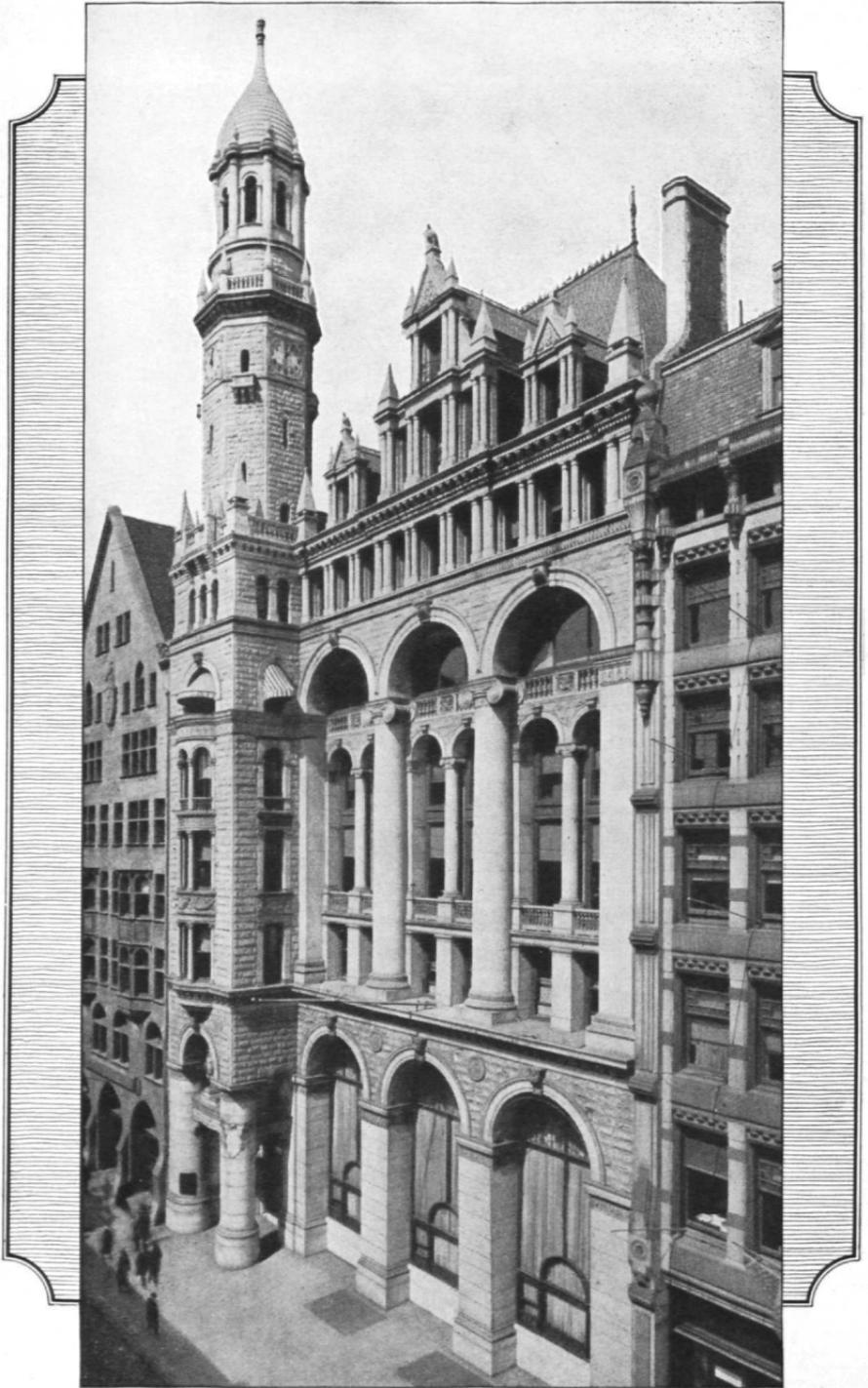


FIFTH ANNUAL REPORT
of the
FEDERAL RESERVE BANK
OF PHILADELPHIA



FOR THE YEAR ENDING
DECEMBER 31, 1919



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PUBLISHED BY THE BANK

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Fifth Annual Report of the Federal Reserve Bank of Philadelphia

The reserve ratio of this Bank hovered between 40 and 45 per cent all the year, the higher percentages being prevalent early in the year. The cash reserve in 1919 averaged approximately \$130,000,000 as compared to \$150,000,000 in 1918. Federal reserve note liabilities held fairly steady at levels considerably in excess of the average figures for 1918, and deposit liabilities were also larger.

The demands on the Bank for loans and discounts to carry the large amount of subscriptions to Government bonds, notes and certificates received from this district, so reduced its reserve that it was compelled to rediscount constantly throughout the year.

The table which appears below gives weekly figures showing items of interest in connection with the reserve position. An illustrative chart shows the reserve position during the past year.

Reserve Position

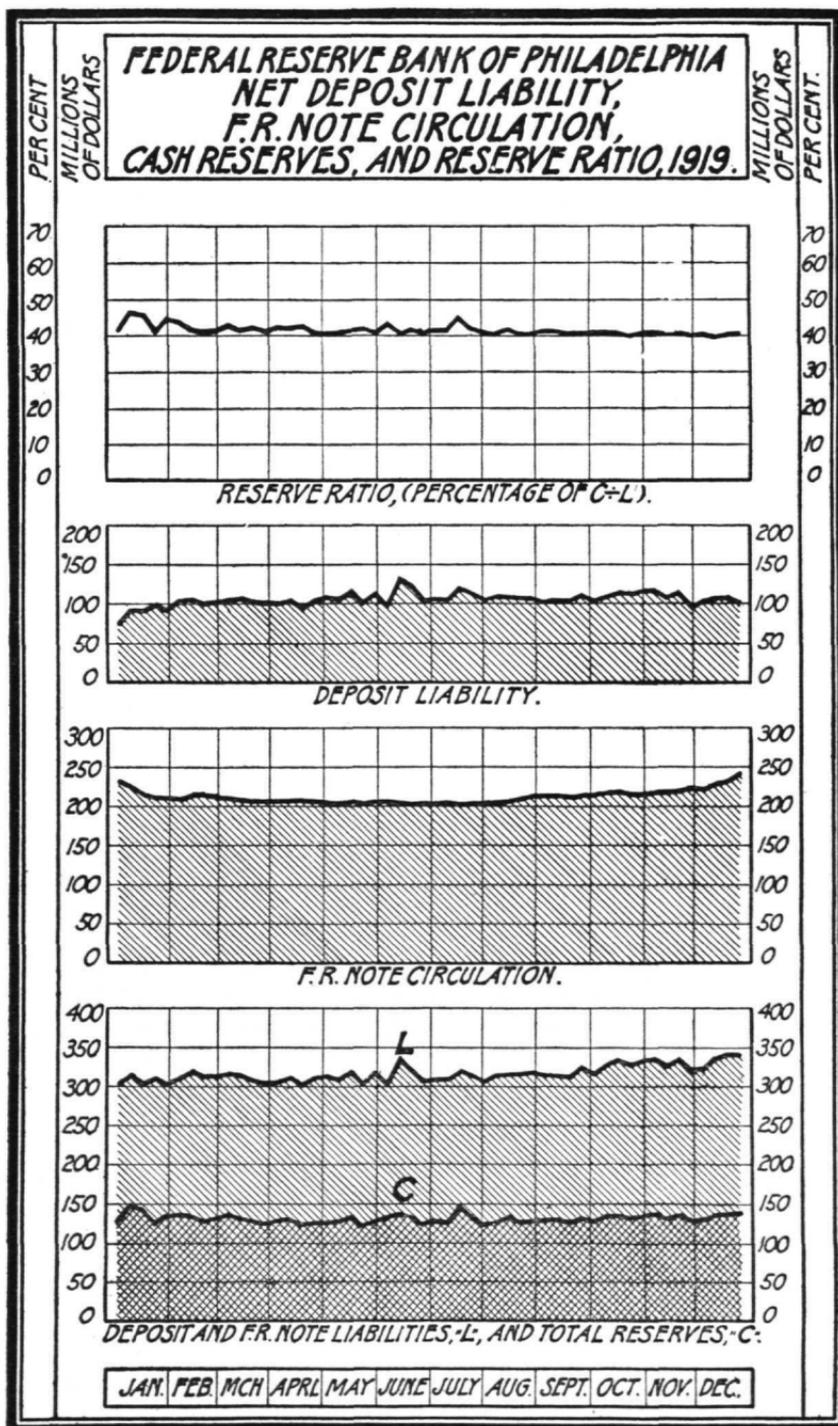
(000's omitted)

1919	Gold held	Total cash	Net deposits	Federal reserve note circulation	Net liability	Reserve ratio	Contingent liability	
Jan.	3	\$126,545	\$127,889	\$72,661	\$231,372	\$304,033	42.1	\$22,833
	10	144,860	146,513	91,171	224,109	315,280	46.5	22,068
	17	138,877	141,128	89,604	216,301	305,905	46.1	13,066
	24	125,847	127,138	99,205	211,250	310,455	41.0	4,424
	31	134,823	135,252	91,818	209,920	301,738	44.8	11,686
Feb.	7	135,316	135,695	102,530	208,865	311,395	43.6	6,122
	14	132,371	132,670	105,315	214,301	319,616	41.5	10,000
	21	128,593	128,979	99,441	213,258	312,699	41.2	14,600
	28	129,448	129,751	103,283	210,768	314,051	41.3	19,700
Mar.	7	134,661	134,872	106,296	210,099	316,395	42.6	11,500
	14	130,357	130,665	107,540	206,956	314,496	41.5	15,000
	21	128,120	128,476	101,717	205,885	307,602	41.8	30,000
	28	125,569	125,893	99,609	206,086	305,695	41.2	31,370
April	4	128,701	128,930	100,383	206,696	307,079	42.0	43,250
	11	129,980	130,256	104,593	206,336	310,929	41.9	45,950
	18	126,010	126,331	92,683	208,296	300,979	42.0	36,330
	25	125,952	126,595	104,601	206,594	311,195	40.7	29,496
May	2	125,699	126,521	108,078	204,468	312,454	40.5	35,216
	9	126,489	126,907	106,401	203,709	310,110	40.9	31,685
	16	130,575	130,967	114,441	204,912	319,353	41.0	25,315
	23	123,831	124,402	99,165	201,362	300,527	41.4	27,341
	29	127,340	127,643	111,132	205,734	316,866	40.3	35,533
June	6	131,239	131,514	96,831	207,352	304,183	43.2	35,281
	13	135,777	136,051	130,457	203,710	334,167	40.7	36,366
	20	132,637	132,887	120,262	200,619	320,881	41.4	56,966
	27	124,622	124,873	104,414	203,703	308,117	40.5	57,966
July	3	127,492	127,740	105,339	203,310	308,649	41.4	35,983
	11	127,448	127,813	105,259	204,046	309,305	41.3	39,875
	18	144,514	144,755	118,872	201,957	320,829	45.1	38,845
	25	131,305	131,461	111,864	201,693	313,557	41.9	34,900

FIFTH ANNUAL REPORT FEDERAL RESERVE BANK OF PHILADELPHIA

Reserve Position (Continued)
(000's omitted)

1919	Gold held	Total cash	Net deposits	Federal reserve note circulation	Net liability	Reserve ratio	Contingent liability
Aug. 1	\$124,870	\$125,192	\$103,994	\$203,665	\$307,659	40.7	\$38,250
8	126,123	126,357	109,575	204,697	314,272	40.2	24,750
15	131,430	131,620	107,905	208,136	316,041	41.6	17,970
22	127,717	127,987	107,897	208,527	316,424	40.4	16,990
29	128,288	128,463	105,542	212,752	318,294	40.4	20,930
Sept. 5	129,823	130,006	101,764	212,863	314,627	41.3	21,811
12	128,306	128,542	102,378	213,103	315,481	40.7	7,000
19	126,553	126,861	102,690	211,378	314,068	40.4	23,627
26	129,732	130,007	110,400	212,579	322,979	40.3	18,295
Oct. 3	128,490	128,731	103,339	213,801	317,140	40.6	17,625
10	131,852	132,118	109,087	216,987	326,074	40.5	9,850
17	133,719	133,958	112,779	219,271	332,050	40.3	19,410
24	130,969	131,122	111,283	216,396	327,679	40.0	12,815
31	134,800	135,026	115,902	216,293	332,195	40.6	23,447
Nov. 7	136,152	136,342	116,139	219,870	336,009	40.6	16,025
14	131,989	132,150	107,846	220,593	328,439	40.2	21,155
21	133,610	134,055	112,384	219,689	332,073	40.4	20,370
28	128,222	128,699	97,128	223,051	320,179	40.2	23,500
Dec. 5	131,010	131,487	101,747	222,612	324,359	40.5	24,350
12	134,185	134,734	107,674	229,076	336,750	40.0	14,900
19	137,093	137,637	107,906	233,241	341,147	40.3	21,100
26	138,341	138,880	99,840	240,273	340,113	40.8	27,615



Discount Rates

The discount rates established early in 1918 were continued in force until November 6, 1919. In April of this year a rate was quoted on collateral notes of member banks and rediscounts secured by bonds of the War Finance Corporation. This latter rate was set at 1 per cent above the rate prevailing on commercial paper of the same maturity, as required by section 13 of the War Finance Corporation Act.

On November 6 a schedule of rates was put into effect which, in the main, removed the differential in favor of collateral notes of member banks and paper of short maturities.

Further advances were made on December 16, at which time the rates on loans secured by Government securities (with the exception of certificates of indebtedness) were advanced to the level of the rates on commercial paper.

