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FEDERAL RESERVE BOARD

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The Federal Reserve Bulletin is distributed without charge to member banks of the system and to the officers and directors of Federal Reserve Banks. In sending the Bulletin to others the Board feels that a subscription should be required. It has accordingly fixed a subscription price of $2 per annum. Single copies will be sold at 20 cents. Foreign postage should be added when it will be required. Remittances should be made to the Federal Reserve Board. Member banks desiring to have the Bulletin supplied to their officers and directors may have it sent to not less than 10 names at a subscription price of $1 per annum.

No complete sets of the Bulletin for 1915 are available. Bound copies of the Bulletin for 1916 may be had at $5 per copy.

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REVIEW OF THE MONTH.

Completion of arrangements for final payments on the first Liberty Loan and resumption of sale by the Treasury of United States certificates in anticipation of the next Government loan, have been the chief features of the banking situation during the month of August. Adjustments necessitated by reserve transfers from member banks to Federal Reserve Banks, with the consequent shifting of funds, have been completed. The banks of the country are now, therefore, definitely upon the new reserve basis established by the act of June 21, 1917. Federal Reserve Banks have continued the policy of maintaining their resources in as strong and liquid a condition as possible, showing on August 24 a percentage of reserve against deposits of 80.6 per cent, and against notes of 86.5 per cent. There has been a continuance of the movement of State banks into the Federal Reserve System, while by opening clearing accounts with the Federal Reserve Banks and sending in gold and gold certificates nonmember banks in various parts of the country have been cooperating actively with Federal Reserve Banks in consolidating the gold resources of the country. Due to these and other contributing factors, the Federal Reserve System finds itself at the opening of the autumn in an unprecedentedly strong position, its total holdings of cash on August 24 being $1,424,769,000.

Government borrowing and Government financial operations in general continue, as during the past three months, to be the controlling factors in the banking situation, furnishing, as they do, the most extensive and important range of transactions in which the financial community is at present engaged. Practically every banking development is, therefore, directly affected by, and conditioned upon, the progress of public finance.

Government revenue and loans.

There has been a material increase in the estimate of Government revenue requirements for the coming year, a fact which has a direct and important bearing upon the probable operations of the banks in connection with prospective security issues. The time and conditions of the next issue of bonds have not yet been announced, but a continuation of the method of borrowing pursued during the past spring has been undertaken through the issue of certificates of indebtedness, payable during November next, whose proceeds are to be retained on deposit for a short time with the subscribing banks under specified conditions, and eventually may be tendered in payment upon allotment of the Government bonds of the next issue. It will be recalled that during May and June there were thus issued in all $600,000,000 in certificates, nearly all of which were turned in as payment of the installments due on subscriptions to the Liberty Loan.

The Treasury Department on August 1 offered to banks a new issue of $300,000,000 of Treasury certificates of indebtedness bearing 3½ per cent interest. A like issue, amounting to $250,000,000, was offered on August 20, making a total of $550,000,000 for the month. As in the case of the certificate issues which preceded the Liberty Loan of last June, these offerings were absorbed by the banks of the country and the proceeds of the sales have been paid into the Federal Reserve Banks without perceptible effect upon market conditions. In this case, as in that of the first Liberty Loan, the sale of certificates at stated intervals enables the Treasury Department to bring about a

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wide distribution of the certificates and to draw gradually upon the resources of the country as they become available. The purchase of the certificates, payable as they are at Federal Reserve Banks, moreover, provides the purchasing institutions with exchange sufficient to cover remittances for subscriptions which may later be made by their clients to Liberty Loan bonds. As in the past, provision is made for maintaining the distribution of the country's cash by retaining the proceeds of the subscriptions to the certificates in the hands of subscribing banks up to the moment when it becomes necessary actually to transfer them to the Government for its use. The prompt disbursement of the funds so withdrawn by the Government, or their immediate redeposit with other banks for account of allied governments, guards against any disturbance that might otherwise be produced by the shifting of these large amounts.

Method of issue.

The Secretary of the Treasury has prescribed the method of subscription to the new certificates in two announcements given to the public on July 31 and August 19, respectively. In the announcement of August 19 he says that the proceeds of these certificates will be deposited with incorporated banks and trust companies as nearly as may be in proportion to the subscriptions for certificates of indebtedness of this issue made by and through them, respectively, provided that such subscribing banks and trust companies make application for such deposits and qualify therefor, all substantially in accordance with the procedure laid down in connection with the deposit of the proceeds of Liberty bonds, and upon the same terms and conditions. The banks have, however, been informed that the certificates themselves or interim certificates will be acceptable as collateral for any part or all of such deposits. Banks and trust companies making subscriptions for their own account or for account of customers who are willing to authorize them to rehypothecate their certificates will probably use the certificates as sole collateral for deposits. Such deposits will be left as long as the requirements of the Government permit, and whenever practicable five days' notice will be given before withdrawal. It is expected that certificates of indebtedness will be issued from time to time somewhat in advance of the immediate requirements of the United States.

The success attained in connection with the former offerings of certificates has been repeated with the two August issues, the first having been oversubscribed $61,525,000, while the second was oversubscribed to the extent of $58,000,000. No new policy has been adopted by the Federal Reserve Board with respect to the accommodation of member and nonmember banks which participate in the certificate operations, the rates established by the Federal Reserve Banks during the first Liberty Loan being still in effect, while the Board, as was announced in the August Bulletin, has extended the ruling with respect to the rediscounting of notes made by nonmember banks. The machinery for facilitating the sale, distribution, and carrying of the new issue, therefore, continues practically in effect upon the same basis as during the original loan operations.

Resumption of foreign financing.

In addition to the advances made by the United States Government to allied nations, there has been a resumption of direct appeals to our investment market by the foreign allied countries. The Government of Canada, in a statement republished in the Bulletin for August, has already announced, with the approval of the Treasury Department, the issue of a short-term credit of $100,000,000, and on August 22 the firm of J. P. Morgan & Co., on behalf of the British Government, made known their intention of converting $150,000,000 of maturing British obligations into short-time British treasury bills. There has been some misunderstanding with reference to the nature of this operation and the relation of the Federal Reserve Board to it. In a statement issued on August 23, the Secretary of the Treasury states

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the facts in the case, and the position of the Board with reference to the matter, as follows:

"Certain American banks and bankers have held for some time obligations of the British Government. The Treasury Department was asked a short time ago whether or not there would be objection on the part of the Treasury to the conversion of $150,000,000 of these obligations into short-time British treasury bills. I stated that I saw no objection to such conversion from the standpoint of our own Government's financing.

"I regret that the impression is created in certain publications that this is a reversal of the position taken by the Federal Reserve Board in respect to British treasury bills in November last. It is neither a reversal of that position, nor is it inconsistent therewith. It is merely a conversion of a part of existing obligations into another form. The conditions now existing are quite different from those which prevailed in November last. The present transaction creates no new obligations in our markets and is designed merely to facilitate the payment of those already existing.

"I may also state that the views and attitude of the Federal Reserve Board are in complete harmony with the action of the Treasury Department and that it gave me pleasure, while the matter was under consideration, to discuss it with members of the Board."

Transfers of public funds.

Clearing House reports received from principal eastern cities for the five weeks ending August 18 indicate to some extent the effect of the Government's loan operations on the position of the banks. These operations have caused withdrawals on a large scale from New York in favor of banks in the interior. Such withdrawals are followed by transfers back to New York on Government account of funds subscribed by these banks. Advances are then made on Treasury account to the New York representatives of the foreign allied Governments, and the latter thereupon deposit the larger part of these advances with the New York banks, where they again alter the reserve position. These movements of funds from and to New York materially affect the holdings of the New York banks from week to week. In the same manner funds paid on account of Government loans by the local banks are largely redeposited with qualifying member and nonmember banks, thus for the time being raising the reserve percentages of these banks, either through increase of cash or through credits with the Federal Reserve Bank where they count as reserve of the depositing members, since depositing banks are not required to keep reserve against these Government deposits. The New York banks have thus shown relatively small losses in reserve during the past five weeks.

The statement of condition of national banks issued by the Comptroller of the Currency on August 1, and representing the position of the banks as of June 20, a summary of which is published elsewhere in this issue, is the last statement under the old requirements, the legislation of June 21 having superseded them. According to the Comptroller's statement, the total reserve holdings of all kinds reported by member banks were $2,406,357,000, including in this figure, however, $669,898,000 balances with approved reserve agents, of which only $181,234,000 could, under the provisions of the old law, be counted as reserve. Omitting from consideration the balances with reserve agents, the excess cash reserves aggregated only $189,523,000. Under the new system after the transfer of reserves these bank balances will no longer figure as reserves. The amount carried in Federal Reserve Banks (included in the foregoing statement of total reserve) was $862,170,000. Between June 22 and August 17 the member banks' reserve balances with the Federal Reserve Banks increased from $806,209,000 to $1,130,817,000, largely through transfers of reserves. There has thus been an increase in the balances carried by member banks with Federal Reserve Banks between June 22 and August 17 of $268,647,000, which represents practically the net result of the operation.

There is no way by which either member banks' demand deposits or their present cash holdings can be more than estimated. For those New York member banks which are also members of the Clearing House Association, average net demand deposits increased from

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$2,262,969,000 for the week ending June 22, to $2,345,180,000 for the week ending August 17. Their average cash holdings show the following changes:

	Week ending—	
	June 22.	Aug. 17.
Gold	$118,615,000	$41,724,000
Legal tenders	26,240,000	16,516,000
Silver	32,134,000	25,331,000
Bank notes and Federal Reserve notes	8,117,000	7,543,000
	185,106,000	91,114,000

Reserve situation.

Percentages, representing the ratio of net demand deposits, compared with vault cash, amounts due from Federal Reserve Banks, and nonmember banks' balances with legal depositaries, show a fluctuation of nearly 2 per cent, falling from 20.7 per cent on July 21 to 18.7 per cent on August 18, with a maximum of 21.2 per cent on August 4. These changes follow heavy transfers of funds on Government account from the interior to New York and the payment to the allied Governments of large amounts which were immediately redeposited with New York Clearing House banks.

Excess reserves of these banks (without counting the cash in the vaults of member banks) rose from $144,046,000 on July 21 to $168,736,000 on August 4, and stood at $76,456,000 on August 18. Computations of the New York State Banking Department made upon a somewhat different basis, show even smaller changes in the reserve condition of the banks in Greater New York under its jurisdiction. The State banks' percentages varied between 25.6 per cent for the week ending July 21 and 26.5 per cent for the week immediately following, and 23.7 per cent for the week ending August 18. The reserve percentage for the trust companies in Greater New York rose from 21.1 per cent for the week ending July 21 to 24.4 per cent for the week following and then gradually declined to 23.2 per cent for the week ending August 18.

Average excess reserves of the Boston Clearing House banks, as measured by the ratio of cash in vault and reserve balances with the Federal Reserve Banks to net deposits, rose from $16,684,000 on July 21 (as against $47,646,000 reported 3 months previous, when balances with approved reserve agents counted as reserve) to $17,291,000 on July 28, but reached the low level of $14,896,000 on August 4, when the New York banks reported the largest gain. For the week ending August 18 these reserve stood at $16,720,000, or slightly above the level shown for the initial week.

For the Philadelphia Clearing House banks and trust companies a practically continuous decline of excess reserves from $29,635,000 for the week ending July 21 to $23,272,000 for the week ending August 18 is noted. As in the case of the Boston banks, excess reserves of the Philadelphia banks are obtained by deducting required reserves against net deposits from balances with the Federal Reserve Banks combined with vault cash.

Operations of Reserve Banks.

Notwithstanding large payments due from the banks on August 15 on account of the Liberty Loan, the liquidation of Federal Reserve Bank investments, mainly of bills, noted last month, continued unchecked, the total earning assets on August 24 being 72 millions less than on July 20. Liquidation was most pronounced at the New York and Chicago banks, these two banks reporting net liquidation of bills in excess of 86.5 millions for the five weeks under review. At other cities, viz, Philadelphia, Cleveland, and Minneapolis, the strain occasioned by the required payments on account of the Liberty Loan produced substantial increases in discount activities, resulting in larger bill holdings on August 24 than on July 20. The greatest decrease took place in the holdings of collateral notes, the August figures, $36,511,000, being $42,284,000 less than for July. Collateral notes secured by Liberty bonds or United States certificates of indebtedness show a decrease from $25,359,000 to $8,362,000. Acceptances on hand decreased

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from nearly 200 millions to about 150 millions on August 10, since when a small increase to 159.6 millions has taken place. It should be noted, however, that following the general strengthening of commercial paper rates in the New York market the local Federal Reserve Bank on August 17 raised its acceptance rate from 3 to 3¼ per cent. There has been no appreciable change in the aggregate holdings of United States securities, the Federal Reserve Banks having increased their bond holdings by a small amount of Liberty bonds held temporarily pending allotment to ultimate purchasers and, on the other hand, having disposed of nearly all United States certificates of indebtedness acquired from time to time. None of the banks report any important purchases of municipal warrants, while liquidation continues, as the securities held fall due.

In the following table are shown the changes between July 20 and August 24 in the amounts of bills held by each of the Federal Reserve Banks, also changes in the total amounts of other classes of investments:

[In thousands of dollars; i. e., 000 omitted.]

Federal Reserve Bank.	July 20.	Aug. 24.	Net increase.	Net decrease.
Boston	$34,926	$34,503	.....	$423
New York	133,554	65,225	.....	68,329
Philadelphia	24,642	28,370	$3,728	.....
Cleveland	17,686	25,976	8,290	.....
Richmond	18,663	16,075	.....	2,588
Atlanta	6,559	7,298	739	.....
Chicago	50,535	32,358	.....	18,177
St. Louis	15,013	14,118	.....	895
Minneapolis	10,648	15,008	4,360	.....
Kansas City	24,061	23,710	.....	351
Dallas	7,925	8,927	1,002	.....
San Francisco	14,899	16,396	1,497	.....
Total bills	359,111	287,964	.....	71,147
Total U. S. securities	75,315	75,706	381	.....
Total municipal warrants	2,186	1,232	.....	954
Total investments held	436,612	364,902	.....	71,710

Gold shipments and foreign exchange.

For the past 5 weeks net exports of gold, mainly to the Far East and to Spain, have continued on a large scale. These exports were especially heavy during the weeks ending July 27 and August 3, when gold exports exceeded imports by $20,046,000 and $17,558,000, respectively. The net outward movement of gold during the period was $55,012,000, gold imports amounting to $18,248,000 and gold exports to $73,260,000.

The net increase in the country's stock of gold through net imports since August, 1914, appears from the following exhibit:

Gold imports and exports into and from the United States from Aug. 1, 1914, to Aug. 17, 1917.

[000 omitted.]

	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914	$23,253	$104,972	[1] $81,719
Jan. 1 to Dec. 31, 1915	451,955	31,426	420,529
Jan. 1 to Dec. 31, 1916	685,745	155,793	529,952
Jan. 1 to Aug. 17, 1917	536,817	293,621	243,196
Total	1,697,770	585,812	1,111,958

[1] Excess of exports over imports.

Continued reports to the effect that large gold shipments were being effected led the Board, on August 13, to address to all Federal Reserve Banks a letter calling their attention to the question of shipments of gold and of remittances to foreign countries. Special attention was called to a letter received from the Secretary of the Treasury, in which it was stated that—

"It seems important that close attention be given to shipments of gold and to remittances to foreign countries, and I am therefore requesting that the Federal Reserve Board communicate with the Federal Reserve Banks urging that they keep in touch as closely as possible with transactions of this character and report them to the Board for my information as well as for the use of the Board."

It will be remembered that the Board, as early as May 10, sent out to all Federal Reserve Banks a letter calling their attention to the desire of the State Department that bankers throughout the country be warned that they should scrutinize most carefully every application made to them involving the transfer of funds to neutral European countries which seemed intended to give aid to the enemies of this country, either directly or indirectly. Cir-

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culars have been sent by Federal Reserve Banks to members again calling their attention to the warning of May 10, now emphasized by the Board's letter of August 13. In transmitting the communication of May 10, the Board originally suggested that each banker doing business in this country should scrutinize with particular care such accounts as might be held by his bank for any resident alien enemy, and in the event any suspicious transactions occurred in connection with such accounts, that they be reported immediately to the Board for transmission to the proper department.

The transactions which are interesting to the State Department, it was then noted, may be divided into three classes:

1. Foreign exchange transactions between banks in this country and banks in neutral countries in Europe.

2. Ordinary banking transactions such as the obtaining of credits by alien enemies resident in the United States.

3. Banking transactions between this country and Mexico, or Central American and South American countries.

The State Department is especially interested in preventing all transfers of money by cable, by draft, or by shipments of currency or otherwise to neutral countries in Europe for the account of alien enemies.

Collection of "time items."

A circular letter printed in this issue of the Bulletin was transmitted by the Board, under date of August 11, to all Federal Reserve Banks. In this the banks were requested to establish general collection departments for maturing notes and bills. This does not represent a new departure. As early as October, 1915, in a letter sent to all Federal Reserve Agents, the Board ruled that Federal Reserve Banks might and should collect maturing notes and drafts, as well as coupons, on behalf of their member banks, making such collections either from member or from nonmember banks, as circumstances might require. The matter has never heretofore become urgent, due to the fact that during the life of the old reserve requirements city banks, acting as "reserve agents," performed these functions on behalf of their correspondents in other places. The period when no deposits except those in reserve banks continue to be counted as reserves having arrived, it has been recognized that there may be some hardship to the banks of the country should they be required for collection purposes to maintain balances with city banks which have heretofore held their reserves, in addition to the deposits required by law to be carried in the reserve banks. The occasion for establishing departments designed for the collection of maturing notes and bills is thus immediate, and the Board's letter already referred to was intended as a recognition of this necessity on the part of member banks generally. The present plan contemplates that every Federal Reserve Bank give notice that it will undertake the collection of maturing notes and bills which are payable at any town or city where the Federal Reserve Bank has satisfactory arrangements for collecting checks through banks, and that a similar notice be sent to every other Federal Reserve Bank that such collection will be made for other Federal Reserve Banks on satisfactory banking points in its own district. The banks are to let it be known that these collections will be made subject to the usual limitations as to liability, the actual cost of collection to be deducted when the proceeds are accounted for, while for their protection they may exact a moderate service charge. By recognizing in its letter of August 11 the full authority of the member banks to continue to ask reasonable fees for the collection of maturing paper, the Board merely places the facilities of the system at the service of members in the further development of a legitimate source of revenue.

Check collection charges.

The interpretation of the recent legislation of Congress as applied to the collection of checks and drafts has evidently raised some difference of opinion among bankers and business men, and the Board has frequently been asked for an expression of its views on the subject. This is contained in the letter of August 11,

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elsewhere published in this issue, and also in a letter addressed to a Federal Reserve Bank under date of August 17, in which Gov. Harding expresses the following opinion:

"I feel safe in saying that the construction of the law as amended, and of the letter of August 11, may be expressed briefly as follows:

"(1) Member banks must remit to Federal Reserve Banks at par for checks and drafts drawn on them.

"(2) Member banks may make a reasonable charge against other banks and against their depositors for any checks and drafts on banks received on deposit, the reasonableness of the charge to be determined by the Federal Reserve Board, and in no event to exceed one-tenth of 1 per cent.

"(3) There is a distinction between promissory notes, bills of exchange, and drafts drawn on individuals, firms, and corporations other than banks, and checks and drafts drawn on banks; and counsel advises the Board that the act does not appear to place any limitations upon a charge that banks may impose for the collection and remittances of promissory notes, bills of exchange, and drafts drawn on individuals, firms, and corporations other than banks."

The application of this principle would mean that reasonable charges up to, but not exceeding, one-tenth of 1 per cent might legally be made by member banks for the collection by them of checks drawn upon other banks. Member banks, however, can not exact from Federal Reserve Banks a charge for remitting for checks drawn upon themselves or sent to them for collection by a Federal Reserve Bank. In the past competition has tended in many places to prevent local institutions from making such charges against their customers except where agreements jointly entered into and enforced were applied for the purpose of protecting or maintaining a charge upon certain classes of checks. The Federal Reserve Board has not yet formulated regulations to determine the charges which banks may make against their customers, believing that action on the subject should be deferred till there was a more general adherence to the principles of par remittance by nonmember as well as member banks.

Trade acceptance inquiry.

As noted in the last issue of the Bulletin, the Board has been making a general inquiry into the use of acceptances by business houses throughout the country. The results now available show that the introduction of the trade acceptance is proceeding slowly. Under existing commercial practice most trades have become habituated to the use of the so-called cash discount system. In accordance with that system, buyers very generally draw upon a previously accumulated bank balance or else furnish themselves with the necessary funds by giving their local bankers their own notes, either with or without collateral. Immediate payment made by the use of such funds is rewarded by the allowance of a substantial discount for this "cash" remittance. The "cash" has, however, as just noted, been provided in many instances by local borrowing. With few exceptions the business houses of the country show themselves inclined to maintain this system, sometimes adopting in conjunction with it the plan of requiring acceptances from those buyers who are not able, or for some reason do not choose, to take advantage of the cash discount, liquidating their indebtedness at maturity without discount. Trade acceptances are thus, in many cases, assuming a position as representatives of obligations incurred by concerns which find it easier or preferable to be carried during the necessary credit period by their mercantile creditors rather than by banks. The problem of improving the commercial paper of the country can not be solved in this way, but requires the adoption of methods which will result in the substitution of discountable two-name paper for the main body of the "straight notes" which now represent the bulk of the commercial obligations of the Nation.

Solution of acceptance problem.

The problem must be solved by the business man rather than the banker. What is required is that each trade find a solution which will be suited to its own requirements. It appears to the Board that between the cash-discount and the open-account sale there should be

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room for a special discount for sales against trade acceptances and that this discount should approach very nearly the discount granted for cash sales. If business men will attack the problem from this angle and the banks will lend their aid by granting preferential rates for trade acceptances the problem can be worked out. A solution will be a gain for the United States inasmuch as it will contribute to the healthy development and greater strength of our banking structure. Acceptances, in order to fulfill their most important mission, must be representative of the best of mercantile credit; otherwise they will necessarily come to occupy a secondary position as the embodiment of the less fluid elements of the country's business. There appears to be a mistaken supposition in some quarters that the mere conversion of the "open account" into a trade acceptance renders the underlying credit better than, or preferable to, the unsecured account. The Board has never contended that the use of the trade acceptance, as such, could alter the character of the credit underlying it, but only that the acceptance method, involving as it did, the creation of paper protected by two names, rendered the paper more secure and more readily salable than it otherwise would be. The essential question is, however, in all cases the character of the underlying credit itself, a question which the local banker is in the best position to answer.

Acceptance of Drafts and Bills.

Inquiries and applications with respect to the power to accept drafts and bills of exchange, presented to Federal Reserve Board, have raised the question whether the institutions which had been authorized to accept up to 100 per cent prior to the passage of the act of September 7, 1916, from which provision for this acceptance power was inadvertently omitted, would be required to make application over again under the amendments to the Federal Reserve Act adopted June 21, 1917.

It would appear that there is no doubt of the authority of the banks which in the past have been granted acceptance powers to continue to exercise such powers without reapplication involving action of the Board therein. In order to make the situation certain, however, the Board at a meeting held August 9, 1917, adopted the following general resolution:

Be it resolved, That any member bank which has heretofore applied for and received permission of the Federal Reserve Board to accept drafts and bills of exchange in an amount not to exceed 100 per cent of its capital and surplus, be, and it is hereby authorized and empowered under the authority of the act of June 21, 1917, to accept up to 100 per cent drafts or bills of exchange drawn upon it having not more than six months' sight to run, exclusive of days of grace, which grow out of transactions involving the importation or exportation of goods or which grow out of transactions involving the domestic shipment of goods, provided shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples.

The authority herein granted shall be effective from this date, subject, however, to revocation by the Board at any time, upon 90 days' notice, as to any or all of the banks which are subject to the provisions of this resolution.

Resolved further, That a copy of this resolution be sent to each bank which has heretofore been granted permission by the Board to accept such drafts and bills of exchange to an amount not to exceed 100 per cent of its capital and surplus.

Applications for power to accept drafts drawn by banks and bankers in South American countries have been received from several institutions, and the Board has voted to permit drafts drawn upon member banks by banks or bankers in any Central or South American country for the purposes specified in the Federal Reserve Act, to be accepted by such member banks, upon application to and approval by the Board.

Since the passage of the act amending the Federal Reserve Act in June, the following

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banks have been authorized to accept drafts or bills of exchange up to 100 per cent of their capital and surplus.

Blackstone Canal National Bank, Providence, R. I.
National Park Bank, New York City.
Citizens National Bank, New York City.
Girard National Bank, Philadelphia, Pa.
Union National Bank, Cleveland, Ohio.
Fifth-Third National Bank, Cincinnati, Ohio.
Farmers & Merchants National Bank, Baltimore, Md.
Murchison National Bank, Wilmington, N. C.
First National Bank, Danville, Va.
Norfolk National Bank, Norfolk, Va.
American National Bank, Richmond, Va.
National Bank of Savannah, Ga.
New Orleans National Bank, New Orleans, La.
First National Bank, Canton, Miss.
Tenison National Bank, Dallas, Tex.
First National Bank, Portland, Oreg.
Northwestern National Bank, Portland, Oreg.

Loans to Cattle Raisers.

The following letter was sent by the Board to all Federal Reserve Banks under date of August 22:

The Board has received a letter from the Food Administrator, Mr. Hoover, stating that he is just beginning a campaign to secure a larger amount of cattle feeding in this country, and that his investigation shows that the interest charge represents between 35 and 40 per cent of the total costs of this industry. The legal rate of interest in many of the cattle-raising States is 8 per cent or more, and the Food Administrator suggests that if banks would make loans to the cattle people at a rate of interest not exceeding 7 per cent (which he thinks they can afford to do in view of the 5 per cent rediscount rate on six months' paper based on live stock, available at most of the Federal Reserve Banks), a stimulus would be given to the cattle raising industry, which all will agree is greatly needed at this time. The Board appreciates, of course, the limitations upon its powers in this respect, and does not wish to put any pressure upon the banks to induce them to charge less than legal rates, but it is informing you of the suggestion made by Mr. Hoover in order that, should you deem it expedient, you may point out to your member banks this opportunity of rendering very effective help in the present food crisis.

Officers of the Federal Reserve Board.

The following press statement was issued by the Board on August 10, 1917:

The President has redesignated W. P. G. Harding as governor and Paul M. Warburg as vice governor of the Federal Reserve Board for the ensuing year.

State Banks Admitted.

The following State institutions have been admitted to the Federal Reserve System during the month of August: Norwood Trust Co., of Norwood, Mass.; Iowa Loan & Trust Co., of Des Moines, Iowa; State Bank of Chicago, Chicago, Ill.; Hibernia Bank & Trust Co., of New Orleans, La.; Ottumwa Savings Bank of Ottumwa, Iowa; State Bank of Evanston, Ill.; Central State Bank, of Jackson, Mich.; Peoples Bank of Harrisonburg, Va.; Foreman Bros. Banking Co. of Chicago, Ill.; Fairview State Bank of Fairview, Kans.; Peoples Bank & Trust Company of Chase City, Va.; Merchants Bank of Winona, Minn.; American Trust Company of Boston, Mass.; Yellowstone Valley Bank & Trust Company of Sidney, Mont.; Peoples State Bank of Detroit, Mich. Seventy-seven State institutions are now members of the system, having a total capital of $59,465,700, total surplus of $60,525,965, and total resources of $1,173,795,038.

Cooperation of State Banks in New York.

The following letter, sent out on August 10 by the Federal Reserve Bank of New York, states the situation with respect to banking cooperation in the control of gold:

DEAR SIR: The recent amendment to the Federal Reserve Act, reducing the reserve requirements for member banks quite materially, provides that they must carry all of the required reserve in the Federal Reserve Bank. This leaves these banks free to carry as vault money any kind of United States coin or currency, including Federal Reserve notes.

The banking law of New York State has also recently been amended, permitting State banks and trust companies to count Federal

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Reserve notes as part of their vault reserves. The banking laws of New Jersey and Connecticut also permit Federal Reserve notes to be counted as part of the vault reserve which their State banks and trust companies are required to carry.

