

FEDERAL RESERVE BULLETIN

ISSUED BY THE
FEDERAL RESERVE BOARD
AT WASHINGTON

AUGUST, 1916



WASHINGTON
GOVERNMENT PRINTING OFFICE
1916

FEDERAL RESERVE BOARD.

EX OFFICIO MEMBERS.

WILLIAM G. McADOO,
Secretary of the Treasury,
Chairman.

JOHN SKELTON WILLIAMS,
Comptroller of the Currency.

CHARLES S. HAMLIN, *Governor.*
FREDERIC A. DELANO, *Vice Governor.*
PAUL M. WARBURG.
W. P. G. HARDING.
ADOLPH C. MILLER.

H. PARKER WILLIS, *Secretary.*
(On leave of absence.)
SHERMAN ALLEN, *Assistant Secretary and Fiscal*
Agent.

M. C. ELLIOTT, *Counsel.*

SUBSCRIPTION PRICE OF BULLETIN.

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.
Work of the Board.....	371
Hearing of Wisconsin Banks.....	372
Earnings and dividends of Federal Reserve Banks.....	373
Bill limiting use of words "Federal" and "reserve".....	373
Bank checks in France.....	374
Announcement by Federal Reserve Board.....	374
Suggestions for purchase of brokers' paper.....	375
National-bank deposits in the United States.....	376
Commercial failures during month of June.....	377
Comments on clearing system.....	377
New national-bank charters.....	379
Fiduciary powers granted.....	379
Gold settlement fund.....	380
Discount rates in effect.....	383
Earnings and expenses of Federal Reserve Banks.....	384
Circular regarding section 8 of Clayton Act.....	389
Informal rulings of the board.....	393
Law department.....	396
Summary of business conditions.....	398
Business conditions throughout the 12 Federal Reserve districts.....	399
Distribution of discounts.....	418
Acceptances.....	423
Federal Reserve Bank statements.....	426
Gold imports and exports.....	430
Earnings on investments of Federal Reserve Banks.....	434
Interdistrict movement of Federal Reserve notes.....	435

FEDERAL RESERVE BULLETIN

VOL. 2

AUGUST 1, 1916

No. 8

WORK OF THE BOARD.

Activities of the Federal Reserve Board during July have covered a wide field. The check clearing and collection plan, announced on May 1, went into operation on Saturday, July 15. Preliminary rulings in connection with the exemptions under the Kern amendment to the Clayton Act have been completed and forms and instructions placed in the hands of applying officers and directors of banks. Amendments to the Act, recommended by the Board, have been under discussion in the Senate. Discount rates have shown a slightly upward tendency. The gold settlement fund has been unusually active, due to the repayment to the Treasury Department of the \$15,000,000 placed in the Federal Reserve Banks of Richmond, Atlanta, and Dallas in September, 1915, and large withdrawals by the Government of funds deposited with the 12 Federal Reserve Banks acting as fiscal agents of the Government. Deposits in this fund reached, in July, a record total of \$168,500,000.

While it is early in the operation of the clearing plan to give figures showing its actual results, it is conservative to say that it was begun very auspiciously. There has been a pretty general cooperation from banks and bankers, of which the Board desires to make acknowledgment. Through the taking over of the Boston Clearing House by the Federal Reserve Bank of Boston, checks drawn against any bank in this district, whether a member of the system or not, are collectible at par, subject, of course, to a charge to cover the actual cost of collection and interest upon distant items where immediate availability of funds is asked.

All national banks and State bank members of the system may avail themselves of the privi-

lege of using Federal Reserve Banks as clearing houses for the collection of checks. Not only those drawn against other member banks, but also a large proportion of those drawn against nonmember banks, may, through this plan, be collected at a minimum of expense to the depositing bank.

A large number of nonmember State banks have signified their willingness to remit at full face value for checks drawn against them and sent by Federal Reserve Banks for collection. The Board is confident that the United States has now embarked upon a most effective check-collection system, the use and appreciation of which will continue to grow and enlarge until it becomes universal. As that time approaches the cost of the service can be reduced to a very low figure.

A consolidated statement of the 12 Federal Reserve Banks for the first six months of the present year shows that earnings were \$1,824,436 and aggregate current expenses for the same period \$1,019,926. This leaves a surplus available for dividend distribution of \$804,510, or at the rate of 2.9 per cent upon a total paid-in capital for all the banks of \$54,854,000, reported as at close of business June 30, 1916. All of the Federal Reserve Banks except St. Louis earned their current expenses for the first six months of the present year. Five of the banks have already paid dividends.

Four Federal Reserve Banks have slightly increased discount rates during July. Rates for bankers' acceptances have shown a firmer tendency. On trade acceptances, commodity paper running 90 days, and commercial paper running 10 days the rate at Philadelphia is $3\frac{1}{2}$ per cent; on trade acceptances the rate at Boston is $3\frac{1}{2}$ per cent; Chicago has increased its

rate for 60-day commercial paper from 4 per cent to 4½ per cent; and since July 24 the following new rates have been in effect at the Federal Reserve Bank of Kansas City: Commodity paper and trade acceptances, 4 per cent; commercial paper running 10 days, 4½ per cent. On August 1 the rate for trade acceptances at the Federal Reserve Bank of Cleveland will be increased from 3 per cent to 3½ per cent for 60-day paper and from 3½ to 4 per cent for 90-day paper.

After carefully considering the advantages of the Federal Reserve System the Corn Exchange Bank of New York made application to be admitted as a member, and on July 7 favorable action was taken upon the application by the Federal Reserve Board. This bank has a capital of \$3,500,000 and a surplus of \$6,991,165.32. Almost coincident with the application of the Corn Exchange Bank was that of the American Trust and Savings Bank, of Birmingham, Ala., upon which the Board also took favorable action. The capital of the latter bank is \$500,000 and its surplus \$250,000. The Board has had informal discussion with the representatives of several other State banks who are considering the advantages offered by membership in the Federal Reserve System.

Permission has been granted by the Federal Reserve Board to the National City Bank of New York to open a branch at Petrograd, Russia. This permit includes authorization to establish several subbranches or offices in Russia.

Mr. E. T. Meredith, of Des Moines, Iowa, has resigned as a Class C director in the Federal Reserve Bank of Chicago. Mr. Meredith submitted his resignation because of his nomination as the candidate of the Democratic Party for governor of Iowa. This vacancy and that of a Class C director at the Federal Reserve Bank of Philadelphia have received the consideration of the Board, but no elections have resulted.

While there has been interesting consideration of amendments to the Federal Reserve Act

in the Senate, because of the necessity of giving first consideration to the appropriation bills, the time given to Federal Reserve Act amendments has been limited. There is reason to anticipate favorable action upon the amendments at an early date.

All of those applying for instructions and forms to enable them to apply for exemption by the Board under the Kern amendment to the Clayton Act have been furnished with such information. A large number of applications have been received and the work upon them has taken a considerable part of the time of the Board and its counsel. This amendment provides, in substance, that nothing in the Act shall prohibit any officer, director, or employee of any member bank, or Class A director of a Federal Reserve Bank who shall first obtain the consent of the Federal Reserve Board, from being an officer, director, or employee of not more than two other banks, banking associations, or trust companies which are not in substantial competition with such member bank. The circular sent out by the Board and the forms to be used in making application are to be found on another page.

Authority to accept drafts or bills of exchange up to 100 per cent of their capital and surplus under the Federal Reserve Act has been granted by the Board during July to the National Bank of Commerce, Seattle, Wash., and the Webster and Atlas National Bank, Boston, Mass.

Hearing of Wisconsin Banks.

Upon the presentation of new facts to the Board it was voted on July 26 to reopen the petition filed by certain banks in the State of Wisconsin, asking that they be transferred from the Minneapolis to the Chicago Federal Reserve district. An informal hearing of oral arguments will, therefore, be given by the Board in Washington on Tuesday, August 8, at 3 p. m. New briefs are not necessary, but

permission is given to file them if desired. Applications of banks in the northern peninsular of Michigan which desire to intervene in this petition will be considered at the same time.

Federal Reserve Bank Earnings.

All the Federal Reserve Banks are now showing earnings in excess of expenses, as will be seen by the annexed table showing the rates of earnings over expenses in the months of May and June and for the six months ending June 30, 1916. From this statement it will appear that in the month of May two banks earned over 6 per cent on their paid-in capital; three banks earned over 5 per cent, but less than 6 per cent; three banks earned over 4 per cent, but less than 5 per cent; two banks earned over 3 per cent, but less than 4 per cent; two banks earned 2 per cent or less.

For the month of June the showing is as follows: Two banks earned over 6 per cent; two banks earned over 5 per cent; two banks earned over 4 per cent; three banks earned over 3 per cent; two banks earned over 2 per cent; one bank earned less than 2 per cent.

For the six-months period it will be noted that three of the banks earned over 5 per cent while three more earned in excess of half of their dividends.

Federal Reserve Bank of—	Rate of net earnings, per cent on capital.		
	May, 1916.	June, 1916.	Six months ending June 30, 1916.
Boston.....	5.2	5.1	4.1
New York.....	4.2	3.6	2.4
Philadelphia.....	4.5	4.2	2.9
Cleveland.....	3.4	3.8	2.1
Richmond.....	5.7	5.5	5.3
Atlanta.....	4.4	4.0	3.9
Chicago.....	5.2	2.4	3.5
St. Louis.....	.5	1.6	¹ — .7
Minneapolis.....	3.1	3.3	2.0
Kansas City.....	7.3	7.1	5.1
Dallas.....	6.1	6.7	5.3
San Francisco.....	2.0	2.9	.7

¹ Deficit.

The prospects for earnings in the next few months are very good.

Dividends have been declared by Federal Reserve Banks as follows:

Federal Reserve Bank.	Date declared.	Period covered, November, 1914, to—	Rate.	Amount.
Richmond.....	December, 1915	Dec. 31, 1915	<i>Per cent.</i> 5	\$151,939.69
Do.....	April, 1916	.....do.....	1	30,387.65
Atlanta.....	June, 1916	.....do.....	6	129,193.00
Chicago.....	.....do.....	Mar. 31, 1915	6	76,155.83
Dallas.....	January, 1916	June 30, 1915	6	65,522.74
Kansas City.....	July, 1916	.....do.....	6	66,706.95

Use of Words "Federal" and "Reserve."

In addition to the recommended amendments sent to Congress by the Federal Reserve Board, which were printed in the July number of the Federal Reserve Bulletin, there has been sent the following bill introduced by Representative Glass, chairman of the Committee on Banking and Currency of the House of Representatives, intended to limit the use of the words "Federal" and "reserve." The text of the bill follows:

A BILL To limit the use of the words "Federal" and "reserve."

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all banks, other than Federal Reserve Banks created and organized under an act of Congress approved on December twenty-third, nineteen hundred and thirteen, and known as the Federal Reserve Act, and all firms, partnerships, or corporations doing the business of bankers, brokers, or savings institutions, and all insurance, indemnity, and trust companies are prohibited from using the word "Federal" or the word "reserve" as a portion of the name or title of such bank, corporation, firm, or partnership, and any violation of this prohibition committed after the first day of November, nineteen hundred and sixteen, shall subject the party charged therewith to a penalty of \$50 for each day it is permitted or repeated: *Provided, however,* That this prohibition shall not apply to corporations organized prior to December twenty-third, nineteen hundred and thirteen, under titles which include the words "Federal" or "reserve" or to firms or partnerships doing business prior to that date under such titles.*

Announcement by the Federal Reserve Board.

The attention of the Federal Reserve Board has been called to the fact that a circular dated July 22, 1916, and signed by T. R. Dickson, as secretary of a conference of bankers held at St. Louis, contains the following paragraph:

The administrative committee has decided to bring suit seeking to set aside the Federal Reserve Board's order of May 1 on the general grounds herein outlined. The committee understands upon good authority that the proposed suit is regarded by the Federal Reserve Board in an entirely friendly light.

The order referred to is manifestly Circular No. 1, series of 1916, which relates to the collection and clearance of checks.

The Board recognizes the right of any member bank to resort to the courts to test the constitutionality of any provision of the Federal Reserve Act; to procure the court's interpretation of any part of the Act, or to question the legality of any regulation of the Board. Where such a course is necessary to remove any doubt that may exist the counsel for the Board will cooperate as far as possible in expediting a hearing in order that the banks and the Board may have the benefit of a judicial determination of the question involved.

The statement contained in the circular above referred to that the proposed suit is regarded by the Federal Reserve Board in an entirely friendly light might lead to the conclusion that the Board is in doubt as to its power to promulgate the regulation in question and, therefore, welcomes litigation designed to settle the question. The fact that such an impression may be created by the circular is evidenced by inquiries received from some of the banks as to the attitude of the Board. This statement is, therefore, misleading. The regulation in question was adopted after deliberate consideration and is intended to carry out one of the important purposes of the Act, namely, the substitution of one compact clearing system for the many independent collection organizations heretofore in force.

The Board has not been informed of the character or form of procedure it is proposed to adopt in order to set aside the regulation of May 1. If any of the member banks feel aggrieved at this regulation and desire to resort to the courts there is, of course, no disposition on the part of the Board to interpose any objection to any action they may deem it proper to take. It desires, however, to correct any impression that may have been created that the proposed litigation is a "friendly suit" in the sense that this language is ordinarily used, namely, a suit to determine some question about which the parties involved are mutually in doubt.

JULY 28, 1916.

Use of Checks in France.

An interesting communication relating to the more general use of bank checks in France is contained in a report of Commercial Attaché C. W. A. Veditz, printed in the Daily Bulletin of Commerce Reports dated July 10, 1916.

An extract from the report is given below:

The Banque de France is urging a more general use of checks in France, where to-day the checking system so well known in the United States is hardly used at all. Practically all transactions are settled by passing bank notes from hand to hand. This practice has led to the issuance of both small and large denominations of bank notes. For ordinary daily purchases, etc., there are the 5, 10, and 20 franc notes, and for large transactions there are the 1,000-franc notes.

In a pamphlet of explanations just issued by the Banque de France the difficulties of the present French system are well pointed out—the risks of error in counting, the risks of loss and of theft, and particularly the surcharging of the fiduciary circulation of the country by the fact that most everyone carries about in his pockets either a few thousand or a few hundred francs, representing for the whole of the country a sum well up in the billions of francs which is dead capital, unemployed. Then follows a full description of the use of checks as known in America—opening of the account,

issuance of check books, correct form of checks, etc. One feature described in the pamphlet is somewhat different from the American method: In order to protect adequately the drawer of a check that is to be sent through the mails to another city, and therefore subject to special risk of loss, the drawer can trace across the face of the check two parallel lines (barres transversales), by which sign, under the terms of the new law, the check can be made negotiable only at a bank, which bank becomes responsible for any payment to a wrongful holder.

In this connection it is interesting to note that the French Minister of Finance announces that hereafter payment made by the French Government will be largely by check, and that arrangements will be introduced whereby private establishments can make payments to the Government by check.

Purchase of Brokers' Paper.

The subjoined suggestions for the purchase of brokers' paper are drafted by a hard-headed and experienced banker who has submitted them to the Board for its information. These suggestions are not promulgated by the Board as rules, but they are so evidently based upon common sense and experience that they may well be given a wide publicity:

Don't be influenced by the "rate." Of two names of equal quality, of course take the one that nets the better rate, but never subordinate "quality" to "rate."

Favor generally the concerns dealing in staples (such, for instance, as wholesale groceries, wholesale hardware, and wholesale dry goods) in preference to those dealing in specialties or luxuries.

In manufacturing concerns also favor those producing staples as against those producing specialties, the sale of which depends on extensive advertising and solicitation.

Avoid dealers in articles which become unseasonable or go out of style and which would be subject to unusual and severe shrinkage in case of trouble.

Do not buy names which, on account of their small size, are not justified in selling through brokers.

Endeavor to get names whose statements show in excess of 2 for 1 to debt. But take into consideration that in different lines of business this proportion will justifiably vary.

Avoid names whose statement shows a large amount of "bills receivable" (unless the nature of the business is such that settlement is generally made by note), this condition indicating that customers are slow in settling.

Where statements show "bills receivable," ascertain if the name is in the habit of discounting its "bills receivable."

Be careful of the very large concerns in small towns and the small concerns in large cities, as in neither case can you get proper local bank "checking."

Be careful of names whose business admits of speculation.

In taking paper secured by warehouse receipts, see to it that the collateral is stored in public warehouses.

In case statements are very old—10, 11, or 12 months—don't buy (except the very highest class risks) unless the broker will furnish figures showing liabilities in detail at a recent date.

Watch crop conditions and do not buy names located in or whose customers are largely in districts where a crop failure has made collections slow or the business hazardous.

Do not buy more than \$5,000 of any name except the very highest class risks.

Insist on a 10-day option on every bill.

Return paper invariably where anything unfavorable develops in the investigation.

Do not renew notes without any additional investigation.

Make a complete new investigation once a year.

Let each name run off occasionally.

Do not take any paper because of the broker's persistence.

Devote the proper amount of time to the purchase of the note in the first instance and get all the data you want from the broker at the time of purchase. Also get financial statement at that time so as to avoid delays.

Legitimate "receivables" indorsed by a name of good standing should be held in high esteem.

The effect of a mortgage on the plant or real estate should be carefully considered, if one exists.

Periodically look up trade references.

Ascertain if the name gives personal indorsements at its local banks or secures such paper

by receivables or otherwise, in which event insist on the same security.

Be careful in the case of names whose particular line of business is in a depressed condition, and if you buy, be assured that the name is strong enough to weather the depression.

Insist that broker furnish copy of three last annual statements; compare very carefully as to sales, profits, dividends, and net worth.

National Bank Deposits in the United States.

Very interesting figures showing the number and increase of depositors in national banks in the United States have been gathered by the Comptroller of the Currency. The last figures covering the number of depositors in such banks were compiled six years ago. Those now given are made up from 7,538 banks, only 40 banks having failed to make a return.

The number of depositors is 14,288,059, an increase of 6,597,591 over the number six years ago, which was 7,690,468. The increase is 86 per cent. The Southern States show 121 per cent increase, but the largest actual increase by geographical divisions is in the Middle Western States. The Pacific States increased 117 per cent, and the New England States 84 per cent. Pennsylvania has the largest number of national-bank depositors and New York is next. Of course, in preparing the statistics it has been impossible to allow for duplication among depositors in such cases; for example, as when an individual carries more than one deposit account, or when a local national bank redeposits some of the funds deposited with it in a larger bank in some central city. The figures shown can not, therefore, be taken as an absolute count of individual national-bank depositors, but they are at least fairly comparative.

The following statement on the subject was given out by the Comptroller of the Currency:

The figures show an unprecedented increase in the number of national bank depositors throughout the country. The total number on May 1, 1916, was 14,288,059, against 7,690,468 on June 30, 1910, the increase being 6,597,591, or 86 per cent.

The largest actual increase, by geographical divisions, was shown in the Middle Western States, which give an increase of 1,773,370 depositors, although the Southern States lead in the largest percentage of increase. The number of depositors in the Southern States June 30, 1910, was 1,272,746. On May 1, 1916, this had been increased to 2,814,508, the increase being 1,541,762, or 121 per cent. The Pacific States increased 592,689, or 117 per cent. The New England States show an increase of 388,923, or 84 per cent. The Western States increased 668,517, or 82 per cent, and the Eastern States show an increase of 1,629,651 depositors, or 68 per cent.

Pennsylvania leads all the States in the number of national bank depositors, reporting 2,021,878, an increase since 1910 of 762,738, or 60 per cent. New York shows the next largest number, 1,199,471, an increase of 529,616, or 79 per cent. Illinois comes third, with 847,637 national bank depositors, an increase since 1910 of 376,910, or 80 per cent. Ohio ranks fourth in the number of national bank depositors, with 791,760, an increase of 321,076 since 1910, or 68 per cent. Texas comes next, with 658,774 depositors, an increase of 291,161, or 79 per cent. California follows, with 529,290 depositors, an increase of 294,729 since 1910, or 125 per cent.

The State which showed the largest percentage of increase in the number of national bank depositors was Tennessee, the increase in six years being 251 per cent, or from 73,329 depositors in 1910 to 257,508 in 1916. South Carolina ranks next to Tennessee. The national bank depositors in South Carolina increased 217 per cent, or from 39,217 in 1910 to 124,423 in 1916. Oklahoma comes next to South Carolina, with an increase of 188 per cent, national bank depositors in Oklahoma increasing from 108,475 to 312,826 in the period named. In percentage of increase Idaho ranks next with 169 per cent, the increase in the number of depositors being 52,487. The next largest percentage of increase is in Virginia, where the number of national bank depositors increased 155 per cent, or from 149,306 in 1910 to 381,662 in 1916. The following States, in the order named, show the next largest percentages of increase: North Carolina, 152 per cent; Oregon, 151 per cent; West Virginia, 146 per cent; Arkansas, 145 per cent; Alabama, 132 per cent; Florida, 127 per cent; Iowa, 125 per cent. Other States in which the number of national bank depositors more than

doubled in the six years from 1910 to 1916 were: Montana, 123 per cent; Utah, 122 per cent; Connecticut, 114 per cent; South Dakota, 112 per cent; Georgia, 108 per cent; New Hampshire, 108 per cent; North Dakota, 107 per cent; Mississippi, 105 per cent; and Oregon, 105 per cent. The smallest percentage of increase shown in any State was in Delaware, where the increase was 1,393, or 5 per cent, the next smallest being Rhode Island, with an increase of 9,194, or 54 per cent.

Of the 14,288,059 deposit accounts in the national banks of the United States, 305,699, or 2 per cent, are carried in the national banks of the central reserve cities of New York, Chicago, and St. Louis. One million seven hundred and seventy-eight thousand eight hundred and nine, or 12 per cent, are with the national banks in the other reserve cities of the country, while the country banks report 12,203,551 depositors, or over 85 per cent of the total number.

Of the 14,288,059 deposit accounts, 9,494,289, or 66 per cent, are demand deposit accounts; 4,793,770, or 33.6 per cent, are time deposit accounts.

Of the 9,494,289 demand deposit accounts, 1,498,945 draw interest; the remaining 7,995,244 demand depositors collect no interest. Of the 4,793,670 time depositors, all draw interest except 132,652.

In the three central reserve cities, 78.9 per cent of all depositors are demand depositors. In the other reserve cities 66.6 per cent are demand depositors. In the country banks 66 per cent of the total deposit accounts are demand, the balance being on time.

The total number of deposit accounts on June 23, 1915, as reported by all the State banks (exclusive of mutual and stock savings banks) and by all loan and trust companies throughout the United States was 15,814,446. It is therefore seen that the national banks now have nearly as many deposit accounts as all the State banks above mentioned and all the loan and trust companies in the United States combined in June, 1915, the time these figures were last compiled in regard to them.

From the above report it appears that in the State of Pennsylvania there are 100 national bank accounts for every 414 of population; in Vermont, for each 483 of population; in Oregon, for each 450 of population; and in Minnesota and Iowa there are about 100 national bank accounts for each 480 of population.

The New England States have 100 national bank accounts for each 830 of population; the Eastern States average 100 accounts for every 577 of population; the Southern States for each 991 of population; the Pacific States for each 579 of population; the Western States for each 574 of population.

Throughout the entire United States there is an average of 100 national bank accounts for every 704 of population.

The population statistics used in these calculations are the estimated figures of July 1, 1915.

Commercial Failures in June.

Commercial failures in Federal Reserve districts during the month of June, as compiled by R. G. Dun & Co. for the Federal Reserve Bulletin, continue to be less in number and in respect to total liabilities than those for the corresponding month in 1915. Failures for June show a marked decrease in number and total liabilities than for the month of May. The total failures in June, 1916, were 1,227 and the liabilities aggregated \$11,929,341.

The figures, by districts, for June and of the three previous years are given below:

District.	Number of failures.	Liabilities.
No. 1.....	124	\$1,129,407
No. 2.....	199	2,599,669
No. 3.....	55	532,205
No. 4.....	93	704,632
No. 5.....	71	437,730
No. 6.....	119	1,648,358
No. 7.....	131	1,004,002
No. 8.....	68	1,466,823
No. 9.....	28	152,872
No. 10.....	68	448,232
No. 11.....	78	546,699
No. 12.....	193	1,258,712
Total, 1916.....	1,227	11,929,341
1915.....	1,754	18,313,118
1914.....	1,160	57,881,264
1913.....	1,145	20,767,625

Effects of New Clearing System.

Many questions are being asked as to the effects of the new clearing system. It is, of course, much too early to make complete report further than to say that, generally speaking, the clearing operations were started on July 15,

with very little friction, and the number of checks handled is increasing daily.

It will perhaps be interesting to the readers of the Bulletin to note some of the statements that have already been given out by the various Federal Reserve Banks. The following brief statements by officers of the New York, Chicago, and Philadelphia Federal Reserve Banks are therefore embodied.

Statement by Mr. R. H. Treman, deputy governor of the Federal Reserve Bank of New York, under date of July 15, 1916:

The banks have usually made arrangements with each other for these collections, which in many cases have not been entirely satisfactory. The routes chosen have often been roundabout, thus necessitating a waste of time in collecting the items, and some abuses have grown up in connection therewith, so that these arrangements have never produced a simple, comprehensive, and scientific plan, such as is now contemplated by the plan inaugurated by the Federal Reserve Board.

There will be less money tied up in the mails, and each community generally will probably benefit by the retention in the local banks of funds which have hitherto been transferred to the larger cities as a necessary incident to the existing collection arrangements.

Statement by Mr. C. R. McKay, deputy governor Federal Reserve Bank of Chicago, under date of July 18, 1916:

Under the new collection system, which was inaugurated simultaneously by the 12 Federal Reserve Banks on July 15, the Federal Reserve Bank of Chicago received from its members on Saturday, the first day of the operation of the new system, about 7,500 items, 3,500 of which were checks on Chicago banks.

Indications are that member banks in the reserve cities and other collecting centers of this district will use the system actively, most of the items being received from these banks. To-day a large volume is coming in from other Federal Reserve Banks in the adjoining districts, namely, St. Louis, Minneapolis, and Cleveland. There is also an increase in the number of items coming from out-of-town member banks, as many of them did not begin mailing their items until the 15th instant. Most of the items received from country banks are drawn on Chicago. Some of the country

banks, however, have begun sending out-of-town items.

Chicago banks are cooperating with the Federal Reserve Bank by arranging to increase gradually their deposits of checks. It is now apparent that the collection system will be used by all classes of member banks, but principally by those in the reserve cities and collecting centers of the district.

Statement by Mr. C. J. Rhoads, governor Federal Reserve Bank of Philadelphia, under date of July 24, 1916:

The banks themselves have usually made arrangements with each other for these collections, which in many cases have not been entirely satisfactory. The routes chosen have often been roundabout, thus necessitating a waste of time in collecting the items, and some abuses have grown up in connection therewith, so that these arrangements have never produced a simple, comprehensive, and scientific plan, such as is now contemplated by the plan inaugurated by the Federal Reserve Board.

There will be less money tied up in the mails, and each community generally will probably benefit by the retention in the local banks of funds which have hitherto been transferred to the larger cities as a necessary incident to the existing collection arrangements.

This new collection system is only one of many benefits which the operation of the Federal Reserve System will bring to the business interests of the country, and which will inevitably result in better and more scientific banking methods. The country has already benefited through the freedom from currency panics which the Federal Reserve Act has insured, and the greater stability in the supply and cost of credit which the system is bringing about.

In order to bring about this needed reform, the national banks and the State banks, which are cooperating with the Federal Reserve System, are called upon to forego the income from "exchange" charges which they have been receiving for remitting for checks drawn upon themselves. This will result in a general revision of the relations between the banks and that class of depositors whose accounts have been carried at an actual loss to the bank. These depositors will undoubtedly be asked either to keep their balances sufficiently large to compensate the bank for the services rendered, or to pay the bank a reasonable, though nominal, sum for such services, so that the bank will not

be required to perform any service at a loss. Many bank depositors probably fail to realize the items of cost in banking. For instance, every check passing through the average size bank costs from 2 to 3 cents to handle, and this is typical of similar small items of expense which have entailed some loss, the aggregate of which is quite large.

The various changes made necessary in the banks in the development of this banking system, which is producing results so advantageous to the country, have entailed upon the member banks some losses of revenue, and the business community should properly be expected to share the cost of the evolution of the system.

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 June 24, 1916, to July 21, 1916, inclusive:

	Banks.	
New charters issued to.....	10	
With capital of.....		\$650,000
Increase of capital approved for.....	10	
With new capital of.....		1,040,000
Aggregate number of new charters and banks increasing capital.....	18	
With aggregate of new capital authorized.....		1,690,000
Number of banks liquidating (other than those consolidating with other national banks).....	12	
Capital of same banks.....		900,000
Number of banks reducing capital.....	2	
Reduction of capital.....		150,000
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks).....	14	
Aggregate capital reduction.....		1,050,000

The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was.....	\$1,690,000
Against this there was a reduction of capital owing to liquidations (other than for consolidation with other national banks) and reductions of capital of.....	1,050,000
Net increase.....	640,000

Fiduciary Powers.

