

THIRD ANNUAL REPORT
OF THE
FEDERAL RESERVE BANK
OF BOSTON

FOR THE YEAR ENDED DECEMBER 31, 1917



WASHINGTON
GOVERNMENT PRINTING OFFICE
1918

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LETTER OF TRANSMITTAL.

FEDERAL RESERVE BANK,
Boston, Mass., January 15, 1918.

SIR: I have the honor to submit herewith the third annual report of the Federal Reserve Bank of Boston covering the period from January 1, 1917, to December 31, 1917.

Respectfully, yours,

FREDERIC H. CURTISS,
Chairman and Federal Reserve Agent.

Hon. W. P. G. HARDING,
Governor, Federal Reserve Board,
Washington, D. C.

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THIRD ANNUAL REPORT OF THE FEDERAL RESERVE BANK OF BOSTON.

INTRODUCTION.

The year 1917 has been momentous in the history of this country through its entrance on the side of the entente powers into the great European war against the central powers in the struggle of democracy against autocracy. The change of financial and commercial activities of the country, brought about by the declaration of war by Congress, has been felt in New England, owing to the character of its industries, probably as much as, if not more, than in any other portion of the United States.

The Federal Reserve Bank of Boston has played no small part in assisting the Government and the New England banks in financing the new requirements brought about by war conditions. War was declared on April 6, 1917, but previous to that time a large portion of the industries in the district were occupied in manufacturing arms, munitions, and other war requisites for the allied powers.

The high cost of labor and of such raw materials as wool, cotton, leather, etc., has kept money in good demand throughout the entire year, so that the resources of the Federal Reserve Banks have been employed to a far greater extent than in previous years, both by discounts for member banks and through purchases in the open market of bankers acceptances.

FINANCIAL RESULTS OF OPERATION.

The activities referred to brought the earnings of the Federal Reserve Bank to a point largely in excess of those of any previous year and these earnings were such that on December 20, 1917, the board of directors, with the approval of the Federal Reserve Board, declared a dividend at the rate of 6 per cent, covering all accumulated dividends up to December 31, 1917. This dividend amounted to \$597,828.54, and covered the period from January 1, 1915, to December 31, 1917.

After these dividends were paid and due depreciation of securities had been allowed, a balance of \$150,200 still remained, 50 per cent of which was carried to a surplus account and the balance paid to the United States Government as a franchise tax, as provided by the Federal Reserve Act. Schedule 1 shows these earnings in detail as compared with the year 1916.

The statement of condition of the bank on December 31, 1917, as compared with December 31, 1916, makes an interesting comparison, as will be seen from Schedule 2.

The total resources at the end of the year 1917 were \$253,000,000, as compared with \$65,000,000 at the end of the year 1916. An increase will be noted in all items making up the balance sheet, the most notable being increases in bills discounted, in deposits of member banks, in Government deposits, and in gold holdings.

GENERAL BUSINESS AND BANKING CONDITIONS IN THE DISTRICT.

The year opened with peace overtures under discussion by the warring nations. The uncertainty as to the effect of an early ending of the war influenced business men to go slow in their future commitments, but the volume of business in the process of manufacture and orders on hand was so large as to cause great activity in practically all manufacturing lines; more especially those engaged in the making of war materials. Although the high prices prevailing on all raw materials and the increasing cost of labor have made it difficult to forecast the costs of production, the industries in this district for the most part have had a profitable year, and in war lines exceptionally large profits have accrued.

Labor troubles, the international situation, embargoes, and other disturbances have created new problems. With the declaration of war, and even before, prices of foodstuffs began to soar and, as the cost of living increased, labor in all lines demanded higher wages. The difficulty in procuring coal and the price of that commodity has been an important factor in the cost of production. With the declaration of war, business more and more turned to Government orders, and banks were called upon to finance to a greater extent industries engaged in such work and subscriptions to bond issues and short-term obligations of the Government.

Early in May, business began to show unusual signs of hesitation and the future trend of prices grew more difficult to prognosticate, especially with commodity prices rising and evidences of hoarding and economy appearing.

With the successful flotation of the first Liberty loan, business identified with the war was greatly stimulated, but a retarding effect was evident in other lines, especially in luxuries and nonessentials.

This resulted in a spotty condition which, with an ever-increasing separation between war and domestic orders, resulted in the two lines diverging more and more as the year went on.

Money rates during the first few months of the year remained low, but as the year advanced the tendency was toward higher rates, strengthening with each offering of certificates of indebtedness by the Secretary of the Treasury until June 15, the date of payment on the first Liberty loan, when rates approached a 6 per cent basis. From that date rates held firm until well into August, easing somewhat at that time, but increasing again in the early fall, when certificate offerings were renewed. As the season for crop moving approached and the financing of the second Liberty loan began to be felt rates materially strengthened, and although banks seldom charged their customers over 6 per cent, their borrowings from the Federal Reserve Bank became heavier and more frequent.

DISCOUNT OPERATIONS.

During the first year and a half of operations of this bank rediscounts from member banks were small, never reaching during that time \$500,000. During July, 1916, these reached a high point of \$5,000,000, from which they quickly receded, and it was not until late in that year that they again expanded, this time to a high point of \$10,000,000.

During January of the present year, rediscounts again declined to just below \$1,000,000 and fluctuations for the balance of the year are outlined in Schedule 4 appended. Early in June, 1917, with the approach of payments on the first Liberty loan, rediscounts expanded to a high point of \$25,500,000. From this point they receded to a little over \$14,000,000, fluctuating with an upward tendency until October, when they dropped to a low point of \$10,800,000.

With the approach of payment dates for the second Liberty loan there was a heavy demand for discounts from members, and through them from nonmembers. These, for the most part, were secured by Liberty loan bonds. The highest point for one day was reached on December 4, when on the eve of an increase in discount rates,¹ the bank discounted or loaned on 1,280 items for about 60 banks something over \$36,000,000. This compares with total rediscounts of \$2,386,923 from 29 banks for the first 13½ months of operation. In other words, the bank rediscounted about 15 times as large an amount in one day as during the entire first 13½ months of operations to December 31, 1915. This brought the total loans to \$101,000,000.

¹ Member banks had been advised that they would be given 48 hours' notice of any change in the discount rates then existing.

On December 4, in order to strengthen the bank's reserve, there were sold from the bank's own portfolio to other Federal Reserve Banks \$5,000,000 of acceptances, and on December 5 a further lot of \$10,000,000. This brought the bank's loans on December 5 down to \$91,000,000.

With the financing incidental to the second Liberty loan and with the withdrawal of Government deposits from depositary banks, the demand on the Federal Reserve Bank from its member banks for accommodation became so heavy that during December, besides selling to the other Federal Reserve Banks bankers' acceptances referred to elsewhere, on December 11 rediscounts amounting to \$20,000,000 secured by Liberty loan bonds were made with other Federal Reserve Banks and on December 18 a further rediscount of \$25,000,000.

TRADE ACCEPTANCES.

The use of the trade acceptance has not broadened during the year and has been confined, as in previous years, largely in connection with the cotton industries.

Money conditions were such last year that note brokers could sell trade acceptances in the open market, but banks have been out of the market for outside paper, especially during the period of the movement of cotton and, therefore, these acceptances have been bought by the Federal Reserve Bank, largely from country banks in mill centers and with such member banks' indorsement, and in increasing amounts toward the end of the year, as will be seen by Schedule 7. Few of the larger banks in the district have yet encouraged the trade acceptance, still being in favor of the single name note and the discount system so long in vogue in this section. The rate on the trade acceptance maintained by the bank has been about one-half per cent lower than the rate on bills discounted.

ACCEPTANCES.

The acceptance business has shown marked growth during the year, the increased cost of raw material necessary for the industries of the district having influenced this form of financing. The development of foreign bills has been most satisfactory, imported wool, cotton, hides, and jute forming the principal merchandise thus financed. This method of financing has done much to develop banking relations between the United States, South America, and the Far East.

The line of development of the domestic acceptance in this district, however, has not been so satisfactory. The fact that rates were maintained for bankers' acceptances by the Federal Reserve Bank below the ruling money rates and the unusual demands for capital which existed, especially in the financing of cotton and

other raw material, induced banks to accept bills drawn rather for general financing purposes than for the transportation or carrying of merchandise.

Some banks have at times accepted drafts simply to extend additional accommodation to customers who were already borrowing up to their legal limit, and acceptances have been made that were not in strict accordance with the tenets of the Federal Reserve Act and the regulations of the Federal Reserve Board.

It will be seen by reference to Schedule 6 that the investment of the Federal Reserve Bank in acceptances has fluctuated widely during the year. In order to strengthen the bank's reserve these investments were allowed to run off early in the year so that in April, at the outbreak of the war, the bank held but \$6,500,000. While the bank has maintained a policy of buying all eligible acceptances when offered and indorsed by its member banks, it has reduced such offerings by raising its purchase rate so as to send acceptances into the portfolios of other banks. As money rates increased, acceptances were offered more freely, and in October the bank had invested some \$30,000,000 in these securities. The raising of the purchase rate has not always been effectual in reducing the volume of offerings of this character coming to the bank, for at times commercial banks were out of the market and other Federal Reserve Banks were giving preference to the acceptances of members in their own district. While, during the development by the banks of this country of this new class of business, it may have been necessary and desirable for the reserve banks to maintain rates for bankers' acceptances much below the ruling local money rates in order to compete with foreign bankers, this has had the effect of limiting their market to the Federal Reserve Bank and a few of the large city banks. Both from the buying and selling standpoint it would appear desirable to encourage a broader and freer market for bankers' acceptances. The Federal Reserve Bank should not feel obliged to support the market for its member banks' acceptances or to restrict its purchases only to its member banks, and the purchase rate should follow more nearly those of similar high-grade short-time investments so as to attract banks throughout the country to carry bankers' acceptances in their portfolios as secondary reserve. Schedules 7 and 8 show the amount and character of these purchasings.

Schedule 9 shows the acceptance liability of national banks in New England at date of comptroller's calls.

UNITED STATES BONDS.

Investments in United States bonds and other Government securities by the Federal Reserve Bank have not shown material increase during the year.

On April 1, the bank purchased through the Secretary of the Treasury 1,057,750 United States 2 per cent bonds, its proportion of the bonds offered by member banks under section 18 of the Federal Reserve Act. One-half of these bonds and similar bonds already held by the bank were converted into one-year Treasury notes. Schedule 2 shows the bank's investments in Government securities on December 31, 1916, and December 31, 1917.

MUNICIPAL WARRANTS.

Municipal warrants have been purchased by the bank only when discounts, bankers' acceptances, and other short-time eligible securities were lacking. The increased use of bankers' acceptances and trade acceptances, and the demand for rediscounts from member banks has been so large that with the exception of \$125,000 city of New York $3\frac{3}{4}$ notes, which matured on June 5, the Federal Reserve Bank has made no purchase of warrants.

RESERVE POSITION.

The reserve position of the Federal Reserve Bank has changed materially during the year. The gold holdings of the bank have increased, but on the other hand the percentage of reserve against deposits, with the greater activities of the bank, shows a decrease.

The increase in the gold has been brought about through several causes: The changes in reserve requirements in the amendments to the Federal Reserve Act of June 21; the admission of State banks to membership; and the process of replacing with Federal Reserve notes gold and gold certificates carried by State and national banks as till money, and, to some extent, the retention by the bank of gold in circulation.

Under a ruling of the Federal Reserve Board, the Boston banks increased their reserve with the Federal Reserve Bank under the new requirements on June 27, the country banks being allowed to maintain their former reserve until July 15.

The reserve position of the bank at weekly periods during the year will be found in Schedule 10, and the gold reserve on chart 10A. Schedule 19 shows the reserve of national banks in New England at date of comptroller's calls.

MOVEMENT OF MEMBERSHIP.

Changes in the status of national banks in the district during the year, especially as to conversion into trust companies, have been less marked than in previous years, and only 13 member banks have sur-

rendered their charters during the year. On the other hand, many of the larger State institutions have joined the system, and the position of this bank has been materially strengthened thereby.

There are now 403 member banks in this district as against 399 at the end of 1916. The number of shares in the Federal Reserve Bank surrendered by the withdrawal of membership during the year amounted to 2,295, as compared to 12,533 subscribed by new members. The details of these changes will be seen in Schedules 11, 12, and 13.

RELATIONS WITH MEMBER BANKS.

Activities in connection with subscriptions to Liberty loan bonds and the financing of such subscriptions, as well as other Government requirements, have brought member banks into closer touch with the Federal Reserve Bank. More banks have availed themselves of rediscount privileges and to a greater extent.

The feeling of the country banker concerning membership in the Federal Reserve system has shown a marked change during the year, and all banks are apparently coming to realize the advantages offered by the reserve system and the strength given them by membership.

