board calls attention to the fact that due to the concentration of reserves the Federal Reserve system is to-day the ultimate resource of the business and financial community and that its position as such is unquestionable. The responsibility thus laid upon it emphasizes the necessity of making sure that every policy adopted must be developed with the view of maintaining and strengthening the financial position of the country and of providing for the readjustments to follow the war.

Acceptances to 100 Per Cent.

The Second National Bank, New York City, the Corn Exchange National Bank, Philadelphia, Pa., and the Bank of the Manhattan Co., New York City, during the month have been granted authority by the Federal Reserve Board to accept drafts and bills of exchange up to 100 per cent of their capital and surplus.

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:

DISTRICT No. 1.

Trustee, executor, and administrator:

National Bank of Bellows Falls, Bellows Falls, Vt.

Trustee:

City National Bank, Berlin, N. H.

DISTRICT No. 8.

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

First National Bank, Greenville, Miss.

DISTRICT No. 5.

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

Commercial National Bank, High Point, N. C.

DISTRICT No. 6.

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

First National Bank, Canton, Miss.

DISTRICT No. 7.

Trustee, executor, and administrator:

German American National Bank, Arlington, Iowa.

Home National Bank, Thorntown, Ind.

DISTRICT No. 8.

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

Third National Bank, St. Louis, Mo.

DISTRICT No. 9.

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

Merchants National Bank, Billings, Mont.

Regulation of Foreign Exchange.

Following is the text of an Executive order signed by the President on January 26, 1918, prescribing rules and regulations under section 5 of the trading-with-the-enemy act and supplementing rules and regulations heretofore prescribed under title 7 of the espionage act.

Whereas by virtue of the authority vested in me by the act approved June 15, 1917, known as the espionage act, I directed by Executive order, dated September 7, 1917, that the regulations, orders, limitations, and exceptions prescribed by me in relation to the export of coin, bullion, and currency should be administered by the Secretary of the Treasury, and upon his recommendation prescribed certain regulations in relation thereto; and

Whereas by Executive order, dated October 12, 1917, made under authority of the act aforesaid and of the act approved October 6, 1917, known as the trading-with-the-enemy act, I vested in the Secretary of the Treasury the executive administration of any investigation, regulation, or prohibition of any transactions in foreign exchange, export, or earmarking of gold or silver coin or bullion or currency, transfers of credit in any form (other than credits relating solely to transactions to be executed wholly within the United States) and transfers of evidences of indebtedness or of the ownership of property between the United States and any foreign country or between residents of one or more foreign countries by any person

within the United States, and I further vested in the Secretary of the Treasury the authority and power to require any person engaged in any such transaction to furnish, under oath, complete information relative thereto, including the production of any books of account, contracts, letters, or other papers in connection therewith in the custody or control of such person, either before or after such transaction is completed; and

Whereas by said Executive order, dated October 12, 1917, I authorized and directed the Secretary of the Treasury for the purpose of such executive administration to take such measures, adopt such administrative procedure, and use such agency or agencies as he may from time to time deem necessary and proper for that purpose and

Whereas the Secretary of the Treasury, with the approval of the President, by order dated November 23, 1917, adopted certain administrative procedure for the executive administration, authority and power vested in the Secretary of the Treasury by said Executive order, dated October 12, 1917, and designated the Federal Reserve Board to act as the agency of the Secretary of the Treasury, subject to the approval of the Secretary of the Treasury, to carry out such executive administration, authority, and power vested in the Secretary of the Treasury as hereinbefore recited:

Now, therefore, upon the recommendation of the Secretary of the Treasury, and in order to vest all necessary authority in the Federal Reserve Board to act as the agency of the Secretary of the Treasury, in the performance of the duties hereby imposed upon it, I hereby prescribe the following orders, rules, and regulations in respect of such executive administration, authority, and power, and I hereby amend the regulations heretofore prescribed by said Executive order, dated September 7, 1917, as herein provided.

DEFINITIONS.

PERSON.

The term *person* as used herein shall be deemed to mean an individual, partnership, association, company, or other unincorporated body of individuals or corporation or body politic.

DEALER.

The term *dealer* as used herein shall be deemed to mean any person engaged primarily or incidentally in the business (1) of buying, selling, or dealing in foreign exchange, or (2) of buying, selling, or dealing in securities *for* or *through* foreign correspondents, or (3) any person who carries accounts or securities *with* or *for* foreign correspondents.

DEALERS OF CLASS A.

Dealers who engage in the business of buying, selling, or dealing in foreign exchange, or of buying, selling, or dealing in securities *for* or *through* foreign correspondents, and who may or may not carry accounts or securities

with or for foreign correspondents shall be known as dealers of Class A.

DEALERS OF CLASS B.

Dealers who carry accounts or securities *with* foreign correspondents or who buy, sell, or deal in securities *through* such correspondents but who do not carry accounts or securities *with* foreign correspondents and who do not engage in the business of buying, selling, or dealing in foreign exchange or of buying, selling, or dealing in securities *for* foreign correspondents shall be known as dealers of Class B.

DEALERS OF CLASS C.

Dealers who carry accounts or securities *for* foreign correspondents or who buy, sell, or deal in securities *for* such correspondents but who do not carry accounts or securities *with* foreign correspondents and who do not engage in the business of buying, selling, or dealing in foreign exchange or of buying, selling, or dealing in securities *through* foreign correspondents shall be known as dealers of Class C.

FOREIGN EXCHANGE.

The term *foreign exchange* as used herein shall be deemed to mean checks, drafts, bills of exchange, cable transfers, or any form of negotiable or assignable instrument, or order used (a) to transfer credit or to order the payment of funds in any foreign country, or (b) to transfer credit or to order the payment of funds within the United States for foreign account.

SECURITIES.

The term *securities* as used herein shall be deemed to mean all evidences of ownership of property not included in the foregoing definition of foreign exchange.

CORRESPONDENT.

The term *correspondent* as used herein shall be deemed to mean any person who acts as the agent of, or for, or on behalf of, or as the depository of, another person, or any person who is the principal for, or on behalf of, whom another person acts as agent.

CUSTOMER.

The term *customer* as used herein shall be deemed to mean any person other than a dealer who buys foreign exchange from a dealer or sells foreign exchange to a dealer.

TRANSACTIONS IN FOREIGN EXCHANGE AND CERTAIN OTHER TRANSACTIONS PROHIBITED EXCEPT AS HEREIN AUTHORIZED.

All transactions in foreign exchange, export or earmarking of gold or silver coin or bullion or currency, transfers of credit in any form (other than credits relating solely to transactions to be executed wholly within the United States) and transfers of evidences of indebtedness or of

the ownership of property between the United States and any foreign country, whether enemy, ally of enemy, or otherwise, or between residents of one or more foreign countries, by any person within the United States, except any such transactions or transfers conducted in conformity herewith, are hereby prohibited.

TRANSACTIONS IN FOREIGN EXCHANGE OR IN SECURITIES FOR OR THROUGH FOREIGN ACCOUNT.

CERTAIN PERSONS REQUIRED TO OBTAIN REGISTRATION CERTIFICATES.

No person, other than a customer, shall, after February 10, 1918, engage in any transaction or make any transfer described in the next preceding subdivision hereof who shall not have obtained, on or before that date, a registration certificate, as hereinafter provided.

Every person who is a dealer upon the date hereof, as promptly as possible and in any event on or before January 31, 1918, shall file, with the Federal Reserve Board, through the Federal Reserve Bank of his district, an application for a registration certificate. Such application shall be in form approved by the Federal Reserve Board and shall show the character of business engaged in and whether or not an enemy or ally of enemy of the United States or any subject or citizen of an enemy or ally of enemy, wherever resident or domiciled, has any interest directly or indirectly in such business. Such application shall embody an agreement on the part of the applicant to comply with the regulations of the Federal Reserve Board, and to permit the inspection at any time of his books and accounts and to make reports as and when required on forms to be approved by the Federal Reserve Board.

The Federal Reserve Board may issue to such applicant the appropriate registration certificate in form approved by it, entitling the holder to engage in the class or classes of foreign exchange or other transactions specified in such certificate, subject to all applicable provisions of law and to such Executive orders of the President and administrative regulations as shall have been issued or may from time to time be issued by the Federal Reserve Board.

Any person who is not a dealer at the date hereof but who hereafter desires to become a dealer must first obtain a registration certificate.

Any person, other than a customer, who does not desire to become a dealer but who nevertheless desires to engage in one or several transactions or to make one or several transfers described in the next preceding subdivision hereof, may be permitted by the Federal Reserve Board, in its discretion, to engage in any such transaction or to make any such transfer without first obtaining a registration certificate, and the Federal Reserve Board may likewise waive any requirement hereof, other than any which relates to trading with an enemy or ally of enemy, whenever it is satisfied that such waiver is not incompatible with the best interests of the United States.

Nothing herein shall be construed to abrogate or modify any existing requirement that licenses shall be obtained

from the War Trade Board in respect of any transaction with, or for account of, an enemy or ally of enemy, or any person acting for, or on behalf of, or for the benefit of, an enemy or ally of enemy.

REVOCATION OF REGISTRATION CERTIFICATES.

Any or all such registration certificates may be revoked at any time by direction of the Secretary of the Treasury or of the Federal Reserve Board.

BOOKS AND ACCOUNTS.

Each Federal Reserve Bank through which any such registration certificate shall be issued shall furnish to the applicant copies of all forms of reports required, and the books and records of such applicant shall thereafter be kept in a manner which will make it possible to furnish information called for in such reports without delay.

GENERAL REPORTS.

After obtaining a registration certificate, each holder thereof shall file with the Federal Reserve Bank through which such certificate shall be issued a report on forms to be furnished by the Federal Reserve Board, showing all accounts or securities carried *with* or *for* foreign correspondents as of the close of business on January 30, 1918, or on such other date as the Federal Reserve Board may require, and such other information as may be called for on such forms and shall thereafter file with the Federal Reserve Board, through such Federal Reserve Bank, on dates specified by the Federal Reserve Board, reports showing all changes in such accounts and all purchases, sales, and other transactions in foreign exchange or securities *for* or *through* foreign correspondents.

CUSTOMERS' STATEMENTS.

A dealer shall require every customer purchasing foreign exchange from him or selling foreign exchange to him, to file a statement showing the purpose of such purchase or sale with such details as the Federal Reserve Board may require, including a declaration to the effect that no enemy or ally of enemy of the United States has any interest directly or indirectly in such purchase or sale. The Federal Reserve Board shall prescribe the form of such declaration. Copies of such statements shall be furnished by such dealer upon request to the Federal Reserve Board, through the several Federal Reserve Banks.

REPORTS MADE THROUGH DOMESTIC CORRESPONDENTS.

Dealers to whom registration certificates have been issued, and who buy, sell, or deal in foreign exchange through domestic correspondents (for example, banking or other institutions located in the United States), unless otherwise directed by the Federal Reserve Board, shall arrange with such correspondents to include such transactions in the reports of such correspondents.

Such dealers will be required to report to the Federal Reserve Board only those foreign exchange transactions

which are not included in the reports of such correspondents but may be called upon for any information in regard thereto desired by the Federal Reserve Board, and shall keep all books and records in a manner which will make it possible to furnish such information.

SPECIAL REPORTS.

Whenever any holder of a registration certificate shall have reason to believe that any transaction within his knowledge involves or may involve directly or indirectly the payment of funds or delivery of securities to or the transfer of credit or securities for the benefit of an enemy or ally of enemy, or which may involve any other transaction with an enemy or ally of enemy, he shall immediately report the facts and circumstances to the Federal Reserve Board through a Federal Reserve Bank.

FILING AND VERIFICATION OF REPORTS.

All reports, statements, and declarations herein required, unless otherwise specified, shall be filed with the Federal Reserve Board through the Federal Reserve Banks.

Any or all such reports, statements, or declarations shall, in the discretion of the Federal Reserve Board, be verified by oath of the person making same.

EXAMINATIONS.

The books and records of all dealers must at all times be open to inspection by examiners designated by the Federal Reserve Board.

DECLARATION OF FOREIGN CORRESPONDENT TO BE OBTAINED BY HOLDERS OF REGISTRATION CERTIFICATES.

After dates to be fixed by the Federal Reserve Board in respect of each foreign country, respectively, no holder of a registration certificate shall engage in transactions *with*, *through*, or *for* any foreign correspondent in such foreign country unless he shall have obtained from such correspondent a declaration to the following effect:

Having arranged with to act as
[Holder of registration certificate.]

the agent or correspondent in the United States for, or on behalf of, the undersigned, under regulations issued by the appropriate authorities of the United States Government and/or the undersigned having agreed to act as the foreign correspondent of the said I/we do hereby declare that I/we will not deal or attempt to deal, directly or indirectly, with said agent or correspondent in any transaction for or on account of, or for the benefit of, an enemy or ally of enemy of the United States, and will not make available for the use of an enemy or ally of enemy of the United States any funds or property received or credits established as a result of any transaction engaged in with or through said agent or correspondent, and will not transmit to said agent or correspondent for collection or credit any negotiable instrument bearing the signature or indorsement of an enemy or ally of enemy of the United States.

The words "enemy" and "ally of enemy" are used herein as now or hereafter defined by laws of the United States or by proclamation of the President of the United States.

NOTE.—If foreign correspondent is incorporated this certificate must be executed by a duly authorized officer of such corporation.

SUSPENSION OF RELATIONS WITH FOREIGN CORRESPONDENTS.

If any foreign correspondent of a dealer in the United States or any person proposing to become the foreign correspondent of a dealer in the United States, shall refuse or fail to make the foregoing declaration as herein required, or if the Federal Reserve Board shall have reason to believe that any such foreign correspondent or any such person is dealing or trading with an enemy or ally of enemy of the United States, contrary to the provisions of the declaration of noninterest of enemies, herein required, or if in the judgment of the Federal Reserve Board the best interest of the United States requires such action, it may prohibit any dealer or dealers in the United States from engaging in any transaction *with, through, for, or on behalf of* such correspondent or such person.

SUSPENSION OF TRANSACTIONS.

Whenever the Federal Reserve Board shall have reason to believe that any transaction in foreign exchange or any transfer of securities carried *with or for* a foreign correspondent involves or may involve trading with an enemy, or ally of enemy, or in its judgment is incompatible with the best interest of the United States, it may cause notice to be served on the parties in interest to postpone the consummation of such transaction for a period of 90 days pending investigation of the facts, and upon investigation if the Federal Reserve Board is of the opinion that the best interests of the United States require such action it may prohibit the consummation of such transaction.

The Secretary of the Treasury may likewise prohibit the consummation of any such transaction by notice served on the parties in interest (either directly or through the Federal Reserve Board) in any case in which in his judgment the best interests of the United States require such action.

SPECIAL PROVISIONS AS TO COLLECTION OF DIVIDENDS, INTEREST, OR MATURING OBLIGATIONS FOR FOREIGN ACCOUNT.

Every person presenting for collection maturing obligations, or coupons, checks, or drafts issued for dividends or interest, for account of any foreign Government or person resident in any foreign country, shall make a declaration in form approved by the Federal Reserve Board, to the effect that such collections are not made for, or on behalf of, or for the benefit of, any enemy or ally of enemy; that the proceeds of such collections will not be made available for any enemy or ally of enemy; and that the maturing obligations, or the obligations and stocks upon which dividends or interest are to be paid, are not the property of any enemy or ally of enemy; have not been owned by, or held for the account of, any enemy or ally of enemy, since January 26, 1918, and were not purchased by the present owner from any enemy or ally of enemy or from any person acting for or on behalf of or for the benefit of an enemy or ally of enemy since February 3, 1917.

Provided, however, that any holder of a Class A or Class C registration certificate may collect maturing obligations and coupons, checks, or drafts issued for dividends or interest for account of a person resident in a foreign country, without making such declaration, if such holder has filed with the Federal Reserve Board a similar declaration executed by the person for whom collection is made.

INTEREST OR DIVIDEND CHECKS PAYABLE FOR FOREIGN ACCOUNT.

Every person issuing checks or drafts for interest or dividends after January 26, 1918, payable to any foreign Government or to any person resident in a foreign country shall attach to or shall print on the back of such check or draft the following statement:

This check or draft will not be paid unless the following declaration is executed by the person to whom it is sent for collection by the payee, or his agent, or by the person who acts as the agent in the United States for the payee.

From actual personal knowledge, or in reliance upon declarations or affidavits furnished the undersigned by the parties in interest, I/we do hereby expressly declare that no enemy or ally of enemy of the United States is directly or indirectly interested in the proceeds of this check or draft and that such proceeds will not be made available for the use of an enemy or ally of enemy of the United States; that the stock upon which this dividend is paid (or the obligation upon which this interest is paid) is not and has not been owned by or held for account of an enemy or ally of enemy of the United States since January 26, 1918, and has not been purchased by the present owner from an enemy or ally of enemy or from a person acting for or on behalf of or for the benefit of an enemy or ally of enemy since February 3, 1917.

DEALINGS IN SECURITIES FOR OR THROUGH FOREIGN ACCOUNT.

No person shall purchase, sell, or deliver any securities for account of any foreign Government, or for account of any person resident in a foreign country, unless such Government or such person, as the case may be, shall have made a declaration, in form approved by the Federal Reserve Board, similar in effect to that required in the case of the collection of maturing obligations, for account of a foreign Government or person resident in a foreign country.

PROCEDURE WHERE DECLARATION OF NONINTEREST OF ENEMY OR ALLY OF ENEMY CAN NOT BE MADE.

Any person who is unable to make a declaration of non-interest of enemy or ally of enemy required hereunder may apply to the Federal Reserve Board for a waiver of such declaration, submitting to such board all facts and circumstances relating to the transaction involved which are in the possession of the applicant. If upon investigation the Federal Reserve Board shall determine that there is no reason to believe that any enemy or ally of enemy is directly or indirectly interested in the transaction involved, and that its consummation will not be incompatible with the best interests of the United States, it may permit the transaction to be consummated without the declaration herein required. If the Federal Reserve Board shall have reason to believe that an enemy or ally of enemy is or may be directly or indirectly interested in

the transaction, it shall transmit to the War Trade Board all records in the case for such action as that board may determine to be necessary.

EXPORT AND EARMARKING OF COIN, BULLION, OR CURRENCY.

The following regulations prescribed by Executive order, dated September 7, 1917, shall continue in force as herein amended.

Any person desiring to export from the United States or any of its territorial possessions to any foreign country named in the proclamation dated September 7, 1917, any coin, bullion, or currency, shall first file an application in triplicate with the Federal Reserve Bank of the district in which such person is located for a special or general license. Applications filed must contain statements under oath and showing in detail the nature of the transaction, the amount involved, the parties directly and indirectly interested, and such other information as may be of assistance to the proper authorities in determining whether the exportation for which a license is desired will be compatible with the public interest. All such applications should be made on the standard form prescribed by the Federal Reserve Board.

Each Federal Reserve Bank shall keep a record copy of each application filed with it under the provisions of this regulation and shall forward the original application and a duplicate to the Federal Reserve Board at Washington, together with such information or suggestions as it may believe proper in the circumstances, and shall in addition make a formal recommendation as to whether or not, in its opinion, the exportation should be permitted.

The Federal Reserve Board, subject to the approval of the Secretary of the Treasury, is hereby authorized and empowered, upon receipt of such application and the recommendation of the Federal Reserve Bank, to make such ruling as it may deem proper in the circumstances; and if, in its opinion, the exportation in question be compatible with the public interest, to permit said exportation to be made; otherwise to refuse it.

No gold or silver coin, or bullion, or currency shall be set aside and earmarked for safekeeping for any person without the written approval of the Federal Reserve Board.

LICENSES FROM WAR TRADE BOARD IN TRANSACTIONS INVOLVING TRADING WITH AN ENEMY OR ALLY OF ENEMY.

Applications to the Federal Reserve Board for permission to export or earmark gold or silver coin or bullion or currency shall be accompanied by a certified copy of a license issued by the War Trade Board, whenever any such transactions involve or may involve trading directly or indirectly with an enemy or ally of enemy or with any person acting for, or on behalf of, or for the benefit of, an enemy or ally of enemy.

APPLICATIONS FOR REGISTRATION CERTIFICATES AND EXPORT LICENSES, PROVIDED FOR HEREUNDER, BY PERSONS RESIDING IN ANY DEPENDENCY OF THE UNITED STATES.

Applications to the Federal Reserve Board either for registration certificates or for licenses to export coin, bullion or currency may be made by persons residing in any dependency of the United States (including the Philippine Islands, Alaska, Guam, Hawaii, Porto Rico, Virgin Islands, and Canal Zone) through such agency located in any such dependency as may be hereafter designated by the Federal Reserve Board, instead of through a Federal Reserve Bank; but until an agency has been so designated in any such dependency, persons residing therein may make such applications through any Federal Reserve Bank. The Federal Reserve Board may from time to time postpone, in respect of any one or more of such dependencies, the date on and after which persons residing therein shall be prohibited from engaging in any of the transactions or making any transfer hereinbefore prohibited without having obtained registration certificates, in case such registration certificates can not be obtained on or before the date hereinbefore specified.

(Signed) WOODROW WILSON.

The WHITE HOUSE,
26 January, 1918.

The following forms were approved by the Federal Reserve Board in connection with the above Executive order:

(Form FE 107. Application for registration certificate.)

..... of hereby makes application for a Class .. registration certificate to be issued under authority of Executive order of the President, dated January 26, 1918, made by virtue of the authority vested in the President by the act of Congress approved June 15, 1917, known as the Espionage Act, and the act approved October 6, 1917, known as the Trading-with-the-Enemy Act.

The applicant expressly undertakes and agrees, in consideration of the issuance of the certificate applied for, (a) that all books and records relating to any transaction engaged in under authority of such certificate shall be open at all times to inspection by the examiners designated by the Federal Reserve Board; (b) that all reports required under regulations of the Federal Reserve Board will be promptly furnished on forms approved by the Federal Reserve Board; (c) that all transactions engaged in under authority of this certificate will be conducted in accordance with regulations now or hereafter made by the Secretary of the Treasury or by the Federal Reserve Board, and with such Executive orders as the President may have issued or may hereafter issue.

It is expressly represented to the Federal Reserve Board that the business engaged in by the applicant is

that no enemy or ally of enemy and no subject or citizen of an enemy or ally of enemy has any interest directly or indirectly in the business of the applicant except as shown on statement accompanying and forming part of this application, marked Exhibit A.

IN WITNESS WHEREOF, this application is executed this day of, 191

To the FEDERAL RESERVE BOARD,
Washington, D. C.

NOTE.—Exhibit A should consist of a copy of report, if any, made to the Alien Property Custodian in compliance with the provisions of the Trading-with-the-Enemy Act, with such additional information as the circumstances may require.

RECOMMENDATION OF FEDERAL RESERVE BANK.

The foregoing application has been examined and it is recommended that the certificate applied for be ^{granted.}
_{refused.}

(Form FE 108. Registration certificate, Class A.)

This is to certify that _____, of _____ is entitled to engage in the business of: (1) Buying, selling, or dealing in foreign exchange; (2) buying, selling, or dealing in securities for foreign correspondents; and (3) buying, selling, or dealing in securities through foreign correspondents; and is entitled to (4) carry accounts of securities for foreign correspondents; and to (5) carry accounts or securities with foreign correspondents. All such transactions shall be subject to all applicable provisions of law and to such Executive orders of the President and administrative regulations of the Secretary of the Treasury or of the Federal Reserve Board as have been or may hereafter be issued.

This certificate does not entitle the holder to engage in any transaction which involves or may involve directly or indirectly trading with an enemy or ally of enemy of the United States, and is subject to revocation at any time by order of the Secretary of the Treasury or of the Federal Reserve Board.

Issued under authority of Executive order of the President, dated January 26, 1918, made by virtue of the authority vested in the President by the act of Congress approved June 15, 1917, known as the Espionage Act, and the act approved October 6, 1917, known as the Trading-with-the-Enemy Act.

FEDERAL RESERVE BOARD,

By _____, Governor.

Countersignature:

(Form FE 109. Registration certificate, class B.)

This is to certify that _____ of _____ is entitled to (1) carry accounts or securities with foreign correspondents, and to engage in the business of (2) buying, selling, or dealing in securities through foreign correspondents.

All such transactions shall be subject to all applicable provisions of law and to such Executive orders of the President and administrative regulations of the Secretary of the Treasury or of the Federal Reserve Board as have been or may hereafter be issued.

This certificate does not entitle the holder to engage in the business of (a) buying, selling, or dealing in foreign exchange; or of (b) buying, selling, or dealing in securities for foreign correspondents, or to (c) carry accounts or securities for foreign correspondents.

This certificate does not entitle the holder to engage in any transaction which involves or may involve directly or indirectly trading with an enemy or ally of enemy of the United States and is subject to revocation at any time by order of the Secretary of the Treasury or of the Federal Reserve Board.

Issued under authority of Executive order of the President, dated January 26, 1918, made by virtue of the authority vested in the President by the act of Congress approved June 15, 1917, known as the espionage act, and the act approved October 6, 1917, known as the trading-with-the-enemy act.

FEDERAL RESERVE BOARD,

By _____, Governor.

Countersigned:

(Form FE 110. Registration certificate, class C.)

This is to certify that _____ of _____ is entitled to (1) carry accounts or securities for foreign correspondents, and to engage in the business of (2) buying, selling, or dealing in securities for foreign correspondents.

All such transactions shall be subject to all applicable provisions of law and to such Executive orders of the President and administrative regulations of the Secretary of the Treasury or of the Federal Reserve Board as have been or may hereafter be issued.

This certificate does not entitle the holder to engage in the business of (a) buying, selling, or dealing in foreign exchange; or of (b) buying, selling, or dealing in securities through foreign correspondents; or to (c) carry accounts or securities with foreign correspondents.

This certificate does not entitle the holder to engage in any transaction which involves or may involve directly or indirectly trading with an enemy or ally of enemy of the United States, and is subject to revocation at any time by order of the Secretary of the Treasury or of the Federal Reserve Board.

Issued under authority of Executive order of the President, dated January 26, 1918, made by virtue of the authority vested in the President by the act of Congress approved June 15, 1917, known as the espionage act and the act approved October 6, 1917, known as the trading-with-the-enemy act.

FEDERAL RESERVE BOARD,

By _____, Governor.

Countersigned:

(Form FE 113. Declaration of noninterest of enemies to be filed by foreign correspondents or persons acting for foreign correspondents.)

From actual personal knowledge, or in reliance upon declarations or affidavits furnished the undersigned by the parties in interest, I/we do hereby expressly declare that no enemy or ally of enemy of the United States is directly or indirectly interested in the transaction described below; that the property or evidence of indebtedness involved therein is not and has not been owned by, or held for the account of an enemy or ally of enemy of the United States since _____, 1918; that such property or evidence of indebtedness has not been purchased by the present owner from an enemy or ally of enemy of the United States or from any person acting for or on behalf of or for the benefit of an enemy or ally of enemy of the United States since February 3, 1917, and that the funds derived from the transactions described herein will not be made available for the use of an enemy or ally of enemy of the United States. The words "enemy" and "ally of enemy" are herein used as now or hereafter defined by the laws of the United States, or by proclamation of the President of the United States.

NOTE.—If the transaction is engaged in by a corporation the foregoing declaration must be executed by a duly authorized officer.

Transaction referred to in and made a part of the foregoing declaration.

Date.	Property or evidence of indebtedness involved.	Nature of transaction; i. e., sale, hypothecation, delivery for safekeeping, or collection of maturing obligations.	Other party to transaction; i. e., purchaser, lender, person to whom delivery is made, or obligor.	Foreign correspondent, for whose account or in whose behalf person making declaration is acting.	Amount.

Trading With the Enemy.

The following statements for the press were issued by the War Trade Board on January 26:

PROTESTS OF "ENEMY" PAPER.

The War Trade Board has authorized all persons in the United States holding notes, checks, or drafts, upon which an "enemy" or "ally of enemy" appears, or the handling of which involves in any way trading with, or for, or on behalf of, an "enemy" or "ally of enemy," to perform such acts as may be necessary to perfect their rights against those secondarily liable on such notes, checks, or drafts, in the event that acceptance or payment on such drafts or checks, or payment on such notes is refused: *Provided, however*, that this authorization shall not be deemed to legalize the presentation of any drafts, checks, or notes, for acceptance or payment, or the receipt of payment on any drafts, checks, or notes, upon which an "enemy" or "ally of enemy" appears, or where such presentation would involve trading with, or for, or on behalf of, an "enemy" or "ally of enemy," without a license from the War Trade Board.

PAYMENT OF UNITED STATES PATENT OFFICE FEES ON "ENEMY" OWNED PATENTS.

The War Trade Board has authorized the payment of United States Patent Office fees requisite for the filing, prosecution, registration, and preservation of patents, trade-marks, prints, labels, or copyrights, of an "enemy" or "ally of enemy," by any person within the United States, where such person is the holder of a power of attorney granted by such "enemy" or "ally of enemy:" *Provided, however*, that when such fees are to be paid from the funds of an "enemy" or "ally of enemy" in the United States, such payment shall be made subject to the approval of the Alien Property Custodian.

COUPONS FOR FOREIGN OWNERS DUE PRIOR TO JANUARY 1, 1918.

The War Trade Board has authorized banks and others having coupons to collect, which were due prior to January 1, 1918, for foreign individuals, firms, corporations, or others, to make such collection without obtaining licenses

from the War Trade Board or authority from the Federal Reserve Board: *Provided, however*, that any funds so received, which the collecting agency has reason to believe are the property of an "enemy" or "ally of enemy," or will be used for the benefit, directly or indirectly, of an "enemy" or "ally of enemy," must be held in separate account under notice to the Alien Property Custodian.

Sale of War Savings Certificates.

The Treasury Department, in a circular dated January 2, 1918, has furnished information regarding a method of obtaining war-savings certificate stamps and United States thrift stamps for cash, which may be used as an alternative to the method heretofore provided. The circular in question is as follows:

[1917. Department Circular No. 96. War-Savings Circular No. 3. Loans and Currency.]

As an alternative to the method provided in Treasury Department Circular No. 95, any agent for the sale of war-savings certificates, war-savings certificate stamps, and United States thrift stamps (as well as individuals, partnerships, corporations, and the duly authorized representatives of labor, fraternal, and other associations, even though not previously appointed agents) may obtain from a Federal Reserve Bank, for sale to the public, war-savings certificate stamps in excess of \$1,000 (maturity value), and also United States thrift stamps, with an adequate supply of war-savings certificates and thrift cards, upon the conditions stated below.

Anyone desiring to obtain war-savings certificate stamps and United States thrift stamps as provided in this circular must execute and deliver to a Federal Reserve Bank an application on Form No. 1025, hereto attached (copies of which may be had from any Federal Reserve Bank).

Such application must bear the recommendation of a Federal director of war-savings, a State director of war-savings, or of some other person acceptable to such Federal Reserve Bank. Upon approval of such application by such Federal Reserve Bank the applicant may, from time to time, deposit cash with such Federal Reserve Bank, as fiscal agent of the United States, and obtain therefor deliveries

of war-savings certificate stamps at the current cost price thereof during the month in which such stamps shall be obtained, as stated thereon, and United States thrift stamps at 25 cents each. Upon delivery of any such stamps the applicant becomes a cash agent of the second class.

The aggregate amount of war-savings certificate stamps and United States thrift stamps obtained by any such agent less amounts reported as sold by such agent shall not exceed the aggregate amount stated in the application of such agent. Such application may, however, be amended, with the approval of such Federal Reserve Bank, so as to include such additional amount of war-savings certificate stamps and United States thrift stamps as such agent may desire to obtain.

Each cash agent of the second class, whenever from time to time required by the Secretary of the Treasury, shall render a report to such Federal Reserve Bank, substantially in Form No. 1026, hereto attached (copies of which may be had from such Federal Reserve Bank), of the number of war-savings certificate stamps and United States thrift stamps obtained from such Federal Reserve Bank theretofore sold by such agent.

Any cash agent of the second class who shall have complied with the terms of such agency may at any time surrender such agency and redeliver to such Federal Reserve Bank, as Fiscal Agent of the United States, (1) all unsold war-savings certificate stamps and United States thrift stamps and (2) all unissued war-savings certificates and thrift cards obtained by such agent from such Federal Reserve Bank.

Any cash agent of the second class whose agency shall have been terminated shall thereupon, and each cash agent of the second class shall in any event, on or before December 31, 1918, redeliver to such Federal Reserve Bank, as fiscal agent of the United States, (1) all unsold war-savings certificate stamps and United States thrift stamps and (2) all unissued war-savings certificates and thrift cards obtained by such agent from such Federal Reserve Bank.

Upon any redelivery of stamps, as provided, in either of the two preceding paragraphs, such Federal Reserve Bank, as fiscal agent of the United States, shall return to such agent the amount deposited with such Federal Re-

serve Bank by such agent for each war-savings certificate stamp redelivered and 25 cents for each United States thrift stamp redelivered. In determining the amount deposited with such Federal Reserve Bank by any cash agent of the second class for war-savings certificate stamps so redelivered, sales shall be deemed to have been made by such agent in the order in which deliveries of such stamps may have been obtained by such agent, so that earlier sales shall be deemed to have been made out of earlier deliveries.

The Secretary of the Treasury reserves the right to withdraw this circular, or to amend from time to time any of the provisions hereof, and to terminate any agency created hereunder.

[Form 1025.]

APPLICATION.

TO THE FEDERAL RESERVE BANK OF,
As Fiscal Agent of the United States:

The undersigned desires to become an agent of the second class for the issue and sale of war-savings certificates, war-savings certificate stamps, and United States thrift stamps, in accordance with and subject to the respective provisions of Treasury Department Circulars Nos. 94 and 96, and to obtain from such Federal Reserve Bank, from time to time, for sale to the public, as provided in such circulars, war-savings certificate stamps and United States thrift stamps in the aggregate amount of \$..... (the amount to be inserted may be more than the amount presently desired and should be ample to cover the agent's requirements), and from time to time to obtain additional war-savings certificate stamps and United States thrift stamps, in place of stamps reported sold by the undersigned. Such war-savings certificate stamps shall be taken at the current cost price thereof during the month when obtained, as stated thereon, and such thrift stamps shall be taken at 25 cents each.

The undersigned hereby agrees—

- (a) To sell war-savings certificate stamps, obtained by the undersigned, for cash only and at the current cost price stated thereon;
- (b) To sell United States thrift stamps for cash only and at 25 cents each;
- (c) To endeavor to sell such stamps as promptly as possible; and
- (d) Faithfully to perform all other obligations of an agent of the second class, as herein and in said circulars provided or as provided in any supplemental or amendatory regulations.

Upon delivery to the undersigned of any war-savings certificate stamps or United States thrift stamps desired to be obtained hereunder, the agreement contained in this application shall become binding upon the undersigned, who shall thereupon become a cash agent of the second class.

Dated, 1918.

Signature in full
(Authorized signature required.)

Address, number and street
City or town
County
State

Application recommended by, 1918.
Application approved by Federal Reserve Bank of, 1918.
by

[Form 1026.]

REPORT OF SALES OF WAR-SAVINGS CERTIFICATE
STAMPS AND UNITED STATES THRIFT STAMPS.

Dated, 1918.

To FEDERAL RESERVE BANK OF

As Fiscal Agent of the United States:

The undersigned hereby renders the following report of sales of war-savings certificate stamps and United States thrift stamps obtained by the undersigned from such Federal Reserve Bank:

	War-savings certificate stamps.	United States thrift stamps.
*Sales to 1918, not previously reported (number of stamps).....		

* NOTE.—Agents should fill in date to which they are able conveniently to make report of sales unless some specific date is required by the Secretary of the Treasury.

(If additional stamps are desired to replace stamps sold, the following requisition should be filled in.)

REQUISITION FOR STAMPS.

The application filed by the undersigned states that the undersigned desires to obtain war-savings certificate stamps and thrift stamps to an amount not in excess of.. \$.....

War-savings certificate stamps (obtained, but not now nor heretofore reported sold), at \$..... each..... \$.....

Thrift stamps (obtained, but not now nor heretofore reported sold), at 25 cents each.....

Total.....
Difference (being aggregate amount of such stamps presently obtainable upon deposit of cash).....

Against which the undersigned desires to obtain, upon deposit of cash therefor, as provided in Treasury Department Circular No. 96:

War-savings certificate stamps, at \$..... each.. \$.....
Thrift stamps, at 25 cents each.....

Total.....

.....
(Name of agent.)

By
(Official signature required.)

.....
(Address.)

New National Bank Charters and Capital
Increases.

In a statement issued on January 19 the Comptroller of the Currency furnishes the following summary of the operations of the year 1917 respecting membership in the national bank system:

Charters applied for.—During the calendar year 1917 this office received 291 applications for charters for new national banks with capital of \$19,895,000, as compared with 248 applica-

tions received during the year 1916 with capital of \$12,525,000.

Charters granted.—During the year 1917, 194 charters were granted, capital of \$12,085,000. Fifty-seven of these banks with capital of \$3,205,000 were conversions of State banks or reorganizations of State and private banks. This compares with 122 charters granted during the year 1916 with capital of \$6,890,000, 48 of which, with capital of \$3,080,000, were conversions of State banks or reorganizations of State and private banks.

Capital increases.—In 1917, 175 national banks increased their capital stock in the sum of \$22,934,990, against 92 banks increasing their capital by \$14,785,000 during 1916.

Capital reductions.—Thirteen banks reduced their capital by \$750,800 during 1917, against 18 banks reducing their capital \$915,000 the previous year.

Liquidations.—Seventy-four national banks went into voluntary liquidation (exclusive of those consolidating with other national banks) during the year 1917, their aggregate capital being \$6,522,500, as compared with 102 such banks liquidating during 1916, with an aggregate capital of \$9,233,000.

Liquidations for consolidation with national banks.—During 1917, 25 national banks with a capital of \$5,370,000 liquidated and were consolidated with other national banks, while during the previous year the liquidations of this class were 38 banks with capital of \$8,525,000.

Charters refused.—During 1917 the Comptroller of the Currency refused 31 applications for charters for new national banks. During the year 1916 charters were refused for 17 new national banks.

Receivers appointed.—During the year 1917 receivers were appointed for 4 national banks with an aggregate capital of \$1,125,000 (exclusive of 1 bank, which was closed during the year but subsequently restored to solvency and reopened). During the previous year there were 8 such receiverships, the aggregate capital being \$480,000.

Business Failures During 1917.

Numbering 13,855 and involving \$182,441,371, commercial failures in the United States during 1917, as reported to R. G. Dun & Co., disclosed substantial reduction from the mortality of the previous year, when there were 16,993 defaults for \$196,212,256. In 1915 the

number of insolvencies was 22,156, the largest on record, and the amount was \$302,286,148, while in 1914 there were 18,280 business reverses for the exceptional sum of \$357,908,859. The 1917 returns, in fact, make the best numerical exhibit since 1911, and it is necessary to go back to 1909 to find a smaller indebtedness.

Without exception, fewer failures occurred last year than in 1916 in all of the 12 Federal Reserve districts, and only in the first, second, seventh, and twelfth districts was there any increase in the liabilities. Aside from the ninth district, where there was a decrease of 27 defaults, or 5 per cent, the numerical reductions were of considerable size in every instance, and the showing in this respect was especially good in the sixth, third, tenth, fifth, eleventh, and eighth districts. The expansion in the indebtedness, owing to a few insolvencies of unusual magnitude, was particularly large in the second and first districts, and it was about \$1,800,000 in the twelfth district; but these increases were more than offset by the contraction elsewhere, the falling off in the sixth district alone exceeding \$9,000,000.

The number of commercial failures last year and the preceding year, with the amount of liabilities, in each Federal Reserve district is compared below:

Commercial failures, year 1917.