Applications from the following banks for permission to act under section 11 (k) of the Federal Reserve act have been approved by the Board since the issue of the July Bulletin, as follows:

DISTRICT No. 3.

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

Dubois National Bank, Dubois, Pa.

DISTRICT No. 6.

Trustee, executor, and administrator:

Peoples National Bank, McMinnville, Tenn.

DISTRICT No. 7.

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

Des Moines National Bank, Des Moines, Iowa.

Trustee, executor, and administrator:

First National Bank, Le Mars, Iowa.

DISTRICT No. 8.

Executor and administrator:

Merchants-Laclede National Bank, St. Louis, Mo.

DISTRICT No. 10.

Trustee, executor, and administrator:

First National Bank, Decatur, Nebr.

DISTRICT No. 11.

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

Central National Bank, San Angelo, Tex.

GOLD SETTLEMENT FUND.

Gold held in the Gold Settlement Fund and Federal Reserve Agents' Fund reached a new high point on July 6 when the aggregate of the two funds was \$168,500,000. Heavy withdrawals have since been made by the Federal Reserve Banks in order to make payments to the Treasury on account of withdrawal of Government deposits, the total amount thus handled through the fund between July 10 and July 20 having been \$34,500,000, which included repayment by the Federal Reserve Banks of Richmond, Atlanta, and Dallas of the \$15,000,000 special deposit placed with them in September, 1915.

Amount of clearings and transfers, Federal Reserve Banks, from June 23, 1916, to July 20, 1916, inclusive.

[In thousands of dollars.]

	Total clearings.	Balances.	Transfers.
Settlement of--			
June 29, 1916.....	72,996	6,379	2,527
July 6, 1916.....	76,955	16,207	1,550
July 13, 1916.....	67,203	6,795	3,327
July 20, 1916.....	75,779	5,884	1,660
Total.....	292,933	35,265	9,064
Previously reported.....	1,395,073	149,571	60,052
Total since Jan. 1, 1916.....	1,688,006	184,836	69,116
Total for 1915 (including transfers).....	1,052,649		
Total transfers, 1916.....	69,116		
Total clearings and transfers, May 20, 1915, to July 20, 1916..	2,809,771		

Deposits and withdrawals by Federal Reserve Banks and Federal Reserve Agents, and where made, Jan. 1, 1916, to June 30, 1916.

[In thousands of dollars.]

Treasury, Subtreasury, or Mint, at—	Federal Reserve Bank and Federal Reserve Agent.													
	Boston.		New York.		Philadelphia.		Cleveland.		Richmond.		Atlanta.		Chicago.	
	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.
Boston.....	4,500	2,000												
New York.....			56,000											
Philadelphia.....					2,500	22,500								
Washington.....				2,000	1,400		660	3,080	4,660	6,710	280	3,700		500
Chicago.....													24,800	
New Orleans.....											430			
Total.....	4,500	2,000	56,000	2,000	2,500	23,900	660	3,080	4,660	6,710	710	3,700	24,800	500

Treasury, Subtreasury, or Mint, at—	Federal Reserve Bank and Federal Reserve Agent.													
	St. Louis.		Minneapolis.		Kansas City.		Dallas.		San Francisco.		By all banks.			
	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.
Boston.....													4,500	2,000
New York.....													56,000	
Philadelphia.....													2,500	22,510
Washington.....			2,260		650		8,572.5		4,257.5		1,090		5,600	34,220
Chicago.....													24,800	
St. Louis.....	50				2,730				10				2,780	10
New Orleans.....													430	
San Francisco.....										16,980			16,980	
Total.....	50	2,260		650	2,730	8,572.5		4,277.5		18,070	96,610	75,720		

Summary of deposits and withdrawals to June 30, 1916.

[In thousands of dollars.]

Treasury, Subtreasury, or Mint at—	May 20, 1915, to Dec. 31, 1915. ¹		Jan. 1, 1916, to June 30, 1916.		Total from May 20, 1915, to June 30, 1916.	
	Depos- ited.	With- drawn.	Depos- ited.	With- drawn.	Depos- ited.	With- drawn.
Boston.....	3,230	.....	4,500	2,000	7,730	2,000
New York.....	37,000	.....	56,000	.....	143,000	.....
Philadelphia.....	12,560	7,000.5	2,500	22,510	15,060	29,510.5
Cincinnati.....	1,500	.....	.....	.....	1,500	.....
Washington.....	21,890	1,650	5,600	34,220	27,490	35,870
Chicago.....	13,430	2,000	24,800	.....	38,230	2,000
St. Louis.....	6,700	2,025	2,780	10	9,480	2,035
New Orleans.....	3,510	7,810	430	.....	3,940	7,810
San Francisco.....	10,380	5,000	.....	16,980	10,380	21,980
Denver.....	.....	94.5	.....	.....	.....	94.5
Total.....	160,200	25,580	96,610	75,720	256,810	101,300
Balance in gold settlement fund, June 30, 1916.....	.....	.....	.....	.....	.....	112,630
Balance in Federal reserve agents' fund, June 30, 1916.....	.....	.....	.....	.....	.....	42,580
Total.....	.....	.....	.....	.....	.....	256,810

¹ For detailed statement see Federal Reserve Bulletin, vol. 2, No. 2, p. 61.*Changes in ownership of gold.*

[In thousands of dollars.]

Federal Reserve Bank of—	To June 22, 1916.		From June 23, 1916, to July 20, 1916. ¹				Total change from May 20, 1915, to July 20, 1916. ²	
	Decrease.	Increase.	Balance to credit June 22, 1916, plus net depos- its of gold since that date.	Balance July 20, 1916.	Decrease.	Increase.	Decrease.	Increase.
Boston.....	.....	8,700	7,430	16,052	.....	8,622	.....	17,322
New York.....	135,045	.....	30,955	6,010	24,945	.....	159,990	.....
Philadelphia.....	.....	32,527	3,917	12,275	.....	8,358	.....	40,885
Cleveland.....	.....	10,792	11,152	11,161	.....	9	.....	10,801
Richmond.....	.....	13,083	9,953	11,321	.....	1,368	.....	14,451
Atlanta.....	.....	15,002	392	1,940	.....	1,548	.....	16,550
Chicago.....	22,948	.....	5,562	7,832	.....	2,270	20,678	.....
St. Louis.....	.....	11,034	6,394	5,649	745	.....	.....	10,289
Minneapolis.....	.....	6,228	5,628	4,608	1,020	.....	.....	5,208
Kansas City.....	.....	14,313	7,180.5	11,710.5	.....	4,530	.....	18,843
Dallas.....	.....	14,132	4,004.5	4,540.5	.....	536	.....	14,668
San Francisco.....	.....	32,182	6,752	6,221	531	.....	.....	31,651
Total.....	157,993	157,993	99,320	99,320	27,241	27,241	180,668	180,668

¹ Changes in ownership of gold during period June 23, 1916, to July 20, 1916, equal 9.02 per cent of obligations settled.² Total changes in ownership of gold equal 6.43 per cent of total obligations settled.

Summary of transactions for week ending June 23, 1916, to July 20, 1916.

[In thousands of dollars.]

Federal Reserve Bank of—	Balance last statement, June 22, 1916.	Gold.		Transfers.		Settlement of June 29, 1916.				June 26, 1916, balance in fund after clearing.	Change in ownership of gold.	
		With-drawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.		De-crease.	In-crease.
Boston.....	14,430						7,804	8,151	347	14,777		347
New York.....	2,955		3,000		2,449	4,477	17,237	12,760		3,927	2,028	
Philadelphia.....	13,167		120		60		9,208	11,414	2,206	15,553		2,266
Cleveland.....	11,302			500			1,865	2,406	541	11,343		41
Richmond.....	14,493		450			192	7,817	7,625		14,751	192	
Atlanta.....	5,392				18	21	1,790	1,759		5,389	3	
Chicago.....	4,562		3,500				11,139	12,707	1,568	9,630		1,568
St. Louis.....	6,494			150		1,689	10,869	9,180		4,655	1,839	
Minneapolis.....	5,628						136	137	1	5,629		1
Kansas City.....	8,180.5						4,579	5,724	1,145	9,325.5		1,145
Dallas.....	9,154.5	100		377			317	742	425	9,102.5		48
San Francisco.....	10,152			1,500			245	391	146	8,798	1,354	
Total.....	105,910	100	7,070	2,527	2,527	6,379	72,996	72,996	6,379	112,880	5,416	5,416

Federal Reserve Bank of—	Balance last statement, June 29, 1916.	Gold.		Transfers.		Settlement of July 6, 1916.				July 6, 1916, balance in fund after clearing.	Change in ownership of gold.	
		With-drawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.		De-crease.	In-crease.
Boston.....	14,777	3,000		100	200		6,070	10,860	4,790	16,667		4,890
New York.....	3,927		15,000		1,000	15,166	26,297	11,131		4,761	14,166	
Philadelphia.....	15,553						8,764	12,127	3,363	18,916		3,363
Cleveland.....	11,343	50					1,994	3,156	1,162	12,455		1,162
Richmond.....	14,751		310				6,894	7,499	605	15,666		605
Atlanta.....	5,389						1,678	2,689	1,011	6,400		1,011
Chicago.....	9,630		1,000		350	1,041	12,612	11,571		9,939	691	
St. Louis.....	4,655	100					8,292	9,615	1,323	5,878		1,323
Minneapolis.....	5,629			250			124	522	398	5,777		148
Kansas City.....	9,325.5						3,573	4,834	1,261	10,586.5		1,261
Dallas.....	9,102.5	20					428	1,367	939	10,021.5		939
San Francisco.....	8,798			1,200			229	1,584	1,355	8,953		155
Total.....	112,880	3,170	18,310	1,550	1,550	16,207	76,955	76,955	16,207	126,020	14,857	14,857

Federal Reserve Bank of—	Balance last statement, July 6, 1916.	Gold.		Transfers.		Settlement of July 13, 1916.				July 13, 1916, balance in fund after clearing.	Changes in ownership of gold.	
		With-drawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.		De-crease.	In-crease.
Boston.....	16,667				380		6,295	9,441	3,146	20,193		3,526
New York.....	4,761			2,000	547	4,441	17,154	12,713		1,133	5,894	
Philadelphia.....	18,916	4,500	130		2,000		9,584	9,238		16,200		1,654
Cleveland.....	12,455	50					1,963	1,456		11,898	507	
Richmond.....	15,666		410			678	7,850	7,172		15,398	678	
Atlanta.....	6,400	5,000					1,403	1,507	104	1,504		104
Chicago.....	9,939		1,500		400	823	9,991	9,168		11,016	423	
St. Louis.....	5,878						8,339	8,458	119	5,997		119
Minneapolis.....	5,777			300			54	234	180	5,657	120	
Kansas City.....	10,586.5						4,112	5,064	952	11,538.5		952
Dallas.....	10,021.5	20		647			292	696	404	9,758.5	243	
San Francisco.....	8,953			380			166	2,056	1,890	10,463		1,510
Total.....	126,020	9,570	2,040	3,327	3,327	6,795	67,203	67,203	6,795	118,490	7,865	7,865

¹ Overdrawn.

Summary of transactions for week ending June 23, 1916, to July 20, 1916—Continued.

Federal Reserve Bank of—	Balance last statement, July 13, 1916.	Gold.		Transfers.		Settlement of July 20, 1916.				July 20, 1916, balance in fund after clearing.	Changes in ownership of gold.	
		With-drawn.	Deposited.	Debit.	Credit.	Net debit.	Total debits.	Total credits.	Net credits.		De-crease.	In-crease.
Boston.....	20,193	4,000				141	10,579	10,438		16,052	141	
New York.....	1,133		10,000		960	3,817	19,377	15,560		6,010	2,857	
Philadelphia.....	16,200	5,000					9,711	10,786	1,075	12,275		1,075
Cleveland.....	11,898	50				687	3,457	2,770		11,161	687	
Richmond.....	15,398	6,000	290				7,581	9,164	1,633	11,321		1,633
Atlanta.....	1,504						1,322	1,758	1,436	1,940		436
Chicago.....	11,016	5,000			500		8,951	10,267	1,316	7,832		1,816
St. Louis.....	5,997				200	548	9,118	8,570		5,649	348	
Minneapolis.....	5,657			500		549	583	34		4,608	1,049	
Kansas City.....	11,538.5	1,000					4,400	5,572	1,172	11,710.5		1,172
Dallas.....	9,758.5	5,010		460			590	842	252	4,540.5	208	
San Francisco.....	10,463	3,500	100	700		142	160	18		6,221	842	
Total.....	118,490	29,560	10,390	1,660	1,660	5,884	75,779	75,779	5,884	99,320	6,132	6,132

¹ Overdrawn.

Federal Reserve Agents' Fund—Summary of transactions, June 23, 1916, to July 20, 1916, inclusive.

[In thousands of dollars.]

Federal Reserve Agent at—	June 22, 1916, balance.	Week ending June 29, 1916.		Week ending July 6, 1916.		Week ending July 13, 1916.			Week ending July 20, 1916.	
		With-drawn.	Balance.	With-drawn.	Balance.	With-drawn.	Deposited.	Balance.	With-drawn.	Balance.
Philadelphia.....	3,410	120	3,290	100	3,190	130	500	3,560	200	3,360
Richmond.....	5,000	100	4,900	200	4,700			4,700	150	4,550
Atlanta.....	13,450	450	13,000		13,000			13,000		13,000
Chicago.....	3,310		3,310		3,310			3,310		3,310
St. Louis.....	3,650		3,650	100	3,550			3,550		3,550
Minneapolis.....	1,350		1,350		1,350			1,350		1,350
Kansas City.....	3,700	200	3,500		3,500			3,500		3,500
Dallas.....	630	100	530		530	100		430		430
San Francisco.....	9,350		9,350		9,350			9,350	100	9,250
Total.....	43,850	970	42,880	400	42,480	230	500	42,750	450	42,300

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank in effect Aug. 1, 1916.

	Maturities of 10 days and less.	Maturities of over 10 to 30 days, inclusive.	Maturities of over 30 to 60 days, inclusive.	Maturities of over 60 to 90 days, inclusive.	Agricultural and live-stock paper over 90 days.	Trade acceptances.			Commodity paper.	Paper bought in open market.
						To 30 days, inclusive.	To 60 days, inclusive.	Over 60 to 90 days, inclusive.		
Boston.....	3	3½	4	4	5	3½	3½	3½	1 3½	
New York.....	3	4	4	4	5	3½	3½	3½		
Philadelphia.....	3½	4	4	4	4½	3½	3½	3½	1 3½	
Cleveland.....	3½	4	4½	4½	5	3	3½	4		
Richmond.....		4	4	4	5	3½	3½	3½	1 3½	
Atlanta.....		4	4	4	5	3½	3½	3½	3½	2 3½-5½
Atlanta (New Orleans branch).....						3 3½-4	3 3½-4	3 3½-4		
Chicago.....	3½	4	4½	4½	5					
St. Louis.....	3	4	4	4	5	4 3	4 3	4 3½	3	
Minneapolis.....		4	4	4½	5	3½	3½	3½	3½	
Kansas City.....	4½	4½	4½	4½	5		4	4	4	
Dallas.....		4	4	4	4½	3½	3½	3½	3	3-5
San Francisco.....	3	3½	4	4½	5½	3	3	3½	(3)	

¹ Rate for commodity paper maturing within 90 days.² Rate for bills of exchange in open market operations.³ Rate for trade acceptances bought in open market without member bank indorsement.⁴ A rate of 2 to 4 per cent for bills with or without member bank indorsement has been authorized.⁵ 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.

EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS FOR THE SIX MONTHS ENDING JUNE 30, 1916.

Aggregate earnings of the Federal Reserve Banks for the six months ending June 30, 1916, were \$1,824,436, while total current expenses for the same period were \$1,019,926.20. The latter figure includes, besides the expenses of operation, \$836,519.08, also the cost of Federal Reserve notes issued by the banks, \$26,941.59, the expense of exchanging Federal Reserve notes between banks and of shipping unfit notes to Washington for destruction, \$2,078.13, the cost, including taxes, of Federal Reserve bank notes issued by the banks, \$2,698.24, and the amortization and depreciation charges aggregating \$151,689.16 for the six-month period.

Total earnings for the first six months exceed by \$804,509.80 aggregate current expenses for the period, the excess earnings being at the yearly rate of about 2.9 per cent on an aggregate paid-in capital of \$54,854,000, reported as at close of business on June 30, 1916. On page 373 of this number are given the rates of the excess earnings of each bank for the six months ending June 30, also the rates separately for each of the months of May and June of the present year.

Combined earnings for the second quarter of the present year were 40 per cent in excess of like figures for the first quarter, while excess earnings for the second quarter were more than double those reported for the first quarter of the present year.

Of the total earnings for the six months, 26.3 per cent, compared with 34.2 per cent for the first three months of the present year, was from bills discounted for member banks; 24.7 per cent, as against 19.6 per cent, from United States bonds and notes; 23.4 per cent, as against 20.2 per cent, from bills bought in the open market; and 19.6 per cent, as against 20.5 per cent, from municipal warrants. The remainder, about 6 per cent, represents commissions earned on acceptances and warrants bought for other Federal Reserve Banks,

profits from exchange operations, also from the sale of United States bonds and notes, etc.

The largest relative increase as compared with the earnings for the first quarter of the year is shown in the earnings from United States bonds and notes, while the largest relative decrease is shown in the earnings from discounts. The most recent change in the sources of the banks' earnings may be seen from the percentages of the several classes of earnings for the month of June, which were as follows: 30.5 per cent from bills bought in open market; 29.2 per cent from United States bonds and notes; 20.1 per cent from bills discounted; and 14 per cent from municipal warrants.

These percentages vary by banks and groups of banks. Thus, over 80 per cent of the combined 6-month earnings of the three southern banks came from bills discounted, as against less than 3 per cent in the case of the three eastern banks, and about 25 per cent in the case of the four banks in the Middle and North West. Nearly 60 per cent of the total earnings of the Boston bank and over 45 per cent of the earnings of the New York bank were from bills bought in the open market. On the other hand, the southern banks report only about 4 per cent, and the four western banks about 17 per cent, of their total earnings from this class of transactions.

Next to New York, Cleveland reports the largest earnings from municipal warrants, these earnings constituting over 40 per cent of the bank's total earnings for the six months, as against 37 per cent in the case of the New York bank. The four western and the San Francisco banks derived between 35 and 45 per cent of their total earnings from United States Government securities, while of the combined earnings of the three eastern banks only about 15 per cent proceeded from this source.

Of the total expenses of operation for the six months, over 28 per cent went as compensation to bank officers and over 25 per cent as salaries to the clerical staff of the banks, these percentages remaining fairly constant from

month to month. The total amounts paid during the six months by the banks for the support of the Federal Reserve Board were \$109,973.20, or over 13 per cent of the total expenses of operation of the banks. Rent constituted about 9.3 per cent of total operating expenses, other items of importance, in the order of their volume, being postage, printing and stationery, and directors' fees.

The total current expenses are exclusive of \$47,358.92, expended in the purchase during the present year of additional furniture and

equipment, Chicago and New York reporting the largest figures; and of \$77,063.56 paid for the printing and shipping of Federal Reserve notes. Over 40 per cent of this expenditure is reported by the New York Federal Reserve Bank.

In continuation of similar figures published in previous issues of the Bulletin there are presented below detailed data of earnings and expenses of each Federal Reserve Bank and the system as a whole for the first six months of the present calendar and fiscal year.

Earnings and expenses of each Federal Reserve Bank of the system as a whole for the six months ending June 30, 1916.

EARNINGS.

	Boston.	New York.	Phila- delphia.	Cleveland.	Richmond.	Atlanta (including New Orleans branch).	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Bills discounted—members...	\$4,153.48	\$6,187.38	\$7,800.44	\$7,082.61	\$120,674.42	\$77,125.65	\$52,980.30	\$16,597.37	\$21,594.35	\$51,117.62	\$102,729.45	\$11,155.31	\$479,198.38
Bills bought in open market...	100,650.27	157,346.56	53,990.32	19,487.75	5,169.93	9,436.04	26,305.53	15,127.48	9,423.03	8,381.02	62.50	22,236.27	427,616.70
Investments:													
United States bonds and notes.....	22,727.74	33,336.26	39,487.48	55,662.83	15,393.95	12,871.85	87,573.87	31,325.43	28,268.03	72,834.80	21,246.66	30,530.44	451,259.34
Warrants.....	38,582.62	127,237.11	36,862.12	55,675.38	1,296.69	884.93	40,250.52	11,638.91	17,869.70	8,579.84	189.01	19,363.00	358,429.83
Commissions received.....	3,890.91	19,297.56				1,503.77							24,692.24
Amortization of appreciation on United States bonds.....										16,872.08			16,872.08
Sundry profits.....	2,675.39	1,249.64	14,116.36	177.42	19.71	4,885.82	25,548.10	9,856.11	2,368.56	498.77	1,284.97	3,686.58	66,367.43
Total.....	172,680.41	344,654.51	152,256.72	138,085.99	142,554.70	106,708.06	232,658.32	84,545.30	79,523.67	158,284.13	125,512.59	86,971.60	1,824,436.00

CURRENT EXPENSES.

Expenses of operation:													
Assessment account of expenses of Federal Re- serve Board.....	\$10,316.30	\$22,110.40	\$10,538.80	\$11,876.30	\$6,707.60	\$4,844.00	\$13,408.40	\$5,565.00	\$5,100.10	\$6,075.60	\$5,545.20	\$7,885.50	\$109,973.20
Federal Advisory Coun- cil (fees and traveling expenses).....	206.00	512.50	153.00	294.32	150.00	176.34	452.40	150.00	405.75	221.45	150.00	150.00	3,021.76
Governors' conferences.....	671.01	2,706.19	596.14	774.61	1,107.13	749.20	740.37	1,080.44	978.05	896.14	981.38	1,818.04	13,098.70
Federal Reserve Agents' conferences.....	77.84	215.65	47.69	184.00	69.44			103.11	129.69	132.25	332.40	396.81	1,688.88
Salaries—													
Bank officers.....	16,749.90	39,399.84	19,000.00	19,375.00	15,253.07	15,304.14	25,500.00	23,349.00	12,999.96	12,522.97	16,929.12	19,800.00	236,183.00
Clerical staff.....	9,577.63	45,421.99	16,897.34	13,777.02	13,566.33	16,282.74	25,332.10	16,899.75	10,106.68	17,836.50	13,209.30	11,074.05	209,981.43
Special officers and watchmen.....		3,685.00	2,997.07	205.00	303.33	1,611.00	2,531.00	810.00	692.50	255.00	914.66	60.00	14,064.56
All other.....		1,336.51		43.20	814.65		1,704.27	600.00		728.47	932.33		6,159.43
Directors—													
Fees.....	1,790.00	2,325.00	1,630.00	890.00	1,620.00	1,410.00	1,060.00	2,450.00	1,570.00	1,970.00	880.00	1,040.00	18,635.00
Per diem allowance.....	470.00	690.00	510.00	490.00	860.00	950.00	400.00	560.00	450.00	1,225.00	620.00	220.00	7,445.00
Traveling expenses.....	336.35	840.00	461.74	610.84	1,179.00	1,114.20	510.00	633.90	695.90	1,902.47	853.85		9,138.25
Officers and clerks trav- eling expenses (less amounts included in Governors' and Federal Reserve Agents' con- ferences).....	1,056.53	1—196.33	221.07	343.71	231.86	627.60	453.15	122.80	497.49	315.64	532.14	665.15	4,870.81
Legal fees.....	1,000.00		1,500.00	1,000.04	725.00	300.00	1,271.17		750.00	300.00	1,222.40	1,814.67	9,883.28
Rent.....	6,250.02	20,370.00	4,249.98	3,035.11	2,975.00	6,004.00	13,287.50	7,725.57	2,500.02	4,249.98		6,924.00	77,571.18
Telephone.....	554.41	701.60	539.43	492.84	173.66	164.56	627.42	390.56	271.70	291.43	444.75	229.56	4,881.92
Telegraph.....	35.95	250.35	18.00	108.21	93.81	226.06	150.33	90.06	98.47	191.58	317.35	197.28	1,777.45
Postage.....	857.64	3,881.93	1,657.52	1,608.62	2,010.08	1,892.02	3,026.35	2,572.98	2,023.32	4,663.04	1,328.23	862.83	26,384.56
Expressage.....	11.59	48.93	680.30	8.45	657.38	2.32	299.23	470.67	230.98	713.02	2,451.93	67.26	5,642.06
Insurance and premiums on fidelity bonds.....	709.63	977.84	1,699.47	1,113.46	94.61	675.89	2,157.36	1,103.30	1,048.10	708.60	238.25	1,040.16	11,566.67
Light, heat, and power.....	518.25		663.13		595.61	85.67	888.57			584.50	778.52	152.40	4,266.65
Printing and stationery.....	920.97	6,310.38	1,678.23	1,773.23	1,551.03	1,619.13	2,281.44	1,888.78	1,001.03	2,574.80	1,589.69	1,645.76	24,834.52
Repairs and alterations.....	155.37	28.37	38.10	34.55	15.75	182.30	230.45	162.37	101.45	176.96	50.74	450.94	1,627.35
All other expenses, n.s.....	3,158.47	12,252.82	1,668.40	430.33	1,559.28	2,795.68	4,277.71	1,187.55	911.26	2,410.20	3,259.36	1,126.41	35,037.47
Less amounts transferred to transit department.....			1—760.78			1—453.27							1—1,214.05
Total expenses of oper- ation.....	55,423.86	163,868.97	66,684.63	58,468.84	52,313.67	56,563.58	100,589.22	67,915.84	42,562.45	60,945.60	53,561.60	57,620.82	836,519.08

Cost of Federal Reserve notes issued by bank (including expressage, insurance, etc.)..	\$3,762.80	\$15,520.00	\$920.00	\$765.07	\$900.00	\$39.05	.....	.....	\$646.82	\$666.86	\$1,615.13	\$2,105.86	\$26,941.59
Miscellaneous charges account Federal Reserve notes.	.....	.....	.....	632.45	.....	.....	.....	\$1,171.61	.....	.....	.....	274.07	2,078.13
Cost of Federal Reserve Bank notes issued including taxes	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,698.24	.....	.....	2,698.24
Amortization charges:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Federal Reserve notes.....	.....	9,999.96	.....	1,802.97	.....	.....	.....	2,424.00	4,800.00	2,761.08	.....	1,454.76	23,242.77
All other organization expenses.....	8,650.86	18,083.70	7,879.26	11,690.11	.....	.....	.....	21,262.32	3,600.00	13,242.72	.....	11,271.24	95,680.21
Depreciation on furniture and equipment.....	3,000.00	2,698.02	1,943.63	1,829.10	.....	2,250.11	\$15,000.00	1,645.32	2,400.00	2,000.00	.....	.....	32,766.18
Total current expenses.....	70,837.52	210,170.65	77,427.52	75,188.54	53,213.67	58,852.74	115,589.22	94,419.09	54,009.27	82,314.50	55,176.73	72,726.75	1,019,926.20
Excess of earnings over current expenses.....	101,842.89	134,483.86	74,829.20	62,897.45	80,341.03	47,855.32	117,069.10	² —9,873.79	25,514.40	75,969.63	70,335.86	14,244.85	804,509.80
Per cent of capital paid in June 30, 1916.....	4.1	2.4	2.9	2.1	5.3	3.9	3.5	² — .7	2.0	5.1	5.3	.7	2.9

COST OF FURNITURE AND EQUIPMENT, INCLUDING VAULTS.

Balance as reported on Jan. 1, 1916.....	\$9,595.24	\$26,980.36	\$18,491.31	\$20,187.08	\$9,500.00	\$6,228.92	\$23,000.00	\$20,346.13	\$54,159.64	\$41,828.85	\$33,255.41	\$6,422.59	\$269,995.53
Additional purchases during 6 months ending June 30, 1916.....	3,201.14	11,546.44	2,001.50	157.69	193.30	1,136.60	16,207.73	9,306.77	839.19	961.48	1,807.08	.....	47,358.92
Total.....	12,796.38	38,526.80	20,492.81	20,344.77	9,693.30	7,365.52	39,207.73	29,652.90	54,998.83	42,790.33	35,062.49	6,422.59	317,354.45
Depreciation charged during 6 months ending June 30, 1916.....	3,000.00	2,698.02	1,943.63	1,829.10	.....	2,250.11	15,000.00	1,645.32	2,400.00	2,000.00	.....	.....	32,766.18
Balance July 1, 1916....	9,796.38	35,828.78	18,549.18	18,515.67	9,693.30	5,115.41	24,207.73	28,007.58	52,598.83	40,790.33	35,062.49	6,422.59	284,588.27

COST OF UNISSUED FEDERAL RESERVE NOTES.

