

FEDERAL RESERVE BULLETIN

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FEDERAL RESERVE BOARD
AT WASHINGTON**

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FEDERAL RESERVE BOARD.

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The Federal Reserve Bulletin is distributed without charge to member banks of the system and to the officers and directors of Federal Reserve Banks. In sending the Bulletin to others the Board feels that a subscription should be required. It has accordingly fixed a subscription price of \$2 per annum. Single copies will be sold at 20 cents. Foreign postage should be added when it will be required. Remittances should be made to the Federal Reserve Board. Member banks desiring to have the Bulletin supplied to their directors may have it sent to not less than ten names at a subscription price of \$1 per year.

TABLE OF CONTENTS.

	Page.
Review of the month.....	1
Dividends declared by Federal Reserve Banks.....	4
Purchase of United States bonds.....	5
Bank of England as foreign agent of Federal Reserve System.....	5
Growth of use of bankers' acceptances.....	5
Operation of clearing plan.....	6
Meeting of governors of Federal Reserve Banks.....	7
Class C directors appointed.....	7
Class A and B directors elected.....	7
Increased use of trade acceptances.....	8
War loans of foreign countries.....	10
One hundred largest national banks.....	19
Commercial failures during November.....	19
Fiduciary powers granted.....	20
New national-bank charters granted.....	20
Collaboration between the Federal Trade Commission and the Federal Reserve Board.....	21
Assessment for expenses of the Federal Reserve Board.....	23
Gold settlement fund.....	25
Informal rulings of the Federal Reserve Board.....	28
Law department.....	31
Business conditions throughout the 12 Federal Reserve districts.....	33
Charts:	
Commercial paper, acceptances, and other investments held.....	57
Reserves and net deposits of Federal Reserve Banks.....	57
Distribution of discounted paper.....	57
Acceptances, distribution of.....	63
Federal Reserve Bank statements.....	67
Gold imports and exports.....	71
Earnings on investments of Federal Reserve Banks.....	73
Discount rates in effect.....	74

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VOL. 3

JANUARY 1, 1917.

No. 1

REVIEW OF THE MONTH.

The work chiefly receiving the attention of the Federal Reserve Board during the month of December has been the preparation of its annual report to Congress, and, in this connection, the discussion and formulation of amendments to the terms of the law which it is prepared to recommend. These amendments have been transmitted to the chairmen of the Banking and Currency Committees of the Senate and House in advance of the Board's complete report, because of the limited time available for discussion at the short session of Congress. The considerations which have led the Board to present these amendments will be set forth in the annual report shortly to be transmitted.

The whole situation as to reserves, interest rates, and demands for accommodation has been such as to confirm the Board in the belief, previously expressed, that the time has come for the use not only of distinct caution on the part of our banks, but also of the adoption of a more adequate policy to control the dangers growing out of the continued shipment of gold to the United States. In the statement issued on November 28 the Board used the following language:

"The Board does not share the view, frequently expressed of late, that further importations of large amounts of gold must of necessity prove a source of danger or disturbance to this country. That danger, the Board believes, will arise only in case the inflowing gold should remain uncontrolled and be permitted to become the basis of undesirable loan expansions and of inflation. There are means, however, of controlling accessions of gold by proper and voluntary cooperation of the banks or, if need be, by legislative enactment."

As a means of providing the control of the gold referred to in this statement, the Board suggested the advancing of the date on which balances with city banks should cease to count as reserves, from November 1, 1917, to February or March of the same year. This was recommended mainly because it would eliminate fictitious reserve balances, and tend to promote a better understanding of real reserve conditions.

A more positive program has, however, been felt to be necessary, and other amendments have in consequence been suggested by the Board to Congress.

Among the amendments thus transmitted to the appropriate committees of Congress are the following items:

(1) An amendment designed to advance the date when reserve balances carried with city correspondents will no longer count as reserves, from November 1, 1917, to a date 60 days after the passage of the amendatory act.

(2) A provision authorizing the Federal Reserve Board to increase member bank reserves under carefully guarded conditions.

(3) A revision of section 19 of the act relating to reserves so far as to eliminate matter which has become obsolete by reason of the actual effecting of reserve transfers, while at the same time reserves carried with Federal Reserve Banks are strengthened, and the amount and character of funds to be carried in vault are placed within the option of the member banks.

(4) An amendment authorizing State banks to carry balances with Federal Reserve Banks and to clear checks through them.

(5) Sundry minor amendments intended to correct obvious defects or errors in existing law,

or to improve the working of various phases of the legislation.

It will be observed that the principal of the Board's proposed amendments are intended to work together toward the further application of the policy already mapped out in the statement regarding bank investments in foreign obligations issued by it on November 28. As noted above, it was there suggested that the inflow of gold into the United States need not be considered a menace to the well-being of the community, provided that satisfactory provision was made for the control of its movement and accumulation. The question raised is how to obtain and exercise sufficient authority in connection with such control. This, as is now suggested by the Board, can be accomplished by wiping out the fictitious reserves carried in the form of reserve balances, vesting the Board itself with power to increase when necessary the percentage of member bank reserves carried with reserve banks, and rearranging the reserve requirements of the country so as to place all reserve funds, except needed till money, in the hands of the reserve banks themselves. The gold movement has continued and imports into the United States during the four weeks between November 17 and December 22, were \$109,655,000, while exports for the same period were \$36,202,000. Net imports of gold for the five weeks ending December 22 were \$97,797,000, while net gold imports since January 1, 1916, were \$483,801,000, compared with \$409,050,000 for the corresponding period in 1915.

During the past month there have been further developments in connection with the question of bank investments in foreign obligations of technically short terms. Subsequent to the statement issued by the Board on November 28 and published in the last issue of the Federal Reserve Bulletin, short term securities which were about to be offered were withdrawn. Some misunderstanding of the exact scope and application of the statement of November 28

was, however, manifest—a misunderstanding to which Governor Harding made reference in an address at Boston on December 14, in the following language:

“Some of you may perhaps have seen a statement that was recently given to the press by the Federal Reserve Board, in which the suggestion was made that in view of abnormal conditions throughout the world, it would be best that the banks of this country should keep themselves in a liquid condition and proceed along indicated lines of prudence and conservatism. The suggestion was made also that as the United States is fast becoming the banker of foreign countries in all parts of the world, investors should receive full and authoritative data, particularly in the case of unsecured loans.

I know that there has been criticism of the Board's action in making this statement, which has been given a significance neither justified nor intended. In its reference to investors, it was not the purpose of the Board to make an attack, either open or covert, upon the credit of any Government, nor did it seek in its statement to reflect upon any particular obligations. In my opinion, what the Board had in mind when it made its brief reference to investors, was simply this: American investors have for many years been accustomed to buying industrial securities—railroad obligations to a great extent. In dealing with these securities certain well-established rules have been developed. The investor has acquired the habit of requiring specific information regarding gross earnings, fixed charges, net earnings, sinking funds, etc., and he insists upon knowing definitely whether he is offered a first mortgage bond, income bond, preferred stock, or common stock. It is the practice of every issuing house when offering securities to state all necessary details either over its own signature or that of the head of the borrowing corporation. Nowhere is the importance of authentic and complete information more fully understood and appreciated than in Europe, both in England and on the Continent, and prospectuses for foreign loans contain all the important facts relating thereto, in a statement signed by an authorized representative of the foreign government or by the issuing house, or in some cases by both. The Board sought merely to call attention to the fact that as this country has become an important market for foreign securities, the same businesslike habits which

are well established regarding domestic loans, should be developed in the marketing of foreign flotations."

Among other results the Board's statement above referred to has had the effect of leading the banks to give greater attention to the reserve situation. Figures were given in the last issue of the Federal Reserve Bulletin to show the condition of member bank reserves in large cities on November 18, and developments since that time have not been such as to indicate much change. According to the latest data now available, the reserve percentage of the 60 member banks forming the New York Clearing House Association figured against net demand deposits declined from 19.5 on November 25 to 18.9 on December 2, and rose to 20.5 on December 16, at which figure it stood on December 23. This included returns from 31 banks which are members of the Federal Reserve System and from 29 nonmembers. Reports of the New York State Banking Department indicate a decline of the reserve percentage for the State banks from 26.2 for the week ending November 18 to 25.2 for the week ending December 23, while the reserve percentage for the trust companies is shown to have declined during the same period from 22.6 to 20.8. The average excess reserves of the Philadelphia national banks, members of the local Clearing House Association, declined from over 26 millions for the week ending November 18 to about 16 millions for the week ending December 23, while the average reserves of the Philadelphia trust companies belonging to the association declined during the same period from nearly 6 millions to a little over 1 million.

Reserves of the Boston banks for the week ending December 23 were likewise lower than about a month ago, though the decline was much smaller than in the case of the Philadelphia banks.

Operations during the past month have been decidedly more active than during the preceding month, while at some of the banks there has been a sharp increase in the demand for rediscounts. This was witnessed at New York, where about \$9,000,000 in rediscounts and open-market purchases is shown for a single day (December 7), and at Boston, where a comparable increase in activity occurred. The banks showing the largest increase in their bill holdings for the month were as follows:

	Nov. 24.	Dec. 22.	Increase.
New York.....	\$35,268,000	\$45,855,000	\$19,587,000
Philadelphia.....	14,403,000	19,900,000	5,497,000
Cleveland.....	7,138,000	10,745,000	3,607,000
Minneapolis.....	4,387,000	7,991,000	3,604,000
Richmond.....	3,658,000	6,306,000	2,648,000
Chicago.....	10,006,000	12,434,000	2,428,000
Kansas City.....	2,582,000	4,554,000	1,972,000

So far as the general money market was concerned, the event of most interest was the movement of the call-loan market in New York, occurring on December 4, which at one time sent call-money rates as high as 15 per cent. It was practically simultaneous with this disturbance that the increase in rediscounting at the Federal Reserve Bank of New York became most marked. A number of its members initiated rediscount operations in order to prepare themselves for sudden demands, which it was thought might be brought to bear upon them. There was nothing to indicate that the increase in rediscounting thus noted took place for the purpose of providing call money, but rather as an incident of the general situation, of which the rise of call-money rates afforded one index. The control by Federal Reserve Banks of a situation of the kind which developed during the month will, of course, ordinarily be found in their regulation of the discount rate, and accordingly there has been a tendency to slightly stiffen rates of accommodation in view of the change of condition referred to. The Federal Reserve Bank of New York has advanced its

acceptance rate from $2\frac{1}{4}$ to $2\frac{7}{8}$ per cent for 60-day bills and to 3 per cent for 90-day bills as of December 11, while the Federal Reserve Bank of Boston raised its rate for maturities not exceeding 10 days to $3\frac{1}{2}$ per cent, for maturities of over 10 to 30 days, inclusive, to 4 per cent, and the rate on member banks' collateral notes maturing within 15 days to 4 per cent. Changes in the Boston rates became effective December 7. St. Louis has increased its rates for 15-day and commodity 90-day paper to $3\frac{1}{2}$ per cent.

Two conferences have been held by the Federal Reserve Board during the past month with representatives of the several Federal Reserve Banks. On December 4 the Federal Reserve Agents assembled in Washington for a meeting which lasted until the 7th, while on December 11 the governors of Federal Reserve Banks began sessions which extended through the 13th. At both conferences conditions relating to the management and operation of the Federal Reserve System as a whole were carefully reviewed, and suggestions were made by the Board with reference to changes and improvements in existing practice. The whole subject of commercial paper and the use of trade and bankers' acceptances, was given particular attention at these conferences, while existing reserve conditions and the best method of improving them was likewise discussed. The Board further explained both to the Federal Reserve Agents and to the governors of the banks its ideas with reference to pending proposals to amend the Federal Reserve Act, and received suggestions regarding the application of these amendments to conditions in the several reserve districts. Clearing and collection problems were considered, and it was agreed to issue a new corrected par list on January 1, with monthly supplements thereafter for a six months' period. Refunding of Government bonds also formed the subject of recommendation. It was the practically unanimous opinion of the representatives of reserve banks that

conversion of 2 per cent bonds should be generally made in the form of 3 per cent 30-year bonds, the present plan of issuing half of the converted securities in 30-year 3s and half in one-year notes to be abandoned.

The Board has had under consideration for some time the advisability of authorizing the Federal Reserve Banks to establish one or more correspondents or agencies in Europe, and under date of December 20, 1916, passed a resolution approving the application of the Federal Reserve Bank of New York for authority to establish an agency with the Bank of England. A statement touching this matter which was given to the press on December 25 will be found on another page of this issue.

Dividends Declared by Federal Reserve Banks.

Six Federal Reserve Banks had declared dividends prior to December of the present year, while the remaining six banks were authorized to pay a 6 per cent dividend during December, 1916, for some part of the period since the opening of the banks in November, 1914. The details regarding dividends thus far declared are as follows:

	Date of authorization by Federal Reserve Board.	Amount of dividend.	Period for which authorized.
Boston.....	Dec. 21, 1916	\$246,891	Nov., 1914, to Dec. 31, 1915.
New York.....	Dec. 16, 1916	131,150	Nov., 1914, to Mar. 31, 1915.
Philadelphia..	Dec. 23, 1916	128,340	Nov., 1914, to June 30, 1915.
Cleveland.....	Nov. 27, 1916	143,816	.....Do.....
Richmond.....	¹ Dec. , 1915 Apr. , 1916	² 151,940 ³ 30,388	Nov., 1914, to Dec. 31, 1915.
Atlanta.....	Dec. , 1916	167,535	Jan., 1916, to Oct. 31, 1916.
Chicago.....	¹ June , 1916 Dec. , 1916	129,198 72,759	Nov., 1914, to Dec. 31, 1915. Jan., 1916, to June 30, 1916.
St. Louis.....	¹ June , 1916 Dec. , 1916	76,156 286,575	Nov., 1914, to Mar. 31, 1915. Apr., 1915, to Dec. 31, 1915.
Minneapolis..	Dec. 16, 1916	⁴ 31,000	Nov., 1914, to Mar. 31, 1915.
Kansas City..	July , 1916	⁴ 60,000	Nov., 1914, to July 1, 1915.
Dallas.....	Jan. , 1916 Sept. , 1916	66,707 65,523	Nov., 1914, to June 30, 1915. July, 1915, to Dec. 31, 1915.
San Francisco	¹ Sept. 30, 1916 Dec. 20, 1916	78,813 12,341 ⁴ 33,000	Nov., 1914, to Dec. 31, 1914. Jan., 1915, to Apr. 1, 1915.

¹ Date when dividend was declared.

² Five per cent dividend for period November, 1914, to Dec. 31, 1915.

³ One per cent dividend for period November, 1914, to Dec. 31, 1915.

⁴ Preliminary estimate.

Purchase of United States Bonds.

A comparatively small amount of United States 2 per cent bonds were offered for sale by member banks of the Federal Reserve system to Federal Reserve Banks during the last quarter of 1916. These bonds are offered under section 18 of the Federal Reserve Act through the Treasurer of the United States. Owing to the fact that Federal Reserve Banks had already purchased more than \$25,000,000 of this kind of bonds during the year 1916, the Board did not require further purchases.

The resolution covering the matter was adopted on December 27, 1916, and was as follows:

Whereas it appears that the 12 Federal Reserve Banks have purchased in the open market bonds in excess of the amount which might have been allotted to such banks at the end of this quarterly period on the basis heretofore determined upon and announced by the Board: Now, therefore, be it

Resolved, That it is the sense of the Board that no necessity exists for enforcing the requirement provided for under section 18 of the Federal Reserve Act at the end of this quarterly period ending December 31, 1916, and that it will not, therefore, at this time require the Federal Reserve Banks to purchase any of the bonds which are offered for sale by member banks through the Treasurer of the United States under the provisions of section 18: Be it further

Resolved, That the Secretary be instructed to send a copy of this resolution to the various Federal Reserve Banks and to the member banks which have offered bonds for sale in order that they may be notified of the action of the Board in the premises.

Bank of England as Foreign Agent.

The following press statement was issued December 25:

The Federal Reserve Board has authorized the Federal Reserve Bank of New York to appoint as one of its foreign correspondents and agents the Bank of England, of London, England, under the terms of the Federal Reserve Act.

Section 14 of the act permits any Federal reserve bank "with the consent of the Federal

Reserve Board to open and maintain banking accounts in foreign countries, appoint correspondents, and establish agencies in such countries wheresoever it may deem best for the purpose of purchasing, selling, and collecting bills of exchange and to buy and sell with or without its indorsement through such correspondents or agencies bills of exchange arising out of actual commercial transactions," so that a broad field of operations is opened under it.

In granting the authority to establish this agency the Board has authorized the Federal Reserve Bank of New York to maintain accounts either with or for the Bank of England. Operations both in England and in the United States are thus possible.

Other Federal reserve banks may participate in the agency relationship with the Bank of England upon the same terms and conditions that will govern the Federal Reserve Bank of New York, if they so desire.

Bankers' Acceptances.

The following figures compiled by the statistical division of the Federal Reserve Board present the latest available facts with reference to the growth of the use of bankers' acceptances:

Amounts of acceptances in the foreign and domestic trades reported by banks and trust companies in Greater New York under date of Nov. 17 and 29, respectively, compared with like figures for Sept. 12 and 20, 1916.

NATIONAL BANKS.

	Nov. 17.	Sept. 12.
Bank of New York.....	\$4,654,300	\$4,260,900
Mechanics.....	962,500	451,900
Mechanics & Metals.....	6,550,300	5,363,400
National City.....	13,902,900	8,419,500
Chemical.....	90,400	116,100
Atlantic.....	38,500	37,900
American Exchange.....	4,116,800	4,416,000
Bank of Commerce.....	12,261,300	9,182,700
Hanover.....	3,583,300	3,225,000
Citizens' Central.....	438,200	26,400
Market & Fulton.....	9,000	13,500
Importers' & Traders'.....	753,500	25,000
National Park.....	3,139,100	3,214,900
East River.....		89,200
Irving.....	3,108,100	2,652,000
Chase.....	6,482,200	7,614,200
Garfield.....	5,200	5,200
Seaboard.....	12,400	
Liberty.....	683,300	550,000
Coal & Iron.....	118,200	51,600
Union Exchange.....		41,500
Battery Park.....	438,000	126,300
Bronx.....	12,200	10,000
Total.....	61,359,700	49,923,200

Amounts of acceptances in the foreign and domestic trades, etc.—Continued.

TRUST COMPANIES.

	Nov. 29.	Sept. 20.
Bankers' Trust Co.	\$10,556,400	\$8,957,600
Astor Trust Co.	200,000	
Guaranty Trust Co.	52,043,200	41,035,500
Fidelity Trust Co.	33,300	
Lawyers Title & Trust Co.	186,700	
Columbia Trust Co.	1,761,800	1,351,700
New York Trust Co.	100,000	
Broadway Trust Co.	953,500	997,000
Central Trust Co.	1,650,000	1,450,000
Commercial Trust Co.	1,000	
Equitable Trust Co.	12,622,600	7,021,600
Farmers' Loan & Trust Co.	8,097,900	7,399,600
Hudson Trust Co.	4,000	
Peoples' Trust Co., Brooklyn.	100,000	
Franklin Trust Co., Brooklyn.	715,000	
Total	89,005,400	68,213,000

STATE BANKS.

	Nov. 29.	Sept. 20.
Corn Exchange Bank	\$2,952,200	\$1,971,100
W. R. Grace & Co.'s Bank	490,100	
Total	3,442,300	1,971,100

RECAPITULATION.

	Nov., 1916.	Sept., 1916.
National Banks	\$61,359,700	\$49,923,200
Trust companies	89,005,400	68,213,000
State banks	3,442,300	1,971,100
All banks and trust companies in greater New York	153,807,400	120,107,300

Acceptances held by Philadelphia national banks on Nov. 17 and Sept. 12, 1916.

	Nov. 17.	Sept. 12.
Corn Exchange National Bank	\$1,812,600	\$181,600
Fourth Street National Bank	176,400	119,100
Franklin National Bank	5,300	3,700
Girard National Bank	1,283,300	100,000
Market Street National Bank	208,300	85,000
Philadelphia National Bank	4,376,800	3,602,400
Tradesmen's National Bank	777,300	966,000
Union National Bank		26,600
Total	8,640,000	5,084,400

In addition the Philadelphia national banks on November 17 show contingent liabilities as indorsers on acceptances bought and resold, as follows: Girard National Bank, \$2,871,800; Philadelphia National Bank, \$15,500.

For all trust companies and State banks in Maryland the following figures showing aggregate liabilities on acceptances in the foreign and domestic trade are available:

Sept. 12, 1916	\$2,728,100
Nov. 17, 1916	3,308,100

At the conference of Federal Reserve Agents held in Washington on December 4-7, a committee to which was submitted the question of bankers' acceptances, presented a report in the course of which the following statement was made:

"The entrance in a substantial way of the American bankers' acceptances in ordinary commerce, and the adoption by many bankers of this method of financing not only imports and exports, but domestic trade, contemplated under the recent amendment to the Federal Reserve Act, are most encouraging signs of progress. They of themselves justify the enactment of the Federal Reserve Act, and should be encouraged in every possible way.

"While in the beginning accepting was limited to the larger banks, most of which were experienced in foreign transactions, and were familiar with and informed on acceptances, now the question of acceptances is creating a wider interest, and officers of reserve banks are frequently being asked to supply information, and reply to various inquiries involving limitations, restrictions, privileges, etc."

Operation of the Clearing Plan.

The following table shows briefly the clearing operations of the Federal Reserve system for the monthly period ending December 15, 1916, with comparative figures for each of the four preceding months:

Operations of the Federal Reserve interdistrict clearing system, Nov. 16 to Dec. 15, 1916.

Bank.	Average number of items handled daily.	Average amount of daily clearing.	Member banks in the district.	Nonmember banks from which checks are collected at par.
Boston	38,479	\$13,153,317	402	242
New York	42,551	28,307,438	625	313
Philadelphia	30,081	16,545,774	632	292
Cleveland	15,873	8,320,355	754	496
Richmond	17,064	8,062,500	520	286
Atlanta	13,851	4,689,214	390	440
Chicago	20,452	13,220,268	993	1,269
St. Louis	10,039	8,402,904	469	881
Minneapolis	15,613	8,828,269	759	1,100
Kansas City	13,782	7,791,296	941	1,412
Dallas	12,734	6,521,235	621	238
San Francisco	5,519	1,761,162	521	1,096
Total Nov. 16 to Dec. 15	236,038	125,603,732	7,627	8,065
Oct. 16 to Nov. 15	227,489	115,061,224	7,623	8,059
Sept. 16 to Oct. 15	204,891	97,666,107	7,618	7,459
Aug. 16 to Sept. 15	177,397	78,559,704	7,613	7,449
July 15 to Aug. 15	133,113	59,301,066	7,624	7,032

¹ Does not include Government checks averaging 2,062.

Meeting of Governors.

Governors of Federal Reserve Banks held a meeting in Washington, December 11 to 14, at the close of which they gave out the following:

A conference of the governors of Federal Reserve Banks was held at the Shoreham Hotel, Washington, D. C., December 11 to 14, inclusive. There were present Messrs. A. L. Aiken, governor of the Federal Reserve Bank of Boston; G. J. Seay, of Richmond; C. J. Rhoads, of Philadelphia; Rolla Wells, of St. Louis; Theo. Wold, of Minneapolis; J. A. McCord, of Atlanta; Vice Gov. R. H. Treman, of New York; J. Z. Miller, of Kansas City; R. L. Van Zandt, of Dallas; E. R. Fancher, of Cleveland; J. B. McDougal, of Chicago; Mr. J. F. Curtis, counsel of the Federal Reserve Bank of New York and secretary to the conference; also Mr. Marcus Walker, manager of the New Orleans branch of the Federal Reserve Bank of Atlanta; Mr. L. H. Hendricks, assistant cashier of the Federal Reserve Bank of New York; Mr. C. C. Bullen, auditor of the Federal Reserve Bank of Boston; and Mr. A. H. Hale, auditor of the Federal Reserve Bank of St. Louis.

The governors held several meetings with the Federal Reserve Board and with various committees of the Board, at which topics connected with the administration of the banks were taken up for discussion and recommendations made.

Among the subjects considered were the following: Disposition of Government bonds; Federal Reserve Banks as fiscal agents of the Government; uniformity in reports of reserves and enforcement of reserve penalties; report of the transit managers' conference held at Chicago; report of the auditors' meeting held at Chicago; handling of gold settlement fund; retirement of national bank notes; vault reserves; purchase of domestic and foreign acceptances; conversion of 3 per cent Treasury notes into 30-year 3 per cent bonds; treatment of organization expenses; collections and clearances; loans on farm land and other real estate; national banks as insurance agencies; the accumulation of gold by Federal Reserve Banks; and the establishment of branches or agencies of Federal Reserve Banks.

The conference adjourned to meet subject to call without any definite time or place for the next meeting.

Class C Directors Selected.

The Federal Reserve Board has thus far made selection of the following Class C directors in cases of vacancies where terms expire on December 31, 1916. Terms of directors are for three years unless otherwise indicated. Where designation has been made for Federal Reserve Agent or Deputy Federal Reserve Agent the term is for the year ending December 31, 1917:

- District No. 1, Boston.—Walter S. Hackney.¹
- District No. 2, New York.—Pierre Jay.²
- District No. 3, Philadelphia.—Henry B. Thompson.¹
- District No. 4, Cleveland.—Lyman H. Treadway.¹
- District No. 5, Richmond.—James A. Moncure.¹
- District No. 6, Atlanta.—W. H. Kettig.
- District No. 7, Chicago.—William A. Heath² (two-year term). E. T. Meredith (three-year term).
- District No. 8, St. Louis. ———
- District No. 9, Minneapolis.—John W. Black.
- District No. 10, Kansas City.—F. W. Fleming.
- District No. 11, Dallas.—H. G. Wooten.
- District No. 12, San Francisco. ———

Class A and B Directors Elected.

The following Class A and B directors have been elected by the Federal Reserve Banks for the three-year term beginning January 1, 1917:

- District No. 1, Boston:
 - Class A—Thomas W. Farnam, New Haven, Conn.
 - Class B—E. R. Morse, Proctor, Vt.
- District No. 2, New York:
 - Class A—William Woodward, New York City.
 - Class B—H. R. Towne, New York City.
- District No. 3, Philadelphia:
 - Class A—M. J. Murphy, Clarks Green, Pa.
 - Class B—Alba B. Johnson, Philadelphia, Pa.
- District No. 4, Cleveland:
 - Class A—W. S. Rowe, Cincinnati, Ohio.
 - Class B—R. P. Wright, Erie, Pa.
- District No. 5, Richmond:
 - Class A—J. F. Bruton, Wilson, N. C.
 - Class B—J. F. Oyster, Washington, D. C.
- District No. 6, Atlanta:
 - Class A—F. W. Foote, Hattiesburg, Miss.
 - W. H. Hartford, Nashville, Tenn.

¹ Designated as Deputy Chairman and Deputy Federal Reserve Agent.

² Designated as Chairman and Federal Reserve Agent.

District No. 7, Chicago:

Class A—J. B. Forgan, Chicago, Ill.

Class B—John W. Blodgett, Grand Rapids, Mich.

District No. 8, St. Louis:

Class A—Sam A. Ziegler, Albion, Ill.

Class B—W. B. Plunkett, Little Rock, Ark.

District No. 9, Minneapolis:

Class A—E. W. Decker, Minneapolis, Minn.

Class B—F. R. Bigelow, St. Paul, Minn.

District No. 10, Kansas City:

Class A—W. J. Bailey, Atchison, Kans.

Class B—M. L. McClure, Kansas City, Mo.

Class B—Harry W. Gibson,¹ Muskogee, Okla.

District No. 11, Dallas:

Class A—B. A. McKinney, Durant, Okla.

Class B—Marion Sansom, Fort Worth, Texas.

District No. 12, San Francisco:

Class A—C. K. McIntosh, San Francisco, Cal.

Class B—E. H. Cox, Madera, Cal.

Trade Acceptances.

Steady progress is being made at Federal Reserve Banks in promoting the use of the trade acceptance. At the meeting of Federal Reserve Agents in Washington, held on December 4-7, the subject was carefully discussed, and the committee on trade acceptances submitted the following report:

This committee, which made a report to the last conference of Federal Reserve Agents, has endeavored to keep in touch with the progress these acceptances have made since that time with a view to bringing in this additional report, which is now submitted.

Your committee believes that there has been a gradually increased use of trade acceptances, but that the movement is not gaining strength in proportion to the opportunities and influence of the Federal Reserve System. While considerable satisfactory work of development and education has been seen in various parts of the country, the efforts so far appear to be scattered and without cooperation, especially among the Federal Reserve Banks. Since the trade acceptance plan is acknowledged to be scientific and preferable to the book account system, and since the Federal Reserve Board has recognized and given the system authority and standing among the Federal Reserve Banks, there should be no reluctance on the part of any Federal Reserve Bank to push the movement with vigor and persistence. It is

the belief of the committee that development of the trade acceptance plan should be part of any general publicity scheme, if such action should be taken by the conference and approved by the Board.

The committee is of the opinion that the best results now can be obtained through trade organizations, trade papers, chambers of commerce, credit men, etc. Particularly is it desirable to get a number of users of acceptances in a single trade or industry, as others are encouraged to their use if it be noticed that their competitors have adopted the plan. One of the principal arguments for delay by many concerns who are interested and convinced is the fact that their competitors continue the book account plan, and they can not afford to risk alone the innovation and changed methods.

The committee also wishes to point out the desirability of having concerns who are obtaining trade acceptances in settlement of their own purchases. We are advised that a number of companies have a printed form of trade acceptance drawn on themselves which they send to the concerns from whom they purchase, requesting that drafts on them accompany all invoices sent.

The committee has a list of 70 companies who are using trade acceptances with satisfaction. These users of trade acceptances represent 40 different kinds of businesses and are located in 18 States. The largest number of users are dealers in cotton, cotton goods, and cotton mills. The lumber business seems to rank next to the cotton business in the number of concerns using acceptances. While the acceptance plan seems to find a readier reception among concerns of smaller capital, the list is not without a number of names of high rated companies. The information in respect to the number of companies using trade acceptances and the above analysis thereof is based on very incomplete data obtained by inquiry from the Federal Reserve Banks, and in our opinion the list of companies referred to represents only a small proportion of the concerns that have made a beginning in substituting the trade acceptance for the open account.

We recommend that each Federal Reserve Bank secure standard forms of trade acceptance and supply these to their member banks, accompanied by a circular explaining the advantages, with all essential details.

D. C. WILLS, *Chairman*.
FREDERIC H. CURTISS.
PIERRE JAY.
W. F. RAMSEY.

¹ Elected to fill vacancy caused by resignation. Term expires Dec. 31, 1917

Mr. R. H. Treman, acting governor of the Federal Reserve Bank of New York, has recently discussed the subject of trade acceptances in an address delivered before the National Hardware Association of the United States and the American Hardware Manufacturers Association. Mr. Treman enumerated the following objections and advantages inherent in the trade acceptance plan:

Let us now consider the objections, and later the advantages connected with the use of the trade acceptance.

Among the objections offered to the proposed change are:

(a) That open book accounts are preferable in the United States where wholesale distribution is conducted over great distances, where purchases are made frequently and in small amounts, and where variations in trade discounts and differences in the terms as to length of credit exist.

(b) That if trade acceptances were generally used by the two million (estimated) business firms in the country and a large proportion of the acceptances should be discounted, it would entail great increase in clerical force, books, etc., by banks, and would tend to an over-extension or inflation of credit.

(c) That in ordinary practice some drafts will be lost or mislaid, and in other cases they will not be paid at maturity, causing default.

(d) That the acceptance system does not take into account the necessity of examination of goods before acceptance by the merchants to guard against shortage, quality not up to samples, and other just causes for returning merchandise.

(e) That the best merchants will continue to borrow the capital they need on their own single name promissory notes, and by continuing the practice of open book accounts, they will give the buyer longer credits than those who adopt the trade acceptance plan, and thus will hold and increase their business to the detriment of their competitor.

(f) That it is suggested that bankers will not favor this change because they are content to loan their money on single name paper on which they secure higher rates than they will be able to do when they discount trade acceptances.

(g) That there is a natural prejudice on the part of the seller against taking the initiative in bringing about a better credit system for

fear of losing customers who may not, at first, take kindly to the change to definite maturities, and there is also the feeling that as business has been successfully conducted with the open book account, why change to a new system, even if better, which would involve trouble and expense in the change.

(h) That many a successful business man of to-day would never have attained success if his business had not been fostered and assisted by the extension of credit by the jobber and manufacturer beyond the actual terms, when a crop failure or other catastrophe had overtaken him.

These objections represent the sum total offered during several months of discussion of the topic. Those just outlined undoubtedly, at first glance, apparently present a case against the trade acceptance system, but, while some of these objections are real and valid, a close analysis will show that most of them are based either on an overconservative desire to cling to present methods, however crude and unscientific, or a narrow viewpoint that sees only local, limited or temporary conditions, or (and this is perhaps the principal basis) a total lack of comprehension of what the trade acceptance system is, and how flexibly it can be accommodated to our business needs.

Let us now consider the advantages claimed by those who favor the change. They state:

(a) That open book accounts, i. e., dead capital, will be transferred into trade acceptances, which is live capital, i. e., self-liquidating commercial credit paper available for the payment of debts, and when discounted, like promissory notes, becomes a basis for issue of currency and bank reserves under the Federal Reserve Act.

(b) That they show on their faces that they arise out of a bona fide commercial transaction.

(c) That acceptances, being two-name drafts, are safer, more liquid for bankers to hold, and more likely to be paid at maturity than single-name promissory notes.

(d) That banks would have better knowledge of a borrower's financial position through trade drafts instead of direct notes.

(e) That the trade acceptance system would practically eliminate the overdue accounts which, according to the records submitted from jobbers and manufacturers herewith, amount to about 30 per cent of the sales, and if legal proceedings are necessary, a trade acceptance is much better to have than an open book

account, because the seller has an acknowledgment in writing of the account.

