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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 10 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, primarily for its own use, 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 should at once remit $1 (bound in paper) or $1.25 (bound in cloth) 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 Federal Reserve Bank for distribution.

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FEDERAL RESERVE BULLETIN

VOL. 3 OCTOBER 1, 1917. No. 10

REVIEW OF THE MONTH.

The new Liberty Loan.

The signing of the new war loan bill by the President on September 25 has laid the foundation for the placing of a second Liberty Loan, and such a loan has been announced by the Secretary of the Treasury in a statement issued to the press on September 28. In this statement the Secretary of the Treasury outlines the terms and conditions of a new issue amounting to at least $3,000,000,000 in the following words:

"With the approval of the President, I have determined to offer on October 1, 1917, $3,000,000,000 or more of United States of America 4 per cent convertible gold bonds, due on November 15, 1942, and subject to redemption at the option of the United States at par and accrued interest on and after November 15, 1927. The bonds will bear interest from November 15, 1917, and the interest will be payable on May and November 15 in each year. The exact amount of bonds to be issued under this offering will depend on the amount of subscriptions received. It is, of course, to be expected that subscriptions considerably in excess of $3,000,000,000 will be received, and in that event the right is reserved to allot bonds in excess of $3,000,000,000 to the extent of not over one-half of the sum by which the subscriptions received exceed $3,000,000,000."

It had already been announced by the Secretary of the Treasury on August 31 that the offering would be made during the month of October, while in a subsequent notice to Federal Reserve Banks the actual duration of the campaign for the selling of the bonds was fixed at from October 1 to October 27, and October 24 was named as a proposed "Liberty Day," to be celebrated with patriotic meetings throughout the country.

The Secretary of the Treasury, in the statement issued on August 31, said:

"I earnestly hope that all Liberty Loan committees already existing will perfect their organizations immediately and get themselves in readiness for the next Liberty Loan campaign, and that new organizations will be effected wherever possible throughout the country for furthering this great service to the Nation.

"As in the previous loan, the general direction of the campaign in each Federal Reserve District will be under the supervision of the Federal Reserve Bank of that district as the fiscal agent of the Government, and all Liberty Loan committees are urged to get in touch with the Federal Reserve Bank of their district and actively engage in the preliminary work of preparing for the next campaign."

Treasury certificates in September.

The offering of this new loan was, as already stated in the issue of the Bulletin for August, preceded by two issues of certificates of indebtedness during that month. Two other issues have been marketed during September, bearing 3½ and 4 per cent interest respectively, the first, amounting to $300,000,000, announced on September 5, subscriptions to be receivable until September 11, the second, amounting to $400,000,000, was offered on September 25, subscriptions to be receivable on or after September 26 until October 2, 1917. These certificates have been issued substantially on the same terms and conditions already announced in the case of preceding issues, except that the 4 per cent certificates will be subject to surtax, excess profit, and war profit taxes in addition to estate and inheritance taxes. The conditions of sale are as follows:

Upon 10 days' notice in such manner as may be determined by the Secretary of the Treasury, the certificates may be redeemed as a whole at par and accrued interest on or after any date (occurring before maturity of such certificates) set for the payment of the first installment payable after allotment, of the subscription price of any bonds offered for subscription by the United States after the date and before the maturity of the certificates. The certificates, whether or not called for redemption, will be accepted at par with adjustment of accrued interest if tendered on the installment date in payment on the subscription price then payable of any such bonds subscribed for by, and allotted to, holders of such certificates. Qualified depositaries will be permitted to make payment by credit for certificates allotted to them for themselves and their customers up to the amount for which each shall have qualified when so notified by Federal Reserve Bank, but if qualification is not completed, payment must be made in the ordinary way, in which case the unexpended proceeds of the certificates will be redeposited as promptly as qualification can be completed. Full details of the procedure for qualifying depositaries and all matters in such connection may be obtained from the Federal Reserve Banks, fiscal agents of the United States.

War savings certificate.

A new method of borrowing, authorized by the bond bill just passed by Congress, provides for the issue of so-called war savings certificates. These certificates will be issued from time to time, will run for five years, and will be sold in denominations as small as $5. As soon as the plans are fully completed the certificates can be bought at the Treasury, subtreasuries, post offices, internal-revenue offices, customs offices, and through such other agencies as may be designated from time to time by the Secretary of the Treasury. The plan of distribution will comprehensively cover the entire country, and the certificates will be available in every city and town in the United States.

This will bring to the man and the woman of the smallest means the opportunity of joining in the work of supplying the Government with necessary money and at the same time prove an effective and permanent way of encouraging thrift. It is proposed to develop the plans in such a way that savings may be made through the purchase of stamps of small denominations which can be carried in books issued for the purpose, and accumulated until a sufficient amount has been saved to purchase a war savings certificate of, say, $5, bearing interest at the rate of 4 per cent compounded quarterly on the purchase price, payable at maturity. The Government will redeem these war savings certificates at any time before maturity upon request of the holder, allowing interest at a less rate than 4 per cent. Full details about these certificates will be given by the Treasury Department as soon as the necessary regulations can be prepared. A war savings committee, which will, under the direction of the Secretary of the Treasury, begin an active campaign to bring the value of the war savings certificates to the attention of the people of the country, and to encourage thrift and economy, has been appointed, and includes Frank A. Vanderlip, of New York, chairman; Frederic A. Delano, of Chicago; Mrs. George Bass, of Chicago; Henry Ford, of Detroit; Eugene Meyer, jr., of New York City; and Charles L. Paine, of Boston.

Mr. Vanderlip is president of the National City Bank of New York; Mr. Delano is a member of the Federal Reserve Board; Mrs. Bass is a member of the Woman's Liberty Loan Committee; Mr. Ford is an automobile manufacturer; Mr. Meyer was formerly senior member of the firm of Eugene Meyer, jr., & Co.; and Mr. Baine is secretary-treasurer of the Boot and Shoe Workers International Union of America.

Distribution of foreign loans.

Past numbers of the Bulletin have furnished general information concerning the loans granted by the United States to the allied Governments. Distribution by dates and amounts, however, is of continuing interest, and there has, therefore, been prepared the following tabulation showing actual advances to allied Governments, made largely through the Federal Reserve Bank of New York, between April 25 and September 20. These totaled $2,098,000,000—an amount about $100,000,000 in excess of the first Liberty Loan. As may be seen from the table below, showing the dates and distribution of payments, the advances to the several Governments concerned were as follows:

Great Britain	$1,155,000,000
France	650,000,000
Italy	160,000,000
Russia	97,500,000
Belgium	34,000,000
Serbia	1,500,000

Advances paid to allied Governments from Apr. 25 to Sept. 20, 1917.

[From data furnished by the United States Treasurer's Office.]

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

Date.	Great Britain.	France.	Italy.	Russia.	Belgium.	Serbia.	Total.
Apr. 25	200,000						200,000
May 3			25,000				25,000
5	25,000						25,000
7	25,000						25,000
8		50,000					50,000
14	25,000						25,000
15	50,000						50,000
19		50,000					50,000
21					7,500		7,500
25	75,000		75,000				150,000
June 4		50,000					50,000
11	75,000						75,000
15	25,000						25,000
16		50,000					50,000
19	35,000				7,500		42,500
27	15,000	10,000					25,000
30	10,000						10,000
July 3	25,000						25,000
6	100,000	30,000	20,000				150,000
7				35,000			35,000
10		70,000					70,000
14				10,000			10,000
21	85,000						85,000
24		60,000			7,500		67,500
30			10,000				10,000
Aug. 2	50,000			2,500			52,500
3					1,000		1,000
4		8,000				1,000	9,000
7		32,000					32,000
8			10,000				10,000
9	50,000						50,000
14		40,000					40,000
17	50,000						50,000
21		40,000					40,000
23					8,500		8,500
24	50,000			2,500			52,500
25			10,000				10,000
28		40,000					40,000
30				37,500			37,500
31	35,000			10,000			45,000
Sept. 1			10,000				10,000
6	40,000	40,000					80,000
10	10,000						10,000
12	50,000						50,000
13		40,000					40,000
14					2,000		2,000
15						500	500
20	50,000	40,000					90,000
Total	1,155,000	650,000	160,000	97,500	34,000	1,500	2,098,000

Operations of the banks.

The Board and the Federal Reserve banks, having in mind the new requirements of the Government, have adhered to the same conservative discount policy as heretofore. For the four weeks' period ending September 21 the investment activity of the Federal Reserve Banks, however, proceeded on a rising scale, the total earning assets on September 21 being over $75,000,000 in excess of the like total on August 24. Of the total increase nearly one-half is represented by the gain shown in the holdings of member banks' collateral notes, chiefly of the Chicago, Kansas City, and Cleveland banks. Holdings of these three banks represented nearly one-half of the collateral notes held by all the banks on the latter date. The New York bank reports an increase of 18.8 millions in its total bill holdings, chiefly short-term paper handled for the accommodation of city members. Collateral notes secured by Liberty bonds or United States certificates of indebtedness show an increase from 8.4 to 22.2 millions. Acceptances on hand show relatively small variations during the period under review, the amount reported on September 21, $161,000,000, being but slightly in excess of the total on August 24. An increase between the two dates of 19.3 millions is given for United States securities, some of the banks reporting larger holdings of both Liberty bonds and certificates of indebtedness pending distribution of these securities among ultimate investors. Municipal warrants no longer figure to an appreciable extent among the earning assets of the Reserve banks, a limited amount remaining on hand pending liquidation on dates due.

In the following table are shown the changes between August 24 and September 21 in the amounts of bills held by each of the Federal Reserve Banks, also changes in the total amounts of other classes of earning assets:

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

Federal Reserve Bank.	Aug. 24.	Sept. 21.	Net increase.	Net decrease.
Boston	34,503	35,402	899	
New York	65,225	85,655	20,430	
Philadelphia	28,370	30,052	1,682	
Cleveland	25,976	33,329	7,353	
Richmond	16,075	19,944	3,869	
Atlanta	7,298	9,279	1,981	
Chicago	32,358	43,470	11,112	
St. Louis	14,118	19,936	5,818	
Minneapolis	15,008	14,137		871
Kansas City	23,710	22,746		964
Dallas	8,927	12,188	3,261	
San Francisco	16,396	18,632	2,236	
Total bills	287,964	344,770	56,806	
Total United States securities	75,706	94,999	19,293	
Total municipal warrants	1,232	214		1,018
Total investments held	364,902	439,983	75,081	

A complete statement showing changes of earning assets since the beginning of the year appears on pages 757–759.

Reserve situation.

Except for the week ending September 1 the weekly statements of the New York Clearing House indicate but slight changes in the reserve situation of the larger New York banks, the reserve percentage for the 59 clearing house banks (representing the ratio to net demand deposits of the aggregate of vault cash plus amounts due from Federal Reserve Banks, also nonmember banks' balances with legal depositaries) showing only small variations between 18.7 on August 18 and 18.6 on September 21. The decline to 16.5 per cent on September 1 is due apparently to heavy withdrawals by the Federal Reserve Bank of funds from Liberty Loan depositaries in connection with the issue of $250,000,000 of United States certificates of indebtedness and the payment by the banks of about $25,000,000 of reserve cash, on account of the last installment of the Liberty Loan.

For the 31 banks which are members of the Federal Reserve System the ratio to net demand deposits, of legal reserve—i. e., amounts due from Federal Reserve Banks—declined from 15.6 per cent on August 18 to 13.4 per cent on September 1 and stood at 16.2 per cent on September 22, some of the larger member banks reporting continued concentration of reserves at the Federal Reserve Bank. Thus the reserve percentages, calculated in the above manner, for one large New York bank show an increase from 16.26 on August 18 to 18.06 on September 22, while another reports an increase from 16.85 to 20.62 per cent and a third an increase from 17.19 to 19.63 per cent between the two dates. Excess reserves of all New York Clearing House banks oscillated between $12,308,000 on September 1 and $82,755,000 on September 22. It should be noted, however, that these figures are exclusive of vault cash of the 31 banks which are members of the Federal Reserve System.

Computations of the New York State banking department for the trust companies in Greater New York indicate a gradual decline of the reserve percentage of these institutions from 23.2 per cent for the week ending August 18 to 20 per cent for the week ending September 8 and an increase to 21.8 per cent for the week ending September 22. For the State banks in the Greater City a decline from 23.7 per cent for the week ending August 18 to 21.8 per cent for the week ending September 1 is noted, followed by a gradual increase to 23.4 per cent for the week ending September 22, a development running practically parallel to that shown for the clearing house banks. Nearly all the important trust companies and State banks in New York City (aside from the Broadway Trust Co. and the Corn Exchange Bank which are members of the Federal Reserve System) are at present maintaining clearing accounts with the Federal Reserve Bank.

The average excess reserves of the 11 clearing house banks in Boston, all member banks of the Federal Reserve System (representing the difference between combined vault cash and actual balances with the Federal Reserve Banks on the one hand and Federal Reserve balances required under the amended act on the other), like those of New York banks, show a gradual decline from $16,720,000 on August 18 to $15,509,000 on September 1 and increasing totals for the more recent three weeks, the total for the week ending September 22, $19,252,000, being largely in excess of the level shown for the initial week.

The average excess reserves of the 27 national banks, members of the Philadelphia Clearing House Association, figured in the same manner as like reserves of the Boston banks, show an increase from $21,552,000 for the week ending August 18 to $25,603,000 for the week ending September 1, followed by a decline to $20,598,000 for the week following. For the week ending September 8 the reserve position of these banks shows an improvement to $22,578,000, followde by declines to $22,546,000 for the week ending September 15, and to $21,039,000 for the week ending September 22. For the 7 trust companies which are members of the local clearing-house association, but not members of the Federal Reserve System, the movement of excess reserves follows a similar course, the total for the week ending September 22, $1,094,000, showing quite a decline from the total of $1,720,000 reported for the initial week.

Short-term paper.

One purpose of the policy pursued by the Board during the past month in its oversight of the operation of Federal Reserve Banks, has been that of encouraging the development of very short term paper, and the maintenance of an extremely liquid condition both of the Federal Reserve Banks and, so far as possible, of member banks. In order further to aid in this development, the Board has recently transmitted to Federal Reserve Banks a letter suggesting to them the desirability of encouraging the shortening of maturities of commercial paper wherever possible, to four months instead of allowing such paper to be drawn for six months, as is frequently the case to-day.

It seems desirable that the commercial banks of the country should have in their portfolios a maximum amount of paper that can be rediscounted with Federal Reserve Banks. As the Federal Reserve Banks can discount only paper which has not more than 90 days to run (except in the case of agricultural paper), it follows that if investments of member banks are in six months' paper an average of only 50 per cent of such paper is available at any one time for rediscount; but should the investments be in paper having four months or less to run, at least 75 per cent would on an average have not more than 90 days to run to maturity, and would, therefore, be immediately available for use at the Federal Reserve Banks. The Board is of the opinion that the change would greatly improve the banking condition of the country, as the banks would make a turnover three times a year instead of twice, and the credits which they would provide would come up for consideration three times instead of twice a year. The borrower in good credit would have no reasonable grounds for complaint, and the borrower in doubtful credit would be strengthened by frank conversations with his bankers at more frequent intervals than at present. If the bankers of the country will undertake this change in methods of borrowing and call for four months' paper instead of six, the credit situation will be greatly improved within a short time; responsible borrowers will have greater assurance of credits and the banks themselves will be in position to meet contingencies with at least more confidence than under existing borrowing conditions. On page 740 will be found some discussion of the adjustment of brokers' commissions on short-term paper.

Control of gold exports.

A new factor has been introduced into the foreign-exchange situation during the past month by the action of the President in issuing on September 7 regulations relating to the exportation of coin, bullion, and currency, by virtue of the authority vested in him under the act of June 15, 1917. The administration of the regulations has been placed in the hands of the Federal Reserve Board, acting subject to the approval of the Secretary of the Treasury. The Board has arranged to carry out the provisions of the President's proclamation, and a full statement of its action will be found on page 736 of this issue.

Thus far the Board is permitting the exportation of Canadian coin and currency other than gold, subject practically to no restrictions, while silver bullion, American silver coin, and American paper currency, except gold and gold certificates, are usually licensed.

"Earmarking" of gold.

In order fully to carry into effect the gold export policy thus undertaken, the Board has deemed it necessary to take measures for the control of what is known as the "earmarking" of gold for foreign account in the United States. The purpose of gold export control is that of preventing a loss of gold which would otherwise be withdrawn from actual banking. Such a loss reduces our reserve resources and

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the capacity of domestic banks to increase their loans. The earmarking of gold necessitates the segregation of specified sums of gold in the vaults of banks which undertake so to "earmark." These sums are then held in trust for account of those in whose favor they are thus withdrawn. This is in its effect equivalent to the shipment of the gold out of the country. In connection with the regulations governing the exportation of coin, bullion, and currency from the United States, the Board has requested Federal Reserve Banks to ask all national banks, State banks, trust companies, private banking firms, or other similar institutions likely to have earmarked gold for foreign account, to furnish a full statement of the gold which is held in custody by them, indicating under what stipulations it was received, with the assurance that the information furnished will be held in strict confidence. These institutions will be informed that the Board regards the earmarking of gold for foreign individuals, firms, corporations, or Governments, as being tantamount to the exportation of gold, and that in the public interest it requests that no more gold be earmarked for foreign account except upon the approval of the Board. It is understood, however, that any restrictions which may be placed upon the exportation or earmarking of gold must in no way be allowed to affect the payment in gold whenever required, of any obligations payable in gold within the United States.

Interlocking directorates.

On September 10 the Attorney General of the United States rendered an important decision relative to the application of the provisions of the Clayton Act regarding interlocking directorates as affecting State institutions which become members of the Federal Reserve System. The occasion for the decision was found in the need for interpreting the provisions of the amendments to the Federal Reserve Act, passed on June 21, 1917, wherein it was provided that a State bank entering the Federal Reserve System should "retain its full charter and statutory rights" after assuming membership. The essential point in the Attorney General's decision is stated in the following words, referring to the amendments in question:

"Section 9 declares that State member banks shall retain their 'full charter and statutory rights' as State banks, 'subject to the provisions of this Act and to the regulations of the Board made pursuant thereto.' Since the rights existing under State laws as to selection of directors seem clearly among the 'charter and statutory rights' thus retained in *full* by State member banks, they must be held free in that regard from the restrictions imposed by section 8 of the Clayton Act."

This decision is of special importance for such State banks and trust companies as heretofore have not joined the system, for fear that by so doing they might be forced to lose directors owing to the restrictions of the Clayton Act. It appears from the Attorney General's ruling that, except in the District of Columbia, the Clayton Act does not apply to State banks and trust companies.

State Banks Admitted.

The following State institutions have been admitted to the Federal Reserve System during the month of September:

First State Bank, Opheim, Mont.
Commercial Savings Bank, Mason City, Iowa.
Jefferson Trust & Savings Bank, Gretna, La.
Sault Savings Bank, Sault Ste. Marie, Mich.
St. Lawrence Trust Co., Ogdensburg, N. Y.
Lubbock State Bank, Lubbock, Tex.
Exchange Savings Bank, Mount Pleasant, Mich.
Hyde Park State Bank, Chicago, Ill.
Union Trust Co., Chicago, Ill.
Industrial Savings Bank, Flint, Mich.
Hingham State Bank, Hingham, Mont.
Metropolitan Bank, New Orleans, La.

Eighty-nine State institutions are now members of the system, having a total capital of $62,355,700, total surplus of $62,667,965, and total resources of $1,227,251,689.

Second Liberty Loan.

Secretary McAdoo, on September 27, made official announcement of the terms of the second Liberty Loan. The Secretary said:

With the approval of the President, I have determined to offer on October 1, 1917, three billion or more dollars of United States of America 4 per cent convertible gold bonds, due on November 15, 1942, and subject to redemption at the option of the United States at par and accrued interest on and after November 15, 1927. The bonds will bear interest from November 15, 1917, and the interest will be payable on May 15 and November 15 in each year.

The exact amount of bonds to be issued under this offering will depend on the amount of subscription received. It is of course to be expected that subscriptions considerably in excess of $3,000,000,000 will be received, and in that event the right is reserved to allot bonds in excess of $3,000,000,000 to the extent of not over one-half of the sum by which the subscriptions received exceed $3,000,000,000. In other words, if subscription to the extent of $5,000,000,000 are filed, $4,000,000,000 of bonds may be allotted.

The bonds will be offered as before at par and accrued interest, and will be in denominations of $50 and multiples thereof.

The bonds 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 bonds and certificates authorized by said act, 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 clause (*b*) above.

If a subsequent series of bonds (not including United States certificates of indebtedness, war saving certificates, and other obligations maturing not more than five years from the issue of such obligations, respectively) bearing interest at a higher rate than 4 per cent per annum shall, under the authority of said act approved September 24, 1917, or any other act, be issued by the United States before the termination of the war between the United States and the Imperial German Government (the date of such termination to be fixed by proclamation of the President of the United States), then the holders of bonds of the present series shall have the privilege, at the option of the several holders, of converting their bonds, at par, into bonds bearing such higher rate of interest at the issue price of bonds of such subsequent series, not less than par, with an adjustment of accrued interest. Such conversion privilege must be exercised, if at all, at any time within the period, after the public offering of bonds of such subsequent series, beginning at the date of issue of bonds of such subsequent issue, as such date shall be fixed in such public offering and terminating six months after such date of issue, and under such rules and regulations as the Secretary of the Treasury shall have prescribed. The bonds to be issued upon such conversion of bonds of the present series shall be substantially the same in form and terms as shall be prescribed by or pursuant to law with respect to the bonds of such subsequent series, not only as to interest rate, but also as to convertibility (if future bonds be issued at a still higher rate of interest) or nonconvertibility and as to exemption from taxation, if any, and in all other respects, except that the bonds issued upon such conversion shall have the same dates of maturity, of principal, and of interest and be subject to the same terms of redemption before maturity as the bonds converted; and such bonds shall be issued from time to time if and when and to the extent that the privileges of conversion so conferred shall arise and shall be exercised. If the privilege of conversion so conferred shall once arise and shall not be exercised with respect to any bonds of the present series within the period above prescribed, then such privileges shall terminate as to such bonds and shall not arise again though again thereafter bonds be issued bearing interest at a higher rate or rates than 4 per cent per annum.

Subscription for the bonds must reach the Treasury Department, Washington, D. C., a Federal Reserve Bank or branch thereof or some incorporated bank or trust company in the United States (not including outlying territories and possessions) on or before the close of business October 27, 1917. The applications must be accompanied by a payment of 2 per cent of the amount applied for, and subsequent installments upon bonds allotted will be due as follows: 1 per cent on November 15, 1917; 40 per cent on December 15, 1917; 40 per cent on January 15, 1918. On the latter date, accrued interest on the deferred installments will also be payable.

I am very glad to be able to announce that by authorizing the engraving of these bonds with only 4 coupons attached instead of the full number of 50 coupons, it will be possible to have the actual bonds ready for delivery as soon as full payments are completed, thus avoiding the trouble and delay incident to the issue of interim receipts or temporary bonds. On and after November 15, 1919, the holders of the bonds will have opportunity to exchange them for new bonds having attached thereto coupons for the balance of the period for which the bonds will run.

It is also expected that on or about October 10, 1917, there will be in the hands of the several Federal Reserve Banks a supply of these new bonds ready for immediate delivery to subscribers in amounts not in excess of $1,000 to any one subscriber against payment in full, thereby avoiding in such cases the trouble incident to waiting until after allotment for delivery. Plans are also being perfected whereby the banks all over the country can obtain bonds for the making of prompt delivery against these small subscriptions. As the bonds will bear interest from November 15, and as those who pay in full prior to that time will not obtain any interest on their money until that date, this is offered as an alternative proposition to those who are anxious to obtain immediate possession of the bonds for which they subscribe. The reason this offer will be limited to amounts of not over $1,000 to any one subscriber is that all subscriptions in excess of this amount will be subject to allotment.

The campaign for the sale of these bonds will open Monday, October 1, and will close Saturday, October 27. I confidently hope that when the campaign is over, it will be found that the total number of subscribers is at least 10,000,000 and the total subscriptions in excess of $5,000,000,000. Such a response would be notice to our enemies that the American people as a whole intend to support with all their power their Government in the vigorous prosecution of this war and the achievement of an early and lasting peace.

The following statement was issued by the Secretary of the Treasury on September 29:

The exemption conferred by the new bond act, approved September 24, 1917, from United States income surtaxes, excess profits and war profits taxes, extends to all holders of bonds and certificates authorized by the act, to the extent of the interest on $5,000, principal amount thereof, even though their aggregate holdings exceed $5,000, principal amount.

Exports of Coin, Bullion, and Currency.

In order to provide a means of regulating the shipment of gold and other forms of coin and of currency, as well as of bullion, out of the United States, the President, on September 7, issued a proclamation forbidding the making of such exports except in accordance with regulations to be administered by and under the authority of the Secretary of the Treasury, from whom licenses permitting exportation, under proper conditions, were to issue. Simultaneously with this proclamation there was further made public an Executive order providing that each Federal Reserve Bank should receive applications for the shipment of coin, bullion or currency, and that the Federal Reserve Banks should make a formal recommendation upon each such application, subsequently to be passed upon by the Board, subject to the approval of the Secretary of the Treasury. Pursuant to these provisions of the proclamation and Executive order referred to, the Board subsequently issued regulations governing the administrative procedure with reference to the shipment of coin, bullion and currency, and these were distributed to Federal Reserve Banks, and by them to would-be applicants and others.

The regulations covering the whole subject, including the Executive order and proclamation of the President and the Board's administrative procedure, are as follows:

REGULATIONS GOVERNING THE EXPORTATION OF COIN, BULLION, AND CURRENCY.

EXECUTIVE ORDER.

By virtue of the authority vested in me, I direct that the regulations, orders, limitations, and exceptions prescribed in relation to the exportation of coin, bullion, and currency shall be administered by and under the authority of the Secretary of the Treasury; and upon the recommendation of the Secretary of the Treasury I hereby prescribe the following regulations in relation thereto:

1. Any individual, firm, or corporation 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 individual,

firm, or corporation is located, such application to state under oath and 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.

2. 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.

3. 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.

WOODROW WILSON.

THE WHITE HOUSE, *September 7, 1917.*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas Congress has enacted, and the President has on the fifteenth day of June, one thousand nine hundred and seventeen, approved a law which contains the following provisions:

Whenever during the present war the President shall find that the public safety shall so require, and shall make proclamation thereof, it shall be unlawful to export from or ship from or take out of the United States to any country named in such proclamation any article or articles mentioned in such proclamation, except at such time or times, and under such regulations and orders, and subject to such limitations and exceptions as the President shall prescribe, until otherwise ordered by the President or by Congress: *Provided, however*, That no preference shall be given to the ports of one State over those of another.

Any person who shall export, ship, or take out, or deliver or attempt to deliver for export, shipment, or taking out, any article in violation of this title, or of any regulation or order made hereunder, shall be fined not more than $10,000, or, if a natural person, imprisoned for not more than two years, or both; and any article so delivered or exported, shipped, or taken out, or attempted to be so delivered or exported, shipped, or taken out, shall be seized and forfeited to the United States; and any officer, director, or agent of a corporation who participates in any such violation shall be liable to like fine or imprisonment, or both.

Whenever there is reasonable cause to believe that any vessel, domestic or foreign, is about to carry out of the United States any article or articles in violation of the provisions of this title, the collector of customs for the district in which such vessel is located is hereby authorized and empowered, subject to review by the Secretary of Commerce, to refuse clearance to any such vessel, domestic or foreign, for which clearance is required by law, and by formal notice served upon the owners, master, or person or persons in command or charge of any domestic vessel for which clearance is not required by law, to forbid the departure of such vessel from the port, and it shall thereupon be unlawful for such vessel to depart. Whoever, in violation of any of the provisions of this section shall take, or attempt to take, or authorize the taking of any such vessel out of port or from the jurisdiction of the United States, shall be fined not more than $10,000 or imprisoned not more than two years, or both; and, in addition, such vessel, her tackle, apparel, furniture, equipment, and her forbidden cargo shall be forfeited to the United States.

And whereas the President has heretofore by proclamation, under date of the twenty-seventh day of August in the year one thousand nine hundred and seventeen, declared certain exports in time of war unlawful, and the President finds that the public safety requires that such proclamation be amended and supplemented in respect to the articles hereinafter mentioned:

Now, therefore, I, Woodrow Wilson, President of the United States of America, do hereby proclaim to all whom it may concern, that the public safety requires that, except at such time or times, and under such regulations and orders, and subject to such limitations and exceptions as the President shall prescribe, until otherwise ordered by the President or by Congress, the following articles, namely: Coin, bullion, and currency shall not, on and after the tenth day of September, in the year one thousand nine hundred and seventeen, be exported from or shipped from or taken out of the United States or its territorial possessions to Albania, Austria-Hungary, Belgium, Bulgaria, Denmark, her colonies, possessions or protectorates, Germany, her colonies, possessions or protectorates, Greece, Leichtenstein, Luxembourg, The Kingdom of the Netherlands, Norway, Spain, her colonies, possessions or protectorates, Sweden, Switzerland or Turkey, Abyssinia, Afghanistan, Argentina, Bolivia, Brazil, China, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Egypt, France, her colonies, possessions or protectorates, Guatemala, Haiti, Honduras, Italy, her colonies, possessions or protectorates, Great Britain, her colonies, possessions or protectorates, Japan, Liberia, Mexico, Monaco, Montenegro, Morocco, Nepal, Nicaragua, the colonies, possessions or protectorates of The Netherlands, Oman, Panama, Paraguay, Persia, Peru, Portugal, her colonies, possessions or protectorates, Roumania, Russia, Salvador, San Marino, Serbia, Siam, Uruguay, or Venezuela.

The regulations, orders, limitations, and exceptions prescribed will be administered by and under the authority of the Secretary of the Treasury, from whom licenses in conformity with said regulations, orders, limitations, and exceptions will issue.

Except as hereby amended and supplemented, the above-mentioned proclamation under date of August 27, 1917, shall continue in full force and effect.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington, this seventh day of September in the year of our Lord one thousand nine hundred and seventeen and of the independence of the United States of America the one hundred and forty-second.

WOODROW WILSON.

By the President:

ROBERT LANSING,
Secretary of State.

ADMINISTRATIVE PROCEDURE.

METHOD OF MAKING APPLICATION.

Individuals, firms, and corporations desiring to obtain licenses for the exportation of coin, bullion, and currency must file an application with the Federal Reserve Bank of the district in which the applicant resides, or where the transaction requiring the shipment originates. These applications must be made on a standard form which has been furnished to all Federal Reserve Banks.

EXPORTS OF GOLD.

It will be the general policy of the board not to authorize the exportation of gold unless the shipment applied for is shown to be connected in a direct and definite way with a corresponding importation of merchandise for consumption in the United States, but in any case authorization will be granted only where the exportation of gold in payment for such merchandise is found to be compatible with the public interest. In reaching its conclusions, however, the board will consider all attending circumstances in each particular case.

SHIPMENTS OF CANADIAN SILVER COIN AND CURRENCY.

Until further notice the board will approve all applications for the exportation of Canadian silver coin and currency without limitation. The Treasury Department has instructed collectors of customs to pass such shipments into Canada when approved by the Federal Reserve Bank of the district from which the shipments are made. Continuous permits for shipments of Canadian silver coin and currency, without requiring an application in each case, may be granted by Federal Reserve Banks upon condition that each transaction will be reported to it without delay. The Federal Reserve Banks will transmit to the board weekly reports of all applications of every kind passed upon by them, showing the amount of each shipment.

EXPORTS OF SILVER BULLION AND SILVER COIN OF FOREIGN MINTAGE.

Applications for the exportation of silver bullion and silver coin of foreign mintage will in general be approved by the Federal Reserve Board upon recommendation of the Federal Reserve Bank with which the application is filed.

UNITED STATES NOTES, NATIONAL BANK NOTES, AND FEDERAL RESERVE NOTES.

Applications for the exportation of United States notes, national bank notes, and Federal Reserve notes will as a rule be approved by the Federal Reserve Board, but each application must come before the Board for its determination before shipment is made.

TRAVELERS LEAVING THE COUNTRY.

Instructions have been issued by the Treasury Department to collectors of customs to permit travelers leaving the country to carry on their persons or in their baggage—

(*a*) United States notes, national bank notes, and Federal reserve notes not to exceed $5,000 for each adult;

(*b*) American silver dollars, subsidiary silver coins, and silver certificates not to exceed $200 for each adult;

(*c*) Gold coin or gold certificates not to exceed $200 for each adult.

Collectors of customs have been informed that in dealing with travelers they may act in accordance with these regulations, without communicating with the Federal Reserve Board or with the Federal Reserve Bank of their district.

GENERAL.

Shipments of coin or currency which appear to be or are suspected of being for enemy account or for the benefit of the enemy will not be permitted. These regulations are issued subject to change without notice, and no application granted will be regarded as constituting a precedent.

FEDERAL RESERVE BOARD,
By W. P. G. HARDING, *Governor.*

Approved:

W. G. MCADOO,
Secretary of the Treasury.

WASHINGTON, D. C., *September 21, 1917.*

In transmitting the information concerning the forthcoming regulations to Federal Reserve Banks, the Board, on September 20, sent the following letter to Federal Reserve Banks:

The Board has already sent you a copy of the proclamation of the President of the United States, dated September 7, 1917, and of the Executive order accompanying it, bearing the same date, both relating to the control of exportation of coin, bullion, and currency.

In assuming the duties assigned to it by order and proclamation referred to, the Board, with the approval of the Secretary of the Treasury, has prepared the following regulations to govern its action and that of the Federal Reserve Banks:

Individuals or corporations desiring to obtain licenses for the exportation of coin, bullion, or currency must make application on the revised form already mailed you, and you will require applicants to use these blanks. It will be the general policy of the Board to authorize exportation of gold when such shipments are shown to be connected in a direct and definite way with corresponding transactions in merchandise to be imported into and consumed in the United States, but only in those cases where the importation of such merchandise is found to be compatible with the public interest. In reaching its conclusions, however, the Board will consider all attending circumstances of each case. Shipments of any coin which appear to be or are suspected of being for enemy account or for the benefit of the enemy will not be permitted.

You are advised that, until further notice, the Board has determined to approve all applications for the exportation of Canadian notes and silver coin, without limitation. The Treasury Department has instructed collectors of customs to pass such shipments into Canada when approved by a Federal Reserve Bank. You may issue a continuous permit for shipments of Canadian coin and currency, without requiring an application in each case, upon condition that each transaction be reported to you promptly. You will, however, transmit to the Board weekly reports of all applications of every kind which you have passed upon, showing the amount of each shipment.

Applications for the exportation of silver bullion or of silver coin of foreign mintage may be permitted under similar conditions, but must be reported in the same way. Applications for the exportation of Federal reserve notes or of any form of United States currency or coin, with the exception of gold and gold certificates, will in general be approved by the Federal Reserve Board, but each application must come before the Board for its determination before shipment is made.

Instructions have been issued by the Treasury Department to collectors of customs to permit travelers leaving the country to carry on their persons or in their baggage amounts and kinds of money as follows:

(*a*) United States notes, national bank notes, silver certificates, and Federal Reserve notes not to exceed $5,000 for each adult.

(*b*) American silver coin not to exceed $200 for each adult.

(*c*) Gold coin not to exceed $200 for each adult.

Collectors of customs have been informed that, in dealing with travelers, they may act in accordance with the instructions conveyed in this letter, without communicating with the Federal Reserve Board or the Federal Reserve Bank of their district.

The foregoing regulations are issued subject to change without notice, and with the understanding in each case that applications granted are not to be taken as constituting a precedent.

Short-Time Commercial Paper.