The way is now clear for mutual cooperation, in the national interest, between the Federal Reserve Bank of New York and the banking institutions, both member and nonmember, in its district, in respect to diverting to the Federal Reserve Bank some of the gold and gold certificates which are in general circulation among the people and lying idle in commercial tills and elsewhere, thus increasing its strength and thereby the strength of every banking institution in the district. It is estimated that there is over $500,000,000 of gold and gold certificates in general circulation, outside of the banks and the United States Treasury, and it is generally recognized that for this class of circulation Federal Reserve notes (which are redeemable in gold at the Treasury of the United States) would serve equally well.

The Federal Reserve System was suddenly called on during June to supply the large temporary expansion of credit required by member and other banks in effecting the payments for the first Liberty Loan, and it will doubtless be similarly called upon, and probably to a greater extent, in the forthcoming issue and in other large financial operations incidental to our participation in the war. The recent expansion and subsequent contraction of credit may be illustrated by the loans and discounts of the Federal Reserve Bank of New York, which were $37,000,000 on June 1, 1917, $252,000,000 on June 19, and $73,000,000 on August 8. It is of importance to every bank in the country that the gold supply—that is, the credit power—of the Federal Reserve System should be strengthened by gradually replacing with Federal Reserve notes a considerable part of the gold now in general circulation outside of the banks, and that the system should thus attain its maximum strength for the period of war financing upon which we have entered.

Will you not, therefore, cooperate in this movement by sorting out of your incoming cash the gold certificates, not paying out any such certificates over your counter unless especially requested, but instead, forwarding to this bank all you may accumulate in excess of those you think it advisable to carry as part of your vault money? We will pay transportation charges on such gold certificates, whether fit or unfit for circulation, and either (*a*) furnish you instead, free of expense, Federal Reserve notes of such denominations as you may desire, or (*b*) place the amount to your credit in this bank or in any designated bank in New York City.

A considerable number of member and other banks have been cooperating with us along the lines above suggested during the past year, even though their reserve requirements were such that Federal Reserve notes could not be carried as part of their vault reserve. Now that the conditions in this respect are so uniformly satisfactory, we trust that all of the banks in this district will be willing to assist. It will necessitate some little labor on your part, but no added expense.

Will you please let us know whether we may count on your cooperation in the manner suggested?

Very truly, yours,

R. H. TREMAN, *Deputy Governor.*

Development of the Collection System.

Questions raised by Federal Reserve Banks and by member banks in connection with the situation produced by the final transfer of reserves have led the Federal Reserve Board to give further attention to the development of the existing system of collection and to take action accordingly. Three steps have been announced during the past month.

The first of these steps is the further expansion and improvement of the system already in force for the collection of checks. On July 25 a letter, reading in part as follows, was transmitted to all Federal Reserve Banks:

(1) For the time being, any Federal Reserve Bank may, at its discretion, extend to each member and clearing bank an exemption from service charges upon a maximum of 250 checks per month. The Board believes that this exemption will encourage direct dealings on the part of the smaller banks with their Federal Reserve Bank.

(2) In cases where checks are not sent to the Federal Reserve Banks but are sent direct from one member bank to another for credit of the sending bank on the books of the Federal Reserve Bank, these transactions should be

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mutually agreeable to the banks concerned; for the Board can not prevent the receiving bank from making a reasonable charge (as between banks) for the transfer as provided in section 13 as amended. An opportunity is afforded all member banks to clear their checks at par by sending them to the Federal Reserve Bank. If, for the purpose of saving time, or for any other reason, a bank desires to send its checks direct, it should make its own arrangements.

(3) As the Federal Reserve Act as amended provides that no form of money in the vaults of member banks can be counted as reserve, it may be expected that their stock of gold and lawful money will be diminished, and that there will be a corresponding increase in their stock of national bank notes and Federal Reserve notes. Therefore, pending the further development of the clearing system, Federal Reserve Banks should receive from banks which are obliged to make shipments of cash to keep their balances good, any form of United States currency fit for circulation on the same terms which have been heretofore extended to shipments of gold certificates and legal tenders.

In connection with the collection of maturing notes and bills, to which reference was made in the letter of July 19, the Board wishes to point out that—

(4) Section 13 as amended permits a Federal Reserve Bank to receive from member banks for collection maturing notes and bills; and, for purposes of exchange or of collection, from other Federal Reserve Banks maturing notes and bills, payable in its district; or, solely for purposes of exchange or collection, from any nonmember bank, maturing notes and bills. Each Federal Reserve Bank, therefore, should give notice that it will undertake the collection of maturing notes and bills which are payable at any town or city where the Federal Reserve Bank has satisfactory arrangements for collecting checks through banks, and a similar notice should be sent to every other Federal Reserve Bank that such collection will be made for other Federal Reserve Banks on satisfactory banking points in its own district. The banks should announce that these collections will be made subject to the usual limitations as to liability, the actual cost of collection to be deducted when the proceeds are accounted for, and for their protection may exact a service charge of say 25 cents for each unpaid item.

MATURING NOTES AND BILLS.

It will be noted that in the latter part of the foregoing communication the suggestion was made that the collection not only of checks but also of maturing notes and bills be undertaken. Further elaboration of this recommendation was subsequently undertaken in a letter dated August 11, and transmitted to all Federal Reserve Banks, in part as follows:

The Board deems it advisable that there should be a thorough understanding on the part of the Federal Reserve Banks and of the member banks of its attitude in relation to the collection of "maturing notes and bills," and wishes to invite your attention to the distinction between the par clearing and collection of checks and drafts drawn on member banks and the collection of notes and drafts made by or drawn upon individuals, firms, or corporations other than banks.

Section 13 of the Federal Reserve Act, as amended by the act approved June 21, 1917, says in part—

"*Provided further,* That nothing in this or any other section of this act shall be construed as prohibiting a member or nonmember bank from making reasonable charges, to be determined and regulated by the Federal Reserve Board, but in no case to exceed 10 cents per $100 or fraction thereof, based on the total of checks and drafts presented at any one time, for collection or payment of checks and drafts and remission therefor by exchange or otherwise; but no such charges shall be made against the Federal Reserve Banks."

The question has been raised whether this provision of the law would prohibit a member bank from charging a Federal Reserve Bank for collecting and remitting for a note or bill of exchange forwarded to it by a Federal Reserve Bank for that purpose. In other words, does this provision of the law apply to promissory notes and bills of exchange as well as to checks and drafts on member banks? The Federal Reserve Act in several sections clearly distinguishes between "checks and drafts" on the one hand and "notes and bills" on the other. For instance, the first paragraph of section 13 authorizes Federal Reserve Banks to receive from member banks deposits of "checks and drafts," without limiting the purpose for

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which the deposit must be made. The same paragraph authorizes a Federal Reserve Bank to receive "maturing notes and bills," but "for collection" only. So, also, section 16 of the act requires a Federal Reserve Bank to receive deposits of "checks and drafts drawn upon any of its depositors" (i. e., upon member banks and upon banks carrying balances with Federal Reserve Banks), but nowhere is there any requirement that "maturing notes and bills" must be received at par, and it is obvious that such items were eliminated for the reason that no bank can properly be forced to credit at par an unmatured or uncollected note or bill. Not being in the nature of a cash item, such an instrument is necessarily subject to a discount. In other words, Congress in this section distinguishes between the ordinary check and bank draft, and the note and bill of exchange.

With these lights before us, a proper construction of the so-called "Hardwick amendment" to section 13 which, in terms, provides that "nothing in the act shall be construed as prohibiting a member or nonmember bank from making charges * * * for collection or payment of checks and drafts and remission therefor by exchange or otherwise, but no such charges shall be made against the Federal Reserve Banks" must necessarily draw a distinction between checks and drafts (on banks) and promissory notes and bills of exchange. Both the wording of this amendment and the purpose for which it was enacted necessarily lead to the conclusion that it was not intended to prohibit a member bank from charging a Federal Reserve Bank for services rendered in collecting bills and notes which the Federal Reserve Bank sends to it for that purpose. The phrase, "but no such charges shall be made against the Federal Reserve Banks" is construed by the Board as being intended solely for the purpose of preserving the check clearing and collection system inaugurated by the various Federal Reserve Banks; and there was no intention, either express or implied, to prohibit member banks or nonmember banks from making reasonable charges against Federal Reserve Banks for services rendered in collecting maturing notes and bills.

The Board holds, therefore, that charges for transactions of this kind may be made now with the same propriety as before the passage of the act of June 21, 1917. Such charges would seem to be permissible upon the hypothesis that notes and bills thus sent to a member bank by the Federal Reserve Bank for collection, are not drawn on the member bank, but upon some third party; and it would be unreasonable and unfair to permit a Federal Reserve Bank to select any particular member or nonmember bank to act as its intermediary or agent for the purpose of collecting and remitting free of charge all of the notes and bills held by it for collection and payable in any particular city or locality. Such service must be performed by the member or nonmember bank only as a matter of contract, and not because of any legal or moral obligation upon such bank to make collections gratis for the Federal Reserve Bank or for the banks for whom it acts as agent.

In the case of "checks and drafts drawn upon any of its depositors" (i. e., banks), however, the law provides that no charge for the service of collection, and payment and remission by exchange or otherwise, should be assessed against Federal Reserve Banks. The Board holds that the reason for this is that the Federal Reserve Banks are affording all member banks certain reciprocal advantages in the collection and clearance of checks, and because the Federal Reserve Banks are obligated to receive checks at par they may properly expect remission therefor on the same basis. In other words, the prohibition in the Hardwick amendment relating to the charges on the collection of checks and drafts on banks for Federal Reserve Banks, is merely an equalizing element in perfecting the check collection system, which must afford reciprocal privileges and advantages with the least possible expense to all concerned.

The paragraph of section 16 which immediately follows the one which requires Federal Reserve Banks to receive on deposit checks at par, authorities the Federal Reserve Board at its discretion to exercise the functions of a clearing house for Federal Reserve Banks, or to designate a Federal Reserve Bank to exercise such functions, and to require each Federal Reserve Bank to exercise the functions of a clearing house for its member banks. In clearing house cities checks on member banks properly go to the clearing house, but promissory notes and drafts or bills of exchange payable by third parties, are not sent to the clearing house but are collected independently by the holding bank.

For these reasons the Federal Reserve Board is of the opinion that not only is it clear that the Hardwick amendment does not apply to

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the right of a member bank to charge the Federal Reserve Bank for the service of collecting notes and bills of exchange, but also that there is no sound reason or policy which would require that the Federal Reserve Banks should be immune from such a charge. While the Board must insist upon a strict compliance by the member banks with the law requiring par collection of checks for Federal Reserve Banks, it has no desire to deprive any bank of any compensation allowed by the law and to which the bank may be reasonably entitled. Because of competition, banks are performing many services free of charge which involve them in expense and for which they are justly entitled to remuneration.

In the opinion of the Board it should be the aim of the Federal Reserve Banks in developing plans for the collection of "maturing notes and bills," to offer efficient service, but they should be compensated and protected against any abuse or expense in performing this service, and this principle applies, of course, to member banks.

INTERPRETATION OF EXCHANGE AMENDMENT.

The third step in the Board's work on the exchange situation during the month was also taken in the letter of August 11, already largely quoted above. The last paragraph of that letter contained a ruling with respect to the effect of the exchange amendment to the act of June 21 in the following language:

It seems that some apprehension exists on the part of many member banks that the clearing of checks at par is but a prelude to a requirement that they make no charge for checks and drafts received by them for deposit and credit, or for collection and remittance from others than a Federal Reserve Bank. It appears, however, that the provisions of the so-called Hardwick amendment clearly preserve the right of any member bank to make a reasonable charge against depositors or banks other than Federal Reserve Banks, not to exceed one-tenth of 1 per cent, for such services, the amount of such charge to be determined and regulated by the Federal Reserve Board.

New Issues of Treasury Certificates.

During the past month two issues of Government certificates of indebtedness bearing 3½ per cent interest have been placed upon the market by the Secretary of the Treasury. The first issue, amounting to $300,000,000, was offered to the banks on July 31, while the second, amounting to $250,000,000, was offered on August 20. The conditions and circumstances surrounding these issues have been explained in statements made public by the Secretary of the Treasury on July 31 and August 19, as follows:

JULY 31, 1917.

Secretary McAdoo has decided to resume offerings of United States Treasury certificates of indebtedness in order to provide funds to meet the requirements of the United States for its own expenditures and for its advances to foreign Governments at war with the German Government.

The Secretary now offers for subscription at par (through the Federal Reserve Banks) $300,000,000 Treasury certificates of indebtedness, payable November 15, 1917, with interest at the rate of 3½ per cent per annum from August 9, 1917. Subscriptions will be received at Federal Reserve Banks until 3 p. m., August 7, their local time. Payment for certificates allotted must be made on August 9 to that Federal Reserve Bank through which subscription may have been made. The right is reserved to reject any subscription and to allot less than the amount of certificates applied for. Interim certificates may be delivered in the first instance, which will be exchangeable for the definitive certificates of indebtedness when prepared. Certificates will be in denominations of $1,000, $5,000, $10,000, and $100,000. The act of Congress approved April 24, 1917, provides that these certificates shall be exempt, both as to principal and interest, from all taxation, except estate or inheritance taxes, imposed by authority of the United States or its possessions, or by any State or local taxing authority. Upon 10 days' notice, given in such manner as may be determined by the Secretary of the Treasury, the series of $300,000,000 certificates now offered may be redeemed as a whole, at par and accrued interest, on or after the date set for the payment of the first installment, payable after allotment, of the subscription price of any bonds offered for subscription by the United States hereafter and before the maturity of the certificates. The certificates of this series, whether or not called for redemption, will be accepted at par, with an adjustment of accrued interest, if tendered on said

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installment date as payment on the purchase price of any such bonds issued and allotted hereafter and before the maturity of the certificates.

AUGUST 19, 1917.

Secretary McAdoo offers for subscription at par (through the Federal Reserve Banks) $250,000,000 of Treasury certificates of indebtedness payable on November 30, 1917, with interest at the rate of 3½ per cent per annum from August 28, 1917. Subscriptions will be received at the Federal Reserve Banks until 12 o'clock noon, August 25, 1917, their local time.

Payment for certificates allotted must be made on August 28, 1917, to that Federal Reserve Bank through which subscription may have been made. The right is reserved to reject any subscription and to allot less than the amount of certificates applied for. Interim certificates may be delivered in the first instance, which will be exchangeable for the definitive certificates of indebtedness when prepared. Certificates will be in denominations of $1,000, $5,000, $10,000, and $100,000.

The act of Congress approved April 24, 1917, provides that these certificates shall be exempt, both as to principal and interest, from all taxation, except estate or inheritance taxes, imposed by authority of the United States, or its possessions, or by any State or local taxing authority.

Upon 10 days' notice given in such manner as may be determined by the Secretary of the Treasury, the series of $250,000,000 certificates now offered may be redeemed as a whole, at par and accrued interest, on or after the date set for the payment of the first installment, payable after allotment, of the subscription price of any bonds offered for subscription by the United States hereafter and before the maturity of the certificates. The certificates of this series, whether or not called for redemption, will be accepted at par, with an adjustment of accrued interest, if tendered on said installment date as payment on the purchase price of any such bonds issued and allotted hereafter and before the maturity of the certificates.

In connection with the foregoing offering of the second issue of certificates of indebtedness of the United States preparatory to the second issue of the Liberty Loan, the Secretary of the Treasury announces that the proceeds of these certificates will be deposited with incorporated banks and trust companies as nearly as may be in proportion to the subscriptions for certificates of indebtedness of this issue made by and through them respectively, provided, that such subscribing banks and trust companies make application for such deposits and qualify therefor, all substantially in accordance with the procedure laid down in connection with the deposit of the proceeds of Liberty Bonds, and upon the same terms and conditions. Such deposits will be left as long as the requirements of the Government permit, and whenever practicable five days' notice will be given before withdrawal. It is expected that certificates of indebtedness will be issued from time to time somewhat in advance of the immediate requirements of the United States. The primary object of this is to avoid the financial stress which would result from the concentration of the payments for a great bond issue upon a single day (which can not be avoided wholly by provision for payment by installments as a great proportion of subscribers prefer to make payment in full on one day as a matter of convenience). Those who acquire certificates of indebtedness, in advance of the bond issue, gradually, without disturbing the money position, purchase exchange payable where the bond subscriptions must be paid (that is, at the Federal Reserve Banks), in advance of the date when the payment is to be made, and meanwhile secure a substantial return upon their money.

Growth of the Acceptance Business.

Data presented below indicate to some extent the increase in the volume of acceptances outstanding since the publication of similar figures in the May, 1917, Bulletin. During the period between March 5 and June 20, 1917, the liabilities of national banks on account of acceptances increased from $101,485,000 to $144,414,000, or $42,929,000, the greater portion of the increase, or $33,865,000, occurring between May 1 and June 20.

Acceptance liabilities shown for the national banks of Chicago increased about 127 per cent between March 5 and June 20, and those of San Francisco about 97 per cent, while the national banks in Greater New York and Boston report increases of about 57 and 40 per cent, respectively. Both Cleveland and Cin-

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cinnati report acceptances in some volume for the first time on June 20. The net increase for all national banks during the period under consideration was over 42 per cent.

During the same period the acceptance liabilities of trust companies in Greater New York show a decrease of $7,755,000, and are given as $94,485,000 on June 20. On the other hand, the trust companies of Boston show an increase from $6,506,000 on March 5 to $16,979,000 on June 20, or nearly 10.5 million dollars.

Acceptance liabilities of national banks in principal cities of the United States on specified dates.

[In thousands of dollars; i. e., 000 omitted.]

	Mar. 5, 1917.	May 1, 1917.	June 20, 1917.
New York	50,720	56,808	79,473
Boston	21,835	23,439	30,681
Philadelphia	8,849	6,154	8,513
Cleveland	70	270	1,494
Cincinnati	22	23	1,578
Baltimore	463	2,755	1,966
New Orleans	1,962	1,239	1,394
Charleston, S. C.	1,300	1,093	660
Chicago	1,480	967	3,357
Minneapolis	4,272	6,072	1,468
San Francisco	2,869	3,861	5,646
All other	7,643	7,868	8,184
Total	101,485	110,549	144,414

Available data regarding acceptance liabilities of American banking institutions on dates of the last three calls for condition statements made by the Comptroller of the Currency are as follows:

[In thousands of dollars; i. e., 000 omitted.]

	Mar. 5, 1917.	May 1, 1917.	June 20, 1917.
All national banks	101,485	110,549	144,414
	Feb. 28, 1917.		
Trust companies in Greater New York	102,240	(1)	94,485
State banks in Greater New York	6,546	(1)	5,957
Trust companies in Boston	6,506	[2] 10,823	16,979
	Mar. 5, 1917.		
State banks and trust companies in Baltimore	3,330	1,825	1,765
Total	220,107	.....	263,600

[1] No data available. [2] Old Colony Trust Co. figures only.

It will be noted that the above figures do not include any acceptances of the large private banking institutions or American branches and agencies of foreign banks for which no data are available, these institutions making no public reports of their condition.

Bankeers' acceptances held by the Federal Reserve Banks on March 5, as shown by data compiled from reports received by the Federal Reserve Board, aggregated nearly 108 millions, of which 20.6 millions represented acceptance liabilities of private banking institutions. On June 25 the holdings of the Federal Reserve Banks had increased to over 196 millions, 31.2 millions of which represented acceptances of private banks and 3.2 millions acceptances of American branches and agencies of foreign banks.

No definite data are obtainable regarding the volume of nonmember bank acceptances outstanding other than those shown in the above table, and the figures giving the distribution of the acceptance holdings of the Federal Reserve Banks distributed by accepting institutions, as published on page 718.

The total amount of acceptance liabilities given in the above table, plus the amount of acceptances of private banks and American branches and agencies of foreign banks held by the Federal Reserve Banks on June 20, aggregate about $294,000,000. It is, therefore, probable that the total acceptance liabilities of all banking institutions in the United States, on June 20, 1917, were not less than $350,000,000.

Condition of National Banks.

The condition of national banks on June 20, 1917, the last report which will be made by national banks under the old reserve requirements, was announced by the Comptroller of the Currency on August 1, as follows:

Resources aggregated $16,151,000,000, which is $6,637,000 ahead of the resources of May 1, 1917, the greatest ever reported up to that time. The increase in total resources as compared with June 30, 1916, was $2,224,000,000.

Total deposits June 20, 1917, were 12,769 millions, a reduction of 306 millions as compared with May 1, 1917, but an increase of 1,913 millions as compared with June 30, 1916.

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Loans and discounts were $8,818,000,000 an increase over May 1 of 66 millions and an increase over June 30, 1916, of $1,139,000,000.

United States bonds were reported at 905 millions, an increase since May 1, 1917, of 137 millions, and an increase since June 30, 1916, of 174 millions. The national banks also report an additional amount of $171,000,000 paid on account of subscriptions to Liberty bonds.

Specie and legal tenders on hand plus balance in Federal Reserve Banks amounted to $1,482,000,000, a decrease as compared with May 1, 1917, of 43 millions, but an increase since June 30, 1916, of $248,000,000.

Bonds and securities other than Government's were reported at 1,843 millions, a reduction as compared with May 1, 1917, of 14 millions, and an increase since June 30, 1916, of $315,000,000.

Amount due from banks other than Federal Reserve Banks was 1,637 millions, a decrease as compared with May 1, 1917, of 201 millions, and an increase of 99 millions as compared with June 30, 1916.

Amount due to banks and bankers was $3,025,000,000, a reduction of 353 millions since May 1, 1917, but an increase of 312 millions since June 30, 1916.

Bills payable and rediscounts were $371,000,000, an increase as compared with May 1, 1917, of $278,000,000, and an increase as compared with June 30, 1916, of $303,000,000. This increase was due to the temporary financing incident to the negotiation of the Liberty bond issue.

The call of June 20, 1917, was the last which will be made under the old reserve requirements. The new law recently passed requires all national-bank reserves to be carried with the twelve Federal Reserve banks.

The total reserve held June 20, 1917, was $2,310,000,000, a reduction as compared with May 1, 1917, of $163,000,000, and an increase as compared with June 30, 1916, of $234,000,000. The percentage of total reserve to deposits June 30, 1917, was 22.91 as compared with 24.05 per cent May 1, 1917, and with 23.86 per cent June 30, 1916.

The surplus reserve over and above the amount required on June 20, 1917, was $842,000,000, a reduction as compared with May 1, 1917, of $132,000,000, and an increase as compared with June 30, 1916, of $41,000,000.

The total reserve carried in vaults and with Federal Reserve banks June 20, 1917, was $1,482,000,000, which was $14,000,000 in excess of the total amount of reserve required, therefore the banks on the date mentioned held in their vaults and with Federal Reserve banks $14,000,000 more than the amount required in addition to the $828,000,000 reserve carried with the Reserve Agents.

On June 20, 1917, the central reserve cities held 19.70 per cent of reserve against a required reserve of 18 per cent. Other reserve cities held 22.45 per cent against a requirement of 15 per cent, while the country banks, which were only required to carry 12 per cent, held on June 20, 1917, a reserve of 25.33 per cent of their net deposits.

Permissive Membership in Pennsylvania.

The Legislature of Pennsylvania has passed the following act permitting State institutions to become members of the Federal Reserve System:

An act authorizing any bank or trust company incorporated under the laws of this Commonwealth to become a member of a Federal Reserve Bank, and in such event to be subject to all the provisions of the act of Congress known as the Federal Reserve Act; allowing any such bank or trust company to comply with the reserve requirements of such act in lieu of those established by the laws of this Commonwealth; and permitting the commissioner of banking to accept the examinations and audits made pursuant to such act in lieu of those required by the laws of this Commonwealth.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same,* That any bank or trust company incorporated under the laws of this Commonwealth shall have the power to subscribe to the capital stock and become a member of a Federal Reserve Bank created and organized under an act of the Congress of the United States approved the twenty-third day of December, anno Domini one thousand nine hundred and thirteen, and known as the Federal Reserve Act.

SEC. 2. Any bank or trust company, incorporated under the laws of this Commonwealth, which shall become a member of a Federal Reserve Bank, shall be subject to all the provisions of the Federal Reserve Act and its amendments, and to the regulations of the Federal Reserve Board applicable to such bank or trust company, and shall have all the

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powers and assume all the liabilities conferred and imposed by said act.

SEC. 3. Any such bank or trust company shall comply with the reserve requirements of the Federal Reserve Act and its amendments, and the compliance of such bank or trust company therewith shall be in lieu of, and shall relieve such bank or trust company from, compliance with the provisions of the laws of this Commonwealth relating to the maintenance of reserves.

SEC. 4. Any such bank or trust company shall be subject to the examinations required under the terms of the Federal Reserve Act, and the commissioner of banking may, in his discretion, accept such examinations in lieu of the examinations required under the laws of this Commonwealth.

SEC. 5. All acts and parts of acts inconsistent herewith are hereby repealed.

Approved, July 17, 1917.

Notes Issued During 1917.

The Comptroller of the Currency on August 9 made the following statement as to the national-bank notes and Federal Reserve notes issued and redeemed through his office during the fiscal year ending June 30, 1917, and also showing the amount of notes of each class in the Treasury vaults June 30, 1917, and the amount of notes outstanding in the hands of the public on the same date:

Total amount of national-bank notes and Federal Reserve notes issued through the Office of the Comptroller of the Currency during the fiscal year ending June 30, 1917	$958, 441, 130
Amount redeemed and destroyed through Office of Comptroller of the Currency during same period	459, 576, 390
Total amount of notes outstanding June 30, 1917	1, 262, 827, 970
Total amount new notes in vaults June 30, 1917	1, 048, 170, 460

The large increase ($371,239,510) in the amount of Federal Reserve notes outstanding is due mainly to the issuance of Federal Reserve notes against the deposit of gold or gold certificates with the Federal Reserve agents, amount so held June 30, 1917, being approximately $400,000,000.

The figures as to the engraving, issue, and redemption and amount outstanding of national-bank notes and Federal Reserve notes separately for the year ending June 30, 1917, are as follows:

	National-bank notes.	Federal Reserve notes.
New notes printed and delivered by the Bureau of Engraving and Printing from June 30, 1916, to June 30, 1917	$289,562,470	$968,820,000
Notes issued by Comptroller's Office June 30, 1916, to June 30, 1917	328,961,130	629,480,000
Notes redeemed and destroyed through Comptroller's Office from June 30, 1916, to June 30, 1917	357,359,750	102,216,640
Excess of notes redeemed and destroyed June 30, 1916, to June 30, 1917, over amount issued during same period	28,398,620	.....
Excess of notes issued, June 30, 1916, to June 30, 1917, over amount redeemed and destroyed, same period	.....	527,263,360
Total amount of new notes in vault June 30, 1917	383,430,460	664,740,000
Reduction during the year in national-bank notes in vault of	52,118,430	.....
Increase during the same period in Federal Reserve notes in vault of	.....	192,260,000
Total amount of notes outstanding June 30, 1917	715,420,010	547,407,960
Reduction during the year in national-bank notes outstanding of	28,754,650	.....
Increase during the same period in Federal Reserve notes outstanding, of	.....	371,239,510

Why a Southern State Institution Has Entered the Federal Reserve System.

The Hibernia Bank & Trust Co., the largest State bank and trust company in the South, has been admitted to membership in the Federal Reserve System. In this connection, President John J. Gannon issued the following statement explaining the reasons why the bank has entered the system:

"When the Federal Reserve Act first became effective three years ago we seriously considered the advisability of joining the system but at that time conditions were such that membership in the system would have interfered to some extent with the privileges which we enjoy as a State bank and trust company, and we, therefore, postponed action until a later date.

"In view of the fact that recent amendments to the Federal Reserve Act eliminated all of these obstacles, our board of directors again considered the question last month with the result that we filed our application for membership several weeks ago.

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"The Federal Reserve Board promptly sent its representatives to have the customary examination made, and upon their favorable report, which was filed this week, we were notified by wire to-day that we had been admitted to full membership in the Federal Reserve System.

"Our primary motive in applying for membership in the system at this time is our sense of duty to our country, because we believe that under the existing extraordinary conditions it is very important that we should have a strong and unified banking system.

"The Federal Reserve System has already demonstrated its great value to our Nation during the short time of its existence, but in our opinion the cooperation of the larger State banks in the reserve and central reserve cities will be necessary if the system is to become the bulwark of financial strength which it should be and which we will need to keep business on an even keel, especially for the duration of the war and the period of readjustment which will follow.

