

SIXTH ANNUAL REPORT  
*of the*  
Federal Reserve Bank  
*of* Boston

FOR THE YEAR ENDED  
DECEMBER 31, 1920



BOSTON, MASS.

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**LETTER OF TRANSMITTAL.**

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BOSTON, MASS., March 1, 1921.

SIR:

I have the honor to submit herewith the Sixth Annual Report of the Federal Reserve Bank of Boston covering the operations of that bank for the period from January 1, 1920, to December 31, 1920.

Respectfully yours,

FREDERIC H. CURTISS,  
*Chairman and Federal Reserve Agent.*

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

## TABLE OF CONTENTS

	Page
Officers and Directors . . . . .	5
Introduction . . . . .	7
Review of Industrial Conditions . . . . .	10
Review of Banking Conditions . . . . .	13
Statement of Condition . . . . .	14
Financial Results of Operations . . . . .	14
Loan and Discount Operations . . . . .	15
Discount Rates . . . . .	16
Bankers' Acceptances . . . . .	17
Trade Acceptances . . . . .	18
United States Securities . . . . .	19
Reserve Position . . . . .	19
Deposits . . . . .	20
Currency . . . . .	21
Check or Transit Department . . . . .	21
Collection Department . . . . .	22
Relation to Banks and the Public . . . . .	22
Credit Department and Bank Examinations . . . . .	23
Internal Organization . . . . .	24
Banking Quarters . . . . .	24
Federal Reserve Society . . . . .	25
Fiscal Agency Department . . . . .	26
Certificates of Indebtedness . . . . .	26
Government Savings Securities . . . . .	27
Conclusion . . . . .	27

### SCHEDULES.

1. Comparative balance sheet . . . . .	29
2. Income and expense . . . . .	30
3. Distribution of earnings . . . . .	30
4. Discount and Loan Transactions . . . . .	31
5. Average holdings, earnings and average rate of earnings, of total earning assets . . . . .	32
6. Reserve position on the first of each month, 1920 . . . . .	32
7. Transactions with other Federal Reserve Banks . . . . .	33
8. Summary of weekly transactions in the gold settlement fund with other Federal Reserve Banks during 1920 . . . . .	33
9. Currency transactions . . . . .	34
10. Federal Reserve bank notes aggregate as of December 31, 1920 . . . . .	34
11. Federal Reserve notes issued by Federal Reserve Agent . . . . .	34
12. Federal Reserve notes issued and retired by denominations . . . . .	35
13. Movement of Federal Reserve notes between districts, 1919 and 1920 . . . . .	35
14. Available supply of Federal Reserve notes on December 31, 1920 . . . . .	36
15. Amount of checks handled by the Transit Department . . . . .	36
16. Custody department—Volume of securities handled . . . . .	37
17. Custody department—Character of securities held December, 1920 . . . . .	37
18. Number of time items received for collection and amounts collected . . . . .	37
19. Certificates of indebtedness sales and payments . . . . .	38
20. Subscriptions to certificates of indebtedness classified by states . . . . .	39



	Page
21. United States certificates of indebtedness redeemed from January 1, 1920 to December 31, 1920. ....	39
22. Items of interest from the schedules of this and other reports in connection with the fiscal operation of the United States in this district, 1920. ....	39
23. Sales of Treasury savings stamps and certificates. ....	40
24. Liberty loan conversions. ....	41
25. Coupons of United States obligations redeemed, 1920. ....	42
26. Change in membership of national banks. ....	43
27. List of member trust companies. ....	43
28. Member and non-member eligible State banks compared. ....	44
29. Classification according to nature of business of unsecured loans of \$100,000 and over as of December 23, 1920. ....	44
30. Amounts due and loans to member banks by States, December 31, 1920 and 1919. ....	45
31. Reserves of national banks in New England as reported by the Comptroller of Currency. ....	45
32. Comparison of loans and deposits of Boston and country banks. ....	46
33. Comparison of items reported by member banks in selected cities on the first Friday of each month, 1920. ....	47
34. Acceptance liability of national banks in District No. 1. ....	48
35. Acceptance liability of all banks in District No. 1. ....	48
36. Member banks authorized to accept drafts and bills of exchange up to 100% of their capital and surplus. ....	49
37. Other accepting member banks. ....	50
38. Non-member accepting banks and other acceptors in this district. ....	50
39. Banks granted fiduciary powers under the Federal Reserve Act. ....	51
40. Discount rates. ....	52
41. Money rates in Boston, 1920. ....	53
42. Debits to depositors' accounts by the Clearing House banks in the larger cities of this district. ....	54
43. Permits for new construction in the leading cities of New England. ....	55
44. Imports and exports through the port of Boston, 1920. ....	55
45. Commercial failures in New England. ....	55
46. Number of employees in the various departments December 31, 1920, and December 31, 1919. ....	56

## CHARTS.

A. Cash reserve held by Federal Reserve Bank against deposit and note liability. ....	57
B. Percentage of cash reserve actually held against combined deposit and note liability. ....	58
C. Adjusted percentage of reserve against deposit and note liability. ....	59
D. Monthly average reserve ratio. ....	60
E. Reserve accounts of member banks carried in Federal Reserve Bank. ....	61
F. Federal Reserve notes in actual circulation. ....	62
G. Bills discounted and bought eliminating transactions with other Federal Reserve Banks. ....	63
H. Holdings of acceptances purchased in the open market. ....	64
I. Retail Trade Conditions in 1919 and 1920 as reflected by 8 Boston department stores. ....	65
J. Fluctuations in the cost of living and price indices 1914-1920. ....	65

## EXHIBITS.

A. Table showing movement of principal earning assets, gold and cash reserves, Federal Reserve note and net deposit liability, and reserve percentage of the Federal Reserve Bank of Boston during 1920. ....	68-69
B. Chart showing movement of earning assets, Federal Reserve Bank of Boston. ....	70
C. Chart showing net deposit liability, Federal Reserve note circulation, cash reserves and reserve ratios, 1920. ....	71

# FEDERAL RESERVE BANK OF BOSTON

## OFFICERS AND DIRECTORS

1920

### Officers

CHARLES A. MORSS, Governor.	FREDERIC H. CURTISS, Federal Reserve Agent.
CHESTER C. BULLEN, Deputy Governor.	CHARLES F. GETTEMY, Assistant Federal Reserve Agent.
WILLIAM W. PADDOCK, Deputy Governor.	HARRY F. CURRIER, Auditor.
WILLIAM WILLETT, Cashier.	
KRICKEL K. CARRICK, Secretary	

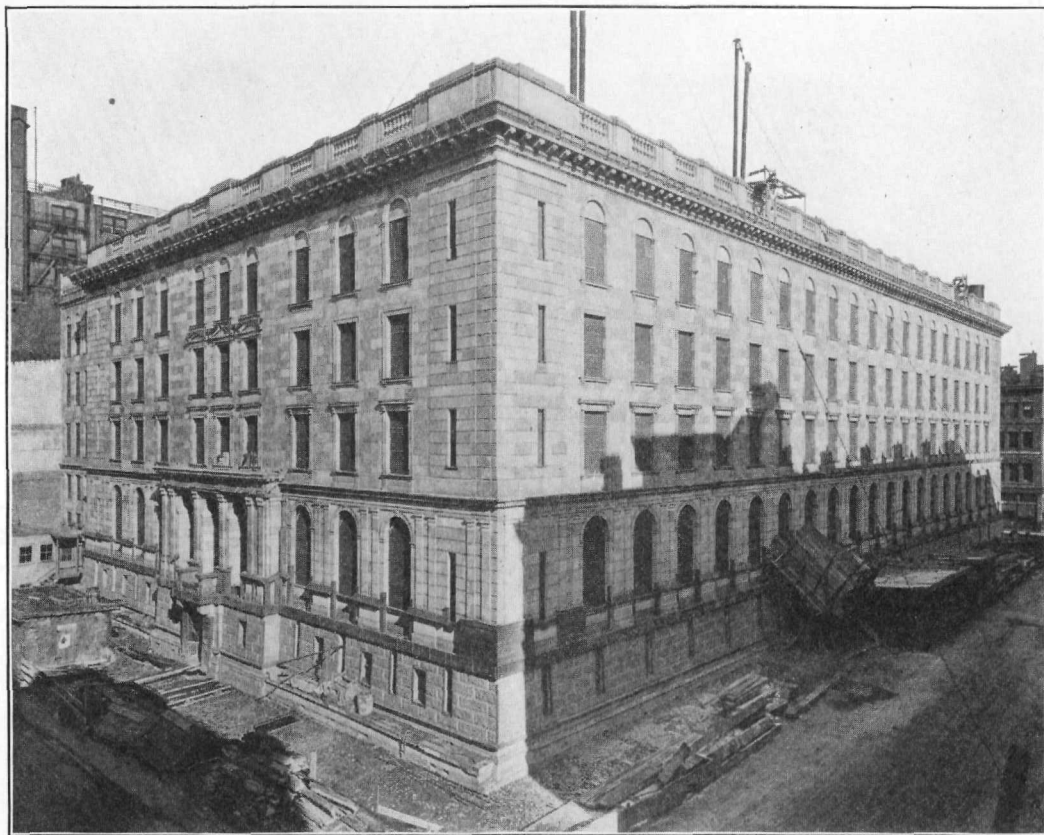
FRANK W. CHASE, Assistant Cashier.  
 ELLIS G. HULT, Assistant Cashier.  
 WILLIAM N. KENYON, Assistant Cashier.  
 ERNEST M. LEAVITT, Assistant Cashier.  
 HARRY A. SAUNDERS, Assistant Cashier.  
 L. WALLACE SWEETSER, Assistant Cashier.

### Directors

Class and Group			Term Expires
A 1	THOMAS P. BEAL,	President, Second National Bank, Boston, Mass.	1923
A 2	F. S. CHAMBERLAIN,	Cashier, New Britain National Bank, New Britain, Ct.	1922
A 3	EDWARD S. KENNARD,	Cashier, Rumford National Bank, Rumford, Me.	1921
B 1	PHILIP R. ALLEN,	Paper Manufacturer, Bird & Sons, E. Walpole, Mass.	1923
B 2	EDMUND R. MORSE,	Treasurer, Vermont Marble Co., Proctor, Vt.	1922
B 3	CHAS. G. WASHBURN,	Director, Wire Goods Co., Worcester, Mass.	1921
C	FREDERIC H. CURTISS,	Chairman, Boston, Mass.	1923
C	ALLEN HOLLIS,	Vice-Chairman, Lawyer, Concord, N. H.	1921
C	JESSE H. METCALF,	President, Wanskuck Co., Providence, R. I.	1922
	ARTHUR H. WEED,	Counsel.	

### Member of Advisory Council

PHILIP STOCKTON,  
 President, Old Colony Trust Company.



NEW BUILDING OF THE FEDERAL RESERVE BANK OF BOSTON  
PEARL, FRANKLIN AND OLIVER STREETS

# SIXTH ANNUAL REPORT OF THE FEDERAL RESERVE BANK OF BOSTON.

## INTRODUCTION.

The great business activity which marked the last half of the year 1919 continued well into the year 1920 bringing with it a new high level of prices, followed in the late Spring by a slowing down in industry and a decline in commodity prices which continued to the end of the year, prices declining from 25 to 30 per cent. on an average, leaving accumulations of stocks of all kinds of merchandise in the hands of the merchant and the manufacturer. New England, as well as other parts of the country, had the same experience with these fluctuations in commodity prices as was common with the rest of the world, and the policies of the Federal Reserve Bank of Boston have been dictated by the effort to minimize the financial results of these extreme fluctuations in the business of this district as far as it was possible so to do.

The officials of the bank realized the dangerous conditions which were developing early in the year and in January established a general increase in discount rates<sup>1</sup> as a warning to its member banks against further expansion and urged contraction where excessive credit lines had been granted. The interference with traffic through heavy snows and railroad embargoes soon emphasized the possibility of overproduction in the district, and this advance in discount rates should have been taken as a warning by business men as well as by the banks that conditions were getting critical, but these signs were not apparent to some business men who saw only prolonged prosperity ahead. Since these increases in discount rates did not appear to be effective a second general increase in rates was made on June 4, when the rates on commercial paper were advanced to 7 per cent. At the beginning of the year 1920 the loan of the Federal Reserve Bank of Boston, owing to discounts made in this district, was about at its peak,<sup>2</sup> standing at \$289 millions, of which amount it had been necessary to rediscount some \$60 millions with other Federal Reserve Banks, largely those in the South and West, while the bank's adjusted reserve then stood at 27 per cent.; but, through the co-operation of the heads of some of the large banks in the district, pressure was brought on borrowers in specu-

<sup>1</sup> See Schedule No. 40.

<sup>2</sup> See Chart G.

lative lines of merchandise to reduce their inventories and prepare for a decline in prices. These arguments were not listened to with any degree of willingness in the early part of the year but, as time went on, it became more and more apparent that prices were too high, and probably the business men of the First Federal Reserve District realized as early as those in any other part of the country that a change was coming. The result was that the loans of member banks at the Federal Reserve Bank began to decline, until in August they were reduced to approximately \$120 millions. The situation was greatly helped by the liquidation of loans in the banks secured by Government obligations, many Liberty Loan Bonds being sold even at the prevailing low prices, and loans against them paid off by those who had borrowed to make subscription for the Bonds.

The pressure of declining prices became very severe on the business community in the Fall of the year when markets for nearly all kinds of commodities became demoralized to such an extent that it was almost impossible to sell goods and, therefore, impossible to further liquidate loans to an appreciable amount. This condition was aggravated by the extensive movement for the cancellation of orders, a movement which was more widespread than ever before in an effort to obtain relief from contracts which had been made at prices too high to allow goods to be sold for a profit. In fact it appeared to become quite an ordinary business request to have contracts which had been entered into in all seriousness and good faith by both parties either cancelled or modified. The result of this movement became almost disastrous because it led to manufacturers not only being loaded up with stocks of raw material which they had purchased to complete orders, but also with finished goods which they had supposedly sold but which had been thrown back on them, making in many cases a burden almost impossible to carry. By this process, when the requests for cancellations were successful, many firms avoided some losses which they would otherwise have incurred, but they probably suffered fully as much or more because their own goods were in turn thrown back on them. It was an unfortunate demonstration of the weakness of the moral obligation of contract, and it is to be expected as a result of this experience that firms will take care to make their contracts for sales more binding in legal form than they have been hitherto.

At the time the rate of discount on commercial paper was raised in June to 7 per cent., the rate of discount on notes secured by Government bonds was fixed at 6 per cent. and on notes secured by Certificates of Indebtedness at  $5\frac{1}{2}$  per cent. From that date no change was made in the discount rates during the remainder of the year.

The decline in the demand for goods, caused by the fall in commodity prices, resulted in the shutting down to a greater or less extent of most

of the textile mills and also of the boot and shoe factories in New England; in fact, this movement was quite general in all the industries. In the Connecticut brass mills, for instance, the curtailment of production was quite severe, the result being that many operatives worked only part time in the last six months of 1920. The latter part of the year a movement was started for a reduction of wages and, while it did not attain great proportions before the end of the year, the tendency toward lower wages has been plain and probably will result in wage reductions for a great number of people early in 1921.

There were no long term bonds issued by the Government during 1920 but Certificates of Indebtedness were offered<sup>1</sup> from time to time, in order to carry the floating debt of the Government, amounting to about \$3851 millions. As large amounts of these Certificates were made payable on the dates when taxes were due, the total amount of this floating debt was reduced considerably on these dates, but new issues soon increased the amounts again to about the previous level. The offerings of the Federal Reserve Bank of Boston to the New England banks were in the usual proportion to previous issues of Certificates, but the banks did not buy them freely, with the result that this bank was not able to place its full quota in a number of issues. This reflected the feeling in New England that it was necessary for people to conserve all of their resources in order to liquidate their bank loans, and a change did not come in this feeling until the last issue of Certificates was offered on December 15th, when the quota of the Federal Reserve Bank of Boston was about \$42 millions, while it received subscriptions for about \$49 millions. To be sure, these were offered at attractive rates—viz.  $5\frac{3}{4}$  and 6 per cent., but similar rates had not attracted subscriptions earlier in the year, and, therefore, the liberal subscriptions received for this issue seemed plainly to indicate an easier condition and to foreshadow a probable easing of interest rates early in the year.

During the latter part of the year, country banks in this District were comparatively small borrowers at the Federal Reserve Bank and the number of borrowing banks was reduced from 267 on January 1, 1920, to slightly over 230 on December 31, 1920. Most of the borrowings of the country banks were made on Government obligations because of the lower rate of discount.

The subscriptions of the country banks to Certificates of Indebtedness during the year were quite small, neither did they buy any great amount of commercial paper. On the other hand, the market for bankers' acceptances has gradually widened as this form of investment has become better known. The result is that there has been a good market for acceptances during the year among the country banks in

<sup>1</sup> See Schedules Nos. 19 and 20.

this district so that at no time has the Reserve Bank had an undue amount of this class of paper in its portfolio. It is probably true that the local demands of the country banks absorbed most of their resources so that they did not have a large amount for outside investment at any time. On the other hand, the demands of their local customers did not make it necessary for them to borrow excessively at the Federal Reserve Bank.

As the year closes, the Federal Reserve Bank has an adjusted reserve of over 60 per cent., after excluding loans of some \$18 millions to other Federal Reserve Banks, and not only has the Reserve Bank been loaning freely to the other Federal Reserve Banks during the last half of the year, but it has at the same time provided its member banks with practically all the loans that they required.

There never has been any attempt on the part of the officers of this bank to dictate to its member banks the class of loans that they should discourage, as it was felt that member banks could make better use of their money, both for their customers and the general business community if left free to use their own judgment. Where, however, any particular member bank had expanded its loans beyond recognized limits of prudence or sound banking judgment, reasonable efforts have been made to help it reduce its loans to a more normal or safe condition. It is felt that every merchant in the District has received during the whole of the year 1920 the full amount of accommodation to which he was entitled, based on the statement of his condition which he made to his bank, and one proof of this fact is that the failures in this District have been comparatively few and unimportant.

### REVIEW OF INDUSTRIAL CONDITIONS.

The year opened with business and industry still under the spell of the post-war influences which, during the last months of 1919, had produced conditions of feverish activity such as had never been known in New England prior to the war. The purchasing power of thousands of wage-earners in the textile centers and factory towns of the district and of the public generally, created by wages and profits which had reached unprecedented levels, was being exercised with such extravagance and apparent disregard for the future as to cause grave apprehension on the part of every thoughtful observer; yet, as early as January, isolated instances began to be reported which seemed to indicate that the limit in this respect had about been reached. Many business concerns still seemed, however, to be acting on the assumption that credit expansion and rising prices were to continue indefinitely, but bank reserves had



already reached a point which indicated that credit had been extended to the limits of prudence.

By February evidence had accumulated which seemed to point to a fall in commodity prices in the near future, although no important price reduction had as yet reached the consumer. Mills and factories throughout the district were increasing their output. More timely and prompt deliveries of goods than had been experienced in many months were filling up the shelves of retailers, but the gradually diminishing number of buyers was beginning to cause the return of goods to manufacturers and jobbers, heavy snows blocking transportation and embargoes emphasizing the situation. Manufacturers also were beginning to hesitate in the matter of purchasing raw material, and deflation of bank credits was being felt throughout the District. It began to look as if the preaching of the doctrine of increasing production for the purpose of filling up the world's empty shelves caused by the wastage of war, was having its effect and that a surplus, at least of goods for domestic needs, was piling up with no present prospect under existing exchange and international credit conditions, of the disposal of the surplus to European countries.

While labor during this period remained generally stable, the situation in the textile industries in this respect was somewhat unsettled, large bodies of operatives going on strike for higher wages, but with as yet no apparent vision of the conditions which were to set in later in the year. By the middle of May, pressure on manufacturers, especially of shoes and cloth, for lower cost goods was being noticeably felt; large department stores, and shops specializing in wearing apparel, began liquidating inventories by means of appreciable price reductions just at a time when they would normally have been expecting a brisk trade in summer goods, while cancellations of orders were being noted to an increasing degree. By early summer it was apparent that curtailment in purchases by the consumer was beginning to cause the brakes to be applied to industrial activity. Nevertheless, the influences at work among the consumers had not yet reached back to manufacturers and wage increases of 15 per cent. were announced in the largest textile centers of New England which affected substantially all the 300,000 or more operatives in the cotton and woolen mills of the district. Early summer saw even greater stagnation in the leather and shoe industry, production in the former reaching an extremely low level with quantities of merchandise on hand extremely high. Numerous tanneries closed down altogether. Shoe manufacturers were suffering from unprecedented cancellations and returned goods, which in numerous cases they placed upon the local markets to the great discomfiture of retailers who were unable to liquidate inventories except at heavy losses. Even more critical was the condition in the wool industry, of which



Boston is the country's center, caused by accumulations of vast quantities of this commodity both in the local market and abroad. Under the circumstances, it is not surprising that one factor which had been unquestionably a prime influence in the rapid rise of prices during the preceding year—namely,—speculation in commodities, had been to a very large degree, eliminated from the channels of trade.

In the textile industry, especially the woolen, and in the shoe and leather centers, mills and factories were closing down altogether or running on short time with thousands of operatives out of employment or living on reduced earnings even if at higher wage rates than formerly. Strikes and labor difficulties under these circumstances were diminishing, and employment offices were reporting a surplus of machinists, mechanics, general factory workers and clerical help looking for employment. By early autumn, these conditions began to affect noticeably the mills engaged in the manufacture of cotton goods which had thus far seemingly escaped to quite an extent the general depression which had affected the woolen goods and the boot and shoe industry, and by another month other leading industries in this section were feeling the effect of the economic influences of the time.