Districts.	Number.		Liabilities.	
	1917	1916	1917	1916
First.....	1,470	1,639	\$20,242,563	\$15,304,555
Second.....	2,501	2,843	52,638,148	46,507,186
Third.....	709	974	10,550,112	11,032,598
Fourth.....	1,109	1,278	15,749,017	17,838,783
Fifth.....	821	1,096	8,828,605	12,428,457
Sixth.....	1,098	1,707	12,659,216	22,056,677
Seventh.....	1,859	2,174	23,039,312	22,617,920
Eighth.....	818	1,042	6,575,107	8,888,513
Ninth.....	513	540	3,419,516	4,724,399
Tenth.....	579	802	4,889,113	8,808,687
Eleventh.....	674	870	4,490,452	8,571,775
Twelfth.....	1,704	2,028	19,380,210	17,587,781
United States.....	13,855	16,993	182,441,371	196,212,256

In the following table commercial failures in the United States are shown by the three leading classes: Manufacturing, trading, and other

commercial, the latter including agents and brokers:

Districts.	Manufacturing.		Trading.		Brokers and agents.	
	Num-ber.	Liabilities.	Num-ber.	Liabilities.	Num-ber.	Liabilities.
First.....	612	\$12,521,166	762	\$5,919,628	96	\$1,801,769
Second.....	935	25,631,770	1,383	15,042,779	183	11,963,599
Third.....	212	6,264,460	467	3,507,862	30	777,790
Fourth.....	295	8,173,829	760	4,626,294	54	2,943,594
Fifth.....	173	3,219,474	626	5,361,386	22	247,745
Sixth.....	154	3,738,856	906	7,417,789	38	1,632,571
Seventh.....	532	10,832,058	1,209	8,845,204	118	3,362,050
Eighth.....	127	2,221,562	658	3,594,751	33	758,794
Ninth.....	69	579,135	429	2,742,869	15	97,512
Tenth.....	111	1,771,679	439	2,628,074	29	439,360
Eleventh.....	60	402,914	599	3,685,075	15	402,463
Twelfth.....	411	4,181,604	1,192	6,744,958	101	8,453,648
U. S. . . .	3,691	79,543,507	9,430	70,116,669	734	32,781,195

Strictly financial failures, which in the returns tabulated for this report are separated from commercial defaults, numbered 42 in the United States last year, as against 50 the preceding year, with liabilities of \$18,451,964, as compared with \$10,396,779 in 1916. The figures for each of the Federal Reserve districts are printed below:

Banking failures for 1917.

Districts.	Number.		Liabilities.	
	1917	1916	1917	1916
First.....	1	2	\$13,025	\$175,000
Second.....	2	1	1,510,000	1,200,000
Third.....	1	1	100,000	100,000
Fourth.....	6	6	972,601	972,601
Fifth.....	2	2	290,000	480,000
Sixth.....	14	16	4,657,000	3,489,178
Seventh.....	6	9	7,992,000	1,811,000
Eighth.....	6	4	565,000	965,000
Ninth.....	3	3	183,700	183,700
Tenth.....	2	2	65,000	65,000
Eleventh.....	3	6	425,000	1,489,000
Twelfth.....	5	1	2,816,239	150,000
United States.....	42	50	18,451,964	10,396,779

Growth of Resources of National Banks.

According to a statement of the Comptroller of the Currency issued on January 9, the reports of the 7,656 national banks as of November 20, 1917, the compilation of which has just been completed, show total resources of 18,553 million dollars. This is an increase over the figures of November 17, 1916, of 3,033

million dollars, and an increase over September 11, 1917—the greatest which had been reported up to that time—of 2,009 million dollars. These resources exceed by more than 500 million dollars the total resources of all State banks (doing a commercial business), all private banks, and all trust companies in the United States as of June 20, 1917—the latest date for which State bank returns have been compiled—including also the total resources at that time of the 12 Federal Reserve Banks.

Total deposits on November 20, 1917, amounted to 14,798 million dollars. This was an increase over November 17, 1916, of 2,309 million dollars, and an increase as compared with September 11, 1917, of 1,564 million dollars. Of the 1,564 millions increase in deposits since September 11, 1917, 641 millions was with the national banks of the central reserve cities; 446 millions with the national banks in other reserve cities, and 477 millions with the country banks.

The only States whose banks showed no increase between the September and November calls were Maine, Illinois, Michigan, Iowa, and Nebraska. The State in which banks outside the reserve cities showed the largest increase was Texas, whose increase was 83 million dollars. The next largest increase was in Oklahoma, of 45 million dollars. The country banks in New York State increased 40 million dollars. The next largest increases were in New Jersey and North Carolina of 22 millions each, followed by Arkansas with 19 millions; South Carolina and California with 18 millions each, and Massachusetts and Pennsylvania with 17 millions each. These figures indicate that the growth in deposits in our national banks is wide and general, and not confined to any particular section or locality.

Loans and discounts on November 20, 1917, amounted to 9,535 million dollars. This was an increase of 1,189 million dollars as compared with November 17 the previous year, and an increase as compared with September 11, 1917, of 480 million dollars. The proportion of loans and discounts to total deposits on November

20, 1917, was only 64.43 per cent, as against the proportion of loans and discounts to deposits on November 17, 1916, of 66.83 per cent, and as compared with 68.42 per cent on September 11, 1917.

Cash in vaults and due from Federal Reserve Banks, including items in process of collection on November 20, 1917, amounted to 1,759 million dollars, as compared with 1,507 million dollars on November 17, 1916, and as compared with 1,666 millions on September 11, 1917.

United States bonds and certificates of indebtedness, including Liberty bonds held by national banks November 20, 1917, amounted to 2,354 million dollars, an increase as compared with November 17, 1916, of 1,629 million dollars, and an increase as compared with September 11, 1917, of 1,195 million dollars. The increase was very largely represented by Government short-term certificates of indebtedness, a large proportion of which has been paid off since November 20, 1917.

Bills payable and rediscounts November 20, 1917, amounted to 600 million dollars, an increase over November 17, 1916, of 526 million dollars, and an increase over September 11, 1917, of 314 million dollars. This increase is mainly explained by temporary loans made with Federal Reserve Banks in connection with the second Liberty loan, which since November 20 have been largely paid.

Bonds, securities, etc., other than Government bonds amounted November 20, 1917, to 1,906 million dollars, an increase since November 17, 1916, of 196 million dollars, and an increase over September 11, 1917, of 43 million dollars.

Capital, surplus, and undivided profits on November 20, 1917, amounted to 2,236 million dollars, an increase over November 17, 1916, of 93 million dollars.

The Comptroller of the Currency, in a statement issued on January 21, said that during the nine months ending December 31, 1917, United States Government bonds held on deposit as

security for circulating notes of national banks increased by \$19,054,890.

Since March 31, 1917, the amount of bonds deposited has shown a steady increase each month, rising from \$664,526,370 on the date mentioned to \$683,581,260 at the close of the year.

New National Bank Charters.

The Comptroller of the Currency reports the following increases and reductions in the number of national banks and the capital of national banks during the period from December 29, 1917, to January 25, 1918, inclusive:

	Banks.
New charters issued to.....	13
With capital of.....	\$650,000
Increase of capital approved for.....	24
With new capital of.....	2,670,000
Aggregate number of new charters and banks increasing capital.....	37
With aggregate of new capital authorized.....	3,320,000
Number of banks liquidating (other than those consolidating with other national banks).....	8
Capital of same banks.....	310,000
Number of banks reducing capital.....	1
Reduction of capital.....	25,000
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks).....	9
Aggregate capital reduction.....	335,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was.....	3,320,000
Against this there was a reduction of capital owing to liquidations (other than for consolidation with other national banks) and reductions of capital of.....	335,000
Net increase.....	2,985,000

State Banks and Trust Companies Admitted.

The following list shows the State institutions which have been admitted to membership in the Federal Reserve system up to and including January 31, 1918. Two hundred and

ninety-six State institutions are now members of the system, having a total capital of \$232,609,800, total surplus of \$312,154,446, and total resources of \$5,036,051,076.

	Capital.	Surplus.	Total resources.
Alabama:			
Birmingham—American Trust & Savings Bank.....	\$500,000	\$250,000	\$5,836,700
Eufaula—Bank of Eufaula.....	100,000	14,000	378,828
Marion—Marion Central Bank.....	50,000	100,000	497,661
Montgomery—Sullivan Bank & Trust Co.....	250,000	25,750	605,582
Total.....	900,000	389,750	7,318,771
California:			
San Fernando—San Fernando Valley Savings Bank.....	25,000	2,500	100,456
Stockton—Farmers & Merchants	640,000	195,000	4,488,260
Total.....	665,000	197,500	4,588,716
Colorado:			
Denver—International Trust Co.	500,000	500,000	13,803,659
Connecticut:			
Bridgeport—Bridgeport Trust Co	500,000	300,000	7,866,545
New Haven—Union & New Haven Trust Co.....	650,000	500,000	4,574,303
Total.....	1,150,000	800,000	12,440,848
Delaware:			
Wilmington—			
Wilmington Trust Co.....	1,000,000	500,000	13,141,081
Security Trust & Safe Deposit Co.....	600,000	700,000	5,909,691
Total.....	1,600,000	1,200,000	19,050,780
District of Columbia:			
Washington—Continental Trust Co.....	1,000,000	100,000	4,289,237
Florida:			
Deland—Volusia County Bank..	100,000	100,000	1,217,318
Tampa—Citizens Bank & Trust Co.....	250,000	500,000	3,550,995
Total.....	350,000	600,000	4,768,313
Georgia:			
Athens—American State Bank..	100,000	20,000	538,635
Atlanta—			
Central Bank & Trust Corporation.....	1,000,000	300,000	9,620,109
Trust Company of Georgia...	1,000,000	1,000,000	3,893,161
Brunswick—Brunswick Bank & Trust Co.....	100,000	72,000	1,049,176
Savannah—			
Citizens & Southern Bank...	1,000,000	1,000,000	18,587,851
Savannah Bank & Trust Co.	630,000	570,000	8,415,862
West Point—Citizens Bank.....	50,000	.....	172,477
Total.....	3,880,000	2,962,000	42,227,271
Idaho:			
Genesee—Genesee Exchange Bank.....	25,000	12,500	482,091
Kimberly—Bank of Kimberly...	35,000	10,250	389,592
Total.....	60,000	22,750	871,683
Illinois:			
Chicago—			
Austin State Bank.....	200,000	60,000	2,668,743
Central Trust Co. of Illinois..	6,000,000	1,000,000	54,074,035
Chicago Savings Bank & Trust Co.....	1,000,000	200,000	12,733,891
First Trust & Savings Bank.	5,000,000	5,000,000	84,207,894
Foreman Bros. Banking Co..	1,500,000	500,000	18,141,862
Harris Trust & Savings Bank	2,000,000	2,000,000	33,570,255
Home Bank & Trust Co.....	300,000	75,000	2,428,522
Hyde Park State Bank.....	200,000	50,000	1,840,530
Kaspar State Bank.....	500,000	300,000	6,476,754

	Capital.	Surplus.	Total resources.		Capital.	Surplus.	Total resources.
Illinois—Continued.				Louisiana:			
Chicago—Continued.				Gretna—Jefferson Trust & Savings Bank.....			
Mechanics & Traders State Bank.....	\$200,000	\$50,000	\$1,920,040	Iota—Bank of Iota.....	\$30,000	\$20,000	\$402,332
Merchants Loan & Trust Co.....	3,000,000	8,000,000	109,517,884	New Orleans—	25,000		114,204
Noel State Bank.....	300,000	75,000	2,428,746	Canal Bank & Trust Co.....	2,000,000	500,000	21,210,372
Standard Trust & Savings Bank.....	1,000,000	500,000	9,980,043	Hibernia Bank & Trust Co.....	1,500,000	2,000,000	25,881,516
State Bank of Chicago.....	1,500,000	3,000,000	38,004,507	Interstate Trust & Banking Co.....	750,000	500,000	9,171,943
Union Trust Co.....	1,500,000	1,500,000	37,848,834	Metropolitan Bank.....	400,000	200,000	4,077,889
United State Bank of Chicago.....	200,000	30,000	868,220	Total.....	4,705,000	3,220,000	60,858,256
Cicero—Kirchman State Bank.....	100,000	25,000	613,746	Maryland:			
Effingham—Effingham State Bank.....	50,000	10,000	721,719	Baltimore—			
Elmhurst—Elmhurst State Bank.....	60,000	25,000	703,766	Baltimore Commercial Bank.....	500,000	100,000	2,668,945
Evanston—State Bank of Evanston.....	150,000	200,000	4,142,457	Baltimore Trust Co.....	1,000,000	2,000,000	15,990,745
Joliet—				Maryland Trust Co.....	1,000,000		8,974,128
Commercial Trust & Savings Bank.....	100,000	5,000	569,684	Total.....	2,500,000	2,100,000	27,633,818
Joliet Trust & Savings Bank.....	100,000	25,000	766,311	Massachusetts:			
Kewanee—Union State Savings Bank & Trust Co.....	100,000	25,000	1,170,562	Boston—			
Martinsville—Martinsville State Bank.....	50,000	17,000	388,031	American Trust Co.....	1,000,000	2,000,000	25,578,848
Oak Park—Oak Park Trust & Savings Bank.....	200,000	50,000	2,687,734	Beacon Trust Co.....	600,000	1,000,000	18,200,452
Oak Park—Suburban Trust & Savings Bank.....	100,000	10,000	379,251	Commonwealth Trust Co.....	1,000,000	500,000	24,001,520
Quincy—State Savings Loan & Trust Co.....	1,000,000		8,092,397	International Trust Co.....	1,500,000	1,500,000	23,983,840
Total.....	26,410,000	22,732,000	436,446,508	Metropolitan Trust Co.....	300,000	300,000	5,787,080
Indiana:				Old Colony Trust Co.....	6,000,000	7,000,000	150,784,124
Elkhart—St. Joseph Valley Bank.....	100,000	50,000	2,484,247	State Street Trust Co.....	1,000,000	1,500,000	36,288,917
Kentland—Discount & Deposit State Bank.....	70,000	35,000	549,592	Cambridge—Charles River Trust Co.....	200,000	200,000	2,893,288
Paoli—Paoli State Bank.....	25,000	750	194,868	Fitchburg—Fitchburg Bank & Trust Co.....	500,000	250,000	4,935,072
Terre Haute—Terre Haute Trust Co.....	350,000	200,000	6,468,674	Holyoke—Hadley Falls Trust Co.....	500,000	250,000	6,283,988
Total.....	545,000	285,750	9,697,381	Newton—Newton Trust Co.....	400,000	400,000	4,889,053
Iowa:				Norwood—Norwood Trust Co.....	200,000		2,563,580
Brighton—Brighton State Bank.....	50,000	10,000	672,810	Winchester—Winchester Trust Co.....	100,000	25,000	731,236
Cedar Falls—Security Trust & Savings Bank.....	50,000	5,000	919,175	Worcester—Worcester Bank & Trust Co.....	1,250,000	500,000	24,123,410
Clinton—Peoples Trust & Savings Bank.....	300,000	300,000	5,179,744	Total.....	14,550,000	15,425,000	330,994,403
Des Moines—Iowa Loan & Trust Co.....	500,000	100,000	7,436,047	Michigan:			
Gilman—Citizens Savings Bank.....	25,000	11,000	383,801	Adrian—			
Mason City—Commercial Savings Bank.....	100,000	14,000	1,117,160	Adrian State Savings Bank.....	120,000	55,000	1,975,276
Ottumwa—Ottumwa Savings Bank.....	100,000	30,000	1,205,090	Commercial Savings Bank.....	110,000	30,000	1,139,850
Sioux City—Bankers Loan & Trust Co.....	100,000	5,000	277,323	Lenawee County Savings Bank.....	150,000	50,000	2,194,213
Sutherland—First Savings Bank.....	50,000		320,201	Albion—Commercial & Savings Bank.....	75,000	40,000	798,485
Thompson—State Bank of Thompson.....	30,000	8,000	251,762	Ann Arbor—State Savings Bank.....	150,000	150,000	2,976,070
Vail—Farmers State Bank.....	50,000	8,000	264,040	Charlotte—Eaton County Savings Bank.....	100,000	20,000	925,622
Total.....	1,355,000	491,000	18,027,153	Dearborn—Dearborn State Bank.....	50,000	50,000	1,478,614
Kansas:				Detroit—			
Fairview—Fairview State Bank.....	30,000	15,000	291,985	First State Bank.....	500,000	150,000	8,275,489
Fort Scott—Fort Scott State Bank.....	100,000	26,000	748,859	Peninsular State Bank.....	2,500,000	1,000,000	27,270,333
Hiawatha—Morrill & James Bank.....	100,000	50,000	1,143,410	Peoples State Bank.....	2,500,000	2,500,000	77,761,759
Wichita—Southwest State Bank.....	200,000	9,000	1,521,337	The Dime Savings Bank.....	1,000,000	1,000,000	32,769,194
Winfield—The State Bank.....	100,000	50,000	1,282,448	Wayne County & Home Savings Bank.....	3,000,000	3,000,000	53,681,743
Total.....	530,000	150,000	4,988,039	Detroit Savings Bank.....	750,000	750,000	19,524,470
Kentucky:				Central Savings Bank.....	500,000	100,000	11,962,743
Louisville—German Insurance Bank.....	250,000	500,000	7,307,484	American State Bank.....	500,000	185,130	7,243,617
Maysville—First Standard Bank & Trust Co.....	175,000	60,000	1,418,794	Flint—			
Mount Sterling—Exchange Bank of Kentucky.....	50,000	25,000	434,572	Citizens Commercial & Savings Bank.....	150,000	175,000	3,438,805
Total.....	475,000	585,000	9,180,850	Union Trust & Savings Bank.....	100,000	135,000	3,848,355
				Industrial Savings Bank.....	250,000	250,000	4,307,935
				Fremont—Old State Bank.....	50,000	25,000	875,831
				Gladstone—State Savings Bank.....	50,000	15,000	571,986
				Grand Haven—Grand Haven State Bank.....	75,000	50,000	1,662,949
				Grand Rapids—			
				Grand Rapids Savings Bank.....	400,000	350,000	8,479,169
				Kent State Bank.....	500,000	500,000	9,419,740
				Hart—Oceana County Savings Bank.....	40,000	13,000	427,901
				Highland Park—Highland Park State Bank.....	1,000,000	400,000	20,976,678
				Hudson—Boles State Savings Bank.....	75,000	25,000	734,295
				Jackson—			
				Central State Bank.....	100,000	26,000	1,062,781
				Jackson State Savings Bank.....	100,000	100,000	2,037,539
				Union Bank of Jackson.....	400,000	100,000	4,388,180

	Capital.	Surplus.	Total resources.		Capital.	Surplus.	Total resources.
Michigan—Continued.				New Jersey—Continued.			
Lansing—Lansing State Savings Bank.....	\$150,000	\$100,000	\$2,632,821	Plainfield—Plainfield Trust Co..	\$300,000	\$200,000	\$8,749,434
Lapeer—Lapeer Savings Bank.....	50,000	10,000	545,282	Rahway—Rahway Trust Co.....	100,000	25,000	398,277
Monroe—B. Dansard & Sons' State Bank.....	100,000	20,000	1,627,265	Westfield—Peoples Bank & Trust Co.....	100,000	80,000	2,005,718
Mount Pleasant—Exchange Savings Bank.....	50,000	30,000	791,176	Hoboken—Hudson Trust Co. of West Hoboken.....	1,000,000	1,000,000	21,466,091
Niles—Niles City Bank.....	100,000	20,000	699,175	Total.....	2,700,000	2,685,000	62,941,818
Petersburg—H. C. McLachlin & Co. State Bank.....	25,000	5,000	362,541	New York:			
Port Huron—St. Clair County Savings Bank.....	100,000	50,000	1,319,436	Batavia—The Bank of Genesee..	100,000	100,000	1,151,907
Rochester—Rochester Savings Bank.....	50,000	10,000	556,346	Brooklyn—			
Romeo—Romeo Savings Bank.....	50,000	30,000	1,081,181	Brooklyn Trust Co.....	1,500,000	2,898,481	40,270,926
Royal Oak—First Commercial State Bank.....	25,000	5,000	362,624	Franklin Trust Co.....	1,000,000	1,000,000	24,823,842
Saugatuck—Fruit Growers State Bank.....	50,000	10,000	476,786	Manufacturers Trust Co.....	1,000,000	300,000	15,031,512
Sault Ste. Marie—Sault Savings Bank.....	100,000	35,000	1,140,382	Peoples Trust Co.....	1,000,000	1,000,000	29,445,301
St. Clair—Commercial & Savings Bank.....	50,000	10,000	746,874	Buffalo—			
Total.....	16,195,000	11,579,130	324,551,462	Buffalo Trust Co.....	500,000	500,000	9,624,217
Minnesota:				Citizens Commercial Trust Co.....	1,250,000	1,250,000	18,196,063
Minneapolis—				New York—			
Bankers Trust & Savings Bank.....	1,000,000	200,000	2,197,403	Bankers Trust Co.....	11,250,000	11,250,000	327,011,784
German American Bank.....	200,000	200,000	4,689,159	Bank of America.....	1,500,000	6,000,000	60,908,085
St. Anthony Falls Bank.....	300,000	60,000	3,763,062	Broadway Trust Co.....	1,500,000	750,000	34,726,703
Wells-Dickey Trust Co.....	500,000	20,000	612,406	Central Trust Co.....	5,000,000	15,000,000	209,953,374
St. Paul—Peoples Bank.....	300,000	50,000	2,280,204	Columbia Trust Co.....	5,000,000	5,000,000	124,186,774
Spring Valley—Farmers State Bank.....	25,000	5,000	149,092	Corn Exchange Bank.....	3,500,000	6,991,165	153,989,100
Virginia—American Exchange Bank.....	100,000	30,000	1,162,835	Equitable Trust Co.....	6,000,000	10,500,000	230,210,148
Winona—Merchants Bank of Winona.....	100,000	50,000	2,581,970	Fidelity Trust Co.....	1,000,000	1,000,000	13,965,146
Total.....	2,525,000	615,000	17,436,041	German American Bank.....	750,000	250,000	8,404,825
Mississippi:				Germania Bank of the City of Guaranty Trust Co.....	400,000	600,000	8,731,786
Summit—Union Bank of Pike...	25,000	4,000	165,516	Lincoln Trust Co.....	25,000,000	25,000,000	613,535,083
Missouri:				Manhattan Co.....	1,000,000	500,000	16,675,933
Kansas City—				Mercantile Trust & Deposit Co.....	2,050,000	4,500,000	82,094,144
Commerce Trust Co.....	1,000,000	750,000	32,897,159	Metropolitan Bank.....	1,000,000	500,000	8,593,786
Fidelity Trust Co.....	1,000,000	1,000,000	14,461,776	Metropolitan Trust Co.....	2,000,000	1,000,000	28,801,800
St. Louis—				New York Trust Co.....	3,000,000	4,000,000	63,853,782
Franklin Bank.....	600,000	700,000	8,961,674	Pacific Bank.....	500,000	500,000	90,773,776
German American.....	1,000,000	700,000	9,239,685	Scandinavian Trust Co.....	1,000,000	1,500,000	13,907,579
German Savings Institution.....	1,500,000	1,000,000	19,261,222	Union Trust Co.....	3,000,000	4,500,000	11,359,362
International Bank of.....	500,000	500,000	6,981,718	U. S. Mortgage & Trust Co....	2,000,000	4,000,000	87,043,831
Lafayette South Side Bank.....	800,000	400,000	12,604,870	W. R. Grace & Co.'s Bank....	500,000	500,000	93,377,698
Mercantile Trust Co.....	3,000,000	6,500,000	40,732,458	United States Trust Co.....	2,000,000	12,000,000	6,675,523
Mississippi Valley Trust Co.....	3,000,000	3,500,000	30,414,523	Ogdensburg—St. Lawrence Trust Co.....	100,000	25,000	77,455,087
St. Louis Union Bank.....	2,500,000	2,500,000	44,389,921	Utica—			
Marshall—Wood & Huston Bank	100,000	150,000	1,485,071	Citizens Trust Co.....	500,000	400,000	823,362
Total.....	15,000,000	17,700,000	221,430,077	Oneida County Trust Co.....	250,000	250,000	10,641,931
Montana:				Utica Trust & Deposit Co.....	400,000	200,000	2,428,746
Helena—Conrad Trust & Savings Bank.....	200,000	80,000	3,042,878	Watertown—Northern New York Trust Co.....	400,000	400,000	11,850,975
Hingham—Hingham State Bank	35,000	.....	335,296	Oneida—Madison County Trust & Deposit Co.....	164,100	94,870	7,151,603
Opheim—First State Bank.....	25,000	5,000	229,183	Rome—Rome Trust Co.....	300,000	80,000	2,224,326
Sidney—Yellowstone Valley Bank & Trust Co.....	100,000	5,000	748,601	Elmira—Chemung Canal Trust Co.....	600,000	400,000	3,627,406
Bozeman—Gallatin Trust & Savings Bank.....	100,000	25,000	1,046,919	Syracuse—City Bank.....	500,000	148,000	7,301,858
Total.....	460,000	115,000	5,402,677	Gloversville—Trust Co. of Fulton County.....	200,000	100,000	7,442,110
Nebraska:				Total.....	90,714,100	134,967,516	2,558,781,416
Lewellen—Bank of Lewellen....	25,000	10,000	250,820	North Carolina:			
Pender—Pender State Bank.....	50,000	3,000	403,036	New Bern—New Bern Banking & Trust Co.....	100,000	.....	738,684
Total.....	75,000	13,000	653,856	North Dakota:			
New Jersey:				Enderlin—Enderlin State Bank..	50,000	10,000	395,259
Bloomfield—Bloomfield Trust Co	200,000	100,000	3,213,787	Fargo—Northern Savings Bank..	100,000	15,000	1,460,424
Camden—Camden Safe Deposit & Trust Co.....	500,000	800,000	10,352,726	Hettinger—Hettinger State Bank	25,000	3,500	282,089
Montclair—Bank of Montclair...	100,000	80,000	2,799,827	Williston—Bank of Williston....	50,000	.....	113,071
Passaic—				Total.....	225,000	28,500	2,250,843
Passaic Trust & Safe Deposit Co.....	200,000	100,000	7,130,181	Ohio:			
Peoples Bank & Trust Co....	200,000	300,000	6,825,277	Cleveland—			
				Citizens Savings & Trust Co..	4,000,000	4,000,000	74,532,631
				Cleveland Trust Co.....	2,500,000	2,500,000	55,121,784
				Guardian Savings & Trust Co	3,000,000	3,000,000	52,731,355
				Columbus—Citizens Trust & Savings Bank.....	700,000	150,000	5,271,822
				Hillsboro—Hillsboro Bank & Savings Co.....	50,000	12,000	551,959
				Massillon—Ohio Banking & Trust Co.....	150,000	37,500	1,307,036
				Newark—Newark Trust Co.....	200,000	125,000	2,655,417
				Steuenville—Steuenville Bank & Trust Co.....	125,000	50,000	1,713,784

	Capital.	Surplus.	Total resources.
Ohio—Continued.			
Toledo—Guardian Trust & Savings Bank.....	\$200,000	\$200,000	\$4,224,961
Youngstown—City Trust & Savings Bank.....	200,000	150,000	4,752,034
Total.....	11,125,000	10,224,500	202,862,783
Oregon:			
Enterprise—Enterprise State Bank.....	50,000	10,000	259,637
Hood River—Butler Banking Co.....	100,000	20,000	909,708
North Portland—Live Stock State Bank.....	100,000	10,000	872,846
Portland—Ladd & Tilton Bank.....	1,000,000	1,000,000	21,427,913
Total.....	1,250,000	1,040,000	23,470,104
Pennsylvania:			
Erie—Security Savings & Trust Co.....	200,000	300,000	3,989,335
Lykens—Miners Deposit Bank.....	50,000	110,000	679,897
New Castle—Lawrence Savings & Trust Co.....	300,000	300,000	3,183,907
Philadelphia—			
Commercial Trust Co.....	1,000,000	1,750,000	24,798,108
Girard Trust Co.....	2,500,000	7,500,000	61,172,461
Philadelphia Trust Co.....	1,000,000	4,000,000	26,160,684
Penna. Co. for Insurances on Lives and Granting Annuities.....	2,000,000	5,000,000	43,602,088
Fidelity Trust Co.....	5,000,000	16,000,000	62,646,331
Pittsburgh—			
Pittsburgh Trust Co.....	2,000,000	1,000,000	21,067,764
Union Trust Co.....	1,500,000	34,500,000	137,516,888
Oakland Savings & Trust Co.....	200,000	200,000	4,185,658
Colonial Trust Co.....	2,600,000	2,600,000	20,204,199
Wilkes-Barre—The Dime Deposit Bank.....	200,000	150,000	1,954,742
Total.....	18,550,000	73,410,000	411,144,042
Rhode Island:			
Providence—Industrial Trust Co.....	3,000,000	4,000,000	71,783,303
South Carolina:			
Cheraw—Merchants & Farmers Bank.....	100,000	3,000	338,067
Hartsville—Bank of Hartsville.....	50,000	50,000	394,626
Sumter—Peoples Bank of Sumter.....	100,000	19,400	368,325
Westminster—Westminster Bank.....	100,000	25,000	453,433
Woodruff—Bank of Woodruff.....	40,700	10,500	256,574
Total.....	390,700	107,900	1,811,265
South Dakota:			
Sioux Falls—Sioux Falls Savings Bank.....	200,000	23,000	3,852,236
Tennessee:			
Memphis—Union & Planters Bank & Trust Co.....	1,400,000	200,000	15,307,795
Texas:			
Bonham—First State Bank.....	100,000	14,000	543,354
Bremont—First State Bank.....	50,000	25,000	232,823
Cuero—First State Bank & Trust Co.....	100,000	35,000	651,531
Childress—Farmers & Mechanics State Bank.....	50,000	25,000	561,737
Dallas—			
Central State Bank.....	200,000	5,000	1,698,236
First State Bank.....	250,000	28,000	3,016,796
De Kalb—First State Bank.....	25,000	25,000	2,638,304
Edgewood—Farmers & Merchants State Bank.....	35,000	7,000	95,675
Hamlin—First State Bank.....	25,000	1,750	158,894
Lubbock—Lubbock State Bank.....	100,000	13,000	837,114
Memphis—Citizens State Bank.....	75,000	26,400	377,603
Paris—Lamar State Bank & Trust Co.....	150,000	12,500	1,482,314
Savoy—First State Bank.....	25,000	3,500	120,175
Wolfe City—First State Bank.....	50,000	20,000	235,461
Total.....	1,235,000	241,150	12,650,017
Virginia:			
Chase City—Peoples Bank & Trust Co.....	100,000	10,000	173,005
Harrisonburg—Peoples Bank of.....	150,000	20,000	554,154
Virginia—Continued.			
Norfolk—Citizens Bank of.....	\$600,000	\$500,000	\$5,896,002
Richmond—The Savings Bank of.....	200,000	200,000	2,198,163
Total.....	1,050,000	730,000	8,821,324
Washington:			
Bellingham—Northwestern State Bank.....	100,000	45,000	1,474,055
Chehalis—Coffman-Dobson Bank & Trust Co.....	150,000	100,000	1,493,790
Colfax—First Savings & Trust Co.....	50,000	15,000	369,711
Farmington—Bank of Farmington.....	25,000	5,000	254,214
Hoquiam—Lumbermens Bank.....	100,000	13,000	760,618
La Crosse—First State Bank.....	60,000	8,000	715,454
North Yakima—Yakima Valley Bank.....	100,000	15,000	1,269,710
Odesa—Farmers and Merchants Bank.....	25,000	2,500	247,374
Port Townsend—Merchants Bank.....	75,000	25,000	744,277
Reardan—Farmers State Bank.....	25,000	7,500	639,855
Rosalia—Bank of Rosalia.....	25,000	5,000	308,777
Seattle—			
Metropolitan Bank.....	200,000	100,000	3,559,260
Dexter Horton Trust & Savings Co.....	400,000	100,000	7,725,758
Spokane—Spokane & Eastern Trust Co.....	1,000,000	200,000	20,078,887
Tacoma—Fidelity Trust Co.....	500,000	300,000	6,645,716
Tekoa—Tekoa State Bank.....	30,000	12,000	435,848
Wilbur—State Bank of Wilbur.....	50,000	5,000	619,175
Total.....	2,915,000	958,000	47,642,459
West Virginia:			
Charleston—The Kanawha Valley Bank.....	400,000	900,000	7,619,935
Grafton—Grafton Banking & Trust Co.....	100,000	30,000	1,180,082
Total.....	500,000	930,000	8,800,017
Wisconsin:			
Clinton—Citizens Bank.....	50,000	10,000	478,360
Madison—Bank of Wisconsin.....	300,000	60,000	2,156,438
Milwaukee—			
Badger State Bank.....	200,000	2,000	1,506,471
Marshall & Ilsley Bank.....	1,000,000	700,000	17,405,264
American Exchange Bank.....	250,000	50,000	4,721,622
Total.....	1,800,000	822,000	26,268,155

War Finance Corporation.

Secretary McAdoo on January 29 called the following measure to the attention of the Congress:

An Act To provide further for the national security and defense, and for the purpose of assisting in the prosecution of the war to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
That for the purpose of affording financial assistance, either directly or indirectly, to persons, firms, corporations, and associations whose operations are necessary or contributory to the prosecution of the war, in cases where such persons, firms, corporations, or associations shall be unable to procure funds on reasonable or practicable terms from the general public or through the regular banking channels, and for the purpose of regulating and controlling the

offering for sale or subscription of securities hereafter issued, and for other purposes in aid of the prosecution of the war, the Secretary of the Treasury, together with four additional persons (who shall be the directors first appointed as hereinafter provided) are hereby created a body corporate and politic in deed and in law by the name, style, and title of the "War Finance Corporation" (herein called the "corporation"), and shall have succession for a period of ten years, provided that in no event shall the corporation exercise any of the powers conferred by this act, except such as are incidental to the successful liquidation of its assets and the successful winding up its affairs after six months after the termination of the war, the date of such termination to be fixed by proclamation of the President of the United States.

SEC. 2. The capital stock of the corporation shall be \$500,000,000, all of which shall be subscribed by the United States of America, and such subscription shall, upon the approval of the Secretary of the Treasury, be subject to call upon the vote of three-fifths of the board of directors of the corporation at such time or times as may be deemed advisable; and there is hereby appropriated out of any money in the Treasury, not otherwise appropriated, the sum of \$500,000,000, or so much thereof as may be necessary, for the purpose of making payment upon such subscription when and as called. Receipts for payments by the United States of America for, or on account of, such stock shall be issued by the corporation to the Secretary of the Treasury, and shall be evidence of stock ownership.

SEC. 3. The management of the corporation shall be vested in a board of directors, consisting of the Secretary of the Treasury, who shall be chairman of the board, and four other persons, to be appointed by the Secretary of the Treasury, with the approval of the President of the United States. Any director or directors so appointed may be removed by the Secretary of the Treasury, with the approval of the President, and vacancies, however arising, may be filled by the Secretary of the Treasury, with the approval of the President. Whenever a vacancy shall occur among the directors so appointed, the person appointed director to fill any such vacancy shall hold office for the unexpired term of the member whose place he is selected to fill. Three members of the board of directors shall constitute a quorum for the transaction of business.

SEC. 4. The principal office of the corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the board of directors, with the approval of the Secretary of the Treasury.

SEC. 5. The four directors of the corporation appointed as hereinbefore provided shall devote their entire time to the business of the corporation (except such part of their time, if any, as shall be devoted to other governmental business) and shall receive annual salaries, payable monthly, the amount of which shall be fixed by the Sec-

retary of the Treasury, with the approval of the President of the United States, not, however, exceeding the annual salary of the principal officer of an executive department of the United States. Any director receiving from the United States any salary or compensation for services shall not receive as salary from the corporation any amount which, together with any salary or compensation received from the United States, would make the total amount paid to him by the United States and by the corporation exceed the amount fixed as the annual salary of a director of the corporation, as hereinbefore provided. Of the four directors appointed, as hereinbefore provided, the Secretary of the Treasury shall designate two to serve for two years, and two for four years; and thereafter each director so appointed shall serve for a term of four years. No director or officer of the corporation shall continue to be an officer, director, or trustee of any other corporation or member of any firm of bankers; and, before entering upon his duties each director and officer shall certify under oath to the Secretary of the Treasury that he has complied with this requirement, and shall also take an oath faithfully to discharge the duties of his office. But nothing contained in this act or in the Federal Reserve Act shall be construed to prevent the appointment of a member of the Federal Reserve Board or of any other governmental administrative body or of a director of a Federal Reserve Bank as a director of the corporation.

SEC. 6. The corporation shall be empowered and authorized:

(a) To adopt, alter, and use a corporate seal; to make contracts; to purchase or lease and hold or dispose of such real estate as may be necessary for the prosecution of its business; to sue and be sued; complain and defend in any court of law or equity, including courts of the United States; to appoint, by its board of directors, and fix the compensation of such officers, employees, attorneys, and agents as are not otherwise provided for in this act, to define their duties, require bonds of them, and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents; and to prescribe, amend, and repeal, by its board of directors, subject to the approval of the Secretary of the Treasury, by-laws regulating the manner in which its general business may be conducted and the privileges granted to it by law may be exercised and enjoyed, and prescribing the powers and duties of its officers and agents.

(b) To make advances, upon such terms, not inconsistent herewith, as it may prescribe, for periods not exceeding five years from the respective dates of such advances, (1) to any bank, banker, or trust company, which has made, and which has outstanding, any loan or loans to any person, firm, corporation, or association, whose operations shall be necessary or contributory to the prosecution of the war, and evidenced by a note or notes, or (2) to any bank, banker, or trust company which has rendered financial assistance, directly or indirectly, to any such person, firm, corporation, or association by the

purchase of its bonds or other obligations: *Provided*, That advances so made by the corporation on the basis of any such loan or loans shall not exceed 75 per cent of the face value thereof: *And provided*, That any advances so made by the corporation, in cases where such financial assistance shall have been rendered by the purchase of such bonds or other obligations, shall not exceed 75 per cent of the market value of such bonds or other obligations at the time of such advance, as estimated and determined by the board of directors of the corporation: *And provided further*, That all such advances shall be made upon the promissory note or notes of such bank, banker, or trust company, secured by the notes, bonds, or other obligations, which are the basis of any such advance by the corporation, together with all the securities, if any, which such bank, banker, or trust company may hold as collateral for such notes, bonds, or other obligations. The corporation shall, however, have power to make advances (a) up to 100 per cent of the face value of any such loan or loans made by any such bank, banker, or trust company to any such person, firm, corporation, or association, or (b) up to 100 per cent of the market value at the time of such advances (as estimated and determined by the board of directors of the corporation) of such bonds or other obligations by the purchase of which financial assistance shall have been rendered to such person, firm, corporation, or association, provided every such advance shall be secured in the manner described in the preceding part of this paragraph, and in addition thereto by collateral security, to be furnished by the bank, banker, or trust company, of such character as shall be prescribed by the board of directors, with the approval of the Secretary of the Treasury, of a market value, at the time of such advance (as estimated and determined by the board of directors of the corporation), equal to at least 25 per cent of the amount advanced by the corporation. The corporation shall retain power to require additional collateral security at any time.

(c) To make advances from time to time, upon such terms, not inconsistent herewith, as it may prescribe, for periods not exceeding 90 days, to any savings bank or other banking institution which receives savings deposits, on the promissory note or notes of the borrowing institution, whenever the corporation shall deem such advances to be necessary or contributory to the prosecution of the war or important to the public interest: *Provided*, That such note or notes shall be secured by the pledge of securities of such character as shall be prescribed by the board of directors of the corporation with the approval of the Secretary of the Treasury, the market value of which, at the time of such advance (as estimated and determined by the board of directors of the corporation) shall be equal in amount to at least 125 per cent of the amount of such advance; *And provided further*, That the rate of interest charged on any such advance shall not be less than one per cent in excess of the rate of discount for 90-day com-

mercial paper prevailing at the Federal Reserve Bank of the district in which the borrowing institution is located. The corporation shall retain power to require additional collateral security at any time.