Short-time commercial paper to run not longer than four instead of six months was advocated by the Federal Reserve Board in a letter sent out by Governor Harding to Federal Reserve Banks on September 17, 1917. The reasons advanced by the Board are contained in the letter itself, which is printed below:

In view of the anticipated heavy demands upon Federal Reserve Banks, the Board looks with approval upon the suggestion that the practice be encouraged of having short-time commercial paper run for not longer than four months instead of six months as is frequently the case to-day. It seems desirable that the commercial banks of the country should have in their portfolios a maximum amount of paper that can be rediscounted with Federal Reserve Banks. As the Federal Reserve Banks can rediscount only paper which has not more than ninety days to run, it follows that if investments of member banks are in six months paper, on an average of only 50 per cent of such paper is available at any one time for rediscount; but should the investments be in paper having four months or less to run, at least 75 per cent would on an average have not more than ninety days to run to maturity and would therefore be immediately available for use at the Federal Reserve Bank.

The Board is of the opinion that the suggested change would greatly improve the banking condition of the country, as the banks would make a turnover three times a year instead of twice, and the credits which they would provide would come up for consideration three times instead of twice a year. The borrower in good credit would have no reasonable grounds for complaint and the borrower in doubtful credit would be strengthened by frank conversations with his bankers at more frequent intervals than at present. It is suggested that if the bankers of the country will undertake this change in methods of borrowing and insist upon four months' paper instead of six, the credit situation will be greatly improved within a short time; responsible borrowers would have greater assurance of credits and the banks themselves would be in position to meet contingencies with at least 50 per cent more confidence than under the existing borrowing conditions.

Bankers to whom this letter has been sent have signified their approval of the policy. A large eastern institution writes as follows:

"This matter has been the subject of considerable thought here for some time past and we have encouraged our customers to give us three and four months notes unless their businesses were of such a highly seasonal character that it seemed desirable to finance themselves through their seasons. We have also endeavored to interest one of the large commercial paper dealers in New York in making a preferential commission on short-term notes. As you no doubt know, the present practice is to charge a commission of one-fourth of 1 per cent regardless of the length of time which a note has to run. This necessarily means that a six months note sold to a broker at 5 per cent and commission costs the borrower 5½ per cent interest, whereas if the note is a four months note it costs him 5¾ per cent, and a 90-day note a full 6 per cent.

"In the early days of the commercial paper market's development the notes offered were usually of three and four months maturity, but as the borrower realized that the six months note cost him less the usage charged until to-day the six months note is the rule, rather than the exception. If the commercial paper brokers could be encouraged to buy three and four months notes at a net discount rate making their profit by selling at a different rate, or if they would consent to a commission of, say, 3/32 for a three months note we believe that there would be a much larger volume of short-term commercial paper sold in the open market. The advantage of this to the broker is that in times like the present when in many cities the sale of commercial paper is practically at a standstill because banks are not investing, the stringency could be relieved by the purchase of 90-day notes by the banks which could be rediscounted with the Federal Reserve Banks without affecting the reserve of the purchasing bank. Until the commercial paper dealer comes to the short-term method, however, his business will possess no elasticity in times of tight money."

Another bank writes as follows:

"We are in thorough sympathy with your letter and shall do our part in restoring the old practice here, although we can not be too arbitrary at first. We presume you will recall that the longer time granted in making commercial paper was probably brought about through the competition of the note brokers for the leading names upon the market and in instances they have not confined themselves even to six months paper. * * * The point which you make about rechecking our credits three times instead of twice per year is a good one, inasmuch as in granting a new credit we at least always mentally weigh the environment surrounding the name."

Attitude of a Country Banker on the Exchange Question.

The following letter from a country banker who has been a leading figure in opposition to the Federal Reserve Banks' system of check collection and clearing has been received by the Board, and is reprinted here as illustrating a change of attitude on an important question:

"Last winter the American Bankers Association sent out a referendum on exchange to all State and national banks, and I sent out a second one personally. Replies were received from barely one-third of those addressed, the others remained silent.

"In March letters were sent to all banks outside the reserve cities urging organization of the Country Bankers' League, stating what appeared to be strong reasons for its existence. This was combined with efforts of individuals in a number of States. The net result was about 1,500 responses, say, 7 per cent of the total.

"It must be admitted that war and indifference played a part in this. Also that a large number felt that the American and their State associations could do what was possible of accomplishment. But I am not satisfied with this analysis. I am coming more and more to the belief that relatively only a few banks have been hard hit by loss of exchange, while to the great majority of them the loss was more than offset by positive advantages of the reserve system, so that they were willing to accept one to gain the other. That not one single bank took up the issue in court tends to fortify this opinion, the more so as a fundamental constitutional right was involved. On any other theory we must indict bankers for cowardice or credit them with unselfish patriotism to a degree beyond the bounds of reason.

"I happened to be one of those who suffered severely the loss of exchange and felt its denial an infringement of constitutional guarantees. I also believe it the duty of every citizen to jealously guard those guarantees even at a personal sacrifice, and by organization if individual effort is futile. Nevertheless, I see no escape from the conclusion that the great majority of bankers have clearly indicated their sentiments and the minority should gracefully yield, for such is the Kingdom of Democracy."

Offering of Treasury Certificates.

Offering of an additional $700,000,000 of United States Treasury certificates of indebtedness, dated September 17 and 25, 1917, bearing 3½ and 4 per cent interest, was announced by the Secretary of the Treasury in September. The certificates are payable December 15, 1917. The text of the announcements follows:

The Secretary of the Treasury under authority of act approved April 24, 1917, offers for subscription at par through the Federal Reserve Banks $300,000,000 Treasury certificates of indebtedness payable December 15, 1917, with interest at the rate of 3½ per cent per annum from September 17. Subscriptions will be received at the Federal Reserve Banks until 12 o'clock noon Tuesday, September 11, 1917, their local time. Payment for certificates allotted must be made on Monday, September 17, to that Federal Reserve Bank through which subscription may have been made. The right is reserved to reject any subscription and to allot less than the amount of certificates applied for. Certificates in denominations of $1,000, $5,000, $10,000 and $100,000. Said act provides that the certificates shall be exempt both as to principal and interest from all taxation, except estate or inheritance taxes imposed by authority of the United States or its possessions or by any State or local taxing authority. Upon 10 days notice given in such manner as may be determined by the Secretary of the Treasury this series of $300,000,000 may be redeemed as a whole at par and accrued interest on or after any date, occurring before maturity of such certificates, set for the payment of the first installment payable after allotment on the subscription price of any bonds offered for subscription by the United States after the date and before the maturity of the certificates. The certificates of this series whether or not called for redemption will be accepted at par with adjustment of accrued interest if tendered on such installment date in payment on the subscription price then payable of any such bonds subscribed for by and allotted to holders of such certificates. As fiscal agents of the United States you are authorized and requested to give due notice of this issue and to receive subscriptions in your district for the certificates above described.

Qualified depositaries will be permitted to make payment by credit for certificates allotted to them for themselves and their customers up to amount for which each shall have qualified, when so notified by Federal Reserve Bank. But if qualification not completed, payment must be made in ordinary way, in which case unexpended proceeds will be redeposited as promptly as qualification can be completed.

The Treasury Department on September 25 issued the following statement:

Secretary McAdoo, under authority of the bond act approved by the President yesterday, offers for subscription at par and accrued interest through the Federal Reserve Banks $400,000,000 of Treasury certificates of indebtedness payable December 15 with interest at the rate of 4 per cent per annum from September 26.

Applications will be received at the Federal Reserve Banks from Tuesday, September 25, to 12 o'clock noon (local time) Tuesday, October 2. The certificates will be in denominations of $1,000, $5,000, $10,000, and $100,000. They will 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, and the interest on an amount of bonds and certificates authorized in the bond act the principal of which does not exceed in the aggregate $5,000, owned by any individual, partnership, association, or corporation, will be exempt from the taxes provided for in clause (*b*) above.

MAY BE REDEEMED EARLIER.

Upon 10 days' notice, given in such manner as may be determined by the Secretary of the Treasury, this series of $400,000,000 may be redeemed as a whole at par and accrued interest on and after any date occurring before maturity of such certificates set for the payment of the first installment payable after allotment of the subscription price of any bonds offered for subscription by the United States hereafter and before the maturity of such certificates.

The certificates of this series, whether or not called for redemption, will be accepted at par, with adjustment of accrued interest, if tendered on such installment date in payment of the subscription price then payable of any such bonds subscribed for by and allotted to holders of such certificates. As fiscal agents of the United States, the Federal Reserve Banks will be authorized to allot in full in order of receipt of applications up to amounts specified for each district.

Payments may be made at par and accrued interest on and after September 26 until October 3, inclusive. After allotment and upon payment Federal Reserve Banks will issue interim receipts pending delivery of definitive certificates. Qualified depositaries will be permitted to make payment by credit for certificates allotted to them, for themselves and their customers, up to an amount for which each shall have qualified when so notified by Federal Reserve Bank, but if qualification shall not have been completed payments must be made in the ordinary way, in which case the unexpended proceeds will be redeposited as promptly as qualification is completed.

Election of Directors.

Elections to fill the places of class A and B directors whose terms expire on December 31, 1917, will be conducted under the supervision of the chairmen of the boards of the 12 Federal Reserve Banks, the polls to open on November 20 and remain open as required by law for 15 days. The Governor of the Board on September 8 sent out the following letter with the appended list of directors whose terms expire:

Inasmuch as the term of office of one class A director and one class B director of your bank will expire on December 31, 1917, arrangements should be made to hold an election of directors to succeed those whose terms expire, such new directors to serve for terms of three years each.

The Board has fixed November 20 as the date for opening the polls. You should accordingly arrange to have printed—

(*a*) Certificate of election of district reserve elector.

(*b*) Certificate of nomination for class A director.

(*c*) Certificate of nomination for class B director.

These certificates, as printed last year, contain form of resolution to be adopted by the member banks. A sufficient number should be prepared and mailed to each member bank in the group which elected the director whose term expires on December 31, 1917. It will be necessary, therefore, for you, as chairman of the board, to group the banks in your district in accordance with the act, following the general lines of the plan set forth in the circular of the Organization Committee. When these certificates have been returned by the banks the electors should be listed and the preferential ballot prepared.

Under the provisions of section 4 this ballot need not show the name of the bank placing in nomination any candidate, but if not on the ballot a separate list should be prepared showing by whom each candidate is nominated. If this is done, the ballot form used will be somewhat simplified, since the voting columns, showing the first, second, and third choice of the elector, can appear on the same page as the name of the candidate.

Section 4 of the Federal Reserve Act provides that—

Every elector shall, within 15 days after the receipt of the said list, certify to the chairman his first, second, and other choices.

The polls for the election of directors would, therefore, close 15 days after November 20, and in consequence arrangements should be made to have the ballots in the hands of the electors not later than November 20.

DIRECTORS OF FEDERAL RESERVE BANKS WHOSE TERMS EXPIRE IN 1917.

District No. 1—Boston:
- Class A—T. P. Beal, Boston, Mass.
- Class B—Charles A. Morss, Boston, Mass.
- Class C—Frederic H. Curtiss, Boston, Mass.

District No. 2—New York:
- Class A—R. H. Treman, Ithaca, N. Y.
- Class B—W. B. Thompson, Yonkers, N. Y.
- Class C—W. L. Saunders, New York, N. Y.

District No. 3—Philadelphia:
- Class A—C. J. Rhoads, Philadelphia, Pa.
- Class B—E. S. Stuart, Philadelphia, Pa.
- Class C—Richard L. Austin, Philadelphia, Pa.

District No. 4—Cleveland:
- Class A—Robert Wardrop, Pittsburgh, Pa.
- Class B—T. A. Combs, Lexington, Ky.
- Class C—D. C. Wills, Bellevue, Pa.

District No. 5—Richmond:
- Class A—Edwin Mann, Bluefield, W. Va.
- Class B—D. R. Coker, Hartsville, S. C.
- Class C—Caldwell Hardy, Norfolk, Va.

District No. 6—Atlanta:
- Class A—W. H. Toole, Winder, Ga.
- Class B—Edgar B. Stern, New Orleans, La.
- Class C—M. B. Wellborn, Anniston, Ala.

District No. 7—Chicago:
- Class A—E. L. Johnson, Waterloo, Iowa.
- Class B—M. B. Hutchison, Ottumwa, Iowa.
- Class C—W. F. McLallen, Columbia City, Ind.

District No. 8—St. Louis:
- Class A—Walker Hill, St. Louis, Mo.
- Class B—Leroy Percy, Greenville, Miss.
- Class C—John W. Boehne, Evansville, Ind.

District No. 9—Minneapolis:
- Class A—L. B. Hanna, Fargo, N. Dak.
- Class B—N. B. Houlter, Helena, Mont.
- Class C—John H. Rich, Redwing, Minn.

District No. 10—Kansas City:
- Class A—C. E. Burnham, Norfolk, Nebr.
- Class B—Harry W. Gibson, Muskogee, Okla.
- Class C—Charles M. Sawyer, Kansas City, Mo.

District No. 11—Dallas:
- Class A—E. K. Smith, Shreveport, La.
- Class B—J. J. Culbertson, Paris, Tex.
- Class C—W. F. Ramsey, Dallas, Tex.

District No. 12—San Francisco:
- Class A—J. K. Lynch, San Francisco, Cal.
- Class B—A. B. C. Dohrman, San Francisco, Cal.
- Class C—John Perrin, San Francisco, Cal.

Increased Cost of Notes.

The cost of Federal Reserve notes, which are printed at the Bureau of Printing and Engraving, has been increased from $34.368 to $36.56 per 1,000, effective July 1, 1917. The announcement of the increase with the reason therefor is given in the following letter from the Director of the Bureau of Engraving and Printing:

On account of changing conditions as to labor and material costs and in compliance with the decision of the Comptroller of the Treasury, dated August 3, 1917, requiring the amount of reimbursement for work done by this bureau for other branches of the Government service to include the amount of the 5 and 10 per cent increase of compensation under the sundry civil appropriation act of June 12, 1917 (Public Act No. 21), it will be necessary to increase charge for furnishing of Federal Reserve notes from $34.368 to $36.56 per 1,000 sheets, effective July 1, 1917.

Collection of Notes and Bills.

The following circular letter, sent by the Federal Reserve Bank of New York to its member banks on September 10, is reprinted as showing the service which Federal Reserve Banks are offering in connection with the collection of maturing notes, bills, and other like items:

Upon the authority of the Federal Reserve Board and by its direction, on September 10, 1917, the Federal Reserve Bank of New York will establish a collection department for the handling of collection items. These items will be collected as promptly as possible and credit given when actual payment has been received. The conditions and regulations governing the operation of this department of the bank are fully set forth in the following circular. Every bank sending collection items to us after the inauguration of this department will be understood to have specifically agreed to the terms and conditions set forth in this circular.

Date of inauguration.—September 10, 1917.

Items received.—All collection items, drafts, notes, coupons, acceptances, etc.

Routing.—The Federal Reserve Bank of New York may, in its discretion, send all items for payment direct to a bank located at the place where the item is payable or to another agent for collection, and assumes no responsibility for the failure of any of its direct or indirect collection agents, and shall be held liable only when proceeds in actual funds or solvent credits shall have come into its possession.

Charges.—The Federal Reserve Bank of New York will make a service charge of 10 cents per item in addition to the exchange charge that may be made by the collecting bank. In case of the collection item being returned unpaid, there will be an additional charge of 10 cents which will be paid to the bank presenting the item for payment. A service charge will not be imposed for collecting coupons. The only charge for the collection of coupons payable outside of the Federal reserve city will be the usual one covering the expenses of registration and insurance or express charges plus any charge made by the collecting bank.

The additional charge of 10 cents per item made for handling unpaid items will be paid to the presenting bank monthly.

Remitting.—In so far as possible, items will be sent direct to their place of payment, and when payable outside of the district the collecting bank will be permitted to make remittance either direct to the Federal Reserve Bank of New York in New York exchange or, if more convenient, to any other nearby Federal Reserve Bank in available exchange for the credit of the sending Federal Reserve Bank.

The collection department is being established for the purpose of furnishing additional service to member banks, and to make this department as efficient as possible, it is earnestly desired that member banks cooperate in making prompt returns and advices of the payment of collection items.

It is recognized that in the presenting and remitting for collection items, the remitting or crediting bank is rendering a service of a different character than that of remitting for its own checks, and for such service is entitled to make a reasonable exchange charge.

A special form of remittance letter will accompany all collection items; this form can be used by the remitting or crediting bank.

Interlocking Bank Directorates.

The following opinion of the Acting Attorney General of the United States construing section 8 of the Clayton Act has been released for publication. Under this opinion State banks or trust companies may have common officers and directors with other State banks and trust companies whether or not any of such banks or trust companies are members of the Federal Reserve System. National banks, however, and banks and trust companies doing business in the District of Columbia, can not have as officers or directors, officers or directors of any other bank or trust company which is located in the same city of more than 200,000 inhabitants, or which has deposits, capital, surplus and undivided profits aggregating more than $5,000,000, regardless of its location (unless permission is granted by the Federal Reserve Board, under authority of the Kern amendment to section 8 of the Clayton Act). This is true whether or not such a State bank or trust company is a member of the Federal Reserve System.

The opinion in full is as follows:

DEPARTMENT OF JUSTICE.
Washington, September 10, 1917.

The SECRETARY OF THE TREASURY,

SIR: I have the honor to acknowledge the receipt of your letter of August 3, inclosing a letter of the 2d instant from the governor of the Federal Reserve Board to you and requesting my opinion upon the question propounded by him, as to whether State banks joining the Federal Reserve System become subject to the provisions of the Clayton Act (approved October 15, 1914; 38 Stat., 730; amended by act of May 15, 1916), relating to interlocking directorates.

The pertinent provisions of the Clayton Act are found in section 8, as follows:

* * * no person shall at the same time be a director or other officer or employee of more than one bank, banking association or trust company, organized or operating under the laws of the United States, either of which has deposits, capital, surplus, and undivided profits aggregating more than $5,000,000; and no private banker or person who is a director in any bank or trust company, organized and operating under the laws of a State, having deposits, capital, surplus, and undivided profits, aggregating more than $5,000,000, shall be

eligible to be a director in any bank or banking association organized or operating under the laws of the United States. * * *

No bank, banking association or trust company, organized or operating under the laws of the United States, in any city * * * of more than two hundred thousand inhabitants * * * shall have as a director or other officer or employee any private banker or any director or other officer or employee of any other bank, banking association, or trust company located in the same place.

The prohibitions of this section relate to banks which are "organized or operating under the laws of the United States." Obviously, the the section does not apply to State banks merely as State banks, but applies to them, if at all, only in consequence of membership in the Federal Reserve System.

The Federal Reserve System embraces (1) national banks, whose membership is compulsory, and (2) banks organized under the "laws of any State or of the United States," which are eligible for membership under conditions prescribed in section 9 of the Federal Reserve Act (approved Dec. 23, 1913; 38 Stat., 251). Besides banks organized under State laws and doing business in the States (hereinafter called State banks), the latter class includes (*a*) banks organized under State laws but having offices and receiving deposits in the District of Columbia, as described in section 713 of the Code of the District of Columbia, and (*b*) banks and trust companies, other than national banks, organized under the laws of the United States, i. e., banks and trust companies organized under subchapters 4 and 11 of chapter 18 of the Code of the District of Columbia (31 Stat., 1189).

National banks and banks and trust companies organized under the Code of the District of Columbia are clearly within the prohibitions of section 8 of the Clayton Act. They are not only organized under the laws of the United States but of necessity operate under those laws as the laws of their existence.

Banks organized under State laws and carrying on business in the District of Columbia also fall within the prohibitions of section 8 as "banks operating under the laws of the United States;" for, in carrying on business in the District, over which Congress exercises exclusive legislation, they are not only subject generally to the laws of the United States in force within the District, but by specific enactment they are required to make reports to the Comptroller of the Currency and are subject to be examined and taken possession of by him as provided with respect to national banks. (Act of June 25, 1906, amending sections 713 and 714, Code D. C.; 34 Stat., 458.)

State banks which join the Federal Reserve System do not, however, operate under the laws of the United States as the laws of their existence, nor in territory over which the United States exercises exclusive legislation. These banks have merely voluntarily accepted the terms and provisions of the Federal Reserve Act (including regulations made pursuant thereto) in becoming members of the Federal Reserve System, from which they are at liberty to withdraw. Yet, since upon being admitted they become subject to the terms and provisions of the Federal Reserve Act, they may also be aptly described as "operating under the laws of the United States." Accordingly, section 8 of the Clayton Act standing alone might reasonably be construed to include State member banks within its prohibitions.

Section 8 of the Clayton Act must be considered, however, in the light of the provisions of section 9 of the Federal Reserve Act relating to membership of State banks.

Unlike National banks, State banks are not compelled, but in effect are invited to join the Federal Reserve System. In section 9 as originally enacted, Congress specified the provisions of law to which State banks must conform as conditions of membership, including in the specification certain provisions of preexisting law. The conditions of membership for State banks having thus been specified, it could be argued not without reason that if Congress had intended by section 8 of the

Clayton Act to prescribe further conditions of membership it would have affirmatively expressed that intention, which it has not done.

But, whatever the original intention of Congress may have been in this respect, the present intention seems plainly to appear from the following provisions of section 9 of the Federal Reserve Act as amended and reenacted by the Act of June 21, 1917, after the passage of the Clayton Act:

Banks becoming members of the Federal Reserve System under authority of this section shall be subject to the provisions of this section, and to those of this Act which relate specifically to member banks, but shall not be subject to examination under the provisions of the first two paragraphs of section fifty-two hundred and forty of the Revised Statutes as amended by section twenty-one of this Act. Subject to the provisions of this Act and to the regulations of the board made pursuant thereto, any bank becoming a member of the Federal Reserve System shall retain its full charter and statutory rights as a State bank or trust company, and may continue to exercise all corporate powers granted it by the State in which it was created and shall be entitled to all privileges of member banks.

As thus amended, State member banks are made "subject to the provisions of this section and to those of this Act which relate specifically to member banks." Accordingly, they would appear not to be subject to the prohibitions of section 8 of the Clayton Act under the rule of construction embodied in the maxim, "The express mention of one thing impliedly excludes all others."

The intention of Congress, however, is not left to appear by implication alone. Section 9 as amended goes further, and by positive provision declares that State member banks shall retain their "full charter and statutory rights" as State banks, "subject to the provisions of this Act and to the regulations of the board made pursuant thereto." Since the rights existing under State laws as to selection of directors seem clearly among the "charter and statutory rights" thus retained in full by State member banks, they must be held free in that regard from the restrictions imposed by section 8 of the Clayton Act.

Respectfully,

(Signed) JOHN W. DAVIS,
Acting Attorney General.

Gold Imports and Exports.

Considerable outward shipments of gold, the greater part destined to the Far East, are reported to the Board for the four weeks ending September 14, though the intensity of the movement seems to have abated in a measurable degree during the period under review. Net exports of gold for the four weeks totaled $33,312,000, gold imports amounting to $4,132,000 and gold exports to $37,444,000.

The net increase in the country's stock of gold through recorded net imports since August 1, 1914, appears from the following exhibit:

(000's omitted.)

	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914	$23,253	$104,972	[1] $81,719
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 Sept. 14, 1917	541,027	331,065	209,962
Total	1,701,980	623,256	1,078,724

[1] Excess of exports over imports.

Acceptances to 100 Per Cent.

Since the issue of the September Bulletin the following banks have been authorized to accept drafts and bills of exchange up to 100 per cent of their capital and surplus: First National Bank, Utica, N. Y.; City National Bank, Dallas, Tex.

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 September Bulletin:

DISTRICT NO. 3.

Registrar of stocks and bonds:

Philadelphia National Bank, Philadelphia, Pa.

DISTRICT No. 5.

Trustee, executor, administrator, and registrar of stocks and bonds:
First National Bank, Danville, Va.

DISTRICT No. 6.

Trustee, executor, administrator, and registrar of stocks and bonds:
Leeth National Bank, Cullman, Ala.
First National Bank, St. Petersburg, Fla.
First National Bank, Alexandria, La.

DISTRICT No. 7.

Trustee, executor, administrator, and registrar of stocks and bonds:
National Bank of Decorah, Decorah, Iowa.
First National Bank, Birmingham, Mich.

DISTRICT No. 8.

Trustee, executor, administrator and registrar of stocks and bonds:
Union National Bank, Springfield, Mo.

DISTRICT No. 10.

Trustee, executor, administrator, and registrar of stocks and bonds:
First National Bank, Fort Collins, Colo.
Trustee, executor, and administrator:
Norfolk National Bank, Norfolk, Nebr.

Commercial Failures Reported.

For three weeks of September commercial failures in the United States numbered 681, against 784 reported to R. G. Dun & Co. in the same period last year. The statement for August—the latest month for which complete returns are available—discloses 1,149 defaults for $18,085,207, as compared with 1,394 in August, 1916, when the amount involved was $20,128,709. Numerically, the exhibit is the best for the month since 1913, while the liabilities, excepting the $17,733,552 of August, 1915, are the smallest back to 1912. Analyzed according to Federal Reserve districts, the statistics show fewer failures than last year in all districts, except the eighth, in which a slight increase appears. Similarly, decreases in liabilities are in the majority, the first, second, and seventh districts alone showing expansion, and the improvement in several instances is pronounced.

Failures during August.

Districts.	Number.		Liabilities.	
	1917	1916	1917	1916
First	124	153	$1,498,956	$1,190,798
Second	184	190	6,668,474	2,260,360
Third	52	71	636,050	674,016
Fourth	91	97	3,122,756	3,212,846
Fifth	66	69	501,156	574,958
Sixth	92	173	909,870	1,788,516
Seventh	165	182	1,577,130	1,238,809
Eighth	80	74	563,647	622,435
Ninth	36	45	171,142	417,706
Tenth	58	80	450,646	3,888,607
Eleventh	56	70	344,273	1,029,149
Twelfth	145	190	1,641,107	3,230,509
Total	1,149	1,394	18,085,207	20,128,709

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 August 25, 1917, to September 21, 1917, inclusive:

	Banks.	
New charters issued to	11	
With capital of		$575,000
Increase of capital approved for	7	
With new capital of		305,000
Aggregate number of new charters and banks increasing capital	18	
With aggregate of new capital authorized		880,000
Number of banks liquidating (other than those consolidating with other national banks)	2	
Capital of same banks		150,000
Number of banks reducing capital	0	
Reduction of capital		0
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks)	2	
Aggregate capital reduction		150,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was		880,000
Against this there was a reduction of capital owing to liquidations (other than for consolidation with other national banks) and reductions of capital of		150,000
Net increase		730,000

Press Statements.

These statements to the press, among others, have been issued by the Comptroller of the Currency:

The Comptroller of the Currency announced to-day that Elmore F. Higgins, of Alabama, assistant chief national bank examiner at Chicago, has been appointed acting chief national bank examiner for the Fifth Federal Reserve District, with headquarters at Richmond, succeeding temporarily the late Thomas P. Howard, chief national bank examiner, who was killed yesterday in an automobile accident.

AUGUST 31, 1917.

The Comptroller of the Currency announced to-day that Chief National Bank Examiner James K. Doughton, of the Sixth Federal Reserve District, has been made chief examiner for the Fifth Federal Reserve District, with headquarters at Richmond.

Mr. Elmore F. Higgins, of Montgomery Ala., formerly assistant clearing house examiner at New Orleans, and for the past two years assistant chief national bank examiner at Chicago, has been appointed chief national bank examiner for the Sixth Federal Reserve District, with headquarters at Atlanta.

Mr. Higgins's field on appointment as national bank examiner, February 18, 1914, was the State of Georgia.

These changes become effective October 15, 1917.

SEPTEMBER 15, 1917.

The Comptroller of the Currency to-day made the following announcement showing the very important part which was played by the national banks of the United States in placing the two billion dollar Liberty Loan of June, 1917.

The Comptroller said:

Of the 3,035 million dollars of subscriptions which were sent in at the time of the placing of the two billion dollar Liberty Loan, 1,700 million dollars, or 56 per cent, were made by or through the national banks of the country.

Of the two billion dollars of bonds allotted to subscribers, 1,088 million dollars, or 54 per cent, were made to those whose subscriptions were made through national banks.

A noteworthy feature of the subscriptions was that 582 million dollars of these subscriptions were sent in through the country banks, exceeding by two millions the total subscriptions sent in through national banks in the central reserve cities and by 43 million dollars the subscriptions received through all national banks in other reserve cities.

Of the 1,088 million dollars of bonds allotted on subscriptions made through national banks, 465 million dollars were allotted to subscribers whose subscriptions were received through the country banks; to subscribers whose subscriptions were received through the national banks in central reserve cities of New York, Chicago, and St. Louis, the allotment was only 270 million dollars; to subscribers who sent their subscriptions through national banks in other reserve cities, the amount allotted was 353 million dollars.

The total amount of Liberty bonds subscribed for by the national banks of the country for investment for their own account was 338 million dollars. Of this amount the country banks subscribed for 149 million dollars, the national banks in central reserve cities 100 million dollars, and the national banks in other reserve cities 89 million dollars.

The proportion of subscriptions made for themselves and others by all the national banks of the United States to their total resources was 10.59 per cent. The proportion of subscriptions sent in for themselves and others by the central reserve city banks to their total resources was 13 per cent; other reserve cities 11.75 per cent, and country banks 8.2 per cent.

The proportion of bonds allotted to all national banks on their own account to their total resources was one and one-eighth per cent.

The proportion of Liberty bonds allotted to the national banks in central reserve cities *on their own account* was 7/10 of one per cent of total resources; in other reserve cities nine-tenths of one per cent; and for country banks the percentage of bonds allotted for their own account to their total resources was one and a half per cent.

The proportion of Liberty bonds still held by the national banks of the country on their own account on July 23, 1917, about one month after the allotments were made, was very small.

The amount thus held by all national banks was only 88 million dollars, of which 64 millions were held by the country banks, 7 millions by the national banks in central reserve cities, and 17 millions by the national banks in other reserve cities.

The 25 States (including the District of Columbia) whose national banks sent in for themselves and customers the largest amount of subscriptions to the Liberty Loan were as follows:

New York	$565, 300, 000
Pennsylvania	194, 000, 000
Massachusetts	136, 500, 000
Ohio	104, 700, 000
Illinois	97, 400, 000
California	72, 800, 000
New Jersey	45, 000, 000
Texas	35, 400, 000
Missouri	35, 200, 000
Connecticut	30, 600, 000
Minnesota	29, 700, 000
Michigan	27, 400, 000
Indiana	26, 600, 000
Wisconsin	26, 300, 000
Iowa	20, 300, 000
Maryland	18, 000, 000
Oklahoma	16, 900, 000
Nebraska	15, 000, 000
Colorado	14, 200, 000
Kentucky	13, 700, 000
Washington	13, 700, 000
District of Columbia	10, 900, 000
Kansas	10, 300, 000
Tennessee	10, 200, 000
West Virginia	9, 200, 000

The 25 States (including District of Columbia) in which subscribers to the Liberty bonds received the largest allotments of bonds were, in the order named:

New York	$273, 800, 000
Pennsylvania	133, 000, 000
Massachusetts	102, 600, 000
Ohio	73, 500, 000
Illinois	59, 200, 000
California	52, 500, 000
New Jersey	34, 200, 000
Missouri	25, 100, 000
Connecticut	25, 000, 000
Texas	24, 300, 000
Minnesota	20, 100, 000
Wisconsin	19, 300, 000
Indiana	17, 900, 000
Michigan	15, 800, 000
Virginia	14, 200, 000
Iowa	13, 900, 000
Maryland	13, 900, 000
Kentucky	11, 600, 000
Oklahoma	10, 500, 000
Washington	10, 400, 000
Colorado	9, 700, 000
Nebraska	8, 900, 000
New Hampshire	8, 100, 000
District of Columbia	8, 000, 000
Tennessee	7, 600, 000

SEPTEMBER 8, 1917.

12655—17——4

The New Bond-Issue Act.

Below is reprinted the text of the act passed by the House of Representatives on September 6, by the Senate on September 15, and signed by the President on September 24, for the purpose of providing further resources through the issue of bonds.

[H. R. 5901, Sixty-fifth Congress, first session.]

An ACT To authorize an additional issue of bonds to meet expenditures for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to extend additional credit to foreign Governments, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury, with the approval of the President, is hereby authorized to borrow, from time to time, on the credit of the United States for the purposes of this act, and to meet expenditures authorized for the national security and defense and other public purposes authorized by law, not exceeding in the aggregate $7,538,945,460, and to issue therefor bonds of the United States, in addition to the $2,000,000,000 bonds already issued or offered for subscription under authority of the act approved April twenty-fourth, nineteen hundred and seventeen, entitled "An act to authorize an issue of bonds to meet expenditures for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to extend credit to foreign governments, and for other purposes": *Provided,* That of this sum $3,063,945,460 shall be in lieu of that amount of the unissued bonds authorized by sections one and four of the act approved April twenty-fourth, nineteen hundred and seventeen, $225,000,000 shall be in lieu of that amount of the unissued bonds authorized by section thirty-nine of the act approved August fifth, nineteen hundred and nine, $150,000,000 shall be in lieu of the unissued bonds authorized by the joint resolution approved March fourth, nineteen hundred and seventeen, and $100,000,000 shall be in lieu of the unissued bonds authorized by section four hundred of the act approved March third, nineteen hundred and seventeen.

The bonds herein authorized shall be in such form or forms and denomination or denominations and subject to such terms and conditions of issue, conversion, redemption, maturities, payment, and rate or rates of interest, not exceeding four per centum per annum, and time or times of payment of interest, as the Secretary of the Treasury from time to time at or before the issue thereof may prescribe. The principal and interest thereof shall be payable in United States gold coin of the present standard of value.

The bonds herein authorized shall from time to time first be offered at not less than par as a popular loan, under such regulations, prescribed by the Secretary of the Treasury from time to time, as will in his opinion give the people of the United States as nearly as may be an equal opportunity to participate therein, but he may make allotment in full upon applications for smaller amounts of bonds in advance of any date which he may set for the closing of subscriptions and may reject or reduce allotments upon later applications and applications for larger amounts, and may reject or reduce allotments upon applications from incorporated banks and trust companies for their own account and make allotment in full or larger allotments to others, and may establish a graduated scale of allotments, and may from time to time adopt any or all of said methods, should any such action be deemed by him to be in the public interest: *Provided*, That such reduction or increase of allotments of such bonds shall be made under general rules to be prescribed by said Secretary and shall apply to all subscribers similarly situated. And any portion of the bonds so offered and not taken may be otherwise disposed of by the Secretary of the Treasury in such manner and at such price or prices, not less than par, as he may determine.

SEC. 2. That for the purpose of more effectually providing for the national security and defense and prosecuting the war, the Secretary of the Treasury, with the approval of the President, is hereby authorized, on behalf of the United States, to establish credits with the United States for any foreign Governments then engaged in war with the enemies of the United States; and, to the extent of the credits so established from time to time, the Secretary of the Treasury is hereby authorized to purchase, at par, from such foreign Governments, respectively, their several obligations hereafter issued, bearing such rate or rates of interest, maturing at such date or dates, not later than the bonds of the United States then last issued under the authority of this act, or of such act approved April twenty-fourth, nineteen hundred and seventeen, and containing such terms and conditions as the Secretary of the Treasury may from time to time determine, or to make advances to or for the account of any such foreign Governments and to receive such obligations at par for the amount of any such advances; but the rate or rates of interest borne by any such obligations shall not be less than the highest rate borne by any bonds of the United States which, at the time of the acquisition thereof, shall have been issued under authority of said act approved April twenty-fourth, nineteen hundred and seventeen, or of this act, and any such obligations shall contain such provisions as the Secretary of the Treasury may from time to time determine for the conversion of a proportionate part of such obligations into obligations bearing a higher rate of interest if bonds of the United States issued under authority of this act shall be converted into other bonds of the United States bearing a higher rate of interest, but the rate of interest in such foreign obligations issued upon such conversion shall not be less than the highest rate of interest borne by such bonds of the United States; and the Secretary of the Treasury, with the approval of the President, is hereby authorized to enter into such arrangements from time to time with any such foreign Governments as may be necessary or desirable for establishing such credits and for the payment of such obligations of foreign Governments before maturity. For the purposes of this section there is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $4,000,000,000, and in addition thereto the unexpended balance of the appropriations made by section two of said act approved April twenty-fourth, nineteen hundred and seventeen, or so much thereof as may be necessary: *Provided*, That the authority granted by this section to the Secretary of the Treasury to establish credits for foreign Governments, as aforesaid, shall cease upon the termination of the war between the United States and the Imperial German Government.