The year closes, therefore, with general industrial conditions in marked contrast with those prevailing in December, 1919. Nevertheless, industries on the whole in this district are far from being at a standstill. Mills and factories are endeavoring, on the basis of reduced wage scales, which in many instances have been brought back to the levels of 1919, and by operating on part time schedules, to keep machinery moving. They are producing goods for which they are confident there must shortly be a demand because of the belief that the stocks of the retail dealers are being depleted to the point where they will soon feel obliged to come into the market; although certain leading department stores reported stocks held during the year as surpassing all previous records, standing in November at the highest point of the twelve months. The latter also claim that sales each month of 1920 exceeded in value those of the corresponding months of the previous year. Although the spring season was retarded by the protracted winter weather, and the public restrained its patronage somewhat when confidence in the then prevailing price level was shaken by unexpected mark-downs by a well known New York department store, the fall season witnessed the unusual phenomenon of special sales by merchants immediately prior to Christmas which, with the usual Christmas buying, swelled the total of autumn sales to an appreciably larger amount than in 1919.

Notwithstanding the strained condition under which industry was being carried on, the commercial failures in New England<sup>1</sup> according to Dun's Agency, for 1920 numbered 883 with liabilities of \$20,334,092 as

<sup>1</sup> See Schedule No. 45.

against 812 in 1919 with liabilities of \$12,812,487. While this was an increase of 9.2 per cent. in the number of failures and 58.6 per cent. in the amount of liabilities, the percentage increases for both the number and amount of liabilities were the smallest reported for any section of the country, and compares with an increase of 37.7 per cent. in number and 160.5 per cent. in amount for the whole United States.

### REVIEW OF BANKING CONDITIONS.

The member banks in the First Federal Reserve District have gone through the year in a most satisfactory manner, having adjusted their business to meet the changing industrial conditions.<sup>1</sup>

There have been no failures among member banks during 1920 and, while a few banks have at times become somewhat over-extended in their loans, liquidation of these to proper limitations have been gradually brought about through the help and co-operation of the Federal Reserve Bank. The failure of several of the smaller Boston trust companies in the early Fall caused but temporary disturbance to other banking institutions. These trust companies had large savings deposits and handled a character of business peculiar to themselves and, therefore, their closing was little felt by other institutions.

The condition of banks outside of Boston has changed but little during the year, as the pressure due to price readjustment has fallen largely on the Boston banks. Country banks have bought but a small amount of commercial paper during the year although they have been buyers of Government Bonds and bankers' acceptances. Concerns, therefore, that have been accustomed in the past to rely on the outside market for loans have been obliged to increase their borrowings with their city banks. A comparison of the returns made by the banks in the District shows a marked decrease during the year in loans secured by Government obligations held both in the outside banks and Boston banks. On the other hand, both classes of banks show an increase in commercial loans. Demand deposits during the same period have declined, especially of Boston banks, while time deposits have increased, the increase being largely with outside banks. The country banks have been able to steadily reduce their loans at the Federal Reserve Bank, while the Boston banks, owing to their deposits declining faster than their loans were paid off and to seasonal demands of the District, although showing a satisfactory reduction since their high point early in the year, have increased on the other hand from the low point of August and September, and these banks have been fairly constant borrowers during the entire year at the Federal Reserve Bank.

<sup>1</sup> See Schedules Nos. 30, 31, 32, 33.

## STATEMENT OF CONDITION.

A comparison of the statement of the condition<sup>1</sup> of the Federal Reserve Bank of Boston on December 31, 1920, with that of the same dates in 1919, 1918 and 1917 shows several interesting changes.

It will be noted that bills discounted secured by U. S. War Obligations have decreased materially from the preceding two years, and, on the other hand, commercial bills have increased considerably. Gold reserves held by the bank against deposits and by the Federal Reserve Agent against Federal Reserve Notes have largely increased, while the gold held with Foreign Agents has been greatly reduced; whereas in previous years rediscounts were carried with other Federal Reserve Banks on the date of these statements, this year it will be seen that the Reserve Bank is loaning to other Federal Reserve Banks. The surplus account has been increased until it exceeds the subscribed capital, the paid-in capital shown being 50 per cent. of the amount subscribed by member banks. The reserve account of member banks has declined, the falling off of deposits of member banks requiring smaller reserves to be carried with the Reserve Bank. The increase during 1920 of Federal Reserve Notes in circulation,<sup>2</sup> while not so large as in the previous periods, is considerable.

More detailed comments on the changes in the statement will be found elsewhere in this report.

## FINANCIAL RESULTS OF OPERATIONS.

The heavy increase in loans to the member banks in this District and rediscounts for other Federal Reserve Banks, together with increased discount rates, has naturally brought unusually heavy earnings to this bank. On the other hand, expenses have also increased. It might be noted, however, that over one-half of the expenses at the present time is due to cost of increased service to member banks, such as currency shipments, check collections, etc., rather than to direct operating costs.

The schedule of income and expense does not include disbursements made for account of the Government in connection with the Fiscal Agency operations and the War Savings Organization, amounting to \$447 thousands, for which the bank is reimbursed by the Treasury Department.

Semi-annual dividends were paid June 30th, 1920 and December 31st, 1920 at the rate of 6 per cent. per annum on the stock holdings of member banks and, after carrying \$7,351,799 to surplus account in accordance with the provisions of the Amendment to the Federal Re-

<sup>1</sup> See Schedule No. 1.<sup>2</sup> See Chart F.<sup>3</sup> See Schedule No. 2.

serve Act approved March 3, 1919, \$2,473,499 was paid over to the United States Government as a franchise tax, which, under the provisions of that Act, "shall in the discretion of the Secretary be used to supplement gold reserve held against outstanding United States Notes, or shall be applied to the reduction of the outstanding bonded indebtedness of the United States under regulations to be prescribed by the Secretary of the Treasury."<sup>1</sup>

### LOAN AND DISCOUNT OPERATIONS.<sup>2</sup>

The year 1920 opened with loans, discounts and investments at \$289 millions which was approximately the highest peak they had ever reached, while, in order to maintain a reserve above the legal limit, the Federal Reserve Bank of Boston had rediscounted some \$60 millions of that amount with other Federal Reserve Banks, i. e., bankers' acceptances sold with this bank's endorsement. Of these \$289 millions, \$124 millions were loans against U. S. War obligations, \$63 millions loans and discounts against commercial paper, \$78 millions bankers' acceptances, \$22 millions U. S. Securities owned by the bank.

The increase of the discount rates in January brought about a steady reduction in loans against U. S. War Obligations which was later accentuated by the raising of rates on loans against Certificates of Indebtedness, and still further accentuated by the general increase in rates of June 4th. Loans against U. S. War Obligations were reduced to some \$52 millions by October and, while subsequently increasing, the year ended with \$68 millions of the bank's loan on this type of paper.<sup>3</sup>

On the other hand, loans against commercial paper steadily increased from January well into March, embargoes and heavy snows interfering with transportation and delaying the movement of goods. While commercial loans were somewhat reduced later in the year, they increased again until in June they had reached some \$70 millions. The raise in discount rates by the Bank in June had little effect in reducing its loan for several weeks, and then the loan declined at the same time as the usual mid-summer contraction, which was somewhat more marked than in 1919. The commercial loans remained fairly steady until early in November when, as in past years, with seasonable demands these loans began to increase, reaching a high point of \$101 millions the last of December and closing the year at \$87 millions.

The holdings of bankers' acceptances purchased in the open market declined rapidly from the first of the year, by March 19th being reduced to about \$20 millions, and did not increase to over \$35 millions at any time during the balance of the year, a high point being reached on May

<sup>1</sup> See Schedule No. 3.

<sup>2</sup> See Schedule No. 4.

<sup>3</sup> See Chart G.

21st. During June and July the bank's holdings of bankers' acceptances steadily declined, being somewhat increased during September and October by purchases in the New York market.

On January 1st, 1920, 68 per cent. of the total loans of this bank were to Boston Banks. This percentage increased to 80 per cent. in July, and reached a point of 85 per cent. in November. It should be noted, however, that the member banks in Boston have contributed from 52 to 57 per cent. of the total reserve deposits in this bank.<sup>1</sup>

### DISCOUNT RATES.<sup>2</sup>

The decided decrease shown in the Government's floating debt between July 1 and the end of the year 1919, the expectation that the offering of Treasury Certificates of Indebtedness during 1920 would be of diminishing volume, and the over-loaned condition of the Federal Reserve Bank of Boston were motives for increasing discount rates, the Directors of the Bank believing that the time had passed when the needs of the Government could be considered paramount to controlling the general credit expansion that had been under way since the summer of 1919 and was still on the upward swing. While discount rates had been raised somewhat in the preceding November and December, the increases had had practically no effect in checking the expansion which was fast approaching a dangerous point. Discount rates were raised four times during the year 1920. On January 3rd the rates on loans secured by Treasury Certificates of Indebtedness were increased to  $4\frac{3}{4}\%$ , which was somewhat higher than the interest rate carried by many of the issues of the Certificates then outstanding. On January 23rd a general increase in discount rates was made, the increases ranging from  $11\frac{1}{2}\%$  in the case of Commercial Paper (6%) to  $\frac{3}{4}\%$  on loans secured by Liberty Loan Bonds ( $51\frac{1}{2}\%$ ). While the rates on loans secured by U. S. Certificates of Indebtedness were not raised at that time, they were increased February 27th to 5%. The rates established on January 23rd were effective in reducing loans secured by Government obligations, but were not effective in controlling loans for commercial purposes and these continued to expand, the bank rate of 6% being not only not equal to, but rather below the outside market rate. Loans were expanded in many cases far beyond the limits of safety which the amount of capital invested in industries warranted, especially with increasing cost of inventories. The matter of establishing a graduated discount rate based on member bank loans was discussed from time to time by the Directors of the Bank, but, as most of the pressure for loans was on the large Boston banks, a pressure emanating from manufacturers and dealers in raw material, it was feared that such a policy might

<sup>1</sup> See Schedule No. 32.

<sup>2</sup> See Schedule No. 40.

bring about a too drastic curtailment and it was therefore abandoned. A second general increase in rates was therefore put into effect on June 4th, at which time rates on commercial paper were advanced to 7%, the special discount rates for bankers' acceptances withdrawn, and the rates for paper secured by Liberty Loan bonds and Treasury Certificates of Indebtedness increased to 6% and 5½% respectively. At the same time the open market rates on bankers' acceptances were also raised. These increases of June 4th had the desired effect, and by August the loan of the Bank had been reduced to such a point that from then on until the end of the year this bank rediscounted heavily for other Federal Reserve Banks and was thus enabled to assist other sections of the country in financing the abnormal situations that had developed, as these sections had previously assisted New England earlier in the year.

### **BANKERS' ACCEPTANCES.<sup>1</sup>**

The general development of bankers' acceptances in this district during the past year has been very satisfactory. The character of the acceptances originating in this district as well as those purchased by the Reserve Bank, has conformed more closely to the policy and regulations laid down by the Federal Reserve Board than ever before, and at the same time the general market has broadened. The somewhat artificial support which the Reserve Bank has felt necessary to give to the market during the past year has been largely withdrawn. Brokers report increasing sales of acceptances to country banks, savings banks, insurance companies, and trustees, as well as to individuals and corporations, evidencing the fact that the desirability of acceptances as a short time prime investment is being more and more recognized. Brokers have been more active in distributing bankers' acceptances than ever before and the Reserve Bank has therefore been called upon to a greater extent to assist these brokers in carrying portfolios upon 15-day repurchase agreements. Early in the year this bank adopted the policy of sending out questionnaires to the acceptors of bills which it had purchased in order to check up the character of the underlying transactions. This questionnaire is not sent out on every bill purchased but at rather rare intervals, or when earmarks are noted about a bill which have raised some question regarding its character. Acceptors have co-operated most satisfactorily in responding to the questionnaires and it is believed that from the standpoint of the bank, brokers and acceptors, the results obtained have been beneficial. On January 23, 1920 when discount rates were generally increased by the bank a prefer-

<sup>1</sup> See Schedules Nos. 4, 34, 35, 36, 37, 38.



ential discount rate of 5 per cent. was established on bankers' acceptances. As the open market rate was  $5\frac{3}{4}$  per cent. this policy resulted in acceptances being offered freely for rediscount by member banks and the open market almost ceased to exist, some \$15 millions of acceptances being held by April 1 under rediscount. The policy of preferential rates was later abandoned and from then until the end of the year the outside market continued to broaden. In June and also in October and November bills were purchased direct from the Federal Reserve Bank of New York, some \$31 millions in all being thus procured. The policy in buying bills has been changed from time to time, at certain periods unendorsed bills were purchased only when their maturity was not over 30 days and at a later date when such bills had only 20 days to run. In July and August a special rate was maintained of one-eighth less than the current rate on prime bills drawn outside of the country. The volume of acceptances has held up unusually well, especially when the price of commodities is considered. There was outstanding on November 15, 1920, some \$88 millions of bills accepted by the banks and bankers in the district as compared with \$105 millions on November 17, 1919.

#### TRADE ACCEPTANCES.

The development of the use of trade acceptances,—at least the domestic trade acceptances, unlike that of the bankers' acceptances, does not appear to have been entirely satisfactory. That they have been misused there is little question, and for the most part the banks in the district do not feel any more favorably disposed, if as much so, to encourage their use than in the past. There is evidence of their use on overdue accounts and for the purpose of extending longer and larger credits. On the other hand, the opinion is held to some extent that if the trade acceptances had been more frequently utilized it might have proved a safeguard against the evil of cancellations of orders and the return of goods which has been such a prevalent evil during the past year. The shoe trade generally, including manufacturers, wholesalers and jobbers have apparently taken more frequent advantage of this class of banking instrument than have business men in other lines, although certain wool houses and dealers in woolen goods have, at times, used them as have also cotton mills when buying cotton heavily. The volume of trade acceptances rediscounted with the Federal Reserve Bank of Boston was considerably less than in previous years, and none either domestic or foreign have been purchased under open market operations.

### UNITED STATES SECURITIES.<sup>1</sup>

The investment holdings of the bank in government securities, bonds, and short time obligations, show no material change from the previous year. The bank, however, has had a large volume of transactions in these securities during the year. Treasury Certificates of indebtedness have been purchased and resold without profit between banks, brokers, and the Treasury Department, the Reserve Bank simply acting as intermediary and this practice has been beneficial in bringing about a better distribution. In addition to these transactions, purchases were made for the account of the Federal Reserve Bank of Boston of maturing Treasury Tax Certificates from the Federal Reserve Bank of New York and from member banks several days before September 15 and December 15, thus relieving the strain on those banks on account of tax payments due on these dates. These purchases from the Federal Reserve Bank of New York amounted to \$25 millions of September 15 maturities and \$20 millions of December 15 maturities. As in past years pending receipts of funds from depository banks, the Treasurer of the United States has borrowed from time to time large amounts of the Federal Reserve Bank of Boston through the sale of one day certificates of indebtedness, the aggregate amounting to about \$471 millions, and at rates of 2 and 4 per cent., the largest amount held at any one time being \$36 millions.

### RESERVE POSITION.<sup>2</sup>

During the year, the reserve position of the Federal Reserve Bank of Boston has shown a marked improvement both in percentage and actual gold holdings. While the actual reserve against combined note and deposit liability as published on Friday each week has varied from 40 per cent. to 60 per cent., the adjusted reserve, that is the reserve after eliminating the Inter-Federal Reserve Bank loans, shows fluctuations from 27 per cent. on January 1 to 60 per cent. on December 31 with a high point of 72 per cent. on October 22. As in previous years a marked decline in the reserve position appeared early in November due largely to maturing municipal obligations issued in anticipation of tax payments which had been purchased outside of the district. Except at the quarterly tax periods the transfer of funds by the Treasury Department has not as in previous years, materially affected the bank's reserve position. The actual gold holdings of this bank have increased steadily during the year ending with an increase as shown by the comparative statement of over \$50 millions and with lawful money also showing an increase. This increase in gold has all come from other

<sup>1</sup> See Schedule No. 4.    <sup>2</sup> See Schedule No. 6 and Charts A, B, C, D and E.



Federal Reserve Banks, showing that the liquidation in securities and commodities has drawn money from other districts. In November, the tide turned and gold payments to other districts exceeded the receipts, due largely to the payment of municipal notes as referred to above. The gold held with foreign agencies has been reduced from \$9,586 thousands to \$241 thousands. When the sales of gold held by the Bank of England ceased, it was decided to transfer the balance to this country and shipments were, therefore, made during the fall until it had all been brought over. In connection with the payments on the Anglo-French loan, the French government arranged with the Federal Reserve Bank of New York to leave with the Bank of France a certain amount of earmarked gold deposited by the French Government which amount was apportioned among the other Federal Reserve Banks as had been done with gold held in England, the share of the Federal Reserve Bank of Boston being \$241 thousands.

#### DEPOSITS.<sup>1</sup>

Member banks' reserve accounts have fluctuated within a range of about \$20 millions and have shown no marked tendency to increase as in previous years although the average has been higher than in 1919 or 1918. The deposits of new member state banks account for some of the increase and also the fact that the policy adopted of higher penalties for deficient reserves has influenced banks to keep their full required reserves although the general decline in deposits which the member banks have been experiencing during the year has required smaller reserve balances with the Reserve Bank. The daily clearings between the Federal Reserve banks through the gold settlement fund have eliminated the carrying over of collected balances of Federal Reserve Banks which in the past were settled each week. Although the deposits of the government have fluctuated widely during the year and at times have been overdrawn, necessitating numerous loans on one-day certificates of indebtedness, the deposits of foreign governments and foreign banks have declined from \$5,277,000 during the year to \$292,000. On January 1 the Argentine Government had some \$5 millions on deposit which early in the year was withdrawn through shipment of gold to Argentine and through payment for its account in this country. On June 16 this bank was apportioned \$292,000 of a deposit made by the Bank of Japan with the Federal Reserve Bank of New York and assumed an endorsement liability on acceptances sold to the Bank of Japan of \$1,168,000.

<sup>1</sup> See Schedules Nos. 1, 6 and Chart E.

### CURRENCY.<sup>1</sup>

The demands for currency from member banks have been unusually heavy during the year 1920 and the expense and responsibility devolving on the Reserve Bank in its sorting, handling and shipment, have been heavy. While this service has been increasing in importance each year, it has been greater this year on account of the taking over of the functions of the Boston Sub-Treasury on October 23 and because of the responsibility attendant upon supplying the currency needs of the district. The movement of currency has been made the subject of careful study and it is felt that the Federal Reserve Notes which constitute the currency in which demands for circulation are met, are acting in the form of an elastic currency such as was contemplated by the Federal Reserve Act. While it is evident that the Inter-Federal Reserve Bank credit condition affecting Federal Reserve Notes in other districts and the abnormal international credit situation which has drawn federal reserve notes out of the country in place of gold, are artificial factors which have an influence upon currency movements, there appears to be evidence, so far as the Federal Reserve Note circulation of this district is concerned, that a proper control of the credit situation results in adequate control of note issues, note circulation showing a tendency to expand or contract somewhat with credit fluctuations or fluctuations in gold reserves against combined deposit and note liability. While this year the note issue increased steadily as in other years, as long as the reserves of the System showed no material improvement since early fall when that reserve began to improve, not only has a marked contraction appeared, but the increase in gold holdings of the bank has provided a much larger gold cover against outstanding notes. The decline in note issues began in September when a very marked recession appeared, which, however, was checked by the sudden demand for currency following the closing of several Boston non-member trust companies. Federal Reserve Notes in circulation on January 1, 1920 were \$244 millions, the note issue reaching in September the high point of \$311 millions, which by the end of the year had receded to \$286 millions. Shipments of Federal Reserve Notes have been reported by member banks to Cuba and other Latin-American countries, especially during the early months of the year and there is evidence of pay-roll money having been sent by mill operatives to European countries, especially those of Central Europe.

### CHECK OR TRANSIT DEPARTMENT.<sup>2</sup>

With the exception of checks drawn on the Treasurer of the United States, the volume of checks handled by this bank during the year 1920

<sup>1</sup> See Schedules Nos. 9, 10, 11, 12, 13, 14 and Chart F.    <sup>2</sup> See Schedule No. 15.

has largely increased both in volume and amount over previous years, the heaviest increase being in New England checks.

The increase of par point banks throughout the United States has caused more checks to be collected through this bank. At the present time, checks on banks in 41 out of the 48 states can be handled through the Federal Reserve Banks at par; checks on 28,768 of the total 30,523 banks in the country are now remitted for at par to the Federal Reserve Banks, or over 93%, the remaining 7% of banks, non-par points, being situated in Alabama, Florida, Georgia, Louisiana, Mississippi, South Carolina and Tennessee.

The decrease during the year of the number of items and amounts drawn on the Treasurer of the United States is due to the cessation of government activities in the World War, with its consequent decrease in government expenditures.

While the number of member banks sending checks direct to the Federal Reserve Bank for collection has increased from 111 on December 1, 1916, to 126 on December 1, 1920, as there are 436 member banks in the district, it will be seen that a rather small percentage of the member banks are availing themselves of this service. A large majority of the banks still continue to send checks through their city correspondents, although most of those checks in turn are collected by those correspondents through the Federal Reserve Bank.