(f) That the use of the trade acceptance would remove the necessity for the manufacturer or jobber, with somewhat limited capital, borrowing so heavily in order to act as banker in supplying credit to customers, as is now done to such an unreasonable extent.

(g) That the trade acceptance would reduce loss by bad debts by effecting prompt payments, and would save the interest on overdue accounts.

(h) That trade acceptances would tend to educate the retailer, who will have acceptances to meet at certain definite times, not to overbuy, thus tying up too much of his capital, or to extend too long credits to his own customers, both of which are serious defects in the present business system.

(i) That trade acceptances will tend to eliminate the abuse of the extension of credit to those retailers who, having but little real capital themselves invested, learn to conduct their business principally on the credit extended to them by rival jobbers or manufacturers.

(j) That those who settle by trade acceptances will put themselves into the class of preferred buyers, the same as those who discount for cash, as against those who will decline to give a trade acceptance and insist upon a long open-book account. Ultimately goods will be sold to those who demand long credits on the basis only of higher price over those who discount or send trade acceptances.

(k) That the trade acceptance system, even with small retailers, would work a great improvement on our whole merchandising system, and tend to make the untrained and unsystematic tradesman of less menace to his competitor who does business on sound methods.

(l) That trade acceptances would curtail or end the bad practice of taking unearned or unauthorized discounts, would curb the unfair practice of returning merchandise after shipment has been made, would tend to stop the pernicious habit of assigning or hypothecating book accounts to secure working capital, and would operate to reduce the overhead costs of doing business and enable both manufacturer and jobber to sell at lower prices.

(m) That the Federal Reserve Board, recognizing the advantages of the "trade accept-

ance," has authorized special rates of discount for this class of paper, and that all Federal Reserve Banks in establishing rates have made a rate generally one-half per cent of 1 per cent lower for trade acceptances than the rate for promissory notes.

Probably other advantages can be cited, but these will be sufficient to indicate the principal reasons given for the adoption of the trade acceptance system, and they would seem to be convincing.

Loans of Principal Belligerent Nations.

The following compilation based chiefly upon official material shows the growth of national indebtedness since the outbreak of the war to the most recent available date. Figures are shown for the United Kingdom, France, Russia, Germany, Austria, and Hungary.

UNITED KINGDOM.

BORROWINGS OF THE BRITISH GOVERNMENT.

According to the London Statist of November 18, the British public (both funded and unfunded) debt at the end of March, 1914, stood at £707,654,000, from which it was raised to £1,165,801,702 at the end of March, 1915, and to £2,196,439,245 at the end of March, 1916. Since April 1, 1916, an additional £1,052,000,000 of loans have been raised, including the recent American loan of about £60,000,000. About the middle of November the national debt of the country amounted to approximately £3,250,000,000, of which between £600,000,000 and £700,000,000 represented loans to allies and dominions.

The following table, taken from the Statist of November 18, 1916, shows the war borrowings of the British Government during the present fiscal year (since Apr. 1, 1916) and the total borrowings since August 1, 1914:

	Apr. 1, 1916, to Nov. 11, 1916.	Total from Aug. 1, 1914, to Nov. 11, 1916.
Treasury bills (all maturities).....	£536,554,000	£1,087,022,000
6 per cent exchequer bonds due February, 1920.....	89,342,000	89,342,000
War expenditure 2-year certificates.....	27,910,000	27,910,000
War savings 5-year certificates.....	34,550,000	35,800,000
"Other" debt ¹	86,106,000	95,106,000
Ways and means advances.....	37,000,000	56,896,000
3½ per cent war loan, 1925-1928 ²		331,795,000
3 per cent exchequer bonds, March, 1920.....		31,547,000
4½ per cent war loan, 1925-1945 ³		582,630,000
5 per cent United States of America loan of October, 1915.....		50,820,000
5 per cent exchequer bonds: ⁴		
Due October, 1919.....	34,222,000	34,222,000
Due December, 1920.....	84,140,000	237,829,000
Due October, 1921.....	62,464,000	62,464,000
Total.....	992,283,000	2,723,386,000
Equivalent in United States dollars.....	4,828,970,000	13,253,358,000

¹ Through conversions £62,774,400 in issue Mar. 31, 1916.

² £899,997,072 in issue Mar. 31, 1916, owing to conversions.

³ Includes inter alia, 5 per cent United States of America collateral loan, September, 1916, for \$250,000,000.

⁴ Issue suspended.

United Kingdom currency notes issued and held by the Bank of England, also portions secured by coin and bullion and by Government securities, 1914-1916.

[From the London Economist.]

[000's omitted.]

	Issued.	Held by Bank of England.	Secured by coin and bullion.	Per cent.	Secured by Gov- ernment securities.
1914.					
Aug. 26.....	£21,535	£11,423			
Sept. 30.....	28,409	9,104	£4,500	13.8	£10,924
Oct. 28.....	31,367	5,778	9,500	30.3	13,924
Nov. 25.....	34,134	5,772	13,500	39.6	13,924
Dec. 30.....	38,478	9,286	18,500	48.1	9,924
1915.					
Jan. 27.....	35,409	31	22,500	63.6	11,924
Feb. 25.....	36,661	1,079	26,500	72.3	8,924
Mar. 31.....	38,802	3,520	27,500	69.1	8,623
Apr. 28.....	42,099	5,837	27,500	65.3	8,623
May 28.....	45,160	7,237	28,500	63.0	9,586
June 30.....	46,577	8,635	28,500	61.3	9,586
July 23.....	45,387	4,250	28,500	61.3	9,586
Aug. 25.....	52,201	14,759	28,500	52.5	9,586
Sept. 29.....	72,022	22,689	28,500	39.5	20,400
Oct. 27.....	81,852	8,727	28,500	35.0	44,621
Nov. 24.....	90,226	17,114	28,500	31.5	44,621
Dec. 29.....	103,125	20,536	28,500	27.6	54,621
1916.					
Jan. 26.....	97,758	5,245	28,500	29.2	64,577
Feb. 23.....	99,345	6,450	28,500	28.7	65,203
Mar. 29.....	106,691	7,902	28,500	26.6	71,121
Apr. 26.....	116,244	12,876	28,500	24.5	75,718
May 31.....	118,550	7,155	28,500	24.0	83,775
June 28.....	122,099	7,006	28,500	23.4	88,758
July 26.....	125,488	6,338	28,500	22.6	92,157
Aug. 30.....	129,659	5,879	28,500	22.0	97,529
Sept. 27.....	131,525	5,964	28,500	21.6	99,321
Oct. 25.....	135,319	5,575	28,500	21.1	103,862
Nov. 29.....	136,582	5,448	28,500	20.9	105,323

FRANCE.

GROWTH OF THE FRENCH NATIONAL DEBT SINCE
AUGUST 1, 1914.

The following data regarding French public expenses authorized to the end of the calendar year 1916, and the growth of the French national debt up to August 31, 1916, are taken mainly from the financial statement submitted to the French Senate on September 15, 1916, by M. Ribot, the French Minister of Finance, and reprinted in the official *Bulletin de Statistique et de Législation Comparée* for September, 1916.

A comparison of the Government expenditures and ordinary receipts effected between August 1, 1914, and July 31, 1916, indicates a deficit of about 35 billion francs. To this total should be added the amounts advanced by the French treasury to the allied Governments which up to July 31, 1916, aggregated about 1,650 million francs, also amounts advanced to chambers of commerce, to societies for assisting wounded military persons, and advances to the State railroads for capital expenditures, pending the issue of bonds. Considerable payments were also made for the benefit of the département du Nord and the food distribution service for the civil population. Moreover, the départements, communes, the State Savings Bank (Caisse des dépôts et consignations), army treasuries, and various other public bodies had to draw upon their current accounts, which at the beginning of the war showed quite large credits.

The result of all these operations, while not affecting directly the State expenditures, adds, however, about 3 billions of francs to the deficit burden of the treasury, which accordingly by July 31, 1916, had reached a total of 38 billion francs. This deficit was covered by the following loan operations:

	Million francs.
5 per cent rente loans yielding a total of.....	11,925
Two loan operations in United States.....	1,476
National defense short-term bonds ("obligations") not converted into 5 per cent rente; amount issued to July 31, 1916.....	1,037
(This amount is offset by the amortization of the old six-year bonds to an amount of 283 millions.)	
Treasury bills (bons du trésor) disposed of in England representing on July 31, 1916, a total of.....	2,315
The issue of national defense treasury bills proved a continued success. Deducting all reimburse- ments and conversions the net yield from these issues totaled	13,166
Increase in the amount of funds deposited by the public with the national treasury.....	142
Advances of the Bank of France up to July 31, 1916.....	8,300
Advances of the Bank of Algeria up to July 31, 1916.....	45
	38,406
Less amount of 6-year bonds amortized.....	283
Decrease in amount of ordinary Treasury bills outstanding.....	395
	678
	137,728

Of this total only 22 per cent came from the banks of issue in the shape of fiduciary circulation and 78 per cent, or almost four-fifths, from voluntary contributions by the public.

Speaking of the general financial situation, M. Ribot discussed the question of payments which the national treasury has to make abroad as the result of foreign purchases for national defense purposes and in providing food for the civil population.

The monthly average of these payments from about 250 million francs in 1915 had gone up to about 600 millions about the middle of 1916. This increase, the minister adds, would have been even greater had not the Government decided to draw more largely on the resources of the country and order only those things abroad which could not be furnished by national labor.

To the amounts of foreign purchases should be added the growing sums represented by interest on loans and on advances received, also the amounts which the French treasury places at

¹ Exclusive of the decrease by 295 millions in the amount of cash on hand in the treasury between July 31, 1914 and 1916.

the disposal of the Bank of France for the needs of the foreign exchange market in the shape of treasury bills (in pounds sterling) renewable during the war and the years immediately following the conclusion of peace, the bank in turn lending to the British treasury or to the Bank of England gold, which is to be repaid at the termination of war, whenever it should be needed for the resumption of specie payments.

The statement adds, "A new convention is to be signed regarding this matter between the French and British Governments, which will assist us to meet most of our commitments toward those countries which are our principal purveyors, including Great Britain itself, and to maintain the stability of our exchanges."

Appropriations authorized or applied for since Aug. 1, 1914.

[Source: Bulletin de Statistique, Sept., 1916. In thousands of francs.]

	Calendar year.			
	1914	1915	1916	Total.
Military expenditures proper.....	5,867,251	15,704,418	23,600,675	45,232,444
Public debt.....	60,332	1,900,024	3,005,207	4,965,562
Expenditures of social soli- darity.....	494,465	2,673,251	3,290,242	6,457,959
Purchase of food for the sus- tenance of the civil popula- tion.....	20,000	166,800	.....	186,800
Other expenditures.....	147,386	2,261,124	2,394,771	4,803,181
Total.....	6,589,434	22,705,617	32,350,895	61,645,946

Movement of the French public debt from July 31, 1914, to Aug. 31, 1916.

[Source: Bulletin de Statistique, Sept., 1916. In thousands of francs.]

	Increase since July 31, 1914.	Decrease since July 31, 1914.
A. Consolidated or long-term debt:		
5 per cent loan, 1915 (760,244,273 francs of rente).....	15,204,885	.....
3 per cent rente delivered in part payment a/c loan (65,000,000 francs of rente).....	.....	2,166,666
3½ per cent amortizable "rente" delivered as part payment a/c subscription for—		
1. National-defense short-term bonds (28,641,368 francs of rente).....	.....	845,176
2. 5 per cent loan (939,800 francs of rente).....	.....	.....
Total.....	15,204,885	3,011,842
Net increase.....	12,193,043	.....
B. Debt repayable within short term after ter- mination of hostilities:		
National-defense short-term bonds (obli- gations).....	1,159,724	.....
6-year bonds:		
Law of Feb. 17, 1898.....	.....	159,750
Law of Sept. 26, 1908.....	.....	35,000
Law of July 30, 1913.....	.....	8,760
Law of Apr. 4, 1914.....	.....	79,770
Franco-British loan in the United States.....	1,295,000	.....

Movement of the French public debt from July 31, 1914, to Aug. 31, 1916—Continued.

	Increase since July 31, 1914.	Decrease since July 31, 1914.
B. Debt repayable within short term after termination of hostilities—Continued.		
Treasury bills (bons) issued to the British Treasury.....	1,508,156	
Treasury bills handed to the Bank of England by the Bank of France.....	1,210,560	
Advances of the Bank of France.....	8,400,000	
Advances of the Bank of Algeria.....	100,000	
Advances of the syndicate of principal banks in the United States.....	518,000	
Total.....	14,181,440	283,280
Net increase.....	13,908,160	
C. Floating debt:		
Ordinary treasury bills (bons ordinaires).....		394,520
National-defense treasury bills.....	14,183,178	
Treasury bills placed abroad.....	302,640	
Total.....	14,485,818	394,520
Net increase.....	14,091,298	
Recapitulation showing net increases of the several classes of the French public debt:		
A. Consolidated or long-term debt.....	12,193,043	
B. Debt repayable within short term after termination of hostilities.....	13,908,160	
C. Floating debt.....	14,091,298	
Total net increase July 31, 1914, to Aug. 31, 1916.....	40,192,501	

1. Issues of national defense short-term bonds (obligations de la défense nationale).

During the year 1915 a total of 3,823 million francs nominal of national defense short-term bonds was sold by public subscription. In payment therefor the Government received:

	Million francs.
Cash.....	2,525
National defense treasury bills.....	372
28,585,000 francs of 3½ amortizable rente (estimated capital value).....	817
	3,714

In addition to the bonds sold to the public, totaling 3,823 there was delivered to the Belgian Government for the purpose of redeeming Belgian and Congo treasury bills a total of..... 137

Total of short-term bonds issued during 1915. 3,960
Of this total there was returned to the Government as part payment on the 1915 5 per cent loan..... 3,327

Leaving thus a balance outstanding of..... 633
During 1916 there was issued a total of..... 527
paid for in the following manner:

Cash.....	453
National defense treasury bills.....	53.3
55,000 of 3½ per cent amortizable rente..	1.6
	507.9
Total of national defense short-term bonds outstanding on Aug. 31, 1916.....	1,160

73976—17—23

2. Issues of national defense treasury bills (bons de la défense nationale, exclusive of bills in 5 and 20 franc denominations).

[In millions of francs.]

	1914	1915	1916	Total.
Gross issues.....	1,696	16,388	17,977	36,061
Less amounts retired through reimbursement and renewal or applied toward payment on other loans.....	78	11,044	10,764	21,886
Outstanding at the end of year and on Aug. 31, 1916.....	1,618	5,344	7,213	14,175

LOAN OPERATIONS SINCE AUGUST 31, 1916.

A second 5 per cent "rente" loan was issued in October, 1916, which, according to official announcement of the minister of finance on November 9, amounted to 11,360 million francs. In payment the Government received 950 millions of national defense short-term bonds, about 3,500 millions of national defense treasury bills, about 7.4 millions of 3½ per cent rente, and about 5,500 millions of cash. Of the latter amount, about 160 millions was gold, the total amount of gold turned in by the public to the Bank of France and the treasury since the opening of the war being nearly 1,900 million francs. As a result of the successful issue of this loan, the Government was able to return about 2,200 millions of the 8,500 millions received as advances from the Bank of France. Moreover, during September, 1916, the unfunded part of the national debt was increased by the following amounts:¹

	Millions of francs.
Sale of national defense treasury bills.....	891
Sale of national defense short-term bonds (obligations décennales).....	260
Total.....	1,151
Increase in amounts of funds deposited with Government treasuries.....	16
Following the conclusion of the new convention with the United Kingdom, there were discounted in England treasury bills totaling.....	567
A loan concluded with a syndicate of American banks netted about.....	183
The Bank of France advanced during the month..	100
And the Bank of Algeria.....	20
Total loans realized during September.....	2,037

¹ Economiste Français, Nov. 18, 1916, p. 680.

Amounts of Bank of France notes in circulation, also gold held by the Bank of France.

[In thousands of francs.]

	July 30, 1914.	Nov. 30, 1916.	Increase.
Bank notes in circulation.....	6,683,185	16,119,496	9,436,311
Gold in vault.....	4,141,342	3,764,625 b1,280,922	

a Held in vault.

b Held abroad.

RUSSIA.

GROWTH OF PUBLIC DEBT, 1914 TO 1917.

According to official data of the Russian ministry of finance, the Russian public debt has increased since January 1, 1914, as follows (in thousands of rubles):

January 1—	Total:	Increase during year.
1914.....	9,888,310	
1915.....	10,473,572	585,862
1916.....	18,876,731	8,403,159
1917.....	25,220,937	6,344,206

The following classification of the loans outstanding on January 1, 1917, is shown by the official *Viestnik Finansov*, No. 38, 1916, p. 457:

1. Loans negotiated in terms of rubles equal to one-tenth of an imperial, or exclusively in terms of foreign currency:	In thousands of rubles.
(a) Of the "rente" type (without date of repayment).....	50,958
(b) Terminable.....	2,743,973
2. Loans negotiated in terms of rubles equal to one-fifteenth of an imperial:	
(a) Of the "rente" type (without date of repayment).....	3,265,472
(b) Terminable.....	8,480,569
3. Short term treasury bonds:	
Sold in Russia.....	6,500,000
Sold abroad.....	4,179,964
Total.....	25,220,936

Annual interest charges proposed for 1917 are 669,410,000 rubles, compared with 652,779,000 authorized for 1916.

Amounts of Russian State bank notes in circulation, also gold on hand and foreign gold credits of the Bank.

[In thousands of dollars.]

	July 16/29, 1914.	Nov. 16/29, 1916.	Increase.
Bank notes in circulation.....	841,174	4,241,141	3,399,967
Gold on hand.....	825,884	755,422	170,467
Foreign gold credits.....	72,471	1,107,104	1,034,633

1 Decrease.

GERMANY.

GROWTH OF THE EMPIRE'S DEBT.

Between September, 1914, and October, 1916, the Imperial Government issued five loans totaling over 47 billion marks, as may be seen from the following tabular statement taken largely from the 1916 *Statesman's Yearbook*:

[Amounts in millions of marks.]

First loan issued September, 1914, at 97½:	
(1) 5 per cent treasury bills falling due Oct. 1, 1920.....	1,000
(2) 5 per cent imperial loan, not redeemable before Oct. 1, 1924.....	3,460
Second loan issued March, 1915, at 98½:	
(1) 5 per cent treasury bills (no amount fixed), falling due Oct. 1, 1922.....	9,061
(2) 5 per cent imperial loan, not redeemable before Oct. 1, 1924.....	
Third loan issued September, 1915, at 99:	
5 per cent imperial loan, not redeemable before Oct. 1, 1924.....	12,101
Fourth loan, issued March, 1916:	
(1) 4½ per cent treasury bills (no amount fixed), falling due on July 1, 1932, issued at 95.....	10,712
(2) 5 per cent imperial bonds, falling due on Oct. 1, 1924, issued at 98½.....	
Fifth loan issued during Sept.-Oct., 1916:	
(1) 4½ per cent treasury bills (no amount fixed) falling due between 1923 and 1932, issued at 95.....	10,699
(2) 5 per cent Imperial bonds, not redeemable prior to October, 1924, issued at 98.....	

Below is given an analysis of the subscriptions to each of the first four German war loans:

[Source: 1915 *Reichsbank* report and *Statesman's Yearbook*, 1916. In millions of marks.]

Subscriptions.	First loan.		Second loan.	
	Number of subscribers.	Amount.	Number of subscribers.	Amount.
Up to 200 marks.....	231,112	36	452,113	71
200 to 500 marks.....	241,804	111	581,470	254
500 to 1,000 marks.....	453,143	587	660,776	604
1,000 to 2,000 marks.....	56,438	450	418,864	733
2,000 to 5,000 marks.....	157,591	579	304,459	1,354
5,000 to 10,000 marks.....	56,438	450	130,903	1,057
10,000 to 20,000 marks.....	19,313	307	46,105	745
20,000 to 50,000 marks.....	11,584	410	26,407	926
50,000 to 100,000 marks.....	3,629	315	7,742	648
100,000 to 500,000 marks.....	2,050	509	4,361	1,066
500,000 to 1,000,000 marks.....	361	287	538	440
Over 1,000,000 marks.....	210	869	325	1,162
Total.....	1,177,235	4,460	2,691,060	9,060

Subscriptions.	Third loan.		Fourth loan.	
	Number of subscribers.	Amount.	Number of subscribers.	Amount.
Up to 200 marks.....	984,358	130	2,406,118	201
200 to 500 marks.....	858,259	369	967,929	407
500 to 1,000 marks.....	918,595	844	885,941	794
1,000 to 2,000 marks.....	530,176	928	468,724	792
2,000 to 5,000 marks.....	422,626	1,563	347,725	1,247
5,000 to 10,000 marks.....	147,593	1,202	113,927	907
10,000 to 20,000 marks.....	53,445	858	42,158	666
20,000 to 50,000 marks.....	32,840	1,167	30,361	980
50,000 to 100,000 marks.....	10,090	850	9,100	734
100,000 to 500,000 marks.....	7,074	1,766	6,308	1,531
500,000 to 1,000,000 marks.....	832	695	780	641
Over 1,000,000 marks.....	530	1,729	574	1,812
Total.....	3,966,418	12,101	5,279,645	10,712

The total number of subscribers to the fifth war loan is given as 3,810,696, while the number of subscriptions of 2,000 marks and below was 3,383,188 or almost 90 per cent of the total number.

The following table shows the various classes of institutions through which subscriptions were received:

	First loan.	Second loan.	Third loan.	Fourth loan.
Reichsbank.....	479	565	569	461
Other banks and bankers.....	2,895	5,663	7,391	6,165
Savings banks.....	883	1,978	2,877	2,727
Life insurance companies.....	203	384	417	349
Cooperative credit societies.....		358	680	839
Post offices.....		112	167	171
Total.....	4,460	9,060	12,101	10,712

FIDUCIARY CIRCULATION.

Before the war the Imperial Treasury had issued a total of over 200 millions of its own notes, the so-called *Reichskassenscheine*. The authorized amount of these legal-tender notes has been raised during the war to 360 million marks. In addition there are also in circulation certificates of the war loan banks, the so-called *Darlehnskassenscheine*, of which a maximum issue of 3,000 million marks has been authorized. The total issued by December 31, 1914, according to the Statistisches Jahrbuch für das Deutsche Reich (1915 edition, p. 295) was 1,317 million marks, of which 445.8 millions were in actual circulation, and the remainder in the vaults of the Reichsbank. At the end of 1915 the total actual circulation of loan bank certificates in 20, 5, 2, and 1 mark denominations is shown in the 1915 Reichsbank report as 972.2 millions, while the amount of certificates held by the Reichsbank on that date was 1,254.8 million marks.

The bulk of circulation is composed of the notes of the Reichsbank and of the other banks of issue. Below are shown the principal asset and liability items of these banks, including their metallic reserve and notes in circulation at the latest available dates (Nov. 23 and 30, 1916), also a comparison of the gold in vault and the note circulation of the German

Reichsbank at the beginning of the war and on November 30. The importance of the other note issuing banks, as may be seen from the comparative statement, continues purely local and of little national significance.¹

Comparative statement showing condition of all German banks of issue, Nov. 23 and 30, 1916.

[Source: Deutscher Reichsanzeiger. In thousands of marks of 23.8 cents nominal.]

	Reichsbank, Nov. 30, 1916.	Bavarian Note Bank, Nov. 23, 1916.	Bank of Saxony, Nov. 23, 1916.
Gold.....	2,518,488	29,375	22,137
Other metallic reserve.....	16,457		
Currency notes ¹	315,832	852	5,300
Notes of other banks.....	2,838	5,385	16,573
Checks and bills, including treasury bills.....	8,075,687	45,157	26,220
Collateral loans.....	12,408	2,694	37,304
Securities.....	75,482	1,933	10,283
Other assets.....	674,938	4,191	10,549
Total.....	11,692,130	89,587	128,666
Capital.....	180,000	7,500	30,000
Surplus.....	85,471	3,750	7,500
Notes in circulation.....	7,333,660	67,678	43,854
Demand deposits.....	3,661,917	6,273	26,100
Time deposits.....			17,690
Other liabilities.....	431,082	4,386	3,522
Total.....	11,692,130	89,587	128,666

	Bank of Baden, Nov. 23, 1916.	Bank of Württemberg, Nov. 30, 1916.
Gold.....	6,467	9,850
Other metallic reserve.....		
Currency notes ¹	1,401	499
Notes of other banks.....	3,533	6,053
Checks and bills, including treasury bills.....	15,469	22,785
Collateral loans.....	5,593	15,404
Securities.....	1,832	4,529
Other assets.....	20,781	12,231
Total.....	55,076	71,351
Capital.....	9,000	9,000
Surplus.....	2,250	1,778
Notes in circulation.....	21,344	24,321
Demand deposits.....	20,712	34,145
Time deposits.....		103
Other liabilities.....	1,770	2,009
Total.....	55,076	71,351

¹ Reichs- und Darlehnskassenscheine.

Amount of Reichsbank notes in circulation; also gold held by the Reichsbank prior to the outbreak of the war and on Nov. 30, 1916.

[Source: Wochen-Ubersichte der Reichsbank. In thousands of dollars.]

	July 31, 1914.	Nov. 30, 1916.	Increase.
Notes in circulation.....	692,442	1,745,411	1,052,969
Gold on hand.....	298,261	599,400	301,139

[Source: German Embassy Commercial Bulletin No. 1, December, 1916.]

Status of the Reichsbank of December 7, 1916.

ASSETS.

	Dollars.	Marks.
Gold.....	599,704,000	2,518,758,000
Treasury bills and commercial paper.....	1,888,302,000	7,930,871,000

LIABILITIES.

Notes in circulation.....	1,652,271,000	6,989,542,000
Deposits.....	815,136,000	3,423,574,000

The outstanding notes are covered by gold to 36.2 per cent of the value, or 2.9 per cent above the legal limit, which is 33.3 per cent.

Since the preceding week, November 30, 1916, there have been the following changes:

ASSETS.

	Dollars.	Marks.
Gold, increase.....	64,524	271,000
Treasury bills and commercial paper, decrease.....	34,524,000	145,003,000

LIABILITIES.

Notes in circulation, increase.....	16,245,000	68,230,000
Deposits, decrease.....	56,726,000	238,252,000

The last detailed statement available in this country is dated October 31:

ASSETS.

	Dollars.	Marks.
Gold.....	596,600,000	2,506,000,000
Silver.....	3,860,000	16,210,000
Currency notes (Kassenscheine).....	2,558,300	10,745,000
War loan bank certificates.....	52,071,400	218,700,000
Notes issued by other German banks.....	599,520	2,518,000
Treasury bills, commercial paper, checks.....	1,875,470,000	7,877,000,000
Loans against collateral.....	3,283,800	13,792,000
Securities.....	18,714,200	78,600,000
Other assets.....	157,020,000	659,531,000

LIABILITIES.

Capital.....	42,860,000	180,000,000
Reserve.....	20,350,000	85,471,000
Notes in circulation.....	1,728,500,000	7,260,000,000
Deposits.....	823,570,000	3,459,000,000
Other liabilities.....	95,216,000	399,912,000

GOLD STOCK OF THE REICHSBANK.

The stock of gold kept by the Reichsbank has nearly doubled since the beginning of the war. During the last year it has increased by

nearly \$20,000,000. Small increases are reported regularly. For the last week the increase was \$64,524; during the last few weeks the export of gold was considerable.

Growth of the gold reserve.

July 30, 1914.....	\$323,057,142
Nov. 11, 1915.....	579,333,809
Dec. 7, 1916.....	599,704,000

There are no gold mines in Germany and there have been no imports on a considerable scale. The gold accumulated in the coffers of the Reichsbank during the war has been withdrawn from circulation; its place had to be taken by bank notes. During the last weeks the public has sold substantial quantities of superfluous ornaments. The supply of gold from this source will probably be quite considerable, although a certain class of jewelry, wedding rings, for example, will not be accepted. Before the war there was an estimated annual consumption of gold for industrial purposes of about \$20,000,000. During the last 50 years \$416,000,000 worth of gold have been used in Germany for jewelry. It is estimated that about \$250,000,000 worth has remained in the country. A part of this reserve is sure to come forward. The consumption of gold for jewelry goes on at present at the rate of 2½ to 3½ million dollars a year; four-fifths of the jewelry manufactured is exported.

PAPER CIRCULATION.

During the war the bank-note circulation of the German Empire has increased greatly, just as it has done in other belligerent countries.

REICHSBANK NOTES IN CIRCULATION.

July 30, 1914.....	\$450,212,619
Nov. 11, 1915.....	1,372,595,476
Dec. 7, 1916.....	1,652,271,000

Four State banks enjoy the privilege of issuing notes besides the Reichsbank. Their circulation was according to the last available statement of June 30, 1916:

	Dollars.	Marks.
Bavarian Note Bank.....	16,150,000	67,850,000
Bank of Saxony.....	10,120,000	42,510,000
Bank of Württemberg.....	5,500,000	23,130,000
Bank of Baden.....	4,200,000	17,720,000

This circulation has remained almost stationary throughout the war.

Before the war an issue of \$57,143,000 (240,000,000 marks) unsecured currency notes (kassenscheine) was authorized and made legal tender. The amount has since been raised to \$85,714,000 (360,000,000 marks). Moreover, the issue of a new circulating medium, the war loan bank certificates, has been authorized up to the limit of \$714,000,000 (3,000,000,000 marks). The maximum so far reached is \$603,000,000.

War loan bank certificates are issued by specially organized loan banks. The customer has to put up statutory securities as collateral, mostly bonds and shares. Other forms of property are occasionally admitted. In every case a broad margin is insisted upon, which has never been lower than 25 per cent of the value. The loan is secured not only by the collateral, but the borrower has to assume unlimited liability. Behind these obligations of the debtor stands the guaranty of the Imperial Government.

The loan is issued in the form of war loan bank certificates, which are really currency notes and legal tender. These certificates are in small denominations which are eagerly taken up by the public, as there has been a great demand for small currency since the beginning of the war. The rate of interest charged to the borrower is one-half per cent above the bank rate. On account of this extra obligation the loans are mostly short-lived and are in demand for temporary accommodation. Whenever the loan is repaid, the amount of war loan bank certificates outstanding is diminished correspondingly. Whenever there is big demand for temporary accommodation, for example, when payments on the imperial loans fall due, there is a temporary increase in the amount of certificates issued.

A considerable share of these certificates is held by the Reichsbank, which can issue notes against them. When estimating the total paper circulation these certificates held by the Reichsbank ought to be deducted to avoid double accounting.

* * *

GERMAN FINANCE.

Up to October 27, 1916, the Imperial Parliament had voted \$12,380,000,000 (52,000,000,000 marks). On that day a new credit of \$2,880,000,000 was granted by the Reichstag.

For a long time the monthly expenditure for war purposes was about \$500,000,000. The entrance of Roumania into the war raised that monthly expenditure during the last four months to about \$524,880,000. The new credit will be sufficient for approximately five months. In September the fifth loan was offered to the people: \$2,536,000,000 were subscribed.

Of the \$12,380,000,000 (52,000,000,000 marks) voted up to October 27, \$10,714,000,000 (45,000,000,000 marks) have been provided by long-term loans. The rest is financed by treasury bills which are taken up like commercial paper, especially by banks and big industrial concerns.

Though the last installment on the fifth war loan does not fall due until February 6, 1917, 83.3 per cent of the total amount subscribed had been paid up by November 17 of the current year. The number of subscribers was somewhat less than for the two previous loans, yet the fifth loan too can be called a "people's loan."

Analysis of the five war loans.

NUMBER OF SUBSCRIBERS.

	First war loan.	Second war loan.	Third war loan.	Fourth war loan.	Fifth war loan.
Subscriptions up to \$500	926,059	2,113,223	3,291,388	4,728,712	3,383,188
From \$525 to \$2,500	214,029	496,362	570,219	461,652	339,062
From \$2,500 to \$25,000	34,526	80,254	96,375	81,619	78,819
From \$25,000 to \$250,000	2,411	4,899	7,906	7,088	8,902
Over \$250,000	210	325	530	574	725
Total	1,177,235	2,694,063	3,966,418	5,279,645	3,810,696

AMOUNT SUBSCRIBED BY DIFFERENT GROUPS OF INVESTORS.

[In million dollars.]

Invested by people subscribing up to					
\$500	174.7	395.7	540.7	522.3	361.6
From \$525 to \$2,500	245.0	574.0	658.3	512.8	399.7
From \$2,500 to \$25,000	245.7	552.1	684.5	566.6	581.6
From \$25,000 to \$250,000	189.5	358.5	585.9	519.1	609.5
Over \$250,000	206.9	276.6	411.6	431.4	582.8
Total	1,061.8	2,156.9	2,881.0	2,552.2	2,535.2

Intending subscribers for war loans can borrow money at the loan banks at somewhat cheaper rates than the ordinary borrower. They have to pay one-fourth per cent above bank rate instead of one-half per cent above bank rate. This privilege makes it

possible for investors to subscribe to war loans at a time when they are somewhat short of liquid money. They can use the loan banks, but for temporary purposes only, because they have to pay 5.25 per cent to the loan bank, while the war loans net them only 5.1 per cent; no investor would care to shoulder the loss entailed by the permanent use of the loan banks.

On November 30 the amount of loans granted by the loan banks for the purpose of enabling borrowers to subscribe to the fifth war loan was \$72,600,000, or 3.16 per cent of the total amount paid in.

AUSTRIA.

Public debt statement as at Dec. 31, 1915.

[Source: Nachweisung der Staatsschulden-Kontroll-Kommission des Reichsrates über den Stand der Staatsschulden.....31 Dezember 1915.—Vienna, 1916.]

[In thousands of kronen. Krone = 20.3 cents nominal.]