(d) In exceptional cases, to make advances directly to any person, firm, corporation, or association, whose operations shall be necessary or contributory to the prosecution of the war, for periods not exceeding five years from the respective dates of such advances, upon such terms, and upon the security of such bonds, notes, or other obligations, and subject to such rules and regulations as may be prescribed by the board of directors of the corporation, with the approval of the Secretary of the Treasury. The corporation shall retain power to require additional collateral security at any time.

(e) To subscribe for, acquire and own, buy, sell, and deal in bonds and obligations of the United States to such extent as the Secretary of the Treasury may from time to time determine.

(f) To issue and have outstanding at any one time its notes or obligations in an amount aggregating not more than eight times its paid-in capital, such notes or obligations to mature not less than one year nor more than five years from the respective dates of issue, and to bear such rate or rates of interest, and may be redeemable before maturity at the option of the corporation as may be determined by the board of directors, subject to the approval of the Secretary of the Treasury. Such notes or obligations shall have a first and paramount floating charge on all the assets of the corporation, and the corporation shall not at any time mortgage or pledge any of its assets. Such notes or obligations may be issued at par in payment of any advances authorized by this act, or, for any of the purposes of this act, may be offered for sale publicly or to any individual, firm, or corporation at such price or prices as the board of directors may determine, subject to the approval of the Secretary of the Treasury. Such notes or obligations may be dealt in by Federal reserve banks in the same manner and to the same extent as bonds or notes of the United States not bearing the circulation privilege, and Federal reserve banks shall be authorized, subject to the regulations of the Federal Reserve Board, to rediscount and purchase paper secured by such notes or obligations in the same manner and to the same extent, and at the same rate or at such higher rate as the Federal Reserve Board may approve, as they may purchase or rediscount paper, secured by such bonds or notes of the United States, under authority of the Federal Reserve Act. Any Federal reserve bank acquiring by purchase or rediscount such paper secured by the notes or obligations of the corporation may, with the approval of the Federal Reserve Board, use such paper so acquired for any purpose for which it is authorized to use paper secured by such bonds or notes of the United States: *Provided, however*, That whenever Federal reserve notes are issued against

the security of such paper the Federal Reserve Board may make a special interest charge on such notes, which, in the discretion of the Federal Reserve Board, need not be applicable to other Federal reserve notes which may from time to time be issued and outstanding. All provisions of law not inconsistent herewith, in respect to the purchase or rediscount by any Federal Reserve Bank of paper secured by such bonds or notes of the United States and in respect to Federal reserve notes issued against the security of such paper, shall extend, in so far as applicable, to the purchase or rediscount of paper secured by the notes or obligations of the corporation and to the Federal reserve notes issued against the security of such paper. Nothing done or omitted by the corporation hereunder shall be construed as carrying the approval of the corporation or of the United States of the legality, validity, worth, or security of any securities.

(g) To exercise by its board of directors, and its duly authorized officers or agents, all powers specifically granted by the provisions of this act and such incidental powers as shall be necessary or proper to carry out the purposes of this act: *Provided*, That the powers specifically enumerated herein shall be deemed additional to, and not in limitation of, any implied powers granted by this act: *And provided further*, That it shall not exercise any of those powers or perform any business except such as is incidental and necessarily preliminary to its organization until it has been authorized by the President of the United States to commence business under the provisions of this act.

SEC. 7. For the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, the corporation may, under rules and regulations to be prescribed by the corporation, with the approval of the Secretary of the Treasury, investigate and license, or refuse to license, the sale, or offering for sale or for subscription, of securities, as hereinafter provided. No person, firm, corporation, or association shall sell, or offer for sale, or for subscription, any issue, or any part of any issue, of securities hereafter issued, the par or face value of which shall be in excess of \$100,000, except in accordance with such rules and regulations as the corporation, with the approval of the Secretary of the Treasury, shall prescribe, nor, when required by such rules and regulations, except as permitted by licenses granted by the corporation. The corporation shall, however, grant licenses for any such sale, or any such offer for sale or for subscription, which it shall determine to be consistent with the foregoing purposes. Shares of stock of any corporation or association without nominal or par value shall, for the purposes of this act, be deemed to be of the par value of \$100 each. Any securities which upon the date of the approval of this act are in the possession or control of, or have been hypothecated by, the corporation, association, or obligor issuing the same shall not be deemed to have been issued prior to the date of the approval of this act, within the meaning hereof. Nothing in this act shall be construed

to prohibit, or to require any license from the corporation in respect of, any borrowing by any person, firm, corporation, or association in the ordinary course of business as distinguished from borrowing for capital purposes. This section shall not be construed to apply to any securities issued by any railroad corporation the property of which may be in the possession and control of the President of the United States. This section shall not take effect until rules and regulations shall have been prescribed by the corporation, as hereinbefore provided, and may continue in effect until the expiration of six months after the termination of the war, the date of such termination to be determined by a proclamation of the President of the United States.

SEC. 8. Whoever shall willfully violate any of the provisions of this act or of any license, order, rule, or regulation issued hereunder, or whoever shall willfully violate, neglect, or refuse to comply with any such license, order, rule, or regulation issued hereunder, shall upon conviction in any court of the United States of competent jurisdiction, be fined not more than \$5,000, or, if a natural person, imprisoned for not more than four years, or both; and any officer, director, or agent, of any corporation or association, or member of any firm, who shall knowingly participate in any such violation, neglect, or refusal shall be punished by a like fine, imprisonment, or both.

SEC. 9. All net earnings of the corporation not required for its operations shall be accumulated as a reserve fund until such time as the corporation liquidates under the terms of this act. Such reserve fund shall, upon direction of the Secretary of the Treasury, be invested in bonds, notes, or certificates of indebtedness of the United States, or upon like direction may be deposited in member banks of the Federal Reserve system, or may upon like direction be deposited in any of the Federal Reserve Banks. The Federal Reserve Banks are hereby authorized to act as depositaries for and as fiscal agents of the corporation in the general performance of the powers conferred by this act. Beginning six months after the termination of the war, the date of such termination to be fixed by a proclamation of the President of the United States, the directors of the corporation shall proceed to liquidate its assets and to wind up its affairs. Any balance remaining after the payment of all its debts shall be paid to and become the property of the United States, and thereupon the corporation shall be dissolved.

SEC. 10. Any and all notes and obligations issued by the corporation shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of such notes and obligations

the principal of which does not exceed in the aggregate \$5,000 owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in subdivision (b) of this clause. The corporation, including its franchise and the capital and reserve or surplus thereof, and the income derived therefrom, shall be exempt from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except that any real property of the corporation shall be subject to State, county, or municipal taxes to the same extent, according to its value, as other real property is taxed.

SEC. 11. If any clause, sentence, paragraph, or part of this act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, or, in case any court of competent jurisdiction shall adjudge to be invalid any provisions hereof in respect of any class or classes of securities, such judgment shall not affect, impair, or invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph, part, or subject matter of this act directly involved in the controversy in which judgment shall have been rendered.

SEC. 12. The term *securities*, as used in this act, includes stocks, bonds, notes, certificates of indebtedness, and other obligations.

SEC. 13. The right to amend, alter, or repeal this act is hereby expressly reserved.

EARNINGS AND EXPENSES OF THE FEDERAL RESERVE BANKS.

Total earnings of the Federal Reserve Banks for the calendar year 1917 were \$15,438,858, compared with \$4,955,343 for the calendar year 1916, while total current expenses were \$4,235,866, compared with \$2,204,344 for the previous year. Current expenses for the year under review include \$2,669,585 of expenses of operation proper, \$1,111,636—the cost, including postage, expressage, insurance, and other expenses incident to the issue and redemption of Federal Reserve notes and bank notes, \$299,823—depreciation of bank buildings, furniture, and equipment, and \$154,824 the excess of the cost of operation of the transit department over the total of service charges collected by those Federal Reserve Banks showing a deficit from operation of this department. The total is exclusive of expenses of the fiscal agent departments. These expenses are treated separately, being reimbursed by the United States Treasury Department.

Net earnings of the banks, i. e., the excess of earnings over current expenses, totaled \$11,202,992, or at the rate of 18.9 per cent on an average aggregate paid-in capital for the year of \$59,260,000, compared with 9.8 per cent for the first six months of 1917 and about 5 per cent for the calendar year 1916. It is thus seen that the financial results of operation were especially favorable during the second half of the year, when the discount demands upon the Federal Reserve Banks in connection with the loan operations of the Government caused a much larger employment of the banks' funds than during the earlier portion of the year. Three banks report net earnings for the year in excess of 20 per cent on their average paid-in capital; three other banks show net earnings between 15 and 20 per cent, while the remaining six banks show net earnings between 12 and 15 per cent. To the total net earnings above shown should be added the net profits carried over from 1916, \$649,302, and miscellaneous adjustments in the profit and loss account amounting to \$10,529, making a total of \$11,862,823.

Deductions from this total, \$1,633,914, comprise the cost of notes paid for but not yet issued by the banks, the premium on United States bonds, also special funds set aside to cover depreciation on United States securities owned by the banks, leaving \$10,228,909 as the net profits on December 31, 1917. Over two-thirds of this amount, or \$6,801,726, represents the amount of dividends paid to member banks during the year, including certain small adjustments in the dividend account. The balance of \$3,427,183 was distributed as follows: \$1,134,234 was paid by six banks as franchise tax to the Government; an equal amount was carried by these banks to surplus, while \$1,158,715 was carried to profit and loss by the other six banks.

Over 45 per cent of the total earnings for the year, as against 20.7 per cent the year before, was from bills discounted; 32.2 per cent, as against 31.5 per cent from acceptances bought in the open market; 15.3 per cent, as against 22.3 per cent from United States securities;

about 3 per cent came from the sale of transfer drafts, and the remainder from municipal warrants, profits on United States securities sold, penalties for deficient reserves, commissions, and sundry smaller profits.

Expenses of operation of the banks proper, exclusive of their transit and fiscal agent departments, were \$2,669,585, compared with \$1,684,501 for the calendar year 1916. Of the total, about 28 per cent went as compensation to the clerical staff and 23.2 per cent as salaries to bank officers. Less than 9 per cent of the total operating expense is represented by contributions of the banks for the support of the Federal Reserve Board. Rent paid by all banks, except Dallas, constitutes less than 7 per cent of the total expenses of operation, while the cost of printing and stationery accounts for about 5.4 per cent of these expenses. Other large items of operating expense, in the order of their importance, were postage, insurance, directors' fees and per diem allowances, compensation to special officers and watchmen, and salaries not specified.

Current expenses are exclusive of \$183,764 expended on furniture, fixtures, and vault account. During the year the banks wrote off

this account a total of \$305,421. At the end of the year the furniture and fixtures account was completely charged off by a number of banks, leaving a balance of \$133,396 at the opening of 1918, representing the combined furniture, fixtures, and vault account.

The Richmond bank owns a banking house for its branch in Baltimore and ground upon which to build in Richmond. Dallas owns a banking house, while Atlanta and San Francisco own ground on which they propose to erect bank buildings for their own use. The total amount reported at the close of the year by these four banks and Philadelphia under the head of "Bank premises" is \$707,611, compared with \$368,222 at the beginning of the year.

Disbursements of the transit departments, not included in the banks' operating expenses, totaled \$844,305. As an offset against these disbursements the banks received \$704,670 of service charges for handling items received for collection. Aggregate deficits of \$154,824 reported by 7 banks were included among the current expenses of the banks, while excesses of service charges appear among the earnings of 5 banks.

Earnings and expenses of each Federal Reserve Bank and of the system as a whole for the calendar year 1917.

EARNINGS.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Bills discounted and bought:													
Bills discounted—Members and Federal Reserve Banks.....	\$571,117	\$2,455,533	\$370,359	\$375,169	\$418,629	\$231,636	\$938,543	\$347,871	\$311,376	\$438,331	\$198,571	\$292,982	\$6,950,617
Acceptances bought in market.....	502,397	1,843,325	474,653	496,711	201,008	102,311	394,340	180,601	148,531	171,112	149,006	308,596	4,972,591
Investments:													
United States securities.....	94,785	378,668	123,875	317,924	96,142	140,820	443,958	110,301	97,936	256,792	159,432	147,355	2,367,989
Municipal warrants.....	5,203	66,470	18,170	48,132	560	3,629	30,880	13,691	4,479	5,137	6,833	11,935	215,119
Profits realized on United States securities.....	11,102	14,335	13,768	24,261	16,712	25,569	25,196	.....	.....	.....	4,008	11,250	146,201
Transfers—Net earnings.....	108	.....	339	14,022	.....	17,134	170,634	57,920	45,983	45,570	34,027	64,303	450,100
Deficient reserve penalties, including interest.....	6,105	18,565	6,878	17,844	31,362	13,527	12,223	14,968	4,468	37,396	12,968	18,222	194,526
Commissions received.....	6,938	38,538	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45,476
Net service charges received in excess of transit department disbursements.....	.....	.....	.....	.....	4,387	.....	1,564	2,726	6,129	.....	383	.....	15,189
Sundry profits.....	253	32,857	7,917	3,181	1,208	7,196	4,940	8,696	9,436	1,112	4,202	52	81,050
Total earnings.....	1,198,008	4,848,291	1,015,959	1,297,244	770,009	541,822	2,022,278	736,774	628,338	955,950	569,430	854,755	15,438,858

Earnings and expenses of each Federal Reserve Bank and of the system as a whole for the calendar year 1917—Continued.

CURRENT EXPENSES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Expenses of operation:													
Assessments account expenses Federal Reserve Board.....	\$21,226	\$50,252	\$22,057	\$25,783	\$14,256	\$10,154	\$30,021	\$12,733	\$10,196	\$13,118	\$11,439	\$16,560	\$237,795
Federal Advisory Council (fees and traveling expenses).....	445	650	350	653	432	479	827	405	150	370	150	150	5,061
Governors' conferences (including traveling expenses).....	539	552	174	251	337	300	432	711	625	665	398	944	5,923
Federal Reserve agents' conferences (including traveling expenses)....	8	110	.....	167	168	.....	243	.....	113	.....	208	215	996
Salaries—													
Bank officers.....	43,550	129,247	46,206	46,678	33,200	36,471	63,761	48,688	37,101	37,782	41,051	56,657	620,392
Clerical staff.....	49,039	228,485	42,615	44,861	35,303	37,893	85,865	55,236	31,926	38,773	39,940	56,891	746,827
Special officers and watchmen.....	604	11,017	8,311	4,357	700	3,424	10,289	2,127	1,667	1,419	2,782	434	47,111
All other.....	.....	29,534	.....	2,541	1,882	.....	5,138	2,043	816	1,062	2,981	160	46,157
Directors' fees.....	4,060	12,090	3,590	2,120	3,020	2,188	2,050	5,450	3,740	3,975	1,575	2,372	46,230
Per diem allowance.....	1,010	950	1,080	1,320	1,230	2,540	590	1,640	940	2,540	815	465	15,120
Traveling expenses.....	711	1,344	1,361	1,571	1,806	2,471	961	1,843	1,506	5,313	1,132	.....	20,019
Officers' and clerks' traveling expenses....	921	2,605	163	954	669	1,067	1,227	1,219	361	1,203	1,139	3,825	15,353
Legal fees.....	2,400	.....	1,700	2,000	500	600	2,750	.....	1,500	775	2,400	1,323	15,948
Rent.....	15,246	55,551	9,070	16,625	5,807	12,153	22,915	13,077	5,660	8,850	.....	13,669	178,625
Taxes and fire insurance.....	430	.....	13	.....	2,629	1,211	.....	.....	74	.....	1,184	104	5,645
Telephone.....	4,452	6,464	2,803	1,694	685	535	1,906	711	1,031	810	870	2,313	24,274
Telegraph.....	565	3,216	325	817	657	843	815	769	699	565	585	2,371	12,229
Postage.....	5,507	17,374	1,470	7,940	5,210	6,826	14,362	9,477	6,552	8,838	3,166	3,203	89,925
Expressage.....	3,036	12,907	186	4,692	4,116	2,483	9,510	2,906	5,030	1,234	8,424	6,960	61,112
Insurance and premiums on fidelity bonds.....	2,647	4,994	4,700	7,416	2,202	2,032	5,876	2,101	2,070	1,871	3,851	3,437	43,197
Light, heat, and power.....	1,651	.....	1,426	725	820	175	2,397	.....	1,185	1,468	.....	464	10,311
Printing and stationery.....	8,004	35,067	7,311	7,544	9,723	7,063	18,002	4,926	7,475	7,314	12,180	18,407	143,016
Repairs and alterations.....	1,289	1,039	233	8,828	11,296	28	528	386	1,267	287	2,473	1,506	29,160
All other expenses.....	26,191	100,830	9,183	5,404	4,683	15,812	37,578	11,490	4,602	17,388	5,029	10,966	249,156
Total expenses of operation.....	193,531	704,278	163,955	194,941	141,095	146,748	318,043	177,938	125,101	155,337	145,220	203,396	2,669,585
Cost of Federal Reserve notes issued, including expressage, insurance, etc.	68,954	343,765	70,340	91,256	58,903	54,808	159,825	49,363	42,381	48,679	30,911	34,998	1,054,133
Miscellaneous charges account note issues.....	.....	15,010	1,887	3,069	3,626	.....	2,314	1,229	1,355	20,886	.....	8,077	57,453
Depreciation of furniture and equipment.....	14,974	.....	3,782	30,232	25,726	8,177	32,225	6,088	41,364	38,353	32,325	28,142	261,388
Depreciation of bank premises.....	.....	.....	.....	.....	28,435	2,500	.....	.....	.....	.....	7,500	.....	38,435
Disbursements of transit department in excess of net service charges received.....	8,256	66,283	22,120	14,594	.....	2,277	.....	.....	.....	8,196	.....	33,098	154,824
Total current expenses.....	285,715	1,129,336	262,084	334,092	257,785	214,510	512,407	234,618	210,201	271,451	215,956	307,711	4,235,866
Net earnings for year 1917.....	912,293	3,718,955	753,875	963,152	512,224	327,312	1,509,871	502,156	418,137	634,499	353,474	547,044	11,202,992
Per cent of average paid-in capital.....	17.4	23.2	14.1	14.9	14.8	13.2	20.6	15.9	16.8	21.3	12.9	13.7	18.9

1 Credit.

Profit and loss account of each Federal Reserve Bank and of the system as a whole for the calendar year 1917.

	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Earnings.....	\$1,198,008	\$4,848,291	\$1,015,959	\$1,297,244	\$770,009	\$541,822	\$2,022,278	\$736,774	\$628,338	\$955,950	\$569,430	\$854,755	\$15,438,858
Current expenses.....	285,715	1,129,336	262,084	334,092	257,785	214,510	512,407	234,618	210,201	271,451	215,956	307,711	4,235,866
Net earnings for year.....	912,293	3,718,955	753,875	963,152	512,224	327,312	1,509,871	502,156	418,137	684,499	353,474	547,044	11,202,992
Profit and loss account Jan. 1, 1917.....	11,597	163,064	89,966	94,797	11,664	10,120	61,978	12,748	44,542	91,506	41,903	15,417	649,302
Miscellaneous adjustments in profit and loss during year.....		10,654					2,127		2-2,127	1 125			10,529
Total.....	923,890	3,892,673	843,841	1,057,949	523,888	337,432	1,573,976	514,904	460,552	775,880	395,377	562,461	11,862,823
Less:													
Cost of Federal Reserve currency not yet issued to bank (including expressage, insurance, etc.).....	33,667	445,248				14,320	43,001			42,508			578,744
Premium on United States bonds.....				209,470			159,515			75,462	1,407		445,854
Reserved for depreciation on United States bonds.....	138,267	205,880			50,000	24,909	77,603		* 21,657			91,000	609,316
Total deductions.....	171,934	651,128		209,470	50,000	39,229	280,119		21,657	117,970	1,407	91,000	1,633,914
Net profits Dec. 31, 1917.....	751,956	3,241,545	843,841	848,479	473,888	298,203	1,293,857	514,904	438,895	657,910	393,970	471,461	10,228,909
Dividends paid.....	597,829	1,941,642	622,150	715,614	240,944	215,972	860,058	284,566	363,876	360,236	187,744	394,490	6,785,121
Dividends accrued and paid on surrendered stock including miscellaneous adjustments in dividend account.....	3,927	1,177	1,453	554		2,231	2,201		19	4,267	490	286	16,695
Total dividends paid during year.....	601,756	1,942,819	623,603	716,168	240,944	218,203	862,259	284,566	363,895	364,503	188,234	394,776	6,801,726
Profit and loss Dec. 31, 1917, after payment of dividends.....	150,200	1,298,726	220,238	132,311	232,944	80,000	431,598	230,338	75,000	293,407	205,736	76,685	3,427,183
Distribution of profit and loss:													
Paid to Government account franchise tax.....	75,100	649,368			116,472	40,000	215,799		37,500				1,134,234
Carried to surplus account.....	75,100	649,368			116,472	40,000	215,799		37,500				1,134,234
Profit and loss Jan. 1, 1918.....			220,238	132,311				230,338		293,407	205,736	76,685	1,158,715
Dividends paid to....	12-31-17	12-31-17	6-30-17	6-30-17	12-31-17	12-31-17	12-31-17	12-31-16	12-31-17	6-30-17	6-30-17	12-31-16	

* Credit.

* Amount paid to the Chicago Federal Reserve Bank in adjustments of dividends due to banks transferred from the Minneapolis to the Chicago district.

* Includes \$6,500 for abrasion on gold coin.

. Transit department disbursements and net service charges of each Federal Reserve Bank and of the system as a whole for the calendar year 1917.

DISBURSEMENTS.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Expenses of operation:													
Salaries—													
Bank officers.....				\$3,563	\$3,000	\$469		\$725			\$2,169		\$9,926
Clerical staff.....	\$51,854	\$58,871	\$55,134	39,950	29,254	20,279	\$35,042	15,868	\$23,799	\$28,631	27,292	\$28,922	414,896
All other.....				228				52		6	655		941
Officers' and clerks' traveling expenses.....		631	213	201									1,045
Legal fees.....						185	37					1,098	1,320
Rent.....	7,041	6,590	1,630	2,232	1,200	2,750	5,013	1,445	3,000	1,600		750	33,251
Taxes and fire insurance.....	65		35	204					60		28		392
Telephone.....	53	57		55		36	288	247	48	26	24		834
Telegraph.....	61	345		32	1	15	78	104			127		1,075
Postage.....	19,157	22,294	17,939	12,626	10,659	8,278	8,578	7,799	8,951	17,544	9,353	9,769	152,947
Expressage.....	8,027	28,850	11,756	66	480	11	466	969			2,301	14,262	67,188
Insurance and premiums on fidelity bonds.....	894	880	1,391	488			130	240	656	525	815	33	6,052
Light, heat, and power.....	1,585		235	138	747	148	600	5,118		304	240	366	9,481
Printing and stationery.....	5,350	10,942	3,780	5,790	2,271	2,294	6,157	19	4,121	3,133	4,924	5,077	53,858
Repairs and alterations.....	107		118	420			48	2,106		152	52	356	3,359
All other expenses, not specified.....	1,938	17,746	4,652	2,819	886	5,033	4,449		726	544	1,714	3,200	43,707
Total expenses of operation.....	96,132	147,206	96,883	68,812	48,498	39,498	60,886	34,692	41,361	52,465	49,694	64,145	800,272
Depreciation of furniture and equipment.....			4,818	15,754	2,688	10,746		1,640	3,100	2,441	2,846		44,033
Total disbursements.....	96,132	147,206	101,701	84,566	51,186	50,244	60,886	36,332	44,461	54,906	52,540	64,145	844,305

SERVICE CHARGES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Member banks.....	86,670	128,271	93,507	60,964	43,028	30,042	110,243	48,994	32,821	15,714	28,945	13,864	693,063
Other Federal Reserve Banks.....	12,139	17,762	16,048	26,017	22,592	25,091	17,529	22,299	20,542	34,603	25,445	20,001	260,068
Total service charges received.....	98,809	146,033	109,555	86,981	65,620	55,133	127,772	71,293	53,363	50,317	54,390	33,865	953,131
Service charges paid other Federal Reserve Banks.....	10,933	65,110	29,974	17,009	10,047	7,166	65,322	32,235	2,773	3,607	1,467	2,818	248,461
Service charges, net.....	87,876	80,923	79,581	69,972	55,573	47,967	62,450	39,058	50,590	46,710	52,923	31,047	704,670
Transit department disbursements in excess of net service charges received.....	8,256	66,283	22,120	14,594	14,387	2,277	11,564	12,726	16,129	8,196	1383	33,098	139,635

¹ Excess service charges.

Fiscal agent department disbursements of each Federal Reserve Bank, amounts reimbursed, and balances reimbursable by the United States Treasury, to the end of the calendar year 1917.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Total disbursements to Dec. 31, 1917.....	\$294,499	\$394,485	\$186,008	\$237,581	\$66,921	\$70,380	\$456,845	\$191,516	\$106,338	\$114,172	\$92,798	\$376,219	\$3,087,762
Amounts reimbursed by United States Treasury to Dec. 31, 1917.....	151,288	534,135	85,975	98,333	23,700	24,686	169,417	66,667	52,211	27,722	27,793	128,615	1,390,542
Balances reimbursable.....	143,211	360,350	100,033	139,248	43,221	45,694	287,428	124,849	54,127	86,450	65,005	247,604	1,697,220

Cost of furniture and equipment, including vaults, also bank premises.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Balance as reported Jan. 1, 1917.....		\$15,410	\$20,164	\$12,000	\$12,282	\$28,109	\$28,689	\$59,274	\$41,961	\$37,164			\$255,053
Additional purchases during calendar year ending Dec. 31, 1917.....	\$14,974		18,771	25,822	25,479	6,641	4,116	23,538	14,691	12,583	9,007	\$28,142	183,764
Total.....	14,974		34,181	45,986	37,479	18,923	32,225	52,227	73,965	54,544	46,171	28,142	438,817
Depreciation charged during calendar year ending Dec. 31, 1917.....	14,974		8,600	45,986	28,414	18,923	32,225	7,728	44,464	40,794	35,171	28,142	305,421
Balance Jan. 1, 1918.....			25,581		9,065			44,499	29,501	13,750	11,000		133,396
Bank premises.....			10,000		300,000	140,875					136,736	120,000	707,611

¹ Refund of \$195.50 deducted.

Cost of unissued Federal Reserve notes.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta (including New Orleans branch).	Chicago.	St. Louis (including Louisville branch).	Minneapolis.	Kansas City (including Omaha branch).	Dallas.	San Francisco (including Seattle, Spokane, and Portland branches).	Total.
Balance as reported Jan. 1, 1917.....	\$29,230	\$235,599	\$27,708	\$39,544	\$9,355	\$20,315	\$67,958	\$19,763	\$16,295	\$23,599	\$8,940	.....	\$503,306
Additional cost during calendar year ending Dec. 31, 1917.....	73,391	553,414	43,144	51,712	49,548	49,401	134,868	45,767	39,001	62,588	32,132	\$34,998	1,169,964
Total.....	102,621	789,013	70,852	91,256	58,903	69,716	202,826	65,530	55,296	91,187	41,072	34,998	1,673,270
Cost of Federal Reserve notes charged to current expenses during calendar year ending Dec. 31, 1917..	102,621	789,013	70,340	91,256	58,903	69,128	202,826	49,363	42,381	91,187	30,911	34,998	1,632,927
Balance Jan. 1, 1918..	.....	.....	512	.....	.....	588	.....	16,167	12,915	.....	10,161	.....	40,343

¹ Includes cost of Federal Reserve bank notes amounting to \$983.82.

Earnings and current expenses, by months, for the calendar year 1917, of each Federal Reserve Bank and the system as a whole.

EARNINGS.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta (including New Orleans branch).	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
January.....	\$53,987	\$120,886	\$48,394	\$65,114	\$44,597	\$47,800	\$88,968	\$31,400	\$32,121	\$29,731	\$20,826	\$49,982	\$633,806
February.....	43,978	109,043	45,091	52,713	35,436	26,584	68,040	31,283	31,310	31,311	24,678	34,413	533,880
March.....	45,168	91,582	44,794	51,150	37,496	21,128	63,591	33,052	31,094	34,889	22,943	31,090	507,977
April.....	53,134	107,644	47,812	54,016	44,603	23,870	68,272	35,947	34,082	34,955	28,886	38,725	571,946
May.....	53,867	156,521	72,047	66,220	55,669	28,271	89,149	43,806	43,184	42,511	34,747	52,476	738,468
June.....	89,452	437,386	78,704	73,082	58,850	28,873	136,407	47,167	39,952	72,814	33,119	59,645	1,155,451
July.....	104,597	389,244	87,023	78,742	66,862	26,861	192,247	53,281	49,422	88,498	36,581	62,530	1,235,888
August.....	110,323	233,893	90,314	107,090	65,074	33,380	160,522	55,826	60,826	97,756	45,805	75,312	1,136,121
September.....	108,553	315,977	95,853	117,730	68,800	44,330	170,449	66,900	70,234	92,918	53,081	80,282	1,285,057
October.....	126,746	672,011	85,419	131,396	69,299	73,964	247,193	91,293	58,689	106,034	79,296	91,571	1,832,911
November.....	161,013	1,033,209	122,933	193,726	85,379	85,520	336,516	96,824	83,836	166,516	88,510	119,352	2,573,334
December.....	247,190	1,180,895	197,575	306,265	133,557	101,241	399,360	147,269	87,459	158,017	100,625	159,377	3,218,830
Total.....	1,198,008	4,848,291	1,015,959	1,297,244	765,622	541,822	2,020,714	734,048	622,209	955,950	569,047	854,755	15,423,669
Net service charges in excess of transit department disbursements.....	.....	.....	.....	.....	4,387	.....	1,564	2,726	6,129	.....	383	.....	15,189
Total earnings.....	1,198,008	4,848,291	1,015,959	1,297,244	770,009	541,822	2,022,278	736,774	628,338	955,950	569,430	854,755	15,438,858

CURRENT EXPENSES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta (including New Orleans branch).	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
January.....	\$11,736	\$53,558	\$11,354	\$12,104	\$10,395	\$10,972	\$18,968	\$12,428	\$7,705	\$11,040	\$10,022	\$11,244	\$181,526
February.....	14,088	61,972	15,548	15,153	8,147	11,424	23,194	12,183	9,892	11,085	9,271	11,416	203,373
March.....	14,908	66,284	15,340	15,207	8,672	10,882	25,960	11,391	8,995	12,537	9,407	10,984	210,567
April.....	15,667	61,834	15,703	18,178	8,779	10,631	31,639	11,677	11,889	12,374	9,994	11,076	219,441
May.....	14,656	58,375	15,145	20,215	10,483	10,566	34,175	15,228	11,166	13,078	8,988	11,262	223,337
June.....	18,226	65,532	19,226	23,066	77,994	9,717	30,258	14,495	11,288	11,789	25,627	33,481	340,639
July.....	20,785	73,825	13,530	20,731	11,867	12,753	60,844	16,194	13,378	15,934	10,921	17,132	287,894
August.....	22,077	90,565	18,098	17,048	10,567	13,232	36,949	15,961	12,608	18,415	13,579	20,259	289,353
September.....	24,428	96,832	23,618	24,934	12,425	25,957	43,408	19,883	18,533	26,535	24,952	20,612	362,117
October.....	29,841	136,796	28,240	28,244	11,337	29,502	51,845	33,690	24,655	32,187	23,017	26,830	456,184
November.....	30,815	157,874	25,456	33,251	16,171	23,787	59,441	34,034	17,977	31,980	17,810	24,994	473,590
December.....	60,232	139,606	38,706	91,427	70,948	42,810	95,726	37,454	62,115	66,301	52,368	75,323	833,016
Total.....	277,459	1,063,053	239,964	319,498	257,785	212,233	512,407	234,618	210,201	263,255	215,956	274,613	4,081,042
Transit department disbursements in excess of net service charges received.....	8,256	66,283	22,120	14,594	.....	2,277	.....	.....	.....	8,196	.....	33,098	154,824
Total current expenses.....	285,715	1,129,336	262,084	334,092	257,785	214,510	512,407	234,618	210,201	271,451	215,956	307,711	4,235,866

NOTE.—Increases in current expenses shown for the months of June and December are due to the inclusion of special charges account depreciation of furniture and equipment, also cost of Federal Reserve currency during these two months.

Reducing Clerical Costs.

[James Stanley in the February "System."]

Small banks belonging to the Federal Reserve system rediscount a greater amount of customers' paper in a number of separate pieces than do some of the larger banks, which pass only a few of their biggest and best customers' notes to the nearest branch for rediscounting. This means a large number of individual financial statements to be prepared and copied to go with the notes rediscounted by the small bank.

To shorten the routine of getting these statements ready a North Dakota bank has all its customer statement blanks printed in duplicate. Whenever a customer submits a statement, he automatically furnishes a carbon copy, too. Thus, the original is sent on to the reserve branch with the customer's note and the duplicate is retained by the bank for its information.

GOLD SETTLEMENT FUND.

Shifting of funds between New York and the interior, including the concentration at New York of the final installment payments on the second Liberty loan and of amounts received for certificates of indebtedness issued in anticipation of tax payments, account largely for the continued heavy volume of clearings and transfers effected through the gold-settlement fund for the four weeks ending January 17, 1918. Combined clearings and transfers from December 20, 1917, to January 17, 1918, both inclusive, totaled \$2,980,359,000, averaging \$745,089,750 per week, compared with a like average of \$904,916,750 for the preceding four weeks, which witnessed the payment of the second installment on the second Liberty loan. The balance to the credit of New York in the fund declined sharply in favor of the interior during the second week of the period. The following week, however, witnessed a complete reversal, and New York's balance gained 73.9 millions, 43.8 millions through transfers and settlement and 30.1 millions by deposits, trans-

fer of the funds being largely for the use of the Treasurer. During the last week of the period the balances of the interior banks increased at the expense of New York in anticipation of the final payment on the second Liberty loan.

Deposits of gold, principally at New York, Philadelphia, Chicago, and San Francisco, account for the increase in the banks' fund of 47.1 millions during the four-week period, against a loss of only 1.3 millions in the total balances of the agents' holdings, resulting in a net gain in the fund of 45.8 millions. The combined banks' and agents' balances on January 17, 1918, totaled \$845,166,500, compared with \$272,320,000 in the fund January 1, 1917. The total of the balances in the fund January 1, 1918, was \$808,247,000, indicating a net increase for the year 1917 of \$535,927,000.

Shifting of credits in the fund resulted in considerable gains in the balances of New York, Boston, Philadelphia, San Francisco, and St. Louis, Chicago and Cleveland balances indicating the largest decreases. Changes in the ownership of gold in the fund amounted to 2.47 per cent of the obligations settled, as against 2.27 per cent for the preceding four-week period, and 1.64 per cent for the period from May 20, 1915, to January 17, 1918.

Below are given figures showing changes in the fund between December 20, 1917, and January 17, 1918, inclusive:

Amounts of clearings and transfers, Federal reserve banks, from Dec. 27, 1917, to Jan. 17, 1918, inclusive.

[In thousands of dollars.]

	Total clearings.	Balances adjusted.	Transfers.
Settlement of—			
Dec. 27, 1917.....	727,137	47,965	130,000
Jan. 3, 1918.....	536,945	48,534	36,400
Jan. 10, 1918.....	690,242	43,419	63,500
Jan. 17, 1918.....	723,635	50,432	72,500
Total.....	2,677,959	190,350	302,400
Total since Jan. 1, 1918.....	1,950,822	142,385	158,500
Total for 1917.....	24,319,200	2,154,721	2,835,504.5
Total for 1916, including transfers.....	5,633,966		
Total for 1915, including transfers.....	1,052,649		
Total clearing and transfers, May 20, 1915, to Jan. 17, 1918.....	35,950,415		

Changes in ownership of gold.

[In thousands of dollars.]

Federal Reserve Bank of—	Total to Dec. 20, 1917.		From Dec. 20, 1917, to Jan. 17, 1918, inclusive.				Total changes from May 20, 1915, to Jan. 17, 1918.	
	Decrease.	Increase.	Balance to credit Dec. 20, 1917, plus net deposits of gold since that date.	Balance Jan. 17, 1918.	Decrease.	Increase.	Decrease.	Increase.
Boston.....		22,630	21,101	37,425		16,324		38,954
New York.....	573,013		50,582	34,689	15,393		588,906	
Philadelphia.....		49,929	14,522	31,432		16,930		66,889
Cleveland.....		99,882	58,443.2	44,820.2	13,613			86,249
Richmond.....		17,081	28,853	19,820	9,033			8,048
Atlanta.....		54,449	8,785	15,264		6,579		61,028
Chicago.....		88,547	74,608	45,228	29,380			59,167
St. Louis.....		13,511	5,914.4	20,820.4		14,906		28,417
Minneapolis.....		14,158	5,141	10,262		5,121		19,279
Kansas City.....		61,550.5	35,600.1	31,531.1	4,069			67,481.5
Dallas.....		47,275.5	19,308.7	17,737.7	1,566			45,709.5
San Francisco.....		104,020	25,769	39,463		13,694		117,714
Total.....	573,013	573,013	348,622.4	348,622.4	73,554	73,554	588,906	588,906

Gold settlement fund—Summary of transactions from Dec. 20, 1917, to Jan. 17, 1918, inclusive.

[In thousands of dollars.]

Federal Reserve Bank of—	Balance last statement Dec. 20, 1917.	Gold.		Transfers.		Weekly statements, Dec. 20, 1917, to Jan. 17, 1918.				Jan. 17, 1918, balance in fund after close of business.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....	14,101	2,000	9,000	15,000	20,500	11,471	212,882	223,686	22,295	37,425
New York.....	6,002	520	45,100	108,400	146,000	66,830	859,191	805,698	13,337	34,689
Philadelphia.....	12,837	23,930	25,615	5,000	9,000	7,664	290,698	303,628	20,594	31,432
Cleveland.....	60,980	5,750	3,263.2	37,000	30,000	46,780	259,648	253,035	40,167	44,820.2
Richmond.....	23,407.2	118.2	5,564	14,000		4,619	121,184	126,151	9,586	19,820
Atlanta.....	9,970	10,290	9,105		3,900	3,331	75,330	78,009	6,010	15,364
Chicago.....	79,280.2	37,035	32,362.8	50,000	23,000	25,585	361,587	359,207	23,205	45,228
St. Louis.....	10,842	5,500	572.4				161,822	176,728	14,906	20,820.4
Minneapolis.....	10,328.5	6,037.5	850			5,587	75,207	80,328	10,708	10,262
Kansas City.....	35,971.7	3,004	1,632.4	26,000	5,000		106,148	122,079	16,931	31,531.1
Dallas.....	17,590	1,086.3	2,800	7,500	5,000	1,414	54,894	55,828	2,348	17,737.7
San Francisco.....	19,264	10,400	16,905	39,500	60,000	17,069	100,388	93,582	10,263	39,463
Total.....	301,523.6	105,671	152,769.8	302,400	302,400	190,350	2,677,959	2,677,959	190,350	348,622.4

Federal Reserve agents' fund—Summary of transactions from Dec. 20, 1917, to Jan. 17, 1918.

[In thousands of dollars.]