#### **COLLECTION DEPARTMENT.<sup>1</sup>**

The Collection Department, handling time items, notes, drafts, and coupons, has also had a heavy increase in the number of items handled, necessitating in this Department an increase of 14 clerks, or a total of 24 for the Department during the year. The policy of giving immediate credit for maturing coupons and bankers' acceptances has materially increased the volume of such items handled. This Department does not collect coupons on government obligations, which are handled in the Fiscal Agency Department. Member banks sending time items for collection to this Department have increased from 82 on December 31, 1919, to 131 on December 31, 1920.

#### **RELATION TO BANKS AND THE PUBLIC.**

Satisfactory progress has been made during the past year towards developing a closer relationship with the officials of both member banks and non-member State banks, and with the public at large, and a better understanding of the service that the Federal Reserve Bank of Boston can furnish in assisting in the safeguarding and development of industrial, commercial and agricultural and financial activities of the New England District.

<sup>1</sup> See Schedule No. 18.

The officials of the Federal Reserve Bank have made calls from time to time upon member banks, explaining in detail matters pertaining to operating service which this bank can offer its members, and this has led, as explained elsewhere in this report, to increased use of the bank's facilities for currency needs; collection of checks and time items, and of other services which the bank can furnish.

During the year, in connection with the monthly review of conditions in this District, a department has been opened whose duties are confined exclusively to the analysis and investigation of industrial, commercial and agricultural statistics. This Department, although confining its work to industrial investigation, is working in the closest co-operation with the department investigating financial statistics. Through the work of this department and through conferences which the bank officials have had with representatives of the important industrial activities in the District, the bank has been able to keep in the closest touch with the needs and changes which the industrial situation existing during the past year has brought on the local credit situation. The Bank's officials have from time to time addressed banking and trade organizations on subjects pertaining to its operation.

Three State banks have been admitted to membership in the Reserve System, and also four National banks that had been newly organized, while three National banks surrendered their charters to become State banks. Fiduciary powers have been granted to a number of national banks during the year, as well as privileges to accept dollar exchange.

### CREDIT DEPARTMENT AND BANK EXAMINATIONS.

The unusual changes which the industrial situation has undergone during the year 1920 placed a heavy responsibility on the Credit Department of the bank, necessitating an enlargement of its force. The credit standing of commercial notes offered for rediscount has been followed very closely, all notes offered for rediscount having been approved by a Committee composed of the Assistant Cashier in charge of the Discount Department, the Chief Examiner and the Manager of the Credit Department, and doubtful credits in turn referred by this Committee to the senior officers for final adjudication.<sup>1</sup>

The credit situation in general has been so sensitive and critical at times as to warrant the closest scrutiny of borrowings, and in many cases the most careful handling and tact to bring about proper results.

The officers of the bank have had the fullest co-operation of the bankers in this district and when credit problems have arisen in other reserve districts, have advised with the officers of the Federal Reserve Banks in other Federal Reserve districts before passing judgment. The work of the Examining Department has been very heavy during the year

<sup>1</sup> See Schedule No. 29.

and here again the bank has kept in closest touch with the chief National Bank examiner of the district and with the Bank Commissioners in the different states in the district. State banks seeking admission to the System have been examined by the examiners of the Federal Reserve Bank of Boston before application for admission has been filed and the policy has been adopted of making at least one examination during the year by the bank's own examiner, of state bank members.

### INTERNAL ORGANIZATION.<sup>1</sup>

The heavy increase in the volume of business which the bank has been called upon to handle during the past year has necessitated a further increase in its clerical force. On December 31, 1919, there were 629 employees in the bank. On December 31, 1920, these had been increased to 754, the increase being about equally divided between men and women clerks. While most departments show an increase in the operating force, those departments handling currency, checks and government securities show the largest increase.

On October 1, 1920, William W. Paddock was elected Deputy Governor, Mr. Paddock having been connected with the Federal Reserve Board in charge of its examining division.

On October 21, Krickel K. Carrick was elected Secretary of the Board of Directors in place of Arthur H. Weed who resigned, Mr. Weed continuing as the bank's counsel.

An election of directors was held from November 16 to November 30, 1920, to fill the vacancies caused by the expiration of the terms of Thomas P. Beal, Class A director, and Philip R. Allen, Class B director, both representing banks in Group 1. Of the 46 banks entitled to vote in this group, 38 voted, all votes cast being in favor of the two retiring directors who were re-elected each for the term of three years, ending December 31, 1923.

At the meeting held January 8, 1920, the directors appointed Philip Stockton, President of the Old Colony Trust Company, to represent this district as a member of the Federal Advisory Council.

On December 31, 1920, the Federal Reserve Board reappointed Fred-eric H. Curtiss, Class C director for the term of 3 years, ending January 31, 1923, and re-designated him Chairman of the Board of Directors for the year 1921; Allen Hollis being re-designated Vice-Chairman for the same period.

### BANKING QUARTERS.

Soon after the new year opened, the question of delaying the construction of the building to house the Reserve Bank's activities became a serious matter for discussion by the Directors of this Bank. The

<sup>1</sup> See Schedule No. 46.

leases on the buildings on the lot facing on Franklin, Pearl and Oliver Streets which had been purchased, all expired on March 31st, and the architects' plans had been completed and accepted. While the high cost of construction was a most serious consideration, the great handicap under which the bank's operations had been conducted and above all its inadequate vault facilities were deemed of paramount importance. It was, therefore, decided, with the approval of the Federal Reserve Board, to build at once and accordingly on March 1st, work was begun on tearing down and removing the old buildings. Excavations were begun on March 29th and from then on construction operations have been pushed as rapidly as possible.

Apart from some delay in the delivery of steel beams and limestone, the construction has progressed thus far as fast as was expected, the weather conditions during the early winter months being unusually favorable. As will be seen by the frontispiece of this report, the exterior has been already completed and the building roofed in, so that the work can proceed on the interior during the cold weather and the building kept heated. The general plan of the building follows the description given in the bank's report for 1919, the only material change being in the vault construction, to which much study has been given in order to insure the utmost protection for the specie and securities held by the bank.

Unless some unforeseen occurrence arises, it is expected that the building will be ready for occupancy some time during the latter part of 1921.

#### FEDERAL RESERVE SOCIETY.

The Society, organized and managed by the employees of the bank, has had a most satisfactory year, and has received hearty support both from the officers of the bank and the employees.

The Society has now 675 members. It has continued to publish the monthly magazine, the Federal Reserve Society News, which contains articles of general interest about the bank, and has organized and carried through a number of social entertainments during the year. Through the agency of the Society a splendid spirit of co-operation has developed among the clerks, and with it increased loyalty to the Federal Reserve Bank of Boston.

Financial aid and advice have been given by the Society to members when necessary. During 1920 the Society distributed a large quantity of surplus Army goods, selling them to members at cost, while over a ton of maple sugar and syrup was sold during the year. At Thanksgiving and Christmas several thousand pounds of turkey were purchased and distributed at wholesale prices to members of the Society.

Baskets of fruit and flowers have been sent to members confined at home by sickness.



**FISCAL AGENCY DEPARTMENT.**

This Department, both in the volume and value of securities handled, has shown a heavy increase during the year, necessitating some twenty odd additional clerks.

While the volume of collateral held against Government deposits in banks, deposits made in connection with subscriptions to Certificates of Indebtedness, has been considerably less, banks continued to leave their securities for safe-keeping.

On the other hand, the exchanging of temporary for permanent Liberty Loan Bonds, and the handling of maturing coupons, has added greatly to the increase in the work.

**CERTIFICATES OF INDEBTEDNESS.<sup>1</sup>**

The official operations of the government during 1920 have been confined to short-time loan certificates, or certificates issued in anticipation of income or excess profit taxes. These certificates issued, though less in volume than in 1919, both owing to the interest rates which they bore and largely to the general credit situation existing, did not find a ready market in this district during the first half of the year, and the quotas allotted to the bank were not filled.

From August on, however, due to the improved credit situation brought about by industrial liquidation as well as the increased rates which new offerings of certificates bore, over-subscriptions were received on all subsequent issues. During the year issues of these Certificates of Indebtedness have been offered at frequent intervals at rates varying from  $4\frac{3}{4}\%$  to 6%, with maturities of from one and a half months to a year. The subscriptions, as in past years, were all made through the banks in the district, and to a large extent were paid by credits set up by those banks, these government deposits or credits being gradually withdrawn into the Federal Reserve Bank to meet government requirements.

**GOVERNMENT SAVINGS SECURITIES.<sup>2</sup>**

The Savings Organization has become more akin to other Fiscal Agency operations in the bank during the year, and as the year ends, arrangements have been made to house this organization which has been reduced from 143 employees on December 31, 1919 to 19 on December 31, 1920, in the rooms formerly occupied by the Sub-Treasury, a large portion of which are now used by the Currency Department of the bank.

<sup>1</sup> See Schedules Nos. 19, 20, 21, 22, 23.

<sup>2</sup> See Schedule No. 23.

The decrease in this organization has necessitated the elimination of all state offices and state organizations, and has centered the activities of this department in its headquarters in Boston. While there has been a great saving in the expense of handling the Savings Division by the reduction in the size of this organization, on the other hand, the volume of savings securities sold in the district has shown a marked decrease.

On December 1, Mrs. F. L. Higginson, who had been government director of the Savings Division in New England since January, 1919, resigned, and Mr. Frank C. Ayres, who had been connected with this Division during the past year, was appointed in her place.

The efforts of the Savings Division during the past year have been directed (1) To develop and protect the secondary market for all war issues of government securities, (2) To sell government savings securities, (3) To make permanent the habits of regular saving and investment in United States government securities.

It has concentrated its efforts upon the organization of savings societies in industrial plants, educational work, and organization of school savings societies and women's organizations.

### CONCLUSION.

The last twelve months have brought new problems to the Reserve Bank. While during the past few years, Government financing has played a most important part, during 1920, the industrial situation has been the controlling factor in the bank's operations, the Treasury borrowings becoming of less and less importance in the general credit situation; especially during the last half of the year Treasury Certificates were offered for subscription at such rates that made them attractive to the investor—thus keeping them out of commercial banks' portfolios. The proceeds of such subscriptions were left on deposit with subscribing banks for such short periods as to have but little influence in the credit situation. The apparent industrial prosperity which marked the early months of the year while probably artificial, brought new high price records for commodities in various lines of production, founded as it was to a large extent on a foreign trade, financed by bank credits which could not increase or continue indefinitely. These credits had reached such proportions, falling as they did on the banks in the large centers, that the limit of such credit expansion was reached and then domestic demands being insufficient to take care of production, prices generally began to fall. From early summer to the end of the year, this price deflation continued and, as the year ends, has been felt in all lines of industry in the district. The retailer and labor always last to



meet price reduction, have as yet shown but very slight changes in the reduction of prices and wages and, therefore, this readjustment in retail prices and of labor wages will probably continue well into the new year. Many commodities, however, are selling at below their cost of production. Numerous industries are left, however, with large inventories of raw material and manufactured goods and the liquidation in these inventories will necessarily be slow and therefore money rates, especially in the large centers, while easier, will probably continue fairly high throughout the year.

The banks outside of Boston are fairly comfortable so far as money conditions go as they have been during the greater part of the year, and are borrowing but little from the Reserve Bank. The Boston banks, on the other hand, have been and are carrying the burdens of the extreme liquidation and therefore, continue to be fairly heavy borrowers at the Reserve Bank. It is a source of much satisfaction that this liquidation has come about in such an orderly manner. While business failures in the district have been thus far few, as the year progresses there will probably be more, but through the co-operation of the Reserve Bank with its member banks, no undue pressure is being brought to force extreme liquidation and this factor of time should do much to bring about the continued orderly liquidation of inventories.

## SCHEDULE 1.

## Comparative balance sheet.

[000 omitted.]

	Dec. 31, '20	Dec. 31, '19	Dec. 31, '18	Dec. 31, '17
<b>RESOURCES.</b>				
<b>Earning assets:</b>				
Bills discounted secured by United States war obligations	\$78,225	\$124,529	\$120,515	\$43,898
Other bills discounted (commercial)	95,143	63,510	13,060	21,985
Acceptances purchased in open market	20,678	18,649	15,084	9,037
United States bonds	544	539	538	610
United States short term obligations	21,519	21,805	7,416	2,194
<b>Total</b>	<b>216,109</b>	<b>229,032</b>	<b>156,613</b>	<b>77,724</b>
<b>Reserve cash:</b>				
Gold (coin and certificates)	11,800	7,959	3,317	18,691
Gold settlement fund	40,116	34,351	37,293	16,977
Gold with Foreign Agencies	241	9,586	408	3,675
Other lawful money	11,816	4,037	2,288	3,574
<b>Total</b>	<b>63,973</b>	<b>55,933</b>	<b>43,306</b>	<b>42,917</b>
<b>Reserve against Federal Reserve Notes:</b>				
Gold with Federal Reserve Agent	134,747	73,511	59,733	40,897
Gold redemption fund	18,796	26,342	7,812	2,000
<b>Total</b>	<b>153,543</b>	<b>99,853</b>	<b>67,545</b>	<b>42,897</b>
<b>Total cash reserves</b>	<b>217,516</b>	<b>155,786</b>	<b>110,851</b>	<b>85,814</b>
<b>Other resources:</b>				
Due from Liberty Loan Subscriptions			567	118
Uncollected Items	57,623	85,424	68,493	18,787
Due from Government depositories	26,634	48,373	30,015	66,489
Redemption fund Federal Reserve bank notes	1,072	1,072	321	
Real Estate for bank quarters	2,700	1,103	800	
All other resources	468	496	616	166
<b>Total</b>	<b>522,122</b>	<b>521,286</b>	<b>368,276</b>	<b>249,098</b>
<b>Rediscounts for other Federal Reserve banks</b>	<b>18,075</b>			
<b>LIABILITIES.</b>				
<b>Capital fund:</b>				
Capital paid in	\$7,718	\$7,107	\$6,692	\$5,858
Surplus	15,711	8,359	1,536	75
<b>Deposits:</b>				
Due to member banks, reserve account	114,670	117,294	101,806	82,842
Due to Federal Reserve Banks, collected funds		21,725	17,467	3,870
Due to banks, uncollected funds	41,762	45,469	29,970	13,778
Due to Treasurer of the United States, general account	4,561	1,123	10,499	2,419
Due to Treasurer of the United States, special account	26,634	48,373	30,015	66,490
Other Deposits	835	5,843	411	23
<b>Other Liabilities:</b>				
Federal Reserve notes in circulation	288,780	244,093	160,726	73,199
Federal Reserve bank notes in circulation	20,353	20,912	6,382	
Unearned discount and interest	1,057	807	468	469
Reserve for depreciation and interest		93	93	
Reserve for franchise tax and other taxes	41	88	1,461	75
Mortgage on real estate			750	
<b>Total</b>	<b>522,122</b>	<b>521,286</b>	<b>368,276</b>	<b>249,098</b>
<b>Liability for rediscounts with other Federal Reserve banks</b>		<b>60,121</b>	<b>48,962</b>	<b>44,477</b>

## SCHEDULE 2.

*Income and expense.*

Income.	1920.	1919.	1918.	Expense.	1920.	1919.	1918.
Bills discounted for member banks.....	\$10,031,301	\$6,003,252	\$3,068,027	Paid in line of dividends on stock cancelled..... <sup>1</sup>	..... <sup>1</sup>	..... <sup>1</sup>	\$272
Acceptances purchased.....	1,613,012	1,077,691	931,701	Current expenses.....	\$472,302	\$297,006	170,895
Interest on United States securities.....	554,172	369,457	107,719	Directors' fees.....	9,528	7,351	6,608
Profit on United States securities.....	12,213	.....	41,821	Rent.....	62,549	45,628	26,682
Penalties for deficient reserves.....	41,783	27,836	18,426	Salaries.....	639,299	518,895	274,361
Sundry profits.....	88,649	19,347	212,760	Cost of Federal Reserve notes....	345,151	317,691	167,828
				Assessment for expenses of Federal Reserve Board.....	52,584	45,619	29,554
				Real estate expenses.....	82,000	89,422	27,811
				Tax on Federal Reserve Bank notes.....	780	1,499	4,558
				Difference account.....	288	14,646	61,895
				Repairs and alterations.....	1,334	18,777	3,554
				Sundries.....	374,589	316,040	101,529
				Transit department.....	28,162	47,627	200,000
				Charged off or reserved.....	10,272,564	5,777,381	3,304,908
				To balance.....	.....	.....	.....
Total.....	12,341,130	7,497,583	4,380,454	Total.....	12,341,130	7,497,582	4,380,455

<sup>1</sup> Included with dividends.

## SCHEDULE 3.

*Distribution of earnings.*

Items.	1920.	1919.	1918.	Items.	1920.	1919.	1918.
Dividends paid member banks... Balance.....	\$447,266 <sup>1</sup> 9,825,298	\$414,447 <sup>1</sup> 5,362,934	\$383,908 2,921,000	Available for distribution.....	\$10,272,564	\$5,777,381	\$3,304,908
Total.....	10,272,564	5,777,381	3,304,908	Total.....	10,272,564	5,777,381	3,304,908

<sup>1</sup> June 30 and December 31 dividends at the rate of 6% per annum, also includes interest paid on stock surrendered.

Items.	1920.	1919.	1918.	Items.	1920.	1919.	1918.
Reserve for franchise tax..... Carried to surplus.....	\$2,473,499 7,351,799	..... \$6,823,434 <sup>2</sup>	..... \$1,535,600	December 31 balance.....	\$9,825,298	\$5,362,934	\$2,921,000
Total.....	9,825,298	6,823,434	1,535,600	Total.....	9,825,298	5,362,934	2,921,000

Total surplus December 31, \$15,710,000.

<sup>2</sup> Includes \$1,460,000 Reserve for Franchise Tax in 1918.

## SCHEDULE 4.

## Discount and Loan Transactions—1920.

[000 omitted.]

Month, 1920.	Discounted Paper.					Purchased Paper.			Acquired from other Federal Reserve Banks.	Total Discounted and Purchased Paper.			
	Secured by Govt. War Obliga- tions.	Bankers' Accept- ances.	Trade Accept- ances.	Com- mercial paper.	Total.	Bankers' Accept- ances.	Dollar Exchange.	Total.		1920.	1919.	1918.	1917.
January ..	\$343,955	\$1,554	\$583	\$17,213	\$363,305	\$18,686	.....	\$18,686	\$3,579	\$385,570	\$395,343	\$32,521	\$4,237
February ..	374,374	9,874	256	52,101	436,605	18,279	.....	18,279	.....	454,884	376,081	72,551	9,195
March ....	381,400	7,312	1,704	70,996	461,412	25,497	\$50	25,547	67,000	553,959	349,063	41,320	10,257
April .....	304,881	1,032	288	39,838	346,039	29,149	7	29,156	57,500	432,695	522,480	39,433	11,194
May .....	372,969	1,757	383	46,021	421,130	29,201	100	29,301	43,000	93,431	462,431	69,542	21,520
June .....	349,388	490	415	66,392	416,685	23,956	5	23,961	61,503	502,149	394,712	63,935	54,761
July .....	250,501	.....	146	35,837	286,484	22,569	.....	22,569	115,119	424,172	431,033	160,685	45,834
August ..	343,463	10	193	73,111	416,777	24,752	100	24,852	159,708	601,360	287,944	147,379	33,929
September ..	304,671	23	170	80,324	385,188	31,690	300	31,990	170,642	587,810	334,405	249,026	42,644
October ...	270,305	.....	155	66,902	337,362	28,719	350	29,069	180,607	547,042	429,898	338,396	17,426
November ..	350,984	.....	174	105,002	456,160	26,781	419	27,200	90,899	574,259	490,900	372,350	72,374
December ..	427,139	77	195	121,996	549,407	23,803	31	23,834	51,009	624,250	566,316	387,202	119,077
1920	4,074,030	22,129	4,662	775,733	4,876,554	303,082	1,362	304,444	1,000,566	6,181,581	.....	.....	.....
1919	4,486,749 <sup>1</sup>	4,986	10,820	172,844	4,675,399	360,565	525	365,207 <sup>1</sup>	.....	.....	5,040,606	.....	.....
1918	1,550,311	530	10,287	199,157	1,760,285	189,967	2,102	194,157 <sup>1</sup>	19,898	.....	.....	1,974,340	.....
1917	25,095	.....	6,115	319,710	350,920	88,119	3,409	91,528	.....	.....	.....	.....	442,448

<sup>1</sup> Includes \$4,117,000 in trade acceptances purchased in 1919 and \$2,089,000 in 1918; also \$4,423,000 acceptances repurchased from the Federal Reserve Bank of Kansas City.<sup>2</sup> Includes \$596,000 of paper secured by War Finance Corporation bonds.

SCHEDULE 5. *Average holdings, earnings and average rate of earnings, of total earning assets.*

[000 omitted.]

Month.	1920.			1919.		
	Average Holdings.	Earnings.	Rate.	Average Holdings.	Earnings.	Rate.
January .....	\$214,310	\$776	4.30%	\$152,604	\$515	3.97%
February .....	228,024	868	4.81	166,870	506	3.95
March .....	220,300	962	5.11	169,905	566	3.92
April .....	217,161	918	5.16	182,078	587	3.92
May .....	220,068	983	5.28	184,326	618	3.95
June .....	214,877	958	5.44	182,894	596	3.96
July .....	213,620	1,037	5.73	187,302	630	3.96
August .....	218,339	1,066	5.76	178,950	596	3.92
September .....	239,220	1,159	5.91	189,070	611	3.93
October .....	232,565	1,203	6.11	194,381	653	3.96
November .....	227,823	1,131	6.01	219,312	744	4.13
December .....	225,039	1,140	5.98	222,845	838	4.30
Total .....	.....	12,201	.....	.....	7,460	.....
Average for year .....	222,612	1,017	5.48	185,878	622	4.01

SCHEDULE 6. *Reserve position on the first of each month, 1920.*

[000 omitted.]