Balance as reported on Jan. 1, 1916.....	\$38,633.35	\$232,086.79	\$43,172.04	\$42,757.61	\$17,368.34	\$9,502.36	\$80,380.06	\$22,363.46	\$19,932.85	\$11,252.52	\$9,924.60	\$34,914.91	\$542,288.89
Additional cost of Federal Reserve notes for 6 months ending June 30, 1916.....	580.32	31,178.65	187.60	253.76	3,883.58	5,395.78	12,691.01	.....	240.00	11,137.77	3,898.15	7,616.94	77,063.56
Total.....	39,213.67	263,265.44	43,359.64	43,011.37	21,251.92	14,898.14	73,071.07	22,363.46	20,172.85	22,390.29	13,822.75	42,531.85	619,352.45
Cost of Federal Reserve notes issued and charged to current expenses during 6 months ending June 30, 1916.....	4,262.80	15,520.00	920.00	765.07	900.00	39.05	.....	.....	646.82	666.86	1,615.13	2,105.86	27,441.59
Balance July 1, 1916....	34,950.87	247,745.44	42,439.64	42,246.30	20,351.92	14,859.09	73,071.07	22,363.46	19,526.03	21,723.43	12,207.62	40,425.99	591,910.86

¹ Credit.² Deficit.

Recapitulation showing earnings and current expenses, by months, from January to June, 1916, for each Federal Reserve Bank and the system as a whole.

[In thousands of dollars.]

	Boston.	New York.	Phila- delphia.	Cleveland.	Richmond.	Atlanta (including New Orleans branch).	Chicago.	St. Louis.	Min- neapolis.	Kansas City,	Dallas.	San Francisco.	Total.
Earnings:													
January.....	21	31	15	16	24	24	33	9	12	17	18	8	228
February.....	23	41	14	17	22	15	31	11	11	21	20	10	236
March.....	32	56	21	20	24	16	37	14	12	27	20	13	292
April.....	30	68	38	23	23	16	39	14	13	29	22	16	331
May.....	34	80	32	30	26	19	47	17	15	32	22	19	373
June.....	33	68	32	32	24	17	46	19	17	32	24	21	365
Total.....	173	344	152	138	143	107	233	84	80	158	126	87	1,825
Current expenses:													
January.....	11	37	14	13	9	10	17	15	9	13	10	13	171
February.....	11	31	13	12	9	10	17	16	10	12	10	12	163
March.....	13	35	12	12	8	10	16	16	8	15	8	12	165
April.....	12	33	12	12	9	10	16	16	8	14	10	12	164
May.....	12	40	13	13	10	10	18	16	9	14	8	12	175
June.....	12	34	13	13	9	9	32	15	10	14	9	12	182
Total.....	71	210	77	75	54	59	116	94	54	82	55	73	1,020
Earnings in excess of current expenses:													
January.....	10	¹ - 6	1	3	15	14	16	¹ - 6	3	4	8	¹ - 5	57
February.....	12	10	1	5	13	5	14	¹ - 5	1	9	10	¹ - 2	73
March.....	19	21	9	8	16	6	21	¹ - 2	4	12	12	1	127
April.....	18	35	26	11	14	6	23	¹ - 2	5	15	12	4	167
May.....	22	40	19	17	16	9	29	1	6	18	14	7	198
June.....	21	34	19	19	15	8	14	4	7	18	15	9	183
Total.....	102	134	75	63	89	48	117	¹ - 10	26	76	71	14	805

¹ Deficit.

CIRCULARS AND REGULATIONS.

Special instructions to Federal Reserve Agents in connection with the reports which they will make to the Federal Reserve Board to enable it to act upon applications filed under the Kern amendment to the Clayton Act, were sent out on July 6, 1916. With the issue of these instructions the Federal Reserve Board adopts the policy of issuing as "special instructions" circulars not of general interest to member banks of the system, but intended primarily for the assistance of Federal Reserve Agents and the 12 Federal Reserve Banks. Following the special instructions will be found the blanks to be filled out by those desiring to make application under the Kern amendment. These blanks can be obtained from the Federal Reserve Board.

Section 8 of the Clayton Act does not become effective until October 15, 1916, but in order that those who will be affected by its provisions may have ample time to take such action as may be necessary to comply with the law, the Board is making the forms and instructions available at this time.

SPECIAL INSTRUCTIONS. NO. 1 OF 1916.

WASHINGTON, July 6, 1916.

To All Federal Reserve Agents:

The prohibitions of section 8 of the Clayton Act which relate to interlocking bank directors go into effect on October 15, 1916. These prohibitions relate to banks organized or operating under the laws of the United States, and therefore apply to State banks or trust companies which are members of the Federal Reserve System as well as to national banks. For convenience, therefore, banks "organized or operating under the laws of the United States" will be referred to as "member banks."

ANALYSIS OF SECTION 8 OF THE ACT.

As originally enacted, section 8 of the Clayton Act provides, in substance—

(a) That no person shall be a director, officer, or employee of a member bank having resources aggregating more than \$5,000,000 and at the same time a director, officer, or employee of any other member bank.

(b) That no private banker or person who is a director of a nonmember bank having resources aggregating more than \$5,000,000 shall be eligible to serve at the same time as a director in any member bank.

(c) That no member bank in a city of more than 200,000 inhabitants shall have as a director or other officer or employee any private banker or any director or other officer or employee of any other bank or trust company located in the same place.

EXCEPTIONS.

The provisions of section 8—

(1) Do not apply to mutual savings banks not having a capital stock represented by shares.

(2) Do not prohibit a person from being at the same time (a) a Class A director of a Federal Reserve Bank and also an officer or director, or both an officer and a director, in one member bank; (b) an officer, director, or employee of one member bank and one other bank or trust company, whether a member bank or nonmember bank, where the entire capital stock of one is owned by the stockholders of the other.

THE KERN AMENDMENT.

By an act of Congress approved May 15, 1916, section 8 was amended by the addition of a further proviso reading as follows:

"Nothing in this act shall prohibit any officer, director, or employee of any member bank, or Class A director of a Federal Reserve Bank, who shall first procure the consent of the Federal Reserve Board * * * from being an officer, director, or employee of not more than two other banks * * * if such other bank * * * is not in substantial competition with such member bank."

The duty imposed upon the Federal Reserve Board in passing upon any application made under authority of this amendment is to determine whether or not the two banks in question (or either of them) are in substantial competition with the member bank. If both are nonmember banks the act does not require that they shall not be in substantial competition with each other.

In reaching a conclusion on this point it will be necessary for the Board to call upon the Federal Reserve Agent, as its local representative, to make investigation of the facts in each case, to report the same to the Board and to give the Board the benefit of his recommendation whether the consent applied for shall be granted or refused. It is therefore necessary to call to the attention of the Federal Reserve Agents some of the factors which must be considered in determining the question of whether or not the banks involved are in substantial competition.

PURPOSES OF THE ACT AND THE AMENDMENT.

The significance of the language "substantial competition" can not be fully understood without considering the purpose of the original Act as well as that of the amendment.

As outlined by the Judiciary Committee, in reporting the original bill to the House, the purpose of section 8 of the original Clayton Act was "to prevent as far as possible control of great aggregations of money and capital through the medium of common directors between banks and banking associations, the object being to prevent the concentration of money or its distribution through a system of interlocking directorates."

It will be observed that the Act does not undertake to prevent interlocking directorates of banks located in small cities and having small aggregate resources. It applies in terms to the qualification of directors, officers, and employees of banks (a) in cities of more than 200,000 inhabitants or (b) having resources aggregating more than \$5,000,000.

While the general purpose of the Act, as indicated by its title, was "to supplement existing laws against unlawful restraints and monopolies," and while monopolies are created by a restraint of legitimate competition, a literal interpretation of section 8 as originally enacted would prohibit a person from serving at the same time as a director, officer, or employee of two or more banks, under certain circumstances, whether or not such banks were competitors. The Kern amendment, however, authorizes the Board to permit a director, officer, or employee of a member bank, who otherwise would be ineligible, to serve as a director, officer, or employee of not more than two other banks or trust companies, whether State or national, provided such other banks or trust companies are not in substantial competition with such member bank.

It should be borne in mind that the Act does not vest an arbitrary discretion in the Board to permit the same person to serve on the board of directors of any two or more banks, when such banks come within the restrictive language of the Act as originally passed; but it merely confers authority upon the board to permit interlocking directorates when such banks are not in substantial competition within the meaning of the Act.

SUBSTANTIAL COMPETITION.

It is manifest that no fixed rule can be prescribed by which this question can be automatically determined. The facts in each case must be carefully considered and it is the duty of the Board to withhold its consent in any case in which it would defeat the purposes of the Act to permit the same person to serve as an officer, director, or employee of more than one bank.

If the two banks in question are not competitors in any respect, no question arises. If they do compete, the very difficult question arises whether or not the competition is "substantial."

It is necessary to keep in mind that the main purpose of the Act was to prevent the monopolization and centralization of credit through interlocking directorates of banking institutions. One of the injurious results of such conditions is that the public is deprived of the benefit of legitimate competition.

In general, therefore, two banks coming within the prohibition of the original Act would be deemed to be in substantial competition within the meaning of the language used in the amendment if the business engaged in by such banks under natural and normal conditions conflicts or interferes, or if the cessation of competition between the two would be injurious to customers or would-be customers, or would probably result in appreciably lessening the volume of business or kinds of business of either institution.

It is realized that some difficulty will be experienced in the application of this test.

Two banks engaged in the same character of business (for example, where both receive commercial deposits and make commercial loans) would be regarded as in substantial competition if their fields of activity extended over the same geographical territory. If their operations were not carried on in the same geographical territory, then, although they engaged in the same class of business, they would not necessarily be regarded as substantial competitors.

Again, if they conducted their operations in the same place, but because of their comparatively small size in relation to the total banking opportunities of the locality, and because of the fact that they did not deal with the same class of customers, the cessation of competition between them might, from the public point of view, be unimportant, they would not necessarily be deemed to be in substantial competition. Or if their operations were conducted in the same locality, but the character of business engaged in differs fundamentally (for example, where one does only an essentially commercial banking business, while the other does only an essentially trust-company or fiduciary business), such banks need not be regarded as in substantial competition.

It is therefore necessary to consider the scope or extent of territory that a bank's operations cover and the character and kinds of business it engages in. Size, measured by aggregate resources, will constitute one of the factors to be considered, since to increase the volume of loanable funds usually increases the radius of a bank's operations. A bank with \$100,000,000 resources would seek investments in a larger area and of a more diverse character than a bank with \$5,000,000, and so might come into competition with banks located some distance away, while the bank with \$5,000,000 resources might not extend its activities to any real extent beyond the borders of the city in which it is located. For example, a bank in New York might come into substantial competition with a bank in Chicago if both were engaged in the same class of business and if both had become so large as to be more than local institutions.

Where the operations of the two banks cover a common territory from a geographical standpoint, it is necessary to consider carefully the character of business engaged in. As a very large proportion of the member banks do a commercial banking business, the volume of this business within the territory covered by the operations of the banks

in question becomes an important factor. In a city of 250,000 inhabitants any two banks which engaged in a commercial banking business to any great extent would presumably come into substantial competition, whereas in a city of 2,000,000 inhabitants the operations of one bank might be substantially confined to the wholesale district only, while those of another might be substantially confined to the retail district only, and so might be noncompetitive in the sense that an increase or decrease in the business of one would not affect the business of the other.

RÉSUMÉ.

It is therefore necessary that consideration should be given—

(1) To the size in aggregate resources of banks involved.
(2) To the character of business engaged in, i. e., the extent of commercial business and extent of purely investment or trust company business of the two institutions.

(3) Whether the operations of the two banks cover the same geographical territory.

(4) Whether the two banks actually compete to any appreciable extent in any important activity, for example, (a) in soliciting deposits on demand or on time from other banks or individuals, (b) in the purchase or sale of commercial paper or other securities, (c) in the purchase or sale of foreign exchange, (d) in soliciting trusteeships, etc.

The form of application approved by the Board is intended to furnish an analysis of the character of business of the banks involved as far as it is possible to determine this from the books of the bank. The Federal Reserve Agent should supplement this, however, with any information he may be able to obtain and should base his recommendation upon the facts in each case. If he concludes that there is substantial competition between the banks or that interlocking directorates or common officers or employees of the two banks might result in any injury to the public, or in any substantial restraint of or detriment to the business of either bank, he should recommend that the application be refused. The Board, in reaching a decision, will carefully consider the recommendation of the Federal Reserve Agent and will base its conclusion upon the report and recommendation of the agent together with other information which its own investigation may disclose.

The Kern amendment authorizes the Federal Reserve Board at its discretion “* * * to revoke such consent.” In order that the Federal Reserve Board may revoke its consent at any time it becomes necessary, Federal Reserve Agents should keep it advised of any change either in local business conditions or in the resources or character of business conducted by the banks which may tend to make them substantial competitors.

In view of the great amount of time necessary to an adequate consideration of each case, it is desirable that directors, officers, and employees file their applications as soon as possible. The Board will endeavor to act upon

all applications received before August 15, 1916, on or before September 15, 1916.

Form 94.

APPLICATION FOR PERMISSION OF THE FEDERAL RESERVE BOARD TO SERVE AT THE SAME TIME AS DIRECTOR, OFFICER, OR EMPLOYEE OF A MEMBER BANK AND NOT MORE THAN TWO OTHER BANKS, BANKING ASSOCIATIONS, OR TRUST COMPANIES.

Pursuant to the provisions of section 8 of an act of Congress entitled “An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,” approved October 15, 1914, and amended by an act of Congress approved May 15, 1916, I hereby make application for the consent of the Federal Reserve Board to serve at the same time as of the
(Director, officer, or employee.)

of which is a member of the Federal Reserve System, and as of the
(Director, officer, or employee.)

of a corporation created and organized under the laws of and as
(Director, officer, or employee.)

of the of
a corporation created and organized under the laws of

I hereby represent to the said Board that to the best of my knowledge and belief the banks, banking associations, or trust companies herein named are not in substantial competition with the member bank or banks mentioned above within the terms of the Act as interpreted by the Federal Reserve Board in its letter of July 6, 1916, to all Federal Reserve Agents, as will more fully appear from the statements furnished by the said banking institutions, which are made a part of this application.

.....
(Name of applicant.)

To the FEDERAL RESERVE BOARD,
Washington, D. C.

.....
(Date.)

THE APPLICANT IS REQUESTED TO ANSWER THE QUESTIONS ON THE REVERSE SIDE.

Name of applicant
Residence
Principal business or occupation
Business address
List of firms of which applicant is a member and the corporations of which he is a director, officer, or employee:

Firm or corporation.	Business.	Official position in firm or corporation.
.....
.....
.....
.....

Form 94a.

STATEMENT SUBMITTED AT THE REQUEST OF
(Director, officer, or employee.)

IN CONNECTION WITH THE APPLICATION MADE TO THE FEDERAL RESERVE BOARD FOR PERMISSION TO SERVE AT THE SAME TIME AS DIRECTOR, OFFICER, OR EMPLOYEE OF A MEMBER BANK AND NOT MORE THAN TWO OTHER BANKS, BANKING ASSOCIATIONS, OR TRUST COMPANIES.

Name of banking institution

Location: No. Street City or town

State Population of city or town (census of 1910)

Character of business of the community which the banking institution serves

Character of business of the institution

ASSETS.		LIABILITIES.	
Loans:		Capital stock..... \$.....	
On real estate..... \$.....		Surplus.....	
On other collateral.....		Undivided profits.....	
Unsecured—		Deposits:	
Customers' paper.....		Due to banks and trust	
Purchased paper.....		panies.....	
Acceptances (drafts ac-		Demand (individual).....	
cepted for customers		Savings.....	
per contra).....		Other time.....	
Investments:		Liability on drafts, ac-	
United States bonds..		cepted payable at a fu-	
Other bonds and war-		ture date (per contra)...	
rants.....		All other liabilities.....	
Stocks.....			
Real estate owned.....			
Cash due from banks and			
trust companies.....			
All other assets.....			
Total.....		Total.....	

Describe nature of demand deposits

Describe nature of time deposits

NOTE.—In filling in blanks under assets and liabilities use figures shown in last report filed with the Comptroller of the Currency or with the State bank supervisor.

Describe nature of acceptance liabilities.....
State practice of bank in respect to purchasing commercial paper, e. g., continuous or seasonal.....

What volume of deposits are commercial to the extent of serving as a basis for the extension of lines of credit?

Describe character of collateral loans.....

Describe character of investments

Describe practice of bank in respect to acquiring and disposing of investment securities

Describe nature of foreign exchange business, if any, done by the bank...

Describe kind and extent of fiduciary business done by the bank

I hereby certify that the foregoing is a true statement to the best of my knowledge and belief.

Custodian.

(Date.)

NOTE 1.—The signing officer is requested to attach to the statement a copy of the last report filed with the Comptroller of the Currency, if a National bank, or with the State bank commissioner or supervisor, if a State institution.

NOTE 2.—If sufficient space has not been provided for replies, the signing officer should attach hereto a blank sheet of paper and continue the answers thereon.

This letter was sent out by the Board on July 18:

Where two or more persons desire to make application for the Board's consent, under the Kern amendment to the Clayton Act, to serve on the boards of directors of the same two banks, it will be sufficient if one Form 94a is filed by each bank for the first applicant and reference is made to this form by subsequent applicants desiring to serve on the same two boards, provided, however, if either bank is required to make a report of its condition to the Comptroller of the Currency or to the State authorities after Form 94a has been filed, a new Form 94a should be filed with the first application subsequent to such report. To complete the records of the Board and to facilitate its work it is desired that Form 94a shall be filed by the two banks involved in each case where the question of substantial competition is to be passed upon. Thus if the same persons desire to serve on the boards of Bank A and Bank B and the first applicant has filed Form 94a for Bank A and also one for Bank B, subsequent applicants may refer to these forms until either Bank A or Bank B has been required to make a later report of its condition to the Comptroller of the Currency or to the State authorities.

If Form 94a has been filed by Bank A and Bank B for applicants desiring to serve with these two banks, it will not be sufficient for an applicant desiring to serve on the boards of Bank A and Bank C to refer to Form 94a filed by Bank A in connection with Bank B.

INFORMAL RULINGS OF THE BOARD.

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

Membership of State Banks and Trust Companies.

Your memorandum in reference to Circular No. 14 and Regulation M, series of 1915, which relates to State banks and trust companies as members of the Federal Reserve system, has been submitted to and considered by the Board.

It appears that you are of the opinion that many of the State banks and trust companies are apprehensive that membership in the system may involve an undue restriction of their corporate activities as a result of future regulations of the Board and you feel that some assurance should be given to applying banks that, as members, their status, so far as the exercise of legitimate banking and trust company powers is concerned, should be more definitely determined.

As the extent of the Board's power to adopt any specific regulation involves a question of law which must be determined by the facts in each case, it is, of course, impracticable to outline definitely the scope of all future regulations. In order, however, that the attitude of the Board may be made clear, I am instructed to state to you that the Board understands that it is not its function to undertake to impose on the activities of member banks any restrictions that are not contemplated by the Act, but only to prescribe such regulations as are designed to carry out the purposes of the Act.

There are a great many decisions of our courts dealing with the subject of the scope of authority of administrative bodies to promulgate regulations. The principles established by these decisions will, of course, be adhered to by the Board in adopting its regulations.

While Congress could not delegate its power to make a law, it can, as stated in *Field v. Clark*, 148 U. S., 649, 694, "make a law to delegate a power to determine some fact or state of things upon which the law makes or intends to make its own action depend," or, as expressed in the case of *Locke's Appeal*, 72 Pa. St., 491, 498—

"The legislature can not delegate its power to make law, but it can make a law to delegate a power to determine some fact or state of things upon which the law makes or intends to make its own action depend. To deny this, would be to stop the wheels of government. There are many things upon which wise and useful legislation must depend which can not be known to the lawmaking power and must therefore be a subject of inquiry and determination outside of the halls of legislation."

The Board does not feel that it is one of its functions to undertake to restrict State banks or trust companies in the exercise of true banking or trust-company powers as defined by the laws of the State in which they are created. In passing upon the applications of State banks and trust companies, however, it believes it to be its duty to admit only those institutions which are solvent and sound and whose membership will not constitute an element of weakness in the system. The Board does not consider that it is a prerequisite to the admission of any State bank or trust company that it should possess any certain amount of paper eligible for rediscount with a Federal Reserve Bank. Congress has provided that the privileges and advantages of membership may be extended to State banks and trust companies, thus creating one compact banking system while still preserving the integrity of both the State and national systems. Leaving aside any question of their duty to the country, it is manifestly to the best interest of every strong and sound State bank and trust company to contribute its share to the strength and protective power of the Federal Reserve system by subscribing to the capital stock of its Federal Reserve Bank and by maintaining its required reserve. This is true whether the State bank or trust company has a small proportion of its assets in liquid paper eligible for rediscount or has any paper of such description at all. The fact that it has little eligible paper would not of itself make its membership an element of weakness or danger, and it is obvious that as a member of the system it would be in a position to contract for loans and to obtain cash from other member banks having paper eligible for rediscount and thus indirectly to obtain the desired accommodation. The ability to lend assistance to member banks directly and indirectly will be increased as the strength of the

system and lending power of the Federal Reserve Banks are increased. There is no reason why such assistance should not be given freely to a member State bank while in times of stress the nonmember banks may find the member banks less disposed or able to give them this indirect assistance.

It is, of course, indispensable that any paper offered for rediscount to a Federal Reserve Bank should conform to the provisions of the Act and of the regulations of the Board. It is clear, however, that a Federal Reserve Bank will have to look all the more carefully into the status of a State member bank asking for rediscounts if such State bank or trust company exercises banking functions that are likely to interfere with the liquidity of such State member institution or may lead to overextension.

In other words, the Board might consider that the exercise of extraordinary powers, such as might make an applying State bank or trust company an undesirable member, a sufficient reason to refuse the grant of the application. After such State bank or trust company, however, has become a member bank the Board does not expect to interfere with the exercise of those banking and trust company powers authorized by its charter. If the exercise of such powers should tend to interfere with the liquid and sound condition of a State bank or trust company member, the Federal Reserve Bank would, of course, be justified in taking due precaution in dealing with the applications for rediscount of such State bank or trust company.

JULY 25, 1916.

Notes Payable "On or Before."

Your letter of June 22 raises the question whether a note payable "on or before" a certain date is eligible for rediscount with a Federal Reserve Bank, provided it conforms to the law and regulations of the Board in all other respects.

Section 13 of the Federal Reserve Act provides that "notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 90 days."

A bill therefore, which is payable "on or before" 90 days is eligible within the terms of that section. The fact that the maker would have the option to pay the bill before the maximum maturity would not of itself make such paper undesirable. Apparently the in-

tention of Congress was merely to provide that a Federal Reserve Bank should not, except under certain specified conditions, discount paper with a maturity of more than 90 days.

The negotiable instruments law specifically provides that a bill of the kind described is a negotiable instrument. Section 4 of that act provides that "an instrument is payable at a determinable future time, within the meaning of this act, which is expressed to be payable on or before a fixed or determinable future time specified therein."

The question raised by you has been submitted to counsel for the Board, who is of the opinion that a bill payable "on or before" a certain date is negotiable paper and, if otherwise in conformity with the provisions of law and of the Federal Reserve Act, is eligible for discount by a Federal Reserve Bank.

JUNE 28, 1916.

Clayton Act.

With further reference to your letter of June 28, you are advised that the provisions of the Clayton Act do not prohibit a person from serving at the same time as a director of a mutual savings bank not having a capital stock represented by shares and as a director of a member bank, regardless of whether the two institutions are in substantial competition.

If, therefore, the institution which you have in mind is operated under the mutual system and has no capital stock represented by shares, it would come within the exception which you mentioned in the prohibitions of the Clayton Act.

JULY 1, 1916.

Your letter of June 29, addressed to the Comptroller of the Currency, has been referred to this office for attention.

Inclosed please find copy of the Kern amendment to the Clayton Act, approved May 15, 1916.

You are advised that there is nothing in the Clayton Act or in the Kern amendment thereto which prohibits a person from serving at the same time as a director in two national banks located in a city of less than 200,000 inhabitants, provided neither has deposits, capital, surplus, and undivided profits aggregating more than \$5,000,000.

JULY 6, 1916.

Your letter of July 12 is received, asking whether the Federal Reserve Act, as now amended, permits the service on the board of directors of a national bank after October 15, 1916, of a member of a private banking firm under certain conditions.

Section 22 of the Federal Reserve Act, which relates to the fees to be paid officers, directors, and employees of member banks, and is the only portion of that Act which could have a bearing on this question, has not been amended.

You are advised, however, that section 8 of the Clayton Antitrust Act, approved October 15, 1914, provides in part:

"That from and after two years from the date of the approval of this act * * * no private banker or person who is a director in any bank or trust company, organized and operating under the laws of a State, having deposits, capital, surplus, and undivided profits aggregating more than \$5,000,000, shall be eligible to be a director in any bank or banking association organized or operating under the laws of the United States."

Under this language it would seem that a private banker or a member of a private banking firm would be ineligible after October 15, 1916, to serve at the same time as a director of a member bank.

The Kern amendment to the Clayton Act, approved May 15, 1916, provides in substance that nothing in the act shall prohibit any officer, director, or employee of any member bank, who shall first procure the consent of the Federal Reserve Board, from serving at the same time as an officer, director, or employee of not more than two other banks, banking associations, or trust companies which are not in substantial competition with such member bank. No change is made, however, in the provisions of the original Clayton Act regarding the eligibility of private bankers.

JULY 13, 1916.

Notes for Farm Implements.

Your letter of June 27, relative to borrowing money on your farm in order that you may

buy adequate machinery for use thereon, is received.

In reply, you are informed that under the Federal Reserve Act member banks of the Federal Reserve System, which comprise all national banks and such State banks and trust companies as have joined, may loan funds on farm lands for a limited period, protecting themselves by mortgage. Of course there is nothing in the Act to compel a member bank to make such loans or to fix the rates at which they shall be made. Moreover, the Federal Reserve Banks are not authorized to rediscount for a member bank loans based on farm-land security.

As you have doubtless seen in the public print, the rural credits bill, which was passed at this session of Congress, has been signed by the President and is now a law. This bill will doubtless be of interest to you, and the Senate document office has been requested to forward a copy to you direct.

For your information several circulars issued by the Federal Reserve Board in this connection are inclosed herewith.

JULY 8, 1916.

Cattle Paper.

Comparatively few of the Federal Reserve Banks discount cattle paper in large amounts. While the usual reports made to the Federal Reserve Board show the amount of such paper discounted by the several Federal Reserve Banks, the detailed information requested by you could not be furnished without first making it the subject of special reports.

The Federal Reserve Banks of Dallas and Kansas City have occasion to handle more of this paper than any of the other banks. Approximately 40 per cent of the total paper discounted for the month of June by the Dallas Bank and approximately 60 per cent of the total amount discounted during the same month by the Kansas City Bank consisted of livestock paper.

JULY 12, 1916.

LAW DEPARTMENT.

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

Provisos to Clayton Act Cumulative.

An officer, director, or employee of a member bank, who would otherwise come within the prohibitory language of the Clayton Act, may serve as a director, officer, or employee of one other bank where the entire capital of one is owned by stockholders in the other, and at the same time, under the Kern amendment, may, with the consent of the Federal Reserve Board, serve as an officer, director, or employee of not more than two other banks which are not in substantial competition with the member bank.

JULY 13, 1916.

SIR: There has been submitted to this office for an opinion the question of whether an officer, director, or employee of a member bank may, under the proviso contained in paragraph 2 of section 8 of the Clayton Act, serve as a director, other officer, or employee of not more than one other member bank where the entire capital stock of one is owned by stockholders in the other, and at the same time, under the Kern amendment, serve as an officer, director, or employee of not more than two other banks which are not in substantial competition with the member bank, provided the consent of the Federal Reserve Board is first obtained.

As originally enacted, section 8 of the Clayton Act contained three exceptions to its prohibitory provisions, which exceptions were incorporated in paragraph 2 of the section as provisos and read as follows:

(1) That nothing in this section shall apply to mutual savings banks not having a capital stock represented by shares.

(2) That a director or other officer or employee of such bank, banking association, or trust company may be a director or other officer or employee of not more than one other bank or trust company organized under the laws of the United States or any State where the entire capital stock of one is owned by stockholders in the other.

(3) That nothing contained in this section shall forbid a director of Class A of a Federal Reserve Bank, as defined in the Federal Re-

serve Act, from being an officer, or director, or both an officer and director in one member bank.