Discount Rates—Changes during 1919

	RATES IN EFFECT				
	Jan. 1, 1919	Apr. 11, 1919	Nov. 6, 1919	Dec. 16, 1919	Jan. 1, 1920
Member banks' collateral notes:					
Secured by bonds or notes of the United States.	4 %	4 %	4 1/2 %	4 3/4 %	4 3/4 %
Secured by 4 1/2 % certificates of indebtedness. . .	4	4	4 1/2	4 1/2	4 1/2
Secured by 4 1/4 % certificates of indebtedness. . .	4	4	4 1/4	4 1/2	4 1/2
Secured by War Finance Corporation bonds. . .	...	5	5 3/4	5 3/4	5 3/4
Secured by commercial paper.	4	4	4 3/4	4 3/4	4 3/4
Rediscounts:					
Secured by bonds or notes of the United States:					
15 days and less.	4	4	4 1/2	4 3/4	4 3/4
16 to 90 days.	4 1/4	4 1/4	4 1/2	4 3/4	4 3/4
Secured by 4 1/2 % certificates of indebtedness:					
15 days and less.	4	4	4 1/2	4 1/2	4 1/2
16 to 90 days.	4 1/4	4 1/4	4 1/2	4 1/2	4 1/2
Secured by 4 1/4 % certificates of indebtedness:					
15 days and less.	4	4	4 1/4	4 1/2	4 1/2
16 to 90 days.	4 1/4	4 1/4	4 1/4	4 1/2	4 1/2
Secured by War Finance Corporation bonds:					
15 days and less. . . . .	...	5	5 3/4	5 3/4	5 3/4
16 to 90 days. . . . .	...	5 3/4	5 3/4	5 3/4	5 3/4
Commercial paper:					
15 days and less.	4	4	4 3/4	4 3/4	4 3/4
16 to 90 days.	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4
Agricultural or live-stock paper:					
15 days and less.	4	4	4 3/4	4 3/4	4 3/4
16 to 90 days.	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4
91 days to 6 months.	5	5	5	5	5
Trade acceptances:					
15 days and less.	4	4	4 1/2	4 3/4	4 3/4
16 to 90 days.	4 1/2	4 1/2	4 1/2	4 3/4	4 3/4

Loan and Discount Operations

The loan and discount operations were influenced chiefly by the fiscal operations of the Treasury. Including the Victory loan and the various issues of loan and tax certificates there was placed in the Third District more than \$1,000,000,000 of Government securities during the year. The banks not only bought extensively of the certificates themselves, but they encouraged other purchasers and particularly so in the case of the Victory loan. They became well loaned-up and in order to meet commercial demands they made free use of the rediscounting privilege.

The applications for loans received were far larger than in 1918 and increased steadily as the year progressed. Note obligations made up the bulk of the investments. Very little commercial paper was offered for rediscount to maturity till the last months of the year, the banks preferring to make use of the so-called "rediscount under agreement to repurchase," whereby they could secure advances for 15 days at the 15-day rate. The extensive use that was made of short-term borrowing served to swell the totals of these operations.

The following table shows loan and discount operations with comparisons of the monthly figures for 1918:

Loan and Discount Operations

1919	Bills discounted—member banks	Bills bought in open market	United States bonds under repurchase agreement	Purchases of United States certificates of indebtedness	Totals		Member banks accommodated
					1919	1918	
January...	\$683,722,748	\$883,389	....	\$1,860,000	\$686,466,137	*\$51,165,270	351
February..	640,608,351	1,541,652	....	1,000,000	643,150,003	47,069,569	322
March.....	832,991,680	1,828,063	....	4,550,000	839,369,743	53,562,290	341
April.....	916,038,257	1,918,791	....	2,660,000	920,617,048	61,161,415	346
May.....	945,479,028	534,512	....	1,500,000	947,513,540	85,531,841	391
June.....	1,079,576,619	134,911	\$2,000	8,579,500	1,088,293,030	106,877,251	432
July.....	1,032,074,220	278,963	....	2,152,000	1,034,505,183	140,269,124	413
August....	922,775,286	509,731	....	2,707,000	925,992,017	165,420,383	389
September.	1,003,715,978	687,216	....	16,087,500	1,020,490,694	167,232,191	388
October...	1,151,792,034	220,704	....	3,144,500	1,155,157,238	271,122,400	389
November..	683,636,792	2,832,489	....	3,343,000	689,812,281	379,220,590	375
December..	844,024,277	2,678,026	....	5,336,000	852,038,303	516,200,472	405
1919.....	\$10,736,435,270	\$ 14,048,447	\$ 2,000	\$52,919,500	\$10,803,405,217	.....	494
1918.....	1,857,642,720	120,008,026	29,978,950	37,193,100	.....	*\$2,044,832,796	457

* Includes \$10,000 of municipal warrants

The average daily earning assets of the Bank advanced steadily up to the end of the year. In December the average was \$243,809,000, as compared with \$197,818,000 in December, 1918. The following tables show the average daily holdings of the several classes of earning assets for each month and for the year 1919, and their movement by weeks during the year.

Earning Assets—Average Daily Amount

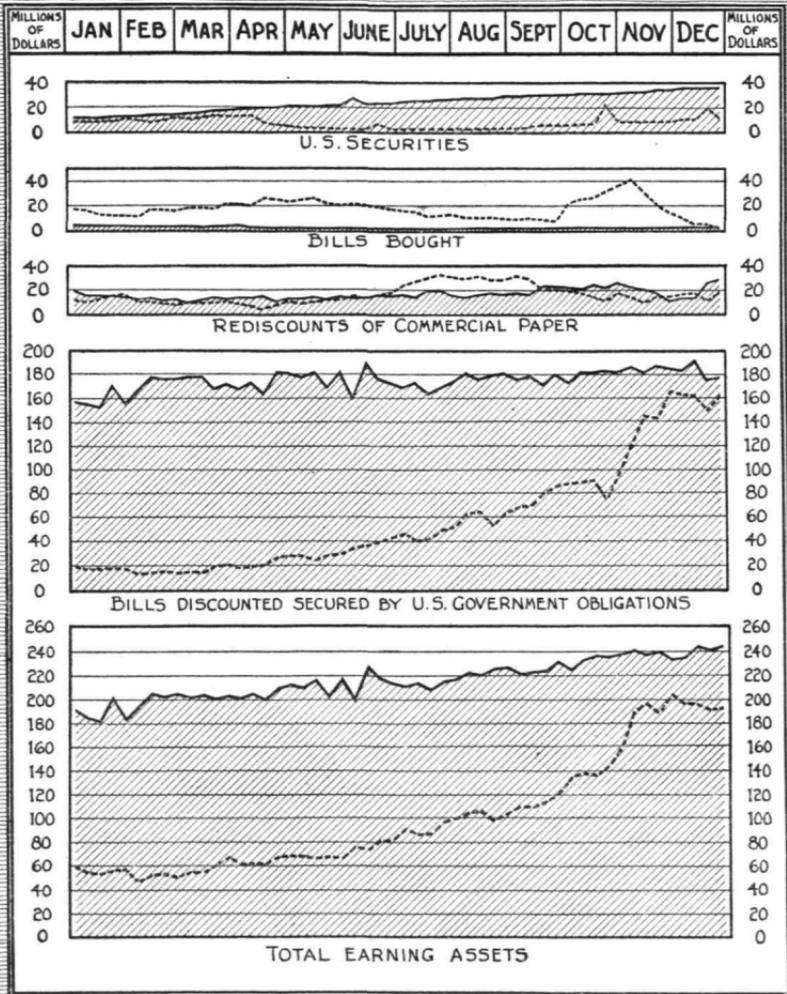
1919	Bills discounted	Bills bought	United States securities	Totals	
				1919	1918
January.....	\$177,059,450.14	\$2,872,846.65	\$11,812,254.84	\$191,744,551.63	*\$56,592,574.00
February.....	185,697,841.68	2,232,553.24	12,631,828.57	200,562,223.49	53,576,334.00
March.....	187,159,834.64	1,919,778.05	15,524,916.13	204,604,528.82	58,196,659.00
April.....	188,689,151.27	1,403,378.62	18,347,500.00	208,440,030.89	63,680,782.00
May.....	192,374,941.88	907,967.17	20,312,496.77	213,595,405.82	69,155,715.00
June.....	192,524,439.20	940,800.22	23,215,560.00	216,680,799.42	77,315,535.00
July.....	188,589,796.09	702,571.46	25,307,774.19	214,600,141.74	88,626,133.00
August.....	193,261,631.98	669,749.69	27,337,016.13	221,288,397.80	102,304,319.00
September..	196,612,073.97	845,225.87	29,304,400.00	226,759,699.84	114,640,100.00
October.....	204,075,940.90	632,484.23	30,431,803.22	235,140,228.35	138,135,408.00
November..	205,069,357.06	1,394,053.71	31,663,083.33	238,126,494.10	189,486,768.00
December..	206,825,891.82	4,442,339.33	32,541,238.71	243,809,469.86	197,818,495.00
Average 1919.....	\$193,194,965.26	\$ 1,581,246.87	\$23,262,739.72	\$218,038,951.85	.....
Average 1918.....	75,556,041.00	18,375,123.00	7,135,005.00	.....	\$101,067,237.00

*Small amount of municipal warrants included

Movement of Principal Earning Assets
During the Calendar Year 1919

(In thousands of dollars; *i. e.*, 000's omitted)

1919	Discounted paper secured by United States war obligations	Other discounted paper	(1 + 2)	Per cent 1 ÷ 3	Bills bought in open market	Total bills discounted and bought	United States securities	Total earning assets	
January	3...	\$158,254	\$19,065	\$177,319	89.2	\$3,401	\$180,720	\$11,418	\$192,138
	10...	156,377	15,613	171,990	90.9	3,072	175,062	11,243	186,305
	17...	153,550	15,518	169,068	90.8	2,770	171,838	11,243	183,081
	24...	172,210	15,673	187,873	91.6	2,571	190,454	12,211	202,665
	31...	156,352	15,036	171,388	91.2	2,133	173,521	12,185	185,706
February	7...	168,186	13,175	181,361	92.7	2,153	183,514	12,165	195,679
	14...	177,622	14,291	191,913	92.6	2,274	194,187	12,665	206,852
	21...	177,360	12,168	189,528	93.6	2,116	191,644	12,665	204,309
	28...	176,990	13,081	190,071	93.1	1,987	192,058	13,166	203,118
March	7...	178,463	9,331	187,794	95.0	1,658	189,452	13,666	203,118
	14...	178,171	11,536	189,707	93.9	1,332	191,039	15,165	201,831
	21...	169,255	13,620	182,875	92.5	2,291	185,166	16,665	201,831
	28...	172,914	12,375	185,289	93.3	2,270	187,559	16,715	204,274
April	4...	169,249	13,182	182,431	92.7	3,192	185,623	17,741	203,364
	11...	174,204	13,186	187,390	93.0	1,021	188,411	17,666	206,077
	18...	166,448	14,688	181,146	91.9	914	182,050	18,665	200,715
	25...	182,169	9,501	191,670	95.0	826	192,496	18,661	211,157
May	2...	180,939	11,759	192,698	93.9	691	193,389	19,645	213,034
	9...	178,113	12,240	190,353	93.6	930	191,283	20,075	211,358
	16...	182,468	13,408	195,876	93.2	922	196,798	20,075	216,873
	23...	170,315	12,378	182,693	93.2	918	183,611	21,075	204,686
	29...	183,577	13,012	196,589	93.4	1,113	197,702	21,075	218,777
June	6...	160,810	13,900	174,710	92.0	972	175,682	27,065	202,747
	13...	191,277	14,389	205,666	93.0	969	206,635	22,070	228,705
	20...	176,588	18,254	194,842	90.6	864	195,706	23,066	218,772
	27...	173,957	17,229	191,186	91.5	860	192,046	23,248	215,294
July	3...	170,753	17,852	188,505	91.0	711	189,216	24,236	213,552
	11...	173,697	15,679	189,376	91.7	631	190,007	25,231	215,238
	18...	165,015	19,557	184,572	89.4	759	185,331	25,178	210,509
	25...	170,366	19,881	190,247	89.5	719	190,966	26,198	217,164
August	1...	175,349	15,830	191,179	92.3	660	191,839	26,198	218,037
	8...	180,934	14,715	195,649	92.5	623	196,272	27,248	223,520
	15...	176,779	16,044	192,823	91.6	673	193,496	27,190	220,686
	22...	180,285	17,192	197,477	91.3	812	198,289	27,287	225,576
	29...	180,872	16,486	197,358	91.7	762	198,120	28,625	226,745
September	5...	175,974	16,830	192,804	91.3	843	193,647	28,566	222,213
	12...	179,199	15,985	195,184	91.8	1,061	196,245	28,616	224,861
	19...	173,229	21,528	194,757	88.9	811	195,563	30,054	225,622
	26...	180,151	21,705	201,856	89.2	735	202,591	29,567	232,158
October	3...	175,243	21,290	196,533	89.2	645	197,178	30,067	227,245
	10...	182,038	21,418	203,456	89.5	645	204,101	30,178	234,279
	17...	181,508	25,061	206,569	87.9	618	207,187	30,567	237,754
	24...	182,789	23,252	206,041	88.7	601	206,642	30,573	237,215
	31...	181,590	25,580	207,170	87.6	656	207,826	30,687	238,513
November	7...	186,560	23,415	209,975	88.8	1,297	210,862	30,600	241,462
	14...	182,962	20,894	203,856	89.7	1,297	205,153	32,431	237,584
	21...	188,259	18,399	206,658	91.5	1,444	208,102	31,746	239,848
	28...	185,583	12,684	198,267	93.6	3,135	201,402	32,856	234,258
December	5...	184,407	15,028	199,435	92.5	3,649	203,084	33,145	236,229
	12...	193,337	14,673	208,010	92.9	4,705	212,715	32,303	245,018
	19...	177,655	27,154	204,809	86.7	4,704	209,513	32,519	242,032
	26...	178,648	29,492	208,140	85.8	4,698	212,838	31,914	244,752



EARNING ASSETS
AVERAGE DAILY AMOUNT ON HAND - 1918-1919
 SECTIONED AREA = 1918 DOTTED LINE = 1919

FIFTH ANNUAL REPORT FEDERAL RESERVE BANK OF PHILADELPHIA

The earnings from loans and discounts were \$8,550,000, as compared to \$4,230,000 in 1918, though the average rate of return was only 3.94 per cent as compared to 4.19 per cent in 1918. United States securities afforded an average rate of return of only 2.13 per cent as compared to 3.27 per cent in 1918, but this is accounted for by the large proportion of one-year certificates of indebtedness of the United States, yielding 2 per cent, which were held to secure Federal reserve bank notes. Last year United States bonds formed a considerable percentage of the total amount of United States securities held.