Month.	Net deposits.	Federal Reserve notes in actual circulation.	Total combined liability.	Required reserve.	Total reserve.	Excess Reserve.	Re-serve.	Adjusted Reserve rediscounts with other Federal Reserve banks eliminated.
1920.								
January .....	\$116,846	\$243,367	\$360,213	\$138,242	\$157,502	\$19,260	44%	27%
February .....	113,704	235,972	349,676	134,184	145,298	11,114	42	41
March .....	104,009	257,470	361,479	139,391	189,391	50,000	52	49
April .....	110,819	268,696	379,515	146,264	167,806	21,542	44	47
May .....	110,911	266,869	367,780	142,065	202,807	60,742	55	62
June .....	114,094	275,666	389,760	150,198	195,525	45,327	50	55
July .....	103,107	283,891	386,998	149,643	184,200	34,557	48	57
August .....	109,803	286,556	396,359	153,053	229,424	76,371	58	69
September .....	109,535	300,386	409,921	158,490	208,098	49,608	51	69
October .....	111,188	309,586	420,774	162,749	221,998	59,249	53	66
November .....	112,683	295,796	408,479	157,757	208,364	50,607	51	68
December .....	108,743	290,130	398,873	154,112	219,013	64,901	55	61

## SCHEDULE 7.

*Transactions with other Federal Reserve Banks.*

[000 omitted.]

Federal Reserve Banks.	Acquired from other Federal Reserve Banks.				Sold to other Federal Reserve Banks.	Amounts by Months.		
	Acceptances.	Discounts Secured.	Discounts Unsecured.	Total.		Month.	Bills acquired.	Acceptances sold.
New York . . .	\$30,674	\$40,000	\$70,000	\$140,674	\$583	January . . .	\$3,579	.....
Philadelphia . . .		56,500		56,500		February . . .		\$20,263
Cleveland . . .					5,036	March . . .	67,000	.....
Richmond . . .		370,000		370,000		April . . .	37,500	.....
Atlanta . . .		6,098	12,900	18,998	5,087	May . . .	43,000	.....
Chicago . . .		6,000		6,000	5,090	June . . .	61,503	.....
St. Louis . . .		88,972	44,999	133,971		July . . .	115,119	.....
Minneapolis . . .		69,500	8,000	77,500		August . . .	159,708	.....
Kansas City . . .		111,374	10,540	121,914	5,050	September . . .	170,632	.....
Dallas . . .		70,500	4,500	75,000		October . . .	180,607	.....
San Francisco . . .						November . . .	90,900	.....
						December . . .	51,009	.....
Total . . .	30,674	818,944	150,939	1,000,557	20,846		1,000,557	20,263

## SCHEDULE 8.

*Summary of monthly transactions in the gold settlement fund with other Federal Reserve Banks during 1920.*

[000 omitted.]

Month, 1920.	DIRECT TRANSFERS.			SETTLEMENTS.			Gain for month.
	Received.	Paid.	Net loss.	Received.	Paid.	Net gain.	
January . . . . .	\$6,402	\$60,638	\$54,236	\$627,507	\$578,966	\$48,541	\$5,695 <sup>1</sup>
February . . . . .	20,310	22,000	1,690	490,861	453,363	37,498	35,808
March . . . . .	25,031	95,969	70,938	670,012	622,236	47,776	23,162 <sup>2</sup>
April . . . . .	42,465	62,500	20,035	625,408	571,655	53,753	33,718
May . . . . .	34,084	68,000	33,916	594,082	570,200	23,882	10,034 <sup>2</sup>
June . . . . .	51,274	83,100	31,826	641,751	591,981	49,770	17,944
July . . . . .	76,073	124,120	48,047	643,505	581,415	62,090	14,043
August . . . . .	107,501	188,219	80,718	593,551	534,907	58,644	22,074 <sup>2</sup>
September . . . . .	110,470	205,323	94,853	645,042	518,249	126,793	31,940
October . . . . .	136,808	209,537	72,729	649,881	598,787	51,094	21,635 <sup>2</sup>
November . . . . .	130,948	87,882	43,066 <sup>1</sup>	512,045	529,816	17,771 <sup>2</sup>	25,295
December . . . . .	57,580	83,438	25,858	501,318	478,923	22,395	3,463 <sup>1</sup>
Total . . . . .	798,946	1,290,726	491,780	7,194,963	6,630,498	564,465	72,685

<sup>1</sup> Gain.<sup>2</sup> Loss.

## SCHEDULE 9.

*Currency transactions.*

[000 omitted.]

Month.	Currency received.		Currency paid out.		Currency handled in sorting division.			
	1920.	1919.	1920.	1919.	Dollars.		Pieces.	
					1920.	1919.	1920.	1919.
January . . . . .	\$54,612	\$47,000	\$38,496	\$17,173	\$67,963	\$71,217	\$12,112	\$10,233
February . . . . .	31,523	28,280	50,323	26,440	36,534	31,946	6,991	6,134
March . . . . .	47,497	33,842	50,773	26,579	62,129	37,078	10,382	7,156
April . . . . .	52,936	40,293	44,812	27,674	60,709	39,897	10,967	7,147
May . . . . .	52,579	47,230	55,069	17,761	61,683	53,720	11,621	8,956
June . . . . .	64,916	41,987	63,583	31,536	73,650	50,693	12,700	8,736
July . . . . .	64,221	47,230	60,149	37,408	84,354	55,239	13,430	9,708
August . . . . .	61,088	38,688	73,509	38,885	72,489	44,533	12,297	8,149
September . . . . .	64,130	39,525	74,090	37,980	79,487	48,320	12,375	8,768
October . . . . .	68,030	53,832	55,688	41,164	82,039	58,323	13,435	9,774
November . . . . .	62,671	36,890	55,530	39,076	80,220	45,909	12,310	8,390
December . . . . .	74,776	51,056	66,602	60,664	84,707	53,561	13,392	9,595
Total . . . . .	698,979	505,853	688,624	402,340	845,964	590,436	142,012	102,746

SCHEDULE 10. *Federal Reserve bank notes aggregate as of December 31, 1920.*

	Ones.	Twos.	Fives.	Total.
Total received from comptroller . . . . .	\$34,563,500	\$16,865,000	\$2,171,500	\$53,600,000
Total notes retired and destroyed . . . . .	20,418,802	10,669,598	1,888,600	32,977,000
Notes outstanding . . . . .	14,144,698	6,195,402	282,900	20,623,000
Notes held by bank . . . . .	269,500			269,500
Net amount in circulation . . . . .	13,875,198	6,195,402	282,900	20,353,500
United States special 2% Certificates of Indebtedness pledged to secure circulation—\$21,436,000.				

SCHEDULE 11. *Federal Reserve notes issued by Federal Reserve Agent.*

Month.	Outstanding on first of month.	Issued during month.	Retired during month.	Net increase.
January . . . . .	\$254,717,970	\$8,160,000	\$16,913,435	\$8,753,435 <sup>1</sup>
February . . . . .	245,964,535	27,820,000	8,791,910	19,028,090
March . . . . .	264,992,625	21,600,000	10,040,255	11,559,745
April . . . . .	276,552,370	11,100,000	12,593,645	1,493,645 <sup>1</sup>
May . . . . .	275,058,725	18,200,000	10,784,350	7,415,650
June . . . . .	282,474,375	24,600,000	13,861,610	10,738,390
July . . . . .	293,212,765	15,300,000	12,845,170	2,454,830
August . . . . .	295,667,595	23,300,000	11,241,650	12,058,350
September . . . . .	307,725,945	28,300,000	12,096,600	16,203,400
October . . . . .	323,929,345	6,000,000	17,592,800	11,592,800 <sup>1</sup>
November . . . . .	312,336,545	17,400,000	22,460,100	5,060,100 <sup>1</sup>
December . . . . .	307,276,445	23,900,000	29,622,400	5,722,400 <sup>1</sup>
Total . . . . .		225,680,000	178,843,925	46,836,075

<sup>1</sup>Decrease.

SCHEDULE 12. *Federal Reserve notes issued and retired by denominations.*

Denominations.	Outstanding January 1, 1920.	Issued.	Retired.	Outstanding December 31, 1920.
Fives .....	\$38,707,950	\$41,500,000	\$37,891,295	\$42,316,655
Tens .....	101,447,210	76,760,000	72,662,640	105,544,570
Twenties .....	81,500,160	78,120,000	46,071,440	113,548,720
Fifties .....	12,743,550	9,000,000	6,001,050	15,742,500
Hundreds .....	12,984,600	8,400,000	5,007,000	16,377,600
Five hundreds .....	689,500	700,000	421,500	968,000
One thousands .....	5,245,000	9,700,000	9,234,000	5,711,000
Five thousands .....	400,000	500,000	515,000	385,000
Ten thousands .....	1,000,000	1,000,000	1,040,000	960,000
Totals .....	254,717,970	225,680,000	178,843,925	301,554,045

SCHEDULE 13.—*Movement of Federal Reserve notes between districts, 1919 and 1920.*

[000 omitted.]

	Received from		Sent to		Net excess returned	
	1920.	1919.	1920.	1919.	1920.	1919.
New York .....	\$72,012	\$45,236	\$59,550	\$59,738	\$12,462 <sup>1</sup>	\$14,502
Philadelphia .....	6,208	4,247	7,049	6,873	841	2,626
Cleveland .....	2,777	2,325	3,996	4,427	1,219	2,102
Richmond .....	3,741	2,238	3,474	4,392	267 <sup>1</sup>	2,154
Atlanta .....	2,313	1,608	2,944	2,471	631	863
Chicago .....	5,581	3,681	6,609	6,369	1,028	2,688
St. Louis .....	1,478	1,073	1,066	1,220	412 <sup>1</sup>	147
Minneapolis .....	505	420	807	1,378	302	958
Kansas City .....	803	522	1,125	1,621	322	1,099
Dallas .....	597	307	1,466	509	869	202
San Francisco .....	2,277	1,062	1,497	1,295	780 <sup>1</sup>	233
Total .....	98,292	62,719	89,583	90,293	8,709 <sup>1</sup>	27,574

<sup>1</sup> Net excess received.



## SCHEDULE 14.

*Available supply of Federal Reserve notes on December 31, 1920.*

Held by	Fives.	Tens.	Twenties	Fifties.	Hundreds.	Five Hundreds.	Thousands.	Five Thousands.	Ten Thousands.	Total.
Federal Reserve Agent Comptroller of the Currency . . . . .	\$16,500,000	\$27,000,000	\$41,680,000	\$8,400,000	\$9,200,000	\$1,700,000	\$7,100,000	\$3,600,000	\$7,000,000	\$122,180,000
Currency . . . . .	7,620,000	17,760,000	13,840,000	15,600,000	1,200,000	6,000,000	23,600,000	10,000,000	12,000,000	107,620,000
Total printed . . . . .	24,120,000	44,760,000	55,520,000	24,000,000	10,400,000	7,700,000	30,700,000	13,600,000	19,000,000	229,800,000
Being printed . . . . .	9,080,000	12,240,000	16,560,000	2,800,000	8,800,000	.....	400,000	.....	.....	49,880,000

## SCHEDULE 15.

*Amount of checks handled by the Transit Department.*

[000 omitted.]

Month.	On banks in Boston Clearing House.		Other banks in this district.		On Treasurer of United States.		On banks in other districts.		Total.	
	1920.	1919.	1920.	1919.	1920.	1919.	1920.	1919.	1920.	1919.
January . . . . .	\$751,768	\$587,933	\$433,119	\$286,910	\$28,018	\$112,282	\$83,166	\$77,578	\$1,296,071	\$1,064,703
February . . . . .	565,948	440,381	329,736	230,876	19,201	69,931	80,024	58,755	994,909	799,943
March . . . . .	666,454	534,264	445,180	309,496	29,747	61,832	95,567	77,140	1,236,948	982,732
April . . . . .	702,255	532,010	457,778	288,114	39,708	54,427	88,207	82,109	1,287,948	956,660
May . . . . .	690,999	570,704	460,120	309,498	46,614	35,486	85,825	75,292	1,283,558	990,980
June . . . . .	732,338	645,121	506,979	352,634	27,703	32,887	92,541	81,090	1,359,561	1,111,732
July . . . . .	712,995	668,824	483,756	350,064	20,149	47,180	81,073	75,507	1,297,973	1,141,575
August . . . . .	630,619	569,979	435,699	333,415	22,548	164,889	75,724	71,930	1,164,590	1,140,213
September . . . . .	650,886	638,796	463,545	391,035	16,679	35,985	82,685	82,198	1,213,795	1,148,014
October . . . . .	674,509	668,482	460,960	408,427	43,658	20,635	73,314	81,557	1,252,441	1,179,101
November . . . . .	625,662	649,347	442,702	390,445	17,778	24,819	61,162	77,355	1,147,304	1,141,966
December . . . . .	650,774	789,564	442,873	458,240	34,195	63,692	64,406	85,688	1,192,248	1,397,184
Total . . . . .	8,055,207	7,295,405	5,362,447	4,109,154	345,998	724,045	963,694	926,199	14,727,346	13,054,803

SCHEDULE 16. *Custody department — Volume of securities handled.*

[000 omitted.]

Held for	Pledged		Withdrawn		Balance at close of	
	1920.	1919.	1920.	1919.	1920.	1919.
War loan account .....	\$193,643	\$619,352	\$237,264	\$697,722	\$46,251	\$132,985
Discount department .....	1,037,607	1,624,010	1,094,876	1,637,382	77,182	190,048
Safe-keeping .....	802,038	999,461	757,965	976,319	70,214	69,045
Exchange account .....	27,011	.....	14,778	.....	12,408	.....
Total .....	2,060,299	3,242,823	2,104,883	3,311,423	206,055	392,078

SCHEDULE 17. — *Custody department — Character of securities held December, 1920.*

Collateral for	War loan account.	Exchange account.	Discounted notes.	Safe-keeping for banks only.
United States certificates of indebtedness ..	\$8,948,000	\$1,315,000	\$20,517,000	\$7,429,000
Industrial and transportation bonds .....	3,664,000	.....	.....	693,000
Bonds of foreign governments .....	1,572,000	.....	.....	.....
United States Government bonds .....	5,183,000	10,215,000	63,407,000	18,795,000
Commercial paper .....	28,057,000	.....	9,219,000	245,000
Total .....	47,424,000	11,530,000	93,143,000	27,162,000

SCHEDULE 18. *Number of time items received for collection and amounts collected.*

[000 omitted.]

Month.	ITEMS RECEIVED FROM:				Coupons Received.	Grand Total.	Amount Collected.
	Federal Reserve Banks.	Member Banks.	Discount Dept.	Total Collection Items.			
January .....	\$2,064	\$2,092	\$2,248	\$6,404	\$3,096	\$9,500	\$74,794
February .....	1,342	2,473	1,905	5,720	1,431	7,151	91,386
March .....	2,037	1,933	2,406	6,376	1,381	7,757	88,691
April .....	1,655	3,100	2,260	7,015	1,669	8,684	70,550
May .....	2,165	3,012	2,422	7,599	1,467	9,066	69,635
June .....	3,142	3,070	2,610	8,822	1,890	10,712	75,397
July .....	3,480	2,992	3,407	9,879	2,428	12,307	87,915
August .....	3,456	3,436	2,632	9,524	1,718	11,242	83,099
September .....	2,276	3,287	2,434	7,997	2,095	10,092	65,819
October .....	2,373	5,050	2,923	10,346	3,025	13,371	84,693
November .....	2,167	5,043	3,294	10,504	2,947	13,451	84,800
December .....	2,672	6,431	3,351	12,454	9,000	21,454	72,281
Total .....	28,829	41,919	31,892	102,640	32,147	134,787	949,060

## SCHEDULE 19.

## Certificates of indebtedness sales and payments.

Dated.	Due.	Rate per cent.	Allotment to sell.	Total issued.	Paid by credit.	Number of days before final withdrawal of deposits.	Paid by other issues certificates.
1920 LOAN CERTIFICATES.							
1920.	1920.						
April 1.....	July 1.....	4½	\$11,253,500	\$11,253,500	\$10,734,000	22	.....
April 15.....	July 15.....	5	7,468,000	6,615,500	6,502,000	47	.....
April 15.....	October 15.....	5½	17,508,500	15,496,500	13,527,500	47	.....
May 17.....	November 15.....	5½	8,660,000	8,718,000	8,333,000	32	.....
Total.....			44,890,000	42,083,500	39,096,500		.....
1920 TAX CERTIFICATES.							
1920.	1920.						
January 2.....	December 15.....	4½	\$64,950,000	\$52,782,500	\$45,331,500	43	\$6,118,500
February 2.....	March 15.....	4½	25,980,000	17,095,500	14,876,000	50	2,216,000
Total.....			90,930,000	70,478,000	60,207,500		8,334,500
1921 LOAN CERTIFICATES.							
1920.	1921.						
June 15.....	January 3.....	5½	\$13,900,000	\$12,470,000	\$11,288,000	30	\$523,000
July 15.....	January 15.....	5½	12,100,000	8,852,000	8,576,500	47	.....
August 16.....	August 16.....	6	12,990,000	14,042,000	13,536,000	43	.....
November 15.....	May 16.....	5½	17,320,000	18,851,000	17,758,000	31	99,500
Total.....			56,310,000	54,215,000	51,158,500		622,500
1921 TAX CERTIFICATES.							
1920.	1921.						
March 15.....	March 15.....	4½	\$17,300,000	\$10,202,000	\$9,496,000	22	\$89,000
June 15.....	June 15.....	6	20,700,000	18,475,000	16,010,000	30	1,074,500
July 15.....	March 15.....	5½	5,200,000	3,786,500	3,238,500	47	.....
September 15.....	March 15.....	5½	7,640,000	5,424,000	4,725,000	41	25,000
September 15.....	September 15.....	6	27,000,000	21,329,500	19,411,000	41	260,500
October 15.....	March 15.....	5½	8,660,000	10,059,000	9,711,500	32	182,000
December 15.....	June 15.....	5½	9,900,000	10,455,000	9,528,500	34	441,000
December 15.....	December 15.....	6	33,400,000	35,035,000	33,293,000	34	984,000
Total.....			129,800,000	114,766,000	105,413,500		3,056,000
Grand Total.....			451,730,000	281,542,500	255,876,000		12,013,000

SCHEDULE 20. *Subscriptions to certificates of indebtedness classified by states.*

State.	1920 Loan.	1921 Loan.	1920 Tax.	1921 Tax.	Total.
Maine .....	\$548,500	\$1,069,500	\$1,054,000	\$1,767,500	\$4,439,500
New Hampshire .....	630,500	1,086,500	1,015,500	2,560,500	5,293,000
Vermont .....	904,500	89,500	481,000	450,000	1,925,000
Massachusetts .....	30,125,000	37,351,000	53,320,000	81,258,500	202,054,500
Rhode Island .....	3,599,000	7,871,500	4,006,500	11,030,000	26,507,000
Connecticut .....	6,276,000	6,747,000	10,601,000	17,699,500	41,323,500
Total .....	42,083,500	54,215,000	70,478,000	114,766,000	281,542,500

SCHEDULE 21. *United States certificates of indebtedness redeemed from January 1, 1920, to December 31, 1920.*

[000 omitted.]

Dated.	Due.	Cash redemption.	Applied for tax payments.	Exchanged for new issues.	Total.
Issues maturing previous to 1920 .....		\$103			\$103
1920 Series:					
August 1, 1919	January 2, 1920	25,316		\$1,256	26,572
August 15, 1919	January 15, 1920	34,434		870	35,304
September 2, 1919	February 2, 1920	34,190		4,736	38,926
December 1, 1919	February 16, 1920	8,239		716	8,955
April 1, 1920	July 1, 1920	9,588		676	10,264
April 15, 1920	July 15, 1920	5,852		513	6,365
April 15, 1920	October 15, 1920	13,073		378	13,451
May 17, 1920	November 15, 1920	6,525		164	6,689
Tax Series 1920:					
July 15, 1919	March 15, 1920	11,392	\$489	15	11,896
September 15, 1919	March 15, 1920	2,286	546	773	3,605
September 15, 1919	September 15, 1920	52,327	722	25	53,074
December 1, 1919	March 15, 1920	4,834	278	15	5,127
December 15, 1919	June 15, 1920	42,783	2,308	408	45,499
February 2, 1920	March 15, 1920	15,629	1,154	43	16,826
January 2, 1920	December 15, 1920	60,948	1,606	994	63,548
Advance payment	unmatured issues...	160		431	591
Total .....		327,679	7,103	12,013	346,795

SCHEDULE 22. — *Items of interest from the schedules of this and other reports in connection with the fiscal operation of the United States in this District — 1920.*

RECEIPTS.	
Proceeds of sales of United States certificates of indebtedness .....	\$280,000,000
Federal taxes collected .....	470,000,000
Salvage of war materials .....	45,000,000
Transfers from other Federal Reserve banks .....	32,000,000
DISBURSEMENTS.	
Expenditures disbursed by check .....	290,000,000
Transfers to other Federal Reserve districts .....	225,000,000
Certificates of indebtedness redeemed .....	346,000,000

## SCHEDULE 23.

*Sales of Treasury savings stamps and certificates.*

[000 omitted.]