More banks have used the check-collection system and to a greater extent, but the charge of nine-tenths of a cent prevents banks from making general use of that facility, especially the country banks, which continue to send their checks largely to their city correspondents. The time-collection system and the transfer-check system have been used to but a limited extent as noted elsewhere in the report.

Permission to act as trustee, etc., under section 11k of the Federal Reserve Act has been granted to the banks named in Schedule 16.

The names of banks authorized during the year to accept up to an amount equal to 100 per cent of their capital and surplus will be found in Schedule 17.

Schedule 14 shows the borrowings of national banks in New England at the time of the comptroller's calls.

RELATIONS WITH STATE BANKS AND TRUST COMPANIES.

During the past year the bank has also been brought into more intimate relations with the State banks of this district through governmental operations in connection with Liberty loan subscriptions and Government depositaries.

In the handling of Liberty loan operations the officers of State and member banks took prominent parts. Both by redeposits of Government funds and rediscount assistance for carrying bonds,

State banks were given the same accommodation as member banks except that rediscounts made for State banks were made only through and with the indorsement of member banks.

Under authority of the Federal Reserve Act, the Federal Reserve Board ruled on May 15 that Federal Reserve Banks might rediscount for member banks notes of State banks issued for carrying Liberty loan bonds and while this permission was granted only for the period from June 15 to July 15, the time was extended throughout the year.

As the war progressed, State banks began to be more often called upon to finance customers engaged on Government work and such banks began to appreciate the advantages offered by the Federal Reserve Bank to member banks through rediscounts. This, together with amendments to the Federal Reserve Act of June 21, 1917, which were particularly favorable to State institutions, influenced a number of State banks to apply for membership in the Federal Reserve system.

It was not, however, until after the appeal of the President of the United States, on October 13, that State banks began to any great extent to apply for membership, banks applying after that date stating that they were doing so largely for patriotic reasons.

Relations between the officers of the Federal Reserve Bank and those of the State institutions have been most friendly and cordial, and during the year State institutions offered to the reserve bank their gold holdings in exchange for Federal Reserve notes in order to strengthen the gold reserve of the Federal Reserve system.

The admission of these State banks to membership has given additional strength to the reserve system, as the applications of banks have been approved by the reserve bank's committee only when their condition after careful examination demonstrated that their admission would add strength to the system. The list of State banks admitted during the year and their deposits on admittance will be seen by Schedule 13. There are also some 10 or more State banks whose applications for membership are pending. In connection with the examination of the applying State banks, the cooperation of the bank departments of the different States has been most helpful. The special committee of the American Bankers' Association has also been of value in influencing several of the State banks to apply for membership.

Under the laws of several of the States of the district, savings accounts are required to be segregated and invested in savings banks' securities, and are subject to no reserve requirements. As a number of the State banks of the district have built up savings departments of considerable size and the reserve requirements of the Federal Reserve Act require that 3 per cent reserve be carried against savings de-

posits, this has deterred a number of State banks from applying for membership, as have also, to some extent, the requirements of section 22 of that act. While the laws of all of the States in the district allow State banks to join the Federal Reserve system, still in several of the States the laws are such that State banks that have been admitted to the reserve system can not take advantage of the reserve requirements and are obliged to carry such reserves as their State laws specify, which has the effect of increasing the reserve which those banks are required to maintain.

Schedule 15 contains figures regarding eligible nonmember banks.

POLICY IN REGARD TO RATES ON REDISCOUNTS AND PURCHASES OF
ACCEPTANCES.

Government necessities have been an important factor in deciding the discount policy of the Federal Reserve Bank from the time of the declaration of war. Early in the year, at the suggestion of the Federal Reserve Board, this bank, together with other Federal Reserve Banks, raised its open-market rates on bankers' acceptances above the outside rate, and as these securities constituted one of the principal investments of the reserve bank, acceptances coming upon the market were purchased by member banks for their portfolios. The volume of the investment of these securities held by the bank was thereby materially reduced and the reserve of the bank was considerably strengthened. On April 6, 1917, at the outbreak of the war, its reserve was 76 per cent.

During the subscription period of the first Liberty loan, it became necessary to establish a rate to carry Liberty loan bonds, and the directors of the Federal Reserve Bank were for the first time confronted with the question what effect would be produced by Government needs on what might be called the strictly commercial requirements of the district. While, under normal conditions, a rate somewhat higher than the Government loan yielded would have been deemed proper, the directors finally decided that such a rate might interfere with subscriptions to the Government bond issue, and, therefore, decided to establish a $3\frac{1}{2}$ per cent rate both on the 15-day and 90-day notes secured by Liberty loan bonds.

Outside of the marking up of the rate on trade acceptances from $3\frac{1}{2}$ per cent to 4 per cent on June 26, 1917, no other changes were made in the discount rate until August, when the acceptance rate was advanced. At that time it was felt that all rates might properly be moved up, for after the payments on account of Liberty loan subscriptions made on August 15, the banks in the district began to feel the drain caused by these payments, and discounts at the reserve banks became more frequent. It was felt, however, that the raising of

the discount rate at that time might interfere with the sale by the Secretary of the Treasury of the United States of the certificates of indebtedness which were soon to be forthcoming in connection with the second Liberty loan, especially as the act of Congress prevented the Secretary of the Treasury from issuing such certificates at a rate higher than $3\frac{1}{2}$ per cent. From this period on, certain of the member banks began to run up their lines of discount, these banks having demands on them not only for subscriptions to Liberty loan bonds, but also from customers working on Government contracts. In order, however, to protect the reserve of the bank, the rates for bankers' acceptances were steadily increased until they were about one-half per cent above the rate established by the New York Federal Reserve Bank, thereby sending those created in this market largely to the New York bank. Although it was suggested to these member banks that they endeavor to liquidate their rediscounts, it was finally decided that nothing should be done to interfere with Government needs, and liquidation in nonessential industries should be encouraged.

If liquidation in the nonessential industries were to take place, it was decided that such liquidation could be safely accomplished only through some indirect influence coming from the Government itself and that banks should be encouraged to expand in financing Government orders and in placing the different Government loans. After Congress met in September and had given the Secretary of the Treasury the discretion as to rates on Government borrowings, the directors of the reserve bank felt freer to establish rates based on prevailing local conditions.

With the inauguration of the second Liberty loan the same question as to the policy of establishing a rate for carrying these 4 per cent bonds came up for consideration. It was deemed inadvisable to make any change in the previous rate of $3\frac{1}{2}$ per cent, either for 15-day loans to banks secured by Liberty loan bonds or for 90-day loans to individuals so secured, and other rates were not raised. Here again it was found necessary to stimulate subscriptions to Government bonds. With the withdrawal of Government deposits in December, banks, as in July, began to feel the strain and the contraction of the money market again brought the banks to the Federal Reserve Bank for rediscounts. This time it was decided to raise the rates in order to encourage some liquidation, and new rates were accordingly put into effect on December 5 and again on December 12, as shown by Schedule 18.

CREDIT DEPARTMENT.

During the year the credit department, under the supervision of the Federal Reserve agent, began giving more attention to the state-

ments of borrowers from member banks when their notes were offered for rediscount, especially from the viewpoint of eligibility. A policy was adopted of requiring banks to furnish statements of the makers of notes offered, whenever notes were for \$5,000 and over. This policy was adopted with the idea of influencing member banks to extend their credit departments and to give more attention to the character of notes offered.

DEPOSITS.

There are appended Schedules 20, 21, and 22, showing the fluctuation of member bank deposits, United States Government deposits (general account), and United States funds deposited by the bank as fiscal agents with designated depositories.

Member bank deposits, as will be seen by Schedule 20, showed a very material increase, expanding from a low point of about \$43,000,000 early in the year to a high point of nearly \$118,000,000 on November 15. This high point, however, was maintained only for a few days for use in payments to be made on the second Liberty loan. Most of the increase in deposits is due to the new reserve requirements of the Federal Reserve Act as amended in June, 1917, and to the deposits of State banks admitted to membership.

Schedule 20 shows the trend of deposits during the year. While the policy of penalizing banks deficient in reserves has been continued, the number of banks so penalized has been comparatively small. Government deposits are dealt with later in the report.

PERIODIC REPORTS REGARDING MEMBER BANKS.

Reports of national bank examinations are received regularly, as in previous years, from the chief bank examiner, and similar reports have been placed at the disposal of the Federal Reserve Bank by the bank commissioners of examinations made by them of State banks admitted to membership. These reports have been of great value to the officers in giving them an intimate knowledge of the financial conditions of member banks.

Beginning December 7, weekly reports are being received from member banks in Boston and Springfield, Mass.; Hartford, Conn.; Providence, R. I., and New Haven, Conn., these reports being similar in character to those which the different clearing houses have required of their member banks. These reports should prove of great value in keeping the bank officials in touch with the financial conditions of the district.

EDUCATIONAL AND PUBLICITY WORK.

While the officers of the bank have addressed bankers' meetings and trade organizations, the educational and publicity work has

been confined largely to matters pertaining to the Liberty loans and to inducing the State institutions to join the Federal Reserve system. The close intercourse of the officials of the bank in connection with governmental operations has furnished an opportunity for personal contact, both with the banker and business man, which has been most beneficial. Copies of speeches made by officers of the reserve system and prominent bankers dealing with the different phases of the Federal Reserve Act have been sent from time to time throughout the district.

Banks, and the public in general, have come to appreciate the power of the Federal Reserve system, especially in connection with the financing of the Government loans. The fact that these loans have been financed, as well as the largely increased Government orders, without any undue disturbance in the money market, has done much to impress all thinking banking officials and business men of the potential strength of the reserve bank and the system as a whole.

GOVERNMENT DEPOSITS.

The deposits of the Government, both in the Federal Reserve Bank and with depositary banks has been of unusual magnitude and activity during the year, as will be seen by Schedules 21 and 22. The Government purchases of ammunition and other war supplies manufactured in the district and the receipts and transfers on account of Liberty loan bonds, has made this bank's position as fiscal agent a most important one. Acting under permission given in Treasury Department Circular No. 81, 245 banks qualified as Government depositaries in connection with the first Liberty loan and payments were made by credit and redeposits amounting to about \$82,000,000.

In connection with the second Liberty loan, 209 banks so qualified and payments by credit in connection with the November 15 payment amounted to over \$170,000,000. The securities offered as collateral against these deposits were approved by a committee consisting of Mr. Charles A. Morss, class B director of the bank, as chairman; Mr. A. L. Aiken, governor of the bank; Mr. F. H. Curtiss, Federal Reserve agent, Mr. J. H. Leman, of Merrill, Oldham & Co., bankers; and Mr. G. P. Fogg, of R. L. Day & Co., bankers.

In connection with deposits of securities made against the first Liberty loan payments, several of the larger Boston banks and certain of the Connecticut banks acted as custodians of collateral. Securities pledged in connection with the second Liberty loan were all held by the Federal Reserve Bank of Boston as custodian with the exception of banks in New Haven, Hartford, and Waterbury, Conn., when local banks acted in that capacity.

CERTIFICATES OF INDEBTEDNESS.

The financing of Liberty loan subscriptions and tax payments by purchase of certificates of indebtedness issued from time to time by the Treasury Department has been of great value in relieving the pressure that would otherwise have been felt in the money market of the district through the withdrawal at one time of the large sums of money involved. The banks and the larger business houses have appreciated the advantage of the method of financing and have subscribed liberally as each issue of certificates of indebtedness has been offered. Schedules 23 and 24 show in detail the amount of these securities subscribed through the Federal Reserve Bank of Boston and other data of interest.

Redeposits were made with qualified depository banks in connection with each issue of certificates of indebtedness, in a similar manner as with Liberty loan subscriptions, the deposits being gradually withdrawn by the Government as needs required. The payments by credit in connection with the certificates of indebtedness are included in the figures shown in Schedule 22.

LIBERTY LOANS.

Immediately following the announcement by the Secretary of the Treasury of the initial offering of the first Liberty loan, a meeting of the executive committee of this bank was held to consider the organization of a Liberty loan committee to distribute and handle all details pertaining to the proposed issue of bonds. Representatives from the more important bond houses were asked to meet and assist in perfecting an organization to handle the necessary details pertaining to the bond issue. An organization was laid out covering New England with the exception of Fairfield County, Conn.

The organization for both the first and second loans was practically the same. Special mention should be made of the important part taken by the Boston bankers and brokers to whom is largely due the great success of the distributing end of both Liberty loans. The central committee was representative of the local financial interests and from that the executive committee was chosen.

The headquarters of the executive committee were at 50 State Street, in rooms provided by Lee, Higginson & Co. The Federal Reserve Bank has since leased permanent quarters at 30 Kilby Street for the Liberty loan committee.