	Capital amount.	Yearly interest charge.
A. War debt:		
1. Due to the Austro-Hungarian Bank—		
(a) Collateral loan, secured by 2½-year 5 per cent treasury bills of 600 million kronen nominal.....	510,000	25,500
(b) Collateral loan, secured by 5-year 5 per cent treasury bills of 1,696,000,000 kronen nominal.....	1,272,000	12,720
(c) 13 notes (Solawechsel), at 63,- 600,000 kronen.....	826,800	8,268
(d) 7 notes (Solawechsel), at 63,600,000 kronen.....	445,200	4,452
(e) 20 notes (Solawechsel), at 25,440,000 kronen.....	508,800	5,088
(f) Loan against debt receipt.....	391,156	3,912
Total.....	3,953,956	59,940
2. Austrian Syndicate—		
Advances in current account.....	300,000	13,500
Treasury bills.....	206,000	9,000
Total.....	500,000	22,500
3. German Syndicate—		
(a) Treasury bills totaling 200 million marks (¾ per cent commission= 1,764,000 kronen; 1 per mille German bill stamp tax=235,200 kronen. Conversion into kronen made on the basis of legal equivalent).....	235,200	14,112
(b) Treasury bills totaling 180 million marks (¾ per cent commission= 1,323,000 kronen; 1 per mille German bill stamp tax=211,680 kronen; conversion into kronen made on the basis of legal equivalent).....	211,680	10,584
(c) Treasury bills totaling 125 million marks (¾ per cent commission= 918,750 kronen; 1 per mille German bill stamp tax=147,000 kronen. Conversion into kronen made on the basis of legal equivalent).....	147,000	7,350
Total.....	593,880	32,046

Public debt statement as at Dec. 31, 1915—Continued.

[In thousands of kronen.]

	Capital amount.	Yearly interest charge.
The Statesman's Yearbook for 1916 gives the following details regarding dates of issue, prices, maturities, etc., of the four Austrian war loans, made to May, 1916:		
4. War loans—		
(a) First loan, issued November, 1914, at 97½ (5½ per cent treasury bills, falling due at par Apr. 1, 1920) ..	2,200,747	121,041
(b) Second loan, issued May, 1915, at 95½ (5½ per cent stock, not redeemable till 1925).....	2,688,322	147,858
(c) Third loan, issued October, 1915, at 93½ (5½ per cent treasury bills, not redeemable before Oct. 1, 1930).....	4,203,062	231,168
(d) Fourth loan, issued May, 1916—		
5½ per cent treasury bills repayable at par in June, 1923, issued at 98.....	2,127,000	.....
5½ per cent bonds to run for 40 years, issued at 95½.....	2,314,000	.....
(e) A fifth war loan was to be issued in November, 1916.		
RECAPITULATION.		
1. Due to the Austro-Hungarian Bank.....	3,953,956	59,940
2. Austrian syndicate.....	500,000	22,500
3. German syndicate.....	593,880	32,046
4. 3 war loans.....	9,092,131	500,067
Total outstanding war debt Dec. 31, 1915.	14,139,967	614,553
B. Public debt of Austria other than war debt outstanding Dec. 31, 1915.....	12,908,840	510,948
Total public debt of Austria outstanding Dec. 31, 1915.....	27,048,807	1,125,501
Preliminary unofficial figures show the proceeds of the fourth war loan, issued in May, 1916, at 5½ per cent, as.....	4,441,000	.....

Below is given the distribution of the coupon bonds of the first two war loans by denominations, also the number and amounts of registered bonds issued under these two loans, as shown in the above-named official document:

	First war loan.		Second war loan.	
	Number.	Kronen.	Number.	Kronen.
Coupon (bearer) bonds:				
100 kronen.....	245,386	24,358,600	200,371	20,037,100
200 kronen.....	289,044	57,808,800	300,180	60,036,000
1,000 kronen.....	209,906	209,906,000	239,408	239,408,000
2,000 kronen.....	182,855	365,710,000	218,583	437,166,000
10,000 kronen.....	74,230	742,300,000	87,738	877,380,000
100,000 kronen.....	2,938	293,800,000	3,345	334,500,000
Registered bonds.....	3,370	506,683,500	2,929	719,794,700
Total.....	1,007,729	2,200,746,900	1,052,559	2,688,321,800

HUNGARY.*Loans issued during the period 1914 to 1916.*

[Source: Statesman's Yearbook, 1916 ed. Proceeds in millions of kronen.]

First loan, issued in November, 1914, at 97½, 6 per cent stock not redeemable till Nov. 1, 1920.....	1,170
Second loan, issued in May, 1915, 6 per cent stock not redeemable before 1921, issued at 98, and 5½ per cent stock not redeemable before 1925, issued at 91½.....	1,120
Third loan, issued in October, 1915, at 98, 6 per cent rente, not redeemable before May 1, 1921.....	1,980
Fourth loan, issued in May, 1916, 6 per cent rente, not redeemable before Nov. 1, 1921, issued at 97½ and 5½ per cent treasury bills, not redeemable before June 1, 1926, issued at 91½, about.....	1,800
Total.....	6,070

One Hundred Largest National Banks.

Interesting figures showing the distribution between States of the 100 largest national banks in the United States were made public by the Comptroller of the Currency on December 22 and are given below.

Formerly the 100 largest national banks in the United States were congested principally in a comparatively few financial centers. To-day the big banks are distributed through 22 States and in 33 cities, embracing every section of the country.

The 100 national banks with the largest resources as shown by the call of November 17, 1916, all have resources in excess of \$20,000,000, with one exception, the exception being one of the Chicago banks.

Oklahoma, Alabama, Louisiana, Virginia, Washington, New Jersey, and Oregon each contain 1 of the 100 largest banks; Texas, Nebraska, Maryland, Michigan, Indiana, and Wisconsin each contain 2 of these banks; Colorado has 3; Ohio, Minnesota, and Massachusetts each have 5; California and Illinois have 7 each; Missouri has 8; Pennsylvania has 16; and New York State has 25.

Between September 12 and November 17, 1916, the resources of the 100 largest banks increased \$550,000,000, or nearly 9 per cent.

Outside of the central reserve cities the large banks which showed increases of as much as \$5,000,000 each in deposits in this

period were those located in Dallas, New Orleans, Buffalo, Kansas City, Philadelphia, San Francisco, Cleveland, Pittsburgh, and Boston.

Among the 100 largest banks there were only 5 which did not show an increase. Three of these banks showing reductions were located in New York and 2 in California. The largest reduction shown by any one of these 5 banks was less than two and a quarter million dollars.

The largest percentage of increase was shown by a bank in Texas, which increased over 33 per cent, or over \$6,000,000.

Commercial Failures During November.

In common with other records, statistics of failures continue to make a gratifying exhibit, reflecting the general prosperity of the country and the increased promptness in the settlement of financial obligations. Strictly commercial defaults, as distinguished from banking suspensions and personal embarrassments, numbered 1,251 during November, and the liabilities reported to R. G. Dun & Co. were \$14,104,621. These figures exceed the 1,240 insolvencies, involving \$10,775,654 in the preceding month, but the number is the smallest for any November since 1912, and it is necessary to go back to 1910 to find a lighter indebtedness for the period. For the 11 months of the current year, failures show a numerical reduction of 23 per cent and a contraction of over 36 per cent in amount as compared with 1915, while the record in both respects reveals a substantial decrease from the mortality of two years ago. Betterment in comparison with a time of abnormal conditions obviously is to be expected, but the present returns appear particularly favorable when it is considered that the possibilities of financial reverses are enhanced through the increased number of firms in business.

Detailed figures by Federal Reserve districts follow:

District.	Number of failures.	Liabilities.
No. 1.....	145	\$1,772,161
No. 2.....	225	5,112,920
No. 3.....	81	828,863
No. 4.....	79	559,256
No. 5.....	79	687,100
No. 6.....	119	1,072,404
No. 7.....	150	1,989,510
No. 8.....	58	330,795
No. 9.....	43	324,232
No. 10.....	46	325,794
No. 11.....	45	345,757
No. 12.....	181	755,829
Total, 1916.....	1,251	14,104,621
1915.....	1,565	15,694,434
1914.....	1,815	25,489,498
1913.....	1,377	24,199,485
1912.....	1,175	15,646,105

Fiduciary Powers.

The applications of the following banks for permission to act under section 11 (k) of the Federal Reserve Act have been approved since the issue of the December Bulletin:

DISTRICT No. 1.

Trustee, executor, administrator, and registrar of stocks and bonds:

Safety Fund National Bank, Fitchburg, Mass.

DISTRICT No. 3.

Trustee, executor, administrator, and registrar of stocks and bonds:

Broad Street National Bank, Trenton, N. J.

DISTRICT No. 4.

Trustee, and registrar of stocks and bonds:

First National Bank, Bucyrus, Ohio.

DISTRICT No. 7.

Trustee, executor, administrator, and registrar of stocks and bonds:

First National Bank, Sheridan, Ind.

Leavitt-Johnson National Bank, Waterloo, Iowa.

Trustee, executor, and administrator:

First National Bank, Coon Rapids, Iowa.

National Bank of Mattoon, Mattoon, Ill.

DISTRICT No. 9.

Trustee, executor, and administrator:

American National Bank, Spearfish, S. Dak.

DISTRICT No. 10.

Trustee, executor, administrator, and registrar of stocks and bonds:

Tootle-Lemon National Bank, St. Joseph, Mo.

Trustee, executor, and administrator:

First National Bank, Butte, Nebr.

First National Bank, Muskogee, Okla.

DISTRICT No. 11.

Trustee, executor, and administrator:

American National Bank, Austin, Tex.

New National Bank Charters.

The Comptroller of the Currency reports the following increases and reductions in the number of national banks and the capital of national banks during the period from November 25 to December 22, 1916, inclusive:

	Banks.
New charters issued to.....	5
With capital of.....	\$330,000
Increase of capital approved for.....	2
With new capital of.....	40,000
Aggregate number of new charters and banks increasing capital.....	7
With aggregate of new capital authorized.....	370,000
Number of banks liquidating (other than those consolidating with other national banks).....	10
Capital of same banks.....	1,910,000
Number of banks reducing capital.....	1
Reduction of capital.....	100,000
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks). 11	
Aggregate capital reduction.....	2,010,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was.....	370,000
Against this there was a reduction of capital owing to liquidations (other than for consolidation with other national banks) and reductions of capital of.....	2,010,000
Net decrease.....	1,640,000

In addition to the changes noted above, one bank, with capital of \$25,000, was placed in the hands of a receiver during this period.

Collaboration With the Federal Trade Commission.

In the regular course of its work the Federal Trade Commission has discovered a number of facts concerning business conditions in general, some of which have an important bearing upon the work of the Federal Reserve Board.

First. It has been found that there is a widespread custom among the banks of the country, not only in small places but frequently in large cities, to grant considerable lines of credit without requiring statements of any description from the borrower.

Second. In innumerable instances in which statements of assets and liabilities have been made, these statements are manifestly inaccurate, particularly in the case of manufacturers with respect to the present value of their plant and equipment, and in the case of wholesale merchants with respect to the actual marketable value of goods on hand and the realizable value of accounts receivable.

Third. It has developed that, even in the case of reports made by certified public accountants, the reported values of assets are frequently misleading, because depreciations have not been properly allowed for, and no statement is made in the report from which the bank using it as a basis of credit can form any correct idea of the value of the plant as a going concern or its value as an asset in case of the failure of the owner.

It is not suggested by the Federal Trade Commission that the Federal Reserve Board shall make any drastic changes in its policy with reference to the requirement of statements from borrowers or that the Federal Reserve Board prescribe any standard form of statement. It is not proposed that any of the Federal Reserve Banks shall be interfered with in their efforts to bring about a uniformity in the statements of borrowers. Nor is it proposed that the Federal Reserve Board shall assume control over the activities of public ac-

countants or become responsible for the manner in which they may perform their duties.

The Federal Reserve Board, therefore, has under consideration some consistent basis of cooperation with the Federal Trade Commission in an effort to standardize the work of public accountants, by the recommendation of certain forms of statements and certain methods of examination, as hereinafter explained in detail.

The Federal Trade Commission has received cordial responses from business men in all parts of the country, and is greatly encouraged in the prosecution of its labors by the feeling that bankers, manufacturers, and merchants will be glad to cooperate with them in their efforts to improve conditions affecting credits in all parts of the country. It believes, however, that a campaign of education is absolutely necessary, and that much time must elapse and much work be done before any widespread improvement can be expected. There is unquestionably large room for improvement, conditions having been discovered by the Federal Trade Commission with reference to credit information, particularly along certain manufacturing lines, which it regards as positively startling.

It is thoroughly realized that whatever plan is attempted must take into consideration the conditions under which public accountants have been working in the past and are now working. The profession of the public accountant in this country is comparatively young, and has, therefore, not reached that standard of professional ethics or degree of refinement which it has attained in other countries—England, for example. Competition is keen, and public accountants, even with the highest appreciation of the responsibilities committed to them, have been faced with the alternative of meeting conditions as they exist, or letting some one else do the work.

To be more explicit, while many audits and examinations are now being made solely for the benefit of the client whose business is being

investigated, by far the larger number are made at the direct request or at the instigation of and for the benefit of banks and others who have been asked or expected to make loans on the basis of the results of the examinations.

The accountant is employed, paid, and instructed by the person whose affairs are being examined. This does not mean that the average public accountant can be bought or induced by any consideration to certify to a statement which he knows to be untrue or which he has reason to suspect. On the contrary, experience with the profession satisfies one that the average accountant is entirely honest and usually competent.

It is a fact, however, that under the circumstances above described, because of competition and the employer's desire to reduce the expense of examinations to the lowest possible point, the custom has arisen of confining audits and examinations, with rare exceptions, to a single year's operations; and while the cautious accountant will protect himself by a statement in his report showing the period covered by his examination and give figures with reference to stocks of merchandise on hand and accounts and bills receivable, with qualifications which will indicate that he assumes no responsibility for estimates and values given, yet the banker, not always an expert accountant, frequently overlooks the qualifications, and is misled by the statement.

The public accountant does not as a rule make his statement in the form thus indicated of his own choice. If he is an experienced and competent accountant, he will gladly go to the bottom in every case, report facts as far as they can be ascertained, and state actual conditions in unqualified and unmistakable terms if he is at liberty to do so, which, as has been intimated, is seldom the case.

The remedy suggested by the Federal Trade Commission is briefly as follows:

First. There shall be prescribed several different standard forms of statements (one or more for each particular line of business), these forms to embody principles and be sub-

ject to variation in individual cases as special circumstances may require. They must, of course, be designed to show (in a manner as uniform as possible) the real condition of the business, or as much as can be shown about the business, with clear and unmistakable indications of those facts which can not be ascertained.

Second. Certain standard methods of procedure on the part of the auditor or examiner are to be prescribed, with a view of making examinations as complete as possible and as thorough as may be necessary.

Third. It is proposed that a registry of public accountants be established, and rules made governing the admission of accountants to registry, and the withdrawal of permission to use the registry number in any case in which the accountant to whom that number has been assigned is guilty of negligence, fraud, or violation of the regulations.

It is not intended that an accountant receiving permission to use the registry number shall be required to perform all of his work in accordance with established regulations, or to use the number in connection with every report made by him of an audit or examination, but it is intended that whenever he does affix his registry number it will be only with a statement appended that the examination or audit in that particular case was made in strict accordance with the regulations.

Under these circumstances an accountant would be entirely at liberty to make an examination in whatever way he may consider necessary and cover whatever ground his employer may wish him to cover, or give in connection with the work a certificate containing any qualifications he may see fit to embody, but he can not affix his registry number unless the examination or audit has complied in every respect with requirements provided for in the regulations.

The Federal Trade Commission is now engaged in compiling a set of regulations covering the registration of accountants and the conduct of audits and examinations. These it

proposes to discuss with the National Society of Public Accountants and later to submit to the Federal Reserve Board for its consideration. It will suggest to the Federal Reserve Board that the registry of public accountants be effected by the Federal Reserve Board rather than by the Federal Trade Commission, on the theory that this would be more natural and proper in view of the Federal Reserve Board's position in supervising the character of commercial paper rediscounted by Federal Reserve Banks for their member banks.

Under this plan it would not be necessary for the Federal Reserve Board to alter its present policy with reference to statements. It would not be necessary for the Board to insist upon audited statements to any greater extent than it now does, nor would it be necessary for the Board to issue any formal order giving preference to statements made in accordance with the regulations over those otherwise made. The more important results would come from a better appreciation of the whole subject and a gradual education of bankers as to the kind of statements which they need.

The suggestion that the Federal Reserve Board should undertake the registration of accountants is obviously one which will require most careful study and consideration, and it is quite possible that some better way of handling the matter may be discovered. One suggestion has been made that, inasmuch as the main object of the plan is the protection of national and State banks, the best method of handling it would be through the bankers' associations of the different States. This will certainly be considered and thoroughly canvassed. Whatever method is adopted it will undoubtedly demand the heartiest cooperation on the part of bankers, merchants, manufacturers, and accountants.

The privilege of registration, in order to be of value, must be jealously guarded, and the administration of regulations in respect to penalties for failure to observe the rules laid down will have to be most carefully considered in order to secure proper conditions without injustice to those concerned.

The Federal Reserve Board, for its part, is appreciative of the work done by the Federal Trade Commission, and would be glad to cooperate in securing the desired results.

Assessment for Expenses of Board.

Acting under the provisions of the Federal Reserve Act, the Federal Reserve Board on December 5 voted an assessment of one-tenth of 1 per cent upon the capitalization of Federal Reserve Banks to cover estimated expenses of the Board from January 1 to June 30, 1917. The assessment is based upon the capitalization of Federal Reserve Banks as of December 1, 1916, of \$111,474,000. The rate of assessment will yield \$111,474 and is slightly higher than that made for the last half of 1916, which was seventy-five one-thousands of 1 per cent. The assessment at the lower rate for the latter half of 1916 was made possible by a considerable balance carried over.

The resolution of the Board and the figures upon which the assessment is based follow:

Whereas, under section 10 of the Act approved December 23, 1913, and known as the Federal Reserve Act, the Federal Reserve Board is empowered to levy semiannually upon the Federal Reserve Banks in proportion to their capital stock and surplus an assessment sufficient to pay its estimated expenses, including the salaries of its members, assistants, attorneys, experts, and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year; and

Whereas it appears from estimates submitted and considered that it is necessary that a fund equal to one-tenth of 1 per cent of the capital stock of the Federal Reserve Banks be created for the purposes hereinbefore described, exclusive of the cost of engraving and printing Federal Reserve notes: Now, therefore,

Be it resolved, That pursuant to the authority vested in it by law, the Federal Reserve Board hereby levies an assessment upon the several Federal Reserve Banks of an amount equal to one-tenth of 1 per cent of the total capital stock of such banks, and the fiscal

agent of the Board is hereby authorized to collect from said banks such assessment and execute, in the name of this Board, a receipt for payment made. Such assessment will be collected in two installments of one-half each; the first installment to be paid on January 1, 1917, and the second half on March 1, 1917.

Estimate for January, 1917, assessment.

Average monthly encumbrance for period July 1, 1916, to Dec. 31, 1916.....	\$18,008.31
Estimated monthly requirements, January to June, inclusive, 1917.....	19,159.39
Estimated monthly increase.....	1,151.08

Estimated requirements, January to June, inclusive, 1917.....	\$114,956.34
Estimated unencumbered balance, Jan. 1, 1917.....	10,099.36
	<u>104,856.98</u>

Total capitalization Federal Reserve Banks, Dec. 1, 1916.....	111,474,000.00
Rate of assessment to produce \$111,474 (one-tenth of 1 per cent).....	.001

SHERMAN ALLEN, *Fiscal Agent.*

Approved: Committee on organization, expenditures, and staff.

F. A. DELANO.

C. S. HAMLIN.

A. C. MILLER.

DECEMBER 5, 1916.

Estimate for January assessment, 1917.

	Commitments.			Monthly average.	Estimated average monthly requirement, Jan. 1 to June 30, 1917.
	July 1 to Nov. 30, 1916.	Estimated for December, 1916.	Total.		
Personal services:					
Board and its clerks.....	\$36,925.02	\$7,375.04	\$44,300.06	\$7,383.34	\$7,375.04
Secretary's office.....	11,048.33	2,595.01	13,643.34	2,273.89	2,595.01
Counsel's office.....	10,333.32	2,066.66	12,399.98	2,066.66	2,066.66
Division of Audit and Examination.....	6,691.67	1,338.34	8,030.01	1,338.33	1,438.34
Division of Reports and Statistics.....	4,454.16	1,030.00	5,484.16	914.03	1,030.00
Division of Issue.....	3,454.34	648.34	4,102.68	683.78	718.34
Messengers.....	1,760.00	365.00	2,125.00	354.17	365.00
Charwomen.....	296.00	60.00	356.00	59.33	60.00
Total.....	74,962.84	15,478.39	90,441.23	15,073.53	15,648.39
Nonpersonal services:					
Transportation and subsistence of persons—					
Board and its clerks.....	600.63	100.00	760.63	126.77	100.00
Secretary's office.....	25.05		25.05	4.17	10.00
Division of Audit and Examination.....	2,719.88	300.00	3,019.88	503.33	625.00
Division of Reports and Statistics.....	19.20		19.20	3.20	
Counsel's office.....					10.00
Messengers (car fare).....	15.00		15.00	2.50	3.00
Communication service:					
Telephone.....	301.58	60.00	361.58	60.26	60.00
Telegraph.....	1,743.72	300.00	2,043.72	340.62	333.00
Postage.....	20.00		20.00	3.33	5.00
Printing, binding, etc.....	5,416.83	2,700.00	8,116.83	1,352.80	1,250.00
Contract repairs.....	40.34		40.34	6.72	10.00
Electricity (light and power).....	150.00	30.00	180.00	30.00	30.00
Steam (heat).....	15.00	15.00	30.00	5.00	15.00
Other (nonpersonal services).....	173.98	10.00	183.98	30.66	50.00
Supplies:					
Stationery.....	569.94	150.00	719.94	119.99	125.00
Periodicals.....	145.90		145.90	24.32	20.00
Other.....	109.71	25.00	134.71	22.45	40.00
Equipment:					
Furniture and office equipment.....	1,480.75	200.00	1,680.75	280.13	150.00
Books.....	111.15		111.15	18.53	25.00
Contingencies.....					650.00
Grand total.....	88,681.50	19,363.39	108,049.89	18,008.31	19,159.39

Gold Settlement Fund.

Operations of the gold settlement fund during the period November 24 to December 21, inclusive, resulted in the settlement of obligations amounting to \$839,527,000, with changes in ownership of gold of 2.37 per cent. The Federal Reserve Banks of New York, Cleveland, Richmond, St. Louis, and Dallas were debtors during the period, the amount of gold movement from New York to other banks being \$15,154,000, approximately two-thirds of which was in the week ending December 1. Since that date, the movement has diminished, and for the week ending December 21 there was a return flow of \$2,526,000.

An audit of the gold settlement fund and the Federal Reserve Agents' fund was made on December 11 by representatives of the Federal

Reserve Banks and the Federal Reserve Agents, acting in conjunction with a representative of the Federal Reserve Board.

Amount of clearings and transfers, Federal Reserve Banks, from Nov. 24, 1916, to Dec. 21, 1916.

[In thousands of dollars.]

	Total clearings.	Balances.	Transfers.
Settlement of—			
December 1, 1916.....	205,364	15,265	2,790
December 7, 1916.....	185,488	13,283	11,217
December 14, 1916.....	198,938	9,826	6,870
December 21, 1916.....	222,160	11,877	6,700
Total.....	811,950	50,251	27,577
Previously reported.....	4,478,768	422,451	126,368
Total since Jan. 1, 1916.....	5,290,718	472,702	153,945
Total transfers, 1916.....	153,945		
Total for 1915, including transfers.....	1,052,649		
Total clearings and transfers, May 20, 1915, to Dec. 21, 1916.....	6,497,312		

Changes in ownership of gold.

[In thousands of dollars.]

Federal Reserve Bank of—	To Nov. 23, 1916.		From Nov. 24, 1916, to Dec. 21, 1916, inclusive. ¹				Total changes from May 20, 1915, to Dec. 21, 1916. ²	
	Decrease.	Increase.	Balance to credit Nov. 23, 1916, plus net deposits of gold since that date.	Balance Dec. 21, 1916.	Decrease.	Increase.	Decrease.	Increase.
Boston.....		21,850	18,080	18,606		526		22,376
New York.....	291,420		32,580	17,426	15,154		306,574	
Philadelphia.....		55,487	12,607	15,105		2,498		57,985
Cleveland.....		21,428	19,498	17,434		2,064		19,364
Richmond.....		33,829	22,029	20,181		1,848		31,981
Atlanta.....		26,307	3,007	5,939		2,932		29,239
Chicago.....	5,140		29,170	32,428		3,258	1,882	
St. Louis.....		12,278	3,078	3,149		71		12,349
Minneapolis.....		12,488	6,988	6,562		426		12,062
Kansas City.....		37,797	15,954.5	18,064.5		2,110		39,907
Dallas.....		40,705	14,007.5	13,573.5		434		40,271
San Francisco.....		34,441	1,561	10,092		8,531		42,972
Total.....	296,560	296,560	178,560	178,560	19,926	19,926	308,456	308,456

¹ Changes in ownership of gold during period Nov. 24, 1916, to Dec. 21, 1916, equal 2.37 per cent of obligations settled.

² Total changes in ownership of gold equal 4.75 per cent of total obligations settled.

Gold settlement fund—Summary of transactions from Dec. 1, 1916, to Dec. 21, 1916, inclusive.

[In thousands of dollars.]

Federal Reserve Bank of—	Balance last statement, Nov. 23, 1916.	Gold.		Transfers.		Settlement of Dec. 1, 1916.				Dec. 1, 1916, balance in fund after clearing.	Changes in ownership of gold.	
		With-drawn.	Depos-ited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.		Decrease.	Increase.
Boston.....	18,080				300	2,646	17,601	14,955		15,734	2,346	
New York.....	7,580		10,000	2,490		7,919	44,787	36,863		7,171	10,409	
Philadelphia.....	15,537	1,000					27,805	29,106	1,301	15,838		1,301
Cleveland.....	19,898	100					14,053	17,125	3,072	22,870		3,072
Richmond.....	23,169	1,180					14,834	16,463	1,629	23,618		1,629
Atlanta.....	5,767		500				7,396	10,221	2,825	8,332		2,825
Chicago.....	30,230	1,000				1,367	25,391	24,024		27,863	1,367	
St. Louis.....	4,773						19,277	22,235	2,958	7,736		2,958
Minneapolis.....	8,988	2,000					6,287	8,496	2,209	9,197		2,209
Kansas City.....	19,464.5	1,960					15,003	15,430	427	17,931.5		427
Dallas.....	14,507.5	400					8,318	9,162	844	14,951.5		844
San Francisco.....	7,981	2,800		300	2,490	3,333	4,612	1,279		4,038	1,143	
Total.....	175,980	11,200	10,500	2,790	2,790	15,265	205,364	205,364	15,265	175,280	15,265	15,265

Federal Reserve Bank of—	Balance last statement, Dec. 1, 1916.	Gold.		Transfers.		Settlement of Dec. 7, 1916.				Dec. 7, 1916, balance in fund after clearing.	Changes in ownership of gold.	
		With-drawn.	Depos-ited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.		Decrease.	Increase.
Boston.....	15,734				347	3,361	14,660	11,359		12,780	3,229	
New York.....	7,171		15,000	9,020	1,000		33,914	40,504	6,590	20,741	1,430	
Philadelphia.....	15,838	1,020		850		3,660	33,597	29,937		10,308	4,510	
Cleveland.....	22,870	100			850	3,299	13,868	10,569		20,321	2,449	
Richmond.....	23,618	500	170	1,000			13,695	14,574	879	23,167	121	
Atlanta.....	8,332	900					6,884	7,302	418	7,850		418
Chicago.....	27,863						21,341	24,522	3,181	31,044		3,181
St. Louis.....	7,736	1,500					19,748	19,822	74	6,310		74
Minneapolis.....	9,197						5,128	5,322	194	9,391		194
Kansas City.....	17,931.5	900		100			12,404	13,342	938	17,869.5		938
Dallas.....	14,951.5	200	80	247			6,571	7,580	1,009	15,593.5		937
San Francisco.....	4,038	2,000			9,020	3,023	3,678	655		8,035		5,997
Total.....	175,280	7,120	15,250	11,217	11,217	13,283	185,488	185,488	13,283	183,410	11,739	11,739

Federal Reserve Bank of—	Balance last statement, Dec. 7, 1916.	Gold.		Transfers.		Settlement of Dec. 14, 1916.				Dec. 14, 1916, balance in fund after clearing.	Changes in ownership of gold.	
		With-drawn.	Depos-ited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.		Decrease.	Increase.
Boston.....	12,780				300		15,786	17,296	1,510	14,590		1,810
New York.....	20,741			5,970	500		39,270	38,899		14,900	5,841	
Philadelphia.....	10,308	1,020	160				488	29,662		8,960		488
Cleveland.....	20,321	100					1,513	13,690		18,708	1,513	
Richmond.....	23,167	250	450				413	16,497		22,954	413	
Atlanta.....	7,850	1,400			100		8,550	9,407	857	7,407		957
Chicago.....	31,044	880					20,020	26,735	6,715	36,879		6,715
St. Louis.....	6,310	200				1,862	23,772	21,910		4,243	1,862	
Minneapolis.....	9,391						5,774	4,877		8,494		897
Kansas City.....	17,869.5			100			14,888	15,632	744	18,513.5		644
Dallas.....	15,593.5		20				950	7,187		14,663.5	950	
San Francisco.....	8,035	1,900		800	5,970	3,332	3,942	610		7,973		1,838
Total.....	183,410	5,750	630	6,870	6,870	9,826	198,938	198,938	9,826	178,290	11,964	11,964

Gold settlement fund—Summary of transactions from Dec. 1, 1916, to Dec. 21, 1916, inclusive—Continued.

Federal Reserve Bank of—	Balance last statement, Dec. 14, 1916.	Gold.		Transfers.		Settlement of Dec. 21, 1916.				Dec. 21, 1916, balance in fund after clearing.	Changes in ownership of gold.	
		With-drawn.	Depos-ited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.		Decrease.	Increase.
Boston.....	14,590				300		15,903	19,619	3,716	18,606		4,016
New York.....	14,900			2,300	4,000		45,675	46,501	826	17,426		2,526
Philadelphia.....	8,960	50					33,564	39,759	6,195	15,105		6,195
Cleveland.....	18,708	100				1,174	15,233	14,059		17,434	1,174	
Richmond.....	22,954		170	1,000		1,943	17,734	15,791		20,181	2,943	
Atlanta.....	7,407	200				1,268	9,165	7,897		5,939	1,268	
Chicago.....	36,879	500	1,320	2,000		3,271	30,143	26,872		32,428	5,271	
St. Louis.....	4,243				100	1,199	23,917	22,713		3,149	1,099	
Minneapolis.....	8,494					1,932	5,963	4,031		6,562	1,932	
Kansas City.....	18,513.5	650					13,923	14,124	201	18,064.5		201
Dallas.....	14,663.5					1,090	7,666	6,576		13,573.5	1,090	
San Francisco.....	7,973		280	1,400	2,300		3,274	4,213	939	10,092		1,839
Total.....	178,290	1,500	1,770	6,700	6,700	11,877	222,160	222,160	11,877	178,560	14,777	14,777

Federal Reserve Agents' fund—Summary of transactions, Nov. 24, 1916, to Dec. 21, 1916, inclusive.

[In thousands of dollars.]

Federal Reserve agent at—	Nov. 23, 1916, bal- ance.	Week ending Dec. 1, 1916.			Week ending Dec. 7, 1916.			Week ending Dec. 14, 1916.			Week ending Dec. 21, 1916.		
		With- drawn.	Depos- ited.	Bal- ance.	With- drawn.	Depos- ited.	Bal- ance.	With- drawn.	Depos- ited.	Bal- ance.	With- drawn.	Depos- ited.	Bal- ance.
Philadelphia.....	8,700	200	1,000	9,500		1,020	10,520	360	1,020	11,180			11,180
Richmond.....	14,600	500	900	15,000		500	15,500		250	15,750			15,750
Atlanta.....	14,210		760	14,970		900	15,870		900	16,770	1,000	200	15,970
Chicago.....	2,950		1,000	3,950			3,950		880	4,830	320	500	5,010
St. Louis.....	5,310			5,310		1,500	6,810	100		6,710			6,710
Minneapolis.....	4,250		2,000	6,250			6,250			6,250			6,250
Kansas City.....	12,900	500	960	13,360		900	14,260			14,260			14,260
Dallas.....	11,430		400	11,830	100	200	11,930			11,930			11,930
San Francisco.....	10,900		800	11,700		1,000	12,700		1,900	14,600	280		14,320
Total.....	85,250	1,200	7,320	91,870	100	6,020	97,790	460	4,950	102,280	1,600	700	101,380

INFORMAL RULINGS OF THE BOARD.

Below are reproduced letters sent out from time to time over the signatures of the officers or members of the Federal Reserve Board which contain information believed to be of general interest to Federal Reserve Banks and member banks of the system:

Purchase of Acceptances.

Receipt is acknowledged of your letter of the 21st instant inclosing statement of condition of a bank in New Orleans, which institution desires to offer its acceptances to the branch bank at New Orleans.

The Federal Reserve Board has no objection to your bank's authorizing the purchase of the acceptances of this institution by the branch bank at New Orleans, but would like to be advised, as a matter of information, as to the character of the acceptances to be offered—will they be against imports or exports, or will they be against domestic transactions, or both?

NOVEMBER 23, 1916.

Purchase of Bank's Own Acceptances.