State.	Popu- lation.	Janu- ary.	Feb- ruary.	March.	April.	May.	June.	July.	August.	Sep- tember.	October.	No- vember.	De- cember.	Total.	Sales Per Capita.
Maine.....	777,000	\$45	\$20	\$19	\$7	\$6	\$6	\$11	\$11	\$12	\$7	\$13	\$17	\$174	\$0.22
New Hampshire..	444,000	60	38	49	31	21	24	20	16	18	20	13	27	337	.76
Vermont.....	364,000	19	10	14	9	7	5	6	6	3	6	6	12	103	.28
Massachusetts....	3,775,000	275	155	183	152	110	115	82	69	83	94	76	95	1,489	.38
Rhode Island.....	625,000	97	64	67	56	49	54	33	31	36	35	27	27	576	.92
Connecticut <sup>1</sup> .....	942,000	64	36	50	35	34	30	25	19	12	14	13	18	350	.37
Total.....	6,927,000	560	323	382	290	227	234	177	152	164	176	148	196	3,029	.44

<sup>1</sup> Fairfield County taken over by Second Federal Reserve District.

SCHEDULE 24.

*Liberty loan conversions.*

Bonds.	Issued.	Exchanged into						Exchanged by other Federal Reserve Banks.	Outstanding. <sup>1</sup>
		3½'s	4's	4½'s	2d 4½'s	3½'s	4½'s		
1st Loan interest certificates Allotment . . . . .	\$265,017,900	\$168,163,700	\$63,828,100	.....	.....	.....	.....	\$35,582,000	\$58,800
Other Federal Reserve banks	2,614,700	.....	.....	.....	.....	.....	.....	.....	.....
Total . . . . .	267,632,600	168,163,700	63,828,100	.....	.....	.....	.....	35,582,000	58,800
First 3½'s . . . . .	168,163,700	.....	9,390,150	\$880,550	\$304,550	.....	.....	.....	157,588,450 <sup>1</sup>
First 4's . . . . .	73,218,250	.....	.....	65,704,400	.....	.....	.....	.....	7,513,850 <sup>1</sup>
Second 4's . . . . .	408,530,000	.....	.....	363,868,850	.....	.....	.....	.....	44,661,150 <sup>1</sup>
Victory 4½'s . . . . .	317,644,500	.....	.....	.....	.....	\$10,238,100	.....	.....	307,406,400 <sup>1</sup>
Victory 3½'s . . . . .	54,265,650	.....	.....	.....	.....	.....	\$4,529,550	.....	49,736,100 <sup>1</sup>

<sup>1</sup> Difference between amount issued by this bank and amount presented for conversion.

SCHEDULE 25. *Coupons of United States obligations redeemed, 1920.*

Description.	Number.	Amount.
First Liberty loan 3½% .....	\$538,702	\$3,150,092.65
First Liberty loan conv. 4% .....	217,525	397,010.85
First Liberty loan conv. 4½% .....	341,100	1,472,802.69
First Liberty loan 2nd conv. 4½% .....	2,081	6,180.21
Second Liberty loan 4% .....	402,193	1,044,328.00
Second Liberty loan 4½% .....	924,915	8,826,710.06
Third Liberty loan 4½% .....	1,658,721	8,515,088.79
Fourth Liberty loan 4½% .....	2,647,037	18,494,715.13
Victory Liberty loan 3½% .....	37,547	1,369,910.58
Victory Liberty loan 4½% .....	1,306,904	8,836,456.49
Certificates of indebtedness .....	43,581	4,967,482.69
War finance .....	10,611	265,275.00
Other United States coupons .....	9,708	61,563.47
Totals .....	8,140,625	57,407,616.61



## SCHEDULE 26.

*Change in membership of national banks.*

City.	Name of Bank.	Date of change.	Reason.
<b>ORGANIZED.</b>			
Warren, Massachusetts.	First National Bank . . . .	March 6, 1920 . . .	New Bank
Richford, Vermont . . . .	Richford National Bank . .	March 22, 1920 . . .	Do.
Boston, Massachusetts . .	Haymarket National Bank . .	August 9, 1920 . . .	Do.
Arlington, Massachusetts	Arlington National Bank . .	December 7, 1920 . .	Do.
<b>LIQUIDATED.</b>			
Clinton, Massachusetts . .	First National Bank . . . .	March 1, 1920 . . .	Converted into Trust Company.
Northampton, Massachu- setts . . . . .	Hampshire County Na- tional Bank . . . . .	April 20, 1920 . . .	Do.
Harwich, Massachusetts	Cape Cod National Bank . .	August 1, 1920 . . .	Do.

## SCHEDULE 27.

*List of member trust companies.*

City.	Name of Bank.	Date admitted.
Bangor, Maine . . . . .	Merrill Trust Company (branches at Dexter and Jonesport) . . . . .	March 14, 1918
Portland, Maine . . . . .	Fidelity Trust Company . . . . .	March 18, 1918
Sanford, Maine . . . . .	Sanford Trust Company . . . . .	September 9, 1920
Arlington, Massachusetts . . . .	Menotomy Trust Company . . . . .	November 8, 1918
Boston, Massachusetts . . . . .	American Trust Company . . . . .	August 31, 1917
Do. . . . .	Beacon Trust Company . . . . .	January 15, 1918
Do. . . . .	Commonwealth Trust Company . . . .	February 12, 1917
Do. . . . .	Exchange Trust Company . . . . .	September 14, 1920
Do. . . . .	International Trust Company . . . . .	June 9, 1917
Do. . . . .	Liberty Trust Company . . . . .	May 1, 1918
Do. . . . .	Market Trust Company . . . . .	January 13, 1919
Do. . . . .	Massachusetts Trust Company . . . . .	December 10, 1920
Do. . . . .	Metropolitan Trust Company . . . . .	December 4, 1917
Do. . . . .	New England Trust Company . . . . .	December 10, 1918
Do. . . . .	Old Colony Trust Company . . . . .	August 24, 1915
Do. . . . .	State Street Trust Company . . . . .	January 26, 1918
Do. . . . .	United States Trust Company . . . . .	April 9, 1918
Cambridge, Massachusetts . . . .	Charles River Trust Company . . . . .	December 11, 1917
Do. . . . .	Harvard Trust Company . . . . .	March 6, 1918
Fitchburg, Massachusetts . . . .	Fitchburg Bank & Trust Company . . . .	July 26, 1917
Gloucester, Massachusetts . . . .	Gloucester Safe Deposit & Trust Company	June 4, 1919
Greenfield, Massachusetts . . . .	Franklin County Trust Company . . . .	April 21, 1919
Holyoke, Massachusetts . . . . .	Hadley Falls Trust Company . . . . .	January 19, 1918
Lawrence, Massachusetts . . . .	Merchants Trust Company . . . . .	February 27, 1918
Lynn, Massachusetts . . . . .	Security Trust Company . . . . .	September 25, 1918
New Bedford, Massachusetts . . .	New Bedford Safe Deposit & Trust Company . . . . .	June 5, 1919
Newton, Massachusetts . . . . .	Newton Trust Company . . . . .	November 5, 1917
Norwood, Massachusetts . . . . .	Norwood Trust Company . . . . .	August 11, 1917
Salem, Massachusetts . . . . .	Naumkeag Trust Company . . . . .	September 25, 1918
Waltham, Massachusetts . . . . .	Waltham Trust Company . . . . .	April 3, 1919
Winchester, Massachusetts . . . .	Winchester Trust Company . . . . .	May 29, 1917
Worcester, Massachusetts . . . .	Worcester Bank & Trust Company . . . .	December 26, 1917
Providence, Rhode Island . . . .	Industrial Trust Company (branches at Bristol, Newport, Pascoag, Pawtucket, Warren, Woonsocket, Westerly, Wick- ford) . . . . .	November 9, 1917
Do. . . . .	Rhode Island Hospital Trust Company . .	March 13, 1918
Do. . . . .	Union Trust Company (branches at East Greenwich, Olneyville) . . . . .	September 13, 1918
New Britain, Connecticut . . . .	New Britain Trust Company . . . . .	August 21, 1918
New Haven, Connecticut . . . . .	Union & New Haven Trust Company . .	December 8, 1917
South Manchester, Connecticut . .	Manchester Trust Company . . . . .	December 30, 1918
Waterbury, Connecticut . . . . .	Colonial Trust Company . . . . .	April 6, 1918

SCHEDULE 28. *Member and non-member eligible State banks compared.*

[000 omitted.]

State.	Member State banks.				Non-member eligible State banks.			
	Num-ber.	Capital.	Surplus.	Re-sources.	Num-ber.	Capital.	Surplus.	Re-sources.
Maine.....	3	\$900	\$825	\$25,685	41	\$3,355	\$2,308	\$81,093
New Hampshire.....					8	555	683	14,368
Vermont.....					27	1,601	1,501	46,467
Massachusetts.....	29	24,750	26,396	600,240	68	18,285	14,655	270,668
Rhode Island.....	3	7,000	8,500	172,007	8	1,750	2,061	37,760
Connecticut.....	4	1,550	1,225	16,763	24	4,855	3,650	79,872
Total.....	39	34,200	36,946	814,695	176	30,401	24,858	530,228

SCHEDULE 29. *Classification according to nature of business of unsecured loans of \$100,000<sup>1</sup> and over as of December 23, 1920.*

Business.	Amount.	Per Cent.
Tanners and Leather Dealers.....	\$7,270,000	9.8%
Manufacturers of Tires and Rubber Goods.....	6,650,000	9.0
Manufacturers of Autos, Trucks and Accessories.....	5,881,000	7.9
Packers and wholesale meat dealers.....	5,570,000	7.6
Manufacturers, wholesale and retail shoe dealers.....	5,005,000	6.8
Manufacturers cotton goods, yarns, etc.....	4,715,000	6.4
Manufacturers of machinery and tools.....	4,680,000	6.3
Wool, worsted, yarns, etc.....	4,265,000	5.7
Manufacturers of druggists' supplies and chemicals.....	3,970,000	5.4
Manufacturers of electrical supplies.....	3,825,000	5.2
Manufacturers of fertilizers.....	2,875,000	3.9
Manufacturers of explosives and firearms.....	2,750,000	3.7
Department, dry goods stores and mail-order houses.....	2,475,000	3.4
Stationery and office supplies.....	1,915,000	2.5
Silk, furs and clothing.....	1,810,000	2.5
Grocers and canners.....	1,715,000	2.4
Lumber, contractors' and builders' supplies.....	1,690,000	2.3
Hardware.....	1,635,000	2.2
Iron, steel and metals.....	1,300,000	1.7
Manufacturers of confectionery and cocoa.....	1,049,000	1.5
Tobacco.....	1,000,000	1.3
Farm products.....	820,000	1.2
Manufacturers of pulp and paper.....	500,000	.7
Manufacturers of musical instruments.....	400,000	.6
Total.....	73,765,000	100.0

<sup>1</sup> 226 makers borrowing \$100,000 and over make up \$73,765,000 or 79% of the total unsecured loans amounting to \$93,329,000 at close of business December 23, 1920.

## SCHEDULE 30.

*Amounts due to and loans to member banks by States, December 31, 1920 and 1919.*

[000 omitted.]

State.	Reserve Accounts.		Loans to Member Banks.				Total.		Ratio of Rediscouts to Reserve Accounts.	
			Secured.		Unsecured.					
	1920.	1919.	1920.	1919.	1920.	1919.	1920.	1919.	1920.	1919.
Maine.....	\$5,423	\$4,872	\$1,696	\$3,132	\$624	\$1,828	\$2,320	\$4,960	42.7	101.8
New Hampshire....	2,934	2,918	1,942	3,446	608	416	2,550	3,862	86.9	132.3
Vermont.....	2,164	1,885	761	1,600	533	615	1,294	2,215	59.7	117.5
Massachusetts....	85,217	90,321	57,230	84,624	83,409	76,267	140,639	160,891	165.0	178.1
Rhode Island.....	9,669	8,011	407	7,730	923	435	1,330	8,165	13.7	101.9
Connecticut.....	9,263	9,285	6,249	6,944	912	1,002	7,161	7,946	77.3	85.5
Total.....	114,670	117,292	68,285	107,476	87,009	80,563	155,294	188,039	135.4	160.3

## SCHEDULE 31.

*Reserves of national banks in New England as reported by the Comptroller of the Currency.*

[000 omitted.]

1920.	Required reserve.	Reserve carried.	Excess reserve.	1919.	Required reserve.	Reserve carried.	Excess reserve.	1918.	Required reserve.	Reserve carried.	Excess reserve.
January 1.....	\$69,254	\$73,131	\$3,877	January 1....	\$64,129	\$67,162	\$3,033	January 1.....	\$55,557	\$59,948	\$4,391
February 28....	70,912	74,644	3,732	March 4.....	60,965	64,269	3,304	March 4.....	55,866	57,001	1,135
May 4.....	72,271	77,829	5,558	May 12.....	65,967	66,219	252	May 10.....	56,021	61,274	5,253
June 30.....	73,184	76,528	3,344	June 30.....	63,810	66,421	2,611	June 29.....	56,392	54,900	1,492 <sup>1</sup>
September 8....	73,445	75,378	1,933	September 12..	69,095	70,696	1,601	August 31.....	59,041	59,032	9 <sup>1</sup>
November 15....	74,554	77,851	3,297	November 17..	69,765	75,454	5,689	November 1....	63,472	63,115	357 <sup>1</sup>

<sup>1</sup> Deficit.

SCHEDULE 32. *Comparison of loans and deposits of Boston and country banks.*  
[000 omitted.]

1920.		Loans to Member Banks. <sup>1</sup>		Reserve Deposits of Member Banks.		% of Boston to total.	
		In Boston.	All Others.	In Boston.	All Others.	Loans.	Deposit.
January	2.....	\$126,250	\$58,406	\$68,976	\$52,188	68.3%	56.9%
	9.....	104,122	55,638	71,487	54,782	65.1	52.8
	16.....	104,004	52,505	72,215	52,789	66.4	57.7
	23.....	99,196	49,624	62,970	51,184	66.6	55.1
	30.....	114,735	46,283	64,065	49,656	71.2	56.3
February	6.....	122,507	46,376	61,060	48,593	72.5	55.6
	13.....	142,989	45,542	64,590	54,377	75.8	54.2
	20.....	136,787	41,211	63,131	52,222	76.8	54.7
	27.....	139,131	41,293	68,858	52,390	77.1	56.7
March	5.....	131,241	37,098	65,106	51,778	77.9	55.7
	12.....	125,574	37,240	63,335	51,442	77.1	55.1
	19.....	122,240	36,008	62,202	52,057	77.2	54.4
	26.....	135,049	40,403	62,791	51,426	76.9	54.9
April	2.....	137,487	37,792	63,572	51,640	78.4	55.1
	9.....	111,186	35,394	63,793	51,894	75.8	55.1
	16.....	108,420	31,920	65,537	53,346	77.2	55.1
	23.....	109,661	30,865	70,032	49,190	78.0	58.7
	30.....	102,925	31,925	62,097	51,828	76.3	54.5
May	7.....	100,455	29,621	59,838	50,178	77.2	54.3
	14.....	114,617	34,833	65,357	55,825	76.6	53.9
	21.....	115,892	32,418	84,471	51,732	78.1	56.8
	28.....	113,322	36,142	66,424	53,386	75.8	55.4
June	4.....	115,785	34,128	68,669	51,517	77.2	57.1
	11.....	105,875	37,105	65,362	52,103	74.0	55.6
	18.....	106,245	33,089	61,234	54,368	76.0	52.9
	25.....	100,306	33,781	65,808	52,139	74.8	55.7
July	2.....	111,672	27,165	66,001	51,498	80.4	56.1
	9.....	99,518	25,744	67,253	50,932	79.4	56.9
	16.....	90,494	27,869	66,580	54,561	76.4	54.9
	23.....	83,496	20,379	68,631	53,401	80.3	56.2
	30.....	77,356	23,856	67,244	51,693	76.4	56.5
August	6.....	76,276	25,332	64,140	53,586	75.0	54.4
	13.....	78,512	26,370	66,615	54,493	74.8	55.0
	20.....	93,946	26,455	64,446	52,508	78.0	55.1
	27.....	93,116	25,519	64,862	53,914	78.4	54.6
September	3.....	84,622	28,721	64,082	52,798	74.6	54.8
	10.....	88,169	26,729	63,811	56,076	76.7	53.2
	17.....	82,346	25,373	65,339	55,261	76.4	54.1
	24.....	96,197	26,479	65,090	53,924	78.4	54.6
October	1.....	104,033	27,535	66,872	52,328	79.0	56.1
	8.....	103,704	26,172	64,619	51,767	79.8	54.5
	15.....	85,541	36,546	71,433	59,442	70.0	54.5
	22.....	78,706	22,444	66,600	55,282	77.8	54.6
	29.....	84,467	25,452	66,772	55,697	76.8	54.5
November	5.....	92,959	26,372	65,260	55,043	77.9	54.2
	12.....	97,782	22,961	65,159	55,455	80.9	54.0
	19.....	106,131	19,178	63,918	51,525	84.6	55.3
	26.....	113,412	31,099	61,666	51,936	78.4	54.2
December	3.....	116,907	29,641	61,940	52,052	79.7	54.3
	10.....	115,736	31,696	64,087	55,241	78.5	55.5
	17.....	112,621	30,594	64,013	53,107	78.6	54.6
	24.....	132,086	31,019	61,430	51,704	81.2	54.2
	31.....	122,009	53,962	60,719	53,951	69.3	52.9

<sup>1</sup>Does not include liability on acceptances.

## SCHEDULE 33.

## Comparison of items reported by member banks in selected cities on the first Friday of each month, 1920.

[000 omitted.]

Member Banks in Springfield, Providence, New Haven, Hartford.												
1920.	United States securities owned.	Loans secured by United States obligations.	Loans secured by other stocks and bonds.	All other loans and investments.	Total loans and investments.	Borrowed from Federal Reserve bank.	Ratio of borrowings to total loans and investments.	Net demand deposits.	Time deposits.	Government deposits.	Total deposits.	Reserve with Federal Reserve bank.
January . . . . .	\$41,906	\$21,898	\$44,532	\$208,660	\$316,996	\$15,201	4.7%	\$193,468	\$87,726	\$9,548	\$290,742	\$16,158
February . . . . .	38,165	17,343	46,295	211,218	313,021	12,882	4.1	186,946	90,723	2,114	279,783	14,941
March . . . . .	35,390	14,438	47,199	209,874	306,901	9,731	3.1	183,507	92,275	385	276,167	15,918
April . . . . .	33,399	13,812	47,391	211,450	306,052	8,203	2.6	185,327	93,604	1,188	280,119	15,219
May . . . . .	35,369	10,554	47,663	220,282	313,868	7,651	2.4	190,799	94,869	2,267	287,935	16,141
June . . . . .	35,699	9,758	45,682	220,469	311,608	7,618	2.4	187,597	94,518	1,428	283,543	16,313
July . . . . .	34,550	9,295	45,215	218,048	307,108	4,900	1.5	190,310	95,408	2,133	287,851	15,898
August . . . . .	33,893	8,702	45,152	221,177	308,924	4,955	1.6	188,297	97,853	1,106	287,256	16,705
September . . . . .	37,505	8,285	43,858	225,279	314,927	7,215	2.2	187,038	98,043	3,208	288,289	16,479
October . . . . .	37,665	8,427	45,503	219,303	310,898	6,052	1.9	193,836	98,755	4,104	296,695	16,200
November . . . . .	37,808	7,828	47,611	224,337	317,584	4,948	1.5	190,741	103,008	1,495	295,244	17,006
December . . . . .	37,615	7,774	44,496	222,355	312,240	7,816	2.5	181,201	101,694	276	283,171	16,458
Member Banks in Boston. <sup>1</sup>												
January . . . . .	\$38,767	\$76,123	\$163,798	\$516,982	\$795,670	\$126,250	15.1%	\$631,310	\$41,432	\$31,101	\$703,843	\$68,976
February . . . . .	30,305	70,683	155,661	521,151	777,800	122,507	15.7	602,631	42,872	9,985	655,488	61,061
March . . . . .	27,287	64,281	149,787	539,479	780,834	131,241	16.8	608,803	44,425	1,716	654,944	65,106
April . . . . .	20,311	59,598	147,227	542,758	769,894	137,487	17.8	593,349	39,353	5,582	638,284	63,572
May . . . . .	36,829	49,729	149,293	544,664	780,515	100,455	12.8	624,426	44,178	9,202	677,806	59,838
June . . . . .	35,789	48,057	145,098	566,406	795,350	115,785	14.5	635,551	43,095	1,974	680,620	68,669
July . . . . .	21,949	46,226	146,834	573,597	788,606	111,672	14.1	631,255	43,811	5,801	680,867	66,001
August . . . . .	19,428	42,891	138,511	570,450	771,280	76,276	9.8	636,181	42,568	3,141	681,890	64,140
September . . . . .	18,563	39,280	138,993	567,953	764,789	84,622	11.0	622,180	46,263	3,071	671,514	64,082
October . . . . .	17,077	39,790	147,850	587,702	792,419	103,283	13.0	626,128	49,912	11,034	687,074	65,997
November . . . . .	15,497	39,002	149,029	575,963	779,491	92,059	11.8	623,032	51,611	2,778	677,421	64,290
December . . . . .	15,332	39,184	147,769	563,580	765,865	116,507	15.2	586,499	49,157	1,065	636,721	60,774

<sup>1</sup>Does not include figures for state banks admitted to membership during 1920.