In Boston some 79 committees representing the different lines of trade were formed. In each of the banking centers throughout the district local chairmen were chosen, for the most part prominent bankers, and each heading committees representative of the locality. There were 69 such committees in Maine, 47 in New Hampshire, 146

in Massachusetts, 51 in Vermont, 11 in Rhode Island, and 61 in Connecticut. The governors and treasurers of the different States, the mayors of the cities and other public officials, public-safety committees, labor organizations, all have assisted in making the Liberty loans a success.

On the first Liberty loan, the minimum allotment for this district was \$240,000,000, the maximum being \$300,000,000. Subscriptions of \$332,447,000 were received and allotments were made of \$265,017,900. On the second Liberty loan the minimum allotment was \$300,000,000, the maximum being \$500,000,000, and subscriptions were received of \$476,950,050. Allotments were made of \$407,713,700. The basis of the maximum and minimum allotment on the first loan was on the total banking resources of the district, which included savings banks. On the second loan the allotment was on a similar basis, with the exception that but 50 per cent of the savings banks' resources were included. Full details in reference to the allotments and subscriptions by States will be seen by referring to Schedule 25. Schedules 26, 27, and 27A give further details in reference to payments made and various other matters relating to these two bond issues.

WAR-SAVINGS CERTIFICATES.

In connection with the handling of the war-savings certificates campaign, the Federal Reserve Bank has not taken the same active part as it has in sales of Liberty loan bonds. The war-savings certificates campaign has been handled by an organization headed by Federal appointees and has been entirely apart from the direction and guidance of the Federal Reserve Bank. This bank has acted only as custodian of the certificates and stamps, delivering those securities on the instructions of the committee.

FEDERAL RESERVE NOTE ISSUES.

During the year, as will be seen by Schedule 28, an increasing amount of Federal Reserve notes has been issued each month. This has been brought about by two influences; first, by the nonissuance of gold certificates of \$10 and \$20 denominations by the Treasury Department, and, second, by the efforts of the Federal Reserve Bank to strengthen its reserve position through the acquiring of gold held in the tills of member banks and in the pockets of the public, issuing in place thereof Federal Reserve notes. Banks in this district, both member and nonmember, have responded very willingly to this bank's suggestions that they do not pay out gold certificates but retain them, exchanging them for Federal Reserve notes.

As the demand for Federal Reserve notes increased, it was found advisable to carry a larger supply on hand not only in our own vaults,

but in the subtreasury and with the Comptroller of the Currency at Washington. At the present time there is available \$106,700,000 of such notes, a large part of which can be used at once and the balance within 24 hours. Schedule 30 appended shows the amount of Federal Reserve notes of this bank returned to us by the other Federal Reserve Banks and the amounts of notes outside the district returned to issuing banks by us. Schedules 28 and 29 show Federal Reserve notes issued and retired by the bank during the year.

While the Federal Reserve Bank has furnished currency through the issue of Federal Reserve notes to a considerable extent, the bank should have facilities for furnishing currency of all denominations and kinds. The demand for pay-roll needs, with the increased activities in industry, has been felt increasingly during the year.

INTERNAL ORGANIZATION.

During the year there have been held 25 directors' meetings with an average attendance of 8 members. The executive committee has met 30 times and the average attendance has been 4.

At an early meeting of the board of directors, Mr. Daniel G. Wing, president of the First National Bank of Boston, was reelected a member of the Federal Advisory Council.

The terms of Thomas P. Beal, class A director, and Charles A. Morss, class B director, expired December 31, 1917. A new election was held by member banks in group 1, who were represented by these directors and they were unanimously reelected, there being no other nominations made for the offices.

Mr. Frederic H. Curtiss was reappointed by the Federal Reserve Board as a director of the Federal Reserve Bank of Boston for three years ending December 31, 1920. He was redesignated as chairman and Federal Reserve agent.

Owing to the death of Mr. Walter S. Hackney on March 20, 1917, who had been the class C director and vice chairman since October, 1914, Mr. Andrew J. Peters, former Assistant Secretary of the Treasury, was appointed by the Federal Reserve Board to fill the vacancy caused by Mr. Hackney's death.

Mr. Alfred L. Aiken, who had been governor of the Federal Reserve Bank since November, 1914, resigned to accept the presidency of the National Shawmut Bank of Boston.

Mr. Charles A. Morss, formerly treasurer of the Simplex Wire & Cable Co. of Boston, a class B director of the bank, was elected to the position of governor, taking office on December 20, 1917. Mr. Morss has been a close student of finance for many years, and has been connected as director with several of the large local banks.

Mr. Florrimon M. Howe, who has been cashier of the bank since November, 1914, resigned in December to accept the vice presidency of the Industrial Trust Co. of Providence, R. I., and Mr. Chester C. Bullen, formerly assistant cashier, was elected cashier.

The organization of the Federal Reserve Bank, both from the executive and the clerical staff, has had to be largely increased during the year, owing to the additional activities of the reserve bank in connection with its position as fiscal agent for the United States Government.

At the time of the first Liberty loan, the subscription department and bond department was handled largely by volunteer forces, who were liberally contributed by the local banking houses. It was deemed necessary, however, to establish in the bank a permanent organization to handle the details incidental to the second Liberty loan and for the handling of future Government loans. A new plan of reorganization of the entire bank was laid out. This new plan of reorganization led to the election of Mr. William Willett, former assistant auditor of the bank, as assistant cashier in charge of the clearing department. Mr. Harry A. Saunders, formerly head bookkeeper, was appointed assistant cashier and put in charge of the subscription department, Mr. Chester C. Bullen, assistant cashier, being put in charge of the entire bond department. Mr. Harry F. Currier, former national bank examiner, was appointed chief auditor. With the approval of the Federal Reserve Board, Mr. Russell B. Spear was selected by the Federal Reserve agent as assistant Federal Reserve agent, as provided in the recent amendment of the Federal Reserve Act, and, pending the organization of a special department, the handling of the certificates of indebtedness, Government depositaries, and securities deposited by banks against Government funds, has been carried on in the Federal Reserve agent's department.

With the increase of the bank's activities, the greatest problem has been the inadequacy of its present banking quarters, and although considerable more floor space has been added during the year and the clerical force increased from 70 to 256, still it is most important that larger banking quarters be secured and this force materially increased. A committee of the directors has this matter under consideration.

CLEARINGS AND COLLECTIONS. ✓

During the year the check collection department continued to expand with an increasing number of banks sending their checks to the bank for collection. About 25 banks, having a large number of items on points in other Federal Reserve districts, have taken advantage of the direct routing feature of this system and send their

items direct to other Federal Reserve Banks. About 33 banks in other districts are sending items direct to this bank. The charge for collecting remains the same, at nine-tenths of a cent per item. It is noticeable that some banks are sending only their larger items, their smaller ones going through their city correspondents. In spite of the increase in items handled, it has only been necessary to make a slight increase in the number of clerks.

A comparison of figures with other Federal Reserve Banks shows a very much larger percentage of checks outside of the Federal Reserve city handled in this district than in any other. This is due to a considerable extent to the fact that the New England banks were practically all accustomed to remit to the Boston Clearing House before the establishment of the present collection system.

Schedules 31 and 32 contain detailed statistics on the activities of this department.

GOLD-SETTLEMENT FUND.

The gold-settlement fund, the operation of which was outlined in the report of 1915, has continued to become an increasingly important factor in the settlement of exchange without actual transfer of funds from one Federal Reserve Bank to another. During the year the transfers through this fund were largely increased, as will be seen from Schedule 33. The cost of making these transfers is infinitesimal in comparison with the vast total of transfers made. Late in the year the Boston subtreasury began settling its balances by transfers on the books of this bank instead of by the actual exchange of currency, and this has added to the volume of transfers through this fund.

BANK OF ENGLAND STERLING GOLD ACCOUNT.

Following an arrangement made between the Federal Reserve Bank of New York and the Bank of England establishing relations as correspondents in which all the Federal Reserve Banks might participate, this bank made payment in New York for account of the Bank of England on June 7, 1917, of \$3,675,000 in gold, the Bank of England setting aside and holding a similar amount in "ear-marked gold" in London subject to this bank's orders.

CONCLUSION.

There is no better evidence of the important position that the Federal Reserve Bank of Boston has attained at the present time than a survey of the balance sheet shown in schedule 2.

The bank has been tested during the present year in the financing of the great war loans and increased activities of the local industries

to such an extent that its policy of discount is closely watched, and its officials are called into consultation whenever any new problem arises, which frequently occurs, owing to war conditions.

In outlining the bank policy due regard has been taken of the different interests affected and from the broadest national viewpoint. That the war financing has been accomplished without undue disturbance to the local money market has impressed not only the banks but the public at large of the power, strength, and insurance which the Federal Reserve Bank of Boston and the Federal Reserve system furnishes for the handling of commerce and business of the United States.

SCHEDULE 1.—*Income and expense.*

Expense.	1916	1917	Income.	1916	1917
Paid in lieu of dividends on stock canceled.....	\$2,804.17	\$3,926.85	Balance January 1, 1917.....		\$11,596.56
Current expense.....	25,357.37	51,288.75	Discount from member banks on—		
Directors' fees.....	5,712.35	5,781.10	Notes discounted.....	\$39,641.83	302,612.23
Rent.....	15,139.13	15,246.49	Rediscounts secured by United States bonds.....		153,039.85
Salaries.....	77,085.38	93,193.65	Collateral notes.....	2,153.23	87,962.26
Exchange paid.....	.40	69.10	Trade acceptances.....	1,508.14	27,502.79
Cost of Federal Reserve notes.....	15,141.36	68,954.48		43,303.20	571,117.13
Assessment for expense, Federal Reserve Board..	17,703.57	21,226.35	Discount on open-market purchases:		
Charged off:			Bankers' acceptances, domestic.....	7,709.16	107,831.44
Organization.....	17,301.73		Bankers' acceptances, foreign.....	229,147.58	377,903.14
Furniture and equipment.....	15,352.04	8,973.83	Trade acceptances, foreign.....		16,662.72
Difference account....	88.98	814.83	State, city, and town notes.....	78,578.27	5,202.73
Cost of unissued currency.....		33,666.91		315,435.01	507,600.03
Repairs and alterations.....		10,450.00	Interest on United States securities.....	57,194.16	94,784.86
Expenses paid in advance.....		1,462.24	Appreciation and profit on United States securities..	20,575.00	11,101.60
Transit department, net cost.....		8,255.87		77,769.16	105,886.46
			Commissions.....	10,558.55	6,938.15
			Penalties for deficient reserve.....		6,105.39
			Service charges.....		
To balance.....	258,527.42	886,294.79	Sundry profits.....	3,147.98	361.52
	450,213.90	1,209,605.24		450,213.90	1,209,605.24
	1917	1918		1917	1918
Dividends paid member banks.....	246,930.86	597,828.54	Jan. 2, balance forward...	258,527.42	886,294.79
Reserve for depreciation on United States securities.....		138,266.25			
Balance to surplus account including payment to United States Government.....	11,596.56	150,200.00			
	258,527.42	886,294.79		258,527.42	886,294.79
			Jan. 3, balance.....	11,596.56	150,200.00

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SCHEDULE 2.—Comparative balance sheet Dec. 31, 1916, and Dec. 31, 1917.