Federal Reserve agent at—	Balance last statement, Dec. 20, 1917.	Gold withdrawn.	Gold deposited.	Balance Jan. 17, 1918.	Federal Reserve agent at—	Balance last statement, Dec. 20, 1917.	Gold withdrawn.	Gold deposited.	Balance Jan. 17, 1918.
Boston.....	2,000		4,000	6,000	St. Louis.....	27,405	2.4	5,500	32,902.6
New York.....	75,000	35,000		40,000	Minneapolis.....	16,500	1,000	6,000	21,500
Philadelphia.....	55,429	22,435	56,924	56,924	Kansas City.....	39,860	500	3,000	42,360
Cleveland.....	30,000		5,000	35,000	Dallas.....	8,474	1,000	900	8,374
Richmond.....	30,000	5,000	25,000	25,000	San Francisco.....	41,621	5,615	10,400	46,406
Atlanta.....	42,970	9,800	10,250	43,420	Total.....	497,824	106,694.9	105,415	496,544.1
Chicago.....	128,565	26,342.5	36,435	138,657.5					

OPERATION OF THE FEDERAL RESERVE CLEARING SYSTEM, DEC. 16, 1917, TO JAN. 15, 1918.

	Items drawn on banks in Federal Reserve city (daily average).		Items drawn on banks in district outside Federal Reserve city (daily average).		Items drawn on banks in other districts (daily average).		Items handled by both bank and branches (daily average).		Total (exclusive of items drawn on Treasurer of United States) (daily average).		Items drawn on Treasurer of United States (daily average).		Number of member banks in district.	Number of non-member banks on par list.
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.		
Boston.....	3,373	\$12,791,930	39,395	\$5,046,782	4,254	\$7,144,060	.....	.....	47,022	\$24,982,772	2,863	\$2,084,095	403	249
New York.....	5,662	58,546,249	43,178	33,872,466	3,952	14,277,245	.....	.....	52,792	106,695,960	20,009	9,167,627	651	343
Philadelphia.....	15,439	18,043,655	21,335	3,394,645	10,817	10,999,762	.....	.....	47,591	32,438,062	2,233	1,393,038	628	312
Cleveland.....	1,750	4,660,023	23,940	11,482,447	1,684	3,005,355	391	\$839,849	27,745	19,987,674	542	375,106	761	549
Richmond.....	1,269	4,124,563	21,265	6,700,458	2,165	3,999,109	.....	.....	24,699	14,824,130	551	166,558	531	234
Atlanta.....	1,600	2,279,985	12,010	2,776,172	1,582	2,089,110	512	237,926	15,704	7,383,193	762	478,774	402	313
Chicago.....	7,278	19,115	19,428	4,283	1,774	689	.....	.....	28,480	24,087	5,160	1,883	1,109	2,235
St. Louis.....	3,045	8,718,931	11,736	2,254,831	205	1,277,238	352	230,834	15,338	12,481,824	2,255	761,730	479	987
Minneapolis.....	2,863	5,724,470	13,426	1,288,911	1,046	1,771,513	.....	.....	17,135	8,784,834	242	117,167	781	1,041
Kansas City.....	2,445	7,898,002	16,871	9,512,693	814	5,444,643	1,552	1,103,218	21,682	23,958,556	833	302,000	962	1,527
Dallas.....	1,000	2,351,482	14,828	5,957,635	565	1,012,167	.....	.....	16,893	9,321,284	484	179,858	633	208
San Francisco.....	3,025	3,778,818	16,046	2,495,095	504	466,376	4,911	990,208	24,486	7,730,497	1,449	4,204,698	552	1,166
Totals:														
Dec. 16 to Jan. 15.....	48,549	128,937,223	253,458	84,786,418	49,342	51,487,267	7,718	3,402,035	359,067	268,522,943	38,130	19,235,176	7,909	9,268
Nov. 16 to Dec. 15.....	47,678	171,723,439	240,756	84,440,761	46,353	58,458,952	.....	.....	324,787	314,623,152	33,806	27,179,053	7,821	9,321
Oct. 16 to Nov. 15.....	47,574	166,552,773	232,723	64,296,210	45,393	53,089,827	.....	.....	325,690	283,938,810	30,426	17,496,974	7,826	9,210
Sept. 16 to Oct. 15.....	40,591	128,271,466	212,935	47,476,204	40,216	44,984,581	.....	.....	293,742	220,732,251	26,797	13,518,566	7,741	9,052
Aug. 16 to Sept. 15.....	36,306	100,331,694	182,191	41,323,621	32,564	40,648,168	.....	.....	251,061	182,302,483	23,492	11,006,515	7,718	8,934
July 16 to Aug. 15.....	36,727	98,075,919	175,625	40,353,283	31,273	37,981,022	.....	.....	243,625	176,410,219	19,533	9,701,569	7,681	8,837
June 16 to July 15.....	38,476	109,722,256	182,622	41,004,720	33,941	46,762,698	.....	.....	255,039	197,489,674	19,100	11,637,869	7,666	8,805
May 16 to June 15.....	37,898	97,322,883	179,193	38,569,461	33,150	38,314,393	.....	.....	250,241	174,236,737	16,344	4,414,508	7,651	8,789
Apr. 16 to May 15.....	33,767	87,370,859	171,093	36,473,163	33,428	36,836,934	.....	.....	238,288	160,680,956	15,925	3,597,865	7,634	8,926
Mar. 16 to Apr. 15.....	31,162	60,288,002	168,607	32,666,959	32,008	34,693,542	.....	.....	231,777	127,648,503	12,582	2,643,408	7,625	8,607

INFORMAL RULINGS OF THE BOARD.

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

Maturity of Notes Due on Sunday or Legal Holidays.

(To a Federal Reserve Bank.)

The Board has considered your letter relating to the time to be computed on member banks' 15-day collateral notes which fall due on Saturday or Sunday and are consequently legally matured on Monday in the States which have adopted the negotiable instruments law, which provides that paper falling due on Sunday or a legal holiday is payable on the next succeeding business day. It appears that all the States in your district have the negotiable instruments law with the exception of Georgia, and that in Mississippi local law provides that paper falling due on Sunday or a holiday is payable on the next preceding business day. In Georgia the act of 1907 provides that paper falling due on Sunday or a legal holiday is payable on the next succeeding business day.

In discounting any paper regardless of maturity, you should first consult your calendar and time its actual maturity. For instance, if you should on January 26 discount a note running for 90 days, you should, as far as notes payable in Alabama, Georgia, and Florida are concerned, mature this paper on April 27, as April 26 is a legal holiday in these States, and you should figure discount for 91 days instead of 90. If the paper is payable in Mississippi it would legally mature on April 25, and you should figure discount for 89 days. In the other States of your district April 26 is not a legal holiday, and you should therefore mature such paper in those States on April 26 and figure discount for 90 days. As far as your 15-day notes are concerned, you should, in the case of a note payable in Mississippi, falling due on Sunday, mature it as of Saturday and charge 14 days' interest. In the case of a 15-day note payable in Georgia, you should mature it if due on Sunday as of Monday and charge 16 days' interest, and in Alabama, Tennessee, and the other States which have

the negotiable instruments law, you should mature your 15-day notes, payable in those States and falling due on Saturday or Sunday, as of Monday, charging 16 or 17 days' interest, as the case may be. The Board is of the opinion that if the collateral note on its face provides for payment 15 days after date, the law has been complied with, but if, by reason of the local law of a State you are obliged to collect this paper one or two days before its apparent maturity or one or two days thereafter, that you should charge interest accordingly, for there is no question that you are entitled to interest after maturity up to date of payment on any paper which you may have discounted and which is not paid promptly at maturity. It is suggested, however, that you have banks use your own form of collateral notes as far as possible, making those notes payable at the Federal Reserve Bank of Atlanta, in which case their maturity would be governed by the laws of Georgia.

JANUARY 12, 1918.

Eligibility of a Note of an Acceptance House or Broker.

(To a Federal Reserve Bank.)

Receipt is acknowledged of your letter of January 18, in which you ask for a ruling of the Board on the question whether the note of an acceptance house or broker, secured by acceptances eligible for purchase or rediscount at a Federal Reserve Bank is itself eligible for rediscount by a Federal Reserve Bank when endorsed by a member bank.

In reply, you are advised that the Board has consistently ruled that the eligibility of any paper offered for rediscount must, in accordance with the terms of the act, be determined by the use made of the proceeds of the loan represented by such paper. In the case you submit, the note of the acceptance house or broker could not be said to have been used for an industrial, agricultural, or commercial purpose, since the business of such acceptance house or broker is not such as to come within any of these classifications. The fact that the note is secured by eligible paper is immaterial if the proceeds are not used for one of the purposes mentioned.

JANUARY 21, 1918.

Form of Draft.

(To a national bank.)

Receipt is acknowledged of your letter of January 3 inclosing blank form of draft used by some of your cotton mills which are purchasing cotton from merchants.

You ask whether there is any objection to the form of draft submitted, and also ask to be informed whether such a draft made payable at sight and accepted by the drawee is negotiable if it contains the following provision: "With interest at the rate of 6 per cent per annum if payment is delayed."

In reply you are advised—

(a) That the Board knows of no objection to the use of the draft in the form submitted.

(b) If made payable at sight and accepted by the drawee it should not be discounted as a draft or bill of exchange since in practically all States a draft payable at sight becomes payable without grace as soon as presented or exhibited to the drawee. This being true, if the holder presented it for acceptance instead of for payment the drawer and indorsers would probably be released and the holder would have recourse only against the acceptor as the party primarily liable. Such a draft would not be eligible for rediscount with a Federal Reserve Bank since it would not have a fixed maturity of less than 90 days. To all intents and purposes it would be the promissory note of the acceptor and his liability to the bank would be subject to the limitations of section 5,200, Revised Statutes.

(c) In the opinion of the Board the insertion of the language suggested would not affect the negotiability of the instrument if it is construed to mean that interest at the rate of 6 per cent per annum is to begin to run from date of maturity. It is inadvisable, however, in any case to insert language the meaning of which is ambiguous, and the clause suggested in your letter is open to this criticism.

JANUARY 17, 1918.

Basis for Figuring Interest for Rediscount Transactions.

(To a Federal Reserve Bank.)

I am replying to your letter of January 28, in which you inform the Board that, in connection with rediscounts with Federal Reserve Banks, the point has been raised by one bank that it is its habit to figure discounts on a basis of 360 days to the year, while in your district

they are figured on a basis of 365 days. The bank claims, therefore, the difference from you.

You have asked the Board to give you a ruling in this respect, and after a full discussion of the question it has been decided to rule that for rediscounts on transactions between Federal Reserve Banks the basis of 365 days to the year should be applied.

JANUARY 31, 1918.

Eligibility of Trade Acceptances for Rediscount.

(To a corporation.)

The Board has given very careful consideration to your letter of November 15, 1917, in which you request further information as to the effect of the ruling made in the Board's letter of October 30.

The Board's conception of the trade acceptance is that it is an instrument which carries upon its face the evidence of the commercial character of the transaction which gave it birth. The finance paper of the — Corporation issued against drafts drawn by it on dealers and placed in trust to secure such paper issued by it in the shape of notes or certificates gives no indication whatever as to the nature of the security, which may or may not be eligible paper. The Board does not concur in your opinion that the statute is satisfied "when the proceeds of a note are used for a commercial purpose, regardless of whether or not the maker of the note is the purchaser of the goods or whether in substance the maker of the note is extending credit to the actual purchaser," etc., for if the maker of the note in the case cited is extending credit to the actual purchaser, it necessarily follows that the — Corporation is not itself the actual purchaser but is lending its funds to the purchaser to pay the purchase price. If such a transaction conforms to the statute, then any bank could borrow money and lend the proceeds of its note to a customer who would use such proceeds for a commercial purpose, and then set up the claim that its own note would thereby become eligible for rediscount.

It appears to the Board that the — Corporation by issuing notes of this character is really raising money for capital requirements for similar transactions in the future, and that the whole plan is in essence a finance operation rather than a commercial transaction.

JANUARY 16, 1918.

LAW DEPARTMENT.

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

Bills Payable to the Order of the Drawee.

A bill made payable to the order of the drawee is not negotiable until the drawee as payee has indorsed it. When it has been accepted and indorsed by the drawee it is a valid negotiable instrument in the hands of a third party, and the drawer is not released, since the terms of his order have been specifically complied with.

DECEMBER 13, 1917.

SIR: The accompanying letter from an officer of one of the Federal Reserve Banks has been referred to this office for an opinion on the questions involved. The writer states:

We have received several inquiries with respect to bills of exchange of the following character, which are presented to us for purchase or rediscount. The bill is drawn payable to the order of the drawee, accepted and indorsed by the latter, and then negotiated, or negotiated by the drawer prior to acceptance and indorsement by the drawee.

The question is whether under either of these circumstances the drawer is discharged from liability to a subsequent holder, in case the acceptor fails to pay at maturity.

Under section 8, subdivision 3, of the negotiable instruments law, an instrument payable to order may be drawn payable to the order of the drawee without destroying its negotiability. As stated in the text in Norton on Bills and Notes, fourth edition, page 86, however—

An instrument in the form of * * * a bill where the payee and acceptor, or the payee, drawee, and drawer are one and the same person, is sufficient in form as * * * a bill. But since a man can not contract with himself, such a writing, unnegotiated, gives rise to no obligation. If, however, the payee

negotiates the instrument, it becomes by his indorsement a valid note or bill in the hands of the holder.

Or as expressed in another part of the text:

The * * * drawee may be designated as payee, or the same person may be drawer, drawee, and also payee. In such case the instrument has no inception as an obligation until its indorsement and delivery by the payee.

It would seem clear, therefore, that an instrument of the kind described would be negotiable after the acceptor who is the payee has indorsed it. It would not be negotiable before it is indorsed by the payee, since the holder could not transfer title without this.

Under the terms of the bill itself the order of the drawer is to pay to the drawee or his order. The drawee by accepting the bill agrees to comply with its terms—that is, to honor the order of the drawer. As he is named as payee, he and he alone can fix the necessary indorsement to pass title to the bill. Answering specifically the questions of the writer, therefore, it is the opinion of this office—

(1) That a bill accepted by the drawee who is named as payee and indorsed by the acceptor is a valid negotiable instrument in the hands of a third party, and that the drawer is not released, the terms of his order having been specifically complied with.

(2) That a bill made payable to the drawee can not be properly negotiated until the drawee as the payee has indorsed it.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. W. P. G. HARDING,
Governor Federal Reserve Board.

SUMMARY OF BUSINESS CONDITIONS JAN. 23, 1917.

	District No. 1— Boston.	District No. 2— New York.	District No. 3— Philadelphia.	District No. 4— Cleveland.	District No. 5— Richmond.	District No. 6— Atlanta.
General business.....	Active.....	Good; retail trade quiet.	Good.....	Active, limited only by scarcity of supplies.	Large volume.....	Fair.
Crops:						
Condition.....			do.....	Good.....	Inactive.....	Do.
Outlook.....			do.....	do.....	Extensive preparations anticipated.	Do.
Industries of the district.	Turning more towards Government work.	Active, but hampered by transportation and fuel difficulties.	War industries active; other production retarded.	Decreased output by reason of weather and other conditions.	Running full.....	Handicapped for coal; some labor shortage.
Construction, building, and engineering.	Little new construction except on Government work.	At minimum.....	Very little activity.	Decrease.....	Private building negligible; Government work in large volume.	Below average.
Foreign trade.....	Heavy imports of raw material.	Decreased export movement because of traffic congestion.	Somewhat greater.		Restricted.....	Very limited.
Bank clearings.....	Increased.....	Decrease.....	Small increase.....	Increase.....	Large volume.....	Increase.
Money rates.....	Firm and steady...	Firm.....	Firm.....	Firm.....	Good demand at 6 per cent.	Firm.
Railroad, post office, and other receipts.	Post office increased, railroad decreased.	Increased.....	Heavy; December shows increase.	Post-office receipts increased.	Railroad, irregular; post office, volume large.	Good.
Labor conditions....	Fair; considerable unrest.	Demand greater than supply.	Scarce and inefficient.	Scarcity and exacting.	In demand at high wages.	Fair.
Outlook.....	Unsettled.....	Fair.....	Unsettled.....	Improving.....	Generally satisfactory.	Unsettled, account rapid readjustments.
Remarks.....	Increasing demands for capital purposes and Government financing, scarcity of coal, and transportation difficulties making business hard to conduct.	Course of business and industry during remainder of winter will depend largely on success of efforts to relieve transportation congestion and fuel shortage.	Coal and transportation situation most acute.		General activity above normal for period of year.	

	District No. 7— Chicago.	District No. 8— St. Louis.	District No. 9— Minneapolis.	District No. 10— Kansas City.	District No. 11— Dallas.	District No. 12— San Francisco.
General business.....	Good.....	Generally good.....	Fair for the season.	Good.....	Good.....	Active.
Crops:						
Condition.....	do.....	Fair.....		Fair.....	Fair.....	Prospects bettered by recent rains.
Outlook.....	Large acreage wheat.	Favorable.....		More favorable...	Encouraging.....	
Industries of the district.	Necessary industries active.	Busy, as a rule.....	Active.....	Active.....	Active.....	Very active.
Construction, building, and engineering.	Practically at a standstill.	Dull.....	Slow.....	Declining in volume.	Inactive; seasonal for midwinter.	Decreasing.
Foreign trade.....						
Bank clearings.....	Decrease.....	Increase.....	Up.....	Nearly 50 per cent increase.	Satisfactory.....	Large increase.
Money rates.....	Firm.....	Firm.....	Steady.....	Steady.....	31 per cent increase over December, 1916.	Largely increasing.
Railroad, post office, and other receipts.	Post-office receipts normal.	Increase in post-office receipts.	No change.....		Easy.....	Firmer.
Labor conditions....	Generally satisfactory.	Labor scarce.....	Good.....	Settled with threatened shortage of farm labor.	Railroad, increase; post office, 41 per cent increase over 1916.	Increasing.
Outlook.....	No misgivings.....	Generally favorable.	do.....	For general increase of all business.	Generally satisfactory; some unemployment in unskilled trades.	Unsettled.
Remarks.....				Prevalent coal and car shortage is serious.	Promising.....	Favorable.
					Heavy snow and rain have improved crop conditions, especially wheat; retail trade curtailed; general business satisfactory.	Deficient precipitation is at present an unfavorable factor.

GENERAL BUSINESS CONDITIONS.

There is given on the preceding page a summary of business conditions in the United States by Federal Reserve districts. These reports are furnished by the Federal Reserve Agents, who are the chairmen of the boards of directors for the Federal Reserve Banks of the several districts. Below are the detailed reports as of approximately January 23:

DISTRICT NO. 1.—BOSTON.

The money market continues firm throughout the district. The general activity of business, the high cost of raw materials and other costs of production and the subscriptions to Government securities have taken up the surplus funds of banks. Loans have been restricted by banks, for the most part, in taking care of their own customers. This has kept them out of the market for outside paper. While the January disbursements eased money to some extent, banks are still charging practically 6 per cent for demand and time money and are restricting commitments as far as possible. Bankers acceptances, 90 days, 4½ per cent. Town notes, 6 months, 5½ per cent.

The boot and shoe industry continues quiet outside of Government orders, and retail trade is confined to a considerable extent to over-shoes, etc., needed for the inclement weather.

Early last week before the closing order there was a better demand for cotton goods than for some weeks. The inquiries for the most part were for early deliveries starting this side of April. There was a moderate amount of business in print cloth with prices firm.

The wool market is much quieter, although prices remain firm. There is very little trading between dealers, and it is still too early to judge what effect the Government order requiring wool importations to be offered to the United States has made on the general situation. This is especially true when it is remembered that this country produces only one-third to one-half of the wool consumed and that it is absolutely dependent upon

importations from other countries of this commodity in order to equip its soldiers.

The exchanges of the Boston Clearing House for the week ending January 19, 1918, were \$309,856,871, compared with \$239,287,699 for the corresponding week last year and \$267,479,959 for the week ending January 12, 1918.

Building and engineering operations in New England from January 1 to January 15, 1918, amounted to \$4,825,000, as compared with \$8,287,000 for the corresponding period of 1917.

The receipts of the Boston post office for December, 1917, show an increase of \$111,710.24, or about 11 per cent more than December, 1916. For the first 15 days of January, 1918, receipts were about 16 per cent, or \$63,918.76 more than for the corresponding period of last year.

The Boston & Maine R. R. reports net operating income, after taxes, for November, 1917, as \$752,459 as compared with \$1,079,945 for the corresponding month of 1916. The N. Y. N. H. & H. R. R. reports operating income, after taxes, for November, 1917, as \$1,469,202 as compared with \$2,077,456 for the same month the previous year.

Loans and discounts of the Boston Clearing House banks on January 19, 1918, amounted to \$482,062,000, as compared with \$485,833,000 last month and \$449,217,000 on January 20, 1917. Demand deposits on January 19, 1918, amounted to \$403,700,000 as compared with \$411,627,000 on December 15, 1917, and \$366,139,000 on January 20, 1917. Time deposits on January 19, 1918, totaled \$22,254,000, as compared with \$23,743 on December 15, 1917, and \$32,185,000 on January 20, 1917. The amount "Due to banks" on January 19, 1918, was \$130,745,000, as compared with \$121,753,000 on December 15, 1917.

While the volume of business of industries in this district is very large, the scarcity of coal, the railroad situation, the high cost of production, and the condition of the money market

are making it increasingly difficult to conduct business.

New England is beginning to realize more and more that it must get into a position to meet the continually increasing burden placed upon this section through war conditions; that it must perfect and organize its business so as to get the benefit of war orders, and to be prepared to meet subscriptions to future Liberty Loans.

DISTRICT NO. 2—NEW YORK.

During the past month business and industry in this district have been seriously hampered by congestion of rail transportation and shortage of fuel. This has been intensified by extremely cold weather interfering with movement of barges in New York Harbor and delivery of coal from railroad terminals to New York City, where the coal shortage has been acute. Coal users of practically all classes have lacked fuel and experienced serious inconvenience, and many ships have been held in harbor because of lack of bunker coal, thus reducing exports below those for the previous month.

Production has been much interfered with by these conditions, many factories having been closed for days or even weeks at a time, and among the plants thus affected have been many which manufacture products essential for war purposes. The output of the hydroelectric plants at Niagara Falls has been redistributed among the several industries using the current, and priority given to plants manufacturing munitions or filling orders for the Government. In the steel industry reduced production is reported, aggravated by inability to forward promptly finished steel products. The general demand for steel products is reported light, and it is doubtful if increased demand could be cared for, as the Government's direct and indirect requirements are utilizing almost the entire capacity of the mills. Steel car manufacturers have only moderate orders on hand. Building trades continue quiet and the demand for building materials is lighter than for many years.

The drug, dye, and chemical industries report heavy demand, but have been much hampered by difficulty in obtaining supplies, lack of fuel, and difficulties of delivery; also by the extreme cold weather, as many of their products are liable to damage by freezing.

Paper mills report softening prices. Conditions have been favorable for lumber and pulp-wood operations, and a larger quantity has been delivered to the streams than is usual at this season of the year. Sugar refineries are still short of raw sugar. Automobile manufacturers are very busy on Government orders, though the recent auto show in New York City stimulated other sales materially. Shoe sales are light. Jewelry sales have decreased somewhat, and the demand has turned from high-priced to medium and low-priced articles. Sales of watches have been extremely heavy, and have depleted stocks.

Favorable conditions are reported in the tea and coffee trades. Manufacturers and dealers in men's clothing report fair sales and orders being placed with wholesalers for the fall of 1918, several months in advance of the usual time. The dry-goods trade also reports a fair demand in spite of high prices.

Activity is at the highest level in the textile manufacturing trades, with business the heaviest in their history both as to value and quantity. Manufacturers of hosiery, underwear, and knit goods are running factories full time. Cutlery manufacturers are rushed. Manufacturers of machinery are producing so heavily for Government use that the necessity for curtailment of sales to general trade is not improbable, and throughout the industries working on war materials there is as high a degree of activity as fuel and transportation facilities permit.

Retail business in most parts of the district is reported quiet. A larger proportion of purchases than usual are on a cash basis and efforts at economy are general.

Collections are good in practically all lines from which reports have been received.

After a year of almost continuous decline, stock and bond prices took an upward turn following the announcement of the President on December 11 that the Government would take control of the railroads and that Congress would be urged to guarantee the earnings of the roads upon the basis of their average earnings for the last three years. The upward movement has continued through the first weeks of January.

Call-money rates were firm at about 6 per cent during the last weeks of December, eased materially around the first of the year, ruling at 4 per cent or lower up to January 14, and have since displayed a firmer tendency, rising to an average of around 6 per cent. Rates for commercial paper, bankers' acceptances, and time money have shown slight fluctuations, and on January 21 were as follows: Commercial paper, $5\frac{1}{2}$ per cent to $5\frac{3}{4}$ per cent; bankers' acceptances, $3\frac{3}{4}$ per cent to 4 per cent; time money, 6 per cent. Recent issues of notes running from one to two years by corporations of the highest standing have been placed at rates above those quoted for commercial paper and for time loans.

DISTRICT NO. 3—PHILADELPHIA.

The shutting down of industry throughout the district for several days this month, for the purpose of relieving the freight congestion and expediting the distribution of coal, has disturbed general business here, the full effects of which have not yet been ascertained. The industrial loss resulting from this shutdown, however, is expected to be more than offset by the benefit the district will experience through the improvement of the railroad situation.

While the production of iron and steel for some time has been curtailed by the scarcity of coal, the general coal situation has been acute only for the past few weeks. During that time it has caused much suffering and possibly large financial losses. Until the coal situation became serious there had been no unusual developments in the general business condition.

All branches of business directly connected with the war are continually absorbing more

and more attention, more of the productive capacity of the district, and are giving constant employment to labor at high wages. Labor conditions are unsatisfactory. Much complaint is made about the constant shifting of workers and the loss incident to their continual reemployment.

The building trade, with the exception of Government work, is very inactive. This is largely due to the inability to secure materials and labor, and also to the fact that there is but slight extension of industrial plants. Building permits for 12 towns in this district, including Philadelphia, for December, 1917, amounted to \$915,000 as compared with \$6,157,000 in December last year. There is a great need in a number of these cities for houses to accommodate laborers who have recently been drawn there. This is particularly true of this city, because of the large shipbuilding operations which are in progress in and near it, and there is in contemplation the erection of between 7,000 and 8,000 houses to accommodate workmen.

Notwithstanding the dullness in the building trade, the demand for hardware products has been good. The Government has been taking about 70 per cent of the goods in this line and the prospects are that it will absorb a still greater percentage of them. Prices are high. Collections are reported not good or in keeping with the otherwise favorable condition of the trade.

The demand for chemicals and drugs has been very active because of the urgent demands of both the Government and civilian users. The lack of shipping facilities has been felt to a great extent and has cut down trade, and in addition it has necessitated the carrying of very large stocks by jobbers and retailers. Crude drugs are high in price and show indications of going still higher, whereas the prices of chemicals show a declining tendency. Collections are good. This industry in general has benefited very considerably by the elimination of German competition as a result of the war.

The demand for all kinds of groceries is very good, but more especially for the staples, such

as flour, salt and sugar, of all of which there is such a scarcity at this time. The supply of sugar is gradually increasing but the people have in some cases been using molasses and sirups as substitutes. Canned goods are on hand in fairly large quantity. Prices have remained fairly steady for the last two or three weeks. There seems to be some difference of opinion as to whether or not it would be wise to have further price regulation of food, or continue the present plan of selling goods at the usual profit above cost, irrespective of what the goods can be sold for in the market.

The Government orders for knitted underwear for 1918 seem to have been taken care of. In the hosiery and underwear lines, factories are running at approximately 75 per cent of capacity, the output being affected by a shortage of labor and needles. Considerable difficulty is being experienced in securing sufficient supplies of yarn. Manufacturers are shortening their credit terms to the jobbers and the latter, in turn, to the retailers. The demand is good, stocks are low, and prices are constantly advancing. Collections are quite good.

The Government regulations applying to imported wools have had a quieting effect on the market, and some merchants have canceled their foreign orders. The demand for wool is so great, however, that it is considered doubtful if the regulations will have any great effect in lowering prices.

The last installment of the second Liberty loan was paid January 15. It is interesting to note that only \$26,000,000 remained unpaid on that date, the payment of \$86,000,000 of the amount that could have been then payable having been anticipated.

This bank's loans and discounts made during December amounted to \$45,025,000, as compared with \$31,478,000 in November and \$1,150,000 in December of 1916. The earnings have increased rapidly and in December they were at the rate of 30.2 per cent on the capital stock.

The money market has been rather quiet, but firm. Call money is quoted at 6 per cent and choice commercial paper at 5½ to 6 per cent.

Financial indicators.

	Jan. 17, 1918.	Percentage increase or decrease compared with.—	
		Previous month.	Last year.
Philadelphia banks:			
Loans.....	\$585,073,000	- 0.5	+ 9
Deposits.....	643,338,000	+ 0.5	- 4
Federal reserve bank:			
Discounts and collateral loans....	30,863,400	-11	+400
Cash reserve, per cent.....	71	+22	- 9
90-day discount rate, per cent....	4½	4 ½	4
Commercial paper, per cent.....	5½	5 ½	3½
	Dec., 1917.	Previous month.	Last year.
Bank clearings:			
In Philadelphia.....	\$1,549,512,824	+ 1	+11
Elsewhere in district.....	102,350,996	+ 1	- 1
Total.....	1,651,863,820	+ 1	+11
Port of Philadelphia:			
Exports.....	40,158,000	+24	+60
Imports.....	4,446,000	+ 8	-34
Building permits in Philadelphia....	740,020	-57	-87
Post-office receipts in Philadelphia..	1,160,298	+ 8	+20
Commercial failures in district (per Bradstreet's).....	1 63	1 60	1 93

¹ Actual.

DISTRICT NO. 4—CLEVELAND.

Business at last realizes that it is face to face with actual war conditions, and presents great expansion in some directions and very severe contraction in others—an increase in the manufacture of war goods and goods necessary to carry on the war, and a corresponding decrease in the manufacture of goods unnecessary to the successful prosecution of the war.

Agriculture.—The extremely cold weather and heavy snows have caused the feeding of and caring for live stock to take the attention of farmers, to the exclusion and delay of preparation for the spring crops. It is reported that thousands of hogs, ready for market, are being fed at a loss because cars can not be secured to ship them to market. Traction cars and motor trucks are being used in a limited way for this purpose.

The weather has precluded husking, and there is an unusually large amount of corn in the field. Tests of the 1917 crop show a very low percentage of germination, and it is thought that seed corn will be very scarce and high priced.

Manufacturing.—Government demands and regulations which cut in many different directions, the weather, coal shortage, and transportation difficulties, all tend to obscure the real situation. A shortage of coke has compelled the banking of a large number of furnaces, and consequently has heavily reduced the production of pig iron. Some manufacturers who ordinarily furnish their own supply of pig iron through their own organization are compelled to buy from outsiders. This in its turn has affected the steel business and its manufactured products. However, it is thought that, with a clean-up by the railroads, steel manufacturing will be resumed on a scale that will more than take care of Government needs and will revive commercial demands.

The frozen condition of the rivers and the lack of cars have seriously interfered with the coal trade. Apparently the mines are in a position to furnish more coal, and, with normal weather and a means of marketing their product, they should do a much increased business.

The clay and brick industries, except in isolated cases, report decreased output due to delay in receiving materials and in delivery of their products.

Owing to natural gas shortage, a number of glass factories are practically idle and some are said to be closed for the winter. In several cases, on account of fuel conditions, gas producers have been installed. The window-glass manufacturers are adversely affected by the cessation of building operations.

Mercantile lines.—Jobbers of merchandise supplying the country trade as a rule report business good. The outlook is satisfactory, and an active spring trade is predicted. In the retail trade there has been some lessening in activity, caused by weather conditions. However, seasonable articles are in brisk demand, and, despite the appeal to save, there is a distinct tendency to extravagance.

Collections. Except in very few instances, collections are reported remarkably good. In one particular case, however, one of the large manufacturers of its line and a very large producer of war goods reports for the past month

the largest business, excluding war materials, in its history, with collections disappointing and notes offered at maturing dates. As a general proposition, credits are closely watched.

Transportation.—The unusual weather, stopping navigation on the rivers and tying up cars on sidings and in yards, has seriously and continuously added to the difficulties of the situation. Congestion was so severe in some localities in the district that there was practically no freight movement for twenty-four hours at a time, and passenger and street car service was greatly delayed. There is a hopeful feeling that, as a result of the "closing order," together with milder weather, the worst has been experienced and gradual improvement may be expected.

Labor.—A slowing up in the manufacture of strictly "peace" goods, together with shut-downs in plants occasioned by transportation difficulties, fuel shortage, etc., has somewhat eased the demand for laborers in some localities, and in many instances men are reported idle. In some cases the situation is acute to the extent of paying idle men in order to hold them for future requirements. Undoubtedly with the clearing of freight congestion both men and women workers will be in brisk demand, especially in munition centers.

Building operations.—Building activities have been greatly reduced, due to scarcity and high prices of labor and materials and lack of mortgage money. Where an increase is shown over 1916 in the value of buildings being erected, this is due almost wholly to the erection of manufacturing plants. Therefore, reports show that the building business is very dull, and some manufacturers of products, such as plumbing materials, etc., are remodeling their shops to enable them to accept orders from other sources.

Money.—The demand for money continues brisk, and rates are firm. Outside the large centers some idle funds are reported, but not in as large amounts as usual at this time of year. Generally, the situation is one of preparation for the future. Only legitimate immediate needs are considered, and funds for these appear to be ample.

DISTRICT NO. 5—RICHMOND.

There has been probably less slowing down of business in this district than is usual at this time of the year.

The coal deposits in this district are among the most extensive, valuable, and important in the country. Three of our greatest trunk line coal roads derive a large portion of their revenue from the hauling of coal from these properties to harbors on the coast, particularly to Norfolk and Newport News. Other railroad lines assist in the general distribution of this fuel to the hundreds of manufacturing plants throughout the district. The chief difficulty of providing fuel has been lack of transportation.

In West Virginia, 30,000 miners are reported to be idle, large glass plants being shut down for lack of fuel, and many of the men are seeking other employment. The contractors for the United States powder plant at Crawford City are reported to be employing many of these men at 35 cents per hour. If transportation at the coal mines is provided, it is estimated that the output of coal could be increased from 25 per cent to 50 per cent over the present volume.

Business conditions in some few lines have been adversely affected, but this is due to special conditions and is rather sporadic. Business activity generally continues unabated. The situation may be generally summarized in the words of one report, which says: "Demand for goods is unprecedented, brought about in a great degree by the prosperity of the farmer and the high wages of the laboring man. When a laboring man gets \$2 a day, he spends it, and when he gets \$5 a day, he spends it. To-day, the man who buys tenderloin beefsteak is the laboring man, and the man who is economizing is the millionaire."

Army and Navy requirements are creating a scarcity in many lines of merchandise. Collections are good. Scarcity of essential factors, raw materials, transportation, and the fuel and labor necessary to convert them into finished products are the chief restraints

on the volume of business. Little effort is being made to procure new business, as all producers and manufacturers are finding ready demand for all products at high prices. The risk of operating at the present high cost of materials and labor is another factor which is holding in check efforts for the expansion of trade.

Weather conditions have been a notable factor in all activities for the past month. In Richmond, Va., since December 11, there have been 14 snowfalls, aggregating a depth of over 2½ feet. This is a fair indication of conditions prevailing in the northern States of the district. There have been considerable snowfalls as far south as South Carolina. There has naturally been little agricultural activity in the district. While severe weather has done some damage, in the northern portion of the district it has protected wheat to a considerable extent. In South Carolina a considerable portion of the oat and wheat crops have been destroyed, necessitating replanting. Reports from the valley of Virginia indicate that a considerable proportion of the old wheat crop is still being held. Chesapeake Bay and other inland waters have been frozen, causing serious delays in shipping and extensive damage to the oyster industry.

The most important question in the district, and one which is already engaging widespread attention and consideration, is that of the planting and raising of this year's crops. Farmers are reported "never so rich." The demand for plows is unprecedented, but this is also said to be true of automobiles.

Profitable returns from farming are improving farm labor conditions. A record volume of fertilizers is in demand and at high figures, which will represent an enormous increase in crop expenses. The incentives of 30-cent cotton and 30-cent tobacco are a temptation to plant these crops to the limit. Any considerable reaction in the price of these commodities, which must be raised this year on the high-cost basis referred to, might bring a serious reaction in farming conditions.

The shipment of cotton has been seriously delayed at the ports due to lack of shipping facilities, and if the present crusade for the relief of fuel conditions also relieves this embargo, it will materially improve conditions in this direction. Considerable cotton is still held in warehouses in the interior, quite a little of it apparently still for account of farmers.

Farm mortgages to a considerable amount are reported to have been paid off. Considerable land has changed hands in the past few months at high prices, creating a new volume of obligations. Prosperity has improved credit conditions, and many farmers who have been dependent on merchants for crop supplies obtained, however, at high prices, are seeking bank accommodations to enable them to purchase supplies, particularly fertilizers, for cash. A saving of \$10, or even \$15, per ton can be made in this way, but high prices have added to the volume of required bank accommodation, and the demand in this direction is likely to be heavy. These requirements demand close scrutiny.

Railroad returns under present conditions form a very uncertain criterion, which is also the case with regard to post-office receipts. The latter show a largely increased volume, the major portion of which, however, is due to increased rates.

Private building is almost at a standstill, very little work being done except for the Government, and this has hardly made up the deficit in ordinary home building.

Road building is receiving increased attention in the district generally, and particularly in Virginia. The State legislature is considering the launching of a well-matured plan for State highways, with feeders to be provided by the counties and local committees. The parcel-post automobile routes contemplated by the post-office authorities have been a matter of keen interest. Bank deposits are reported larger than ever, but profits have not been proportionate to the volume of business. The recent calls and cash payments on account of Government financing aggregated \$37,000,000

since December 20, and have been reflected in the loans of the Federal Reserve Bank, which have for the first time reached the aggregate of \$50,000,000.

The mills of the district are reported in fine shape and making money, and "the general outlook to us for manufacturers, farmers, and bankers is bright, though industries requiring the movement of considerable tonnage over the railroads are fearful of the conditions that may exist within the next 60 or 90 days." To this may be added by way of caution the vital question of the cost of pitching this year's crops, referred to above.

DISTRICT NO. 6—ATLANTA.

Due to the war necessities and regulations the sudden readjustments in business have been such during the past month as to curtail manufacture in some of the essential lines. While there is a feeling of confidence as to the ultimate outcome of the war, demands for subscription to Liberty bonds, war-savings stamps and certificates, and the continued demand for contributions for other movements in connection with the war has forced a spirit of general economy among the people, producing a clearer vision of war's necessities and demands.

The district experienced the coldest weather in 20 years, prevailing almost entirely throughout the month, considerably retarding business and adding further handicap to all transportation. Indications are that there will be a general decrease of acreage of all early truck crops in Florida. While there was some fear for the small grain crops, the cold weather does not appear to have done any considerable damage; in fact the heavy snows appear to be a benefit to the wheat and make the prospects for a good crop favorable. Live stock does not appear to have suffered to any extent. The coal situation was the most important feature in January activities. The increased activities over previous years, coupled with a shortage of coal, the lack of railroad facilities, and unheard-of cold weather created an extraordinary demand for coal, the need of which has been sorely felt by many people.

Railroad conditions have grown worse from day to day, and it is hoped that with Government control some relief will be found. The opinion prevails in this section that the blocked conditions of the railroads are largely due to their endeavoring to haul too much tonnage per train, resulting in constant break-downs, delays and the necessity of a great deal of rolling stock in the repair shops. The laws relative to a limitation of 16 hours with corresponding rest also add to present difficulties. It is often necessary that trains be sidetracked to wait either the arrival of a new crew, or until the original crew has had their allotted time for rest.