SCHEDULE 34. *Acceptance liability of national banks in District No. 1.*  
[000 omitted.]

1920.		1919.		1918.		1917.	
February 28	\$68,948	March 4	\$44,427	March 4	\$51,417	March 5	\$29,406
May 4	66,861	May 12	47,058	May 10	49,704	May 1	32,374
June 30	59,809	June 30	53,933	June 29	48,651	June 20	45,590
September 8	48,738	September 12	62,782	August 31	45,298	September 11	34,714
November 15	53,479	November 17	62,276	November 1	52,486	November 20	41,290
December 29	54,490	December 31	71,006	December 31	47,316	December 31	49,131

SCHEDULE 35. *Acceptance liability of all banks in District No. 1.*

Accepted by:—	Nov. 15, 1920.	Nov. 17, 1919.
National banks . . . . .	\$53,479,000	\$62,276,000
Other member banks . . . . .	22,686,000	16,681,000
Non-member banks (Massachusetts) . . . . .	2,172,000	4,627,000
Acceptance Corporations and Private Bankers . . . . .	10,193,000	21,338,000
Total . . . . .	88,530,000	104,922,000

SCHEDULE 36.—*Member banks authorized to accept drafts and bills of exchange up to 100% of their capital and surplus.*

Bank.	Location.	Granted.	Capital and surplus.
Beacon Trust Company.....	Boston, Massachusetts.....	May 8, 1918.....	\$2,000,000
Commonwealth Trust Company..	do.....	February 28, 1919	2,500,000
First National Bank.....	do.....	April 14, 1915....	33,000,000
Fourth-Atlantic National Bank..	do.....	April 24, 1918....	4,000,000
International Trust Company....	do.....	February 21, 1919	4,000,000
Merchants National Bank.....	do.....	March 30, 1916...	5,000,000
National Shawmut Bank.....	do.....	June 7, 1915.....	20,000,000
National Union Bank.....	do.....	December 11, 1917	2,000,000
Old Colony Trust Company.....	do.....	May 25, 1916....	16,000,000
Second National Bank.....	do.....	January 26, 1916..	5,000,000
Webster & Atlas National Bank	do.....	July 26, 1916....	2,000,000
State Street Trust Company.....	do.....	January 25, 1918..	4,500,000
Dedham National Bank.....	Dedham, Massachusetts....	April 11, 1918....	300,000
Massasoit-Pocasset National Bank	Fall River, do.....	November 13, 1917	1,000,000
Safety Fund National Bank.....	Fitchburg, do.....	October 5, 1917...	600,000
Hartford-Aetna National Bank...	Hartford, Connecticut.....	October 27, 1917..	4,000,000
Phoenix National Bank.....	do. do.....	July 1, 1918.....	1,500,000
First National Bank.....	New Bedford, Massachusetts	December 18, 1919	1,000,000
New Bedford Safe Deposit & Trust Company.....	do. do.....	September 12, 1919	700,000
First National Bank.....	New Haven, Connecticut...	August 3, 1920....	1,700,000
Thames National Bank.....	Norwich, do.....	August 5, 1919....	1,550,000
Canal National Bank.....	Portland, Maine.....	July 3, 1919.....	1,000,000
Portland National Bank.....	do. do.....	June 24, 1919....	600,000
Blackstone-Canal National Bank.	Providence, Rhode Island...	July 12, 1917....	1,000,000
Merchants National Bank.....	do. do.....	November 7, 1918	2,000,000
National Bank of Commerce....	do. do.....	December 24, 1919	1,700,000
Providence National Bank.....	do. do.....	December 16, 1918	1,000,000
Springfield National Bank.....	Springfield, Massachusetts...	January 25, 1918..	1,000,000
Merchants National Bank.....	Worcester, do.....	May 4, 1916.....	2,000,000



## SCHEDULE 37.

*Other accepting member banks.*

Bank.	Location.	Capital and surplus.
Abington National Bank.....	Abington, Massachusetts.....	\$100,000
First National Bank.....	Adams, Massachusetts.....	120,000
First National Granite Bank.....	Augusta, Maine.....	250,000
First National Bank.....	Bath, Maine.....	480,000
Beverly National Bank.....	Beverly, Massachusetts.....	450,000
American Trust Company.....	Boston, Massachusetts.....	3,500,000
Citizens National Bank.....	do.....	1,125,000
Massachusetts Trust Company.....	do.....	1,500,000
Mattapan National Bank.....	do.....	220,000
Metropolitan Trust Company.....	do.....	900,000
National Rockland Bank.....	do.....	800,000
National Security Bank.....	do.....	750,000
State Street Trust Company.....	do.....	4,500,000
Brockton National Bank.....	Brockton, Massachusetts.....	600,000
First National Bank.....	Brunswick, Maine.....	100,000
Howard National Bank.....	Burlington, Vermont.....	700,000
Manufacturers National Bank.....	Cambridge, Massachusetts.....	230,000
First National Bank.....	Concord, New Hampshire.....	400,000
National State Capitol Bank.....	do.....	450,000
National Bank of Fairhaven.....	Fairhaven, Massachusetts.....	150,000
Fall River National Bank.....	Fall River, Massachusetts.....	600,000
First National Bank.....	do.....	550,000
Metacomet National Bank.....	do.....	1,000,000
Cape Ann National Bank.....	Gloucester, Massachusetts.....	250,000
Gloucester National Bank.....	do.....	200,000
First National Bank.....	Haverhill, Massachusetts.....	450,000
Second National Bank.....	Malden, Massachusetts.....	245,000
Merchants National Bank.....	New Bedford, Massachusetts.....	2,500,000
North Adams National Bank.....	North Adams, Massachusetts.....	450,000
Thames National Bank.....	Norwich, Connecticut.....	1,550,000
Orange National Bank.....	Orange, Massachusetts.....	200,000
Chapman National Bank.....	Portland, Maine.....	250,000
Portland National Bank.....	do.....	600,000
Industrial Trust Company.....	Providence, Rhode Island.....	7,000,000
Mechanics National Bank.....	do.....	600,000
National Exchange Bank.....	do.....	1,250,000
Rhode Island Hospital Trust Company.....	do.....	7,000,000
Union Trust Company.....	do.....	1,500,000
Rockland National Bank.....	Rockland, Maine.....	250,000
Peoples National Bank.....	Southbridge, Massachusetts.....	125,000
Chapin National Bank.....	Springfield, Massachusetts.....	750,000
Chicopee National Bank.....	do.....	1,000,000
Third National Bank.....	do.....	1,000,000
Citizens National Bank.....	Waterbury, Connecticut.....	500,000
Mechanics National Bank.....	Worcester, Massachusetts.....	600,000

SCHEDULE 38. *Non-member accepting banks and other acceptors in this district.*

Bank.	Capital and Surplus.	Bankers.
Federal Trust Company, Boston.....	\$1,350,000	Brown Brothers & Company, Boston, Massachusetts.
Brookline Trust Company, Brookline, Massachusetts.....	400,000	Fidelity Capital Corporation, Boston, Massachusetts.
Casco Mercantile Trust Company, Portland, Maine.....	700,000	First National Corporation, Boston, Massachusetts.
Union Trust Company, Springfield, Massachusetts.....	1,500,000	Lee, Higginson & Company, Boston, Massachusetts.
		J. B. Moors & Company, Boston, Massachusetts.
		Shawmut Corporation, Boston, Massachusetts.

SCHEDULE 39. *Banks granted fiduciary powers under the Federal Reserve Act.*

Date granted.	Location.	Bank.
January 2, 1920....	Naugatuck, Connecticut.....	Naugatuck National Bank
January 14, 1920....	Boston, Massachusetts.....	Citizens National Bank
Do.....	Hartford, Connecticut.....	Hartford-Aetna National Bank
January 28, 1920....	Waterville, Maine.....	Ticonic National Bank
January 29, 1920....	Hartford, Connecticut.....	Colonial National Bank
April 22, 1920.....	Norwich, Connecticut.....	Thames National Bank
Do.....	Yarmouthport, Massachusetts....	First National Bank
May 11, 1920.....	Roxbury, Massachusetts.....	<sup>1</sup> Peoples National Bank
July 15, 1920.....	Bennington, Vermont.....	First National Bank
September 8, 1920..	Boston, Massachusetts.....	<sup>1</sup> National Shawmut Bank
October 12, 1920...	Springfield, Massachusetts.....	Third National Bank
October 27, 1920...	New Haven, Connecticut.....	New Haven Bank, N. B. A.
December 23, 1920	Rutland, Vermont.....	Baxter National Bank

<sup>1</sup>Supplementary Application.

SCHEDULE 40.

## Discount rates.

Date.	Commercial paper. Member banks collateral notes.		Agricultural and Live stock paper.	Trade Acceptances.	Commodity Paper.	Secured by Government war obligations.		Secured by United States certificates of indebtedness.	Bankers' Acceptances.
	15 days or less.	16 to 90 days.	91 days to six months.	90 days or less.	90 days or less.	15 days.	16 to 90 days.	90 days or less.	90 days or less.
1917.									
March 21.....	3½	4	5	3½ <sup>1</sup>	4	.....	.....	.....	.....
August 1.....	3½	4	5	4	4	3½	3½	.....	.....
October 23.....	3½	4	5	4	4	3½ <sup>2</sup>	3½ <sup>2</sup>	.....	.....
December 5.....	4	4½	5	4	.....	3½	4	.....	.....
December 12.....	4	5	5	4	.....	3½	4	.....	.....
1918.									
January 7.....	4	5	5	4½ <sup>6</sup>	.....	3½	4	.....	.....
April 8.....	4 <sup>3</sup>	4½ <sup>3</sup>	5	4½ <sup>6</sup>	.....	4	4½ <sup>2</sup>	.....	.....
1919.									
November 4.....	4½	4½	5	4½	.....	4½	4½	4½-4½	.....
December 12.....	4½	4½	5	4½	.....	4½	4½	4½-4½	.....
1920.									
January 3.....	4½	4½	5	4½	.....	4½	4½	4½	.....
January 23.....	6	6	6	6	.....	5½	5½	4½	5
February 27.....	6	6	6	6	.....	5½	5½	5	5
June 4.....	7	7	7	7	.....	6	6	5½	5 <sup>4</sup>

<sup>1</sup> June 27, 1917.—Trade Acceptances under 91 days 4 per cent.<sup>2</sup> October 1, 1918, to February 15, 1919, 4 per cent on customers' notes carrying coupon rate of interest and secured by fourth Liberty loan bonds.<sup>3</sup> April 12, 1919, when secured by bonds of the War Finance Corporation 15 days or less 5 per cent — 16 to 90 days 5½ per cent.<sup>4</sup> Rate discontinued.<sup>5</sup> Customers of non-member banks 4 per cent.<sup>6</sup> Trade Acceptances, 15 days or less, 4 per cent.

SCHEDULE 41.

*Money rates in Boston, 1920.<sup>1</sup>*

Kind.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.
Brokers' demand loans' . . . . .	6-10	8-10	6-10	6-8	6-8	6-8	8-9	8	8	8	8	8
Time paper secured . . . . .	6	6-8½	6-7	6½-7	6½-7½	6½-7½	7½-8	7½-8	7½-8	7½-8	7½-8	7½-8
Commercial paper discounted:												
90 days or under . . . . .	5½-6	6-7	6-7	6-7	6-7	6-8	6-8	6-8	6-8	6-8	6-8	6-8
Over 90 days . . . . .	6-7	6-7	6-7	6½-7	6-7	6-8	6½-8	6½-8	6½-8	6½-8	6½-8	6½-8
Commercial paper purchased:												
90 days or under . . . . .	5½-6	6-6½	6½-7	6½-7	7-7½	7½-8	7½-8	7½-8	7½-8	7½-8	7½-8	7½-8
Over 90 days . . . . .	6-7	6-6½	6½-7	7	7-7½	7½-8	7½-8½	7½-8½	7½-8½	7½-8	7½-8	7½-8
Bankers' acceptances:												
Endorsed . . . . .	5-5½	5½-5½	5½-5½	5½-6½	6-6½	6-6½	6½-6½	6½-6½	6½-6½	6½-6½	6½-6½	6-6½
Unendorsed . . . . .	5-5½	5½-5½	5½-6	6-6½	6½-6½	6-6½	6½-6½	6½-6½	6½-6½	6½-6½	6½-6½	6½-6½
Bank borrowings . . . . .	5½-6	5-6	5-6	6	6-6½	6-6½	6-6½	6-7	6-7	6-7	6-7	6-7
Year money . . . . .	6-6½	6-6½	6-6½	6-6½	6-6½	6-8	7½-8	7½-8	7½-8	7½-8	7½-8	7½-8
Town notes . . . . .	{ 4.39	4.66	5.49	5.46	5.65	5.90	5.95	5.79	5.93	5.92	4.98	5.34
	{ 4.85	6.00	6.05	5.94	6.30	6.95	7.00	6.85	6.39	6.25	5.73	5.74
Loans secured by U. S. war obligations . . . . .	4½-6	5½-6½	5½-6½	5½-7	5½-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7

<sup>1</sup> Period ending the 15th of each month.

## SCHEDULE 42.

*Debits to depositors' accounts by the Clearing House banks in the larger cities of this district.*

[000 omitted.]

1920.	Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Total 1920.	Total 1919.
Bangor.....	\$13,889	\$11,219	\$14,884	\$16,251	\$14,575	\$18,447	\$14,908	\$14,499	\$19,053	\$17,663	\$15,722	\$19,865	\$190,975	\$149,379
Fall River.....	40,337	39,338	48,066	38,423	43,226	48,863	35,309	34,813	35,544	32,097	36,838	34,493	467,347	431,320
Hartford.....	103,372	92,586	121,970	104,258	103,949	114,918	102,557	91,513	122,061	104,359	95,672	121,596	1,278,811	1,102,133
Holyoke.....	17,710	18,321	17,757	16,517	17,796	21,293	17,691	16,915	19,536	17,507	18,225	17,815	217,083	169,752
Lowell.....	22,143	20,520	26,256	23,870	25,463	30,607	24,162	23,391	26,641	23,927	25,029	26,064	298,073	269,840
Manchester <sup>1</sup> .....			23,004 <sup>1</sup>	21,396 <sup>1</sup>	20,136 <sup>1</sup>	26,206 <sup>1</sup>	22,805 <sup>1</sup>	20,284 <sup>1</sup>	23,221 <sup>1</sup>	20,502 <sup>1</sup>	21,388	26,462 <sup>1</sup>	225,404 <sup>1</sup>	
New Bedford...	36,057	33,139	44,200	39,736	38,767	44,966	33,210	34,202	37,364	30,603	32,190	29,529	433,963	368,308
New Haven....	82,720	69,179	95,904	78,051	81,160	100,466	85,349	74,793	93,419	82,250	80,314	92,070	1,015,675	859,295
Portland.....	30,780	27,849	37,459	34,065	33,941	43,233	33,798	34,521	45,482	43,001	38,277	44,929	447,335	352,415 <sup>2</sup>
Providence....	176,768	149,450	195,000	164,877	169,483	202,845	158,226	131,731	172,329	177,472	152,025	185,044	2,035,250	1,731,811
Springfield...	69,038	64,366	86,599	68,506	69,670	84,618	70,919	64,299	78,132	67,730	76,230	75,681	875,788	760,503
Waterbury....	31,447	30,253	28,855	29,805	30,488	36,045	29,756	27,657	38,654	36,500	29,327	39,000	387,787	362,691
Worcester.....	74,354	67,940	91,651	77,555	80,614	94,879	79,089	73,121	86,708	82,100	77,498	87,721	973,230	839,549
Total.....	698,615	624,160	808,601	691,914	709,132	841,180	684,974	621,455	774,923	715,209	677,347	773,807	8,621,317	7,396,996
Boston.....	1,357,745	1,182,700	1,551,555	1,289,818	1,246,106	1,531,188	1,207,067	1,066,693	1,388,103	1,223,852	1,226,393	1,419,800	15,691,020	14,942,024
Grand Total.	2,056,360	1,806,860	2,360,156	1,981,732	1,955,238	2,372,368	1,892,041	1,688,148	2,163,026	1,939,061	1,903,740	2,193,607	24,312,337	22,339,020

<sup>1</sup> Not included in total.<sup>2</sup> Estimated.

SCHEDULE 43. *Permits for new construction in the leading cities of New England.*

City.	1920.		1919.		Per cent change in year.
	Number.	Amount.	Number.	Amount.	
Brockton.....	434	\$1,044,879	358	\$826,857	+26.37
Fall River.....	366	2,112,905	264	1,103,870	+91.41
Fitchburg.....	213	1,472,432	234	812,311	+81.26
Hartford.....	679	9,074,216	812	7,935,923	+14.34
Lawrence.....	302	1,881,190	338	1,366,313	+37.68
Lowell.....	420	4,054,075	501	2,565,090	+58.05
Lynn.....	401	636,463	399	1,124,351	-43.39
Manchester, N. H.....	313	2,159,538	385	1,326,176	+62.84
New Bedford.....	184	4,239,326	574	5,026,952	-15.67
New Haven.....	643	3,512,902	849	6,459,252	-45.61
Portland.....	258	412,010	314	1,587,033	-74.04
Springfield.....	922	5,061,413	1,022	3,773,293	+34.14
Worcester.....	1,113	3,681,787	1,432	5,624,911	-34.54
Total outside of Boston....	6,248	39,343,136	7,482	39,532,332	- .48
Boston.....	1,045	17,473,132	1,237	13,936,206	+25.37
Total.....	7,293	56,816,268	8,719	53,468,538	+ 6.26

SCHEDULE 44. *Imports and exports through the port of Boston, 1920.*

[000 omitted.]

Month, 1920.	Exports.	Imports.	Excess of Imports.
January.....	\$19,187	\$46,749	\$27,562
February.....	9,573	48,419	38,846
March.....	17,867	60,199	42,332
April.....	16,147	54,401	38,254
May.....	23,416	21,489	1,927 <sup>1</sup>
June.....	21,026	39,749	18,723
July.....	14,727	29,256	14,529
August.....	12,671	35,131	22,460
September.....	15,210	16,368	1,158
October.....	15,179	14,441	738 <sup>1</sup>
November.....	13,214	14,058	844
December.....	14,585	12,492	2,093 <sup>1</sup>
Total.....	192,802	392,752	199,950

<sup>1</sup>Excess of exports.SCHEDULE 45. *Commercial failures in New England.*

State.	1920.		1919.		1918.		1917.	
	No.	Liabilities.	No.	Liabilities.	No.	Liabilities.	No.	Liabilities.
Maine.....	74	\$1,373,049	85	\$717,703	135	\$1,516,696	151	\$1,424,353
New Hampshire.....	36	252,096	20	165,279	38	243,919	49	380,768
Vermont.....	19	420,044	15	594,239	36	363,240	48	422,831
Massachusetts.....	443	10,970,133	427	7,402,927	739	13,010,340	395	10,777,064
Rhode Island.....	81	339,346	71	999,877	124	683,456	105	503,488
Connecticut.....	230	6,979,424	194	2,932,462	272	4,067,709	319	8,642,146
Total.....	883	20,334,092	812	12,812,487	1,344	19,885,360	1,067	22,150,650

SCHEDULE 46.— *Number of employees in the various departments December 31, 1920, and December 31, 1919.*

