

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

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\$2,000,000,000, or 15.11 per cent, and the actual cash, on hand and due from Federal reserve banks, during the same period, despite the reduced reserve requirements, shows an increase of several hundred million dollars.

FIVE YEARS' GROWTH OF THE NATIONAL-BANK SYSTEM.

The growth and progress shown by the national banks of the United States in the past five years have no parallel in the history of banking and finance in this or any other country.

On January 13, 1914, at the time of the first call after the approval by President Wilson of the Federal reserve act, the resources of the national banks of the United States amounted to \$11,296,355,000. The number of reporting national banks at that time was 7,493 and the average deposits of each bank were \$1,120,161.

On November 1, 1918 (4 years 10 months and 18 days later) the total resources of our national banks amounted to \$19,821,404,000. The number of reporting banks at that time was 7,754, and the average amount of their deposits was \$1,941,123 per bank.

These figures mean an increase in total resources of \$8,525,049,000, or 75.47 per cent, while the average deposits of each national bank increased \$820,962, or 73.29 per cent.

The growth in the assets of the national banks in the last 5 years has been greater than the increase which took place in the preceding 25 years.

The resources of the national banks now exceed by more than a billion dollars the combined resources of all the State banks, savings banks, private banks, and trust companies of the country as late as June, 1916, and are within one billion dollars of the combined resources of all other banks and trust companies, as shown by their reports of June, 1917.

The resources of the national banks of the United States at this time exceed the aggregate resources of the national banks of issue of England, the Dominion of Canada, France, Italy, The Netherlands, Norway, Sweden, Denmark, Japan, and Germany, all combined, as shown by their latest available reports.

COMPARISON OF NATIONAL-BANK SUSPENSIONS DURING WAR PERIOD WITH THOSE OCCURRING IN PREVIOUS CRISES.

The following figures furnish a very striking illustration of the manner in which the national banks of the country have passed through the crisis of the greatest war in history, as compared with their record in previous financial crises.

In the fiscal year ending October 31, 1893, covering the financial disturbances of that year, 158 national banks suspended, with capital of \$30,350,000; 65 national banks with capital of \$10,935,000 were insolvent and required the appointment of receivers; 86 national banks with capital of \$18,205,000 subsequently resumed business; and 7 national banks with capital of \$1,210,000 were placed in charge of examiners with the hope of resumption.

The total liabilities of the failed and suspended banks during this period (in the case of failed banks "claims proved" being taken as total liabilities) amounted to..... \$83,042,347