The total production of cotton, corn, and potatoes in the States within this district during 1917 was estimated by the Department of Agriculture as follows:

	Cotton, 1917.	Corn, 1917.	Potatoes, 1917.
	<i>Bales.</i>	<i>Bushels.</i>	<i>Bushels.</i>
Georgia.....	1,820,000	72,000,000	1,596,000
Florida.....	40,000	13,875,000	2,275,000
Tennessee.....	206,000	42,246,000	1,600,000
Alabama.....	505,000	111,150,000	4,888,000
Mississippi.....	895,000	77,200,000	2,952,000
Louisiana.....	615,000	84,050,000	1,092,000

	Cotton, 1916.	Corn, 1916.	Potatoes, 1916.
	<i>Bales.</i>	<i>Bushels.</i>	<i>Bushels.</i>
Georgia.....	1,829,039	62,000,000	900,000
Florida.....	41,449	12,300,000	1,332,000
Tennessee.....	382,422	44,814,000	1,625,000
Alabama.....	533,402	78,000,000	2,952,000
Mississippi.....	811,794	47,812,000	1,800,000
Louisiana.....	443,182	47,600,000	780,000

Tobacco trade in the Tennessee district has been rather quiet, due to the holidays and bad weather conditions, preventing delivery by farmers. The export tobacco stored in warehouses is owned largely by the representatives of the British and Italian Governments, and no shipments of importance have been made recently on account of shortage of car and ocean steamship space.

The year 1917 showed an increase in bank clearings at New Orleans of \$582,850,716 on the year 1916; Chattanooga an increase of \$54,031,407; Atlanta an increase of \$681,496,996; Birmingham a gain of \$39,880,110. The

postal receipts throughout the district also showed a large increase, some of which, of course, is due to increase in population and large Army camps and to the high rates of postage. The campaign of the sale of war-savings stamps and certificates is progressing nicely throughout the district. Good reports are being received from the various headquarters, and it is expected that the sales will come up to expectations.

Labor continues scarce, with increased wages. Most of the cotton has been marketed, the extraordinary prices bringing out the major portion of the staple held. With continued high prices for cotton a large crop is looked for in 1918, notwithstanding increased diversification.

The district enjoyed an unusual holiday trade. While prices were high, the general public seemed to raise no objection. Regardless of the war, buyers asked for commodities as usual. Naturally the volume of business was greater than in past years, as in many cases prices were double on certain wares. Aside from the increased prices, however, there was a substantial increase in sales.

There has been a growing scarcity of flour, and the wheat supply on hand is reported as getting low. Some of the mills are reported as shut down on account of shortage of wheat; other mills are running about half time. The mills are becoming adjusted to the new milling regulations, which require the making of a barrel of flour out of 4 bushels and 24 pounds of wheat.

With production in all lines more and more confined to war's necessities, with the Government's demands for raw materials of all kinds, principally lumber, builders and real estate dealers see nothing strange in the fact that building operations fall off.

The general business outlook in the section is only fair, due to unsettled conditions; but business is growing used to the rapid readjustments, and there is no reason for fear any obstruction unless overtaken by some unforeseen disaster. The demand for coal, iron, and lum-

ber is still greatly in excess of the supply. Great activity continues at the various ship-building plants on the coast and Gulf

DISTRICT NO. 7—CHICAGO.

It is gradually becoming possible to discern a distinct line of demarkation between industries that are essential and those that are not essential. This district, like the whole country, is on a war basis. Conservation orders, fixation of maximum prices, and most recently the fuel order of Administrator Garfield, bring personally to every man and woman a vivid realization that this war is a serious business, requiring the coordination of all resources and the cooperation of every citizen. This is reflected in the diminishing volume of business in luxuries.

Heavy snowfall in this district completely paralyzed transportation for practically two days and greatly aggravated the already serious shortage of coal at industrial centers and elsewhere.

The coal situation had been a cause of anxiety for months. Stocks were low and many large consumers were able to maintain only small supplies sufficient for a few days. With the complete tie-up of the railroads even these surpluses were wiped out and this district found itself in a coal famine. Radical steps had to be taken and the recent edict of the fuel administrator forbidding the use of coal for a period of days, except by essential enterprises, should furnish a means of replenishing the depleted coal bunkers.

Necessary industries of the district have in general been working to capacity, meeting the shortage of fuel, material, and transportation with the means at hand, though not a few have been compelled to close.

There continues to be a scarcity of labor. Wages are the highest ever paid. The demand is so great in some localities that it has been found impossible to house the necessary men, though otherwise they could be used to advantage. Very little wage difficulty is experienced.

Quiet reigns in the investment market, the chief subject of interest being prospective Government financing. One authority believes there is a great deal of investment money awaiting higher rates for miscellaneous securities, which, it is thought, will advance proportionately should there be an increase in the rate of Liberty bonds. There is a consistent, though small, demand for municipal securities. Short-time obligations of public utilities and large industrials appear to have a ready sale.

Bank deposits are high throughout the district. Rates hold firm and no softening is anticipated. While banks are in comfortable position, there is some discrimination between one borrower and another, the legitimate borrower finding no difficulty in securing accommodation, however.

A heavy snow blanket provides protection for winter wheat. Some bad freezes last fall in certain localities found the ground bare and did damage estimated at as high as 10 per cent. No improvement is reported in the corn crop, which was universally soft. Snow blockade is seriously hampering the marketing of last year's crops.

In the agricultural implement line shortage of transportation, materials, and fuel is acute, and this will render it a difficult matter to fill the orders which are being received in good quantity. Considering the season, receivables are in good condition, no particular difficulty being experienced in this direction. The labor situation is reported unsatisfactory in some departments of the industry.

In many cases automobile manufacturers have turned to Government work. This foreshadows a limitation of the output of pleasure cars.

As reported above, the scarcity of coal had been aggravated by the temporary collapse of transportation from January 6 to 11, but the heavy snowfall, in addition to preventing the moving of cars, has made the operation even of the mines impossible. Hence, it is said, production will be very light for several days, and mines in Illinois and Indiana will have pro-

duced less coal in January of this year than for any like period for many years.

As there has been no distillation of beverage spirits since September 8, 1917, distillers are disposing of accumulated stocks and at high prices in fair volume. The use of molasses in the manufacture of commercial alcohol has supplanted corn; hence distillers can not turn to this business. Such concerns are either liquidating, which at present prices is possible without material loss, or are branching into chemical manufacture, corn products, cattle feeding, and the like. Maltsters suffer radical reduction in volume due to shipping restrictions and railroad embargo. They report a number of inquiries for their product, which would forecast a satisfactory resumption of business when restrictions have been removed.

Dry-goods houses report a good volume of sales, the preference running to necessities. Seasonable weather had its usual good effect on buying. Speculative purchases are still a factor in volume. Collections are fair to good.

This is the semiannual sale period for furniture manufacturers. Buyers appear in the market as in past sales and volume is expected to be close to normal. Retailers complain somewhat about holiday business. The principal difficulty among manufacturers has been with labor and transportation. Collections are reported very good.

Conditions in the grain business are described as extremely unsatisfactory. For some time receipts at terminals had been light, and when the bad weather came, blockading or seriously hampering car movement, grain receipts were reduced to a minimum. The result is that farmers hold enormous amounts of grain which they are unable to market, while different localities throughout the country are suffering.

Wholesale grocers, looking back on the past year's business, report general satisfaction both with tonnage and volume, and losses have been held to the usual fractional percentage. They report that adjustments have been made in line with governmental restrictions. There is some uncertainty as to the future but no misgivings.

It is expected that buying power will continue strong, due to the large wages of labor. For the present, on account of weather conditions, collections will probably fall short of normal.

Prospects for a good spring business in the hardware line are reported good. There are expressions of satisfaction with regard to present business, and though salesmen have been snowbound for the past two weeks and shipments delayed, this is, of course, only temporary. Collections are good.

Jewelry houses succeeded in maintaining sales for December at the normal for the corresponding month in the prewar years, but ran considerably behind the 1916 and 1915 figures. Thus far in January this retrogression has continued at an increased percentage. Collections are said to be very good. Manufacturers are unable to keep abreast of the demand for military wrist watches, but business in other directions is not at all brisk.

The leather industry is active where Government orders have been placed, but quiet in civilian lines. As to all other industries, railroad embargoes are the chief concern. Collections are good, labor satisfied, and the general situation satisfactory.

Prices in the live-stock market have eased off somewhat. Railroad situation has reduced receipts at yards temporarily. Quality of stock is good. Farmers have their farms well stocked with beef cattle. The number of young hogs is reported large and it is anticipated that supply during spring and summer will be plentiful. Foreign demand, of course, continues strong, with the usual obstructions, scarcity of rail and water transportation.

Lumber for building is not in demand to an appreciable extent. The Government is taking some material for use in cantonments and panel work for aeroplane manufacture. Retail business is at a standstill. Few inquiries are received from railroads and car manufacturers.

Mail-order houses report their usual increase in volume for December, 1917, business over the same period in 1916. It is expected bad weather will affect collections for a time.

Piano orders are fair in number, but show a decided drop from last year. Dealers are not pessimistic, but look for favorable conditions in their line. Output has been reduced or hampered by scarcity of raw materials and by uncertainty in railroad situation. Labor is still in short supply. Collections are satisfactory.

No change is reported in the shipbuilding industry, production being pushed to the limit established by the scarcity of essential factors. War orders are, of course, the life of the steel business, though domestic consumers are beginning to buy more freely. Demand is expected to continue indefinitely, with an active market for all products.

It is estimated that about half the woolen and worsted factories in the country are employed at Government work. This quite logically has tended to advance prices materially for civilians. Mills are offering to wholesalers for future sale the highest priced fabrics ever known, and these prices are being met, as purchasing power is strong due to high salaries and wages. The usual inventory sale is not so much in evidence this year, retailers being unwilling to sacrifice goods which they can only replace at higher figures. Some relief for the serious shortage of wool stocks is promised by the release to this country of wool controlled by the English Government.

Clearings in Chicago for the first 16 business days of January were \$1,303,000,000, being \$32,000,000 less than for the corresponding 16 business days in January, 1917. Clearings reported by 23 cities in the district outside of Chicago amounted to \$288,000,000 for the first 15 days of January, 1918, as compared with \$290,000,000 for the first 15 days of January, 1917. Deposits in the 12 central reserve city member banks in Chicago were \$807,000,000 at the close of business January 21, 1918, and loans were \$614,000,000. Deposits show a decrease of approximately \$38,000,000 over last month and loans an increase of approximately \$8,000,000.

DISTRICT NO. 8—ST. LOUIS.

The usual midwinter dullness is apparent in some lines, but on the whole business in this district is satisfactory and indications point to a good spring trade. Heavy snowstorms and severe cold weather during January hindered transportation of all kinds and caused delays in the movement of goods. This, together with an acute shortage of coal, has hampered business, but the situation has been greatly relieved by the closing orders of the Fuel Administrator. The increased cost of materials is affecting practically all industries, while some are suffering from their inability to get supplies at any price.

Manufacturers of shoes and clothing continue especially busy, as are also producers of munitions, machinery, tools, and other war accessories. Factories are more and more adjusting themselves to the manufacture of articles necessary for the prosecution of the war and discarding nonessentials. For instance, one concern in this district which formerly manufactured silk skirts is now making Army clothing; another that made beds now makes hospital furniture, and a sash and door company is manufacturing aeroplanes.

The low temperature has stimulated the sale of winter supplies, especially heavy clothing, overcoats, and underwear, and merchants report a good trade in this class of merchandise. The usual postholiday clearance sales have also stimulated the retail trade. However, the practice of economy is becoming more and more the rule, especially among those who have been accustomed to luxuries, and this is having its effect upon trade in general.

Collections are reported to be good.

During January the annual fur sale was held in St. Louis and was well attended by representatives from all over the world.

The heavy snowfalls have afforded protection to the winter wheat and prospects are favorable for a good crop. According to Government reports for December, in the States

of Arkansas, Illinois, Indiana, Kentucky, Mississippi, Missouri, and Tennessee, all or parts of which are in this district, 10,238,000 acres were sown in winter wheat last fall, as against 8,669,000 acres in 1916. The condition of the winter wheat in this district was reported to be 85.7 per cent, as compared with a 10-year average of 88.9 per cent.

In the St. Louis market the demand for live stock during December, while somewhat better than a year ago, was not as good as the previous month. Reports of the St. Louis National Stock Yards show that, in comparison with the month of November, there have been decreases in the sales of all live stock. The receipts of live stock also show a decrease, excepting hogs and sheep, which show a slight increase. In comparison with the year 1916 reports for 1917 indicate an increase in the receipts and sales of cattle and horses and mules, but a decrease in the receipts and sales of hogs and sheep.

The postal receipts for December in St. Louis, Louisville, Memphis, and Little Rock all show substantial increases over the corresponding month last year.

The inclement weather, in addition to the high cost of materials, has further checked building operations. Reports from the leading cities in this district indicate that during December there have been perceptible decreases in the number of building permits issued and also the estimated cost of construction, both in comparison with the previous month and the corresponding month last year.

The demand for money in this district continues good, especially in the large cities. The rate to customers continues at from $5\frac{1}{2}$ per cent to 6 per cent.

Practically none of the banks in the large cities are in the market for commercial paper. However, there is a good demand for this class of investment from the country banks, especially in the southern portions of the district. The rate has ranged from $5\frac{3}{4}$ to 6 per cent, the former being the basic rate.

DISTRICT NO. 9—MINNEAPOLIS.

Business throughout the district has been feeling the effects of the usual midwinter lull and has been quiet, although fair to good for this season of the year. Sharp cold weather has prevailed. The snowfall has not been heavy, and the movement of commodities has suffered more from the widespread railway congestion than from the usual midwinter weather difficulties.

Industrial concerns have been fully occupied, except that those engaged upon war contracts have had some difficulty in securing delivery of material. Labor has been well employed, and labor conditions throughout the district are satisfactory.

The month has brought but little change in banking conditions. Rates are firm, although the demand is slightly less than a month ago.

Active efforts have been in progress throughout all the States in the district to solve the seed-corn problems created by the partial crop failure last year. The Government has sent a representative to check up the situation in North Dakota as to oats and barley, and steps have been taken through the Food Administration to anticipate the heavy demand for seed wheat in the spring. The Federal reserve bank has been very actively at work in efforts to locate such seed corn as the farmers within the district are willing to sell, and has been listing such supplies for the purpose of making the information available to districts where the seed value of the corn was destroyed by frosts and bad weather. A considerable amount of seed has been located in this way, and as a result of the action of the bank in sending warning notices through member and State banks to individual farmers, considerable activity has been stirred up, and farmers are thoroughly alive to the situation and are taking steps to provide for their individual requirements. Excellent work is being done by the State authorities in North and South Dakota, Minnesota, and Wisconsin, as the result of which a large amount of good seed has been saved.

The business outlook at the close of the month is satisfactory, and most concerns are looking forward to an active spring.

DISTRICT NO. 10—KANSAS CITY.

Agriculture.—The total value of the 13 principal crops for all States in whole or part within this district, according to Government estimates, is \$1,718,454,000, a 33 and 40 per cent increase, respectively, over the 1916 and 1915 valuations.

The discouraging condition of wheat in Kansas and Nebraska, due to a continued drouth and an unusually cold and dry December, was greatly relieved by recent heavy snows, which promise to redeem thousands of acres of grain considered worthless.

Colorado harvested an average sugar-beet crop, which was sold at increased prices, while the cotton crop in Oklahoma this year showed a gain over the 1916 production.

The movement of all grains throughout the year and especially in the last three months has been affected by the car shortage, local receipts and shipments for 1917 showing a marked decline from 1916, although hay receipts have registered a good increase. Wheat stock in elevators of this district decreased slightly during December, while corn supplies gained almost 200 per cent.

Live stock.—There was a liberal movement of short-fed cattle from Kansas, Missouri, and Oklahoma on the local market. Prices ranged from \$10 to \$12, or about \$2 higher than a year ago. The movement of the beet-pulp-fed steers from Colorado has started and will increase as the season advances. Feeding operations are active, and will continue strong, because of the large beet crop and the high prices received for cattle. For the past year cattle receipts on the markets of this district showed an increase of more than one-fourth over 1916.

The average weight of hogs in December was 212 pounds, 26 pounds heavier than a year ago, and the heaviest for a year and one-half. The general quality was the best in many months. Prices showed a slight increase over

November. In this district for 1917, receipts of hogs at the markets were 16 per cent less than for the previous year.

The sheep movement to the six large markets of the district registered an increase of less than 1 per cent for this year over last. In the next two months, the movement of all live stock will be governed largely by the weather conditions.

Hog slaughterings in December by the district packers decreased one-half as compared with the same month last year, which reflects the general condition for the past season, hogs having been reshipped to the country to be fattened rather than slaughtered. More cattle, however, were slaughtered by local packers than in any other previous year. Operations were stimulated by a strong demand for beef and the material increase of receipts.

Mining.—The year 1917 broke all records of production for lead and zinc ores in the Kansas-Missouri-Oklahoma district. As a result of the lowering prices, the valuation of the zinc output for the year decreased 5 per cent under 1916. The prices for lead advanced over the previous year, and the output increased 42 per cent in value. A large increase in surplus stocks at the end of the year is also notable. The Miami (Okla.) district has shown a production of lead and zinc for the past year valued at \$15,000,000. Even greater production is predicted for this year.

The facts that a marked increase was shown in the value of Wyoming's mineral output for 1917 over 1916, and that New Mexico has doubled its output in the past two years, are in contrast with the estimated value for 1917 of Colorado's mining products, which decreased one-sixth under the previous year.

Both Oklahoma and Kansas report a serious situation in a Statewide coal shortage, with suffering in some cases. This is attributed principally to a lack of transportation facilities.

Oil.—Kansas has come to the front in the oil industry during the past year, showing a production one and one-half times greater than the State's production for 1916. The unexpected cold weather of the past month has

caused a curtailment of operations, and in many cases suspension of work, not only in these fields, but in all fields of the oil States in this district.

For the first time in 10 years the production of oil in Oklahoma has declined, a decrease being shown of 14,000,000 barrels, or 13 per cent under last year, accounted for in part by the difficulty in securing supplies and the almost prohibitive prices charged for them. Now that the Government is securing data as to the supplies needed in 1918 for the oil industry, this situation, which has been prevalent for the past year, undoubtedly will be greatly relieved.

With the production of Wyoming for 1917 estimated at 10,000,000 barrels, an increase of one-half over the previous year, and the large oil-shale acreage in Colorado as yet untouched, both States look forward to a year which promises great development of petroleum resources.

Over 2,000,000 barrels, or 2 per cent of the crude oil in storage in the Oklahoma-Kansas field, was withdrawn during the month of November.

Lumber and construction.—Building permits for December in 10 principal cities of this district show a 30 per cent decrease from the same month last year. However, the volume of permits for the past year increased 7 per cent over 1916, in comparison with a 23 per cent decrease in the largest cities of the United States. The estimated cost of these buildings for December as against the same month last year decreased one-fifth and for the year gained 22 per cent over 1916, while the entire United States showed a decrease of 29 per cent for 1917.

Lumber business is not reported active. Retail trade has slackened due to the season, and wholesale interests are not pushing sales. The market continues firm and, since supplies are limited because of a prevalent car and labor shortage, prices hold steady on practically all lines of lumber with some slight advances.

Labor.—But few strikes, and those of small importance, have been reported in this district during the past month, all of which have been

settled, with the exception of one in the southern Kansas coal fields, which leaves these mines, with a daily production of about 900 tons, idle in this present time of great need. Local street-railway men threaten a strike in case of the employment of women on the cars, this being considered in the face of a reported shortage of man labor.

With a present shortage of farm labor in Kansas, with men responding to the call for Army and Navy service, and others answering the demands of war industries, a serious problem confronts that State of securing fifty or sixty thousand farm hands, which are imported every spring and summer. Western Oklahoma, also, reports that there are not enough men left on the farms to insure the production of full crops.

Mercantile.—A favorable decrease of one-fifth in the number of commercial business failures is reported for this district in 1917 in comparison with 1916, and the liabilities of concerns failing decreased over 40 per cent.

The number of automobile licenses issued for 1917 by the States of this district made a new record, which shows an increase of about one-half over the previous year. Farm tractor sales have increased during the past year. The tractor business looks forward to a bright future owing to higher wages and labor shortage on the farms, although securing shipments by railroads from the manufacturers is a serious problem.

Business in general has quickly recovered from the usual holiday dullness and collections continue good. Retail trade in clothing and dry goods is stimulated by clearance sales, with better prices than ever before, and good demand for hats, caps, boots, and shoes. Drugs are reported active and the demand for groceries and provisions normal.

Financial.—Deposits of national banks in this district have reached new high levels, the exact figures for which are not accessible at this time. Total deposits in State banks, by comparison of calls, have gained during the past year in Oklahoma 85 per cent, in Colorado 42 per cent, in Nebraska 35 per cent, in Kansas 23 per cent, and in Missouri 17 per cent.

Bank clearings in the 17 largest cities of this district for December increased 47 per cent over the same month last year, and were one-half greater for the year 1917 compared with 1916. During the past month money rates have remained steady, and the demand continues strong.

January business has felt the usual seasonal dullness, but the outlook is brighter. Wholesale and retail merchants have been busy since the turn of the new year taking inventory, closing their books on last year's business, and arranging stocks for a new season. Retail trade has been curtailed during the month on account of extremely cold weather. Railroad facilities have been interrupted, the condition of country roads has kept farmers away from the cities and trade has been curtailed as the result. There are evidences of early spring trade, and wholesalers and jobbers are starting their traveling salesmen. Advance reports are that orders are satisfactory, and, notwithstanding the exceptionally high prices of merchandise, dealers are well pleased with the volume of orders thus far received, and anticipate a satisfactory spring trade. Collections in wholesale and retail lines are good, and even better than for the same period in 1917.

A heavy snow and rain over a large portion of the farming section during the month have greatly improved agricultural conditions, and prospects at this writing are good for 1918 crops. The winter wheat crop especially has been materially benefited. The weather was unusually severe, and extended to the lower Rio Grande district, where the freeze did much damage to winter vegetable crops of that section. It is estimated that lettuce was damaged 50 per cent, cabbage 75 per cent, and other vegetables similarly. Citrus fruit was injured but slightly. In the extreme west and north-west sections the rainfall was not sufficient to break the protracted drouth, and farming conditions in those communities show little improvement. It is, indeed, commendable, however, to note the optimism of the people of the drouth-stricken sections. One of our correspondents, in the heart of the drouth area,

writes: "The spirit of our people is unbroken. They are 'pressing the collar' harder than ever before. Every economy is being practiced, and we share their optimism that prosperity must soon again reward their faithful efforts."

The manufacturing industries of the district are active and have sufficient orders in hand to run indefinitely. As in other sections, the fuel situation in this district has been serious and curtailed operations in various lines. The situation has been aggravated by the unusually cold weather.

There have been more or less exaggerated reports as to cattle losses in the range country during the recent blizzard. While there were, of course, some losses, principally in sections where the range was poor on account of insufficient moisture, we do not believe as large numbers of cattle have died as advance reports indicated. It is difficult to reconcile reports received. One correspondent in west Texas advises that losses were less than 1 per cent. Another, in the Roswell district, states that the losses were at least 10 per cent. The outlook for spring in the cattle industry is not encouraging, on account of poor range conditions, and unless seasonal rains fall during the remainder of the winter the problems which stockmen have faced for several months, and continue to bear, will be multiplied.

This is the season of the year when banks of the district have the least demand upon them. Most of the institutions are in a strong position, as reflected by the reports of condition on December 31. Heavy deposits and cash are noted, and reserves well maintained. Commercial paper is being sought as an investment of idle funds. Money is easy. The sale of war savings stamps and thrift certificates is well under way, and thrift societies are being organized in every community. People of the district are responding liberally and unselfishly to the Government's financial demands. There is also a liberal response to the various offerings of certificates of indebtedness. Demand with banks in the cattle raising sections is heavy. The bond market is extremely quiet. While there are occasional purchases by

private investors where the offerings are especially attractive, brokers report that the market is quiet and subordinated to the Government's issues.

Clearings at the principal cities of the district for December show an increase of 31 per cent over December, 1916. The increase at the same cities for the year amounts to 33 per cent over 1916.

Building operations are inactive, which is to be expected at this midwinter season. There is very little construction under way, and the industry is quiet. As a result there is a surplus of skilled labor in the construction trades. Indications are there will be considerable unemployment in the district for the next few months. The release of men from Government construction has created a surplus in various lines of skilled labor, and this has contributed to the unemployment. There is a good demand for unskilled workmen and reports of actual shortage are numerous. The most serious shortage, however, seems to be that of farm labor, and it is predicted that when the planting season opens the shortage will become more acute.

Failures in Texas for the past year reflect the general improvement in business, and the number and amount of liabilities carried shows a material decrease when compared with 1916. The figures were as follows: 1916—Number, 588; liabilities, \$5,936,223. 1917—Number, 431; liabilities, \$3,380,339.

Post-office receipts at the principal cities of the district show an increase of 41 per cent for the month of December over December, 1916.

The copper mines of Arizona are operating at full capacity, and the industry is quite prosperous at the present time.

The discovery of oil in the Brownwood section has made business active there, and offset to an extent the poor returns from crops, as a result of the drought.

While it is too early in the year to make predictions as to business for 1918, it is gratifying to report that prospects at the present time are excellent. The fact that we are at war is

being brought closer home every day. The adjustment to this condition is still going on.

DISTRICT NO. 12—SAN FRANCISCO.

Shipbuilding on the Pacific coast is proceeding upon a scale which seems vast measured by any other standard than that of the critically vital need for many ships to transport troops, food, and war materials. The following details give some indication of the development within 12 months of this industry at Seattle:

	1916	1917
Plants building steel ships.....	3	4
Plants building wooden ships.....	2	10
Number of employees.....	6,400	15,200
Monthly pay roll.....	\$600,000	\$1,600,000
Steel cargo ships launched.....	4	23
Tonnage of steel ships launched.....	29,600	201,000
Wooden ships launched.....		10
Tonnage of wooden ships launched.....		23,950
Cargo ships in ways December 10.....	13	45
Tonnage in ways December 10.....	79,500	232,450
Total amount of contracts.....	\$12,000,000	\$155,000,000

The volume of construction at San Francisco and other California yards is shown by the following:

	Number.	Tonnage.	Cost.
Steel vessels for which contracts have been closed.....	73	700,000	\$105,000,000
Steel vessels for which contracts are about to be closed.....	21	150,000	30,000,000
Wooden vessels for which contracts have been closed.....	12	50,000	6,000,000
Total.....	106	900,000	141,000,000
Total steel and wood ships to be built by July 1, 1918.....	300	2,000,000	300,000,000

It is estimated that United States warships costing over \$200,000,000 are also under construction at Pacific coast yards.

For the year ending October 31, 1917, the imports of Seattle were \$262,000,000 and exports \$182,000,000, compared with \$156,000,000 and \$188,000,000, respectively, for 1916. Imports and exports at San Francisco for the same period were \$202,000,000 and \$143,000,000, respectively, as against \$115,000,000 and \$109,000,000 in 1916.

It is stated that as many passenger steamers from trans-Pacific ports are now calling at San Francisco as at any time in its history. Change

in trade routes due to war conditions is bringing to Pacific coast ports thousands of travelers for business or pleasure who would normally travel by other routes.

The following are final estimates of grain production in the seven States of this district:

	1917	1916	1915
	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>
Wheat.....	70,899,000	87,508,000	103,192,000
Oats.....	43,037,000	56,850,000	58,136,000
Barley.....	57,664,000	55,770,000	62,435,000

Of these totals Washington, Idaho, and Oregon produced approximately 80 per cent of the wheat, divided, Washington about 40 per cent, Idaho and Oregon each about 20 per cent; the same three States, about 80 per cent of the oats, in nearly equal proportions; and California about two-thirds of the barley.

The crop of commercial apples of the State of Washington for 1917, amounting to 19,815 carloads, was the largest of any State in the Union and compares with the 1916 total of approximately 16,000 carloads. In spite of scarcity of boxes, shortage of labor, and limited shipping facilities, storage facilities were such as to minimize the losses. Shipments of other fruits were: Peaches, 2,112 carloads; cherries, plums, prunes, 1,465 carloads; and other small fruits, 965 carloads.

The Government report places the apple crop of Oregon at 650,000 barrels; of Idaho, 567,000 barrels; and of California, 1,125,000 barrels. Utah reports good crops compared with a total failure a year ago.

California production of fresh fruits during 1917 was valued at \$40,000,000; citrus fruits, \$45,000,000; dried fruits and raisins, \$35,000,000; prunes, \$10,000,000; canned fruits and vegetables, \$30,000,000; olives and olive oil, \$5,000,000; nuts, \$8,000,000.

California produced twice as many beans in 1917 as in any previous year, the crop of 4,500,000 centals, valued at \$45,000,000, being estimated as one-third the total of the entire country.

The citrus crop for the season 1917-18 will be very light. Due to a few days of unusual heat

last summer, the navel-orange crop of southern California will be exceptionally light, some sections reporting not more than 15 per cent of normal.

The live-stock situation, which a month ago was very unfavorable because of drought and scarcity of feed, has been relieved by widespread rains. Precipitation throughout the district, however, still averages far below the seasonal normal. The deficiency of snow in the mountains threatens inadequate supply of water for irrigation next summer. In southern Idaho feed is reported as abundant, hay selling at \$9 to \$10 per ton, especially because of a winter remarkably open thus far. In some sections herds have been considerably reduced by sales because of scarcity and high prices of feed.

Labor is unsettled. Strikes and threatened strikes have usually resulted in so-called compromises, under which there have been substantial concessions of laborers' demands. There are of course many patriotic workmen, but the distressing fact is rather generally reported that there is very unpatriotic lack of output per unit, many of those dominating the attitude of the workmen appearing to view the situation as one in which they may properly seek their supposed advantage by rendering least service while receiving highest return. A clearer vision would drive home the conviction that quite regardless of wage contentions or whether wages are high or low, their real advantage lies in greatest output, as that contributes most to winning the war and thus to the safeguarding of their own freedom.

During 1917 Arizona, the leading copper State, produced an estimated total of 687,000,000 pounds, some 7,000,000 pounds less than in 1916. Smelting was hampered by labor troubles. Utah produced 245,000,000 pounds, increase 13,000,000; Nevada 110,000,000, increase 9,200,000; California 45,000,000, and Alaska 86,000,000. The total production at the average monthly quotation of 27.2 cents per pound would have a value of \$319,500,000.

The production of petroleum in California during 1917 amounted to 97,267,852 barrels, an

increase of 5,445,470 barrels over 1916. Consumption however exceeded this by 11,585,725 barrels, stored stocks declining from 44,036,190 barrels on December 31, 1916, to 32,450,465 on December 31, 1917.

California led all other States in gold production with 1,006,969 ounces in 1917 and Utah in silver with 14,315,300 ounces.

Retail sales are reported large, even in non-essentials and luxuries. Conditions in this district perhaps do not lend themselves readily to restriction of consumption to essentials. Trade and industry are profitable, employment is plentiful, wages are high. A mild climate throughout most of the district conduces much to pleasure seeking. It is far from the scene of war and the preparations for war are little in evidence. Many are helping, but there seems no widespread conviction of the fact that every avoidable consumption of materials necessary for war, wool, cotton, gasoline, etc., or of that which represents labor is a handicap to this country and a help to Germany.

In 17 principal cities of the district bank clearings in 1917 were 34 per cent greater than in 1916. Building permits in December were 22 per cent less than in December, 1916,

State banks are showing an increasing disposition to join the Federal Reserve system. The following State banks have become members.

	Num-ber.	Capital and surplus.	Resources.
California.....	2	\$862,500	\$4,588,000
Idaho.....	2	83,750	828,000
Oregon.....	4	2,285,000	23,562,000
Washington.....	17	3,590,000	38,373,000

The total resources of State banks in the States mentioned are reported as follows:

California.....	\$993,201,000
Idaho.....	51,026,000
Oregon.....	86,109,000
Washington.....	138,374,000

The State banks have thus made a start, but if they generally gave serious consideration to their own possible fate if the strength of the Federal Reserve system should prove inadequate to financial strains of the character which may grow out of war necessities, a struggle for self-protection would bring their applications for membership in an avalanche, even though patriotism did not move them and even though their possible transactions with the Federal Reserve Bank might be very limited.

In Idaho the bank commissioner in issuing charters to new banks seeks to have them become from the outset members of the Federal Reserve system.

The twelfth Federal reserve district is producing largely and selling its products, including labor, at high prices. It is prosperous.

RATIO OF TOTAL RESERVES TO AGGREGATE NET DEPOSIT AND FEDERAL RESERVE NOTE LIABILITIES.

During 1917 net deposits of the Federal Reserve Banks increased from 651.2 to 1,458.0 millions, as the result of transfer of reserves and the increase of members' deposit credits in connection with the large discount operations incident to the flotation of the two Liberty loans and the placing of the several issues of certificates of indebtedness. Particularly large increases of net deposits are shown about the middle and the latter part of June and the end of October.

Circulation of Federal Reserve notes shows a larger increase for the year than net deposits, the total at the end of the year exceeding by 973.6 millions the total shown at the beginning of the year. As distinct from net deposits, which show the largest increase during June, the growth in note circulation is more evenly spread over the year, though the increase during the latter half of 1917 was over three times larger than during the first half of the year.

Cash reserves, composed mainly of gold, show the largest gain about the end of June, when large transfers of gold to the banks were made following the enactment on June 21 of the amendments to the Act, which provided, among others, for a change in reserve requirements and the maintenance of member banks' reserve exclusively at the Federal Reserve Banks. For the entire year a gain in total reserves from 758.2 to 1,720.8 millions is shown.

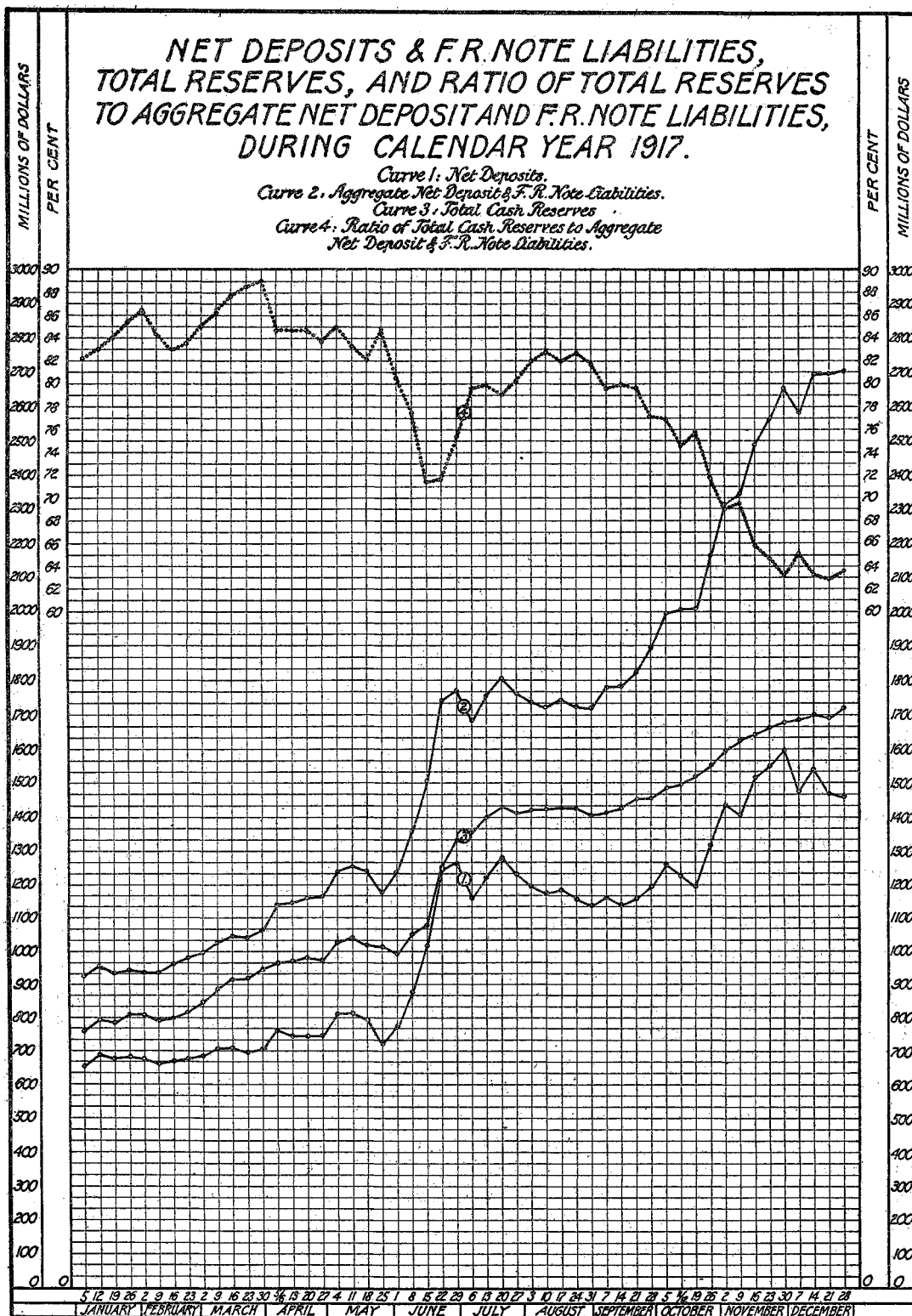
From the beginning of the year to the end of March the Federal Reserve Banks reduced their earning assets by about 25 per cent. As a result, the ratio of their reserves to combined net deposits and Federal Reserve note liabilities increased from 82.1 to 89 per cent. On June 15 this ratio stood at 71.4 per cent, but increased gradually to 82.6 per cent on August 24. Between the end of August and November the percentage declined to 63.2 per cent and stood at 63.6 on the last Friday of the year.

In the following table and accompanying diagram are shown the weekly changes during 1917 in net deposits, Federal Reserve notes in actual circulation, total reserves and the ratio of the latter to the aggregate net deposit and Federal Reserve note liabilities.

Net deposits, Federal Reserve notes in circulation, total reserves, and ratio of total reserves to aggregate net deposit and Federal Reserve note liabilities at close of business on each Friday during the calendar year 1917.

[In thousands of dollars; i. e., 000 omitted.]