The amendment to the Clayton Act, May 15, 1916, known as the Kern amendment, constitutes a further exception and is added as a fourth proviso to the second paragraph of section 8. The amendment reads as follows:

And provided further, That nothing in this act shall prohibit any officer, director, or employee of any member bank or Class A director of a Federal Reserve Bank, who shall first procure the consent of the Federal Reserve Board * * * from being an officer, director, or employee of not more than two other banks * * * if such other bank, * * * is not in substantial competition with such member bank.

According to the usual rules of construction, a proviso takes out of the operation of the body of the enactment that which otherwise would be within it. It restrains the generality of the previous provisions. (*Savings Bank v. United States*, 86 U. S., 227-236.)

In the case of *Deitch v. Staub* (115 Fed. Rep., 309) the court said, on page 314:

The primary and usual office of a proviso is to except something out of a statute which would otherwise be within it. Its use is to take special instances out of a general class. (*Suth St. Const.*, secs. 222, 223; *Gibbons v. Ogden*, 9 Wheat., 191, 6 L. Ed., 23.)

See also *Georgia Banking Co. v. Smith* (128 U. S., 174).

Applying this rule to the three provisos mentioned above and to the Kern amendment which follows them and forms a fourth proviso, it is apparent that each takes out of the operation of the prohibiting clauses of the statute that which otherwise would be forbidden. The substance of the amendment is that nothing in the prohibitory clauses of the Act as it stood at the time the amendment was passed should prevent an officer, director, or employee of a member bank from serving as an officer, director, or employee of not more than two other banks which are not in sub-

stantial competition with the member bank, provided the consent of the Federal Reserve Board is first obtained.

In the opinion of this office, therefore, an officer, director, or employee of a member bank who would otherwise come within the prohibitory language of the Act may serve as a director, officer, or employee of one other bank or trust company where the entire capital stock of one is owned by stockholders in the other, and at the same time, under the Kern amendment, may serve as an officer, director, or employee of not more than two other banks which are not in substantial competition with the member bank, if the consent of the Federal Reserve Board is first obtained.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. CHARLES S. HAMLIN,
Governor Federal Reserve Board.

Member Bank Acceptances.

When a member bank purchases its own acceptance before maturity such acceptance need not be included in the aggregate of acceptances authorized by section 13.

JULY 25, 1916.

SIR: Section 13 of the Federal Reserve Act as amended by an act approved March 3, 1915, provides in part as follows:

Any member bank may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation or exportation of goods having not more than six months' sight to run; but no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid-up and unimpaired capital stock and surplus, except by authority of the Federal Reserve Board, under such general regulations as said board may prescribe, but not to exceed the capital stock and surplus of such bank, and such regulations shall apply to all banks

alike regardless of the amount of capital stock and surplus.

The opinion of this office has been requested on the question of whether or not acceptances of a member bank purchased by it before maturity would continue to be treated as acceptances within the meaning of this provision and subject to the limitations imposed. In other words, if we assume that a member bank has accepted drafts or bills of exchange drawn upon it to an amount equal to its capital and surplus, and before the maturity of such acceptances it purchased and carried in its assets 25 per cent of its own acceptances, would such bank be regarded as having outstanding acceptances equal to 100 per cent or acceptances equal to 75 per cent of its capital and surplus?

In the opinion of this office the purchase of such an acceptance cancels the obligation of the bank, and so long as it is held by the bank it does not constitute a liability which may be regarded as an acceptance. When the member bank executes its acceptance of a draft or bill of exchange it enters into a contract or obligation to pay at maturity the amount specified therein. Whether this payment is made at or before maturity the obligation is discharged. In this view member banks might legally deduct from the amount of acceptances outstanding those purchased and held by such member banks in considering the limit provided by section 13 as amended.

Of course, if a member bank subsequently disposed of its acceptance, either by sale or hypothecation, thus renewing its obligation to pay it at maturity, the acceptance should be included in the amount outstanding.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. CHARLES S. HAMLIN,
Governor Federal Reserve Board

SUMMARY OF BUSINESS IN THE UNITED STATES.

	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....	Good.....	Less than usual mid-year quietness.	Very good in nearly all lines.	Very good.....	Good.....	Good.
Crops:						
Conditions.....	Generally good.....	Under average.	Good, except corn.	Improved over last month, except wheat in part of district.	Fair to good.....	10 per cent damaged.
Outlook.....	Promising.....	Not encouraging.	Satisfactory.	Excellent.....	Favorable.....	Fair.
Industries of the district.	Busy; to a large extent on old contracts.	.....	Busy and optimistic.	Maximum of available labor and raw material supplies.	Fairly active, but damaged by storm.	All operating full time; plenty of orders.
Construction, building.	Ahead of any of the last 15 years.	Increasing.....	Slight increase.	Activity in building reported; permit records show no increase.	Normal.....	Fair.
Foreign trade.....	Better than last month, but not up to the high point previously made.	.....do.....	Record increases in exports and imports.	.....	Horses, mules, grain, cotton, tobacco, foodstuffs, metal, coal.	Limited but fair.
Bank clearings.....	Increase.....	.....do.....	Increasing.	Averaging 33½ per cent increase over last July and 4 per cent increase over June, 1916.	60 per cent increase over last year.	Increasing.
Money rates.....	Increase over last month but below a week or two ago.	Marked increase and firm.	Slight increase recently; firmness.	Commercial paper ½ to 1 per cent higher than last month.	Easy; demand below normal.	Do.
Railroad, post office, and other receipts.	Increased.....	Increasing.....	Increases reported.	Post office receipts same as last month. Railroad receipts based on loads billed 3 per cent increase.	Above normal.....	All increasing, especially post office and express.
Labor conditions...	Fair, but still somewhat unsettled.	Garment workers still on strike.	Decrease in number of strikes; labor scarce, too high.	Strike difficulties fewer. Wages higher. Service inefficient.	Complaint of scarcity and high wages.	Normal.
Outlook.....	For more conservative business and therefore for more lasting prosperity.	Satisfactory....	Encouraging.	Satisfactory almost without exception.	Promising; only complaint wet weather in agricultural districts.	Good.
	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....	Satisfactory.....	Very active for summer.	Good.....	Continues good.....	Conditions good...	Good.
Crops:						
Condition.....	Good.....	Wheat, one-half 1915 harvest; quality good.	Excellent.	Good.....	Fair.....	Damaged in some sections.
Outlook.....	Satisfactory.....	Corn, tobacco, cotton, excellent.	.....do.....	Promising.....	.....do.....	Good.
Industries of the district.	Active.....	Active.....	Active....	With few exceptions working to capacity.	Fairly active.....	Active.
Construction, building.	Fair.....	Slight decrease; allied lines active.	.....do.....	Increased activity.....	Show large increase.	12 per cent increase.
Foreign trade.....	.....	Normal.....	.....	Horses and mules, increase; grain, slow; manufactured products, good.	Quiet, and little doing now.	Hampered by labor troubles.
Bank clearings.....	Increase.....	Increase for six months of year and last month.	Approximately the same.	Increased.....	Show slight increase.	30 per cent increase.
Money rates.....	Increasing.....	Higher discount and commercial paper rates.	No change	Hardening.....	Appreciably higher.	Tendency to increase.
Railroad, post-office, and other receipts.	.....	Railroads increase; post office, slight increase.	.....	Increased.....	Considerable gain.	Increase.
Labor conditions...	Good.....	Satisfactory and labor in demand.	Better....	Improved.....	Labor well employed and contented.	Unsettled.
Outlook.....	.....do.....	Bright.....	Very good.	Promising.....	Recent rains make outlook good.	Favorable.
Remarks.....	A condition of sustained prosperity in practically all lines throughout the seventh district.	Seasonable weather has stimulated retail trade and helped crops.	Demand for money slowly improving.	.....	.....	.....

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 July 23:

DISTRICT NO. 1—BOSTON.

While business in almost all lines continues good, the conservative tendency which was evident last month in many lines of trade still continues. The pressure to place new orders and to stock up heavily with raw material which was so prevalent a month or two ago, has, for the most part, disappeared. Bankers and business men have for a good while been urging caution. The present trend of business is more along the lines which these men have advocated and which tends to more permanent prosperity. Apart from munition and allied trades, general business is apparently receiving fewer foreign orders and domestic demands are more in evidence.

The money market continues firm, although rates are not up to the high level reached in the early part of the month, and the tendency, owing to the increasing ease in the New York market following the influx of gold, is downward. The surplus reserves of the Boston banks during the last month have reached a lower point than at any time since the inauguration of the Federal Reserve system. Call money, 3 to $3\frac{1}{2}$ per cent; commercial paper, 4 to $4\frac{1}{2}$ per cent for six months; year money, 4 to $4\frac{1}{2}$ per cent; town notes, fall maturities, $3\frac{1}{2}$ per cent upward; 90-day bankers' acceptances, $2\frac{3}{8}$ per cent upward.

Loans and discounts of the Boston Clearing House banks on July 15 show an increase of \$4,194,000 over the preceding month, and demand deposits have decreased \$10,610,000 in the same time. The amount due to banks on July 15 was \$129,105,000 as compared with \$135,521,000 on June 17. The excess reserve

of the Boston banks decreased from \$33,769,000 on June 17 to \$16,680,000 on July 15.

Exchanges of the Boston Clearing House for the week ending July 15 were \$233,064,423 as compared with \$171,806,604 for the corresponding week last year, and \$180,740,253 for the week ending June 17, 1916.

Building and engineering operations in New England continue to show a considerable increase over the corresponding period last year. From January 1, 1916, to July 19, 1916, these contracts amounted to \$114,890,000, or about \$18,500,000 more than for the same period a year ago.

Exports for the port of Boston for June, 1916, amounted to \$13,315,376, as compared with \$11,255,012 for May, 1916, and \$9,848,865 for June, 1915. Imports for June, 1916, amounted to \$16,063,583, a decrease of \$3,491,566 from May, 1916, and an increase of \$2,147,830 over June, 1915.

Receipts of the Boston post office for June, 1916, show an increase of \$85,531.37, or about $12\frac{1}{2}$ per cent over June, 1915, and receipts for the first 15 days of July were \$34,250.18, or $8\frac{1}{2}$ per cent, over the same period last year.

Boston & Maine Railroad reports net operating income after taxes for May, 1916, as \$1,488,873, as compared with \$754,968 the corresponding month last year. New York, New Haven & Hartford Railroad reports net operating income after taxes for May, 1916, as \$2,200,583, as compared with \$1,738,273 for May, 1915.

Crop conditions continue favorable, but the prospect for hay, which was very promising, is not so bright, due to the wet weather, which has made harvesting difficult and caused much damage to this crop. The potato crop is somewhat late, but all indications tend toward a good yield. The apple crop promises to be abundant.

Business in the boot and shoe industry is less active. Retailers purchased heavily earlier in

the year and, therefore, are not disposed to add to their stock at the present level of prices. Leather is very high and this has necessitated advances in the price of shoes. It is still a little early for the new season's orders to begin to come in heavily.

The wool business in general is not as good as it was a month or two ago, due to a large extent to the fact that mills bought wool to cover many of their orders at the time of making contracts and still have quite a supply on hand. Taking over all of the wool in England by the British Government and placing an embargo on wool coming from New Zealand and Australia has very materially increased the demand for American wool, and this wool is now selling at a higher price than at any time for over 30 years.

Reports from the cotton-mill centers indicate that with the beginning of another season there has been some revival of buying and the impression given is that buyers are more willing to enter into contracts now than they have been for some time.

DISTRICT NO. 2—NEW YORK.

The outstanding feature during the last month was the sharp advance in money rates. Commercial paper sold on June 1 at 3 to 3½ per cent, but is now 4 to 4½ per cent. Call loans were made on July 10 at 6 per cent, the highest rate at this time of year since 1907. Large shrinkages occurred in prices of certain speculative shares, and stock exchange securities are generally lower. The firm outlook in the commercial paper market caused some borrowers to provide earlier than usual for fall requirements. Higher money here was followed by an advance to 6 per cent in the Bank of England rate, which had remained at 5 per cent since August 8, 1914.

In the last six months of 1915 the New York Clearing House members increased deposits about 800 millions and loans about 700 millions, but between December 31, 1915, and July 16, 1916, these deposits decreased about 160 millions and loans have been reduced

about 70 millions. The actual figures on July 16 were: Loans, etc., \$3,188,833,000; deposits, \$3,307,037,000; and excess reserves, \$95,109,470.

The industrial situation shows little or no change. Some slackening in the domestic demand for steel products, and the seasonal quietness in leather manufacturing is partly offset by increased orders in both lines for export. It is reported that exports of unfinished steel to Europe are nearly double the quantity sent last year. Mills and factories are busy. Labor is still scarce. A banker from outside New York City reports that in his section wages have been advanced as much as the industries can stand, yet there are but few signs of saving and thrift and many evidences of increased expenditure for luxuries.

There is less than usual mid-year dullness in wholesale and retail trade. The hot weather in July stimulated the distribution of summer goods, which had accumulated on account of the inclement weather which prevailed in the spring and early summer.

Farmers in northern New Jersey are well satisfied with the condition of the crops in that section and are harvesting more hay than they have had for years. In New York State, however, the agricultural outlook is not encouraging. Aside from hay it seems probable that all crops will be under the average. Pastures are in good condition, and the dairying industry is prospering.

Statistics of the present compared with those compiled a year ago show large increases in exports, imports, and bank clearings, higher railroad earnings, and postal receipts, more new incorporations, greater activity in building, and fewer failures.

The United States Steel Corporation at the first of July reported unfilled orders decreased 300,000 tons, after showing continuous increases for many months.

Bradstreet's index number shows the third successive decline in commodity prices since April 1, 1916.

Great activity continues in the shipyards. The number of vessels built in the United States for the fiscal year 1915-16 was 1,030 of 347,847 tons, against 1,266 of 215,711 tons in 1914-15.

DISTRICT NO. 3—PHILADELPHIA.

Business continues very good, and the general outlook is encouraging. A conservative tone prevails, and retail business is being sustained by the country's remarkable buying power. This is to-day probably greater than ever before.

Practically all the principal departments of trade and industry continue to report the prevalence of very satisfactory conditions. In some lines there is the usual quieting down customary at this period, but in almost every instance it is not nearly so pronounced as in former years, and its duration is expected to be considerably less.

Many reports refer to scarce and expensive labor, which, together with the high prices of raw materials, have had a tendency to restrict production.

Chemicals and dyestuffs are a trifle quiet, with prices unsettled because of reported imports. Paints are in fair demand; spring trade was good and the outlook is bright. Seashore trade in drugs and sundries is active.

Anthracite coal is quiet and unchanged in price, but the demand for bituminous is greater than the supply, and spot sales are being made at steadily advancing quotations. Petty strikes continue in both the hard and soft coal regions, and some collieries are 30 per cent short of men.

Cotton yarns hold firm, with spinners in a strong position. Prices are still extremely high, as spinners seem to be able to maintain their firm position by reason of apparent scarcity of yarns for early delivery and orders on their books for some time ahead. This high level has no doubt acted as a check to any developments of extreme activity. Tape mills are well sold up, and recent bids requested by the Army for these goods found deliveries offered which were entirely too late for present needs.

The present favorable weather conditions will materially help all crops, which are reported to be in normal condition, with the exception of corn. Hay and rye are reported to be especially good. Fruit of all kinds is plentiful. The continued satisfactory growing weather is pushing along the new tobacco crop. The shortage of old tobacco is creating a serious condition in the Lancaster district, as dealers have very little old goods on hand.

Wholesale distribution of dry goods, woollens, hosiery, underwear, notions, millinery, etc., is in well maintained volume, and reports from the wearing-apparel trades are exceptionally encouraging, liberal orders having been received for fall and winter requirements. Numerous inquiries indicate that more interest is being taken by retailers than is usually shown at this time.

Bradstreet's report shows 50 failures in the district during the month of June, compared with 48 in May, 67 in April, 101 in March, 103 in February, and 96 in January.

Grocers report trade active and collections improved. Sugar has slightly advanced, but the demand is small. Provisions are firm and in fair demand.

The demand for hardware shows no evidence of lessening and it continues to sell with considerable freedom. The demand for electrical supplies, especially in connection with building operations, is very good.

The iron and steel trade is still very active, with an immense foreign business on hand and in sight. The railroads have not been large buyers of late, owing to the high prices now prevailing for various materials. From various sources it is learned that many concerns throughout the district have plans for large amounts of construction work, to be undertaken as soon as the high prices recede. This, taken with the flourishing condition of the shipyards, makes it appear that the iron and steel industry has an exceptionally long and bright future before it. The foreign business is also expected to continue on a large scale, regardless of whether the war ends or not.

Sales of leather are not, on the whole, either large or numerous, but there is no accumulation, and the situation is very strong. The market is alive with inquiries from abroad. White and fancy goat leathers are in inadequate supply. Shoe factories are quite busy, with an abundant demand for labor.

There has been no particular change in lumber, business being rather quiet and the tendency of most grades easy. Building operations are on a satisfactory scale. The following table shows building operations for the months of March, April, May, and June, 1915 and 1916.

	Number of permits.		Estimated cost.	
	1915	1916	1915	1916
Philadelphia.....	3,724	3,366	\$15,581,215	\$20,756,880
Harrisburg.....	193	163	796,100	801,263
Allentown.....	192	212	615,455	1,089,420
Trenton.....	386	373	1,129,479	1,091,397

There has been a strengthened demand for money for commercial use, which, coupled with falling bank reserves, has forced up money rates slightly. The amount of excess reserves of the members of the Philadelphia Clearing House have been reported as follows:

	Amount.	Percent above legal requirement.
July 15, 1916.....	\$22,538,000	4.4
Jan. 15, 1916.....	49,377,000	10.0
July 17, 1915.....	48,885,000	11.2
Jan. 16, 1915.....	24,219,000	6.5

Eastbound and westbound freight traffic over the Pennsylvania Railroad at Lewiston Junction for the first two weeks in July increased 8 per cent over the same period of last year. There was a decrease of 14.3 per cent in eastbound empty cars, and an increase of 9 per cent in westbound empty cars. The movement of coke, eastbound, increased 73.4 per cent, and moving west, miscellaneous tonnage increased 12.5 per cent. Miscellaneous eastbound tonnage increased 5 per cent. In June of this year the Lehigh Valley Railroad

moved 312,264 loaded cars, compared with 283,686 in June, 1915, and no idle cars were reported.

Shipbuilders have all the work that they can do, and business is unusually favorable. The construction of steel merchant ships has shown exceptionally heavy growth in the last 12 months. The Delaware River yards have orders for and are building 79 ships of 330,963 tons. With the yards running at capacity, and many orders on hand, and considering the length of time necessary to complete a vessel, shipbuilding plants will be busy for a long time to come.

The silk situation is very favorable, plants running to the fullest capacity. There is a better demand in broad silks, and the raw-silk market is decidedly firm.

Manufacturers of textiles are reported as being especially busy, and there is every indication that fall and winter business will be extremely active. Some mills have received substantial orders from the United States Army for outing shirts, hosiery, and underwear. The general tendency continues in favor of higher prices.

While many commodities have been subject to fluctuations or have reached the crest of the wave and declined again, wool has not only maintained a very high level of values, but has even made a further advance during the past month. Trading has not been especially active, as many mills have stocks on hand to last for some time. Further advances in prices are even predicted, because of the belief that the strict embargo on all wools from Australia, New Zealand, and the British Isles will materially curtail this country's supplies during the coming season. Carpet wools are going along very quietly with little or no demand. Mills seem to be well employed, but they buy wools only when they need them.

DISTRICT NO. 4—CLEVELAND.

Business in district No. 4 is steady, with conditions practically unchanged from 30 days ago. A conservative tendency noted in sev-

eral lines has strengthened the situation, with no appreciable decrease in volume. Money rates have stiffened one-half per cent over last month and range from 1 per cent to 1½ per cent higher than those quoted at the end of this first quarter of the year. This reflects the general firming of money rates and indicates a better demand for funds which has arisen since the published reports to the Comptroller on June 30.

A comparison of deposits and loans of the member banks in the six large cities of the district is given below:

	Deposits.		
	June 30, 1916.	May 1, 1916.	June 23, 1915.
Cleveland.....	\$120,192,584	\$114,063,431	\$91,865,189
Cincinnati.....	89,798,051	86,161,980	70,701,693
Columbus.....	35,477,510	30,507,380	26,725,910
Pittsburgh.....	282,652,569	269,446,777	194,655,842
Total reserve cities....	528,120,714	500,179,568	383,948,634
Toledo.....	36,898,119	35,598,953	25,794,839
Youngstown.....	16,405,857	16,380,410	11,804,863
Total.....	581,424,690	552,158,931	421,048,336

	Loans, discounts, and unpledged investments.		
	June 30, 1916.	May 1, 1916.	June 23, 1915.
Cleveland.....	\$92,313,981	\$90,171,556	\$70,459,572
Cincinnati.....	75,815,948	73,722,686	63,201,989
Columbus.....	24,326,195	23,558,865	21,473,920
Pittsburgh.....	211,788,880	205,912,884	169,704,192
Total reserve cities....	404,245,004	393,365,991	324,839,673
Toledo.....	32,608,810	30,974,873	23,691,355
Youngstown.....	15,182,791	13,804,871	11,888,218
Total.....	452,036,605	438,145,735	360,419,246

	Increase, June 30, 1916, over May 1, 1916.		Increase, June 30, 1916, over June 23, 1915.	
	Deposits.	Investments.	Deposits.	Investments.
Cleveland.....	\$6,129,153	\$2,142,425	\$28,327,395	\$21,854,409
Cincinnati.....	3,636,071	2,093,262	19,096,358	12,613,959
Columbus.....	4,970,130	767,330	8,751,600	2,852,275
Pittsburgh.....	13,205,792	5,875,996	87,996,727	42,084,688
Total reserve cities....	27,941,146	10,879,013	144,172,080	79,405,331
Toledo.....	1,299,166	1,633,937	11,103,280	8,917,455
Youngstown.....	25,447	1,377,920	5,100,994	3,294,573
Total.....	29,265,759	13,890,870	160,376,354	91,617,359

The clearings of these same cities for the first 15 days in July show an increase of about 4 per cent over the same period in June of this

year. Below is a comparison of the clearing figures for the first 15 days in July, 1916, and for the same period last year.

	July 1-15, 1916.	July 1-15, 1915.	Increase.	Per cent of increase.
Cleveland.....	\$95,475,536	\$62,742,680	\$32,732,856	52.17
Cincinnati.....	76,881,000	61,348,350	15,532,650	25.31
Columbus.....	26,527,300	15,224,800	11,302,500	74.23
Pittsburgh.....	144,260,319	109,819,039	34,441,280	31.36
Toledo.....	21,651,889	15,016,752	6,635,137	44.18
Youngstown.....	7,257,893	4,200,398	3,057,495	72.79
Total.....	372,053,937	268,352,019	103,701,918	38.64

Pay-roll requirements are at maximum, and there is a scarcity of \$20 bills.

The situation in the steel business is regarded as firm. The export demand is such as to suggest maintenance of present high prices for sometime to come. Protection of business already on the books is an additional reason why no one asks or expects a reduction of rates at this time.

Iron-ore shipments are going forward so rapidly that some leading vessel men are predicting a movement of 60,000,000 tons.

Pig iron is dull, and there is some slowing up in demand, but no signs of weakness.

The sheet and tinplate market is irregular. Workers get an advance of 4 to 5 per cent commencing July 1.

Shipments of electrical goods keep up wonderfully with some delay on account of inability to obtain raw materials promptly. This district is receiving its share of the volume in this industry.

Manufacturers of automobiles report a record trade in farming districts.

Demand for bituminous coal continues beyond ability to produce, the only difficulty being scarcity of labor available for mine work and a shortage of cars in some quarters. Prices are good and coal is moving forward freely on the lakes. By a rather close vote bituminous miners in district No. 5, which includes most of western Pennsylvania, decided to accept agreement negotiated last April which runs for two years. Coke market is active at slight recession in prices.

Traction travel in metropolitan districts of the large cities is equaling and making slight gains over high records of 1913. Railroads report loads billed in this district as 34 per cent over July of 1915 and 3.3 per cent over May of this year.

The glass trade is probably in better shape for operation when cool weather starts than it has been in years. Shoe manufacturers report demand for fall goods very strong.

Garment manufacturers state that orders for fall trade are very satisfactory, large gains over 1914 and 1915 and slightly better than 1913 being shown. General demand in the lumber trade has settled down materially in the last 30 days, but this has not affected the activity in the timber business.

The tendency in collections is toward a healthier condition, since concerns appear to be using up reserve stocks of materials which will result in liquidation of amounts tied up in inventories.

Labor difficulties not so noticeable this month, but scarcity still continues.

There is reported activity in building and real estate transactions all over the district, although it is not reflected in the June record of building permits given below:

	Number of permits.		Valuation.		Increase or decrease.	Per cent.
	June, 1915.	June, 1916.	June, 1915.	June, 1916.		
Cleveland.....	1,431	1,296	\$2,378,510	\$2,742,570	\$364,060	15.30
Cincinnati.....	1,479	1,560	940,635	1,082,580	141,945	15.09
Columbus.....	285	289	410,370	557,370	147,000	35.82
Pittsburgh.....	377	368	1,212,472	940,762	271,710	22.36
Toledo.....	273	380	762,845	595,104	167,741	21.98
Youngstown....	115	139	433,080	279,025	154,055	35.57
Total....	3,960	4,032	6,137,912	6,197,411	59,499	.96

¹ Decrease.

Purchase of the Nickel Plate Railroad by Cleveland interests is expected to result in a large amount of new construction.

There has been practically no change in post-office receipts from figures of last month. Following are comparative figures of the six large cities in the district:

	June, 1915.	June, 1916.	Increase.	Per cent of increase.
Cleveland.....	\$286,620.90	\$330,444.32	\$43,823.42	15.28
Cincinnati.....	233,221.59	244,871.61	11,650.02	4.99
Columbus.....	88,004.25	100,505.09	12,500.84	14.20
Pittsburgh.....	287,010.59	360,165.03	73,154.44	25.48
Toledo.....	84,340.30	91,448.02	7,107.72	8.42
Youngstown.....	22,659.23	25,379.89	2,720.66	12.00
Total.....	1,001,856.86	1,152,813.96	150,957.10	15.06

Midsummer business in mercantile lines is normally quiet, but based on averages a new record in volume of business has been made for the first six months of the current year.

The warm weather has materially improved the crop situation. The country looks well. Corn and sugar beets have grown wonderfully in the last three weeks. The hay crop will be a record one in this district. Reports on wheat are far from satisfactory, and in some parts of the district only half a crop is reported. The growing crop of tobacco is of average acreage, but the number of plants standing per acre is well above the average. It is estimated the crop will be 10 per cent above normal and of good quality. Live stock and dairy interests are prosperous.

DISTRICT NO. 5—RICHMOND.

A heavy loss resulted from the storm which passed over much of this district on July 15. Damage was particularly heavy in the Piedmont section of Virginia and in North and South Carolina. Not only were some seventy lives lost but property damage reached millions of dollars. Fifteen millions in property loss has been given as an estimate, but this is regarded as too high. Some small towns were practically swept away and larger ones seriously damaged. Dams, mills, warehouses, dwellings and crops suffered in many cases severely. The main line of the Seaboard Air Line and Southern Railways lost bridges and suffered damage, while all of the western lines had serious difficulties. The western lines of the Norfolk & Western and of the Atlantic Coast Line also suffered considerable damage. Irregular mail service has resulted and demoralization

which makes the preparation of a correct report of trade, agricultural and other conditions for this district difficult.

Summer dullness has taken the edge off of business. This is particularly apparent in new business. The volume of manufacturing and merchandise shows but little diminution. Reports generally are favorable and railroads are busy, earnings in this district indicating a net increase of 15 per cent or more. Earnings for July, however, will probably be seriously affected by the storm damage. Clearings show an increase of about 60 per cent over last year and collections are better than usual at this time of the year.

Excessive rainfall has created spotted and uncertain crop conditions. Unless weather conditions improve, considerable deterioration is anticipated. Results from fertilizers are considered uncertain owing to lack of usual proportion of potash. Crops have been better cultivated than usual and early plantings are standing better than later ones. The returns in trucking sections along the coast for beans, melons, potatoes, etc., have been unusually good and farmers in this territory are more prosperous than for several years. One small community reports that the net return from its shipments of garden truck will probably aggregate \$500,000. Canned-goods business is reported healthy and the outlook exceptionally good. One correspondent calls attention to the fact that he has raised four crops on the same land. First, Irish potatoes with corn planted between the rows; after potatoes have been dug, a second planting of corn has been put in, and after the first corn planting has been gathered, this was replaced by sweet potatoes.

Richmond reports a 20 per cent increase in building and there is some activity reported from North Carolina. General reports indicate that building is being retarded by the high price of materials.