SEC. 3. That the Secretary of the Treasury is hereby authorized, from time to time, to exercise in respect to any obligations of foreign Governments acquired under authority of this act or of said act approved April twenty-fourth, nineteen hundred and seventeen, any privilege of conversion into obligations bearing interest at a higher rate provided for in or pursuant to this act or said act approved April twenty-fourth, nineteen hundred and seventeen, and to convert any short-time obligations of foreign Governments which may have been purchased under the authority of this act or of said act approved April twenty-fourth, nineteen hundred and seventeen, into long-time obligations of such foreign Governments, respectively, maturing not later than the bonds of the United States then last issued under the authority of this act or of said act approved April twenty-fourth, nineteen hundred and seventeen, as the case may be, and in such form and terms as the Secretary of the Treasury may prescribe; but the rate or rates of interest borne by any such long-time obligations at the time of their acquisition shall not be less than the rate borne by the short-time obligations so converted into such long-time obligations; and, under such terms and conditions as he may from time to time prescribe, to receive payment, on or before maturity, of any obligations of such foreign Governments acquired on behalf of the United States under authority of this act or of said act approved April twenty-fourth, nineteen hundred and seventeen, and, with the approval of the President, to sell any of such obligations (but not at less than the purchase price with accrued interest unless otherwise hereafter provided by law), and to apply the proceeds thereof, and any payments so received from foreign Governments on account of the principal of their said obligations, to the redemption or purchase, at not more than par and accrued interest, of any bonds of the United States issued under authority of this act or of said act approved April twenty-fourth, nineteen hundred and seventeen; and if such bonds can not be so redeemed or purchased the Secretary of the Treasury shall redeem or purchase any other outstanding interest-bearing obligations of the United States which may at such time be subject to redemption or which can be purchased at not more than par and accrued interest.

Sec. 4. That in connection with the issue of any series of bonds under the authority of section one of this act the Secretary of the Treasury may determine that the bonds of such series shall be convertible as provided in or pursuant to this section, and, in any such case, he may make appropriate provision to that end in offering for subscription the bonds of such series (hereinafter called convertible bonds). In any case of the issue of a series of convertible bonds, if a subsequent series of bonds (not including United States certificates of indebtedness, war-savings certificates, and other obligations maturing not more than five years from the issue of such obligations, respectively) bearing interest at a higher rate shall, under the authority of this or any other act, be issued by the United States before the termination of the war between the United States and the Imperial German Government, then the holders of such convertible bonds shall have the privilege, at the option of the several holders, at any time within such period, after the public offering of bonds of such subsequent series, and under such rules and regulations as the Secretary of the Treasury shall have prescribed, of converting their bonds, at par, into bonds bearing such higher rate of interest at such price not less than par as the Secretary of the Treasury shall have prescribed. The bonds to be issued upon such conversion under this act shall be substantially the same in form and terms as shall be prescribed by or pursuant to law with respect to the bonds of such subsequent series, not only as to interest rate but also as to convertibility (if future bonds be issued at a still higher rate of interest) or nonconvertibility, and as to exemption from taxation, if any, and in all other respects, except that the bonds issued upon such conversion shall have the same dates of maturity, of principal, and of interest, and be subject to the same terms of redemption before maturity, as the bonds converted; and such bonds shall be issued from time to time if and when and to the extent that the privilege of conversion so conferred shall arise and shall be exercised. If the privilege of conversion so conferred under this act shall once arise, and shall not be exercised with respect to any convertible bonds within the period so prescribed by the Secretary of the Treasury, then such privilege shall terminate as to such bonds and shall not arise again though again thereafter bonds be issued bearing interest at a higher rate or rates.

Sec. 5. That in addition to the bonds authorized by section one of this act the Secretary of the Treasury is authorized to borrow from time to time, on the credit of the United States, for the purposes of this act and to meet public expenditures authorized by law, such sum or sums as in his judgment may be necessary, and to issue therefor certificates of indebtedness of the United States at not less than par in such form or forms and subject to such terms and conditions and at such rate or rates of interest as he may prescribe; and each certificate so issued shall be payable at such time not exceeding one year from the date of its issue, and may be redeemable before maturity upon such terms and conditions, and the interest accruing thereon shall be payable at such time or times as the Secretary of the Treasury may prescribe. The sum of such certificates outstanding hereunder and under section six of said act approved April twenty-fourth, nineteen hundred and seventeen, shall not at any one time exceed in the aggregate $4,000,000,000.

SEC. 6. That in addition to the bonds authorized by section one of this act and the certificates of indebtedness authorized by section five of this act, the Secretary of the Treasury is authorized to borrow from time to time, on the credit of the United States, for the purposes of this act and to meet public expenditures authorized by law, such sum or sums as in his judgment may be necessary, and to issue therefor, at such price or prices and upon such terms and conditions as he may determine, war-saving certificates of the United States on which interest to maturity may be discounted in advance at such rate or rates, and computed in such manner as he may prescribe. Such war-saving certificates shall be in such form or forms and subject to such terms and conditions and may have such provisions for payment thereof before maturity, as the Secretary of the Treasury may prescribe. Each war-saving certificate so issued shall be payable at such time, not exceeding five years from the date of its issue, and may be redeemable before maturity, upon such terms and conditions as the Secretary of the Treasury may prescribe. The sum of such war-savings certificates outstanding shall not at any one time exceed in the aggregate $2,000,000,000. The amount of war-saving certificates sold to any one person at any one time shall not exceed $100, and it shall not be lawful for any one person at any one time to hold war-savings certificates to an aggregate amount exceeding $1,000. The Secretary of the Treasury may, under such regulations and upon such terms and conditions as he may prescribe, issue, or cause to be issued, stamps to evidence payments for or on account of such certificates.

SEC. 7. That none of the bonds authorized by section one, nor of the certificates authorized by section five, or by section six, of this act, shall bear the circulation privilege. All such bonds and certificates 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 bonds and certificates 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 section.

SEC. 8. That the Secretary of the Treasury, in his discretion, is hereby authorized to deposit, in such incorporated banks and trust companies as he may designate, the proceeds, or any part thereof, arising from the sale of the bonds and certificates of indebtedness and war-savings certificates authorized by this act, and such deposits shall bear such rate or rates of interest, and shall be secured in such manner, and shall be made upon and subject to such terms and conditions, as the Secretary of the Treasury may from time to time prescribe: *Provided,* That the provisions of section fifty-one hundred and ninety-one of the Revised Statutes, as amended by the Federal Reserve Act, and the amendments thereof, with reference to the reserves required to be kept by national banking associations and other member banks of the Federal Reserve System, shall not apply to deposits of public moneys by the United States in designated depositaries. The Secretary of the Treasury is hereby authorized to designate depositaries in foreign countries, with which shall be deposited all public money which it may be necessary or desirable to have on deposit in such countries to provide for current disbursements to the military and naval forces of the United States and to the diplomatic and consular and other representatives of the United States in and about such countries until six months after the termination of the war between the United States and the Imperial German Government, and to prescribe the terms and conditions of such deposits.

SEC. 9. That in connection with the operations of advertising, selling, and delivering any bonds, certificates of indebtedness, or war-savings certificates of the United States provided for in this act, the Postmaster General, under such regulations as he may prescribe, shall require, at the request of the Secretary of the

Treasury, the employees of the Post Office Department and of the Postal Service to perform such services as may be necessary, desirable, or practicable, without extra compensation.

SEC. 10. That in order to pay all necessary expenses, including rent, connected with any operations under this act, except under section twelve, a sum not exceeding one-fifth of one per centum of the amount of bonds and war-saving certificates and one tenth of one per centum of the amount of certificates of indebtedness herein authorized is hereby appropriated, or as much thereof as may be necessary, out of any money in the Treasury not otherwise appropriated, to be expended as the Secretary of the Treasury may direct: *Provided*, That in addition to the reports now required by law, the Secretary of the Treasury shall, on the first Monday in December, nineteen hundred and eighteen, and annually thereafter, transmit to the Congress a detailed statement of all expenditures under this act.

SEC. 11. That bonds shall not be issued under authority of sections one and four of said act approved April twenty-fourth, nineteen hundred and seventeen, in addition to the $2,000,000,000 thereof heretofore issued or offered for subscription, but bonds shall be issued from time to time upon the interchange of such bonds of different denominations and of coupon and registered bonds and upon the transfer of registered bonds, under such rules and regulations as the Secretary of the Treasury shall prescribe, and, if and to the extent that the privilege of conversion provided for in such bonds shall arise and shall be exercised, in accordance with such provision for such conversion. No bonds shall be issued under authority of the several sections of acts and of the resolution mentioned in said section four of the act approved April twenty-fourth, nineteen hundred and seventeen; but the proceeds of the bonds herein authorized may be used for purposes mentioned in said section four of the act of April twenty-fourth, nineteen hundred and seventeen, and as set forth in the acts therein enumerated.

That section two of an act of Congress approved February fourth, nineteen hundred and ten, entitled "An act prescribing certain provisions and conditions under which bonds and certificates of indebtedness of the United States may be issued, and for other purposes," is hereby amended to read as follows:

"SEC. 2. That any certificates of indebtedness hereafter issued shall be exempt from all taxes or duties of the United States (but, in the case of certificates issued after September first, nineteen hundred and seventeen, only if and to the extent provided in connection with the issue thereof), as well as from taxation in any form by or under State, municipal, or local authority; and that a sum not exceeding one-tenth of one per centum of the amount of any certificates of indebtedness issued is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expenses of preparing, advertising, and issuing the same."

SEC. 12. That the Secretary of the Treasury is authorized during the war, whenever it shall appear that the public interests require that any of the accounts of the Military Establishment be audited at any place other than the seat of government, to direct the Comptroller of the Treasury and the Auditor for the War Department to exercise, either in person or through assistants, the powers and perform the duties of their offices at any place or places away from the seat of government in the manner that is or may be required by law at the seat of government and in accordance with the provisions of this section.

(a) That when the Secretary of the Treasury shall exercise the authority herein referred to, the powers and duties of the said comptroller and auditor, under and pursuant to the provisions of the act of July thirty-first, eighteen hundred and ninety-four, and all other laws conferring jurisdiction upon those officers, shall be exercised and performed in the same manner as nearly as practicable and with the same effect away from the seat of government as they are now exercised and performed and have effect at the seat of government, and decisions authorized by law to be rendered by the comptroller at the request of disbursing officers may be rendered with the same effect by such assistants as may be authorized by him to perform that duty.

(b) That when pursuant to this section the said comptroller and auditor shall perform their duties at a place in a foreign country, the balances arising upon the settlement of accounts and claims of the Military Establishment shall be certified by the auditor to the Division of Bookkeeping and Warrants of the Treasury Department as now provided for the certification of balances by said auditor in Washington, and the balances so found due shall be final and conclusive upon all branches of the Government, except that any person whose account has been settled or the commanding officer of the Army abroad, or the comptroller may obtain a revision of such settlement by the comptroller upon application therefor within three months, the decision to be likewise final and conclusive and the differences arising upon such revision to be certified to and stated by the auditor as now provided by law: *Provided*, That certificates of balances due may be transmitted to and paid by the proper disbursing officer abroad instead of by warrant: *Provided further*, That any person whose account has been settled, or the Secretary of War, may obtain a reopening and review of any settlement made pursuant to this section upon application to the Comptroller of the Treasury in Washington within one year after the close of the war, and the action of the comptroller thereon shall be final and conclusive in the same manner as herein provided in the case of a balance found due by the auditor.

(c) That the comptroller and auditor shall preserve the accounts and the vouchers and papers connected therewith, and the files of their offices in the foreign country and transmit them to Washington within six months after the close of the war and at such earlier time as may be directed by the Secretary of the Treasury as to any or all accounts, vouchers, papers, and files.

(d) That the Secretary of the Treasury is authorized to appoint an assistant comptroller and an assistant auditor and to fix their compensation, and to designate from among the persons to be employed hereunder one or more to act in the absence or disability of such assistant comptroller and assistant auditor. He shall also prescribe the number and maximum compensation to be paid to agents, accountants, clerks, translators, interpreters, and other persons who may be employed in the work under this section by the comptroller and auditor. The assistant comptroller and assistant auditor shall have full power to perform in a foreign country all the duties with reference to the settlement there of the accounts of the Military Establishment that the comptroller and auditor now have at the seat of government and in foreign countries under the provisions of this section, and shall perform such duties in accordance with the instructions received from and rules and regulations made by the comptroller and auditor. Such persons as are residing in a foreign country when first employed hereunder shall not be required to take an oath of office or be required to bee mployed pursuant to the laws, rules, and regulations relating to the classified civil service, nor shall they be reimbursed for subsistence expenses at their post of duty or for expenses in traveling to or from the United States.

(e) That it shall be the duty of all contracting, purchasing, and disbursing officers to allow any representative of the comptroller or auditor to examine all books, records, and papers in any way connected with the receipt, disbursement, or disposal of public money, and to render such accounts and at such times as may be required by the comptroller. No administrative examination by the War Department shall be required of accounts rendered and settled abroad, and the time within which these accounts shall be rendered by disbursing officers shall be prescribed by the comptroller, who shall have power to waive any delinquency as to time or form in the rendition of these accounts. All contracts connected with accounts to be settled by the auditor abroad shall be filed in his office there.

(f) That any person appointed or employed under the provisions of this section who at the time is in the service of the United States shall, upon termination of his services hereunder, be restored to the position held by him at the time of such employment. No provision of existing law shall be construed to prevent the payment of money appropriated for the salary of any Government officer or employee at the seat of government who may be detailed to perform duty under this section outside the District of Columbia, and such details are hereby authorized.

(g) That for the payment of the expenses in carrying into effect this section, including traveling expenses, per diem of $4 in lieu of subsistence for officers and employees absent from Washington, rent, cablegrams and telegrams, printing, law books, books of reference, periodicals, stationery, office equipment and exchange thereof, supplies, and all other necessary expenses, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June thirtieth, nineteen hundred and eighteen, the sum of $300,000, of which not exceeding $25,000 may be expended at Washington for the purposes of this section, but no officer or employee shall receive for duty in Washington any compensation other than his regular salary.

(h) That the Secretary of the Treasury may designate not more than two persons employed hereunder to act as special disbursing agents of the appropriation herein, to serve under the direction of the comptroller, and their accounts shall be rendered to and settled by the accounting officers of the Treasury in Washington. All persons employed under this section shall perform such additional duties as the Secretary of the Treasury may direct.

(i) That the comptroller and the auditor, and such persons as may be authorized in writing by either of them, may administer oaths to American citizens in respect to any matter within the jurisdiction of either of said officers and certify the official character, when known of any foreign officer whose jurat or certificate may be necessary on any paper to be filed with them.

(j) That persons engaged in work abroad under the provisions of this section may purchase from Army stores for cash and at cost price for their own use such articles or stores as may be sold to officers and enlisted men.

(k) That the authority granted under this section shall terminate six months after the close of the war or at such earlier date as the Secretary of the Treasury may direct, and it shall be the duty of the comptroller and auditor to make such reports as the Secretary of the Treasury may require of the expenditures made and work done pursuant to this section, and such reports shall be transmitted to the Congress at such time as he may decide to be compatible with the public interest.

(l) No officers, employees, or agents appointed or employed under this section shall receive more salary or compensation than like officers, employees, or agents of the Government now receive.

Sec. 13. That for the purposes of this act the date of the termination of the war between the United States and the Imperial German Government shall be fixed by proclamation of the President of the United States.

Approved September 24, 1917.

Export License List.

The Exports Administrative Board issued on September 13 a list of articles for which licenses are required for shipments destined to countries other than the enemy or his allies or the neutral countries of Europe.

The Exports Administrative Board has determined that every article of commerce is included in the list of articles mentioned in the first division of the President's proclamation of August 27, and will therefore require licenses when shipped to Albania, Austria-Hungary, that portion of Belgium occupied by the military forces of Germany, Bulgaria, Denmark (her colonies, possessions or protectorates), Germany (her colonies, possessions, or protectorates), Greece, Leichtenstein, Luxemburg, the Kingdom of the Netherlands, Norway, Spain (her colonies, possessions, or protectorates), Sweden, Switzerland, or Turkey (excluding any portion of the foregoing occupied by the military forces of the United States or the nations associated with the United States in the war), or any territory occupied by the military forces of Germany or her allies.

For the further information of shippers the Exports Administrative Board has authorized the publication of the following list, comprising articles which have already been determined to be included under the general headings mentioned in the second division of the proclamation of August 27, dealing with shipments destined to all other countries not mentioned above. Additions may be made to this list if it is determined that other articles are properly included in these general headings.

ARTICLES REQUIRING LICENSES.

Export license is required at present for the following articles:

Acetone; acid phosphates; aeronautical instruments; aeronautical machines; alcohol; aloxite wheels; alloy steels; aluminum, and articles made entirely thereof; alundum grain; alundum wheels; ammonia and its salts; ammunition; iron and steel angles; anhydrous ammonia; antiaircraft instruments; antifriction metal; arms; ash wood; auto grease.

Babbitt metal; bacon; barium nitrate; barley; belting, leather; benzaldehyde; benzene; benzine; beams, iron and steel, structural, of all sizes; benzol, and its derivatives; billets, steel; binder twine (for repairing machine); birch wood; blooms, steel; bone, ground; boots and shoes of leather; boiler plugs; boiler plates; boilers, steam; boiler fittings; boiler tubes, iron, steel, and copper; bolt-heading machines; bone flour; bookbinder's tin stitching wire; boring tubes; bronze; bromide ammonium; bunkers; buckram; burlap; butter.

Cane knives; carbons, electric light; carborundum; casings, oil well; castor oil; cattle manure; cellulose; cereals (oatmeal, rolled oats); channels, iron and steel, structural, of all sizes; cheese; chlorate of potash; clothing, leather; coal; coconuts; cod-liver oil; coke; condensed milk; condensers; coin, silver and gold; copper and articles made entirely thereof; copper bars; copper ingots; copper plates; copper rods; copper scrap; copper sheets; copper sulphate; copper tubes; copper wire; cotton; cotton linters; copra; corn flour; corn oil; corrugated copper gaskets; corrundum wheels and stones; cottonseed meal; cottonseed oil; crisco; crucibles; cyanamide; cyanides.

Diamonds, industrial; binitrophenol; diphenylamine; dried blood; dry paste flour; drilling implements and machinery with accessories for oil wells; drill press; dextrine.

ELECTRICAL EQUIPMENT.

Electrical equipment; electric generators; emery, emery cloth; emery wheels; engines; ether; exhaust pipes; explosives.

Fan belts (if leather); ferrochrome; ferrocyanide potash; ferromanganese; ferrosilicon; fertilizers, including cattle and sheep manure, nitrate of soda, poudretts, potato manure, potassium salts, land plaster, potash, cyanamide, phosphoric acid, phosphate rock, superphosphate, chlorate of potash, bone meal, bone flour, ground bone, dried blood, ammonia and ammonia salts, acid phosphates; guano, humus, hardwood ashes, soot, anhydrous ammonia; films, moving picture and scrap; fire box, boiler; fish; flake graphite; flax; food grains; fodder and feeds; fuel oil.

Gasoline; gauges for steam boilers; glass reflectors; glycerine; glucose; graphite; grease of animal or vegetable origin; grinders, power-driven; grindstones, power-driven ground bone; guano.

Hand-lantern oil; hardwood ashes; harness; hemp; hides; high-speed steel; humus; hulls, fodder; hydroquinone.

IRON PRODUCTS.

Iron channels; iron beams; iron angles; iron tees; iron zees; iron, fabricated, structural, including beams, channels, angles, tees, zees, and plates, fabricated and shipped knocked down; iron shapes, including beams, channels, angles, tees, and zees of all sizes; iron plates, including ship boiler, tank, and all other iron plates one-eighth of an inch thick and heavier and wider than 6 inches and circles over 6 inches in diameter.

Jute.

Khaki clippings; keros ; knife-grinding machinery, power-driven.

Land plaster; lard; lathes; lead; leather; leather, sole; leather, upper; lenses, optical; linseed oil; linseed grain; lubricants; logwood extract.

Machines, aeronautical, and instruments, their parts and accessories thereof; engines, except locomotives, condensers, metal working, woodworking, oil well drilling, pumps, turbines; machetes; machine tools; magnifiers, optical; mahogany wood; malt; manila rope; manure, cattle; manure, sheep; meat juice; meats and fats, including poultry, cottonseed oil, corn oil, copra, desiccated coconuts, butter, fresh, dried, and canned fish, edible or in, edible grease of animal or vegetable origin, linseed oil-lard, tinned milk, peanut oil and butter, rapeseed oil, tallow, tallow candles, and stearic acid, pig tails; mercury and its salts; metals, babbitt; antifriction; metal working machinery; milk, tinned and powdered, not fresh; mineral oil; mirror iron; molasses; motors, steam, gas, and electric; microscopes.

NAPHTHA.

Naphtha; naphthaline balls, neat's-foot oil, news paper, nickel, nitrate silver, nitric acid and its salts, nitrate of potash, nitrate of soda.

Oak wood; oakum; oatmeal; oil cake; oil meal cake; oil well casing implements and machinery; oil well drilling implements and machinery; optical glass; optical instruments; optical reflectors; oils, including fuel, lubricating, lantern, naphtha, benzine, red, kerosene, gasoline, rapeseed, cylinder, oleo.

Paper, news-print and book; paraffin; peanuts; peanut butter; peanut oil; petrolatum; phenol (carbolic acid) and its derivatives; phosphoric acid; phosphate rock; phosphorized 5 per cent tin; pigeons, carrier and other; pig iron; pilchards, canned; pillar press, power driven; planer, power driven; platinum; plumbago; potash; potash alum lumps; potash and its salts; potassium bromide crystals; potassium chlorate; potassium permanganate; potassium salts; potato manure; potential transformer; poultry; prawn; print paper; profilers; prussiate soda; propeller shaft; pumps, steam and electric driven; primers; potassium citrate; poudrette.

Quicksilver, quinine sulphate.

RADIO APPARATUS.

Radio apparatus, all; rapeseed oil; reflector, searchlight; rice; rice flour; rolled oats; rope, manila; rosin, rosin oil.

Saddles; sago flour; saltpeter; samp (Indian corn); sawmill machinery; scamimony resin; scrap iron; scrap steel; searchlights; sensitized potash; sheep manure; shoes, leather; sirup; silver nitrates; skins; slabs and sheet bars, steel; soap; soap powder; pearline; sodium; sodium bisulphate; sodium phosphate; sodium sulphide, solder; soot; specular iron; spelter; spiegel; spiegeleisen; spruce wood; steam boilers; stearic acid, stearic acid candles, stearline candles; steel angles; steel beams, structural; steel structural channels; steel, fabricated structural; steel hardening materials; steel ingots; steel plates; steel shapes, structural; steel tees; steel zees; sugar; sulphate copper; sulphate of soda; sulphur; sulphate of alumina; sulphuret of antimony; sulphuric acid and its salts; superphosphate; superheaters; sulphite.

Tachometer; tallow; tallow candles; tamales; taps and dies, if for machine use; tees, steel; telephone apparatus; tin; tin, all articles containing; tin cans, except when used as containers; tinfoil; tin plate; toluol and its derivatives; tools, machine; tools, steel; tungsten; turbines, turpentine; turpentine, crude; turret holders; twine; binder; type, printing.

Vaseline vitriol, blue.

Walnut wood; welting; white enamel book paper; white lead; wireless apparatus; wood, ash, spruce, walnut, mahogany, oak, and birch; wood pulp; woodworking machinery, power driven; wool; wool clippings; wool products; wool rags.

X-ray apparatus.

Zees, steel.

Movement of Earning Assets During 1917.

Principal changes in the volume of the several classes of earning assets held by all Federal Reserve Banks at the end of each week during the present year are indicated in the attached exhibit and diagram. During January the banks pursued a general policy of liquidation, as indicated by a decline of over 40 millions in the amounts of bills on hand between January 5 and February 2. Temporary resumption of investment operations, chiefly of open-market purchases, is shown for the following two weeks, followed by further liquidation of bills on hand and strengthening of the banks' reserves during the remainder of February and the following month.

On the last of March the Federal Reserve Banks took over the first issue of United States certificates of indebtedness, a total of 50 millions, and later during the week 10.9 millions of United States 2 per cent bonds formerly owned by national banks, meanwhile continuing liquidation of bills on hand. The last week in April marks the beginning of financial operations immediately connected with the war, the reserve banks increasing during the following weeks their holdings of acceptances as well as Government securities. Largely increased investment activities, including the discounting of member banks' collateral notes in connection with the Liberty Loan, are shown for the month of June, the total investments of the banks increasing from 294.7 millions on June 1 to 552.6 millions on June 22, while bills on hand increased during the same period from 167 to 435.3 millions. Almost immediate liquidation of the obligations incurred by members with their Federal Reserve Banks appears to have set in as soon as the Liberty Loan was floated, the last week in July, and even more so the first week in August, witnessing considerable reductions in total earning assets, particularly collateral notes, short-term discounts, and United States certificates of indebtedness, the first issue of the latter falling due on the last day of June. During July and August the aggregate of investments varied within comparatively narrow limits, open-market purchases showing the largest declines, total investments continuing, however, double in volume as compared with the early part of the year.

During September the banks increased their holdings of bills, mainly of member banks' collateral notes and acceptances, their total investments on September 21, 440 millions, being higher than at any time except the three weeks immediately preceding and following the flotation of the first Liberty Loan.

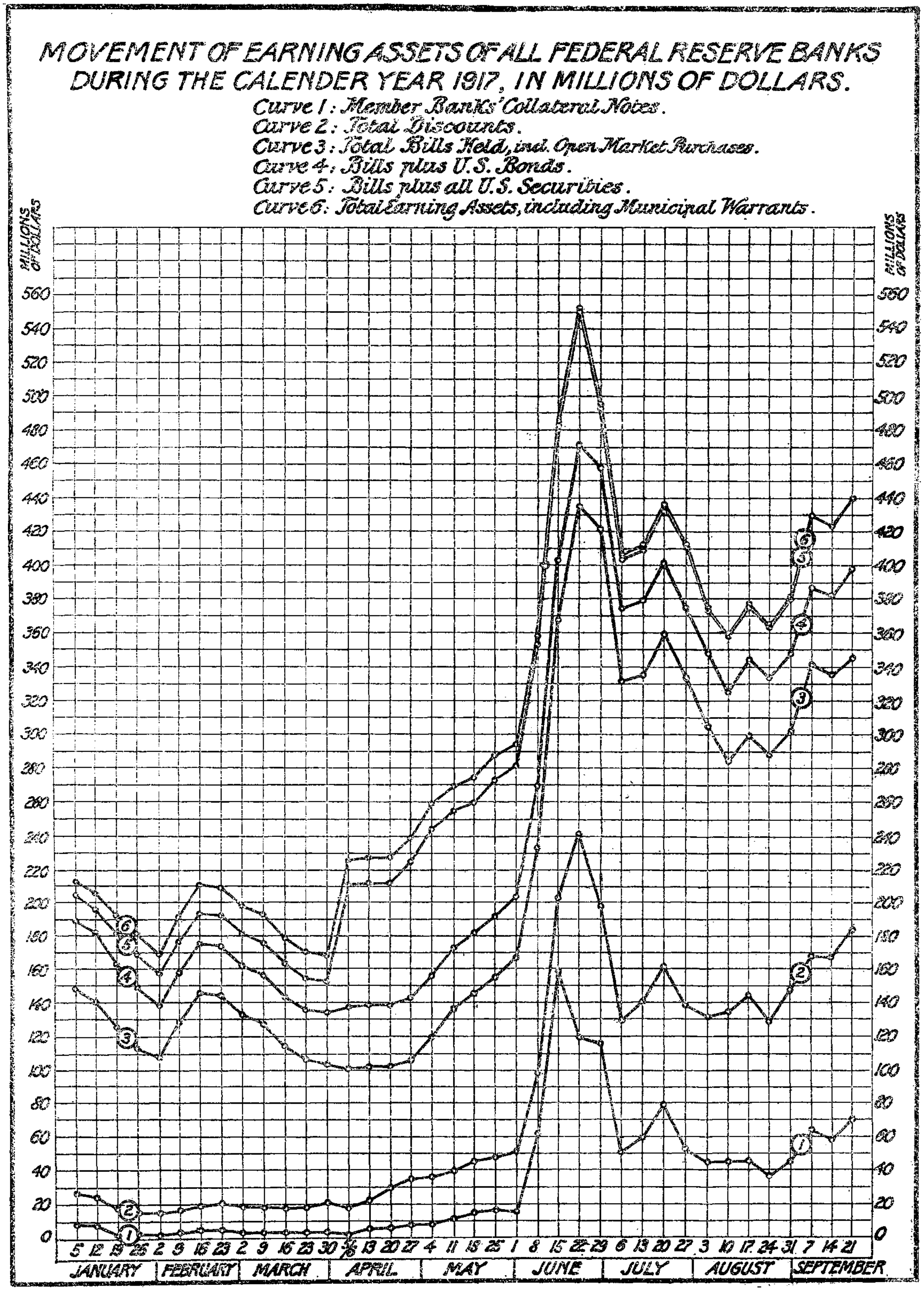
12655—17——5

Changes in earning assets of all Federal Reserve Banks during the calendar year 1917.

[In millions of dollars.]

	1	2	3=1+2	4	5=3+4	6	7=5+6	8	9=7+8	10	11=9+10
	Member banks' collateral notes.	All other discounts.	Total discounts.	Bills bought in open market.	Total bills held.	United States bonds.		United States Government short-term securities.		Municipal warrants.	Total earning assets.
Jan. 5	8.2	18.0	26.2	121.8	148.0	41.1	189.1	14.9	204.0	8.7	212.7
12	7.9	16.4	24.3	116.0	140.3	41.1	181.4	14.9	196.3	9.9	206.2
18–19	2.0	15.2	17.2	108.4	125.6	37.9	163.5	18.3	181.8	10.6	192.4
26	2.7	13.0	15.7	97.7	113.4	36.1	149.5	19.7	169.2	12.2	181.4
Feb. 2	2.0	12.7	14.7	93.1	107.8	30.6	138.4	18.6	157.0	12.7	169.7
9	3.5	12.7	16.2	112.1	128.3	29.5	157.8	18.6	176.4	14.8	191.2
16	4.7	14.8	19.5	126.1	145.6	29.5	175.1	18.6	193.7	16.7	210.4
23	4.6	15.7	20.3	123.9	144.2	29.5	173.7	18.6	192.3	17.1	209.4
Mar. 2	3.6	15.2	18.8	114.1	132.9	28.6	161.5	19.5	181.0	16.8	197.8
9	4.0	14.5	18.5	108.9	127.4	29.1	156.5	19.5	176.0	16.9	192.9
16	3.2	14.0	17.2	97.0	114.2	29.2	143.4	19.4	162.8	16.0	178.8
23	3.4	15.1	18.5	87.8	106.3	29.3	135.6	18.8	154.4	15.8	170.1
30	3.4	16.7	20.1	84.5	104.6	29.3	133.9	18.4	152.3	15.7	168.0
Apr. 5–6	2.5	15.4	17.9	82.7	100.6	36.6	137.2	73.0	210.2	15.2	225.5
13	5.5	16.5	22.0	80.6	102.6	36.2	138.8	73.4	212.2	15.2	227.4
20	6.0	23.7	29.7	72.9	102.6	36.2	138.8	73.4	212.2	15.2	227.4
27	7.9	27.1	35.0	71.4	106.4	36.2	142.6	81.6	224.2	15.0	239.3
May 4	7.8	28.1	35.9	83.9	119.8	36.2	156.0	88.0	244.0	14.8	258.8
11	11.2	28.3	39.5	97.2	136.7	36.2	172.9	81.5	254.4	14.7	269.1
18	14.5	30.3	44.8	100.2	145.0	36.4	181.4	78.0	259.4	14.6	274.0
25	16.3	31.3	47.6	107.4	155.0	36.5	191.5	81.1	272.6	14.7	287.3
June 1	15.2	35.7	50.9	116.1	167.0	36.4	203.4	77.5	280.9	13.9	294.7
8	61.9	36.1	98.0	135.3	233.3	36.4	269.7	83.3	353.0	5.5	358.5
15	158.4	44.4	202.8	164.5	367.3	36.4	403.7	77.7	481.4	2.5	483.9
22	119.8	121.2	241.0	194.3	435.3	36.4	471.7	78.5	550.2	2.4	552.6
29	116.0	81.2	197.2	[1] 224.1	421.3	36.4	457.7	34.3	492.0	2.4	494.4
July 6	50.4	79.5	129.9	201.6	331.5	42.9	374.4	28.7	403.1	2.4	405.5
13	59.6	80.6	140.2	194.9	335.1	44.0	379.1	30.4	409.5	2.4	411.9
20	78.8	82.6	161.4	197.7	359.1	42.3	401.4	33.0	434.4	2.2	436.6
27	52.4	86.1	138.5	195.1	333.6	41.1	374.7	35.8	410.5	1.5	412.0
Aug. 3	44.0	86.9	130.9	174.2	305.1	42.4	347.5	25.5	373.0	1.3	374.3
10	44.1	90.1	134.2	149.8	284.0	41.3	325.3	32.6	357.9	1.3	359.2
17	44.7	99.2	143.9	155.3	299.2	45.1	344.3	30.6	374.9	1.2	376.1
24	36.5	91.9	128.4	159.6	288.0	45.2	333.2	30.5	363.7	1.2	364.9
31	44.6	102.7	147.3	154.6	301.9	45.4	347.3	32.5	379.8	1.2	381.0
Sept. 7	64.1	104.1	168.2	173.2	341.4	45.4	386.8	42.4	429.2	.2	429.4
14	58.2	109.1	167.3	168.4	335.7	45.4	381.1	42.4	423.5	.2	423.7
21	70.2	113.6	183.8	161.0	344.8	53.9	398.7	41.1	439.8	.2	440.0

[1] Including $21,850,000 loaned on gold coin and bullion.


MOVEMENT OF EARNING ASSETS OF ALL FEDERAL RESERVE BANKS DURING THE CALENDER YEAR 1917, IN MILLIONS OF DOLLARS.
Curve 1: Member Banks' Collateral Notes.
Curve 2: Total Discounts.
Curve 3: Total Bills Held, incl. Open Market Purchases.
Curve 4: Bills plus U.S. Bonds.
Curve 5: Bills plus all U.S. Securities.
Curve 6: Total Earning Assets, including Municipal Warrants.
MILLIONS OF DOLLARS
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER

GOLD SETTLEMENT FUND.

During the four weeks ending September 20 net transfers through the gold settlement fund to New York from other Federal Reserve Banks aggregated $175,401,000, while the net debits of the New York bank in the weekly settlements for the same period amounted to $134,191,000. The net result of these transactions indicates a net movement of funds to New York of $41,210,000. The settlement of September 13, the largest during the period under consideration, amounted to $593,495,000 and resulted in a net debit to the New York bank of $63,660,000. This settlement followed a week of large transfers of funds for Government account to New York by other Federal Reserve Banks.

Aggregate amounts reported by all Federal Reserve Banks for the four settlements from August 23 to September 20 were $1,968,816,000, or a weekly average of $492,204,000, as compared with an average of $519,241,000 for the five weeks immediately preceding. The total balances in the fund, including amounts standing to the credit of Federal Reserve Agents, show an increase of $18,927,210 and on September 20 stood at $610,021,560. Changes in ownership of gold in the fund amounted to 2.86 per cent of the obligations settled.

Deposits for the credit of member banks in the 5 per cent fund of the Treasurer of the United States may now be made in even thousands through the gold settlement fund.

Below are given figures showing changes in the fund from August 23 to September 20, inclusive:

Amount of clearings and transfers, Federal Reserve Banks, from Aug. 30 to Sept. 20, 1917, inclusive.

[000 omitted.]