	Net deposits.	Federal Reserve notes in circulation.	Aggregate net deposits and Federal Reserve note liabilities.	Total reserve.	Ratio of total reserve to aggregate net deposits and Federal Reserve note liabilities.
					Per cent.
Jan. 5.....	651,252	272,873	924,125	758,242	82.1
Jan. 12.....	687,105	268,168	955,273	792,433	83.0
Jan. 19.....	670,548	262,967	933,515	783,822	84.0
Jan. 26.....	680,262	259,768	940,030	808,824	85.3
Feb. 2.....	675,145	260,930	935,175	808,019	86.4
Feb. 9.....	656,422	278,523	934,945	788,242	84.3
Feb. 16.....	668,571	291,839	960,410	797,271	83.0
Feb. 23.....	677,036	303,171	980,207	818,573	83.5
Mar. 2.....	681,336	314,258	995,594	846,093	85.0
Mar. 9.....	702,159	326,612	1,028,771	885,616	86.1
Mar. 16.....	706,893	336,061	1,042,954	914,102	87.6
Mar. 23.....	695,548	346,804	1,042,352	922,720	88.5
Mar. 30.....	706,905	357,610	1,064,515	947,328	89.0
Apr. 6.....	760,282	376,510	1,136,792	962,662	84.7
Apr. 13.....	744,598	401,809	1,146,407	971,006	84.8
Apr. 20.....	743,989	414,257	1,158,246	982,633	83.8
Apr. 27.....	743,532	420,509	1,164,041	975,481	85.0
May 4.....	808,890	428,502	1,237,392	1,080,201	83.3
May 11.....	815,564	438,218	1,253,782	1,085,759	82.1
May 18.....	793,028	446,501	1,239,529	1,016,745	84.9
May 25.....	721,172	454,402	1,175,574	1,014,263	80.4
June 1.....	771,946	464,865	1,236,811	993,417	77.5
June 8.....	876,676	481,469	1,358,145	1,051,511	71.4
June 15.....	1,014,177	491,615	1,505,792	1,075,408	71.7
June 22.....	1,242,210	499,721	1,741,931	1,247,698	75.4
June 29.....	1,261,800	508,753	1,770,553	1,334,406	79.6
July 6.....	1,155,722	527,459	1,683,181	1,356,017	79.9
July 13.....	1,221,027	532,508	1,753,535	1,400,916	79.1
July 20.....	1,278,597	534,226	1,805,823	1,430,321	80.1
July 27.....	1,232,200	534,015	1,766,215	1,414,052	81.9
Aug. 3.....	1,194,170	540,785	1,734,955	1,421,382	82.7
Aug. 10.....	1,171,722	549,244	1,720,966	1,424,059	82.0
Aug. 17.....	1,183,088	558,782	1,741,870	1,427,489	82.6
Aug. 24.....	1,152,359	573,049	1,725,408	1,424,769	81.7
Aug. 31.....	1,133,926	587,915	1,721,841	1,406,108	79.6
Sept. 7.....	1,156,923	621,299	1,778,222	1,415,391	80.0
Sept. 14.....	1,137,606	644,567	1,782,173	1,426,084	79.6
Sept. 21.....	1,153,921	670,246	1,824,167	1,452,251	77.1
Sept. 28.....	1,103,886	700,212	1,804,098	1,457,559	76.9
Oct. 5.....	1,256,491	740,916	1,997,407	1,488,715	74.5
Oct. 12.....	1,227,326	779,835	2,007,211	1,495,558	75.6
Oct. 19.....	1,195,390	815,210	2,010,600	1,520,512	71.7
Oct. 26.....	1,318,798	847,506	2,166,304	1,552,942	69.0
Nov. 2.....	1,432,772	981,001	2,313,773	1,596,819	69.4
Nov. 9.....	1,408,547	932,512	2,341,059	1,625,585	65.8
Nov. 16.....	1,515,365	972,585	2,487,950	1,636,853	64.7
Nov. 23.....	1,547,122	1,015,892	2,563,014	1,658,792	63.2
Nov. 30.....	1,595,512	1,056,983	2,652,495	1,676,211	65.1
Dec. 7.....	1,474,285	1,110,537	2,584,822	1,683,307	63.2
Dec. 14.....	1,538,214	1,153,385	2,691,599	1,700,384	62.9
Dec. 21.....	1,466,323	1,227,642	2,693,965	1,698,670	63.6
Dec. 28.....	1,457,994	1,246,488	2,704,482	1,720,768	



FEDERAL RESERVE NOTES AND GOLD COVER HELD BY FEDERAL RESERVE AGENTS DURING CALENDAR YEAR 1917.

During the year the total of Federal Reserve notes issued by Federal Reserve agents increased by 1,041.5 millions, while the amount of gold cover held by them against these notes increased by about 500.6 millions. In the earlier part of the year until about June 8, an increase of 212 millions in the amount of notes issued was accompanied by an increase of about 194 millions in the amount of gold cover held against these notes. During the following two weeks notes were issued apparently against paper, while gold in some volume was transferred to the banks in exchange for paper pledged with the agents. This resulted in strengthening the reserve position of the banks, the law, as it then stood, permitting to count as reserve only gold and lawful money held by the banks, but not amounts held by the agents.

On June 22, the notes issued were covered by gold to the extent of 72.4 while the ratio of gold reserve (including gold in the redemption fund standing to the credit of the banks) to notes in actual circulation (i. e., amounts issued less amounts of Federal Reserve notes held by the banks and in process of redemption) was 79.8 per cent. On August 17, the ratio of gold cover to the amount of notes issued had risen to about 82 per cent, while the ratio of gold reserve to notes in circulation had gone up to 91.7 per cent.

Subsequent changes in the relative amounts of gold cover against notes issued and in circulation are due to issues in increasing volume of notes against commercial paper and to some extent also to transfers of gold by the agents to the banks for the purpose of equalizing the banks' reserves against deposits and Federal Reserve notes, as figured under the amended act. On December 14, the ratio of gold with the agents to notes issued had gone down to 55.6 per cent, while the note reserve had declined to 60.8 per cent. On the last Friday of the year the former ratio stood at 58.3 while the note reserve had risen to 64.3 per cent.

In the following table and accompanying diagram are shown the weekly changes in the amounts of notes outstanding and in circulation, also in the volume of gold cover held by the agents against Federal Reserve notes outstanding. The shaded portion between curves 1 and 2 indicates the required amounts of paper collateral. These amounts are considerably less than the actual amounts pledged by the banks with the agents, the excess amount of paper held by the latter on the last Friday of the year being 46.8 millions.

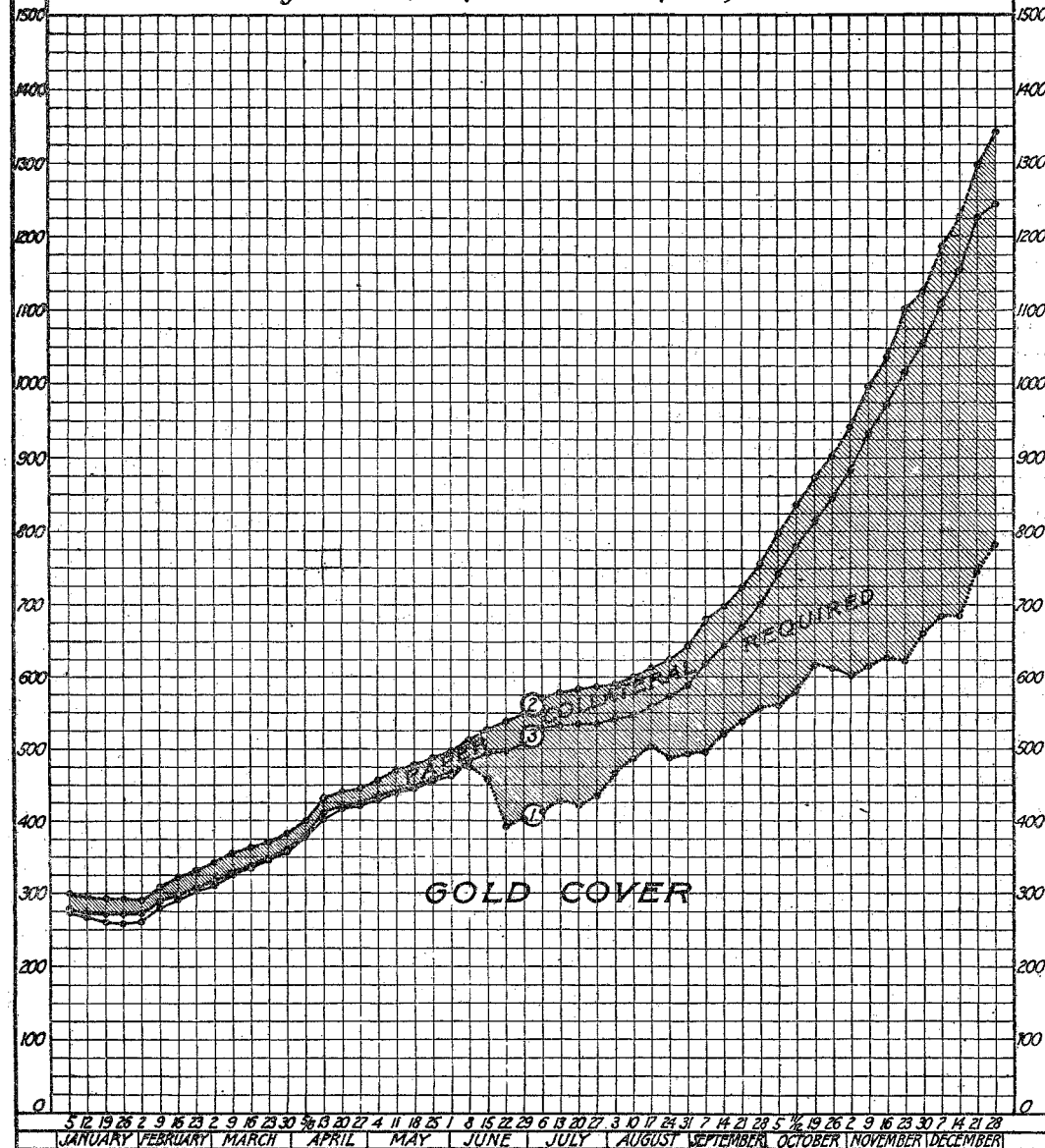
Federal Reserve notes outstanding and in circulation; also amounts of gold and required paper collateral held by Federal Reserve agents during 1917.

[In thousands of dollars; i. e., 000 omitted.]

1917.	Gold cover.	Federal Reserve notes outstanding.	Federal Reserve notes in circulation.
Jan. 5.....	281,292	300,280	272,873
Jan. 12.....	274,512	293,440	268,168
Jan. 19.....	273,141	292,014	262,967
Jan. 26.....	273,320	291,693	259,768
Feb. 2.....	274,074	290,577	260,030
Feb. 9.....	288,720	308,348	278,523
Feb. 16.....	297,270	321,453	291,839
Feb. 23.....	306,186	331,469	303,171
Mar. 2.....	317,581	343,847	314,258
Mar. 9.....	328,433	355,263	326,612
Mar. 16.....	338,608	363,278	336,061
Mar. 23.....	349,519	372,244	346,804
Mar. 30.....	360,668	382,564	357,765
Apr. 5-6.....	378,450	400,698	376,510
Apr. 13.....	410,796	431,788	401,809
Apr. 20.....	418,538	440,539	414,357
Apr. 27.....	422,905	446,544	420,509
May 4.....	433,089	458,874	428,502
May 11.....	438,323	470,401	438,218
May 18.....	448,311	478,906	446,501
May 25.....	456,611	488,088	454,402
June 1.....	466,969	499,844	464,865
June 8.....	475,201	512,527	481,469
June 15.....	459,942	527,971	491,615
June 22.....	390,765	539,976	499,721
June 29.....	402,639	550,504	508,807
July 6.....	413,715	570,725	527,549
July 13.....	428,338	579,957	532,508
July 20.....	423,889	583,937	534,226
July 27.....	434,193	584,464	534,015
Aug. 3.....	467,845	590,389	540,785
Aug. 10.....	485,467	601,227	549,244
Aug. 17.....	502,588	613,646	558,782
Aug. 24.....	488,536	627,307	573,049
Aug. 31.....	493,185	644,911	587,915
Sept. 7.....	494,779	680,073	621,299
Sept. 14.....	520,470	700,430	644,567
Sept. 21.....	536,009	725,397	670,246
Sept. 28.....	558,227	757,076	700,212
Oct. 5.....	560,111	797,630	740,916
Oct. 11-12.....	580,734	837,425	779,885
Oct. 19.....	618,827	875,278	815,210
Oct. 26.....	614,692	903,387	847,506
Nov. 2.....	602,433	941,254	881,001
Nov. 9.....	616,254	995,384	932,512
Nov. 16.....	629,906	1,038,620	972,585
Nov. 23.....	623,948	1,102,287	1,015,892
Nov. 30.....	661,824	1,126,345	1,056,983
Dec. 7.....	683,939	1,184,667	1,110,537
Dec. 14.....	683,378	1,229,007	1,153,385
Dec. 21.....	746,107	1,295,069	1,227,642
Dec. 28.....	781,851	1,341,752	1,246,488

**FEDERAL RESERVE NOTES OUTSTANDING
AND IN CIRCULATION DURING 1917,
ALSO AMOUNTS OF GOLD AND REQUIRED PAPER
HELD BY F.R. AGENTS.**

- Curve 1: Amounts of Gold Cover held against F.R. Notes issued,
Curve 2: Amounts of F.R. Notes outstanding,
(= Gold Cover, plus Paper Collateral required).
Curve 3: Amounts of F.R. Notes in Actual Circulation,
(= Amounts Outstanding, less Amounts held
by Banks and in process of Redemption).*



DISCOUNT OPERATIONS OF THE FEDERAL RESERVE BANKS.

During the month of December discount operations of the Federal Reserve Banks totaled \$892,237,774, as against \$3,206,486,771 for November and \$2,681,165,854 for October of the present year. As is seen from a comparison of these figures, the pressure upon the Federal Reserve Banks' liquid resources, caused by member banks seeking accommodation for themselves and customers investing in Government war loan securities, was much less during December than for the two months previous, though a large part of the paper discounted by the reserve banks, as during the earlier months, was secured by Government war loan obligations. Member banks' collateral notes thus secured totaled 238 millions, or 26.8 per cent of the total paper discounted with the Federal Reserve Banks during the month as against 80 per cent of the much larger total reported the month before.

Discounts of collateral notes secured by commercial paper from 412.5 millions during November declined to 149.3 millions during December. This large decrease in the use of collateral notes was due apparently in part to the provision in the war revenue act of October 3, effective December 1, which imposes a tax of 2 cents per \$100 or any fractional part thereof on promissory notes (held to include collateral notes tendered for discount to Federal Reserve Banks).

Total discounts for the month include in addition 15.4 millions of trade acceptances in the domestic and foreign trades, compared with 6.9 millions for November, and 488.7 millions of unclassified discounts, including customers' paper secured by Government war loan obligations, as against 201.4 millions of like paper reported the month before.

Discounts for the calendar year 1917 aggregated 8,968.8 millions, as against 207.9 millions in 1916. Of the total for the more recent year, 7,744.5 millions, or 86.3 per cent, were collateral notes, while 37.5 millions were reported as

trade acceptances, 12.9 millions as commodity paper, and 1,173.9 millions as customers' paper, including bills secured by Liberty bonds and certificates of indebtedness.

Over 90 per cent of the year's discounts is represented by 15-day paper (i. e., maturing within 15 days from date of discount with the Federal Reserve Bank), this percentage running as high as 97 per cent in the case of the New York bank.

On the last Friday of the year the Federal Reserve Banks held a total of \$680,706,000 of discounted bills, compared with \$756,398,000 at the end of November. About 43 per cent of the total holdings about the end of December, as against 66 per cent the month before, was paper directly traceable to war financing, i. e., member banks' collateral notes and customers' paper secured by Liberty bonds and certificates of indebtedness. The remainder was composed of \$87,751,000 of member banks' collateral notes secured by commercial paper, \$283,737,000 of customers' (secured and unsecured) paper n. s., \$8,631,000 of agricultural, and \$7,662,000 of live-stock paper. About 72 per cent of the agricultural paper was held by the Chicago and Minneapolis banks, while about 86 per cent of the live-stock paper is credited to the Kansas City, Dallas, and Minneapolis banks.

During the month the number of member banks increased from 7,846 to 7,882, largely as the result of admission to membership of State banks and trust companies. The number of members accommodated through the discount of paper during the last quarter of the year was 2,261, compared with 1,647 during the third quarter, and 1,185 during the second quarter of the year. Chicago, with 504 member banks discounting during the fourth quarter, leads all other districts, followed by New York with 283 member banks accommodated during the last quarter of the year.

Bills discounted during the month of December, 1917 and 1916, and the 12 months ending December, 1917 and 1916, distributed by classes.

Federal Reserve Bank.	Member banks' collateral notes.		Trade acceptances.	Commodity paper.	All other discounts.	Total.
	Secured by Liberty bonds or United States certificates of indebtedness.	Otherwise secured.				
Boston.....	\$11,590,444	\$1,520,150	\$2,687,752	.....	\$90,280,529	\$106,078,875
New York.....	102,149,997	45,637,140	3,781,191	.....	110,664,647	262,232,975
Philadelphia.....	9,435,501	1,722,250	99,001	\$22,950	33,695,673	45,025,375
Cleveland.....	18,821,300	1,187,000	2,297,491	.....	41,325,396	63,631,187
Richmond.....	8,209,060	5,291,713	565,101	.....	105,465,697	119,531,571
Atlanta.....	4,923,850	3,281,500	1,163,800	1,325,200	13,971,786	24,666,136
Chicago.....	45,769,000	59,940,560	226,361	.....	31,078,518	137,014,439
St. Louis.....	21,727,740	3,450,000	982,609	.....	23,822,356	49,982,705
Minneapolis.....	2,685,622	588,522	97,243	.....	5,068,607	8,439,994
Kansas City.....	6,984,350	24,730,287	627,867	.....	9,868,497	42,211,001
Dallas.....	1,000,000	1,084,280	7,862	.....	1,452,851	3,544,993
San Francisco.....	5,460,943	835,000	2,888,373	266,987	20,427,220	29,878,523
Total, December, 1917.....	238,807,807	149,268,402	15,424,651	1,615,137	487,121,777	892,237,774
Total, December, 1916.....	29,892,400	.....	1,103,000	816,700	31,903,900	63,716,000
Total, January-December, 1917.....	7,744,511,195	.....	37,552,920	12,871,660	1,173,872,190	8,968,807,965
Total, January-December, 1916.....	38,967,447	.....	5,212,300	16,813,200	146,877,553	207,870,500

Amounts of discounted paper, including member banks' collateral notes, held by each Federal Reserve Bank on the last Friday in December, 1917, distributed by classes.

[In thousands of dollars; i. e., 000 omitted.]

Banks.	Agricultural paper.	Live-stock paper.	Customers' paper secured by Liberty bonds or United States certificates of indebtedness.	Member banks' collateral notes.		All other discounts.	Total.
				Secured by Liberty bonds or United States certificates of indebtedness.	Otherwise secured.		
Boston.....	.....	.....	36,518	6,855	1,286	21,272	65,931
New York.....	61	.....	58,443	79,690	37,484	79,307	254,985
Philadelphia.....	188	.....	16,467	5,368	478	17,020	39,521
Cleveland.....	43	7	10,931	5,262	.....	28,358	44,601
Richmond.....	515	5	5,760	4,948	.....	18,879	30,107
Atlanta.....	305	140	35	2,468	1,417	11,895	16,260
Chicago.....	4,908	89	6,782	21,641	36,510	36,695	106,525
St. Louis.....	67	88	1,633	11,341	1,725	24,958	39,812
Minneapolis.....	1,269	1,171	320	883	316	9,532	13,491
Kansas City.....	674	3,608	199	9,663	7,465	13,205	34,814
Dallas.....	218	1,802	4,802	260	775	1,016	8,873
San Francisco.....	383	752	388	2,268	295	21,700	25,786
Total.....	8,631	7,662	142,278	150,647	87,751	283,737	680,706
Per cent.....	1.3	1.1	20.9	22.1	12.9	41.7	100.0

Bills, including member banks' collateral notes, discounted by each Federal Reserve Bank during the 3 months ending December, 1917, distributed by maturities as of date of discount.

Districts.	Number of member banks at end of December.	Number of banks accommodated during quarter ending Dec. 31.	Maturities.					Total bills discounted.
			Within 15 days.	From 16 to 30 days.	From 31 to 60 days.	From 61 to 90 days.	Over 90 days.	
District No. 1—Boston:								
Connecticut.....	55	22	\$3,547,191	\$2,878,597	\$1,734,931	\$5,420,345	\$121,632	\$13,702,696
Maine.....	63	14	226,822	212,727	246,164	614,048	1,487	1,301,248
Massachusetts.....	163	87	33,964,967	18,394,646	25,946,866	66,401,458	783,073	145,491,010
New Hampshire.....	55	16	944,488	1,064,730	558,259	720,284	13,430	3,301,191
Rhode Island.....	18	9	1,606,158	1,954,486	2,398,785	5,984,795	.....	11,944,224
Vermont.....	48	15	862,501	1,106,831	314,043	365,169	13,731	2,662,275
Total.....	402	163	41,152,127	25,612,017	31,199,048	70,506,099	933,353	178,402,644
District No. 2—New York:								
New York.....	519	222	5,162,573,498	11,377,437	36,097,004	75,908,463	.....	5,285,956,402
New Jersey.....	136	51	11,813,991	596,659	2,466,159	3,553,489	.....	18,430,298
Connecticut.....	15	10	1,268,400	152,733	1,265,023	1,730,522	.....	4,406,678
Total.....	670	283	5,175,645,889	12,126,829	39,828,186	81,192,474	.....	5,308,793,378
District No. 3—Philadelphia:								
Delaware.....	23	1	50,000	.....	.....	.....	900	50,000
New Jersey.....	73	24	3,712,282	300,258	470,633	422,468	2,425	4,906,541
Pennsylvania.....	542	152	57,787,563	7,124,639	4,718,961	18,733,578	.....	88,367,166
Total.....	635	177	61,549,845	7,424,897	5,189,594	19,156,046	3,325	93,323,707
District No. 4—Cleveland:								
Kentucky.....	70	7	991,472	292,799	232,454	700,636	.....	2,217,361
Ohio.....	380	42	60,579,710	13,254,742	11,340,547	13,200,975	10,625	98,386,599
Pennsylvania.....	301	29	27,011,687	5,510,082	2,053,136	1,630,070	.....	36,204,975
West Virginia.....	13	1	525,000	150,000	1,000	5,075	20,000	701,075
Total.....	764	79	89,107,869	19,207,623	13,627,137	15,536,756	30,625	137,510,010
District No. 5—Richmond:								
District of Columbia.....	15	6	376,709	204,056	121,347	133,020	.....	835,132
Maryland.....	97	31	21,160,115	1,269,064	1,734,053	2,294,309	10,155	26,407,696
North Carolina.....	81	37	5,965,304	566,605	925,904	1,321,449	9,864	8,789,126
South Carolina.....	84	29	4,828,562	328,378	1,184,957	1,348,724	2,600	7,693,221
Virginia.....	151	54	151,292,744	832,022	1,571,036	1,897,206	500	155,593,508
West Virginia.....	102	9	935,454	29,413	40,760	523,060	.....	1,533,687
Total.....	530	166	18,4558,887	3,229,538	5,578,056	7,522,769	23,120	200,912,370
District No. 6—Atlanta:								
Alabama.....	95	37	2,559,445	672,465	722,341	926,299	30,989	4,911,539
Florida.....	57	30	2,318,194	358,039	940,307	193,104	48,772	3,858,416
Georgia.....	107	56	16,585,914	1,843,439	2,956,993	2,084,795	432	23,471,573
Louisiana.....	25	7	23,745,852	174,400	754,185	47,133	.....	24,721,570
Mississippi.....	18	6	1,307,756	240,437	262,598	17,898	.....	1,828,689
Tennessee.....	90	40	4,247,915	337,406	703,041	548,231	60,478	5,897,071
Total.....	392	176	50,765,076	3,626,186	6,339,465	3,817,460	140,671	64,688,858
District No. 7—Chicago:								
Illinois.....	334	150	206,803,699	4,399,858	4,610,755	9,799,134	1,541,180	227,154,626
Indiana.....	200	77	11,284,440	2,728,650	5,279,394	1,881,204	297,263	21,470,951
Iowa.....	358	189	27,947,661	1,757,289	5,845,098	7,875,615	4,428,854	47,854,517
Michigan.....	99	44	51,689,363	1,103,494	2,165,665	2,417,668	102,155	57,478,345
Wisconsin.....	109	44	27,489,917	2,694,683	10,945,710	987,857	67,147	42,185,314
Total.....	1,100	504	325,215,080	12,683,974	28,846,622	22,061,478	6,436,599	396,143,753
District No. 8—St. Louis:								
Arkansas.....	67	13	5,612,229	423,138	981,875	456,610	30,296	7,504,148
Illinois.....	158	17	1,528,250	288,434	585,006	177,710	31,675	2,611,075
Indiana.....	63	12	4,032,000	147,695	392,012	294,540	.....	4,866,247
Kentucky.....	66	17	4,282,941	561,087	1,486,536	933,094	.....	7,263,654
Mississippi.....	18	4	59,600	19,850	97,142	125,062	6,000	307,654
Missouri.....	87	23	58,449,796	6,324,198	4,855,571	4,448,358	48,706	74,126,629
Tennessee.....	20	6	6,700,236	1,072,649	1,687,342	2,028,509	.....	11,488,736
Total.....	479	92	80,665,052	8,837,051	10,085,484	8,463,883	116,677	108,168,147
District No. 9—Minneapolis:								
Michigan.....	34	8	85,301	30,801	114,098	64,643	.....	294,343
Minnesota.....	295	92	22,895,550	1,274,862	3,309,507	2,534,989	572,642	30,587,550
North Dakota.....	162	40	144,651	57,501	53,772	229,415	359,804	845,143
South Dakota.....	127	30	499,966	79,527	478,948	414,991	159,760	1,633,192

Bills, including member banks' collateral notes, discounted by each Federal Reserve Bank during the 3 months ending December, 1917, distributed by maturities as of date of discount—Continued.

Districts.	Number of member banks at end of December.	Number of banks accommodated during quarter ending Dec. 31.	Maturities.					Total bills discounted.
			Within 15 days.	From 16 to 30 days.	From 31 to 60 days.	From 61 to 90 days.	Over 90 days.	
District No. 9—Minneapolis—Continued.								
Montana.....	120	45	\$46,861	\$127,866	\$233,040	\$168,837	\$643,011	\$1,219,615
Wisconsin.....	88	10	243,663	14,137	41,509	92,859	5,505	397,673
Total.....	776	225	23,915,992	1,584,194	4,230,874	3,505,734	1,740,722	34,977,516
District No. 10—Kansas City:								
Colorado.....	122	14	2,908,440	421,998	590,457	1,108,672	1,165,645	6,195,212
Kansas.....	233	37	4,947,561	211,884	235,644	428,175	255,601	6,078,865
Missouri.....	55	17	79,386,283	381,695	505,390	416,027	38,936	80,728,331
Nebraska.....	192	61	44,850,165	1,542,214	2,396,145	1,993,236	1,121,021	51,902,781
New Mexico.....	9	2			9,512	2,028	49,050	60,590
Oklahoma.....	311	45	7,241,539	814,254	1,483,006	1,259,215	653,167	11,451,181
Wyoming.....	36	4		1,342	10,000	114,255	93,421	219,018
Total.....	958	180	139,333,988	3,373,387	5,230,154	5,321,608	3,376,841	156,635,978
District No. 11—Dallas:								
Arizona.....	7	1		998	8,745	14,855	82,539	107,137
Louisiana.....	12	2	225,000	94,493				319,493
New Mexico.....	32	11	180,000	53,452	288,094	258,685	492,829	1,273,060
Oklahoma.....	30	4	295,000					295,000
Texas.....	551	88	23,081,853	449,168	1,109,337	673,391	793,892	26,107,641
Total.....	632	106	23,781,853	598,111	1,406,176	946,931	1,369,260	28,102,331
District No. 12—San Francisco:								
Alaska.....	1							
Arizona.....	7							
California.....	272	48	28,558,195	5,158,921	10,431,912	7,818,369	102,839	52,070,236
Idaho.....	65	14	293,000	37,422	149,945	222,159	206,891	909,417
Nevada.....	10	1		20,000	50,000	25,000		95,000
Oregon.....	85	18	4,379,675	1,325,764	2,232,208	1,252,856	31,221	9,221,724
Utah.....	24	10	1,722,437	256,877	315,439	639,220	82,339	3,016,312
Washington.....	33	19	2,124,532	869,488	2,265,589	1,651,088	8,320	6,919,017
Total.....	547	110	37,077,839	7,668,472	15,445,093	11,608,692	431,610	72,231,706

RECAPITULATION.

No. 1—Boston.....	402	163	\$41,152,127	\$25,612,017	\$31,199,048	\$79,506,099	\$933,353	\$178,402,644
No. 2—New York.....	670	283	5,175,645,889	12,120,829	39,828,186	81,192,474		5,308,793,378
No. 3—Philadelphia.....	635	177	61,549,845	7,424,897	5,189,594	19,156,046	3,325	93,323,707
No. 4—Cleveland.....	764	79	69,107,869	19,207,623	13,627,137	15,536,756	30,625	137,510,010
No. 5—Richmond.....	530	166	184,553,887	3,229,538	5,578,056	7,522,769	23,120	200,912,370
No. 6—Atlanta.....	322	176	50,765,076	3,626,180	6,339,465	3,817,460	140,671	64,688,858
No. 7—Chicago.....	1,100	504	325,215,080	12,683,974	28,846,622	22,961,478	6,436,599	396,143,753
No. 8—St. Louis.....	479	92	80,665,052	5,837,051	10,086,434	5,468,383	116,677	108,168,147
No. 9—Minneapolis.....	776	225	23,915,992	1,584,194	4,230,874	3,505,734	1,740,722	34,977,516
No. 10—Kansas City.....	958	180	139,333,988	3,373,387	5,230,154	5,321,608	3,376,841	156,635,978
No. 11—Dallas.....	632	106	23,781,853	598,111	1,406,176	946,931	1,369,260	28,102,331
No. 12—San Francisco.....	547	110	37,077,839	7,668,472	15,445,093	11,608,692	431,610	72,231,706
Total for 3 months ending December, 1917.....	7,882	2,261	6,232,769,497	105,972,279	167,005,889	259,539,930	14,602,803	6,779,890,398
Percent.....			91.9	1.6	2.5	3.8	0.2	100.0
Total for 3 months ending December, 1916.....	7,627		75,445,200		7,861,300	7,996,000	2,180,500	93,483,000
Total for 3 months ending December, 1915.....	7,646		7,716,900		16,641,000	17,722,900	6,651,700	48,732,500
Total for year ending Dec. 31, 1917.....	7,882	5,615	8,129,297,853	181,023,663	272,359,039	356,996,455	29,130,950	8,968,807,965
Total for year ending Dec. 31, 1916.....	7,627	1,788	115,053,100		34,422,900	41,576,600	16,817,900	207,870,500
Total for year ending Dec. 31, 1915.....	7,646	1,920	26,509,200		57,837,400	57,822,400	19,684,000	161,353,000

Acceptances bought in open market and held by Federal Reserve Banks as per schedules on file with the Federal Reserve Board, or as reported by the Federal Reserve Banks on dates specified, distributed by classes of accepting institutions.

Date.	Bankers' acceptances.						Trade ac- ceptances bought in open market.	Total ac- ceptances.
	Member banks.	Nonmember trust companies.	Nonmem- ber State banks.	Private banks.	Foreign bank branches and agen- cies.	Total.		
1915.								
Feb. 22.....	\$93,000					\$93,000		\$93,000
Apr. 5.....	3,653,000	\$7,820,000	\$10,000	\$110,000		11,593,000		11,593,000
May 3.....	5,038,000	8,189,000	10,000	110,000		13,347,000		13,347,000
June 7.....	5,242,000	4,516,000	10,000	192,000		9,960,000		9,960,000
July 3.....	4,342,000	5,267,000		161,000		9,770,000		9,770,000
Aug. 2.....	5,350,000	5,407,000	20,000	352,000		11,129,000		11,129,000
Sept. 6.....	6,087,000	6,305,000	20,000	472,000		12,884,000		12,884,000
Oct. 4.....	9,000,000	4,898,000	132,000	343,000		14,373,000		14,373,000
Nov. 1.....	8,477,000	4,331,000	253,000	204,000		13,265,000		13,265,000
Dec. 6.....	12,311,000	5,172,000	275,000	396,000		18,154,000		18,154,000
1916.								
Jan. 3.....	15,494,000	7,160,000	362,000	822,000		23,838,000		23,838,000
Feb. 7.....	15,681,000	7,876,000	336,000	1,456,000		25,349,000	\$489,000	25,838,000
Mar. 6.....	17,182,000	8,670,000	408,000	1,781,000		28,041,000	462,000	28,503,000
Apr. 3.....	21,000,000	13,573,000	473,000	3,262,000		38,308,000	722,000	39,030,000
May 1.....	24,875,000	15,400,000	535,000	3,430,000		44,290,000	1,477,000	45,767,000
June 5.....	24,680,000	17,029,000	644,000	7,007,000		49,360,000	2,208,000	51,568,000
July 3.....	32,989,000	18,921,000	471,000	11,830,000		64,211,000	3,422,000	67,633,000
Aug. 7.....	39,695,000	19,060,000	738,000	13,940,000		73,433,000	4,225,000	77,658,000
Sept. 4.....	41,413,000	20,356,000	726,000	12,491,000		74,986,000	3,673,000	78,659,000
Oct. 2.....	37,798,000	21,732,000	712,000	9,944,000		70,236,000	2,306,000	72,542,000
Nov. 6.....	37,770,000	29,474,000	1,014,000	12,147,000		80,405,000	2,378,000	82,783,000
Dec. 4.....	47,748,000	33,232,000	1,630,000	16,089,000		98,679,000	4,487,000	103,166,000
1917.								
Jan. 1.....	66,803,000	34,625,000	1,502,000	13,224,000		121,154,000	4,585,000	125,739,000
Feb. 5.....	50,361,000	23,511,000	972,000	13,775,000	\$140,000	88,759,000	4,041,000	92,800,000
Mar. 5.....	53,288,000	32,518,000	1,090,000	20,581,000	354,000	107,837,000	2,535,000	110,366,000
Apr. 2.....	43,979,000	20,328,000	689,000	16,830,000	200,000	82,026,000	1,144,000	83,170,000
May 7.....	49,192,000	19,650,000	236,000	19,177,000	94,000	88,349,000	1,679,000	90,028,000
June 4.....	69,262,000	27,611,000	584,000	21,077,000	239,000	118,778,000	3,022,000	121,795,000
July 14-16.....	108,597,000	30,390,000	3,333,000	38,082,000	3,805,000	184,785,000	4,660,000	189,445,000
July 31.....	112,433,000	43,107,000	2,564,000	20,782,000	1,087,000	179,973,000	4,242,000	184,215,000
Aug. 31.....	94,597,000	33,273,000	2,312,000	18,086,000	1,369,000	149,637,000	4,952,000	154,589,000
Sept. 29.....	131,997,000	14,987,000	2,193,000	21,708,000	2,286,000	173,171,000	6,942,000	180,113,000
Oct. 31.....	150,301,000	3,147,000	1,307,000	21,083,000	2,153,000	177,991,000	6,224,000	184,216,000
Nov. 30.....	171,723,000	5,338,000	753,000	18,201,000	3,163,000	199,178,000	6,275,000	205,453,000
Dec. 31.....	227,717,000	8,163,000	3,179,000	20,137,000	7,657,000	266,853,000	6,383,000	273,236,000

Amounts of bills discounted and acceptances and warrants bought by each Federal Reserve Bank during December, 1917, distributed by maturities.

Banks.	15-day maturities.				30-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston.....	\$20,137,602	\$101,294	.....	\$20,238,896	\$14,922,952	\$253,173	.....	\$15,176,125
New York.....	192,834,756	1,613,396	.....	194,448,152	7,521,946	4,597,042	.....	12,118,988
Philadelphia.....	32,125,650	.....	.....	32,125,650	6,206,425	234,544	.....	6,440,969
Cleveland.....	38,051,343	.....	.....	38,051,343	13,084,184	1,277,479	.....	14,361,663
Richmond.....	112,143,939	421,399	.....	112,565,338	1,852,264	2,042,777	.....	3,895,041
Atlanta.....	18,660,328	1,070,000	\$61,000	19,791,328	1,333,661	954,237	\$25,210	2,313,108
Chicago.....	116,649,863	.....	.....	116,649,863	3,737,095	59,218	.....	3,796,313
St. Louis.....	36,715,274	57,875	.....	36,773,149	3,927,090	189,529	.....	4,116,619
Minneapolis.....	3,890,704	68,863	.....	3,959,567	446,026	2,108,506	.....	2,556,532
Kansas City.....	33,698,605	.....	.....	33,698,605	2,039,877	5,630	.....	2,045,507
Dallas.....	2,117,832	250,000	.....	2,367,832	144,134	750,000	.....	894,134
San Francisco.....	9,206,883	2,124,562	.....	11,331,445	3,731,567	2,571,795	.....	6,303,362
Total.....	616,232,779	5,707,339	61,000	622,001,168	58,947,221	15,043,930	25,210	74,018,361
Per cent.....	.....	.....	.....	58.1	.....	.....	.....	6.9

Banks.	60-day maturities.				90-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston.....	\$25,837,504	\$1,734,229	.....	\$27,571,733	\$44,947,757	\$10,518,235	.....	\$55,465,992
New York.....	27,316,976	25,675,107	.....	52,992,083	34,559,297	75,030,029	.....	109,589,326
Philadelphia.....	2,897,808	787,040	.....	3,684,848	3,795,492	4,806,558	.....	8,602,050
Cleveland.....	5,913,406	1,568,573	.....	7,481,979	6,577,941	5,177,934	.....	11,755,875
Richmond.....	2,444,607	2,188,588	.....	4,633,195	3,082,714	2,646,703	.....	5,729,417
Atlanta.....	2,856,890	2,085,999	\$165	4,943,054	1,782,415	1,719,987	\$2,779	3,505,181
Chicago.....	7,961,592	247,477	.....	8,209,069	6,555,668	4,541,136	.....	11,096,804
St. Louis.....	5,258,450	533,552	.....	5,792,002	4,038,398	1,261,750	.....	5,300,148
Minneapolis.....	1,406,385	1,319,410	.....	2,725,795	1,685,870	1,318,465	.....	3,504,335
Kansas City.....	2,634,596	8,091	.....	2,642,687	1,990,031	3,051	.....	1,993,082
Dallas.....	312,127	1,864,798	.....	2,176,925	225,497	1,934,796	.....	2,160,293
San Francisco.....	9,718,057	4,153,504	.....	13,871,561	6,981,795	2,843,725	.....	9,825,120
Total.....	94,558,398	42,166,368	165	136,724,931	116,222,875	112,302,369	2,779	228,527,623
Per cent.....	.....	.....	.....	12.8	.....	.....	.....	21.3

Banks.	Over 90-day maturities.				Total.				Per cent.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston.....	\$233,060	\$390,500	.....	\$623,560	\$106,078,875	\$12,997,431	.....	\$119,076,306	89.1	10.9	.....	100.0
New York.....	.....	.....	.....	.....	262,232,975	106,915,574	.....	369,148,549	71.0	29.0	.....	100.0
Philadelphia.....	.....	170,000	.....	170,000	45,025,375	5,998,142	.....	51,023,517	88.2	11.8	.....	100.0
Cleveland.....	4,313	683,026	.....	687,339	63,631,187	8,707,012	.....	72,338,199	88.0	12.0	.....	100.0
Richmond.....	8,047	150,000	.....	158,047	119,531,571	7,449,467	.....	126,981,038	94.1	5.9	.....	100.0
Atlanta.....	32,842	.....	\$2,200	35,042	24,666,136	5,830,223	\$91,354	30,587,713	80.6	19.1	0.3	100.0
Chicago.....	2,110,221	106,886	.....	2,217,107	137,014,439	4,954,717	.....	141,969,156	96.5	3.5	.....	100.0
St. Louis.....	43,493	667,479	.....	710,972	49,982,705	2,710,185	.....	52,692,890	94.9	5.1	.....	100.0
Minneapolis.....	1,011,009	110,962	.....	1,121,971	8,439,994	5,426,206	.....	13,866,200	60.9	39.1	.....	100.0
Kansas City.....	1,847,892	.....	.....	1,847,892	42,211,001	16,772	.....	42,227,773	99.9	0.1	.....	100.0
Dallas.....	745,403	.....	104,194	849,597	3,544,993	4,799,594	104,194	8,448,781	42.0	56.8	1.2	100.0
San Francisco.....	240,221	570,100	.....	810,321	29,878,523	12,263,686	.....	42,142,209	70.9	29.1	.....	100.0
Total.....	6,276,501	2,848,953	106,394	9,231,848	892,237,774	178,069,009	195,548	1,070,502,331	.....	.....	.....	.....
Per cent.....	.....	.....	.....	0.9	.....	.....	.....	100.0	83.3	16.6	0.1	100.0

Maturities of discounts, acceptances, and municipal warrants held by each Federal Reserve Bank on Friday, Dec. 28, 1917.

[In thousands of dollars, 1. e., 000 omitted.]