The bituminous coal movement continues heavy and 50 per cent in excess of this period for last year. Some decrease is anticipated. While freight rates have a tendency to soften

which will stimulate demand, the shortage of labor is more acute, making it difficult if not impossible to keep shipments up to the present volume. This is calculated to stiffen prices and to create a rather trying and difficult situation. Coastwise shipments are normal and generally on contract. Foreign shipments are largely to Italy and South America.

Corn acreage is large and crop in fair condition but has suffered on low grounds from too much moisture.

The Government reports indicate a 12 per cent increase in the entire cotton belt, North Carolina and South Carolina both being above this average. Crops on high ground are probably at about the average, but there is too much moisture generally and many sections report the crop backward and in bad condition. It is difficult to estimate these conditions, but unless dry weather prevails considerable deterioration may be expected.

Cotton mills continue to report prosperous conditions. Several mills were damaged by the storm and a number forced to shut down, temporarily, by interruption of power.

Furniture plants are working full time. Sales are chiefly in the East, North, and Northwest. Collections are good, but prices for raw material high and manufacturers are disposed to be conservative about following the high prices too far.

Every concern in the iron and steel business reports prosperous conditions. Bookings for future delivery insure activity for several months ahead. Baltimore is anticipating exceptional advantages from large expenditures running in the millions by the Bethlehem Steel Co. in the development of the plant of the Maryland Steel Co., which it controls.

Labor is well employed. Farm labor is scarce and high.

There is a marked interest in stock raising and good forage crops are reported. One correspondent reports the establishment of a hog packing plant, the purchases of which have supplied enough money to the neighborhood to pay farmers' labor bills for chopping out cotton.

The lumber trade is still complaining of light demand and demoralized prices. Mills report that the good prices lasted only for about 60 days in the spring. Present prices hardly cover prices of production, and some mills have shut down.

Deposits are the highest at this season of the year for several years past. Rates are firmer, but many banks have not been borrowing this year and have abundant funds for the use of their respective communities.

There is a full acreage of tobacco. The crop looks pretty well, but there is complaint of too much rain.

Manufacturing is active and jobbing in good volume, although somewhat quieter than the recent past. Prices are high and profits better than usual owing to the advance in price of goods previously purchased.

Trade good in shoes, leather, and trunks, and results satisfactory. Prices of raw materials are dangerously high and manufacturers disposed to go slow in making purchases.

DISTRICT NO. 6—ATLANTA.

The farming element in the Sixth District is depressed over the conditions following the storms and continuous rains for the past few weeks. Business conditions in general have been considerably disturbed. Most of the damage done has been in the States of Alabama and Georgia, with Alabama probably the greater sufferer. The flood damage throughout the section was confined to the crops and physical properties, with very little loss of life.

The cotton crop has been materially damaged by the excessive rains, giving grass and the boll weevil the advantage at a critical period of the growing season. Rains loosened the ground around the roots, and high winds easily uprooted many thousands of plants. Cotton left standing has big stalk and sappy plant, with little fruit. Practically nothing can be done to offset the injury until the land dries sufficient for cultivation. Alabama estimates are of 20 per cent damage, Georgia 10

per cent. Cotton in Mississippi and parts of Tennessee and Florida is reported in good condition. Conservative estimates agree that the crop has been damaged at least 10 per cent throughout the district.

Thirty days ago indications pointed to the largest and best corn crop in many years, but the damage sustained by the recent storms and overflows has greatly reduced the prospect. Much corn was blown down, and the rivers and creeks damaged all crops in the lowlands. Alabama alone claims to have sustained a loss of \$6,000,000 on its corn crop. Corn in the uplands may somewhat benefit from the rains and offset the loss in the lowlands. Reports from throughout the district generally indicate at least a 10 per cent damage.

Grain reports show little improvement over last month's reports, and indications are that the yield will be considerably decreased. In the Tennessee wheat fields rains have continued to interfere with the thrashing of wheat and caused damage to wheat not thrashed. The damage from rust is serious.

Recent reports on the citrus fruits are more favorable for next season's crop. Considerable damage was done to the peach crop by rains, with curtailment of the melon crop. A total of 40,608 carloads of fruit and vegetables were shipped out of Florida during the season, with good prices.

Tobacco is in strong demand, the only restriction being lack of shipping facilities for export. There is but a small amount of tobacco being held by the farmers, and the sale season in the loose-floor houses is practically closed. The rehandling houses have closed for the season. Growing crops in the sections that have had too much rain are not looking well. Good weather conditions will, however, make a good crop possible.

New Orleans reports some increase in the amount of sugar received. This is perhaps due to the fact that planters are clearing out their sugar houses and making ready for the new crop.

The rice market continues strong with very little rice available. Little change is noted in the coffee market.

Due to bad weather the lumber industry has been largely curtailed in output. The demand is strong with good prices prevailing.

The naval stores business has increased somewhat. While this industry can not be said to be over active there are signs of improvement. Operators and jobbers are more optimistic.

While there is no great demand for coal there has been no material decrease in output up to the past two weeks. Some of the mines were closed down by the recent storms. Coke production and demand continues very active and the supply is far from being as large as could be handled. In east Tennessee zinc mining is very active. Operators are spending a great deal of money in development work and operations. One company at present employing 2,000 men will shortly erect another plant that will employ 6,000 to 8,000 people. These companies are reported to be spending over \$25,000,000 in the construction of eight dams.

The pig iron and steel market show very little change. Prices are firm and manufacturers manifest no uneasiness. The blast furnace of the Woodstock Operating Co., at Anniston, Ala., will be ready for operation about August 1. There is very little accumulation of iron in the yards and indications point to an indefinite period of operations. Bright prospects are reported for the placing of additional steel industries near Bessemer, Ala., by the United States Steel Corporation.

Cast-iron pipe manufacturers are receiving an increased volume of domestic business and export orders are increasing.

There is improvement in live stock and cattle. The Tennessee market is reported active, with advance sales for October delivery of cattle at 8 cents on the farm.

Very little building or construction work of any magnitude is being done in the district. Building operations are still slow, except in a few localities. Building materials continue

high in price, with the possible exception of building brick.

The jobbers and wholesalers are doing very little "fill-in" business, and report light orders from their salesmen on account of storms.

Collections are reported somewhat slow by wholesalers and jobbers, which is not unusual for this season of the year. Retailers, however, say collections are about normal. Although this is usually the duller period of the year, bank clearings continue to show increase.

In the Atlanta investment bond and securities market there has been less offering of bonds during the past few months than for any previous six months, due to scarcity of money for investment purposes. In the New Orleans district there appears to be an improvement in funds available for investments.

The demand for money for strictly commercial purposes is increasing and rates stiffening. Rates seem more likely to go higher than to recede to previous low level.

Post office receipts and express receipts continue to show large increases throughout Georgia and Alabama. The Atlanta post office shows 17,148 postal orders issued in June this year as compared with 9,175 the previous year. Express receipts also show large increases in these and other States in the district.

DISTRICT NO. 7—CHICAGO.

Within the past month there has been a noticeable stiffening of bank rates, ranging from one-half of 1 per cent to 1 per cent, due partly to the increased demand from industrial concerns and the demand from country districts in connection with handling the crops. A definitely optimistic tone is evident in the letters received from bankers throughout this district, who report a generally satisfactory outlook in their respective territories, with a better return on their loanable funds. In most sections a successful season and prosperous fall are anticipated although a few communities will probably suffer from short crops. Labor seems well employed, and it is understood that in Chicago the United Charities are now supporting no families which include an

able-bodied man, an unusual condition. The question of obtaining help for haying and harvesting is coming to the fore and may prove a serious problem as the season advances.

Bond houses report a decline in price in investment securities and a heavy call upon the surplus capital of investors from foreign liquidation and new foreign government loans. The July investment demand is said to have been more or less of a disappointment, and there is prospect of a rather dull market during the summer months.

The crops in this district have benefited materially through the hot weather of the past few weeks, and corn is now reported as in normal condition by almost all correspondents. The hay crop is of good quality and quantity and favorable weather has aided the cutting which is in progress. Illinois reports wheat fair, oats good, and prospects for a normal acreage of corn. Indiana seems to have a considerably decreased acreage of both wheat and oats, owing to heavy rains during the past two months. Corn appears to be in fair supply, and recent hot weather has been beneficial to all crops. Peas have furnished one of the smallest crops on record. Iowa authorities report excellent conditions with favorable prospects. The corn crop promises a normal yield, while oat acreage is reported increased. Wheat will probably be less than the average crop. Potatoes and truck are good, but rains would be welcome. Michigan, while still a little behind, has been gaining during the hot weather, and a fair yield of oats, wheat, and corn is anticipated after giving consideration to the decreased acreage. Fruit is reported in good condition. Wisconsin with favorable weather conditions has been improving; corn is better but not up to normal. Pastures look good, but the pea crop, it is said, will be short.

Agricultural implements.—The high price of steel and steel products has brought about some decrease in sales in this line, and it is interesting to note that one manufacturer reports a growing demand for repair parts and extras to fit up old machines. Tractors are

said to be in good demand and concerns making steel wheels claim equal or greater sales than during an ordinary year. A fair volume is generally anticipated.

Automobiles.—Difficulty in securing deliveries of raw material is said to hamper this industry, which still reports heavy demands for cars. The prosperity of the manufacturers seems continuing, and with money-producing crops through the district business should remain good at least for the next few months.

Building operations are being somewhat curtailed, due to the high cost of material and difficulty in securing labor. Brick is reported in considerably better demand than last year, with the June increase larger than the probable showing for July. Cement shows only fairly satisfactory results, the volume of sales has not changed appreciably, and there is reported a producing capacity for cement in the United States of some 25 per cent in excess of the largest demand the country has ever seen. This condition should suggest caution in promoting new production. Present indications are that total consumption of cement this calendar year will be slightly less than last year.

Coal.—Current movement is comparatively light, as the stocks in consumers' hands are not yet exhausted. Labor shortage at consuming centers is also looked on as one of the contributing causes. The shippers' controversy with the railroads is reported as adjusted on a mutually satisfactory basis with the exception of one carrier. The possibility of a car shortage in the fall is being watched by operators, as during the early fall months an improved demand for coal is anticipated. Collections are reported fair; better in the country than in the city.

Distilling and brewing.—The demand for alcohol for munitions is said to be slackening materially, but there are rumors of more orders, and the general whisky business is on the upgrade. The question of prohibition is still causing uneasiness. Breweries are said to be enjoying better business than last year, and

some establishments are pushing the sale of temperance beverages to which they can adapt their machinery.

Dry goods.—Sales are reported as generally better than last year, but this is more or less the quiet season and the crop situation is carefully watched as a guide to the fall volume. The high price of merchandise is causing some hesitation on the part of retailers who feel that a conservative purchasing policy at this time will pay. Most authorities are of the opinion that the fall trade in this district will prove substantial.

Furniture.—Manufacturers are having trouble securing certain commodities, and the higher cost of raw material has brought about a higher selling price. Sales, while reported not up to the anticipated amount, are said to be satisfactory and there apparently is some tendency to care for future wants on a consumption basis. Collections are good.

Grain markets.—There has been an excellent export inquiry for wheat, corn, and oats during the past month, and threatened damage to wheat in the Northwest has strengthened this grain. Farmers are said to be marketing some of their grain holdings on the present strong market. Authorities look forward to a good movement of new oats and new winter wheat. The quality of the new wheat is reported excellent, and there is a considerable demand for it from milling establishments.

Groceries.—Sales in this line have fallen off during the past month, and buyers are holding back on their sugar purchases owing to the high price of this commodity. In other groceries the demand is satisfactory, and the prosperous outlook in farming sections leads authorities to believe in good fall activity.

Hardware.—The market is still strong with merchandise rising in price. This is generally a slow period of the year, but compared with the same time last year an improvement is reported. Some of the commodities are showing signs of easing off in price, and when the farmers come into the market in the next few months a substantial demand is anticipated.

Leather.—Reports indicate a large volume, high prices, and a strong demand from shoe manufacturers, harness makers, etc. Hides, tanning materials, and dyestuffs are at high values, with no immediate prospect of decline. A large fall business is in prospect and collections are generally good. Leather belting is meeting with a satisfactory demand, but buyers, on account of the high cost, are somewhat inclined to investigate substitutes. Up to date this has had no marked effect, but manufacturers are carefully watching the tendency.

Live stock.—High prices prevail for cattle, hogs, and sheep compared to previous years with no material reduction in sight. The supply of cattle is none too large, immature stock has come to market, and farm activity is to some degree holding back other shipments. Among by-products, tallow and grease show some recession, fertilizer furnished a good volume during the spring season, as did glue. Wool and hides are reported in strong demand.

Lumber.—This is the slow season of the year with lumber companies and there is a tendency among retailers to mark time and watch developments. Such indications of strengthening in this market as exist do not appear to be likely to affect matters much in the near future, but there is hope that by fall some benefits may accrue to this industry.

Mail order.—Increased volume in this district is reported with a strong demand for house furnishings of good quality.

Pianos.—Compared to last year an improvement is noted and the manufacturers report an increased demand for pianos, with collections good. Raw materials are in some cases receding. The manufacture and sale of harps has greatly increased in this country owing to the decreased supply from abroad.

Steel.—Activity is continuing, the outlook is good, and the demand strong. Collections are reported satisfactory. Seasonal dullness in agricultural communities is taken up in other quarters, but there seems a slight tendency

toward softer prices and conservatism in purchasing at the going rate is evident.

Watches and jewelry.—A good quantity of watches is demanded by the trade and general jewelry is meeting with sales considerably in advance of a year ago. Manufacturers have settled their labor troubles and gold and platinum workers are said to be engaged full time. An active autumn trade is in store according to authorities in this line.

Wool and woollens.—There is still a dull market in wool, with prices held firm. Mills are reported as running on supplies purchased the early part of the year, but a better market is anticipated. Dyestuffs are somewhat easier. Woolen clothing is in strong demand and distribution is satisfactory. There are some indications that local dealers who overbought to cover their requirements are revising their orders.

Clearings in Chicago for the first 21 days of July were \$1,152,000,000, being \$249,000,000 more than the corresponding 21 days of July, 1915; and \$1,000,000 more than in the first 21 days of last month. Clearings reported by 22 cities in the district outside of Chicago amounted to \$229,000,000 for the first 15 days of July, 1916, as compared with \$183,000,000 for the first 15 days of July, 1915. Deposits in the eight Central Reserve City member banks in Chicago were \$614,000,000 at the close of business July 20, 1916, and loans were \$428,000,000. Deposits show a decrease of approximately \$15,000,000 during the past month and loans a decrease of approximately \$16,000,000.

DISTRICT NO. 8—ST. LOUIS.

Business interests throughout this district report an active trade equal to if not exceeding that of the past few months. With but few exceptions merchants and manufacturers report increases in shipments, excellent collections, and heavy orders for future delivery. The outlook seems to be entirely favorable although there is a noticeable undercurrent of conservatism.

Reports have been received from jobbing interests in all of the larger cities of the district giving figures on their business for April, May,

and June, 1916, compared to the average of the same three months of 1915, 1914, and 1913. In almost every case an increase is noted in shipments, a corresponding increase in collections and a decrease in past due accounts. The amount of unfilled orders on hand June 30, 1916, seems to be unusually large and in several instances merchants have reported a record business. One wholesale dry goods house reports increases in shipments ranging from 115 to 144 per cent in the States wholly or in part within this district. Another house reports, "We anticipate the biggest business we have ever had." One of the largest shoe houses in St. Louis reports shipments for April, May, and June this year as 72 per cent larger than the average for the same three months of 1913, 1914, and 1915. A hardware company in Fort Smith, Ark., reports an increase of 31 per cent in their shipments and their comment on general business and agricultural conditions is "Fine, much above 10-year average." A report from Memphis on general conditions reads: "Very favorable and improving." Reports from jobbing interests in Louisville are practically the same.

During the past month, the Government has come into this market for Army supplies, and this has been a somewhat noticeable factor in the activity noted. Contracts for this account include shoes, drawers, undershirts, ponchos, soap, leggings, blankets, bed sacks, tents, medicines, hardware, and other articles.

There has been more seasonable weather since the latter part of June, and this has stimulated retail trade. Reports from department stores indicate a satisfactory business and with the increased buying power of the people, the outlook continues favorable.

The condition of the building trades does not seem to be as active as that of other lines. Many of the allied lines report increases in their business, but the total building permits in Louisville and St. Louis for June, 1916, shows a slight loss as compared to June, 1915.

Receipt of the St. Louis post office show a slight gain for June, 1916, as compared to June,

1915. The gain was not as large as the increases noted for the earlier months of the year.

The gross earnings for June of some of the railroads operating within this district are now available and all of the five systems reporting show substantial gains. Further indications of the general activity is found in the number of surplus cars on hand July 1 as compared to June 1, which shows a decrease of about 3,000 cars.

There has been little or no change in the labor conditions in this district, and the situation is believed to be satisfactory.

The total of commercial failures for the six months ending June 30, 1916, for the States located either in whole or in part within this district show a decided reduction both in number of failures and in total of liabilities as compared to the same period of 1915.

Receipts of cattle, hogs, and sheep at the National Stock Yards, Ill., for June show substantial increases as compared to June, 1915, while there is a decrease in the receipts and shipments of horses and mules for the same period. Reports indicate that the Government is in the market for 30,000 to 40,000 head of horses and mules suitable for Army use, and it seems probable that this may stimulate the market.

Climatic conditions from the latter part of June to the present writing were in the main favorable for agricultural development. Prior to that time cool, rainy weather had somewhat hindered both the planting and cultivating of the principal crops, and therefore the arrival of hot, seasonable weather was welcomed. Under this stimulus crops have developed rapidly, although at this writing a few complaints of drought are noted.

There are given below figures on the wheat crop taken from the Government report of condition as of July 1, 1916. From these figures it appears that there was a slight improvement in condition on July 1 as compared to June 1, but the forecast for the 1916 yield is only about one-half of the final estimate for 1915.

The wheat crop has now been harvested in all parts of this district, but the final figures are, of course, not available. Reports from private sources indicate that the quality of the crop is much superior to last year.

WHEAT.

000's omitted.

	Condition July 1, 1916.	10-year average.	Forecast, 1916, from July 1 condition.	Total estimate, 1915.	Change in condition from June 1, 1916.
Illinois.....	54	81	16,539	53,200	+1
Indiana.....	62	81	19,090	47,300	+2
Kentucky.....	71	85	9,498	9,900	-1
Missouri.....	58	81	18,935	34,108	0
Tennessee.....	75	87	8,771	9,030	-5
Total.....			72,833	153,538	

The prospect for the oats crop continues favorable. The table below is taken from the Government report of condition as of July 1 and indicates a yield somewhat smaller than 1915 but well above the 10-year average. Reports from Illinois are especially favorable.

OATS.

000's omitted.

	Condition July 1, 1916.	10-year average.	Change in condition from June 1.	Forecast from July 1 condition.	Final estimate, 1915.
Illinois.....	91	79	-1	172,993	195,435
Indiana.....	86	78	-1	61,989	65,520
Missouri.....	89	74	-1	39,331	31,850
				274,313	292,805

We also give a report on the condition of corn as of July 1 taken from the Government report of that date for the States wholly or in part within this district. The percentage of condition on July 1, 1916, in the principal corn producing States in this district—that is, Illinois, Indiana, and Missouri—is a trifle smaller than the 10-year average, and the forecast for the yield is also smaller than the final estimate for 1915. This report, however, is of July 1, and since that time it is believed that the crop has developed rapidly.

CORN.					
000's omitted.					
	Per cent of 1916 acreage to 1915.	Condition July 1, 1916.	10-year average.	Forecast from July 1 condition.	Final estimate, 1915.
Arkansas.....	98	93	83	61,520	62,100
Illinois.....	102	80	85	358,109	376,164
Indiana.....	104	80	85	186,046	190,950
Kentucky.....	98	89	86	107,717	114,000
Mississippi.....	96	87	84	68,591	69,350
Missouri.....	101	81	82	203,298	209,450
Tennessee.....	96	88	86	87,226	94,500
				1,072,507	1,116,514

Practially all reports from correspondents have been favorable. The only adverse comment being a need of rain, which has been noted the past few days. Reports indicate that the crop has been well cultivated.

Figures for cotton taken from the Government report as of June 25, 1916, confirm previous estimates of an increase in acreage and the percentage of condition is favorable in all of the States, except Missouri, where it is 10 points below the 10-year average. A report from a large cotton factor reads as follows: "Conditions on the whole remain exceptionally good. The weather has been hot and practically all our agents report that the crop is looking fine. The plant appears to be unusually well fruited."

COTTON.					
	Per cent of 1916 acreage to 1915.	Condition.			Changes in condition from May 25.
		June 25, 1916.	June 25, 1915.	10-year average.	
Arkansas.....	115	89	85	81	+ 2
Mississippi.....	116	85	84	79	+ 2
Missouri.....	130	74	86	84	-13
Tennessee.....	115	84	87	82	- 2

Reports from the rice-producing counties of Arkansas indicate that the crop has advanced in a satisfactory manner to date and an early harvest is anticipated. Warm dry weather in Tennessee and Kentucky has aided the development of tobacco, and indications are that with favorable conditions the crop this year will be exceptionally heavy.

In St. Louis truck-farm products, vegetables, home-grown fruits, etc., have advanced in price

in the past 10 days. This advance is attributed to the extreme heat and insufficient rain for truck farming. These conditions have also contributed to the recent increases in price of poultry and eggs.

There is a free movement in carload lots of cantaloupes, watermelons, tomatoes, peaches, etc., from the more southern parts of the district, but prices are reported as somewhat higher than the average. The potato crop is coming into the market freely.

The harvest of hay, clover, and other fodder crops has been abundant, the yield per acre being exceptionally heavy.

From present indications surplus funds of banks, especially in St. Louis, are not as large as they were 30 days ago, and discount rates have advanced from one-half to 1 per cent in the principal cities of the district.

The commercial paper rates show a similar increase, best names being quoted at 4 to 4½ per cent and other names 4½ to 5 per cent. Commercial paper brokers report an increased demand from country banks for paper at 4½ per cent, but the market in the larger cities is dull and inactive. The percentage of gain in clearings for the six months' period January 1 to June 30, 1916, compared to the same period 1915, for the principal cities in this district are as follows:

St. Louis 22.8, Louisville 41, Memphis 12.2, Little Rock 17.2, Evansville 46.2.

The percentage of gains in clearings for the week ending July 8, 1916, compared to the same week in 1915 for the same centers are as follows:

St. Louis 34.6, Louisville 25.3, Memphis 45.1, Little Rock 14, Evansville 26.1.

In considering the figures for the week ending July 8, it may be noted that they show gains in St. Louis, Louisville, and Evansville, as compared to the same week of 1914 and 1915.

In June, 1916, this bank cleared 221,060 items for a total of \$117,516,061.24. The number of items and total amount of clearings has increased from month to month, and the June clearings are a new high record.

DISTRICT NO. 9—MINNEAPOLIS.

Very warm weather during the first part of the month, with somewhat more moderate temperatures and wind enough to keep the grain stirring during the latter portion of the month, have greatly advanced the crops in this district. There is a notable improvement in the prospects for a corn crop. Until the latter part of June corn was very backward and was making slow progress. Hot July weather and warm nights have advanced it to a point where the present condition is not far behind that of an average year. Small grains are in the finest possible condition and are making rapid progress. The rye harvest has begun, as has the cutting of barley.

Commercial conditions continue to be favorable, with the usual midsummer characteristics. In industrial lines a good volume of output is still maintained. The labor situation is somewhat improved.

Weather conditions favorable to spread of black rust, causing rapidly increasing damage of wheat crop, especially in South Dakota during last week of month, with probably an equal amount of damage as the result of the excessive heat. Black rust also made its appearance in many localities in North Dakota, where damage from this cause and heat will be severe. The southern and northwestern sections of Minnesota also report damage from rust and heat, a great deal of grain in the wheat-growing territory that was planted on the stubble is showing the effect of poor preparation of the ground. Most of the damage reports make comparisons with crop of last year. Last year's crop was unusually heavy and the present crop can suffer considerable reduction in yield and still present a fair average return for this district. Present weather condition is regarded as critical and much will depend on weather conditions during the first week of August.

The flax crop is in a very favorable condition, and timely rains have improved the outlook in some sections where the fields have suffered for lack of moisture. The grain outlook as a whole is excellent. Wheat has en-

tered upon the critical stage, and the weather for the next 10 or 15 days will largely determine the quality of the crop and the yield. Except for hot dry winds or other damage while the grain is in the milk, the prospects are for large yields.

There has been some slight change in banking conditions, with an improvement in demand and a moderate hardening of rates. The reserves at the larger centers are low and deposits have been falling off somewhat, and will continue to decrease until after the beginning of the crop movement this fall. The outlook is for a further improvement in the demand and a further stiffening of rates. It is believed, however, that the improvement in rates will be very gradual.

DISTRICT NO. 10—KANSAS CITY.

Weather conditions have been most ideal for the harvest, and in distinct contrast to those prevailing last year, when excessive rains resulted in a loss of a considerable part of the crop, the portion saved being of inferior quality. The first of this year's crop, which has come to market, is of fine grade and commanding considerable premium over the price of old wheat.

Wheat and oats are generally harvested throughout the district, and thrashing is progressing, with a yield at least up to expectations. There is considerable divergence in the estimates on the Kansas wheat crop, but even if the lowest estimate, 90,000,000 bushels, is realized, it is a volume reached in only three years previous to 1914. Corn has grown fast and is nearly up to normal, generally clean and of excellent color, and, as a whole, the condition is somewhat better than last year. The second and third excellent cuttings of alfalfa are in progress.

Colorado claims a harvest promising to break all records. The sugar-beet crop is reported in excellent condition, and there has been considerable development and additional capital employed in beet-sugar factories. Denver reports the erection of two such factories at a cost of \$1,000,000 each. Buyers are offering an in-

crease of 10 per cent a ton to producers. As an indication of the growing importance of this industry, it might be noted that in Colorado alone, in 1915, the sugar-beet farmers of that State received approximately \$11,000,000 for their product from which 482,500,000 pounds of sugar were manufactured and that the factories employed 5,000 men.

The Oklahoma cotton yield forecast is nearly double last year's, the estimate this season being 1,010,000 bales as against 639,626 last year.

Rainfall has been ample except for the upland corn in Oklahoma, and the ranges in parts of Wyoming and Colorado, where considerable moisture is needed. Heat records for two years are reported broken at various points. New Mexico reports the driest June since 1902.

Labor conditions have greatly improved in the last month. Several strikes, which might have resulted seriously, have been settled. Local employment agencies report more applications for help than they can possibly fill, with an unusual demand for common laborers. The shortage of harvest hands, which was prophesied to be serious, was handled better than expected, and no more help is needed in the harvest fields.

High prices generally have been the outstanding features of the markets in the district, hogs selling early in July up to \$10.10, 55 cents higher than in any former July, while prime native steers sold up to \$11.25 in June, the highest price in any former June being \$9.50. Latest prices obtainable, compared with last year, show hogs at about \$2 per hundredweight higher and good fat cattle at about the same price, with grass, medium, and commoner fat cattle some lower. Stockers and feeders are about the same as last year, with sheep from \$1.50 to \$2.50 higher.

The half-year receipts of live stock at the markets in this district saw a substantial gain over last year, as did the feeder cattle and sheep movement, indicating an interesting growth in the industry as shown by the following statements:

The receipts of cattle and hogs at the markets named during first six months of 1915 and 1916 were:

	Cattle.		Hogs.	
	1915	1916	1915	1916
Kansas City.....	692,887	793,011	1,392,126	1,549,843
Omaha.....	507,511	595,503	1,633,919	1,846,211
St. Joseph.....	197,621	200,456	878,375	1,104,264
Denver.....	155,572	263,073	182,942	276,242
Increase.....	1,553,591	1,852,043	4,087,362	4,776,560
		298,452		689,198

The increases in the feeder cattle and sheep movement from these markets for the first six months of 1916 over same period of 1915 were:

	Cattle.	Sheep.
Kansas City.....	23,408	62,166
Omaha.....	38,048	16,098
St. Joseph.....	3,831	9,210
Denver.....	86,704	18,255

¹ Decrease.

June brought the drilling of more than 1,500 wells in the Mid-Continent oil field, with an average daily production of about 70 barrels, forming an aggregate new production of more than 105,000 barrels a day. It is the prevailing opinion, however, that the maximum drilling energy has been reached, and that the June record will not be exceeded in the months to follow. The situation in the oil business is affected by the unsettled condition in Mexico, where the normal production was 22,000,000 barrels a year.

The production of oil in the Mid-Continent field has reached 400,000 barrels daily. The increase in the oil production of this field is also shown by the fact that while the market price has not changed materially, the premium over the basic price, which was as high as 80 cents a barrel, is now down to 20 cents, the lowest it has been for some months. The premium in other fields has been off for some time.