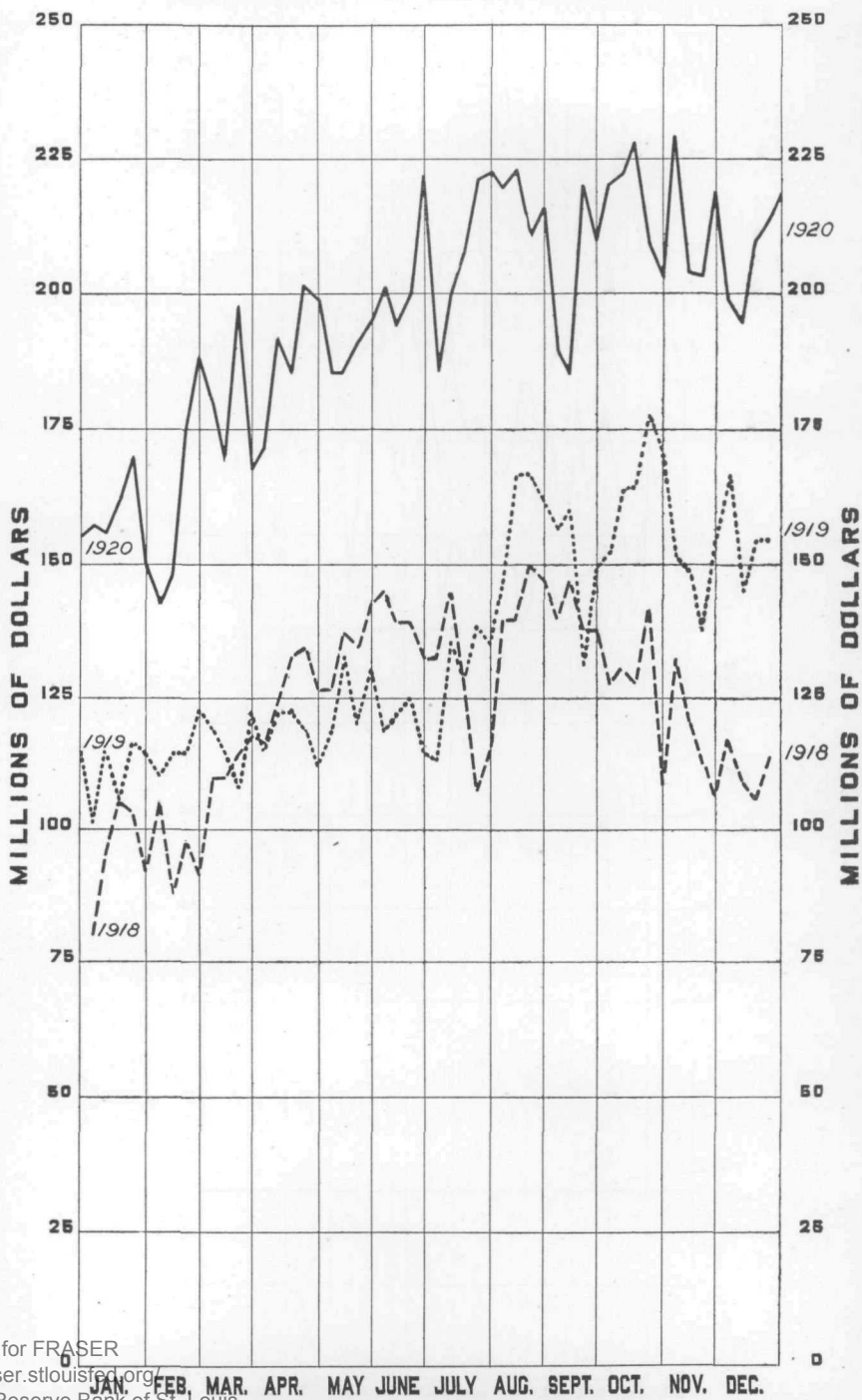
Department.	1920.			1919.		
	Male.	Female.	Total.	Male.	Female.	Total.
<b>BANK:</b>						
Officers' .....	13	—	13	12	—	12
Federal Reserve agent's .....	10	12	22	5	9	14
Chief clerk's .....	1	2	3	1	2	3
Auditing .....	15	3	18	11	2	13
Adjustment .....	5	1	6	4	1	5
Expense .....	1	2	3	1	4	5
Money .....	28	102	130	18	86	104
Bookkeeping .....	17	16	33	20	12	32
Discount .....	10	16	26	11	18	29
Note teller's .....	2	1	3	1	1	2
Collection .....	11	12	23	6	3	9
Wire transfer .....	2	4	6	1	3	4
Collateral .....	6	13	19	8	14	22
Chauffeur's .....	2	—	2	2	—	2
General .....	25	13	38	11	11	22
Watchmen's .....	21	—	21	11	—	11
Purchasing agent's .....	2	4	6	2	3	5
Custodian of records .....	3	—	3	2	—	2
Registered mail .....	2	1	3	2	1	3
Investment .....	1	1	2	—	—	—
Legal .....	1	—	1	1	—	1
Return teller's .....	2	3	5	3	3	6
<b>Total .....</b>	<b>180</b>	<b>206</b>	<b>386</b>	<b>133</b>	<b>173</b>	<b>306</b>
<b>TRANSIT DEPARTMENT:</b>						
New England .....	76	61	137	65	59	124
New England night force .....	31	—	31	25	—	25
City .....	19	—	19	20	—	20
City night force .....	7	—	7	11	—	11
Government checks .....	1	5	6	1	6	7
Mailing .....	9	—	9	—	—	—
<b>Total .....</b>	<b>143</b>	<b>66</b>	<b>209</b>	<b>122</b>	<b>65</b>	<b>187</b>
<b>BOND (FISCAL AGENCY):</b>						
Bond .....	63	92	155	55	73	128
Certificate of indebtedness .....	3	1	4	7	1	8
<b>Total .....</b>	<b>66</b>	<b>93</b>	<b>159</b>	<b>62</b>	<b>74</b>	<b>136</b>
<b>Grand Total .....</b>	<b>389</b>	<b>365</b>	<b>754</b> <sup>1</sup>	<b>317</b>	<b>312</b>	<b>629</b> <sup>2</sup>

<sup>1</sup>Does not include 22 employees of War Savings Organization.<sup>2</sup>Does not include 126 employees of War Savings Organization.

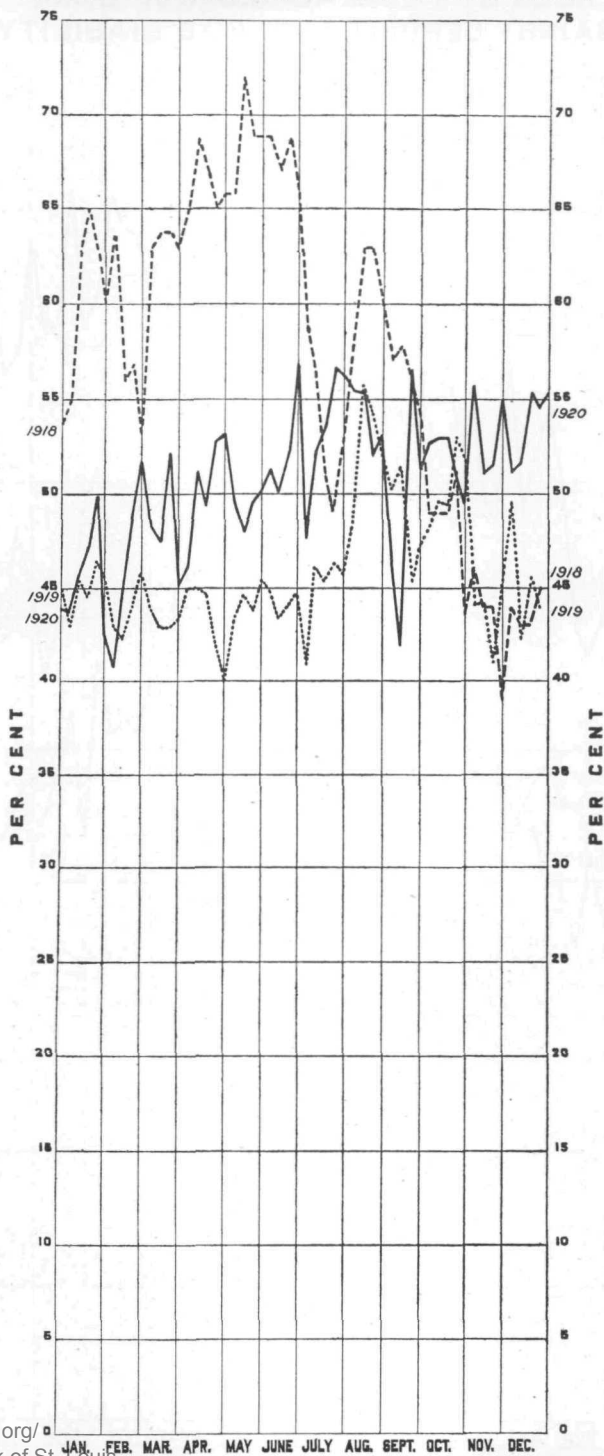


CHART A.

# **CASH RESERVE HELD BY FEDERAL RESERVE BANK AGAINST DEPOSIT AND NOTE LIABILITY**



## CHART B.

PERCENTAGE OF CASH RESERVE ACTUALLY HELD  
AGAINST COMBINED DEPOSIT AND NOTE LIABILITY

## CHART C.

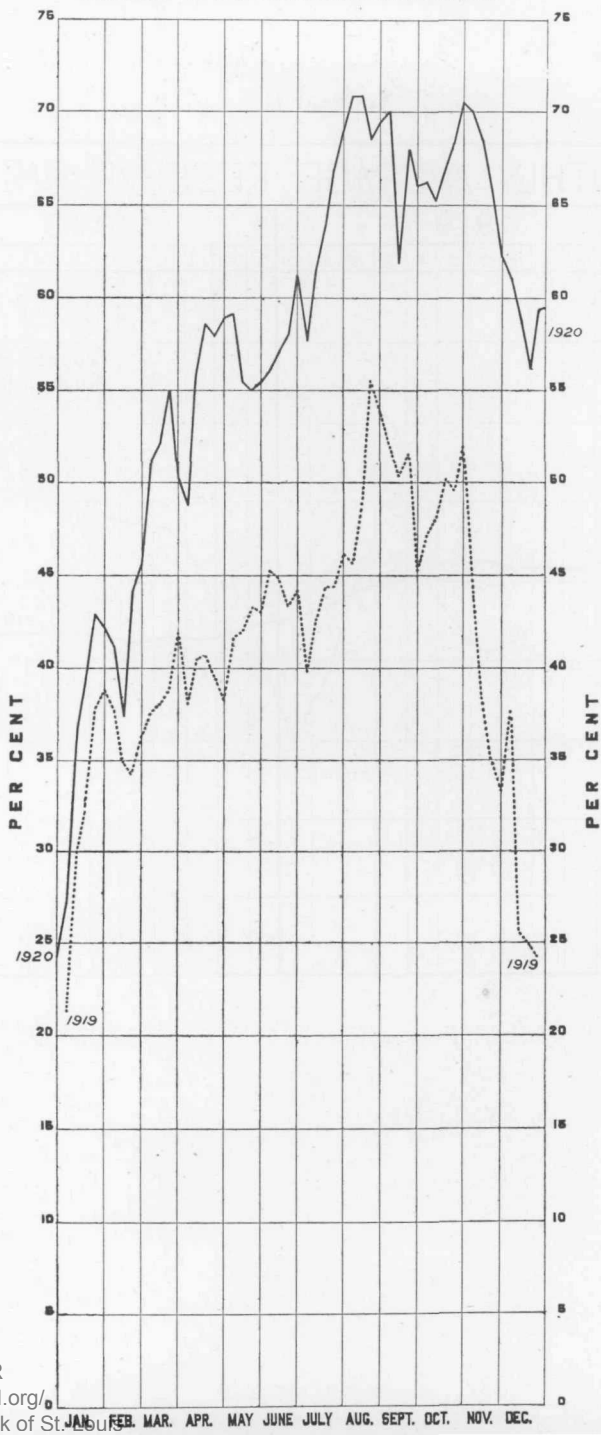
**ADJUSTED PERCENTAGE OF RESERVE  
AGAINST DEPOSIT AND NOTE LIABILITY***Transactions with other Federal Reserve Banks eliminated*

CHART D.

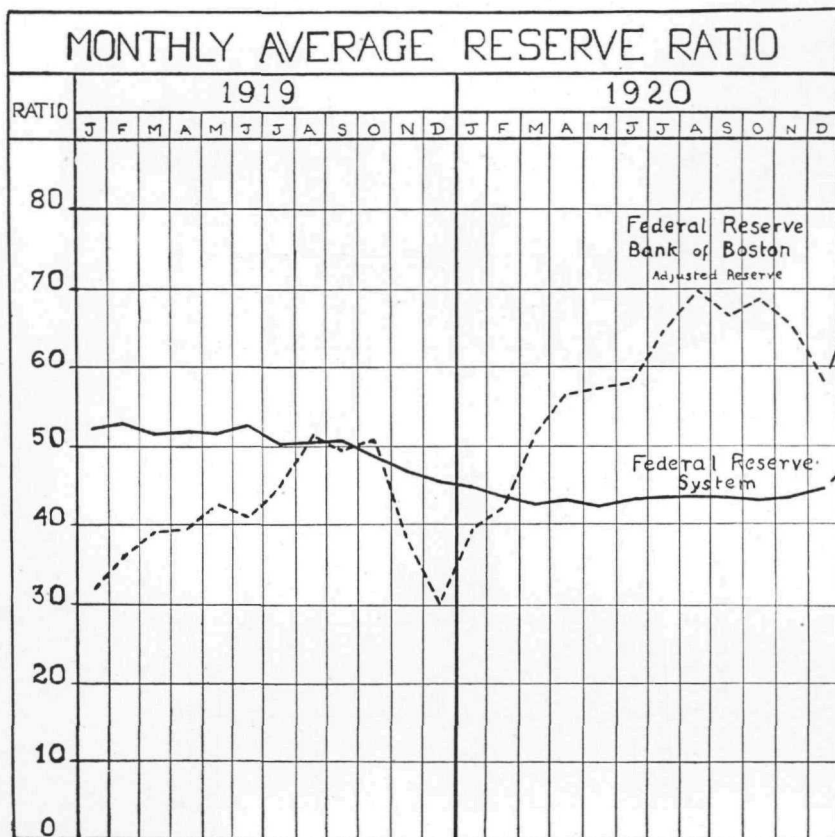


CHART E.

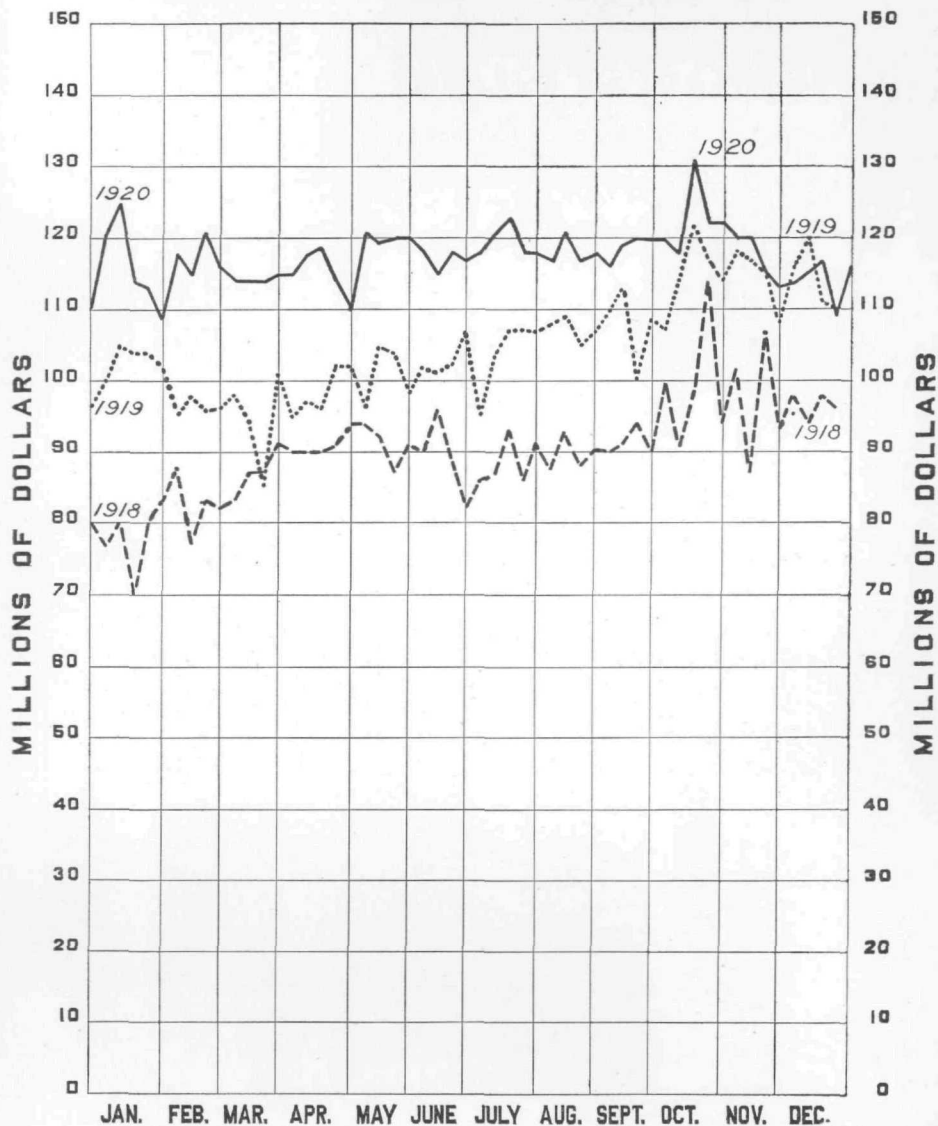
**RESERVE ACCOUNTS OF MEMBER BANKS  
CARRIED IN FEDERAL RESERVE BANK**

CHART F.

# FEDERAL RESERVE NOTES IN ACTUAL CIRCULATION

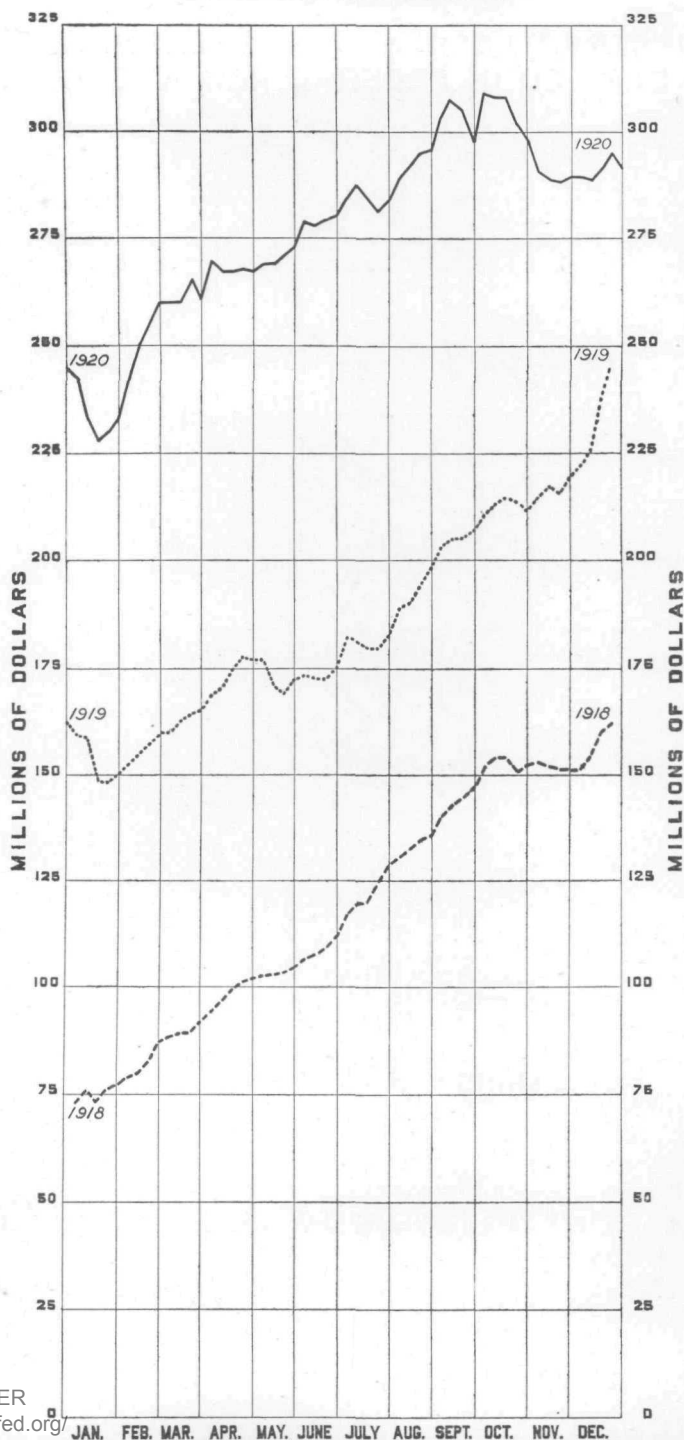


CHART G.

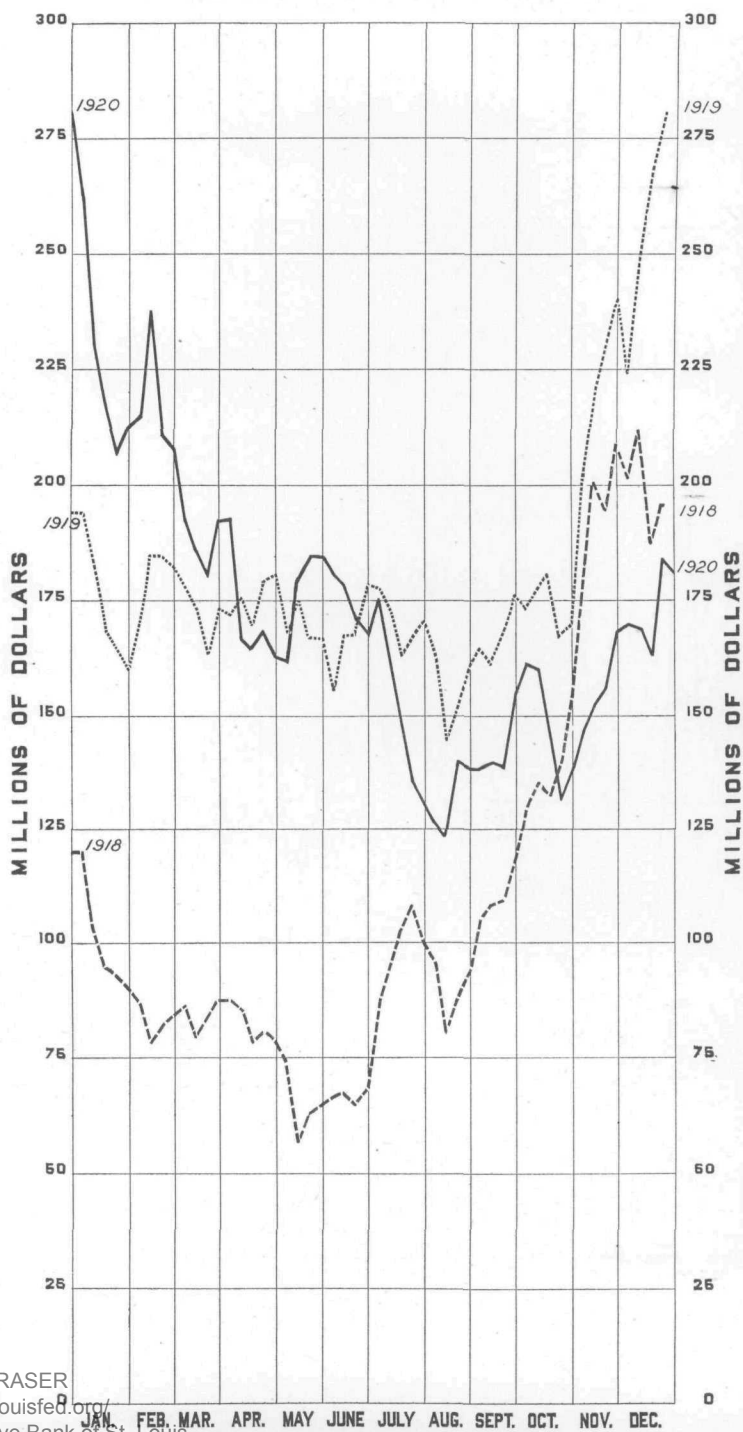
**BILLS DISCOUNTED AND BOUGHT**ELIMINATING TRANSACTIONS  
WITH OTHER FEDERAL RESERVE BANKS



CHART H.