The attention of the Board has been called to the fact that in some cases member banks, which are authorized under the amendment to the Federal Reserve Act of September 7, 1916, to accept against domestic transactions to the extent of 50 per cent of their capital and surplus, have been extending credits in this way and have been purchasing their own acceptances, under the impression that by this means they could extend credits to a single borrower up to one-half of their capital and surplus instead of being restricted to 10 per cent as provided by section 5200, R. S. This question has been carefully considered by counsel, and the Board has ruled that a member bank's own acceptances purchased by it, must be treated as loans and as such are subject to the 10 per cent limitation. The opinion of counsel will be published in the December issue of the Federal Reserve Bulletin, and in the meantime you are requested to correct any misapprehensions that your member banks may entertain on this subject.

NOVEMBER 23, 1916.

Group Insurance.

I acknowledge receipt of your letter of the 20th instant, which has been brought to the attention of the executive committee of the Board.

There is no objection to the taking out of group insurance covering the employees of your Federal Reserve Bank along the lines suggested in your letter, which plan we understand is already effective in at least two of the Federal Reserve Banks.

NOVEMBER 23, 1916.

Differential as to Acceptances.

The Board has been considering for several days the question whether there should be any differential in favor of acceptances of member banks and has reached the conclusion that while a very decided differential may be inadvisable, there is no objection to a moderate differential, say one-fourth of 1 per cent, to apply between member-bank acceptances and the acceptances of large nonmember institutions well known throughout the country and whose acceptances necessarily have a broad market. There will be no inconsistency, of course, in applying a higher differential to the acceptances of smaller and less widely known institutions whose offerings would have a restricted market only. As the Board has already approved a rate of from 2 to 4 per cent for bankers' acceptances, your directors of course have a liberal margin of discretion in the matter.

DECEMBER 4, 1916.

Acceptances.

I wish to acknowledge receipt of your letter of December 5, 1916. You state that an acceptance house which has purchased an acceptance based on the importation or exportation of goods desires to reimburse itself by drawing a bill upon a national bank, pledging as collateral security for the bill the acceptance which was based upon the transaction involving the importation or exportation of goods. You ask whether a national bank would be authorized to accept a bill of this character

under the provisions of section 13 of the Federal Reserve Act.

That section authorizes national banks to accept drafts or bills growing out of transactions involving the importation or exportation of goods and, though the Board has ruled that it is not essential that the specific goods be identified or even in existence at the time of the acceptance in order to make it legal, nevertheless that acceptance must grow out of a specific transaction which itself involves the importation or exportation of goods.

In the case presented in your letter the acceptance house has purchased with its own funds an acceptance based on the importation or exportation of goods. That acceptance necessarily must have grown out of a transaction involving the importation or exportation of goods, but it is the opinion of the Board that there is no direct or logical relation between that transaction and the subsequent one in which the purchaser of that acceptance arranges before its maturity to reimburse himself by drawing a new bill secured by the first acceptance. The new bill can not properly be said to grow out of the original export transaction in the sense contemplated by the Act. If that was so, it would be possible to have two or even more acceptances drawn for the same amount and existing at the same time, purporting to finance the same export transaction. It is obvious that the law did not contemplate pyramiding acceptance credits in that manner.

The Board believes, therefore, that no national bank can legally accept a draft drawn under the circumstances set forth in your letter, first, because it is not an acceptance growing out of a transaction involving the importation or exportation of goods, and second, because it is not an acceptance of the character authorized by the amendment of September 7, 1916. It is not drawn by a bank or banker located in a foreign country, nor does it grow out of a transaction involving the domestic shipment or storage of goods.

DECEMBER 8, 1916.

Acceptances Against Bullion.

The Board has considered your letter of November 29 with reference to shipment of gold bars to Peru, and has reached the conclusion that gold bars may be properly considered as goods, and that accordingly 60-day bills when accepted by banks and bankers

against such a shipment would be eligible for purchase by Federal Reserve Banks as based upon or involving the exportation of goods.

DECEMBER 4, 1916.

Bills Drawn Against Coin.

In reference to your letter of December 7, 1916, submitting certain questions relating to the eligibility of bills of exchange drawn to finance shipments of gold from this country, I wish to state that the Federal Reserve Board is of the opinion that gold coin is "goods" within the meaning of section 13 of the Federal Reserve Act, and that, therefore, a bill of exchange drawn to finance a shipment of gold coin from this country either to Europe or to Canada, as suggested in your letter, is eligible for purchase by a Federal Reserve Bank if otherwise in conformity with the provisions of law and the regulations of the Federal Reserve Board.

DECEMBER 12, 1916.

Purchase of Warrants from Member Banks.

I received your letter of the 11th instant referring to the purchase by your bank of \$25,000 of notes of a member bank.

The fact that paragraph VII of Regulation E, series of 1916, authorizes any Federal Reserve Bank to purchase warrants which comply with only Paragraphs I and III of Regulation E, from any of its members, provided that they are indorsed by the member bank and do not exceed 10 per cent of its capital and surplus, does not of itself prohibit a Federal Reserve Bank from purchasing warrants from a member bank in excess of that 10 per cent limit if they comply with all the other provisions of Regulation E. In other words, Paragraph VII was intended to extend the powers of Federal Reserve Banks so as to authorize them to purchase through a member bank warrants which could not properly be purchased in the open market under the other paragraphs of Regulation E.

It occurs to me, therefore, that if the warrants in question comply with those other provisions of Regulation E, there is, of course, no reason why you should not take them, even though offered by a member bank.

If this issue of \$25,000 of notes, together with any other warrants of that county which you may hold, should exceed 25 per cent of the total

amount of eligible warrants issued by that municipality, the approval of the Federal Reserve Board would be necessary, under the provisions of Paragraph II. In order to avoid any delay, therefore, the Board has directed me to advise you that it gives its approval for the purchase of these warrants, provided the other provisions of Regulation E are complied with.

DECEMBER 13, 1916.

Compensation of Member Bank Officers.

Your letter of December 5, asking for a construction of that part of section 22 of the Federal Reserve Act which limits the powers of directors, officers, and employees of member banks to accept fees, commissions, etc., has been received.

I am inclosing herewith a copy of an opinion filed with the Federal Reserve Board by its counsel, together with a memorandum attached thereto, which is self-explanatory.

The Federal Reserve Board has consistently maintained the position that it should not make rulings on specific or concrete cases arising under this section of the Federal Reserve Act, because of the fact that, it being a penal statute, no ruling by the Board would afford any protection to a person subsequently indicted for a violation of its provisions.

DECEMBER 7, 1916.

Acceptances and Security Therefor.

I have your letter of December 13, in reply to which let me say that there can not be any objection to permitting the mills to substitute other warehouse receipts for cotton receipts during the life of the acceptance.

The second question, whether receipts must be registered warehouse receipts or receipts of warehouses belonging to the mills receiving the credit, I have to refer you to our letter of Special Instructions No. 2, 1916, of which I inclose a copy, in which you will find that we say under "f": "In purchasing or discounting bankers' acceptances or other bills which are secured by warehouse receipts, etc., the Federal Reserve Banks should make sure that the receipt is issued by a warehouse which is independent of the borrower."

As to your third question relating to the acceptance of a private banking house made for a bag company, stating in the body of the draft that it is for burlap from Calcutta stored on the docks, I should say that if the credit were granted before the importation took place, there would be no objection to continuing or renewing the acceptance while the goods are on the docks. If it is a new transaction entered into after the importation, as such, had been completed, it would be a domestic transaction, and in that case it would be a question whether burlap is to be considered "readily marketable goods"—in which case the acceptor must be secured by warehouse receipts or other documents.

You ask me how far you should satisfy yourselves as to the fact of whether or not the acceptor has been secured by such documents. As to that, you must use your own judgment. As I have written you frequently, we do not want to be too technical, but we must be certain that the law is not being evaded, and I think you ought to be careful to impress upon the acceptor that the rules must be observed and that from time to time you may have to inquire as to whether this is being done. Generally speaking, I should say that if you are dealing with a private firm that you are trusting and that from time to time must come to you and report to you about its financial condition, you should be in a position to find out for yourself what the methods of the firm are in the acceptance business and how far it would be necessary for you to make further inquiries and investigations to be certain of your ground.

DECEMBER 15, 1916.

Fiduciary Powers.

In the October, 1916, Bulletin, the Board printed a list of those States in which it has determined, upon advice of counsel, that national banks may properly exercise, in whole or in part, the fiduciary powers authorized by section 11 (k). Through an oversight, the State of New York was omitted. Though national banks have not authority under the laws of that State to act as trustee, executor, or administrator, they may properly act as registrar of stocks and bonds, if authorized to do so by the Federal Reserve Board.

LAW DEPARTMENT.

The following opinions of counsel have been authorized for publication by the Board since the last edition of the Bulletin:

Demand and Sight Bills.

Demand and sight bills of exchange must be presented for payment by the holder within a reasonable time. Demand and sight bills become due and payable on the date on which they are presented for acceptance.

If a member bank holds demand and sight drafts for more than a reasonable time after acceptance, they must be classed as overdue paper and considered in substance as promissory notes of the acceptor subject to the limitations imposed by section 5200.

NOVEMBER 28, 1916.

SIR: The attached correspondence raises the question of the status of demand and sight bills of exchange which have been accepted by the drawee and which are purchased or discounted by a national bank.

The determination of this question necessarily involves a consideration of the distinction between presentation for acceptance and presentation for payment. The ordinary time bill, for example, a bill drawn payable 60 days after sight, must be presented to the drawer for acceptance within a reasonable time. What is a reasonable time depends upon the circumstances in each case. After acceptance such a bill becomes payable 60 days after the date on which it is accepted, and, of course, must be classed as overdue paper if unpaid after the 60 days expire. In order to have recourse against the drawer and indorsers it is essential that a holder should present the bill in such case to the acceptor for payment on the date of maturity; that is, 60 days after acceptance.

In the case of sight bills there is no fixed date specified in the bill on which payment must be made, but there is an obligation on the holder to present such bills for payment within a reasonable time. Sight bills can not be presented for acceptance as distinguished from presentation for payment, because as the term "sight" implies, the order of the drawer is to the drawee to pay the amount specified in the bill when presented to the drawee; that is, as soon as seen by him. It is obvious, therefore, that if a sight bill should be presented to the

drawee for acceptance, it would become due and payable at once and demand for payment should immediately be made. If, therefore, a sight bill is actually accepted and circulates after acceptance in the discount market, it would, in effect, be nothing more than a promissory note of the acceptor because the drawer and indorsers would be released by a failure to demand payment when due; that is, when first seen by the acceptor.

It may be argued that the terms of a demand bill differ from those of a bill drawn at sight, since the holder of the bill payable on demand must not only present it to the drawee but must actually demand payment in order to comply with its terms. It is conceivable, therefore, that a demand bill might be accepted before it is presented for payment. Such bills, however, must be presented for payment within a reasonable time, and the courts might very properly take the view that a demand bill presented for acceptance and held is not presented for payment within a reasonable time, since the payment might have been demanded at the time of acceptance and the holder's failure to avail himself of this opportunity would constitute a negligent act which would release the indorsers.

In the case of *Kampman v. Williams et al.* (70 Texas 568), a demand bill was accepted on June 23 and was not presented for payment until December 5. The court held that even though the bill was payable on demand it became due and payable on June 23, the date on which it was accepted, or as soon thereafter as demand could reasonably have been made. In support of this position the court cited *Daniel on negotiable Instruments* (542, sec. 605) and *Cook v. Cook* (19 Texas 437). On the authority of this case it would seem that demand bills as well as sight bills become due and payable on the date on which they are presented for acceptance and that if payment is not made on the date of acceptance in the case of a demand bill it must be made within a reasonable time thereafter.

It is the opinion of this office, therefore, that sight and demand bills become due and payable

as soon as they are accepted, and if held by the bank after acceptance for more than a reasonable time they must be classed as overdue paper and must be considered, in substance, as promissory notes of the acceptor which should be included within the limitations imposed by section 5200; since the failure of the holder to present for payment within a reasonable time releases the indorsers and leaves the bank recourse only against the acceptor.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. JOHN SKELTON WILLIAMS,
Comptroller of the Currency.

Eligibility of Warrants.

The Federal Reserve Board may, under the provisions of Regulation E, series of 1916, authorize Federal Reserve Banks to purchase warrants which are issued in anticipation of the collection of taxes and which mature after the date on which such taxes are due but before the penalty attaches for their nonpayment, if experience has demonstrated that the due date produces sufficient taxes to pay the warrants at maturity.

DECEMBER 4, 1916.

Regulation E, series of 1916, provides that Federal Reserve Banks may purchase warrants which are issued by a municipality in anticipation of the collection of taxes "which are due and payable on or before the date of maturity of such warrants; but the Federal Reserve Board may waive this condition in specific cases. * * * Taxes shall be considered as due and payable on the last day on which they may be paid without penalty."

The law requires merely that the warrants be issued "in anticipation of the collection of taxes," and the fact that the penalty for the failure to pay taxes does not attach until after the date of maturity of the warrants is immaterial under the terms of the law itself. The restriction that the taxes must be due and payable before the date of maturity of the warrants is one merely of regulation and not of law. The Board, realizing that this restriction might bring about hardships in certain cases, inserted in its amended regulation on the purchase of warrants the proviso that it might waive this condition in specific cases. Whether or not it should be waived in the case in hand is one which is a question on its merits as well as on

grounds of general policy for the Board to determine. The purpose of the regulation is to insure sufficient funds with which to pay the warrants at maturity. It is respectfully suggested, therefore, that in any case where experience has demonstrated that the due date produces sufficient taxes to provide for such payment at maturity, the Board may properly rule that the warrants may be purchased by Federal Reserve Banks even though such warrants mature before the penalty date.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. W. P. G. HARDING,
Governor Federal Reserve Board.

Litigation Involving Constitutionality of Section 11 (k).

The case of Grant Fellows, attorney general of Michigan, ex rel. the Union Trust Company et al. v. The First National Bank of Bay City, Mich., was instituted in the Supreme Court of the State of Michigan more than a year ago.

The proceedings were in the nature of quo warranto and were brought by the attorney general of Michigan at the relation of the trust companies of Michigan to enjoin the First National Bank of Bay City from acting as trustee, executor, administrator, and registrar of stocks and bonds under the permit granted to it by the Federal Reserve Board as authorized by section 11(k) of the Federal Reserve Act.

With the permission of the court, the Federal Reserve Board, by counsel, appeared as amicus curiæ, filed a written brief, and argued the case orally.

On September 26, 1916, the Supreme Court of the State of Michigan filed an opinion holding that though the exercise by a national bank of the powers specified in section 11(k) would not be in contravention of the laws of the State of Michigan, nevertheless, Congress in granting to national banks the right to act as trustee, executor, and administrator exceeded its constitutional powers and that section 11(k), therefore, is unconstitutional and void.

A writ of error was granted to the Supreme Court of the United States and, on motion to advance, the case has been assigned for hearing by that court on February 26, 1917.

SUMMARY OF BUSINESS CONDITIONS DEC. 23, 1916.

	District No. 1— Boston.	District No. 2— New York.	District No. 3— Philadelphia.	District No. 4— Cleveland.	District No. 5— Richmond.	District No. 6— Atlanta.
General business...	Excellent, but signs of hesitation.	Retail holiday trade larger than ever before.	Very good.....	Excellent.....	Highly satisfactory.	Excellent.
Crops:						
Condition.....			Good.....	Normal.....	Yield below normal; prices high.	Winter crops fair.
Outlook.....			Good.....	Satisfactory.....	Record preparations anticipated.	
Industries of the district.	Busy.....	Sustained activity.	Very good, but hampered by labor and car shortage.	Engaged to capacity.	Prosperous.....	Operating full capacity.
Construction, building and engineering.	Active.....	Fairly busy.....	Increasing.....	Recession over 30 days ago.	Building much above average for season.	Considerable improvement.
Foreign trade.....	Exports decrease; imports increase.	Recent weekly total slightly lower than a year ago.	Exports for November 186 per cent more than same month last year, and 58 per cent more than October, 1916.		Exports increased 100 per cent over last year.	
Bank clearings.....	Increase.....	Large increase.....	Increasing.....	Increasing.....	27 per cent increase over last year.	Increasing.
Money rates.....	Increase over last month.	Now on moderate level and firm after severe strain in call money for several weeks.	Rates advanced in early part of month; no material reduction since.	Firmer.....	4 to 6 per cent; demand somewhat improved.	Slight increase in some money centers.
Railroad, post office, and other receipts.	Increase.....	Increasing.....	Railroad net earnings decreasing; post-office receipts increasing.	Increase for year; decrease in November against October.	Still show increases..	Increasing.
Labor conditions..	Well employed....	Well employed, wages high.	Good labor scarce, and wages advancing.	Fully employed.....	In demand at full wages.	Fair.
Outlook.....	Satisfactory.....	Uncertain.....	Good.....	Quite favorable.....	Promising.....	Good.
Remarks.....		Continued activity in trade and industry and satisfactory collections.	Christmas savings club disbursements in district this year were \$9,395,844.	Inadequate transportation facilities and shortage of fuel curtailing output.	Jobbing, retail, and general business at high water.	
	District No. 7— Chicago.	District No. 8— St. Louis.	District No. 9— Minneapolis.	District No. 10— Kansas City.	District No. 11— Dallas.	District No. 12— San Francisco.
General business...	Large volume still maintained.	Very active.....	Good.....	Excellent.....	Very good.....	Active.
Crops:						
Condition.....	Satisfactory.....	Satisfactory.....		Not as promising as at this time last year.	Winter crops in good condition.	Practically all harvested except citrus fruit.
Outlook.....	Encouraging.....	Good.....				
Industries of the district.	Working to capacity.	Exceptionally busy.	Active.....	Continue at capacity.	Active.....	Shipbuilding and mining especially active; lumbering improving.
Construction, building, and engineering.		Fairly active.....	Moderate.....	Above normal.....	Normal.....	Increase.
Foreign trade.....						
Bank clearings.....	Increase.....	Increase.....	Slight decrease.....	Less active.....	Normal.....	Increasing.
Money rates.....	About same.....	Easy and unchanged.	Steady.....	Indication of hardening.	Increase over November last year.	Increase.
Railroad, post office, and other receipts.	Increasing.....	Perceptible increase.	Increasing.....	Increase.....	Easy.....	Tendency to harden.
Labor conditions..	Satisfactory.....	People well employed at good wages.	Good.....	Satisfactory.....	No unemployment except in building trades.	Fairly settled.
Outlook.....	Favorable.....	Promising.....	Good.....	Satisfactory.....	Encouraging.....	Generally favorable.
Remarks.....	General prosperity; uncertainty as to future; satisfactory collections.		Slight hardening in rates; holiday trade excellent.	The year has been one of the most prosperous in the history of this territory.	Holiday trade unusually heavy; business generally on firm basis.	Little evidence of increase in cost of living.

GENERAL BUSINESS CONDITIONS.

There is given on the preceding page a summary of business conditions in the United States by Federal Reserve districts. The reports are furnished by the Federal Reserve Agents, who are the chairmen of the boards of directors for the several districts. Below are the detailed reports as of approximately December 23:

DISTRICT NO. 1—BOSTON.

Even before the publication of the recent peace overtures a feeling of hesitation or uncertainty as to the general business situation had begun to appear among the business men and manufacturers. This has, however, been apparent from time to time during the year. With talk of peace hesitation has become more pronounced and manufacturers and merchants generally are awaiting developments before taking on new commitments.

In some lines the approach of the time for closing books and taking inventories is restricting purchases. Many of the mills and manufacturers, however, are well sold ahead and are unable, or unwilling, to make contracts with deliveries to start too far in the future. Christmas trade was unusually brisk. Many retailers report the largest business in many years, and some the largest in their history.

The cotton industry is less active and mills are booking little new business, due to the recent drop in cotton, the peace proposals, and the fact that buyers of goods are busy, either taking stock or with the holiday trade. The mills are well sold ahead and prices for fine and fancy goods continue firm, with a little weakness evident in print cloths.

Wool brokers have little wool on hand and with limited sources of supply are not anxious to make sales, and, therefore, prices have held firm. Mills have many contracts for future delivery, and the quarterly statement of the National Association of Wool Manufacturers as of December 1, 1916, shows a smaller percentage of idle woolen and worsted spinning

spindles than any time during the last year and a half.

Manufacturers of boots and shoes have accepted all the advance orders that they can handle, and, as their leather requirements are well covered, are little interested in the present market. The demand from consumers is not so urgent. The demand for leather is lighter, with little change in prices.

During the month there has been considerable activity in money, and higher rates have prevailed than for some time. After the first rapid increase, rates reacted but continue firm. Banks in this district have been well loaned up for some time, and with an increased demand for accommodation members have taken advantage of their rediscounting privilege with the Federal Reserve Bank. This has tended toward keeping rates on a reasonable basis. The statements of the Boston Clearing House banks still show but small surplus reserve, and rates will, therefore, probably remain firm until after the January disbursements, although the present heavy liquidation in securities may have a reactionary effect. Rates are—call money, 6 per cent; six months' money, $4\frac{1}{4}$ to $4\frac{3}{4}$ per cent; year money, $4\frac{1}{2}$ per cent; bankers' acceptances, indorsed, $2\frac{7}{8}$ per cent upward; unindorsed, 3 per cent upward; town notes, $3\frac{1}{2}$ per cent upward.

Loans and discounts of the Boston Clearing House banks on December 16 show a decrease of \$14,842,000 from last month and demand deposits have decreased \$2,534,000 in the same period. The amount "Due to banks" on December 16 was \$121,753,000 as compared with \$143,312,000 on November 18. The excess reserve of these banks decreased from \$26,615,000 on November 18 to \$25,816,000 on December 16.

Exchanges of the Boston Clearing House for the week ending December 16 were \$280,152,120, as compared with \$192,350,968 for the corresponding week last year and \$277,309,318 for the week ending November 18.

Building operations in New England from January 1, 1916, to December 20, 1916, amounted to \$204,936,000 as compared with \$175,465,000 for the corresponding period of 1915 and \$195,393,000 for the same period in 1912, the highest previous year on record.

Exports from the port of Boston for November, 1916, amounted to \$16,329,327 as compared with \$19,706,548 for October, 1916, and \$9,219,676 for November, 1915. Imports for November, 1916, amounted to \$11,058,247, an increase of \$1,671,348 over October, 1916, and a decrease of \$1,953,020 from November, 1915.

The receipts of the Boston post office for November, 1916, show an increase of \$5,235, or only about 1 per cent over November, 1915. For the first 15 days of December receipts were about 18 per cent, or \$79,780, over the corresponding period of last year.

Boston & Maine Railroad reports net operating income, after taxes, for October, 1916, as \$1,385,762, as compared with \$1,248,165 for the corresponding month of 1915. New York, New Haven & Hartford Railroad reports net operating income, after taxes, for October, 1916, as \$2,061,176, as compared with \$2,196,853 for the same month last year.

DISTRICT NO. 2—NEW YORK.

During the last few days special reports on business conditions have been received from a large number of firms and corporations. These advices show that trade and industry in general have continued active and practically unchanged notwithstanding developments in the European war situation, the disturbance in money rates, and the very unsettled stock markets.

Some wholesale distributors report a seasonal lull in orders, as usual at the approach of the inventory period, but retail stores are handling an unprecedented volume of holiday trade. Collections generally are very satisfactory. Materials are still scarce and deliveries of goods are somewhat hindered by a shortage of freight cars. The closing down of certain

outside activities and workmen seeking sheltered employment during the winter months have considerably improved the labor situation.

Several important industries have announced further increases in wages. Financial institutions are distributing among employees substantial bonus additions to salaries as compensation for the increased cost of living.

Some of the reports received on conditions in various trades and industries are the following:

Steel.—No change in volume, payments normal, orders booked in advance, and record unfilled orders reported by the leading producer.

Copper and lead.—A growing demand throughout the fall, at constantly advancing prices, until about three weeks ago, when demand fell off and prices receded.

Leather.—A seasonal lull in buying, prices firm, and some weakness in the price of raw stock.

Sugar.—Business quiet, but this is normal at the season when grocers are taking inventories. Prices of refined sugar tending downward.

Rubber.—Factories exceedingly busy on domestic orders, jobbers and retailers holding light stocks. Collections satisfactory.

Paper.—Demand for news print paper exceeds anything heretofore known, exceeding for the first time the producing capacity of the mills. This is accounted for by increased advertising and circulation. Everything entering into the manufacture of paper has increased in price. Foreign orders are large, and imports of foreign-made paper have fallen off considerably.

Drugs and chemicals.—Some recessions have occurred in prices of goods of foreign origin, but domestic goods have advanced. Export orders are large. Collections satisfactory.

Carpets and rugs.—Mills sold far ahead and no change in the heavy demand for floor coverings of all kinds. Outlook in the retail trade is satisfactory and collections are good.

Builders' hardware.—Since the outbreak of the war the erection of new buildings has

lagged, which has directly affected the volume of this trade; but there has been a perceptible increase recently. The trend of prices has been constantly upward. Collections are good, as they have been during the last 18 months.

Food products.—Short crops generally and a great domestic demand have caused prices to rise, and when seasonal orders are filled stocks remaining in the hands of wholesale houses will not be large. Retail trade is very brisk and payments are satisfactory.

Wholesale clothing.—The volume of trade continues to be unusually large, and prices are still rising. Collections are exceptionally good.

Money rates are firm and now on moderate levels after several weeks of unusual strain, particularly in the call loan markets.

The statement of the New York Clearing House Association dated December 16, 1916, showed loans, etc., \$3,342,471,000, deposits \$3,465,670,000, and excess reserves \$94,447,320. Since November 4 last these figures have decreased as follows: Loans, etc., \$14,576,000, deposits \$60,921,000, excess reserves \$29,659,720. Comparison with the totals of December 31, 1915, shows loans increased \$84,865,000, deposits decreased \$1,050,000, and excess reserves decreased \$51,503,810.

Exports from the port of New York for the week ended December 9 compared with the corresponding period in 1915 show a decline of \$7,326,820, but the total since January 1 is \$1,074,847,889 higher than last year.

Gold imported from all sources since January 1, 1916, has reached a total of \$608,500,000.

DISTRICT NO. 3—PHILADELPHIA.

There is apparently no decrease in the activity of the leading industries, and complaints concerning the difficulties in the production and delivery of goods are still heard. This situation is especially noticeable in textiles and leather.

The department stores in Philadelphia are doing a larger business than ever before, and people are buying higher class goods. The cold weather has been an added stimulant to the demand for strictly seasonable merchandise.

Business failures.—Bradstreet reports 86 failures in the district during the month of November, of which 78 represented concerns with capital of \$5,000 or less. This compares with 87 failures in October, 73 in September, and 65 in August.

Chemicals.—There is considerable activity in the market for chemicals, most of the products being firmly held. Prices of dyestuffs have declined somewhat. This is said to be due to speculative sales. Drugs and druggists' sundries are in fair demand.

Coal.—Shipments of anthracite for November amounted to 5,993,000 tons, an increase of 123,000 tons over the previous month, but a decrease of 501,000 tons as compared with November, 1915. The anthracite situation is slightly easier than earlier in the month, with approximately the same prices prevailing. Bituminous coal shows continued strength, with a strong, steady demand. Snowstorms tied up the railroads in the bituminous region, with the result that the mines reported the poorest car supply this year. The coke market is strong.

Cotton.—The cotton-goods market is now quieter, as the usual end of the year dullness has appeared. Manufacturers are acting cautiously and are buying only for present needs. Export demand and domestic trade of good volume have made this a successful season.

Crops.—High prices for Lancaster County tobacco have brought out practically all of the old stock. Some of the new crop has been delivered to warehouses as the weather has been favorable to seasoning. Farmers believe there will be a scarcity and high prices next year regardless of the war, and they are, therefore, planning a larger acreage for 1917. Reports of the Pennsylvania State Department of Agriculture indicate that the condition of winter wheat in the ground averages 98 per cent, and the condition of rye 99 per cent. Recent snow since the report was published has improved the conditions. Final reports of the 1916 cereal crops in Pennsylvania indicate that although there was a shortage in yield, the

total value exceeded that of last year's crops by almost 20 per cent.

Glass.—The price of window glass remains firm, though the demand has slightly fallen off. Purchases are made according to requirements. Stocks in jobbers' hands are normal, and there is an absence of any speculative features.

Groceries.—Business has been somewhat quieter among the wholesale grocers during the past month, but is still good. As is usual during December, retailers are too busy with holiday trade to give their time and attention to extended purchases of goods. Prices in some communities have declined slightly. Collections continue fairly good.

Iron and steel.—Car shortage has checked steel production, but the high prices have held up earnings. Plants are sold ahead for the greater part of next year and are running at full capacity. The activity in pig iron, however, is diminishing as prices go higher, but quotations continue upward. The overwhelming demand for ship plates continues, Norwegian, Italian, and Japanese interests being energetic in their requests for ship steel. Railroads are considerable buyers, and good sized orders have been placed for locomotives both for domestic and foreign roads. It is reported that the Baldwin Locomotive Works now have enough locomotive orders to keep busy for the first half of 1917. Concerning the Steel Corporation's increase of over 1,000,000 tons in orders in November, it is stated on authority that out of nearly 2,500,000 tons booked in that month, less than 10 per cent is to be classed as export emergency business.

Leather.—The leather market presents no new aspect. Tanners are refusing to make large sales to either domestic or foreign buyers, and are endeavoring to make the best division possible of the stock at their disposal among domestic customers. Hides have dropped slightly, but this has not affected leather buying or leather values. The cost of raw material and of production has increased materially and the continuance of the present prices seems to be recognized by buyers as inevitable.

Lumber.—Generally satisfactory conditions seem to prevail in the lumber industry at the present time. The demand for all kinds has been firm. The orders taken are mostly confined to short-time deliveries, due to uncertainty attributable to the actual scarcity of lumber, because of shortage of labor and of cars available for shipping purposes. Very little lumber is being received from the West, most of the supply coming from southern mills. Building statistics encourage expectations of a big demand the next few months. It is also noted that new undertakings in the way of moderate-priced residences are very extensive. This is a reflection of the increased prosperity enjoyed by workers in manufacturing centers, and as lumber is largely used in these projects a continued active demand is expected. The rise in quotations of structural steel is causing the substitution of lumber, and with the prevailing anticipation that spring demand will be very active, prices are hardening.

Paints.—The past season has been a busy one for the painters, and there is considerable work in sight. Flax and linseed oil have advanced steadily, and whiting is in good demand, the lack of sufficient supply of chalk still hampering makers of this product. The advancing productive costs have caused paint and varnish makers considerable anxiety, and the outlook indicates that higher figures must rule if a reasonable profit is desired. The demand for metallic paints is so heavy that makers are unable to keep up with it.

Port.—The commissioners of navigation report the value of exports from the port of Philadelphia during the month of November as \$41,467,000, an increase of \$26,995,000 over the shipments made during the corresponding period of last year, and an increase of \$16,250,000 over October of this year. The value of war materials exported was 62 per cent of the total value. Of other commodities exported, oil products show the heaviest gains. An increase of \$1,881,000 is shown in the value of the imports, the values for November reach-

ing a total of \$6,947,000, as against \$5,065,000 for November, 1915, and \$7,603,000 for October of this year.

Post-office receipts.—Receipts of the Philadelphia post office for the month of November amounted to \$826,094, compared with \$783,981 during November, 1915. There were 267,342 money - order transactions, amounting to \$1,985,087, an increase over the previous November of 7,062 and \$186,747, respectively.

Railroad car movements.—The Pennsylvania Railroad, as a result of cooperation of freight solicitors and shippers, is moving the present immense volume of freight over its lines at an average increase of 2 tons per loaded car as compared to last year's records. This increase covers all classes of freight. More powerful locomotives and larger cars are used.

Shipbuilding.—World-wide conditions have brought an unprecedented expansion in the shipbuilding industry. The demand for merchant tonnage and the diversion of British yards almost exclusively to building war vessels have combined to bring tremendous pressure on our shipyards. Before the war, American companies were not building many ships for other countries, but now, our yards, greatly enlarged, have begun to turn out vessels for foreign owners. Merchant tonnage in the Philadelphia Federal Reserve district under construction November 1, 1916, is as follows: Number, 87; gross tons, 412,408. To be launched during fiscal year ending June 30, 1917: Number, 59; gross tons, 270,464. June 30, 1918: Number, 28; gross tons, 141,944.

Textiles, etc.—Textile manufacturers are extremely busy. There is a scarcity of goods in many lines, and the holiday trade has materially reduced the stocks of jobbing houses. The carpet and rug trade is brisk, scarcity of raw materials and high wages interfering with production. Conditions in the silk trade have improved slightly, there having been some buying of spring goods; reports from manufacturers indicate that the capacity of the silk mills has been much increased. The tapestry

mills are better engaged than a month ago. General trade in dry goods has been good. In accordance with an estimate made by officials at the Schuylkill Arsenal, the Government will be in the market for more than \$15,000,000 of Army supplies, mostly clothing items, during the first half of 1917.

Wool.—Uncertain prospects have suddenly brought the wool trade almost to a standstill. Prices had reached the highest point possibly ever known, and profits have been abnormally large. It is reported that the accounts being carried are of twice the usual amount, yet settlements are promptly made.

"Christmas Savings Club" disbursements.—The first "Christmas savings club" in the United States was opened by one of the trust companies in Pennsylvania in 1909 and, since that time, each year has witnessed increasing numbers of banking institutions conducting such clubs. Efforts were made to secure information from all banking institutions in the district as to the amount of Christmas savings club disbursements. The table below shows that this year 457 institutions returned over \$9,000,000, the largest disbursement of any one institution being about \$383,000.

	Number of banks in district.	Number of banks replying.	Per cent of banks replying.	Banks reporting no Christmas savings clubs.	Banks conducting Christmas savings clubs.	Amount of Christmas savings club disbursements.
National banks....	632	576	<i>Per ct.</i> 91	303	273	\$3,948,319
Trust companies...	228	182	80	71	111	4,240,885
State banks.....	133	114	86	41	73	1,206,640
Total.....	993	872	88	415	457	9,395,844

Money.—During the first half of the month surplus reserves of the Philadelphia banks reached the lowest level, proportionately, since the establishment of the Federal Reserve Banks. Call money rose from 3½ to 5 per cent, other rates being also advanced, and there has been no material reduction since. Most of the local banks are well loaned-up.