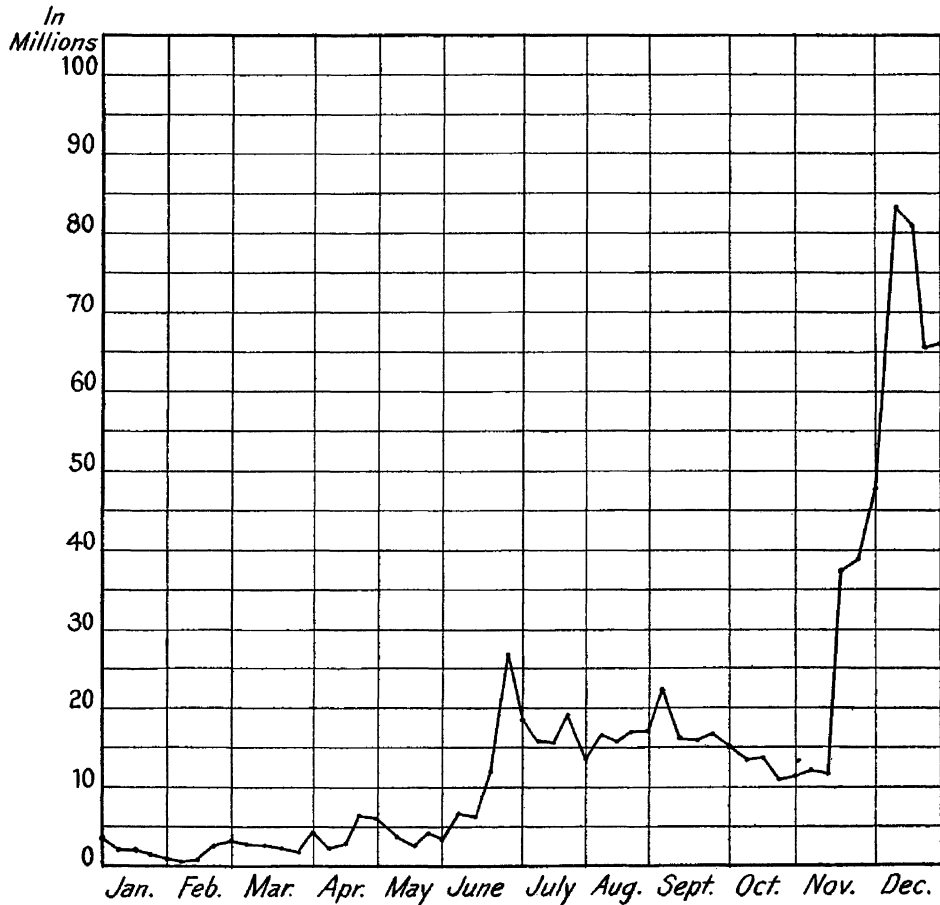
	Dec. 31, 1916.	Dec. 31, 1917.
RESOURCES.		
Earning assets:		
Bills discounted for member banks.....	\$3,745,315.28	\$65,882,359.35
Acceptances purchased.....	12,725,167.81	9,037,506.04
State, city, and town notes.....	890,002.23	.....
United States bonds.....	1,332,000.00	609,750.00
United States 1-year Treasury notes.....	1,000,000.00	2,194,000.00
	\$19,692,485.32	\$77,723,615.39
Reserve cash:		
Gold coin and gold certificates.....	11,774,857.50	18,690,900.00
Gold settlement fund.....	14,737,000.00	16,977,000.00
Gold redemption fund for Federal Reserve notes.....	.....	2,000,000.00
Bank of England sterling gold account.....	.....	3,875,000.00
Other lawful money.....	427,683.00	3,574,566.00
	26,939,540.50	44,917,466.00
With Federal Reserve agent:		
Gold against Federal Reserve notes.....	¹ 13,518,385.00	40,896,820.00
Other resources:		
Interest accrued on United States bonds.....	13,870.83	21,958.75
Check collection expense (recoverable).....	8,384.44	.....
Expense Liberty loan (recoverable).....	.....	144,167.62
Expenses paid in advance.....	1,564.72	.....
Cost of Federal Reserve notes (unissued).....	29,230.20	.....
Due from Liberty loan subscriptions.....	.....	118,035.40
Due from Federal Reserve Banks.....	4,836,131.06	.....
Items in process of collection.....	12,592,167.39	15,007,383.44
Due from banks (Government deposits).....	.....	66,489,691.55
Exchanges for clearing house and cash items.....	328,149.59	3,216,597.70
Federal Reserve notes and other cash on hand.....	815,595.87	4,661,035.81
Total assets.....	<u>65,257,119.92</u>	<u>253,196,771.66</u>
LIABILITIES.		
Capital fund:		
Capital paid in.....	4,989,700.00	5,858,450.00
Surplus.....	.....	.....
Profit and loss account.....	258,527.42	150,200.00
Deposits:		
Due to member banks reserve account.....	56,757,135.68	82,842,197.76
Due to Federal Reserve Banks collected funds.....	.....	3,870,139.46
Due to banks uncollected funds.....	1,058,988.16	13,780,544.93
Due to United States Government general account.....	2,130,617.72	2,419,414.94
Due to United States special account.....	.....	66,489,691.55
Cashier's checks outstanding.....	941.30	20,416.38
Federal Reserve notes outstanding.....	¹ 13,518,385.00	77,296,820.00
Other liabilities:		
Unearned discount and interest.....	61,209.64	468,896.64
Total liabilities.....	<u>65,257,119.92</u>	<u>253,196,771.66</u>
Liability for rediscount with other Federal Reserve Banks.....	.....	44,477,789.09

¹ These items not included in total.

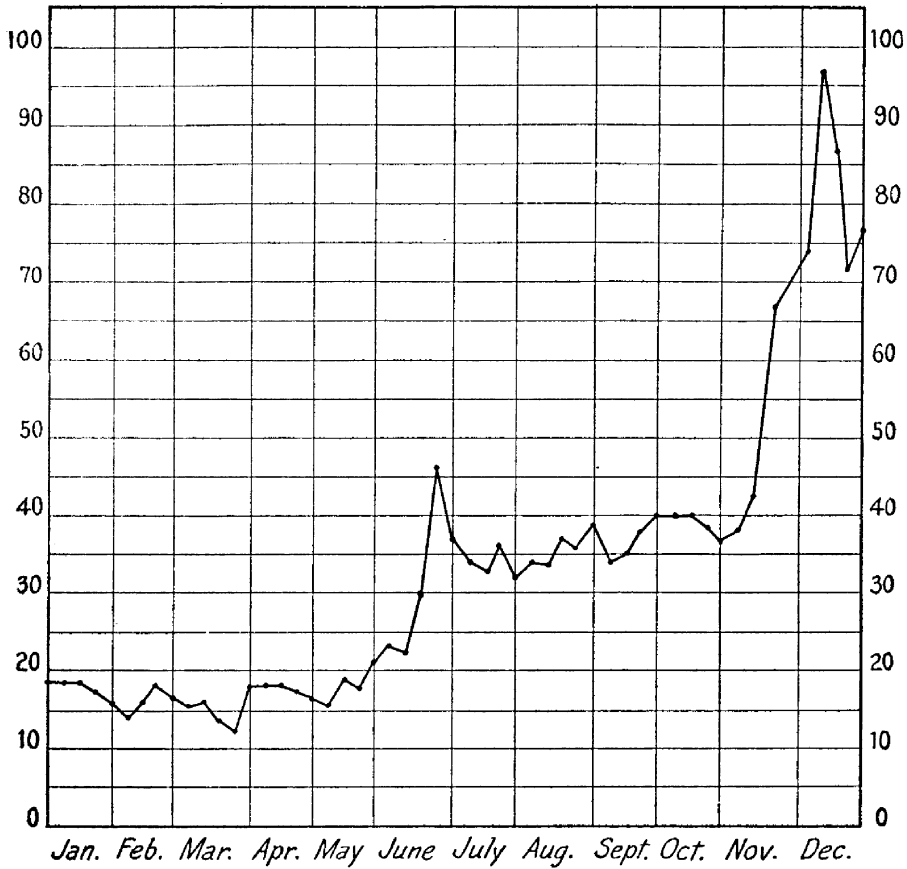
SCHEDULE 3.—Money rates in Boston, 1917.

	Jan.	Feb.	Mar.	Apr.	May.	June.
Demand money.....	3-6	3-4½	3½-4	3½-4½	4-5	4½-6
Commercial paper.....	3-4½	3-4½	4-4½	4-5	4½-5	5-6
Brokers' 6 months' paper.....	3½-4½	3½-5	4-5	4½-5	5	5-6
Year money.....	4½-4½	4½-4½	4½-4½	4½-5	5	5
Acceptances.....	2½-3½	2½-3½	2½-3½	2½-3½	3-3½	3-3½
Town notes.....	1.00-3.30	2.00-2.70	1.46-4.00	3-50-4.12	4.17-4.55	4.21-5.39
Certificates of indebtedness.....			2	3	3-3½	3½
	July.	Aug.	Sept.	Oct.	Nov.	Dec.
Demand money.....	4½-6	4½-5	4½-6	4-6	4-6	4½-6
Commercial paper.....	4½-5½	4½-5½	5-6	5½-6	5½-6	5½-6
Brokers' 6 months' paper.....	4½-5½	5-5½	5-6	5½-6	5½-6	6
Year money.....	5½-5½	5½-5½	5-5½	6	6	6
Acceptances.....	3-3½	3-4	3½-4	3½-3½	3½-3½	3½-4
Town notes.....	3.92-4.39	3.98-4.93	4.27-4.34	4.24-4.59	4.55-4.90	4.58-5.10
Certificates of indebtedness.....		3½	3½-4	4	4	4

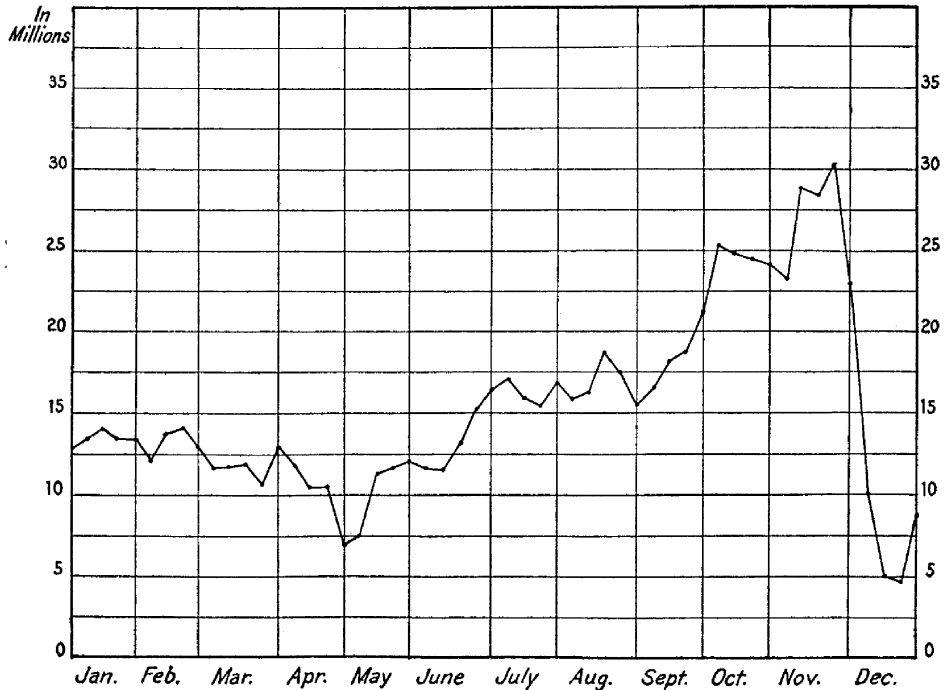
SCHEDULE 4.—Bills discounted, including member banks' collateral notes held at close of business each Friday.



SCHEDULE 5.—Total investments at close of business each Friday.



SCHEDULE 6.—Amount of acceptances held at close of business each Friday.



SCHEDULE 7.—Acceptances purchased for own account.

Month.	Foreign acceptances.			Domestic acceptances.			Foreign trade acceptances.		
	Items.	Amount.	Low and high rate.	Items.	Amount.	Low and high rate.	Items.	Amount.	Low and high rate.
January	90	\$2,522,546.66	<i>P. ct.</i> 2 $\frac{1}{2}$ -3 $\frac{1}{2}$	20	\$516,292.67	3-3 $\frac{1}{2}$			<i>P. ct.</i>
February	187	4,461,805.32	2 $\frac{1}{2}$ -3 $\frac{1}{2}$	19	800,416.62	3-3 $\frac{3}{8}$			
March	183	4,803,854.46	2 $\frac{1}{2}$ -3 $\frac{1}{2}$	8	353,407.60	3-3 $\frac{3}{8}$			
April	17	786,937.47	2 $\frac{5}{8}$ -3 $\frac{1}{2}$	20	458,149.37	3-3 $\frac{3}{8}$			
May	233	9,077,342.66	3-3 $\frac{1}{2}$	57	1,140,471.04	3-3 $\frac{1}{2}$			
June	185	6,153,140.45	3-3 $\frac{1}{2}$	70	2,390,740.88	3-3 $\frac{1}{2}$			
July	67	2,330,664.79	3-3 $\frac{1}{2}$	22	1,102,781.58	3 $\frac{1}{2}$ -3 $\frac{1}{2}$			
August	228	6,038,808.44	3-3 $\frac{3}{4}$	49	1,253,165.94	3 $\frac{1}{2}$ -3 $\frac{3}{8}$	24	\$229,553.16	4-4
September	409	10,654,363.60	3 $\frac{1}{2}$ -4	102	3,958,850.87	3 $\frac{3}{4}$ -3 $\frac{3}{4}$	101	2,020,406.37	4-4
October	97	4,179,893.80	3 $\frac{3}{4}$ -4	51	1,400,069.76	3 $\frac{3}{4}$ -4	8	60,733.74	4-4
November	373	7,831,147.47	3 $\frac{1}{2}$ -3 $\frac{3}{4}$	79	3,565,018.51	3 $\frac{1}{2}$ -3 $\frac{3}{4}$	50	493,881.92	4-4
December	123	3,891,621.91	3 $\frac{3}{4}$ -4 $\frac{1}{4}$	266	8,508,144.61	3 $\frac{3}{4}$ -4 $\frac{1}{4}$	45	597,664.73	4-4
Total	2,172	62,732,427.03		766	25,387,539.45		228	3,408,239.92	