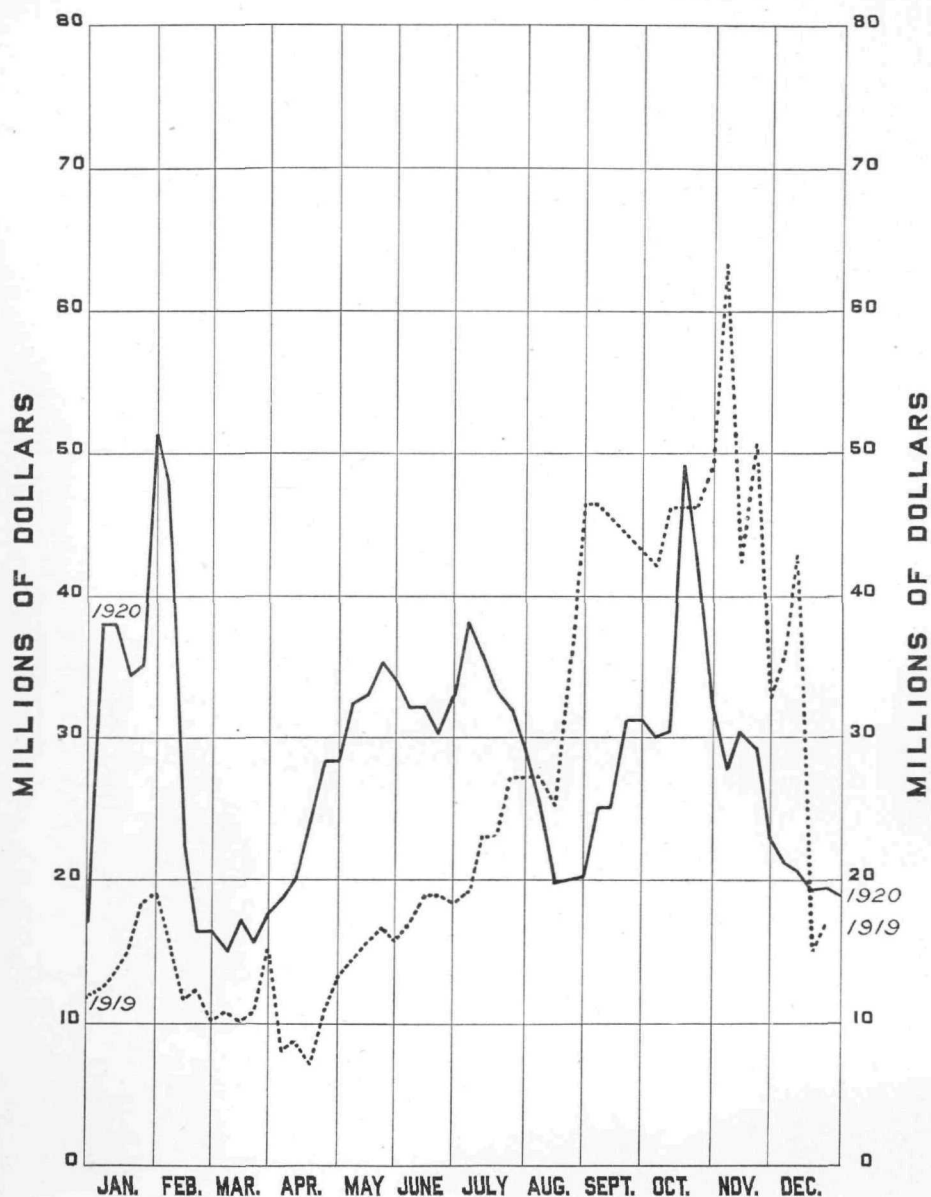
**HOLDINGS OF ACCEPTANCES  
PURCHASED IN THE OPEN MARKET**

CHART I.

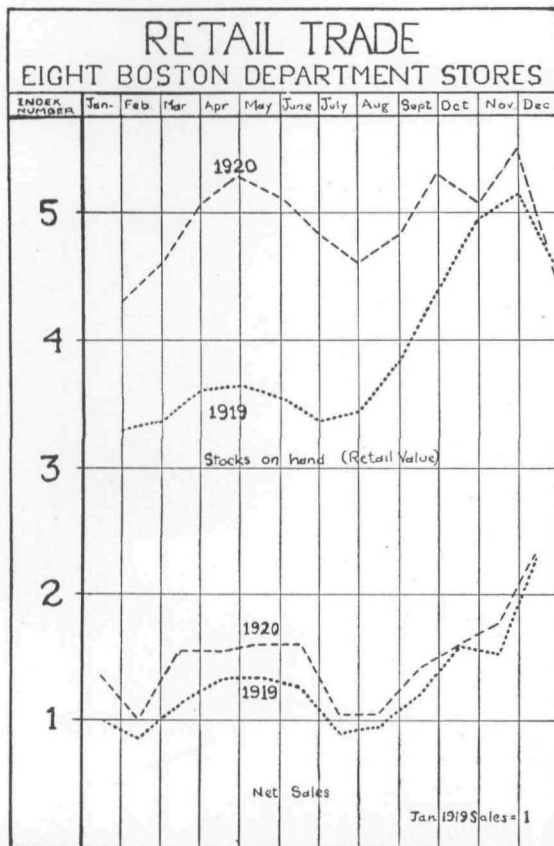
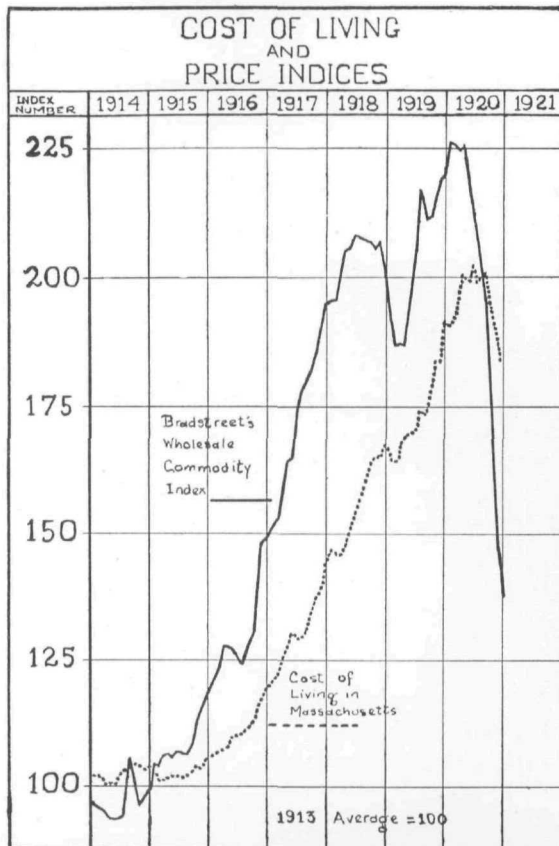


CHART J.





THE FOLLOWING EXHIBITS WERE PREPARED  
BY THE FEDERAL RESERVE BOARD  
FOR INSERTION IN THIS REPORT

EXHIBIT A—*Movement of Principal Earning Assets, Reserves, Federal Reserve Note and the calendar*

[000 omitted.]

Date, 1920.	Total earning assets.	Total held.	Dis- counted for other Federal Reserve banks.	Discounted bills.		
				Discounted for member banks in this district.		
				A.	B.	C.
				Total.	Secured by govern- ment war obligations.	Per cent B ÷ A.
January 2.....	\$237,434	\$184,656		\$184,656	\$123,914	67.1
January 9.....	220,358	159,760		159,760	105,100	65.8
January 16.....	217,622	156,509		156,509	108,935	69.6
January 23.....	206,674	148,820		148,820	105,562	70.9
January 30.....	234,964	161,018		161,018	112,933	70.1
February 6.....	240,141	168,883		168,883	116,703	69.1
February 13.....	235,681	188,531		188,531	106,651	56.6
February 20.....	216,538	177,998		177,998	100,581	56.5
February 27.....	218,642	180,424		180,424	104,470	57.9
March 5.....	226,167	188,339	\$20,000	168,339	97,509	57.9
March 12.....	232,239	192,815	30,000	162,815	98,917	60.8
March 19.....	211,311	173,242	14,995	158,247	88,339	55.8
March 26.....	235,795	195,865	23,399	172,466	90,746	52.6
April 2.....	235,146	185,417	11,463	173,954	85,811	49.3
April 9.....	213,817	163,760	18,000	145,760	77,695	53.3
April 16.....	223,110	176,260	35,920	140,340	83,017	59.2
April 23.....	210,415	160,786	20,260	140,526	75,866	54.0
April 30.....	207,798	157,085	22,126	134,959	82,885	61.4
May 7.....	220,828	166,056	35,980	130,076	79,645	61.2
May 14.....	233,927	178,740	29,290	149,450	88,945	59.5
May 21.....	227,103	169,814	21,503	148,311	91,753	61.9
May 28.....	226,690	169,830	20,366	149,464	94,758	63.4
June 4.....	222,934	168,366	17,402	150,964	88,498	58.6
June 11.....	225,126	170,318	27,117	143,201	83,994	58.7
June 18.....	212,436	159,868	20,533	139,335	76,778	55.1
June 25.....	201,896	146,216	12,128	134,088	76,196	56.8
July 2.....	238,542	178,215	34,461	143,754	78,349	54.5
July 9.....	224,338	166,168	35,994	130,174	67,058	51.5
July 16.....	210,624	152,643	34,280	118,363	58,872	49.7
July 23.....	203,059	144,728	36,495	108,233	58,100	53.7
July 30.....	205,701	149,581	44,923	104,658	61,766	59.0
August 6.....	210,773	163,661	59,514	104,147	62,139	59.7
August 13.....	213,637	166,754	60,429	106,325	61,937	58.2
August 20.....	230,185	188,306	67,916	120,390	70,086	58.2
August 27.....	227,731	185,546	66,911	118,635	66,905	56.4
September 3.....	257,769	210,357	97,014	113,343	61,165	54.0
September 10.....	266,945	187,711	72,812	114,899	62,404	54.3
September 17.....	206,853	153,627	45,308	108,319	60,699	56.0
September 24.....	236,470	183,331	60,655	122,676	61,743	50.3
October 1.....	236,388	184,212	52,641	131,571	59,037	44.9
October 8.....	234,523	182,325	52,450	129,875	60,970	46.9
October 15.....	237,923	155,288	43,694	111,594	47,253	42.3
October 22.....	240,195	174,079	72,926	101,153	51,464	50.9
October 29.....	245,182	191,117	81,199	109,918	53,341	48.5
November 5.....	220,055	170,719	51,389	119,330	58,254	48.8
November 12.....	235,653	183,157	55,414	127,743	62,375	48.8
November 19.....	231,414	167,931	35,604	132,327	59,241	44.8
November 26.....	220,098	172,165	27,217	144,948	65,994	45.5
December 3.....	238,856	172,296	24,749	147,547	66,097	44.8
December 10.....	231,802	165,228	17,796	147,432	67,976	46.1
December 17.....	210,911	158,514	15,298	143,216	67,371	47.0
December 23.....	223,275	181,928	19,926	162,002	68,618	42.4
December 30.....	220,324	178,543	16,575	161,968	68,741	42.4

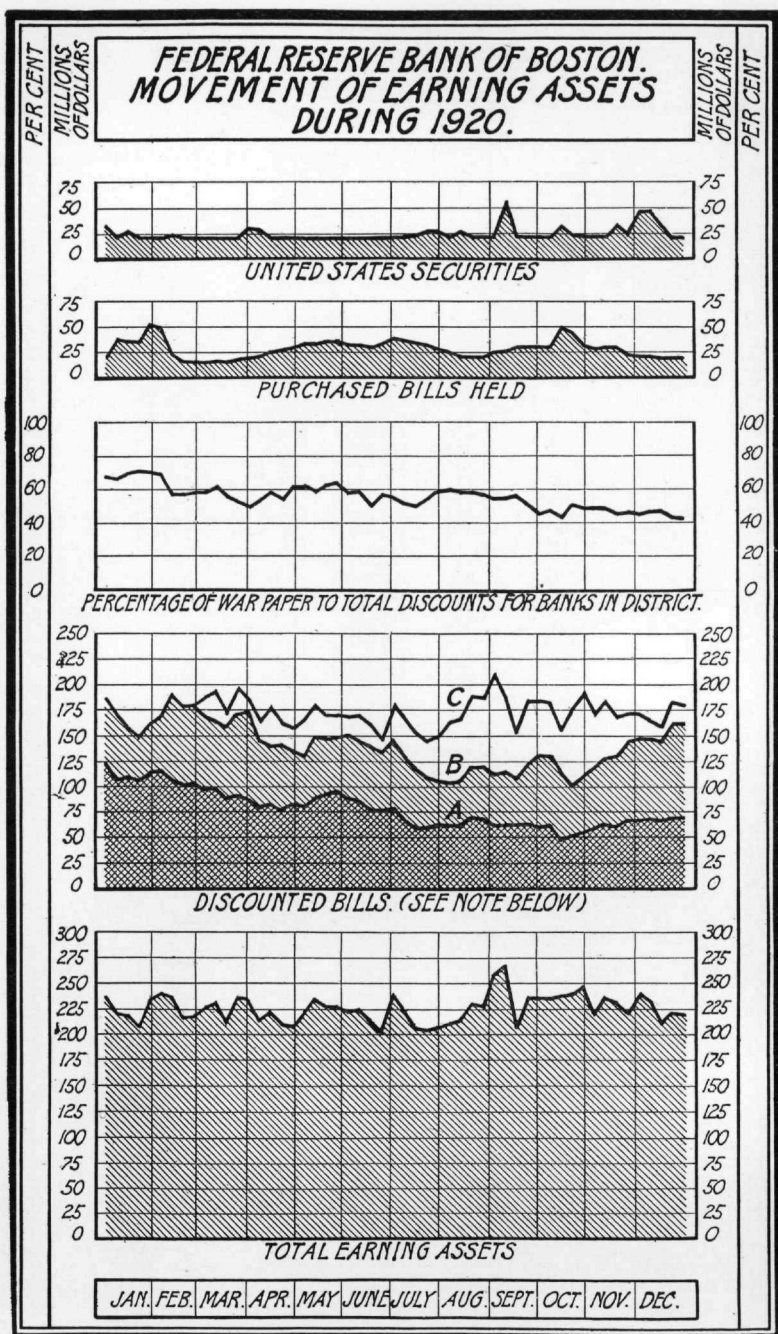
*Deposit Liabilities, and Reserve Percentages of the Federal Reserve Bank of Boston during year 1920.*

[000 omitted.]

Purchased bills.							Reserve Percentage.	
Acceptances purchased in open market.	Acceptances sold to other Federal Reserve banks. <sup>1</sup>	Total acceptances held.	U. S. Securities.	Total cash reserves.	Net Deposits.	Federal Reserve notes in circulation.	Actual.	Adjusted. <sup>2</sup>
\$77,483	\$58,849	\$18,634	\$34,144	\$157,502	\$116,845	\$243,368	43.7	27.4
69,237	30,953	38,284	22,314	156,291	108,150	233,500	45.7	36.7
61,864	27,364	34,500	26,613	164,169	118,800	228,164	47.3	39.4
59,243	23,819	35,424	22,430	171,466	112,397	230,999	49.9	43.0
52,532	1,021	51,511	22,435	149,326	115,332	234,991	42.6	42.3
47,122	+1,755	48,877	22,381	142,366	105,903	242,256	40.9	41.4
39,997	17,013	22,984	24,166	147,689	99,274	249,453	42.4	37.5
33,430	17,013	16,417	22,123	175,843	103,833	254,247	49.1	44.4
28,002	11,923	16,079	22,139	188,717	113,970	259,702	50.5	47.3
25,648	10,185	15,463	22,365	181,686	115,059	260,275	48.4	51.0
24,501	7,439	17,062	22,362	170,953	110,912	260,873	46.0	52.0
20,470	4,542	15,928	22,141	198,238	114,112	265,045	52.3	55.0
20,774	2,985	17,789	22,141	168,044	111,944	261,697	45.0	50.4
19,854	1,325	18,529	31,200	173,745	107,434	270,466	46.0	48.7
21,672	820	20,852	29,205	192,008	107,808	267,284	51.2	55.8
24,934	373	24,561	22,289	186,796	113,173	266,020	49.2	58.6
27,400	.....	27,400	22,229	201,436	113,658	267,634	52.8	58.1
28,583	.....	28,583	22,130	199,847	110,219	266,568	53.1	58.9
32,652	.....	32,652	22,120	185,766	105,529	269,740	49.5	59.1
33,099	.....	33,099	22,088	185,633	118,623	269,531	47.8	55.4
35,143	.....	35,143	22,146	191,814	115,369	271,516	49.6	55.1
34,746	.....	34,746	22,114	195,591	116,153	273,944	50.1	55.4
32,253	.....	32,253	22,315	201,772	113,699	278,353	51.5	55.9
32,478	.....	32,478	22,330	194,334	108,912	277,997	50.2	57.2
30,241	.....	30,241	22,327	199,568	100,284	279,083	52.6	58.0
28,181	+5,002	33,183	22,497	222,362	111,189	280,617	56.8	61.1
33,132	+4,918	38,050	22,277	186,876	108,349	284,496	47.6	57.6
30,992	+4,918	35,910	22,260	200,263	104,738	287,332	51.1	61.5
28,820	+4,918	33,738	24,243	207,898	102,080	284,369	53.8	63.9
27,270	+4,351	31,621	26,710	222,535	110,536	282,284	56.7	67.1
25,456	+3,445	28,901	27,219	223,849	111,636	284,842	56.5	68.7
22,491	+2,518	25,009	22,103	221,145	108,497	289,872	55.5	71.1
18,352	+1,444	19,796	27,087	223,008	110,315	292,189	55.4	70.2
19,734	.....	19,734	22,145	211,771	112,263	294,550	52.1	68.5
20,116	.....	20,116	22,069	216,828	112,544	296,131	53.1	69.4
25,383	.....	25,383	22,029	190,656	108,541	303,206	46.3	69.9
25,502	.....	25,502	53,732	185,804	109,581	307,079	44.6	62.1
31,066	.....	31,066	22,160	221,616	85,410	305,693	56.7	68.2
30,780	.....	30,780	22,359	210,203	111,001	298,249	51.4	66.2
30,038	.....	30,038	22,138	221,998	111,188	309,586	52.8	65.3
30,045	.....	30,045	22,153	223,048	110,739	308,936	53.1	65.6
34,494	+15,000	49,494	33,141	228,072	119,622	308,155	53.3	67.0
29,931	+12,970	42,901	23,215	211,017	110,814	301,833	51.1	72.0
28,788	+3,197	31,985	22,080	203,175	113,336	296,168	49.6	70.2
27,294	.....	27,294	22,042	229,518	116,331	293,735	56.0	68.5
23,247	+7,000	30,247	22,249	204,048	110,363	289,041	51.1	66.7
22,852	+7,017	29,869	33,614	204,113	106,513	288,696	51.6	62.4
22,618	+437	23,055	24,878	219,490	108,853	290,116	55.0	61.9
21,391	.....	21,391	45,169	198,880	106,805	290,251	50.1	56.3
20,899	.....	20,899	45,675	204,520	105,794	289,134	51.8	56.3
19,282	.....	19,282	33,115	210,562	85,629	293,067	55.6	59.6
19,229	.....	19,229	22,118	214,355	99,015	295,140	54.4	59.4
19,532	.....	19,532	22,249	219,158	104,893	291,196	55.3	59.5

<sup>1</sup> Plus sign indicates net amounts bought from other Federal Reserve banks.<sup>2</sup> Adjusted percentages are calculated after increasing or reducing reserves held by the amount of accommodation extended to or received from other Federal Reserve banks.

## EXHIBIT B



NOTE: A—Paper secured by Government war obligations discounted for banks in District.

B—Total paper discounted for banks in District.

C—Total discounted paper held. Space between lines B and C represents paper discounted for other Federal Reserve Banks.

## EXHIBIT C