The following tables give the earnings and average annual rates of earnings from the various classes of earning assets:

Earnings from Loans and Discounts for the Calendar Year 1919

1919	Bills discounted	Bills bought in open market	United States securities	Total earnings	
				1919	1918
January.....	\$620,820.01	\$10,737.25	\$22,273.80	\$653,831.06	\$181,212.00
February.....	584,112.76	7,278.95	21,432.76	612,824.47	158,443.00
March.....	652,763.12	6,805.96	28,494.10	688,063.18	194,085.00
April.....	635,409.30	3,603.11	32,862.03	671,874.44	212,439.00
May.....	663,748.96	3,067.39	36,612.65	703,429.00	239,501.00
June.....	646,815.40	3,314.72	40,532.58	690,662.70	267,264.00
July.....	647,164.44	2,546.22	45,437.92	695,148.58	321,741.00
August.....	660,546.70	2,486.79	48,837.87	711,871.36	365,628.00
September.....	651,312.33	2,944.39	50,316.95	704,573.67	407,492.00
October.....	698,352.36	2,305.39	53,919.07	754,576.82	506,544.00
November.....	727,252.52	4,989.45	55,854.11	788,096.08	691,796.00
December.....	799,565.64	16,939.96	59,193.88	875,699.48	684,810.00
Totals, 1919.....	\$7,987,863.54	\$67,019.58	\$495,767.72	\$8,550,650.84	.....
Totals, 1918.....	3,241,104.00	756,313.00	233,489.00	.....	\$4,230,955.00

Calculated Annual Rates of Earnings from Loans and Discounts

1919	Bills discounted	Bills bought in open market	United States securities	Averages	
				1919	1918
January.....	4.12%	4.40%	2.22%	4.01%	3.77%
February.....	4.10	4.25	2.21	3.98	3.85
March.....	4.10	4.17	2.18	3.96	3.92
April.....	4.09	4.07	2.17	3.92	4.05
May.....	4.06	3.97	2.12	3.87	4.07
June.....	4.08	4.28	2.12	3.87	4.20
July.....	4.04	4.26	2.06	3.81	4.27
August.....	4.03	4.24	2.08	3.78	4.20
September.....	4.03	4.24	2.08	3.78	4.32
October.....	4.02	4.29	2.08	3.77	4.31
November.....	4.31	4.35	2.14	4.02	4.32
December.....	4.55	4.48	2.14	4.22	4.18
Averages, 1919.....	4.13	4.23	2.13	3.94	.....
Averages, 1918.....	4.29	4.12	3.27	.....	4.19

Bills Discounted

Total bills discounted during the year amounted to \$10,736,-435,000; in 1918 this total was \$1,857,642,000. The number of banks accommodated this year was 494. Notes secured by United States Government obligations formed a very large proportion of the investments of the Bank. On the last Friday of December the ratio of paper secured in this manner to total discounted paper was 86 per cent of the total paper under discount, as compared to 89 per cent on the corresponding Friday in 1918. The increase in discount rates on short term paper early in November caused many of the banks to decrease their presentations of collateral notes and substitute in their stead their customers' paper secured in like manner. Notes secured by War Finance Corporation bonds were discounted in small amount.

Until the end of the year the commercial paper presented was inconsiderable, but the increased rates on Government-secured paper instituted in December resulted in larger offerings. Bankers' and trade acceptances played an unimportant part in the discount operations of the year and did not form a total at all comparable to that of 1918. Due to the industrial predominance of the district, agricultural paper was offered only in small amounts.

Total discounted paper held at the end of the year was \$209,-854,000; at the end of 1918 the figure was \$178,819,000, thus indicating an increase of 17 per cent during the year.

Bills Discounted Held by Bank

(Figures as of last Friday of each month)

1919	Secured by United States war obligations			
	Member banks' collateral notes	Non-member banks' paper endorsed by members	All other bills	Member banks' collateral notes secured by War Finance Corporation bonds
January.....	\$131,955,955.95	\$2,094,000.00	\$22,302,026.85	.....
February.....	147,161,890.94	3,344,000.00	26,483,817.20	.....
March.....	144,812,710.20	2,771,000.00	25,329,861.25	.....
April.....	162,662,152.05	2,943,000.00	16,563,699.34	.....
May.....	169,125,762.05	1,190,000.00	13,261,579.39	\$35,000.00
June.....	156,006,837.05	1,188,000.00	16,761,988.44	28,000.00
July.....	157,546,125.00	11,822,262.59	998,000.00	20,500.00
August.....	166,602,305.00	1,062,000.00	13,206,530.75	40,000.00
September.....	168,485,933.43	618,000.00	11,047,639.43	3,000.00
October.....	164,465,571.66	838,000.00	16,286,545.59	.....
November.....	104,122,516.66	9,043,400.00	72,417,423.17	3,000.00
December.....	97,260,916.66	10,250,150.00	71,137,244.35	.....

Bills Discounted Held by Bank (Continued)

1919	Otherwise secured and unsecured			Totals 1919
	Bankers' acceptances	Trade acceptances	All other bills	
January.....		\$384,739.97	\$14,650,751.04	\$171,387,473.81
February.....		345,182.35	12,737,826.04	190,070,716.53
March.....	\$ 20,000.00	438,046.85	11,919,517.35	185,289,135.65
April.....	20,000.00	450,931.65	9,029,908.46	191,669,691.50
May.....	20,000.00	368,894.09	12,588,214.01	196,589,449.54
June.....	576,894.47	344,076.99	16,280,652.80	191,186,454.75
July.....		266,024.90	19,594,652.62	190,247,565.11
August.....	18,869.75	303,349.13	16,123,983.66	197,358,038.29
September.....	18,869.75	407,100.93	21,276,085.41	201,856,628.95
October.....	18,869.75	598,681.73	24,962,548.14	207,170,216.87
November.....		1,102,630.13	11,578,705.09	198,267,675.05
December.....		1,172,317.97	28,319,793.95	208,140,422.93

Open Market Operations

The open market operations of this Bank during the past fiscal year were practically negligible. The demands on its resources through the discount of paper offered by member banks precluded the investment of large sums in paper to be purchased elsewhere. Bankers' acceptances in foreign transactions formed the major portion of such investments. Dollar exchange bills were bought only in the first two months. Total operations under this heading for the year were \$14,048,000; in 1918 they were \$120,008,000.

The following table shows the bills purchased in the open market held by the bank on the last Friday of the months specified:

Bills Bought in the Open Market
(Figures as of last Friday of each month)

1919	Bankers' acceptances		Dollar exchange bills	Trade acceptances	Totals
	Foreign	Domestic			
January.....	\$1,022,257.07	\$ 840,300.78	\$250,000.00	\$20,526.00	\$2,133,083.85
February.....	826,629.03	1,040,449.57	100,000.00	20,526.00	1,987,604.60
March.....	817,348.66	1,452,310.45	.....	.....	2,269,659.07
April.....	525,023.25	301,447.72	.....	.....	826,470.97
May.....	727,523.61	381,598.77	.....	3,485.16	1,112,607.54
June.....	600,571.84	255,668.48	.....	3,485.16	859,725.48
July.....	620,142.72	95,040.21	.....	3,485.16	718,668.09
August.....	572,619.02	189,464.36	.....	.....	762,083.38
September.....	452,549.81	282,290.85	.....	.....	734,840.66
October.....	429,434.05	226,295.67	.....	.....	655,729.72
November.....	2,296,210.44	838,507.67	.....	.....	3,134,718.11
December.....	3,575,043.21	1,122,711.63	.....	.....	4,697,754.84

Earnings and Expenses

As was to be anticipated from the reports made from time to time as to the activity of business, the operations of the Federal Reserve Bank of Philadelphia during the year 1919 were very much larger than for the previous year. Total earnings for 1919 were \$8,609,000 and current expenses were \$1,775,000, leaving net earnings of \$6,834,000. The net earnings were 89 per cent of the average capital stock for the year, as compared to 46 per cent in 1918 and 12 per cent in 1917.

FIFTH ANNUAL REPORT FEDERAL RESERVE BANK OF PHILADELPHIA

After the deduction of the reserve for depreciation on United States securities and other sundry purposes, the net amount available for dividends and surplus was \$6,659,000. Dividends at the rate of 6 per cent were paid for the year and \$6,196,000 was transferred to surplus fund, bringing the total of that fund up to \$8,805,000, or approximately 111 per cent of the paid-in capital stock at the end of the year. Schedules follow showing the profit and loss account and earnings and expenses by months:

Profit and Loss Account

Gross earnings for year 1919.....	\$8,609,879.77	
Total of current expenses.....	1,775,184.67	
Net earnings for year.....		\$6,834,695.10
Net debit to profit and loss account.....	42,086.49	
Reserved for depreciation on United States securities and sundry purposes.....	133,439.73	
		175,526.22
Net amount available for dividends and surplus.....		\$6,659,168.88
Dividends for period January 1, 1919 to December 31, 1919.....		462,380.31
Transferred to surplus fund.....		6,196,788.57

Surplus Account

Balance at close of business December 31, 1918.....	\$1,304,171.92
Transferred March 4, 1919, from account "Reserved for Franchise Tax".....	1,304,171.92
Transferred from profit and loss account.....	6,196,788.57

Earnings and Expenses

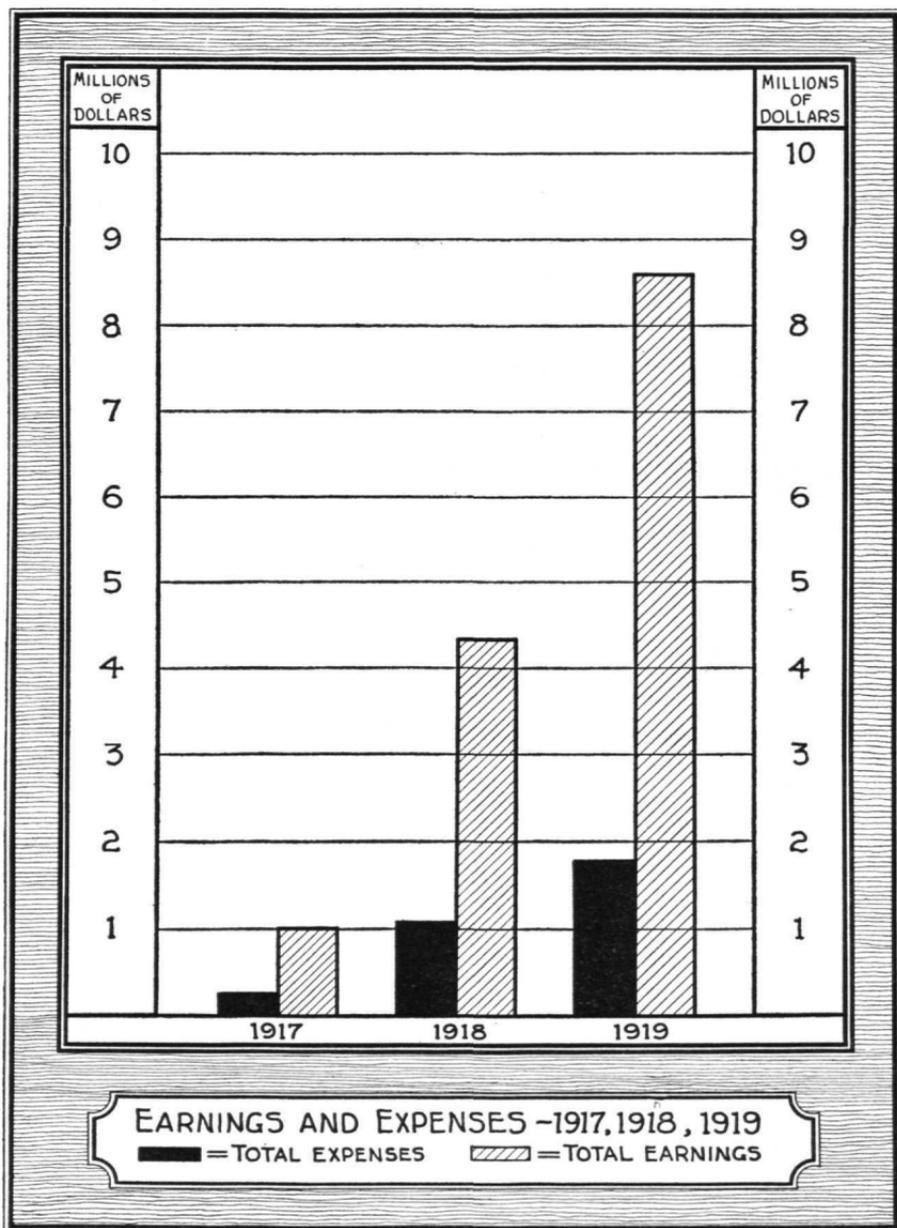
1919	EARNINGS				EXPENSES				Net earnings	Annual rate of earnings
	From investments	Deficient reserve penalties	Sundry profits	Total earnings	Expenses of operation	Note issues and shipments	Equipment, etc.	Total current expenses		
January...	\$653,831	\$2,449	\$1,890	\$658,171	\$63,887	\$12,767	\$2,357	\$79,011	\$579,159	90.0
February..	612,824	2,087	1,534	616,446	89,080	4,454	1,072	94,606	521,839	90.3
March....	688,063	1,184	1,725	690,972	91,662	18,755	7,435	117,851	573,122	89.0
April.....	671,874	1,169	1,772	674,815	80,356	5,428	6,135	91,920	582,895	93.4
May.....	703,429	1,147	1,685	706,261	77,800	5,927	863	84,591	621,670	96.2
June.....	690,663	1,624	10,409	702,696	176,863	105,222	65,931	348,016	354,680	56.6
July.....	695,149	1,307	6,228	702,684	89,621	13,201	18,549	121,370	581,313	89.4
August....	711,871	3,348	3,739	718,959	87,096	12,987	8,031	108,115	610,844	93.5
September.	704,574	1,430	1,222	707,226	89,427	11,995	789	102,211	605,015	94.9
October...	754,577	3,378	*1,273	756,681	87,140	13,440	1,418	101,998	654,683	99.2
November.	788,096	3,417	2,117	793,629	89,726	11,540	1,318	102,584	691,046	107.0
December.	875,699	3,133	2,507	881,339	220,916	153,914	48,081	422,911	458,429	68.4
Totals:										
1919....	\$8,550,650	\$25,673	\$33,555	\$8,609,879	\$1,243,574	\$369,630	\$161,979	\$1,775,184	\$6,834,695	89.0
1918....	4,230,955	29,784	97,000	4,357,740	628,016	243,857	215,042	1,086,916	3,270,824	46.0

* Loss.