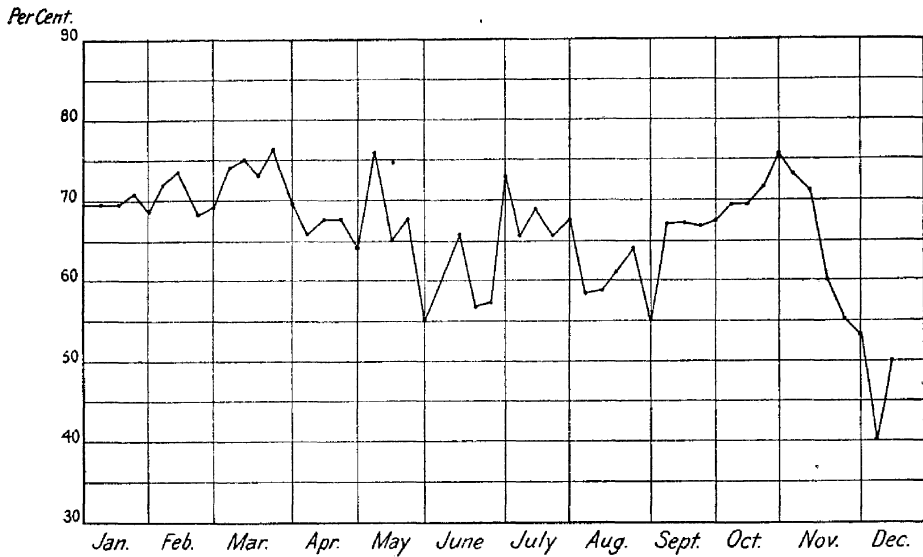
SCHEDULE 8.—Acceptances purchased for other Federal Reserve Banks

Month.	Foreign acceptances.			Domestic acceptances.		
	Items.	Amount.	Low and high rate.	Items.	Amount.	Low and high rate.
			<i>Per cent.</i>			<i>Per cent.</i>
February	252	\$6,207,883.16	2 $\frac{1}{2}$ -3 $\frac{1}{2}$	15	\$326,327.40	3-3 $\frac{3}{8}$
April	124	3,597,019.89	2 $\frac{7}{8}$ -3 $\frac{1}{2}$	30	1,005,828.17	3-3 $\frac{3}{8}$
May	255	6,392,551.36	3-3 $\frac{1}{2}$	44	1,337,453.16	3-3 $\frac{3}{8}$
June	118	5,845,222.26	3-3 $\frac{1}{2}$	32	658,055.21	3-3 $\frac{3}{8}$
July	8	685,000.00	3-3 $\frac{1}{2}$	10	307,853.22	3 $\frac{1}{2}$ -3 $\frac{3}{8}$
August	281	9,854,043.11	3-3 $\frac{3}{4}$	19	735,022.75	3 $\frac{1}{2}$ -3 $\frac{3}{8}$
September	78	3,244,386.64	3 $\frac{1}{2}$ -4	4	173,805.76	3 $\frac{1}{2}$ -3 $\frac{3}{8}$
November	211	3,881,947.48	3 $\frac{1}{2}$ -3 $\frac{3}{4}$	13	447,560.70	3 $\frac{1}{2}$ -3 $\frac{3}{4}$
December	584	10,856,513.55	3 $\frac{3}{4}$ -4 $\frac{1}{4}$	289	10,514,551.63	3 $\frac{3}{4}$ -4 $\frac{1}{4}$
Total	1,911	50,555,564.45		456	15,506,458.00	

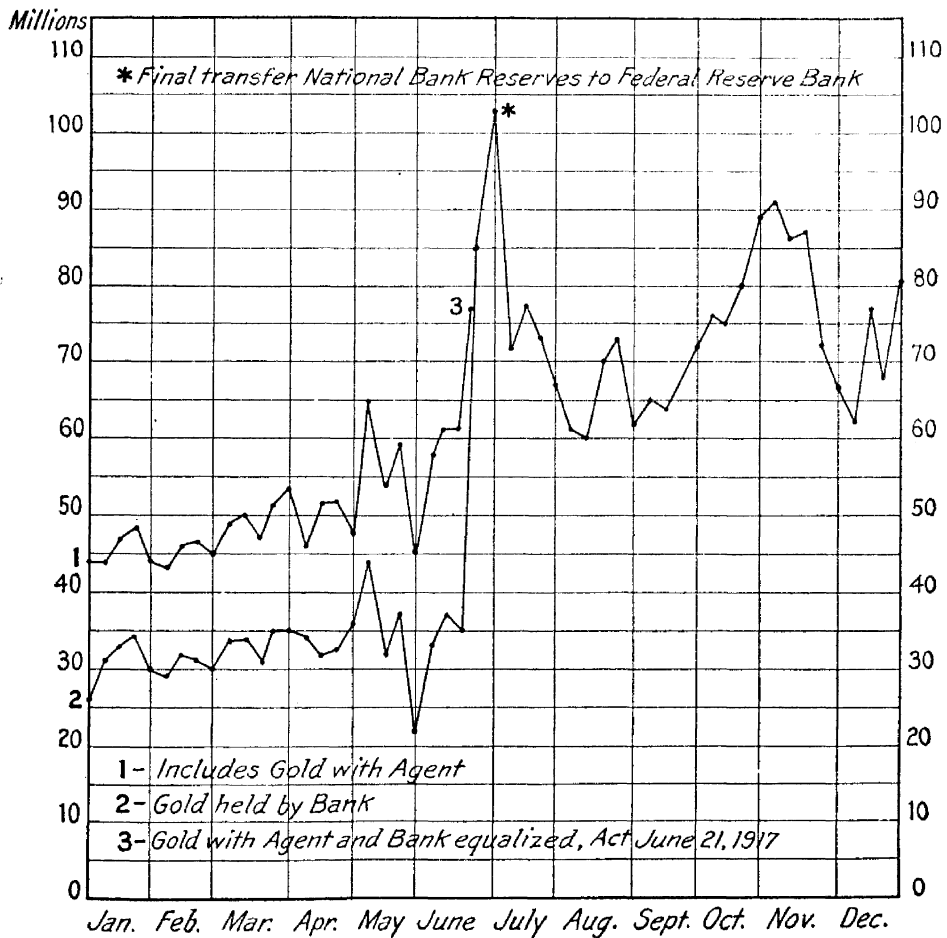
SCHEDULE 9.—Acceptance liability of national banks in New England at date of Comptroller's calls.

Mar. 5, 1917	\$24,372,000
May 1, 1917	25,459,000
June 20, 1917	33,147,000
Sept. 11, 1917	35,082,000
Nov. 20, 1917	44,500,000

SCHEDULE 10.—Cash reserve at close of business each Friday.



SCHEDULE 10A.—Total gold reserve at close of business each Friday.



SCHEDULE 11.—Member banks liquidated during 1917.

Name of bank.	Location.	Disposition.	Shares surrendered.	
Hadley Falls National Bank.....	Holyoke, Mass.....	{ Formed Hadley Falls Trust Co., Holyoke, Mass.	{ 180	
Home National Bank.....	Holyoke, Mass.....			210
Second National Bank.....	Bangor, Me.....			180
Ware National Bank.....	Ware, Mass.....	Succeeded by Ware Trust Co.....	234	
Worcester National Bank.....	Worcester, Mass.....	Consolidated with Worcester Bank & Trust Co.	480	
First National Bank.....	Auburn, Me.....	Succeeded by First Auburn Trust Co.	135	
Brooks National Bank.....	Torrington, Conn.....	Succeeded by Brooks Bank & Trust Co.	75	
Taunton National Bank.....	Taunton, Mass.....	Succeeded by Bristol County Trust Co.	465	
Stoneham National Bank.....	Stoneham, Mass.....	Succeeded by Stoneham Trust Co.....	36	
Rochester National Bank.....	Rochester, N. H.....	Succeeded by Rochester Trust Co.....	60	
First National Bank.....	Wiscasset, Me.....	Succeeded by Lincoln County Trust Co.	36	
Norwood National Bank.....	Norwood, Mass.....	Succeeded by Norwood Trust Co.....	120	
South Berwick National Bank.....	South Berwick, Me.....	Succeeded by South Berwick Savings Bank & Trust Co.	84	
Total.....			2,295	

SCHEDULE 12.—New members.

Name of bank.	Location.	Shares subscribed
North Brookfield National Bank.....	North Brookfield, Mass.....	38
Bank Bay National Bank.....	Boston, Mass.....	150
Tanners National Bank.....	Woburn, Mass.....	66
Second National Bank.....	Malden, Mass.....	75
Commonwealth Trust Co.....	Boston, Mass.....	900
Winchester Trust Co.....	Winchester, Mass.....	75
International Trust Co.....	Boston, Mass.....	1,800
Fitchburg Bank & Trust Co.....	Fitchburg, Mass.....	450
Norwood Trust Co.....	Norwood, Mass.....	120
American Trust Co.....	Boston, Mass.....	1,800
Newton Trust Co.....	Newton, Mass.....	480
Industrial Trust Co.....	Providence, R. I.....	4,200
Metropolitan Trust Co.....	Boston, Mass.....	360
Union & New Haven Trust Co.....	New Haven, Conn.....	690
Charles River Trust Co.....	Cambridge, Mass.....	240
Winchester National Bank.....	Winchester, Mass.....	39
Worcester Bank & Trust Co.....	Worcester, Mass.....	1,050
Total.....		12,533

SCHEDULE 13.—State banks admitted to system.

Date of admission.	Name of bank.	Location.	Capital and surplus.	Deposits when admitted.
1917.				
Feb. 12	Commonwealth Trust Co.....	Boston, Mass.....	\$1,500,000	\$18,520,000
May 29	Winchester Trust Co.....	Winchester, Mass.....	125,000	530,000
June 9	International Trust Co.....	Boston, Mass.....	3,000,000	14,772,000
July 26	Fitchburg Bank & Trust Co.....	Fitchburg, Mass.....	750,000	3,485,000
Aug. 11	Norwood Trust Co.....	Norwood, Mass.....	200,000	1,771,000
31	American Trust Co.....	Boston, Mass.....	3,000,000	19,905,000
Nov. 5	Newton Trust Co.....	Newton, Mass.....	800,000	3,629,000
9	Industrial Trust Co.....	Providence, R. I.....	7,000,000	58,765,000
Dec 4	Metropolitan Trust Co.....	Boston, Mass.....	600,000	3,559,000
11	Charles River Trust Co.....	Cambridge, Mass.....	400,000	1,881,000
14	Union & New Haven Trust Co.....	New Haven, Conn.....	1,150,000	3,156,000
26	Worcester Bank & Trust Co.....	Worcester, Mass.....	1,750,000	19,790,000

SCHEDULE 14.—*Borrowings of national banks in New England.*

Date.	Bills payable with Federal reserve bank. ¹	Money borrowed elsewhere.	Liabilities for rediscounts. ¹	Total borrowings. ¹	Acceptances rediscounted included in total borrowings. ¹	Rediscounts of Federal Reserve Bank of Boston. ²
Dec. 27, 1916.....	\$610,000	\$4,633,000	\$14,547,000	\$19,780,000	\$8,849,000	\$4,804,000
Mar. 5, 1917.....	110,000	3,089,000	16,299,000	19,498,000	8,733,000	2,535,000
May 1, 1917.....	1,740,000	3,077,000	13,098,000	17,915,000	6,951,000	4,791,000
June 20, 1917.....	7,445,000	8,131,000	21,376,000	36,952,000	6,654,000	15,693,000
Sept. 11, 1917.....	5,177,000	6,124,000	15,883,000	27,184,000	5,738,000	13,757,000
Nov. 20, 1917.....	5,439,000	0,701,000	45,479,000	57,619,000	15,496,000	32,970,000

¹ From reports to Comptroller of the Currency.
² As shown by books of Federal Reserve Bank of Boston.