"We have felt, therefore, that by joining the system now we are in a measure enlisting our resources in the Nation's cause, and are thus contributing our share to the strength and stability of the financial condition of the country.

"Another consideration which prompted us to take this step at this time is the fact that under the amended law we will not only retain all of our charter rights as a State bank and trust company granted under the laws of the State of Louisiana, but, in addition we will now enjoy all of the privileges and facilities which membership in the Federal Reserve System affords.

"Among the most important of these added privileges and facilities is the right to rediscount and the consequent ability to obtain whatever amount of currency may be needed at any time. Of course this access to the resources of the Federal Reserve System is not very important under ordinary conditions, but it becomes of inestimable value to even the strongest bank in times of financial stress.

"Moreover, New Orleans is rapidly becoming a commercial and financial center of the first magnitude, and we believe that as members of the Federal Reserve System we will be in a better position to give every possible assistance in the development of the commercial possibilities of this section."

Description of Federal Reserve Districts.

Below are furnished descriptions of the 12 Federal Reserve districts, accompanied by estimates of the population of each district, recently prepared by the Bureau of the Census for use of investigators at work on the Liberty Loan. No detailed description of Federal Reserve districts has been issued since the Organization Committee completed its work about three and one-half years ago.

DISTRICT NO. 1—BOSTON (6,963,987).

CONNECTICUT (except Fairfield County) (975,434).
MAINE (777,340).
MASSACHUSETTS (3,775,973).
NEW HAMPSHIRE (444,429).
RHODE ISLAND (625,865).
VERMONT (364,946).

DISTRICT NO. 2—NEW YORK (13,111,816).

CONNECTICUT (county of Fairfield) (289,939).
NEW JERSEY (counties of Monmouth, Middlesex, Hunterdon, Somerset, Union, Essex, Passaic, Hudson, Bergen, Morris, Sussex, and Warren) (2,361,695).
NEW YORK (10,460,182).

DISTRICT NO. 3—PHILADELPHIA (6,632,611).

DELAWARE (215,160).
NEW JERSEY (except counties enumerated under District No. 2) (652,499).
PENNSYLVANIA (eastern part) (5,764,952). Counties:

Adams.	Delaware.	Montour.
Bedford.	Elk.	Northampton.
Berks.	Franklin.	Northumberland.
Blair.	Fulton.	Perry.
Bradford.	Huntingdon.	Philadelphia.
Bucks.	Juniata.	Pike.
Cambria.	Lackawanna.	Potter.
Cameron.	Lancaster.	Schuylkill.
Carbon.	Lebanon.	Snyder.
Center.	Lehigh.	Sullivan.
Chester.	Luzerne.	Susquehanna.
Clearfield.	Lycoming.	Tioga.
Clinton.	McKean.	Union.
Columbia.	Mifflin.	Wayne.
Cumberland.	Monroe.	Wyoming.
Dauphin.	Montgomery.	York.

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DISTRICT NO. 4—CLEVELAND (9,314,762).

KENTUCKY (eastern part) (1,039,880). Counties:

Bath.	Harlan.	Mason.
Bell.	Harrison.	Menifee.
Boone.	Jackson.	Montgomery.
Bourbon.	Jessamine.	Morgan.
Boyd.	Johnson.	Nicholas.
Bracken.	Kenton.	Owsley.
Breathitt.	Knott.	Pendleton.
Campbell.	Knox.	Perry.
Carter.	Laurel.	Pike.
Clark.	Lawrence.	Powell.
Clay.	Lee.	Pulaski.
Elliott.	Leslie.	Robertson.
Estill.	Letcher.	Rockcastle.
Fayette.	Lewis.	Rowan.
Fleming.	Lincoln.	Scott.
Floyd.	McCreary.	Whitley.
Garrard.	Madison.	Wolfe.
Grant.	Magoffin.	Woodford.
Greenup.	Martin.	

OHIO (5,212,085).

PENNSYLVANIA (western part) (2,895,090). Counties:

Alleghany.	Fayette.	Somerset.
Armstrong.	Forest.	Venango.
Beaver.	Greene.	Warren.
Butler.	Indiana.	Washington.
Clarion.	Jefferson.	Westmoreland.
Crawford.	Lawrence.	
Erie.	Mercer.	

WEST VIRGINIA (northern part) (167,707). Counties:

Brooke.	Marshall.	Tyler.
Hancock.	Ohio.	Wetzel.

DISTRICT NO. 5—RICHMOND (9,278,461).

DISTRICT OF COLUMBIA (369,282).
MARYLAND (1,373,673).
NORTH CAROLINA (2,434,381).
SOUTH CAROLINA (1,643,205).
VIRGINIA (2,213,025).
WEST VIRGINIA (all counties except Brooke, Hancock, Marshall, Ohio, Tyler, and Wetzel) (1,244,895).

DISTRICT NO. 6—ATLANTA (10,055,640).

ALABAMA (2,363,939).
FLORIDA (916,185).
GEORGIA (2,895,841).

LOUISIANA (southern part) (1,260,490). Parishes:

Acadia.	Jefferson Davis.	St. John the Baptist.
Allen.	Lafayette.	St. Landry.
Ascension.	Lafourche.	St. Martin.
Assumption.	Livingston.	St. Mary.
Avoyelles.	Orleans.	St. Tammany.
Calcasieu.	Plaquemines.	Tangipahoa.
Cameron.	Pointe Coupee.	Terrebonne.
East Baton Rouge.	Rapides.	Vermilion.
East Feliciana.	St. Bernard.	Vernon.
Evangeline.	St. Charles.	Washington.
Iberville.	St. Helena.	West Baton Rouge.
Iberia.	St. James.	West Feliciana.
Jefferson.		

MISSISSIPPI (southern part) (996,935). Counties:

Adams.	Jackson.	Newton.
Amite.	Jasper.	Pearl River.
Claiborne.	Jefferson.	Perry.
Clarke.	Jefferson Davis.	Pike.
Copiah.	Jones.	Rankin.
Covington.	Kemper.	Scott.
Forrest.	Lamar.	Sharkey.
Franklin.	Lauderdale.	Simpson.
George.	Lawrence.	Smith.
Greene.	Leake.	Walthall.
Hancock.	Lincoln.	Warren.
Harrison.	Madison.	Wayne.
Hinds.	Marion.	Wilkinson.
Issaquena.	Neshoba.	Yazoo.

TENNESSEE (eastern part) (1,622,250). Counties:

Anderson.	Hancock.	Perry.
Bedford.	Hawkins.	Pickett.
Bledsoe.	Hickman.	Polk.
Blount.	Houston.	Putnam.
Bradley.	Humphreys.	Rhea.
Campbell.	Jackson.	Roane.
Cannon.	James.	Robertson.
Carter.	Jefferson.	Rutherford.
Cheatham.	Johnson.	Scott.
Claiborne.	Knox.	Sequatchie.
Clay.	Lawrence.	Sevier.
Cocke.	Lewis.	Smith.
Coffee.	Lincoln.	Stewart.
Cumberland.	Loudon.	Sullivan.
Davidson.	McMinn.	Sumner.
Dekalb.	Macon.	Trousdale.
Dickson.	Marion.	Unicoi.
Fentress.	Marshall.	Union.
Franklin.	Maury.	Van Buren.
Giles.	Meigs.	Warren.
Grainger.	Monroe.	Washington.
Greene.	Montgomery.	Wayne.
Grundy.	Moore.	White.
Hamblen.	Morgan.	Williamson.
Hamilton.	Overton.	Wilson.

DISTRICT NO. 7—CHICAGO (14,154,175).

ILLINOIS (northern part) (4,977,386). Counties:

Boone.	Henry.	Mercer.
Bureau.	Iroquois.	Moultrie.
Carroll.	Jo Daviess.	Ogle.
Cass.	Kane.	Peoria.
Champaign.	Kankakee.	Piatt.
Christian.	Kendall.	Putnam.
Clark.	Knox.	Rock Island.
Coles.	Lake.	Sangamon.
Cook.	La Salle.	Schuyler.
Cumberland.	Lee.	Shelby.
Dekalb.	Livingston.	Stark.
Dewitt.	Logan.	Stephenson.
Douglas.	McDonough.	Tazewell.
Dupage.	McHenry.	Vermilion.
Edgar.	McLean.	Warren.
Ford.	Macon.	Whiteside.
Fulton.	Marshall.	Will.
Grundy.	Mason.	Winnebago.
Hancock.	Menard.	Woodford.
Henderson.		

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INDIANA (northern part) (2,227,340). Counties:

Adams.	Hendricks.	Parke.
Allen.	Henry.	Porter.
Bartholomew.	Howard.	Pulaski.
Benton.	Huntington.	Putnam.
Blackford.	Jasper.	Randolph.
Boone.	Jay.	Ripley.
Brown.	Jennings.	Rush.
Carroll.	Johnson.	St. Joseph.
Cass.	Kosciusko.	Shelby.
Clay.	Lagrange.	Starke.
Clinton.	Lake.	Steuben.
Dearborn.	Laporte.	Tippecanoe.
Decatur.	Madison.	Tipton.
Dekalb.	Marion.	Union.
Delaware.	Marshall.	Vermilion.
Elkhart.	Miami.	Vigo.
Fayette.	Monroe.	Wabash.
Fountain.	Montgomery.	Warren.
Franklin.	Morgan.	Wayne.
Fulton.	Newton.	Wells.
Grant.	Noble.	White.
Hamilton.	Ohio.	Whitley.
Hancock.	Owen.	

IOWA (2,224,771).

MICHIGAN (southern part) (2,721,733). Counties:

Alcona.	Hillsdale.	Montmorency.
Allegan.	Huron.	Muskegon.
Alpena.	Ingham.	Newaygo.
Antrim.	Ionia.	Oakland.
Arenac.	Iosco.	Oceana.
Barry.	Isabella.	Ogenaw.
Bay.	Jackson.	Osceola.
Benzie.	Kalamazoo.	Oscoda.
Berrien.	Kalkaska.	Otsego.
Branch.	Kent.	Ottawa.
Calhoun.	Lake.	Presque Isle.
Cass.	Lapeer.	Roscommon.
Charlevoix.	Leelanau.	Saginaw.
Cheboygan.	Lenawee.	St. Clair.
Claire.	Livingston.	St. Joseph.
Clinton.	Macomb.	Sanilac.
Crawford.	Manistee.	Shiawasee.
Eaton.	Mason.	Tuscola.
Emmet.	Mecosta.	Van Buren.
Genesee.	Midland.	Washtenaw.
Gladwin.	Missaukee.	Wayne.
Grand Traverse.	Monroe.	Wexford.
Gratiot.	Montcalm.	

WISCONSIN (southern part) (2,002,945). Counties:

Adams.	Jefferson.	Portage.
Brown.	Juneau.	Racine.
Calumet.	Kenosha.	Richland.
Clark.	Kewaunee.	Rock.
Columbia.	Lafayette.	Sauk.
Crawford.	Langlade.	Shawano.
Dane.	Manitowoc.	Sheboygan.
Dodge.	Marathon.	Vernon.
Door.	Marinette.	Walworth.
Fond du Lac.	Marquette.	Washington.
Grant.	Milwaukee.	Waukesha.
Green.	Monroe.	Waupaca.
Green Lake.	Oconto.	Waushara.
Iowa.	Outagamie.	Winnebago.
Jackson.	Ozaukee.	Wood.

DISTRICT NO. 8—ST. LOUIS (9,291,698).

ARKANSAS (1,766,343).

ILLINOIS (southern part) (1,257,609). Counties:

Adams.	Hardin.	Pike.
Alexander.	Jackson.	Pope.
Bond.	Jasper.	Pulaski.
Brown.	Jefferson.	Randolph.
Calhoun.	Jersey.	Richland.
Clay.	Johnson.	St. Clair.
Clinton.	Lawrence.	Saline.
Crawford.	Macoupin.	Scott.
Edwards.	Madison.	Union.
Effingham.	Marion.	Wabash.
Fayette.	Massac.	Washington.
Franklin.	Monroe.	Wayne.
Gallatin.	Montgomery.	White.
Greene.	Morgan.	Williamson.
Hamilton.	Perry.	

INDIANA (southern part) (608,152). Counties:

Clark.	Jackson.	Posey.
Crawford.	Jefferson.	Scott.
Daviess.	Knox.	Sullivan.
Dubois.	Lawrence.	Spencer.
Floyd.	Martin.	Switzerland.
Gibson.	Orange.	Vanderburg.
Greene.	Perry.	Warrick.
Harrison.	Pike.	Washington.

KENTUCKY (western part) (1,354,213). Counties:

Adair.	Gallatin.	Metcalfe.
Allen.	Graves.	Monroe.
Anderson.	Grayson.	Muhlenberg.
Ballard.	Greene.	Nelson.
Barren.	Hancock.	Ohio.
Boyle.	Hardin.	Oldham.
Breckenridge.	Hart.	Owen.
Bullitt.	Henderson.	Russell.
Butler.	Henry.	Shelby.
Caldwell.	Hickman.	Simpson.
Calloway.	Hopkins.	Spencer.
Carlisle.	Jefferson.	Taylor.
Carroll.	Larue.	Todd.
Casey.	Livingston.	Trigg.
Christian.	Logan.	Trimble.
Clinton.	Lyon.	Union.
Crittenden.	McCracken.	Warren.
Cumberland.	McLean.	Washington.
Daviess.	Marion.	Wayne.
Edmonson.	Marshall.	Webster.
Franklin.	Meade.	
Fulton.	Mercer.	

MISSISSIPPI (northern part) (979,635). Counties:

Alcorn.	Itawamba.	Quitman.
Attala.	Lafayette.	Sunflower.
Benton.	Lee.	Tallahatchie.
Bolivar.	Leflore.	Tate.
Calhoun.	Lowndes.	Tippah.
Carroll.	Marshall.	Tishomingo.
Chickasaw.	Monroe.	Tunica.
Choctaw.	Montgomery.	Union.
Clay.	Noxubee.	Washington.
Coahoma.	Oktibbeha.	Webster.
De Soto.	Panola.	Winston.
Grenada.	Pontotoc.	Yalobusha.
Holmes.	Prentiss.	

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MISSOURI (eastern part) (2,643,367). Counties: All except those included in District No. 10.

TENNESSEE (western part) (682,379). Counties:

Benton.	Gibson.	Lauderdale.
Carroll.	Hardeman.	McNairy.
Chester.	Hardin.	Madison.
Crockett.	Haywood.	Obion.
Decatur.	Henderson.	Shelby.
Dyer.	Henry.	Tipton.
Fayette.	Lake.	Weakley.

DISTRICT NO. 9—MINNEAPOLIS (5,164,426).

MICHIGAN (northern part) (372,533). Counties:

Alger.	Gogebic.	Mackinac.
Baraga.	Houghton.	Marquette.
Chippewa.	Iron.	Menominee.
Delta.	Keweenaw.	Ontonagon.
Dickinson.	Luce.	Schoolcraft.

MINNESOTA (2,312,445).

MONTANA (472,935).

NORTH DAKOTA (765,319).

SOUTH DAKOTA (716,972).

WISCONSIN (northern part) (524,222). Counties:

Ashland.	Florence.	Price.
Barron.	Forest.	Rusk.
Bayfield.	Iron.	St. Croix.
Buffalo.	La Crosse.	Sawyer.
Burnett.	Lincoln.	Taylor.
Chippewa.	Oneida.	Trempealeau.
Douglas.	Pepin.	Vilas.
Dunn.	Pierce.	Washburn.
Eau Claire.	Polk.	

DISTRICT NO. 10—KANSAS CITY (7,404,443).

COLORADO (988,320).

KANSAS (1,851,870).

MISSOURI (western part) (786,228). Counties:

Andrew.	Clinton.	McDonald.
Atchison.	Dekalb.	Newton.
Barton.	Gentry.	Nodaway.
Bates.	Holt.	Platte.
Buchanan.	Jackson.	Vernon.
Cass.	Jasper.	Worth.
Clay.		

NEBRASKA (1,284,126).

NEW MEXICO (northern part) (196,440). Counties:

Colfax.	Sandoval.	Taos.
McKinley.	San Juan.	Union.
Mora.	San Miguel.	
Rio Arriba.	Santa Fe.	

OKLAHOMA (all except southeastern part) (2,112,489). Counties:

Adair.	Canadian.	Cimarron.
Alfalfa.	Carter.	Cleveland.
Beaver.	Comanche.	Craig.
Blaine.	Cotton.	Creek.
Beckham.	Custer.	Delaware.
Caddo.	Cherokee.	Dewey.
Ellis.	Lincoln.	Payne.
Garfield.	Logan.	Pottawatomie.
Garvin.	Love.	Pittsburg.
Grant.	McClain.	Pontotoc.
Grady.	McIntosh.	Rogers.
Greer.	Major.	Roger Mills.
Harper.	Mayes.	Seminole.
Harmon.	Muskogee.	Sequoyah.
Haskell.	Murray.	Stephens.
Hughes.	Noble.	Texas.
Jackson.	Nowata.	Tulsa.
Jefferson.	Okfuskee.	Tillman.
Kay.	Oklahoma.	Washita.
Kingfisher.	Okmulgee.	Wagoner.
Kiowa.	Osage.	Washington.
Latimer.	Ottawa.	Woods.
Le Flore.	Pawnee.	Woodward.

WYOMING (184,970).

DISTRICT NO. 11—DALLAS (5,637,290).

ARIZONA (southeastern part) (120,828). Counties:

Cochise.	Graham.	Greenlee.
Pima.	Santa Cruz.	

LOUISIANA (northern part) (596,464). Parishes:

Bienville.	East Carroll.	Ouachita.
Bossier.	Franklin.	Red River.
Beauregard.	Grant.	Richland.
Caddo.	Jackson.	Sabine.
Caldwell.	La Salle.	Tensas.
Catahoula.	Lincoln.	Union.
Claiborne.	Madison.	Webster.
Concordia.	Morehouse.	West Carroll.
De Sota.	Natchitoches.	Winn.

NEW MEXICO (southern part) (227,209). Counties:

Bernalillo.	Guadalupe.	Sierra.
Chaves.	Lincoln.	Socorro.
Curry.	Luna.	Torrance.
Dona Ana.	Otero.	Valencia.
Eddy.	Quay.	
Grant.	Roosevelt.	

OKLAHOMA (southeastern part) (177,366). Counties:

Atoka.	Coal.	Marshall.
Bryan.	Johnston.	Pushmataha.
Choctaw.	McCurtain.	

TEXAS (4,515,423).

DISTRICT NO. 12—SAN FRANCISCO (6,631,164).

ARIZONA (northwestern part) (142,960). Counties:

Apache.	Maricopa.	Pinal.
Coconino.	Mohave.	Yavapai.
Gila.	Navajo.	Yuma.

CALIFORNIA (3,029,032).

IDAHO (445,176).

NEVADA (110,738).

OREGON (861,992).

UTAH (443,866).

WASHINGTON (1,597,400).

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Export License System.

Further revision of the export license list and development of the forms used in connection with the granting of such licenses has occurred during the past month. Because of its importance to bankers engaged in foreign operations and desirous of ascertaining that each set of documents presented to them is complete, details concerning the changes in the license system during the month of August are herewith presented.

The President, on August 28, issued the following proclamation, further explaining the conditions of the present export embargo:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas Congress has enacted and the President has, on the 15th day of June, 1917, approved a law, which contains the following provisions:

"Whenever during the present war the President shall find that the public safety shall so require, and shall make proclamation thereof, it shall be unlawful to export from or ship from or take out of the United States to any country named in such proclamation any article or articles mentioned in such proclamation, except at such time or times, and under such regulations and orders, and subject to such limitations and exceptions as the President shall prescribe, until otherwise ordered by the President or by the Congress: *Provided, however*, That no preference shall be given to the ports of one State over those of another.

"Any person who shall export, ship, or take out, or deliver or attempt to deliver for export, shipment, or taking out, any article in violation of this title, or of any regulation or order made hereunder, shall be fined not more than $10,000, or, if a natural person, imprisoned for not more than two years, or both; and any article so delivered or exported, shipped, or taken out, or so attempted to be delivered or exported, shipped, or taken out, shall be seized and forfeited to the United States; and any officer, director, or agent of a corporation who participates in any such violation shall be liable to like fine or imprisonment, or both.

"Whenever there is reasonable cause to believe that any vessel, domestic or foreign, is about to carry out of the United States any article or articles in violation of the provisions of this title, the collector of customs for the district in which such vessel is located is hereby authorized and empowered, subject to review by the Secretary of Commerce, to refuse clearance to any such vessel, domestic or foreign, for which clearance is required by law, and by formal notice served upon the owners, master, or person or persons in command or charge of any domestic vessel for which clearance is not required by law, to forbid the departure of such vessel from the port, and it shall thereupon be unlawful for such vessel to depart. Whoever, in violation of any of the provisions of this section, shall take, or attempt to take, or authorize the taking of any such vessel out of port or from the jurisdiction of the United States shall be fined not more than $10,000 or imprisoned for not more than two years, or both; and, in addition, such vessel, her tackle, apparel, furniture, equipment, and her forbidden cargo shall be forfeited to the United States.

Now, therefore, I, Woodrow Wilson, President of the United States of America, do hereby proclaim to all whom it may concern that the public safety requires that, except at such time or times, and under such regulations and orders, and subject to such limitations and exemptions as the President shall prescribe, until otherwise ordered by the President or by Congress, the following articles, namely: All kinds of arms, guns, ammunition and explosives, machines for their manufacture or repair, component parts thereof, materials or ingredients used in their manufacture, and all articles necessary or convenient for their use; all contrivances for or means of transportation in land or in the water or air, machines used in their manufacture or repair, component parts thereof, materials or ingredients used in their manufacture, and all instruments, articles and animals necessary or convenient for their use, all means of communication, tools, implements, instruments, equipment, maps, pictures, papers and other articles, machines and documents necessary or convenient for carrying on hostile operations, coin, bullion, currency, evidences of debt, and metal, materials, dies, plates, machinery and other articles necessary or convenient for their manufacture; all kinds of fuel, food, foodstuffs, feed, forage and clothing, and all articles and materials used in their manufacture; all chemicals, drugs, dyestuffs, and tanning materials, cotton, wool, silk, flax, hemp, jute, sisal, and other fibers and manufactures thereof; all earths, clay, glass, sand and their products, hides, skins and manufactures thereof, nonedible animal and vegetable products, machinery, tools and apparatus, medical, surgical, laboratory, and sanitary supplies and equipment; all metals, minerals, mineral oils, ores, and all derivatives and manufactures thereof; paper pulp, books, printed matter, rubber, gums, rosins, tars and waxes, their products, derivatives and substitutes, and all articles containing them; wood and wood manufactures; coffee, cocoa, tea, and spices; wines, spirits, mineral waters and beverages, shall not, on and after the 30th day of August, in the year 1917, be exported from or shipped from or taken out of the United States or its territorial possessions to Albania, Austria-Hungary, that portion of Belgium occupied by the military forces of Germany, Bulgaria, Denmark, her colonies, possessions or protectorates; Germany, her colonies, possessions, or protectorates; Greece, Leichtenstein, Luxemburg, the kingdom of the Netherlands, Norway, Spain, her colonies, possessions, or protectorates; Sweden, Switzerland, or Turkey (excluding any portion of the foregoing occupied by the military forces of the

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United States or the nations associated with the United States in the war), or any territory occupied by the military forces of Germany or her allies; and

I do hereby further proclaim to all whom it may concern that the public safety requires that, except at such time or times, and under such regulations and orders, and subject to such limitations and exceptions as the President shall prescribe, until otherwise ordered by the President or by Congress, the following articles, namely, coal, coke, fuel oils, lubricating oils, hand-lantern oil, naphtha, benzine, red oil, kerosene, and gasoline, all bunkers, food grains, flour and meal therefrom, corn flour, barley, rice flour, rice, oatmeal and rolled oats, fodder and feeds, oil-cake, oil-meal cake, malt, and peanuts; all meats and fats, poultry, cottonseed oil, corn oil, copra, desiccated cocoanuts, butter, fresh, dried, and canned fish; edible or inedible grease of animal or vegetable origin; linseed oil, lard, tinned milk, peanut oil and butter, grapeseed oil, tallow, tallow candles, and stearic acid; sugar, glucose, sirup, and molasses; pig iron, ferrosilicon and spiegeleisen; steel ingots, billets, blooms, slabs, and sheet bars; iron and steel plates, including ship, boiler, tank, and all other iron and steel plates one-eighth of an inch thick and heavier, and wider than 6 inches; iron and steel structural shapes, including beams, channels, angles, tees, and zees of all sizes; fabricated structural iron and steel, including beams, channels, angles, tees, zees, and plates, fabricated and shipped knocked down; scrap iron and scrap steel, ferromanganese; tool steel, high-speed steel and alloy steels and machine tools; steel-hardening materials; fertilizers, including cattle and sheep manure, nitrate of soda, poudrette, potato manure, potassium salts, land plaster, potash, cyanamide, phosphoric acid, phosphate rock, superphosphate, chlorate of potash, bone meal, bone flour, ground bone, dried blood, ammonia and ammonia salts, acid phosphates, guano, humus, hardwood ashes, soot, anhydrous ammonia; aeronautical machines and instruments, their parts and accessories thereof; arms and ammunition, all explosives, nitrate of potash, rosin, saltpeter, turpentine, ether, alcohol, sulphur, sulphuric acid and its salts, acetone, nitric acid and its salts, benzol and its derivatives, phenol "carbolic acid" and its derivatives, toluol and its derivatives, mercury and its salts, glycerin, potash and its salts, all cyanides and films; carrier and other pigeons, antiaircraft instruments, apparatus, accessories, all radio and wireless apparatus and its accessories, optical glass, optical instruments and reflectors, cotton and cotton linters, wool, wool rags, wool and khaki clippings, and wool products; flax, sisal, jute, hemp, and all manufactures thereof; hides, skins, leather, leather belting, sole and upper leather, leather boots and shoes, harness and saddles and leather clothing; soap and soap powders, all engines and motors operated by steam, gas, and electricity, or other motive power, and their accessories; metal and wood working machinery, oil-well casing, oil-well drilling implements and machinery and the accessories thereof; steam boilers, turbines, condensers, pumps and accessories thereof; all electrical equipment, crucibles, emery, emery wheels, carborundum and all artificial abrasives, copper, including copper ingots, bars, rods, plates, sheets, tubes, wire and scrap thereof; lead and white lead, tin, tin plate, tin cans, and all articles containing tin, nickel, aluminum, zinc, plumbago, and platinum; news paper, print paper, wood pulp and cellulose; ash, spruce, walnut, mahogany, oak, and birch woods, and industrial diamonds—shall not, on and after the 30th day of August, in the year 1917, be exported from, shipped from, or taken out of the United States or its territorial possessions to Abyssinia, Afghanistan, Argentina, that portion of Belgium not occupied by the military forces of Germany or the colonies, possessions, or protectorates of Belgium, Bolivia, Brazil, China, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Egypt, France, her colonies, possessions, or protectorates; Guatemala, Haiti, Honduras, Italy, her colonies, possessions, or protectorates; Great Britain, her colonies, possessions, or protectorates; Japan, Liberia, Mexico, Monaco, Montenegro, Morocco, Nepal, Nicaragua, the colonies, possessions, or protectorates of the Netherlands; Oman, Panama, Paraguay, Persia, Peru, Portugal, her colonies, possessions, or protectorates; Roumania, Russia, Salvador, San Marino, Serbia, Siam, Uruguay, Venezuela (excluding any portion of the foregoing occupied by the military forces of Germany or her allies), or any territory occupied by the military forces of the United States or by the nations associated with the United States in the war.

The regulations, orders, limitations, and exceptions prescribed will be administered by and under the authority of the exports administrative board, from whom licenses in conformity with said regulations, orders, limitations, and exceptions will issue.

In witness whereof I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 27th day of August, in the year of our Lord 1917 and of the independence of the United States of America the one hundred and forty-second.

WOODROW WILSON.

By the President:

ROBERT LANSING, *Secretary of State.*

The following statement is reprinted from Commerce Reports for August 6:

Export license is required at present for any article on the following list, which supersedes the list published in Commerce Reports for July 23:

Coal.

Coke.

Fuel oils, including lubricating oil; benzol; hand-lantern oil; toluol; naphtha; benzene; red oil.

Kerosene and gasoline, including bunkers.

