

to the highest figures ever attained, the national bank resources on November 1 being \$19,821,404,000.

In the past 18 months our country has raised, through bond issues, an amount more than six times as great as was raised during the four years of the Civil War, largely at rates of interest not one-half as high as those paid during that period; and of this huge sum, subscriptions for more than 50 per cent of all the bonds marketed were placed through the instrumentality of the national banks.

The volume of business transacted has been unprecedented; and yet, through this year of supreme trial, the banks of the entire country have passed with unprecedented safety, but one national bank in nearly 8,000 having failed in the current calendar year.

The earnings of the national banks, as the figures presented in this report will show, have been greater than in any previous year.

Throughout the year the money rates have been maintained in every section of the country on a normal basis. Every legitimate industry has been able to obtain the funds needed for its operation at favorable rates.

In the remote districts of the country where excessive and usurious rates formerly prevailed, the exorbitant charges have been steadily disappearing, and complaints of usury are fewer than ever before.

The European war began at the end of July, 1914. In the four and one-half years since then our banks have been subjected to dangers, burdens, and trials which, in previous crises and under old conditions, would have spread dismay and which usually brought failure and ruin; but we have passed through this mighty crisis unscathed and with smaller losses from bank failures than we generally experience in normal years. The records show that in the 33 years immediately preceding July 1, 1914, the percentage of losses to depositors from failures of national banks throughout the country averaged twenty-eight one-thousandths of 1 per cent per annum of total deposits.

During the four and one-half years since the outbreak of the war, while our banks have been called upon to feed and finance a world aflame, the percentage of total estimated losses to the deposits of all national banks which have failed in this period have averaged less than three one-thousandths of 1 per cent. In other words, the percentage of losses to the depositors of national banks in those four and one-half years amounted to one-ninth of the average percentage of losses for the 33-year peace period from 1881 to June 30, 1914.¹

If the national banks in the future maintain the same average percentage of losses to depositors that has prevailed since July 1, 1914, an assessment of 3 cents per thousand dollars, or \$30 per million, would be sufficient to insure against loss all the deposits in all the national banks of the country.

HIGH EFFICIENCY AND PATRIOTISM OF THE NATIONAL BANKS.

It is deeply gratifying to be able to inform the Congress of the admirable efficiency with which the national banks are being conducted and of the commendable patriotism and zeal with which they responded to the unprecedented calls which have been made upon

¹The figures prior to 1881 are not given because the detailed figures for the earlier years are not available.

them in this past year of peril and extreme trial. Realizing that the fate not only of our own Nation but of our civilization was at stake, these banks, generally, have, I am happy to say, with very few exceptions, done their utmost in providing, both directly and indirectly, the revenues and the financial ammunition without which the glorious victory which has been achieved would have been impossible. More than this: From the desks and counters of these banks there have gone forth thousands of noble youths who have freely shed their blood in the cause of human freedom. On land and sea these men have proved their devotion to their country and to high ideals, and many of them have died the death of heroes for the land they loved.

On November 1, 1918, our national banks were employing altogether 59,306 men and 27,539 women clerks, a total of 86,845 employees, and from these banks there had gone into the Army 14,292 and into the Navy 3,228 men. The official reports show that up to November 1, hundreds of these men had yielded up their lives, and there were many more casualties among them to then unreported.

With no hope of immediate pecuniary profit from the handling of the vast Government bond issues, but at a material cost to themselves, our national banks have labored indefatigably, as each loan was announced, to insure its success. In numerous cases where local investors have hesitated to subscribe the amount allotted to their communities, the banks freely and ungrudgingly have assumed the burdens themselves and have taken up and paid for the full allotments of each issue.

A MAJORITY OF ALL LIBERTY BONDS SOLD PLACED THROUGH THE NATIONAL BANKS.

The office records show that of the \$17,000,000,000 of Liberty bonds placed in the 18-months period from May 1, 1917, to November 1, 1918, our national banks provided subscriptions for their clients and for themselves aggregating \$9,687,978,019. The amount allotted to the banks for their clients and for themselves on the subscriptions thus sent in was \$8,603,711,205, or 50.6 per cent, a clear majority of the entire amount sold by the Government.

Besides aiding enormously in placing each Liberty loan the national banks have also been steady subscribers, as each offering was made, to the Government's short-term certificates of indebtedness. The amounts thus temporarily supplied to the Government by the banks for these certificates reach into billions of dollars.

The total deposits of all the national banks on May 1, 1917, the last call prior to the placing of the first Liberty loan, amounted to \$13,075,597,000. The apprehension which some then felt that the financing of the Liberty loans would deplete deposits and cause congestion and financial stringency has been shown by the encouraging experience of the past 18 months to have been unfounded. Coincidentally with the placing and absorption by the people of this country of nearly \$17,000,000,000 of Liberty bonds of the first, second, third, and fourth issues, the deposits of our national banks actually have increased from \$13,075,597,000 on May 1, 1917, to \$15,051,473,000 on November 1, 1918, an increase of approximately