The outstanding feature of the petroleum industry during the half year just closed was the high level reached in the prices of crude oil in March, and maintained firmly to the end of the period, involving prices ranging from 90 to 350 per cent higher than those of a year ago for high grades.

According to the report of condition of 826 State banks in Nebraska, there are 70,000 more

depositors than at this time last year, and the deposits have increased \$38,000,000 during the year, while the increase in deposits since the February report is \$10,700,000.

Reports on metal tell of record productions of both the base and precious metals, of smelters working under stress, of mines idle for many years being reopened and successfully operated, of the installation of millions of dollars' worth of new mining equipment, with immense sums paid for the metal output of the various States in this district. The only untoward incident is the announcement from Webb City, Mo., that operators upon low-grade properties will close their mines because of the low price of zinc ore and the high price of production through increased cost of labor and material. This district holds large stocks of unsold ore.

Advices regarding general trade conditions are reassuring, indicating that the volume of business continues in large proportions and the outlook bright. All the leading cities continue to report noteworthy gains in postal receipts and building permits issued. Bank clearings continue to show gratifying improvement, the total in the Western States for June amounting to \$859,146,734, an increase of 38.7 per cent over 1914 and 20.5 per cent over 1915. National-bank deposits in important centers show a decrease in totals on June 30, as compared with the last preceding statement of May 1. This is not abnormal at this time of the year on account of harvest demands and remittances of interest and other payments to the East, but has resulted in a hardening of interest rates.

All important railway lines in the district show an improvement in earnings. Jobbers and wholesalers express themselves as well satisfied with business during the first six months of the year. In dry goods there has been a marked increase in sales in lines used by the laboring man, indicating that he has been well employed, and a corresponding increase in the better dress fabrics, which is further evidence of increased purchasing power. It is not believed that merchandise has been bought in excess of consumption, but that rather the retailer has been conservative and has confined his buying to requirements. There has been a

very active advance business in fall lines, probably the largest in many years, reflecting the strong position of the retail merchants throughout the district. Collections have been much improved over the first six months of last year.

DISTRICT NO. 11—DALLAS.

An extensive canvass of conditions, reaching every county in the State and practically every county in the district has brought somewhat conflicting but very interesting reports.

The grain crop has been practically all saved without damage. It is larger than estimated a month ago. The oat crop, while not large, is not greatly below a fair average for the State. Since the July report heavy and adequate rains have fallen all over southwest Texas. Their effect will be to enable the stockmen of that section to raise some feed crops, and the general rains will undoubtedly help range conditions.

The last 30 days have been trying on the corn crop, and the yield will not be as heavy as was promised earlier in the season. The early corn is fairly good, but a considerable part of the later planting is very poor, and some of it a complete failure.

From inquiry, more exhaustive than any heretofore made, it is believed that the increase of acreage of cotton will not be above that stated in the July report and that an increase of from 10 to 12 per cent in this district is a liberal estimate. Boll weevils have appeared over practically the entire district, but, as a rule, have not so far done any considerable damage except in a very few sections. There has never been a year when cotton fields have been better cultivated, and, while the crop is late, the outlook continues good for a fair and possibly a heavy yield. The campaign for warehousing and gradual marketing of cotton continues, with satisfactory results.

The condition of the rice crop shows no change of any consequence, and the outlook for satisfactory results for this product is still encouraging. Heavy crops of feed, hay, sorghum, cane, Kafir corn, Milo maize, and Sudan grass have been grown, and the production will be heavy pretty well throughout the district.

The crop of fruits and vegetables in the eastern and southeastern parts of the State has been fairly heavy and prices better than usual.

It is gathered from many sources that trade is feeling the usual summer depression. The demands on the Dallas bank, considering everything, have been lighter than might reasonably have been anticipated, and discounts are more than \$600,000 below a corresponding date last year.

The cattle and sheep industries of the western part of the district have been quite active, though there is some complaint that the ranges in the extreme west are getting short. There is some danger that the situation may become serious. Steers have not moved as freely as usual, and there has been a wide difference as to prices between the buyer and seller of this grade of cattle. Sales of sheep in New Mexico continue at good prices. The wool clip will be up to the average, though prices are not as high as were expected.

Post-office receipts in the nine largest cities of the district show an increase of 15 per cent over the same month of last year. Records of clearings for the same cities show an increase of 7 per cent.

Building permits in the principal cities of the district show an average increase of 23 per cent, operations in some of the cities being on a very large scale.

Failures over the district for the period from June 15, 1916, to July 15, 1916, as against the same period of last year, are as follows: 1915, 68 failures, \$778,492 liabilities; 1916, 27 failures, \$115,560 liabilities.

There has been little change in the price prevailing for copper and activity of this interest in Arizona has affected business very favorably throughout that section. There has been a substantial increase in the output of the oil in the district and prices continue good. There has been a slight decrease in the output of the lumber mills of the State, and orders have not been on so large a scale, though there is no substantial change in the price. Business

generally has been fair only, the increase over the last year being nominal.

Collections, however, seem to be more satisfactory than usual. There has been a considerable increase, both in transportation of freight and passengers.

Cotton is just beginning to move in the extreme southern end of the district. In the Panhandle district the crop is making fair progress, fields are clean, and as a rule there has been sufficient rain. In the western part of the State the cultivation of the crop has been good and it is fruiting well, with boll weevils reported present at a few points. In north Texas the cultivation of the plant has been good, few boll weevils, and the plant in general is in excellent condition. The same condition is true as to central Texas, except that there is complaint of drouth in some sections, and a pretty general report of boll weevils, though it is generally agreed that in view of the dry weather that they have so far done little harm. In eastern Texas the condition generally is favorable, the cultivation of the crops excellent, and the fruiting of cotton progressing satisfactorily. Excluding southwest Texas, the crop is southern Texas as a rule needs rain, and there is considerable complaint of boll weevils, and, considering the latitude, the crop is substantially later than usual.

Labor continues to be well employed, and in this section, as a rule, is contented. With continued marked economy in the production of the present crop, and a fair and reasonable return for it, there should be an unusually prosperous year.

DISTRICT NO. 12—SAN FRANCISCO.

Moderate general expansion of business continues. Bank clearings in 17 cities show an increase in June, 1916, compared with June, 1915, of approximately 30 per cent, Seattle showing 105 per cent gain. Both the deposits of member banks and their loans show increases over the corresponding date last year.

Between the Comptroller's two calls, May 1 and June 30 this year, the rate of increase in loans has been greater than during the preceding 10 months and greater than the rate of increase in deposits. A faster pace of loan increase suggests the probability of firmer interest rates and is, of course, one of the first signals for caution.

Building permits in 17 cities during June increased about 12 per cent over the total of the corresponding month last year.

The lumber situation in Washington, Oregon, and California is less promising than a month ago. There has been a slackening of activity with softening prices. Many mills which a short time ago were operating at full capacity are now running on short time and some are shutting down. The apparent overproduction is attributed in part to difficulties in transportation due both to lack of bottoms and to the longshoremen's strike, affecting the entire Pacific coast. There is expectation of renewed activity during the fall months.

Metal mining continues without abatement its exceedingly profitable activity. Petroleum production in California during June averaged 255,451 barrels per day, a daily increase over May of 6,000 barrels, but shipments were 304,546 barrels, a new high record. During the first half of this year storage stocks decreased 5,947,133 barrels, a daily average of 32,677 barrels. Crude petroleum in storage June 30, 1916, amounted to 51,199,918 barrels. Prices to producers have been advanced during the past month about 5 cents per barrel.

Growers of live stock continue to benefit largely by exceptionally high prices. The wool clip has been largely marketed at prices approximating 30 cents per pound.

In the Northwest wheat acreage is materially less than for the last two years. Recent reports indicate weather conditions more favorable than in the early spring. Present estimates are that the crop will be 55,000,000 to 60,000,000 bushels, with about 15,000,000 bushels carried over. Lack of bottoms has forced shipments by rail, a factor of greater transportation cost which affects prices unfavorably.

The barley crop is reported about normal. A heavy export demand has resulted in exceptionally high prices. The hay crop is short and high prices rule. Beans and sugar beets, both important crops, are commanding unusual prices.

Although the production of certain deciduous fruits will be less than normal, growers will average unusual returns because of the prevailing high prices. For instance, a single carload of California cherries sold in New York for \$5,081. Canners are paying for peaches more than double the prices paid last year.

Shipbuilding on this coast is active beyond all parallel, but there continues a great shortage of ships.

Railroad tonnage has been heavy, increased by the lack of ships, and earnings, both gross and net, are larger.

The financial, commercial, and industrial outlook in this district is favorable.

DISTRIBUTION OF DISCOUNTS BY SIZES AND MATURITIES.

Commercial paper to the amount of \$11,660,000 was discounted by the Federal Reserve Banks during June, a total of about 4 per cent in excess of the total for May, though about 13 per cent below the corresponding total for June, 1915. Of the total discounts for the month, 53.8 per cent, as against 58.2 per cent in May and 66 per cent in June, 1915, is credited to the three southern banks. Chicago reported a total of \$1,564,300 discounted for the month, the greater portion being agricultural paper. The total discounts for the first six months in 1916 were \$62,543,600, compared with \$72,743,800 for the corresponding period in 1915.

Commodity paper included in the above total and discounted during the month by five Federal Reserve Banks aggregated \$712,000, as against \$899,400 for May, and constituted a little over 6 per cent of the total discounts for the month, compared with about 8 per cent for May and about 15 per cent for the first five months of the present year. Practically the entire amount was cotton paper and was handled by the Richmond and Atlanta banks, of whose total discounts for the month commodity paper constituted about 18 per cent. The total of commodity paper discounted during the six months of the present calendar year was \$8,359,400, while a total of \$18,674,500 of this class of paper was discounted by the Federal Reserve Banks since September of last year.

Seven Federal Reserve Banks discounted during the month trade acceptances (two-name paper) to the amount of \$275,700, compared with \$298,300 in May and an average of about \$305,500 for the first five months of the present year. This total does not include about \$2,559,000 of trade acceptances based upon foreign-trade transactions and \$30,000 of domestic trade acceptances purchased in the open market. San Francisco reports over 70 per cent of the trade acceptances in the foreign trade, and Atlanta the entire amount of domestic acceptances bought. For the first half of 1916 the discounts of two-name paper amounted to \$1,803,200, while the total since

September, 1915, the date of the first discount of this class of paper, was \$3,762,000.

The total number of bills discounted during the month was 9,238, compared with 8,300 in May and 10,734 in June, 1915. The average amount of the paper discounted was about \$1,260, compared with \$1,350 for May, about \$1,540 for the first five months of the present year, and about \$1,250 for June, 1915. The averages for the month vary between \$860 for St. Louis and Kansas City and \$3,650 for Boston, where, however, the total discounts for the month were only \$466,800. For the three southern banks the average for the month was about \$1,140. Over one-quarter of the number and more than one-half the amount of the paper discounted was in amounts of over \$1,000 to \$5,000. Small notes (in sizes up to \$250) constituted nearly 29 per cent of the total number, though but 3.3 per cent of the total amount of bills discounted during the month. Bills in sizes of over \$10,000, 76 in number, amounted to 11.7 per cent of the total discounts for the month, Boston reporting 44.7 per cent of its total discounts in bills of this class.

Of the total paper discounted during the month, 10.4 per cent was paper maturing within 10 days at the time of discount, 17.6 per cent paper maturing after 10 but within 30 days; 20.4 per cent paper maturing after 30 but within 60 days, and 26.5 per cent paper maturing after 60 but within 90 days. Agricultural and live-stock paper maturing after 90 days (6-month paper) discounted amounted to about \$2,900,000, constituting over 25 per cent of all bills discounted during the month. The Dallas bank reports nearly 40 per cent of the total amount of this class of paper, which was over one-half of the bank's total discounts. Minneapolis reports \$353,600 of this class of paper, or about 74 per cent of its June discounts; Chicago, \$432,300, or 28 per cent; and Kansas City, \$316,200, or over 38 per cent of the bank's total discounts for the month.

While the total amount of paper discounted during the first six months of the present year is about 10.2 millions less than for the corresponding period in 1915, the combined amounts of 10- and 30-day paper discounted during the present year were 1.7 millions, and those of 6-month agricultural and live-stock paper 1.6

millions larger than in 1915. On the other hand, the amounts of 60-day paper discounted during the present year fell off about 9 millions, and those of 90-day paper about 4.5 millions.

Discounted paper held on the last Friday in June amounted to about 21 millions, of which 13.8 millions, or nearly two-thirds, was held by the three southern banks. The total amount of paper held on the corresponding date in 1915 was about 5 millions larger.

Of the total member banks—7,621 at the end of the month—678, or about 8.9 per cent, rediscounted with the Federal Reserve Banks, as against 655 the month before and 813 in June, 1915. The number accommodated by the three southern banks was 338 as against 335 in May, 1916, and 431 in June, 1915. Chicago and Kansas City each show substantial increases in the number of member banks ac-

commodated, due to the increasing number of banks in rural communities that are rediscounting agricultural and live-stock paper. Dallas, with 147 discounting banks out of a total of 618 member banks in the district, and Richmond, with 109 out of a total of 516, report the largest absolute and relative numbers of banks accommodated during the month.

Member banks in Texas to the number of 128 secured \$1,965,700 of rediscounts; 44 banks in South Carolina, about \$1,103,000; 32 banks in North Carolina, \$949,500; 10 banks in Pennsylvania, \$855,100; 13 banks in Illinois, \$652,700; 45 banks in Iowa, \$616,200; and 37 banks in Georgia, \$546,600. The combined share of rediscounts secured by the 309 banks in the 7 States named was about 58 per cent of the total discounts reported to the Board during June.

Commercial paper, exclusive of bankers' acceptances, rediscounted by each of the Federal Reserve Banks, during the month of June, 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 bill 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.....	5	0.5	16	3.0	29	12.4	18	17.0	12	21.6	33	156.2	6	47.6	9	208.5	128	466.8	1.4	4.0	\$3,650
New York.....	36	2.4	74	12.4	68	24.2	56	39.9	53	86.7	31	130.2	4	32.6	1	20.0	323	348.4	3.5	3.0	1,070
Philadelphia.....	6	.4	32	5.3	31	12.8	41	34.1	64	119.5	94	403.7	31	277.4	5	92.5	304	945.7	3.3	8.1	3,110
Cleveland.....	3	.3	34	5.9	38	13.9	24	17.7	34	52.5	6	19.9	5	33.3	1	13.5	145	157.0	1.6	1.3	1,080
Richmond.....	156	11.8	318	58.5	415	183.5	462	326.0	352	627.8	205	816.4	76	527.1	17	281.2	2,001	2,832.3	21.7	24.3	1,410
Atlanta (including New Orleans branch).....	174	12.8	302	51.8	211	81.2	164	127.8	171	284.6	79	299.9	27	185.5	8	121.9	1,136	1,165.5	12.3	10.0	1,020
Chicago.....	32	2.5	87	15.8	176	73.1	277	221.7	253	417.3	121	499.5	19	144.4	7	190.0	972	1,564.3	10.5	13.4	1,610
St. Louis.....	4	.4	94	16.2	101	37.2	85	61.3	70	109.9	17	57.1	5	26.1	1	15.0	377	323.2	4.1	2.8	860
Minneapolis.....	2	.2	41	7.8	87	31.9	120	82.9	113	175.0	35	112.2	11	70.3	3	409	480.3	4.4	4.1	1,170	
Kansas City.....	51	4.3	204	36.4	280	106.1	222	157.2	140	216.0	49	168.8	13	88.4	3	47.5	962	824.7	10.4	7.1	860
Dallas.....	207	14.4	744	123.3	528	192.6	362	256.2	292	479.8	158	592.7	42	298.2	20	318.5	2,353	2,275.7	25.4	19.5	970
San Francisco.....	2	.2	9	1.8	17	6.8	28	17.1	39	58.9	20	80.2	9	60.5	4	50.6	128	276.1	1.4	2.4	2,160
Total.....	678	50.2	1,955	338.2	1,981	775.7	1,859	1,358.9	1,593	2,649.6	848	3,336.8	248	1,791.4	76	1,359.2	9,238	11,660.0	100.0	100.0	1,260

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.....	0.1	0.6	2.7	3.6	4.6	33.5	10.2	44.7	100.0
New York.....	.7	3.6	6.9	11.4	24.9	37.4	9.4	5.7	100.0
Philadelphia.....	.6	1.4	1.4	3.6	12.6	42.7	29.3	9.8	100.0
Cleveland.....	.2	3.8	8.8	11.3	33.4	12.7	21.2	8.6	100.0
Richmond.....	.4	2.1	6.5	11.5	22.2	28.8	18.6	9.9	100.0
Atlanta (including New Orleans branch).....	1.1	4.4	7.0	11.0	24.4	25.7	15.9	10.5	100.0
Chicago.....	.2	1.0	4.7	14.2	26.7	31.9	9.2	12.1	100.0
St. Louis.....	.1	5.0	11.5	19.0	34.0	17.7	8.1	4.6	100.0
Minneapolis.....	.5	1.6	6.7	17.3	36.4	23.4	14.6	5.7	100.0
Kansas City.....	.6	4.4	12.9	19.1	26.2	20.5	10.7	5.7	100.0
Dallas.....	.6	5.4	8.5	11.3	21.1	26.0	13.1	14.0	100.0
San Francisco.....	.1	.7	2.5	6.2	21.3	29.0	21.9	18.3	100.0
Total.....	.4	2.9	6.6	11.7	22.7	28.6	15.4	11.7	100.0

Commercial paper, exclusive of open-market purchases, discounted during June by each of the Federal Reserve Banks, 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.	Paper maturing—					Total commercial paper discounted.
			Within 10 days.	After 10 days but within 30 days.	After 30 days but within 60 days.	After 60 days but within 90 days.	After 90 days.	
District No. 1—Boston:								
Connecticut.....	56							2.7
Maine.....	68	1				2.7		2.7
Massachusetts.....	164	3	38.2	355.7				393.9
New Hampshire.....	56	2		3.5	8.8	4.5		16.8
Rhode Island.....	17							
Vermont.....	48	3	20.0	14.1	14.4	4.9		53.4
Total.....	409	9	58.2	373.3	23.2	12.1		466.8
District No. 2—New York:								
Connecticut.....	15							
New Jersey.....	133	3		6.3	16.3	6.9	1.4	30.9
New York.....	484	19	27.6	113.3	99.6	74.9	2.1	317.5
Total.....	632	22	27.6	119.6	115.9	81.8	3.5	348.4
District No. 3—Philadelphia:								
Delaware.....	24							
New Jersey.....	71	3	9.6	32.9	27.6	19.4	1.1	90.6
Pennsylvania.....	533	10	776.1	17.3	20.1	36.1	5.5	855.1
Total.....	628	13	785.7	50.2	47.7	55.5	6.6	945.7
District No. 4—Cleveland:								
Kentucky.....	72	4			11.4	6.0	3.0	20.4
Ohio.....	374	9		42.4	31.9	25.3	30.9	130.5
Pennsylvania.....	300	2			4.0	2.1		6.1
West Virginia.....	13							
Total.....	759	15		42.4	47.3	33.4	33.9	157.0
District No. 5—Richmond:								
District of Columbia.....	15	1		38.5	16.2	128.4		183.1
Maryland.....	97	5		3.0	31.3	52.0	.6	86.9
North Carolina.....	79	32	6.8	336.8	176.2	403.3	26.4	949.5
South Carolina.....	78	44	2.0	200.8	395.5	366.9	137.8	1,103.0
Virginia.....	143	24		205.1	114.2	146.7	21.8	487.8
West Virginia.....	104	3			14.4	7.6		22.0
Total.....	516	109	8.8	784.2	747.8	1,104.9	186.6	2,832.3
District No. 6—Atlanta:								
Alabama.....	93	19		45.0	60.7	173.8	60.2	339.7
Florida.....	56	13		1.8	27.7	42.5	2.5	74.5
Georgia.....	110	37	.4	78.6	148.2	186.9	132.5	546.6
Louisiana.....	21	4		10.5	18.0	34.3	35.0	97.8
Mississippi.....	18							
Tennessee.....	93	9		20.9	25.7	57.9	2.4	106.9
Total.....	391	82	.4	156.8	280.3	495.4	232.6	1,165.5
District No. 7—Chicago:								
Illinois.....	318	13	255.0	257.8	65.0	53.5	21.4	652.7
Indiana.....	196	17		12.4	80.4	52.3	45.9	191.0
Iowa.....	350	45	2.5	28.1	157.3	113.7	314.6	616.2
Michigan.....	77	4	9.7	17.7	8.2	11.6	8.4	55.6
Wisconsin.....	51	1				6.8	42.0	48.8
Total.....	992	80	267.2	316.0	310.9	237.9	432.3	1,564.3
District No. 8—St. Louis:								
Arkansas.....	64	7		1.8	7.5	18.9	48.7	76.9
Illinois.....	157	10		5.2	10.8	17.4	12.2	45.6
Indiana.....	61	2			4.0	1.0		5.0
Kentucky.....	68	1			1.0			1.0
Mississippi.....	18	2		6.1	9.2	7.4	7.9	30.6
Missouri.....	81	13		13.5	25.6	38.7	22.3	100.1
Tennessee.....	20	5		37.4	20.9	5.7		64.0
Total.....	469	40		64.0	79.0	89.1	91.1	323.2

Commercial paper, exclusive of open-market purchases, discounted during June by each of the Federal Reserve Banks, distributed by States, and maturities as of date of discount—Continued.

[In thousands of dollars.]

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing—					Total commercial paper discounted.
			Within 10 days.	After 10 days but within 30 days.	After 30 days but within 60 days.	After 60 days but within 90 days.	After 90 days.	
District No. 9—Minneapolis:								
Michigan.....	31	30		2.3	27.4	19.6	123.5	172.8
Minnesota.....	282	6			4.6	35.5		40.1
Montana.....	69	10				1.0	121.1	122.1
North Dakota.....	154	17		3.0	.5	2.0	109.0	114.5
South Dakota.....	124	1	1.9	14.6	10.2	4.1		30.8
Wisconsin.....	88							
Total.....	748	64	1.9	19.9	42.7	62.2	353.6	480.3
District No. 10—Kansas City:								
Colorado.....	121	4		1.0	5.5	18.2	45.4	70.1
Kansas.....	220	22	33.4	58.7	62.2	79.2	68.9	302.4
Missouri.....	53	9			5.6	8.5	14.8	28.9
Nebraska.....	198	1		.5	18.5	21.4	21.7	62.1
New Mexico.....	9	33	13.1	24.6	93.7	54.0	22.0	32.4
Oklahoma.....	303						143.4	328.8
Wyoming.....	34							
Total.....	938	73	46.5	84.8	185.5	191.7	316.2	824.7
District No. 11—Dallas:								
Arizona.....	6	2		.2	5.2	6.6	3.1	15.1
Louisiana.....	10	8			45.5	46.6	129.1	221.2
New Mexico.....	28	8		1.6	5.2	5.4	61.5	73.7
Oklahoma.....	33	128	10.0	37.4	379.4	570.5	968.4	1,965.7
Texas.....	541							
Total.....	618	147	10.0	39.2	435.3	629.1	1,162.1	2,275.7
District No. 12—San Francisco:								
Alaska.....	1							
Arizona.....	7							
California.....	262	12	5.0	1.3	15.6	39.0	51.8	112.7
Idaho.....	58	3		1.0	11.8	1.5	14.4	28.7
Nevada.....	10							
Oregon.....	82	5		.5	12.3	25.7	15.4	53.9
Utah.....	23	1		1.0				1.0
Washington.....	78	3	5.0	1.1	22.3	25.1	26.3	79.8
Total.....	521	24	10.0	4.9	62.0	91.3	107.9	276.1

RECAPITULATION.

[In thousands of dollars.]

Districts and cities.	Number of member banks.	Number of banks accommodated.	Paper maturing—					Total commercial paper discounted.	Per cent.
			Within 10 days.	After 10 days but within 30 days.	After 30 days but within 60 days.	After 60 days but within 90 days.	After 90 days.		
No. 1—Boston.....	409	9	58.2	373.3	23.2	12.1		466.8	4.0
No. 2—New York.....	632	22	27.6	119.6	115.9	81.8	3.5	348.4	3.0
No. 3—Philadelphia.....	628	13	785.7	50.2	47.7	55.5	6.6	945.7	8.1
No. 4—Cleveland.....	759	15		42.4	47.3	33.4	33.9	157.0	1.3
No. 5—Richmond.....	516	109	8.8	784.2	747.8	1,104.9	186.6	2,832.3	24.3
No. 6—Atlanta (including New Orleans branch).....	391	82	.4	156.8	280.3	495.4	232.6	1,165.5	10.0
No. 7—Chicago.....	992	80	267.2	316.0	310.9	237.9	432.3	1,564.3	13.4
No. 8—St. Louis.....	469	40		64.0	79.0	89.1	91.1	323.2	2.8
No. 9—Minneapolis.....	748	64	1.9	19.9	42.7	62.2	353.6	480.3	4.1
No. 10—Kansas City.....	938	73	46.5	84.8	185.5	191.7	316.2	824.7	7.1
No. 11—Dallas.....	618	147	10.0	39.2	435.3	629.1	1,162.1	2,275.7	19.5
No. 12—San Francisco.....	521	24	10.0	4.9	62.0	91.3	107.9	276.1	2.4
Total for June.....	7,621	678	1,216.3	2,055.3	2,377.6	3,084.4	2,926.4	11,660.0	
Per cent.....			10.4	17.6	20.4	26.5	25.1	100.0	100.0
Total for Jan.—June, 1916.....			4,516.4	10,764.3	16,468.1	19,985.7	10,809.1	62,543.6	
Total for Jan.—June, 1915.....			13,546.2		25,513.1	24,478.6	9,205.9	72,743.8	

Trade acceptances discounted by each Federal Reserve Bank from Sept. 2, 1915, date of first discount to June 30, 1916.

Federal Reserve Bank.	Total to Dec. 31, 1915.	June, 1916.	Total for first 6 months in 1916.	Federal Reserve Bank.	Total to Dec. 31, 1915.	June, 1916.	Total for first 6 months in 1916.
New York.....	\$5,700		\$5,600	St. Louis.....	\$167,800	\$38,500	\$179,000
Philadelphia.....		\$7,300	44,900	Minneapolis.....			600
Cleveland.....	4,900	49,500	118,000	Kansas City.....	87,800	40,400	120,400
Richmond.....	450,500	89,600	732,100	Dallas.....	160,800	3,500	55,300
Atlanta (including New Orleans branch).....	1,007,100	46,900	533,800	San Francisco.....	74,200		5,300
Chicago.....			8,200	Total.....	1,958,800	275,700	1,803,200

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

Federal Reserve Bank.	Total to Dec. 31, 1915.	June, 1916.	Total for first 6 months in 1916.	Federal Reserve Bank.	Total to Dec. 31, 1915.	June, 1916.	Total for first 6 months in 1916.
Richmond.....	\$2,881,400	\$499,100	\$4,781,900	Dallas.....	\$239,100	\$2,500	\$222,700
Atlanta (including New Orleans branch).....	7,032,300	207,100	3,276,800	San Francisco.....	37,200	2,300	58,200
St. Louis.....	99,800			Total.....	10,315,100	712,000	8,359,400
Minneapolis.....	25,300	1,000	19,800				

Commodity paper discounted by each of the Federal Reserve Banks during the six months ending June, 1916, distributed by classes.

Class.	Richmond.	Atlanta (including New Orleans branch).	Minneapolis.	Dallas.	San Francisco.	Total.
Cotton.....	\$4,739,500	\$3,273,000		\$215,700	\$300	\$8,228,500
Peanuts.....	39,800	900				40,700
Wheat.....			\$16,800			16,800
Maize.....		1,000		7,000		8,000
Flax.....			3,000			3,000
Hops.....					26,300	26,300
Hay.....		400				400
Beans.....		500				500
Raisins.....					7,600	7,600
Miscellaneous.....	2,600	1,000			24,000	27,600
Total.....	4,781,900	3,276,800	19,800	222,700	58,200	8,359,400

Amounts of commercial paper, exclusive of bankers' acceptances, held by each Federal Reserve Bank on June 30, 1916, distributed by maturities.