	Total clearings.	Balances adjusted.	Transfers.
Settlement of—			
Aug. 30, 1917	$411,398	$31,627	$28,961
Sept. 6, 1917	446,401	57,635	67,900
Sept. 13, 1917	593,495	75,699	133,000
Sept. 20, 1917	517,522	21,618	59,260
Total	1,968,816	186,579	289,121
Previously reported for 1917	12,603,618	1,132,515	1,278,944.5
Total since Jan. 1, 1917	14,572,434	1,319,094	1,568,065.5
Total transfers Jan. 1, 1917, to date	1,568,065.5		
Total for 1916, including transfers	5,633,966		
Total for 1915, including transfers	1,052,649		
Total clearings and transfers, May 20, 1915, to Sept. 20, 1917	22,827,114.5		

Changes in ownership of gold.

[000 omitted.]

Federal Reserve Bank of—	Total to Aug. 23, 1917.		From Aug. 23 to Sept. 20, 1917, inclusive.[1]				Total changes from May 20, 1915, to Sept. 20, 1917.[2]	
	Decrease.	Increase.	Balance to credit Aug. 23, 1917, plus net deposits of gold since that date.	Balance, Sept. 20, 1917.	Decrease.	Increase.	Decrease.	Increase.
Boston		$43,381	$21,553	$15,180	$6,373			$37,008
New York	$456,638		97,340	138,550		$41,210	$415,428	
Philadelphia		75,595	52,103	27,376	24,727			50,868
Cleveland		80,874	50,882.6	40,558.6	10,324			70,550
Richmond		25,180	32,933.1	23,879.1	9,054			16,126
Atlanta		20,894	[3] 2,655.75	[3] 2,161.75		494		21,388
Chicago		26,632	34,573.06	54,952.06		20,379		47,011
St. Louis		12,682	23,678	19,850	3,828			8,854
Minneapolis		9,274	8,871	9,461		590		9,864
Kansas City		50,020.5	34,088.55	32,730.55	1,358			48,662.5
Dallas		25,224.5	3,556	7,560		2,004		27,228.5
San Francisco		86,881	25,325	14,312	9,013			77,868
Total	456,638	456,638	382,247.56	382,247.56	64,677	64,677	415,428	415,428

[1] Changes in ownership of gold during period Aug. 23 to Sept. 20, 1917, equal 2.86 per cent of obligations settled.
[2] Total changes in ownership of gold since May 20, 1915, equal 1.82 per cent of obligations settled.
[3] Overdraft.

Gold-settlement fund—Summary of transactions from Aug. 23 to Sept. 20, 1917, inclusive.

[000 omitted.]

Federal Reserve Bank of—	Balance last statement, Aug. 23, 1917.	Gold.		Transfers.		Weekly settlements from Aug. 23 to Sept. 20, 1917.				Sept. 20, 1917, balance in fund after close of business.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$17,553	$5,000	$9,000	$17,000	$3,500	$2,705	$157,192	$164,319	$9,832	$15,180
New York	117,840	21,500	1,000	47,499	222,900	134,191	678,214	544,023		138,550
Philadelphia	26,867	2,150	27,386	38,131		11,025	234,807	248,211	24,429	27,376
Cleveland	54,346.6	5,750	2,286	58,500			127,030	175,206	48,176	40,558.6
Richmond	31,163.1	4,500	6,270	41,333	4,400		93,010	120,889	27,879	23,879.1
Atlanta	3,523	9,010	2,831.25		8,321	9,795	53,235	43,408	1,968	[1] 2,161.75
Chicago	47,666	26,730	13,637.06	48,158	20,000	3,489	246,871	295,408	52,026	54,952.06
St. Louis	25,678	2,000			2,000	7,544	121,601	115,773	1,716	19,850
Minneapolis	7,871	4,000	5,000	2,000		3,703	46,807	49,397	6,293	9,461
Kansas City	38,259.65	6,500	2,328.90	6,000		1,114	82,501	87,143	5,756	32,730.55
Dallas	7,135	3,579		4,500			37,074	45,578	8,504	7,560
San Francisco	21,251	10,196	14,270	26,000	28,000	13,013	90,474	77,461		14,312
Total	399,153.35	100,915	84,009.21	289,121	289,121	186,579	1,968,816	1,968,816	186,579	382,247.56

[1] Overdraft.

Federal Reserve Agent's fund—Summary of transactions from Aug. 23 to Sept. 20, 1917.

[000 omitted.]

Federal Reserve Agent at—	Balance last statement, Aug. 23, 1917.	Gold withdrawn.	Gold deposited.	Balance Sept. 20, 1917.	Federal Reserve Agent at—	Balance last statement, Aug. 23, 1917.	Gold withdrawn.	Gold deposited.	Balance Sept. 20, 1917.
Boston	$2,000			$2,000	Minneapolis	$4,250	$2,750	$4,000	$5,500
Philadelphia	25,579	$2,400	$2,000	25,179	Kansas City	11,060	300	6,500	17,260
Cleveland	20,000			20,000	Dallas	704	500	3,140	3,344
Richmond	7,500	500	4,500	11,500	San Francisco	26,990	10,920	5,196	21,266
Atlanta	15,040	2,000	9,010	22,050					
Chicago	67,058	2,473	21,730	86,315	Total	191,941	22,043	57,876	227,774
St. Louis	11,760	200	1,800	13,360					

Operations of the Federal Reserve clearing system, Aug. 16 to Sept. 15, 1917.

	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).	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
Boston	2,063	$11,065,822	32,577	$4,060,173	3,040	$5,701,954
New York	4,442	37,350,297	33,401	7,735,963	14,216	10,189,114
Philadelphia	11,978	11,265,653	16,758	2,722,070	7,752	8,879,484
Cleveland	1,227	3,337,572	15,800	7,749 735	1,007	2,199,495
Richmond	1,083	2,875,146	13,700	4,838,810	1,674	3,723,853
Atlanta	1,184	1,148,783	8,940	1,919,323	1,327	1,522,436
Chicago	6,306	15,856,000	14,278	3,372,000	1,275	579,000
St. Louis	1,663	5,167,644	9,402	1,875,497	200	2,038,723
Minneapolis	2,160	4,369,524	10,361	901,797	699	1,257,927
Kansas City	2,204	4,006,816	11,551	2,406,257	685	3,420,640
Dallas	992	1,685,494	9,240	1,408,626	384	950,870
San Francisco	1,004	2,202,943	6,183	2,333,370	305	184,672
Totals:						
Aug. 16 to Sept. 15, 1917	36,306	100,331,694	182,191	41,323,621	32,564	40,648,168
July 16 to Aug. 15, 1917	36,727	98,075,919	175,625	40,353,278	31,273	37,981,022
June16 to July 15, 1917	38,476	109,722,256	182,622	41,004,720	33,941	46,762,698
May 16 to June 15, 1917	37,898	97,322,883	179,193	38,599,461	33,150	38,314,393
Apr. 16 to May 15, 1917	33,767	87,370,859	171,093	36,473,163	33,428	36,836,934
Mar. 16 to Apr. 15, 1917	31,162	60,288,002	168,607	32,666,959	32,008	34,693,542

	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.		
Boston	37,680	$20,827,949	2,527	$1,167,346	395	249
New York	52,059	55,275,374	12,113	4,642,636	631	344
Philadelphia	36,488	22,867,207	1,330	1,085,421	632	251
Cleveland	18,034	13,286,802	696	106,280	753	555
Richmond	16,457	11,437,809	277	120,333	521	269
Atlanta	11,451	4,590,542	461	265,516	383	350
Chicago	21,859	19,807,000	2,285	669,000	1,059	1,961
St. Louis	11,265	9,081,864	2,705	573,861	473	1,003
Minneapolis	13,220	6,529,248	172	45,670	751	1,008
Kansas City	14,440	9,833,713	390	164,600	951	1,523
Dallas	10,616	4,044,990	31	17,137	631	220
San Francisco	7,492	4,720,985	505	2,148,715	538	1,201
Totals:						
Aug. 16 to Sept. 15, 1917	251,061	182,303,483	23,492	11,006,515	7,718	8,934
July 16 to Aug. 15, 1917	243,625	176,410,219	19,533	9,701,569	7,683	8,837
June 16 to July 15, 1917	255,039	197,489,674	19,100	11,637,899	7,666	8,805
May 16 to June 15, 1917	250,241	174,236,737	16,344	4,414,508	7,651	8,789
Apr. 16 to May 15, 1917	238,288	160,680,956	15,925	3,597,865	7,634	8,926
Mar. 16 to Apr. 15, 1917	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:

Checks Payable in Exchange.

(To an individual.)

The Board has instructed Federal Reserve Banks not to handle checks which are drawn payable in exchange at current rates or in any other way than an absolute and unconditional order to pay in money. While the Board has no power to prohibit a depositor of a bank from drawing a check payable in exchange, it feels that if recipients of these checks should decline to take them, depositors would draw a straight, unconditional check on a bank instead of signing a mere exchange order. If any individual or any bank sees fit to receive a check which is nothing more than an order for exchange, he does so with his eyes open and with the full knowledge that an exchange charge will be imposed.

It seems to the Board that the remedy for the evil of which you complain lies with the recipients of the checks and with the member banks. At any rate, the Board is not willing to authorize Federal Reserve Banks to handle checks not payable in cash.

SEPTEMBER 13, 1917.

Loans on Cattle.

(To an individual.)

Federal Reserve Banks do not make loans direct to individuals, but merely rediscount notes for member banks. If you desire to obtain loans to enable you to fatten young cattle, it is suggested that you make application to some bank in your vicinity. If your bank or the bank to which you apply is not already advised, it can ascertain the terms upon which cattle paper will be rediscounted for it by making application to the Federal Reserve Bank of Chicago.

Clayton Act.

(To a member bank.)

In reply to your letter of August 27, you are advised that if the Federal Reserve Board has once granted permission to a person to serve at the same time as a director of two or more institutions under the provisions of the Kern amendment to section 8 of the Clayton Act, that permission is continuing and good until revoked by the Federal Reserve Board.

In the case which you mention, therefore, it will not be necessary for Mr. ——— to file a new application each year.

Note Indorsements.

(To a Federal Reserve Bank.)

Receipt is acknowledged of your letter of August 31 in which you state that the question has arisen, "Whether an indorsement, which is sometimes in the nature of a guaranty, but is always in spirit a guaranty whether it is upon a separate instrument or written upon the back of the note, and from which the individual receives no funds or direct benefits, should be considered as coming under the prohibition of section 22 and require a resolution of the board of directors authorizing it, where the individual guaranteeing is a director of the bank and the bank a member of the Federal Reserve System."

In reply you are advised that while the Board fully appreciates the force of your suggestion that it would be undesirable to prohibit such indorsements, it feels that it must adhere to its established policy of not undertaking to express opinions on cases of this sort. For reasons already explained this course is necessary. A ruling of the Board would probably afford no protection to an individual indicted under this statute and it is, therefore, necessary for the Board to refrain from expressing opinions on concrete cases.

Your attention is directed to opinion of counsel published on page 694 of the September Bulletin which sets forth the position of the Board in this matter.

State Banks and the System.

(To a member bank.)

The Board has already received several communications asking if it would be possible to secure an amendment to permit State banks having a capital of less than $200,000 (the amount required of national banks in cities of over 100,000 population) to become members of the Federal Reserve System.

Members of the Board have discussed this matter among themselves and also with members of the banking and currency committees of the Senate and House of Representatives and have agreed that it would be inequitable to make this discrimination in favor of State banks which are now admitted to membership on the same terms as far as capitalization is concerned as national banks. Whether it would be wise to amend the national banking act so as to allow the organization of national banks in cities with a smaller capital stock than is at present required, is another question. The Board would suggest that this is a subject which might be discussed at the forthcoming convention of the American Bankers' Association.

LAW DEPARTMENT.

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

Renewal of 15-Day Notes of Member Banks.

A Federal Reserve Bank may properly renew the 15-day notes of its member banks if properly secured, provided that the Federal Reserve Bank does not obligate itself in advance to make any such renewal.

SEPTEMBER 13, 1917.

SIR: The accompanying letter raises the question of the right of a Federal Reserve Bank to renew the 15-day notes of its member banks. It appears from this letter that it is customary for a few banks in the writer's district at the maturity of a 15-day note to send in a new note for the same amount with different collateral and to use the proceeds of the discount of the new note in payment of the one maturing. In the opinion of this office it is within the power of a Federal Reserve Bank to permit this so long as the Federal Reserve Bank has the option to require payment in cash on the maturing note. In other words, no agreement should be entered into between the Federal Reserve Bank and the member bank at the time of the discount of the 15-day note for subsequent renewals since that, in effect, would extend the maturity of the 15-day note. If, however, the Federal Reserve Bank is under no such agreement and has the option to require payment in cash, it may at the maturity of a 15-day note discount another note for the same amount, secured by the same or substituted collateral, so long as the two transactions are independent of each other.

The question of how far this practice should be encouraged by Federal Reserve Banks is one of policy rather than law. It may be reasonably assumed that the Federal Reserve Banks will not permit its abuse.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. W. P. G. HARDING,

Governor Federal Reserve Board.

12655—17——6

Acceptance of Drafts with Documents Attached.

A provision of section 13 which authorizes any member bank to accept drafts based upon the domestic shipment of goods, provided shipping documents are "attached," should not be construed so as to require that the documents be physically fastened to the draft. It is sufficient if the accepting bank has possession of the documents at the time of acceptance.

SEPTEMBER 14, 1917.

SIR: The accompanying letter from a certain national bank has been referred to this office for an opinion on the questions raised. The case submitted is as follows:

Section 13 of the Federal Reserve Act provides in part that "any member bank may accept drafts * * * drawn upon it * * * which grow out of transactions involving the domestic shipment of goods, provided shipping documents conveying title are attached at the time of acceptance."

A depositor of this bank purchases from time to time cotton seed at various points in the South and at the time of purchase orders shipment to his mills in that section. He desires to finance these shipments by acceptances to be drawn on us under the above section of the Federal Reserve Act. On account of the location of the mills, it is not feasible to send the bills of lading to New York City and have them returned in time to obtain timely delivery of the goods.

Our client suggests that he will hand the bill of lading, on the day the draft is presented to us for acceptance, to our correspondent in the South, who would certify to us by letter or telegram that they are holding such bills of lading for our account.

This seems to comply with the spirit of the law, but we would like the ruling of the Federal Reserve Board before undertaking this business.

This involves an interpretation of that part of section 13 above quoted which provides that shipping documents conveying or securing title must be "attached" at the time of acceptance.

If the word "attached" as used in this statute is literally construed according to its ordinary interpretation, it would be necessary for such shipping documents to be fastened to the bill at the time of acceptance.

It is true that as a general rule language of a statute must be given its ordinary interpretation—that is to say, it must be presumed that Congress intended what such language would ordinarily convey. It has been held, however, that in construing a statute the courts are not limited to the literal meaning of the words but may consider the intent collected from the necessity or objects of the act. (Krome *v.* Halbert, 363 Ill., 172, 104 N. E., 1066.)

In other cases the same principle has been expressed as follows:

The intent of legislative acts is to be gathered from their entire context, as showing this general purpose, and particular words are to be taken in the sense in which, looking to the entire act, they appear to have been used, rather than according to their accepted lexicographic definition. (City of Houston *v.* Potter, 91 S. W. 389, 41 Tex. Civ. App. 381.)

Applying the principle laid down in these cases to the question under consideration, it seems clear that the intent of Congress in this case was to provide that the bank should have possession of the documents conveying or securing title at the time of acceptance of the bill.

In other words, it must have in its possession evidence of the security and must be placed in a position to proceed against such security if this becomes necessary. A delivery to the bank of shipping documents under a collateral agreement that they should be held as security for the acceptance would afford the same protection to the bank that would be afforded if the documents were fastened to the bill at the time of acceptance. It was clearly contemplated that the bank should have the right to hold the security for its protection after its acceptance had been discounted elsewhere. This being true, there seems to be no reason why the security should be physically attached or fastened to the bill in order to accomplish the purposes of the act and the word "attached" was no doubt used to convey the meaning that the bill when accepted should be actually secured at the time of acceptance. That is to say, that the holder of the bill was entitled to the shipping documents as a part of the transaction involved in the acceptance.

In this view it would seem to be entirely consistent with the purposes of the act and a sufficient compliance with its terms if the shipping documents are in the possession of the bank and the bank has a lien on the property represented by such documents at the time that the bill is accepted. If placed in the possession of the bank's agent and under the control of the bank such documents could clearly be considered as in the possession of the bank.

That part of section 13 immediately following the language above quoted would seem to support this construction. It will be observed that this section provides in part that—

Any member bank may accept drafts * * * drawn upon it * * * which grow out of transactions involving the domestic shipment of goods, providing shipping documents conveying or securing title are attached at the time of acceptance, or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples.

There would seem to be no greater reason for requiring shipping documents to be physically attached or fastened to the bill than there is for requiring other documents securing such bill to be attached or fastened.

Whether the Board should approve the practice under which a bank accepts bills secured by documents which are in the possession of another bank, presumably acting as agent for the accepting bank, is a question which involves a consideration of a matter of policy rather than of law. If approved, the Board might consider what evidence should be in the possession of the accepting bank of its title to the collateral security at the time that the bill is accepted.

Respectfully,

M. C. Elliott, *Counsel.*

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

An Act Authorizing National Banks Located in Georgia to Act as Trustee, Executor, Administrator, and Registrar of Stocks and Bonds.

On August 21, 1917, the governor of the State of Georgia approved a bill passed by the State legislature authorizing national banks located in Georgia to act as trustee, executor, administrator, and registrar of stocks and bonds. The bill reads as follows:

To be entitled an act to authorize national banks located in this State to act as trustee, executor, administrator, and registrar of stocks and bonds, when empowered so to do by the laws of the United States; to prescribe how the oath, when acting as executor or administrator, shall be taken, and for other purposes connected therewith.

SECTION 1. *Be it enacted by the General Assembly of the State of Georgia,* That it shall be lawful for any national bank located in this State, when empowered so to do by the laws of the United States, to act in this State by any and every method of appointment and in any capacity whatever as trustee and as executor, administrator, or registrar of stocks and bonds.

SEC. 2. *Be it further enacted,* That the oath prescribed by the laws of this State to be taken by executors and administrators may be taken when a national bank acts in such capacity, either by the president or a vice president, or a cashier, or some trust officer designated for that purpose by the national bank proposing to act. The oath as trustee, if required, may be taken in a similar manner.

SEC. 3. Nothing herein contained shall be considered to relieve a national bank from giving a bond, when such bond under the laws of this State is required to be given by an individual acting in any of the aforesaid capacities.

SEC. 4. *Be it further enacted,* That all laws and parts of laws in conflict herewith be, and the same are hereby, repealed.

Synopsis of State Laws Relating to Bank Reserves.

The analysis of the State laws relating to the amount and character of reserves required to be maintained by banks incorporated under the laws of the several States, which begins on page 768, has been prepared by the counsel's office of the Federal Reserve Board for the information of Federal Reserve Banks and member banks:

PROVISIONS OF STATE LAWS

[NOTE.—The figures in parentheses always refer to the authorities cited in the last column. The amounts expressed in

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
Alabama...	6	All banks, firms, persons and corporations doing banking business (1).	15 per cent of demand deposits (1).	2/5	Cash on hand (1).	3/5	Banks and bankers; provided said balances are payable on demand (1).
Arizona....	11-12	All banks, bankers, banking associations and trust companies (except savings banks) doing business in State (1).	15 per cent of aggregate deposits (1).	2/5	Lawful money of United States (1).	3/5	Other banks approved by Comptroller (1).
		Savings and loan corporations having no capital stock (2).	5 per cent of net profits to be set aside each dividend day (2).				
Arkansas...	8	Reserve agents (1).	20 per cent of aggregate deposits (1).	2/5	Cash (1).	3/5	Other banks or trust companies, in or out of State, approved by commissioner (1).
		All banks (1).	15 per cent of aggregate deposits (1).	A part (1).	Cash (1).	Remainder (1).	Any other bank, banks, or trust companies which have been approved by commissioner as Reserve Agents (1).
California...	12	All commercial banks and all trust companies doing commercial business which have principal place of business in cities of 100,000 or over (2), (9).	18 per cent of deposits (2).	1/2	One-third of total reserve in gold coin or bullion, United States gold certificates, or notes, and additional ⅙ in gold coin or bullion United States gold certificates or notes, or any other form of currency authorized by the laws of the United States (2).	1/2	Federal Reserve Bank (if member), or bank designated as depositary by superintendent of banks. Such depositaries may be banks or national banking associations located in the State, or banking corporations with capital and surplus of $1,000,000 or more located in New York City, Chicago, Boston, St. Louis, or Philadelphia. But no bank or national banking association shall be designated as a depositary unless it has a capital and surplus of the following amounts: $250,000 if in a city of 300,000 or over; $200,000 if in a city of 100,000 to 300,000; $150,000 if in a city of 50,000 to 100,000; $100,000 elsewhere in the State (2).
		All commercial banks and trust companies doing commercial business in cities of 50,000 to 100,000 and all reserve depositaries in the State and in cities or judicial townships of less than 50,000 (2), (9).	15 per cent of deposits (2).				
		All commercial banks and trust companies doing commercial business and located elsewhere in the State (2), (9).	12 per cent of deposits (2).				
		Savings banks and savings departments of banks (8).	5 per cent of aggregate deposits (8).	2½ per cent of deposits; but reserves on hand in any case not to exceed $400,000 (8).	½ in gold coin or bullion, United States gold certificates or notes, and ½ in gold coin or bullion, United States gold certificates or notes, or any other form of currency authorized by the laws of United States (8).		Reserve depositaries same as for commercial banks (see above) (8). Not more than 5 per cent of deposits shall be deposited in any one bank and not more than 15 per cent in all other banks; except with consent of superintendent of banks (8).

RELATING TO BANK RESERVES.

percentages are based on the amount of deposits; those expressed in fractions, on the total reserve.]

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
					(1) General Banking Act, sec. 19.
			Upon failure of any institution (except savings banks) to maintain required reserve, the bank comptroller may prohibit it from doing any further business and may declare it to be insolvent (1).		(1) Civil Code, 1913, par. 293. (2) Id., par. 2126.
	Invested as other funds of corporation (2).			The corporation may provide by its by-laws for the disposal of any excess in the reserve fund over $100,000 (2).	
			If two consecutive statements of reserve agent show deficiency in its reserve, commissioner shall notify bank to restore it, and if third consecutive statement does not show that it has been restored, the commissioner shall immediately revoke the right to act as reserve agent. National banks may substitute copies of statement required by the National Banking Act (1). While the reserve of any bank not a reserve agent is below the required amount, it must make no new loans or discounts (except sight drafts); and, after 30 days' notice, receiver may be appointed (2).	Any State or National bank doing business in the State may, after examination and approval by bank commissioner, become reserve agent. Reserve agent must furnish commissioner five statements each year (1).	(1) Acts 1913, No. 113, sec. 25. (2) Id., sec. 26.
		All State banks allowed to become members of Federal Reserve system and conform to all requirements thereof (5). And banks becoming members expressly permitted to maintain on deposit with Federal Reserve Bank such portion of its reserve as may be required by the Federal Reserve Act (2).	If any bank fails to maintain total reserves required the superintendent of banks may impose a penalty on it as follows: 6 per cent per annum upon any encroachment not exceeding 2 per cent of deposits; 8 per cent per annum upon additional encroachments in excess of 3 per cent and not exceeding 4 per cent of deposits; 12 per cent per annum upon any additional encroachments in excess of 4 per cent of deposits (2). While reserves are below the required amount no new loans or discounts (except of sight drafts), nor any dividends shall be made; and, after 30 days' notice from the bank superintendent, it may be deemed insolvent (2).	All banks must maintain separate reserves for each department, of the kind required for that department (3). Trust funds held by a bank or trust company can not be counted as part of reserve (4).	(1) Bank act, as amended, 1915, sec. 19. (2) Id., sec. 20. (3) Id., sec. 25. (4) Id., sec. 32. (5) Id., sec. 56. (6) Id., sec. 60. (7) Id., sec. 64. (8) Id., sec. 68. (9) Id., sec. 106.
2½ per cent (8).	Reserves on hand, bonds of the United States or gold coin or bullion, United States gold certificates or notes, or any other form of currency authorized by laws of United States, or deposits in reserve depositaries (8).		No new loans may be made during deficiency in total reserves (8).	"No savings bank or savings department shall receive deposits of other banks other than savings deposits, and such deposits shall not be treated or considered as part of the reserves on deposit of such depositing bank; provided, that the sum so deposited shall not exceed $10,000" (8).	

Provisions of State Laws Relating

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
California—Contd.	12	Mutual savings banks existing at time of enactment of statute (1).	10 per cent of any amount of deposits up to $2,000,000; 7½ per cent of any amount from $2,000,000 to $5,000,000; 5 per cent of any amount from $5,000,000 to $15,000,000; 2½ per cent of any amount from $15,000,000 to $40,000,000; 1 per cent of any amount over $40,000 (1).				
		Mutual savings banks created after enactment of the statute (6).	At least $1,000,000 (6).				
Colorado....	10	Reserve Banks (1).	25 per cent of deposits (1).	20 per cent of required reserve (1).	Cash (1).		National banks located in cities designated by Federal law as reserve cities, or banks or trust companies designated by the State bank commissioner. The State bank commissioner must designate as reserve banks such banks or trust companies in other States as he may deem necessary (1). But no bank shall carry on deposit with any other bank for more than 60 days in any year more than 20 per cent of its own deposits (2).
		Savings banks (1).	15 per cent of savings deposits and 20 per cent of other deposits (1).				
		All other banks (1)....	20 per cent of deposits (1).				
Connecticut.	1-2	State banks and trust companies (1).	12 per cent of demand deposits, 5 per cent of time deposits (1).	1/3	Gold and silver coin, demand obligations of United States, or national bank currency, or Federal Reserve notes and Federal Reserve Bank notes (1).	1/2	Federal Reserve Banks; or another bank being member of Clearing House Association of New York, Boston, Philadelphia, Chicago, Albany, or Buffalo; or a national banking association, State bank, or trust company located in New Haven, Hartford, Bridgeport, or Waterbury, and approved by bank commissioner (1).
Delaware...	3-4	All trust companies receiving deposits, all State banks, individuals, bankers, and firms of bankers doing business in cities of over 50,000 (1).	15 per cent of demand deposits (1).	1/3	Lawful money of United States, gold or silver certificates, or notes and bills issued by national banking associations (1).	2/3	Any bank or trust company in Delaware having capital of at least $50,000 and surplus of at least $50,000, or any bank or trust company, or individual banker or firm of bankers doing business in Philadelphia, New York City, or Baltimore, all of which must be approved by insurance commissioner (1).
		Similar institutions elsewhere in the State (1).	10 per cent of demand deposits (1).				
District of Columbia.	5						
Florida.....	6	All banking companies (1).	20 per cent of aggregate deposits (1).	2/5	Lawful money of United States (1).		Banks or bankers in other cities with which such company may keep its current account (2).

to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
			The deposits shall not be increased while the reserve requirements are not complied with (1).	The directors of any mutual savings bank must, before each dividend, carry at least $\frac{1}{16}$ of the net profits for the preceding 6 months to reserve fund; but such bank may provide by its by-laws for the disposal of any reserves above the required amounts (7). Losses may be paid from the reserve fund; but the fund must not be reduced below the required amount (17).	(1) Bank act, as amended, 1915, sec. 19. (2) Id., sec. 20. (3) Id., sec. 25. (4) Id., sec. 32. (5) Id., sec. 56. (6) Id., sec. 60. (7) Id., sec. 64. (8) Id., sec. 68. (9) Id., sec. 106.
			While reserve is impaired the bank may make no new loans or discounts (except of sight drafts against actually existing values), and it must be fully restored within 30 days' notice from bank commissioner (3).		(1) Session Laws 1913, chap. 44, sec. 25. (2) Id., sec. 36. (3) Id., sec. 26.
1/6	Bonds which are legal investments for savings banks of the State (1).	Statute expressly permits reserve to consist of balances in Federal Reserve Bank (1)	No new loans, discounts, or dividends may be made while reserve is below requirement; and if requirement not met after 30 days' notice, receiver may be appointed (1).	"Demand deposits" include all deposits payable within 30 days, and "time deposits" include all deposits payable after 30 days (1).	(1) Public acts 1917, chap. 10.
			While the reserve of any institution is below required amount, it must not make any new loans or discounts (except on sight drafts) or make any dividends; and if reserve is not restored after 30 days' notice from insurance commissioner, the institution will be deemed insolvent (1).		(1) Laws, chap. 162, Vol. XXV, sec. 1.
				There is no statutory requirement of reserves in the District of Columbia.	
	Balances; or bonds of the United States, Florida, or counties or cities of Florida approved by the Comptroller (2).		While the reserve is below the required amount the company must make no new loans or discounts (except of sight drafts) nor make any dividends; and, after 30 days' notice, a receiver may be appointed (1).		(1) Code, sec. 2710. (2) Code, sec. 2711.

Provisions of State Laws Relating

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
Georgia	6	All banks and corporations doing banking business (1).	25 per cent of demand deposits (1).		Cash in hand (1).		Banks and bankers (1).
Idaho	12	All State banks and trust companies (1).	15 per cent of aggregate deposits (1).	2/5	Actual cash (1).	3/5	Good solvent banks (1).
Illinois	7–8	Banks and trust companies in Chicago.	25 per cent.	1/2		1/2	Approved Reserve Agents.
		Banks and trust companies outside Chicago.	15 per cent or 20 per cent, depending on size of town.	2/5		3/5	Approved Reserve Agents.
Indiana	7–8	All banks of discount and deposit, savings banks, loan and trust and safe deposit companies, and private banks receiving commercial deposits payable upon demand and subject to check (1).	12½ per cent of aggregate commercial deposits payable on demand and subject to check (1).		"On hand or in bank, in cash or currency" (1).		
Iowa	7	All State banks in cities and towns of less than 3,000 (1).	10 per cent of total deposits (1).				
		All State banks in cities and towns of 3,000 or more (1).	15 per cent of total deposits (1).				
		Savings banks doing commercial business and located in cities or towns of less than 3,000 (2).	15 per cent of sight and demand deposits and 8 per cent of savings deposits and time certificates having definite time of maturity (2).			17/20	Other State or National banks (1).
		Savings banks doing commercial business and located in cities and towns of 3,000 or more (2).	20 per cent of sight and demand deposits and 8 per cent of time deposits (2).				
		Savings banks doing exclusively savings bank business (2).	8 per cent of deposits (2).				
		Trust companies (3).	(See "Remarks.")				

to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
	Balances or stocks and bonds actually owned and held (1).	Banks expressly permitted to become members of Federal Reserve System and required to comply with Federal Reserve Act upon doing so (2).		There is no provision regulating the proportions of the various kinds of reserve.	(1) Code 1910, sec. 2276. (2) Acts 1915, No. 143, page 33.
		All State banks expressly permitted to become members of Federal Reserve System, and to comply with Federal Reserve Act, all State laws notwithstanding (3).	While reserve is below required amount no new loans or discounts (except of sight drafts) shall be made; and, after 30 days' notice from bank commissioner, the charter may be forfeited (2).	Cash items are not considered part of reserve (1).	(1) Banking laws, as amended 1915, sec. 39. (2) Id., sec. 40. (3) Id., sec. 41a.
				No reserve required by statute, but auditor requires reserves indicated, as matter of practice.	
				Banking is under supervision of auditor. Savings banks are also permitted to "keep in reserve not exceeding 20 per cent of the total amount of deposits without investment, or deposit the same on call with or without interest in any bank in any adjoining State organized under the laws of this State, or in any bank of such State, or in any national bank in the United States, provided that no such deposit shall be made outside the State of Indiana, excepting in national banks as aforesaid, without the approval of the auditor of the State of Indiana" (2).	(1) Acts 1917, chap. 78. (2) Id., chap. 71.
		All State banks, savings banks, and trust companies are empowered to become members of Federal Reserve Banks (4).		By a later enactment, all the provisions of the section regulating reserves of savings banks are made applicable to trust companies (2).	(1) Code 1897, sec. 1867 (as amended 1917). (2) Supp. code 1915 (as amended 1917), sec. 1860. (3) 1913 Supp., sec. 1889m. (4) 1915 Supp., sec. 1889-o.

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Provisions of State Laws Relating

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
Kansas.....	10	Banks in cities of less than 50,000 in which the credits due other banks are less than 20 per cent of its deposits (1).	12 per cent of demand deposits and 5 per cent of time deposits (1).	$\frac{4}{12}$, except that, upon approval of bank commissioner, banks in cities of less than 1,000 shall not be required to keep in vault more than $\frac{3}{12}$ (1).		8/12	Solvent banks none of the stockholders of which are stockholders in the depositing bank, except when approved by State bank commissioner (1).
		Banks in cities of less than 50,000 in which credits due other banks are not less than 20 per cent of its deposits, and banks in cities of 50,000 or over (1).	15 per cent of demand deposits and 5 per cent of time deposits (1).	5/15		10/15 (1)	
		Trust companies receiving deposits (4).	25 per cent of deposits subject to check and 10 per cent of time deposits (4).		(See "Remainder.")		(See "Remainder.")
Kentucky..	4, 8	Banks and trust companies in cities which are reserve or central reserve cities under Federal Reserve Act (1).	15 per cent of demand deposits and 5 per cent of time deposits (1).	1/3	"Money" (1).	2/3	"Other banks" (1).
		All other banks and trust companies incorporated under laws of Kentucky (1).	12 per cent of demand deposits and 5 per cent of time deposits (1).				

to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
			No bank shall make new loans or pay dividends unless the required reserve is maintained (1). Any bank the reserves of which are below the required amount which shall violate any regulation of the bank commissioner as to such reserve, and shall fail to restore its reserves after 30 days' notice, shall be deemed insolvent (3).	The reserves carried by banks in other banks may be checked against, under regulations of the bank commissioner, for the purpose of meeting liabilities (1). The bank commissioner may suspend any of the reserve requirements for a period not to exceed 30 days and may renew such suspension for periods not to exceed 15 days (2). There are also very detailed provisions for a guaranty fund to the benefits of which any bank filling certain requirements and making certain contributions may become entitled (5).	(1) Bank law, sec. 12; Gen. Stat. 1915, sec. 525. (2) Bank law, sec. 12; Gen. Stat. 1915, sec. 528. (3) Bank law, sec. 12; Gen. Stat. 1915, sec. 529. (4) Trust company law, sec. 3; Gen. Stat. 1915, sec. 2389. (5) Gen. Stat. 1915, chap. 11, art. 2.
	Reserves are to be kept in same manner and subject to same rules as State banks, except United States bonds and demand loans secured by United States, State, County, or municipal bonds to cash value of such loan shall be accepted as part of legal reserves of trust companies in lieu of deposits in banks (4).				
		State banks and trust companies are permitted to become members of Federal Reserve Bank.	While reserve is below required amount, no new loans or discounts (except of sight drafts) shall be made; and, after 30 days' notice, receiver may be appointed (2).	"Demand deposits" include all deposits payable within 30 days, and "time deposits" include all deposits payable after 30 days and all savings accounts and certificates of deposit which are subject to not less than 30 days' notice before payment (1).	(1) Ky. Stat., Sec. 589. (2) Id., Sec. 585.