DISTRICT NO. 4—CLEVELAND.

Entirely inadequate railroad facilities and a shortage of fuel, including coal, coke, and natural gas, have caused some curtailment in operations during the last month. The situation in this respect has been aggravated by zero weather and snow. Notwithstanding these obstacles, reports on conditions continue quite satisfactory. The partial disturbance in stock and commodity markets, caused by developments in the foreign situation, seems to have had absolutely no effect upon industrial and mercantile operations and little or none upon industrial and commercial sentiment.

Agriculture.—There is nothing new to report in the general agricultural situation. The tobacco crop is bringing prices beyond all record. Common grades that last year brought from \$3.50 to \$4 will to-day sell for around \$9 to \$11 per hundred. In some parts of the district values of farm lands have sharply increased, with considerable activity in exchanges and sales at the increased prices.

Raw materials.—During 1916 over 67,000,000 tons of ore have been brought down the Great Lakes. There has been produced over 40,000,000 tons of pig iron. Prices have advanced slightly during the last 30 days.

The lumber trade, which is quite an important one in this district, has not participated in the present prosperity as much as other interests. The volume during the year was somewhat smaller than the average for a series of years and profits less. The explanation offered is high costs in primary markets and difficulty of prompt delivery which influenced dealers to take less chances in maintaining full stocks.

Fuel.—The coal business is quite active at prices somewhat under what they were a month ago. The freight embargo is being felt in this industry. Both coal and coke trades are looking forward to 1917 as registering the largest and most uniformly profitable business ever experienced. This view is based on the fact that 6 and 12 months contracts are now being concluded with large consumers at prices

ranging 50 cents to \$1 a ton over the contract prices realized for the 1916 output.

Oil and gas interests are prosperous. In some instances prices being paid for oil are the highest ever recorded. Great activity is taking place in the Kentucky oil fields. Production is increasing in that district and considerable money is going there for investment. The clay industry is active in all its branches.

Manufacturing.—The steel business is entering 1917 with the largest order book in its history. The amount and character of these orders, the safeguards adopted for enforcing legal contracts, the proportion of actual specifications for orders given appear to assure full operations for the ensuing 12 months at least. The business also has been distributed. It has come from railroads in all their lines, shipbuilding both on the ocean and the Great Lakes, from structural and bridge work. There has also been a general requirement in the way of pipe, tanks, and specialties which altogether has created a demand beyond anything in the steel business in this country or elsewhere. Costs, however, are increasing, and it is doubtful whether the profits will be as great in 1917 as in 1916. Manufacturing concerns of every kind report orders ahead at satisfactory prices, ranging from three months to a whole year, and in exceptional lines talk is heard of deliveries being deferred to 1918.

Optimistic reports on conditions, in addition to steel and its products, include such industries as glass, electrical goods, rubber, automobiles, pottery.

Garment and knit-goods manufacturers report an excellent demand for spring goods. They expect to see wool prices well maintained, stating that prices of 1915 were abnormally low.

Transportation.—The year will probably close with the worst car shortage yet experienced. Limited embargoes exist on a number of lines and temporary suspensions and shutdowns are occurring in some industries affected. Traction travel has taken on its usual expansion for the holidays.

Labor.—Labor is fully employed and generally is satisfied. Restlessness is noticed only in a very few reports. Three advances were made during the year in which workers in steel, coke, and kindred industries participated.

Although this is a between-seasons period for jobbers in mercantile lines, the demand is relatively good, prices firm, and collections fine. Department stores are doing the best business in years—some report the best in all their experience. Comparative percentages of sales do not disclose the real increase in business because of the higher prices of goods sold. For example, a number of retail shoe stores report a decline in the number of pairs sold but a greater money value in the sales volume. Post-office receipts for the eight large cities in the district for November showed a decrease of approximately 5½ per cent compared with October but almost a 10 per cent increase over November of last year. Figures are given below:

	November, 1916.	November, 1915.	Increase or decrease.	Per cent increase or decrease.
Akron.....	\$55,253	\$53,243	\$2,010	3.7
Cincinnati.....	279,976	252,189	27,787	11.0
Cleveland.....	330,553	297,617	32,936	11.4
Columbus.....	100,460	88,656	11,804	13.3
Dayton.....	69,498	74,045	14,547	16.1
Pittsburgh.....	361,816	323,948	37,868	11.6
Toledo.....	95,430	87,053	8,377	9.6
Youngstown.....	27,118	24,532	2,586	10.5
Total.....	1,320,104	1,201,283	118,821	9.8

¹ Decrease.

Real estate and building.—Compared with last month, building, because of weather conditions, shows a decrease. About 1,000 less building permits were issued in the large cities of the district in November than in October. There is an increase of almost 31 per cent in valuations of new buildings in November, 1916, over November, 1915. This is very satisfactory in view of high costs for materials and difficulty in getting labor. Real estate brokers report a brisk demand for moderate sized homes. New buildings are being erected in the down-town section of all our cities. Factory building and extension is not so evident

as earlier in the year. Comparative table is given herewith:

	Permits issued.		Valuations.		Increase or decrease.	Per cent in- crease or de- crease.
	Novem- ber, 1915.	Novem- ber, 1916.	Novem- ber, 1915.	Novem- ber, 1916.		
Akron.....	277	422	\$535,105	\$1,164,465	\$629,360	117.6
Cincinnati.....	1,269	1,139	790,965	771,195	19,770	2.5
Cleveland.....	1,012	1,131	2,434,715	2,843,245	408,530	16.7
Columbus.....	243	217	347,350	554,965	207,615	59.7
Dayton.....	54	120	131,075	315,997	184,922	141.0
Pittsburgh.....	303	328	663,312	916,806	253,494	38.2
Toledo.....	230	229	535,755	543,270	7,515	1.4
Youngstown..	79	99	203,790	269,635	65,845	32.3
	3,467	3,685	5,642,067	7,379,578	1,737,511	30.8

	Permits issued for year ending—		Valuations, year ending—		Increase or decrease.	Per cent in- crease or de- crease.
	Nov. 30, 1915.	Nov. 30, 1916.	Nov. 30, 1915.	Nov. 30, 1916.		
Akron.....	2,153	4,590	\$5,072,840	\$12,741,846	\$7,669,006	151.1
Cincinnati.....	15,734	16,161	13,121,268	10,943,145	2,178,123	16.6
Cleveland.....	14,166	14,042	32,891,255	30,027,280	2,863,975	8.7
Columbus.....	2,823	3,129	5,783,285	7,102,240	1,318,955	22.8
Dayton.....	818	1,379	2,157,672	3,478,063	1,320,391	61.2
Pittsburgh.....	3,816	4,255	14,831,990	15,350,490	518,500	3.1
Toledo.....	2,746	4,209	7,358,200	9,601,499	2,243,299	30.4
Youngstown..	1,083	1,335	3,182,905	3,521,739	338,834	10.6
	43,339	49,160	84,449,415	92,766,302	8,316,887	9.8

¹ Decrease.

Collections.—Credit men report more satisfactory collections than last month. The strain on capital of smaller concerns is found occasionally, due to increased funds necessary to carry inventories and customers. Business men, however, are not quite as daring as they were a few months ago. The inevitable readjustment has as a rule been kept constantly in mind for the last six months and corporation management is much more conservative to-day than ever before at the end of a year of unprecedented prosperity.

Money and investments.—High-class bond investments have been in heavy demand during December. This is due to the disturbance in speculative securities and the continued accumulation of funds. Money is ruling firmer than it did 30 days ago. Clearings continue to show large increases both over figures for the same period last year and for the preceding month this year. Banking transactions of all kinds

aggregate totals of unprecedented size, and the volume of business is keeping up unabated. There are at present no signs that the unearned portion of our prosperity will have to be paid for in 1917, since the momentum already acquired will likely carry the movement for at least that period. Comparative figures on clearings are given below:

	Dec. 1 to 15, 1915.	Dec. 1 to 15, 1916.	Increase.	Per cent of increase.
Akron.....	\$5,774,000	\$11,121,000	\$5,347,000	92.6
Cincinnati.....	69,023,150	86,204,013	17,180,863	24.8
Cleveland.....	79,153,594	149,345,125	70,191,531	88.6
Columbus.....	18,128,500	24,053,300	5,924,800	32.7
Pittsburgh.....	129,231,786	164,803,836	35,572,050	27.5
Toledo.....	16,141,779	23,520,370	7,378,591	45.7
Youngstown.....	4,000,737	7,180,828	2,580,091	35.9
	322,053,546	466,228,472	144,174,926	44.7

DISTRICT NO. 5.—RICHMOND.

Trade, agricultural, and other reports indicate a continuance of the full tide of prosperity, with occasional conservative notes of warning in anticipation of a readjustment to more normal conditions. Such a return is anticipated, without any material recession in business.

The continued high cost of materials, labor, and particularly living, is commented upon everywhere. Concerted effort toward cost reduction is being made by housewives and many organizations.

Reports as to conditions among the farmers emphasize prosperous conditions, and indicate great activity in the preparations for future crops. Truckers and canners have had a successful season, both as to output and prices. Tidewater Virginia has raised an unusually large crop of fall Irish potatoes, which are being sold at \$4 to \$5 per barrel. The fish and oyster industry in the same section has been unusually profitable, and the menhaden fisheries of Chesapeake Bay have had a better season than for several years past. The production of fish scrap by this industry is an important factor in the fertilizer trade.

The industrial agent of a trunk railroad reports general activity in farming, stock raising,

and the establishment of small industries, including additions to many existing plants.

Building.—Jobbers in this line report an increased volume of business, a large volume of new building being underway, notwithstanding the advance in prices of supplies and the high cost of labor. These conditions are indicated throughout the district. Richmond, Va., leads with a reported increase of 73 per cent in the volume of building over this time last year.

Coal.—Mining of bituminous coal continues on a favorable basis, but shipments are being retarded by continued car shortage. The manufacture of fire brick in some of the coal regions is on an unusually good basis. Port shipments of coal continue to show a decrease. Prices are firm, with a scarcity of freight room and a continuance of high rates.

Cotton mills.—Conditions are reported satisfactory from every standpoint—mills running to full capacity at profitable prices, distribution good, and mill stocks at a minimum.

Sales to retailers are in fair volume but limited, owing to the uncertainty of future trend of prices and to the high price of cotton. Prices are also affected to some extent by the anticipation of a greatly increased acreage in cotton next year. Although prices for cotton have declined very materially within the past week or 10 days, goods are firmly held and have not declined proportionately. Spot goods are very firm and future deliveries only slightly less so. There is a note of caution, however, sounded by several conservative operators as to abnormal prices, closer margin of profit, and possible reaction from present conditions.

Exports continue in large volume, the movement from Baltimore, Norfolk, Newport News, and other ports indicating an average increase of about 100 per cent over last year.

Furniture.—Conditions are reported to be the best prevailing in many years, plants running to full capacity, and the outlook favorable for a continuance of this activity. The advance in price of the finished product appears to have balanced the advancing cost of raw materials,

leaving a satisfactory margin of profit. Collections are good, with a considerable increasing demand for goods.

Jobbers.—"Have never known conditions to be better," is the way one jobber puts it, and this seems to be a fair report of the trade conditions generally. Buyers are rarely asking for any extensions, and an unusual number are discounting bills. There seems to be, however, considerable difference of opinion as to the future. Large business is generally expected, but many look for lower prices and predict that jobbers and retailers will only purchase moderately, at least until there is some recession in prices. There is a disposition to reduce stocks and keep commitments well in hand.

Live stock.—The interest in this line continues to be gratifying, the reports from sales indicating high prices and a profitable return.

One point reports a sale of 350 hogs, attended by buyers from Richmond, Baltimore, and nearer points.

A still more gratifying indication is the importation into the district of better grades of cattle. One stockman has purchased 200 Aberdeen-Angus cows and 6 bulls.

Lumber.—The lumber business has had a general and steady improvement during the past 60 days. A much stronger demand has developed for the better grades of lumber, which have been very stagnant since the European war. This indicates reduced stocks, an improved demand, with a stiffening in prices, the improvement averaging apparently \$1.50 to \$2 above prices prevailing 60 days ago. The outlook is for further improvement.

The hardwood trade was very much demoralized by the European war, but is now reported as in excellent shape. The interrupted trade with the belligerent nations has been replaced by demand in other directions, and the volume of sales is showing a steady improvement over last year.

Machinery and metals.—The machinery demand is rather beyond capacity as to prompt deliveries, owing chiefly to difficulty in obtain-

ing raw material. The increased cost of material and labor has restrained trade less than was expected, but the heaviest purchases of machinery in this district has gone into revamping, balancing up, or enlarging in a moderate way existing plants, rather than to undue expansion in new plants. Sales are largely for cash, evidencing prosperity among the mills.

Metal houses report an abundance of orders, sufficient to take their product several months in advance, without any apparent relaxation in the demand. Export orders are not being sought, as the home demand is sufficient to pretty well consume the supply. Pipe foundries, furnaces, etc., are running to full capacity with orders ahead for all they can produce.

Money and banking.—Deposits are at high-water mark, and many banks have sought outside investments, but these appear to be wisely limited to such as are of a liquid nature. Bank reserves have indicated a decreasing tendency of late, many banks having furnished considerable amounts of money to borrowers on short-term notes, trade acceptances, or commodity notes, representing the purchase of cotton, cotton seed, and other products. Much of this financing has been done by the banks without finding it necessary to rediscount with the Federal Reserve Bank to any large extent.

The *peanut* crop is reported to be of good quality and slightly below normal. There is some disposition to hold peanuts for better prices. This is being done in spite of the fact that prices are already high enough to have discouraged much speculation. The demand is active for all grades, and cleaners are handling the crop freely on a fair basis of milling profit.

Railroad earnings show an average increase of about 10 per cent, with a strong pressure for cars, indicating the offering of an increased volume of traffic.

Clearing-house returns from the district indicate an increase of 27 per cent over last year, postal receipts and money-order business continuing in increased volume.

Federal Reserve clearings for the month ending December 15 show an increase of 1.69

per cent in the number of items and 2.69 per cent in the volume.

Shoes.—Reports in this line seem to be conflicting, indicating some unsettlement, at least in the minds of jobbers and manufacturers. One large manufacturer summarizes the situation as being "without parallel," but evidently anticipates that present conditions can not last indefinitely and urges caution. Another says goods are selling at prohibitive prices, and he is therefore buying materials very cautiously, as experience teaches that prohibitive commodity prices always result in reaction. Retailers have been buying liberally and collections have been good. Manufacturers are not disposed to urge sales, as they do not consider it desirable for jobbers to overload at these prices.

A large lumber company, a subsidiary of the Norfolk-Southern Railroad, reports the sale to northern capital of 45,000 acres of land in eastern North Carolina to be developed for farming and stock raising. The lands in this section have heretofore been unavailable for lack of drainage. Under a new State drainage law, districts have been formed, under which the financing of scientific drainage has been accomplished.

On the Maryland Steel Plant, recently purchased by the Bethlehem Steel interests, an expenditure of \$40,000,000 to \$50,000,000 is contemplated. The Newport News Shipbuilding & Dry Dock Co. has extensions and improvements to its plant underway to cost \$1,000,000. This plant has orders far in advance of production.

The purchase by the United States Government has just been announced of 1,700 acres of land on Back Bay, adjacent to Fortress Monroe, for use as an aviation field and proving ground for the Army. The War Department will ask for an appropriation for buildings and equipment.

The city of Norfolk has just made an appropriation of \$391,000 for the purchase of a water front for municipal docks and manufacturing plants.

Appropriations for the Norfolk Navy Yard authorize the construction there of one of the

two dry docks capable of receiving the largest vessels which can pass through the Panama Canal locks. Bids for the building of this dock are shortly to be asked.

The Government has purchased at Cape Henry the necessary site for the erection of the most modern defenses for the entrance of Chesapeake Bay.

DISTRICT NO. 6—ATLANTA.

Conditions have not materially changed in the district during the past 30 days, except for an unusual activity among retail merchants due to the enormous volume of buying incident to the holiday season. There is an abundance of money in this section of the country and a feeling of confidence that the prosperous times are to continue. The cities report crowded stores and large increases in the number of sales as well as volume of business.

Bank deposits continue to grow and some of the banking centers report demands for loans considerably increased in the past 30 days. Collections are exceedingly good for this season of the year. Real estate is somewhat more active. Building operations show considerable gain, and according to figures given out by the American Contractors Association the following increases are reported in the larger cities of our district: New Orleans, 49 per cent; Birmingham, 37 per cent; Nashville, 32 per cent; Atlanta, 22 per cent.

The various industrial and manufacturing plants of the district continue to operate at capacity and more favorable reports come from the coal-mining section. The car shortage is less acute and coal operators anticipate further relief in this respect in 1917. Among the special features is the wide development of the graphite mines in Alabama. Many new companies have been formed and operators advise that their output can be sold at a high figure for the next five years.

The Alabama press report oil found on the lands of the Pratt Consolidated Co., 33 miles from Birmingham on the banks of the Warrior River. The drillers struck oil at a depth of 800 feet, and after drilling into the oil-bearing

sand only about 12 inches they estimate the flow already at something like 150 barrels per day. Further development has been suspended awaiting the arrival of Gov. Haskell, of Oklahoma, one of the parties interested in the proposition.

At Kingsport, Tenn., an eastern corporation has purchased several hundred acres of land and has under construction, and, in a small way, in operation, a plant for the manufacture of dyes, by-products, and explosives. This is an entirely new industry in our district and is being watched with a great deal of interest.

The outcome of the crops has proven more satisfactory than forecast indicated, with the exception of the central and southern portion of Alabama. Due to the torrential rains during the summer and the ravages of the boll-weevil in the latter part of the season these sections produced only a small part of their usual cotton crop. Their cotton acreage had been decreased and with a lack of fertilizer a normal crop was not expected, but it was hoped that crop diversification would more than offset the loss. However, a great deal of the corn and other diversified crops met with the same proportionate damage as cotton and left the producers in these sections in a far less prosperous condition than in any other portion of the district.

In the dark-tobacco fields of Tennessee the buyers are reported eager for tobacco and it is stated that probably 75 per cent of the crop, said to be the largest ever known, has changed hands. Prices have been on a gradual increase since the opening of the season, now ranging from \$6.50 to \$11.50, with some sales reported as high as \$18, and it is believed that the market will go still higher.

Yellow-pine lumber continues to show a slight advancing tendency, but the movement is not at all in keeping with advances in cement, brick, steel, and other building materials. The hardwood situation is very satisfactory. Dealers report an increased demand and their expectations are that walnut, oak, and cypress will soon find higher levels.

Florida is enjoying a good season in the winter fruits and vegetables. The following number of cars have been shipped from Jacksonville, High Springs, and Hampton since the opening of the season, September 15, to December 19: Grapefruit, 1,849 cars; oranges, 7,733 cars; lettuce, 531 cars; vegetables, 72 cars; potatoes, 11 cars; pineapples, 5 cars; tomatoes, 2 cars.

Reports from Georgia and Florida are to the effect that a large number of winter tourists have arrived and that the hotels look forward to a more prosperous season than for many years.

There have been a few slight decreases in prices of commodities but on the whole the cost of living shows little change. In view of prevailing conditions a number of the industrial corporations have voluntarily granted increases in wages and this is being reflected in the general trade. Little changes are reported in the compensation of the salaried man other than bonuses given to employees at Christmas as added compensation.

The New Orleans branch of the Federal Reserve Bank of Atlanta reports as follows:

There has been but slight change in the banking situation in the past month. Demand with banks is light and rates are easy. Deposits and clearings continue to increase.

The demand for bonds and high class securities is now greater than ever before recorded in this section.

For the 11 months of 1916 New Orleans clearings aggregated \$1,206,341,922 against the same period for 1915 of \$862,440,150.

The stock of coffee on hand in public warehouses is: Brazil coffee, 242,500 bags; all other kinds, 45,350 bags.

The coffee afloat from Brazil to reach here within the next six weeks is 230,000 bags.

The Louisiana sugar crop has been harvested and, with the exception of only a few sugar houses, grinding is practically over. The consensus of opinion is that this has been the most satisfactory year for over a decade, notwithstanding the ill effects of the recent freeze.

DISTRICT NO. 7—CHICAGO.

All authorities report a continuation of the large volume of business. There is no marked evidence of recession due to the peace rumors now current. Bank deposits throughout the district continue to increase and money rates are still down. Demand for funds is only fair, especially in big cities, though several country correspondents report a loaned-up condition in the banks under their observation. It appears that the marketing of some products has been hastened by the high prices prevailing, and this circumstance no doubt contributes to the continued ease of money.

Shortage of cars is still felt in manufacturing lines, making it difficult to secure raw material promptly, and has also held up to some extent the shipment of grain, as well as other products, thus affecting some collections. Retailers are doing a large business due to the usual holiday buying. No decrease from the high prices of food and clothing can be noted.

Generally favorable weather for farming prevailed in this district during the past month. Winter wheat is promising, and there is an increased acreage. Illinois corn has been a disappointment in quantity and of only fairly good quality; elsewhere no complaint is heard. Pastures seem to be in splendid condition, due to the warm weather and rains.

Bond houses look for increased activity in American securities, due to the decline in demand for foreign obligations. They report this year as an excellent one in volume and believe that investors in foreign bonds will incline toward collateral issues.

Agricultural implements.—Volume in this line has been large generally, though slight curtailment in purchases is mentioned in one quarter as due to high prices. Price readjustment has been necessitated by a rapid advance in raw materials, and this has been a serious handicap. Long-time commitments in raw materials have been necessary to insure future delivery. Labor is restless.

Automobiles.—Nothing new has developed in this line. Volume is apparently satisfactory,

considering that the volume of purchases of automobiles at this time of the year is small.

Coal.—The attractive market for coal has caused the opening of a number of mines which had been closed for from one to five years. The assertion is still made that notwithstanding the insufficient car supply large production has been maintained, business being away above normal. One dealer looks for decreased production for the balance of the month, due to weather conditions, shortage of equipment, insufficiency of motive power on railroads on account of severe weather and usual holiday shortage of labor. Business is prospering with unusually satisfactory collections.

Distilling and brewing.—Withdrawals from bonded warehouses are largest in the history of the business with sharp advances in whiskies. Malt companies are so rushed as to be unable properly to handle business and welcomed recent break in grain markets resulting in the withholding of orders by some buyers. High prices of all grains and inferiority of corn will limit 1917 crop. Collections are very satisfactory.

Dry goods.—Retailers report an increase in business of 20 to 25 per cent and an increase in stocks of about 40 per cent, but that there is a general inclination to great conservatism in future purchases. Wholesalers report increased shipments with orders falling off, partly owing to large previous commitments on the part of retailers and partly owing to the feeling that the top of values has been reached. The disproportionate salary increase of the consumer compared to the cost of foodstuffs and clothing is mentioned as a factor likely to induce greater conservatism in future consumption, although nothing of the kind is now apparent. Collections are satisfactory, and there is a hopeful outlook for the future.

Furniture.—On the whole this business is in excellent condition. Labor conditions are a shade easier and collections are good. Factories are busy and have a larger amount of unfilled orders than usual at this time. Excessive values in many lines are still maintained, but there has been no material advance over last month in this direction.

Grain markets.—Decided reactions in all markets resulted from the recent peace talk, and future prices will vary with the cessation or continuance of hostilities. Grain for export has been retarded, first by car shortage, and then by lack of ocean tonnage. Corn is moving fairly well, and is in good export demand. Farmers are eager to market.

Groceries.—In the face of extremely high-priced staples there is no let-up in the consumption. Among the trade there is the feeling that prices have about reached their high level. Retailers are well stocked up, and buying is at low level, as usual for this time of year. Car shortage is blamed by some wholesalers for failure to get certain goods to take care of the demand. Collections are generally satisfactory.

Hardware.—Volume in this industry is being well maintained. However, high prices must eventually restrict volume, say authorities. The shortage of cars, labor, and raw materials is making itself felt. Collections are a little short of satisfactory.

Leather.—This is the usual slowing-up period in the leather business, and, as far as new sales are concerned, the present period is no exception, but orders for immediate delivery are occupying plants to capacity, and there is good promise of large future bookings, since finished leather stocks are low. Continued maintenance of high prices will depend on the foreign situation. Collections are very good.

Live stock.—Exhibitions at the International Live Stock Show held recently in Chicago revealed an excellent quality of live stock. The prize-winning steer sold at auction for \$1.75 a pound, a total of \$1,977.50, the highest price paid for a steer in the history of the industry. Receipts have been liberal, prices tending downward, and collections are a trifle slower.

Lumber.—Very little complaint is manifested in this industry. Building operations compare favorably with past periods. However, comment has been made that comparatively speaking wholesale lumber dealers are receiving less for their product than is being

paid for any other staple, while nearly all kinds of lumber have advanced in price.

Mail order.—Business in this line is reported to have shown a considerable gain over the same period last year in District No. 7.

Pianos.—Concerns in this industry are quite active either with immediate or future orders. High prices for raw materials and difficulty in securing same are a serious menace to volume; however, collections in general are good. Prospects for the coming year are said to be good.

Steel.—This industry is booked so far into the future as to be able to disregard any temporary adverse conditions. Business is enormous, with no abatement in sight. Collections are excellent and prices very high.

Watches and jewelry.—We are told that these are record days for houses in this line, one reporting business for November 26 per cent ahead of a year ago and the first nine days of December 58 per cent ahead of the corresponding period last year. Goods are selling at high prices and volume is due to general prosperity.

Wool and woolsens.—In this line business continues good with steadily advancing prices which will continue to increase as long as the war lasts. Collections are excellent.

Clearings in Chicago for the first 21 days of December were \$1,496,000,000, being \$399,000,000 more than for the corresponding 21 days in December, 1915. Clearings reported by 21 cities in the district outside of Chicago amounted to \$291,000,000 for the first 15 days of December, 1916, as compared with \$193,000,000 for the first 15 days of December, 1915. Deposits in the eight central reserve city member banks in Chicago were \$702,529,000 at the close of business December 20, 1916, and loans were \$482,144,000. Deposits show a decrease of approximately \$5,000,000 and loans a decrease of approximately \$2,000,000 over last month.

DISTRICT NO. 8—ST. LOUIS.

The extreme activity of business in this district reported for November has been even

greater during the present month. The increase is apparent in practically all lines, but particularly in manufacturing, jobbing, and the wholesale and retail business.

Both wholesale and retail stores had a record-breaking Christmas business. For some of them it was the largest in their history. This is especially true of the wholesale dry goods houses and the big department stores. Jewelers, both wholesale and retail, are also having an extremely large business. One of the largest hardware houses in this district reports that it has never had a larger business than this month.

Prices continue very high, but a number of interests in this district have either increased wages or given Christmas bonuses to their employees, so that the high prices have not yet affected the demand. Active demand continues for both luxuries and necessities. Buying, while heavy, still is not generally in excess of incomes.

Manufacturing concerns are working to capacity, with large orders ahead. Many industries are feeling the effects of the high prices of raw material, and some are experiencing difficulty in obtaining a sufficient supply at any price. Manufacturers of shoes are doing an extremely large business, but are refusing to take orders at present prices for delivery later than 30 days, owing to the unusual condition of the leather market. Further advances in footwear appear unavoidable.

The shortage of cars continues, and while the condition is slightly improving, yet many of the manufacturers are hampered in making deliveries after goods are sold by reason of their inability to secure proper transportation facilities.

This district is unquestionably feeling the effects of the prosperity of its farmers. While the crops have not been as large this year as last, yet the returns which the farmer has received for his products have been greater, and this has enabled him to pay off his debts and still have money to spend.

According to Government estimates the area sown in winter wheat this fall throughout the United States is 2.3 per cent more than the area sown in the fall of 1915, the total estimated area sown this fall being 40,090,000 acres, with an increase over last fall of 887,000 acres. However, in this district, while the acreage sown in winter wheat is large, yet it is estimated as being a little less than that sown in the fall of last year. The condition of the winter wheat in this district is estimated to be 3.9 per cent below last year and 4.6 per cent below the 10-year average. Nevertheless, the weather is seasonable and the recent snowfalls should help the wheat considerably.

The cotton-growing portions of this district are also in excellent condition. The cotton growers have not only been blessed with abundant crops, but have also received exceptionally high prices for their product. On the whole they have had a most successful season. The report comes from Louisville that tobacco is moving in large volume at much better prices than last year.

The St. Louis National Stock Yards report that during November, 1916, considerably more cattle, horses, and mules were shipped than during the same month last year, but that a less number of hogs and sheep were shipped. However, in comparison with the figures for October of this year the reports would seem to indicate that there has been a perceptible slackening in the demand for cattle, sheep, and horses and mules, with an increase in the demand for hogs during the past month. Commission men say that it is becoming difficult to get horses fitting the Army specifications, and that the prices for them are much higher than they were a year ago.

From reports received from the principal cities in this district, it appears that building operations are quite active for this season of the year. While there has been a slight decrease in the number of permits issued and the valuation since last month, yet in comparison with this time last year an increase in the operations is noted.

The postal receipts in St. Louis, Louisville, and Memphis for November, 1916, show substantial gains over the corresponding months last year. The postal receipts in Little Rock show a slight decrease.

The clearings throughout the district show a decided increase. For the week ending December 9, 1916, the percentages of increase over the corresponding week in 1915 were as follows: Memphis, 42.7 per cent; St. Louis, 40.4 per cent; Louisville, 22 per cent; and Little Rock, 18.7 per cent.

The deposits in all the banks in this district continue at a high level, and money is easy. The rates for money are about the same as reported last month. The prevailing rate to customers in St. Louis is from 4 to 4½ per cent, and in other sections of the district it is somewhat higher.

DISTRICT NO. 9—MINNEAPOLIS.

Generally favorable conditions during the month are marred only by increasing difficulties resulting from the car shortage and traffic situation. Many lines of activity are seriously hampered, and because of the necessity of conserving car supply in order to meet the imperative needs of their own territory the respective northwestern lines are placing increased restrictions upon the movement of equipment eastward and upon eastbound shipments.

The milling and elevator situation throughout the entire district is unfavorable, and terminal elevators, especially, are not alone congested with grain, but are severely handicapped by the increasing difficulty of obtaining and moving cars. This situation coupled with severe weather during the third week of the month caused the slowing down of lines that are dependent upon the car supply. The railroads have acted promptly and are putting forth every effort to minimize the embarrassment to shippers, but have had poor results in their efforts to secure the return of equipment now on eastern lines and at Atlantic terminals.

The demand upon banks at urban centers is very satisfactory, and there are indications of

a slight hardening of rates. Many of the larger institutions are well loaned up in consequence of heavy demands from their correspondents during the last 30 days. The outlook is generally regarded as favorable and the coming annual meetings will probably disclose that the earnings for the year have been entirely satisfactory. At country points the banks are in a strong position, and are experiencing a good demand, with rates practically the same as for some weeks past.

Industrial concerns and practically all of the manufacturing enterprises of the district are enjoying a substantial activity, except as the car situation has interfered with their operations. Most concerns have orders ahead for the first part of the coming year, and there are no signs of any recession. Trade at country points is good, and wholesale and distributing lines report an excellent business. Collections are very good.

Brisk winter weather has stimulated holiday trade, and buying is in very substantial volume, but with an evident disposition on the part of purchasers to exercise caution and conservatism. The condition of trade at country points is substantial evidence of the buying power of the farmers and the degree to which they have profited by the extremely high prices for all farm products.

Grain prices broke sharply on the mid-December peace talk, and have since shown a considerable fluctuation, although with some recovery. From the reports at hand, and other reliable information, it would appear that the bulk of the 1916 crop, together with a large proportion of the old wheat held over from last year, has already moved, the larger part of it during the period of high prices.

Elevator stocks are considerably increased over a year ago. A considerable amount of hard southwestern wheat is being brought in for milling purposes, and the larger milling concerns have been compelled to take the position that they will not buy carloads except in cars that can be reloaded with flour and mill stuffs. By this process they have been able to obtain some relief, although the yards

are crowded with loads and the mills are filled to capacity with finished products that can not be moved. Some of the larger concerns have put their mills on part time, with the prospect that they may be compelled to close down entirely if the situation does not shortly improve.

Business opinion is that the outlook for 1917 is favorable. Most observers agree that during the remainder of the winter and the early spring trade should continue in good volume. Favorable spring planting weather will be a sufficient guaranty of continued prosperity during the first half of the coming year, especially in view of the fact that the farmers went into the winter with a much larger amount of work accomplished than in ordinary years.

DISTRICT NO. 10—KANSAS CITY.

Latest reports but confirm the increasing commercial records of the year, with no seriously deterrent features.

The period was generally favorable to agriculture and particularly to husking and marketing corn and shipment of live stock. Freezing temperatures caused immaterial crop damage. Necessary precipitation was lacking in some sections. From the highest temperature ever recorded in Oklahoma early in the month of December, the middle of that month showed a severe drop with the lowest temperature in 15 years, for this season of the year, reported from Kansas, followed by a heavy snow, in limited areas, of much benefit to the wheat.

Considerable interest attaches at this time to the condition and acreage of the winter wheat. From State reports available, Kansas is shown to have an acreage of approximately 9,000,000, or 3 per cent more than seeded a year ago, with an average growing condition of 75.9 per cent, which is 12.5 per cent lower than at this time last year and lower than the December condition for each of the past five years. Nebraska shows an acreage in excess of 3,000,000, 5 per cent greater than last year, and a growing condition of 85 per cent. Okla-

homa reports an acreage of almost 3,000,000, an average decrease for the State of 5 per cent, with growing condition 84 per cent. In spite of transportation difficulties, it is believed that the amount of wheat hoarded in farmers' bins has been materially reduced.