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Food grains, flour and meal therefrom, including corn flour, barley, rice flour, rice, oatmeal, and rolled oats.

Fodder and feeds, including oil cakes and oil-cake meal; malt; peanuts.

Meats and fats, including poultry; cottonseed oil; corn oil; copra; coconuts, desiccated; butter; fish, dried, canned, or fresh; grease, inedible or edible, of animal or vegetable origin; linseed oil; lard; meats, all varieties; tinned milk; peanut oil and butter; rapeseed oil; tallow; tallow candles; stearic acid.

Pig iron.

Steel billets, including steel sheet bars; steel blooms; steel slabs.

Ship plates and structural shapes, including iron plates; I beams; mild steel plates; rolled steel plates; steel channels; steel angles; mild steel plates, ordinary tank quality; steel beams; steel plates, one-eighth inch thick or heavier; steel sheets, one-eighth inch thick or heavier, are classified as steel plates; steel tees and zees; structural steel shapes; boiler plates; tank plates; steel doors; steel car frames; steel towers.

Scrap iron and scrap steel.

Ferromanganese.

Fertilizers, including cattle manure, shredded; nitrate of soda; poudrette; potato manure; potassium salts; land plaster; potash; cyanamide; phosphoric acid; phosphate rock; superphosphate; chlorate potash; bone meal; bone flour; ground bone; dried blood; ammonia and ammonia salts; acid phosphates; guano; humus; hardwood ashes; soot; sheep manure, pulverized; anhydrous ammonia.

Arms, ammunition, and explosives, including nitrate of potash; rosin; saltpeter; turpentine; ether; alcohol; sulphur; sulphuric acid and its salts; acetone; nitric acid and its salts; derivatives of benzol; phenol (carbolic acid) and its derivatives; derivatives of toluol; mercury and its salts; ammonia and its salts; glycerine; potash and its salts; all cyanides.

As already stated, changes in the license forms have also occurred, the principal forms now in use being the following:

APPLICATION FOR EXPORT LICENSE.

This form is to be used *only* for proposed shipments to countries associated with the United States in the war, or to the colonies, possessions, and protectorates of those countries, and only when such shipments will not be licensed unless the goods are destined for war purposes or will directly contribute thereto.

Application No.....
Disposition.....
.....
Date.....
Drawn by.....
Checked by.....
License No.....
Expiration date.....

(Space above this line for official use only.)

Instructions on page 4 should be carefully read before this application is filled in. Answers must be written legibly, or typewritten, if possible.

Applicant's Reference No..... Date....., 191 .

DIVISION OF EXPORT LICENSES,
1435 K Street NW., Washington, D. C.

....hereby apply for license to export.....
(Quantity.)

of.....
(Goods.)

.....Valued at $.....

to.....
(Consignee.) (Address.)

Goods will be ready for shipment....., 191

(Signed) .....

By.....

Applicant's address.....

.....

License to be sent to.....

Address.....

PLEASE READ CAREFULLY BEFORE FILLING IN APPLICATION. THIS WILL AVOID DELAY.

(*a*) This form must be filled in in duplicate, and both copies signed by the foreign purchaser or by his duly authorized representative in the United States. Both copies must then be given to a representative of the Government of destination who has been authorized to indorse on this fourth page, applications for goods destined for war purposes or directly contributing thereto. One copy bearing this indorsement will be returned to the applicant or such representative as he may designate, and this copy must be filed immediately at Division of Export Licenses, 1435 K Street NW., Washington, D. C.

(*b*) A separate application must be made for each country of destination.

(*c*) A separate application must be made for each class of goods and for each consignment. If only a portion of the goods covered by a specific license is exported, and the applicant desires to export the balance, another application should be made on application Form D entitled "Application for Supplementary Export License."

(*d*) The statement in regard to the quantity should be made in definite units of net weight or measure, such as tons (of 2,240 pounds each), pounds, bushels, gallons, etc., and not in such terms as boxes, cases, sacks, etc.

(*e*) To avoid delays applicants are requested, in case of further communication, to refer to their own reference number and date, as well as to the reference number of the Division of Export Licenses if known, and to refer to each application in a separate letter.

(*f*) If the space allowed on page 1 is not sufficient adequately to describe the goods, a more complete description may be given in an accompanying letter. All documents which an applicant may wish to submit in connection with the application must accompany the application in the first instance.

AFFIDAVIT BY APPLICANT.

I hereby declare that I have been duly authorized to make this application in behalf of the foreign purchaser, and that I have full knowledge that the statements made in this application are true and correct, and I further declare materials, articles, or parts thereof mentioned herein are destined for actual war purposes or will directly contribute thereto.

(Signed) .....

.....
Address.

RECOMMENDATIONS OF REPRESENTATIVE OF THE GOVERNMENT OF DESTINATION.

(Signed) .....

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Accompanying this form are the following questions:

1. State name and address of person or firm by whom the material or stores will be used, and whether engaged on Government work, and if so, of what kind and to what extent.
2. Is the material indispensable for efficient maintenance or repair work?
3. State the nature and extent of the plant to be maintained, repaired, or manufactured and the evidence of urgency.
4. State the specific purpose for which the material, etc., is required.
5. Why is it impossible to obtain the supply required, either in the country of destination or elsewhere than the United States, or to substitute some other material for that now asked for?
6. How long will the supply now asked for last?
7. What is your normal consumption for the period mentioned in your reply to No. 6?
8. What stocks, if any, do you now hold of the goods asked for? In the case of machinery or plant what spares have you in hand at present? Name all firms in the United States or elsewhere from whom you have obtained the material, articles, or parts thereof in the past.
9. Have you any stores or material of the description referred to in this application now under indent order or supply from the United States, or elsewhere; if so, what is the quantity? When and with what firm or firms was the order placed?
10. Give the name and address of United States manufacturer of the goods referred to in this application.

NOTE.—Questions 1, 3, 7, and 9 need not be answered if the buyer is a foreign Government.

The following form is to be used for shipments to allied countries:

DEPARTMENT OF COMMERCE,

BUREAU OF FOREIGN AND DOMESTIC COMMERCE,

DIVISION OF EXPORT LICENSES.

Application Form A-2.

This form to be used *only* for proposed shipments to countries associated with the United States in the war, or to the colonies, possessions, or protectorates of such countries.

App. No.....
Disposition.....
.....
Date.....
Drawn by.....
Checked by.....
License No.....
Expiration date.....

(Space above this line for official use only.)

Instructions on the back of this sheet should be carefully read before this application is filled in. Answers must be written legibly, or type written, if possible.

APPLICATION FOR ORDINARY EXPORT LICENSE.

Applicant's Reference No. ..... Date....., 191
DIVISION OF EXPORT LICENSES,
1435 K Street NW., Washington, D. C.

.... hereby apply for license to export .....
(Quantity.)

of.....
(Goods.)
..... Valued at $....
to.....
(Consignee.) (Address.)
Goods will be ready for shipment ....., 191
If the goods are to be re-exported by consignee, state to what country.
.....
(Signed) .....
By .....
Applicant's address .....
.....
License to be sent to.....
Address.....

PLEASE READ CAREFULLY BEFORE FILLING IN APPLICATION. THIS WILL AVOID DELAY.

(*a*) A separate application must be made for each country of destination.

(*b*) A separate application must be made for each class of goods and for each consignment. If only a portion of the goods covered by a specific license is exported and the applicant desires to export the balance, another application should be made on application Form D, entitled "Application for Supplementary Export License."

(*c*) To avoid delays, applicants are requested, in case of further communication, to refer to their own reference number and date as well as to the Division of Export Licenses reference number, if known, and to refer to each application in a separate letter.

(*d*) *Responsibility of exporter.*—Failure on the part of the applicant to take reasonable precaution as to the distribution of goods; or the granting of an export license based upon the statements contained in this application, will not relieve the consignor from any responsibility to which he may be liable for affording aid and comfort to the enemy.

(*e*) Applicants are advised, if possible, to send in their applications at least two weeks in advance of the proposed date of ocean shipment, or as much earlier as possible. Export licenses, however, will not be issued more than 60 days before the proposed date of ocean shipment. Ocean bills of lading must bear date earlier than the expiration date shown on the license. If a license expires before a shipment is made and a renewal is desired, the original and duplicate copy of the original license must be returned with an Application Form E, entitled "Application for Renewal of Export License." Original and/or renewal applications will be considered in the order received.

(*f*) When filled in and signed send this application to the Bureau of Foreign and Domestic Commerce, Division of Export Licenses, 1435 K Street NW., Washington, D. C., or to any branch of that bureau.

(*g*) Copies of all application and instruction forms may be secured at any of the following district offices of the Bureau of Foreign and Domestic Commerce, Department of Commerce, or from the Division of Export Licenses of that bureau, 1435 K Street NW., Washington, D. C.:

New York, Bureau of Foreign and Domestic Commerce, 409 Customhouse.

Boston, Bureau of Foreign and Domestic Commerce, 1801 Customhouse.

Chicago, Bureau of Foreign and Domestic Commerce, 504 Federal Building.

St. Louis, Bureau of Foreign and Domestic Commerce, 402 Third National Bank Building.

New Orleans, Bureau of Foreign and Domestic Commerce, 1020 Hibernia Bank Building.

San Francisco, Bureau of Foreign and Domestic Commerce, 307 Customhouse.

Seattle, Bureau of Foreign and Domestic Commerce, 848 Henry Building.

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In the case of shipments to other countries the following form has been adopted:

DEPARTMENT OF COMMERCE,

BUREAU OF FOREIGN AND DOMESTIC COMMERCE.

Application Form 9.

This form is to be used only for proposed shipments to countries not associated with the United States in the war, or to the colonies, possessions, and protectorates of those countries.

This form is *not* to be used for applications to ship coal, fuel oil, or bunkers.

Application No.....
Disposition.....
.....
Date.....
Drawn by.....
Checked by.....
License No.....
Expiration date.....
(Space above this line for official use only.)

Instructions on page 4 should be carefully read before this application is filled in. Answers must be written legibly or typewritten if possible.

APPLICATION FOR ORDINARY EXPORT LICENSE.

Covering..... to.....
(Brief description of goods.) (Place and country of ultimate destination.)

Applicant's reference No..... Date.....

DIVISION OF EXPORT LICENSES, BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, D. C.

.... hereby apply for a license to export the merchandise named below to the consignee, purchaser, and country named below, in accordance with the provisions of Title VII of an act of Congress approved June 15, 1917, entitled "An act to punish acts of interference with the foreign relations," etc., having satisfied ..... that said merchandise will not reach the enemy, directly or indirectly, and that neither the consignee nor purchaser are dealing with, or engaged in activities on behalf of, the enemy. ..... desirous in order to expedite an answer to this application that if necessary an investigation be made by cable, the cost of which ..... prepared to bear.

(Signed) .....
Address..... By .....
.....

1. Consignor..... Name..... Address..... Nationality..... Year established..... Nature of business.....
2. Consignee..... Name..... Address..... Nationality..... Year established..... Nature of business.....
3. Purchaser abroad, if not consignee. Name..... Address..... Nationality..... Year established..... Nature of business.....
4. Name and address to which license should be sent. .....
5. Name of line and/or/ vessel by which shipment will go forward. .....
6. Approximate date of intended ocean shipment.....
7. Port of intended shipment from this country.....
8. Prospective port of entry abroad.....
9. If goods are to be reexported, state to what country.....
10. Quantity in tons:

Net.	Gross.	Measure.	Full description of goods.	Total approximate value f. o. b. port of shipment.
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	(Totals.)....	.....

11. Purpose for which goods are to be used.....
12. Name of manufacturers of the goods.....
Point of origin.....
13. If shipped, date of R. R. B/L.....
If arrived at seaboard, date of arrival.....
14. If not shipped from factory, are goods ready for shipment? .....
Or when will goods be ready? .....
15. Have you a firm order for the goods? .....
Date of order.....
16. Were you engaged in exporting goods of this kind to the proposed country of destination previous to August, 1914? .....
17. State the period during which you have maintained regular business relations with these purchasers.....
18. Is the present order from them a normal one as compared with their orders previous to August, 1914? .....
19. If a guarantee has been issued in accordance with requirements referred to in paragraph (*c*) of page 4, give name....., address....., and reference number of guarantor.....
20. What proofs have you that the goods are for consumption by neutrals or by allies of the United States? .....

.... hereby declare that to the best of ..... knowledge and belief the foregoing particulars are correctly stated and ..... undertake that if this license is granted it shall be used solely for the export of goods which are ..... own property, or the property of a person, firm, or company for whom ..... act in this transaction as the sole responsible representative.

(Signed) .....
By .....
Status of signatory.....

PLEASE READ CAREFULLY BEFORE FILLING IN APPLICATION. THIS WILL AVOID DELAY.

(*a*) This form must be filled in by the individual, copartnership, or corporation (herein called the applicant) making the sale to the foreign purchaser.

(*b*) The applicant must appear as the consignor on the ocean bill of lading.

(*c*) When filling in applications for proposed shipments to certain specified countries applicants must comply with the special instructions relative to those countries which are given in the following forms issued by the Division of Export Licenses of the Bureau of Foreign and Domestic Commerce, and obtainable at the several places listed under paragraph (*o*):

Sweden, "Instruction Form A1."
Norway, "Instruction Form A2."
Denmark, "Instruction Form A3."
Holland, "Instruction Form A4."
Switzerland, "Instruction Form A5."
Greece, "Instruction Form A6."
Salonika, "Instruction Form A7."

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(*d*) A separate application must be made for each country of destination.

(*e*) A separate application must be made for each class of goods and for each consignment. If only a portion of the goods covered by a specific license is exported, and the applicant desires to export the balance, another application should be made on Application Form D, entitled "Application for Supplementary Export License."

(*f*) To avoid delays, applicants are requested, in case of further communication, to refer to their own reference number and date as well as to the Bureau of Foreign and Domestic Commerce reference number, if known, and to refer to each application in a separate letter.

(*g*) All the essential information as to the goods, and the consignee and purchaser to which the application relates, must be given on the form itself, and not on an accompanying letter. Any special reasons in support of an application other than those suggested in the form may be given in a letter accompanying the form. All documents which an applicant may wish to submit in connection with an application must accompany the application in the first instance. The submitting of such documents, however, does not in any way relieve the applicant of his obligations as stated in the form.

(*h*) Application for license to ship coal and/or fuel oil, and bunkers, must be made on Application Forms C and B, respectively.

(*i*) Complete description of goods, page 2:

1. Not more than one item should appear on each line.

2. Where number of items exceeds eight (8) or space provided is insufficient for adequate description of goods, a list of same may be attached giving the particulars in exactly the same form as provided in the application blank.

3. Net and gross weights must be given in tons of 2,240 pounds or fractions thereof. Measurement must be in tons of 40 cubic feet or fractions thereof. Measurement need not be given in the case of goods which are, by custom, shipped on a weight basis. If unable, on account of the nature of the commodity to express quantity in tons, give quantity in customary units. Description of goods must include number of packages and contents of each. Values must be in dollars.

4. In the case of compound articles the exact composition and proportion of the components must be stated. For example, under question 10 might be written (quantity in tons):

Net.	Gross.	Meas.	Full description of goods.	Total approximate value f. o. b. port of dispatch.
10	11	8.5	80 boxes white metal containing 61 per cent copper, 20 per cent nickel, 19 per cent zinc.	$15,000
10	11	8.5	Total.....	15,000

The above information will be held as confidential.

(*j*) Responsibility of exporter.—Failure to take reasonable precautions as to the distribution of goods and the granting of an export license based upon the statements contained in this application will not relieve the consignor from any responsibility to which he may be liable for affording aid or comfort to the enemy.

(*k*) Applications must be signed by the individual applicant, or in case of a copartnership, by a member thereof, or in case of a corporation by an officer who is authorized to sign on behalf of the corporation.

(*l*) When filled in and signed, send this application to the Bureau of Foreign and Domestic Commerce, Division of Export Licenses, 1435 K Street NW., Washington, D. C., or to any branch of that bureau.

(*m*) Applicants are advised, if possible, to send in their applications at least two weeks in advance of the proposed date of ocean shipment, or as much earlier as possible. Export licenses, however, will not be issued more than 60 days before the proposed date of ocean shipment. Ocean bills of lading must bear date earlier than the expiration date shown on the license. If a license expires before a shipment is made and a renewal is desired, the original and duplicate copy of the original license must be returned with an Application Form E, entitled "Application for Renewal of Export License." Original and/or renewal applications will be considered in the order received.

(*n*) Appeals from the decisions in regard to applications will not be considered unless some new facts or considerations are adduced.

(*o*) Copies of all application and instruction forms may be secured at any of the following district or cooperative offices of the Bureau of Foreign and Domestic Commerce, Department of Commerce, or from the Division of Export Licenses of that bureau in Washington, D. C.:

New York, Bureau of Foreign and Domestic Commerce, 409 Customhouse.

Boston, Bureau of Foreign and Domestic Commerce, 1801 Customhouse.

Chicago, Bureau of Foreign and Domestic Commerce, 504 Federal Building.

St. Louis, Bureau of Foreign and Domestic Commerce, 402 Third National Bank Building.

New Orleans, Bureau of Foreign and Domestic Commerce, 1020 Hibernia Bank Building.

San Francisco, Bureau of Foreign and Domestic Commerce, 307 Customhouse.

Seattle, Bureau of Foreign and Domestic Commerce, 848 Henry Building.

Commercial Failures Reported.

Notwithstanding the uncertainties arising from war conditions and the slowing down of business in some directions, the country's commercial mortality discloses continued reduction in comparison with recent years, 777 commercial failures being reported to R. G. Dun & Co. for three weeks of August, against 901 in the same period of 1916. The statement for July—the latest month for which complete figures are available—shows 1,137 defaults for $17,240,424, as compared with 1,207 for $11,647,499 in July last year, the increase in amount being due to several insolvencies of unusual size. Numerically, decreases appear in 8 of the 12 Federal Reserve districts, namely, the first, fourth, sixth, seventh, eighth, ninth, tenth, and twelfth, the sixth district making the best exhibit, with a falling off of over 30 per cent. On the other hand, the liabilities were larger than in July, 1916, in the second, third, sixth, seventh, eighth, tenth, and twelfth districts, and notably so in the latter instance.

Failures during July.

Districts.	Number.		Liabilities.	
	1917	1916	1917	1916
First.....	108	128	$1,061,620	$1,309,433
Second.....	224	208	3,752,280	2,617,469
Third.....	54	47	658,693	441,739
Fourth.....	95	113	1,255,521	1,318,999
Fifth.....	71	56	542,271	595,200
Sixth.....	83	123	1,602,345	1,246,565
Seventh.....	154	176	2,878,775	1,479,201
Eighth.....	67	70	475,182	454,750
Ninth.....	29	30	165,877	477,600
Tenth.....	50	59	509,239	339,136
Eleventh.....	61	50	292,589	463,508
Twelfth.....	141	147	4,046,032	903,900
Total.....	1,137	1,207	17,240,424	11,647,499

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Fiduciary Powers.

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

DISTRICT No. 1.

Trustee, executor, administrator, and registrar of stock and bonds:
Manufacturers National Bank, Lynn, Mass.
Trustee, executor, and administrator:
Edgartown National Bank, Edgartown, Mass.

DISTRICT No. 3.

Trustee, executor, administrator, and registrar of stocks and bonds:
Myerstown National Bank, Myerstown, Pa.

DISTRICT No. 4.

Trustee:
German National Bank of Allegheny, Pittsburgh, Pa.
Registrar of stocks and bonds:
First National Bank, Canton, Ohio.

DISTRICT No. 7.

Trustee, executor, administrator, and registrar of stocks and bonds:
Capital National Bank, Lansing, Mich.
Trustee, executor, and administrator:
Farmers & Merchants National Bank, Benton Harbor, Mich.

DISTRICT No. 10.

Trustee, executor, administrator, and registrar of stocks and bonds:
First National Bank, Buffalo, Wyo.
Trustee, executor, and administrator:
First National Bank, Luray, Kans.

DISTRICT No. 11.

Trustee, executor, administrator, and registrar of stocks and bonds:
Tenison National Bank, Dallas, Texas.

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 July 28, 1917, to August 24, 1917, inclusive:

	Banks.	
New charters issued to	19	
With capital of		$930,000
Increase of capital approved for	10	
With new capital of		2,625,000
Aggregate number of new charters and banks increasing capital	29	
With aggregate of new capital authorized		3,555,000
Number of banks liquidating (other than those consolidating with other national banks)	1	
Capital of same banks		100,000
Number of banks reducing capital	0	
Reduction of capital		0
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks)	1	
Aggregate capital reduction		100,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was		3,555,000
Against this there was a reduction of capital owing to liquidations (other than for consolidation with other national banks) and reductions of capital of		100,000
Net increase		3,455,000

GOLD SETTLEMENT FUND.

Since the publication of the statement in the August Bulletin showing the clearings and transfers of the Federal Reserve Banks through the gold settlement fund, the aggregate balances in the fund of both the banks and agents have increased $11,895,100, as compared with a total increase since the beginning of the present calendar year of $318,774,350. The heavy transfers shown for the week ending August 2 are due to the concentration of Government funds in the New York bank, mainly for the

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purpose of making advances to the representatives of the allied Governments.

Withdrawals of funds from New York correspondents by banks in the interior, in order to make payment on August 9 to their respective Federal Reserve Banks on account of subscriptions to the $300,000,000 issue of United States certificates of indebtedness, is partly responsible for the large debit balance of $87,566,000 shown for the New York bank in the settlement of August 9.

Below are given figures showing changes in the fund from July 20 to August 23, 1917, inclusive. Changes in the ownership of gold in the fund amounted to only 1.76 per cent of the obligations settled.

Amount of clearings and transfers, Federal Reserve Banks, from July 20 to Aug. 23, 1917, inclusive.

[000 omitted.]

	Total clearings.	Balances adjusted.	Transfers.
Settlement of—			
July 26, 1917	$667,661	$52,176	$55,000
Aug. 2, 1917	545,256	52,454	144,000
Aug. 9, 1917	428,681	87,566	21,500
Aug. 16, 1917	501,123	48,051	39,500
Aug. 23, 1917	453,484	31,681	23,900
Total	2,596,205	271,928	283,900
Previously reported for 1917	10,007,413	860,587	995,044.5
Total since Jan. 1, 1917	12,603,618	1,132,515	1,278,944.5
Total transfers Jan. 1, 1917, to date	1,278,944.5		
Total for 1916, including transfers	5,633,966		
Total for 1915, including transfers	1,052,649		
Total clearings and transfers May 20, 1915, to Aug. 23, 1917	20,569,177.5		

Changes in ownership of gold.

[000 omitted.]

Federal Reserve Bank of—	Total to July 19, 1917.		From July 19 to Aug. 23, 1917, inclusive.[1]				Total changes from May 20, 1915, to Aug. 23, 1917.[2]	
	Decrease.	Increase.	Balance to credit July 19, 1917, plus net deposits of gold since that date.	Balance, Aug. 23, 1917.	Decrease.	Increase.	Decrease.	Increase.
Boston		$46,993	$21,165	$17,553	$3,612			$43,381
New York	$493,938		80,540	117,840		$37,300	$456,638	
Philadelphia		83,211	34,483	26,867	7,616			75,595
Cleveland		80,688	54,140.6	54,346.6		206		80,874
Richmond		18,108	24,151.1	31,163.1		7,012		25,180
Atlanta		23,326	5,955	3,523	2,432			20,894
Chicago		53,290	74,324	47,666	26,658			26,632
St. Louis		12,218	25,214	25,678		464		12,682
Minneapolis		14,000	12,597	7,871	4,726			9,274
Kansas City		48,143.5	36,382.65	38,259.65		1,877		50,020.5
Dallas		30,821.5	12,732	7,135	5,597			25,224.5
San Francisco		83,099	17,469	21,251		3,782		86,881
Total	493,938	493,938	399,153.35	399,153.35	50,641	50,641	456,638	456,638.0

[1] Changes in ownership of gold during period July 19 to August 23, 1917, equal 1.76 per cent of obligations settled.
[2] Total changes in ownership of gold since May 20, 1915, equal 2.22 per cent of obligations settled.

Gold-settlement fund—Summary of transactions from July 20 to Aug. 23, 1917, inclusive.

[000 omitted.]

Federal reserve bank of—	Balance last statement, July 19, 1917.	Gold.		Transfers.		Weekly settlements from July 20 to Aug. 23, 1917.				Aug. 23, 1917, balance in fund after close of business.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$11,165		$10,000	$36,000			$194,806	$227,194	$32,388	$17,553
New York	115,790	$38,000	2,750	32,900	$245,500	$193,100	936,195	760,895	17,800	117,840
Philadelphia	15,972	2,250	20,761	43,000		4,751	278,639	314,023	40,135	26,867
Cleveland	57,608.6	10,450	6,982	55,500			190,695	246,401	55,706	54,346.6
Richmond	25,099	9,000	8,052.1	30,000	18,000	22,772	125,838	144,850	41,784	31,163.1
Atlanta	6,690	2,460	1,725		1,900	6,063	59,184	54,852	1,731	3,523
Chicago	66,086	16,520	24,758	49,500		12,855	361,360	384,202	35,697	47,666
St. Louis	25,584	1,820	1,450		5,000	12,539	158,752	154,216	8,003	25,678
Minneapolis	9,247	2,000	5,350	2,000	500	5,253	48,254	45,028	2,027	7,871
Kansas City	33,108.65		3,274	15,000		139	93,949	110,826	17,016	38,259.65
Dallas	10,260	886	3,358	8,000		3,719	42,109	44,512	6,122	7,135
San Francisco	19,859	2,500	110	12,000	13,000	10,737	106,424	109,206	13,519	21,251
Total	396,469.25	85,886	88,570.1	283,900	283,900	271,928	2,596,205	2,596,205	271,928	399,153.35

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Federal Reserve Agents' Fund—Summary of transactions from July 20 to Aug. 23, 1917.

[000 omitted.]

Federal Reserve Agent at—	Balance last statement, July 19, 1917.	Gold withdrawn.	Gold deposited.	Balance Aug. 23, 1917.	Federal Reserve Agent at—	Balance last statement, July 19, 1917.	Gold withdrawn.	Gold deposited.	Balance Aug. 23, 1917.
Boston	$2,000			$2,000	Minneapolis	$6,250	$2,000		$4,250
Philadelphia	26,940	$1,361		25,579	Kansas City	11,060			11,060
Cleveland	20,000			20,000	Dallas	3,660	3,456	$500	704
Richmond	7,000	500	$1,000	7,500	San Francisco	25,190	700	2,500	26,990
Atlanta	13,580	1,000	2,460	15,040					
Chicago	56,210	672	11,520	67,058	Total	182,730	10,389	19,600	191,941
St. Louis	10,840	700	1,620	11,760					

Operations of the Federal Reserve Clearing System, July 16 to Aug. 15, 1917.