Federal Reserve Bank.	Paper maturing—					Total.	Per cent.
	Within 10 days.	After 10 days, but within 30 days.	After 30 days, but within 60 days.	After 60 days, but within 90 days.	After 90 days.		
Boston.....	\$110,000	\$33,900	\$30,800	\$8,200		\$182,900	0.9
New York.....	94,000	179,400	136,200	36,100	\$2,100	447,800	2.1
Philadelphia.....	292,800	111,800	73,200	36,000	15,800	529,600	2.5
Cleveland.....	43,400	42,300	84,700	51,500	47,600	269,500	1.3
Richmond.....	1,005,500	1,441,700	1,590,900	876,300	454,500	5,368,900	25.3
Atlanta (including New Orleans branch).....	480,600	676,200	685,400	479,500	461,200	2,782,900	13.1
Chicago.....	213,600	254,400	575,300	411,000	597,500	2,051,800	9.7
St. Louis.....	84,700	99,900	162,600	115,900	120,900	584,000	2.8
Minneapolis.....	59,100	74,600	58,000	92,800	662,200	946,700	4.5
Kansas City.....	194,700	315,400	503,900	422,200	475,000	1,911,200	9.0
Dallas.....	690,800	774,600	1,128,000	851,200	2,218,500	5,663,100	26.7
San Francisco.....	40,400	77,300	114,400	85,000	130,700	447,800	2.1
Total.....	3,309,600	4,081,500	5,143,400	3,465,700	5,186,000	21,186,200	
Per cent.....	15.6	19.3	24.3	16.3	24.5		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.

[In thousands of dollars.]

Date.	Bankers' acceptances.					Trade acceptances bought in open market.	Total acceptances.	Date.	Bankers' acceptances.					Trade acceptances bought in open market.	Total acceptances.
	Member banks.	Nonmember banks.			Total.				Member banks.	Nonmember banks.			Total.		
		Trust companies.	State banks.	Private banks.						Trust companies.	State banks.	Private banks.			
1915.								1916.							
Feb. 22.....	93				93		93	Mar. 6.....	17,182	8,670	408	1,781	28,041	462	28,503
Apr. 5.....	3,653	7,820	10	110	11,593		11,593	Mar. 13.....	20,323	10,032	470	1,631	32,456	546	33,002
May 3.....	5,038	8,189	10	110	13,347		13,347	Mar. 20.....	20,563	11,280	408	2,467	34,718	678	35,396
June 7.....	5,242	4,516	10	192	9,960		9,960	Mar. 27.....	21,128	12,864	411	3,078	37,481	629	38,110
July 3.....	4,342	5,267		161	9,770		9,770	Apr. 3.....	21,000	13,573	473	3,262	38,308	722	39,030
Aug. 2.....	5,350	5,407	20	352	11,129		11,129	Apr. 10.....	22,239	14,864	476	3,405	40,984	874	41,858
Sept. 6.....	6,087	6,305	20	472	12,884		12,884	Apr. 17.....	22,135	15,028	564	3,442	41,169	1,321	42,490
Oct. 4.....	9,000	4,898	132	343	14,373		14,373	Apr. 24.....	23,566	15,196	584	3,504	42,850	1,438	44,288
Nov. 1.....	8,477	4,331	253	204	13,265		13,265	May 1.....	24,875	15,400	585	3,430	44,290	1,477	45,767
Dec. 6.....	12,311	5,172	275	396	18,154		18,154	May 8.....	25,058	15,750	671	3,493	44,972	1,518	46,490
								May 15.....	26,633	15,372	773	4,960	47,738	1,635	49,373
								May 22.....	26,639	16,490	690	6,038	49,857	2,006	51,863
								May 29.....	26,104	16,541	690	5,895	49,230	2,037	51,267
Jan. 3.....	15,494	7,160	362	822	23,838		23,838	June 5.....	24,680	17,029	644	7,007	49,360	2,208	51,568
Jan. 10.....	16,492	8,057	370	938	25,857		25,857	June 12.....	27,354	19,209	622	7,865	55,050	2,310	57,360
Jan. 17.....	16,908	7,655	425	1,010	25,998	180	26,178	June 19.....	32,011	19,490	560	9,067	61,128	2,054	63,182
Jan. 24.....	16,348	8,070	363	1,441	26,222	180	26,402	June 26.....	33,155	18,722	552	11,009	63,438	1,958	65,396
Jan. 31.....	15,834	8,174	356	1,510	25,874	180	27,054	July 3.....	32,989	18,921	471	11,830	64,211	3,422	67,633
Feb. 7.....	15,681	7,876	336	1,456	25,349	489	25,838	July 10.....	34,144	20,201	620	11,827	66,792	3,052	69,844
Feb. 14.....	17,581	7,985	347	1,851	27,764	528	28,292	July 17.....	40,497	22,309	593	13,193	76,592	3,685	80,277
Feb. 21.....	17,661	8,194	392	1,841	28,088	460	28,548	July 24.....	41,514	22,327	610	12,977	77,428	3,651	81,079
Feb. 28.....	17,436	8,755	408	1,841	28,440	460	28,900								

¹ Of the total of \$77,428,000, there were \$1,133,000 of trust company acceptances, \$215,000 of State bank acceptances, and \$2,995,000 of private bank acceptances which bore the indorsement of member banks.

Amounts of acceptances held by the several Federal Reserve Banks at close of business on Fridays, June 30 to July 21, 1916.

[In thousands of dollars.]

Acceptances maturing—	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total.
Within 10 days:													
June 30.....	508	3,285	1,214	796	320	50	565	447	170	175		980	8,140
July 7.....	76	1,681	1,570	129	30	9	448	308	71	56		89	4,790
July 14.....	226	3,493	1,568	413	30	9	456	380	182	213		336	7,306
July 21.....	1,220	4,015	1,445	623	1,085	468	569	448	314	303		928	11,418
From 11 to 30 days:													
June 30.....	1,175	4,145	2,565	597	801	272	776	545	330	302		947	12,455
July 7.....	2,629	4,250	2,026	1,298	480	474	1,192	1,052	597	451		1,698	16,147
July 14.....	4,051	4,756	2,508	1,516	1,356	465	1,565	996	566	391		1,768	19,928
July 21.....	4,532	4,364	3,011	1,712	300	21	1,388	1,002	506	387		2,254	19,477
From 31 to 60 days:													
June 30.....	5,695	5,298	3,465	1,799		544	1,533	1,253	682	490		2,590	23,249
July 7.....	6,181	8,177	3,547	1,577		793	1,205	1,354	625	286		2,778	26,523
July 14.....	5,842	8,767	4,152	2,140	238	823	1,928	1,864	780	195		3,086	29,815
July 21.....	4,842	9,742	4,138	2,659	261	813	2,222	2,268	861	37		2,261	30,104
From 61 days to 3 months:													
June 30.....	5,079	10,756	3,032	1,966		565	1,298	1,670	803	38		1,944	27,151
July 7.....	3,207	9,249	3,091	1,888		64	1,354	1,353	715	37		1,722	26,680
July 14.....	1,986	11,093	3,279	1,894		150	1,490	1,418	703			2,068	24,081
July 21.....	1,667	11,328	2,801	2,142		204	1,669	1,398	739			2,434	24,382
Total acceptances held:													
June 30.....	12,457	23,484	10,276	5,158	801	1,381	4,172	3,915	1,985	1,005		6,461	71,095
July 7.....	12,093	23,357	10,234	4,892	800	1,381	4,199	4,067	2,008	830		6,287	70,148
July 14.....	12,105	28,109	11,507	5,963	1,624	1,448	5,439	4,658	2,231	798		7,248	81,130
July 21.....	12,261	29,449	11,395	7,136	1,646	1,506	5,848	5,116	2,420	727		7,877	85,381

Amounts of acceptances (in the foreign and domestic trades) bought in open market by each Federal Reserve Bank during the calendar year 1915 and for the 6 months ending June, 1916.

[In thousands of dollars.]

Acceptances 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 30 days:													
Calendar year, 1915.....	497	1,246	695	101	.....	7	156	103	45	69	.....	61	2,980
January, 1916.....	48	587	.....	64	.....	.....	.....	.....	20	9	.....	6	734
February, 1916.....	.....	909	.....	50	41	.....	.....	.....	1	.....	50	125	1,453
March, 1916.....	.....	680	.....	.....	15	.....	18	.....	.....	.....	.....	.....	1,454
April, 1916.....	128	408	1,000	.....	20	220	2	.....	.....	.....	.....	4	1,029
May, 1916.....	174	2,121	1,382	208	503	50	113	.....	.....	.....	.....	49	2,207
June, 1916.....	847	5,974	5,247	423	579	277	289	103	66	78	50	355	4,676
Total.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	600	14,533
After 30 days, but within 60 days:													
Calendar year, 1915.....	2,137	2,377	1,464	746	.....	19	816	374	191	183	.....	750	9,057
January, 1916.....	102	621	43	42	.....	.....	279	43	6	55	.....	13	1,204
February, 1916.....	41	313	36	30	.....	.....	116	50	33	22	.....	13	654
March, 1916.....	.....	520	1,835	70	.....	18	150	146	44	151	.....	107	3,139
April, 1916.....	235	765	335	214	480	214	478	137	153	115	.....	277	3,403
May, 1916.....	99	925	510	315	481	14	166	327	126	82	.....	300	3,345
June, 1916.....	858	1,919	1,257	596	.....	15	651	448	268	34	.....	1,589	7,635
Total.....	3,570	7,440	5,480	2,013	961	280	2,656	1,525	821	642	.....	3,049	28,437
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
January, 1916.....	2,681	2,686	151	267	.....	300	489	357	200	151	.....	304	7,586
February, 1916.....	3,686	4,157	396	395	.....	65	656	143	194	197	.....	420	10,309
March, 1916.....	5,913	6,978	2,183	579	.....	421	787	355	365	285	.....	459	18,325
April, 1916.....	1,497	5,690	2,655	684	.....	234	1,092	602	381	325	.....	907	14,067
May, 1916.....	3,633	4,010	2,217	1,397	.....	288	962	1,074	502	639	.....	1,638	16,360
June, 1916.....	6,639	10,914	3,357	2,150	.....	818	1,403	1,790	858	38	.....	2,119	30,086
Total.....	35,520	58,646	16,365	7,588	250	2,172	10,199	5,645	3,719	3,171	.....	8,266	149,541
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
January, 1916.....	2,831	3,894	194	373	.....	300	768	400	226	215	.....	323	9,524
February, 1916.....	3,727	5,379	709	475	41	65	772	193	228	219	50	558	12,416
March, 1916.....	6,011	8,178	4,759	649	15	439	955	501	409	436	.....	566	22,918
April, 1916.....	1,732	6,478	3,990	898	480	448	1,572	739	534	440	.....	1,188	18,499
May, 1916.....	3,860	5,343	4,109	1,712	501	522	1,128	1,401	628	721	.....	1,987	21,912
June, 1916.....	7,671	14,954	5,766	2,954	503	883	2,167	2,238	1,126	72	.....	4,063	42,397
Total.....	39,937	70,060	27,092	10,024	1,790	2,729	13,144	7,273	4,606	3,891	50	11,915	192,511

Distribution of bills bought in open market by all the Federal Reserve Banks during the month of June, 1916, by classes of acceptors and sizes.

Acceptances by classes.	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.	
Member banks.....	283	\$780,279	341	\$2,897,577	478	\$7,251,178	86	\$3,644,207	35	\$3,488,878	13	\$2,369,645	1,236	\$20,431,764	48.2
Trust companies.....	114	283,716	115	960,102	190	3,177,187	58	2,680,654	20	1,439,940	12	1,849,787	509	10,391,386	24.5
State banks.....	21	86,250	.....	.....	9	101,250	.....	.....	.....	.....	.....	30	187,500	.....	.4
Private banks.....	85	222,598	119	1,005,388	131	2,567,131	44	1,781,925	27	1,782,153	10	1,342,152	416	8,701,347	20.6
Total bankers' acceptances.....	503	1,372,843	575	4,863,067	808	13,096,746	188	8,106,786	82	6,710,971	35	5,561,584	2,191	39,711,997	93.7
Trade acceptances.....	59	160,325	162	1,375,101	45	642,892	3	102,827	1	52,255	2	351,752	272	2,685,152	6.3
Total bills bought in the open market.....	562	1,533,168	737	6,238,168	853	13,739,638	192	8,209,613	83	6,763,226	37	5,913,336	2,463	42,397,149	100.0
Per cent.....	.....	3.6	.....	14.7	.....	32.4	.....	19.3	.....	16.0	.....	14.0	.....	100.0	.....
Total, 6 months ending June, 1916.....	1,915	5,671,952	1,850	15,310,974	2,247	39,360,663	598	23,596,676	277	23,152,447	108	20,573,414	6,995	127,666,126	.....

¹ Of the above total, bankers' acceptances totaling \$39,367,197 were based on imports and exports, and \$344,800 on domestic trade transactions

² Of the above total, trade acceptances totaling \$2,655,152 were drawn abroad on importers in the United States and indorsed by foreign banks while \$30,000 represents the amount of domestic trade transactions bought in the open market during the month.

Amount of short-term investments (municipal warrants) held by each of the Federal Reserve Banks at close of business on Fridays, June 30 to July 21, 1916, distributed by maturities.

[In thousands of dollars.]

Warrants maturing.	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Within 10 days:													
June 30.....	230		82	218	50		53	25	25			80	763
July 7.....			29	601			250			25		252	1,247
July 14.....		25	28	494			275					277	1,099
July 21.....	31	293	141	77			200	49	38	43		55	927
From 11 to 30 days:													
June 30.....	10	192	195	545			426	30	25	55		312	1,790
July 7.....	31	318	176	97			231	48	37	43		88	1,069
July 14.....	31	294	151	94			206	49	37	43		63	963
July 21.....		153	35	43			31		25	25		34	351
From 31 to 60 days:													
June 30.....	21	305	32	68			305	18	38	38		53	873
July 7.....	40	2,219	269	2,175	10		396	124	77	25		141	5,476
July 14.....	60	3,485	527	2,198	10		622	380	87	36		187	7,592
July 21.....	60	3,389	503	2,379	200		660	405	87	36		393	8,172
From 61 to 90 days:													
June 30.....	143	2,391	290	2,651	10		322	225	124	47		506	6,709
July 7.....	103	412	109	955	50		601	126	98	47		440	2,941
July 14.....	83	260	84	932	76		750	65	88	36		394	2,768
July 21.....	133	210	84	745	76		951	40	62	11		394	2,706
From 91 days to 6 months:													
June 30.....	2,346	2,751	1,300	1,459			2,362	678	584	290		761	12,531
July 7.....	2,421	3,061	1,652	1,182			2,938	972	796	340		1,141	14,503
July 14.....	2,421	3,436	1,737	1,182			2,743	1,176	821	340		1,141	14,997
July 21.....	2,371	3,486	1,787	1,345			2,677	1,271	871	340		1,420	15,568
Total municipal warrants held:													
June 30.....	2,750	5,639	1,899	4,941	60		3,468	976	796	430		1,712	22,671
July 7.....	2,595	6,010	2,235	5,100	60		4,416	1,270	1,008	480		2,062	25,236
July 14.....	2,595	7,500	2,527	4,900	86		4,596	1,670	1,033	455		2,062	27,424
July 21.....	2,595	7,531	2,550	4,594	336		4,519	1,765	1,083	455		2,296	27,724

Total investment operations of each Federal Reserve Bank during the month of June, 1916 and 1915.

[In thousands of dollars.]

Bank.	Bills discounted for member banks.	Bills bought in open market.			Municipal warrants bought.				United States bonds and Treasury notes.					Total investment operations.	
		Banker's acceptances.	Trade acceptances.	Total.	City.	State.	All other.	Total.	2 per cent.	3 per cent.	4 per cent.	1-year notes.	Total.	1916	1915
Boston.....	466.8	7,589.1	81.6	7,670.7	320.2			320.2						8,457.7	1,652.7
New York.....	348.4	14,607.8	345.9	14,953.7	1,933.3	50.9		1,984.2	12.5				12.5	17,298.8	5,262.1
Philadelphia.....	945.7	5,601.6	164.3	5,765.9	572.2	20.4	25.0	617.6						7,329.2	1,526.3
Cleveland.....	157.0	2,788.7	165.7	2,954.4	984.6	20.4		1,005.0	85.0	319.0			404.0	4,520.4	1,094.4
Richmond.....	2,832.3	502.5		502.5	50.5			50.5						3,385.3	4,004.3
Atlanta.....	1,165.5	853.4	30.0	883.4										2,048.9	2,358.0
Chicago.....	1,564.3	2,166.9		2,166.9	584.9	15.3		600.2		.4			.4	4,331.8	1,361.6
St. Louis.....	323.2	2,238.4		2,238.4	339.9	15.3		355.2						2,916.8	554.3
Minneapolis.....	480.3	1,126.4		1,126.4	217.0	10.1		227.1		115.54	20.0		135.54	1,969.34	1,019.3
Kansas City.....	824.7	71.9		71.9	8.0			8.0	525.0				525.0	1,429.6	435.9
Dallas.....	2,275.7								245.0				245.0	2,520.7	2,477.1
San Francisco.....	276.1	2,165.3	1,897.6	4,062.9	289.4	20.4		309.8						648.8	1,433.3
Total:															
June, 1916.....	11,660.0	39,712.0	2,685.1	42,397.1	5,300.0	152.8	25.0	5,477.8	867.5	434.94	20.0		1,322.44	60,857.34	
June, 1915.....	13,406.0	4,701.0		4,701.0				4,512.8	200.0	359.5			559.5		23,179.3
6 months ending June 30, 1916.....	62,543.6	121,931.3	5,734.8	127,666.1	51,497.0	2,803.0	175.1	54,475.1	34,488.6	3,622.82	4,128.0	50.0	42,289.42	286,974.22	
6 months ending June 30, 1915.....	72,743.8	22,606.0		22,606.0				29,065.6	5,771.75	1,704.5			7,476.25		131,891.65

¹ Sold \$25,000 of 3 per cent conversion bonds of 1946.

² Sold \$10,200 of 3 per cent conversion bonds of 1946.

FEDERAL RESERVE BANK STATEMENTS.

Resources and liabilities of the Federal Reserve Banks and of the Federal Reserve System at close of business on Fridays,
June 30 to July 21, 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 vaults:													
June 30.....	5,326	156,391	7,572	12,803	5,110	6,489	40,137	5,408	6,695	4,254	5,286	6,567	262,038
July 7.....	6,276	157,227	6,721	12,869	5,110	5,942	39,539	5,013	6,210	4,261	5,248	6,826	261,242
July 14.....	6,675	162,823	11,222	12,961	5,141	5,968	36,561	5,672	6,021	4,154	5,237	7,167	269,602
July 21.....	7,892	154,815	8,512	13,775	5,205	6,302	37,419	4,047	6,003	4,384	5,260	8,435	262,049
Gold settlement fund:													
June 30.....	14,777	3,927	15,553	11,343	14,801	5,389	9,880	4,655	5,379	9,326	9,103	8,798	112,931
July 7.....	16,667	4,761	16,416	12,405	15,826	5,389	9,939	5,878	5,777	10,587	10,002	8,953	122,600
July 14.....	20,193	4,367	16,200	11,898	10,538	1,504	11,016	6,197	5,657	11,539	9,759	9,763	118,631
July 21.....	16,052	6,010	12,275	11,161	11,561	1,910	7,832	5,649	4,608	11,711	4,541	6,221	99,561
Gold redemption fund:													
June 30.....	5	250	50	18	420	471	200	17	30	63	255	10	1,789
July 7.....	5	250	50	65	413	462	200	108	30	159	259	10	2,011
July 14.....	5	250	50	59	407	453	200	90	30	157	259	10	1,970
July 21.....	5	250	50	55	423	447	200	65	30	145	251	10	1,931
Legal tender notes, silver, etc.:													
June 30.....	26	20,612	317	1,057	203	606	1,821	1,130	616	166	885	9	27,448
July 7.....	46	31,223	135	1,068	172	853	1,050	1,127	298	90	809	11	36,882
July 14.....	15	4,762	141	1,097	182	1,002	737	1,135	300	85	800	23	10,279
July 21.....	246	7,426	165	1,146	203	1,078	1,098	1,148	396	76	786	34	13,802
Total reserve:													
June 30.....	20,134	181,180	23,492	25,221	20,534	12,955	52,038	11,210	12,720	13,809	15,529	15,384	404,206
July 7.....	22,994	193,461	23,322	26,407	21,521	12,646	50,728	12,126	12,315	15,097	16,318	15,800	422,735
July 14.....	26,888	172,202	27,613	26,015	16,268	8,927	48,514	13,094	12,008	15,935	16,055	16,963	400,482
July 21.....	24,195	168,501	21,002	26,137	17,392	9,767	46,549	10,909	11,037	16,316	10,838	14,700	377,343
Five per cent redemption fund against Federal Reserve bank notes:													
June 30.....										400	50		450
July 7.....										400	50		450
July 14.....										400	50		450
July 21.....										400	50		450
Bills discounted—members:													
June 30.....	183	448	530	270	5,369	2,783	2,052	584	947	1,911	5,663	448	21,188
July 7.....	89	370	585	471	5,285	2,734	2,581	613	1,126	1,900	5,697	532	21,983
July 14.....	181	325	823	546	5,505	2,707	3,633	644	1,219	1,943	5,892	550	23,968
July 21.....	4,057	281	1,095	434	5,810	2,842	3,626	758	1,434	1,908	6,134	558	28,937
Bills bought in open market:													
June 30.....	12,457	23,484	10,276	5,158	801	1,381	4,172	3,915	1,985	1,005		6,461	71,095
July 7.....	12,093	23,357	10,234	4,892	800	1,381	4,199	4,067	2,008	830		6,287	70,148
July 14.....	12,105	28,109	11,507	5,963	1,624	1,448	5,439	4,658	2,231	798		7,248	81,130
July 21.....	12,261	29,449	11,395	7,137	1,646	1,506	5,848	5,116	2,420	727		7,877	85,382
United States bonds:													
June 30.....	3,082	3,476	3,538	6,756	1,605	1,684	9,753	2,959	3,513	9,853	3,111	3,609	52,939
July 7.....	3,082	3,482	3,182	6,756	1,605	1,684	9,753	2,959	3,513	9,853	3,111	3,609	52,589
July 14.....	3,082	3,482	3,182	6,756	1,605	1,684	9,753	2,959	3,513	9,853	3,111	3,609	52,589
July 21.....	3,082	2,732	3,182	5,756	1,377	1,508	9,753	2,770	3,513	9,853	3,111	3,109	49,746
One year treasury notes:													
June 30.....	250	1,532	462		456	350		380	350	410			4,190
July 7.....	250	1,532	818		456	350		380	350	410			4,546
July 14.....	250	1,532	818		456	350		380	350	410			4,546
July 21.....	250	2,282	818	800	684	526		570	350	410		500	7,190
Municipal warrants:													
June 30.....	2,750	5,639	1,899	4,941	60		3,468	976	796	430		1,712	22,671
July 7.....	2,595	6,010	2,235	5,100	60		4,416	1,270	1,008	480		2,062	25,236
July 14.....	2,595	7,500	2,527	4,900	86		4,596	1,670	1,033	455		2,062	27,424
July 21.....	2,595	7,531	2,549	4,594	336		4,519	1,765	1,083	455		2,296	27,723
Federal reserve notes, net:													
June 30.....	742	13,821	634	309		1,798	1,700	1,297	903			1,978	23,182
July 7.....	986	14,997	481	187		1,605	1,658	1,364	1,079			1,756	24,113
July 14.....	820	11,554	461	194		1,633	1,678	1,391	1,365			1,664	20,760
July 21.....	739	11,826	487	259		1,106	1,246	1,153	1,449			1,749	20,014
Due from other Federal Reserve Banks, net:													
June 30.....	7,666		4,220	1,413	1,580	463	5,466	2,408	1,333	1,414	634	1,841	20,414
July 7.....	5,831		8,067	1,749	1,224	902	7,454	2,386	1,357	2,054	226	2,878	20,422
July 14.....	1,921		1,595	2,537	1,609	1,001	5,639	2,494	1,018	1,446	100	1,751	20,056
July 21.....			2,331	2,028			6,909	3,274	653	1,963	53	126	11,982

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

Resources and liabilities of the Federal Reserve Banks and of the Federal Reserve System at close of business on Fridays, June 30, to July 21, 1916—Continued.

RESOURCES—Continued.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
All other resources:													
June 30.....	59	316	58	350	164	1,333	618	411	131	327	688	167	4,622
July 7.....	102	244	160	412	149	1,160	549	413	86	183	427	255	4,140
July 14.....	38	4,134	48	421	197	1,032	902	378	106	182	545	261	8,244
July 21.....	432	187	65	468	151	823	791	527	89	251	805	167	4,756
Total resources:													
June 30.....	47,323	229,896	45,109	44,418	30,569	22,747	79,267	24,140	22,678	29,559	25,675	31,600	624,957
July 7.....	48,022	243,453	49,084	45,974	31,100	22,462	81,338	25,578	22,842	31,207	25,829	33,179	646,362
July 14.....	47,880	228,838	48,574	47,332	27,350	18,782	80,154	27,668	22,843	31,422	25,753	34,108	639,649
July 21.....	47,611	222,789	42,924	47,613	27,396	18,078	79,241	26,842	22,028	32,283	20,991	31,082	613,523

LIABILITIES.

[In thousands of dollars.]

Capital paid in:													
June 30.....	4,925	11,281	5,215	5,966	3,357	2,468	6,668	2,790	2,576	2,999	2,676	3,933	54,854
July 7.....	4,925	11,281	5,216	5,966	3,357	2,468	6,668	2,790	2,576	2,999	2,679	3,933	54,858
July 14.....	4,925	11,596	5,216	5,966	3,357	2,468	6,669	2,792	2,576	2,999	2,679	3,933	55,176
July 21.....	4,925	11,594	5,216	5,966	3,357	2,491	6,669	2,792	2,576	2,997	2,679	3,921	55,183
Government deposits:													
June 30.....	8,636	29,311	10,532	3,244	8,202	9,225	11,974	4,962	801	2,644	6,439	5,182	101,152
July 7.....	8,320	40,399	10,747	3,377	8,524	9,678	11,929	5,221	774	3,221	6,722	5,508	114,420
July 14.....	8,061	34,169	10,692	3,550	8,985	5,097	9,348	5,884	670	3,297	6,906	5,817	97,476
July 21.....	8,877	18,085	6,105	2,749	8,403	4,366	3,604	4,177	819	2,344	2,005	2,743	54,277
Member bank deposits, net:													
June 30.....	33,676	181,280	29,346	35,208	14,851	10,935	60,625	16,388	19,301	21,327	12,081	22,485	457,503
July 7.....	34,677	178,067	33,078	36,631	14,950	10,315	62,741	17,567	19,492	22,078	11,813	23,738	466,147
July 14.....	34,799	182,018	32,616	37,816	15,771	11,214	64,137	18,992	19,597	22,088	11,836	24,358	474,942
July 21.....	38,073	189,966	31,551	38,898	16,094	10,028	68,968	19,873	18,633	23,810	11,688	24,418	492,000
Federal Reserve notes, net liability:													
June 30.....					4,003					868	4,479		9,440
July 7.....					4,189					1,188	4,615		9,992
July 14.....					4,148					1,318	4,632		10,098
July 21.....					4,061					1,440	4,619		10,120
Federal Reserve bank notes in circulation:													
June 30.....										1,721			1,721
July 7.....										1,721			1,721
July 14.....										1,720			1,720
July 21.....										1,692			1,692
Due to other Federal Reserve Banks, net:													
June 30.....		8,024											
July 7.....		13,706											
July 14.....		1,055											
July 21.....	634	3,144			386	1,191							
All other liabilities:													
June 30.....	86		16		66	119							287
July 7.....	100		43		80	1							224
July 14.....	95		50		89	3							237
July 21.....	102		52		95	2							251
Total liabilities:													
June 30.....	47,323	229,896	45,109	44,418	30,569	22,747	79,267	24,140	22,678	29,559	25,675	31,600	624,957
July 7.....	48,022	243,453	49,084	45,974	31,100	22,462	81,338	25,578	22,842	31,207	25,829	33,179	646,362
July 14.....	47,880	228,838	48,574	47,332	27,350	18,782	80,154	27,668	22,843	31,422	25,753	34,108	639,649
July 21.....	47,611	222,789	42,924	47,613	27,396	18,078	79,241	26,842	22,028	32,283	20,991	31,082	613,523

Circulation of Federal Reserve notes at close of business on Fridays June 30 to July 21, 1916.

(In thousands of dollars.)