All live-stock markets of the district were considerably hampered late in November by the appearance of a suspected case of foot-and-mouth disease in the Kansas City stockyards. Last year's epidemic took from Federal and State treasuries \$9,000,000, in addition to further losses of owners. As a consequence every precaution was taken. Immediate orders were issued prohibiting the shipment of any stock from the Kansas City and St. Joseph stockyards, except for immediate slaughter. Expert observation failing to reveal well-defined symptoms of the disease, the quarantine was lifted at the end of November. Beef steer prices in that month reached the highest level ever known. All classes of killer kinds sold high, grass-fat cows from the western ranges selling at prices never obtained before, and old cows for canning purposes selling especially high for that class. The demand for cattle to go back to the country continues good, with steady prices. The five weeks ending December 2 showed a considerable increase of hogs slaughtered at all packing centers in the district.

With flour high in price, bread increasing in cost, and milk, butter, eggs and other commodities steadily increasing, the problem of living has become increasingly serious. There is every indication of a coal shortage if cold weather continues, and the price has become almost prohibitive. The situation in Oklahoma is especially threatening, the settlement of the coal strike there and the arrival of an early blizzard having brought a flood of orders which the mines, reopening after a two weeks' shutdown, are unable to fill. The continuance of the car shortage is also having its effect.

Retail business continues to show a marked improvement over the corresponding period of

last year. Merchandise is high and scarce in manufacturers' hands, but those retailers who are able to finance themselves are carrying large stocks, many having anticipated their needs in order to save the advances. Clothiers report an increase in volume of business of approximately 25 per cent over last year, and the favorable weather for heavy merchandise will doubtless bring further increases. Retail jewelers report an excellent holiday trade, but with increased costs and expenses claim about the same percentage of profits. General mercantile stores are doing the largest volume of business in their history.

Wholesalers advise that an abnormal volume of business continues, with the outlook for the next six months very good indeed, but are slow in prophesying after that period. One of the largest wholesalers in furniture, carpets, and house decorations, however, reports that orders are being booked from their regular customers with less success than the corresponding period of last year, claiming that the country merchant is hesitating to pay the advanced prices.

The implement business continues highly satisfactory, notwithstanding the general advance, orders being placed quite freely, dealers' stocks having been well cleaned up last year. The announcement of further advances in this line has had the direct result of stimulating contracting.

The flour milling industry has every reason to view the trend of eastern trade with a marked degree of satisfaction, even though ground for entire complacency may be still lacking. A steady stream of flour has been flowing eastward from the mills of Kansas, Oklahoma, Nebraska, and other States have been contributing their proportion. It is conceded that more winter wheat flour has been sent to eastern markets than ever before in the history of the industry.

The following table shows, so far as figures are available, the census statistics on milling in this district for 1900 and 1909 as compared with a reliable estimate of the output for the

crop year ending June 30, 1916, figures being in total flour production:

	1900 census (barrels).	1909 census (barrels).	1916 (barrels).
Kansas.....	5,000,000	10,879,000	12,213,447
Nebraska.....	1,821,000	2,264,000	3,500,000
Oklahoma.....	975,000	2,199,000	2,500,000
Colorado.....		975,000	1,500,000
Western Missouri.....			3,000,000
Total.....			22,713,447

¹ Exact. Other amounts in this column estimated.

The production for 1916 would have been increased materially but for the very poor quality of wheat which mills had to grind. Current milling conditions in this territory are exceptionally healthy. The general financial position of milling enterprises is strong and millers have never before enjoyed such security in their credits. The fundamental soundness of the industry has resulted in such paper becoming standard in eastern markets, and local bankers have come to look upon it with more favor because of their direct knowledge of the business.

The retail lumber trade continues to enjoy a volume of business much larger than last year and beyond expectations. Cement consumption has amounted to about 20 per cent more than in 1915, and more of this product is selling than is usual at this time of year, while there is much more business in prospect for 1917 than for 1916 at this time last year. The use of cement in road building is increasing rapidly. Engineering and building operations continue strong. The increase in building permits issued is a repetition of the increases shown by months with corresponding months last year.

Collections in all lines are reported on a parity with sales, and even exceeding them in many instances.

Advancement in mining in Colorado has been steady. Production is being resumed in many long idle districts. The zinc centers are establishing a new high water mark of production. The big drainage projects are reaping the reward of industry, and ore from freshly drained ground is now a material factor in the

daily production. There have been few new strikes on the surface this season, but there have been several ore discoveries in old-time producers that are important. The first underground concentrating mill in the world will soon be ready for operation in Ouray County, Colo., which will end delays caused by snow slides or deep snows, which have heretofore hindered operations at this point. The total value of ore production in the Joplin (Kansas-Oklahoma-Missouri) district has now gone over the \$31,000,000 mark. The increase in price has again encouraged development work, and new mines are being frequently opened. The value of this year's production should go at least \$8,000,000 above last year's. In this district interest centers in the Miami, Okla., fields, where 500 drill rigs are now pounding day and night in search of new ore. Joplin, the metropolis of this mining district, is experiencing marked prosperity.

The predicted gradual increase in the price of crude oil in Kansas and Oklahoma was partly realized when an advance of 10 cents per barrel was announced on December 12, and a similar increase on December 18, crude oil now bringing \$1.20 per barrel, with further increases being freely predicted. Production double that of 1915, when it amounted to 4,212,000 barrels, is freely predicted for the current year. The past six months have witnessed much real progress and development in these fields.

Considering the strained relations between employers and labor, as evidenced in reports from various parts of the country, conditions in this territory may be said to be unusually satisfactory. Voluntary wage increases and bonuses are the order of the day and there are no disturbances worthy of note. Welfare organizations are having less calls for assistance and less difficulty in administering to the wants of those in need than usual at this time of the year.

Taking all things into consideration, railroad earnings can be said to continue satisfactory.

The trend of bank clearings at leading cities in the district for the month of November, and for the first eleven months of 1916, as compared with the same periods of 1915, continues upward, as indicated by the following percentages of increase:

City.	November.	Eleven months.
Denver.....	27.9	33.7
Kansas City.....	33.6	28.3
Lincoln.....	29.1	32.0
Muskogee.....	41.1	62.7
Oklahoma City.....	32.6	69.5
Omaha.....	36.8	29.5
Pueblo.....	26.6	12.0
St. Joseph.....	30.6	31.5
Topeka.....	28.6	21.0
Wichita.....	20.1	31.2

Reports of bank deposits and post-office receipts continue to show remarkable gains.

While there is slight evidence of increased demand for loanable funds, no material change has been made in rates of discount. The year 1916 has witnessed a general plethora of loanable funds, everyone has had plenty of work at good wages, business has thrived, new industries are making rapid strides, and crops, while below normal in production, have had greater value than for years, and these conditions are reflected in all the commercial activities of the district.

DISTRICT NO. 11—DALLAS.

Merchants are enjoying a holiday business almost unprecedented in volume, and, notwithstanding the prices of merchandise are much higher than those of past years, buying is unusually heavy. Ideal weather conditions have prevailed and have contributed to make the Christmas shopping season active. With the activity with retailers there is inclined to be a lull in the wholesale and jobbing business and the orders now being handled are for the most part emergency ones and to build up depleted stocks of merchandise, which will doubtless continue until after the new year.

The car situation shows improvement but is still far from normal. Collections in all lines

are reported as good or much better than last year.

There is some preparation of land for crops the coming year. Reports indicate that with the high prices realized for cotton the past season, there will be a tendency to increase the acreage. This is a condition which is being discouraged as much as possible. Winter wheat is in good condition over most of the district. Some sections, however, report that rain is badly needed and that there is not sufficient moisture in the ground to bring up winter feed crops. The farmers throughout the rice belt have enjoyed the most profitable season in 15 years. This has enabled them to liquidate their debts and to go into the new crop year in excellent condition. Reports indicate that the acreage planted in rice the coming season will be materially increased. The rice yield for the States of Texas, Louisiana, and Arkansas averaged approximately 11 bags per acre, which is equivalent to approximately 50 bushels per acre. The crop was marketed at an average price of 93 cents per bushel.

In the extreme southwestern part of the district weather conditions have been ideal and have enabled the uninterrupted harvest of sugar cane, which has been going along at a very satisfactory pace for the past three weeks and which should continue for about six weeks longer.

Financial conditions show no material change. The comptroller's call of November 17 brought out the generally satisfactory condition of member banks, and a comparison of the calls of November 17, this year, with the call of November 10, last year, brings out some interesting figures. There is still little demand for loanable funds, and outside investments and the purchase of commercial paper and bonds continue to be sought as a means of employment for idle funds. There is some evidence that banks in the western and southwestern part of the district are having a rather active demand for funds, principally from cattlemen, and that the credit conditions are keeping pace with the financial situation. There is shown

below the loans and discounts and deposits of the banks in the reserve cities of Texas on November 10, 1915, and on November 17, 1916, dates of the comptroller's call, for comparison:

	Nov. 10, 1915.	Nov. 17, 1916.	Increase.	
			Amount.	Per cent.
Loans and discounts..	\$92,352,000	\$126,034,000	\$33,682,000	36
Deposits.....	117,151,000	202,706,000	85,555,000	73

There is also shown the percentages of increase of deposits for the same period: Dallas, 84 per cent; Fort Worth, 87 per cent; Galveston, 65 per cent; Houston, 69 per cent; San Antonio, 52 per cent; Waco, 74 per cent.

The State banks of Texas also show a heavy increase in deposits for the same period, the figures being: November 10, 1915, \$101,164,854; November 17, 1916, \$163,026,267; increase, \$61,861,413; per cent increase, 61.

An increase of \$45,048,763 is shown in the deposits of the State banks on November 17, 1916, over the call of September 12, 1916.

Clearings of the principal cities in the district for November, 1915 and 1916, and for the eleven months ending November 30 of the two years, are as follows: November, 1915, \$180,579,749; November, 1916, \$252,317,732; increase, \$71,737,983; per cent increase, 39.

For eleven months ending November 30, 1915, \$1,553,406,378; November 30, 1916, \$1,953,774,173; increase, \$400,367,795; per cent increase, 26.

There were handled in the district clearing house for the period November 16, 1916, to December 15, 1916 (25 business days), 318,364 items, aggregating \$163,030,885, or a daily average of 12,734 items, aggregating \$6,521,234. For the period, October 16, 1916, to November 15, 1916 (25 business days), there were handled 340,952 items, aggregating \$175,574,192, or a daily average of 13,638 items, aggregating \$7,022,967. It will be seen, therefore, that there was a slight decrease in the number and amount of items handled in the past 30 days.

Reports indicate some dullness in building operations. There is shown below the number and valuation of permits issued in the principal cities of the district for the month of November, 1916, as compared with November, 1915—1915: Number, 980; amount, \$1,001,291. 1916: Number, 749; amount, \$1,199,018. Increase, \$197,727; per cent increase, 20.

Considering the season of the year, manufacturers and dealers in building materials advise that the volume is satisfactory and better than in 1915. Reports indicate that demand for building brick, hollow tile, and fire brick is good and material manufacturers are satisfied with the volume. Collections in building lines are reported as good, and one firm reports that they will have less loss in accounts than ever before.

Some improvement is reported in the lumber business from the manufacturers' standpoint. Prices are around \$3 per thousand higher than three months ago and demand continues good in spite of the increase in shipments caused by the improvement in the local car supply. The shortage of cars in this line is still felt. One large manufacturer reports that the supply is probably 90 per cent of normal. Export buyers of lumber are active and are placing good orders with the mills.

Reports from the oil fields of Louisiana and Texas continue to be quite favorable. New wells are being brought in in territory heretofore undeveloped, and many of the established companies are making arrangements to do a great deal of drilling. Authorities consulted stated that in their opinion the industry in this district is on a settled basis and there is less speculation than ever before; that the fields are being operated in an intelligent manner and the day of speculation is rapidly passing. New gas wells are also being opened up. Reports from the Louisiana fields particularly indicate the largest producing wells the field has ever known.

The curtailed output of the coal mines has caused an advance in the price of coal and difficulty is being experienced in obtaining supplies. The threatened strike in the Oklahoma

fields and the time consumed in effecting new contracts with the miners have caused a limited output and advanced prices, which we understand are better than for several years.

Post office receipts at 8 of the principal cities of the district show an increase of 19 per cent for the month of November over similar period of last year. With two exceptions, the cities reporting show good increases. With the immense parcel-post business now being handled, the post offices in the larger cities have found it necessary to provide additional space and put on extra help to care for the same. The figures are: 1915, \$290,410.43; 1916, \$346,138.96; increase, \$55,728.53; per cent increase, 19.

During the past 30 days the live stock business, both range and market conditions, has been active and satisfactory. At the Fort Worth market, the largest in the district, the heavy receipts of cattle, hogs, and sheep have been readily absorbed by packers, stockers, and traders. Only a limited supply of fat cattle has been received; also limited consignments of grass-fattened cattle from south Texas. Good prices have obtained for such live stock at from \$7.50 to \$7.75 per hundred. On account of the very high prices of feed, particularly cotton seed, cake, meal, and hulls, there is practically no full feeding of cattle in Texas. Live stock men report that this indicates high prices for fat stock in the early spring months. The range conditions are generally good except that in some sections, particularly the Panhandle and the far West, reports are that rain is badly needed. Range cattle are reported to be in good condition and are going through the winter in good shape. There is shown below a statement of the live stock receipts at the Fort Worth market for November, 1916, and November, 1915, also for the eleven months of each year ending November 30. Quite a substantial increase is shown in each case. Especially is this true as regards hogs, the receipts showing nearly 100 per cent increase over last year.

	November.		Jan. 1 to Dec. 1.	
	1916	1915	1916	1915
Cattle.....	108,499	88,753	822,436	740,070
Calves.....	28,604	24,309	157,619	140,379
Hogs.....	75,322	40,336	880,464	422,483
Sheep.....	16,317	12,748	395,173	353,740
Horses and mules.....	8,351	5,583	71,939	48,831

Reports from the sections of the district where the sheep industry is most important indicate that the wool has been practically all marketed and that there is little trading in that business at this time. Reports from San Angelo indicate that the outlook for the wool business in the spring is extremely good and it is anticipated that the price will be the highest ever paid in that section; that the sheep are all fat and free from disease and the clip promises to be an exceedingly large one, free of dirt and of excellent quality.

There is a temporary lull in wholesale and jobbing trades due principally to the fact that holiday orders have been filled and retailers are busy with that trade. Wholesalers have already begun to book a few orders for spring delivery and the outstanding feature has been the inability to secure stocks of merchandise on account of the scarcity of raw materials. The large mail-order houses continue to show a heavy increase in trade and have been worked to their capacity.

Passenger traffic is good for this season and some increase is reported over last year. For the month of November the interurban lines enjoyed an increase in business over the same month a year ago of approximately 18 per cent. Freight officials report that the car situation continues serious.

With the exception of changes to be expected at this season, the labor situation is practically the same as reported in our previous letter, and there is no evidence of any large number of unemployed. In the building trade, as is to be expected during this part of the year, there is the usual percentage of men out of work, which is a condition that will continue until the spring building activity commences.

Exports from the port of Galveston for the month of November, 1916, aggregated \$41,252,024, and for the same period a year ago the aggregate was \$16,767,905, or an increase of \$24,484,119, or 146 per cent. The principal commodities making up this large increase are cotton shipped to France, Italy, Spain, Switzerland, and England; shipments of spelter to England, and wheat to Belgium. Exports to Cuba and Mexico in November of this year have likewise shown substantial increases over the same period a year ago.

Failures in the district from November 16, 1916, to December 15, 1916, were 39, with liabilities aggregating \$258,654. For the similar period of last year they were 52, with liabilities aggregating \$1,000,873.

DISTRICT NO. 12—SAN FRANCISCO.

Notwithstanding adverse weather conditions during the fall months, when it was impossible for wheat growers to seed the acreage intended, there was nevertheless an increased planting of winter wheat in the Northwestern States over that of last season, about 2,500,000 acres being sown. California reports indicate that more barley is being planted this year than ever before. The cost of seed is the highest since 1904. Recent rains have been of great value to all grains.

Frosts which occurred about the middle of November caused an estimated loss of 5,000 bales of cotton in southern California. The estimated crop is 60,000 bales. Record prices have been received for cotton.

Prices for citrus fruit for the Christmas market were unusually high and netted the growers large returns. The shortage of cars has badly hampered this industry as well as others. Because of delay in shipment, much fruit was allowed to remain on the trees in central and northern California and suffered somewhat from frosts occurring in the early part of December. Citrus fruit in southern California was but little damaged.

The demand for apples was not as great this year as is usual during the preholiday period

and prices fell off appreciably. Stocks in storage in the Northwest are not as large as they were a year ago, but the uncertainty in the market and lack of transportation facilities have depressed prices.

The bean crop has been shipped and has netted large returns, due to prices made high by a shortage in the Eastern crop.

The sugar-beet acreage harvested in this district in 1916 was 25 per cent larger than that of 1915; the 1916 price averaged about \$6 per ton, compared to \$5.40 per ton for 1915. Hawaii's cane-sugar crop for 1917 is estimated at 575,000 to 625,000 tons. The Hawaiian sugar production during the year ending September 30, 1916, was 593,000 tons. It is estimated that the United States produces sufficient beet sugar to supply about one-fourth of the total consumed by this country; Porto Rico, Hawaii, and the Philippines supply another fourth in cane sugar, leaving us dependent upon other sources for only one-half of our requirements, amounting to more than 4,000,000 tons per annum.

Of the 75,000 acres planted to rice in 1916, a little over 60,000 acres will be harvested, the remainder having failed to mature. Much damage was done by early rains and heavy winds. A few early sales were reported at \$1.75 per hundred, but many farmers have preferred to hold their crop anticipating better prices.

Dairying is becoming of more and more importance each year. In California alone the value of dairy products for the year ending September 30, 1916, was over \$40,000,000.

This district is at present exporting large quantities of condensed milk. Due to the fact that the war has closed other channels, the United States is shipping condensed milk into many new markets.

Prices for meat products are higher. For the first time in many months shipments have recently been made from Idaho and Nevada to coast points. Hitherto all meats from Idaho have been shipped East because of higher prices.

Lumbering has not shown any great change during the past month. Prices have held firm except in redwood which declined about \$1 per thousand. Some of the sawmills in the Northwest have been forced to turn away orders and curtail production on account of car shortage. There has been a constant accumulation of orders for shipment by rail, the aggregate on December 12 amounting to 11,831 cars, which is said to be the record figure for the Pacific Northwest.

Mining in this district continues its extreme activity. The mineral output of the seven States composing this district was valued at over \$300,000,000 in 1915 and due to high prices for all metals and the increased activity in this industry, this figure should be largely exceeded in 1916.

The November petroleum production of 263,209 barrels daily is a decline of 3,311 barrels daily compared with October, while shipments of 310,008 barrels daily is a new high record and an average daily increase of 6,356 barrels over October. Crude oil stocks on November 30 totalled 45,914,181 barrels. It is estimated that California's petroleum production for 1916 is 93,000,000 barrels, an excess of more than 2,000,000 barrels over last year. Consumption, however, aggregates more than 103,000,000 barrels, stored stocks having in consequence been reduced by more than 10,000,000 barrels. The value of this year's petroleum production is placed at \$49,000,000. New wells opened during this year have been twice as many as last year.

Building permits in 19 leading cities of this district in November, 1916, show an increase of 8 per cent over November, 1915, while the first 11 months of 1916 show an increase of 20 per cent over a corresponding period in 1915. Clearings for the same cities for November, 1916, show a 40 per cent increase over November of last year. Salt Lake City, Spokane, and Seattle show the largest percentages of increase, each showing over 50 per cent increase.

Charter rates show little change over those of a month ago. Exports from Pacific coast ports for the month of November, 1916, show a 50 per cent increase over November, 1915, while imports have increased about 25 per cent.

Seven new shipbuilding companies have been started on the Pacific coast within the past few weeks, two for steel ships and five for wooden ships. Japanese tonnage continues to increase, although constituting a smaller percentage of the total tonnage on the Pacific than a few months ago because of the increase in the shipping of other countries, including our own.

Deposits of the 521 national banks in the twelfth Federal Reserve district at the date of the last comptroller's call, November 17, aggregating \$857,000,000, show an increase of 10 per cent over the September 12 report, and an increase of 27 per cent over a year ago. Loans and discounts show an increase of 6

per cent over the last report and 22 per cent increase over the corresponding report last year. Total resources of all member banks in this district are approximately \$180,000,000 more than on November 10, 1915, or an increase of 20 per cent during the year.

Because of the war this district has profited from high prices from many of its products, such as copper and other metals, live stock, grain, etc. Its industries, however, with an occasional notable exception, such as in shipbuilding, have not been enlivened as in the East. With a cessation of the stimulus in certain lines from the termination of the war other industries, such as lumbering, should have counterbalancing increase of activity. It seems probable that the transition from a war condition to one of peace will be marked by minimum disturbance of the conditions of prosperity now prevailing quite generally throughout this district.

DISTRIBUTION OF DISCOUNTED PAPER, BY CLASSES, SIZES, AND MATURITIES.

Commercial paper discounted by the Federal Reserve Banks during November, 1916, totaled \$17,904,100, compared with \$11,862,900 discounted in October, 1916, and \$18,269,700 in November, 1915. Nearly 60 per cent of the November discounts is credited to the Federal Reserve Banks of Boston and Philadelphia, where some of the leading local banks rediscounted in some volume during the month under discussion. Discount operations of the three southern banks totaled \$2,958,700, or a little over 16 per cent of the total discounts for the month, as against 65 per cent in November, 1915. Discounts of the Federal Reserve Banks for the 11 months in 1916 totaled \$144,154,200, compared with \$145,941,000 for the same period in 1915.

Of the total discounts for the month \$5,587,900 is represented by advances to 11 member banks upon their own notes secured by commercial paper, \$1,047,000 by commodity paper, and \$828,600 by trade acceptances (two-name paper). The aggregate of these three classes of paper, discounted at preferential, i. e., lower than ordinary rates, is \$7,463,500, or about 42 per cent of the total discounts for the month. About 70 per cent of all member banks' collateral notes discounted during the month is reported by the Philadelphia and Chicago banks.

Of the total amount of commodity paper discounted during November by four banks, over 84 per cent was handled by Richmond and Atlanta, including the New Orleans branch. Commodity paper discounted during the first 11 months of the present year totaled \$15,996,500, of which over 87 per cent was cotton paper, handled mostly by the Richmond and Atlanta banks. Discounts of trade acceptances (two-name paper) for the month, \$828,600, were larger than for any previous month since the special rates for this class of paper first became effective in September, 1915. Boston and New York for the first time report discounts in some volume of this

class of paper. The total of trade acceptances discounted since September, 1915, is \$5,986,700, Richmond and Atlanta together reporting over 60 per cent of the total.

Notwithstanding the considerable increase in amount, the number of bills discounted during November is about 1,000 below the October total, the smallest monthly total reported until then. As a result the average size of the paper discounted during November, about \$6,000, is nearly twice as large as the October average, while like averages for Boston and Philadelphia run in excess of \$24,000. This of course is due to the larger size of the discounts of both customers' paper and member banks' collateral notes handled for the large city banks accommodated by these two reserve banks. As a matter of fact, 86 per cent of the total November discounts of the Boston Reserve Bank and about 92 per cent of the total discounts of the Philadelphia Reserve Bank are represented by largest-size bills (of over \$10,000 each). The proportion of the largest-size notes for the system is over 69 per cent, as against 45 per cent shown for October, 1916, and 22 per cent for November, 1915. The share of the monthly discounts of medium-size notes (in denominations of over \$1,000 to \$5,000) is not quite 17 per cent, as against 31 per cent for the month before and 47.5 per cent for November, 1915. Small notes (in amounts up to \$250) constituted over 12 per cent of the total number, though only about 0.3 per cent of the amount of bills discounted during the month.

The general rule that the larger-size bills are of the shorter maturity class is borne out by the November discount figures, which indicate that of the total discounts for the month, 42 per cent was 10-day paper, i. e., maturing within 10 days from the date of discount by the Federal Reserve Banks. In the case of the Philadelphia and Boston banks these shares are as high as 62 and 69 per cent. The share of 30-day paper was 33.4 per cent; that of 60-day paper 9.1 per cent, and that of 90-

day paper 10.6 per cent. November discounts of agricultural and live-stock paper maturing after 90 days at the time of rediscount with the Federal Reserve Banks (6-month paper) totaled \$884,900, Richmond Chicago, and Minneapolis together taking nearly 75 per cent of this class of paper.

On the last Friday of the month the banks held a total of \$20,499,600 of discounted paper, as against \$21,130,700 shown about the end of October and \$32,794,300 on the corresponding date in 1915. Less than 33 per cent, as against over 62 per cent on November 26, 1915, is represented by the holdings of the three Southern banks.

Of the 7,628 member banks, reported at the end of November, only 336, or less than 5 per cent, are shown to have rediscounted during the month with Federal Reserve Banks. The largest number for the month, just as for October, is reported by the Chicago district, where a considerable number of banks in the country districts, mainly in Iowa, is being accommodated through the discount of farmers' paper. The number of rediscounting banks in the three Southern districts was 104 for November, compared with 159 the month before and 438 for November, 1915. Dallas reports the smallest number of member banks accommodated during the month.

Commercial paper, exclusive of bankers' acceptances, discounted by each Federal Reserve Bank during the month of November, 1916, distributed by sizes.

NUMBER OF PIECES AND AMOUNTS.

[In thousands of dollars.]

Banks.	To \$100.		Over \$100 to \$250.		Over \$250 to \$500.		Over \$500 to \$1,000.		Over \$1,000 to \$2,500.		Over \$2,500 to \$5,000.		Over \$5,000 to \$10,000.		Over \$10,000.		Total.		Per cent.		Average amount of bills discounted.
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	
Boston.....	2	0.2	13	2.5	7	2.5	13	11.0	21	34.4	65	316.1	58	567.6	104	5,931.3	283	6,865.6	9.5	38.3	\$24,260
New York.....	6	1.3	10	4.4	12	9.5	18	27.5	7	29.1	10	75.2	16	568.3	79	715.3	79	715.3	2.6	4.0	9,050
Philadelphia.....	26	3.7	27	9.9	26	20.4	14	25.0	24	110.0	11	106.0	12	3,140.0	140	3,415.0	4.7	19.1	24,390		
Cleveland.....	14	.9	29	4.6	5	2.0	14	7.3	9	18.1	4	18.0	4	30.0	2	25.1	81	106.0	2.7	.6	1,310
Richmond.....	7	.6	50	9.7	92	36.9	150	117.2	127	217.1	111	445.5	35	279.1	15	357.0	587	1,463.1	19.7	8.2	2,490
Atlanta, including New Orleans branch.....	12	1.2	29	5.5	64	25.7	71	57.1	73	133.5	74	303.1	32	248.8	26	563.9	381	1,338.8	12.8	7.5	3,510
Chicago.....	39	3.9	103	19.0	158	65.6	189	150.3	191	312.5	81	302.4	13	120.6	6	1,062.1	780	2,036.4	26.1	11.4	2,610
St. Louis.....	2	.5	5	2.2	19	14.0	26	57.5	22	97.8	22	176.4	15	664.4	111	1,012.8	3.7	5.7	9,120		
Minneapolis.....	2	.1	31	5.8	59	21.9	82	56.9	97	146.2	29	97.8	6	37.3	2	35.3	308	401.3	10.3	2.2	1,300
Kansas City.....	2	.2	1	.2	25	9.5	41	28.9	49	70.9	13	41.2	5	40.4	1	20.0	137	211.3	4.6	1.2	1,540
Dallas.....	.....	.....	.....	.....	.....	.....	3	2.7	15	27.1	18	63.8	7	52.0	1	11.2	44	156.8	1.5	.8	3,560
San Francisco.....	.....	.....	.....	.....	1	.5	2	1.6	25	44.0	18	67.6	8	68.0	.....	.....	54	181.7	1.8	1.0	3,360
Total.....	78	7.1	290	52.8	453	181.1	622	476.9	665	1,113.8	466	1,892.4	211	1,801.4	200	12,378.6	2,985	17,904.1	100.0	100.0	6,000

PERCENTAGES OF AMOUNTS OF EACH CLASS TO TOTAL.

Banks.	To \$100.	Over \$100 to \$250.	Over \$250 to \$500.	Over \$500 to \$1,000.	Over \$1,000 to \$2,500.	Over \$2,500 to \$5,000.	Over \$5,000 to \$10,000.	Over \$10,000.	Total.
Boston.....				0.2	0.5	4.6	8.3	86.4	100.0
New York.....		0.2	0.6	1.3	3.8	4.1	10.6	79.4	100.0
Philadelphia.....		.1	.3	.6	.7	3.2	3.1	92.0	100.0
Cleveland.....	0.8	4.3	1.9	6.9	17.1	17.0	28.3	23.7	100.0
Richmond.....	.4	.6	2.5	8.0	14.8	30.3	19.0	24.4	100.0
Atlanta.....	.1	.4	1.9	4.3	10.0	22.6	18.6	42.1	100.0
Chicago.....	.2	.9	3.2	7.4	15.4	14.9	5.9	52.1	100.0
St. Louis.....			.2	1.4	5.7	9.6	17.5	65.6	100.0
Minneapolis.....		1.4	5.5	14.2	36.4	24.4	9.3	8.8	100.0
Kansas City.....	.1	.1	4.5	13.7	33.6	19.5	19.1	9.4	100.0
Dallas.....				1.7	17.3	40.7	33.2	7.1	100.0
San Francisco.....			.3	.9	24.2	37.2	37.4		100.0
Total.....		.3	1.0	2.7	6.2	10.6	10.1	69.1	100.0

Commercial paper discounted during November, 1916, by each Federal Reserve Bank, distributed by States and maturities as of date of discount.

[In thousands of dollars.]

Districts and States.	Number of member banks.	Number of banks accommodated.	Maturities.					Total commercial paper discounted.
			Within 10 days.	From 11 to 30 days.	From 31 to 60 days.	From 61 to 90 days.	After 90 days.	
District No. 1—Boston:								
Connecticut.....	50	2	10.0	113.3	23.0	205.0		351.3
Maine.....	67	1			7.3	2.5		9.8
Massachusetts.....	158	14	4,710.7	1,762.3	10.5	3.6		6,487.1
New Hampshire.....	56							
Rhode Island.....	17							
Vermont.....	48	2	8.5	3.9	5.0			17.4
Total.....	402	19	4,729.2	1,879.5	45.8	211.1		6,865.6
District No. 2—New York:								
Connecticut.....	15							
New Jersey.....	129	4	.3	49.2	20.9	4.2		74.6
New York.....	481	7		319.6	80.4	236.0	4.7	640.7
Total.....	625	11	.3	368.8	101.3	240.2	4.7	715.3
District No. 3—Philadelphia:								
Delaware.....	24							
New Jersey.....	72	4	29.4	53.5	3.5			86.4
Pennsylvania.....	535	8	2,092.5	1,220.1	5.7	10.3		3,328.6
Total.....	631	12	2,121.9	1,273.6	9.2	10.3		3,415.0
District No. 4—Cleveland:								
Kentucky.....	68	2			13.2	4.0		17.2
Ohio.....	374	9	2.5	32.7	11.8	30.5	6.3	83.8
Pennsylvania.....	299	1		5.0				5.0
West Virginia.....	13							
Total.....	754	12	2.5	37.7	25.0	34.5	6.3	106.0
District No. 5—Richmond:								
District of Columbia.....	15							
Maryland.....	96							
North Carolina.....	81	16	6.9	114.6	205.2	236.6	202.0	765.3
South Carolina.....	79	20	14.1	227.9	170.0	194.7	9.4	616.1
Virginia.....	146	3		17.6	14.0	15.5		47.1
West Virginia.....	103	2		19.2	19.2	15.4		34.6
Total.....	520	41	21.0	360.1	408.4	462.2	211.4	1,463.1
District No. 6—Atlanta:								
Alabama.....	93	18	37.4	208.8	81.5	224.6	7.5	559.8
Florida.....	55	10		118.4	51.1	38.0	4.2	211.7
Georgia.....	110	12		33.2	71.5	182.8		287.5
Louisiana.....	21							
Mississippi.....	18	4	42.8	87.2	8.7	3.4		142.1
Tennessee.....	92	11		25.4	44.9	47.8	19.6	137.7
Total.....	389	55	80.2	473.0	257.7	496.6	31.3	1,338.8
District No. 7—Chicago:								
Illinois.....	316	18	12.5	1,090.5	93.4	38.6	43.9	1,278.9
Indiana.....	196	7	23.3	18.2	16.7	6.4	2.7	67.3
Iowa.....	353	57	1.0	167.8	198.7	103.0	174.2	642.7
Michigan.....	76	2	9.7	15.2	21.3	1.3		47.5
Wisconsin.....	52							
Total.....	993	84	46.5	1,291.7	328.1	149.3	220.8	2,036.4
District No. 8—St. Louis:								
Arkansas.....	67							
Illinois.....	157	8		3.5	61.8	13.2	1.5	80.0
Indiana.....	61	3		2.2	23.0	42.3	2.1	69.6
Kentucky.....	87	5	425.8		9.6	2.8	1.8	440.0
Mississippi.....	18	2		7.5	21.7			29.2
Missouri.....	80	4			5.8	34.9	1.5	42.2
Tennessee.....	20	3	79.0	206.6	66.2			351.8
Total.....	470	25	504.8	219.8	188.1	93.2	6.9	1,012.8

Commercial paper discounted during November, 1916, by each Federal Reserve Bank, distributed by States and maturities as of date of discount—Continued.