	Items drawn on banks in Federal Reserve city (daily average).		Items drawn on banks in district outside Federal Reserve city (daily average).		Items drawn on banks in other districts (daily average).	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
Boston	2,228	$9,926,486	34,107	$4,056,756	2,787	$5,383,530
New York	4,646	38,452,543	32,199	7,290,652	13,703	9,381,085
Philadelphia	12,629	12,202,102	19,081	2,527,832	7,839	8,348,116
Cleveland	1,165	3,448,020	15,155	8,745,096	883	2,430,252
Richmond	1,031	2,530,303	12,833	4,407,479	1,552	3,232,975
Atlanta	1,094	956,009	8,460	1,577,915	1,290	1,333,887
Chicago	6,580	14,709,032	12,771	2,997,940	1,287	712,999
St. Louis	1,636	4,820,182	8,069	1,641,198	220	2,314,050
Minneapolis	2,073	3,923,480	9,639	846,403	641	645,467
Kansas City	1,836	3,839,332	8,950	1,937,383	570	3,274,671
Dallas	883	1,106,769	8,896	2,889,799	322	600,442
San Francisco	926	2,161,661	5,465	1,434,825	179	323,548
Totals:						
July 16 to Aug. 15, 1917	36,727	98,075,919	175,625	40,353,278	31,273	37,981,022
June 16 to July 15, 1917	38,476	109,722,256	182,622	41,004,720	33,941	46,762,698
May 16 to June 15, 1917	37,898	97,322,883	179,193	38,599,461	33,150	38,314,393
Apr. 16 to May 15, 1917	33,767	87,370,859	171,093	36,473,163	33,428	36,836,934
Mar. 16 to Apr. 15, 1917	31,162	60,288,002	168,607	32,666,959	32,008	34,693,542
Feb. 16 to Mar. 15, 1917						
Jan. 16 to Feb. 15, 1917						
Dec. 16, 1916, to Jan. 15, 1917						
Nov. 16 to Dec. 15, 1916						
Oct. 16 to Nov. 15, 1916						
Sept. 16 to Oct. 15, 1916						
Aug. 16 to Sept. 15, 1916						
July 15 to Aug. 15, 1916						

	Total (exclusive of items drawn on Treasurer of United States) (daily average).		Items drawn on Treasurer of United States (daily average).		Number of member banks in district.	Number of nonmember banks on par list.
	Number.	Amount.	Number.	Amount.		
Boston	39,122	$19,366,772	1,438	$928,801	394	248
New York	50,548	55,124,280	9,697	2,950,631	629	342
Philadelphia	39,549	23,078,050	1,359	1,589,792	632	251
Cleveland	17,203	14,623,368	220	61,384	753	542
Richmond	15,416	10,170,757	230	60,071	519	269
Atlanta	10,844	3,867,811	521	223,446	380	352
Chicago	20,638	18,419,971	2,454	590,039	1,051	1,943
St. Louis	9,925	8,775,430	2,218	422,022	471	968
Minneapolis	12,353	5,415,350	158	47,089	742	1,012
Kansas City	11,356	9,051,386	985	601,000	948	1,518
Dallas	10,101	4,597,010	17	4,297	630	217
San Francisco	6,570	3,920,034	236	2,222,997	534	1,175
Totals:						
July 16 to Aug. 15, 1917	243,625	176,410,219	19,533	9,701,569	7,683	8,837
June 16 to July 15, 1917	255,039	197,489,674	19,100	11,637,899	7,666	8,805
May 16 to June 15, 1917	250,241	174,236,737	16,344	4,414,508	7,651	8,789
Apr. 16 to May 15, 1917	238,288	160,680,956	15,925	3,597,865	7,634	8,926
Mar. 16 to Apr. 15, 1917	231,777	127,648,503	12,582	2,643,408	7,625	8,607
Feb. 16 to Mar. 15, 1917	234,475	116,404,430			7,630	8,007
Jan. 16 to Feb. 15, 1917	220,421	110,188,028			7,630	8,086
Dec. 16, 1916, to Jan. 15, 1917	241,933	121,814,589			7,622	8,130
Nov. 16 to Dec. 15, 1916	236,038	125,603,732			7,627	8,065
Oct. 16 to Nov. 15, 1916	227,489	115,061,224			7,623	8,059
Sept. 16 to Oct. 15, 1916	204,891	97,666,107			7,618	7,459
Aug. 16 to Sept. 15, 1916	177,397	78,559,704			7,618	7,449
July 15 to Aug. 15, 1916	133,113	59,301,696			7,624	7,032

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COMPARATIVE STATEMENT OF LEADING BANKS OF ISSUE, 1914 AND 1917.

In continuation of similar figures printed on page 658 of the November, 1916, Bulletin there are presented below comparative statements showing the condition of the Federal Reserve Banks treated as a whole, and of the leading central banks of issue in 1914 and 1917. For the earlier year the report dates chosen are chiefly those immediately preceding the outbreak of the war, while for 1917 the dates of the latest reports on hand were taken.

No changes were made in the methods of presentation. It is thus possible to make fair comparisons between the 1914, 1916, and 1917 figures and to trace the effect of the war on the condition of the central banks in both the belligerent and neutral countries.

Comparative statement showing principal assets and liabilities of the leading central banks of issue, at dates specified.

[In thousands of dollars; i. e., 000 omitted.]

	Federal Reserve Banks.		Bank of England.		Bank of France.		Russian State Bank.	
	Dec. 31, 1914.	July 27, 1917.	July 29, 1914.	July 25, 1917.	July 30, 1914.	July 12, 1917.	July 16/29, 1914.	June 16/29, 1917.
ASSETS.								
Gold coin and bullion	241,321	1,309,763	185,567	258,550	799,279	628,916	825,884	762,676
Silver and other metallic reserve	17,823	14,397			120,689	50,616	37,487	66,453
Total metallic vault reserve	259,144	1,324,160	185,567	258,550	919,968	679,532	863,371	829,129
Gold held abroad		52,500				392,712	72,471	1,091,601
Foreign credits						142,938		
Government securities:								
Bonds, consols, etc	205	41,135	143,343	324,000	41,019	40,944		83,860
Short-term securities		35,818			963	515,311		5,249,565
Other Government securities	8,755	37,392			38,600	2,103,700		
Total	8,960	114,345	143,343	324,000	80,582	2,659,955		5,333,426
Notes of other banks of issue	4,624	13,403						
Loans and discounts	9,909	305,131	230,222	541,960	471,746	331,220	220,932	256,525
Advances on bullion and specie, securities, merchandise, etc					146,443	223,602	179,273	691,393
Securities	734	1,469					53,075	133,334
Sundry assets	9,237	210,229			77,173	169,246	109,931	292,810
Total	292,608	2,021,237	559,132	1,124,510	1,695,912	4,539,205	1,499,053	8,628,217
LIABILITIES.								
Capital paid in	18,651	57,825	70,822	70,822	35,222	35,222	28,325	28,325
Surplus			16,992	16,116	8,206	8,292		
Government deposits		143,032	61,869	226,850	73,834	13,518	264,937	114,825
Other deposits	263,948	1,281,818	264,830	617,267	182,881	477,954	327,585	1,445,527
Bank notes in circulation	10,000	536,474	184,566	193,377	1,289,885	3,896,923	841,174	6,484,876
Sundry liabilities		2,088	53	78	105,914	107,296	37,032	554,664
Total	292,608	2,021,237	559,132	1,124,510	1,695,912	4,539,205	1,499,053	8,628,217

	Bank of Italy.		German Reichsbank.		Bank of Netherlands.		Riksbank, Sweden.	
	Dec. 31, 1914.	June 20, 1917.	July 31, 1914.	June 15, 1917.	July 25, 1914.	July 21, 1917.	July 31, 1914.	June 30, 1917.
ASSETS.								
Gold coin and bullion	236,633	161,059	298,261	602,938	65,140	249,726	24,746	54,324
Silver and other metallic reserve		12,752	65,409	11,859	3,307	2,943	1,408	908
Total metallic vault reserve	236,633	173,811	363,670	614,797	68,477	252,669	26,154	55,232
Gold held abroad								
Foreign credits	8,195	89,766					13,564	5,879
Government securities:								
Bonds, consols, etc								
Short-term securities	105,865	464,926	7,960	125,533	5,003	3,674	a 7,332	24,429
Other Government securities								
Total	105,865	b 464,926	7,960	125,533	5,003	3,674	a 7,332	24,429

a Includes both Government and corporate securities.

b Including $4,003,000 of foreign treasury bills.

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Comparative statement showing principal assets and liabilities of the leading central banks of issue, at dates specified—Con.

[In thousands of dollars; i. e., 000 omitted.]

	Bank of Italy.		German Reichsbank.		Bank of Netherlands.		Riksbank, Sweden.	
	Dec. 31, 1914.	June 20, 1917.	July 31, 1914.	June 15, 1917.	July 25, 1914.	July 21, 1917.	July 31, 1914.	July 30, 1917.
ASSETS—continued.								
Notes of other banks of issue	[a] 5,416	[b] 10,658	2,740	1,229	.....	.....	[c] 1,893	.....
Loans and discounts	180,297	693,803	495,296	2,254,860	35,430	23,181	42,303	56,141
Advances on bullion and specie, securities, merchandise, etc	29,180	72,044	48,121	2,427	24,798	30,978	.....	11,027
Securities	39,486	42,504	94,392	23,783	3,612	3,664	.....	1,525
Sundry assets	28,618	42,393	51,901	256,599	928	24,974	813	25,080
Total	633,690	1,589,905	1,064,081	3,279,228	138,248	339,140	92,059	179,313
LIABILITIES.								
Capital paid in	34,740	46,320	42,840	42,840	8,040	8,040	11,900	13,400
Surplus	13,515	14,752	17,726	21,453	2,011	2,104	2,975	4,539
Government deposits	40,320	43,238	299,515	1,146,278	.....	.....	18,440	31,111
Other deposits	118,035	558,902			1,904	21,186		
Bank notes in circulation	417,352	816,096	692,442	1,957,318	124,796	305,531	54,367	124,894
Sundry liabilities	9,728	110,597	11,558	111,339	1,497	2,279	4,377	5,369
Total	633,690	1,589,905	1,064,081	3,279,228	138,248	339,140	92,059	179,313

	Norges Bank, Norway.		National Bank, Copenhagen, Denmark.		Bank of Spain.		Swiss National Bank.		Bank of Japan.	
	July 31, 1914.	July 23, 1917.	July 31, 1914.	June 30, 1917.	July 24, 1914.	June 23, 1917.	July 23, 1914.	June 30, 1917.	June 30, 1914.	July 7, 1917.
ASSETS.										
Gold coin and bullion	14,405	34,815	24,410	53,356	105,798	297,644	34,753	65,712	110,189	258,757
Silver and other metallic reserve					143,063	146,101	3,656	10,053	332	.....
Total metallic vault reserve	14,405	.....	24,410	53,356	248,861	443,745	38,409	75,765	110,521	258,757
Gold held abroad	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Foreign credits	8,166	[d] 22,994	.....	11,996	.....	17,513	.....	.....	69,858	.....
Government securities:										
Bonds, consols, etc	2,399	[e] 3,431	.....	.....	67,047	66,476	.....	.....	25,164	17,339
Short-term securities			.....	.....	.....	.....	.....	.....	.....	.....
Other Government securities			.....	.....	29,199	48,250	.....	1,120	10,956	11,176
Total	2,399	.....	.....	.....	96,246	114,726	.....	1,120	36,120	28,515
Notes of other banks of issue	.....	.....	2,307	.....	.....	.....	.....	.....	.....	.....
Loans and discounts	23,690	73,917	27,098	41,278	152,579	80,033	18,099	38,811	39,242	76,061
Advances on bullion and specie, securities, merchandise, etc	.....	.....	3,106	.....	.....	69,120	2,699	3,032	16,647	.....
Securities	.....	.....	.....	11,456	.....	2,249	2,446	1,490	.....	9,775
Sundry assets	.....	.....	9,627	.....	.....	9,365	5,594	11,530	26,664	204,488
Total	.....	.....	66,548	.....	.....	736,752	67,247	131,748	299,052	577,596
LIABILITIES.										
Capital paid in	.....	.....	7,236	.....	.....	28,950	4,825	4,825	18,675	18,675
Surplus	.....	.....	2,199	.....	.....	5,018	471	568	14,290	18,551
Government deposits	3,859	38,548	5,496	19,442	96,931	43,903	28,819	19,854	69,230	254,585
Other deposits						153,432			5,714	10,913
Bank notes in circulation	32,859	78,594	39,525	82,239	373,557	474,304	83,176	104,250	180,411	274,854
Sundry liabilities	.....	.....	12,092	.....	.....	31,145	2,606	2,246	10,732	18
Total	.....	.....	66,548	.....	.....	736,752	67,247	131,748	299,052	577,596

[a] Includes $1,737,000 of foreign bank notes.
[b] Including $1,430,000 of foreign bank notes.
[c] Included foreign bank notes, also drafts and bills payable at sight.
[d] Including foreign bills.
[e] Including foreign government securities.

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COURSE OF DOLLAR AND STERLING EXCHANGE SINCE 1914.

As pointed out on page 582 of the August Federal Reserve Bulletin, the American dollar, as well as the pound sterling, is at a discount in all neutral European countries. This condition is not, however, of recent origin. As may be seen from subjoined tables and attached diagrams, the downward course of dollar and sterling exchange began not long after the outbreak of the war, though owing to the closing of the London and New York Stock Exchanges quotations of exchange during the first year of the war were irregular at best, and in some cases entirely lacking. This is true of New York exchange on the Scandinavian, Swiss, and Spanish markets.

In order to eliminate the differences in distance and time required for remittance, the rates chosen were those for cable transfers. Index numbers with mint or par rates as their bases were figured and plotted so as to present the movement of rates along uniform and comparable lines. The percentages above and below 100 measure the degree of appreciation or depreciation of the dollar or pound sterling in terms of the respective foreign currencies.

A comparison of dollar and sterling rates brings out the fact mentioned in the earlier Bulletin, that, particularly since measures have been taken to stabilize sterling exchange on New York at about the present rates, New York and London rates of exchange on neutral places practically run a parallel course, dollar exchange rates in nearly all cases showing less depreciation than the corresponding London rates.

Comparative rates for cable transfers to principal neutral places in Europe based upon quotations in New York and London since July, 1914, as reported by the National City Bank of New York City and the London Economist.

	Amsterdam.				Christiania.				Stockholm.			
	New York, par 2.488.		London, par 12.107.		New York, par 3.731.		London, par 18.159.		New York, par 3.731.		London, par 18.159.	
	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.
1914.												
Oct. 20	2.410	96.87										
Oct. 27	2.454	98.63										
Nov. 10	2.439	98.03										
Nov. 17	2.447	98.35										
Nov. 24	2.454	98.63										
Dec. 1	2.454	98.63	12.04	99.45			19.30	106.28			19.30	106.28
Dec. 8	2.454	98.63	11.99	99.00			19.37	106.67			19.37	106.67
Dec. 15	2.454	98.63	12.01	99.20			19.37	106.67			19.37	106.67
Dec. 22	2.462	98.95	12.00	99.12			19.40	106.83			19.40	106.83
Dec. 29	2.462	98.95	12.02	99.28			19.35	106.56			19.35	106.56
1915.												
Jan. 5	2.469	99.24	12.005	99.16			19.38	106.72			19.38	106.72
Jan. 12	2.484	99.84	12.045	99.49			19.37	106.67			19.37	106.67
Jan. 19	2.488	100.00	12.06	99.62			19.45	107.11			19.45	107.11
Jan. 26	2.481	99.72	12.057	99.59			19.45	107.11			19.45	107.11
Feb. 2	2.481	99.72	12.05	99.53			19.47	107.22			19.47	107.22
Feb. 9	2.477	99.56	11.99	99.00			19.60	107.93			19.60	107.93
Feb. 16	2.500	100.48	12.03	99.37			19.65	108.21			19.65	108.21
Feb. 23	2.496	100.32	12.015	99.24			19.68	108.38			19.68	108.38
Mar. 2	2.500	100.48	12.055	99.57			19.75	108.76			19.75	108.76
Mar. 9	2.500	100.48	12.07	99.70			19.80	109.04			19.80	109.04
Mar. 16	2.508	100.80	12.095	99.90			19.60	107.93			19.60	107.93
Mar. 23	2.524	101.45	12.14	100.28			19.48	107.27			19.48	107.27
Mar. 30	2.520	101.29	12.15	100.36			19.00	104.63			19.00	104.63
Apr. 6	2.528	101.61										
Apr. 13	2.528	101.61	12.21	100.85			18.70	102.98			18.70	102.98
Apr. 20	2.508	100.80	12.18	100.61			19.00	104.63			19.00	104.63
Apr. 27	2.535	101.89	12.175	100.56			18.70	102.98			18.70	102.98
May 4	2.528	101.61	12.14	100.28			18.60	102.43			18.60	102.43
May 11	2.531	101.73	12.14	100.28			18.55	102.15			18.55	102.15
May 18	2.528	101.61	12.115	100.07			18.525	102.02			18.525	102.02
May 25	2.528	101.61	12.12	100.11			18.45	101.60			18.45	101.60
June 1	2.528	101.61	12.02	99.28			18.30	100.78			18.30	100.78
June 8	2.500	100.48	12.00	99.12			18.20	100.23			18.20	100.23

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Comparative rates for cable transfers to principal neutral places in Europe based upon quotations in New York and London since July, 1914, as reported by the National City Bank of New York City and the London Economist—Continued.

	Amsterdam.				Christiania.				Stockholm.			
	New York, par 2.488.		London, par 12.107.		New York, par 3.731.		London, par 18.159.		New York, par 3.731.		London, par 18.159.	
	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.
1915.												
June 15	2.504	100.64	11.97	98.87			18.15	99.95			18.15	99.95
June 22	2.500	100.48	11.93	98.54			18.20	100.23			18.20	100.23
June 29	2.500	100.48	11.94	98.62			18.30	100.78			18.30	100.78
July 6	2.500	100.48	11.96	98.79			18.275	100.64			18.275	100.64
July 13	2.492	100.16	11.94	98.62			18.55	102.15			18.55	102.15
July 20	2.492	100.16	11.84	97.80			18.75	103.26			18.75	103.26
July 27	2.481	99.72	11.87	98.05			18.55	102.15			18.55	102.15
Aug. 3	2.484	99.84										
Aug. 10	2.469	99.24	11.75	97.05			18.40	101.33			18.40	101.33
Aug. 17	2.504	100.64										
Aug. 24	2.484	99.84	11.65	96.23	3.846	103.08	18.20	100.23	3.846	103.08	18.20	100.23
Aug. 31	2.508	100.80			3.899	104.50			3.899	104.50		
Sept. 7	2.477	99.56	11.57	95.57	3.876	103.89	18.25	100.50	3.876	103.89	18.25	100.50
Sept. 14	2.48	99.68	11.55	95.40	3.876	103.89	18.20	100.23	3.876	103.89	18.20	100.23
Sept. 21	2.469	99.24	11.58	95.65	3.828	102.60	18.20	100.23	3.828	102.60	18.20	100.23
Sept. 28	2.46	98.88	11.60	95.82	3.86	103.46	18.25	100.50	3.86	103.46	18.25	100.50
Oct. 5	2.454	98.63	11.57	95.57	3.809	102.09	18.20	100.23	3.809	102.09	18.20	100.23
Oct. 12			11.45	94.58			18.10	99.68			18.10	99.68
Oct. 19	2.424	97.43	11.46	94.66	3.828	102.60	18.05	99.40	3.828	102.60	18.05	99.40
Oct. 26	2.432	97.75	11.28	93.17	3.828	102.60	17.95	98.85	3.828	102.60	17.95	98.85
Nov. 2	2.41	96.87	11.17	92.26	3.77	101.05	17.70	97.47	3.77	101.05	17.70	97.47
Nov. 9	2.374	95.42	11.08	91.52	3.766	100.94	17.50	96.37	3.766	100.94	17.50	96.37
Nov. 16	2.388	95.98	11.24	92.84	3.738	100.19	17.60	96.92	3.738	100.19	17.60	96.92
Nov. 23	2.38	95.66	11.22	92.68	3.636	97.45			3.636	97.45		
Nov. 30	2.38	95.66	11.27	93.09	3.478	93.22			3.478	93.22		
Dec. 7	2.38	95.66	11.20	92.51	3.51	94.08			3.51	94.08		
Dec. 14	2.339	94.01	11.00	90.86	3.67	98.37			3.67	98.37		
Dec. 21	2.312	92.93	10.96	90.53	3.704	99.28			3.704	99.28		
Dec. 28	2.299	92.40	10.88	89.87	3.54	94.89			3.54	94.89		
1916.												
Jan. 4	2.273	91.36	10.63	87.80	3.556	95.31			3.556	95.31		
Jan. 11	2.228	89.55	10.61	87.64	3.571	95.71			3.556	95.31		
Jan. 18	2.247	90.31	10.68	88.22	3.604	96.60			3.596	96.38		
Jan. 25	2.286	91.88	10.91	90.12	3.636	97.45			3.604	96.60		
Feb. 1	2.36	94.86	11.27	93.09	3.643	97.64			3.63	97.29		
Feb. 8	2.374	95.42	11.32	93.50	3.578	95.90			3.566	95.58		
Feb. 15	2.36	94.86	11.31	93.42	3.525	94.48			3.525	94.48		
Feb. 22			11.20	92.51								
Feb. 29	2.339	94.01	11.25	92.92	3.552	95.20			3.54	94.89		
Mar. 7	2.353	94.57	11.30	93.34	3.534	94.72			3.521	94.37		
Mar. 14	2.36	94.86	11.31	93.42	3.501	93.84			3.478	93.22		
Mar. 21	2.353	94.57	11.28	93.17	3.454	92.57			3.434	92.04		
Mar. 28	2.342	94.13	11.20	92.51	3.464	92.84			3.448	92.41		
Apr. 4	2.333	93.77	11.15	92.10	3.419	91.64			3.407	91.32		
Apr. 11	2.339	94.01	11.25	92.92	3.328	89.20			3.32	88.99		
Apr. 18	2.353	94.57	11.32	93.50	3.376	90.49			3.367	90.24		
Apr. 25	2.364	95.02			3.339	89.49			3.328	89.20		
May 2	2.384	95.82			3.279	87.89			3.266	87.54		
May 9	2.432	97.75	11.60	95.82	3.239	86.81			3.23	86.57		
May 16	2.406	96.70	11.52	95.15	3.213	86.12			3.188	85.45		
May 23	2.399	96.42	11.52	95.15	3.284	88.02			3.266	87.54		
May 30			11.50	94.99								
June 6	2.402	96.54	11.47	94.74	3.306	88.61	15.85	87.28	3.293	88.26	15.85	87.28
June 13	2.388	95.98	11.41	94.25	3.333	89.33			3.339	89.49		
June 20	2.403	96.58	11.49	94.91	3.39	90.87			3.384	90.70		
June 27	2.406	96.70	11.52	95.15	3.396	91.02			3.378	90.54		
July 4			11.50	94.99								
July 11	2.406	96.70	11.51	95.07	3.527	94.53			3.521	94.37		
July 18	2.406	96.70	11.495	94.95	3.534	94.72	16.85	92.79	3.534	94.72	16.85	92.79
July 25	2.406	96.70	11.54	95.32	3.466	92.90	16.65	91.69	3.466	92.90	16.65	91.69
Aug. 1	2.406	96.70	11.54	95.32	3.47	93.01	16.85	92.79	3.47	93.01	16.85	92.79
Aug. 8	2,413	96.99	11.53	95.24	3.472	93.06	16.60	91.41	3.472	93.06	16.60	91.41
Aug. 15	2.417	97.15	11.55	95.40	3.472	93.06	16.65	91.69	3.46	92.74	16.65	91.69
Aug. 22	2.395	96.26	11.56	95.48	3.61	96.76			3.597	96.41		
Aug. 29	2.421	97.31	11.77	97.22	3.497	93.73			3.472	93.06		
Sept. 5	2.439	98.03	11.70	96.64	3.509	94.05			3.497	93.73		
Sept. 12	2.45	98.48	11.70	96.64	3.521	94.37			3.472	93.06		
Sept. 19	2.443	98.20	11.69	96.56	3.59	96.22			3.509	94.05		
Sept. 26	2.447	98.36	11.685	96.51	3.59	96.22			3.497	93.73		
Oct. 3	2.447	98.36	11.67	96.39	3.59	96.22			3.521	94.37		
Oct. 10	2.443	98.20	11.68	96.48	3.584	96.06			3.496	93.70		
Oct. 17	2.439	98.03	11.63	96.06	3.59	96.22			3.515	94.21		
Oct. 24	2.432	97.75	11.61	95.90	3.59	96.22			3.509	94.05		
Oct. 31	2.439	98.03	11.63	96.06	3.59	96.22			3.50	93.81		

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Comparative rates for cable transfers to principal neutral places in Europe based upon quotations in New York and London since July, 1914, as reported by the National City Bank of New York City and the London Economist—Continued.

	Amsterdam.				Christiania.				Stockholm.			
	New York, par 2.488.		London, par 12.107.		New York, par 3.731.		London, par 18.159.		New York, par 3.731.		London, yar 18.159.	
	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.
1916.												
Nov. 7			11.65	96.23								
Nov. 14	2.443	98.20	11.65	96.23	3.60	96.49			3.51	94.08		
Nov. 21	2.443	98.20	11.68	96.48	3.61	96.76			3.527	94.53		
Nov. 28	2.45	98.48	11.70	96.64	3.617	96.94			3.527	94.23		
Dec. 5	2.447	98.36	11.69	96.56	3.59	96.22			3.49	93.54		
Dec. 12	2.447	98.36	11.67	96.39	3.534	94.72			3.396	91.02		
Dec. 19	2.443	98.20	11.69	96.56	3.559	95.39			3.413	91.48		
Dec. 26	2.447	98.36			3.578	95.90			3.384	90.70		
1917.												
Jan. 2	2.447	98.36			3.559	95.39			3.373	90.40		
Jan. 9	2.443	98.20	11.70	96.64	3.559	95.39			3.373	90.40		
Jan. 16	2.447	98.36	11.70	96.64	3.571	95.71			3.395	90.99		
Jan. 23	2.447	98.36	11.70	96.64	3.559	95.39			3.384	90.70		
Jan. 30	2.45	98.48	11.71	96.72	3.565	95.55			3.378	90.54		
Feb. 6	2.454	98.64	11.70	96.64	3.565	95.55			3.373	90.40		
Feb. 13	2.454	98.64	11.73	96.89	3.571	95.71			3.384	90.70		
Feb. 20	2.465	99.08	11.77	97.22	3.559	95.39			3.378	90.54		
Feb. 27	2.473	99.40	11.82	97.63	3.559	95.39			3.373	90.40		
Mar. 6	2.473	99.40	11.82	97.63	3.534	94.72			3.373	90.40		
Mar. 13	2.481	99.72	11.85	97.88	3.497	93.73			3.378	90.54		
Mar. 20	2.477	99.56	11.82	97.63	3.436	92.09			3.367	90.24		
Mar. 27	2.469	99.24	11.79	97.38	3.378	90.54			3.356	89.95		
Apr. 3	2.462	98.96	11.76	97.14	3.378	90.54			3.311	88.74		
Apr. 10	2.454	98.64	11.75	97.05	3.344	89.63			3.322	89.04		
Apr. 17	2.424	97.43	11.62	95.98	3.356	89.95			3.279	87.89		
Apr. 24	2.439	98.03	11.68	96.48	3.419	91.64			3.378	90.54		
May 1	2.435	97.87	11.64	96.15	3.413	91.48			3.344	89.63		
May 8	2.439	98.03	11.65	96.23	3.401	91.16			3.333	89.33		
May 15	2.435	97.87	11.54	95.32	3.407	91.32	16.24	89.43	3.333	89.33	15.83	87.17
May 22	2.417	97.15			3.384	90.70			3.333	89.33		
May 29	2.424	97.43			3.401	91.16			3.322	89.04		
June 5	2.421	97.31	11.54	95.32	3.39	90.87	16.24	89.43	3.317	88.90	15.88	87.45
June 12	2.417	97.15	11.54	95.32	3.401	91.16	16.25	89.49	3.317	88.90	15.87	87.39
June 19	2.424	97.43	11.56	95.48	3.401	91.16	16.25	89.49	3.311	88.74	15.77	86.84
June 26	2.402	96.54	11.54	95.32	3.39	90.87	16.23	89.38	3.289	88.15	15.67	86.29
July 3	2.424	97.43			3.39	90.87			3.268	87.59		
July 10	2.417	97.15	11.55	95.40	3.279	87.89	16.05	88.39	3.175	85.10	15.20	83.71
July 17	2.421	97.31	11.55	95.40	3.373	90.40	16.15	88.94	3.195	85.63	15.30	84.26
July 24	2.417	97.15	11.54	95.32	3.350	89.79	16.03	88.28	3.14	84.16	14.95	82.33

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Comparative rates for cable transfers to principal neutral places in Europe based upon quotations in New York and London since July, 1914, as reported by the National City Bank of New York City and the London Economist—Continued.