Provisions of State Laws Relating

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
Louisiana	6, 11	All banking associations carrying on the business of a bank of discount, deposit, and exchange and circulation (1).	20 per cent of demand deposits (1).	6 per cent of demand deposits (1).	Cash (1).		Cash balances in other solvent banks (1). (See also "Remarks.")
		Corporations conducting savings, safe deposit, or trust banking business (3).	20 per cent of demand deposits (3).	6 per cent of demand deposits (3).	Cash (3).		Other banks (3). (See also "Remainder.")
Maine	1	Trust and banking companies having authority to receive deposits (1).	15 per cent of demand deposits (1).		Lawful money or national-bank notes of United States (1), (but see Federal Reserve Act).	2/3	Any national bank or any trust company created under laws of Maine or any trust company located in New England States or New York and approved by bank examiner (1), (but see Federal Reserve Act).
		Savings banks (2).	½ of 1 per cent of average amount of deposits every 6 months until reserve fund amounts to 10 per cent (2).	5 per cent (2).			

to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
	Bills of exchange or discounted paper maturing within not more than one year, or bonds of the United States, Louisiana, or of the several levee districts, parishes, school districts, drainage districts, road districts, or municipal corporations of Louisiana upon which there has been no default in the payment of interest during the preceding five years, or since the bonds were issued if they have not been outstanding five years (1) (2). (See also "Remarks.")	All State banks, savings banks, and trust companies are expressly permitted to become members of the Federal Reserve bank of their district (5); and thereupon they become subject to the regulations of such Federal Reserve bank, but shall not be deprived of any of their rights and privileges under the State banking laws (6). This provision does not repeal any provisions of the State banking laws (7).	If the amount of lawful money on the premises, cash deposits in other banks, or short paper falls below the required amount and remains so for 10 days, it is the duty of the president of the bank to notify the bank examiner of the shortage, and it is unlawful for the bank to discount any new paper until the proper reserve is reestablished. By failure to comply with this regulation a bank forfeits $10 for each day it is in default (4).	After providing for the reserve against demand deposits the act provides: "For the remainder of the aggregate amount of its deposits it shall keep on hand an amount equal thereto in lawful money of United States or cash balances in some other solvent bank, or bills of exchange or discounted paper maturing within not more than one year, or in such bonds as are described in sec. 3 of this act" (1). Savings deposits not subject to withdrawal "except upon notice" are not considered demand deposits (1) (3).	(1) Act 179 of 1902 (as amended by Act 184 of 1910), sec. 14. (2) Id., sec. 3. (3) Act 45 of 1902 (as amended by Act 149 of 1916), sec. 5. (4) Act 179 of 1902, sec. 15. (5) Act 305 of 1914, sec. 1. (6) Id., sec. 2. (7) Id., sec. 3.
	Lawful money of the United States, or cash due from other banks or bills of exchange or discounted paper maturing within not more than one year, or bonds, stocks, or securities of the United States, or of any of the United States, or of the municipalities or corporations, public or private, thereof, or of the levee boards of the State of Louisiana (3).	(See above.)			
1/3	Bonds of the United States, District of Columbia, and New England States, New York, Pennsylvania, Maryland, Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois, Missouri, Kansas, Nebraska, being the absolute property of the corporation. (1), (but see Federal Reserve Act).	Trust companies permitted to become members of Federal Reserve System, and thereupon become subject to the reserve requirements of the Federal Reserve Act instead of State reserve requirements (1).	Whenever the reserve falls below the required percentage, it must not be further diminished by new loans until the required reserve is restored (1).		(1) Rev. Stat., c. 48, sec. 80. (2) Rev. Stat., c. 48, sec. 28.
				Before declaring dividend ½ of 1 per cent of average amount of deposits for preceding 6 months must be "passed to the reserve fund" until the reserve fund amounts to 10 per cent of the deposits. The reserve fund must be kept constantly "to secure against losses and contingencies" until it amounts to 5 per cent of the deposits. All losses must be passed to the debit of the reserve fund (2).	

Provisions of State Laws Relating

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
Maryland...	5	All banks except savings banks without capital stock (1).	15 per cent of demand deposits (1).	5 per cent of demand deposits (1).	Cash (1).	10 per cent of demand deposits (1).	Such banks or trust companies of the State of Maryland or elsewhere, of good standing, as the board of directors may direct (1).
		All trust companies (1).	15 per cent of demand deposits (1).		(See "Balances.")	10 per cent of demand deposits (1).	Same as above, except part of this may be cash in hand (1).
Massachusetts.	1	All trust companies doing business in State (1).	15 per cent of demand deposits (1).	2/5; but this must always equal at least 5 per cent of the aggregate amount of time and demand deposits exclusive of savings deposits (2).	Lawful money of United States, gold or silver certificates, or notes and bills issued by any national banking association or Federal Reserve Bank (2).	3/5 (but see "Remarks").	Any trust company in Boston authorized to act as Reserve Agent, with consent of bank commissioner; or any national banking association doing business in Massachusetts, New York City, Philadelphia, Chicago, or Albany; or the Federal Reserve Bank of Boston (2) (3).
		Trust companies in Boston and less than 3 miles from Statehouse.	20 per cent of demand deposits (1).				
Michigan...	7, 9	Banks designated as State reserve depositaries and located in cities of less than 100,000 (2).	20 per cent of total deposits (1).	1/2	Lawful money (1).		
		Commercial banks (1).	15 per cent of total deposits (1).	1/2	Lawful money (1).	1/2	Any banks in cities approved by the commissioner as reserve cities (1).
		Savings banks (5).	15 per cent of total deposits (5).	1/3	Lawful money (5).		National or State banks in State reserve cities (5).
Minnesota..	9	State banks in reserve cities (2).	15 per cent of demand deposits and 5 per cent of time deposits (2).	1/4	Cash; including specie, legal tender, national bank notes, and Federal Reserve notes (2).	3/4	Solvent banks; but no bank having less than $25,000 surplus shall act as Reserve Agent, except with approval of superintendent of banks (2).
		State banks not in reserve cities (2).	12 per cent of demand deposits and 5 per cent of time deposits (2).				

to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
5 per cent of demand deposits (1).	Balances, or bonds, or public stock of United States or Maryland, or Baltimore, or bonds of any county or municipal corporation of Maryland, which shall be approved by the banking commissioner; but only securities deposited with State treasurer may be counted in this reserve (1).		When reserve is below required amount no new loans or discounts may be made (except of sight drafts); and, after 30 days' notice, a receiver may be appointed (2).	In estimating the amount of deposits of a trust company for the purpose of determining the amount of reserve, deposits made by city of Baltimore and secured by counter deposits of Baltimore city stock are not counted (1).	(1) Code, Art. XI, sec. 61. (2) Id., 62.
Not over 1/5	Bonds of United States or Massachusetts computed at fair market value, which are absolute property and in possession of corporation (2). (This may be substituted for part of required balances with reserve depositaries.)	Balances required to be carried in reserve depositaries are expressly permitted to be carried in the Federal Reserve Bank of Boston (2).	No new loans or investments may be made while reserve is below required amount; and if reserve is not restored after 60 days' notice from bank commissioner, receiver may be appointed, or if bank acting as Reserve Agent fails to meet reserve requirements after 10 days' notice from bank commissioner he may revoke authority to act as Reserve Agent (4).	The bank commissioner may authorize any trust company in Boston to act as Reserve Agent (3).	(1) Acts 1908, ch. 520, sec. 8. (2) Id., sec. 9 (as amended by Acts 1917, chap. 283). (3) Id., sec. 10. (4) Id., sec. 11.
		State banks are permitted to become members of Federal Reserve bank, and statute provides that reserve of bank doing so shall be fixed by Federal Reserve Act (4).	When the reserve of a commercial bank is below the required amount, it may make no new loans or discounts (except of sight drafts); and, after 30 days' notice, a receiver may be appointed (3); and a bank in a reserve city failing to comply with the reserve requirements may be denied the right to act as a legal depositary of reserve funds (2).	It is the duty of the bank commissioner to annually designate certain cities as reserve cities (2). When a bank combines commercial and savings business separate reserves must be kept for each (6). Trust companies are not permitted to do general banking business, and there is no provision for reserve.	(1) Comp. L. 1897, sec. 6113. (2) Pub. Acts 1913, No. 26, adding sec. 22a to General Banking Act. (3) Comp. L. 1897, sec. 6114. (4) Pub. Acts 1915, No. 25, p. 34. (5) Comp. L. 1897, sec. 6116, as amended by Pub. Acts 1913, No. 34. (6) Comp. L. 1897, sec. 6118.
2/3	Balances, or United States bonds (5).				
		State banks and trust companies expressly permitted to become members of Federal Reserve System (1).	While reserve is impaired no new loans or discounts (except of sight drafts) shall be made and no dividends declared (2).	The term "Reserve city" means cities designated as reserve cities by Federal authority (2).	(1) Session Laws, 1915, ch. 28, No. 243. (2) Id., ch. 362, No. 241.

Provisions of State Laws Relating

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
Mississippi.	6, 8	Banks doing business in cities or towns of less than 50,000 (1).	15 per cent of demand deposits and 7 per cent of time deposits (1).		Actual cash or balances (1).		Good solvent banks (1).
		Banks doing business in cities of over 50,000 (1).	25 per cent of demand deposits and 10 per cent of time deposits (1).				
Missouri....	8, 10	All banks in cities of 25,000 to 200,000 (3).	15 per cent of demand deposits (3).	6 per cent of demand deposits (3).	Any form of coin or currency authorized by law of United States, except that a bank or trust company in a city of over 200,000 shall not count Federal Reserve notes (3), (6).		Banks, trust companies, or National Banking Associations approved by bank commissioner (4), (8).
		All banks located elsewhere (3).	15 per cent of demand deposits (3).				
		Trust companies and banks members of Federal Reserve Bank in cities of over 200,000 (3).	(See Federal Reserve Act.) (2)	All except amount on deposit in Federal Reserve Bank (3), (7).			
		Banks and trust companies in cities of 200,000 or over (7) (13).	18 per cent of demand deposits (7).	7 per cent of demand deposits (7).			
		Trust companies in cities of from 25,000 to 200,000 (7).	15 per cent of demand deposits (7).	6 per cent of demand deposits (7).			
		Trust companies elsewhere in State (7).	15 per cent of demand deposits (7).				
Montana....	9, 12	Banks not reserve banks (1).	15 per cent of deposit liabilities (1).			Such part as board of directors may determine (1).	Banks approved by superintendent of banks as reserve banks. Any State or national bank in city of United States designated as reserve or central reserve city by Comptroller of Currency or Federal Reserve Board or in any city of first or second class in Montana may be designated as reserve bank (1).
		Reserve banks (1).	25 per cent of deposit liabilities.				
Nebraska...	10	Banks in cities of more than 25,000 (1).	20 per cent of aggregate deposits (1).	2/5	Cash (1).		No part of the reserve fund which is not required to be kept in cash in the vaults of the bank shall be kept in any depositary which, in the opinion of the State banking board, would not be a safe and proper custodian for such reserve fund (1).
		Banks elsewhere (1).	15 per cent of aggregate deposits (1).	1/3	Cash (1).		
		Savings banks (1).	5 per cent of aggregate deposits (1).				

to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
			If from an examination of, or any report by a bank, it appears that its cash reserve is below the requirements it is the duty of the board of examiners to require such bank to make good the deficiency within 30 days (2).	Reserve must be in "actual cash or balances due from good solvent banks;" and no certain proportion of each is required (1).	(1) General Banking Act, sec. 57. (2) Id., sec. 20.
		State banks and trust companies are expressly permitted to become members of Federal Reserve Banks and comply with and enjoy the privileges of the Federal Reserve Act (2),(12). Member banks expressly permitted to carry that part of their reserve required by Federal Reserve Act in Federal Reserve Bank (3), (7).	Upon relation of the bank commissioner the Attorney General may institute proceedings against any institution failing to comply with the banking laws (1). While any bank or trust company has less than required amount of reserve it shall make no new loans, discounts, or acceptances (5), (9).	All banks and trust companies having an office in a city of over 200,000 and being members of Federal Reserve Bank must carry excess of total reserve, over part deposited in Federal Reserve Bank as reserve on hand (3), (6), (7), (10). Savings banks must create guaranty fund by setting aside at least $\frac{1}{10}$ of net profits before each dividend until the amount equals the capital (11).	(1) Laws 1915, p. 102, Art. I, sec. 26. (2) Id., Art. II, sec. 66. (3) Id., Art. II, sec. 71. (4) Id., Art. II, sec. 72. (5) Id., Art. II, sec. 73. (6) Id., Art. II, sec. 116. (7) Id., Art. III, sec. 138. (8) Id., Art. III, sec. 139. (9) Id., Art. III, sec. 140. (10) Id., Art. III, sec. 171. (11) Rev. Stat. 1909, sec. 1157. (12) Laws 1915, p. 102, Art. III, sec. 127. (13) Laws 1917.
		Any bank becoming member of Federal Reserve System and complying with regulations of same shall be deemed to have complied with State regulations (1).	While reserve is below required amount no new loans or discounts (except of sight drafts) shall be made; and, after 30 days' notice, receiver may be appointed (1).		(1) Session Laws, 1917, chap. 136.
		Any State bank or trust company may become a member of the Federal Reserve System and shall have power to assume such liabilities and exercise such powers as granted by the Federal Reserve Act (2).		For the purpose of providing a guaranty fund for the protection of depositors, every State banking corporation is subject to assessments (3) of $\frac{1}{2}$ per cent of the average deposit for the preceding 6 months for the years 1911 to 1913 and thereafter $\frac{1}{10}$ per cent (4). New banks must contribute to the fund 4 per cent of their capital stock and are thereafter subject to such assessments as, added to the original deposit, will make the contribution to the fund 1 per cent of their average deposits (5). When the fund amounts to $1\frac{1}{2}$ per cent of the average deposits no new assessments will be made until it is depleted below 1 per cent, and if it falls below 1 per cent a special assessment may be made to restore it (6).	(1) Rev. Stat. 1913 (as amended 1915), sec. 301. (2) Session Laws, 1915, ch. 175, sec. 1. (3) Rev. Stat., 1913 (as amended 1915), sec. 323. (4) Id., sec. 324. (5) Id., sec. 325. (6) Id., sec. 326.

Provisions of State Laws Relating

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
Nevada....	12	All State banks (1).	15 per cent of entire deposits (1).	1/3	Actual cash (1).	2/3	Good solvent banks approved by bank examiner (1). But bank examiner may refuse to consider as part of its reserve balances due from any bank which shall fail to furnish him with information required to enable him to determine its solvency (1).
		Banks doing savings bank or trust company business but not general banking business (1).	10 per cent of deposits.	1/2	Actual cash (1).	1/2	
New Hampshire.	1	All State banks, trust companies and similar corporations doing general banking business (1), (3).	15 per cent of aggregate deposits in commercial department (1), (3).	1/3	Lawful money of United States (3). Trust companies may have gold or silver certificates, Federal Reserve notes or national bank notes (1). See Federal Reserve Act (2).	2/3	Other banks approved by bank commission (1), (3). See Federal Reserve Act (2).
New Jersey.	2-3	All banks (1).	15 per cent of immediate liabilities (1).	2/5	Cash on hand (1).	3/5	Good solvent banks or trust companies (1).
		All trust companies receiving demand deposits (2).	15 per cent of demand deposits (2).	1/5	Cash on hand (2).	4/5	Good solvent banks or trust companies (2).
New Mexico	10-11	All banks (1). (See "Remarks").	12 per cent of deposits (1).	40 per cent of required reserve (1).	Cash (1).	60 per cent of required reserve (1).	Federal Reserve Bank, any national bank or any State bank having capital stock of at least $25,000 which may be designated by State bank examiner as reserve bank (1). (See "Remarks.")

to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
			While reserve is below required amount no new loans or discounts (except of sight drafts) nor any dividends shall be made; and, after 60 days' notice, the bank may be deemed insolvent (1).		(1) Rev. Laws. vol. 1, sec. 629.
		Trust companies permitted to become members of Federal Reserve System, and thereupon become subject to the reserve requirements of the Federal Reserve Act instead of the State reserve requirements (2).	No new loan or investment permitted when reserve requirements not met (1), (3).	Every State bank, trust company, or similar corporation doing a general banking business, must set aside annually at least 10 per cent of its net earnings as a guaranty fund until such fund amounts to 25 per cent of its capital stock (4). Every savings bank must annually pass to its guaranty fund 10 per cent of its net earnings until such fund amounts to 5 per cent of its deposits (5).	(1) Session Laws, 1915, ch. 109, sec. 27. (2) Id., sec. 28. (3) Laws, 1911, chap. 120, sec. 4. (4) Session Laws, 1911, ch. 120, sec. 5. (5) Session Laws, 1901, ch. 114, sec. 16.
		All trust companies and State banks permitted to become members of Federal Reserve System and assume liabilities and become entitled to benefits under Federal Reserve Act (3); and upon doing so they become subject to reserve requirements of Federal Reserve Act instead of State reserve requirements (5).	Whenever the reserve is below the required amount the bank or trust company shall not make any new loans or discounts, except of sight drafts, nor make any dividends (1), (2).	Savings banks are required to invest their deposits; but are allowed to keep not over 10 per cent as an "available fund" for the purpose of meeting current expenses and payments. This fund may be kept on hand or on deposit in any solvent New Jersey or national bank in New Jersey; or deposited on call, at interest, in a solvent New Jersey, New York, or Pennsylvania trust company or national bank in New York or Pennsylvania; or loaned upon proper securities (4).	(1) Laws 1899, chap. 173, sec. 20. (2) Laws 1899, chap. 174, sec. 20. (3) Laws 1914, chap. 159. (4) Laws 1906, chap. 195, sec. 36. (5) Act of March 29, 1917; Laws of 1917, chap. 225.
		Any incorporated State bank may become a member of the Federal Reserve system and exercise all powers of member banks (4). Federal Reserve banks expressly made depositaries (1).	While capital or reserve is impaired the bank shall make no new loans or discounts (except of sight drafts against actual existing values); and if not restored after 60 days' notice its capital stock may be reduced equal to the amount of such impairment, except that in no event shall the capital stock be reduced below $25,000 (3).	The bank act provides: "The word 'Bank' as used in this act includes every person, firm, company, co-partnership or corporation, except national banks, engaged in the business of banking in the State of New Mexico. Banks are divided into the following classes: (a) Commercial banks; (b) savings banks; and (c) trust companies" (5). Any State bank maintaining the required reserve and making proper application to the State bank examiner may be designated a reserve bank (2).	(1) Laws 1915, chap. 67, sec. 28. (2) Id., sec. 29. (3) Id., sec. 30. (4) Id., sec. 96. (5) Id., sec. 2.

Provisions of State Laws Relating

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
New York..	2	Banks having an office in boroughs of 2,000,000 or over (1).	18 per cent of aggregate demand deposits (1).	12 per cent of aggregate demand deposits (1). (But see "Carried in Federal Reserve Bank.")	Any part of a bank's reserves on hand in excess of 4 per cent of its aggregate demand deposits and any part of a trust company's reserves on hand in excess of 3 per cent of its aggregate demand deposits may be deposited, subject to call, with a Federal Reserve Bank in the district in which such bank or trust company is located; and the reserves on hand not so deposited shall consist of gold bullion, gold coin, United States gold certificates, United States notes or any form of currency authorized by the laws of the United States (1), (3). (But see "Carried in Federal Reserve Bank.")		Depositaries designated by superintendent of banking, which may be a bank, trust company, or national banking association in the State having capital and surplus amounting to $1,000,000, if located in a borough of 2,200,000; or over $750,000, if located in a borough of 1,000,000 to 2,000,000, or in a city of 400,000 or over; $500,000 elsewhere in the State; or a banking corporation with capital and surplus of $2,000,000 or more in Chicago, Boston, or Philadelphia. But no corporation in the State, if in a borough of 2,200,000, shall be a depositary for an institution having a greater capital than its own, unless its own exceeds $2,000,000 (5).
		Banks with offices in boroughs of between 1,000,000 and 2,000,000 and no office in a borough of 2,000,000 or over (1).	15 per cent of aggregate demand deposits (1).	10 per cent of aggregate demand deposits (1).			
		Banks located elsewhere in State (1).	12 per cent of aggregate demand deposits (1).	4 per cent of aggregate demand deposits (1).			
		Trust companies with offices in boroughs of 2,000,000 or over (3).	15 per cent of aggregate demand deposits (3).	10 per cent of aggregate demand deposits (3).			
		Trust companies with offices in boroughs of from 1,000,000 to 2,000,000 and no office in a borough of 2,000,000 or over (3).	13 per cent of aggregate demand deposits (3).	8 per cent of aggregate demand deposits (3).			
		Trust companies in cities of first and second class with less than 1,000,000 population (3).	10 per cent of aggregate demand deposits (3).	4 per cent of aggregate demand deposits (3).			
		Trust companies in cities of third class and in villages (3).	10 per cent of aggregate demand deposits (3).	3 per cent of aggregate demand deposits (3).			
		Private bankers in cities of first class (4).	15 per cent of demand deposits (4).	1/10		9/10	Any State bank, national banking association, or trust company (4).
		Private bankers in other cities (4).	10 per cent of demand deposits (4).				
North Carolina.	5	All banks and trust companies (1).	15 per cent of aggregate deposits.	2/5	Lawful money of United States and exchange for any clearing house association (1), (2).	3/5	Other solvent banks (2).
		Savings banks (1).	5 per cent of aggregate deposits (1).		Same as above.		Same as above.

to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
		Any part of a bank's reserve on hand in excess of 4 per cent of its aggregate demand posits and any part of a trust company's re-reserves on hand in excess of 3 per cent of its aggregate demand deposits may be deposited, subject to call, with a Federal Reserve bank in the district in which such bank or trust company is located (1), (3). (See "Remarks;" "Vault Reserve.") Any bank or trust company becoming a member of the Federal Reserve System may maintain as reserve on deposit with the Federal Reserve Bank such portion of its total reserve as shall be required by the Federal Reserve Act; but a bank with an office in a borough of 2,000,000 or over must carry the remainder of its total reserves as reserves on hand (1), (3). (See "Remarks," "Vault reserve".)	Banks, trust companies, and private bankers failing to maintain the required reserves are liable to assessments varying with the amount of shortage (1), (2), (3), (4).	The reserves indicated in the column headed "Vault reserve" are the reserves which the New York law defines as "reserves on hand," which under that law includes reserves in vault and balances with a Federal Reserve Bank (17). All savings banks, savings and loan associations, land banks, and credit unions are required to maintain guaranty funds for the security of their depositors or to meet contingencies (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16).	(1) Laws 1914, chap. 369, sec. 112 (as amended by Laws 1917, chap. 579). (2) Id., sec. 30. (3) Id., sec. 197. (4) Id., sec. 166. (5) Id., sec. 38. (6) Id., sec. 252. (7) Id., sec. 253. (8) Id., sec. 254. (9) Id., sec. 255. (10) Id., sec. 234. (11) Id., sec. 236. (12) Id., sec. 392. (13) Id., sec. 393. (14) Id., sec. 395. (15) Id., sec. 427. (16) Id., sec. 457. (17) Laws 1914, chap. 369, sec. 3 (as amended by Laws 1917, chap. 579).
			When reserve is below required amount the bank shall not make any new loans or discounts, except of sight drafts, nor make any dividends (2).		(1) Pell's Revisal, 1908, sec. 231. (2) Id., sec. 232.

Provisions of State Laws

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
North Dakota.	9	All State banking associations (1).	20 per cent of demand deposits and 10 per cent of time deposits (1).	2/5	Actual cash on hand. Cash items will not be counted and no association shall carry as cash or cash items anything except legitimate bank exchange which will be cleared on same or next business day (1).	3/5	Good solvent State or National banks, or trust companies carrying sufficient reserve to entitle them to act as such depositary banks, located in such commercial centers as will facilitate the purposes of banking exchange, and approved by State banking board (1). No bank or trust company shall be designated as reserve agent for a State bank which owns or holds a controlling interest in such bank, or which is not located in a commercial center (2).
		Savings banks (2).	20 per cent of demand deposits and 8 per cent of time certificates; 5 per cent of deposits subject to notice (2).	2/5	Same as above.	3/5	Solvent State or National banks or trust companies approved by State banking commissioner (2).
Ohio........	4	Commercial banks (1).	15 per cent (1).	6 per cent of demand deposits and 4 per cent of time deposits (1).	Lawful money, national bank notes, or bills, notes, and gold or silver certificates of United States (1).	9 per cent of demand deposits and 11 per cent of time deposits (1).	Other banks or trust companies designated by resolution of board of directors and subject to approval of superintendent of banks (1).
		Savings banks (4) and trust companies (6).	15 per cent of demand deposits and 10 per cent of time deposits (4).	6 per cent of demand deposits and 2 per cent of time deposits (4).	Same as above (4).	9 per cent of demand deposits and 7 per cent of time deposits (4).	Same as above (4).
		Safe deposit and trust companies (8).	15 per cent of demand deposits (8).	1/3	Lawful money of United States (8).		
Oklahoma..	10, 11	Banks in towns or cities of less than 2,500 (1).	15 per cent of entire deposits (1).	1/3	Actual cash (1).	2/3	Good solvent banks selected from time to time with approval of bank commissioner (1). (See also "Remarks.")
		Banks in cities of over 2,500 (1).	20 per cent of entire deposits (1).				
		Reserve banks (1).	20 per cent of deposits (1).				
		Savings banks which do not transact a general banking business (1).	20 per cent of deposits (1).	10 per cent of deposits (1).	Actual cash (1).		

Relating to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
			While reserve is below required amount, no new loans or discounts, except of sight drafts, and no dividends shall be made; and, after 30 days' notice, State banking board may impose penalty of from $100 to $500.	Amount due other banks must be deducted before estimating reserve (1).	(1) Comp. L., 1913, chap. 28, sec. 5170. (2) Id., chap. 30, sec. 5201. (3) Session Laws, 1915, chap. 58.
3 per cent of time deposits (4).	Bonds or interest-bearing obligations of United States or for which faith of United States is pledged to provide payment of the interest and principal, including bonds of District of Columbia; interest-bearing obligations of any foreign Government; bonds or interest-bearing obligations of any State of United States or bonds of any city or county in Ohio (4), (7).	Compliance by State banks with reserve requirements of the Federal Reserve Act expressly accepted in lieu of State reserve requirements (3).	While reserve fund is below required amount no new loans or discounts, except of sight drafts, can be made; and, after 30 days' notice, the superintendent of banking may take possession of the property and wind up the affairs of the institution (2), (5), (6).	Trust companies are not required to keep reserve on trust funds (6).	(1) Gen. Code, sec. 9759. (2) Id., sec. 9760. (3) Id., sec. 9796-2. (4) Id., sec. 9764. (5) Id., sec. 9766. (6) Id., sec. 9787. (7) Id., sec. 9758. (8) Id., sec. 9827.
2/3	⅓ in clearing house certificates representing specie or lawful money especially deposited in the vault of such company, or the United States Subtreasury, for the purpose of a clearing house association of which it is a member. ⅓ in United States or Ohio bonds (8).				
10 per cent of deposits.	Good bonds of United States, or State, county, school, district, or municipal bonds of State of Oklahoma worth not less than par (1).		While reserve is below the required amount the bank shall make no new loans or discounts, except of sight drafts, nor make any dividends; and, after 30 days' notice from the bank commissioner, it may be declared insolvent (1).	The banking commissioner may refuse to consider as part of the reserve of any bank balances due to it from any other bank which shall refuse or neglect to furnish such information as he may require relating to its business with any other State bank which shall enable him to determine its solvency (1). There are also extensive detailed provisions for a depositors' guaranty fund to which all banks must contribute, and which is held for the purpose of liquidating deposits of insolvent banks (2).	(1) Session Laws 1915, chap. 58, sec. 1. (2) Session Laws 1913, chap. 22 (as amended by Session Laws 1915), chap. 58, secs. 3 and 4.

Provisions of State Laws Relating

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
Oregon	12	All State banks, banks acting as reserve agents for State banks, and all savings banks (1), (2).	15 per cent of total demand deposits, and 10 per cent of total time deposits, excepting deposits of United States or postal savings funds (1), (2).		Actual money of United States (1), (2).	2/3	Banks or trust companies having unimpaired capital and surplus of not less than $75,000 and approved by superintendent of banks. Members of Federal Reserve Banks may maintain as reserve deposits with Federal Reserve Bank, such portion of their total reserve as shall be required by Federal Reserve Act (1), (2).
Pennsylvania.	3,4	All banks, banking companies, savings banks, savings institutions and trust companies authorized to receive deposits, which are incorporated under laws of Pennsylvania (1).	15 per cent of demand deposits (2). 7½ per cent of time deposits (3).	⅓ of reserve against demand deposits (2) and part of reserve against time deposits (3).	Lawful money of United States, gold or silver certificates, notes or bills of any national banking association or Federal Reserve Bank, or clearing house certificates (2).	⅓ reserve against demand deposits (2) and part of reserve against time deposits (3).	Any bank or trust company in Pennsylvania, or in any other State, approved by commissioner of banking (2).
Rhode Island.	1	All banks and trust companies in the State except savings banks (1).	15 per cent of aggregate deposits, excepting savings or participating deposits. (1).	2/5	Gold and silver, demand obligations of United States, or national bank currency (1).	3/5	Banks, national banking associations or trust companies, being members of clearing house associations of Providence, or incorporated in the State where located and located in cities of New York, Boston, Philadelphia, Chicago, and Albany, all of which must be approved by bank commissioner and maintain as reserve 25 per cent of their deposits in reserve cities and as provided by National Banking Act of United States, except that banks and trust companies "in towns" (not cities) may deposit reserve in any bank, national banking association, or trust company in Providence which is member of Providence clearing house association and maintains merely same reserve as banks not acting as reserve agents (2).
South Carolina.	5						

to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
		State banks becoming members expressly permitted to maintain as reserve on deposit with Federal Reserve Bank such portion of its total reserves as is required by Federal Reserve Act (1), (2).	While reserve of any bank is below required amount it shall not increase its loans and discounts (except of sight drafts) nor make any investment of its bonds or dividend of its profits; and, after 30 days' notice from superintendent of banks, may be declared insolvent (1), (2).	Cash items are not considered as part of the reserve, excepting unpresented checks on other solvent banks in same town or city received in regular course of business (1), (2). Credit unions are required to maintain guaranty funds of an amount not exceeding their capital plus 50 per cent of their other liabilities (3).	(1) Lord; Oregon Laws, sec. 4579 (as amended by General Laws 1915). (2) Id., sec. 4594. (3) General Laws 1915, chap. 277, sec. 8.
1/3	Bonds of United States., Pennsylvania, or any city, county, or borough of Pennsylvania, or bonds authorized as investments by savings banks and institutions (2).	State banks and trust companies expressly permitted to become members of Federal Reserve System, and thereupon become subject to all provisions of Federal Reserve Act and shall comply with reserve requirements of Federal Reserve Act in lieu of State requirements (6).	While the reserve is below the required amount, no new loans or discounts (except of sight drafts) and no dividends shall be made: and if it is not restored after 30 days' notice the institution may be proceeded against by the commissioner of banking (5).	"Immediate demand liabilities" include all deposits and claims payable on demand; and "time deposits" include all deposits not payable by the contract of deposit on demand (4). Any State bank or trust company becoming a member of Federal Reserve System shall be subject to examinations required by Federal Reserve Act, and State commissioner of banking may, in his discretion, accept such examinations in lieu of those required by State laws (6).	(1) Act of May 8, 1907 (as amended by Act of July 11, 1917), sec. 1. (2) Id., sec. 2. (3) Id., sec. 3. (4) Id., sec. 4. (5) Id., sec. 5. (6) Act of July 17, 1917.
		Banks and trust companies are expressly permitted to become members of the Federal Reserve System, and thereupon become subject to all provisions of the Federal Reserve Act and entitled to all powers and privileges of member banks (4).	While reserve fund is below 15 per cent the company must make no loans or discounts, except of sight drafts, nor make any dividends; and if company fails to restore reserve in 30 days after notice from bank commissioner, receiver may be appointed (1).	Every savings bank must reserve as a guaranty fund from the net profits each year not less than ⅛ per cent nor more than ¼ per cent of the whole amount of deposits, until such fund amounts to 5 per cent of the whole amount of deposits, which fund shall be thereafter maintained and held to meet losses in its business from depreciation of its securities, or otherwise (3).	(1) General Laws 1909, ch. 236, sec. 1. (2) Id., sec. 3. (3) Id., sec. 2. (4) Acts of 1917, chap. 1514.
		State banks expressly permitted to become members of Federal Reserve System (1).		No reserve required by statute.	(1) Acts 1914, No. 333.

Provisions of State Laws Relating

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
South Dakota.	9	All banks (1).	$17\frac{1}{2}$ per cent of total deposits (1).			Amount determined by board of directors (1).	Banks approved by public examiner as reserve banks (1).
		Reserve banks (1).	20 per cent of total deposits (1).				
Tennessee..	6, 8	All banks, firms, persons and corporations doing banking business (1).	10 per cent of demand deposits (1).		Cash (1).		Banks and bankers
Texas......	11	State banks and corporations with capital stock less than $25,000 and not members of Federal Reserve Bank (3).	20 per cent of demand deposits (3).	8/20	Actual cash (3).	12/20	Any bank or banking association of Texas or any State or United States bank, banking association, or trust company approved by commissioner and having paid-up capital stock of $50,000 or more; but the deposit in any one bank or trust company shall not exceed 20 per cent of total deposits, capital, and surplus of the depositing bank (3).
		Banks not in central reserve city, having capital stock of $25,000 or more and nonmembers of Federal Reserve Bank (3).	15 per cent of demand deposits (3).	6/15		9/15	
		Banks, members of Federal Reserve Banks not in reserve or central reserve cities (4).	12 per cent of demand deposits and 5 per cent of time deposits (4).	$\frac{5}{12}$ for 36 months after establishment of reserve bank and permanently thereafter $\frac{4}{12}$ (4).	Same as required of national banks under United States laws (4).	5/12	In Federal Reserve Bank, $\frac{2}{12}$ for 12 months after establishment thereof and additional $\frac{1}{12}$ semiannually thereafter until it amounts to $\frac{5}{12}$, which shall be amount permanently required (4).
		Banks, members of Federal Reserve Bank and in reserve city (4).	15 per cent of demand deposits and 5 per cent of time deposits (4).	$\frac{6}{15}$ for 36 months after establishment of Federal Reserve Bank and permanently thereafter $\frac{5}{15}$ (4).	Same as required of national banks under laws of United States (4).	6/15	In Federal Reserve Bank, $\frac{3}{15}$ for 12 months after establishment thereof and additional $\frac{1}{15}$ semiannually thereafter until it amounts to $\frac{6}{15}$, which shall be amount permanently required (4).
		Savings departments of State banks and trust companies (6).	15 per cent of whole amount of savings deposits (6).	All (6)	Actual cash in such savings department (6).		
		Savings banks (8).	15 per cent of whole amount of assets (8).	Any part (8).	On hand (8).	Any part.	Any bank or banking association of Texas or under laws of the United States approved by superintendent of banking and having paid-up capital stock of $50,000 or more; but the deposits in any one bank or trust company must not exceed 20 per cent of the total deposits, capital, and surplus of such savings banks (8).

to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
		State banks expressly permitted to become members of Federal Reserve System, and thereupon become subject to Federal Reserve Act, all State laws notwithstanding (3).	While reserve is below required amount no new loans or discounts (except of sight drafts) shall be made; and after 30 days' notice bank examiner may wind up affairs of bank (2).	Cash items not considered as part of reserve (1). There are also very detailed provisions for a depositors' guaranty fund (4). Every State bank must set aside ¼ per cent of average daily deposits for this fund until the fund amounts to 1½ per cent of average daily deposits (5). And national banks may avail themselves of the benefits of this fund whenever they shall be authorized to do so by Federal authority (6).	(1) Bank Guaranty Law, 1915, art. 2, sec. 31 (as amended by Laws 1917, chap. 144). (2) Bank Guaranty Law 1915, art. 2, sec. 32. (3) Id., art 2, sec. 36. (4) Id., art. 3, sec. 6. (5) Id., art. 3, sec. 7. (6) Id., art. 3, sec. 26.
			While reserve is below required amount, the bank may make no new loans or discounts (except of sight drafts) nor make any dividends; and, after 30 days' notice, superintendent may take charge (1).	The reserve may consist of cash or balances and the proportion of each is not stipulated (1).	(1) General Banking Act, sec. 19.
	For 36 months after establishment of Federal Reserve Bank in vaults of Federal Reserve Bank or national bank in reserve or central reserve city. Thereafter in own vaults or in Federal Reserve Bank or in both (4).	All State banks and trust companies expressly permitted to become members of Federal Reserve System (1), and those doing so are expressly made subject to all provisions of Federal Reserve Act (3), (4).	Whenever the reserve of any bank falls below the required amount it shall make no new loans or discounts until it shall restore it by collection (3).	"Demand deposits" include all deposits payable in 30 days; and "time deposits" include all deposits payable after 30 days and all savings accounts and certificates of deposit subject to not less than 30 days' notice before payment (2). There are also extensive and detailed provisions for a depositors' guaranty fund and a depositors' bond security system of either of which any bank may, at its option, avail itself for the security of its depositors (9).	(1) Acts Thirty-third Legislature (third called session), Senate bill No. 5, sec. 1. (2) Id., sec. 2. (3) Id., sec. 3. (4) Id., sec. 4. (5) Id., sec. 11. (6) Acts 1909, 2 S. S., p. 406, sec. 13; banking laws 1913, sec. 69. (7) Acts 1909, 2 S. S., p. 406, sec. 13; banking laws 1913, sec. 78. (8) Acts 1905, S. S., pp. 489, 491, sec. 18; banking laws 1913, sec. 40. (9) Acts 1909, 2 S. S., p. 406, sec. 1-47, banking laws 1913, chap. 6.
			It is made unlawful for any director or other officer of any bank having a savings deposit to do anything which will reduce the cash on hand below 15 per cent of the deposits (7).		