Districts and States.	Number of member banks.	Number of banks accommodated.	Maturities.					Total commercial paper discounted.
			Within 10 days.	From 11 to 30 days.	From 31 to 60 days.	From 61 to 90 days.	After 90 days.	
District No. 9—Minneapolis:								
Michigan.....	32							
Minnesota.....	285	23		11.2	67.7	26.7	135.7	241.3
Montana.....	76							
North Dakota.....	155	6	9.8	.4	.8		33.7	44.7
South Dakota.....	125	8			33.4	28.7	50.2	112.3
Wisconsin.....	88	1		3.0				3.0
Total.....	761	38	9.8	14.6	101.9	55.4	219.6	401.3
District No. 10—Kansas City:								
Colorado.....	122	1		10.0				10.0
Kansas.....	222	4		1.8	37.8	11.1	16.6	67.3
Missouri.....	54	3		2.1	2.8	5.9	9.9	20.7
Nebraska.....	194	9		26.1	15.2	22.7	39.9	103.9
New Mexico.....	9	0						
Oklahoma.....	304	3			.1	3.3	6.0	9.4
Wyoming.....	36	0						
Total.....	941	20		40.0	55.9	43.0	72.4	211.3
District No. 11—Dallas:								
Arizona.....	6							
Louisiana.....	11							
New Mexico.....	28	2			9.1	13.7	33.5	56.3
Oklahoma.....	33							
Texas.....	543	6		11.3	14.0		75.2	100.5
Total.....	621	8		11.3	23.1	13.7	108.7	156.8
District No. 12—San Francisco:								
Alaska.....	1							
Arizona.....	7							
California.....	262	8	4.0	7.0	49.5	67.1	2.7	130.3
Idaho.....	58							
Nevada.....	10							
Oregon.....	82	2			6.0	10.0		16.0
Utah.....	23							
Washington.....	78	1			26.1	9.3		35.4
Total.....	521	11	4.0	7.0	81.6	86.4	2.7	181.7

RECAPITULATION.

[In thousands of dollars.]

Districts and cities.	Number of member banks.	Number of banks accommodated.	Maturities.					Total commercial paper discounted.	Per cent.
			Within 10 days.	From 11 to 30 days.	From 31 to 60 days.	From 61 to 90 days.	After 90 days.		
No. 1—Boston.....	402	19	4,729.2	1,879.5	45.8	211.1		6,865.6	38.3
No. 2—New York.....	625	11	.3	368.8	101.3	240.2	4.7	715.3	4.0
No. 3—Philadelphia.....	631	12	2,121.9	1,273.6	9.2	10.3		3,415.0	19.1
No. 4—Cleveland.....	754	12	2.5	37.7	25.0	34.5	6.3	106.0	.6
No. 5—Richmond.....	520	41	21.0	360.1	408.4	462.2	211.4	1,463.1	8.1
No. 6—Atlanta.....	389	55	80.2	473.0	257.7	496.6	31.3	1,338.8	7.5
No. 7—Chicago.....	993	84	46.5	1,291.7	328.1	149.3	220.8	2,036.4	11.4
No. 8—St. Louis.....	470	25	504.8	219.8	188.1	93.2	6.9	1,012.8	5.7
No. 9—Minneapolis.....	761	38	9.8	14.6	101.9	55.4	219.6	401.3	2.2
No. 10—Kansas City.....	941	20		40.0	55.9	43.0	72.4	211.3	1.2
No. 11—Dallas.....	621	8		11.3	23.1	13.7	108.7	156.8	.9
No. 12—San Francisco.....	521	11	4.0	7.0	81.6	86.4	2.7	181.7	1.0
Total for November.....	7,628	336	7,520.2	5,977.1	1,626.1	1,895.8	884.9	17,904.1	100.0
Per cent.....			42.0	33.4	9.1	10.6	4.9		100.0
Total for January—November, 1916.....			22,740.4	34,752.5	31,682.8	38,604.8	16,373.7	144,154.2	
Total for January—November, 1915.....			23,683.5	52,765.8	52,061.7	17,430.0		145,941.0	

Member banks' collateral notes discounted by each Federal Reserve Bank from Sept. 11, 1916, date when first special rate became effective, to Oct. 31, 1916.

Federal Reserve Bank.	November, 1916.	Total September-November, 1916.	Federal Reserve Bank.	November, 1916.	Total September-November, 1916.
Boston.....	\$340,000	\$855,000	St. Louis.....	\$435,000	\$635,000
New York.....	330,000	455,000	Minneapolis.....	12,800	512,800
Philadelphia.....	3,032,500	3,277,500	Kansas City.....	30,000	30,000
Cleveland.....	15,000	385,000	Dallas.....	10,000	230,000
Richmond.....	180,000	1,056,000			
Atlanta (including New Orleans branch).....	120,000	722,350			
Chicago.....	1,082,600	1,175,000	Total.....	5,587,900	9,133,650

Trade acceptances discounted by each Federal Reserve Bank from Sept. 12, 1915, date of first discount, to Nov. 30, 1916.

Federal Reserve Bank.	Total to Dec. 31, 1915.	November, 1916.	Total for first 11 months in 1916.	Federal Reserve Bank.	Total to Dec. 31, 1915.	November, 1916.	Total for first 11 months in 1916.
Boston.....		\$265,400	\$315,300	St. Louis.....	\$167,800	\$50,400	567,200
New York.....	\$5,700	161,000	166,600	Minneapolis.....			600
Philadelphia.....		1,000	66,600	Kansas City.....	87,800		190,900
Cleveland.....	4,900	3,700	173,800	Dallas.....	160,800		248,900
Richmond.....	450,500	154,000	1,285,400	San Francisco.....	74,200	14,100	53,400
Atlanta (including New Orleans branch).....	1,007,100	179,000	948,000				
Chicago.....			8,200	Total.....	1,958,800	828,600	4,027,900

Commodity paper discounted by each Federal Reserve Bank from Sept. 8, 1915, date of first discount, to Nov. 30, 1916.

Federal Reserve Bank.	Total to Dec. 31, 1915.	November, 1916.	Total for first 11 months in 1916.	Federal Reserve Bank.	Total to Dec. 31, 1915.	November, 1916.	Total for first 11 months in 1916.
Richmond.....	\$2,881,400	\$343,200	\$6,788,600	Kansas City.....			\$360,000
Atlanta (including New Orleans branch).....				Dallas.....	\$239,100		225,200
St. Louis.....	7,032,300	539,400	7,106,900	San Francisco.....	37,200	\$35,400	148,000
Minneapolis.....	99,800	129,000	1,348,000				
	25,300		19,800	Total.....	10,315,100	1,047,000	15,996,500

Commodity paper discounted by each Federal Reserve Bank during the 11 months ending Nov. 30, 1916, distributed by classes.

Class.	Richmond.	Atlanta (including New Orleans branch).	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Beans.....		\$500						\$500
Bran.....		6,800						6,800
Coffee.....		125,000						125,000
Cotton.....	\$6,742,900	5,921,700	\$1,074,000			\$218,200	\$300	13,957,100
Cottonseed.....		9,500						9,500
Flax.....				\$3,000				3,000
Flour.....		140,000						140,000
Hay.....		400						400
Hops.....							64,200	64,200
Maize.....		2,900						2,900
Oats.....		20,200				7,000		36,200
Oil.....					\$360,000		20,500	380,500
Peanuts.....	41,100	6,000						47,100
Prunes.....							5,000	5,000
Raisins.....							7,600	7,600
Wheat.....		858,800		16,800			26,400	902,000
Miscellaneous.....	4,600	6,100	274,000				24,000	308,700
Total.....	6,788,600	7,106,900	1,348,000	19,800	360,000	225,200	148,000	15,996,500

Amounts of discounted paper held by each Federal Reserve Bank on Nov. 24, 1916, distributed by maturities.

Federal Reserve Bank.	Maturities.					Total.	Per cent.
	Within 10 days.	11 to 30 days.	31 to 60 days.	61 to 90 days.	After 90 days.		
Boston	\$1,801,500	\$863,400	\$25,200	\$92,500	.....	\$2,782,600	13.6
New York	343,100	273,400	125,600	229,600	\$400	972,100	4.7
Philadelphia	896,100	170,700	22,100	5,600	.....	1,094,500	5.3
Cleveland	42,200	62,400	97,500	32,900	9,700	244,700	1.2
Richmond	550,500	752,600	1,087,100	292,700	12,100	2,695,000	13.1
Atlanta	513,000	708,000	1,001,000	438,600	52,400	2,713,000	13.2
Chicago	414,600	1,648,900	977,200	251,600	581,400	3,873,700	18.9
St. Louis	394,600	984,900	807,400	131,400	14,600	2,335,900	11.4
Minneapolis	273,800	240,400	324,800	107,100	342,100	1,288,200	6.3
Kansas City	82,000	181,800	208,200	104,000	192,500	768,500	3.8
Dallas	349,300	248,900	380,000	154,200	256,600	1,389,000	6.8
San Francisco	36,000	83,500	147,900	70,800	4,200	342,400	1.7
Total	5,696,700	6,218,900	5,204,000	1,914,000	1,466,000	20,499,600	100.0
Per cent.	27.8	30.3	25.4	9.3	7.2	100.0	.....
Amounts held on Nov. 26, 1915	5,173.0	7,593.2	11,509.9	5,038.1	3,480.1	32,794.3	.....
Per cent.	15.8	23.1	35.1	15.4	10.6	100.0	.....

ACCEPTANCES.

Acceptances bought in open market and held by Federal Reserve Banks as per schedules on file on dates specified, distributed by classes of accepting institutions.

[In thousands of dollars].

Bankers' acceptances.						Trade accept- ances bought in open market.	Total accept- ances.	Bankers' acceptances.						Trade accept- ances bought in open market.	Total accept- ances.
Date.	Mem- ber banks.	Nonmember banks.			Total.			Date.	Mem- ber banks.	Nonmember banks.			Total.		
		Trust com- pan- ies.	State banks.	Private banks.						Trust com- pan- ies.	State banks.	Private banks.			
1915.															
Feb. 22.....	93				93		93	May 22.....	26,639	16,490	690	6,038	49,857	2,006	51,863
Apr. 5.....	3,653	7,820	10	110	11,593		11,593	May 29.....	26,104	16,541	690	5,895	49,230	2,037	51,267
May 3.....	5,038	8,189	10	110	13,347		13,347	June 5.....	24,680	17,029	644	7,007	49,360	2,208	51,568
June 7.....	5,242	4,516	10	192	9,960		9,960	June 12.....	27,354	19,209	622	7,865	55,050	2,310	57,360
July 3.....	4,342	5,267		161	9,770		9,770	June 19.....	32,011	19,490	560	9,067	61,128	2,054	63,182
Aug. 2.....	5,350	5,407	20	352	11,129		11,129	June 26.....	33,155	18,722	552	11,009	63,438	1,958	65,396
Sept. 6.....	6,087	6,305	20	472	12,884		12,884	July 3.....	32,989	18,921	471	11,830	64,211	3,422	67,633
Oct. 4.....	9,000	4,898	132	343	14,373		14,373	July 10.....	34,144	20,201	620	11,827	66,792	3,052	69,844
Nov. 1.....	8,477	4,331	253	204	13,265		13,265	July 17.....	40,497	22,309	593	13,193	76,592	3,685	80,277
Dec. 6.....	12,311	5,172	275	396	18,154		18,154	July 24.....	41,514	22,327	610	12,977	77,428	3,651	81,079
								July 31.....	41,395	21,437	724	13,619	77,175	3,722	80,897
1916.															
Jan. 3.....	15,494	7,160	362	822	23,838		23,838	Aug. 7.....	39,695	19,060	738	13,940	73,433	4,225	77,658
Jan. 10.....	16,492	8,057	370	938	25,857		25,857	Aug. 14.....	41,536	18,144	754	13,443	73,877	4,387	78,264
Jan. 17.....	16,908	7,655	425	1,010	25,998	180	26,178	Aug. 21.....	43,058	19,849	736	12,623	76,266	3,748	80,014
Jan. 24.....	16,348	8,070	363	1,441	26,222	180	26,402	Aug. 28.....	43,061	20,716	734	12,673	77,184	3,815	80,999
Jan. 31.....	15,834	8,174	356	1,510	25,874	180	27,054	Sept. 4.....	41,413	20,356	726	12,491	74,986	3,673	78,659
Feb. 7.....	15,681	7,876	336	1,456	25,349	439	25,838	Sept. 11.....	39,766	20,747	760	11,531	72,847	2,676	75,523
Feb. 14.....	17,581	7,985	347	1,851	27,764	528	28,292	Sept. 18.....	42,533	22,105	743	11,443	76,824	2,673	79,497
Feb. 21.....	17,661	8,194	392	1,841	28,088	460	28,548	Sept. 25.....	40,309	22,636	711	10,795	74,451	2,796	77,247
Feb. 28.....	17,496	8,755	408	1,841	28,440	460	28,900	Oct. 2.....	37,798	21,782	712	9,944	70,236	2,306	72,542
Mar. 6.....	17,182	8,670	408	1,781	28,041	462	28,503	Oct. 9.....	36,957	23,195	705	10,251	71,108	2,048	73,156
Mar. 13.....	20,323	10,032	470	1,631	32,456	546	33,002	Oct. 16.....	37,655	23,684	784	10,230	72,353	1,897	74,250
Mar. 20.....	20,563	11,280	408	2,467	34,718	678	35,396	Oct. 23.....	39,694	26,281	867	10,718	77,660	1,723	79,383
Mar. 27.....	21,128	12,864	411	3,078	37,481	629	38,110	Oct. 30.....	37,993	27,951	733	11,829	78,506	2,468	80,974
Apr. 3.....	21,000	13,573	473	3,262	38,308	722	39,030	Nov. 6.....	37,770	29,474	1,014	12,147	80,405	2,378	82,783
Apr. 10.....	22,239	14,864	476	3,405	40,984	874	41,858	Nov. 13.....	39,494	28,434	1,383	12,802	82,113	3,425	85,538
Apr. 17.....	22,135	15,028	564	3,442	41,169	1,321	42,490	Nov. 20.....	43,173	31,237	1,670	13,854	89,934	3,721	93,655
Apr. 24.....	23,566	15,196	584	3,504	42,850	1,438	44,288	Nov. 27.....	46,118	32,527	1,704	14,636	94,985	3,979	98,964
May 1.....	24,875	15,400	585	3,430	44,290	1,477	45,767	Dec. 4.....	47,748	33,232	1,630	16,069	98,679	4,487	103,166
May 8.....	25,058	15,750	671	3,493	44,972	1,518	46,490	Dec. 11.....	55,671	35,466	1,635	17,291	110,063	4,896	114,959
May 15.....	26,633	15,372	773	4,960	47,738	1,635	49,373	Dec. 18.....	61,029	36,220	1,514	17,349	116,112	4,634	120,746

Amounts of acceptances held by each Federal Reserve Bank at close of business on Fridays, Dec. 1 to Dec. 22, 1916, distributed by maturities.

[In thousands of dollars.]

Acceptances maturing—	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	Atlan- ta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total
Within 10 days:													
Dec. 1.....	1,761	2,915	1,590	1,284	.....	433	777	762	38	135	333	980	11,008
Dec. 8.....	1,845	4,106	2,328	953	.....	738	861	1,250	230	100	167	1,104	13,682
Dec. 15.....	141	2,661	1,788	332	247	571	442	624	281	177	19	1,434	8,717
Dec. 22.....	408	3,916	1,785	608	635	849	993	749	385	266	58	1,026	11,678
From 11 to 30 days:													
Dec. 1.....	2,004	6,999	4,256	1,038	732	1,506	1,636	1,425	800	356	29	2,653	23,434
Dec. 8.....	880	9,602	4,841	2,031	1,012	1,564	2,419	1,533	1,203	792	59	3,935	29,851
Dec. 15.....	1,501	12,322	5,329	2,828	1,730	1,995	2,936	2,021	1,129	1,278	368	3,871	37,308
Dec. 22.....	1,496	11,887	5,329	3,074	1,748	1,418	2,833	1,671	1,146	1,118	481	3,802	36,503
From 31 to 60 days:													
Dec. 1.....	4,574	16,347	4,665	3,408	481	1,899	2,775	2,433	1,562	953	561	6,126	45,784
Dec. 8.....	4,189	17,096	4,671	3,406	361	1,935	3,182	2,304	1,530	899	991	4,621	45,185
Dec. 15.....	5,068	16,940	4,466	3,352	436	1,869	3,543	2,398	1,786	889	1,183	5,102	47,032
Dec. 22.....	5,628	15,223	3,883	3,281	398	1,781	3,219	2,289	1,880	832	1,060	4,710	44,184
From 61 days to 3 months:													
Dec. 1.....	5,893	10,419	2,825	1,475	37	997	1,359	921	557	366	370	1,161	26,380
Dec. 8.....	4,979	10,582	2,976	2,059	287	1,034	2,225	1,298	1,642	574	418	2,990	31,064
Dec. 15.....	3,907	10,161	2,777	2,289	329	673	1,553	1,780	2,552	957	344	2,538	29,860
Dec. 22.....	3,415	10,484	2,412	2,787	623	645	1,789	2,279	2,628	1,859	437	2,910	32,268
Total acceptances held:													
Dec. 1.....	14,232	36,680	13,336	7,205	1,250	4,835	6,547	5,541	2,957	1,810	1,293	10,920	106,606
Dec. 8.....	11,873	41,386	14,816	8,449	1,660	5,271	8,687	6,385	4,605	2,365	1,635	12,650	119,782
Dec. 15.....	10,617	42,084	14,361	8,801	2,742	5,108	8,474	6,823	5,748	3,301	1,914	12,945	122,918
Dec. 22.....	10,947	41,510	13,909	9,750	3,404	4,693	8,834	6,988	6,039	4,075	2,036	12,448	124,633

Distribution by maturities of acceptances bought in open market by each Federal Reserve Bank during the calendar year 1915 and the first 11 months of 1916.

[In thousands of dollars.]

Acceptances maturing—	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	Atlanta (including New- Orleans branch).	Chica- go.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total for sys- tem.
Within 30 days:													
Calendar year, 1915.....	497	1,246	695	101	.....	7	156	103	45	69	.....	61	2,980
6 months ending June, 1916.....	350	4,728	4,552	322	579	270	133	.....	21	9	50	539	11,553
July, 1916.....	.....	2,038	754	402	905	.....	480	71	3	.....	.....	152	4,805
August, 1916.....	191	1,477	983	41	400	.....	.....	.....	10	.....	149	468	3,719
September, 1916.....	163	317	634	20	1,781	617	300	.....	31	28	227	.....	4,118
October, 1916.....	.....	155	231	.....	253	.....	.....	.....	.....	57	.....	21	717
November, 1916.....	482	955	1,171	5	250	398	402	.....	.....	.....	.....	750	4,413
Total for 11 months, 1916.....	1,186	9,670	8,325	790	3,915	1,538	1,315	71	65	94	426	1,930	29,325
After 30 but within 60 days:													
Calendar year, 1915.....	2,137	2,377	1,464	746	.....	19	816	374	191	183	.....	750	9,057
6 months ending June, 1916.....	1,433	5,063	4,016	1,267	961	261	1,840	1,151	630	459	.....	2,299	19,380
July, 1916.....	4	1,169	739	406	62	8	849	294	69	.....	.....	619	4,219
August, 1916.....	87	1,101	609	855	46	250	362	382	216	311	.....	759	4,978
September, 1916.....	723	1,227	1,934	489	749	339	871	887	299	187	.....	474	8,179
October, 1916.....	100	1,233	1,750	846	375	90	148	441	338	138	358	1,009	6,826
November, 1916.....	1,943	3,823	1,223	550	16	590	33	413	392	27	34	387	9,431
Total for 11 months, 1916.....	4,290	13,616	10,271	4,413	2,209	1,538	4,103	3,568	1,944	1,122	392	5,547	53,013
After 60 days, but within 3 months:													
Calendar year, 1915.....	11,471	22,211	5,406	2,116	250	46	4,810	1,324	1,219	1,536	.....	2,419	52,808
6 months ending June, 1916.....	24,049	34,435	10,959	5,472	.....	2,126	5,389	4,321	2,500	1,635	.....	5,847	96,733
July, 1916.....	1,391	11,161	3,556	2,855	238	404	1,948	2,036	1,262	.....	.....	2,628	27,479
August, 1916.....	4,062	5,508	2,069	1,257	.....	666	1,390	1,335	827	787	500	1,349	19,750
September, 1916.....	3,787	6,940	4,023	2,278	297	1,190	1,696	1,561	702	248	.....	2,068	24,790
October, 1916.....	2,180	10,405	3,981	2,344	585	1,977	2,772	1,781	1,035	942	368	4,981	33,351
November, 1916.....	6,205	13,842	3,276	2,173	102	979	1,689	1,578	1,052	608	405	2,814	34,723
Total for 11 months, 1916.....	41,674	82,291	27,864	16,379	1,222	7,342	14,884	12,612	7,378	4,220	1,273	19,687	236,826
Total acceptances bought:													
Calendar year, 1915.....	14,105	25,834	7,565	2,963	250	72	5,782	1,801	1,455	1,788	.....	3,230	64,845
6 months ending June, 1916.....	25,832	44,226	19,527	7,061	1,540	2,657	7,362	5,472	3,151	2,103	50	8,685	127,666
July, 1916.....	1,395	14,368	5,049	3,663	1,205	412	3,277	2,401	1,334	.....	.....	3,399	36,503
August, 1916.....	4,340	8,086	3,661	2,153	446	916	1,752	1,717	1,053	1,098	649	2,576	28,447
September, 1916.....	4,673	8,484	6,591	2,787	2,827	2,146	2,867	2,448	1,032	463	227	2,542	37,087
October, 1916.....	2,280	11,793	5,962	3,190	960	2,320	2,920	2,222	1,873	1,137	726	6,011	40,894
November, 1916.....	8,630	18,620	5,670	2,728	368	1,967	2,124	1,991	1,444	635	439	3,951	48,567
Total for 11 months, 1916.....	47,150	105,577	46,460	21,582	7,346	10,418	20,302	16,251	9,387	5,436	2,091	27,164	319,164

Amount of short-term investments (municipal warrants) held by each Federal Reserve Bank at close of business on Fridays Dec. 1 to Dec. 22, distributed by maturities.

[In thousands of dollars.]

Warrants maturing—	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta (including New Orleans branch).	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Within 10 days:													
Dec. 1.....	67	6,698	791	751	.....	.....	857	30	61	68	.....	1,041	10,364
Dec. 8.....	157	1,484	177	700	.....	.....	50	60	20	18	.....	85	2,751
Dec. 15.....	80	397	20	650	.....	5	75	.....	.....	152	.....	.....	1,379
Dec. 22.....	89	778	203	650	.....	.....	178	153	102	.....	.....	204	2,447
From 11 to 30 days:													
Dec. 1.....	200	2,249	490	234	.....	5	278	213	122	162	.....	289	4,242
Dec. 8.....	169	1,070	453	183	.....	6	636	153	183	152	.....	204	3,211
Dec. 15.....	114	713	445	397	.....	1	561	358	183	.....	.....	398	3,170
Dec. 22.....	132	.....	213	878	.....	3	560	366	91	40	25	466	2,774
From 31 to 60 days:													
Dec. 1.....	261	77	86	562	.....	3	414	265	48	27	25	331	2,129
Dec. 8.....	327	132	136	772	61	280	224	442	86	78	50	533	3,151
Dec. 15.....	312	177	137	558	91	280	234	262	111	103	50	339	2,624
Dec. 22.....	215	442	76	77	61	278	82	101	116	63	27	67	1,605
From 61 to 90 days:													
Dec. 1.....	270	366	50	818	61	394	157	50	77	50	2	82	2,377
Dec. 8.....	145	290	.....	792	.....	116	100	25	55	25	2	41	1,591
Dec. 15.....	305	371	56	910	.....	116	131	34	353	6	2	78	2,362
Dec. 22.....	313	131	56	910	.....	117	181	34	338	6	.....	78	2,164
From 91 days to 6 months:													
Dec. 1.....	359	530	88	203	.....	2	390	31	338	36	50	112	2,142
Dec. 8.....	359	530	138	281	.....	2	465	109	348	61	75	163	2,531
Dec. 15.....	189	424	81	167	.....	4	439	75	25	55	75	125	1,659
Dec. 22.....	171	399	81	167	.....	4	389	75	25	55	75	126	1,567
Total municipal warrants held:													
Dec. 1.....	1,157	9,920	1,505	2,568	61	404	2,126	592	646	343	77	1,855	21,254
Dec. 8.....	1,157	3,526	906	2,728	61	404	1,485	789	692	334	127	1,026	13,235
Dec. 15.....	1,000	2,082	739	2,682	61	406	1,440	729	672	316	127	941	11,195
Dec. 22.....	920	1,750	719	2,682	61	402	1,390	729	672	164	127	441	10,557

Distribution by sizes of acceptances bought in open market by all the Federal Reserve Banks during the month of November, and for the first 11 months of 1916.

Acceptances bought in open market.	To \$5,000.		To \$10,000.		To \$25,000.		To \$50,000.		To \$100,000.		Over \$100,000.		Total.		Per cent.
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	
November, 1916:															
Bankers' acceptances.....	575	1,674,822	440	3,360,708	927	15,291,962	268	11,189,371	100	8,374,934	29	6,050,950	2,339	45,948,747	94.6
Trade acceptances.....	51	157,839	93	852,217	23	322,465	3	100,679	6	469,393	5	715,791	181	2,618,384	5.4
Total.....	626	1,832,661	533	4,212,925	950	15,614,427	271	11,290,050	106	8,844,327	34	6,772,741	2,520	48,567,131	.....
Per cent.....	3.8	.....	8.7	.....	32.2	.....	23.2	.....	18.2	.....	13.9	.....	.....	.....	100.0
Total acceptances bought during:															
October, 1916.....	497	1,384,176	632	5,079,008	740	12,333,597	265	12,142,475	74	6,990,915	20	2,963,522	2,228	40,893,693	.....
September, 1916.....	524	1,304,439	445	3,517,940	660	11,194,706	165	6,833,609	78	6,836,652	37	7,197,162	1,909	37,086,508	.....
August, 1916.....	327	916,682	232	1,888,457	422	7,835,547	131	5,340,003	69	5,744,106	35	6,721,610	1,216	28,446,405	.....
July, 1916.....	526	1,633,337	495	4,026,432	809	12,830,111	185	7,662,059	68	5,065,021	29	5,286,683	2,112	36,503,643	.....
June, 1916.....	562	1,533,168	737	6,238,168	853	13,739,638	191	8,209,613	83	6,763,226	37	5,913,336	2,463	42,397,149	.....
May, 1916.....	335	1,012,891	219	1,755,224	312	5,960,425	108	3,262,880	62	5,698,417	23	4,221,630	1,059	21,911,467	.....
April, 1916.....	269	847,351	281	2,305,281	313	5,420,116	94	3,896,184	32	2,697,334	11	3,332,850	1,000	18,499,116	.....
March, 1916.....	288	941,908	234	1,983,554	356	6,578,432	109	4,539,671	62	5,095,263	22	3,779,223	1,071	22,918,051	.....
February, 1916.....	267	789,675	159	1,307,989	196	3,548,326	49	1,830,851	21	1,613,614	15	3,326,375	707	12,416,830	.....
January, 1916.....	194	546,959	220	1,720,758	217	4,113,726	47	1,857,477	17	1,284,593	.....	.....	695	9,523,513	.....
Total acceptances bought during 11 months ending November, 1916.....	4,415	12,943,247	4,187	34,035,736	5,828	99,169,051	1,615	66,866,872	672	56,633,468	203	49,515,132	16,980	319,163,506	.....

¹ Of the above total, bankers' acceptances totaling \$42,949,151 were based on imports and exports, and \$2,999,596 on domestic trade transactions.

² Of the above total, trade acceptances totaling \$205,801 were based upon domestic trade transactions, and \$2,412,583 were drawn abroad on importers in the United States and indorsed by foreign bank.

Total investment operations of each Federal Reserve Bank during the month of November, 1916, and for the 11 months ending Nov. 30, 1916 and 1915.

[In thousands of dollars.]

Bank.	Bills dis- counted for member banks.	Acceptances bought in open market.			Municipal warrants bought.				Purchases of United States bonds and Treasury notes.					Total investment operations.	
		Bankers' accept- ances.	Trade accept- ances.	Total.	City.	State.	All other.	Total.	2 per cent bonds.	3 per cent bonds.	4 per cent bonds.	1-year notes.	Total.	1916	1915
Boston.....	6,865.6	8,630.1		8,630.1	517.1			517.1						16,012.8	5,724.4
New York.....	715.3	17,964.1	653.7	18,619.8	5,301.4			5,301.4	92.5				92.5	24,728.0	7,058.8
Philadelphia.....	3,415.0	5,513.4	156.0	5,669.4	322.8	5.1	50.3	378.2						9,462.6	3,045.8
Cleveland.....	106.0	2,655.0	73.0	2,728.0	156.2		29.4	185.6	2,401.9		0.2		2,402.1	5,421.7	1,389.5
Richmond.....	1,463.1	367.6		367.6					276.2				276.2	2,106.9	4,682.2
Atlanta.....	1,338.8	1,761.9	205.8	1,967.7		117.3		117.3						3,423.8	5,040.8
Chicago.....	2,036.4	2,021.1	103.2	2,124.3	129.5	305.2		434.7	1,076.0	181.0			1,257.0	5,952.4	2,285.5
St. Louis.....	1,012.8	1,991.5		1,991.5	260.3			260.3		50.0			50.0	3,314.6	1,241.8
Minneapolis.....	401.3	1,425.4	18.6	1,444.0	155.9		12.1	168.0						2,013.3	1,488.12
Kansas City.....	211.3	634.8		634.8	180.2			180.2	.5				.5	1,026.8	3,019.8
Dallas.....	156.8	439.1		439.1	50.0		2.0	52.0	1,550.0				1,550.0	2,197.9	2,707.9
San Francisco.....	181.7	2,544.7	1,406.1	3,950.8	70.2			70.2						4,202.7	494.1
Total:															
Nov., 1916.....	17,904.1	45,948.7	2,618.4	48,567.1	7,143.6	427.6	93.8	7,665.0	5,397.1	231.0	.2		5,628.3	79,761.5	
Nov., 1915.....	18,269.7	7,919.0		7,919.0				9,001.2	2,282.0	316.82	390.0		2,988.82	38,178.72	
11 months ending Nov. 30, 1916.....	144,154.2	304,754.9	14,408.6	319,163.5	81,351.0	4,084.5	920.3	86,355.8	42,878.35	3,878.88	4,153.2	300.0	51,210.43	600,883.93	
11 months ending Nov. 30, 1915.....	145,941.0	52,055.0		52,055.0				62,648.7	10,193.85	2,782.12	390.0		13,365.97	274,010.67	

Sales of United States bonds and 1-year Treasury notes during the month of November, 1916.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
2 per cent bonds.....										80.0			80.0
3 per cent bonds.....	744.0	1,310.0	506.0	985.0	505.0		1,450.0	120.0	401.0	25.0		100.0	6,146.0
1-year Treasury notes.....				100.0									100.0
Total sales.....	744.0	1,310.0	506.0	1,085.0	505.0		1,450.0	120.0	401.0	105.0		100.0	6,326.0

United States bonds and notes held by all Federal Reserve Banks on Nov. 29, 1916, distributed by maturities.

	2 per cent consols of 1930.	2 per cent Panamas of 1936.	2 per cent Panamas of 1938.	3 per cent loan of 1918.	3 per cent loan of 1961.	3 per cent conversion bonds of 1946.	3 per cent 1-year notes.	4 per cent loan of 1925.	Total.
Boston.....	\$1,252,000		\$80,000			\$56,000	\$1,000,000		\$2,388,000
New York.....	92,550					102,900	1,205,000		1,400,450
Philadelphia.....	1,631,000					19,000	1,174,000		2,844,000
Cleveland.....	903,900	\$500,000	1,000,000	\$2,586,560		44,600	1,618,000	\$2,119,200	7,772,260
Richmond.....	276,200					17,800	1,070,000		1,364,000
Atlanta.....	375,100			5,000		829,900	824,000		2,034,000
Chicago.....	2,356,000	50,000	509,300	2,541,000	\$400	18,400	1,517,000	1,768,000	8,760,100
St. Louis.....	522,900			1,080,000		675,100	891,000		3,169,000
Minneapolis.....	1,013,900	50,000		1,193,740	500	27,200	700,000	181,000	3,166,340
Kansas City.....	7,151,250	162,000	88,000			939,600	963,000	825,000	10,128,850
Dallas.....	2,865,850	542,500	155,000			707,400	705,000		4,975,750
San Francisco.....	2,633,750						500,000		3,133,750
Total.....	21,094,400	1,304,500	1,832,300	7,406,300	900	3,437,900	11,167,000	4,893,200	51,136,500

Amount of United States bonds with circulation privilege:

2 per cent.....	\$24,231,200
3 per cent.....	7,406,300
4 per cent.....	4,893,200

Total..... 36,530,700

Amount of United States bonds and notes without circulation privilege:

3 per cent of 1961.....	\$900
3 per cent conversion.....	3,437,900
3 per cent 1-year notes.....	11,167,000

Total..... 14,605,800

FEDERAL RESERVE BANK STATEMENTS.

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve System at close of business on Fridays, Dec. 1 to Dec. 22, 1916.