A chart of total earnings and expenses during the last three years is given below. It is apparent that the net earnings of the last fiscal year have been extraordinarily large. Total earnings show unusual increases, and total expenses have consumed only 21 per cent of them, as compared to 25 per cent in both 1918 and 1917.

In viewing the earnings for the year, it should be borne in mind that a large part of the loaning power of the Bank is derived from its note issuing privilege, a function conferred by the Government. Had its power to extend credit depended entirely upon its deposits and

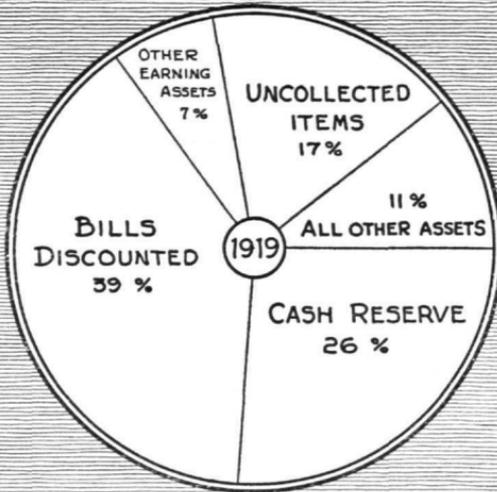
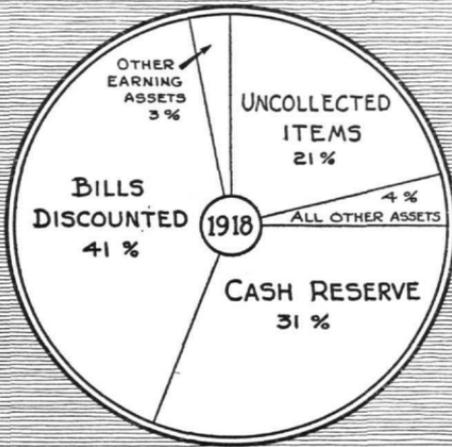
capital, the Bank would have been of comparatively little aid to the business community, but through its note issues, which averaged \$212,000,000 for the year and were approximately twice the average deposits of member banks, it was able to serve the community as it did.



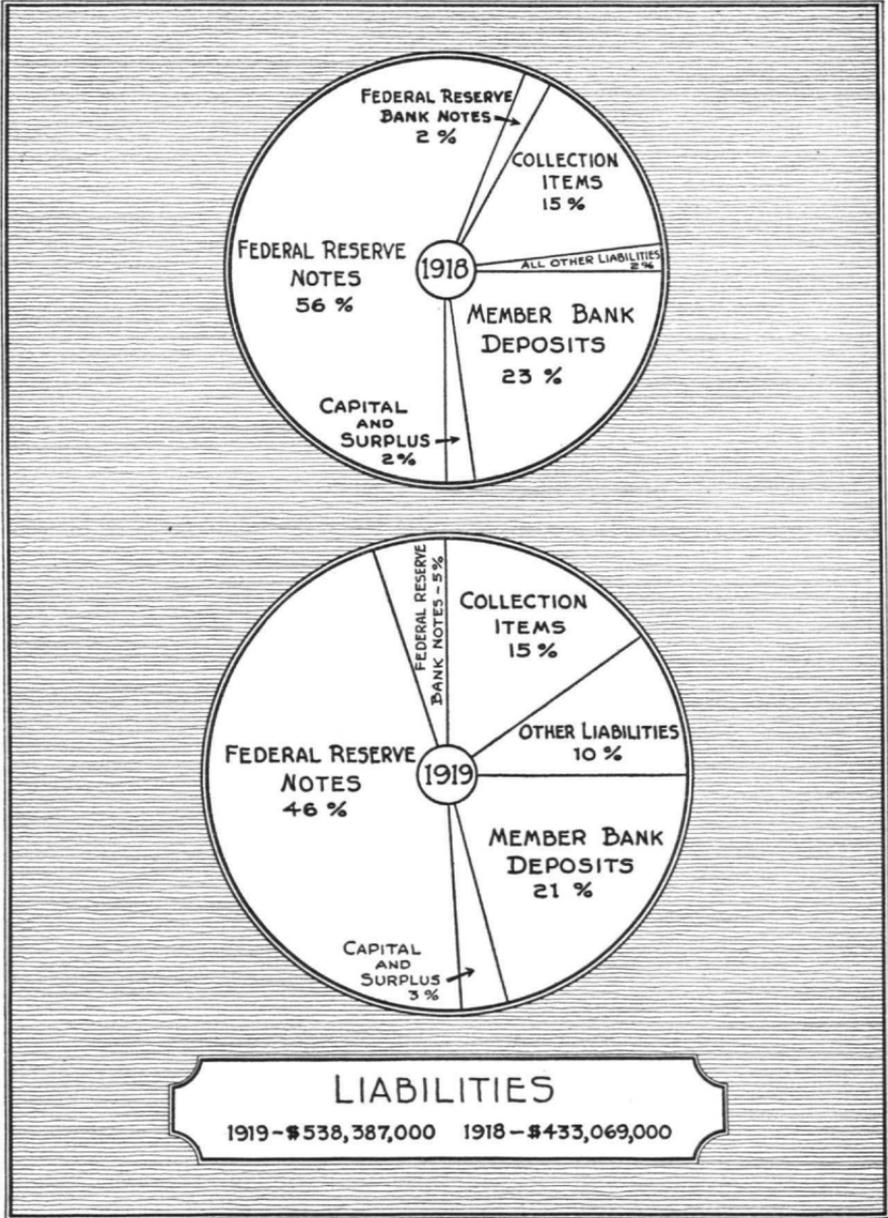
FIFTH ANNUAL REPORT FEDERAL RESERVE BANK OF PHILADELPHIA

Comparative Statement of Condition

RESOURCES	Dec. 31, 1919	Dec. 31, 1918	Dec. 31, 1917
Gold with Federal reserve agent.....	\$88,948,165.00	\$85,583,245.00	\$63,945,755.00
Gold redemption fund.....	8,448,460.00	7,900,000.00	1,500,000.00
Gold settlement fund.....	31,678,751.93	37,412,406.54	32,101,000.00
Gold coin and certificates.....	1,194,040.00	1,459,351.21	19,064,667.50
Gold with foreign agencies.....	10,505,616.91		3,675,000.00
Other lawful money.....	589,111.05	1,667,646.00	1,189,996.10
Reserve.....	\$141,364,144.89	\$134,022,648.75	\$121,476,418.60
Collateral notes—members.....	87,908,591.66	135,032,810.41	4,008,400.00
Bills discounted—members.....	121,946,370.40	43,787,151.29	31,903,836.94
Bills bought in open market.....	5,177,538.86	3,011,280.08	18,390,067.91
United States securities.....	32,071,900.00	11,417,900.00	9,649,950.00
Municipal warrants.....			10,000.00
Total earning assets.....	\$247,104,400.92	\$193,249,141.78	\$63,962,254.85
Federal reserve notes on hand.....	9,677,915.00	11,739,400.00	4,348,590.00
Federal reserve bank notes on hand.....	260,249.00	332,037.00	
Mutilated Federal reserve notes.....	1,167,100.00	1,019,340.00	209.09
Redemption fund—Federal reserve bank notes.....	1,475,000.00	475,000.00	
Due from depository banks—war loan account.....	43,175,744.75		
Uncollected items.....	92,970,730.85	90,852,687.70	22,620,777.40
All other resources.....	1,191,987.61	1,378,783.06	265,919.66
TOTAL RESOURCES.....	\$538,387,273.02	\$433,069,038.29	\$212,674,169.60
LIABILITIES	Dec. 31, 1919	Dec. 31, 1918	Dec. 31, 1917
Capital.....	\$7,884,150.00	\$7,562,450.00	\$6,142,150.00
Surplus.....	8,805,132.41	1,304,171.92	
Undivided profits.....			220,238.27
Government deposits.....	5,188,851.06	5,039,128.17	5,387,488.53
Due to member banks, reserve account.....	110,541,160.68	99,720,124.95	103,000,930.13
Collection items, etc.....	79,115,484.23	66,740,374.64	435,026.66
Gross deposits.....	\$194,845,495.97	\$171,499,627.76	\$108,823,445.32
Federal reserve notes outstanding.....	247,895,665.00	241,870,745.00	97,325,755.00
Federal reserve bank notes outstanding.....	29,052,000.00	9,258,200.00	
Government deposits—special account.....	49,051,497.75		
All other liabilities.....special account.....	853,331.89	1,573,843.61	162,581.01
TOTAL LIABILITIES.....	\$538,387,273.02	\$433,069,038.29	\$212,674,169.60



ASSETS
 1918 - \$433,069,000 1919 - \$538,387,000



Federal Reserve Notes

The circulation of Federal reserve notes fell off very noticeably during the first few months of the year and attained a low point of \$200,498,000 on June 21. The chart facing this page shows the general trend during the past three years. The decrease in the beginning of 1919 can be traced to the falling off in business. The increased activity which began early in the year was reflected in larger circulation in August, and a steady increase in such issues continued until almost the end of the year.

The maximum amount of notes (\$241,348,000) was in circulation on December 24, as compared to the former high level of \$235,586,000 on December 26, 1918. Immediately after Christmas the notes began to return in large amounts.

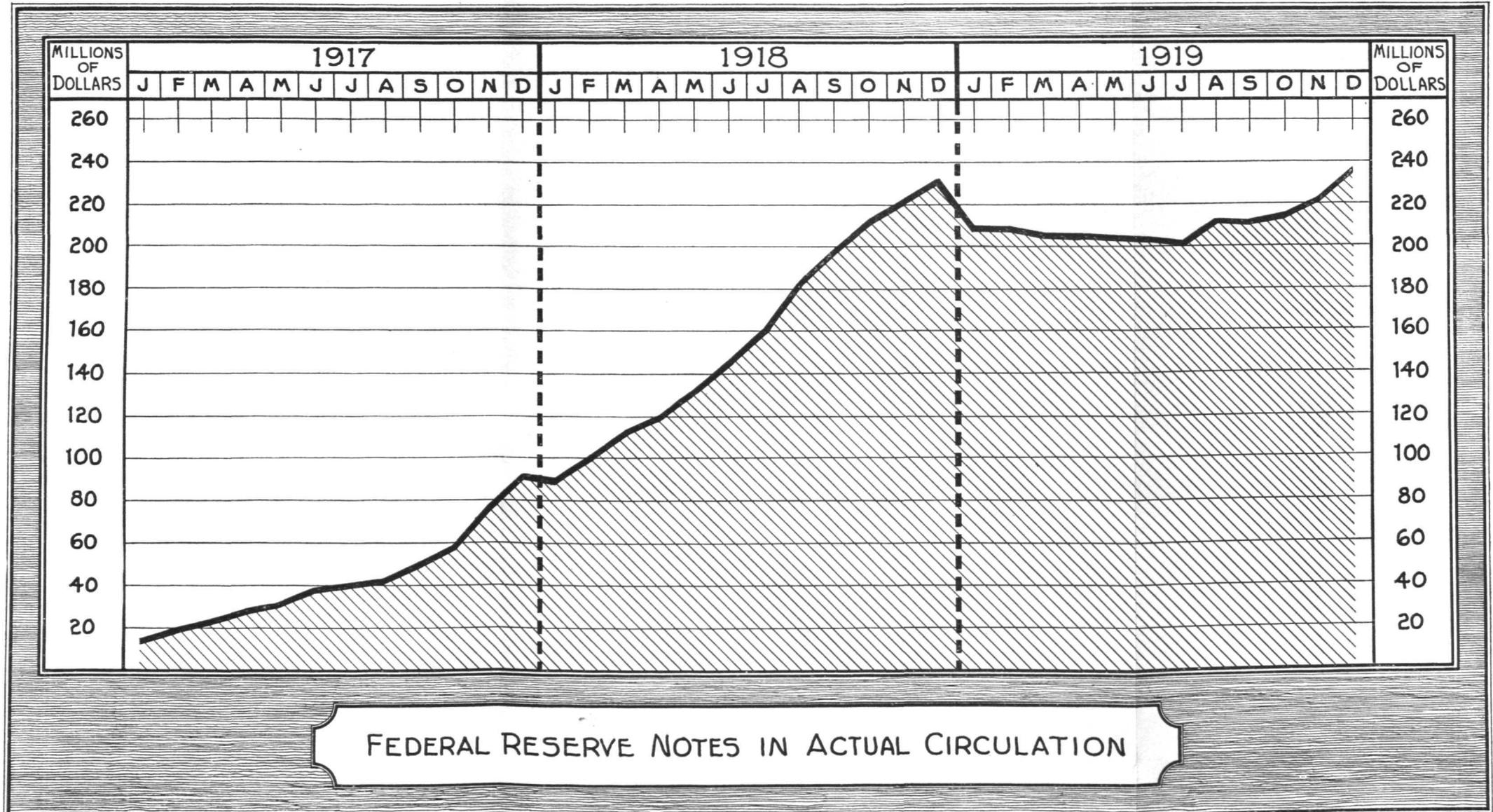
A statement of the accounts of the Federal Reserve Agent at the close of the fiscal year 1919, with comparative figures for 1918 and 1917, follows:

Comparative Statement of the Federal Reserve Agent's Accounts

RESOURCES	Dec. 31, 1919	Dec. 31, 1918	Dec. 31, 1917
	Federal reserve notes on hand.....	\$ 21,340,000	\$ 17,640,000	$10,160,000
Federal reserve notes outstanding.....	247,895,665	241,870,745	97,325,755
Federal reserve notes sent to Comptroller of Currency for destruction.....	241,544,335	64,909,255	17,994,245
Bills to secure Federal reserve notes.....	165,192,017	159,787,038	34,855,506
Funds to redeem Federal reserve notes:			
Gold coin and certificates on hand.....			4,220,000
Gold redemption fund.....	14,558,905	13,296,465	4,966,755
Gold with Federal Reserve Board.....	74,389,260	72,286,780	54,759,000
Total.....	88,948,165	85,583,245	63,945,755
Total resources.....	\$764,920,182	\$569,790,283	\$224,281,261
LIABILITIES			
Federal reserve notes received from Comptroller of Currency (gross).....	\$510,780,000	\$324,420,000	\$125,480,000
Collateral received from Federal Reserve Bank.....	254,140,182	245,370,283	98,801,261
Total liabilities.....	\$764,920,182	\$569,790,283	\$224,281,261

Federal Reserve Notes Issued and in Actual Circulation

1919	Outstanding at beginning of month	Issued during month	Fit notes received	Redeemed	Outstanding at end of month	Held by Bank at end of month	In actual circulation at end of the month	
							1919	1918
Jan....	\$241,870,745	\$ 1,250,000	\$13,000,000	\$12,451,420	\$217,669,325	\$ 7,748,765	\$209,920,560	\$ 92,003,655
Feb....	217,669,325	18,290,000	.....	13,065,590	222,893,735	12,125,815	210,767,920	104,219,060
Mar....	222,893,735	5,900,000	.....	14,302,435	214,491,300	8,582,550	205,908,750	115,311,370
April....	214,491,300	14,240,000	.....	14,386,250	214,345,050	10,451,002	203,894,048	121,814,448
May....	214,345,050	20,240,000	.....	18,793,655	215,791,395	9,520,990	206,270,405	134,459,425
June....	215,791,395	17,200,000	.....	19,743,650	213,247,745	9,690,620	203,557,125	147,646,035
July....	213,247,745	17,800,000	.....	15,389,785	215,657,960	12,336,825	203,321,135	164,747,585
Aug....	215,657,960	21,900,000	.....	17,168,825	220,389,135	6,832,005	213,557,130	185,594,395
Sept....	220,389,135	19,400,000	.....	14,872,730	224,916,405	12,071,570	212,844,835	200,426,030
Oct....	224,916,405	22,300,000	.....	14,889,320	232,327,085	16,034,490	216,292,595	216,125,610
Nov....	232,327,085	12,500,000	.....	10,997,135	233,829,950	10,303,865	223,526,085	226,690,915
Dec....	233,829,950	24,640,000	.....	10,574,285	247,895,665	10,845,015	237,050,650	229,112,005



FEDERAL RESERVE NOTES IN ACTUAL CIRCULATION

JURMAN, BROS. DRAUGHTSMEN PHILA.