	Copenhagen.				Zurich.				Madrid.			
	New York, par 3.731.		London, par 18.159.		New York, par 5.18.		London, par 25.225.		New York, par 5.18.		London, par 25.225.	
	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.
1914.												
Dec. 1			19.30	106.28			25.55	101.29			25.90	102.68
Dec. 8			19.37	106.67			25.55	101.29			26.00	103.08
Dec. 15			19.37	106.67			25.52	101.17			26.00	103.08
Dec. 22			19.40	106.83			25.50	101.09			25.85	102.48
Dec. 29			19.35	106.56			25.55	101.29			25.20	99.90
1915.												
Jan. 5			19.38	106.72			25.55	101.29			25.45	100.89
Jan. 12			19.37	106.67			25.55	101.29			25.25	100.10
Jan. 19			19.45	107.11			25.65	101.68			25.45	100.89
Jan. 26			19.45	107.11			25.70	101.88			25.23	100.02
Feb. 2			19.47	107.22			25.70	101.88			25.225	100.00
Feb. 9			19.60	107.93			25.85	102.48			25.15	99.70
Feb. 16			19.65	108.21			26.30	104.27			25.00	99.11
Feb. 23			19.68	108.38			26.50	105.06			24.90	98.71
Mar. 2			19.75	108.76			26.40	104.66			24.75	98.12
Mar. 9			19.80	109.04			26.10	103.47			24.30	96.33
Mar. 16			19.60	107.93			26.10	103.47			24.50	97.13
Mar. 23			19.48	107.27			26.90	106.64			24.40	96.73
Mar. 30			19.00	104.63			25.90	102.68			24.20	95.94
Apr. 13			18.70	102.98			25.80	102.28			24.05	95.34
Apr. 20			19.00	104.63			25.70	101.88			24.25	96.13
Apr. 27			18.70	102.98			25.60	101.49			24.25	96.13
May 4			18.60	102.43			25.55	101.29			24.60	97.52
May 11			18.55	102.15			25.50	101.09			24.80	98.31
May 18			18.525	102.02			25.45	100.89			24.95	98.91
May 25			18.45	101.60			25.425	100.79			25.20	99.90
June 1			18.30	100.78			25.325	100.40			25.10	99.50
June 8			18.20	100.23			25.275	100.20			25.20	99.90
June 15			18.15	99.95			25.35	100.50			25.30	100.30
June 22			18.20	100.23			25.625	101.59			25.55	101.29
June 29			18.30	100.78			26.00	103.07			25.80	102.28
July 6			18.275	100.64			25.90	102.68			25.95	102.88
July 13			18.55	102.15			25.80	102.28			25.25	100.10
July 20			18.75	103.26			25.55	101.29			25.15	99.70
July 27			18.55	102.15			25.70	101.88			25.15	99.70
Aug. 10			18.40	101.33			25.50	101.09			24.90	98.71
Aug. 24	3.846	103.08	18.20	100.23	5.34	103.09	25.15	99.70	5.263	101.60	24.90	98.71
Aug. 31	3.899	104.50			5.42	104.64			5.305	102.41		
Sept. 7	3.876	103.89	18.25	100.50	5.33	102.90	25.20	99.90	5.305	102.41	24.95	98.91
Sept. 14	3.876	103.89	18.20	100.23	5.29	102.12	24.90	98.71	5.263	101.60	24.90	98.71
Sept. 21	3.828	102.60	18.20	100.23	5.28	101.93	25.00	99.11	5.195	100.29	24.80	98.31
Sept. 28	3.86	103.46	18.25	100.50	5.27	101.74	25.00	99.11	5.23	100.97	24.85	98.51
Oct. 5	3.809	102.09	18.20	100.23	5.26	101.55	25.00	99.11	5.195	100.29	24.80	98.31
Oct. 12			18.10	99.68			25.00	99.11			24.93	98.83
Oct. 19	3.828	102.60	18.05	99.40	5.29	102.12	24.97	98.99	5.263	101.60	24.90	98.71
Oct. 26	3.828	102.60	17.95	98.85	5.35	103.29	24.95	98.91	5.33	102.90	24.87	98.59
Nov. 2	3.81	102.12	17.70	97.47	5.32	102.71	24.85	98.51	5.29	102.12	24.95	98.91
Nov. 9	3.78	101.32	17.50	96.37	5.31	102.51	24.77	98.20	5.23	100.97	25.00	99.11
Nov. 16	3.756	100.67	17.60	96.92	5.335	102.99	25.15	99.70	5.23	100.97	25.15	99.70
Nov. 23	3.636	97.45			5.32	102.71	25.15	99.70	5.263	101.60	25.22	99.98
Nov. 30	3.54	94.89			5.32	102.71	25.30	100.30	5.23	100.97	25.15	99.70
Dec. 7	3.51	94.08			5.31	102.51	25.25	100.10	5.23	100.97	25.18	99.82
Dec. 14	3.72	99.71			5.31	102.51	25.10	99.50	5.23	100.97	25.10	99.50
Dec. 21	3.738	100.19			5.26	101.55	24.95	98.91	5.23	100.97	25.16	99.74
Dec. 28	3.571	95.71			5.25	101.36	24.95	98.91	5.23	100.97	25.10	99.50
1916.												
Jan. 4	3.571	95.71			5.20	100.39	24.90	98.71	5.263	101.60	25.03	99.23
Jan. 11	3.588	96.17			5.12	98.84	24.70	97.92	5.236	101.08	25.10	99.50
Jan. 18	3.62	97.03			5.15	99.42	24.65	97.72	5.195	100.29	25.08	99.43
Jan. 25	3.663	98.18			5.155	99.52	24.70	97.92	5.249	101.33	25.12	99.58
Feb. 1	3.663	98.18			5.175	99.90	24.85	98.51	5.249	101.33	25.12	99.58
Feb. 8	3.61	96.76			5.20	100.39	24.90	98.71	5.249	101.33	25.14	99.66
Feb. 15	3.54	94.89			5.225	100.87	25.00	99.11	5.249	101.33	25.12	99.58
Feb. 22							25.03	99.23			25.11	99.54
Feb. 29	3.552	95.20			5.23	100.97	25.05	99.31	5.163	99.67	25.11	99.54
Mar. 7	3.559	95.39			5.233	101.02	25.05	99.31	5.23	100.97	25.08	99.43
Mar. 14	3.525	94.48			5.22	100.78	25.05	99.31	5.195	100.29	24.95	98.91
Mar. 21	3.464	92.84			5.215	100.68	25.00	99.11	5.195	100.29	25.00	99.11
Mar. 28	3.478	93.22			5.21	100.58	24.94	98.87	5.195	100.29	24.80	98.31
Apr. 4	3.434	92.04			5.203	100.44	24.90	98.71	5.128	99.00	24.82	98.39
Apr. 11	3.339	89.49			5.18	100.00	24.75	98.12	5.096	98.38	24.70	97.92
Apr. 18	3.384	90.70			5.175	99.90	24.82	98.39	5.128	99.00	24.60	97.52

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	Copenhagen.				Zurich.				Madrid.			
	New York, par 3.731.		London, par 18.159.		New York, par 5.18.		London, par 25.225.		New York, par 5.18.		London, par 25.225.	
	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.	Rate.	Per cent.
1916.												
Apr. 25	3.348	89.73	.....	.....	5.175	99.90	.....	.....	5.063	97.74	.....	.....
May 2	3.306	88.61	.....	.....	5.18	100.00	.....	.....	5.038	97.26	.....	.....
May 9	3.266	87.54	.....	.....	5.195	100.29	24.85	98.51	5.038	97.26	24.18	95.86
May 16	3.239	86.81	.....	.....	5.197	100.33	24.90	98.71	5.076	97.99	24.22	96.02
May 23	3.293	88.26	.....	.....	5.235	101.06	25.05	99.31	5.025	97.01	24.00	95.14
May 30	.....	.....	.....	.....	.....	.....	24.95	98.91	.....	.....	24.00	95.14
June 6	3.32	88.99	15.85	87.28	5.24	101.16	25.03	99.23	4.878	94.17	23.50	93.16
June 13	3.356	89.95	.....	.....	5.235	101.06	25.03	99.23	4.958	95.71	23.72	94.03
June 20	3.401	91.16	.....	.....	5.253	101.41	25.10	99.50	4.938	95.33	23.35	92.57
June 27	3.413	91.48	.....	.....	5.271	101.76	25.20	99.90	4.926	95.10	23.55	93.36
July 4	.....	.....	.....	.....	.....	.....	25.25	100.10	.....	.....	23.45	92.96
July 11	3.54	94.89	.....	.....	5.283	101.99	25.25	100.10	4.95	95.56	23.50	93.16
July 18	3.534	94.72	16.85	92.79	5.29	102.12	25.30	100.30	4.938	95.33	23.60	93.56
July 25	3.476	93.22	16.65	91.69	5.275	101.83	25.25	100.10	4.926	95.10	23.55	93.36
Aug. 1	3.497	93.73	16.85	92.79	5.29	102.12	25.25	100.10	4.938	95.33	23.73	94.07
Aug. 8	3.484	93.38	16.60	91.41	5.285	102.03	25.26	100.14	4.95	95.56	23.65	93.76
Aug. 15	3.472	93.06	16.65	91.69	5.287	102.07	25.28	100.22	4.938	95.33	23.75	94.15
Aug. 22	3.623	97.11	.....	.....	5.285	102.03	25.28	100.22	4.938	95.33	23.65	93.76
Aug. 29	3.636	97.45	.....	.....	5.285	102.03	25.27	100.18	4.938	95.33	23.68	93.88
Sept. 5	3.656	97.99	.....	.....	5.287	102.07	25.37	100.57	4.938	95.33	23.68	93.88
Sept. 12	3.623	97.11	.....	.....	5.315	102.61	25.50	101.09	4.946	95.48	23.76	94.19
Sept. 19	3.636	97.45	.....	.....	5.325	102.80	25.45	100.89	4.955	95.66	23.75	94.15
Sept. 26	3.656	97.99	.....	.....	5.31	102.51	25.38	100.61	4.963	95.81	23.83	94.47
Oct. 3	3.636	97.45	.....	.....	5.311	102.53	25.35	100.50	4.963	95.81	23.75	94.15
Oct. 10	3.636	97.45	.....	.....	5.29	102.12	25.20	99.90	4.958	95.71	23.72	94.03
Oct. 17	3.663	98.18	.....	.....	5.277	101.87	25.20	99.90	4.953	95.62	23.65	93.76
Oct. 24	3.663	98.18	.....	.....	5.255	101.45	25.13	99.62	4.931	95.19	23.48	93.08
Oct. 31	3.676	98.53	.....	.....	5.245	101.25	25.00	99.11	4.914	94.86	23.50	93.16
Nov. 7	.....	.....	.....	.....	.....	.....	24.97	98.99	.....	.....	23.35	92.57
Nov. 14	3.69	98.90	.....	.....	5.213	100.64	24.90	98.71	4.90	94.60	23.37	92.65
Nov. 21	3.69	98.90	.....	.....	5.16	99.62	24.70	97.92	4.87	94.02	23.28	92.29
Nov. 28	3.697	99.09	.....	.....	5.16	99.62	24.63	97.64	4.843	93.50	23.10	91.58
Dec. 5	3.676	98.53	.....	.....	5.165	99.71	24.50	97.13	4.706	90.85	22.12	87.69
Dec. 12	3.656	97.99	.....	.....	4.99	96.34	23.65	93.76	4.673	90.21	22.30	88.40
Dec. 19	3.69	98.90	.....	.....	5.01	96.73	24.00	95.14	4.717	91.06	22.80	90.39
Dec. 26	3.683	98.71	.....	.....	5.03	97.11	.....	.....	4.706	90.85	.....	.....
1917.												
Jan. 2	3.663	98.18	.....	.....	5.06	97.69	.....	.....	4.739	91.49	.....	.....
Jan. 9	3.643	97.64	.....	.....	4.99	96.34	24.05	95.34	4.684	90.42	22.40	88.80
Jan. 16	3.643	97.64	.....	.....	5.02	96.92	24.03	95.26	4.706	90.85	22.40	88.80
Jan. 23	3.617	96.94	.....	.....	5.01	96.73	23.92	94.83	4.684	90.42	22.40	88.80
Jan. 30	3.636	97.45	.....	.....	5.005	96.62	23.93	94.87	4.673	90.21	22.43	88.92
Feb. 6	3.63	97.29	.....	.....	4.99	96.34	23.87	94.63	4.673	90.21	22.45	89.00
Feb. 13	3.643	97.64	.....	.....	4.99	96.34	23.90	94.75	4.706	90.85	22.63	89.71
Feb. 20	3.643	97.64	.....	.....	5.005	96.62	23.95	94.95	4.701	90.75	22.48	89.12
Feb. 27	3.63	97.29	.....	.....	5.005	96.62	23.93	94.87	4.728	91.27	22.58	89.52
Mar. 6	3.597	96.41	.....	.....	5.017	96.85	24.13	95.66	4.695	90.64	22.60	89.60
Mar. 13	3.509	94.05	.....	.....	5.027	97.05	24.05	95.34	4.695	90.64	22.50	89.20
Mar. 20	3.442	92.25	.....	.....	5.027	97.05	24.02	95.22	4.684	90.42	22.42	88.88
Mar. 27	3.448	92.41	.....	.....	5.03	97.11	24.04	95.30	4.662	90.00	.....	.....
Apr. 3	3.448	92.41	.....	.....	5.033	97.16	24.10	95.54	4.556	87.95	22.15	87.81
Apr. 10	3.466	92.90	.....	.....	5.08	98.07	24.15	95.74	4.619	89.17	22.20	88.00
Apr. 17	3.484	93.38	.....	.....	5.075	97.97	24.30	96.33	4.619	89.17	22.23	88.12
Apr. 24	3.509	94.05	.....	.....	5.13	99.04	24.48	97.05	4.587	88.55	21.83	86.54
May 1	3.546	95.04	.....	.....	5.14	99.23	24.50	97.13	4.556	87.95	21.75	86.22
May 8	3.534	94.72	.....	.....	5.16	99.62	24.60	97.52	4.545	87.74	21.63	85.75
May 15	3.521	94.37	16.57	91.25	5.11	98.65	24.18	95.86	4.535	87.55	21.56	85.47
May 22	3.472	93.06	.....	.....	5.11	98.65	.....	.....	4.494	86.76	.....	.....
May 29	3.484	93.38	.....	.....	5.06	97.69	.....	.....	4.415	85.23	.....	.....
June 5	3.478	93.22	16.60	91.41	5.04	97.30	24.05	95.34	4.367	84.31	21.00	83.25
June 12	3.466	92.90	16.50	90.86	4.99	96.33	23.75	94.15	4.237	81.80	20.25	80.28
June 19	3.448	92.41	16.45	90.59	4.92	94.99	23.55	93.36	4.255	82.14	20.47	81.15
June 26	3.419	91.64	16.45	90.59	4.83	93.25	23.30	92.37	4.211	81.29	20.20	80.08
July 3	3.431	91.96	.....	.....	4.75	91.70	.....	.....	4.255	82.14	.....	.....
July 10	3.401	91.16	16.39	89.76	4.65	89.77	22.40	88.80	4.31	83.21	20.50	81.27
July 17	3.419	91.64	16.43	90.48	4.61	89.00	22.30	88.40	4.338	83.75	20.75	82.26
July 24	3.401	91.16	16.27	89.60	4.63	89.39	22.00	87.22	4.367	84.31	20.80	82.46

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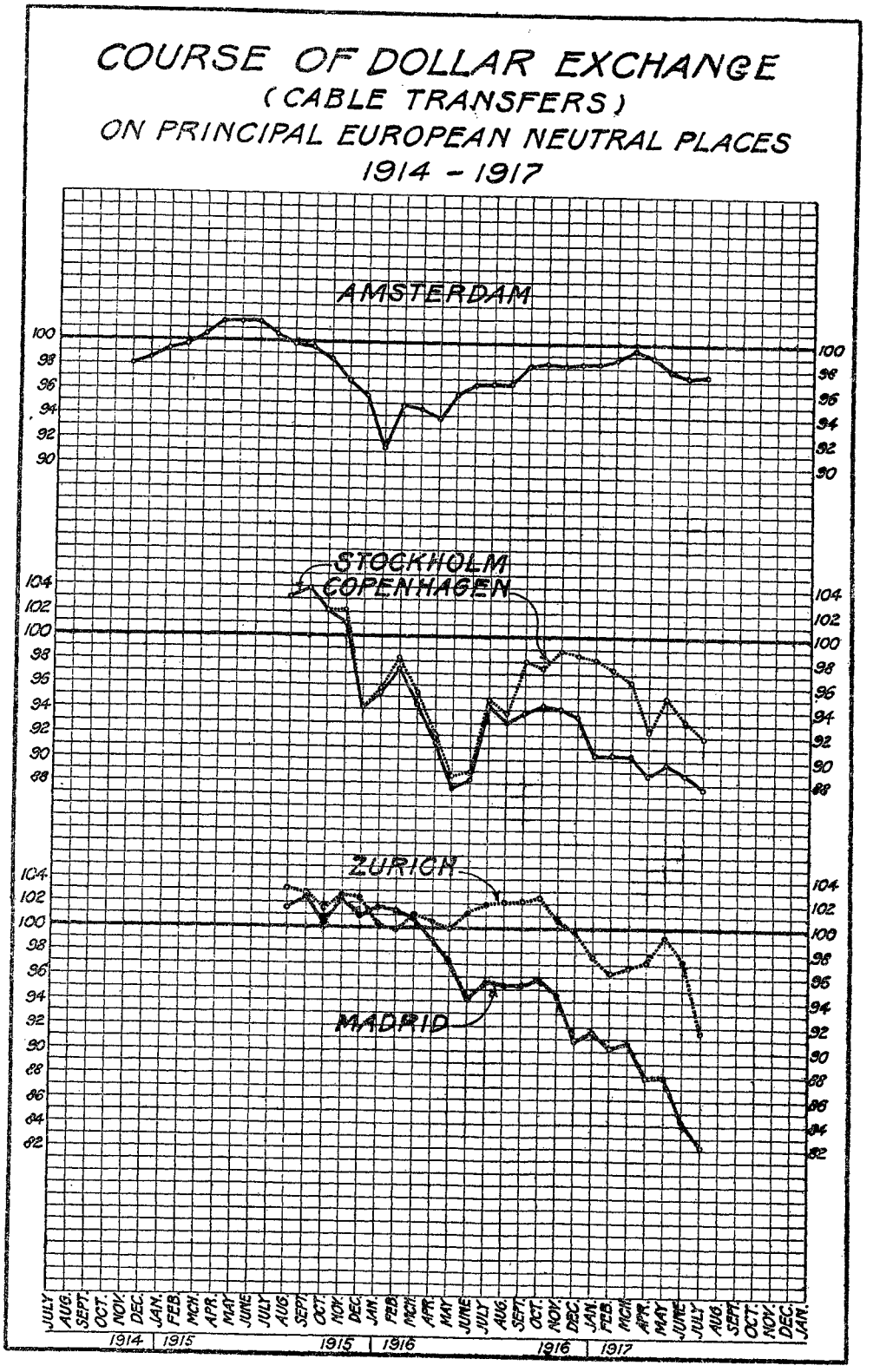

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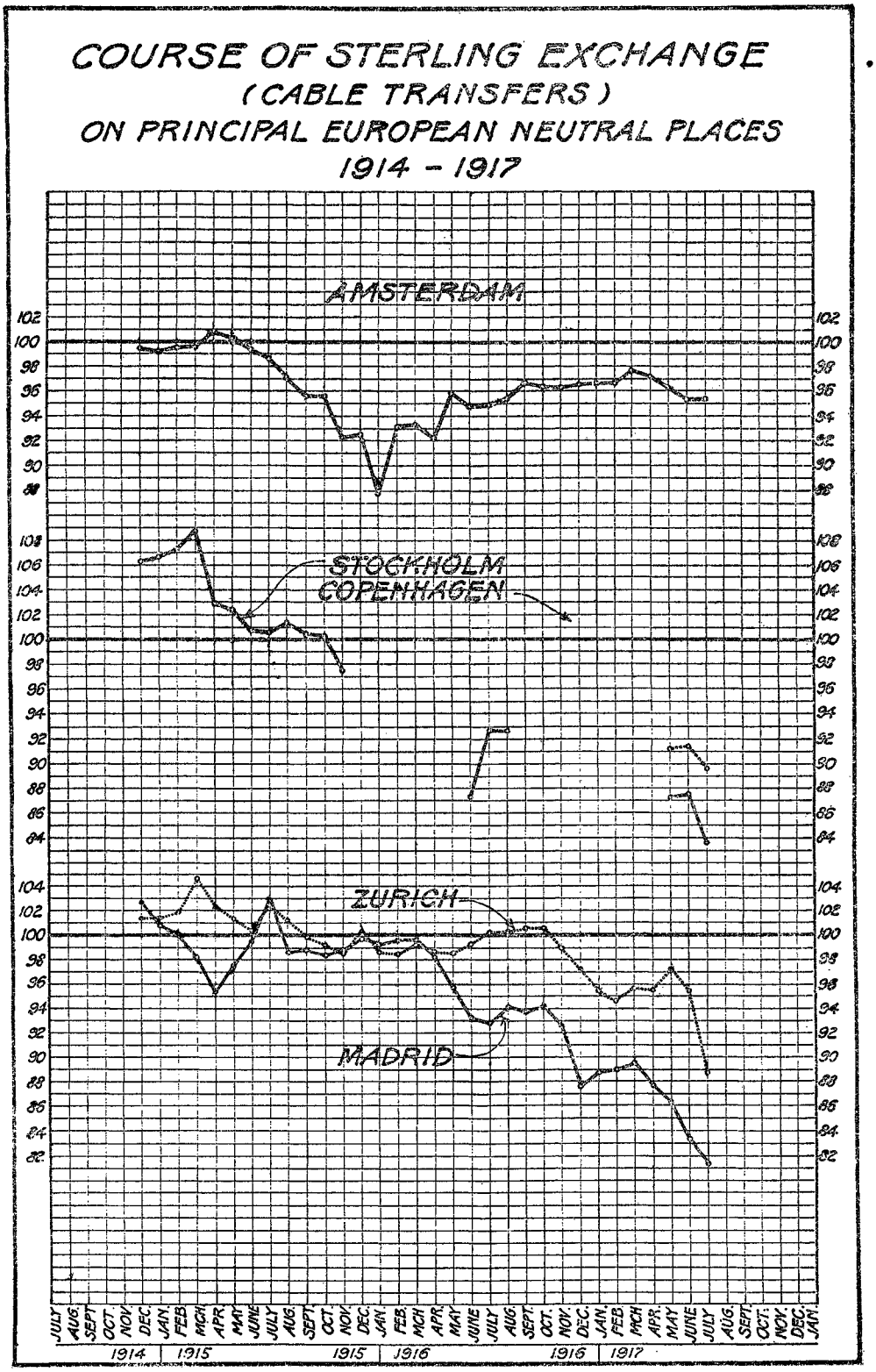

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INFORMAL RULINGS OF THE BOARD.

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

Bankers' Acceptances Drawn Against Shipment of Goods from a Corporation to its Agent.

(To an individual.)

Your letter of August 7 relating to the right of a member bank to accept a draft drawn against the shipment of goods by a corporation to its agent or branch, was duly received and referred to our counsel for consideration. In reply you are advised that, in the opinion of the Board and its counsel, a member bank may properly accept a draft drawn against the shipment of goods from a corporation to its agent or branch even though no sale of the goods is involved in the transaction.

The Federal Reserve Act authorizes any member bank to accept drafts or bills of exchange which grow out of transactions involving the domestic shipment of goods, provided that shipping documents conveying or securing title are attached at the time of acceptance and provided further that such drafts or bills of exchange have a maturity of not more than six months' sight to run, exclusive of days of grace. It is the opinion of the Board, however, that although the Act fixes a maximum maturity of six months, nevertheless, in any case where a draft is drawn against the shipment of goods, in a transaction which does not involve the sale of those goods, the maturity of the draft should approximate the duration of their transit. In such a case the law contemplates that the acceptance of the draft should be for the purpose of financing the shipment and that it should not be the means of furnishing a credit for any other purpose.

A slightly different situation arises, however, in the case where a draft is drawn against the shipment of goods in a transaction involving the sale of those goods, because in that case the draft may properly be drawn and accepted for the purpose of financing not merely the shipment but also the sale of the goods. The maturity of the draft need not necessarily approximate the length of time involved in the shipment in such a case, though it must be limited to a maximum of six months, exclusive of days of grace.

AUGUST 24, 1917.

Conversion of a State Bank into a National Bank.

(To a Federal Reserve Bank.)

Receipt is acknowledged of your letter of July 30, relating to the conversion into a national bank of the ——— State Bank of ———. It has frequently been held by the courts that a State bank which is converted into a national bank "does not destroy its identity or its corporate existence." The conversion results "in a continuation of the same body, of the same directors and stockholders, the same property, assets, and banking business under a changed jurisdiction." (See Metropolitan National Bank *v.* Claggett, 141 U. S., 520.)

In view of the fact, therefore, that the conversion of a State bank into a national bank does not destroy the corporate identity of the bank it would hardly seem necessary for the State bank to file an application for the surrender of its stock or for the national bank to file an application for new stock. Under the circumstances it would seem that the only action necessary would be the proper changes in the name of the member bank on the books of your bank and if necessary the issue of new certificates of stock with the new name to be substituted for the old certificates. This, however, should not be done until you have received proper evidence that the conversion has actually been accomplished and that the Comptroller of the Currency has issued the certificates called for in section 8 of the Federal Reserve Act.

AUGUST 2, 1917.

Paper Secured by Chattel Mortgage.

(To an individual.)

Your letter of July 26 is received.

The exact nature of the transaction to which you refer is not entirely clear to me. It ap-

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pears, however, that you contemplate drawing your draft on a member bank, such draft to be accepted by the member bank and to be secured by collateral notes which are, in turn, secured by chattel mortgages on cattle. Assuming that to be a correct statement of the facts, the chief difficulty lies in the fact that no national bank is authorized to accept a draft of that character; and whether a State bank which is a member bank would be permitted to accept such drafts depends solely upon the laws of the State in which the bank is incorporated.

There is no doubt, however, that any member bank could discount your promissory note which is secured by collateral notes, in turn secured by chattel mortgages on cattle. Such a note, however, would not be eligible for rediscount by a Federal Reserve Bank because of the fact that it is not drawn for an agricultural, industrial, or commercial purpose, within the meaning of section 13 of the Federal Reserve Act.

If the original note is issued for an agricultural, commercial, or industrial purpose, and if it is discounted by a member bank with or without your indorsement, such member bank might properly rediscount it with a Federal Reserve Bank, but your own note, even though secured by the original note, is not eligible for rediscount under any circumstances, because in itself it is not issued for an agricultural, commercial, or industrial purpose.

AUGUST 1, 1917.

Purchasing Bank's Own Acceptances.

(To a Federal Reserve Bank.)

Your letter of July 23 has been received and considered. In reply you are advised that while the Board has ruled, as stated, that when a bank buys its own acceptances they are to be regarded as loans subject to the limitations of section 5200, the right of the bank to resell or reissue the acceptances is, in the opinion of counsel, fully recognized by the authorities, and where this is done thay may be treated as acceptances outstanding and not as loans. This would be applicable to cases where the acceptances are sold to or rediscounted with a Federal Reserve Bank as well as to those cases where such acceptances are sold in the open market.

AUGUST 1, 1917.

Loans on Real Estate.

(To a national bank.)

In reply to yours of July 11, you are advised that in the opinion of the Federal Reserve Board national banks are subject to the limitations imposed by section 24 of the Federal Reserve Act, and can not make loans on real estate except under authority of this act, which limits the amount to an aggregate sum equal to 25 per cent of its capital and surplus or to one-third of its time deposits. If one-third of its time deposits exceed 25 per cent of the capital and surplus, banks are given the benefit of this alternative maximum.

JULY 26, 1917.

Custody of Gold, Lawful Money, and Federal Reserve Notes.

(To Federal Reserve agents and banks.)

The Federal Reserve Board transmits herewith a ruling covering the joint custody and control of gold, lawful money, and Federal Reserve notes held by Federal Reserve Agents, as provided in the act approved June 21, 1917.

(Inclosure.)

These funds should be kept in safes, preferably with two locks, each with a different combination, one in the control of the Federal Reserve Agent and his representative and the other in the control of the officers of the bank. As the Federal Reserve Bank is jointly liable for the safe-keeping of funds, a joint record should be kept of all transactions.

Custody of paper pledged as collateral security.—While the law does not require the joint custody of the commercial paper and other eligible securities pledged as collateral for Federal Reserve notes, it is desirable that such collateral also be held in this manner. In this case there would be no objection to having the Federal Reserve Agent designate a senior employee in the discount or credit department as his representative, and to the bank's appointing a similar representative to act as joint custodians of paper pledged.

Audit.—Whenever possible, it would be well to have the auditor of the bank maintain a continuous audit of the gold, lawful money, and Federal Reserve notes held in joint custody. At least once in each two months a complete examination should be made of the accounts of the Federal Reserve Agent and a copy of the report sent to the Federal Reserve Board.