Provisions of State Laws Relating

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
Utah	12	Commercial banks in cities of 50,000 or more (1).	15 per cent of aggregate amount of deposits and demand liabilities (1).	1/8	Lawful money of United States (1).	7/8	Solvent banks other than savings banks (1).
		Commercial banks elsewhere (1).	20 per cent of aggregate amount of deposits and demand liabilities (1).				
		Savings banks (2)	10 per cent of deposit liabilities (2).	1/4	Lawful money of United States (2).	3/4	
Vermont	1	All banks (1).	15 per cent commercial deposits (1).	1/10	Cash on hand (1).	1/10	Banks or national banking associations in same county (1).
			3 per cent of savings deposits (1).	1/10	Cash on hand (1)	2/5	Banking associations and trust companies approved by bank commissioner under supervision of State or Federal authority in Vermont or in cities of New York, Boston, Chicago, Albany, Philadelphia, Concord, N. H., or any other bank designated as United States depositary, and national banks in St. Paul, Minneapolis, and Kansas City (1), (2).
Virginia	5	All banks.	12 per cent of demand deposits and 5 per cent of time deposits.	5/12 of the aggregate.	Cash.	7/12 of the aggregate.	Other solvent banks.
Washington	12	Banks and trust companies, except members of Federal Reserve System complying with requirements of Federal Reserve Act (1).	15 per cent of total deposits and 100 per cent of its uninvested trust funds (1).		Actual cash or checks on solvent banks in same city (1).		Such banks or trust companies as State bank examiners may approve (1).

to Bank Reserves—Continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
			While reserve is below required amount the loans and discounts (except of sight drafts) shall not be increased; and, after 30 days' notice from bank commissioner, the bank may be deemed insolvent (1).	Banks having both commercial and savings departments must maintain required reserve for each (3).	(1) Bank act, Laws 1911, chap. 25, p. 30, sec. 23. (2) Id., sec. 24. (3) Id., sec. 25.
2/5	Bonds of United States, any State, or any city of United States of at least 200,000 inhabitants (1).	Two-fifths of reserve fund may be balances in any "bank designated as a depositary under laws of the United States" (1), (2).	No new loans may be made when bank's reserve does not meet requirement (1).		(1) Laws, 1910, No. 158, sec. 33. (2) Laws, 1910, No. 158, sec. 98, 4 (b).
		Balances due from Federal Reserve Bank would be counted as part of the reserve by the bank examiner.		No statute requires State banks to maintain reserves; but as a matter of practice the bank examiner insists on the reserves here indicated.	
		State banks and trust companies are expressly permitted to become members of the Federal Reserve System and to that end may comply with any United States laws (2). State banks and trust companies becoming members of the Federal Reserve System and duly complying with all reserve and other requirements thereof are expressly excepted from the State reserve requirements (1).		Mutual savings banks are required to invest their deposits; but, for the purpose of paying withdrawals or meeting expenses or awaiting more favorable opportunities for investment, they are allowed to keep on hand, or on deposit in any bank or trust company in the State organized under the laws of the State or of the United States, an available fund not exceeding 20 per cent of its aggregate deposits, but the sum deposited by any such savings bank in any one bank or trust company shall not exceed 25 per cent of the paid-up capital or surplus of such bank or trust company, and no more than 5 per cent of the aggregate deposits of any savings bank shall be deposited in a bank or trust company of which a trustee of such savings bank is a director (3). Mutual savings banks are also required to maintain guaranty funds for the security of their depositors, and the statute contains detailed provisions for the regulation of such funds (4).	(1) Laws 1917, chap. 80; Bank Laws 1917, sec. 58. (2) Id., sec. 27. (3) Laws 1915, chap. 175; Bank Laws 1917, sec. 146. (4) Id., sec. 147 et seq.

Provisions of State Laws

State.	District No.	Institutions affected.	Total amount of reserve required.	Vault reserve.		Balances in reserve depositaries.	
				Amount.	May consist of—	Amount.	May be carried in—
West Virginia.	4, 5	All banks and trust companies (1).	15 per cent of demand deposits (1).	2/5	Lawful money of United States (1).	3/5	Any National or State bank doing business in the State, or any solvent banking institution outside of State (1).
		Savings banks (2).	5 per cent (2).				
Wisconsin..	7, 9	State banks not State reserve banks (1).	12 per cent of total deposits (1).		Lawful money or balances (1), (2), (4).		Banks approved by commissioner (1), (2), (4).
		Reserve banks (1).	20 per cent of total deposits (1).				
		Trust companies (2).	12 per cent of deposits.				
		Mutual savings banks (4).	5 per cent of total deposits.				
Wyoming..	10	Savings associations (1).	10 per cent of savings deposits (1).		Reserves may be kept either on hand or on deposit (1).		Solvent national banks or other banks organized under general laws (1).
		Loan and trust companies (2).	25 per cent of liabilities to depositors (2).		Cash in vaults or safes of the association, or balances (2).		National or State banks approved by the State examiner as Reserve Agents (2).

Relating to Bank Reserves—continued.

Remainder.		Carried in Federal Reserve Bank.	Provisions for enforcement of regulations.	Remarks.	Authorities.
Amount.	May consist of—				
			While reserve is below required amount no new loans may be made (1).		(1) West Virginia Code 1913, sec. 3047. (2) Id., sec. 3094.
				The bank must, every 6 months, set aside $\frac{1}{8}$ to $\frac{1}{4}$ per cent of total deposits from net profits, until this amounts to 5 per cent of deposits, and this must be held as guaranty fund to meet losses (2).	
		Bank commissioner has signified willingness to approve Federal Reserve Bank of Chicago as reserve bank.	Whenever the reserve of banks is below required amount no loans or discounts (except of sight drafts) may be made; and, after 30 days' notice, receiver may be appointed (3).	Cash items are not considered as part of reserve of any bank (1). Savings banks are also required to semiannually set aside from the net profits $\frac{1}{4}$ per cent to 1 per cent of their total deposits as a guaranty fund, until it amounts to 10 per cent of deposits (5).	(1) Statutes 1915, sec. 2024-30. (2) Statutes 1915, sec. 2024-77-1. (3) Statutes 1915, sec. 2024-31. (4) Statutes 1915, sec. 2024-75. (5) Statutes 1915, sec. 2024-71.
					(1) Comp. Stat. 1910, ch. 269, sec. 4052. (2) Id., sec. 4065.

SUMMARY OF BUSINESS CONDITIONS SEPTEMBER 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	Very unsettled except on Government work.	Good	Good	Spotty	Satisfactory	Good.
Crops: Condition	Heavy frosts, affecting crops somewhat.	Fair	Fair	Very good	Excellent	Do.
Outlook	Good	Large crops, fruit short.	do	Satisfactory	Favorable	Do.
Industries of the district.	Generally busy	Active, conditions satisfactory.	Busy	Hesitating	Restricted in volume by labor shortage.	Operating fully.
Construction, building, and engineering.	Nearly up to previous high record.	City construction very dull; factory construction, etc., active.	Falling off	Poor	Practically at standstill.	Slow.
Foreign trade	Slight improvement.	Well maintained	Decrease from last year.		Hampered by lack of bottoms.	Do.
Bank clearings	Increased	Slight decrease	Increasing	Increase	Increase 28 per cent.	Increase.
Money rates	do	Firm, tendencies easier. Commercial paper rates firm.	do	Firm	Tendency to harden.	Firm.
Railroad, post-office, and other receipts.	Approximately unchanged.	Railroad receipts heavy; postal receipts show nominal increase.	Gross receipts increasing.	Increase	Increased gross receipts offset by increased costs.	Steady.
Labor conditions	Very well employed at unusually high wages.	Labor scarce, wages increasing. Few disturbances.	Acute scarcity in most lines.	Unsettled	Grave	Generally good.
Outlook	Subject to war developments.	Good	Good	Not unfavorable	Satisfactory if labor question is solved.	Good.
Remarks				Fuel conditions serious menace.	Troop movements have brought wider realization that we are at war, and that increased production of foodstuffs is necessary and economies imperative.	

	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	Active	Good	Good	Fair	Good	
Crops: Condition	Satisfactory	Excellent	Harvesting practically completed.	Further improvement.	Fair	Good.
Outlook	Good			Good	do	
Industries of the district.	Active in lines connected with war.	Active	Active	Quite active	Active and on full time.	Active.
Construction, building, and engineering.	Dull	Decrease	In fair volume	Less than a year ago.	Less active than last year except on Government work.	Decreasing.
Foreign trade					33½ per cent increase.	Increasing.
Bank clearings	Increasing	Increase	Increasing	Increased	36 per cent increase for August.	Do.
Money rates	Firm; no indications of falling off.	Commercial paper higher.	Firm	Generally steady	Little change; evidence of being firmer.	Firmer.
Railroad, post office, and other receipts.	Increasing	Post office small increase.	Increasing	Increase	Increase	Increasing.
Labor conditions	Shortage of labor	Fair	Fair to good	Much unrest	Unsatisfactory, with shortage acute.	Disturbed.
Outlook	Good	Satisfactory	Satisfactory	Good	Favorable	Favorable.
Remarks					Crop conditions improved; fall trade in all lines good; high prices for cotton and cottonseed products have offset crop failures in west and southwest.	Trade in large volume, with rapidly rising costs.

GENERAL BUSINESS CONDITIONS.

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

DISTRICT NO. 1—BOSTON.

Government operations in the industries of New England, both in financial and in mercantile lines, have become more a controlling factor each week. The final payment on the Liberty Loan and the several issues of United States certificates of indebtedness, together with the large volume of unfinished Government orders has made money rates very firm, so that banks for the most part have been out of the market for outside paper and have limited their investments to the additional demands of their own customers. The proximity of the Second Liberty Loan has also tended to influence banks to husband their resources. Business, except where Government contracts predominate, is only moderately good. A spotty condition exists, however, certain houses reporting good business, while others in the same line report only fair.

The high wages and activities in mill centers have developed a purchasing power that has offset to quite an extent the falling off of more general buying. Merchants are going slow in increasing their inventories especially in the higher cost goods for, with the exception of the wage earner, the public as a whole is beginning to economize in anticipation of demands on it for financing the needs of the war.

The reports from the shoe and leather trade are encouraging, Government orders being the important feature. Retailers are apparently well stocked up and as their outlay represents a larger expenditure than usual, owing to the higher cost of production, they are slow in increasing their inventories. There is more and more a tendency to discard extreme styles, the demand being for the more enduring and comfortable lasts, a tendency which may be attributed somewhat to the influence of the Army shoe. While there has been talk of substitutes for leather owing to the high price of that material, little progress has been made in that direction, the public as a whole accepting the increased prices.

Throughout the whole shoe industry prices have increased to meet the higher cost of leather, and manufacturers are buying on a hand-to-mouth basis, which is being followed by the jobber and the retailer.

The acceptance by the Government of the offer of the wool dealers to turn over to it 50 per cent of the wool held by them at prices ruling the week of July 30 has done much to stabilize the price of wool, both in the case of domestic and foreign wools, and has worked out most favorably to the manufacturer in connection with the handling and financing of Government work. Furthermore, the fact that payments on wool purchased by the Government have been made in practically 24 hours has done much to relieve the financing of that particular trade.

Reports from both woolen and worsted mills show great activity, and although much of this is due to Government work, still domestic orders are satisfactory.

While the cotton mills are busy, except for Government orders the activity is all on past orders, future orders coming in slowly. The mills are apparently well supplied with cotton and at present prices are slow to replenish their stock, with the uncertainty of future prices. The feeling prevails that so far as domestic needs are concerned the cotton supply is more than ample and that prices may be affected by embargoes and money conditions. The shortage of labor is a serious factor.

A frost early in September, the heaviest on record, did great damage to the crops of this district, killing, for the most part, all tender vegetation. Corn, tobacco, and cranberries especially suffered. The peach crop is reported as only fair, and the apple crop unusually light. While the potato crop will be smaller than was earlier expected, and complaints of more or less rot and blight are heard, a sizable crop will probably be harvested.

Money is in good demand and rates are high. The country banks have had heavy withdrawals on account of Liberty Loan. These banks are borrowing to an unusual extent of the city correspondents.

The general activity of business, high cost of labor and material, and Government financing, have brought about greater stringency in the money market here in New England than apparently exists elsewhere in the country.

Call rates to brokers, 6 per cent; 6 months commercial paper, 5½ per cent to 6 per cent, the higher rate the more general one; year money, in small supply, mostly at 6 per cent. Town notes, fall maturities, 4.30 per cent upwards; bankers acceptances, 90 days, 3⅝ per cent upwards.

The exchanges of the Boston Clearing House for the week ending September 15, 1917, were $240,342,095 compared with $186,433,957 for the corresponding week last year and $188,666,759 for the week ending September 5, 1917 (five days).

Building and engineering operations in New England from January 1 to September 1, 1917, amounted to $138,994,000 as compared with $139,065,000 for the corresponding period of 1916, the highest previous year recorded.

The receipts of the Boston Post Office for August, 1917, show an increase of $8,159.27, or about 1 per cent more than August, 1916. For the first 15 days of September, 1917, receipts were about 2 per cent or $5,922.61 less than for the corresponding period of last year.

Boston & Maine R. R. reports net operating income, after taxes, for July, 1917, as $1,155,255 as compared with $1,422,557 for the corresponding month of 1916. N. Y., N. H. & H. R. R. reports net operating income, after taxes, for July, 1917, as $1,585,888 as compared with $2,377,193 for the same month last year.

Loans and discounts of the Boston Clearing House banks on September 15, 1917, amounted to $451,471,000 as compared with $451,796,000 last month and $429,761,000 on September 16, 1916. Demand deposits on September 15, 1917, totaled $365,822,000 as compared with $358,845,000 on August 11, 1917, and $339,750,000 on September 16, 1916. Time deposits on September 15, 1917, totaled $29,929,000 as compared with $36,554,000 on August 11, 1917, and $26,146,000 on September 16, 1916. The amount "Due to banks" on September 15, 1917, was $121,412,000 as compared with $124,266,000 on August 11, 1917.

DISTRICT NO. 2—NEW YORK.

General business conditions in this district are good. Conservatism in buying continues and has had desirable effects, notable among them being a pause in the upward movement of commodity prices and the maintenance of generally satisfactory collections. The general report is that payments are being made with a promptness gratifying in view of increased investments necessary to carry on business under present conditions and of the firm money rates which have recently obtained.

The volume of business, including Government orders, as measured in dollars, is above that of recent months and of last year. Certain industries which experienced depression following our entry into the war, or during the midsummer period, report distinct revival of business, the automobile industry being a notable example. The demand for light, low-priced, cars has been good and makers of larger cars have enough orders for trucks to more than offset the decreased demand for their pleasure cars. The truck orders are for the most part from Government sources as the necessary price advances have restricted other buying.

Manufacturers of machinery are busy principally on orders for the Government or for machinery to be used on Government work and have their output engaged for some months ahead. Little new business is coming in, however, as deliveries to purchasers other than the Government are subject to delayed delivery and buyers do not care to contract far in advance. A similar condition obtains in the iron and steel industries and may be taken to account in part for the decreases which are being registered in unfilled orders.

The metal trades have experienced a period of lessened demand and decreased prices, ascribed to desire on the part of consumers to defer purchases until the effect of governmental activity in price fixing shall have been ascertained. The fixing of steel and copper prices, which has recently been announced, is expected to have good effects.

It is interesting to note that in the manufacture of rubber tires the cost of crude rubber is no longer the determining factor as advances in the price of the long staple cotton used have made the cost of the fabric twice that of the rubber. Advances in price have been necessary and have to a slight extent discouraged demand.

Though urban building activities are light, dealers in many lines of building supplies are doing a very active business. This is particularly true of lumber dealers in this district and also of firms manufacturing materials, such as prepared roofing, available for rapid construction work.

The volume of business in the drug and chemical lines continues upward, though with foreign buying lighter than earlier in the year.

Wholesale grocers report a tendency to buy more moderately. Prices on staple groceries have not changed materially for some time and the United States Food Administration is expected to bring about reductions in the prices of such important staples as sugar and flour. The Government's buying methods have been designed to disturb market conditions as little as possible. For instance, canners were requested to set aside a stipulated percentage of their total output at prices proposed by the Government, to be delivered as needed, storage and carrying charges being paid by the Government.

In the men's clothing trade the volume of business is reported approximately normal, with retail sales somewhat above those of last year, early cold weather having stimulated early fall sales. In the women's clothing trade the tendency of buyers has been toward caution. Dry goods sales continue larger in volume than last year, accounted for principally by higher level of prices.

Silk sales are above those of last year in volume, though somewhat smaller in the number of yards of goods. High prevailing prices are due to the high cost of raw silk, practically all of which is obtained from Japan and is affected by higher costs of production and transportation.

Cotton mills have more extensive orders than at the same time a year ago, their output being contracted for up to March and April. The trade is hesitating, however, in making new commitments, as recent decreases in the price of cotton have raised hopes of lower prices for cotton goods, though it is stated that the advances in the prices of cotton goods did not keep up with the advances in the price of the staple and are, therefore, not likely to recede materially.

Shoe sales have been larger in dollars, but smaller in the number of pairs sold, the tendency of retailers being toward reducing stocks and extreme caution in buying. The Government's demand has been estimated at 2 per cent of the total demand, but is to a considerable extent offset by corresponding decreases in other demand.

There has apparently not been the expected decrease in consumption of luxuries, as reports indicate that sales of this kind are keeping up to the usual levels.

Coal is scarce and high, though the shortage is not generally acute in this district.

Rail transportation conditions have shown some improvement, so that industry, while somewhat handicapped in this particular, is, on the whole, faring better than had been expected. Ocean rates seem to have reached top notch, and owing to delays in getting cargo, both because of embargo restrictions and delayed arrivals, steamship lines are having more difficulty in completing their cargoes on time, with the result that space is offered more frequently at cut rates for filling up.

Reports from banks and business houses indicate that demand for money during the coming months will be heavy, as is to be expected in view of the heavy crops which are to be moved, the activity of industry, and the high prices which prevail for almost all commodities. Call money rates, which ruled very firm during the early part of the month, have shown easier tendencies during the last few days following announcement of the appointment of a committee of bankers to aid in maintaining stable conditions in the money market for the purpose of facilitating the Government's financing. Time money on stock exchange collateral has been more freely offered at firm rates. Commercial paper rates have advanced gradually from 4¾ and 5 per cent on August 20 to 5¼ and 5½ per cent on September 20.

Reports from agricultural sections of the district are encouraging. Large crops are indicated.

DISTRICT NO. 3—PHILADELPHIA.

Plants throughout the district continue busy and manufacturers generally expect a very large volume of business this fall and winter, owing to the tremendous quantities of goods needed by the Government for the carrying on of the war.

Retail distribution of fall merchandise shows a very satisfactory increase in activity, demand being stimulated by cool weather and the return of many people to the city. There is complaint that the high prices are restricting the movement in certain lines. Wholesale orders are being placed in considerable amounts, especially for staples in dry goods, furnishings, notions, and underwear.

All lines are prevented from working to capacity by the uncertain deliveries and scarcity of raw materials and the shortage of labor.

The demand for dyed cotton goods can not be supplied, notwithstanding the high prices. This is chiefly due to the substitution of certain classes of such goods for woolen goods and to the large exports of dyed cotton goods. Most of the surplus product has been exported and there is no accumulation of stocks.

Buying by the Government has stimulated the wool trade, but the general trade is not buying freely, buyers being very conservative. The textile plants are well provided with work.

Quiet prevails in the building trades, owing to the high prices of all kinds of materials and the shortage of labor. It is expected that the completion of the cantonments will result in a more adequate supply of help.

The situation in anthracite coal is reported to be rather serious, owing to the scarcity of labor at the mines. Production of bituminous coal has fallen off.

The iron and steel plants are operating at as near capacity as possible on orders in hand, but new business is quiet. This industry is greatly hampered by the coal shortage.

There is little change in other leading lines, there being a steady business in leather, chemicals, papers, paints, hardware, and electrical supplies.

Money rates have strengthened, and best names are selling at 5½ per cent. During the month of August member banks availed themselves, to the extent of $18,170,441, of the rediscount privilege of the Federal Reserve Bank.

DISTRICT NO. 4—CLEVELAND.

In a review of business conditions at this time in the Fourth Federal Reserve District the subject of paramount interest is the scarcity of coal. Aside from the coal situation, general business is fairly satisfactory.

Agriculture.—Production of the major cereals has been more than satisfactory. Light frosts reported in some localities have not materially damaged corn, of which there is a bumper crop. Due to intensive farming there is going to be a very heavy potato crop.

A large acreage is being put in winter wheat.

Tobacco has withstood the spell of unfavorable weather and is a good crop.

Considerable loss in fruit crop—peaches and small fruits—due to inability, first, to gather crops, and second, to preserve them. People did not begin soon enough this year to learn how to preserve fuit. Northeastern part of the district in the grape belt has the best crop in a number of years.

Industries.—The priority given shipments of coal to the Lakes for the Northwest, in compliance with Government orders that the latter section be taken care of before closing of lake navigation, is the chief cause of the difficulty in the fuel situation now existing throughout the whole district. As a consequence there has been a partial shutdown of some industrial concerns. The steel trade continues active, due to Government needs being larger than anticipated; but new business for private consumers involving future delivery continues to fall off. In fact, in all lines of manufacturing with the exception of Government work there has been considerable easing up in "new business booked." In certain lines men are being started out to look for new business. There seems to be a total absence of demand for structural material for buildings, and conditions in the industries dependent on the building trade are discouraging at this time. The face-brick industry, usually the busiest at this season of the year, and carrying the lowest stocks, report amount of stock in excess of unfilled orders September 1 as 239 per cent of net overstock on May 1. Electrical business reports satisfactory volume and prices. Pottery and glass trades report a good volume of orders. This district will be an important one in the manufacture of aeroplanes. Despite the $3.50 price for Pennsylvania crude oil, which has induced vigorous efforts to increase production, new wells of any size are not reported. Companies who furnished equipment to the automobile trade report demands at a low ebb.

Building operations.—There has been a very decided shortage in the building-permit figures as compared with last year and have fallen off to the low average for the year. The causes for this condition are three:

First. Top prices for all materials necessary in building construction.

Second. Scarcity and other difficulties connected with labor.

Third. Lack of available financing for new operations.

Labor.—In a general way the labor situation is serious. Common labor and skilled mechanics are in demand. The supply of semiskilled labor seems to be adequate.

Mercantile lines.—Mercantile trade is active, and pay rolls are maintained at the maximum, except in cases of involuntary idleness due to the fuel famine. Retail merchants report that the cool weather of September has been a great stimulus to trade, and in a number of establishments increases are being shown over last year. Jobbers report that dealers are buying conservatively to meet current demands. There is evidence in all lines that economies are being practiced more and more and that the trend from nonessentials to essentials continues to become more marked.

Collections.—Collections with few exceptions are slowing up. Activity now is necessary in following up payments due. Higher costs, which are being reflected in the money market, are also responsible for certain difficulties in the credit and collection situation.

Money and investments.—Statements of national banks within money centers of this district show almost without exception substantial increases. Loans and investments have been proportionately expanded. Banks as a rule are preparing for the next Liberty Loan. Money is firm and rates stationary. There is no investment demand of any volume, and new enterprises find it impossible to be financed. Bankers, like managers of industries, are regarding the Government as a preferred customer, and are seeing to it that money for the war is forthcoming, even though it means the postponement of plans that under other conditions would be necessary and worthy.

DISTRICT NO. 5—RICHMOND.

At this particular season of the year, when the crops of this district have either matured and have been gathered, or are approaching maturity, the estimated results are somewhat at variance with predictions. Droughts, heavy rains, and light frosts in the past month and, perhaps more important than either, adverse labor conditions share responsibility for discrepancies.

While some localities report corn thus curtailed 20 per cent, the district as a whole should exceed last year's crop by 10 per cent. Wheat and other grains are satisfactory. Many farmers are holding grain, not yet convinced that food control, as announced, will prove workable. On the other hand, some shippers, using Norfolk as their most favorable port depot, find transportation facilities affected by railroad embargoes. In the light of scarcity of bottoms due to war contingencies, it is difficult to feel optimistic as to immediate relief in port conditions.

The potato crop is reported as of increased yield with lower prices. Fruits, especially apples, are very satisfactory, both in yield and prices.

North and South Carolina should yield an average crop of cotton, with increased prices and increased net returns.

The tobacco crop will probably show cash results abnormally increased. Notwithstanding the fact that earlier in the season the fertilizer situation inspired some pessimism, the yield has been 15 per cent higher than last year and prices are not only exceptionally high but fancy.

In the past few years, seasonal campaigns have been attempted in farming communities for an earnest effort to increase our live stock supply, and reports show rather encouraging results in increased herds of cattle; hogs and sheep also show an increase.

There is a good demand for boots, shoes, and leather goods at increased prices, and from one point comes the report that hides have slightly declined.

The position of the coal industry is difficult of analysis. With the promise of fixed prices for the 1st of October, operators are naturally timid about plans for operation, and incidentally, dealers, since the announcement, have unbent somewhat in their attitude to the consumers. Retail prices, however, have not been reduced, although consumers' purchases are being largely held up pending the promised price fixing. A corresponding curtailment appears to exist as between operators and dealers.

The textile industry is reported in splendid condition, with urgent demands for cloth. Raw materials for the cheaper products are reported available at little, if any, increase in price.

Machinery for drilling oil wells is reported in ood demand, but by larger interests only.

The lumber industry is more or less depressed, transportation difficulties and stagnation of building being contributive.

Collections are generally good, and in many quarters far above the average.

Bank deposits in many localities show increases, notwithstanding the fact that over $80,000,000 have been paid for the first issue of Liberty Loan Bonds. The increase is offset, in a smaller degree than was anticipated, by an increase of loans.

The issuance of Federal Reserve notes for the period of a month, as compared with the corresponding period of last year, show an increase of 600 per cent.

It would be unwise to minimize the grave importance of the scarcity of labor, and while some of our crops have been already harvested, we can hardly expect to escape loss through the inability of planters to gather the balance before adverse weather conditions prevail. Manufacturers may also expect difficulties until more labor is available.

DISTRICT NO. 6—ATLANTA.

There have been no important changes in the business situation in this district during the past month. Further developments are largely awaiting crop results.

Agricultural conditions are good throughout the district. There never has been so good a crop of corn, velvet beans, peanuts, sorghum, and sweet potatoes. Cotton is opening rapidly and picking is well advanced, being completed in the southern part of the district. While the crop did not suffer from the boll weevil as much as in former years, with the exception of that portion of the district growing sea-island cotton, it will be considerably reduced from early estimates, due to the cool nights in September and a very poor top crop is indicated. The sweet-potato crop of Alabama has a notable increase in production, the 1917 crop being estimated at 16,000,000 bushels, as compared with 6,000,000 in 1915. The corn crop of Alabama is estimated at 89,000,000 bushels, as compared with 67,000,000 in 1916. Citrus fruits were improved by rains during the month. Trees are ladened with fruit, and prospects are especially bright for a good crop of Satsuma oranges. The agricultural departments of the States in this district have conducted a campaign for increased grain production, and much land is reported prepared for wheat, and sowing of rye and crimson clover is in progress. Sugar cane is about 15 days late and is reported looking fine. Tobacco cutting has commenced and much of the crop is rapidly maturing and promises good. The crop is one of the largest ever produced, and quality above the average. Advanced prices are satisfactory and indications are that tobacco will sell at a high price this winter and spring.

Textile mills are operating, so far as the supply of labor will allow, both day and night. There appears to be a great demand for heavy cotton on account of military needs, and high-priced wool is forcing cotton substitutes to the front at satisfactory prices.

The number of Army camps located in this district has created many new lines of business and produced unusual activity among jobbers and manufacturers of articles for soldiers' use. Other than building work at these camps, very little building is going on in this section, due to high prices of labor and difficulty to get delivery on certain materials. Large forces of workmen have been gathered at these camps and an increase in building and general construction is looked for when the Government work is finished and labor is available for other lines.

There has been some labor disturbance at New Orleans, the longshoremen declaring a strike, a strike of street-car men at Chattanooga, and minor disturbances around the district, but labor conditions in general are satisfactory.

All industrial and mining activities continue at high speed. Wholesalers and retailers report business better than at the same season last year.

Imports and exports at New Orleans continue good, but some fear is felt that the Federal rules and regulations may cause some falling off.

Bank clearings continue to show an upward trend. With high prices prevailing the demand upon banks is heavy for crop-moving purposes. Interest rates continue firm. Country banks announce collections good and that business in all lines is satisfactory. The increased diversification patriotically put forth in answer to the President's call is proving equally profitable to the producer, and merchants report realizations on accounts of years' standing. In addition diversification has brought increased wealth in a better class of cattle, better breed of hogs, and more scientific attention to dairy products. This has been the first year of real diversification in the district, and the high prices paid producers lends encouragement to its establishment as a general farming policy.

DISTRICT NO. 7—CHICAGO.

There is still evidence of some hesitation in lines of business which may be affected by legislative measures but, on the whole, the situation is satisfactory, and agricultural communities are buying their needs upon the expectation of good crops. Banks are finding a strong demand for funds at firm rates, due to corporate requirements, crop financing, and the call for loans based on cattle which are being brought into this territory for feeding preparatory to shipment into the market centers. The bond market is quiet and weak, with some slight interest shown in municipal securities and short-term, high-rate notes.

Crop prospects continue good, and the cold weather during the month of September which retarded the growth is not believed to have seriously affected the production. In Illinois winter wheat is going into the ground in good shape, and the acreage will be large. Oat threshing indicates a large yield and corn, while a little late, promises a large crop. In northern Indiana there may be some reduction in the corn estimate owing to the cool weather, and the same thing applies to some parts of Iowa, but the damage up to date has not been general. Michigan fruit and vegetables were injured by unseasonable weather, and the production will be less than the estimates a month ago, but the high prices will make the present crop of greater value than the production of a normal year. Wisconsin, owing to the frosts, will probably have to reduce the estimated potato crop approximately 20 per cent. Tobacco has also suffered, although a part of this loss will fall upon some eastern concerns which purchased crops standing in the fields.

There is little change in the agricultural-implement situation. Business is reported active, and manufacturers are finding their principal difficulties in the labor situation and the questions incident to securing the necessary raw materials.

Automobile manufacturers report a better demand, but the pleasure-car business is still somewhat unsettled. Government orders for trucks are keeping a number of concerns in this district working to capacity.

Building and its allied lines have shown little change. Private and investment building remains at a standstill. Coal mines are finding their production still further decreased, and some authorities look for a coal shortage before the close of the winter.

In merchandise lines consumers appear to be purchasing their needs and sales are a little better than they were at this time last month. Furniture business is quiet.

The grain business is more or less demoralized, owing to the differentials recently established, which are looked upon as discriminating against the Chicago territory.

Grocers enjoy a good volume of sales, but values are still high, and the conditions reported last month still prevail.

Hardware is in good demand, owing to Government orders, but staple business is rather quiet. Collections are fair. The leather and shoe lines report no improvement during the past month, and foreign trade is considerably restricted by delays in securing licenses and embargoes of foreign countries.

The packing industries report renewed activity, with prices strong, and a depletion in packing-house provision stocks.

Lumber sales are unfavorably affected by the decreased building activity, and the volume of sales is reported less than a year ago.

Mail-order houses still find sales increasing over the entire district.

Piano manufacturers report a revival of interest with orders coming in rapidly. The scarcity of raw material and skilled labor is making it difficult to maintain outputs, but this is a rather general condition in all lines.

Shipbuilding and steel industries are working to capacity and are compelled to turn down some orders owing to their heavy bookings.

Watches and jewelry are meeting with satisfactory sales, and this condition is expected to last through the fall months.

The wool market continues very strong and moderately active with a satisfactory volume moving to the mills. Woolen mills are covered for some months to come, and knit-goods concerns appear to be well engaged for the next few months.

Clearings in Chicago for the first 21 days of September were $1,375,000,000, being $127,000,000 more than for the corresponding 21 days in September, 1916. Clearings reported by 20 cities in the district outside of Chicago amounted to $272,000,000 for the first 15 days of September, 1917, as compared with $240,-

000,000 for the first 15 days of September, 1916. Deposits in the 12 Central Reserve City member banks in Chicago were $802,000,000 at the close of business September 20, 1917, and loans were $565,000,000. Deposits show a decrease of approximately $21,000,000 over last month and loans a decrease of approximately $3,000,000.

DISTRICT NO. 8—ST. LOUIS.

While trade has been active in all sections of this district during the summer months, favorable crop developments and seasonable weather have further stimulated business. Future commitments may be restricted in some lines, but in general, confidence is the dominant note.

Government orders are a more important factor than probably ever before. While formerly Government orders were small and intermittent, the building of cantonments and preparations for equipping the National Army have necessitated the placing of orders in many lines hitherto unaffected.

Favorable crop developments have largely increased the buying power of rural communities, and this is reflected in the business of all wholesalers and jobbers. The large orders placed last spring with manufacturers and jobbers have now been delivered, but, even so, market buying is reported to be unusually heavy. Payments in most cases have been made promptly, which would seem to indicate the consumption of goods rather than the accumulation of stocks in the hands of retailers.

Retail merchants generally have profited by the seasonably low temperatures which occurred about the middle of September. Distribution of fall merchandise is well under way, and with the large buying power of the public, a profitable business during the fall months is anticipated.

The crop developments continue to be entirely satisfactory. There were light frosts throughout this district about the middle of the month, but few reports of serious damage on this score have been received. The Government review of crop conditions as of September 1 shows a combined average condition for the States, wholly or in part within this district, ranging from 108.8 per cent in Tennessee to 122.5 per cent in Missouri, 100 per cent being the average. Plowing for winter wheat is well under way in all sections of the district. The ground has had enough moisture to put it in good shape for this work, and seeding has begun in sections as far north as counties in the central part of Missouri, south of the Missiouri River. Shipments of wheat from primary points have been unusually small up to this date. There seems to be a reluctance on the part of the farmers to sell at the present prices, and a general misunderstanding regarding the Government price regulation. Many think the price established is the minimum, while others realize that it is the maximum, but think it may be raised later.

Every indication points to an exceptionally large corn crop. The condition of the crop in Illinois, Indiana, and Missouri is exceptional, and the forecast from the September 1 condition is for a yield much larger than that of 1916 or the 5-year average. Frosts which occurred in the middle of the month did not do any material damage, and it is estimated that favorable weather from now until the first of October will insure 90 per cent of the corn crop from further damage.

Development of the cotton crop has not been as rapid as was expected a month ago. The crop is still two to three weeks late, and while the present condition is satisfactory and the outlook favorable, an early killing frost would do considerable damage. Reports of insect damage have increased somewhat, particularly in Mississippi and a few scattered sections in Arkansas where the boll-weevil is reported to be active. Cotton is opening, and picking is going on in a few localities, but up to this date, few gins are in operation and in general the movement to market is not as far advanced as usual.

Minor crops are generally reported to be in good shape, and pastures have revived during the last month.

Reports from Kentucky all indicate a very large tobacco production. The amount of small vegetables and fruits canned by individuals is much larger than ever before.

The St. Louis National Stock Yards reports a decrease in the receipts of sheep, cattle, hogs, and horses and mules during August. The price of all live stock continues high, hogs, at this writing, selling well over $18 per hundred and cattle bringing a record price of $17.50 per hundredweight.