Notes of the smaller denominations have been in greatest demand, with \$10 and \$20 notes forming the bulk of those issued to the Federal Reserve Bank. There has been very little call for notes of higher denominations than \$100, though a reserve supply is maintained to care for any need that may arise. Fit notes returned by the Bank are not included in the table given below.

Denominations of New Federal Reserve Notes Issued to Bank During 1919

1919	Fives	Tens	Twenties	Fifties	Hundreds	Five hundred	Thousands	Totals
Jan....	\$ 750,000	.....	.....	.....	.....	.....	.....	\$750,000
Feb....	5,300,000	\$2,610,000	\$4,135,000	.....	.....	.....	.....	12,045,000
Mar....	680,000	2,120,000	800,000	.....	\$1,200,000	.....	.....	4,800,000
April..	2,560,000	4,200,000	3,680,000	\$1,200,000	2,000,000	\$200,000	\$400,000	14,240,000
May....	3,560,000	5,520,000	6,160,000	1,200,000	2,800,000	.....	.....	19,240,000
June....	3,040,000	3,800,000	5,360,000	1,800,000	1,600,000	.....	800,000	16,400,000
July....	2,480,000	6,680,000	8,640,000	600,000	.....	.....	.....	18,400,000
Aug....	3,900,000	7,760,000	9,040,000	.....	400,000	.....	400,000	21,500,000
Sept....	4,560,000	4,880,000	9,760,000	.....	.....	.....	.....	19,200,000
Oct....	2,300,000	7,760,000	9,040,000	1,200,000	1,200,000	400,000	400,000	22,300,000
Nov....	1,300,000	2,960,000	6,240,000	1,200,000	800,000	.....	.....	12,500,000
Dec....	6,280,000	8,160,000	8,000,000	1,400,000	800,000	.....	.....	24,640,000
1919..	\$36,710,000	\$56,450,000	\$70,855,000	\$ 8,600,000	\$10,800,000	\$600,000	\$2,000,000	\$186,015,000
Per ct..	19.7	30.3	38.1	4.7	5.8	.3	1.1	100.0
1918..	29,700,000	53,960,000	\$89,600,000	12,600,000	5,600,000	.....	.....	191,460,000
Per ct..	5.5	28.2	46.8	6.6	2.9	.....	.....	100.0

Interdistrict Movement of Notes

	Received from	Returned to		Received from	Returned to
Boston.....	\$ 4,370,700	\$ 3,382,000	Minneapolis.....	\$ 395,000	\$ 1,068,500
New York.....	47,221,750	59,800,500	Kansas City.....	571,100	1,452,500
Cleveland.....	10,451,000	8,798,000	Dallas.....	392,800	512,500
Richmond.....	7,180,750	7,897,500	San Francisco.....	811,880	993,050
Atlanta.....	1,874,200	3,510,500			
Chicago.....	3,906,900	5,633,000	Total, 1919.....	\$78,299,885	\$94,525,050
St. Louis.....	1,123,805	1,477,000	Total, 1918.....	\$39,501,305	\$62,354,660

Federal Reserve Bank Notes

Demand for notes of small denominations continued throughout the year, and was especially urgent in the month of December due to the great activity in retail trade. The amount of notes in actual circulation increased from \$8,926,000 at the end of 1918 to \$28,791,000 at the end of 1919, or 223 per cent. Melting of silver dollars authorized by the Pittman Act was discontinued in May.

Statistical tables on Federal reserve bank notes follow.

Federal Reserve Bank Notes

1919	Outstanding at beginning of month	Issued during month	Redeemed	Outstanding at end of month	Held by Bank at end of month	In actual circulation at end of month
January.....	\$ 9,258,200	\$1,343,000	\$173,200	\$10,428,000	\$ 110,750	\$10,317,250
February.....	10,428,000	1,520,000	352,000	11,596,000	285,237	11,310,763
March.....	11,596,000	3,908,000	560,000	14,944,000	379,507	14,564,493
April.....	14,944,000	2,508,000	524,000	16,928,000	414,104	16,513,896
May.....	16,928,000	2,780,000	640,000	19,068,000	432,548	18,635,452
June.....	19,068,000	2,716,000	412,000	21,372,000	452,405	20,919,595
July.....	21,372,000	3,016,000	120,000	24,268,000	356,444	23,911,556
August.....	24,268,000	2,692,000	520,000	26,440,000	1,157,648	25,282,352
September.....	26,440,000	1,120,000	824,000	26,736,000	378,249	26,357,751
October.....	26,736,000	2,476,000	980,000	28,232,000	478,848	27,753,152
November.....	28,232,000	2,176,000	1,872,000	28,536,000	589,234	27,946,766
December.....	28,536,000	2,800,000	2,284,000	29,052,000	260,249	28,791,751

Federal Reserve Bank Notes Issued

1919	Ones	Twos	Fives	Total
January.....	\$ 564,000	\$120,000	\$ 659,000	\$1,343,000
February.....	1,208,000	312,000	.....	1,520,000
March.....	1,728,000	200,000	1,980,000	3,908,000
April.....	1,900,000	608,000	.....	2,508,000
May.....	2,120,000	160,000	500,000	2,780,000
June.....	1,848,000	448,000	420,000	2,716,000
July.....	1,224,000	392,000	1,400,000	3,016,000
August.....	1,892,000	800,000	.....	2,692,000
September.....	836,000	144,000	140,000	1,120,000
October.....	1,996,000	480,000	.....	2,476,000
November.....	1,800,000	376,000	.....	2,176,000
December.....	2,128,000	672,000	.....	2,800,000
Totals.....	\$19,244,000	\$4,712,000	\$5,099,000	\$29,055,000

Coupon Department

The work of the coupon department has been more than triple that of 1918 in the number of items handled and their total amounts. Fourteen persons are now employed in this division. The number of items handled has run as high as 111,000 a day, and the amount has been in excess of \$1,700,000. The distribution of the maturities of Government coupons over the various months of the year has created a steady demand on the services of this department.

The total number of items handled during 1919 was 8,258,108, as compared to 2,728,361 in 1918. The value of these coupons during the last fiscal year was \$47,063,622.79, in comparison to \$11,736,022.64 in 1918. Monthly figures on the amount and number of coupons cancelled and shipped during 1919 are given herewith.

Shipments of Cancelled United States Coupons

	1919	
	Number	Value
	1919	1919
January.....	341,208	\$1,259,666.67
February.....	101,277	246,973.52
March.....	793,130	3,801,746.12
April.....	1,136,616	7,628,972.04
May.....	973,181	4,760,996.63
June.....	572,025	2,620,369.58
July.....	301,186	831,077.53
August.....	155,076	327,196.48
September.....	638,086	3,433,730.02
October.....	1,258,959	8,803,868.13
November.....	833,241	4,724,969.07
December.....	1,154,123	8,624,057.00
†		
Totals, 1919.....	8,258,108	\$47,063,622.79
Totals, 1918.....	2,728,361	11,735,022.00

Collection Department

The work of the collection department was much larger than the previous year and increased during the year to a high point in December. No charges are made on items except the actual cost of postage, insurance, and registration on maturing coupons, bonds, and other securities attached to drafts sent for collection and 15 cents on items returned unpaid to member banks. A resume of the items handled during 1919 follows.

A large portion of the collections is handled through the gold settlement fund, thus accounting for the differences between the total amounts of collections and the cash, checks and drafts received as shown in the following table:

1919	Number of items received for collection	Number of items returned unpaid	Total amount of items received for collection	Total amount of collections paid and credited	Amount of actual cash handled in payment of collections	Amount of checks and drafts handled in payment of collections
January.....	2,607	211	No record	\$3,313,908.52	\$18,440.58	\$1,588,241.82
February.....	1,851	185	No record	2,252,319.53	12,877.83	489,342.41
March.....	1,882	168	No record	3,751,735.29	10,250.71	1,244,561.99
April.....	2,181	179	No record	2,375,840.51	16,140.96	351,457.14
May.....	2,322	167	\$ 3,902,922.44	3,440,087.72	18,125.28	930,979.92
June.....	2,409	250	4,828,225.14	2,774,844.87	21,549.67	735,138.18
July.....	2,763	158	6,404,377.29	3,119,066.31	19,324.77	1,135,577.58
August.....	2,918	246	7,170,404.07	4,235,229.44	21,484.28	1,954,186.32
September.....	3,485	362	6,059,475.90	5,478,612.78	38,979.59	1,578,675.22
October.....	4,059	484	7,718,721.44	6,600,510.70	49,615.18	1,991,739.20
November.....	3,734	438	8,523,092.55	6,094,393.85	49,185.51	2,363,104.30
December.....	5,081	615	10,858,371.42	8,253,581.88	50,951.36	2,792,531.00
Totals.....	35,292	3,463	Incomplete	\$53,690,331.40	\$326,925.72	\$17,155,535.08

Gold Settlement Fund

The operations through the gold settlement fund were much larger than in 1918, record figures being reached in December of this year. Payments received through this fund totaled \$7,630,713,000 in comparison to \$5,440,137,000 in 1918, and the amounts paid to other Federal reserve banks were \$7,636,447,000 as compared to \$5,434,-826,000 in the previous year. Monthly figures of total transactions and net gains and losses are given herewith.

Gold Settlement Fund Operations

1919	Total receipts	Total disbursements	Net gain for month	Net loss for month	Balances at close
January.....	\$551,056,538.85	\$540,841,853.46	\$10,214,685.39		\$47,627,091.93
February.....	436,030,868.77	442,545,830.12		\$6,514,961.35	41,112,130.58
March.....	554,073,619.20	552,989,646.51	1,083,972.69		42,196,103.27
April.....	588,400,307.17	588,564,726.77		164,419.60	42,031,683.67
May.....	583,586,131.08	586,259,043.37		2,672,912.29	39,358,771.38
June.....	673,526,475.96	663,859,290.47	9,667,185.49		49,025,956.87
July.....	741,545,305.75	749,478,311.91		7,933,006.16	41,092,950.71
August.....	629,658,805.30	629,054,373.65	604,431.65		41,697,382.36
September.....	681,569,283.81	689,470,979.68		7,901,695.87	33,795,686.49
October.....	727,159,603.27	725,326,327.67	1,833,275.60		35,628,962.09
November.....	678,574,592.09	684,462,903.98		5,888,311.89	29,740,650.20
December.....	785,532,324.76	783,594,223.03	1,938,101.73		31,678,751.93
Totals.....	\$7,630,713,856.01	\$7,636,447,510.62	\$25,341,652.55	\$31,075,307.16	.....

Transit and Clearings

The transit department reports operations for the year on a much larger scale than in 1918. In dollars this increase is not so noticeable, the total value of all items handled this year being \$13,843,-000,000, as compared to \$11,292,000,000 in 1918. In point of number of items handled, however, very large increases are reported, the number of items passing through the department being 34,886,768 as compared to 17,133,761 in 1918. This points to a considerable decline in the average amount of each item, and, as the tables which follow demonstrate, this is particularly true of such items as were drawn on Philadelphia banks. The department handled as many as 156,000 items in a day.

The campaign to extend the par system to all banks in the district was rewarded with complete success. At the beginning of the year items were received without exchange charges by all member banks and all non-member banks with the exception of 115. Continual efforts were made to have these 115 institutions remit at par, and by July the number had been reduced to 46. Shortly before this time it was decided that, beginning July 1, this Bank would receive and collect all items at par, collections on institutions making exchange charges being handled through the express companies. Further efforts on the part of this Bank resulted in the bringing of all institutions into the collection system.

The tables which follow show the total number and amounts of items handled and the daily averages by months.