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LAW DEPARTMENT.

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

Deductions in Determining Reserves.

Member banks, in determining the amount against which reserves must be carried, may deduct all Government deposits, except postal savings deposits, from the amount of gross demand deposits, and may deduct from the amount of balances *due to* other banks the amount of balances *due from* other banks, and may include in the amount *due from* banks checks drawn on banks located in the same place and exchanges for clearing houses. The law, however, does not permit member banks to deduct checks on other banks located in the same place or exchanges for clearing houses from gross demand deposits, nor does it permit cash on hand to be deducted from gross demand deposits.

JULY 19, 1917.

SIRS: As joint counsel for the Federal Reserve Board and the Comptroller of the Currency, this office has been requested to file an opinion on the subject of what, if any, deductions may be made from the liabilities of member banks in determining the amount against which reserve must be carried.

Section 19 of the Federal Reserve Act, as amended by the acts approved August 15, 1914, and June 21, 1917, definitely fixes the amount and character of reserve to be maintained. Each member bank is required to maintain with the Federal Reserve Bank of its district an actual net balance equal to not less than a fixed per cent of the aggregate of its demand deposits and a fixed per cent of its time deposits. The amount fixed varies according to whether the banks are located in reserve, central reserve, or nonreserve cities, but with the exception of the variations in the amount the requirements are identical in each case.

Demand deposits are expressly defined as all deposits payable within 30 days.

Time deposits, under the terms of the act, comprise all deposits payable after 30 days, all savings accounts and certificates of deposit which are subject to not less than 30 days' notice before payment, and all postal savings deposits.

Demand deposits may include (*a*) individual deposits; (*b*) Government deposits; (*c*) bank deposits.

(*a*) No provision of the act can be construed as authorizing any deduction from individual deposits or time deposits. The depositor may be indebted to the bank for money borrowed but no offset is allowed on account of such indebtedness.

(*b*) Government deposits (except postal savings deposits which are time deposits) are exempt from all reserve requirements under authority of the act of April 24, 1917, and the total amount of such deposits may be deducted from demand deposits in computing reserve.

(*c*) In the case of bank deposits, the Act provides—

> In estimating the balances required by this act, the net difference of amounts due to and from other banks shall be taken as the basis for ascertaining the deposits against which required balances with Federal Reserve Banks shall be determined.

This language has heretofore been construed as authorizing member banks to deduct the aggregate amount *due from* other banks from the aggregate amount *due to* other banks, and to carry reserve only against the net balance *due to* other banks. The circumstances under which this provision was incorporated in the act, which will be later referred to, clearly indicate that this construction is consistent with the intent of Congress. In determining the amount due from other banks, it has been customary, for years past, to permit national banks to treat the total amount of items placed in the mail and charged to the account of a correspondent as part of the balance due from such correspondent. In conformity with this custom member banks are still permitted to treat out-of-town items in this way.

In order that items payable in the same city in which the member bank is located may be placed on a parity with items payable elsewhere, member banks are likewise permitted

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to treat checks on other banks in the same place and exchanges for clearing houses as balances *due from* other banks, and to deduct the aggregate of such items from the aggregate balance *due to* other banks. This ruling of the department seems also to be consistent with the purposes of the Act as indicated by the history of this legislation.

Prior to the Act of May 30, 1908, generally known as the Aldrich-Vreeland Act, no deductions were allowed by statute. In order, however, to afford some relief from the rigid reserve requirements which at that time necessitated the maintenance of a much higher reserve than is required at present, the department permitted national banks to deduct from liabilities against which reserve must be carried (*a*) Government deposits, (*b*) balances due from other banks (including checks on other banks in the same place and exchange for clearing houses), (*c*) national-bank notes.

It is not entirely clear under what authority these deductions were allowed. National banks, however, were required at that time to maintain a certain reserve against "deposits." The act was not specific as to what should be treated as deposits and so this language was probably construed to mean deposits which were not offset by assets which could be used for the immediate discharge of such liabilities.

The Aldrich-Vreeland Act ratified in effect the ruling of the department in so far as it related to Government deposits. The act expired by limitation on June 30, 1916, but the act of April 24, 1917, above referred to, reenacted the provisions exempting Government deposits from reserve requirements. The Federal Reserve Act specifically authorizes the deduction of balances *due from* other banks, but this office is advised of no other provision of law authorizing any deduction from the amount against which reserve must be carried by member banks and no discretion is vested either in the Federal Reserve Board or the Comptroller of the Currency to permit such deductions.

Without passing upon the question whether or not the deductions allowed prior to the passage of the Federal Reserve Act were justified, it seems clear that since Congress has specifically defined deposits against which reserve must be carried, and has specifically authorized certain deductions to be made, there is no present justification for reading into the Act any intention on the part of Congress to allow other deductions not specifically mentioned.

Notwithstanding the liberal interpretation that has been placed upon the Act in defining balances *due from* other banks, it has been claimed that the amount against which reserve must be carried should be still further reduced (*a*) by permitting checks on other banks in the same place and exchanges for clearing houses to be deducted from gross demand deposits rather than from balances *due to* other banks; (*b*) by permitting cash on hand to be deducted from gross demand deposits.

The argument advanced in favor of the allowance of these deductions should, in the opinion of this office, have been addressed to Congress rather than to the Federal Reserve Board or the Comptroller of the Currency. As above stated, neither the Federal Reserve Board nor the Comptroller are vested with any discretion to permit deductions not specifically authorized by the Act and could not, in the opinion of this office, justify a ruling that banks might deduct cash or other items from their gross demand deposits in computing their reserve.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To the FEDERAL RESERVE BOARD AND THE COMPTROLLER OF THE CURRENCY.

Private Bankers as Members.

The Federal Reserve Act does not permit a private banker to become a member bank, nor does it permit Federal Reserve Banks to extend clearing privileges to such a banker.

JULY 30, 1917.

SIR: The accompanying letter from a certain firm of private bankers raises two questions:

First. Whether a private banker may become a member of the Federal Reserve System.

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Second. Whether a Federal Reserve Bank under authority of section 13 of the Federal Reserve Act, as amended, may receive deposits and extend the clearing privileges to a private banker.

Under the terms of the Federal Reserve Act no banks are eligible to membership except national banks and those "incorporated by special law of any State or organized under the general laws of any State or of the United States."

In the opinion of this office private bankers do not come within this classification. Congress manifestly intended to admit to membership only incorporated banks. The language "organized under the general laws of any State" is ordinarily used to refer to corporations which have obtained charters, under the general laws of the State as distinguished from those which have been chartered by special acts of the legislature. In this view, assuming that the firm under consideration was not incorporated either under State or Federal law, it would not be eligible for membership in the Federal Reserve System.

In answer to the second inquiry, section 13 provides that—

> Any Federal Reserve Bank * * * solely for the purposes of exchange or of collection may receive from any nonmember bank or trust company deposits of current funds * * * and drafts payable upon presentation; or maturing notes and bills: *Provided,* such nonmember bank or trust company maintains with the Federal Reserve Bank of its district a balance sufficient to offset the items in transit held for its account by the Federal Reserve Bank.

The first section of the act provides that—

> Wherever the word "bank" is used in this act, the word shall be held to include State bank, banking association, and trust company, except where national banks or Federal Reserve Banks are specifically referred to.

The terms "State bank, banking association, and trust company" are not ordinarily used to indicate private bankers. In those acts in which Congress has undertaken to deal with private bankers as a class, such bankers have been expressly referred to in the act.

In the opinion of this office, therefore, it would require a forced construction of the language used to reach the conclusion that Congress intended the word "bank" as used in section 13 to include private bankers and in this view Federal Reserve Banks are without authority to extend the clearing privileges to such bankers.

Respectfully,

M. C. ELLIOTT,
Counsel.

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

Section 22, Federal Reserve Act.

Any violation of the provisions of section 22 of the Federal Reserve Act by officers, directors, or employees of a member bank constitutes a crime, punishable by fine or imprisonment. No ruling or interpretation by the Federal Reserve Board would afford any protection to a person subsequently indicted by a Federal grand jury for any such violation, it not being within the province of the Federal Reserve Board to make an official ruling on the provisions of this section. Whether or not a contemplated transaction comes within the prohibited part of this section is a question which should be determined by the counsel for the bank in each case. The Board, however, may properly suggest ways in which member banks and their officers and directors may make a matter of record the affirmative action required by law as a condition precedent to certain transactions authorized by the act.

AUGUST 14, 1917.

SIR: The attached papers raise sundry questions with reference to the proper interpretation of the recent amendment to section 22 of the Federal Reserve Act. These questions may be briefly summarized as follows:

(1) Is it necessary that the board of directors should authorize the receipt on deposit of checks, drafts, or other items payable on demand from officers or directors of the bank?

(2) Where an officer or director is a member of a firm or a stockholder in a corporation which is a customer of the bank, is it necessary that a majority of the directors should approve loans made to such firm or corporation?

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(3) Would it be consistent with the purposes of the Federal Reserve Act to substitute for the resolution proposed by the Federal Reserve Board a written form of assent to be signed by a majority of the board of directors?

In reply to these several inquiries it is respectfully submitted that the Board should adhere to its established policy of not undertaking to determine in advance whether a given transaction constitutes a violation of section 22. Inasmuch as a violation of the provisions of this section is made a criminal act subject to a severe penalty, the Board has no jurisdiction in the matter, and, as an administrative body, should not undertake to prejudge any case that may arise.

While the Board should not for reasons stated endeavor to express definite opinions on concrete cases arising, there would seem to be no objection to its advising the banks as to its understanding of the general purpose of this amendment, just as it approved in a former instance an opinion of this office dealing with the general purpose of section 22.[1] In this view, considering the context and the circumstances under which this amendment was added, it seems that Congress intended to remove any doubt as to the right of banks to receive deposits from directors under the same terms and conditions as it receives deposits from their customers and to pay such rate of interest as it pays to other customers. It also intended to remove any doubt as to the right of any bank to make loans to directors on the same general terms and conditions that it makes loans to its customers, it being provided in the latter case that as a condition precedent the directors, by an affirmative vote or written assent of at least a majority of the members of the Board, shall authorize such loan. The receipt of deposits under an agreement to pay interest would seem to contemplate the receipt of checks, drafts, and other demand items on deposit, as well as the receipt of money or currency, but whether or not giving immediate credit to a director for such items may be construed as a loan until the item is actually collected involves a question of law upon which the Board should not express a definite opinion.

If the counsel for the bank should reach the conclusion that the courts might construe such a deposit to be a loan, the bank could by resolution of the Board authorize the receipt of such items, but this is a question which should be determined by the bank's counsel. In like manner, a loan to a firm or corporation in which the director is interested might or might not be construed by the courts to be a loan to the director within the meaning of this act; and so counsel for the bank should determine whether these transactions should be included within the resolution referred to. While this statute, a penal statute, would in all probability be strictly construed by the courts so as to avoid the possibility of including transactions not contemplated by Congress, the Board should not undertake to rule on the substance of any transaction or to express an opinion as to whether it would or would not constitute a violation of law. It should confine its attention to a consideration of those acts which are designed to make it a matter of record on the minutes or records of the bank that the officers have taken the affirmative action called for, and, to this end, the Board has heretofore suggested a form of resolution[2] to be passed by the directors of the bank giving their assent to loans to directors. In this connection it might be stated that the substitution of the written assent of a majority of the directors for the affirmative vote of a

[1] See May, 1915, Federal Reserve Bulletin, p. 16.

[2] *Resolved*, That the president, cashier, or assistant cashier of this bank be, and he is hereby, authorized to discount notes, drafts, or bills of exchange for ——————————, a director of this bank, on the same terms and conditions as other notes, drafts, bills of exchange or other evidences of debt are discounted for customers of the bank: *Provided*, The aggregate amount of such notes, drafts, and bills of exchange discounted for such director and remaining unpaid shall at no time exceed the sum of $——————: *Provided further*, That in any case in which any note, draft, or bill of exchange is discounted under authority of this resolution, a report shall be made thereof at the next subsequent meeting of the executive and discount committee of the board and such report shall show the aggregate amount of liabilities of such director to this bank.

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majority would seem to be in accordance with the terms of the act.

Respectfully,

M. C. ELLIOTT, *Counsel.*

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

Acceptances of Member Banks.

An acceptance which has been purchased by the accepting bank and subsequently rediscounted with its Federal Reserve Bank is not subject to the limitations of section 5200 of the Revised Statutes.

JULY 26, 1917.

SIR: In reply to your memorandum of July 19, you are advised that in an opinion filed by this office on October 27, 1916, and printed in the December, 1916, Bulletin, it was stated that the mere acceptance of a draft by a national bank does not make the drawer of that draft liable to the accepting bank for money borrowed within the meaning of section 5200 of the Revised Statutes; but it is also stated that, though the accepting bank may legally purchase its own acceptance, nevertheless, if it does so the acceptance then becomes subject to the limitations of section 5200.

The question presented in your memorandum is whether an acceptance which has been purchased by the accepting bank and subsequently rediscounted with its Federal Reserve Bank remains subject to the limitations of section 5200. After the accepting bank has purchased and rediscounted its acceptance with the Federal Reserve Bank, the legal relations between the accepting bank and the drawer of the draft are precisely the same as they were before the accepting bank purchased the draft. The fact that the accepting bank may have indorsed the acceptance when it was rediscounted with the Federal Reserve Bank does not alter the legal relations between that bank and the drawer. The accepting bank is ultimately liable in any event and the indorsement, though it may have the effect of guaranteeing prior indorsements, does not affect the bank's relations with the drawer.

As a result, it is the opinion of this office that the drawer of the draft is not liable to the bank for money borrowed within the meaning of section 5200 after the bank has rediscounted it with the Federal Reserve Bank. The status is then identical with the case discussed in the opinion of October 27, 1916, where it was held that the mere acceptance of a draft did not make the drawer liable to the bank for money borrowed. In other words, the transaction comes within the limitations of section 5200 only in the case where the accepting bank holds its own acceptance purchased before maturity and in the case where the drawer has failed at maturity to provide funds with which the accepting bank can make payment.

Respectfully,

M. C. ELLIOTT, *Counsel.*

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

Powers of State Banks Which Become Members.

A State bank which becomes a member of the Federal Reserve System may continue to make loans to one customer in excess of 10 per cent of its capital and surplus, provided it is authorized to do so under the laws of the State in which it is located. The obligations of any one customer to whom the bank has loaned more than 10 per cent of its capital and surplus would not, however, be eligible for rediscount with the Federal Reserve Bank.

Any State bank which becomes a member of the Federal Reserve System must subscribe to the capital stock of its Federal Reserve Bank in an amount equal to 6 per cent of the capital and surplus of the subscribing bank.

JULY 25, 1917.

SIR: The attached letter has been referred to this office for an opinion on the questions submitted. The writer asks to be advised—

If, after its admission to the Federal Reserve system, a New York State bank can continue to loan to its customers 40 per cent of its capital and surplus when sufficient collateral is deposited with them?

What amount of stock is to be subscribed by a bank with a capital of $300,000 and a surplus of $300,000?

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Section 9 of the Federal Reserve Act as amended does not limit the amount that a State bank or trust company becoming a member of the Federal Reserve System may lend to one person, firm, or corporation. It does, however, provide—

That no Federal Reserve Bank shall be permitted to discount for any State bank or trust company notes, drafts, or bills of exchange of any one borrower who is liable for borrowed money to such State bank or trust company in an amount greater than ten per centum of the capital and surplus of such State bank or trust company, but the discount of bills of exchange drawn against actually existing value and the discount of commercial or business paper actually owned by the person negotiating the same shall not be considered as borrowed money within the meaning of this section. The Federal Reserve Bank, as a condition of the discount of notes, drafts, and bills of exchange for such State bank or trust company, shall require a certificate or guaranty to the effect that the borrower is not liable to such bank in excess of the amount provided by this section, and will not be permitted to become liable in excess of this amount while such notes, drafts, or bills of exchange are under discount with the Federal Reserve Bank.

While the State bank may, therefore, lend to one customer an amount equal to 40 per cent of its capital and surplus, if it is permitted to do so under the State law, the obligation of such customer would not be eligible for rediscount with the Federal Reserve Bank.

In answer to the second inquiry: State banks becoming members are required to subscribe to the same amount of stock that they would be required to subscribe if they entered the system as national banks. National banks are required to subscribe to an amount equal to 6 per cent of their capital and surplus. One-half of this amount is paid in in installments and the remaining one-half remains subject to the call of the Federal Reserve Board.

The whole subscription of State banks becoming members is payable on call of the Federal Reserve Board, but as only 3 per cent is paid in by national banks, State banks would not be called upon to pay more than this amount unless it should later become necessary for the Federal Reserve Board to call for additional subscriptions from all member banks.

A State bank, therefore, entering the system with $300,000 capital and $300,000 surplus would be required to pay in $18,000 and the remaining $18,000 would be subject to call of the Federal Reserve Board and would be called only in the event that all member banks were called upon to make additional subscriptions.

Respectfully,

M. C. ELLIOTT, *Counsel.*

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

Laws of Washington Authorizing National Banks to Act as Trustees.

By an act of the Legislature of the State of Washington, approved March 10, 1917, national banks located in Washington are permitted under certain circumstances to exercise the powers of a trust company. The law provides, in part, as follows:

"SEC. 16. A national bank located within this State and having a paid-up capital of $50,000 or more, when authorized or permitted so to do, by or under any act of the Congress of the United States, may exercise any of the powers conferred upon trust companies by this act.

"SEC. 17. Before any such national bank shall engage in such trust business, it shall file a certificate with the State bank examiner, wherein it agrees to conform to all the regulations and restrictions of this act relating to trust companies and trust business, including the examination of its trust business by said examiner and the payment of the fees therefor, herein prescribed for the examination of banks and trust companies. Upon the filing of such a certificate in a form to be approved by said examiner, such national bank shall be subject to all the regulations and restrictions of this act relative to trust companies and trust business."

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SUMMARY OF BUSINESS CONDITIONS AUGUST 23, 1917.

	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	Spotty	Good, but with some seasonal dullness.	Good	Somewhat unsettled.	Highly satisfactory.	Good.
Crops:						
Condition	Good	Below normal	do	Good	Excellent	Do.
Outlook	Good	Large acreage will give bumper crops.	do	Favorable	do	Do.
Industries of the district.	Busy	Well engaged, but several lines not at maximum.	Busy	Hesitating	Active and profitable.	Operating maximum.
Construction, building, and engineering.	Nearly up to previous high record.	Building construction continues extremely dull.	Falling off in number of operations.	Improved	Restricted by limited labor and high wages.	Slow.
Foreign trade	Large	Well maintained	Very large			
Bank clearings	Increase	Continued increase.	Increase	Increased	7% increase	Increase.
Money rates	Firm	Firm and for some weeks past quite steady.	No change	Steady	5 to 6%; fair demand and supply.	Stationary.
Railroad, post office, and other receipts.	Decrease	Railroad receipts at record levels; postal receipts normal.	Increasing	Increased	Large volume, but no improvement in railroad net.	Increase.
Labor conditions	Well employed	Shortage of labor; wages high.	Unsettled	Fair	Demoralized by high wages paid on Government contract.	Fair.
Outlook	Uncertain	War readjustments progressing well; outlook good.	Good	do	Very satisfactory	Good.
Remarks	Business generally waiting more definite view of the future.			War revenue and price fixing measures retarding commitments for future operations.		

	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	Fair; some hesitation.	Satisfactory	Good	Less active	Good	Active.
Crops:						
Condition	Good	Good	Harvest in full swing.	Much improved	Good except in south, south central, and southwest portions.	Good.
Outlook	do	Promising		Encouraging	Favorable	
Industries of the district.	Active	Active	Active	Busy, with war orders prominent.	Active and running full time.	Active.
Construction, building and engineering.	Slow	Somewhat restricted.	Less than year ago.	Less activity	Decrease due to midsummer season.	Slight increase.
Foreign trade					Increase over similar period 1916.	Large; increasing.
Bank clearings	Increasing	Increase	Increasing	Marked increase	32½ per cent increase over July, 1916.	Increase.
Money rates	Firm	No change	Firm	Generally stationary.	No change; demand good, but funds ample for requirements.	Firmer tendency.
Railroad, post office, and other receipts.	Decreasing	Railroad gross receipts increase; post office increase.	Increase	Increase	Railroad increase; post office small decrease.	Increasing.
Labor conditions	Good	Fair	Fairly good	Shortage and more than usual unrest.	Unsettled	Unsettled.
Outlook	do	Favorable	Good	Optimism prevails	Extremely favorable.	For great activity.
Remarks	Business seems to be awaiting definite advice with regard to taxation.	Crop conditions have improved.		Business has revived substantially with improved crop conditions.	Drought still obtains over south, southwest, and extreme western portions of the district; ranges in bad condition and cattle industry heaviest sufferer.	

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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 Reserve Banks of the several districts. Below are the detailed reports as of approximately August 23:

DISTRICT NO. 1—BOSTON.

Midsummer finds business on the whole good, but decidedly spotty, with no definite trend apparent. It is not unusual to find one department of a business busy, with advancing prices, and another quiet, with prices sagging. The predominant feature in all lines of business is caution, and every one is reluctant to make commitments until the future course of affairs can be more definitely analyzed. Government orders are a large factor, but the high wages paid labor can not be disregarded as creating a large domestic buying power. For this reason it is felt that as long as conditions continue as at present business will be good, and there is confidence in the prospects for good trade later in the season.

The boot and shoe manufacturer is still finding the retailer reducing his stock rather than placing new orders. Manufacturers have for a good while urged this policy on the ground that, although prices were advancing, it was poor business to overstock only to find, when the time came to realize, that styles had changed and a sacrifice was inevitable. Retailers are apparently heeding these warnings, and more careful purchasing is to be expected. At present Government orders are keeping manufacturers busy.

Wool dealers have offered to the Government 50 per cent of the wool held by them, the option to run for two weeks, at prices ruling the week of July 30. Experts are at present appraising samples offered and, pending definite action by the Government, trading is quiet with prices firm. If the project works out favorably, manufacturers bidding on Government work will have the option of furnishing the wool themselves or having it furnished by the Government. Reports from both woolen and worsted mills indicate that practically all available machinery is busy. A large part of this machinery is engaged on Government work, in the case of woolen spinning spindles the percentage being as high as 33½ per cent.

The market for fine and fancy cotton goods is quiet, the only feature being some Government buying. Prices have stopped advancing and in some cases slight recessions are in evidence. Production is curtailed by lack of operatives and by the selling of surplus yarns by manufacturers who will not manufacture goods to sell at lower prices. Print cloth mills are well sold ahead, but are also curtailing somewhat because of shortage of labor.

The crops have been materially helped by recent rains. A large yield of hay of excellent quality has been secured. Potatoes are doing well, as are oats and corn, although the latter is some weeks behind. Apples continue to fall from the trees and indications are that the crop will be poor. Peaches are in excellent condition, with prospects good.

Money is not overabundant in this district, and except in one or two of the larger centers little commercial paper is moving, banks simply taking care of the needs of their own customers. The general trend of money, especially on time, is upward rather than downward, as is usually the case at this time of the year, when banks are called upon to make advances on wool and other crops as they come to the market. This, together with the final payments on the Liberty Loan and other Government financing, has kept banks in this district moderately well loaned up, but with the redepositing of Government funds the banks have been able to finance themselves, for the most part, without recourse to the Federal Reserve Bank for rediscounts to more than a moderate extent. Call money, 4½ to 5

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per cent, the former rate prevailing for quick call. Six-month money is quoted at 5 to 5½ per cent, according to names and collateral, and short commercial paper has sold as low as 4¾ per cent. Town notes, fall maturities, 4 per cent; bankers' acceptances, 90 days, 3⅜ per cent upward.

Loans and discounts of the Boston Clearing House banks on August 11, 1917, amounted to $451,796,000, as compared with $479,936,000 last month and $418,825,000 on August 12, 1916. Deposits on August 11, 1917, totaled $358,845,000, as compared with $379,176,000 on July 14, 1917, and $321,999,000 on August 12, 1916. The amount "due to banks" on August 11 was $124,266,000, as compared with $137,610,000 on July 14, 1917.

Exchanges of the Boston Clearing House for the week ending August 11, 1917, were $211,659,320, compared with $158,108,531 for the corresponding week last year and $269,952,416 for the week ending August 4, 1917.

Building and engineering operations in New England from January 1 to August 1, 1917, amounted to $118,582,000, as compared with $120,806,000 for the corresponding period of 1916, the highest previous year recorded.

The receipts of the Boston post office for July, 1917, show an increase of $25,825.40, or about 4 per cent, more than July, 1916. For the first 15 days of August, 1917, receipts were about 1 per cent, or $3,131.49 less than for the corresponding period last year.

Boston & Maine Railroad reports net operating income, after taxes, for June, 1917, as $872,402, as compared with $1,415,604 for the corresponding month of 1916. New York, New Haven & Hartford Railroad reports net operating income, after taxes, for June, 1917, as $1,819,613, as compared with $2,130,884 for the same month last year.

DISTRICT NO. 2—NEW YORK.

Midsummer has brought a seasonal lull in business and industry, contributing factors being the waiting attitude of those most directly interested in Government price fixing, and continuing conservatism on the part of buyers at wholesale and retail. Manufacturers for the most part are buying raw materials only in quantities sufficient to care for orders in hand, and there has been general adoption of the practice of setting aside special reserves to meet possible losses occasioned by changes in price levels or buying demand during and after the war. Decreased buying of steel products by private interests has made for easier conditions in the steel trade, as is indicated by the decrease of unfilled orders of the Steel Corporation to 10,844,164 tons, the lowest since October, 1916, with a further decrease expected during August.

By national cooperation the railroads effected a reduction in car shortage from 148,627 on May 1 to 33,776 on August 1, in the face of unprecedented demands for freight service and with material increase in gross and net railway earnings. Lessened activity in such lines as building materials, building construction work, furniture, musical instruments, civilian clothing, automobiles, etc., has permitted transfer of labor and supplies to other industries or other branches of the same industry in which activity has increased. Labor conditions in this district are less acute than in past months, except as to farm labor. Wages have continued to advance and serious strikes have been avoided, the important exception being the strike of employees of shipbuilding plants which is now in progress.

Owing to a planted acreage in this district far above normal, bumper crops of hay, potatoes, and vegetables are expected. Wheat, oats, barley, and rye will also yield well, but the corn crop is expected to be only fair. The fruit yield will be much short of normal. Food prices have fallen somewhat since the coming to market of new crops and apprehension as to a possible food shortage is much lessened.

Stock-market trading has been quiet for many weeks past, though the number of shares handled has been greater than for the same weeks last year. The public has shown little interest in the market, and since the middle

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of July prices have shown little general change. Bond sales have ruled below those for the same weeks last year, but prices have been steady since early July. Advantage has been taken of the period between Liberty loans to bring out several corporate issues of short-term securities at attractive interest rates, which have been readily absorbed by the market. The placing of $100,000,000 two-year gold notes in this market by the Canadian Government to yield 6.07 per cent has been perhaps the most striking single transaction of the month, the $300,000,000 issue of United States 3½ per cent Treasury certificates on August 9, of which $175,000,000 was placed in this district, being taken quite as a matter of course.

Banking conditions are satisfactory. Required reserves of all members of the Federal Reserve System have been transferred to the Federal Reserve Bank, thus greatly increasing its gold holdings and ability to extend credit to meet any situation. Its gold and lawful money holdings on August 20 were $642,000,000 or 85 per cent of liabilities. Loans and discounts which on June 19 stood at $252,000,000 were on August 20 only $67,500,000.

DISTRICT NO. 3—PHILADELPHIA.

There has been no important development in the business situation in this district during the past month. A strong tendency toward caution exists on the part of buyers, owing to the uncertainty of future prices and the high cost and scarcity of many kinds of goods. There is a steady readjustment to war conditions, but business men generally expect that fall and winter trade will be active.

No decrease in industrial activity is reported, except such as is due to weather conditions. Retail distribution is largely confined to seasonable merchandise. Concerns handling young men's clothing, laces, embroideries, etc., have been adversely affected.

Government orders for cotton are large, but the regular commercial trade is unsettled. The actual turn-over is not larger in quantity than a year ago. Prominent cotton houses expect a decline in the price of cotton.