The labor situation is somewhat unsettled. Numerous small strikes have occurred throughout the district, and the condition can not be said to be entirely satisfactory.

The car situation continues to show improvement, the net shortage on September 1, 1917, being less than 32,000 as compared to over 77,000 on July 1, and over 37,000 on August 1.

Index figures on the cost of living show a slight increase during the last three weeks, but are still below the high point reached the end of May.

Building permits again show a decrease as compared to August a year ago, and to August, 1915. The decrease is particularly noticeable in St. Louis and Louisville.

August postal receipts in Little Rock, Memphis, and St. Louis show a small gain, while Louisville shows a slight decrease.

The bond business is very quiet. Little new financing is being undertaken, and dealers are generally marking time, pending definite announcement of the second Liberty Loan.

Commercial paper rates have advanced, and best names are now quoted at approximately 5½ per cent. Recent demands have come almost entirely from banks in the smaller localities. The demand has slackened somewhat in the last two or three days, due, probably, to demands for funds for crop-moving purposes. The crop movement is late, as already stated, but the demand is expected to be exceptionally heavy, due in part to large production and in part to high prices. There has been no change in bank rates to customers.

DISTRICT NO. 9—MINNEAPOLIS.

Harvesting of the grain crops in the ninth district is complete except for flax. Thrashing is in full swing, and the grain yields are satisfactory. In the western half of the district, where the crops were severely damaged during June and July, many fields that were thought worthless have been cut and threshed, and a fair amount of good grain has been recovered. The quality of all small grains throughout the entire district is excellent. The corn crop, especially in the northern half of Minnesota and North Dakota, was damaged by early frosts, but there will still be good corn even in the areas where the crop was hurt by unseasonable cold weather. In the remainder of the district corn will be good in crop and quality.

There has been complaint during the month of the slowness with which the new grain is moving to terminal markets. This is partially accounted for by the fact that many farmers held back shipments of the first of the new crop on account of the uncertainty as to Government price regulations, and since that time have been slow to ship because of uncertainty as to the new grain grades established under Federal authority, which considerably alter the classification and grades of grain that have prevailed in previous seasons.

The wheat movement so far at the markets in Minneapolis and Duluth has not been more than two-thirds of an average September volume, and the mills have been experiencing some difficulty in obtaining satisfactory supplies of new wheat. It is anticipated that as the farmers become more familiar with the new grain grades and the changes brought about by Government regulation of prices, the movement will improve. The agricultural portions of the district are in good shape, and while crops in the western half of the district have not produced satisfactory yields, there is still in that area a considerable amount of good grain which will command excellent prices.

General business is active, retail merchandising at country points is in satisfactory volume, collections are good, and the outlook for the remainder of the fall and early winter is favorable. A fair amount of farm construction is in progress, although the high price of lumber and material has had the effect of deferring a considerable amount of contemplated building until another year. Construction at urban centers is in fair volume. Traffic conditions are satisfactory, and there has been no difficulty so far in moving the grain crops, although it has been necessary to give careful attention to the car supply. In view of the better degree of cooperation between the railroads and the grain interests, it is likely that the crops will be handled without congestion or unusual delay.

DISTRICT NO. 10—KANSAS CITY.

Agriculture.—Corn has recovered from the effects of the previous drouth to a surprising extent. The estimate has been materially increased in the district, depending only upon the delay of hurtful frosts. The present estimate for Nebraska, Missouri, Kansas, and Oklahoma indicates an increase of approximately 53 per cent over last year's crop of 427,000,000 bushels, while the entire country shows an estimated increase of but 26 per cent. For the district the increased wheat acreage, officially requested for fall planting, amounts to 11 per cent over last year, and with favorable conditions it is believed that even a greater increase will be made. It is thought that through the cooperation of various interests the threatened shortage of seed wheat has been largely obviated.

Live stock.—There were heavy shipments of cattle to the local market in early August, but the movement was materially checked by rains and improved pasturage, particularly in Kansas and Oklahoma. The important markets of the district reflect receipts of approximately 5 per cent more than for that month a year ago. Hog receipts, however, at the same markets show a decline of 27 per cent and sheep 30 per cent. The average weight of hogs received locally was only 180 pounds, the lightest since last November and the lightest on record for August. State councils of defense are urging farmers to hold stock for full maturity, owing to the predicted general shortage of meat animals and the necessities of the future. A rare period in the history of the markets has existed, with prices of cattle, hogs, and sheep soaring to the highest levels at one and the same time.

Mining.—Colorado silver mines were very active, largely owing to the revival of interest in response to the high price. In the Kansas-Missouri-Oklahoma district the production of zinc has been somewhat less than for last month, although Oklahoma reports increased production. Lead production has been below average in amount, with stocks increasing owing to the belief of the operators in a greater worth of the metal than the present price and the hope that better prices are in prospect.

Oil.—Producers are still complaining that the scarcity of oil-well supplies partially, at least, offsets the advantages of high prices for crude petroleum, and yet there are indications that this situation is gradually being relieved. In Kansas and Oklahoma the results of operation have been good, and there are bright prospects for an increase of production. It is quite evident that more wells will be drilled in these two States during the next 12 months than ever before in a similar period. There has been considerable development in Colorado's shale oil industry. Stills for the distillation of oil from the heavily impregnated shales have been erected and machinery is being manufactured for assembling at the workings.

Lumber and construction.—The lumber market has been quiet and fall activity is opening later than usual. Prices show no inclination to break, notwithstanding the fact that immense Government contracts are nearing completion. Lumber stocks in retail yards are probably no more than normal and with the increased purchasing power of the farmers a better business is in prospect throughout the industry, many predicting more activity than for years, notwithstanding high prices and labor shortage. An improved car situation is noted and is expected to continue during the greater part of the fall.

Valuation of August building permits in 11 important cities show a total of 14 per cent less than for the same month a year ago. Denver and Wichita, however, report increases of 98 per cent and 120 per cent, respectively, the latter being the fourth largest gain reported for the entire country.

Labor.—The labor situation has been acute, owing to strikes in many industries, especially freight transportation and meat packing. Probably the most serious difficulty has arisen out of the packing-house strikes, owing to the impediment they formed to pressing needs of the Government. A hopeful indication in all cases is the continued disposition of the parties most interested, to arrive at speedy settlements, and the work of the Government mediators has been most effective. There is an increasing shortage of help in all lines by reason of the call to the colors and this has apparently affected farming and mining particularly.

Mercantile.—The marked improvement in crop prospects has stimulated the business of wholesalers, and retail distribution is increasing. Wholesale dealers in dry goods, clothing, millinery, and shoes report country merchants buying freely for fall requirements. Manufacturers of all kinds of wearing apparel are working full forces to complete the fall orders. Compared with a year ago, statistics for August for the States which are entirely or partly within this district indicate a slight increase in purchases, an increase in indebtedness of 7 per cent, and in collections of 12 per cent.

There has been a strong demand for wheat drills and corn-harvesting machinery, owing to the excellent prospects, and jobbers are shipping as fast as received from the factories.

Army and export purchases of flour have kept local mills operating at capacity. All wheat offered has been readily taken, but receipts have thus far been of comparatively small volume. Visible supplies are much lower than last year and diminishing. Farmers are well occupied and seem to be in no hurry to market the remainder of the crop, and some millers claim that with receipts running as at present, they can not keep grinding. The demand for flour is large and stocks are much smaller than usual.

Financial.—Increased bank clearings indicate well-maintained activities. Thirteen cities in the district reported for August a total increase of 37 per cent over August, 1916, as against an increase of 26.7 per cent for the entire country and a gain of 118 per cent over August, 1915, as against a 75 per cent gain for the United States.

Reports thus far received indicate an increase in deposits of national banks as between the last two calls of the Comptroller of the Currency. Rates of discount have visibly hardened, following an increased demand for funds.

DISTRICT NO. 11—DALLAS.

Lower temperatures during September have caused increased activities in many lines of business in the district, especially retail and jobbing trade. Crop conditions are also much improved over 30 days ago, and even from parts of the drought-stricken sections more encouraging reports are received. Rains have fallen pretty generally over the district within the past 30 days, and, while in sections where the drouth was felt most the moisture was quickly absorbed and more rain is badly needed, yet it revived grass and put the ground in good condition for fall crop preparations. There is little improvement in farming conditions in west Texas, and the situation continues extremely bad. There has been a general exodus of farmers from that section. A recent bulletin issued by the Texas Industrial Congress, which is believed to be correct, states that Texas has experienced the worst drought since 1887.

There is a good movement of cotton to the markets in the district, and it is being sold as fast as ginned. The yield in the Red River counties of north and northeast Texas and in south and southeast Oklahoma will be above the average. Too much rain has fallen in that particular section, however, and as a result boll worms and weevils are doing considerable damage. The crop is also very good in east and southeast Texas. Farther south, in sections where the drouth has done heavy damage, the crop is very poor, and the yield will run from one bale on 6 acres to one bale on 25 acres. It is too early to make predictions as to the top crop, and that will depend on the date of frost.

Correspondents advise there will be a heavy acreage in winter feed crops all over the district, and especially in the Panhandle country. The wheat acreage in that section has been increased from 25 to 30 per cent, and with anything like an ordinary season the 1918 wheat crop will be the largest in the history of the Panhandle. The rice crop in the coast country sustained considerable damage on account of the dry weather and shortage of water for irrigation purposes. The damage is estimated at from 40 to 50 per cent. The crop in Matagorda County, one of the large rice-producing sections, will be about 300,000 sacks. It is just being moved at the present time, and so far about 5,000 sacks have been marketed. Using last year's crop as a basis, the increased price this season will more than offset the short yield. The peanut crop, according to our advices, will be unusually large, averaging 20 bushels per acre, with an acreage of around 600,000. Preparations for planting of vegetable and other winter and truck crops are well under way in the Rio Grande Valley, and quite an extensive acreage will be planted.

This district's allotment of the new issue of Treasury certificates of indebtedness was quickly absorbed. With the cotton movement now on and the high price of the staple, together with the large amount of funds required to handle the crop, including seed and manufactured products, the facilities of our member banks are taxed to the limit. Banks in the West are also being called on to assist in financing their farmers on account of crop failures. Many of our member banks have sought the advantages of our rediscounting machinery, and offerings of papers have been extremely heavy within the past 30 days.

This is the height of our discount season, and another thirty days will see heavy liquidations. We are also endeavoring to take care of the large orders for currency and silver shipments, which have been unusually heavy the past month. Preparations are actively under way for the second Liberty Loan of 1917. It is not doubted that this district will quickly absorb the amount allotted it. Clearings, as reported by the principal cities—Austin, Dallas, El Paso, Fort Worth, Galveston, Houston, San Antonio, and Shreveport—show an increase of 36 per cent for August over same month of 1916. The figures were August, 1916, $171,-554,381; August, 1917, $233,751,298; increase, $62,196,917—36 per cent.

Ordinary building operations continue to show a decrease, and for the month of August were considerable less, both in number and valuation, than the same month in 1916. As has been commented upon, however, in our previous letters, the restricted activities in ordinary building operations have been offset by the heavy construction work of the Government. After the cantonment work is finished, thus permitting the return of carpenters and workmen in similar lines to other normal occupations, and stocks of hardware and lumber in retail stores have been replenished, it is expected that building operations will be resumed on a more nearly normal basis.

There is still some evidence of restricted buying in wholesale and jobbing lines, and the desire on the part of the trade not to stock up on high-priced merchandise, but to confine their purchases to orders in hand and probable requirements of the immediate future.

There is no improvement in the labor situation. The demand for all classes of men continues greater than the supply, notwithstanding wages have been advanced it is still difficult to obtain efficient men. The conditions in the drought-stricken portions of this State have caused farmers to leave those sections and go to cities in search of employment. These men, together with the great number of skilled and unskilled workmen that will be out of employment when the Government has completed its cantonment work, will in all probability create a surplus. Every encouragement is being offered to farmers to stay on the farm and necessarily relieve the unhealthy condition mentioned. There is a heavy demand for negroes at the present time for cotton picking and the scarcity of such laborers in the cities is the result.

Recent rains have improved the cattle situation, particularly in the Panhandle section. The rains insure good grass for the winter, as well as stock water. A strong demand is reported for cattle in the northwestern section and prices are excellent. In west Texas, however, there has been little rainfall, and unfavorable range conditions still exist. There have been heavy losses as a result of the protracted drought in that section. Receipts of all classes of live stock continue unusually heavy. In fact, during August cattle receipts at Fort Worth were 100 per cent heavier than for the same period last year.

Post office receipts, as reported by the principal cities of the district—Austin, Beaumont, Dallas, El Paso, Fort Worth, Galveston, Houston, San Antonio, Shreveport, and Waco—continue in good volume, and for the month of August show a 14 per cent increase over August, 1916. The figures were: August, 1916, $321,711; August, 1917, $368,426; increase, $46,715—14 per cent.

Exports from the port of Galveston for July (August figures not yet obtainable) were $11,837,157, an increase of some $4,000,000 over the same period last year.

Coal mines in the Oklahoma district are running on full time and with better car service the outlook is bright. Copper production in the Arizona section shows a slight decrease, owing to activities of the I. W. W. Conditions, however, are rapidly returning to normal and all mines will be working full forces at an early date.

Manufacturing is active, though some industries have been handicapped through inability to obtain labor and the scarcity of cars. Manufacturers of clothing, especially, have all the business they can handle. According to our advice some of them have sold their entire output up to April next year and no new orders are being booked. Mail order houses report heavy fall trade and anticipate an exceptionally busy season.

Except in those sections where the drought has been serious, the general business outlook in the district is decidedly favorable. Within another month the returns from the cotton crop should be felt in the trade channels, and with the good prices obtaining for the staple, when these funds are disbursed it should make for a very active fall trade in all lines. There is a gradual adjustment to conditions caused by the war, and while it has made for conservatism and caution in many lines, the heavy expenditures by the Government have stimulated business in this district.

DISTRICT NO. 12—SAN FRANCISCO.

Crops in this district will record a materially greater total than that of a year ago. Wheat, however, shows a decreased yield of 18 per cent, 64,796,000 bushels against 78,448,000 in 1916, according to the Government estimate September 1. In Oregon, Washington, Idaho, and Nevada the barley crop is estimated at 18 per cent less than that of a year ago, but in California the estimate is for 40,000,000 bushels, compared with 23,000,000 a year ago.

The production of rice in California is rapidly developing. The approximate acreage in 1912 was 1,400; in 1916, 70,000, and in 1917, 90,000. The increase in value has been from $75,000 in 1912 to $8,000,000 or $10,000,000 in 1917, better yield and higher prices both being important factors.

California shipments of deciduous fruits to points outside the State will total 20,000 carloads, exceeding previous records by more than 2,200 carloads. Last season 17,891 carloads were shipped. According to Government estimates, the apple crop in the State of Washington will equal last year's yield of over 10,00,0000 bushels, but in Oregon and California the production will be slightly less than a year ago.

Approximately 200,000,000 pounds of prunes will be dried in California this season compared with 130,000,000 pounds last year and 170,000,000 pounds in 1915. The production in Oregon, Washington, and Idaho, however, will be much below normal. California's production of peaches this year is estimated at 10,190,000 bushels, an increase of more than 1,000,000 bushels over 1916. With a ten-year average of 87 for both oranges and lemons in California, the September 1 Government report estimates oranges at 50 and lemons at 55.

The 1917 raisin crop in California is estimated at 150,000 tons, about 28,000 tons more than last year's production. About 30,000 tons will be of the Thompson seedless variety, 20,000 tons Sultanas, and 100,000 tons Muscatels.

About the middle of July hops were being contracted for in this district at 10 cents per pound. Two months later 42 cents was paid, sales in important volume being made at prices above 32 cents. These are the highest prices since 1911 when 42 cents was reached, and are due both to a greatly decreased acreage and to the conviction that Congress will not immediately stop the brewing of beer. The 1917 hop crop of the coast is estimated at 125,000 bales as compared with about 280,000 in 1916.

Due to an increase in acreage of about 20 per cent over last year and to favorable weather conditions it is thought that the sugar-beet crop of California will reach a new high record this year. The September 1 forecast of the Government places the crop at 1,770,000 tons, as against 1,463,000 tons a year ago. Utah's production will also reach a new high record.

Reports from 147 lumber mills of the Pacific Northwest indicate an average production during the month of August of 50 per cent below normal with shipments averaging 17 per cent above actual production.

California's sardine pack for this year is estimated at 1,000,000 cases, and it is stated that at the present rate of increase the sardine pack for the State will in two years total over 2,500,000 cases, which is the present pack of Maine.

Petroleum production in California in August averaged 271,755 barrels daily, compared with 259,266 barrels in July. Shipments averaged 289,943 barrels daily, curtailing stored stocks 563,840 barrels.

Utah has record yields of hay and potatoes as well as of sugar beets and in its mining output. The State is generally prosperous, as shown by its subscription for $9,700,000 Liberty bonds, with a quota of only $6,500,000, and a Red Cross contribution of $520,000, with an original quota of $240,000, later increased to $350,000.

August bank clearings for 20 principal cities of this district increased 38 per cent over the corresponding month a year ago, Ogden showing the greatest gain with 60 per cent, followed by Seattle with 58 per cent and San Francisco with 50 per cent. Building permits for the same 20 cities declined 22 per dent.

The following are the income taxes of corporations and individuals in the seven States of this district. Among all the States of the country California stands seventh in the amount of corporation income taxes and eighth in the amount of individual income taxes while standing twelfth in population (1910 census).

State.	Corporation income tax.	Individual income tax.
Arizona	$637,993.92	$200,330.73
California	6,147,289.14	3,870,314.24
Idaho	217,479.58	176,711.97
Nevada	75,423.05	15,425.53
Oregon	406,931.70	413,684.24
Utah	1,148,676.94	181,344.05
Washington	1,187,702.79	855,286.77
Total	9,821,497.13	5,713,097.53

The I. W. W. agitation has abated in this district, but there has been little improvement in the strike situation among the timber and lumber workers of the Northwest. Strikes have been called in Seattle shipyards, and, as this is written, 30,000 ironworkers about San Francisco Bay are on strike, the latter tying up the work on ship contracts said to aggregate $300,000,000. If Russia's internal contentions aid the enemy and threaten that country's newly gained liberty, surely it is no less directly helpful to the enemy to stop work on ships or curtail output by reducing hours or energy.

DISCOUNT OPERATIONS OF THE FEDERAL RESERVE BANKS.

During August discount operations of the Federal Reserve Banks totaled $220,838,942, compared with $460,733,353 the month before and $750,270,739 during June, when demands for accommodation upon the reserve banks were heaviest. Nearly 70 per cent of the month's discounts, or $152,108,286, is represented by member banks' collateral notes, the eastern banks, Richmond, Chicago, St. Louis, and Kansas City, reporting the larger portion of their discounts under this head. A relatively small share of these collateral notes, viz., 20 per cent, is shown to have been secured by interim receipts for Liberty bonds or United States certificates of indebtedness, the remaining 80 per cent having as their collateral either commercial paper, including acceptances, or United States bonds other than Liberty Loan securities. On the other hand, a certain amount of paper discounted at ordinary rates was secured by Liberty Loan securities, the total loans received by member and nonmember banks in which Liberty Loan securities figure as collateral being therefore somewhat larger than the figure shown above. The average size of the 102 collateral notes discounted during the month by the New York Bank was about $442,000, compared with an average size of about $192,000 for the 557 collateral notes discounted by the other Federal Reserve Banks. Both averages were decidedly smaller than for the immediately preceding months, when some of the largest city members received accommodation through the discount with the Federal Reserve Banks of their own notes.

Total discounts for the month include, in addition to the $152,108,286 of collateral notes, $1,668,063 of trade acceptances reported chiefly by the Boston and Kansas City banks, $320,949 of commodity paper, and $66,741,644 of other customers' paper. Discounts for the first eight months of the present year total $1,640,858,464, compared with $100,078,700 for the corresponding period in 1916. Of the eight-month total, $1,313,948,692, or over 80 per cent, were collateral notes, while $9,870,404 are specified as trade acceptances, and $6,519,635 as commodity paper. As compared with corresponding 1916 figures the amount of trade acceptances discounted increased about 340 per cent, while commodity paper discounted declined over 37 per cent.

Over 74 per cent of all discounts, including collateral notes, as compared with 87 per cent in July and 92 per cent in June, was 15-day paper (i. e., maturing within 15 days from the date of discount with the Federal Reserve Banks); over 6 per cent, 30-day paper; nearly 9 per cent, 60-day paper; and about 10 per cent, 90-day paper. Agricultural and live-stock paper maturing after 90 days from date of rediscount with the Federal Reserve Bank (so-called 6-month paper) totaled $1,610,709, or less than 1 per cent of the month's total discounts. During the eight months of the present year the Federal Reserve Banks discounted about $13,127,000 of this class of paper, compared with $13,677,000 for the corresponding period in 1916, and $11,943,700 in 1915.

On the last Friday in August the Federal Reserve Banks held a total of $147,315,000 of discounted bills, as against $138,460,450 at the end of July and $27,029,600 on the corresponding date in 1916. About 48 per cent of the paper on hand were bills maturing within 15 days. The total comprised $15,760,000 of member banks' collateral notes secured by Liberty bonds or United States certificates of indebtedness, $28,812,000 of other collateral notes, $9,063,000 of agricultural paper, $10,328,000 of live-stock paper, $81,027,000 of commercial and industrial paper, and the remainder unclassified paper, largely discounts secured by Liberty bonds, also nonmember bank paper with member banks' indorsement. Over 70 per cent of the agricultural paper was held by the Richmond, Minneapolis, and Dallas banks, while nearly 90 per cent of the live-stock paper is reported by the Federal Reserve Banks of Boston, Minneapolis, Kansas City, and Dallas.

During the month the number of member banks increased from 7,681 to 7,756, while the number of discounting members shows an increase from 960 to 990 for the month under review. Richmond continues to lead all other districts in the number of member banks accommodated.

Bills discounted by each Federal Reserve Bank during August, 1917, distributed by sizes.

NUMBER OF PIECES AND AMOUNTS.

Banks.	To $100.		Over $100 to $250.		Over $250 to $500.		Over $500 to $1,000.	
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.
Boston	4	$345	52	$9,273	121	$51,302	150	$125,934
New York	14	1,180	25	4,778	68	25,745	77	58,966
Philadelphia	320	16,139	68	12,182	63	24,455	79	60,535
Cleveland	11	795	29	5,213	27	10,819	32	26,618
Richmond	92	6,888	160	29,526	341	187,123	496	386,828
Atlanta	55	4,532	297	52,074	281	109,331	316	244,345
Chicago	76	6,066	92	16,497	19	30,302	114	89,601
St. Louis	2	179	38	6,802	75	28,819	57	43,409
Minneapolis	16	1,195	187	30,176	241	87,332	300	211,278
Kansas City	10	909	163	29,645	186	69,039	160	116,996
Dallas	106	7,062	324	55,811	325	118,123	292	211,506
San Francisco	2	91	26	4,245	32	11,265	79	53,915
Total	708	45,381	1,461	256,222	1,839	753,655	2,152	1,629,931
Per cent				0.4		1.1		2.4
Member banks' collateral notes								

Banks.	Over $1,000 to $2,500.		Over $2,500 to $5,000.		Over $5,000 to $10,000.		Over $10,000.		Total.	
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.
Boston	184	$339,356	490	$2,298,241	215	$2,014,506	191	$6,291,440	1,407	$11,130,397
New York	151	272,308	457	2,098,590	202	1,706,658	157	3,791,624	1,151	7,959,849
Philadelphia	107	203,618	109	1,263,228	89	827,102	64	3,460,192	899	5,867,451
Cleveland	106	197,623	130	539,440	60	581,459	59	2,077,359	454	3,439,326
Richmond	467	828,489	418	1,361,352	117	963,676	67	1,653,724	2,158	5,417,606
Atlanta	325	571,730	282	1,174,310	85	753,209	36	849,637	1,677	3,759,168
Chicago	161	311,722	301	1,401,951	145	1,318,082	137	5,695,691	1,105	8,869,912
St. Louis	104	192,411	295	1,404,826	100	915,907	61	2,731,991	732	5,324,344
Minneapolis	442	713,507	311	1,290,391	181	1,519,534	162	4,455,383	1,840	8,308,796
Kansas City	169	288,113	198	920,391	37	321,855	26	806,470	949	2,553,418
Dallas	223	371,762	169	700,918	64	498,895	40	742,790	1,543	2,706,867
San Francisco	160	263,491	235	1,010,206	72	525,777	68	1,524,532	674	3,393,522
Total	2,599	4,554,130	3,395	15,463,844	1,367	11,946,660	1,068	34,080,833	14,589	68,730,656
Per cent		6.7		22.6		17.4		49.4		100.0
Member banks' collateral notes			19	87,000	74	682,560	566	151,338,726	659	152,108,286

Bills discounted during the month of August, 1917 and 1916, and the eight months ending August, 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 U. S. certificates of indebtedness.	Otherwise secured.				
Boston	$2,573,500	$12,673,210	$638,303		$10,492,094	$26,377,107
New York	5,011,500	40,053,045	197,918	$25,000	7,736,931	53,024,394
Philadelphia	2,110,000	10,192,990	94,159	26,200	5,747,092	18,170,441
Cleveland	7,025,000	4,339,000	13,332		3,425,994	14,803,326
Richmond	1,926,682	22,428,660	91,848	94,042	5,231,716	29,772,948
Atlanta	1,006,000	250,000	124,285	11,829	3,623,054	5,015,168
Chicago	3,129,000	7,140,805	34,912		8,835,000	19,139,717
St. Louis	1,155,000	8,625,000	66,809		5,257,535	15,104,344
Minneapolis	1,384,640	1,345,804	42,549	53,470	8,212,777	11,039,240
Kansas City	3,420,950	13,506,500	344,017		2,209,401	19,480,868
Dallas	474,500	1,050,500		104,400	2,602,467	4,231,867
San Francisco	1,261,000	25,000	19,931	6,008	3,367,583	4,679,522
Total, August, 1917	30,477,772	121,630,514	1,668,063	320,949	66,741,644	220,838,942
Total, August, 1916			245,400	507,500	16,598,900	17,351,800
Total, January-August, 1917	1,313,948,692		9,870,404	6,519,635	310,414,733	1,640,753,464
Total, January-August, 1916			2,247,600	10,392,100	87,439,000	100,078,700

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

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

Banks.	Agricultural paper.	Live-stock paper.	Commercial and industrial paper.	Member banks collateral notes.		All other discounts.	Total.
				Secured by Liberty bonds or U. S. certificates of indebtedness.	Otherwise secured.		
Boston		$1,673	$13,510	$1,334	$5,700		$22,217
New York	$121		10,820	6,936	3,042	$298	21,217
Philadelphia	62		6,526	760	3,474		10,822
Cleveland	19	5	3,542	425	800	1,320	6,111
Richmond	2,707	98	7,324	622	2,988	616	14,355
Atlanta	986	459	4,068	377	245	3	6,138
Chicago	202	18	10,159	1,743	2,036		14,158
St. Louis	138	152	5,162	375	5,000	61	10,888
Minneapolis	1,663	3,221	9,743	691	47		15,365
Kansas City	180	2,130	1,620	1,468	5,042		10,440
Dallas	2,035	2,104	2,653	373	438		7,603
San Francisco	950	468	5,900	656		27	8,001
Total	9,063	10,328	81,027	15,760	28,812	2,325	147,315
Per cent							

Distribution, by sizes, of bills bought in open market by all Federal Reserve Banks during August, 1917, and the eight months ending August, 1917 and 1916.

Acceptances bought in open market.	To $5,000.		To $10,000.		To $25,000.		To $50,000.	
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.
Banker's acceptances	1,053	$3,386,976	746	$6,043,814	1,133	$20,694,302	417	$17,765,075
Trade acceptances	100	244,642	118	1,064,439	31	523,033	9	324,903
Total, August, 1917	1,153	3,631,618	864	7,108,253	1,164	21,217,335	426	18,089,978
Per cent		5.1		9.8		29.4		25.1
July, 1917	1,680	4,392,492	851	6,097,592	1,355	26,495,822	256	10,722,807
June, 1917	2,297	6,053,419	1,497	11,774,481	2,641	46,144,288	793	34,140,652
May, 1917	1,305	3,571,384	890	7,024,753	1,580	27,835,025	442	18,681,746
April, 1917	748	1,589,086	270	2,147,380	647	13,231,092	257	11,003,120
March, 1917	389	876,506	175	1,381,029	363	6,976,406	171	7,185,125
February, 1917	819	2,175,639	777	6,324,018	1,248	22,367,962	401	16,483,974
January, 1917	390	1,023,210	483	1,706,069	300	5,238,206	152	6,898,412
Total, 8 months ending August, 1917	8,781	23,313,354	5,807	43,563,575	9,298	169,506,136	2,898	123,205,814
Total, 8 months ending August, 1916	2,768	8,221,971	2,577	21,225,863	3,478	60,026,321	914	36,598,738

Acceptances bought in open market.	To $100,000.		Over $100,000.		Total.		Per cent.
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	
Banker's acceptances	167	$13,378,134	39	$6,242,597	3,555	[1] $67,510,898	93.6
Trade acceptances	19	1,630,689	5	824,198	282	[2] 4,611,904	6.4
Total, August, 1917	186	15,008,823	44	7,066,795	3,837	72,122,802	
Per cent		20.8		9.8			100.0
July, 1917	152	12,643,409	34	6,511,943	4,328	66,864,065	
June, 1917	306	26,306,940	63	10,809,917	7,597	135,229,697	
May, 1917	181	15,377,503	46	10,098,085	4,444	82,588,496	
April, 1917	87	7,155,097	38	6,186,816	2,047	41,312,591	
March, 1917	86	6,801,912	25	4,930,660	1,209	28,151,638	
February, 1917	180	15,273,481	49	8,012,105	3,474	70,637,179	
January, 1917	48	3,891,515	11	1,859,768	1,384	20,617,180	
Total, 8 months ending August, 1917	1,226	102,458,680	310	55,476,089	28,320	517,523,648	
Total, 8 months ending August, 1916	414	34,040,574	172	32,581,707	10,323	192,695,174	

[1] Of the above amount, banker's acceptances totaling $61,721,510 were based on imports and exports and $5,789,388 on domestic trade transactions.

[2] Of the above trade acceptances $4,476,646 were drawn abroad on American importers and indorsed by foreign banks and $135,258 were based on domestic trade transactions.

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.	Banker's acceptances.						Trade acceptances bought in open market.	Total acceptances.
	Member banks.	Nonmember trust companies.	Nonmember State banks.	Private banks.	Foreign bank branches and agencies.	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	585,000	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	21,782,000	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	16,069,000		98,679,000	4,487,000	103,166,000
1917.								
Jan. 1	66,803,000	34,625,000	1,502,000	18,224,000		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	118,773,000	3,022,000	121,795,000
June 11	81,196,000	32,043,000	946,000	22,604,000	239,000	137,028,000	3,723,000	140,751,000
June 18	103,314,000	38,776,000	1,296,000	23,860,000	1,301,000	168,547,000	3,611,000	172,158,000
June 25	113,786,000	45,738,000	2,260,000	31,215,000	3,165,000	196,164,000	4,129,000	200,293,000
July 2	117,555,000	48,496,000	2,242,000	32,137,000	3,287,000	203,717,000	4,429,000	208,146,000
July 9	117,991,000	49,260,000	2,549,000	32,484,000	3,095,000	205,379,000	4,923,000	210,302,000
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. 15	85,148,000	38,087,000	2,177,000	14,137,000	1,345,000	140,894,000	2,300,000	143,194,000
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. 15	108,111,000	28,406,000	2,431,000	21,118,000	1,329,000	161,145,000	7,246,000	168,641,000

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

Banks.	15-day maturities.				30-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston	$16,902,573	$192,372		$17,094,945	$2,179,412	$504,726		$2,684,138
New York	46,569,826	733,515		47,303,341	747,493	776,662		1,524,155
Philadelphia	14,596,145			14,596,145	394,123	520,434		914,557
Cleveland	9,981,146	72,514		10,053,660	3,398,040	3,139,506		6,537,546
Richmond	25,063,498	598,549		25,662,047	837,981	398,723		1,236,704
Atlanta	1,557,512	565,580		2,123,092	1,019,960	101,650		1,121,610
Chicago	12,800,940	443,333		13,244,273	1,585,208	3,972		1,589,180
St. Louis	12,181,691			12,181,691	823,617	83,333		906,950
Minneapolis	3,512,236			3,512,236	1,566,541			1,566,541
Kansas City	17,259,897			17,259,897	648,012			648,012
Dallas	1,630,000			1,630,000	101,493			101,493
San Francisco	2,482,613	1,021,746		3,504,359	474,815	2,091,815		2,566,630
Total	164,538,077	3,627,609		168,165,686	13,776,695	7,620,821		21,397,516
Per cent				57.4				7.3

Amount of bills discounted and acceptances and warrants bought by each Federal Reserve Bank during August, 1917, distributed by maturities—Continued.

Banks.	60-day maturities.				90-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston	$2,936,785	$1,327,640		$4,264,425	$4,358,337	$5,100,789		$9,459,126
New York	1,638,995	1,551,703		3,190,698	4,060,991	9,450,945		13,511,936
Philadelphia	256,472	1,601,231	$125,938	1,983,641	2,923,701	5,003,230		7,926,931
Cleveland	769,585	4,495,518		5,265,103	650,069	6,776,165		7,426,234
Richmond	1,783,789	84,528		1,868,317	2,032,354	408,897		2,441,251
Atlanta	1,422,901	356,572		1,779,473	937,156	824,926		1,762,082
Chicago	3,354,411	2,042,426		5,396,837	1,245,477	3,203,718		4,449,195
St. Louis	1,055,282	672,846		1,728,128	962,097	2,919,280		3,881,377
Minneapolis	3,617,620	836,362		4,453,982	1,837,722	2,273,304		4,111,026
Kansas City	828,020	858,882		1,686,902	547,589	1,983,583		2,531,172
Dallas	1,084,736	1,510,357		2,595,093	1,075,555			1,075,555
San Francisco	879,166	3,722,607		4,601,773	654,651	2,998,478		3,717,994
Total	19,627,762	19,060,672	125,938	38,814,372	21,285,699	40,943,315		62,293,879
Per cent				13.2				21.2

Banks.	Over 90-day maturities.				Total.				Per cent.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston		$426,000		$426,000	$26,377,107	$7,551,527		$33,928,634	77.7	22.3		100.0
New York	$7,089			7,089	53,024,394	12,512,825		65,537,219	80.9	19.1		100.0
Philadelphia		325,898		325,898	18,170,441	7,450,793	$125,938	25,747,172	70.6	28.9	0.5	100.0
Cleveland	4,486	47,863	$9,278	61,627	14,803,326	14,531,566	9,278	29,344,170	50.3	49.4	0.3	100.0
Richmond	55,326			55,326	29,772,948	1,490,697		31,263,645	95.2	4.8		100.0
Atlanta	77,639	11,000		88,639	5,015,168	1,859,728		6,874,896	73.9	26.1		100.0
Chicago	153,681			153,681	19,139,717	5,693,449		24,833,166	77.1	22.9		100.0
St. Louis	81,657	59,624		141,281	15,104,344	3,735,083		18,839,427	80.2	19.8		100.0
Minneapolis	505,121			505,121	11,039,240	3,109,666		14,148,906	78.1	21.9		100.0
Kansas City	197,350			197,350	19,480,868	2,842,465		22,323,333	87.2	12.8		100.0
Dallas	340,083			340,083	4,231,867	1,510,357		5,742,224	73.6	26.4		100.0
San Francisco	188,277			188,277	4,679,522	9,834,646		14,514,168	32.2	67.8		100.0
Total	1,610,709	870,385	9,278	2,490,372	220,838,942	72,122,802	135,216	293,096,960	75.3	24.7		100.0
Per cent				0.9				100.0				

Maturities of discounts, acceptances, and municipal warrants held by each Federal Reserve Bank on Friday, August 31, 1917.