SCHEDULE 15.—*Number, capital, and surplus, and deposits, by States, of eligible nonmember banks.*

State.	Number banks.	Capital and surplus.	Deposits.
Connecticut.....	25	\$9,904,300	\$56,828,000
Maine.....	37	6,347,900	59,498,000
Massachusetts.....	80	40,164,000	269,846,000
New Hampshire.....	8	1,500,200	8,970,254
Rhode Island.....	10	18,378,000	154,161,000
Vermont.....	23	2,756,000	30,836,000
Total.....	183	79,050,400	580,139,254

SCHEDULE 16.—*Banks granted fiduciary powers under section 11k of the Federal reserve act.*

Date.	Name.	Location.	Powers granted.
1917			
Jan. 29	Merrimack National Bank.....	Haverhill, Mass.....	Trustee, executor, administrator, and registrar of stocks and bonds.
29	First National Bank.....	Bar Harbor, Me.....	Do.
Mar. 16	Home National Bank.....	Brockton, Mass.....	Do.
May 14	State National Bank.....	Windsor, Vt.....	Trustee, executor, and administrator.
June 18	Webster & Atlas National Bank.....	Boston, Mass.....	Trustee, executor, administrator and registrar of stocks and bonds.
Aug. 20	Manufacturers National Bank.....	Lynn, Mass.....	Do.
20	Edgartown National Bank.....	Edgartown, Mass.....	Trustee, executor, and administrator.
Oct. 31	National Bank of Wareham.....	Wareham, Mass.....	Trustee, executor, administrator, and registrar of stocks and bonds.
31	Mechanics National Bank.....	Worcester, Mass.....	Do.
Nov. 5	National State Capital Bank.....	Concord, N. H.....	Do.
10	Plymouth National Bank.....	Plymouth, Mass.....	Do.
14	Vermont National Bank.....	Brattleboro, Vt.....	Do.
Dec. 28	Merchants National Bank.....	Leominster, Mass.....	Do.

SCHEDULE 17.—*Banks granted permission to accept up to 100 per cent of their capital and surplus during 1917.*

Blackstone Canal National Bank, Providence, R. I.	Mechanics National Bank, New Bedford, Mass.
Safety Fund National Bank, Fitchburg, Mass.	Massasoit-Pocasset National Bank, Fall River, Mass.
Hartford-Aetna National Bank, Hartford, Conn.	National Union Bank, Boston, Mass.

SCHEDULE 18.--Discount rates.

Date.	Maturities of 15 days or less.	Maturities of 16 to 90 days.	Agricultural and live-stock paper 91 days to 6 months.	Trade Acceptances.	Commodity paper.	Secured by United States certificates of indebtedness or Liberty Loan Bonds.	
						15 days or less.	16 to 90 days.
Dec. 7, 1916.....	3½	4	5	3½	4		
Mar 21, 1917.....	3½	4	5	3½	4		
June 12, 1917.....	3½	4	5	1 3½	4	3½	3½
Oct. 23, 1917.....	3½	4	5	4	4	2 3½	2 3½
Dec. 5, 1917.....	4	4½	5	4	4	3½	4
Dec. 12, 1917.....	4	5	5	4	(3)	3½	4

¹ June 26, acceptances under 91 days, 4 per cent.

² Customers of nonmember banks, 4 per cent.

³ Merged with commercial paper rates of corresponding maturities on Dec. 5, 1917.

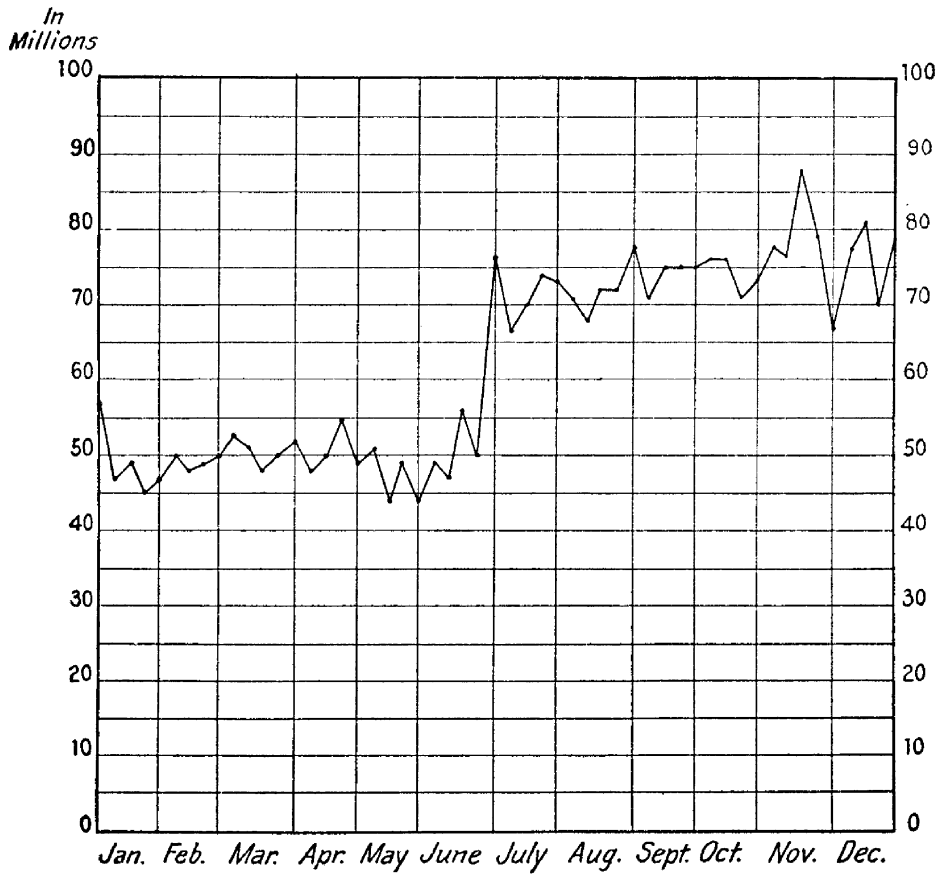
SCHEDULE 19.—Reserves of national banks in New England as reported by Comptroller of the Currency.

Date.	Total reserve.	Required reserve.	Excess reserve.
Dec. 27, 1916.....	\$172,535,000	\$111,335,000	\$31,200,000
Mar. 5, 1917.....	189,557,000	119,637,000	69,920,000
May 1, 1917.....	190,443,000	117,143,000	73,300,000
June 20, 1917.....	170,872,000	111,832,000	59,040,000
Sept. 11, 1917.....	¹ 56,725,000	55,823,000	² 902,000
Nov. 20, 1917.....	56,069,600	54,766,000	1,303,600

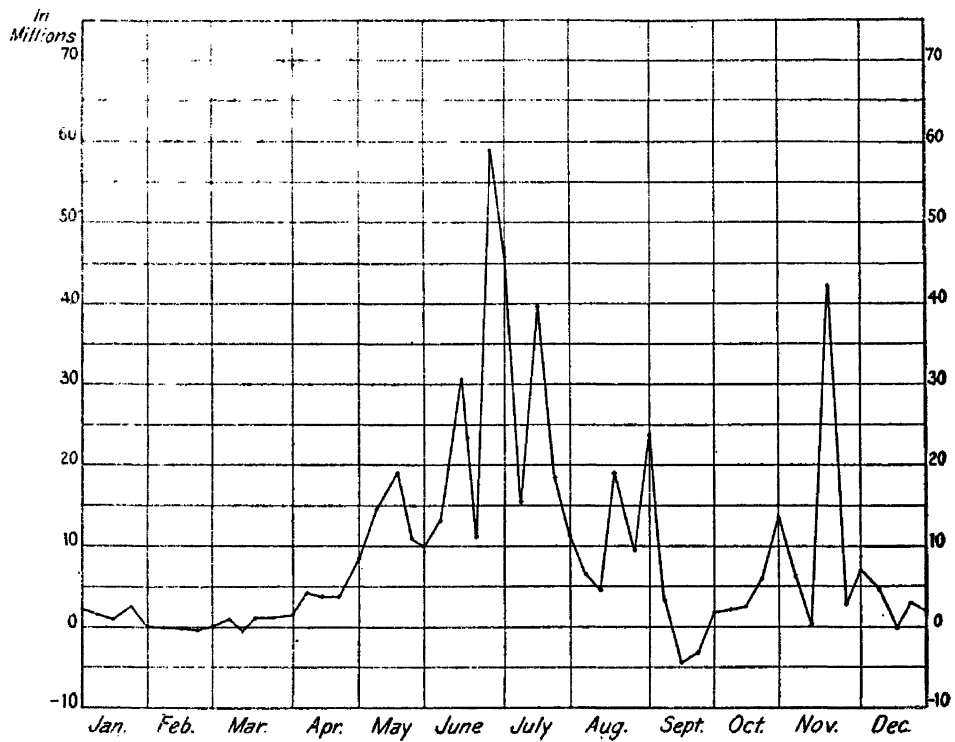
¹ Cash in vault and due from national banks, not included as reserve, \$108,250,000.

² Deficiency.

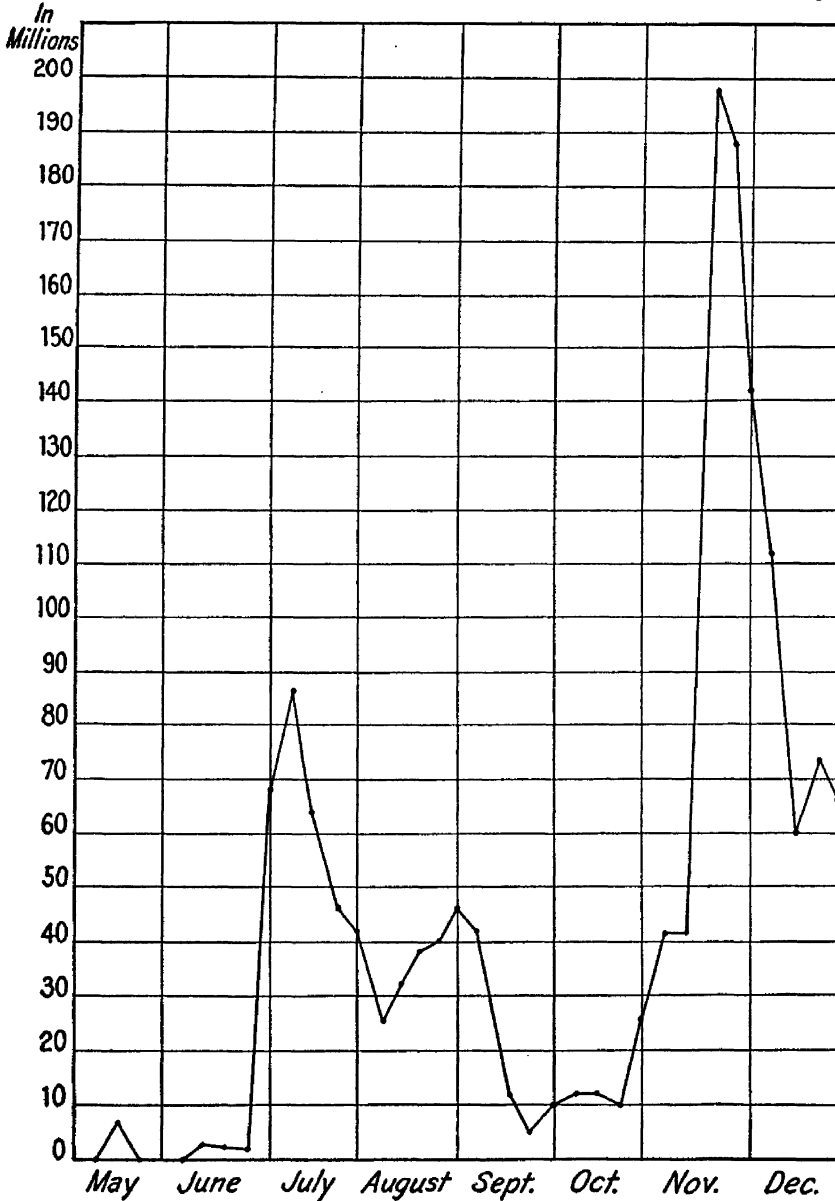
SCHEDULE 20.—Member bank deposits at close of business each Friday.



SCHEDULE 21.—*Treasurer of United States, general account at close of business each Friday.*



SCHEDULE 22.—Amount with Government depositaries each Friday.