Banks.	1 to 15 days.				16 to 30 days.			
	Bills dis- counted.	Accept- ances bought.	Municipal warrants.	Total.	Bills dis- counted.	Accept- ances bought.	Municipal warrants.	Total.
Boston.....	13,047	981	.....	14,028	7,804	1,204	.....	9,008
New York.....	141,907	13,631	.....	155,538	10,804	22,043	.....	32,847
Philadelphia.....	20,877	2,135	10	23,022	2,877	6,823	.....	9,700
Cleveland.....	23,767	5,177	7	28,951	4,873	6,812	.....	11,685
Richmond.....	21,232	2,534	.....	23,766	1,902	4,484	.....	6,386
Atlanta.....	10,374	1,370	28	11,772	1,832	708	10	2,645
Chicago.....	70,316	1,493	.....	71,809	14,385	1,649	.....	16,034
St. Louis.....	21,710	819	.....	22,529	4,681	1,809	.....	6,490
Minneapolis.....	2,765	2,284	25	5,074	1,140	3,129	.....	4,269
Kansas City.....	19,904	1,406	.....	21,310	2,736	9	.....	2,745
Dallas.....	1,665	1,233	46	2,944	105	6,947	.....	7,052
San Francisco.....	7,809	7,258	.....	15,067	4,428	5,555	.....	9,983
Total.....	355,373	40,321	116	395,810	57,367	61,177	10	118,554
Per cent.....				41.4				12.4

Banks.	31 to 60 days.				61 to 90 days.			
	Bills dis- counted.	Accept- ances bought.	Municipal warrants.	Total.	Bills dis- counted.	Accept- ances bought.	Municipal warrants.	Total.
Boston.....	8,862	715	.....	9,577	36,218	5,441	.....	41,659
New York.....	78,859	67,700	511	147,070	23,415	44,751	.....	68,166
Philadelphia.....	13,133	5,019	.....	18,152	2,634	4,440	.....	7,074
Cleveland.....	12,587	7,126	.....	19,713	3,669	2,811	.....	6,580
Richmond.....	5,342	4,113	.....	9,455	1,619	1,897	.....	3,516
Atlanta.....	2,728	3,868	141	6,737	1,179	994	123	2,296
Chicago.....	12,289	1,227	.....	13,516	5,245	4,293	.....	9,539
St. Louis.....	10,753	3,076	.....	13,829	2,592	1,676	.....	4,268
Minneapolis.....	6,776	2,037	.....	8,813	1,384	349	.....	1,733
Kansas City.....	8,504	10	.....	8,514	1,628	.....	.....	1,628
Dallas.....	5,774	6,185	.....	11,959	439	3	.....	442
San Francisco.....	9,399	4,056	.....	13,455	3,851	1,981	.....	5,832
Total.....	175,006	105,132	652	280,790	83,974	63,736	123	152,833
Per cent.....				29.3				16.0

Banks.	Over 90 days.				Total.				Percentages.			
	Bills dis- counted.	Accept- ances bought.	Municipal war- rants.	Total.	Bills dis- counted.	Accept- ances bought.	Municipal war- rants.	Total.	Bills dis- counted.	Accept- ances bought.	Municipal war- rants.	Total.
Boston.....	.....	.....	.....	65,931	8,341	.....	74,272	88.8	11.2	.....	.....	100.0
New York.....	.....	.....	.....	254,985	148,125	511	403,621	63.2	36.7	0.1	.....	100.0
Philadelphia.....	.....	.....	.....	39,521	18,417	10	57,948	68.2	31.8	.....	.....	100.0
Cleveland.....	5	.....	.....	44,601	22,026	7	66,634	66.9	33.1	.....	.....	100.0
Richmond.....	12	.....	.....	30,107	13,038	.....	43,145	69.8	30.2	.....	.....	100.0
Atlanta.....	47	.....	.....	16,260	6,935	302	23,497	69.2	29.5	1.3	.....	100.0
Chicago.....	4,189	.....	.....	106,525	8,662	.....	115,187	92.5	7.5	.....	.....	100.0
St. Louis.....	76	.....	.....	39,812	7,380	.....	47,192	84.4	15.6	.....	.....	100.0
Minneapolis.....	1,426	.....	.....	13,491	7,799	25	21,315	63.3	36.6	.1	.....	100.0
Kansas City.....	2,042	.....	.....	2,042	34,814	1,425	36,239	96.1	3.9	.....	.....	100.0
Dallas.....	890	.....	104	994	8,873	14,368	23,391	38.0	61.4	.6	.....	100.0
San Francisco.....	299	.....	.....	299	25,786	18,850	44,636	57.8	42.2	.....	.....	100.0
Total.....	8,986	.....	104	9,090	680,706	275,366	1,005	957,077	71.1	28.8	.1	100.0
Per cent.....				.9				100.0				

Total investment operations, exclusive of purchases of United States certificates of indebtedness, of each Federal Reserve Bank during the months of December, 1917 and 1916, and the year ending Dec. 31, 1917 and 1916.

Federal Reserve Banks.	Bills discounted for members and Federal Reserve Banks.	Bills bought in open market.			Municipal warrants.			
		Bankers' acceptances.	Trade acceptances.	Total.	City.	State.	All other.	Total.
Boston.....	\$106,078,875	\$12,399,766	\$597,665	\$12,997,431				
New York.....	262,232,975	104,832,313	2,083,261	106,915,574				
Philadelphia.....	45,025,375	5,944,693	53,449	5,998,142				
Cleveland.....	63,631,187	8,707,012		8,707,012				
Richmond.....	119,531,571	7,449,467		7,449,467				
Atlanta.....	24,666,136	5,830,223		5,830,223	\$20,210	\$2,944	\$68,200	\$91,354
Chicago.....	137,014,439	4,954,717		4,954,717				
St. Louis.....	49,982,705	2,710,185		2,710,185				
Minneapolis.....	8,439,994	5,426,206		5,426,206				
Kansas City.....	42,211,001	16,772		16,772				
Dallas.....	3,544,993	4,799,594		4,799,594	104,194			104,194
San Francisco.....	29,878,523	11,373,218	890,468	12,263,686				
Total, December, 1917.....	892,237,774	174,444,166	3,624,843	178,069,009	124,404	2,944	68,200	195,548
Total, December, 1916.....	63,716,000	64,948,600	1,924,900	66,871,500	3,385,200	2,600	16,200	3,404,000
Total, 12 months ending Dec. 31, 1917.....	8,968,807,965	1,051,807,580	39,947,981	1,082,755,561	15,769,759	263,059	788,748	16,821,566
Total, 12 months ending Dec. 31, 1916.....	207,870,500	369,762,300	16,332,700	386,095,000	85,662,400	4,087,100	936,500	90,686,000

Federal Reserve Banks.	United States bonds and Treasury notes.						Total investment operations.			
	2 per cent.	3 per cent.	3½ per cent.	4 per cent.	1-year Treasury notes.	Total.	December, 1917.	December, 1916.	December, 1917.	December, 1916.
Boston.....				\$2,120		\$2,120	\$119,078,426	\$20,023,200	Per ct. 10.9	Per ct. 14.3
New York.....				3,122,950		3,122,950	372,271,499	38,707,500	34.2	27.8
Philadelphia.....			\$399,750	10,448,300		10,448,050	61,671,567	18,781,700	5.6	13.5
Cleveland.....			1,000			1,000	72,539,199	10,131,100	6.6	7.3
Richmond.....				42,900		42,900	127,023,938	9,735,050	11.6	7.0
Atlanta.....				6,539,400		6,539,400	37,127,113	5,150,100	3.4	3.7
Chicago.....					\$10,000	10,000	141,979,156	14,416,200	13.0	10.3
St. Louis.....							52,692,590	5,911,000	4.8	4.2
Minneapolis.....							13,866,200	5,750,800	1.3	4.1
Kansas City.....							42,227,773	3,203,600	3.9	2.3
Dallas.....			775,000	50,000		825,000	9,273,781	1,848,900	8	1.3
San Francisco.....			15,000			15,000	42,157,209	5,872,100	3.9	4.2
Total, December, 1917.....	\$5,249,750	\$40,000	1,190,750	20,205,670	10,000	21,406,420	1,091,908,751	139,531,250	100.0	100.0
Total, December, 1916.....	13,997,200	188,540	45,787,610	21,562,319	7,069,000	88,606,316	10,156,699,812			
Total, 12 months ending Dec. 31, 1917.....	48,128,100	3,918,880		4,403,200	300,000	56,750,180	741,401,680			

United States securities held by each Federal Reserve Bank on Dec. 31, 1917, distributed by maturities.

Federal Reserve Bank.	United States bonds with circulation privilege.				United States bonds without circulation privilege.						Total.
	2 per cent consols of 1930.	2 per cent Panamas of 1936-1938.	3 per cent loan of 1918.	4 per cent loan of 1925.	3 per cent conversion bonds of 1946-47.	3 per cent 1-year Treasury notes.	3 per cent loan of 1961.	3½ per cent Liberty loan of 1947.	4 per cent Liberty loan of 1942-1947.	U. S. certificates of indebtedness.	
Boston.....	\$750				\$529,000	\$2,194,000		\$80,000	\$118,992		\$2,922,742
New York.....	50		\$50,000		1,255,500	4,493,000		411,150	3,470,150	\$15,000,000	24,679,850
Philadelphia.....		\$100			548,200	2,548,000		249,650	6,302,800		9,649,950
Cleveland.....	6,400	467,200	2,653,660	\$2,378,200	414,800	3,221,000		2,027,000	320,750	28,050,000	39,539,010
Richmond.....	915,100	237,000			10,300	1,969,000		42,900	41,450		3,205,450
Atlanta.....	640,600	21,000			10,300	1,491,000		215,900	1,509,200		3,888,000
Chicago.....	1,862,500	367,300	2,681,000	1,768,000	427,400	3,378,000	\$400				10,384,600
St. Louis.....	100		1,080,000		1,153,300	1,444,000					3,677,400
Minneapolis.....	323,050	16,260	1,199,180	206,250	114,800	1,340,000	500		27,950	500	3,228,490
Kansas City.....	7,155,850	22,240		825,000	838,500	1,784,000		7,500			10,633,090
Dallas.....	2,450,900	281,500			1,233,600	1,430,000		477,100	53,000		5,926,100
San Francisco.....	2,428,750					1,500,000		26,250			3,955,000
Total.....	15,784,050	1,412,600	7,563,840	5,177,450	6,526,400	26,792,000	900	3,537,650	11,844,292	43,050,500	121,689,682

¹ Includes unpaid portion of Liberty Loan bonds sold to individual subscribers.

Total United States bonds with circulation privilege, \$29,937,940. Total United States securities without circulation privilege, \$91,632,750.

RESOURCES AND LIABILITIES OF FEDERAL RESERVE BANKS.

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve system at close of business on Fridays, Dec. 28, 1917, to Jan. 25, 1918.

RESOURCES.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Gold coin and certificates in vault:													
Dec. 28.....	19,900	323,306	18,322	29,202	6,206	5,740	31,885	4,996	14,757	1,588	12,241	31,774	499,917
Jan. 4.....	19,427	305,660	18,187	26,658	6,181	6,102	37,957	6,373	14,832	1,456	11,618	25,621	480,072
Jan. 11.....	16,472	312,564	18,614	25,434	6,209	6,349	31,259	7,927	15,005	1,669	10,965	26,372	478,839
Jan. 18.....	14,772	318,465	18,759	23,146	6,260	6,462	31,279	5,021	14,917	1,500	10,103	26,617	477,301
Jan. 25.....	13,865	317,072	18,790	20,362	6,257	6,531	31,549	5,474	15,181	1,390	9,310	26,231	472,012
Gold settlement fund—Federal Reserve Board:													
Dec. 28.....	16,977	20,854	39,101	37,168	22,097	13,407	54,674	17,884	20,287	37,206	24,223	13,642	317,520
Jan. 4.....	10,506	21,082	29,687	50,030	25,171	21,295	58,177	21,314	17,409	38,461	23,407	22,148	338,687
Jan. 11.....	25,284	43,519	36,993	28,179	22,684	15,833	78,270	21,669	12,998	30,314	20,209	25,570	361,522
Jan. 18.....	37,425	60,689	30,827	45,512	14,890	16,434	77,329	24,076	9,512	23,335	16,310	26,893	383,232
Jan. 25.....	34,290	97,111	37,136	40,184	12,367	16,893	39,014	26,656	14,554	24,635	19,388	25,942	388,210
Gold with foreign agencies:													
Dec. 28.....	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,500
Jan. 4.....	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,500
Jan. 11.....	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,500
Jan. 18.....	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,500
Jan. 25.....	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,500
Gold with Federal Reserve agents:													
Dec. 28.....	37,897	250,599	56,946	55,410	31,602	49,821	124,400	32,366	31,920	42,052	25,037	43,801	781,851
Jan. 4.....	41,071	250,595	63,884	57,794	26,546	47,701	131,403	31,241	32,910	42,025	25,037	46,984	797,191
Jan. 11.....	42,424	227,052	63,102	59,693	26,478	50,053	129,356	31,441	35,699	44,950	24,121	49,957	784,326
Jan. 18.....	43,407	236,700	66,376	61,850	26,360	49,226	118,133	35,308	37,621	48,422	23,892	49,432	796,727
Jan. 25.....	44,354	236,467	64,916	64,610	26,305	47,575	120,514	34,882	37,522	48,369	22,181	46,134	793,829
Gold-redemption fund:													
Dec. 28.....	2,000	10,000	1,500	99	485	1,099	615	930	868	507	1,218	24	19,345
Jan. 4.....	2,000	10,000	1,500	28	433	1,110	614	930	878	507	1,236	34	19,270
Jan. 11.....	2,000	10,000	1,500	92	379	1,183	668	908	1,037	484	1,240	152	19,643
Jan. 18.....	1,987	10,107	1,500	48	298	1,231	742	901	1,122	478	1,258	38	19,710
Jan. 25.....	2,000	10,000	1,500	61	251	1,483	815	888	1,159	465	1,253	81	19,956
Total gold reserves:													
Dec. 28.....	80,449	622,871	119,544	126,604	62,227	71,642	218,924	58,276	69,932	83,978	64,557	92,129	1,671,133
Jan. 4.....	76,679	605,449	116,933	139,235	60,168	77,783	235,501	61,958	68,129	85,074	63,136	97,675	1,687,720
Jan. 11.....	89,855	611,247	123,884	118,123	57,587	74,993	246,903	64,045	66,839	80,042	58,373	104,939	1,696,830
Jan. 18.....	101,266	644,073	121,137	135,281	49,645	74,928	234,833	67,406	65,272	76,360	53,401	105,868	1,729,470
Jan. 25.....	98,184	678,762	126,077	129,942	47,017	74,557	199,242	70,000	70,516	77,484	53,950	101,276	1,726,507
Legal tender notes, silver, etc.:													
Dec. 28.....	3,960	40,784	1,149	210	185	444	771	634	365	53	714	366	49,635
Jan. 4.....	3,729	35,000	1,789	274	235	434	1,301	889	457	46	787	399	45,310
Jan. 11.....	4,795	36,347	2,404	780	196	781	2,620	1,419	510	88	870	391	51,201
Jan. 18.....	5,148	37,439	2,611	1,162	198	779	3,594	1,707	582	54	1,203	360	54,837
Jan. 25.....	5,346	37,901	2,243	1,327	176	871	4,462	1,336	627	90	1,445	428	56,252
Total cash reserves:													
Dec. 28.....	84,409	663,655	120,693	126,814	62,412	72,086	219,695	58,910	70,297	84,031	65,271	92,495	1,720,768
Jan. 4.....	80,408	640,449	118,722	139,509	60,403	78,217	236,802	62,847	68,586	85,120	63,923	98,044	1,733,030
Jan. 11.....	94,650	647,594	126,288	118,903	57,783	75,774	249,523	65,464	67,349	80,130	59,243	105,330	1,748,031
Jan. 18.....	106,414	681,512	123,748	136,443	49,843	75,707	238,427	69,113	65,854	76,414	54,604	106,228	1,784,307
Jan. 25.....	103,530	716,663	128,320	131,269	47,193	74,928	203,704	71,336	71,143	77,574	55,395	101,704	1,782,759
Bills discounted for members and Federal Reserve Banks:													
Dec. 28.....	65,981	254,985	39,521	44,601	30,107	16,260	106,525	39,812	13,491	34,814	8,873	25,786	680,706
Jan. 4.....	57,321	242,618	32,963	41,012	27,086	14,687	94,112	34,299	12,764	35,484	8,997	24,470	625,813
Jan. 11.....	51,210	232,430	29,156	33,672	23,528	15,302	80,889	28,611	12,220	32,873	8,635	22,139	570,665
Jan. 18.....	50,628	227,314	31,163	37,573	33,061	12,695	106,170	28,386	12,505	29,518	8,649	25,826	603,488
Jan. 25.....	52,844	222,620	33,810	49,360	32,254	11,348	110,924	29,966	13,140	32,545	9,499	20,352	627,662
Bills bought in open market:													
Dec. 28.....	8,341	148,125	18,417	22,026	13,038	6,935	8,662	7,380	7,799	1,425	14,368	18,850	275,366
Jan. 4.....	9,633	152,377	18,364	18,968	13,829	6,373	8,370	7,416	6,425	544	13,623	15,416	271,338
Jan. 11.....	5,832	150,982	17,045	17,300	13,780	2,424	8,578	7,384	4,973	32	13,563	16,817	258,710
Jan. 18.....	6,350	155,570	14,269	13,397	12,586	6,750	9,002	6,241	2,687	35	13,531	17,386	257,804
Jan. 25.....	9,307	168,278	14,179	12,978	13,408	6,824	8,521	5,930	2,226	35	13,263	18,968	273,912
United States Government long-term securities:													
Dec. 28.....	610	1,309	7,467	8,268	1,221	2,547	7,007	2,233	1,888	8,849	4,496	2,455	48,350
Jan. 4.....	610	5,167	6,566	8,268	1,231	2,397	7,007	2,233	1,888	8,849	4,496	2,455	51,167
Jan. 11.....	610	5,152	5,417	8,268	1,231	1,771	7,007	2,233	2,004	8,862	4,496	2,455	49,506
Jan. 18.....	610	1,305	5,541	8,266	1,231	1,646	7,007	2,233	2,214	8,862	4,541	2,455	46,911
Jan. 25.....	610	5,120	5,307	8,265	1,231	1,747	7,007	2,233	3,617	8,862	4,971	2,455	50,525
United States Government short-term securities:													
Dec. 28.....	2,194	8,493	2,648	31,221	1,969	1,491	3,368	1,444	1,341	1,784	1,430	1,500	58,883
Jan. 4.....	2,194	32,113	2,548	35,271	1,969	1,491	3,378	1,444	1,936	5,784	2,430	1,500	92,058
Jan. 11.....	2,194	68,113	3,300	43,771	1,969	1,491	3,378	1,444	1,853	5,784	2,430	1,500	137,227
Jan. 18.....	4,344	52,996	3,025	39,771	1,969	1,491	5,878	1,444	1,678	5,784	2,430	1,500	122,310
Jan. 25.....	4,344	15,213	4,023	26,271	1,969	1,491	5,878	1,444	2,322	5,784	2,430	1,500	72,669

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve system at close of business on Fridays, Dec. 28, 1917, to Jan. 25, 1918—Continued.

RESOURCES—Continued.

(In thousands of dollars; i. e., 000 omitted.)

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Municipal warrants:													
Dec. 28.....		511	10	7		302			25		150		1,005
All other earning assets:													
Jan. 4.....		511			30	854	768	773	960		1,267	4	5,167
Jan. 11.....		511			12	810	652	763	1,000		1,265	50	5,063
Jan. 18.....		511			142	668	606	467	1,001		773	56	4,224
Jan. 25.....		511	10		66	608	1,651	280	1,003		707	66	4,902
Total earning assets:													
Dec. 28.....	77,076	413,423	68,063	106,123	46,335	27,535	125,562	50,869	24,544	46,872	29,317	48,591	1,064,310
Jan. 4.....	69,758	432,786	60,441	103,519	44,145	25,802	113,635	46,165	23,973	50,661	30,813	43,845	1,045,543
Jan. 11.....	59,846	457,188	54,918	103,011	40,520	21,798	100,504	40,435	22,050	47,551	30,389	42,961	1,021,171
Jan. 18.....	61,932	437,696	53,998	99,007	48,989	23,250	128,663	38,771	20,085	44,199	29,924	47,223	1,033,737
Jan. 25.....	67,105	411,742	57,329	96,874	48,923	22,018	133,981	39,853	22,308	47,226	29,970	52,341	1,029,670
Due from other Federal Reserve Banks—net:													
Dec. 28.....				9,216		2,112	5,692	6,078	1,065	2,659		5,724	11,976
Jan. 4.....	8,336		11,942				12,163	8,836	2,218	2,426		10,847	45,244
Jan. 11.....	2,361			10,565		935	8,964	8,128	932	5,386			28,229
Jan. 18.....	1,399		7,199	20,938	5,596		5,274	4,761	5,831	8,155	2,417		35,818
Jan. 25.....		364		10,330	4,045		14,573	5,164		6,087	1,792	1,961	32,505
Uncollected items:													
Dec. 28.....	19,012	75,975	32,856	22,180	19,784	17,090	36,841	16,538	9,344	23,615	15,307	12,525	301,067
Jan. 4.....	22,136	77,477	32,189	20,717	12,931	17,384	38,174	19,198	10,468	19,967	18,668	12,698	302,007
Jan. 11.....	21,933	70,302	41,242	19,436	14,872	20,541	35,383	18,080	10,948	25,194	16,152	12,510	306,593
Jan. 18.....	23,570	83,895	46,772	23,089	19,318	22,805	61,375	18,436	14,212	32,043	18,745	17,453	381,708
Jan. 25.....	16,395	75,298	38,917	21,653	18,609	20,496	45,772	17,028	10,236	27,728	18,465	18,106	323,703
Total deductions from gross deposits:													
Dec. 28.....	19,012	75,975	32,856	31,396	19,784	19,202	42,533	22,616	10,409	26,274	15,307	18,249	313,043
Jan. 4.....	30,472	77,477	44,131	20,717	12,931	17,384	50,337	28,034	12,686	22,393	18,668	23,545	347,251
Jan. 11.....	24,294	70,302	41,242	30,001	14,872	21,476	44,347	26,208	11,880	30,580	16,152	12,510	334,822
Jan. 18.....	24,969	83,895	53,971	44,027	24,909	22,805	66,049	23,197	20,043	40,198	21,162	17,453	417,526
Jan. 25.....	16,395	75,662	38,917	31,983	22,654	20,496	60,345	22,192	10,236	33,815	20,257	15,067	356,208
5 per cent redemption fund against Federal Reserve bank notes:													
Dec. 28.....										400	137		537
Jan. 4.....										400	137		537
Jan. 11.....										400	137		537
Jan. 18.....										400	137		537
Jan. 25.....										400	137		537
All other resources:													
Dec. 28.....					287	337	492	316	661		720		2,813
Jan. 4.....					239	117	3					178	537
Jan. 11.....					397	82						40	519
Jan. 18.....					239	95	38					7	379
Jan. 25.....					130	71							201
Total resources:													
Dec. 28.....	180,497	1,153,053	221,612	264,333	128,818	119,160	388,282	132,711	105,911	157,577	110,752	159,335	3,101,471
Jan. 4.....	180,638	1,150,712	223,294	263,745	117,718	121,520	400,777	137,046	105,245	158,574	113,541	165,612	3,126,898
Jan. 11.....	178,790	1,175,084	222,448	251,915	113,572	119,130	394,374	132,107	101,279	158,661	105,921	160,941	3,105,080
Jan. 18.....	193,315	1,203,103	231,717	279,477	123,980	121,857	433,777	131,081	105,982	161,211	105,827	170,911	3,236,486
Jan. 25.....	187,030	1,204,067	224,566	260,126	118,900	117,513	398,030	133,381	103,687	159,015	105,759	169,112	3,169,375

LIABILITIES.

Capital paid in:													
Dec. 28.....	5,858	18,684	5,887	8,026	3,664	2,811	9,067	3,474	2,617	3,396	2,795	4,163	70,442
Jan. 4.....	5,859	18,696	6,142	8,038	3,664	2,819	9,114	3,475	2,620	3,397	2,795	4,206	70,525
Jan. 11.....	5,853	18,718	6,773	8,068	3,694	2,857	9,121	3,475	2,642	3,396	2,795	4,206	71,603
Jan. 18.....	5,906	18,978	6,775	8,068	3,697	2,856	9,142	3,475	2,643	3,396	2,799	4,203	71,938
Jan. 25.....	5,929	19,212	6,775	8,221	3,736	2,855	9,170	3,481	2,651	3,396	2,796	4,217	72,439
Surplus:													
Jan. 4.....	75	649			116	40	216		38				1,134
Jan. 11.....	75	649			116	40	216		38				1,134
Jan. 18.....	75	649			116	40	216		38				1,134
Jan. 25.....	75	649			116	40	216		38				1,134
Government deposits:													
Dec. 28.....	6,798	8,838	5,638	30,797	3,278	4,704	6,829	5,874	8,064	8,943	6,334	12,116	108,213
Jan. 4.....	6,637	21,764	10,354	25,212	2,821	4,779	9,891	4,199	9,780	11,556	10,657	13,356	131,006
Jan. 11.....	1,030	12,216	2,772	9,480	1,617	3,064	3,681	3,247	5,502	4,841	6,319	6,315	57,856
Jan. 18.....	25,374	21,483	19,361	45,094	14,038	5,222	45,446	8,874	11,814	13,189	8,110	21,824	239,829
Jan. 25.....	5,247	16,227	10,970	20,899	6,134	5,280	13,603	11,619	7,943	11,038	10,274	16,457	135,691
Due to members—reserve account:													
Dec. 28.....	79,215	663,613	84,382	107,946	43,721	38,176	169,789	49,391	40,314	68,968	44,980	62,671	1,453,166
Jan. 4.....	77,666	643,590	83,936	111,237	44,265	38,598	170,793	55,546	39,339	69,199	43,891	66,120	1,449,230
Jan. 11.....	80,710	671,696	91,234	112,764	44,941	39,178	178,270	53,427	39,418	74,564	43,670	68,610	1,498,482
Jan. 18.....	70,856	645,384	80,622	104,665	40,808	38,671	175,295	49,954	38,212	70,019	42,878	64,192	1,421,576
Jan. 25.....	79,295	680,314	84,061	110,521	42,979	37,696	173,351	49,015	38,814	73,366	42,147	69,184	1,480,743

¹ Difference between net amounts due from and net amounts due to other Federal Reserve Banks.² Overdraft.

Resources and liabilities of each Federal Reserve Bank and the Federal Reserve system at close of business on Fridays, Dec. 28, 1917, to Jan. 25, 1918.

LIABILITIES—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Collection items:													
Dec. 28.....	14,861	40,982	27,076	14,551	14,144	7,909	21,582	13,512	5,305	12,549	8,747	10,471	191,689
Jan. 4.....	15,960	43,071	24,428	13,912	11,022	10,681	24,952	14,101	3,829	10,507	9,582	10,604	192,649
Jan. 11.....	15,624	55,441	27,617	15,274	11,664	11,137	21,542	13,359	4,379	10,701	6,699	9,636	203,073
Jan. 18.....	16,244	66,244	32,990	16,175	14,073	13,336	20,584	11,114	4,075	10,409	6,472	9,512	221,728
Jan. 25.....	12,480	55,906	29,025	15,206	12,792	11,675	18,793	12,840	3,573	7,551	5,830	9,284	194,955
Due to other Federal Reserve Banks—net:													
Dec. 28.....	606	9,085	4,343	.....	5,816	.....	.....	.....	.....	720	.....	.....	.....
Jan. 4.....	.....	5,340	.....	4,014	1,382	760	.....	.....	.....	28	.....	.....	.....
Jan. 11.....	.....	7,095	676	.....	728	.....	.....	.....	.....	336	.....	207	.....
Jan. 18.....	.....	25,289	.....	.....	.....	254	.....	.....	.....	.....	.....	209	.....
Jan. 25.....	7,832	.....	2,084	.....	.....	225	.....	1,670	.....	.....	.....	.....	.....
Other deposits, including foreign Government credits:													
Dec. 28.....	.....	12,150	.....	109	.....	52	2,930	187	7	28	.....	2,506	17,969
Jan. 4.....	.....	13,440	.....	69	.....	4	4,013	409	31	25	.....	2,603	20,594
Jan. 11.....	.....	13,496	.....	104	.....	4	3,280	319	11	21	.....	3,080	20,315
Jan. 18.....	.....	24,809	.....	70	.....	3	2,818	299	13	21	.....	2,746	30,779
Jan. 25.....	.....	32,275	.....	231	.....	3	2,580	111	28	21	.....	2,448	37,697
Total gross deposits:													
Dec. 28.....	101,480	734,668	121,439	153,403	66,959	50,841	201,130	68,964	53,690	90,488	60,781	87,764	1,771,037
Jan. 4.....	100,263	727,205	123,718	154,444	59,490	54,822	209,649	74,255	53,029	91,287	64,158	92,683	1,793,479
Jan. 11.....	97,370	759,944	122,299	137,622	56,716	53,383	206,773	70,352	49,310	90,127	57,024	87,848	1,779,726
Jan. 18.....	112,474	783,209	132,973	166,024	68,919	57,986	244,143	70,241	54,114	93,638	57,460	98,483	1,913,912
Jan. 25.....	104,854	784,722	126,140	146,857	61,905	54,879	208,327	73,585	52,028	91,976	58,251	97,373	1,849,086
Federal Reserve notes in actual circulation:													
Dec. 28.....	72,214	396,970	93,643	102,221	58,195	65,508	178,085	60,273	49,604	55,299	47,176	67,300	1,246,483
Jan. 4.....	74,246	402,900	93,229	101,225	54,448	63,839	181,798	59,146	49,543	55,585	46,523	68,723	1,251,205
Jan. 11.....	75,308	394,466	93,218	106,115	53,046	62,850	178,199	58,054	49,266	56,817	46,073	68,787	1,242,199
Jan. 18.....	74,682	398,610	91,823	105,282	51,248	60,975	180,276	57,142	49,172	55,852	45,510	68,225	1,238,797
Jan. 25.....	75,872	397,462	91,430	104,756	53,143	59,739	180,165	56,061	48,930	55,278	44,617	67,481	1,234,934
Federal Reserve bank notes in circulation—net liability:													
Dec. 28.....	.....	.....	.....	.....	.....	.....	.....	.....	8,000	.....	.....	.....	8,000
Jan. 4.....	.....	.....	.....	.....	.....	.....	.....	.....	8,000	.....	.....	.....	8,000
Jan. 11.....	.....	.....	.....	.....	.....	.....	.....	.....	8,000	.....	.....	.....	8,000
Jan. 18.....	.....	.....	.....	.....	.....	.....	.....	.....	8,000	.....	.....	.....	8,000
Jan. 25.....	.....	.....	.....	.....	.....	.....	.....	.....	8,000	.....	.....	.....	8,000
All other liabilities:													
Dec. 28.....	945	2,731	643	683	.....	.....	.....	.....	394	.....	108	.....	5,504
Jan. 4.....	195	1,262	205	28	.....	.....	.....	170	15	305	65	.....	2,255
Jan. 11.....	179	1,307	158	110	.....	.....	.....	226	23	321	29	.....	2,418
Jan. 18.....	178	1,657	146	103	.....	.....	65	223	15	325	58	.....	2,705
Jan. 25.....	300	2,022	221	292	.....	.....	.....	254	40	365	95	41	3,782
Total liabilities:													
Dec. 28.....	180,497	1,153,053	221,612	264,333	128,818	119,160	388,282	132,711	105,911	157,577	110,752	159,335	3,101,471
Jan. 4.....	180,638	1,150,712	223,294	263,745	117,718	121,520	400,777	137,046	105,245	158,574	113,541	165,612	3,126,896
Jan. 11.....	178,790	1,175,084	222,448	251,915	113,572	119,130	394,374	132,107	101,279	158,661	105,921	160,841	3,105,080
Jan. 18.....	193,315	1,208,103	231,717	279,477	123,980	121,857	433,777	131,081	105,982	161,211	105,827	170,911	3,236,486
Jan. 25.....	187,030	1,204,067	224,566	260,126	118,900	117,513	398,030	133,381	103,687	159,015	105,759	169,112	3,169,375

FEDERAL RESERVE NOTES.

Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, Dec. 28, 1917, to Jan. 25, 1918.

[In thousands of dollars; 1. e., 000 omitted.]

	Bos- ton.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Federal Reserve notes received from agent—net:													
Dec. 28.....	74,297	456,339	97,326	105,710	60,840	66,887	187,780	61,863	51,016	58,062	47,727	73,905	1,341,752
Jan. 4.....	77,471	474,536	97,264	105,594	59,134	66,517	191,988	60,738	51,006	57,883	47,116	77,088	1,366,335
Jan. 11.....	78,824	470,992	99,122	108,493	58,970	66,020	188,941	59,838	50,795	61,347	46,245	78,561	1,368,148
Jan. 18.....	79,807	477,841	98,696	108,650	57,795	65,392	189,457	59,515	50,967	61,262	45,783	78,535	1,373,105
Jan. 25.....	80,754	477,607	97,236	108,410	61,275	63,821	190,339	58,339	50,868	59,872	44,873	80,228	1,373,622
Federal Reserve notes held by banks:													
Dec. 28.....	2,083	59,369	3,683	3,489	2,645	1,379	9,695	1,590	1,412	2,763	551	6,605	95,264
Jan. 4.....	3,225	71,636	4,035	4,369	4,686	2,678	10,190	1,592	1,463	2,298	593	8,365	115,130
Jan. 11.....	3,516	76,526	5,904	2,378	5,924	3,170	10,742	1,784	1,529	4,530	172	9,774	125,949
Jan. 18.....	5,125	79,231	6,273	3,368	6,547	4,417	9,181	2,373	1,795	5,410	278	10,310	134,308
Jan. 25.....	4,882	80,145	5,806	3,654	8,132	4,082	10,174	2,278	1,938	4,594	256	12,757	138,698
Federal Reserve notes in actual circulation:													
Dec. 28.....	72,214	396,970	93,643	102,221	58,195	65,508	178,085	60,273	49,604	55,299	47,176	67,300	1,246,488
Jan. 4.....	74,246	402,900	93,229	101,225	54,448	63,839	181,798	59,146	49,543	55,585	46,523	68,723	1,251,205
Jan. 11.....	75,308	394,466	93,218	106,115	53,046	62,850	178,199	58,054	49,266	56,817	46,073	68,787	1,242,199
Jan. 18.....	74,682	398,610	91,823	105,282	51,248	60,975	180,276	57,142	49,172	55,852	45,510	68,225	1,238,797
Jan. 25.....	75,872	397,482	91,430	104,756	53,143	59,739	180,165	56,061	48,930	55,278	44,617	67,471	1,234,924
Gold deposited with or to credit of Federal Reserve agent:													
Dec. 28.....	37,897	250,599	56,946	55,410	31,602	49,821	124,400	22,366	31,920	42,052	25,037	43,801	781,851
Jan. 4.....	41,071	259,595	63,884	57,794	26,546	47,701	131,403	31,241	32,910	42,025	25,037	46,984	797,191
Jan. 11.....	42,424	227,052	63,102	59,693	26,478	50,053	129,356	31,441	35,699	44,950	24,121	49,957	784,326
Jan. 18.....	43,407	236,700	66,376	61,850	26,360	49,226	118,133	35,308	37,621	48,422	23,892	49,432	796,727
Jan. 25.....	44,354	236,467	64,916	64,610	26,305	47,575	120,514	34,882	37,522	48,369	22,181	46,134	793,829
Paper delivered to Federal Reserve agent:													
Dec. 28.....	36,668	213,400	40,981	50,825	43,386	17,805	64,133	38,765	19,836	16,244	23,241	41,421	606,705
Jan. 4.....	36,682	229,811	42,234	43,009	40,945	19,810	61,473	35,080	18,449	16,208	22,620	37,009	608,324
Jan. 11.....	36,688	251,519	36,725	48,921	37,320	16,266	60,479	28,844	16,315	16,787	22,198	36,836	608,898
Jan. 18.....	36,700	241,166	33,036	50,970	45,789	16,626	72,263	26,922	14,342	12,848	22,180	36,214	609,056
Jan. 25.....	36,703	245,780	37,322	62,338	45,657	16,803	70,776	28,032	14,170	12,856	22,762	41,664	634,363

Federal Reserve note account of each Federal Reserve agent at close of business on Fridays, Dec. 28, 1917, to Jan. 25, 1918.

[In thousands of dollars; i. e., 000 omitted.]