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Federal Reserve notes issued to the bank:													
June 30.....	10,235	69,474	7,313	9,920	9,628	14,122	3,639	6,791	12,143	9,201	13,957	9,745	176,168
July 7.....	10,663	71,060	8,160	9,887	9,649	13,998	3,633	6,768	12,625	9,292	14,319	9,729	179,783
July 14.....	10,606	70,731	7,982	9,762	9,578	13,998	3,625	6,738	12,808	9,482	14,319	9,729	179,358
July 21.....	10,548	66,933	7,947	9,735	9,419	13,904	3,620	6,698	12,808	9,714	14,277	9,616	175,219
Federal Reserve notes in hands of bank:													
June 30.....	742	13,821	634	309	427	1,798	1,700	1,297	903	217	98	1,978	23,924
July 7.....	986	14,997	481	187	431	1,605	1,658	1,364	1,079	142	412	1,756	25,098
July 14.....	820	11,554	461	194	472	1,633	1,678	1,391	1,365	152	395	1,664	21,779
July 21.....	739	11,826	487	259	559	1,106	1,246	1,153	1,449	200	408	1,749	21,181
Federal Reserve notes in circulation:													
June 30.....	9,493	55,653	6,679	9,611	9,201	12,324	1,939	5,494	11,240	8,984	13,859	7,767	152,244
July 7.....	9,677	56,063	7,679	9,700	9,218	12,393	1,975	5,404	11,546	9,150	13,907	7,973	154,685
July 14.....	9,786	59,177	7,521	9,568	9,106	12,365	1,947	5,347	11,443	9,330	13,924	8,065	157,579
July 21.....	9,809	55,107	7,460	9,476	8,860	12,798	2,374	5,545	11,359	9,514	13,869	7,867	154,038
Gold and lawful money deposited with or to the credit of the Federal Reserve Agent:													
June 30.....	10,235	69,474	7,313	9,920	5,108	14,122	3,639	6,791	12,143	8,116	9,380	9,745	165,986
July 7.....	10,663	71,060	8,160	9,887	5,029	13,998	3,633	6,768	12,625	7,962	9,292	9,729	168,806
July 14.....	10,606	70,731	7,982	9,762	4,958	13,998	3,625	6,738	12,808	8,012	9,292	9,729	168,241
July 21.....	10,548	66,933	7,947	9,735	4,799	13,904	3,620	6,698	12,808	8,074	9,250	9,616	163,932
Carried to net assets:													
June 30.....	742	13,821	634	309	.....	1,798	1,700	1,297	903	.....	.....	1,978	23,182
July 7.....	986	14,997	481	187	.....	1,605	1,658	1,364	1,079	.....	.....	1,756	24,113
July 14.....	820	11,554	461	194	.....	1,633	1,678	1,391	1,365	.....	.....	1,664	20,760
July 21.....	739	11,826	487	259	.....	1,106	1,246	1,153	1,449	.....	.....	1,749	20,014
Carried to net liabilities:													
June 30.....	.....	.....	.....	.....	4,093	.....	.....	.....	.....	868	4,479	.....	9,440
July 7.....	.....	.....	.....	.....	4,189	.....	.....	.....	.....	1,188	4,615	.....	9,992
July 14.....	.....	.....	.....	.....	4,148	.....	.....	.....	.....	1,318	4,632	.....	10,098
July 21.....	.....	.....	.....	.....	4,061	.....	.....	.....	.....	1,440	4,619	.....	10,120

Statement of Federal Reserve Agents' accounts at close of business on Fridays, June 30 to July 21, 1916.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Federal Reserve notes:													
Received from Comptroller—													
June 30.....	20,380	119,240	15,480	15,160	17,000	20,400	9,380	9,600	19,000	13,000	23,580	13,320	295,540
July 7.....	20,380	119,240	15,480	15,160	17,000	20,400	9,380	9,600	19,000	13,000	23,580	13,320	295,540
July 14.....	20,380	121,240	15,480	15,160	17,000	20,400	9,380	9,600	19,000	13,000	23,580	13,320	297,540
July 21.....	20,380	121,240	15,480	15,160	17,000	20,400	9,380	9,600	19,000	13,000	23,580	13,320	297,540
Returned to Comptroller—													
June 30.....	3,425	31,966	3,547	1,740	3,872	2,182	860	1,047	327	881	2,584	775	53,206
July 7.....	3,497	32,380	3,600	1,773	3,951	2,306	866	1,070	345	1,035	2,672	791	54,286
July 14.....	3,554	32,709	3,778	1,898	4,022	2,306	874	1,100	362	1,035	2,672	791	55,101
July 21.....	3,612	36,507	3,813	1,925	4,181	2,400	879	1,140	362	1,073	2,714	904	59,510
Chargeable to Federal Reserve Agent—													
June 30.....	16,955	87,274	11,933	13,420	13,128	18,218	8,520	8,553	18,673	12,119	20,996	12,545	242,334
July 7.....	16,883	86,860	11,880	13,387	13,049	18,094	8,514	8,530	18,655	11,965	20,908	12,529	241,254
July 14.....	16,826	88,531	11,702	13,262	12,978	18,094	8,506	8,500	18,638	11,965	20,908	12,529	242,439
July 21.....	16,768	84,733	11,667	13,235	12,819	18,000	8,501	8,460	18,638	11,927	20,866	12,416	238,030
In hands of Federal Reserve Agent—													
June 30.....	6,720	17,800	4,620	3,500	3,500	4,096	4,881	1,762	6,520	2,918	7,039	2,800	66,166
July 7.....	6,220	15,800	3,720	3,500	3,400	4,096	4,881	1,762	6,030	2,673	6,589	2,800	61,471
July 14.....	6,220	17,800	3,720	3,500	3,400	4,096	4,881	1,762	5,830	2,493	6,589	2,800	63,081
July 21.....	6,220	17,800	3,720	3,500	3,400	4,096	4,881	1,762	5,830	2,213	6,589	2,800	62,811
Issued to Federal Reserve Bank, net—													
June 30.....	10,235	69,474	7,313	9,920	9,628	14,122	3,639	6,791	12,143	9,201	13,957	9,745	176,168
July 7.....	10,663	71,060	8,160	9,887	9,649	13,998	3,633	6,768	12,625	9,292	14,319	9,729	179,783
July 14.....	10,606	70,731	7,982	9,762	9,578	13,998	3,625	6,738	12,808	9,482	14,319	9,729	179,358
July 21.....	10,548	66,933	7,947	9,735	9,419	13,904	3,620	6,698	12,808	9,714	14,277	9,616	175,219
Amounts held by Federal Reserve Agent:													
In reduction of liability on outstanding notes—													
Gold coin and certificates on hand—													
June 30.....	9,700	65,817	3,690	9,380	.....	.....	.....	2,850	10,120	4,000	8,040	.....	113,597
July 7.....	9,700	63,817	4,090	9,330	.....	.....	.....	2,850	10,620	4,000	8,040	.....	112,447
July 14.....	9,700	63,817	4,090	9,250	.....	.....	.....	2,850	10,820	4,050	8,040	.....	112,617
July 21.....	9,700	60,317	4,090	9,200	.....	.....	.....	2,850	10,820	4,150	8,040	.....	109,167
Credit balances in gold redemption fund—													
June 30.....	535	3,657	333	540	408	1,122	329	391	673	616	810	395	9,809
July 7.....	963	7,243	380	557	329	998	323	368	655	462	722	379	13,379
July 14.....	906	6,914	332	512	358	998	315	338	638	462	822	379	12,974
July 21.....	848	6,616	497	535	299	904	310	298	638	424	780	266	12,415
Credit balances with Federal Reserve Board—													
June 30.....	.....	.....	3,290	.....	4,700	13,000	3,310	3,550	1,350	3,500	530	9,350	42,580
July 7.....	.....	.....	3,690	.....	4,700	13,000	3,310	3,550	1,350	3,500	530	9,350	42,980
July 14.....	.....	.....	3,560	.....	4,600	13,000	3,310	3,550	1,350	3,500	430	9,350	42,650
July 21.....	.....	.....	3,360	.....	4,500	13,000	3,310	3,550	1,350	3,500	430	9,350	42,350
As security for outstanding notes—													
Commercial paper—													
June 30.....	.....	.....	.....	.....	4,520	.....	.....	.....	.....	1,085	4,577	.....	10,182
July 7.....	.....	.....	.....	.....	4,620	.....	.....	.....	.....	1,330	5,027	.....	10,977
July 14.....	.....	.....	.....	.....	4,620	.....	.....	.....	.....	1,470	5,027	.....	11,117
July 21.....	.....	.....	.....	.....	4,620	.....	.....	.....	.....	1,640	5,027	.....	11,287
Total—													
June 30.....	10,235	69,474	7,313	9,920	9,628	14,122	3,639	6,791	12,143	9,201	13,957	9,745	176,168
July 7.....	10,663	71,060	8,160	9,887	9,649	13,998	3,633	6,768	12,625	9,292	14,319	9,729	179,783
July 14.....	10,606	70,731	7,982	9,762	9,578	13,998	3,625	6,738	12,808	9,482	14,319	9,729	179,358
July 21.....	10,548	66,933	7,947	9,735	9,419	13,904	3,620	6,698	12,808	9,714	14,277	9,616	175,219
Memorandum:													
Total amount of commercial paper delivered to Federal Reserve Agent—													
June 30.....	.....	.....	.....	.....	5,163	.....	.....	.....	.....	1,091	4,950	.....	11,204
July 7.....	.....	.....	.....	.....	4,838	.....	.....	.....	.....	1,339	5,128	.....	11,305
July 14.....	.....	.....	.....	.....	6,307	.....	.....	.....	.....	1,570	5,564	.....	13,441
July 21.....	.....	.....	.....	.....	5,603	.....	.....	.....	.....	1,640	5,634	.....	12,877

GOLD IMPORTS AND EXPORTS.

Below are given data showing the imports and exports of gold, classified by countries of origin and destination, also under the heads of ore, bullion, and coin, for the fiscal years ending June 30, 1914 to 1916. These data were prepared and furnished to the Board by the Bureau of Foreign and Domestic Commerce of the Department of Commerce:

Imports and exports of gold, by countries, during the 12 months ending June 30, 1914, 1915, and 1916.

Countries.	1914	1915	1916
IMPORTS.			
France.....	\$1,195,284	\$11,552,926	\$15,406
Germany.....	14,176		
United Kingdom:			
England.....	2,565,423	1,965,270	117,996,063
Scotland.....			43,000
Canada.....	38,319,111	110,761,093	267,461,590
Central American States.....	2,490,450	2,751,572	3,427,321
Mexico.....	11,116,942	6,324,163	6,246,249
West Indies.....	3,044,005	3,393,944	25,037,153
South America.....	6,342,955	6,301,321	16,905,993
China.....		6,268,263	1,631,803
Japan.....	480,040	17,745,162	9,207,136
Australia.....	559,554	706,241	39,305,148
All other countries.....	410,719	3,798,800	6,732,439
Total.....	66,538,659	171,568,755	494,009,301
EXPORTS—FOREIGN AND DOMESTIC.			
Belgium.....	221,310		
France.....	86,021,273	6,761,361	
Germany.....	1,018,913		
United Kingdom—England.....	1,296,771	27,226,603	5,774,998
Canada.....	19,388,441	103,455,383	15,309,139
West Indies:			
Cuba.....	1,186,278	6,325,086	27,776,310
Other West Indies.....	175,676	243,220	753,183
All other North America.....	2,220,090	352,132	1,611,296
South America.....	494,012	1,515,658	10,001,538
China.....			4,805,937
Hongkong.....	5,890	46,905	4,844,494
All other countries.....	9,875	297,800	19,371,187
Total.....	112,038,529	146,224,148	90,248,082

Imports and exports of gold in ore, bullion, and coin, by customs districts, fiscal year ending June 30, 1916.

Customs districts.	Ore and base bullion.	Bullion, refined.		Coin.		Total gold.
				United States.	Foreign.	
IMPORTS.						
Maine and New Hampshire.....	\$1,200	Ozs. (troy). 2	\$50	\$48,390,003	\$11,651,680	\$60,042,933
Massachusetts.....					3,000	3,000
New York.....	1,361,480	771,431	15,469,131	7,423,055	134,898,673	159,152,339
Philadelphia.....					2,507,200	2,507,200
Porto Rico.....				2,115		2,115
Rhode Island.....		1,302	27,474			27,474
Florida.....				47,799	4,391,000	4,438,799
New Orleans.....	421,951			10,600	38,500	471,051
Arizona.....	527,592	12,752	251,033			778,625
Eagle Pass.....	6,617	1	25			6,642
El Paso.....	155,699	5,498	110,581			266,280
Laredo.....	164,934					164,934
Alaska.....	143,685	203,826	3,300,983	9,390		3,454,058
San Francisco.....	2,253,865	513,274	10,195,264	2,920	45,635,208	58,087,257
Southern California.....	3,019	325	6,665	505		10,189
Washington.....	3,691,585	181,564	2,959,445	62,425	498,000	7,211,455
Buffalo.....	3,630,086	{ 1 109,584 88,621 }	{ 2,122,468 1,635,675 }			7,388,229
Chicago.....	4,534					4,534
Dakota.....	255,577					255,577
Duluth and Superior.....	825			250		1,075
Michigan.....	1,842,788			120		1,842,908
Ohio.....	2,500					2,500
St. Lawrence.....	965	{ 1 241,567 4,727,398 }	{ 4,967,723 97,334,317 }	{ 3,771,541 1,360 }	81,813,216	187,887,762
Vermont.....	5				1,000	2,365
Total.....	14,468,907	6,857,245	138,380,834	59,722,083	281,437,477	494,009,301
EXPORTS—DOMESTIC.						
Maine and New Hampshire.....	1,500			760		2,260
New York.....		345,546	7,139,906	24,607,553		31,747,459
Porto Rico.....				15,000		15,000
New Orleans.....				10,000		10,000
Alaska.....	50,588					50,588
Hawaii.....				127,830		127,830
San Francisco.....		1 339,278	7,016,470	16,286,651		23,303,121
Washington.....	300,454	958	19,138	139,928		459,520
Buffalo.....	88,731	{ 1 11,691 10,635 }	{ 241,695 220,006 }	926,646		1,477,078
Duluth and Superior.....		{ 1 22 96 }	{ 449 1,965 }			2,414
Michigan.....		1,667	34,408	485		34,893
Montano and Idaho.....				2,855		2,855
St. Lawrence.....		{ 1 48,488 126 }	{ 1,004,390 2,591 }	2,243,715		3,250,696
Vermont.....		1,022	19,251	750,300		769,551
Total.....	441,273	759,529	15,700,269	45,111,723		61,253,265
EXPORTS—FOREIGN.						
Maine and New Hampshire.....					2,150	2,150
New York.....					19,662,518	19,662,518
El Paso.....					8,093	8,093
Alaska.....					185	185
San Francisco.....					64,922	64,922
Buffalo.....					133,176	133,176
Duluth and Superior.....					1,000	1,000
Michigan.....					2,741	2,741
St. Lawrence.....		519	10,395		9,109,637	9,120,032
Total.....		519	10,395		28,984,422	28,994,817

¹ United States mint or assay office bars.

Imports of gold, by customs districts, Jan. 1 to July 21, 1916.

[In thousands of dollars.]

	Maine and New Hampshire.	New York.	Florida.	New Orleans.	Arizona.	El Paso.	Laredo.	Alaska.	San Francisco.	Southern California.	Washington.	Buffalo.	Dakota.	Michigan.	Ohio.	St. Lawrence.	Total.
<i>Week ending June 30.</i>																	
Ore and base bullion.....		73			5	1	15	6	72		148		7	24			351
Bullion, refined.....		264			1						132	47				25,398	25,842
Foreign coin.....		1,228														6,813	8,041
Total.....		1,565			6	1	15	6	72		280	47	7	24		32,211	34,234
<i>Week ending July 7.</i>																	
Ore and base bullion.....		67			3			7			130		3	55			265
United States mint or assay office bars.....												205					205
Bullion, refined.....		9,863			4			126									9,993
Foreign coin.....		3,684														5	3,689
Total.....		13,614			7			133			130	205	3	55		5	14,152
<i>Week ending July 14.</i>																	
Ore and base bullion.....		26		9	10			13	18		150		12	29			267
United States mint or assay office bars.....												3					3
Bullion, refined.....		619				4		132		17	103	106				12,000	12,981
Foreign coin.....		2,492															2,492
Total.....		3,137		9	10	4		145	18	17	253	109	12	29		12,000	15,743
<i>Week ending July 21.</i>																	
Ore and base bullion.....		46			6				198		6		7	8			271
United States mint or assay office bars.....												210					210
Bullion, refined.....	20,000	433							103							7,479	28,015
United States coin.....			8														8
Foreign coin.....		2															2
Total.....	20,000	481	8		6				301		6	210	7	8		7,479	28,506
<i>Jan. 1 to July 21.</i>																	
Ore and base bullion.....	1	1,352		198	346	69	148	36	1,273	3	1,965	597	177	1,044	3		7,212
United States mint or assay office bars.....												2,478					2,478
Bullion, refined.....	20,000	18,728			121	31		638	3,112	24	856	990				119,479	163,979
United States coin.....		115	41	5				1			55					1,777	1,994
Foreign coin.....	1	28,521		9					4,867							39,482	72,880
Total.....	20,002	48,716	41	212	467	100	148	675	9,252	27	2,876	4,065	177	1,044	3	160,738	248,543

Exports of gold, by customs districts, Jan. 1 to July 21, 1916.

[In thousands of dollars.]

	Maine and New Hampshire.	New York.	Porto Rico.	Alaska.	Hawaii.	San Francisco.	Washington.	Buffalo.	Dakota.	Duluth and Superior.	Michigan.	Montana and Idaho.	St. Lawrence.	Vermont.	Total.
<i>Week ending June 30.</i>															
Ore and base bullion.....							21								21
United States mint or assay office bars.....						255									255
Bullion, refined, domestic.....		520						5					1		526
United States coin.....		250				590	1			1			2		844
Foreign coin.....								2							2
Total.....		770				845	22	7		1			3		1,648
<i>Week ending July 7.</i>															
United States mint or assay office bars.....													5		5
United States coin.....		3,523		1	5										3,529
Foreign coin.....		255													255
Total.....		3,778		1	5								5		3,789
<i>Week ending July 14.</i>															
Bullion, refined, domestic.....		8						9							17
United States coin.....		630			3	1,052	1								1,686
Foreign coin.....													39		39
Total.....		638			3	1,052	1	9					39		1,742
<i>Week ending July 21.</i>															
United States mint or assay office bars.....													1		1
Bullion, refined.....		244						11		2					257
United States coin.....		4								1					5
Foreign coin.....										1					1
Total.....		248						11		4			1		264
<i>Jan. 1 to July 21, 1916.</i>															
Ore and base bullion.....	2			12			108	67							189
United States mint or assay office bars.....		758				5,815		69		1			517		7,160
Bullion, refined:															
Domestic.....		4,208				701	2	244	1	2	12		21	9	5,200
Foreign.....		1,438											5		1,443
United States coin.....		20,294	15	1	108	17,250	47	19	12	2		1	1,020	750	39,519
Foreign coin.....		18,080				63		8		2	3		1,423		19,579
Total.....	2	44,778	15	13	108	23,829	157	407	13	7	15	1	2,986	759	73,090

EARNINGS ON INVESTMENTS OF FEDERAL RESERVE BANKS.

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

	Average balances for the month of the several classes of earning assets.				
	Bills redis- counted, members.	Bills bought in open market.	Municipal warrants.	United States bonds.	Total.
Boston.....	\$308,533	\$11,236,833	\$2,752,346	\$3,332,000	\$17,629,712
New York.....	409,789	20,681,672	5,651,520	5,014,317	31,757,298
Philadelphia.....	547,013	9,610,755	2,962,296	4,000,000	17,120,064
Cleveland.....	277,443	4,400,823	4,509,667	6,614,333	15,802,266
Richmond.....	5,287,134	803,753	60,406	2,061,000	8,212,293
Atlanta.....	2,790,231	1,579,205	.....	2,034,000	6,403,436
Chicago.....	1,974,229	3,690,197	3,474,576	9,753,033	18,892,035
St. Louis.....	649,804	3,389,110	952,572	3,339,000	8,380,486
Minneapolis.....	881,100	1,724,000	1,408,000	3,812,300	7,825,400
Kansas City.....	1,837,618	1,161,459	549,625	10,203,250	13,751,952
Dallas.....	5,129,389	.....	.....	2,988,250	8,117,639
San Francisco.....	422,000	5,125,000	1,895,000	3,608,000	11,050,000
Total.....	20,514,283	63,402,807	24,216,008	56,759,483	164,892,581

	Earnings from—					Calculated annual rate of earnings from—				
	Bills redis- counted, members.	Bills bought in open market.	Municipal warrants.	United States bonds.	Total.	Bills redis- counted, members.	Bills bought in open market.	Municipal warrants.	United States bonds.	All in- vestment opera- tions.
Boston.....	\$910.94	\$19,039.60	\$5,884.82	\$5,907.86	\$31,743.22	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
New York.....	1,348.98	37,034.13	11,473.69	10,897.83	60,754.63	3.60	2.07	2.61	2.16	2.20
Philadelphia.....	1,645.88	16,580.97	5,889.06	7,347.90	31,463.81	4.00	2.18	2.44	2.61	2.33
Cleveland.....	1,005.84	7,418.37	10,348.92	13,120.30	31,893.43	3.67	2.10	2.42	2.24	2.24
Richmond.....	17,924.71	2,011.22	150.90	4,155.25	24,242.08	4.42	2.06	2.90	2.38	2.48
Atlanta.....	9,216.89	3,020.78	.....	3,731.85	15,969.52	4.14	3.05	3.05	2.46	3.60
Chicago.....	7,569.47	6,474.38	7,296.79	19,032.62	40,373.26	4.03	2.33	.....	2.24	3.04
St. Louis.....	2,362.51	5,770.80	2,017.93	6,084.43	16,235.67	4.68	2.14	2.56	2.38	2.61
Minneapolis.....	3,393.51	2,812.95	3,009.27	7,207.18	16,422.91	4.44	2.08	2.51	2.22	2.38
Kansas City.....	7,480.75	2,008.08	1,106.19	17,973.12	28,568.14	4.70	1.96	2.61	2.31	2.56
Dallas.....	18,639.33	.....	.....	4,951.02	23,590.35	4.96	2.10	2.45	2.14	2.53
San Francisco.....	1,767.43	8,997.59	3,723.28	6,014.58	20,502.88	4.43	.....	.....	2.02	3.55
Total.....	73,266.24	111,168.87	50,800.85	106,423.94	341,659.90	5.11	2.14	2.40	2.03	2.53

INTERDISTRICT MOVEMENT OF FEDERAL RESERVE NOTES, JANUARY 1 TO JUNE 30, 1916.

AUGUST 1, 1916.

FEDERAL RESERVE BULLETIN.

435

	Boston.		New York.		Philadelphia.		Cleveland.		Richmond.		Atlanta.	
	Received from.	Returned to.	Received from.	Returned to.	Received from.	Returned to.	Received from.	Returned to.	Received from.	Returned to.	Received from.	Returned to.
Boston.....			\$1,368,000	\$626,500	\$83,000	\$62,380	\$67,000	\$4,985	\$93,000	\$7,340	\$46,000	\$12,215
New York.....	\$634,850	\$1,339,000			876,480	1,592,500	482,260	147,960	2,288,120	134,420	1,754,130	214,640
Philadelphia.....	62,380	83,000	1,608,500	866,500			107,280	19,635	302,715	33,205	105,620	16,115
Cleveland.....	4,985	67,000	147,960	472,500	19,635	107,280			25,245	15,095	10,925	30,520
Richmond.....	7,340	93,000	134,420	2,262,150	33,205	315,190	15,095	25,245			91,360	241,070
Atlanta.....	12,215	46,000	214,640	1,746,710	16,115	105,620	30,520	10,925	241,070	91,360		
Chicago.....	36,500	9,000	778,500	76,450	55,000	8,970	253,000	8,805	165,000	410	277,000	6,090
St. Louis.....	6,150	10,000	113,220	205,800	7,205	12,175	34,135	6,010	30,840	3,535	244,240	32,890
Minneapolis.....	4,440	28,000	73,155	316,600	4,140	23,690	16,935	13,410	9,200	3,675	11,940	13,795
Kansas City.....	1,785	20,000	18,185	357,000	1,550	19,910	6,240	10,920	5,610	4,480	10,785	27,015
Dallas.....	2,210	33,000	36,770	695,250	2,595	37,280	7,015	10,515	10,820	9,095	125,495	550,890
San Francisco.....	7,875	15,000	67,705	485,400	3,745	15,480	9,795	3,085	11,215	1,195	12,415	7,390
Total.....	780,730	1,743,000	4,561,055	8,110,860	1,102,580	2,300,475	1,029,275	261,495	3,182,835	303,810	2,689,910	1,152,630

	Chicago.		St. Louis.		Minneapolis.		Kansas City.		Dallas.		San Francisco.		Total.	
	Received from.	Returned to.	Received from.	Returned to.	Received from.	Returned to.	Received from.	Returned to.	Received from.	Returned to.	Received from.	Returned to.	Received from.	Returned to.
Boston.....	\$9,000	\$36,500	\$10,000	\$6,150	\$28,000	\$4,440	\$20,000	\$1,685	\$33,000	\$1,995	\$15,000	\$7,875	\$1,772,000	\$772,065
New York.....	79,710	778,500	210,690	113,220	316,600	73,155	358,800	17,185	698,900	34,770	465,440	67,705	8,165,980	4,513,055
Philadelphia.....	8,970	55,000	12,175	7,205	23,690	4,140	18,910	1,550	37,250	2,335	15,480	3,745	2,303,000	1,092,430
Cleveland.....	8,805	253,000	6,010	34,135	13,410	16,935	10,920	6,240	10,515	6,625	2,040	9,795	260,450	1,019,125
Richmond.....	410	165,000	3,535	30,840	3,675	9,200	4,480	5,610	9,095	9,510	1,195	11,215	303,810	3,168,030
Atlanta.....	6,090	277,000	32,890	244,240	13,795	11,940	27,015	10,785	508,500	109,995	7,390	12,415	1,110,240	2,666,990
Chicago.....			230,500	28,750	1,020,500	29,380	698,500	2,895	478,500	3,260	177,500	4,480	4,170,500	178,490
St. Louis.....	28,750	230,500			64,070	11,290	568,355	31,815	617,665	51,930	16,525	5,350	1,731,155	601,295
Minneapolis.....	29,380	1,020,500	11,290	64,070			48,530	21,325	25,565	10,640	72,500	29,775	307,075	1,545,480
Kansas City.....	2,895	698,500	31,815	568,355	21,325	52,030			68,510	107,965	6,930	23,520	175,630	1,889,695
Dallas.....	3,260	478,500	53,920	617,665	10,640	25,565	112,965	68,430			5,990	26,210	371,590	2,552,400
San Francisco.....	4,480	177,500	5,350	16,525	29,775	72,500	23,520	6,930	27,210	5,670			203,085	806,675
Total.....	181,750	4,170,500	608,175	1,731,155	1,545,480	310,575	1,891,995	174,450	2,514,740	344,695	785,990	202,085	20,874,515	20,805,730

INDEX.

	Page.		Page.
Acceptances, distribution of, by sizes, maturities, etc.....	423-424	Federal Reserve notes, interdistrict movement of..	435
Announcement by Board.....	374	Form for use in making applications under Kern amendment to Clayton Act.....	391
Bill limiting use of words "Federal" and "reserve".	373	Gold imports and exports.....	430-433
Branch bank at Petrograd, Russia, permission granted to National City Bank of New York to open.....	372	Gold settlement fund.....	380-383
Brokers' paper, suggestions for purchase of.....	375	Hearing of Wisconsin Banks.....	372
Business conditions throughout the 12 Federal Reserve districts.....	399-417	Informal rulings of the Board:	
Checks, use of, in France.....	374	Membership of State banks and trust companies	393
Circular regarding section 8 of Clayton Act.....	389-392	Notes payable "on or before".....	394
Clearing system, comments on.....	377	Clayton Act interpretations.....	394
Commercial failures in June.....	377	Notes for farm implements.....	395
Depositors in national banks, increase in number of.	376	Cattle paper.....	395
Discount rates in effect.....	383	Interdistrict movement of Federal Reserve notes..	435
Discounts, distribution of.....	418-422	Law department:	
Dividends of Federal Reserve Banks.....	373	Provisos to Clayton Act cumulative.....	396
Earnings of Federal Reserve Banks.....	373	Member bank acceptances.....	397
Earnings and expenses of Federal Reserve Banks, six months ending June 30.....	384-388	Member banks granted authority to accept up to 100 per cent.....	372
Earnings on investments of Federal Reserve Banks.	434	Meredith, E. T., class C director of Chicago Federal Reserve Bank, resignation of.....	372
"Federal" and "reserve," bill limiting use of words.....	373	National-bank charters issued.....	379
Federal Reserve Agents' accounts, statement of....	429	National-bank deposits in the United States.....	376
Federal Reserve Bank statements.....	426-427	Purchase of brokers' paper, suggestions for.....	375
Federal Reserve notes, circulation of.....	428	Resources and liabilities of Federal Reserve Banks.	426-427
		State banks admitted to system.....	372
		Summary of business conditions.....	398
		Work of Board.....	371, 372