SCHEDULE 23.—*Certificates of indebtedness issued at Boston.*

Dated.	Due.	Rate.	Amount issued in each denomination (in thousands of dollars).					Number of subscriptions.	Paid for by credit.	Total issued.
			\$500	\$1,000	\$5,000	\$10,000	\$100,000			
Mar. 29	June 29	2					1 12	1		\$3,000,000
Apr. 25	June 30	3			1,200	3,800	8,800	41		13,800,000
May 1	do.	3			1,210	790		68		2,000,000
May 10	July 17	3	2,007	4,310	4,050	1,800	105	\$5,450,000		12,167,000
May 25	July 30	3 1/4	2,200	5,000	3,700	300	68			11,200,000
June 8	do.	3 1/4	3,005	5,825	4,370	5,000	74	3,652,000		18,200,000
Aug. 9	Nov. 11	3 1/2	3,590	6,790	3,820	5,100	53	6,590,000		19,400,000
Aug. 28	Nov. 30	3 1/4	1,645	3,375	3,620	6,500	62	4,593,000		15,140,000
Sept. 17	Dec. 15	3 1/4	1,951	3,160	4,460	2,600	45	5,195,000		12,171,000
Sept. 23	do.	4	4,149	6,495	8,030	3,500	126	12,245,000		22,174,000
Oct. 18	Nov. 22	4	3,454	5,965	16,630	4,100	138	21,349,000		30,149,000
Oct. 24	Dec. 15	4	2,325	4,175	16,510	10,000	102	27,590,000		33,010,000
Nov. 30	June 25	4	301	1,650	3,580	13,490	1,900	20,090,000		20,921,000

¹ Federal Reserve Bank took 12 certificates of \$250,000 each.

SCHEDULE 24.—*Certificates of indebtedness.*

Amount allotted to subscriber.	Apr. 25, 1917.		May 1, 1917.		May 10, 1917.		May 25, 1917.	
	Subscriber.	Total amount.	Subscriber.	Total amount.	Subscriber.	Total amount.	Subscriber.	Total amount.
\$25,000 and less.....	8	\$140,000	51	\$570,000	59	\$668,000	36	\$432,000
Over \$25,000 to \$50,000.....	10	500,000	11	485,000	17	761,000	11	506,000
Over \$50,000 to \$100,000.....	6	600,000	3	275,000	12	1,003,000	9	770,000
Over \$100,000 to \$250,000.....	9	2,110,000	3	670,000	8	1,635,000	7	1,292,000
Over \$250,000 to \$500,000.....	3	1,200,000			4	1,850,000	1	400,000
Over \$500,000 to \$1,000,000.....	2	1,750,000			3	2,750,000	1	600,000
Over \$1,000,000.....	3	7,500,000			2	3,500,000	3	7,200,000
Total.....	41	13,800,000	68	2,000,000	105	12,167,000	68	11,200,000

Amount allotted to subscriber.	June 8, 1917.		Aug. 9, 1917.		Aug. 28, 1917.		Sept. 17, 1917.	
	Subscriber.	Total amount.	Subscriber.	Total amount.	Subscriber.	Total amount.	Subscriber.	Total amount.
\$25,000 and less.....	27	\$423,000	21	\$290,000	24	\$364,000	48	\$649,000
Over \$25,000 to \$50,000.....	10	470,000	13	645,000	10	410,000	28	1,233,000
Over \$50,000 to \$100,000.....	14	1,230,000	7	635,000	12	960,000	16	1,466,000
Over \$100,000 to \$250,000.....	12	2,107,000	6	1,180,000	10	1,680,000	12	2,300,000
Over \$250,000 to \$500,000.....	4	1,520,000	1	400,000	4	1,326,000	15	6,426,000
Over \$500,000 to \$1,000,000.....	4	2,950,000	1	750,000			4	4,000,000
Over \$1,000,000.....	3	9,500,000	4	15,500,000	2	10,400,000	3	6,100,000
Total.....	74	18,200,000	53	19,400,000	62	15,140,000	126	22,174,000

Amount allotted to subscriber.	Sept. 26, 1917.		Oct. 18, 1917.		Oct. 24, 1917.		Nov. 30, 1917.	
	Subscriber.	Total amount.	Subscriber.	Total amount.	Subscriber.	Total amount.	Subscriber.	Total amount.
\$25,000 and less.....	15	\$277,000	58	\$806,000	35	\$525,000	11	\$151,000
Over \$25,000 to \$50,000.....	11	540,000	26	1,129,000	24	1,060,000	11	500,000
Over \$50,000 to \$100,000.....	6	575,000	28	2,540,000	19	1,725,000	4	360,000
Over \$100,000 to \$250,000.....	5	1,150,000	12	2,674,000	8	1,700,000	2	460,000
Over \$250,000 to \$500,000.....	5	1,900,000	6	2,800,000	9	4,000,000	6	2,650,000
Over \$500,000 to \$1,000,000.....	1	729,000			2	2,000,000	1	800,000
Over \$1,000,000.....	2	7,000,000	8	20,200,000	5	22,000,000	2	16,000,000
Total.....	45	12,171,000	134	30,149,000	102	33,010,000	37	20,921,000

SCHEDULE 25.—*The Liberty loans.*

State.	Number of subscribers.		Subscriptions.			Allotment.		
	First loan.	Second loan.	First loan.	Second loan.	Total.	First loan.	Second loan.	Total.
Maine.....	68,539	68,575	\$15,186,800	\$24,002,850	\$39,189,650	\$14,332,300	\$2,996,100	\$37,328,400
New Hampshire...	55,374	48,548	10,515,150	15,992,900	26,508,050	9,897,500	15,484,400	25,381,900
Vermont.....	33,418	33,769	7,377,650	10,193,250	17,570,900	6,992,150	10,061,550	17,053,700
Massachusetts.....	613,651	444,829	234,747,000	325,599,800	560,346,800	177,236,400	273,241,600	450,478,000
Rhode Island.....	82,391	51,429	25,377,700	38,803,450	64,181,150	23,073,900	33,466,050	56,539,950
Connecticut.....	117,418	99,491	39,283,300	62,357,800	101,641,100	33,485,650	52,064,000	85,949,650
Total.....	970,791	746,611	332,447,600	476,950,050	808,427,650	265,017,900	407,713,700	672,731,600
Additional allotment transferred from Philadelphia.....							\$16,300	
Grand total.....							408,530,000	

SCHEDULE 26.—*Subscriptions to Liberty loan bonds.*

First Liberty loan.			Second Liberty loan.		
Date.	Day.	Total	Date.	Day.	Total.
1917.			1917.		
May 16.....	\$545,800	\$545,800	Oct. 3.....	\$12,536,000	\$12,536,000
May 17.....	731,700	1,277,500	Oct. 4.....	6,425,000	18,985,000
May 18.....	825,150	2,102,650	Oct. 5.....	7,702,000	26,647,000
May 19.....	1,168,400	3,271,050	Oct. 6.....	2,616,000	29,300,000
May 21.....	716,900	3,987,950	Oct. 7.....	6,311,000	35,546,000
May 22.....	2,614,350	6,602,300	Oct. 8.....	6,540,000	42,183,000
May 23.....	2,175,000	8,777,300	Oct. 10.....	6,749,000	48,629,000
May 24.....	5,267,300	14,044,600	Oct. 12.....	10,525,000	59,114,000
May 25.....	4,861,750	18,906,350	Oct. 13.....	9,291,000	68,381,000
May 26.....	1,960,700	20,867,050	Oct. 15.....	9,365,000	77,737,000
May 28.....	6,029,800	26,896,850	Oct. 16.....	18,243,000	95,879,000
May 29.....	575,600	27,472,450	Oct. 17.....	19,505,000	115,385,000
May 31.....	29,142,700	56,615,150	Oct. 18.....	26,144,000	141,516,000
June 1.....	5,959,500	62,574,650	Oct. 19.....	27,965,000	169,338,000
June 2.....	15,386,750	77,961,400	Oct. 20.....	16,451,000	185,789,000
June 4.....	11,932,850	89,894,250	Oct. 22.....	19,996,000	205,743,000
June 5.....	4,524,400	94,418,650	Oct. 23.....	32,136,000	237,875,000
June 6.....	5,146,900	99,565,550	Oct. 24.....	52,770,000	290,690,000
June 7.....	8,266,850	107,832,400	Oct. 25.....	46,378,000	337,069,000
June 8.....	7,493,000	115,325,400	Oct. 26.....	49,270,000	386,347,000
June 9.....	8,794,000	124,119,400	Oct. 27.....	90,603,000	476,950,000
June 11.....	12,817,250	136,936,650			
June 12.....	11,710,300	148,646,950			
June 13.....	12,785,900	161,432,850			
June 14.....	26,073,650	187,506,500			
June 15.....	144,941,100	332,447,600			

SCHEDULE 27.—*Liberty loan subscriptions and allotments through Federal Reserve Bank of Boston.*

First Liberty loan.			Second Liberty loan.		
Size of subscription.	Total subscribed.	Total allotted.	Size of subscription.	Total subscribed.	Total allotted.
\$50-\$10,000.....	\$203,265,000	\$203,265,000	\$50-\$10,000.....	\$186,136,050	\$186,136,050
\$10,050-\$100,000.....	65,505,000	39,303,000	\$10,050-\$50,000.....	73,581,100	73,581,100
\$100,050-\$250,000.....	22,875,000	10,294,000	\$50,050-\$100,000.....	50,363,350	45,327,050
Over \$250,000.....	40,802,000	12,155,000	\$100,050-\$200,000.....	31,734,450	23,800,850
			\$200,050-\$1,000,000.....	109,935,100	66,268,650
			Over \$1,000,000.....	25,200,000	12,600,000
Total.....	332,447,000	265,017,000	Total.....	476,950,050	407,713,700

SCHEDULE 27A.—Character of Liberty loan payments.

FIRST LOAN.

Date.	By cash.	By credit Government deposits.	Certificates of indebtedness.	Total.	Accrued interest.
June 28.....	\$71,155,767.52	\$55,851,455.32	\$43,758,000.00	\$170,765,222.84	\$89,503.84
Aug. 30 ¹	90,724,358.88	173,622.11	1,330,000.00	92,227,980.99	513,202.99
Total.....	161,880,126.40	56,025,077.43	45,088,000.00	262,993,203.83	602,706.83

SECOND LOAN.

2 per cent payments.....	\$4,055,738.00	\$5,153,004.00	.....	\$9,208,742.00	.....
Cash sales.....	14,245,150.00	3,084,100.00	.....	17,329,250.00	.....
Nov. 15.....	55,630,311.50	170,328,176.50	\$40,435,000.00	266,393,488.00	.....
Dec. 15.....	14,183,028.28	59,793,191.55	.....	73,869,420.00	\$106,799.83
Total².....	88,114,227.78	238,358,472.05	40,435,000.00	366,800,900.00	106,799.83

¹ Includes all payments after June 28, 1917.² Final payment is due Jan. 15, 1918.

SCHEDULE 28.—Federal Reserve notes issued.

Denomination.	1915	1916	1917	Total.
Fives.....	\$3,620,000	\$6,226,600	\$12,700,000	\$22,546,600
Tens.....	4,680,000	3,965,600	39,880,000	48,525,600
Twenties.....	640,000	88,200	13,760,000	14,488,200
Fifties.....	600,000	42,000	3,460,000	4,102,000
Hundreds.....	980,000	102,300	5,920,000	7,002,300
Total.....	10,520,000	10,424,700	75,720,000	96,664,700

SCHEDULE 29.—Federal Reserve notes redeemed.

Denomination.	January.	February.	March.	April.	May.	June.	July.	August.
Fives.....	\$193,650	\$349,955	\$264,445	\$214,900	\$432,200	\$255,200	\$230,470	\$531,450
Tens.....	209,100	372,110	189,305	149,800	260,800	141,000	267,300	557,100
Twenties.....	6,900	36,110	12,700	2,100	29,300	12,000	23,200	2,800
Fifties.....	3,250	13,850	32,250	12,750	17,000	1,800	16,600	1,050
Hundreds.....	4,100	53,200	13,300	12,100	22,300	1,100	32,100	1,300
Total.....	417,000	825,225	512,000	391,650	761,600	411,100	569,670	1,093,700

Denomination.	September	October.	November.	December.	Total.	Re-deemed by United States Treasury.	Re-deemed by Federal Reserve agent.
Fives.....	\$857,600	\$834,700	\$1,278,110	\$985,650	\$6,428,330	\$793,330	\$5,635,000
Tens.....	327,725	446,400	788,205	942,920	4,651,765	732,765	3,919,000
Twenties.....	33,210	74,900	87,600	106,200	427,020	51,020	376,000
Fifties.....	1,800	36,450	22,200	16,750	175,750	25,750	150,000
Hundreds.....	2,400	62,000	22,400	32,400	258,700	28,700	230,000
Total.....	1,222,735	1,454,450	3,198,515	2,083,920	11,941,565	1,631,565	10,310,000

SCHEDULE 30.—Federal Reserve notes of the Federal Reserve Bank of Boston received from other Federal Reserve Banks, and notes of other Federal Reserve Banks returned by Federal Reserve Bank of Boston to bank of issue.