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

Banks.	1 to 15 days.				16 to 30 days.			
	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.
Boston	9,482	3,707		13,189	4,529	4,725		9,254
New York	11,957	14,687		26,644	2,900	15,157		18,057
Philadelphia	5,575	2,250	3	7,828	801	3,882		4,683
Cleveland	3,068	4,644	1,023	8,735	1,633	1,691		3,324
Richmond	6,184	314		6,498	2,044	212		2,256
Atlanta	2,309	146		2,455	928	222		1,150
Chicago	7,475	5,233		12,708	1,346	3,920		5,266
St. Louis	8,074	169		8,243	713	330		1,043
Minneapolis	3,248			3,248	2,814	12		2,826
Kansas City	7,371	3,184		10,555	826	2,610		3,436
Dallas	1,572	226		1,798	1,014	983		1,997
San Francisco	3,914	2,243		6,157	1,396	1,695		3,091
Total	70,229	36,803	1,026	108,058	20,944	35,439		56,383
Per cent				35.6				18.

Maturities of discounts, acceptances, and municipal warrants held by each Federal Reserve Bank on Friday, August 31, 1917—Continued.

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

Banks.	31 to 60 days.				61 to 90 days.			
	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.	Bills discounted.	Acceptances. bought.	Municipal warrants.	Total.
Boston	5,961	2,724		8,685	2,245	4,491		6,736
New York	4,106	9,337		13,443	2,254	7,314		9,568
Philadelphia	2,158	10,375	126	12,659	2,280	3,903		6,183
Cleveland	861	8,749	20	9,630	545	4,391		4,936
Richmond	4,566	1,305		5,871	1,455	242		1,697
Atlanta	1,952	609		2,561	846	581		1,427
Chicago	4,052	6,459		10,511	1,083	2,653		3,736
St. Louis	1,331	2,835		4,166	703	1,662		2,365
Minneapolis	5,580	1,647		7,227	2,667	1,476		4,143
Kansas City	1,213	3,531		4,744	698	1,029		1,727
Dallas	2,766	1,150		3,916	1,559			1,559
San Francisco	1,889	4,366		6,255	564	1,520		2,084
Total	36,435	53,087	146	89,668	16,899	29,262		46,161
Per cent				29.8				15.2

Banks.	Over 90 days.				Total.				Percentages.			
	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.
Boston					22,217	15,647		37,864	58.6	41.4		100.0
New York					21,217	46,495		67,712	31.3	68.7		100.0
Philadelphia	8			8	10,822	20,410	129	31,361	34.5	65.1	0.4	100.0
Cleveland	4		12	16	6,111	19,475	1,055	26,641	22.9	73.1	4.0	100.0
Richmond	106			106	14,355	2,073		16,428	87.4	12.6		100.0
Atlanta	103			103	6,138	1,558		7,696	79.7	20.3		100.0
Chicago	202			202	14,158	18,265		32,423	43.6	56.4		100.0
St. Louis	67			67	10,888	4,996		15,884	68.6	31.4		100.0
Minneapolis	1,056			1,056	15,365	3,135		18,500	83.1	16.9		100.0
Kansas City	332			332	10,440	10,354		20,794	50.2	49.8		100.0
Dallas	692		46	738	7,603	2,359	46	10,008	75.9	23.6	0.5	100.0
San Francisco	238			238	8,001	9,824		17,825	44.8	55.2		100.0
Total	2,808		58	2,866	147,315	154,591	1,230	303,136	48.6	51.0	0.4	100.0
Per cent				0.9				100.0				

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

Federal Reserve Banks.	Bills discounted for member banks.	Bills bought in open market.			Municipal warrants.			
		Bankers' acceptances.	Trade acceptances.	Total.	City.	State.	All other.	Total.
Boston	$26,377,107	$7,321,974	$229,553	$7,551,527				
New York	53,024,394	12,265,937	246,888	12,512,825				
Philadelphia	18,170,441	7,007,982	442,811	7,450,793	$125,938			$125,938
Cleveland	14,803,326	13,972,575	558,991	14,531,566			$9,278	9,278
Richmond	29,772,948	1,490,697		1,490,697				
Atlanta	5,015,168	1,859,728		1,859,728				
Chicago	19,139,717	5,577,080	116,369	5,693,449				
St. Louis	15,104,344	3,735,083		3,735,083				
Minneapolis	11,039,240	3,095,455	14,211	3,109,666				
Kansas City	19,480,868	2,817,009	25,456	2,842,465				
Dallas	4,231,867	1,510,357		1,510,357				
San Francisco	4,679,522	6,857,021	2,977,625	9,834,646				
Total, August, 1917	220,838,942	67,510,898	4,611,904	72,122,802	125,938		9,278	135,216
Total, August, 1916	17,351,800	27,075,400	1,371,000	28,446,400	1,259,800	$238,200	104,900	1,602,900
Total, 8 months ending August, 1917	1,640,753,464	400,882,013	16,641,635	517,523,648	14,589,995	2,040	661,498	15,253,533
Total, 8 months ending August, 1916	100,078,700	183,816,500	8,878,700	192,695,200	60,336,000	3,540,000	482,500	64,358,500

Federal Reserve Banks.	United States bonds and Treasury notes.						Total investment operations.			
	2 per cent.	3 per cent.	3½ per cent.	4 per cent.	One-year Treasury notes.	Total.	August, 1917.	August, 1916.	August, 1917.	August, 1916.
									Per ct.	Per ct.
Boston			$80,000			$80,000	$34,008,634	$9,317,500	11.4	19.5
New York							65,537,219	9,212,500	22.1	19.2
Philadelphia			317,700			317,700	26,064,872	4,476,100	8.8	9.3
Cleveland			2,000,000			2,000,000	31,344,170	2,661,900	10.6	5.6
Richmond							31,263,645	3,325,500	10.5	6.9
Atlanta							6,874,896	2,835,200	2.3	5.9
Chicago			1,383,560			1,383,560	26,216,726	4,080,300	8.9	8.5
St. Louis							18,839,427	2,604,400	6.3	5.4
Minneapolis							14,148,906	1,949,600	4.8	4.1
Kansas City							22,323,333	1,466,800	7.5	3.1
Dallas							5,742,224	3,120,400	1.9	6.5
San Francisco							14,514,168	2,852,000	4.9	6.0
Total, August, 1917			3,781,260			3,781,260	296,878,220		100.0	
Total, August, 1916	$473,100	$3,000		$25,000		501,100		47,902,200		100.0
Total, 8 months ending August, 1917	14,047,200	185,440	22,359,410	34,250	$5,314,000	41,940,300	2,215,470,945			
Total, 8 months ending August, 1916	35,292,950	3,635,820		4,153,000	50,000	43,131,770		400,264,170		

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

	United States bonds with circulation privilege.				United States securities without circulation privilege.					Total.
	2 per cent consols of 1930.	2 per cent Panamas of 1936–38.	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.	United States certificates of indebtedness.	
Boston	$750				$529,000	$2,194,000		$80,000		$2,803,750
New York	50		$50,000		1,255,500	3,538,000		1,498,350		6,341,900
Philadelphia		$100			549,200	2,548,000		317,700		3,415,000
Cleveland	6,400	467,200	2,651,560	$2,378,200	414,800	2,865,000		2,000,000	$8,000	10,791,160
Richmond	915,100	237,000				1,969,000			200	3,121,300
Atlanta	640,600	21,000			10,300	1,491,000		31,800	4,013,000	6,207,700
Chicago	1,862,500	367,300	2,581,000	1,768,000	427,400	3,360,000	$400	4,978,800	306,000	15,651,400
St. Louis	100		1,080,000		1,153,300	1,444,000		6,600		3,684,000
Minneapolis	323,050	16,260	1,198,180	206,250	114,800	1,340,000	500		214,000	3,413,040
Kansas City	7,155,850	22,240		825,000	838,500	1,784,000		7,500	7,000	10,640,090
Dallas	2,450,900	281,500			1,233,600	1,430,000		2,800	439,000	5,837,800
San Francisco	2,428,750					1,500,000		19,300	2,079,000	6,027,050
Total	15,784,050	1,412,600	7,560,740	5,177,450	6,526,400	25,463,000	900	8,942,850	7,066,200	77,934,190

Total United States bonds with circulation privilege, $29,934,840. Total United States securities without circulation privilege, $47,999,350.

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, Aug. 31 to Sept. 21, 1917.

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:													
Aug. 31	27,361	221,069	28,464	28,518	6,241	7,040	39,536	3,595	17,375	8,721	13,834	15,043	416,797
Sept. 7	30,175	238,724	11,097	26,693	6,285	6,308	40,484	3,186	16,015	8,693	13,939	12,834	414,433
Sept. 14	23,846	234,865	15,961	27,232	6,231	6,065	42,859	3,347	16,302	8,290	12,637	10,571	408,206
Sept. 21	24,045	249,642	17,784	27,558	6,249	6,246	44,580	3,194	16,896	8,051	12,412	14,322	430,979
Gold settlement fund:													
Aug. 31	4,848	115,191	14,035	56,645	33,395	5,410	63,191	22,426	5,199	40,506	8,332	14,759	383,937
Sept. 7	7,259	114,960	32,228	48,574	30,965	1,972	70,768	26,142	6,168	36,739	7,121	12,957	395,853
Sept. 14	12,781	115,162	31,840	44,551	22,418	1,749	68,846	22,613	8,162	35,189	5,011	16,324	384,646
Sept. 21	15,180	128,150	30,276	38,454	22,178	1,038	51,602	19,850	7,461	32,976	6,410	19,812	373,387
Gold with foreign agencies:													
Aug. 31	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
Sept. 7	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
Sept. 14	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
Sept. 21	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 Agent:													
Aug. 31	25,796	208,072	32,072	33,024	8,714	20,650	70,568	16,537	16,274	17,428	15,615	28,435	493,185
Sept. 7	23,605	195,649	30,187	34,890	10,650	24,610	78,824	16,518	16,255	17,383	16,534	29,674	494,779
Sept. 14	24,013	210,566	32,099	34,467	12,583	26,079	83,107	17,303	18,117	20,839	18,082	23,215	520,470
Sept. 21	24,221	216,932	32,001	35,324	14,516	28,332	81,533	17,286	21,117	20,796	20,360	23,591	536,009
Gold redemption fund:													
Aug. 31	500	2,500	700	38	834	288	255	381	589	521	452	21	7,079
Sept. 7	500	2,500	700	23	829	283	255	379	709	520	498	22	7,218
Sept. 14	500	4,000	850	13	814	341	267	578	708	519	530	7	9,127
Sept. 21	500	4,001	950	53	808	339	270	575	803	518	610	15	9,442
Legal-tender notes, silver, etc.:													
Aug. 31	3,858	39,612	1,061	490	133	621	3,629	1,524	343	312	957	70	52,610
Sept. 7	3,807	38,604	1,143	347	130	353	3,336	1,439	344	168	860	77	50,608
Sept. 14	3,926	39,718	1,751	318	134	450	2,203	1,359	338	39	751	98	51,085
Sept. 21	3,813	39,638	1,202	313	150	457	2,150	1,213	338	37	530	93	49,934
Total reserves:													
Aug. 31	66,038	604,556	80,007	123,440	51,154	35,584	184,529	46,563	41,880	70,113	41,028	61,216	1,406,108
Sept. 7	69,021	608,549	79,030	115,252	50,696	35,101	201,017	49,764	41,591	66,128	40,790	58,452	1,415,391
Sept. 14	68,741	622,423	86,176	111,306	44,017	36,259	204,632	47,300	45,727	67,501	38,849	53,103	1,426,034
Sept. 21	71,434	656,475	85,888	106,427	45,738	37,987	187,485	44,218	48,715	65,003	42,160	60,721	1,452,251
Bills discounted—members:													
Aug. 31	22,217	21,217	10,822	6,111	14,355	6,138	14,158	10,888	15,365	10,440	7,603	8,001	147,315
Sept. 7	16,100	46,853	11,761	6,425	13,284	5,833	14,980	10,923	14,585	12,624	7,544	7,302	168,217
Sept. 14	15,361	31,881	14,945	8,945	17,212	6,285	17,645	12,601	12,128	13,339	7,813	9,178	167,333
Sept. 21	16,599	27,146	13,618	10,434	16,647	7,548	30,985	15,221	10,919	16,894	8,133	9,614	183,758
Bills bought in open market:													
Aug. 31	15,647	46,495	20,410	19,475	2,073	1,558	18,265	4,996	3,135	10,354	2,359	9,824	154,591
Sept. 7	16,541	63,871	22,002	20,824	2,062	1,743	16,287	4,912	3,230	9,147	2,865	9,715	173,199
Sept. 14	18,321	64,474	15,859	23,936	2,893	1,835	14,032	4,827	3,230	7,171	2,952	8,915	168,445
Sept. 21	18,803	58,509	16,434	22,895	3,297	1,731	12,485	4,715	3,218	5,852	4,055	9,018	161,012
United States Government long-term securities:													
Aug. 31	610	2,804	867	7,918	1,152	704	11,986	2,240	1,859	8,849	3,969	2,448	45,406
Sept. 7	610	2,801	867	7,918	1,153	703	11,915	2,235	1,859	8,849	3,969	2,512	45,394
Sept. 14	610	2,804	867	7,918	1,161	704	11,869	2,235	1,859	8,849	3,969	2,513	45,358
Sept. 21	610	2,861	877	7,945	1,152	887	20,172	2,236	1,859	8,849	3,969	2,512	53,929
United States Government short-term securities:													
Aug. 31	2,194	3,538	2,548	2,873	1,969	5,504	3,666	1,444	1,554	1,791	1,869	3,579	32,529
Sept. 7	2,194	13,538	2,548	2,865	1,969	5,504	3,660	1,444	1,554	1,789	1,869	3,507	42,441
Sept. 14	2,194	13,538	2,548	2,865	1,969	5,504	3,660	1,444	1,604	1,784	1,879	3,377	42,366
Sept. 21	2,686	6,048	3,231	3,383	2,364	5,784	5,417	1,793	2,039	2,210	2,327	3,788	41,070
Municipal warrants:													
Aug. 31	....	....	129	1,055	....	....	....	....	....	....	46	....	1,230
Sept. 7	....	....	126	32	....	....	....	....	....	....	46	....	204
Sept. 14	....	....	126	32	....	10	....	....	....	....	46	....	214
Sept. 21	....	....	126	32	....	10	....	....	....	....	46	....	214
Due from other Federal Reserve Banks—net:													
Aug. 31	19,098	....	....	2,901	3,904	1,085	13,234	2,683	825	823	316	5,173	[1] 10,233
Sept. 7	3,547	....	5,981	667	....	....	7,338	1,341	1,418	154	....	3,909	[1] 12,036
Sept. 14	2,661	....	2,546	....	....	1,838	2,004	1,903	1,036	1,109	1,204	2,073	[1] 6,554
Sept. 21	6,403	....	2,500	4,867	....	3,623	1,211	1,460	1,487	1,430	....	2,986	[1] 1,337
Uncollected items:													
Aug. 31	26,358	75,288	30,407	17,198	12,363	10,587	34,898	11,503	8,158	10,256	9,040	14,128	260,184
Sept. 7	23,150	47,106	30,636	14,048	12,690	11,968	25,634	12,913	7,833	12,283	8,691	10,008	216,960
Sept. 14	15,343	52,565	31,606	15,050	12,974	11,707	28,710	11,895	8,830	10,234	9,317	16,391	224,622
Sept. 21	15,238	58,525	30,743	15,418	14,137	11,292	31,506	13,069	8,689	13,336	11,887	13,864	237,704

[1] Difference between net amounts due from and net amounts due to other Federal Reserve Banks.

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve System at close of business on Fridays, Aug. 31 to Sept. 21, 1917—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.
Five per cent redemption fund against Federal Reserve Bank notes:													
Aug. 31										400	100		500
Sept. 7										400	100		500
Sept. 14										400	100		500
Sept. 21										400	100		500
All other resources:													
Aug. 31						65		24			137	67	293
Sept. 7						75	50	16			130	101	372
Sept. 14						93	19				130	66	308
Sept. 21						166			19		120	99	404
Total resources:													
Aug. 31	152,162	753,898	145,190	180,971	86,970	61,225	280,736	80,341	72,776	113,026	66,467	104,436	2,058,389
Sept. 7	131,163	782,721	152,954	168,031	81,854	60,927	280,881	83,548	72,070	111,374	66,004	95,506	2,074,714
Sept. 14	123,231	787,685	154,673	170,052	80,226	64,235	282,571	82,205	74,414	110,387	66,259	95,616	2,081,734
Sept. 21	131,773	809,564	153,417	171,401	83,335	69,028	289,261	82,712	76,945	113,974	72,797	102,602	2,132,179

LIABILITIES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Capital paid in:													
Aug. 31	5,463	12,125	5,267	6,458	3,475	2,510	7,743	3,264	2,552	3,314	2,756	3,977	58,904
Sept. 7	5,464	12,125	5,267	6,459	3,476	2,505	7,993	3,269	2,556	3,372	2,772	3,998	59,256
Sept. 14	5,455	12,216	5,268	6,459	3,476	2,505	7,998	3,269	2,557	3,383	2,780	4,002	59,368
Sept. 21	5,463	12,220	5,268	6,460	3,475	2,502	8,005	3,269	2,559	3,367	2,779	3,987	59,354
Government deposits:													
Aug. 31	23,412	37,573	1,897	20,216	16,040	3,857	17,909	2,792	7,113	6,785	5,611	11,153	154,358
Sept. 7	3,627	8,927	2,848	2,621	2,522	[1] 815	5,993	3,935	3,330	2,110	2,253	2,575	39,926
Sept. 14	[1] 4,122	14,312	456	2,099	2,743	[1] 1,166	3,561	894	2,200	1,308	659	[1] 1,342	21,602
Sept. 21	2,999	2,278	1,691	2,788	1,662	1,721	7,602	[1] 231	2,397	[1] 20	2,001	142	25,030
Due to members—reserve account:													
Aug. 31	77,701	375,824	67,798	98,379	36,921	25,039	152,987	43,824	35,771	65,507	30,903	59,150	1,069,804
Sept. 7	71,342	435,211	73,687	101,280	37,526	25,171	160,319	44,219	36,549	66,630	31,461	55,147	1,138,542
Sept. 14	74,719	425,028	75,162	102,672	37,067	26,972	159,825	44,347	38,291	65,255	31,599	58,354	1,139,291
Sept. 21	74,805	442,087	70,532	99,769	37,100	26,557	158,597	43,810	38,522	67,056	31,745	61,124	1,151,704
Due to nonmember banks—clearing account:													
Aug. 31		22,930					5,650					323	28,903
Sept. 7		47,571					4,534					234	52,339
Sept. 14		44,714				72	5,439	7				389	50,621
Sept. 21		43,924				120	4,843	16	1			1,875	50,779
Collection items:													
August 31	14,789	27,176	24,238	13,516	9,124	6,717	17,631	8,767	2,802	7,221	3,225	5,072	140,278
Sept. 7	18,324	30,018	27,382	11,682	10,960	8,179	17,394	9,062	3,242	8,088	2,546	7,235	154,112
Sept. 14	13,029	35,553	27,812	12,562	10,948	7,688	17,905	9,905	3,595	7,723	3,355	6,193	156,268
Sept. 21	13,571	36,045	28,397	13,886	11,773	7,695	19,388	10,675	3,550	9,122	3,777	6,570	164,449
Due to other Federal Reserve Banks—net:													
Aug. 31		37,290	2,519										
Sept. 7		7,371			3,486	345					1,117		
Sept. 14		8,920		229	671								
Sept. 21		22,323			1,728						579		
Federal Reserve notes in actual circulation:													
Aug. 31	30,415	229,624	43,203	42,382	21,359	23,102	78,758	21,694	24,485	24,160	23,972	24,761	587,915
Sept. 7	32,099	239,987	43,501	45,939	23,846	25,542	84,648	23,063	26,345	24,247	25,855	26,317	621,299
Sept. 14	33,713	245,332	45,724	46,003	25,260	28,164	87,843	23,770	27,751	25,121	27,866	28,020	644,567
Sept. 21	34,498	249,067	47,259	48,391	27,516	30,433	90,789	25,152	29,916	26,405	31,916	28,904	670,246
Federal Reserve Bank notes in circulation, net liability:													
Aug. 31										6,023			6,023
Sept. 7										6,894			6,894
Sept. 14										7,561			7,561
Sept. 21										8,000			8,000
All other liabilities, including foreign Government credits:													
Aug. 31	382	11,356	268	20	51		58		53	16			12,204
Sept. 7	397	1,511	269	50	38				48	33			2,346
Sept. 14	437	1,610	251	28	61			13	20	36			2,456
Sept. 21	437	1,620	270	107	81		37	21		44			2,617
Total liabilities:													
Aug. 31	152,162	753,898	145,190	180,971	86,970	61,225	280,736	80,341	72,776	113,026	66,467	104,436	2,058,389
Sept. 7	131,163	782,721	152,954	168,031	81,854	60,927	280,881	83,548	72,070	111,374	66,004	95,506	2,074,714
Sept. 14	123,231	787,685	154,673	170,052	80,226	64,235	282,571	82,205	74,414	110,387	66,259	95,616	2,081,734
Sept. 21	131,773	809,564	153,417	171,401	83,335	69,028	289,261	82,712	76,945	113,974	72,797	102,602	2,132,179

[1] Overdraft.

FEDERAL RESERVE NOTES.

Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, Aug. 31 to Sept. 21, 1917.

[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.
Federal Reserve notes received from agent—net:													
Aug. 31	35,796	257,572	45,472	44,024	21,994	24,661	84,688	23,204	26,870	27,825	24,370	28,435	644,911
Sept. 7	37,765	268,149	45,087	47,890	25,867	28,122	90,745	24,485	28,051	28,048	26,190	29,674	680,073
Sept. 14	38,732	267,566	48,499	48,467	27,624	30,390	93,587	25,490	29,913	28,825	28,218	33,119	700,430
Sept. 21	39,701	272,932	49,901	51,324	29,487	32,644	94,842	27,273	31,913	29,637	32,248	33,495	725,397
Federal Reserve notes held by bank:													
Aug. 31	5,381	27,948	2,269	1,642	635	1,559	5,930	1,510	2,385	3,665	398	3,674	56,996
Sept. 7	5,756	28,162	1,586	1,951	2,021	2,580	6,097	1,422	1,706	3,801	335	3,357	58,774
Sept. 14	5,019	22,234	2,775	2,464	2,364	2,226	5,744	1,720	2,162	3,704	352	5,099	55,863
Sept. 21	5,203	23,865	2,642	2,933	1,971	2,211	4,053	2,121	1,997	3,232	332	4,591	55,151
Federal Reserve notes in actual circulation:													
Aug. 31	30,415	229,624	43,203	42,382	21,359	23,102	78,758	21,694	24,485	24,160	23,972	24,761	587,915
Sept. 7	32,009	239,987	43,501	45,939	23,846	25,542	84,648	23,063	26,345	24,247	25,855	26,317	621,299
Sept. 14	33,713	245,332	45,724	46,003	25,260	28,164	87,843	23,770	27,751	25,121	27,866	28,020	644,567
Sept. 21	34,498	249,067	47,259	48,391	27,516	30,433	90,789	25,152	29,916	26,405	31,916	28,904	670,246
Gold deposited with or to credit of Federal Reserve Agent:													
Aug. 31	25,796	208,072	32,072	33,024	8,714	20,650	70,568	16,537	16,274	17,428	15,615	28,435	493,185
Sept. 7	23,605	195,649	30,187	34,890	10,650	24,610	78,824	16,518	16,255	17,383	16,534	29,674	494,779
Sept. 14	24,013	210,566	32,099	34,467	12,583	26,079	83,107	17,303	18,117	20,839	18,082	23,215	520,470
Sept. 21	24,221	216,932	32,001	35,324	14,516	28,332	81,533	17,286	21,117	20,796	20,360	23,591	536,009
Amount of commercial paper delivered to Federal Reserve Agent:													
Aug. 31	10,017	50,155	13,404	11,000	16,428	4,017	14,339	6,670	10,596	10,402	9,191	....	156,219
Sept. 7	14,176	73,256	14,905	13,004	15,346	4,017	12,141	7,971	11,796	10,942	9,664	....	187,218
Sept. 14	14,727	62,153	16,405	14,004	20,105	4,317	10,696	8,193	12,164	9,390	10,138	9,908	192,200
Sept. 21	15,485	57,252	17,905	16,012	19,944	4,324	13,541	9,993	12,086	10,145	12,063	10,137	198,887

Federal Reserve note account of each Federal Reserve Agent at close of business on Fridays, Aug. 31 to Sept. 21, 1917.

[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.
FEDERAL RESERVE NOTES.													
Received from Comptroller:													
Aug. 31	62,680	466,160	71,500	64,000	37,440	38,380	117,260	33,700	38,640	45,720	42,920	32,160	1,050,560
Sept. 7	62,680	473,760	71,500	64,000	39,840	41,080	118,060	33,700	38,640	45,720	42,920	33,760	1,065,660
Sept. 14	63,680	486,360	72,500	68,000	43,880	47,680	124,380	36,900	42,640	45,720	47,840	37,260	1,116,840
Sept. 21	69,680	492,960	72,500	71,000	43,880	48,180	128,780	36,900	44,640	47,720	51,200	38,260	1,145,700
Returned to Comptroller:													
Aug. 31	12,384	88,668	11,028	6,536	12,346	7,759	3,472	6,506	6,980	8,615	10,105	3,725	178,124
Sept. 7	12,915	88,991	11,413	6,670	12,413	7,808	3,735	6,525	6,999	8,712	10,305	4,086	180,572
Sept. 14	13,548	97,674	11,501	7,093	13,196	7,960	3,773	6,940	7,397	9,015	10,597	4,141	192,835
Sept. 21	13,579	98,008	11,599	7,236	13,273	8,206	4,038	6,957	7,797	9,503	10,787	4,765	195,748
Chargeable to Federal Reserve Aagent:													
Aug. 31	50,296	377,492	60,472	57,464	25,094	30,621	113,788	27,194	31,660	37,105	32,815	28,435	872,436
Sept. 7	49,765	384,769	60,087	57,330	27,427	33,272	114,325	27,175	31,641	37,008	32,615	29,674	885,088
Sept. 14	50,132	388,686	60,999	60,907	30,684	39,720	120,607	29,960	35,243	36,705	37,243	33,119	924,005
Sept. 21	56,101	394,952	60,901	63,764	30,607	39,974	124,742	29,943	36,843	38,217	40,413	33,495	949,952
In hands of Federal Reserve Agent:													
Aug. 31	14,500	119,920	15,000	13,440	3,100	5,960	29,100	3,990	4,790	9,280	8,445	....	227,525
Sept. 7	12,000	116,620	15,000	9,440	1,560	5,150	23,580	2,690	3,590	8,960	6,425	....	205,015
Sept. 14	11,400	121,120	12,500	12,440	3,060	9,330	27,020	4,470	5,330	7,880	9,025	....	223,575
Sept. 21	16,400	122,020	11,000	12,440	1,120	7,330	29,900	2,670	4,930	8,580	8,165	....	224,555
Issued to Federal Reserve Bank, less amount returned to Federal Reserve Agent for redemption:													
Aug. 31	35,796	257,572	45,472	44,024	21,994	24,661	84,688	23,204	26,870	27,825	24,370	28,435	644,911
Sept. 7	37,765	268,149	45,087	47,890	25,867	28,122	90,745	24,485	28,051	28,048	26,190	29,674	680,073
Sept. 14	38,732	267,566	48,499	48,467	27,624	30,390	93,587	25,490	29,913	28,825	28,218	33,119	700,430
Sept. 21	39,701	272,932	49,901	51,324	29,487	32,644	94,842	27,273	31,913	29,637	32,248	33,495	725,397
Collateral held as security for outstanding notes:													
Gold coin and certificates on hand—													
Aug. 31	22,210	197,305	4,220	10,662	....	3,338	....	3,353	13,102	2,370	12,610	....	269,170
Sept. 7	19,550	185,205	4,220	12,379	....	3,338	....	3,353	13,102	2,370	12,610	....	256,127
Sept. 14	19,991	200,485	4,220	12,022	....	3,459	....	2,953	13,102	2,370	14,080	....	272,682
Sept. 21	20,230	205,184	4,220	12,536	....	3,459	....	2,953	13,102	2,370	14,480	....	278,534
In gold redemption fund—													
Aug. 31	1,586	10,767	2,573	2,362	714	1,272	310	824	922	998	1,201	1,445	24,974
Sept. 7	2,055	10,444	2,488	2,511	650	1,222	287	1,005	903	953	1,280	1,434	25,232
Sept. 14	2,022	10,081	2,700	2,445	1,083	2,070	250	990	765	1,209	1,458	1,379	26,452
Sept. 21	1,991	11,748	2,602	2,788	1,016	1,824	217	973	1,515	1,166	1,636	1,325	28,801
With Federal Reserve Board—													
Aug. 31	2,000	....	25,279	20,000	8,000	16,040	70,258	12,360	2,250	14,060	1,804	26,990	190,041
Sept. 7	2,000	....	23,479	20,000	10,000	20,050	78,537	12,160	2,250	14,060	2,644	28,240	213,420
Sept. 14	2,000	....	25,179	20,000	11,500	20,550	82,857	13,360	4,250	17,260	2,544	21,836	221,336
Sept. 21	2,000	....	25,179	20,000	13,500	23,050	81,315	13,360	6,500	17,260	4,244	22,266	228,674
Commercial paper required, minimum [1]—													
Aug. 31	10,000	49,500	13,400	11,000	13,280	4,011	14,120	6,667	10,598	10,397	8,755	....	151,726
Sept. 7	14,160	72,500	14,900	13,000	15,217	3,512	11,921	7,967	11,796	10,665	9,656	....	185,294
Sept. 14	14,719	57,000	16,400	14,000	15,041	4,311	10,480	8,187	11,796	7,986	10,136	9,904	179,960
Sept. 21	15,480	56,000	17,900	16,000	14,971	4,311	13,310	9,987	10,796	8,841	11,188	9,904	189,388
Total—													
Aug. 31	35,796	257,572	45,472	44,024	21,994	24,661	84,688	23,204	26,870	27,825	24,370	28,435	644,911
Sept. 7	37,765	268,149	45,087	47,890	25,867	28,122	90,745	24,485	28,051	28,048	26,190	29,674	680,073
Sept. 14	38,732	267,566	48,499	48,467	27,624	30,390	93,587	25,490	29,913	28,825	28,218	33,119	700,430
Sept. 21	39,701	272,932	49,901	51,324	29,487	32,644	94,842	27,273	31,913	29,637	32,248	33,495	725,397

[1] For actual amounts see item "Commercial paper delivered to Federal Reserve Agent" on page 822.

EARNINGS ON INVESTMENTS OF FEDERAL RESERVE BANKS.

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

Banks.	Average balances for the month of the several classes of earning assets.				
	Bills discounted, members.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.
Boston	$16,498,796	$16,869,268	$2,786,976	....	$36,155,040
New York	14,850,742	57,072,413	6,343,408	$1,627	78,268,190
Philadelphia	10,540,930	18,014,284	3,107,558	124,947	31,787,719
Cleveland	8,248,155	19,505,098	9,821,160	1,074,922	38,649,335
Richmond	14,239,989	3,237,456	3,128,900	4,194	20,610,539
Atlanta	5,289,630	1,068,027	4,115,480	....	10,473,137
Chicago	17,220,875	20,447,137	15,831,975	....	53,499,987
St. Louis	8,990,264	4,562,033	3,715,259	....	17,267,556
Minneapolis	12,270,300	1,410,700	3,364,600	....	17,045,600
Kansas City	11,773,405	11,188,720	10,633,090	....	33,595,215
Dallas	6,538,025	2,163,334	5,396,000	46,265	14,143,624
San Francisco	8,526,504	6,713,671	5,622,082	....	20,862,257
Total	134,987,615	162,252,141	73,866,488	1,251,955	372,358,199

Banks.	Earnings from—					Calculated annual rates of earning from—				
	Bills discounted, members.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.	Bills discounted, members.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.
						Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Boston	$53,409	$47,827	$7,465	....	$108,701	3.81	3.34	3.15	....	3.54
New York	44,946	155,860	16,304	$5	217,115	3.55	3.21	3.02	3.52	3.26
Philadelphia	33,022	48,597	7,858	434	89,911	3.68	3.17	2.97	4.09	3.33
Cleveland	26,261	51,710	22,979	3,381	104,331	3.74	3.12	2.75	3.70	3.18
Richmond	46,605	8,478	6,930	13	62,026	3.85	3.08	2.61	3.48	3.54
Atlanta	19,002	3,009	9,865	....	31,876	4.23	3.32	2.82	....	3.58
Chicago	54,659	54,888	37,422	....	146,969	3.74	3.17	2.78	....	3.23
St. Louis	28,800	12,136	8,490	....	49,426	3.77	3.13	2.78	....	3.37
Minneapolis	46,747	3,508	7,282	....	57,537	4.49	2.93	2.55	....	3.97
Kansas City	42,005	29,245	20,668	....	91,918	4.20	3.08	2.28	....	3.22
Dallas	25,326	5,894	12,693	182	44,095	4.64	3.27	2.82	4.72	3.75
San Francisco	31,626	18,404	12,507	....	62,537	4.37	3.22	2.58	....	3.53
Total	452,408	439,556	170,463	4,015	1,066,442	3.77	3.19	2.71	3.77	3.37

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, 1917.	Total corresponding period during 1916.
	Aug. 24, 1917.	Aug. 31, 1917.	Sept. 7, 1917.	Sept. 14, 1917.		
IMPORTS.						
Ore and base bullion	536	656	273	297	11,331	9,091
United States mint or assay office bars	41	5	35		114	2,781
Bullion, refined	1,086	91	398	536	386,141	263,567
United States coin	12	3	3	67	53,253	3,100
Foreign coin	3	6	69	15	90,188	102,769
Total	1,678	761	778	915	541,027	381,308
EXPORTS.						
Domestic:						
Ore and base bullion			16		136	219
United States Mint or assay office bars	950	4,570	2,315	1,723	46,391	11,796
Bullion, refined	1,055	2	2,453	1,041	30,246	5,892
Coin	6,370	8,311	2,466	5,535	248,331	53,695
Total	8,375	12,883	7,250	8,299	325,104	71,602
Foreign:						
Bullion, refined					31	1,443
Coin		125	58	454	5,930	19,709
Total		125	58	454	5,961	21,152
Total exports	8,375	13,008	7,308	8,753	331,065	92,754

Excess of gold imports over exports since Jan. 1, 1917 .... $209,962
Excess of gold imports over exports since Aug. 1, 1914 1,078,724

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank in effect Sept. 29, 1917.

	Maturities.							Commodity paper maturing within 90 days.
	Discounts.					Trade acceptances.		
	Within 15 days, including member banks' collateral notes.	16 to 60 days, inclusive.	61 to 90 days, inclusive.	Secured by U. S. certificates of indebtedness or Liberty Loan bonds. Within 90 days.	Agricultural and live-stock paper over 90 days.	To 60 days, inclusive.	61 to 90 days, inclusive.	
Boston	3½	4	4	3½	5	4	4	4
New York [1]	3	4	4	3½	5	3½	3½	
Philadelphia	3½	4	4	3½	4½	3½	3½	3½
Cleveland	3½	4	4½	4	5	3½	4	4
Richmond	3½	4	4	3½	4½	3½	3½	3½
Atlanta	3½	4	4½	3½	5	3½	3½	3½
Chicago	[2] 3½	4	4½	3½	5	3½	3½	
St. Louis	3½	4	4	3½	5	3½	3½	3½
Minneapolis	[2] 4	4	4½	3½	5	3½	4	4
Kansas City	[2] 4	4½	4½	3½	5	4	4	4
Dallas	3½	4	4½	3½	5	3½	3½	3½
San Francisco	3½	4	4½	3½	5½	3½	3½	3½

[1] Rate of 2 to 4 per cent on member banks' 1-day collateral notes in connection with the loan operations of the Government.
[2] 3 per cent for member banks' collateral notes if secured by United States bonds, notes, or certificates of indebtedness.

NOTE.—Rate for bankers' acceptances, 2½ to 4 per cent.

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