	Bos- ton.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Franc- isco.	Total.
FEDERAL RESERVE NOTES.													
Received from Comptroller:													
Dec. 28.....	103,160	673,080	125,480	128,520	78,100	89,620	232,740	72,580	65,480	78,740	68,500	80,340	1,796,340
Jan. 4.....	104,180	690,280	125,480	128,520	78,100	89,620	237,100	73,660	67,980	78,740	68,500	83,540	1,825,700
Jan. 11.....	105,460	703,480	127,720	133,360	78,100	89,620	238,300	73,660	67,980	82,740	68,500	85,140	1,854,060
Jan. 18.....	105,460	710,680	127,720	133,760	78,100	89,620	240,180	73,660	67,980	82,740	68,500	85,140	1,863,540
Jan. 25.....	106,500	710,680	133,200	133,760	81,740	89,620	240,181	73,860	67,980	82,740	68,500	86,900	1,876,661
Returned to Comptroller:													
Dec. 28.....	19,343	119,141	17,994	8,870	15,420	10,863	6,660	8,427	9,874	11,878	12,258	6,435	247,163
Jan. 4.....	19,669	119,144	18,056	8,986	15,546	10,883	6,692	8,427	9,884	12,057	12,269	6,452	248,065
Jan. 11.....	20,036	122,688	18,838	9,427	15,710	11,030	7,339	8,457	10,095	12,393	12,490	6,579	255,082
Jan. 18.....	20,533	123,039	19,864	9,670	15,885	11,108	7,543	8,470	10,173	12,478	12,607	6,605	257,975
Jan. 25.....	20,586	123,273	20,724	9,910	16,045	11,359	7,862	8,896	10,272	12,648	12,757	6,672	261,004
Chargeable to Federal Reserve agent:													
Dec. 28.....	83,817	553,939	107,486	119,650	62,680	78,757	226,080	64,153	55,606	66,862	56,242	73,905	1,549,177
Jan. 4.....	84,511	571,136	107,424	119,534	62,554	78,737	230,408	65,233	58,096	66,853	56,231	77,088	1,577,635
Jan. 11.....	85,424	580,792	108,882	123,933	62,390	78,590	230,961	65,203	57,885	70,347	56,010	78,561	1,588,978
Jan. 18.....	84,927	587,641	107,856	124,090	62,215	78,512	232,637	65,190	57,807	70,262	55,893	78,535	1,605,565
Jan. 25.....	85,914	587,407	112,476	123,850	65,695	78,261	232,319	64,964	57,708	70,092	55,743	80,228	1,614,657
In hands of Federal Reserve agent:													
Dec. 28.....	9,520	97,600	10,160	13,940	1,840	11,870	38,300	2,290	4,590	8,800	8,515	.....	207,425
Jan. 4.....	7,040	96,600	10,160	13,940	3,420	12,220	38,420	4,495	7,090	8,800	9,115	.....	211,300
Jan. 11.....	6,660	109,800	9,760	15,440	3,420	12,570	42,020	5,365	7,090	9,000	9,765	.....	230,830
Jan. 18.....	5,120	109,800	9,760	15,440	4,420	13,120	43,180	5,675	6,840	9,000	10,105	.....	232,460
Jan. 25.....	5,160	109,800	15,240	15,440	4,420	14,440	41,980	6,625	6,840	10,220	10,870	.....	241,035
Issued to Federal Reserve Bank, less amount returned to Federal Reserve agent for redemption:													
Dec. 28.....	74,297	456,339	97,826	105,710	60,840	66,887	187,780	61,863	51,016	58,062	47,727	73,905	1,341,752
Jan. 4.....	77,471	474,536	97,264	105,594	59,134	66,517	191,988	60,738	51,006	57,883	47,116	77,088	1,366,335
Jan. 11.....	78,824	470,992	99,122	108,493	58,970	66,020	188,941	59,838	50,795	61,347	46,245	78,561	1,368,148
Jan. 18.....	79,807	477,841	98,096	108,650	57,795	65,392	189,457	59,515	50,967	61,262	45,788	78,535	1,373,105
Jan. 25.....	80,754	477,607	97,236	108,410	61,275	63,821	190,339	58,339	50,868	59,872	44,873	80,228	1,373,622
Collateral held as security for outstanding notes:													
Gold coins and certificates on hand—													
Dec. 28.....	32,530	165,420	4,220	14,955	.....	3,603	.....	2,513	13,102	.....	14,080	.....	250,423
Jan. 4.....	35,730	180,417	4,220	17,410	.....	3,603	.....	1,389	13,102	.....	14,080	.....	269,951
Jan. 11.....	33,109	177,277	4,220	18,879	.....	3,603	.....	120	13,102	.....	14,180	.....	264,490
Jan. 18.....	33,110	184,277	4,220	21,107	.....	3,604	.....	.....	13,102	.....	14,580	.....	274,006
Jan. 25.....	33,109	184,262	4,220	24,017	.....	3,604	.....	.....	13,102	.....	14,580	.....	276,894
In gold redemption fund—													
Dec. 28.....	3,367	10,179	4,967	5,455	1,602	3,448	325	2,448	1,318	2,192	2,483	3,695	41,479
Jan. 4.....	3,341	10,178	4,905	5,384	1,546	3,428	293	2,449	1,308	2,165	2,483	3,678	41,158
Jan. 11.....	4,315	9,775	4,843	5,814	1,478	3,280	189	2,418	2,097	2,090	2,467	3,551	42,317
Jan. 18.....	4,297	12,423	5,232	5,743	1,360	3,202	75	2,405	2,019	2,562	3,338	3,526	46,182
Jan. 25.....	4,245	12,205	5,167	5,593	1,305	2,951	427	2,379	1,920	2,509	2,427	4,458	45,586
Gold settlement fund, Federal Reserve Board—													
Dec. 28.....	2,000	75,000	47,759	35,000	30,000	42,770	124,075	27,405	17,500	39,860	8,474	40,106	489,949
Jan. 4.....	2,000	60,000	54,759	35,000	25,000	40,670	131,110	27,403	18,500	39,860	8,474	43,306	486,082
Jan. 11.....	5,000	40,000	54,039	35,000	25,000	43,170	129,167	28,903	20,500	42,860	7,474	46,406	477,519
Jan. 18.....	6,000	40,000	56,924	35,000	25,000	42,420	118,658	32,903	22,500	45,860	5,974	45,906	476,545
Jan. 25.....	7,000	40,000	55,529	35,000	25,000	41,020	120,087	32,503	22,500	45,860	5,174	41,666	471,339
Eligible paper, required minimum¹—													
Dec. 28.....	36,400	205,740	40,380	50,300	29,238	17,066	63,380	29,497	19,096	16,010	22,690	30,104	559,901
Jan. 4.....	36,400	223,941	33,380	47,800	32,588	18,816	60,585	29,497	18,096	15,858	22,079	30,104	569,144
Jan. 11.....	36,400	243,940	36,020	48,800	32,492	15,967	59,585	28,397	15,096	16,397	22,124	28,604	583,822
Jan. 18.....	36,400	241,141	31,720	46,800	31,435	16,166	71,324	24,207	13,346	12,840	21,896	29,103	576,378
Jan. 25.....	36,400	241,140	32,320	43,800	34,970	16,246	69,825	23,457	13,346	11,503	22,692	34,104	579,808
Total—													
Dec. 28.....	74,297	456,339	97,326	105,710	60,840	66,887	187,780	61,863	51,016	58,062	47,727	73,905	1,341,752
Jan. 4.....	77,471	474,536	97,264	105,594	59,134	66,517	191,988	60,738	51,006	57,883	47,116	77,088	1,366,335
Jan. 11.....	78,824	470,992	99,122	108,493	58,970	66,020	188,941	59,838	50,795	61,347	46,245	78,561	1,368,148
Jan. 18.....	79,807	477,841	98,096	108,650	57,795	65,392	189,457	59,515	50,967	61,262	45,788	78,535	1,373,105
Jan. 25.....	80,754	477,607	97,236	108,410	61,275	63,821	190,339	58,339	50,868	59,872	44,873	80,228	1,373,622

¹ For actual amounts see item "Paper delivered to Federal Reserve agent," on page 145.

Amounts of Federal Reserve notes received from and returned to other Federal Reserve Banks for redemption or credit by each Federal Reserve Bank during the calendar year 1917.

	Boston.		New York.		Philadelphia.		Cleveland.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....			\$3,064,200	\$9,552,800	\$368,000	\$634,700	\$38,915	\$352,900
New York.....	\$9,482,800	\$3,018,450			11,169,902	5,818,700	1,250,300	1,725,105
Philadelphia.....	634,700	368,000	5,876,300	11,553,902			258,495	883,000
Cleveland.....	352,900	36,415	1,720,700	1,216,800	835,000	247,995		
Richmond.....	263,900	50,500	3,680,305	993,100	798,005	336,670	101,100	145,200
Atlanta.....	193,200	135,400	3,116,410	1,236,100	311,000	151,400	72,680	285,900
Chicago.....	347,800	218,500	1,760,420	3,425,000	406,000	357,500	420,040	939,500
St. Louis.....	99,700	53,450	664,500	878,700	113,000	90,600	176,520	226,705
Minneapolis.....	142,200	16,000	844,375	390,500	122,000	17,000	77,030	53,000
Kansas City.....	126,600	8,815	976,600	127,750	129,000	12,100	64,240	25,000
Dallas.....	141,400	283,695	1,014,415	566,920	101,000	312,450	36,410	295,390
San Francisco.....	156,500	30,200	2,666,490	383,415	163,000	31,370	32,595	67,955
Total.....	11,941,700	4,219,425	25,374,715	30,324,987	14,515,907	8,010,485	2,528,325	4,999,655

	Richmond.		Atlanta.		Chicago.		St. Louis.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$47,500	\$263,900	\$135,400	\$193,200	\$232,500	\$347,800	\$53,450	\$100,900
New York.....	999,100	3,600,750	1,236,500	3,030,710	3,425,000	1,698,920	922,200	661,150
Philadelphia.....	323,920	798,000	150,650	311,000	357,500	419,000	90,600	113,000
Cleveland.....	133,950	100,600	282,150	72,180	1,178,650	418,040	226,705	183,020
Richmond.....			862,450	268,520	312,000	128,610	122,080	34,250
Atlanta.....	278,520	862,450			747,500	223,550	820,630	424,450
Chicago.....	128,610	332,000	224,550	747,500			1,050,350	1,205,000
St. Louis.....	34,250	122,080	424,450	820,635	1,135,000	1,050,350		
Minneapolis.....	44,390	17,000	95,900	29,000	3,418,000	219,500	328,300	54,500
Kansas City.....	34,240	18,990	212,550	68,950	2,652,500	145,550	2,298,000	211,150
Dallas.....	33,500	91,980	960,500	525,830	921,000	129,335	1,961,500	373,720
San Francisco.....	12,700	184,485	69,245	50,450	700,000	225,460	148,950	57,540
Total.....	2,070,680	6,392,235	4,654,345	6,117,975	15,079,650	5,006,115	8,022,765	3,418,680

	Minneapolis.		Kansas City.		Dallas.		San Francisco.		Total.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$15,000	\$142,200	\$8,815	\$126,600	\$283,695	\$141,400	\$29,025	\$156,500	\$4,276,500	\$12,012,900
New York.....	390,500	792,325	127,750	929,160	599,420	964,265	393,580	2,560,440	29,997,052	24,799,975
Philadelphia.....	17,000	122,000	11,600	129,000	314,450	101,000	31,575	163,000	8,068,790	14,960,902
Cleveland.....	51,500	116,030	25,000	66,740	299,640	39,410	69,545	36,840	5,175,740	2,534,070
Richmond.....	17,000	44,390	18,990	34,240	89,330	33,750	185,015	14,200	6,450,175	2,083,430
Atlanta.....	29,000	95,900	68,950	217,550	521,830	950,600	50,990	66,850	6,210,710	4,650,150
Chicago.....	219,500	3,418,000	142,150	2,776,500	128,835	974,000	301,010	875,000	5,129,265	15,268,500
St. Louis.....	54,500	328,300	211,150	2,298,000	373,720	1,961,500	53,170	148,950	3,844,960	7,979,770
Minneapolis.....			133,400	224,600	66,250	58,000	266,140	272,000	5,537,985	1,351,000
Kansas City.....	215,000	133,400			754,820	310,950	319,635	56,100	7,783,185	1,118,755
Dallas.....	68,000	66,250	310,950	754,820			226,605	106,560	5,765,280	3,506,950
San Francisco.....	280,000	249,295	52,100	337,765	104,060	225,145			4,355,640	1,843,080
Total.....	1,327,000	5,508,090	1,110,855	7,895,375	3,536,050	5,760,020	1,931,290	4,456,440	92,093,282	92,109,482

MEMBER BANK CONDITION STATEMENT.

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities, as at close of business on Fridays, Dec. 21, 1917, to Jan. 18, 1918.

[In thousands of dollars; i. e., 000 omitted.]

1. TOTAL FOR ALL REPORTING BANKS.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Number of banks reporting:													
Dec. 21.....	36	94	44	70	60	36	82	30	17	67	35	53	614
Dec. 28.....	36	96	44	73	64	35	85	31	18	68	38	42	630
Jan. 4.....	35	96	45	75	68	35	87	29	18	69	40	43	640
Jan. 11.....	35	96	46	76	69	34	90	34	28	68	41	43	659
Jan. 18.....	35	96	46	77	67	33	91	34	30	69	41	43	662
United States securities owned:													
Dec. 21.....	28,839	456,934	28,459	118,109	38,190	34,270	60,557	33,540	10,166	29,074	24,705	53,204	916,047
Dec. 28.....	28,426	435,214	28,021	113,479	38,408	32,877	64,321	33,272	10,148	30,123	28,966	48,371	891,626
Jan. 4.....	29,623	506,112	30,484	113,954	48,329	33,584	75,572	44,673	10,927	33,795	30,081	56,645	1,013,779
Jan. 11.....	29,951	486,578	29,970	110,165	41,446	32,561	77,774	34,750	13,133	30,966	29,708	53,677	970,739
Jan. 18.....	30,157	445,469	28,398	121,292	41,913	29,381	75,020	34,955	13,550	31,545	30,442	53,672	935,794
Loans secured by United States bonds and certificates:													
Dec. 21.....	44,696	232,269	25,177	22,125	10,904	2,673	34,547	14,590	1,266	2,329	4,856	5,750	401,182
Dec. 28.....	44,142	227,962	25,226	21,125	10,152	2,271	34,673	8,897	1,305	3,789	3,346	5,380	388,268
Jan. 4.....	42,583	268,572	21,982	20,797	11,294	2,304	34,890	8,544	1,248	2,607	3,431	5,890	423,832
Jan. 11.....	40,962	231,888	25,163	22,118	11,465	3,315	35,281	8,721	1,592	2,442	3,949	4,910	391,711
Jan. 18.....	37,854	212,908	25,286	22,555	12,404	2,530	42,786	9,287	2,386	2,447	3,969	6,403	381,310
All other loans and investments:													
Dec. 21.....	663,297	4,090,644	543,165	886,419	300,149	263,372	1,249,502	337,603	212,497	438,919	167,329	471,222	9,624,118
Dec. 28.....	659,419	4,151,259	552,974	902,768	292,396	268,854	1,309,687	330,671	216,870	432,394	181,262	447,645	9,746,199
Jan. 4.....	663,403	4,041,880	579,992	900,485	320,617	268,840	1,324,186	342,051	214,578	449,573	192,800	469,992	9,768,297
Jan. 11.....	663,609	4,063,076	633,093	886,895	318,721	264,515	1,323,962	363,504	235,711	451,713	196,418	473,804	9,875,021
Jan. 18.....	671,024	4,082,896	626,612	894,988	311,416	259,449	1,322,694	386,370	231,821	448,752	196,526	464,701	9,897,249
Reserve with Federal Reserve Banks:													
Dec. 21.....	48,867	597,698	54,141	78,650	26,441	25,179	124,957	33,705	16,869	51,586	17,990	38,350	1,114,433
Dec. 28.....	56,722	631,694	58,616	82,478	26,613	23,363	132,996	32,885	17,927	41,262	19,207	38,060	1,161,823
Jan. 4.....	55,533	609,923	62,706	84,147	30,299	26,064	132,495	38,355	17,021	45,231	19,036	42,435	1,163,245
Jan. 11.....	55,882	635,806	64,736	85,938	30,324	24,635	137,123	38,113	19,269	46,874	20,176	43,513	1,202,389
Jan. 18.....	49,627	616,801	54,325	82,184	28,095	25,079	134,684	34,967	18,384	42,648	19,895	40,585	1,147,274
Cash in vault:													
Dec. 21.....	22,250	129,850	20,242	34,239	17,150	13,636	63,322	12,413	8,150	18,565	11,435	25,876	377,128
Dec. 28.....	25,080	137,069	23,749	44,738	18,861	14,990	68,524	14,886	8,588	20,627	13,083	22,544	412,739
Jan. 4.....	23,681	135,192	23,218	49,964	21,786	15,885	73,447	15,897	8,681	19,995	14,422	24,142	426,310
Jan. 11.....	24,855	139,108	25,199	44,268	22,622	14,759	69,866	14,999	10,350	20,046	14,129	25,293	425,334
Jan. 18.....	22,645	129,628	23,158	45,454	16,866	12,950	64,631	14,116	9,940	18,290	13,406	23,772	394,856
Net demand deposits on which reserve is computed:													
Dec. 21.....	527,880	4,011,224	484,057	653,024	247,989	201,789	911,805	252,285	154,965	376,444	175,288	354,271	8,350,961
Dec. 28.....	528,147	4,172,439	496,065	684,476	240,440	206,120	947,727	253,262	155,583	364,449	179,595	341,380	8,570,283
Jan. 4.....	535,830	4,231,809	551,599	684,471	258,180	206,493	981,761	273,459	157,466	373,676	194,560	359,747	8,809,041
Jan. 11.....	550,369	4,347,385	587,216	694,072	274,682	207,211	1,011,945	283,977	176,592	377,252	196,133	357,398	9,085,832
Jan. 18.....	553,402	4,249,491	585,835	688,540	246,029	201,927	997,142	278,716	173,652	379,398	193,941	353,866	8,901,939
Time deposits:													
Dec. 21.....	77,136	286,283	18,905	199,110	41,276	66,743	280,080	74,259	37,537	43,068	17,712	87,969	1,230,078
Dec. 28.....	76,885	309,160	23,793	206,102	46,847	67,814	314,018	76,680	39,852	49,825	29,904	81,004	1,321,944
Jan. 4.....	75,758	329,441	18,326	202,364	64,720	68,610	329,589	67,652	40,127	44,092	24,056	83,853	1,343,588
Jan. 11.....	78,856	326,935	17,005	204,693	45,443	66,276	332,008	79,314	48,207	41,554	23,691	87,716	1,348,698
Jan. 18.....	76,591	325,864	15,194	199,885	51,021	65,051	341,156	80,539	47,151	46,199	23,271	89,878	1,361,800
Government deposits:													
Dec. 21.....	39,474	440,486	29,505	56,735	9,826	1,120	54,366	7,352	16,550	8,786	6,229	15,277	685,706
Dec. 28.....	39,474	330,824	29,529	56,957	12,615	869	64,844	7,102	14,242	8,633	6,633	19,836	591,578
Jan. 4.....	41,077	248,588	38,205	60,727	14,835	2,290	78,728	11,250	14,643	16,609	8,470	15,017	550,439
Jan. 11.....	39,790	141,211	35,629	58,785	12,850	2,167	76,863	11,267	10,822	7,372	8,379	14,453	419,018
Jan. 18.....	30,484	151,011	25,972	53,099	12,377	1,823	35,234	7,244	8,397	12,136	5,933	11,024	384,734

2. MEMBER BANKS IN CENTRAL RESERVE CITIES.

CENTRAL RESERVE CITIES.													
Number of banks reporting:													
Dec. 21.....	54	.....	.....	.....	.....	.....	36	15	.....	.....	.....	.....	105
Dec. 28.....	56	.....	.....	.....	.....	.....	36	15	.....	.....	.....	.....	107
Jan. 4.....	56	.....	.....	.....	.....	.....	37	14	.....	.....	.....	.....	107
Jan. 11.....	56	.....	.....	.....	.....	.....	37	15	.....	.....	.....	.....	108
Jan. 18.....	56	.....	.....	.....	.....	.....	37	15	.....	.....	.....	.....	108
United States securities owned:													
Dec. 21.....	411,628	.....	.....	.....	.....	.....	26,592	21,300	.....	.....	.....	.....	459,520
Dec. 28.....	390,479	.....	.....	.....	.....	.....	25,534	20,270	.....	.....	.....	.....	436,283
Jan. 4.....	462,200	.....	.....	.....	.....	.....	34,446	22,066	.....	.....	.....	.....	518,712
Jan. 11.....	443,925	.....	.....	.....	.....	.....	35,043	21,774	.....	.....	.....	.....	500,742
Jan. 18.....	404,698	.....	.....	.....	.....	.....	23,406	21,417	.....	.....	.....	.....	449,521

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities, as at close of business on Fridays, Dec. 21, 1917, to Jan. 13, 1918—Continued.

[In thousands of dollars; i. e., 000 omitted.]

2. MEMBER BANKS IN CENTRAL RESERVE CITIES—Continued.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
CENTRAL RESERVE CITIES—continued.													
Loans secured by United States bonds and certificates:													
Dec. 21.....		207,799					20,869	13,335					242,003
Dec. 28.....		203,821					20,466	7,647					231,934
Jan. 4.....		245,169					21,109	7,333					273,611
Jan. 11.....		209,551					21,410	7,369					238,330
Jan. 18.....		190,540					27,544	7,592					225,676
All other loans and investments:													
Dec. 21.....		3,693,660					822,114	256,444					4,772,218
Dec. 28.....		3,753,299					825,948	243,654					4,822,901
Jan. 4.....		3,626,186					852,758	247,832					4,726,776
Jan. 11.....		3,653,434					839,166	256,402					4,748,942
Jan. 18.....		3,664,950					845,500	280,548					4,790,998
Reserve with Federal Reserve Bank:													
Dec. 21.....		563,194					89,384	26,587					679,165
Dec. 28.....		592,840					93,804	25,473					712,117
Jan. 4.....		571,354					96,468	30,718					698,540
Jan. 11.....		602,146					98,040	29,745					729,931
Jan. 18.....		579,732					96,293	26,944					702,969
Cash in vault:													
Dec. 21.....		112,574					39,702	8,059					160,335
Dec. 28.....		118,057					42,316	9,606					169,979
Jan. 4.....		116,547					46,444	9,880					172,871
Jan. 11.....		120,677					44,887	8,996					174,560
Jan. 18.....		113,041					40,898	8,434					162,373
Net demand deposits on which reserve is computed:													
Dec. 21.....		3,627,807					651,245	187,435					4,466,457
Dec. 28.....		3,792,664					657,591	189,280					4,638,535
Jan. 4.....		3,850,703					691,798	202,066					4,744,567
Jan. 11.....		3,962,030					702,317	203,621					4,867,968
Jan. 18.....		3,866,101					681,099	198,523					4,745,723
Time deposits:													
Dec. 21.....		250,435					129,053	62,295					441,783
Dec. 28.....		272,716					131,334	62,652					466,702
Jan. 4.....		285,448					135,318	53,287					474,053
Jan. 11.....		284,324					135,570	62,902					482,796
Jan. 18.....		284,356					135,021	62,521					481,898
Government deposits:													
Dec. 21.....		418,971					39,232	5,979					464,182
Dec. 28.....		310,196					48,478	5,978					364,652
Jan. 4.....		227,279					58,631	9,929					295,839
Jan. 11.....		125,035					51,685	9,713					186,433
Jan. 18.....		137,911					24,994	6,265					169,170

3. MEMBER BANKS IN RESERVE CITIES.

OTHER RESERVE CITIES.													
Number of banks reporting:													
Dec. 21.....	14	16	33	46	39	27	33	8	13	67	29	41	366
Dec. 28.....	14	16	33	48	40	26	36	10	14	68	32	40	377
Jan. 4.....	14	16	34	55	42	27	36	11	14	69	32	43	393
Jan. 11.....	14	16	35	55	43	26	48	13	14	68	33	43	408
Jan. 18.....	14	16	35	56	41	26	49	13	15	69	33	43	410
United States securities owned:													
Dec. 21.....	14,718	27,610	22,792	101,304	25,135	27,885	22,936	6,913	8,558	29,074	22,286	50,867	360,078
Dec. 28.....	14,188	26,872	22,109	97,344	23,576	26,552	26,620	8,650	8,533	30,123	25,601	47,370	359,538
Jan. 4.....	14,824	25,168	24,555	104,727	27,160	28,041	29,610	8,590	9,216	33,795	25,960	56,645	388,291
Jan. 11.....	14,663	24,571	24,022	100,941	26,647	27,463	40,627	9,685	8,977	30,966	25,699	53,677	387,933
Jan. 18.....	14,763	23,316	23,662	110,924	27,571	24,641	49,320	10,547	9,560	31,545	25,140	53,672	404,661
Loans secured by U. S. bonds and certificates:													
Dec. 21.....	37,205	15,088	24,474	20,569	8,340	2,514	10,886	922	1,134	2,329	4,801	5,184	123,446
Dec. 28.....	36,753	14,832	24,587	19,341	8,280	2,106	11,441	1,046	1,167	3,789	3,339	4,848	131,529
Jan. 4.....	35,627	13,781	21,861	19,936	9,638	2,151	11,014	1,044	1,113	2,607	3,373	5,580	127,226
Jan. 11.....	34,139	12,473	24,572	21,339	9,632	3,149	13,956	1,140	1,349	2,447	3,720	4,910	132,226
Jan. 18.....	31,166	12,108	24,680	21,826	10,499	2,373	14,720	1,357	2,147	2,942	3,908	6,403	134,129
All other loans and investments:													
Dec. 21.....	495,583	254,555	482,867	778,542	218,172	226,206	364,048	51,629	179,392	438,919	144,653	457,490	4,092,046
Dec. 28.....	489,467	256,878	489,995	793,173	207,669	232,199	425,322	61,755	184,061	432,394	163,012	433,594	4,109,519
Jan. 4.....	488,976	252,943	519,065	833,033	241,916	234,536	409,886	75,832	182,032	449,573	162,035	469,992	4,319,817
Jan. 11.....	486,367	250,065	572,265	817,409	231,800	231,228	474,255	82,648	180,258	451,713	165,699	474,804	4,417,611
Jan. 18.....	496,819	257,834	564,188	824,441	233,890	233,741	466,536	81,638	177,134	448,752	166,032	464,701	4,415,706

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities, as at close of business on Fridays, Dec. 21, 1917, to Jan. 18, 1918—Continued.

[In thousands of dollars; i. e., 000 omitted.]

3. MEMBER BANKS IN RESERVE CITIES—Continued.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
OTHER RESERVE CITIES—CON.													
Reserve with Federal Reserve Bank:													
Dec. 21.....	38,933	22,405	49,921	71,243	21,287	22,634	29,307	5,185	14,942	51,586	16,233	37,528	381,204
Dec. 28.....	46,537	28,305	54,347	74,784	20,948	20,865	36,520	5,532	16,071	41,262	17,673	37,098	399,942
Jan. 4.....	44,993	26,346	58,552	79,285	24,848	23,549	32,635	6,422	15,182	45,231	16,751	42,435	416,529
Jan. 11.....	45,624	23,440	60,566	81,081	24,420	22,197	38,328	6,851	15,781	46,874	17,511	43,513	426,186
Jan. 18.....	39,432	26,973	50,625	77,117	22,735	22,889	37,670	6,507	15,185	42,648	17,424	40,585	399,790
Cash in vault:													
Dec. 21.....	15,480	9,590	17,360	29,236	13,857	11,795	17,973	2,727	6,156	18,565	10,337	24,973	178,049
Dec. 28.....	18,369	9,968	20,199	38,883	14,412	12,996	22,988	3,751	6,429	20,627	11,576	21,587	201,785
Jan. 4.....	16,620	9,987	19,765	45,181	17,352	14,136	23,749	4,705	6,305	19,995	12,218	24,142	214,155
Jan. 11.....	17,795	10,249	22,502	39,891	18,056	12,942	24,586	4,765	6,941	20,046	11,737	25,233	214,743
Jan. 18.....	16,344	9,275	20,492	40,741	13,297	11,608	23,286	4,384	6,519	18,290	11,587	23,772	199,595
Net demand deposits on which reserve is computed:													
Dec. 21.....	411,431	233,300	428,433	585,077	181,701	175,299	230,677	40,987	133,025	376,444	155,823	341,521	3,298,718
Dec. 28.....	408,104	231,437	447,577	612,311	173,697	179,898	262,819	46,254	135,188	364,449	163,643	328,573	3,353,950
Jan. 4.....	411,583	228,675	496,647	626,032	195,615	184,458	258,741	56,869	137,115	373,676	168,069	359,747	3,497,257
Jan. 11.....	424,973	230,954	532,553	632,987	205,593	182,952	301,874	62,588	136,944	377,252	168,962	357,398	3,636,630
Jan. 18.....	432,347	228,593	531,952	627,264	181,790	181,739	308,218	62,877	136,577	379,398	167,232	353,866	3,591,853
Time deposits:													
Dec. 21.....	28,127	21,107	13,762	175,702	31,061	52,732	122,460	8,661	25,608	43,068	15,274	87,503	625,065
Dec. 28.....	28,433	21,249	13,470	183,701	32,052	53,754	154,804	7,644	27,441	49,825	25,650	80,553	678,576
Jan. 4.....	27,417	27,105	13,110	186,947	42,230	54,534	165,351	11,552	27,553	44,092	18,814	88,853	707,558
Jan. 11.....	27,274	25,707	11,751	187,874	41,852	53,447	191,907	10,140	27,242	41,554	19,060	87,716	715,524
Jan. 18.....	27,766	24,743	9,886	183,286	41,065	55,205	201,487	12,000	27,448	46,199	18,614	89,878	737,577
Government deposits:													
Dec. 21.....	33,767	12,883	27,480	54,371	6,889	768	14,590	1,260	15,250	8,786	6,129	14,344	196,517
Dec. 28.....	33,767	12,302	27,504	54,596	8,508	483	15,822	1,011	12,915	8,633	6,453	18,903	200,897
Jan. 4.....	35,453	13,019	36,721	59,918	9,706	1,912	19,548	1,208	13,230	16,009	8,270	15,017	230,611
Jan. 11.....	33,289	9,917	33,639	57,989	8,407	1,865	25,111	1,331	9,098	7,372	8,304	14,453	210,775
Jan. 18.....	26,917	9,668	24,573	52,384	8,355	1,620	10,214	731	7,358	12,136	5,789	11,024	170,749

4. REPORTING MEMBER BANKS OUTSIDE RESERVE CITIES.

COUNTRY BANKS.													
Number of banks reporting:													
Dec. 21.....	22	24	11	24	21	9	13	7	4	.....	6	2	143
Dec. 28.....	22	24	11	25	24	9	13	6	4	.....	6	2	146
Jan. 4.....	21	24	11	20	26	8	14	4	4	.....	8	.....	140
Jan. 11.....	21	24	11	20	26	8	5	6	14	.....	8	.....	143
Jan. 18.....	21	24	11	21	26	7	5	6	15	.....	8	.....	144
U. S. securities owned:													
Dec. 21.....	14,121	17,696	5,667	16,805	13,055	6,385	11,029	5,327	1,608	.....	2,419	2,337	96,449
Dec. 28.....	14,238	17,863	5,912	16,135	14,832	6,325	10,167	4,352	1,615	.....	3,365	1,001	95,805
Jan. 4.....	14,799	18,744	5,929	9,227	21,189	5,543	11,516	14,017	1,711	.....	4,121	.....	108,776
Jan. 11.....	15,288	18,082	5,948	9,224	14,799	5,098	2,104	3,291	4,156	.....	4,069	.....	82,059
Jan. 18.....	15,394	17,455	4,736	10,368	14,342	4,740	2,294	2,991	3,990	.....	5,302	.....	81,612
Loans secured by U. S. bonds and certificates:													
Dec. 21.....	7,491	9,382	703	1,556	2,564	159	2,792	333	132	.....	55	566	25,733
Dec. 28.....	7,389	9,309	639	1,784	1,872	165	2,766	204	138	.....	7	532	24,805
Jan. 4.....	6,956	9,622	621	861	1,656	153	2,767	167	135	.....	58	.....	22,998
Jan. 11.....	6,823	9,864	591	779	1,833	166	515	212	243	.....	129	.....	21,155
Jan. 18.....	6,688	10,260	606	729	1,905	157	522	338	239	.....	61	.....	21,505
All other loans and investments:													
Dec. 21.....	167,714	142,429	60,298	107,877	81,977	37,166	63,340	29,530	33,105	.....	22,676	13,742	759,854
Dec. 28.....	169,952	141,082	62,979	109,595	84,727	36,655	58,417	25,262	32,809	.....	18,250	14,051	753,779
Jan. 4.....	174,427	162,751	60,927	67,452	78,601	34,304	61,542	18,387	32,546	.....	30,767	.....	721,704
Jan. 11.....	177,242	159,577	60,828	69,486	86,921	33,287	10,601	24,454	55,453	.....	30,719	.....	708,568
Jan. 18.....	174,205	160,117	62,424	70,547	77,528	25,708	10,658	24,184	54,687	.....	30,494	.....	690,550
Reserve with Federal Reserve Bank:													
Dec. 21.....	9,934	12,099	4,220	7,407	5,154	2,545	6,266	1,933	1,927	.....	1,757	822	54,064
Dec. 28.....	10,185	10,549	4,269	7,694	5,665	2,498	2,672	1,880	1,856	.....	1,534	962	49,764
Jan. 4.....	10,540	12,223	4,154	4,862	5,451	2,215	3,392	1,215	1,389	.....	2,235	.....	48,176
Jan. 11.....	10,258	10,220	4,170	4,857	5,904	2,438	755	1,517	3,488	.....	2,665	.....	46,272
Jan. 18.....	10,195	10,096	3,700	5,067	5,360	2,190	721	1,516	3,199	.....	2,471	.....	43,515
Cash in vault:													
Dec. 21.....	6,770	7,686	2,882	5,003	3,293	1,841	5,647	1,627	1,994	.....	1,098	903	38,744
Dec. 28.....	6,711	9,044	3,550	5,855	4,449	1,994	3,220	1,529	2,159	.....	1,507	957	40,975
Jan. 4.....	7,061	8,658	3,453	4,783	4,434	1,749	3,254	1,312	2,376	.....	2,204	.....	39,284
Jan. 11.....	7,060	8,182	2,697	4,377	4,466	1,817	393	1,233	3,409	.....	2,392	.....	36,031
Jan. 18.....	6,301	7,312	2,666	4,713	3,569	1,342	447	1,298	3,421	.....	1,819	.....	32,888

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities, as at close of business on Fridays, Dec. 21, 1917, to Jan. 18, 1918—Continued.

[In thousands of dollars; i. e., 000 omitted.]

4. REPORTING MEMBER BANKS OUTSIDE RESERVE CITIES—Continued.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
COUNTRY BANKS—continued.													
Net demand deposits on which reserve is computed:													
Dec. 21.....	116,449	150,117	55,624	67,947	66,288	26,490	29,883	23,863	21,940	.....	19,405	12,750	590,756
Dec. 28.....	120,043	148,338	49,088	72,165	66,743	26,222	27,317	17,728	20,395	.....	15,952	12,807	576,798
Jan. 4.....	124,247	152,431	54,952	58,439	62,565	22,035	31,212	14,524	20,351	.....	26,461	.....	567,217
Jan. 11.....	125,396	154,401	54,663	61,085	69,089	24,259	7,754	17,768	39,648	.....	27,171	.....	581,234
Jan. 18.....	121,055	154,797	53,883	61,276	64,239	20,188	7,825	17,316	37,075	.....	26,709	.....	564,363
Time deposits:													
Dec. 21.....	49,009	14,741	5,143	23,408	10,215	14,011	28,567	3,303	11,929	.....	2,438	466	163,230
Dec. 28.....	48,452	15,195	10,323	22,461	14,795	14,060	27,880	6,384	12,411	.....	4,254	451	176,666
Jan. 4.....	48,341	16,888	5,216	15,417	12,490	14,076	28,920	2,813	12,574	.....	5,242	.....	161,977
Jan. 11.....	48,582	16,904	5,254	16,819	10,591	12,829	4,531	6,272	20,965	.....	4,681	.....	147,378
Jan. 18.....	48,825	16,765	5,308	16,599	9,956	9,846	4,648	6,018	19,703	.....	4,657	.....	142,325
Government deposits:													
Dec. 21.....	5,707	8,632	2,025	2,364	2,937	352	544	113	1,300	.....	100	933	25,007
Dec. 28.....	5,707	8,326	2,025	2,361	4,107	386	544	113	1,327	.....	200	933	26,029
Jan. 4.....	5,624	8,290	1,484	809	5,129	378	549	113	1,413	.....	200	.....	23,989
Jan. 11.....	6,441	6,259	1,990	796	3,943	302	67	213	1,724	.....	75	.....	21,810
Jan. 18.....	3,567	3,432	1,399	715	4,022	203	26	248	1,039	.....	164	.....	14,815

EARNINGS ON INVESTMENTS OF FEDERAL RESERVE BANKS.

Average amounts of earning assets held by each Federal Reserve Bank during December, 1917, earnings from each class of earning assets, and annual rates of earnings on the basis of December, 1917, returns.

Banks.	Average balances for the month of the several classes of earning assets.				
	Bills discounted, members and Federal Reserve Banks.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.
Boston.....	\$40,241,452	\$11,575,880	\$2,871,363	.....	\$54,688,695
New York.....	312,385,180	108,492,558	15,533,136	\$527,015	436,937,892
Philadelphia.....	33,346,433	21,297,307	7,654,381	39,777	62,337,298
Cleveland.....	43,104,912	26,174,885	24,263,463	16,582	93,553,842
Richmond.....	24,327,250	13,495,471	3,482,681	.....	41,305,402
Atlanta.....	15,324,143	7,041,676	4,954,860	822,058	27,642,737
Chicago.....	93,032,270	7,047,015	14,183,536	.....	114,262,821
St. Louis.....	31,285,780	7,667,696	3,717,238	.....	42,670,714
Minneapolis.....	12,578,300	9,608,200	3,314,200	25,400	25,526,100
Kansas City.....	29,236,175	2,375,596	10,703,735	.....	42,315,506
Dallas.....	7,617,515	15,117,229	5,674,826	739,742	29,149,312
San Francisco.....	21,674,389	20,544,014	4,329,492	.....	46,547,895
Total.....	664,153,799	250,437,527	100,682,911	1,663,977	1,016,938,214

Banks.	Earnings from—					Calculated annual rates of earnings from—				
	Bills discounted, members and Federal Reserve Banks.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.	Bills discounted, members and Federal Reserve Banks.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.
						Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Boston.....	\$216,605	\$23,043	\$7,324	.....	\$246,972	3.23	3.23	3.03	.....	3.16
New York.....	816,793	318,848	38,297	\$1,774	1,175,712	3.22	3.46	2.90	3.96	3.27
Philadelphia.....	108,602	62,746	23,216	153	194,717	3.83	3.46	3.57	4.61	3.67
Cleveland.....	155,024	79,654	66,803	17	301,498	4.24	3.58	3.24	2.00	3.79
Richmond.....	82,289	40,025	8,149	.....	130,463	3.98	3.49	2.76	.....	3.72
Atlanta.....	52,563	21,564	15,735	1,015	90,877	4.04	3.61	3.72	3.74	3.87
Chicago.....	322,190	21,018	33,747	.....	376,955	4.08	3.51	2.80	.....	3.88
St. Louis.....	104,654	22,924	8,507	.....	136,085	3.93	3.52	2.69	.....	3.75
Minneapolis.....	41,244	28,369	7,128	103	76,844	3.86	3.48	2.53	4.77	3.53
Kansas City.....	105,156	6,665	22,008	.....	133,829	4.23	3.33	2.42	.....	3.72
Dallas.....	27,500	45,395	14,842	334	88,071	4.33	3.60	3.14	5.42	3.63
San Francisco.....	77,648	61,940	8,872	.....	148,460	4.19	3.54	2.41	.....	3.72
Total.....	2,110,268	732,191	254,628	3,396	3,100,483	3.75	3.43	2.98	2.40	3.59

GOLD IMPORTS AND EXPORTS.

Gold imports and exports into and from the United States.

[In thousands of dollars; i. e., 000 omitted.]

	Week ending—					Total since Jan. 1, 1918.	Total for corresponding period during 1917.
	Dec. 21, 1917.	Dec. 28, 1917.	Jan. 4, 1918.	Jan. 11, 1918.	Jan. 18, 1918.		
IMPORTS.							
Ore and base bullion.....	208	203	268	215	82	466	599
United States mint or assay office bars.....							2
Bullion, refined.....	161	529	11	578	148	733	1,502
United States coin.....		16	5	40	1,000	1,045	50,000
Foreign coin.....	14		14	7	7	14	4,976
Total.....	383	748	298	840	1,237	2,258	57,049
EXPORTS.							
Domestic:							
Ore and base bullion.....				3		3	15
United States mint or assay office bars.....			1				658
Bullion, refined.....	877	19		2	6	8	148
Coin.....	1,688	568	866	286	977	1,696	13,442
Total.....	2,565	587	867	291	983	1,707	14,263
Foreign:							
Bullion, refined.....							
Coin.....	27	11	104	1	1	70	522
Total.....	27	11	104	1	1	70	522
Total exports.....	2,592	598	971	292	984	1,777	14,785

Excess of gold imports over exports since Jan. 1, 1918, \$481; excess of gold imports over exports since Aug. 1, 1914, \$1,050,785.

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank approved by the Federal Reserve Board up to Jan. 31, 1918.

Federal Reserve Bank.	Maturities.							
	Discounts.						Trade acceptances.	
	Within 15 days, including member banks' collateral notes.	16 to 60 days.	61 to 90 days.	Agricultural and live-stock paper over 90 days.	Secured by U. S. certificates of indebtedness or Liberty Loan bonds.		1 to 60 days, inclusive.	61 to 90 days, inclusive.
					Within 15 days, including member banks' collateral notes.	16 to 90 days.		
Boston.....	4	5	5	5	3½	4	4½	4½
New York ¹	3½	4½	4½	5	3½	4	4	4
Philadelphia.....	4	4½	4½	5	3½	4	4	4
Cleveland.....	4	4½	4½	5	3½	4	4	4
Richmond.....	4	4½	4½	4½	3½	4	4	4
Atlanta.....	4	4½	4½	5	3½	4	4	4
Chicago.....	4	4½	5	5½	3½	4	3½	4
St. Louis.....	4	4½	4½	5½	3½	4	4	4
Minneapolis.....	4	4½	5	5½	3½	4	3½	4
Kansas City.....	4	4½	4½	5	3½	4	4	4
Dallas.....	4	4½	4½	5	3½	4	3½	4
San Francisco.....	4	4½	4½	5½	3½	4	4	4

¹ Rate of 3 to 4½ per cent for 1-day discounts in connection with the loan operations of the Government.

NOTE 1.—Rate for acceptances purchased in open market, 3 to 4½ per cent, except for Boston, Chicago, and Minneapolis, whose rates range from 3 to 5 per cent.

NOTE 2.—In case the 60-day trade acceptance rate is higher than the 15-day discount rate trade acceptances maturing within 15 days will be taken at the lower rate.

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