	Received.		Returned.	
	1916	1917	1916	1917
New York.....	\$1,361,750	\$3,064,200	\$3,039,000	\$9,552,800
Philadelphia.....	133,380	368,000	180,000	634,700
Cleveland.....	13,820	38,915	136,000	352,900
Richmond.....	15,020	47,500	185,000	263,900
Atlanta.....	19,465	135,400	112,000	193,200
Chicago.....	90,500	232,500	24,000	347,800
St. Louis.....	11,480	53,450	28,000	100,900
Minneapolis.....	10,440	15,000	68,500	142,200
Kansas City.....	1,785	8,815	49,000	126,600
Dallas.....	4,420	283,695	74,000	141,400
San Francisco.....	18,240	29,025	57,000	156,500
Total.....	1,680,300	4,276,500	3,952,500	12,012,900

SCHEDULE 31.—Volume of checks handled for members and for other Federal Reserve Banks, Jan. 1, 1917, to Dec. 31, 1917.

Date.	By whom deposited.	Drawn on New England, including Boston.		Drawn on other districts.		Total.	
		Items.	Amount.	Items.	Amount.	Items.	Amount.
Jan....	Members district No. 1.....	929,029	\$211,442,054	75,036	\$76,532,661	1,004,065	\$287,974,715
	Other Federal Reserve Banks	82,156	63,467,250	.....	.....	82,156	69,467,250
	Total.....	1,011,185	280,909,304	75,036	76,532,661	1,086,221	357,441,965
Feb....	Members district No. 1.....	764,681	200,232,603	58,600	81,996,602	823,281	282,229,205
	Other Federal Reserve Banks	72,938	66,896,145	.....	.....	72,938	66,896,145
	Total.....	837,619	267,128,748	58,600	81,996,602	896,219	349,125,250
Mar....	Members district No. 1.....	916,827	255,083,791	63,428	104,044,163	986,255	359,127,954
	Other Federal Reserve Banks	88,453	82,912,248	.....	.....	88,453	82,912,248
	Total.....	1,005,280	337,996,039	63,428	104,044,163	1,074,708	442,040,202
Apr....	Members district No. 1.....	907,369	289,959,036	67,867	118,346,778	975,236	388,305,814
	Other Federal Reserve Banks	94,424	93,634,390	.....	.....	94,424	93,634,390
	Total.....	1,001,793	373,593,426	67,867	118,346,778	1,069,660	481,940,204
May....	Members district No. 1.....	990,372	313,277,248	72,090	120,536,944	1,062,462	433,814,192
	Other Federal Reserve Banks	104,794	100,449,534	.....	.....	104,794	100,449,534
	Total.....	1,095,166	413,726,782	72,090	120,536,944	1,167,256	534,263,726
June....	Members district No. 1.....	990,636	376,892,158	73,771	145,650,156	1,064,407	522,542,314
	Other Federal Reserve Banks	93,428	106,836,301	.....	.....	93,428	106,836,301
	Total.....	1,087,064	483,728,459	73,771	145,650,156	1,160,835	629,378,615
July....	Members district No. 1.....	966,518	385,506,704	73,512	154,076,421	1,040,030	539,583,125
	Other Federal Reserve Banks	97,827	106,362,288	.....	.....	97,827	106,362,288
	Total.....	1,064,345	491,868,992	73,512	154,076,421	1,137,857	645,945,413
Aug....	Members district No. 1.....	933,950	405,192,613	76,077	143,438,330	1,010,027	548,630,943
	Other Federal Reserve Banks	99,024	101,330,698	.....	.....	99,024	101,330,698
	Total.....	1,032,974	506,523,311	76,077	143,438,330	1,109,051	649,961,641
Sept....	Members district No. 1.....	866,931	348,442,753	78,427	131,225,648	945,358	479,668,401
	Other Federal Reserve Banks	98,289	99,602,284	.....	.....	98,289	99,602,284
	Total.....	965,220	448,045,037	78,427	131,225,648	1,043,647	579,270,685
Oct....	Members district No. 1.....	1,040,717	415,574,376	97,447	155,269,617	1,138,164	570,843,993
	Other Federal Reserve Banks	117,360	126,244,959	.....	.....	117,360	126,244,959
	Total.....	1,158,077	541,819,335	97,447	155,269,617	1,255,524	697,088,952

SCHEDULE 31.—Volume of checks handled for members and for other Federal Reserve Banks, Jan. 1, 1917, to Dec. 31, 1917—Continued.

Date.	By whom deposited.	Drawn on New England, including Boston.		Drawn on other Districts.		Total.	
		Items.	Amount.	Items.	Amount.	Items.	Amount.
Nov.	Members district No. 1.....	1,000,347	\$488,767,678	93,904	\$155,026,132	1,094,251	\$643,793,810
	Other Federal Reserve Banks	120,246	149,586,318	.....	.....	120,246	149,586,318
	Total.....	1,120,593	638,353,996	93,904	155,026,132	1,214,497	793,380,128
Dec.	Members district No. 1.....	1,024,260	467,096,007	102,094	166,494,366	1,126,354	633,590,373
	Other Federal Reserve Banks	140,652	157,883,533	.....	.....	140,652	157,883,533
	Total.....	1,164,912	624,979,540	102,094	166,494,366	1,267,006	791,473,906
Grand total.....		12,544,228	5,398,672,969	938,253	1,552,637,818	13,482,481	6,951,310,787

This schedule does not include Government checks shown in Schedule 32.

SCHEDULE 32.—Number of checks drawn on Treasurer of United States handled by Federal Reserve Bank of Boston.

Month.	Number of pension checks.	Amount.	Number of other checks.	Amount.	Total number of checks.	Amount.
January.....	10,230	\$517,519.99	15,390	\$3,400,482.59	25,620	\$3,918,002.58
February.....	2,481	110,476.60	14,853	2,357,041.29	17,334	2,467,517.89
March.....	28,622	1,797,566.15	22,466	2,152,905.35	51,088	3,950,471.50
April.....	8,332	486,012.72	17,571	3,400,455.2	25,903	3,886,471.34
May.....	1,688	96,131.97	22,666	3,681,789.75	24,354	3,777,921.72
June.....	30,311	1,841,444.80	23,051	8,280,477.69	53,362	10,121,922.49
July.....	7,530	482,184.15	29,299	21,143,385.80	36,829	21,625,569.95
August.....	1,847	105,168.96	37,807	23,762,400.72	39,654	23,867,569.68
September.....	29,520	1,843,009.61	40,944	29,400,409.58	70,464	31,243,419.19
October.....	8,729	1,917,507.76	45,475	37,614,297.03	54,204	39,531,804.79
November.....	1,472	94,245.13	51,714	49,737,209.52	53,186	49,831,454.65
December.....	28,802	2,055,398.14	53,200	49,926,034.73	82,002	51,981,432.87
Total.....	159,564	11,346,665.98	374,436	234,856,892.67	534,000	246,203,558.65

SCHEDULE 33.—Gold settlement fund operations, Jan. 1, 1917, to Dec. 31, 1917.

Reserve Bank.	Amount received in settlement of accounts due from other Federal Reserve Banks.	Amount paid in settlement of accounts due to other Federal Reserve Banks.	Gain through weekly settlements.	Loss through weekly settlements.
New York.....	\$1,282,707,000	\$1,091,785,000	\$190,922,000	.....
Philadelphia.....	254,752,000	218,375,000	36,377,000	.....
Cleveland.....	74,426,000	88,571,000	.....	\$14,145,000
Richmond.....	40,147,000	32,286,000	7,861,000	.....
Atlanta.....	17,834,000	22,961,000	.....	5,127,000
Chicago.....	132,500,000	190,376,000	.....	57,876,000
St. Louis.....	41,699,000	67,800,000	.....	26,101,000
Minneapolis.....	41,871,000	28,471,000	13,400,000	.....
Kansas City.....	22,856,000	14,338,000	8,518,000	.....
Dallas.....	12,340,000	19,142,000	.....	6,802,000
San Francisco.....	13,988,000	20,299,000	.....	6,311,000
Total.....	1,935,120,000	1,794,404,000	257,078,000	116,362,000
Gain through settlement.....	.....	.....	140,716,000	.....
Net loss through transfers.....	.....	.....	.....	135,717,000
Net gain through transfers and settlement.....	.....	.....	4,999,000	.....

SCHEDULE 34.—Maturities of invested funds (not including United States bonds or notes).

Month.	Within 15 days.	16 to 30 days.	31 to 60 days.	61 to 90 days.	Over 90 days.	Total.
January.....	\$3,384,387.59	\$3,145,572.37	\$5,127,604.97	\$3,253,854.30	\$5,900.00	\$14,917,319.23
February.....	4,240,441.40	2,803,991.97	5,200,900.14	3,956,657.32	126,977.75	16,328,968.58
March.....	6,339,579.02	4,604,292.08	4,722,577.25	1,945,646.21	.....	17,612,094.56
April.....	6,868,449.75	2,305,541.71	2,971,451.44	815,956.80	.....	12,961,399.70
May.....	5,782,614.46	1,079,697.43	3,433,545.90	5,304,956.00	.....	15,603,813.79
June.....	13,485,534.92	3,630,761.89	8,075,533.98	9,991,796.48	.....	35,183,627.27
July.....	8,691,895.29	4,545,135.67	12,109,702.11	5,030,152.89	100.00	30,436,885.96
August.....	13,189,169.97	9,254,373.34	8,684,667.30	6,736,081.12	.....	37,864,391.73
September.....	8,019,481.18	5,288,955.73	11,211,333.40	13,359,830.75	386.25	37,879,987.31
October.....	8,624,946.44	3,497,694.46	16,287,214.73	6,508,997.06	.....	34,918,852.69
November.....	11,541,062.63	14,128,035.97	10,957,876.70	34,483,180.52	.....	71,110,155.82
December.....	14,028,234.18	9,007,576.15	9,576,917.94	41,658,773.60	.....	74,271,501.87

SCHEDULE 35.—Distribution, by maturities, of bills rediscounted for member banks, Jan. 1, 1917, to Dec. 31, 1917.

Month.	1 to 15 days.	16 to 30 days.	31 to 60 days.	60 to 90 days.	Over 90 days.	Total.
January.....	\$847,389.05	\$102,135.52	\$126,008.50	\$122,928.67	.....	\$1,198,461.74
February.....	1,882,783.36	1,015,169.53	702,647.25	332,388.08	.....	3,932,988.22
March.....	3,816,627.87	298,484.96	574,161.56	409,488.76	.....	5,098,763.15
April.....	9,118,269.32	183,268.91	454,770.63	196,113.46	.....	9,949,422.32
May.....	9,493,314.80	428,929.21	445,623.09	934,332.06	\$200.00	11,302,429.16
June.....	34,571,777.01	6,196,820.77	2,082,554.17	3,365,573.33	.....	46,216,725.28
July.....	35,063,960.03	2,760,025.49	1,583,856.80	3,012,316.60	325.00	42,430,483.92
August.....	16,902,573.21	2,179,412.22	2,930,784.55	4,358,337.48	.....	26,377,107.46
September.....	21,307,151.47	1,105,028.91	1,567,284.14	1,768,743.98	262,077.15	26,010,285.65
October.....	6,770,804.48	770,003.90	1,274,928.51	2,389,172.12	580,860.00	11,785,969.01
November.....	14,243,720.77	9,918,860.69	4,086,615.21	32,169,170.13	119,432.71	60,537,799.51
December.....	20,137,601.91	14,922,952.50	25,837,504.02	44,947,757.06	233,060.01	105,078,875.50
Total.....	174,166,003.28	39,878,292.61	41,672,738.43	94,006,321.73	1,195,954.87	350,919,310.92

SCHEDULE 36.—Classification by maturities of investments (exclusive of United States securities) at close of business Dec. 31, 1917.

	15 days.	30 days.	60 days.	90 days.	Over 90 days.	Total.
Bills discounted, members.	\$3,321,793.09	\$6,527,991.39	\$6,603,533.85	\$2,864,811.50	\$9,116.25	\$19,327,246.08
Trade acceptances dis- counted.....	287,536.22	816,660.94	358,906.25	1,337,449.03	.....	2,800,552.44
Member banks' collateral notes.....	7,349,338.00	.....	.....	.....	.....	7,349,338.00
Rediscounts secured by Liberty loan bonds.....	151,257.17	493,425.12	3,643,823.77	32,116,716.77	.....	36,405,222.83
Foreign bankers' accept- ances.....	100,000.00	88,302.69	369,734.40	1,999,559.41	.....	2,557,596.50
Domestic bankers' accept- ances.....	33,207.10	503,609.00	828,178.98	4,438,522.28	72,500.00	5,876,017.36
Foreign trade acceptances.	346,875.40	257,016.78	.....	.....	.....	603,892.18
Total.....	11,590,006.98	8,687,005.92	11,804,177.25	42,757,058.99	81,616.25	74,919,865.39