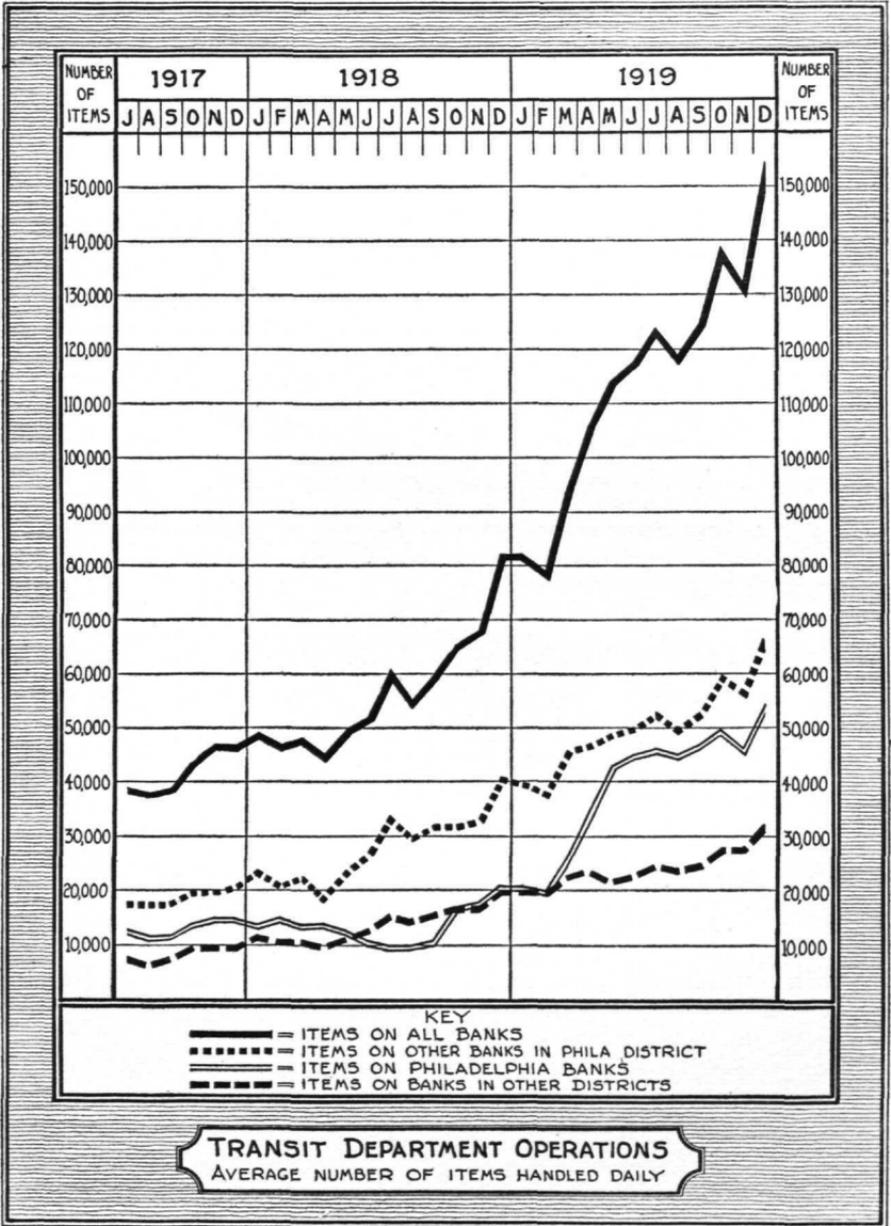
FIFTH ANNUAL REPORT FEDERAL RESERVE BANK OF PHILADELPHIA

Total Number and Amount of Checks Handled Monthly

1919	On Philadelphia banks		On banks elsewhere in district		On banks in other reserve districts		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Jan....	536,089	\$704,657,161	1,050,744	\$142,887,606	532,101	\$251,170,421	2,118,934	\$1,098,715,188
Feb....	504,651	583,438,785	958,666	118,609,517	514,178	199,052,797	1,977,495	901,101,099
Mar....	643,540	717,606,959	1,145,348	150,109,944	585,568	220,261,439	2,374,456	1,087,978,342
April..	881,534	638,917,287	1,177,357	153,582,154	603,235	220,084,737	2,662,126	1,012,584,178
May....	1,086,792	695,116,725	1,221,629	156,985,289	549,510	211,690,433	2,857,931	1,063,792,447
June...	1,127,835	730,558,427	1,253,479	174,188,000	567,320	229,640,928	2,948,634	1,134,387,355
July....	1,155,150	757,265,867	1,323,226	187,674,318	614,513	248,584,951	3,092,889	1,193,525,136
Aug....	1,128,639	704,683,625	1,253,901	176,602,670	596,547	228,493,695	2,979,087	1,109,779,990
Sept...	1,168,642	845,110,979	1,324,840	210,203,714	635,602	238,436,056	3,129,084	1,293,750,749
Oct....	1,299,512	850,916,400	1,565,906	216,385,122	739,996	252,443,980	3,605,414	1,319,745,502
Nov....	1,153,815	779,371,298	1,437,360	201,888,858	698,254	252,068,043	3,289,429	1,233,328,199
Dec....	1,364,844	900,028,864	1,666,804	240,083,975	819,641	254,943,339	3,851,289	1,395,056,178
1919...	12,051,043	\$8,907,672,377	15,379,260	\$2,129,201,167	7,456,465	\$2,806,870,819	34,886,768	\$13,843,744,363
1918...	4,256,167	6,655,028,275	8,569,393	1,263,933,879	4,308,201	3,373,447,958	17,133,761	11,292,410,112

Average Daily Number and Amount of Checks Handled

1919	On Philadelphia banks		On banks elsewhere in district		On banks in other reserve districts		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
January.....	20,618	\$27,102,198	40,414	\$5,495,677	20,465	\$9,660,401	81,497	\$42,258,276
February.....	20,186	23,337,551	38,346	4,744,380	20,567	7,962,112	79,099	36,044,043
March.....	25,743	28,704,278	45,813	6,004,397	23,422	8,810,458	94,978	43,519,133
April.....	35,262	25,556,692	47,095	6,143,286	24,128	8,803,389	106,485	40,503,367
May.....	43,472	27,804,669	48,865	6,279,411	21,980	8,467,617	114,317	42,551,697
June.....	45,113	29,222,337	50,139	6,967,520	22,693	9,185,637	117,945	45,375,494
July.....	46,206	30,290,634	52,929	7,506,972	24,580	9,943,399	123,715	47,741,005
August.....	45,145	38,187,345	50,157	7,064,106	23,861	9,139,748	119,163	54,391,199
September.....	46,745	33,804,439	52,994	8,408,148	25,424	9,537,442	125,163	51,750,029
October.....	49,980	32,727,554	60,228	8,322,505	28,461	9,709,383	138,669	50,759,442
November.....	46,152	31,174,852	57,495	8,075,554	27,930	10,082,721	131,577	49,333,127
December.....	54,594	36,001,154	66,672	9,603,359	32,785	10,197,734	154,051	55,802,247
Average, 1919.....	40,171	\$29,692,241	51,264	\$7,097,337	24,854	\$ 9,356,236	116,289	\$46,145,814
Average, 1918.....	14,171	22,095,528	28,458	4,195,819	14,310	11,208,640	56,939	37,499,987



Internal Organization

Richard L. Austin, chairman and Federal reserve agent; Henry B. Thompson, deputy chairman; E. Pusey Passmore, governor; Edwin S. Stuart, deputy governor; William H. Hutt, deputy governor.

Class	Name	Residence	Term expires
A	Group 1.. Joseph Wayne, jr., president Girard National Bank, Philadelphia, Pa.	Philadelphia, Pa.	Dec. 31, 1920
	Group 2.. Francis Douglas, cashier, First National Bank, Wilkes-Barre, Pa.	Wilkes-Barre, Pa.	Dec. 31, 1921
	Group 3.. M. J. Murphy, c/o A. B. Leach & Co., bankers, New York City.	Clarks Green, Pa.	Dec. 31, 1919
B	Group 1.. Alba Johnson, vice-president, Southwark Foundry & Machine Co., Philadelphia, Pa.	Rosemont, Pa.	Dec. 31, 1919
	Group 2.. Edwin S. Stuart, merchant, Philadelphia, Pa.	Philadelphia, Pa.	Dec. 31, 1920
	Group 3.. Charles K. Haddon, vice-president, Victor Talking Machine Co., Camden, N. J.	Camden, N. J.	Dec. 31, 1921
C.....	Richard L. Austin.	Philadelphia, Pa.	Dec. 31, 1920
	Henry B. Thompson, president, U. S. Finishing Co., New York City.	Wilmington, Del.	Dec. 31, 1919
	Charles C. Harrison.	Philadelphia, Pa.	Dec. 31, 1921

Mr. R. M. Miller, jr., cashier of the Farmers and Mechanics National Bank of Phoenixville, Pa., and Mr. Frank W. Labold, of this bank, were elected assistant cashiers on May 1, and Mr. Samuel Earl, paying teller of the Bank, was elected an assistant cashier on December 18. Mr. R. D. Stockton was elected comptroller on January 2 and assumed office on February 1.

The resignation of Mr. Thomas Gamon, jr., an assistant cashier of the Bank, was presented to the board of directors at the meeting of December 4 and the following resolution was adopted:

"Whereas, Thomas Gamon, jr., an assistant cashier, since January 13, 1916, who came to this Bank as an employee in the early days of its establishment and therefore had an active part in the difficult task of organization, and the adoption of new methods for the proper handling of its business, has now tendered his resignation to accept an official position with the National Security Bank, in which he feels the opportunity will be broader and more remunerative;

"Therefore, Be it Resolved, that his resignation be accepted as of December 31, 1919, with leave of absence during the interim, and with the assurance that he carries with him to his new work the cordial good wishes of the members of this Board."

At the meeting of the board of directors on December 31, the officers were confirmed in their appointments for the coming year and Mr. Levi Rue, president of the Philadelphia National Bank, was again selected to represent the Third Federal Reserve District on the Federal Advisory Council.

The terms of office of Mr. Michael J. Murphy, representing the group 3 banks as a class A director, and of Mr. Alba B. Johnson, rep-

resenting the group 1 banks as a class B director, expired on December 31, and they were re-elected for terms of three years from January 1, 1920.

The increase in the operations of the Bank has necessitated many additions to the clerical force. At the end of this year there were 627 employees and 15 officers, as compared to 419 employees and 11 officers at the end of 1918.

The following table gives the number of persons in each department together with comparative figures for December 31, 1918:

Department	No. of employees 1919	No. of employees 1918	Department	No. of employees 1919	No. of employees 1918
BANK			BANK		
Officers.....	15	11	Telegraph.....	3	3
Analysis.....	11	8	Telephone.....	3	3
Auditing.....	29	14	Transit.....	186	103
Bookkeeping.....	26	22	Vault.....	7	3
Building (porters, charwomen).....	37	29	Cafeteria.....	15	0
Chauffeurs.....	6	3		554	335
Coupon.....	14	5			
Discount.....	36	16	GOVERNMENT		
Federal reserve agent's.....	5	5	Liberty Loan.....	47	48
Bank examination.....	6	2	Government depository.....	16	25
Filing.....	9	8	Government check.....	15	11
Mail.....	7	5	War loan organization.....	5	5
Miscellaneous.....	18	10	War savings.....	3	3
Money.....	56	42	Capital Issues Committee.....	0	3
Pages.....	9	9		88	95
Printing.....	5	7			
Runners—guards.....	45	23			
Secretaries.....	6	4			

The increased operations of the Bank not only resulted in a larger personnel, but an increased need for space as well. About 75 per cent of the available room in its building is occupied by the Bank. The contemplated construction of a new vault in the basement of the main banking building made necessary the rental of the first floor of an adjoining building.

The comfort and convenience of the clerical force has been considered as much as possible, and on July 8 a cafeteria was opened on the premises of the Bank with complete equipment furnished by the Bank. Meals are furnished at cost; its service has been satisfactory and has proved a physical and financial benefit to those connected with the institution.

In connection with the Federal Reserve Club, a monthly magazine has been issued, and educational courses are being prepared.

General Business Conditions

At the opening of the year the business outlook was uncertain and operations were still dominated by conditions incident to the ending of the World War. Cancellations of Government contracts and civilian orders, also, had a depressing effect. The inability of buyers and sellers to agree on prices resulted in a decrease in the volume of business and the appearance of some unemployment, which lasted for three or four months.

However, the war had produced a shortage of many of the necessities of life and practically all of the luxuries. The people did not recognize the same necessity to curtail their purchases as in time of war and manifested a distinct tendency to buy clothing and other furnishings at any price which was requested. The comparatively low stocks of the retail establishments did not admit of sales in large volume without replenishment and manufacturers were given an increasing volume of orders. These conditions were particularly typical of the textile and house-furnishing lines.

Personal wants were not the only needs that had not received full satisfaction during the period of active warfare. Manufacturing establishments had been compelled to forego many repairs and replacements which were urgently needed, and buildings of all types were scarce. The need for repairs, alterations, and new construction overcame the cautious purchasing policy which had been maintained early in the year and orders for iron and steel and their products, paints, building materials of all kinds, etc., increased very largely.

The shipbuilding industries of the district were actively engaged during most of the year in completing the program of the Shipping Board. Toward the end there has been some slowing-up due to a lack of new business at prices which can be met here.

The mining of anthracite coal, while not quite up to the levels of 1918, has been satisfactory and seems to be in ample volume to take care of the needs of domestic consumers.

At the end of the year the majority of the business concerns of the district report orders on hand far in excess of the capacity to fill them. Business conditions generally, as far as demand and supply are concerned, are good almost beyond precedent. Skilled workers are scarce and the disinclination of operatives to do a full day's work is curtailing production. Prices of raw materials have kept pace with the extremely high prices demanded for manufactured goods, and the amount of capital required to conduct business has greatly increased, making necessary much larger lines of credit.

Banking Conditions in the District

The boundaries of the district remain unchanged and include all of Delaware, that part of New Jersey south of the northern boundaries of Mercer, Burlington and Ocean counties, and that part of Pennsylvania east of the western boundaries of McKean, Elk, Clearfield, Cambria and Bedford counties. The total area is 36,844 square miles, making this the smallest of the Federal reserve districts territorially. The population at the last census was 6,632,611, or 6.4 per cent of the total population of the country at that time.

At the end of the fiscal year our records show that there are 640 national banks and 453 state institutions, 38 of the latter class being members of this Federal Reserve Bank. The total net additions since January 1 to the list of national banks are 13, two of which are accounted for by the conversion of state banks into national banks. The total resources of all banks and trust companies in the district on November 15 was \$3,011,090,000, of which the national banks totaled \$1,741,542,000, or 58 per cent. Total resources in 1918 were \$2,702,193,000, indicating an increase of 11 per cent during 1919.

The table given below analyzes the figures compiled in greater detail by states.