RESOURCES.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Gold coin and certificates in vault:													
Dec. 1.....	12,817	141,908	16,650	16,464	4,549	4,876	29,254	8,602	7,677	4,718	4,537	10,865	261,917
Dec. 8.....	14,478	127,187	16,429	16,074	4,512	4,988	26,193	8,623	7,727	4,977	4,638	9,509	245,335
Dec. 15.....	13,961	134,726	16,780	15,611	4,602	5,435	26,814	9,485	7,931	5,398	4,809	10,866	256,418
Dec. 22.....	11,552	151,752	14,042	15,386	4,665	5,555	28,360	9,982	8,584	5,550	4,864	9,305	269,627
Gold settlement fund:													
Dec. 1.....	15,734	7,171	15,888	22,870	23,118	8,332	27,863	7,736	9,197	17,932	14,952	5,038	175,781
Dec. 8.....	13,080	21,241	9,448	20,321	23,017	6,550	31,044	6,110	9,391	17,770	15,594	7,235	181,101
Dec. 15.....	14,590	16,900	8,919	18,698	23,054	7,407	34,379	4,348	8,494	18,114	14,664	7,873	177,341
Dec. 22.....	18,606	19,826	15,105	17,434	19,231	5,939	26,428	3,349	6,562	18,065	14,574	10,692	178,811
Gold redemption fund:													
Dec. 1.....	50	250	50	55	245	267	200	47	30	118	154	10	1,476
Dec. 8.....	50	250	50	53	263	262	200	178	30	113	74	10	1,533
Dec. 15.....	50	250	100	48	253	258	200	166	30	111	67	10	1,543
Dec. 22.....	50	250	100	45	221	303	200	104	30	104	62	10	1,479
Legal-tender notes, silver, etc.:													
Dec. 1.....	142	7,080	269	1,009	46	180	384	1,156	181	34	279	76	10,836
Dec. 8.....	279	1,802	223	779	22	136	227	1,163	174	36	201	102	4,644
Dec. 15.....	82	4,792	102	632	10	158	356	1,302	175	54	197	47	7,907
Dec. 22.....	165	2,870	77	514	10	109	483	1,321	172	48	194	62	6,025
Total reserve:													
Dec. 1.....	28,243	156,409	32,807	40,398	27,658	13,655	57,701	17,541	17,085	22,802	19,922	15,489	450,010
Dec. 8.....	27,887	149,980	26,130	37,227	27,814	12,236	57,664	16,074	17,322	22,896	20,507	16,856	432,613
Dec. 15.....	28,683	156,668	25,892	34,899	27,919	13,258	61,749	15,391	16,630	23,677	19,737	18,796	443,209
Dec. 22.....	39,373	174,698	29,324	33,379	24,127	11,906	58,402	14,756	15,348	23,767	19,694	20,069	455,942
5 per cent redemption fund against F. R. bank notes:													
Dec. 1.....										320	100		420
Dec. 8.....										320	100		420
Dec. 15.....										320	100		420
Dec. 22.....										300	100		400
Bills discounted—members:													
Dec. 1.....	4,021	652	2,219	246	2,418	2,364	3,616	2,805	1,082	705	1,066	311	21,505
Dec. 8.....	8,747	9,942	4,628	1,525	2,244	3,490	3,490	1,996	1,259	666	944	294	38,245
Dec. 15.....	7,236	6,666	6,161	1,477	2,473	2,547	3,369	1,710	1,258	605	922	293	37,748
Dec. 22.....	6,081	4,345	5,991	995	2,902	3,366	3,600	1,460	1,952	479	845	281	32,297
Bills bought in open market:													
Dec. 1.....	14,232	36,680	13,336	7,205	1,230	4,835	6,547	5,541	2,957	1,810	1,293	10,920	106,606
Dec. 8.....	11,873	41,386	14,316	8,449	1,660	5,271	8,687	6,385	4,605	2,365	1,635	12,650	119,782
Dec. 15.....	10,617	42,084	14,361	8,801	2,742	5,108	8,474	6,823	5,748	3,301	1,914	12,945	122,918
Dec. 22.....	10,947	41,510	13,909	9,750	3,404	4,693	8,884	6,988	6,039	4,975	2,036	12,448	124,633
United States bonds:													
Dec. 1.....	1,380	195	1,670	7,154	294	1,210	7,508	2,268	2,466	9,166	4,270	2,634	40,215
Dec. 8.....	1,332	195	1,651	7,361	426	1,710	8,158	2,203	2,442	9,166	4,270	2,634	41,548
Dec. 15.....	1,332	993	1,651	7,361	426	1,716	8,408	2,202	2,442	9,166	4,322	2,634	42,648
Dec. 22.....	1,332	1,043	1,651	7,361	1,126	1,710	8,458	2,203	2,442	9,216	4,328	2,634	43,504
1-year Treasury notes:													
Dec. 1.....	1,000	1,205	1,174	618	1,070	824	1,517	891	700	963	705	500	11,167
Dec. 8.....	1,000	1,205	1,174	618	1,070	824	1,517	891	700	963	705	500	11,167
Dec. 15.....	1,000	1,205	1,174	618	1,070	824	1,517	891	700	963	705	500	11,167
Dec. 22.....	1,000	1,205	1,174	618	1,070	824	1,517	891	700	963	705	500	11,167
Municipal warrants:													
Dec. 1.....	1,157	9,920	1,505	2,568	61	404	2,126	592	646	343	77	1,855	21,254
Dec. 8.....	1,157	3,526	906	2,728	61	404	1,485	789	692	334	127	1,026	13,235
Dec. 15.....	1,000	2,082	739	2,682	61	406	1,440	729	672	316	127	941	11,195
Dec. 22.....	923	1,750	719	2,682	61	402	1,390	729	672	164	127	941	10,557
Federal Reserve notes, net:													
Dec. 1.....	1,159	10,071	1,300	625			1,549		2,532			1,065	18,301
Dec. 8.....	751	10,464	1,839	481			1,009		2,199			2,017	18,760
Dec. 15.....	1,160	11,811		761			1,686		2,066			2,520	19,504
Dec. 22.....	810	12,213		686			1,114		2,071			2,542	19,236
Due from other F. R. Banks, net:													
Dec. 1.....	2,473	6,399		2,587	793	447	11,126	6,166	2,577	3,354	707	7,330	138,188
Dec. 8.....	949	5,906		1,672	1,076	1,754	13,247	6,942	1,101	2,853		4,886	136,565
Dec. 15.....	8,944	14,056		3,605		1,227	8,795	8,774		1,455		4,774	147,586
Dec. 22.....	6,032	6,820	337	3,724	1,133	1,989	15,020	9,494	566	1,599	86	2,518	149,318
All other resources:													
Dec. 1.....	13	202	57	163	121	285	280	371	25	158	541	279	2,495
Dec. 8.....	30	138	91	171	32	483	240	244	39	229	569	615	2,881
Dec. 15.....	11	316	93	217	45	735	760	673	28	332	725	721	4,656
Dec. 22.....	25	163	255	207	54	718	600	277	14	128	558	497	3,506
Total resources:													
Dec. 1.....	53,678	221,733	54,068	61,564	33,965	24,024	91,970	36,175	30,070	39,621	28,681	40,383	710,161
Dec. 8.....	53,726	222,742	51,255	60,232	34,383	25,292	95,497	35,524	30,359	39,792	28,857	41,478	715,316
Dec. 15.....	59,983	238,381	50,101	60,421	34,736	25,815	96,198	37,104	29,544	40,135	28,553	44,124	741,051
Dec. 22.....	57,520	243,747	53,360	59,402	33,877	25,608	99,034	36,798	29,804	40,701	28,479	42,320	750,560

¹ Items in transit, i. e., total amounts due from, less total amounts due to, other Federal Reserve Banks.

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve System at close of business on Fridays, Dec. 1 to Dec. 22, 1916—Continued.

LIABILITIES.

[In thousands of dollars.]

	Bos- ton.	New York.	Phila- del- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total for system.
Capital paid in:													
Dec. 1.....	5,007	11,913	5,228	5,993	3,346	2,480	6,685	2,798	2,609	3,058	2,695	3,925	55,737
Dec. 8.....	5,014	11,914	5,228	5,988	3,346	2,480	6,685	2,798	2,609	3,065	2,695	3,924	55,746
Dec. 15.....	4,990	11,914	5,228	5,990	3,346	2,480	6,685	2,798	2,608	3,068	2,695	3,929	55,731
Dec. 22.....	4,990	11,914	5,228	6,022	3,346	2,480	6,685	2,796	2,610	3,070	2,695	3,929	55,765
Government deposits:													
Dec. 1.....	2,546	1,860	3,759	1,562	3,034	3,603	2,853	2,138	849	137	1,684	2,692	26,777
Dec. 8.....	3,168	4,725	2,903	1,213	2,569	3,739	2,153	2,361	820	453	1,553	3,011	28,668
Dec. 15.....	2,871	3,717	3,081	1,183	3,145	3,670	1,455	3,044	855	362	1,519	3,860	28,762
Dec. 22.....	2,365	5,520	3,167	986	2,603	3,760	2,515	2,665	912	157	1,461	3,301	29,472
Member bank deposits, net:													
Dec. 1.....	45,890	207,829	39,145	54,009	25,511	13,788	82,397	26,193	26,605	35,302	23,142	33,719	613,530
Dec. 8.....	45,289	205,950	39,247	53,031	25,997	15,499	86,610	26,833	26,911	35,238	23,555	34,483	618,643
Dec. 15.....	51,873	222,578	39,072	53,248	24,561	16,066	88,015	27,125	25,765	35,600	22,960	36,273	643,136
Dec. 22.....	49,914	226,177	43,629	52,394	24,381	15,780	89,799	27,217	26,252	35,484	22,822	34,938	648,787
Federal Reserve notes, net liability:													
Dec. 1.....					2,044	4,037		5,046		1,096	1,160		13,383
Dec. 8.....					2,434	3,518		3,532		1,008	931		11,423
Dec. 15.....			259		2,775	3,549		4,137		1,105	781		12,606
Dec. 22.....			1,154		3,456	3,533		4,120		1,990	1,501		15,754
Federal Reserve bank notes in circulation:													
Dec. 1.....										28			28
Dec. 8.....										28			28
Dec. 15.....													
Dec. 22.....													
Due to other Federal Reserve Banks, net:													
Dec. 1.....			5,771										
Dec. 8.....			3,698								123		
Dec. 15.....			2,278		875				293		598		
Dec. 22.....													
All other liabilities:													
Dec. 1.....	235	131	165		30	56	35		7			47	706
Dec. 8.....	255	153	179		37	56	49		19			60	808
Dec. 15.....	249	172	183		34	50	43		23			62	816
Dec. 22.....	251	136	182		31	55	35		30			62	732
Total liabilities:													
Dec. 1.....	53,678	221,733	54,068	61,564	33,965	24,024	91,970	36,175	30,070	39,621	28,681	40,383	710,161
Dec. 8.....	53,720	222,742	51,255	60,232	34,383	25,292	95,497	35,524	30,359	39,792	28,857	41,478	715,316
Dec. 15.....	59,983	238,381	50,101	60,421	34,736	25,815	96,198	37,104	29,544	40,135	28,553	44,124	741,051
Dec. 22.....	57,520	243,747	53,360	59,402	33,877	25,608	99,034	36,798	29,804	40,701	28,479	42,230	750,560

Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, Dec. 1 to Dec. 22, 1916.

[In thousands of dollars.]

	Bos- ton.	New York.	Phila- del- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total for system.
Federal Reserve notes issued to bank:													
Dec. 1.....	12,187	90,733	14,121	8,763	19,187	24,513	4,142	16,702	20,380	20,499	24,825	12,218	268,270
Dec. 8.....	12,147	94,764	15,964	9,420	19,694	25,448	4,137	17,166	20,380	21,399	24,725	14,218	279,462
Dec. 15.....	13,103	98,875	17,232	10,574	20,084	25,799	5,513	17,148	20,331	21,417	24,649	15,103	289,778
Dec. 22.....	13,563	104,941	17,194	10,939	20,478	25,959	5,189	16,918	20,311	22,277	24,202	14,795	296,766
Federal Reserve notes in hands of bank:													
Dec. 1.....	1,159	10,071	1,300	625	846	884	1,549	301	2,532	544	255	1,065	21,131
Dec. 8.....	751	10,464	1,839	451	766	1,003	1,009	815	2,199	632	184	2,017	22,160
Dec. 15.....	1,160	11,311	1,041	761	805	972	1,686	210	2,066	535	335	2,520	23,402
Dec. 22.....	810	12,213	146	686	574	988	1,114	227	2,071	550	199	2,342	21,720
Federal Reserve notes in circulation:													
Dec. 1.....	11,023	80,662	12,821	8,138	18,341	23,629	2,593	16,401	17,848	19,955	24,570	11,153	247,139
Dec. 8.....	11,396	84,300	14,125	8,939	18,928	24,445	3,128	16,351	18,181	20,767	24,541	12,201	257,302
Dec. 15.....	11,943	87,564	16,191	9,813	19,229	24,827	3,827	16,938	18,265	20,882	24,314	12,383	266,376
Dec. 22.....	12,753	92,728	17,048	10,253	20,104	24,971	4,075	16,691	18,240	21,727	24,003	12,453	275,046
Gold and lawful money deposited with or to credit of Federal Reserve Agent:													
Dec. 1.....	12,187	90,733	14,121	8,763	16,297	19,592	4,142	11,355	20,380	18,859	23,410	12,218	252,057
Dec. 8.....	12,147	94,764	15,964	9,420	16,494	20,927	4,137	12,819	20,380	19,759	23,610	14,218	264,639
Dec. 15.....	13,103	98,875	15,932	10,574	16,454	21,278	5,513	12,801	20,331	19,777	23,533	15,103	273,274
Dec. 22.....	13,563	104,941	15,894	10,939	16,645	21,438	5,189	12,571	20,311	19,737	22,502	14,795	278,528
Carried to net assets:													
Dec. 1.....	1,159	10,071	1,300	625	-----	-----	1,549	-----	2,532	-----	-----	1,065	18,301
Dec. 8.....	751	10,464	1,839	451	-----	-----	1,009	-----	2,199	-----	-----	2,017	18,760
Dec. 15.....	1,160	11,311	-----	761	-----	-----	1,686	-----	2,066	-----	-----	2,520	19,504
Dec. 22.....	810	12,213	-----	686	-----	-----	1,114	-----	2,071	-----	-----	2,342	19,236
Carried to net liabilities:													
Dec. 1.....	-----	-----	-----	-----	2,044	4,037	-----	5,046	-----	1,096	1,160	-----	13,383
Dec. 8.....	-----	-----	-----	-----	2,434	3,518	-----	3,532	-----	1,008	931	-----	11,423
Dec. 15.....	-----	-----	259	-----	2,775	3,549	-----	4,137	-----	1,105	781	-----	12,606
Dec. 22.....	-----	-----	1,154	-----	3,456	3,533	-----	4,120	-----	1,990	1,501	-----	15,754

Federal Reserve note account of each Federal Reserve Agent at close of business on Fridays, Dec. 1 to Dec. 22, 1916.

[In thousands of dollars.]

	Bos- ton.	New York.	Phila- del- phia.	Clevo- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total for system.
Federal Reserve notes:													
Received from Comptroller—													
Dec. 1.....	24,880	158,400	19,880	15,160	28,000	33,280	10,380	22,540	24,500	24,220	35,320	15,720	412,280
Dec. 8.....	24,880	163,400	21,920	15,160	28,000	33,780	10,380	22,540	24,500	25,120	35,320	17,720	422,720
Dec. 15.....	28,880	168,400	30,480	16,660	29,500	35,380	10,880	22,540	24,500	27,120	35,320	17,720	447,380
Dec. 22.....	28,880	173,400	30,480	16,660	29,500	35,380	10,880	22,540	24,500	28,120	35,320	17,720	453,380
Returned to Comptroller—													
Dec. 1.....	6,913	52,147	5,759	3,497	6,163	3,642	1,357	2,298	800	1,968	4,154	1,602	90,300
Dec. 8.....	6,953	52,516	5,956	3,540	6,306	3,706	1,362	2,334	800	1,968	4,254	1,602	91,297
Dec. 15.....	7,117	52,805	5,988	3,586	6,466	3,756	1,367	2,352	849	2,050	4,330	1,617	92,283
Dec. 22.....	7,357	53,139	6,026	3,621	6,522	3,796	1,691	2,582	869	2,090	4,462	1,925	94,080
Chargeable to Federal Reserve Agent—													
Dec. 1.....	17,967	106,253	14,121	11,663	21,837	29,638	9,023	20,242	23,700	22,252	31,166	14,118	321,989
Dec. 8.....	17,927	110,834	15,964	11,620	21,694	30,074	9,018	20,266	23,700	23,152	31,066	16,118	331,423
Dec. 15.....	21,763	115,595	24,492	13,074	23,034	31,624	9,513	20,188	23,651	25,070	30,990	16,103	355,097
Dec. 22.....	21,523	120,261	24,454	13,039	22,978	31,584	9,189	19,958	23,631	26,030	30,858	15,795	359,300
In hands of Federal Reserve Agent—													
Dec. 1.....	5,780	15,520	.....	2,900	2,650	5,125	4,881	3,540	3,320	1,753	6,341	1,900	53,710
Dec. 8.....	5,789	16,120	.....	2,200	2,000	4,626	4,881	3,040	3,320	1,753	6,341	1,900	51,961
Dec. 15.....	8,660	16,720	7,260	2,500	3,000	5,825	4,000	3,040	3,320	3,653	6,341	1,000	65,319
Dec. 22.....	7,960	15,320	7,260	2,100	2,500	5,625	4,000	3,040	3,320	3,753	6,656	1,000	62,534
Issued to Federal Reserve Bank, net—													
Dec. 1.....	12,187	90,733	14,121	8,763	19,187	24,513	4,142	16,702	20,380	20,499	24,825	12,218	268,270
Dec. 8.....	12,147	94,764	15,964	9,420	19,694	25,448	4,137	17,166	20,380	21,399	24,725	14,218	279,462
Dec. 15.....	13,103	98,875	17,232	10,574	20,034	25,799	5,513	17,148	20,331	21,417	24,647	15,103	289,778
Dec. 22.....	13,563	104,941	17,194	10,939	20,478	25,959	5,189	16,918	20,311	22,277	24,202	14,795	296,766
Amounts held by Federal Reserve Agent:													
In reduction of liability on out- standing notes—													
Gold coin and certificates on hand—													
Dec. 1.....	11,100	85,853	3,820	8,280	.....	3,460	.....	5,165	13,030	4,270	10,340	.....	145,218
Dec. 8.....	11,100	89,253	3,820	8,880	.....	3,460	.....	5,165	13,030	4,270	10,340	.....	149,318
Dec. 15.....	12,100	92,652	3,820	9,880	.....	3,460	.....	5,165	13,030	4,370	10,340	.....	154,817
Dec. 22.....	12,600	99,052	3,820	10,280	.....	3,460	.....	5,165	13,030	4,370	10,340	.....	162,117
Credit balance in gold re- demption fund—													
Dec. 1.....	1,087	4,880	801	483	797	1,162	192	880	1,100	1,229	1,240	518	14,369
Dec. 8.....	1,047	5,511	764	540	744	1,097	187	844	1,100	1,229	1,340	518	14,921
Dec. 15.....	1,003	6,223	932	694	704	2,048	183	926	1,051	1,147	1,263	503	16,677
Dec. 22.....	963	5,889	894	659	648	2,008	179	896	1,031	1,107	1,232	473	15,981
Credit balance with Federal Reserve Board—													
Dec. 1.....	.....	.....	9,500	.....	15,500	14,970	3,950	5,310	6,250	13,360	11,830	11,700	92,370
Dec. 8.....	.....	.....	11,380	.....	15,750	16,370	3,950	6,810	6,250	14,260	11,930	13,700	100,400
Dec. 15.....	.....	.....	11,180	.....	15,750	15,770	5,330	6,710	6,250	14,260	11,930	14,600	101,780
Dec. 22.....	.....	.....	11,180	.....	16,000	15,970	5,010	6,510	6,250	14,260	10,930	14,320	100,430
As security for outstanding notes—													
Commercial paper—													
Dec. 1.....	.....	.....	.....	.....	2,890	4,921	.....	5,247	.....	1,640	1,415	.....	16,213
Dec. 8.....	.....	.....	.....	.....	3,200	4,521	.....	4,347	.....	1,640	1,115	.....	14,823
Dec. 15.....	.....	.....	1,300	.....	3,589	4,521	.....	4,347	.....	1,640	1,116	.....	16,504
Dec. 22.....	.....	.....	1,300	.....	3,830	4,521	.....	4,347	.....	2,540	1,700	.....	18,238
Total—													
Dec. 1.....	12,187	90,733	14,121	8,763	19,187	24,513	4,142	16,702	20,380	20,499	24,825	12,218	268,270
Dec. 8.....	12,147	94,764	15,964	9,420	19,694	25,448	4,137	17,166	20,380	21,399	24,725	14,218	279,462
Dec. 15.....	13,103	98,875	17,232	10,574	20,034	25,799	5,513	17,148	20,331	21,417	24,647	15,103	289,778
Dec. 22.....	13,563	104,941	17,194	10,939	20,478	25,959	5,189	16,918	20,311	22,277	24,202	14,795	296,766
Memorandum:													
Total amount of commercial paper delivered to Federal Reserve Agent—													
Dec. 1.....	.....	.....	.....	.....	3,112	4,929	.....	5,347	.....	1,642	1,525	.....	16,555
Dec. 8.....	.....	.....	.....	.....	3,352	4,529	.....	4,351	.....	1,640	1,582	.....	15,454
Dec. 15.....	.....	.....	1,300	.....	4,333	4,528	.....	4,350	.....	1,641	1,878	.....	17,030
Dec. 22.....	.....	.....	1,300	.....	4,564	4,525	.....	4,348	.....	2,545	1,795	.....	19,077

GOLD IMPORTS AND EXPORTS.

Exports of gold, by customs districts, Jan. 1 to Dec. 15, 1916.

[In thousands of dollars.]

JANUARY 1, 1917.

FEDERAL RESERVE BULLETIN.

71

	Maine and New Hampshire.	New York.	Florida.	New Orleans.	Arizona.	El Paso.	Laredo.	Alaska.	San Francisco.	South-ern California.	Wash-ington.	Buffalo.	Dakota.	Michi-gan.	Ohio.	St. Law-rence.	Total.
<i>Week ending Nov. 24.</i>																	
Ore and base bullion.....		38		23	15	8			42		13		3	6			148
United States mint or assay office bars.....					15							157					157
Bullion, refined.....		215									135						365
United States coin.....		1															1
Foreign coin.....									2,434								2,434
Total.....		254		23	30	8			2,476		148	157	3	6			3,105
<i>Week ending Dec. 1.</i>																	
Ore and base bullion.....		36		5	6		37		6		23		21	80			214
United States mint or assay office bars.....												39					39
Bullion, refined.....		342			4				2,433	2		66				24,375	24,789
United States coin.....																	2,433
Foreign coin.....																	
Total.....		378		5	10		37		2,439	2	23	105	21	80		24,375	27,475
<i>Week ending Dec. 8.</i>																	
Ore and base bullion.....		51		1	5			1	100		16		8	12			194
United States mint or assay office bars.....												255					255
Bullion, refined.....		448				1					98	3				24,133	24,683
United States coin.....		1															1
Foreign coin.....									2,433							22,875	25,308
Total.....		500		1	5	1		1	2,533		114	258	8	12		47,008	50,441
<i>Week ending Dec. 15.</i>																	
Ore and base bullion.....		75			7		2		31		3		32	82			232
Bullion, refined.....		262			4							27				28,108	28,401
United States coin.....								1									1
Total.....		337			11		2	1	31		3	27	32	82		28,108	28,634
<i>Jan. 1 to Dec. 15.</i>																	
Ore and base bullion.....	1	2,377		349	506	105	237	116	3,066	3	2,603	624	357	2,162	3		12,509
United States mint or assay office bars.....												4,460					4,460
Bullion, refined.....	20,000	33,851			188	47		2,794	3,410	31	2,587	41,643				334,931	439,512
United States coin.....		1,218	45	5				20			56					1,778	3,122
Foreign coin.....	1	28,644	10	9					26,766			2,412				91,819	149,661
Total.....	20,002	66,120	55	363	694	152	237	2,930	33,242	34	5,246	49,139	357	2,162	3	428,528	609,264

Excess of gold imports over exports for 50 weeks, Jan. 1 to Dec. 15, 1916.....\$459,457
 Excess of gold imports over exports for corresponding period, 1915.....404,200

Exports of gold, by customs districts, Jan. 1 to Dec. 15, 1916.

72

FEDERAL RESERVE BULLETIN.

JANUARY 1, 1917.

	Maine and New Hampshire.	New York.	Philadelphia.	Florida.	Porto Rico.	Virginia.	New Orleans.	Eagle Pass.	Alaska.	Hawaii.	San Francisco.	Southern California.	Washington.	Buffalo.	Dakota.	Duluth and Superior.	Michigan.	Montana and Idaho.	St. Lawrence.	Vermont.	Total.
<i>Week ending Nov. 24.</i>																					
United States mint or assay office bars.....		63									1,037										1,100
Bullion, refined, domestic.....		33												31					6		70
United States coin.....		3,305	3,000	800							80					1					7,185
Foreign coin.....																					1
Total.....		3,401	3,000	800							1,117			31		1			6		8,356
<i>Week ending Dec. 1.</i>																					
Ore and base bullion.....													13								13
United States mint or assay office bars.....											867								2		869
Bullion, refined, domestic.....		6												7							13
United States coin.....		4,955								29	217		17		6	2			500		5,726
Total.....		4,961								29	1,084		30	7	6	2			502		6,621
<i>Week ending Dec. 8.</i>																					
United States mint or assay office bars.....		24												5							29
Bullion, refined, domestic.....		513												5							518
United States coin.....		3,399				350						400	1,300		2				2,025		7,476
Total.....		3,936				350						400	1,300	10	2				2,025		8,023
<i>Week ending Dec. 15.</i>																					
United States mint or assay office bars.....											1,034										1,034
Bullion, refined, domestic.....													1	19					6	1	27
United States coin.....		11,384				365				110	198		24		11				5		12,097
Foreign coin.....		44																			44
Total.....		11,428				365				110	1,232		25	19	11				11	1	13,202
<i>Jan. 1 to Dec. 15.</i>																					
Ore and base bullion.....	2								12				186	70				1			271
United States mint or assay office bars.....		1,041									14,928			275		2			522		16,768
Bullion, refined:																					
Domestic.....		6,329									701		6	513	4	9	12		42	15	7,631
Foreign.....		1,438												4				16			1,458
United States coin.....		57,391	3,000	1,629	15	350	1,165		1	386	29,371	50	5,402	21	104	16	1	1	4,150	750	103,803
Foreign coin.....		18,197						2			216			29	1	6	3		1,422		19,876
Total.....	2	84,396	3,000	1,629	15	350	1,165	2	13	386	45,216	50	5,594	912	109	33	16	2	6,152	765	149,807

EARNINGS ON THE INVESTMENTS OF FEDERAL RESERVE BANKS.

Average amounts of earning assets held by each Federal Reserve Bank during November, 1916, earnings from each class of earning assets, and annual rate of earnings on the basis of November, 1916, returns.

	Average balances for the month of the several classes of earning assets.					
	Bills dis- counted, members.	Bills bought in open market.	United States bonds.	One-year Treasury notes.	Municipal warrants.	Total.
Boston.....	\$2,015,145	\$12,983,419	\$1,616,138	\$1,000,000	\$1,779,419	\$19,349,121
New York.....	1,067,498	30,371,945	642,617	1,205,000	6,379,169	39,666,229
Philadelphia.....	709,357	12,351,742	1,874,600	1,174,000	1,863,130	17,972,829
Cleveland.....	271,773	6,884,225	6,077,867	661,333	3,680,377	17,575,575
Richmond.....	2,964,959	1,452,632	294,041	1,070,000	60,750	5,842,382
Atlanta.....	3,103,944	4,615,246	1,210,000	824,000	330,005	10,083,195
Chicago.....	3,240,961	6,395,444	7,246,467	1,517,000	2,641,500	21,041,372
St. Louis.....	2,141,803	5,029,402	2,290,000	891,000	834,336	11,186,541
Minneapolis.....	1,418,800	3,015,500	2,616,500	700,000	1,281,400	9,032,200
Kansas City.....	771,464	1,839,471	9,198,133	963,000	408,784	13,180,852
Dallas.....	1,918,216	943,441	3,510,750	705,000	69,655	7,147,062
San Francisco.....	299,216	10,655,967	2,716,250	500,000	2,164,714	16,336,147
Total.....	19,923,136	96,493,434	39,293,363	11,210,333	21,493,239	188,413,505

	Earnings from—						Calculated annual rates of earnings from—					
	Bills dis- counted, mem- bers.	Bills bought in open market.	United States bonds.	One-year Treasury notes.	Munici- pal war- rants.	Total.	Bills dis- counted, mem- bers.	Bills bought in open market.	United States bonds.	One-year Treasury notes.	Munici- pal war- rants.	Total.
Boston.....	\$5,114	\$25,270	\$2,840	\$2,364	\$4,449	\$40,037	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
New York.....	3,371	64,222	1,379	2,947	14,803	86,722	3.19	2.47	2.22	2.98	3.16	2.61
Philadelphia.....	2,129	24,638	3,152	2,871	4,572	37,362	3.85	2.57	2.62	3.00	2.79	2.66
Cleveland.....	1,000	13,613	12,577	1,653	10,256	39,099	3.67	2.43	2.05	2.98	2.99	2.53
Richmond.....	9,432	3,549	2,522	2,544	171	16,218	4.49	2.41	2.52	3.00	3.40	2.72
Atlanta.....	9,445	10,376	2,653	2,015	985	25,974	4.02	3.08	2.24	3.00	3.56	3.50
Chicago.....	12,153	12,903	14,437	3,793	6,450	49,736	3.71	2.88	2.68	2.98	3.64	3.14
St. Louis.....	6,552	10,594	4,435	2,252	2,284	26,117	4.53	2.46	2.39	3.00	2.98	2.87
Minneapolis.....	5,735	5,961	4,751	1,754	3,010	21,207	3.73	2.57	2.36	2.99	3.28	2.85
Kansas City.....	3,129	3,751	16,163	2,368	889	26,300	4.93	2.41	2.22	3.05	2.87	2.86
Dallas.....	7,439	2,045	6,292	1,724	189	17,739	4.95	2.49	2.14	3.00	2.65	2.44
San Francisco.....	1,138	21,615	4,406	1,250	4,998	33,467	4.68	2.50	2.20	3.00	3.20	3.00
Total.....	66,687	199,037	73,667	27,531	53,056	419,978	4.64	2.48	2.01	3.00	2.82	2.50

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank in effect Dec. 3, 1916.

	Maturities.							Commodity paper maturing within 90 days.	Paper bought in open market.	Member banks' collateral loans.			
	Discounts.						Trade acceptances.						
	Within 10 days.	Within 15 days.	11 to 30 days, inclusive.	16 to 30 days, inclusive.	31 to 60 days, inclusive.	61 to 90 days, inclusive.	Agricultural and live-stock paper over 90 days.				To 30 days, inclusive.	31 to 60 days, inclusive.	61 to 90 days, inclusive.
Boston.....	3½		4		4	4	5	3½	3½	3½	4		4
New York.....		3		4	4	4	5	3½	3½	3½			3
Philadelphia.....		3½		4	4	4	4½	3½	3½	3½	3½		3½
Cleveland.....		3½		4	4	4½	4½	5	3	3½	4		3½
Richmond.....		4		4	4	4	4½	3½	3½	3½	3½		3½
Atlanta.....		4		4	4	4	5	3½	3½	3½	3	1 3½-5½	
Atlanta (New Orleans branch).....												2 3½-4	3½
Chicago.....		3½		4	4	4½	5	3½	3½	3½			3½
St. Louis.....		3½		4	4	4	4½	3	3	3½	3½		3½
Minneapolis.....		4		4	4	4½	5	3½	3½	3½	3½		4
Kansas City.....		4		4½	4	4½	5	4	4	4	4		4
Dallas.....		4		4	4	4	4½	3½	3½	3½	3	3-5	3½
San Francisco.....	3		3½		4	4½	5½	3	3	3½	(3)		4

¹ Rate for bills of exchange in open-market operations.² Rate for trade acceptances bought in open market without member bank indorsement.³ Rate for commodity paper maturing within 30 days, 3½ per cent; over 30 to 60 days, 4 per cent; over 60 to 90 days, 4½ per cent; over 90 days, 5 per cent.

NOTE.—Rate for bankers' acceptances, 2 to 4 per cent.

INDEX.

	Page.		Page.
Acceptances, distribution of, by sizes, maturities, etc.....	63-65	Federal Trade Commission and Federal Reserve Board, collaboration between.....	21-23
Assessment for expenses of Federal Reserve Board.....	23, 24	Fiduciary powers granted by Board.....	20
Bank of England as foreign agent.....	5	Gold imports and exports.....	71, 72
Bankers' acceptances, growth of use of.....	5, 6	Gold settlement fund.....	25-27
Business conditions throughout the 12 Federal Reserve districts.....	33-56	Governors of Federal Reserve Banks, meeting of...	7
Charts:		Informal rulings of the Board:	
Commercial paper, acceptances, and other investments held.....	57	Purchase of acceptances.....	28
Reserves and net deposits of Federal Reserve Banks.....	57	Group insurance.....	28
Clearing plan, operation of.....	6	Differential as to acceptances.....	28
Commercial failures during November.....	19	Acceptances against bullion.....	29
Commercial paper, distribution of.....	57-62	Purchase of warrants from member banks.....	29
Discount rates in effect.....	74	Compensation of member bank officers.....	30
Directors of Federal Reserve Banks:		Acceptances, security for.....	30
Classes A and B elected.....	7, 8	Law department:	
Class C appointed.....	7	Demand and sight bills.....	31
Dividends declared by Federal Reserve Banks.....	4	Eligibility of warrants.....	32
Earnings on investments of Federal Reserve Banks.....	73	Litigation involving constitutionality of section 11 (k) of act.....	32
Federal Reserve Agents, meeting of.....	4	National bank charters granted.....	20
Federal Reserve Agents' accounts, statement of....	69, 70	National banks, statement showing 100 largest.....	19
Federal Reserve Bank statements.....	67, 68	Resources and liabilities of Federal Reserve Banks.....	67, 68
Federal Reserve Board, assessment for expenses of..	23, 24	Review of the month.....	1-4
Federal Reserve note account of each Federal Reserve Bank.....	69, 70	Trade acceptances, increased use of.....	8-10
		Treman, R. H., extract from address of, on trade acceptances.....	9, 10
		United States bonds, purchase of.....	5
		War loans of foreign countries.....	10-19