Banking Resources—District No. 3

(000's omitted)

	Capital	Surplus	Undivided profits	Individual deposits	Bank deposits	Total resources
Pennsylvania:						
National banks	546	\$72,202	\$104,433	\$28,625	\$966,054	\$1,583,773
State institutions	371	80,619	119,354	33,418	806,804	1,078,833
Total	917	\$152,821	\$223,787	\$62,043	\$1,772,858	\$2,662,606
New Jersey:						
National banks	73	6,970	7,419	3,706	109,738	137,256
State institutions	45	5,766	6,362	1,943	90,964	111,591
Total	118	\$12,736	\$13,781	\$5,649	\$200,702	\$248,847
Delaware:						
National banks	19	1,429	1,532	913	15,245	20,513
State institutions	33	4,721	5,362	2,447	68,750	79,124
Total	52	\$6,150	\$6,894	\$3,360	\$83,995	\$99,637
Total:						
National banks	638	80,601	113,384	33,244	1,091,037	1,741,542
State institutions	449	91,106	131,078	37,808	966,518	1,269,548
Total	1,087	\$171,707	\$244,462	\$71,052	\$2,057,555	\$3,011,090

FIFTH ANNUAL REPORT FEDERAL RESERVE BANK OF PHILADELPHIA

The capital and surplus of the member banks increased somewhat during the year. This increase amounted to \$10,682,000 in the case of national banks in the district between the dates of August 31, 1918, and September 12, 1919. The borrowings of national banks on their bills payable increased very largely, and the percentage of these borrowings from the Federal Reserve Bank to total borrowings on such paper was 99 per cent in the fall of 1919, as compared to 95 per cent in the previous year. Comparative reports of the Comptroller of the Currency on the national banks of the district are as follows:

Combined Statement of Condition of Member National Banks

RESOURCES	Date of Comptroller's call			
	Sept. 12, 1916	Sept. 11, 1917	Aug. 31, 1918	Sept. 12, 1919
Loans and discounts	\$597,371,000	\$647,542,000	\$635,753,000	\$843,965,000
Liberty bonds and Victory notes		23,903,000	66,791,000	
Other United States bonds	58,812,000	67,804,000	142,412,000	*327,390,000
Other bonds, securities, etc.	244,462,000	283,356,000	271,998,000	289,274,000
All other resources	295,338,000	316,206,000	323,395,000	347,618,000
Totals	\$1,195,983,000	\$1,338,811,000	\$1,440,349,000	\$1,808,247,000
LIABILITIES				
Capital stock	\$ 76,814,000	\$ 76,708,000	\$ 76,178,000	\$ 79,368,000
Surplus	97,304,000	99,037,000	103,468,000	110,960,000
Undivided profits	24,460,000	28,766,000	28,908,000	33,960,000
National bank notes outstanding	56,291,000	55,596,000	54,212,000	54,561,000
Individual deposits	759,894,000	877,549,000	905,834,000	1,043,787,000
Bank deposits	166,926,000	166,175,000	164,629,000	161,220,000
Bills payable	1,042,000	9,909,000	40,269,000	165,694,000
All other liabilities	13,252,000	25,071,000	66,851,000	158,697,000
Totals	\$1,195,983,000	\$1,338,811,000	\$1,440,349,000	\$1,808,247,000

* Includes all United States securities held

FIFTH ANNUAL REPORT FEDERAL RESERVE BANK OF PHILADELPHIA

Member banks in Philadelphia, Scranton, Camden, and Wilmington for the past two years have been reporting to this Bank weekly some of the resource and liability items appearing in their statements. The figures given are for the last Friday in each month of 1918 and 1919.

Member Banks in Camden, Scranton and Wilmington

1918	United States securities owned	Loans secured by United States securities	All other loans and investments	Total loans and investments	Reserve with Federal Reserve Bank	Cash in vault	Net demand deposits	Time deposits	Government deposits	Number of banks reporting
January	34,882	25,560	615,270	675,712	59,446	22,490	567,847	15,506	28,585	46
February	53,890	22,527	603,004	679,421	58,607	21,974	569,913	15,876	40,099	47
March	74,820	21,488	600,504	696,812	53,562	19,771	566,712	15,578	34,863	47
April	96,634	21,213	611,090	728,937	57,349	20,419	587,163	14,965	43,756	49
May	77,459	35,849	633,752	747,060	54,591	20,469	575,703	13,796	70,865	49
June	66,427	38,543	630,130	735,100	53,300	19,841	564,865	14,427	76,313	49
July	77,633	42,571	601,371	721,575	50,060	18,974	553,158	15,246	17,359	49
August	89,504	44,245	609,794	743,543	55,311	18,617	584,633	14,311	32,066	50
September	114,169	45,796	620,941	780,906	65,596	19,479	628,748	16,391	25,742	52
October	153,014	160,091	621,928	935,033	68,969	20,867	606,679	15,987	30,179	53
November	114,415	170,278	620,611	905,304	66,412	21,053	615,753	15,801	27,910	54
December	106,426	157,618	619,529	883,573	58,120	25,612	629,478	18,972	31,235	56
1919										
January	153,235	147,639	622,872	923,646	64,774	19,012	632,839	20,086	55,088	56
February	177,735	145,429	599,381	922,545	67,036	19,705	638,823	21,354	45,747	56
March	179,870	142,292	623,256	945,413	61,527	19,515	653,426	22,300	38,963	56
April	177,769	144,911	614,232	936,912	67,363	19,293	654,734	22,016	27,276	56
May	189,440	165,047	642,082	996,569	65,490	18,278	651,349	20,634	62,338	56
June	125,065	176,968	649,120	951,153	63,113	18,411	635,929	20,627	48,818	56
July	105,101	172,910	645,401	923,816	65,187	17,184	646,191	21,303	26,564	56
August	119,014	165,804	665,248	950,066	69,615	16,062	664,273	21,783	32,213	56
September	125,098	161,534	675,998	960,630	74,574	16,550	663,812	22,122	54,732	56
October	103,182	153,211	685,688	945,081	69,658	17,108	675,267	22,453	27,484	56
November	94,018	126,930	698,868	919,816	60,354	18,333	666,231	22,440	11,366	56
December	108,642	102,411	704,735	915,788	60,199	21,549	655,361	22,242	36,080	56

An analysis of the table discloses that the movements of the various classes of loans and investments reflect clearly the issuing of Government securities of various kinds. The peak of the United States securities owned was reached in May, 1919, while the high point in the loans secured by United States securities was reached in June. The reserves held with the Federal Reserve Bank averaged higher in 1919 than in 1918, but the amount of cash in vault was smaller. Deposits show a natural increase in keeping with the larger amounts of loans and investments. This table includes a larger number of banks in the year 1919 than in 1918, but the figures of the banks added to the list do not obscure the trends to any considerable extent.

Toward the end of the period covered the banks reported their loans and investments in greater detail and these figures for December 26, 1919, are given herewith.

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	Amount	Per cent
United States bonds to secure circulation.....	\$11,097,000	1.2
Other United States bonds, including Liberty bonds.....	29,426,000	3.2
United States Victory notes.....	12,283,000	1.3
United States certificates of indebtedness.....	55,836,000	6.1
Total United States securities owned.....	\$108,642,000	11.8
Loans secured by United States war obligations:		
(a) Liberty bonds.....	\$ 74,561,000	8.1
(b) Victory notes.....	26,992,000	3.0
(c) Certificates of indebtedness.....	858,000	0.1
Loans secured by stocks and bonds other than United States securities.....	207,032,000	22.6
All other loans and investments.....	498,123,000	54.4
Total loans and investments.....	\$915,351,000	100.0

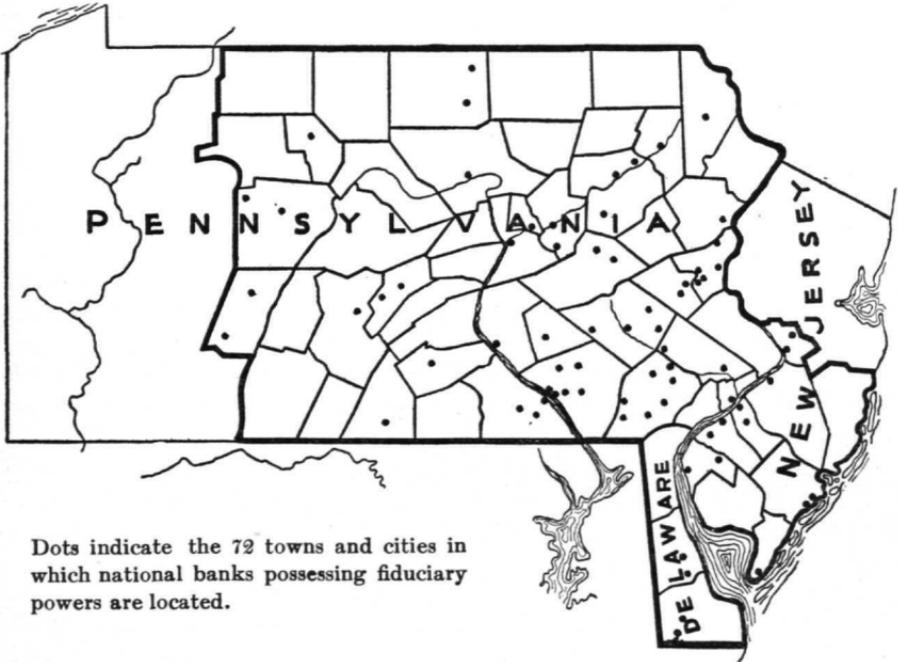
Christmas savings funds have been conducted by many of the banks of the district. In response to a questionnaire sent out by this Bank, returns were received from 75 to 80 per cent of the banking institutions, and their reports indicate Christmas savings fund deposits of \$9,789,000 in 1919, as compared to \$8,174,000 in 1918. Increases in regular savings accounts were reported also.

Fiduciary Powers

Some of the national banks of the district appreciate the advantages of exercising fiduciary powers. The applications of 48 banks, permitting them to exercise full fiduciary powers, were approved during the year. The total number of banks in the district exercising full powers is now 59, and in addition, 38 others had been granted partial powers under the act as originally passed. The following table shows their distribution by states:

	Full powers	Partial powers	Total
Delaware.....	2	2	4
New Jersey.....	10	5	15
Pennsylvania.....	47	31	78
Totals.....	59	38	97

The following map shows the locations of these banks in the district and emphasizes their wide distribution. National banks possessing such powers are located in 72 cities and towns of the district.



Dots indicate the 72 towns and cities in which national banks possessing fiduciary powers are located.

Power to Accept up to 100 Per Cent

No additions were made to the list of banks authorized to accept up to 100 per cent of capital and surplus during the past fiscal year. The following banks, all of which are located in Philadelphia, possess this power:

Bank of North America	Corn Exchange National Bank
First National Bank	Fourth Street National Bank
Girard National Bank	Market Street National Bank
Philadelphia National Bank	Tradesmens National Bank

State Bank Members

The pressure of other business has precluded the possibility of conducting an active campaign for the membership of state banks and trust companies during the last fiscal year. However, no opportunity has been neglected to bring to the attention of eligible non-member banks the advantages of membership in the system. The number of institutions which were admitted during the year was 11, the names and resources being as follows:

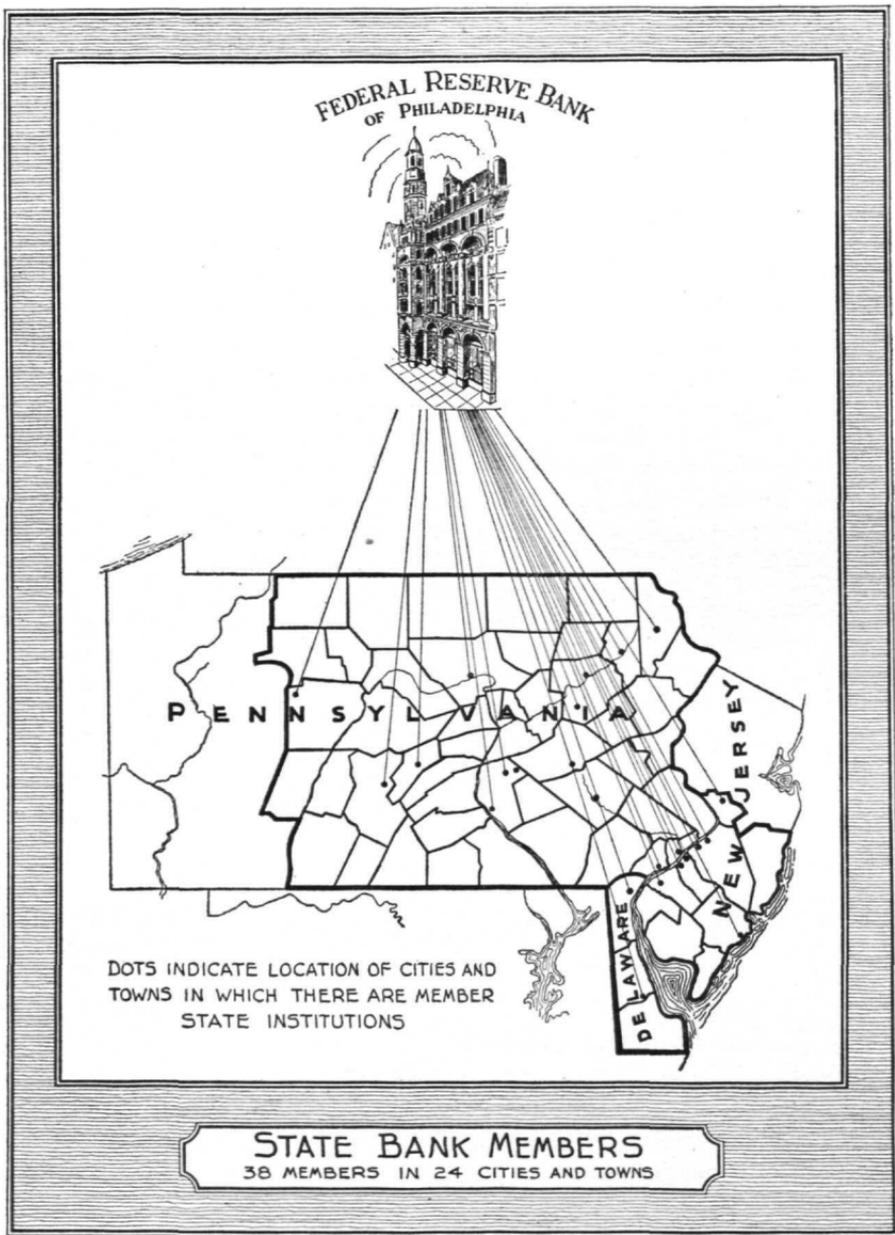
Bank name	Location	Admitted	Total resources
Riverside Trust Company.....	Riverside, N. J.	Jan. 3, 1919	\$2,039,889
Peoples Savings & Trust Co.....	Hazleton, Pa.	Jan. 13, 1919	2,933,058
Milford Trust Company.....	Milford, Del.	Mar. 27, 1919	1,077,830
Union Banking & Trust Co.....	DuBois, Pa.	Mar. 28, 1919	2,173,668
Berks County Trust Co.....	Reading, Pa.	May 1, 1919	3,917,503
Equitable Trust Co.....	Atlantic City, N. J.	June 20, 1919	3,166,688
Burlington City Loan & Trust Co.....	Burlington, N. J.	June 25, 1919	1,748,441
Bankers Trust Co.....	Atlantic City, N. J.	July 11, 1919	676,035
Lewistown Trust Co.....	Lewistown, Pa.	Sept. 27, 1919	752,153
Grange Trust Co.....	Huntingdon, Pa.	Oct. 7, 1919	706,752
Schuylkill Haven Trust Co.....	Schuylkill Haven, Pa.	Oct. 17, 1919	1,307,027

This list brings the number of state institutions which have entered the Federal Reserve system in this district up to 40, but, due to the conversion of the Bank of Commerce and the Drivers & Merchants Bank, both of Philadelphia, into national banks, the number now stands at 38.

There are 270 eligible non-member state institutions in the district, having total resources of approximately \$668,000,000. The member state institutions represent 41 per cent of the total resources of all eligible member and non-member state banks and trust companies. The table given below furnishes pertinent data relative to member state institutions as of November 17, 1919:

Member State Institutions

Number.....	38
Capital.....	\$23,225,000
Surplus.....	47,102,000
Undivided profits.....	8,997,877
Individual deposits.....	241,650,071
Bank deposits.....	7,699,936
Total resources.....	460,980,948



Department of Examination

Examinations have been made in Delaware, New Jersey and Pennsylvania in co-operation with the state banking departments, which have resulted in more efficient results being obtained to the consequent benefit of all interested.

Every effort has been made to keep in close touch with the condition of all member banks and reports of examinations are very carefully analyzed and valuable statistical records are compiled.

Fiscal Agency Operations

As fiscal agent for the United States the activities of the Federal Reserve Bank were again brought conspicuously to the public attention. The year saw the sale of the last popular loan, and with it a dissolution of the great army of loan workers through whose energetic efforts the five Liberty loans were so successfully distributed.

With the war over and the necessity for great popular campaigns ended, the function of conducting the sales of Government securities is again in sole charge of officers of the Reserve Bank. At the beginning of the year, the activities of the Liberty Loan Committee, the War Savings Organization, and the Certificate of Indebtedness Division were consolidated within the district into the War Loan Organization. This organization had at its head a director with associate directors. In this way the fiscal operations were co-ordinated and made more effective. At the close of the Victory loan, this organization automatically dissolved and sales of certificates of indebtedness were handled directly by officers of this Bank.

FINAL PAYMENTS ON FOURTH LIBERTY LOAN

Final payments on the fourth Liberty loan were completed in January. According to the schedule of payments arranged by the Secretary of the Treasury two installments aggregating 50 per cent were due in that month. So many investors paid for their bonds in full during 1918, however, that at the end of that year payments approximated 88 per cent of the \$598,763,650 allotted to this district. The remaining 12 per cent was paid in January without disturbance to the money market.

VICTORY LIBERTY LOAN

The Victory Liberty loan was a complete success, though it was floated at a time when the country was relaxing from the strain of war. Subscriptions in this district amounted to \$422,756,100 on a quota given the district by the Secretary of the Treasury of \$375,000,000. The allotment to the district was \$376,290,100.

The banking institutions co-operated with the Federal Reserve Bank in every way, not only to insure the success of the loan, but also to secure the widest possible distribution of the notes. At the outset of the campaign the financial institutions of Philadelphia as a unit agreed to lend Victory loan subscribers 95 per cent of the face value of their subscriptions for 90 days at $4\frac{3}{4}$ per cent, being the coupon rate, with the privilege of renewing the loan for a similar period of 90 days at $4\frac{3}{4}$ per cent interest. This offer of the banks was widely accepted. Details of the Victory Liberty loan follow:

	Population	Total banking resources	Apportionment	Subscription
Delaware.....	237,973	\$ 90,769,857	\$ 12,889,200	\$ 13,807,650
New Jersey.....	666,775	210,214,658	29,850,400	33,368,850
Pennsylvania.....	3,793,211	1,023,308,193	145,309,800	167,097,400
Philadelphia.....	1,800,000	1,074,488,676	186,209,450	208,482,200
Totals.....	6,497,959	\$2,398,781,384	\$374,258,850	\$422,756,100

	Allotment	Number of subscribers	Per cent of population subscribing	Per capita subscription
Delaware.....	\$ 12,784,450	25,979	10.91%	\$ 58.00
New Jersey.....	30,479,200	93,096	13.96	50.00
Pennsylvania.....	158,435,100	512,683	13.52	44.00
Philadelphia.....	174,591,350	350,903	19.49	116.00
Totals.....	\$376,290,100	982,661	15.12	\$65.00

SUMMARY OF LIBERTY LOANS

The results achieved in the Third Federal Reserve District in the five great war loans deserve recognition. The quotas assigned to this district on the five loans aggregated \$1,515,000,000, against which total subscriptions were received of \$1,996,142,750, or 132 per cent of the aggregate quota. Allotments to this district were \$1,782,348,950.

The relation of subscriptions to quotas in each of the loans is given herewith.

	Quota	Subscription	Percentage of subscription to quota
First loan.....	\$140,000,000	\$232,309,250	165.9%
Second loan.....	250,000,000	380,350,250	152.1
Third loan.....	250,000,000	361,963,500	144.7
Fourth loan.....	500,000,000	598,763,650	119.7
Victory loan.....	375,000,000	422,756,100	112.7
Totals.....	\$1,515,000,000	\$1,996,142,750	131.7

Records of the five loans, tabulated by states, are shown in the following tables:

Record of the War Loans

Delaware

	Apportionment	Subscriptions	Allotment
First loan.....	\$ 6,136,000	\$11,917,850	\$ 6,136,100
Second loan.....	7,500,000	8,314,200	7,705,700
Third loan.....	8,474,500	25,391,400	25,391,400
Fourth loan.....	16,013,260	22,621,300	22,621,300
Victory loan.....	12,889,200	13,807,650	12,784,450
Totals.....	\$51,012,960	\$82,052,400	\$74,638,950

New Jersey

	Apportionment	Subscriptions	Allotment
First loan.....	\$ 8,817,400	\$11,702,700	\$ 8,812,100
Second loan.....	16,527,950	18,188,150	16,950,400
Third loan.....	19,379,400	42,990,850	24,990,850
Fourth loan.....	38,439,960	24,363,450	42,363,450
Victory loan.....	29,850,400	33,368,850	30,479,200
Totals.....	\$113,015,110	\$130,614,000	\$123,596,000

Pennsylvania

	Apportionment	Subscriptions	Allotment
First loan.....	\$ 53,339,150	\$ 63,515,750	\$ 53,389,750
Second loan.....	108,067,200	118,946,900	107,200,650
Third loan.....	101,587,640	142,230,650	142,230,650
Fourth loan.....	200,406,341	222,472,650	222,472,650
Victory loan.....	145,309,800	167,097,400	158,435,100
Totals.....	\$608,710,131	\$714,263,350	\$683,728,800

Philadelphia

	Apportionment	Subscriptions	Allotment
First loan.....	\$ 94,964,750	\$145,172,950	\$ 96,809,650
Second loan.....	139,499,950	234,901,000	148,327,350
Third loan.....	136,499,950	169,350,600	169,350,600
Fourth loan.....	259,198,000	311,306,250	311,306,250
Victory loan.....	186,209,450	208,482,200	174,591,350
Totals.....	\$816,372,100	\$1,069,213,000	\$900,385,200

All Loans

	Apportionment	Subscriptions	Allotment
Delaware.....	\$ 51,012,960	\$ 82,052,400	\$ 74,638,950
New Jersey.....	113,015,110	130,614,000	123,596,000
Pennsylvania.....	608,710,131	714,263,350	683,728,800
Philadelphia.....	816,372,100	1,069,213,000	900,385,200
Totals.....	\$1,589,110,301	\$1,996,142,750	\$1,782,348,950

Number of Subscribers

	First loan	Second loan	Third loan	Fourth loan	Victory loan
Delaware.....	No record	16,570	42,940	58,560	25,979
New Jersey.....	No record	52,849	153,341	206,545	93,096
Pennsylvania.....	No record	309,002	815,035	1,003,181	512,683
Philadelphia.....	No record	245,126	653,182	502,864	350,903
Totals.....	476,000	623,547	1,664,498	1,771,151	982,661

CERTIFICATES OF INDEBTEDNESS

Sales of Treasury certificates of indebtedness continued at intervals throughout the year. Every issue was oversubscribed where a quota was assigned. Sales of all issues during the year aggregated \$681,511,500.

The first issue of certificates in anticipation of the Victory loan was dated December 5, 1918, and series of certificates were issued at fortnightly intervals until near the end of the campaign. After the Victory loan, due to the stronger financial position of the Treasury, flotations were made at less frequent intervals. No loan certificates were issued between May 1 and August 1, and no certificates of any kind were issued between September 15 and December 1.

An analysis of the subscriptions to the ten issues of certificates in anticipation of the Victory loan follows:

	Number sub- scribing	Percentage of total in district	Amount sub- scribed
National banks.....	598	92.71	\$272,140,000
Trust companies.....	200	86.58	115,377,500
State banks.....	133	78.70	20,016,000
Savings banks.....	24	100.00	12,155,000
Total banks.....	955	89.34	\$419,688,500
Individuals.....	38		646,000

Total sales of tax certificates with maturities extending into 1920 were \$133,223,500. The amount of each maturity sold was as follows: March 15—\$28,414,500; June 15—\$50,222,500; September 15—\$54,586,500.

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Treasury Certificates Issued During 1919
Tax Certificates Issued

	Date of Issue	Maturity	Rate	Subscription
T-2.....	Jan. 16, 1919	June 17, 1919	4½%	\$19,744,000
T-3.....	Mar. 15, 1919	June 16, 1919	4½	18,874,000
T-4.....	June 3, 1919	Sept. 15, 1919	4½	18,686,500
T-5.....	June 3, 1919	Dec. 15, 1919	4½	8,031,000
T-6.....	July 1, 1919	Sept. 15, 1919	4½	14,730,000
T-7.....	July 1, 1919	Sept. 15, 1919	4½	21,129,000
T-8.....	July 15, 1919	Mar. 15, 1920	4½	12,369,500
T-9.....	Sept. 15, 1919	Mar. 15, 1920	4½	5,563,000
T-10.....	Sept. 15, 1919	Sept. 15, 1920	4½	54,588,500
TM-3.....	Dec. 1, 1919	Mar. 15, 1920	4½	10,482,000
TJ.....	Dec. 15, 1919	June 15, 1920	4½	50,222,500

Treasury Certificates of Indebtedness Issued in 1919 in anticipation of Victory Liberty Loan

	Date of Issue	Maturity	Rate	Quota	Subscription
5-C.....	Jan. 2, 1919	June 3, 1919	4½%	\$53,000,000	\$53,300,000
5-D.....	Jan. 16, 1919	June 17, 1919	4½	42,400,000	43,533,500
5-E.....	Jan. 30, 1919	July 1, 1919	4½	42,400,000	46,173,000
5-F.....	Feb. 13, 1919	July 15, 1919	4½	42,400,000	43,323,500
5-G.....	Feb. 27, 1919	July 29, 1919	4½	35,300,000	38,247,000
5-H.....	Mar. 13, 1919	Aug. 12, 1919	4½	35,300,000	36,758,000
5-I.....	Apr. 10, 1919	Sept. 9, 1919	4½	35,300,000	39,160,500
5-K.....	May 1, 1919	Oct. 7, 1919	4½	35,300,000	35,301,500

Treasury Certificates of Indebtedness Issued in 1919 Subsequent to Victory Liberty Loan

	Date of Issue	Maturity	Rate	Quota	Subscription
A-1920.....	Aug. 1, 1919	Jan. 2, 1920	4½%	\$35,300,000	\$36,264,500
B-1920.....	Aug. 15, 1919	Jan. 15, 1920	4½	35,300,000	36,276,000
C-1920.....	Sept. 2, 1919	Feb. 2, 1920	4½	.....	27,155,000
D-1920.....	Dec. 1, 1919	Feb. 16, 1920	4¼	.....	11,601,000

GOVERNMENT DEPOSITS

At the close of 1919 the total number of banks designated as United States depositaries was 666, as compared to 647 at the end of 1918. Of the \$1,080,000,000 in securities handled during the year in connection with the securing of Government deposits, municipal bonds formed 10 per cent of the total; foreign government bonds, 10 per cent; railroad and utility bonds, 20 per cent; commercial paper, 30 per cent; and war-time obligations of the United States, 30 per cent.

The Government deposits averaged about \$66,000,000 during the year, with an average amount of collateral held to secure the same of \$118,000,000. Custodians of collateral numbered 115 at the end of the year.

WAR SAVINGS DIVISION

Sales of stamps and Treasury savings certificates fell off markedly after the armistice was signed and the stimulus of war was removed. There was a smaller percentage of redemption, however. In 1918, a

year of intensified selling, the sum of \$73,000,000 worth of stamps was sold in this district and approximately 10 per cent of this total was redeemed at post offices during the year. In 1919, when sales were only \$8,000,000, it is estimated that less than 2 per cent of the total sales were redeemed.

Stamps have been sold to 1,000,000 persons, and it is estimated that there are now 2,000,000 stamp-owners in this district. The average cost during 1919 was approximately 1.5 cents per dollar raised.

Following the Victory loan and the dissolution of the War Loan Organization the direction of the savings movement was taken over by the Federal Reserve Bank and the work is now conducted as a departmental operation of the Bank.

Sales of war savings and thrift stamps by this Bank during 1919 totaled \$988,561, and of Treasury savings certificates \$438,100.