The wool market is awaiting the action of the Government in fixing prices, as it is said that the Government needs 50 per cent of the wool in the hands of dealers. Civilian business is very dull, as people are loath to buy wool at prevailing high prices.

Textile manufacturers are busy, although consumption is generally less than a year ago.

Member banks continue to avail themselves quite freely of the rediscount feature of the Federal Reserve Bank. Local institutions are well loaned up, and the money market is on a firm 5 per cent basis. There is a good commercial demand for funds. Public interest in the security markets is at a low ebb.

DISTRICT NO. 4—CLEVELAND.

It is rather difficult intelligently to analyze business conditions at this time, chiefly for two reasons—a lack of precedent and an unusually spotty condition due to the necessary Governmental preferences which are being given to certain lines of manufacture. There is a good deal of hesitancy with respect to new undertakings, doubtless due to the question of price fixing which is now so prominent.

The outlook for business, however, is excellent, once the two disturbing elements of price and distribution are fixed.

Reports from all localities in this district, with very few exceptions, indicate that one of the largest crops in history will be raised this year. A very large wheat and oat crop has been harvested, considerable threshing has been done, and the yield is heavy. The weather generally has been favorable for corn, and a good crop is now well under way. There is no doubt that farmers in this district have considerably underestimated their crops.

Burley tobacco is doing well. Quality and quantity are up to average, and possibly a little better than last year.

Altogether, agricultural conditions in this section have never been so promising as at the present time.

The steel business is less active than last month, although nearly all the mills are still booked to capacity. There is less overtime in

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the mills than prevailed a few months ago. The obligations of mills to their domestic trade are being interfered with to some extent by the constantly increasing demands of the Government. The maximum tonnage of iron ore that the boats and railroads can handle is being moved, and this high volume no doubt will continue until the end of the shipping season. The pig-iron market is quiet, as manufacturers are waiting to see what the Government will do about price fixing.

Cement companies are not running much over 50 per cent capacity. There has been a very decided slump in the clay product business within the last 30 days.

There is a frantic demand for fuel on the part of all users of bituminous coal and operating companies. On account of an inadequate car and labor supply, the mines are having difficulty in producing a sufficient tonnage to take care of requirements. Unless some relief is afforded in the transportation facilities to the Northwest, that section will suffer severely through insufficient fuel supply.

While the manufacture of motor-truck tires and balloon fabrics is more active than ever before, the balance of the rubber industry is only fair, due to the falling off in sales of pleasure cars. Some of the companies are working only five days a week, and others have eliminated the third shift.

The glass and pottery business appears to be in excellent condition, and a fine fall business is anticipated. Some of the factories are making extensive improvements to their plants.

The recent advances in crude oil have again stimulated that industry, which is already in a very prosperous condition.

Building operations are still in an unsatisfactory condition. Large building is at a standstill. Money for building and real estate operations is very scarce, which, together with the shortage of labor and the high cost of materials, is affecting unfavorably the building line.

All of our reports this month contain complaints on the labor situation. Increasing difficulty in securing male labor for the various industries is commented upon.

Mercantile business is only fair. The effect of economies, both voluntary and enforced, is being felt. Manufacturers engaged in supplying jobbers and retailers are showing caution in the matter of contracts both for purchase and sale.

While collections in some parts of this district are reported as improved over last month, yet most of our correspondents report slower payments. Many of the larger companies state that their collections are coming in considerably behind the estimate for the month.

There is a continued active demand for loans throughout the district, and the rates are steady at 5½ and 6 per cent for both time and demand paper. Banks seem to be fully taking care of customers, but it is a lender's market.

The investment securities markets are less active than formerly, and prices have receded generally.

More recently the deposit lines in the important centers have shown substantial increases in both demand and time.

DISTRICT NO. 5—RICHMOND.

Business in general continues unusually active, particularly for this time of year, especially in manufacturing lines. The conditions existing at the present time are so unusual and in their effects present such widely diversified features that it is difficult to make either any sound comparison with the past or a conservative estimate as to the future trend. We can only take conditions as we find them and live from day to day. The inflation in prices, in every direction, is reflected in the increased amount of capital necessary to transact business, but unprecedented profits in most lines seem to have made this a matter of little moment. General reports are optimistic, and there are few discordant notes.

The selective draft and the necessary preparations to take care of the men called to the colors have been a most disturbing element in

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the labor situation, which has been generally disorganized, and complaints in regard to it are universal. The work on the cantonments at Columbia, S. C., and Petersburg, Va., the naval base at Norfolk, Va., and Government work contemplated at Richmond have called for an unprecedented volume of labor. Very high wages are being paid, the result being to take laborers from manufacturers, industrial plants of all kinds, and from the farms. Many complaints are heard of inability to harvest the growing crops. The large amounts paid out through these laborers have been an artificial stimulant to trade, from which there must necessarily be a decided reaction.

Crops in this section are reported unusually good. Wheat is above the average, corn is said to be the best ever raised in the district, tobacco is up to or above normal, and while cotton is below the average in output the high prices will, so far as value is concerned, more than offset the decline in volume. Prices of all these crops are high, tobacco has already commenced to move, and the demand for currency in the interior is much larger than usual.

While financial demands for crop raising have been unusually heavy, and the demand for rediscounts above the normal, many banks still report a surplus of funds, and the general demands of the district have been handled without any strain.

While a considerable amount of the late payments against Liberty bonds have been redistributed among depositaries in the district, all calls made by the Government have been promptly met, and the subscriptions of the district to the last issue of Treasury certificates was not allotted in full, but scaled on account of the general oversubscription to them.

There seems to be a conservative realization of the fact that we are living and doing business in unusual times and under unusual conditions, from which there must be a return to a more conservative level, and this leads to the hope, if not to the expectation, that when this return takes place we shall be able to accomplish it without serious dislocation of business.

DISTRICT NO. 6—ATLANTA.

Practically all factors underlying general business continue in large volume and high activity. Less favorable conditions, wherever found, are the result of either shortage of labor or materials, or the lack of proper transportation facilities. The definite settlement of the food control legislation has had a steadying effect and the bright outlook for all crops gives the business public a more substantial feeling than is usual at this season of the year.

Crops.—The prospects are favorable for record-breaking crops of every character, cotton excepted. A rainy season prevailed largely throughout the district during the first half of the month, practically a little too much for this season of the year, but only in a few instances has damage been reported, other than to increase the insect activity on cotton and other crops. In the southern half of the district, practically all crops have been laid by. Crops have been well cultivated the entire season, in fact more than in ordinary years. Especially good reports come from central and south Alabama, where last year heavy rains destroyed the crops.

It is naturally supposed that the boll-weevil would make greater progress on account of the recent rain, it being impossible to get into the cotton to work it or to eradicate the weevil, but the rainy season was not followed by hot weather productive of weevils; and, owing to the absence of this heat wave, there has been very little shedding. The weevil is reported as increasing in some sections and may probably get the top crop, but most of the old cotton is full of grown bolls and still improving. Grass that sprung up during the rain did not largely injure the crop, as most of the fruit that is counted on is now in the shape of grown bolls. The plant is holding its fruit well, and is beginning to open fast in the southern portion of the district, where picking is under way. Some of the first bales have been marketed. In the sea-island cotton section, reports indicate that the boll-weevil is doing more than ordinary damage, but at least a normal crop

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of this variety of cotton is looked for considering the fact that the acreage devoted to it has been greatly increased this year.

The corn crop is abundant. Early corn is ripening and late corn growing nicely. The Tennessee tobacco fields bid fair to yield a full average crop, the present conditions surrounding it being favorable.

Sugar.—Louisiana is raising a $50,000,000 crop of sugar this year, compared with a $35,000,000 crop in 1916. A new branch of the industry has developed in this State within the past few months. A number of the larger mills are importing Cuban raw sugars and refining them—work which has never been done heretofore except by the American Sugar Refining Co.

Rice.—The consumption of rice has increased 20 per cent in the past six months, resulting in higher prices for this commodity and prospects of high prices for some time to come. Cleaned rice is selling on the floor of the New Orleans Board of Trade at 4.75 to 7.50 cents per pound. At these prices rice growers have prospects of a big profit. It is estimated that the Louisiana crop this year will bring $25,000,000, or $7,000,000 greater than last year's crop.

Flour.—Mills are all running strong and supplying the demand. The food control idea of stabilizing prices will largely eliminate speculative features in the trade, and modest and continuous buying on the part of the merchant is looked for, as there would be no advantage in carrying large stocks. Prices for bran and shorts have been unusually high, but the prices on mill feed are much cheaper than on any other character of stock feed.

Lumber.—The demand continues greater than the supply. Prices are higher than for several years. Members of the Southern Pine Association have unfilled orders for 50,000 cars of lumber. With the Government's demands for lumber and the unusual calls from other lines, the only discouraging feature in this market is the car shortage, which it is hoped will be relieved by the proposed plan of the National Council of Defense.

Naval stores.—The comparative scarcity of labor and high prices prevailing for supplies entering into the cost of manufacture have put upon the producer an unusual burden. There has been a slight advance, something like 5 per cent, in the value of spirits of turpentine, and also a small advance in the value of rosins within the past 30 days. The rainy weather during the month caused a slight decrease in production. Stocks are low, and this fact, coupled with the high price which will probably have to be paid for cups next season, indicates considerable reduction and higher prices. From the producers' standpoint conditions in this industry are by no means satisfactory.

Shipbuilding.—This industry has taken on a sudden and strong activity not equalled by any in the South in the past 20 years. The Tennessee Coal & Iron Co., the Alabama subsidiary of the United States Steel Corporation, have purchased 3,500 acres of land and secured options on 8,000 additional acres at Mobile, Ala., and have begun the erection of a shipbuilding plant at that port. Like industries at Mobile are fully employed and making additions. At Savannah there are under contract and construction 27 ships of various tonnage, representing approximately $11,500,000, with four plants in operation and several thousand skilled workmen employed. Shipbuilding at this port prior to 1916 was negligible. At New Orleans new shipbuilding yards have been constructed giving employment to several thousand men. The New Orleans Board of Trade has launched a campaign to rebuild the naval station. At Brunswick, Ga., from a thousand to fifteen hundred men are engaged in this industry. Like activities are reported at Jacksonville and other plants along the Atlantic and Gulf coasts. The material used in ship construction at these points is largely being drawn from the South and the labor and material conditions affecting the industry are reported good.

Wholesale and retail and manufacturing.—The wholesale and retail houses report trade good, collections easy, and business generally

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on a sound and satisfactory footing. The production of coal, pig iron, steel products, and the activity of the various manufacturing plants, chiefly those that deal in the manufacture of machinery of different kinds, are largely responsible for the good business conditions. Business being pitched on an abnormal plane is calling for frequent and sudden adjustments in both wages and conditions surrounding labor. This is strongly evidenced by the reorganization and demand of the union coal miners throughout the Birmingham district. In this field the threatened walk-out has been postponed pending the proposed visit of the Secretary of Labor.

Real estate and building.—The real-estate market shows a slight improvement, confined largely however to particular parts of the district. Other than the army cantonments and in the vicinity of their location, building remains normal to the local need, restricted largely to absolute demands owing to the inability to get shipments of building materials and lack of finance, due partly to subscriptions to Liberty Loan bonds and Red Cross funds. In view of the better crop prospects, contractors feel more optimistic, as it is not thought that building will be delayed on account of the present prices of building materials as no substantial decrease can be expected for a number of years.

General.—There is comparatively little trading in municipal or industrial bonds. Much of the money which would probably have gone into such funds was used in subscriptions to Liberty Loan bonds. Bond men express the opinion that the publicity given to the Liberty Loan will ultimately create an interest in other bonds among a class who have not heretofore bought them.

During the month the Hibernia Bank & Trust Co. of New Orleans, the largest State institution in the South, was admitted to membership in the Federal Reserve System.

Money rates hold fairly firm with little reduction anticipated.

Post-office receipts show a gain of 10 per cent during July, 1917, as compared with the previous year, at 10 of the more important offices in the district.

DISTRICT NO. 7—CHICAGO.

Business is showing some hesitation, as many buyers wish to await the outcome of the legislative and regulative measures now under consideration before acting. The question of excess-profit taxation and price fixation is constantly before manufacturers and business men, and when a definite policy has been determined there should be a renewal of activity, as basic conditions are generally sound and the crop prospects are excellent. Banks are able to use their available funds in legitimate channels at firm rates and borrowing customers are making their arrangements to care for their financial needs.

The bond market is quiet, with some call for short-term notes, and the attention of investors is naturally concentrated upon the large Government issues which have been and are to be placed. General investment securities are being held back by uncertainty as to the new tax program.

Crop conditions throughout the district are reported as good, with Illinois wheat estimated as half a crop, oats as the largest yield in the history of the State, and prospects for corn excellent. Indiana expects good corn and oats crops and a fair production of wheat. Iowa is harvesting a good crop of small grain, and corn should furnish one of the largest yields in a number of years. Michigan and Wisconsin will give a good account of themselves and a good potato crop is in prospect.

There is reported a strong call for agricultural implements owing to the labor shortage, high prices of grain, and demand for increased production. Men are being taken from the farms and horses are being purchased for military uses. These facts have made the tractor practically a necessity on many farms. The great difficulty faced by manufacturing concerns is the shortage of labor and the uncer-

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tainty connected with the price and delivery of the needed raw materials.

The situation as regards the automobile manufacture has not changed during the past month and there appears to be a good demand for low-priced pleasure cars of good quality.

Building and its allied lines are quiet except in so far as Government construction is concerned.

Coal mines are operating at about 60 per cent capacity, due to lack of miners and scarcity of cars. The profits in this line are large and some concerns report the likelihood of a coal shortage during the coming winter.

Liquor is being disposed of at substantial prices and distilleries are making efforts to convert their equipment to other uses. Breweries are transacting a satisfactory business and 1917 should be a good year in this line.

Merchandise stocks with retail dry goods merchants are heavy, which is affecting wholesale distribution. Outstanding accounts are reported large, with collections fairly good.

Furniture manufacturers report a good demand.

Grocers enjoy a good volume measured in dollars and cents, but retailers with limited capital are having a hard time on account of the increased values.

In the hardware line, there is a slight falling off in buying, but the volume of sales on the whole is good.

Leather is in demand for Government contracts and labor continues scarce. Collections are fairly good.

The packing industries are finding a good domestic demand and a slight decrease in foreign requirements. The prices are holding strong and the high quotations both for meat and grain are bringing to market many cattle and hogs.

Lumber concerns are affected by the decreased building operations.

Mail-order concerns report an increase in sales over the entire district and piano manufacturers are finding an improvement in orders.

Shipbuilding and the steel industries report no change and are operating to capacity.

Watches and jewelry have experienced an excellent year up to date and expect a continuance of this condition through the fall.

Woolens of good quality are very difficult to obtain even at the present high prices and the wool market is firm with moderate activity. The demand is largely based upon military requirements, civilian orders having shown a decrease.

Clearings in Chicago for the first 20 days of August were $1,277,000,000, being $199,000,000 more than for the corresponding 20 days in August, 1916. Clearings reported by 21 cities in the district outside of Chicago amounted to $273,000,000 for the first 15 days of August, 1917, as compared with $219,000,000 for the first 15 days of August, 1916. Deposits in the 12 Central Reserve City member banks in Chicago were $823,000,000 at the close of business August 20, 1917, and loans were $568,000,000. Deposits show an increase of approximately $11,000,000 over last month and loans remained approximately the same.

DISTRICT NO. 8—ST. LOUIS.

Business conditions in this district show little change during the past 30 days. The general activity has been well sustained during the dull summer months, while all reports indicate a very favorable outlook for fall trade.

Although building construction has been restricted for the past few months, there is at present an active demand for lumber due to the heavy requirements of the Government in building cantonments for training the National Army. Supplies of lumber on hand are light and lack of transportation has hampered further activity. Sales of hardwood are reported to be exceptionally heavy.

The dry goods business this summer has been up to normal, although stocks in the hands of retailers in the small centers have been and still are higher than the average. Orders for fall delivery have generally been very satis-

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factory and largely in excess of former years. Manufacturers of women's ready-to-wear garments report that their business has been somewhat curtailed by the rapid increase of prices. Shoe manufacturers throughout the district, and especially in St. Louis, have shown increases in sales from month to month. Government contracts for Army shoes are a factor in the market.

Manufacturers and jobbers of hardware, woodenware, and paper all report an active business, with the output in some cases hampered by the scarcity of raw material and delays due to car shortage.

Last month I reported that the outlook for the crops was favorable and reports received from private sources, during the past few days indicate that substantial progress has been made. General rains throughout the central portions of the district early in August materially helped the situation. The combined condition of all crops for the States, wholly or in part, within this district as given by the Government Crop Report of August 1 are in each case well above the average and show gains in condition ranging from 8 to 14 per cent as compared with the condition on July 1.

The wheat crop in this district has been harvested. The yield is above former expectations and correspondents report an average weight of probably over 60 pounds to the bushel. Preliminary estimates issued by the Department of Agriculture on August 8 indicate a harvest for the States wholly or in part within this district largely in excess of the 1916 harvest, but below the five-year average. The oats crop has also been harvested and preliminary estimates indicate an exceptional yield well above that of 1916 and the five-year average.

Reports on the corn crop continue to be satisfactory. A month ago I stated that general rains would seem to assure a bumper crop and from present indications this forecast will be fulfilled. The estimates from the August 1 condition show an increase as compared to the estimates from the July 1 condition and the harvest should materially exceed both the five-year average and the 1916 yield.

Recent rains put the ground in excellent condition for cultivation, and plowing for winter wheat is now well under way. There is already an agitation for an increase in the winter-wheat acreage.

The Government report on the cotton crop as of July 25 shows an improvement in condition for all the States in this district as compared to the condition on June 25, and the improvement shown is borne out by reports from private sources. The weather during the last 10 days has been favorable, and it is not now expected that the season will be as late as was expected a month or two ago. In general there is little report of insect damage, and even in Mississippi the boll-weevil damage, to this date has not been as serious as was feared. The condition of the crop in Arkansas is reported to be excellent and the lateness of the season, particularly in the eastern part of the State, is being rapidly overcome. The first bale of Arkansas cotton was sold at Pine Bluff on August 15.

The outlook for the tobacco crop in Kentucky seems to be excellent. Our correspondents report a large acreage, with every prospect for a bumper crop.

Pastures have revived under the influence of recent rains and cattle and young stock are reported to be in splendid condition. The apple prospects continue fairly good. The peach crop has developed better than was expected and the fruit now coming to market seems to be above the average both in size and quality, and hence is bringing attractive prices. The minor crops and truck gardens are reported to be in reasonably good condition for this time of the year.

The St. Louis National Stock Yards at National Stock Yards, Ill., reports an increase in receipts of cattle and hogs for the month of July as compared to July, 1916, and a decrease in the receipts of sheep and horses and mules for the same period. The tendency of the hog market continues to be upward, new

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high levels being noted from time to time, with the top price of $17 per hundred for hogs on August 10.

The car shortage shows some improvement, the net shortage on July 1, 1917, being over 77,000, as compared to surpluses ranging from 52,000 to 275,000 on this date in former years. Freight movement is slow and is a serious handicap in many industries.

Index figures on the cost of living have remained approximately stationary for the past few weeks, somewhat below the high mark registered at the end of May.

The figures of the gross earnings of the railroads operating within this district for the first six months of this year are now available and in each case show an increase. It is not expected, however, that the figures for the net earnings will show the same proportion of increase, as the cost of all railroad supplies and of labor has mounted steadily from month to month.

Building permits in Louisville, Memphis, and St. Louis for July, 1917, show a decrease as compared to July, 1916, while Little Rock shows a slight increase. Generally speaking, all building is restricted, due in part to the prohibitive cost of building materials and in part to scarcity of labor.

Postal receipts for July, 1917, show an increase as compared to July a year ago for the large cities within this district.

The labor situation can not be said to be entirely satisfactory. Strikes and other labor troubles have been reported in a number of industries.

The bond business is still quiet.

The commercial paper rate is approximately 5 per cent, some of the best names selling a trifle under that rate, but the majority of the offerings being at 5 per cent. City banks are not active in the market, but there seems to be a good demand from country banks. Bank rates to customers range from 5 to 5½ per cent, 5 per cent being the ruling rate.

DISTRICT NO. 9—MINNEAPOLIS.

Large crops are being harvested in Wisconsin and Minnesota, and very good crops are being threshed in the eastern portions of North Dakota and South Dakota. Grain yields in western North Dakota and eastern Montana are light.

Corn prospects in Wisconsin and Minnesota are excellent and are good in eastern South Dakota and parts of eastern North Dakota. This crop over most of the district has been quite backward, but during the past two weeks has been enjoying very favorable weather.

In the eastern half of this reserve district the money returns to farmers will be large. Crops are uniformly good and prices are excellent. In the western half of the district the yields are light and in some localities damage from drought has been very severe. In the latter area a considerable amount of stock has been moving out to market at very high prices, which has been of considerable assistance in offsetting the losses on the grain crops.

Industrial concerns throughout the district are doing a large business and have orders ahead sufficient to guarantee the employment of large forces through the remainder of the year. Country trade is generally good and wholesale business is in satisfactory volume.

The coal situation has caused some apprehension, but recent steps promise to expedite shipments via the Great Lakes, which, if they reach sufficient volume, will eliminate the danger of a shortage this winter. Coal stocks are light for this season of the year, and because of high prices the urgent appeal to buy early has not been as effective as was expected. The prices of both hard and soft coal have reached record levels and are considerably advanced over corresponding figures of a year ago.

Bankers and business men are optimistic regarding the outlook and feel that in spite of considerable losses, as compared with the

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crops that were in prospect in the early part of June, the large money returns which farmers are receiving will be sufficient to maintain a satisfactory degree of prosperity, while industrial concerns and general business will probably go forward into the winter with nothing more than the seasonal fluctuations in volume.

The demand upon city banks is heavy, due to crop moving. Interest rates are very firm. Larger banks report that their country correspondents will clean up this fall, with very few exceptions, in spite of adverse agricultural conditions in some localities.

Considerable speculation exists as to effect of price-control measures upon the handling of this fall's grain crop and upon conditions at the terminal markets, but the Government's measures have not yet become sufficiently clear to indicate in what respect the situation will be different from that of former years.

DISTRICT NO. 10—KANSAS CITY.

Agriculture.—July furnished its full average of anxiety and cause therefor, the serious drouth continuing generally until the end of the first week in August, resulting in a reduction in corn estimates on August 1 from those of July 1 of approximately 25 per cent. Heavy rains in nearly all parts have, however, had a most beneficial effect, and it is believed that the estimates of September 1 will lend much encouragement. In addition to the improved corn situation, more and more consideration is given to the betterment of sorghum grain crops, large yields of oats, and the reviving alfalfa fields. Irrigated crops are doing unusually well. Interest now centers in the effort to secure the planting of a large acreage of wheat this fall and much attention is being given to securing the required seed. The ground is in fine condition for fall plowing which is being vigorously pushed.

Live stock.—As predicted in last month's review, July recorded very heavy receipts of cattle at every market in the district, the local markets receiving the largest number on record in the seventh month, the primary cause being high prices, but dry weather forcing the marketing of many immature animals from the Southwest. The feature of the trade was the promptness with which packers absorbed arrivals. Hog prices were the highest ever paid in the month of July and a good many dry weather hogs were marketed, but met with poor demand, a wide spread in prices existing between common and good grades.

Similar discriminations were made in sheep offerings, the market growing weaker as the month progressed. Since the breaking up of the drouth and the improvement in prospects for feed production, conditions have improved materially for the farmers and stockmen engaged in finishing live stock for the market.

Mining.—Shipments of ore from the Missouri-Kansas-Oklahoma field showed a decline in July over the previous month due to lower prices for ore and an actual decrease in output occasioned by the gradual shutting down of sheet ground mines which were unable to produce at a profit. Surplus stocks show a better position than last year in spite of lower ore prices and the exceedingly high prices for supplies. Operators are concerned as to their ability to meet the present wage scale from which there are no indications of immediate relief on account of high cost of living. Small mining camps in Colorado have been unusually active and an increased production was reported from practically all of them with the exception of those hampered by labor troubles.

Oil.—The long predicted advance in the market quotation for Mid-Continent crude oil has been realized, the first since January 12. The price now quoted is $2 per barrel, a 30 cent increase and the highest price ever posted in the history of this field. With the total production of Oklahoma and Kansas less than 300,000 barrels per day and the trunk pipeline companies and the refiners in Oklahoma demanding approximately 400,000 barrels of oil a day, the producer expects even further advances and justifies them by general conditions and cost of production. Many operators, who have closed down on account of the high price of pipe and cable will now find it possible, however, to finance operations and resume

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drilling. During the first six months of the present year Kansas produced more oil than it did during the entire year of 1916, but Oklahoma showed a decrease due to the decline in the older pools. The total production of the two States for the period mentioned was in excess of 62,000,000 barrels as against 59,000,000 barrels for the first half of 1916. News from the Wyoming and Mid-Continent fields is of a highly favorable character, the only drawback continuing to be the price and limited supply of equipment.

Lumber and construction.—The lumber business has been unusually quiet even for this season of the year, Government and railroad orders holding prominence. The most interesting feature of the market is the fact that prices are holding up in spite of decreasing demands. Sash and door factories are taking care of set summer trade, but there is little activity. Business this fall, however, is expected to exceed that of other years by a considerable margin, volume depending upon crop production. Reports on valuation of building permits issued make a peculiar showing. Five out of the district's eleven most important cities show a loss while six disclose a gain, the losses running from 6 to 87 per cent, and the gains from 11 per cent to the fine showing in St. Joseph, Mo., of 980 per cent.

Labor.—Labor disturbances are reported from many quarters and in various lines of industry and evidences of unrest would appear to be on the increase in spite of the fact that wages are generally higher and the labor supply inadequate to meet demands. The only encouraging feature is the fact that strikes thus far called have been of short duration as a rule, evidencing a willingness to compromise without seriously crippling the enterprise so essential to the country in this critical period of its existence.

Mercantile.—Considering the season and serious conditions which have surrounded crop developments, wholesale and retail business in general has been in satisfactory volume. Larger and better orders are appearing, while conservatism is still manifest. Groceries and kindred lines are active. Manufacturing is in good volume, and most plants are working to capacity. On every hand anticipation is high for a substantial increase in the fall trade.

Reports for July as compared with July last year, indicate average increases in both purchase and payment activities in this district of approximately 2 per cent, while indebtedness remains practically stationary.

A general revival has taken place in the flour trade and while the heavy rush of business incident to first crop movements of former years is lacking, there is a healthy general demand from all markets, although inquiries and sales are for smaller lots than formerly. Very little is being done in the way of advance bookings for future shipment. Most of the flour mills are selling the equivalent of capacity while some are accumulating bookings. Indications point to a somewhat acute need of new supplies in all territories. No export business has been reported of late, but liberal Army orders have been received. There continues to be great confidence in the rushing business which is to follow the establishment of Government regulations on wheat and flour.

Dealers in implements report that seasonal lines are moving in excess of previous years, with collections good. Optimism as to the fall trade is general. In spite of the damage done by dry weather, resulting in some cancellations, conditions may now be said to be exceptionally healthy. The tractor business is tremendous. One tractor dealer estimates that there were a hundred dealers in the local market the first week in August, all interested in tractors, and declares that the supply was only about one-tenth of the demand.

Financial.—There is every evidence of a substantial increase in the demand for loanable funds as indicated by the amount of discounts handled by this bank for its members. The high point during 1916 in this class of invest-

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ments was $3,500,000, reached early in the year. The recent increasing amounts are best shown by the following approximate figures: June 15, $6,000,000; July 15, $8,500,000; August 15, $13,000,000.

However, while reports of slight increases in discount rates have been reported, these have generally affected the smaller borrowers, rates on commercial paper remaining practically stationary. The consensus of opinion is that the forthcoming call of the Comptroller of the Currency will disclose some reduction in bank deposits as compared with the last preceding call, although the general marketing of wheat may more than offset present indications. Fifteen reporting cities of this district show an average increase of 41.9 per cent in bank clearings for July over the same month last year, the placing of heavy Government orders, high commodity prices and important special financial operations tending to swell clearings at practically every point, and to highest marks at some centers.

DISTRICT NO. 11—DALLAS.

There has been a marked and substantial deterioration in crops generally, especially cotton, within the last 30 days. Conditions in many sections were somewhat relieved by rains in July, but generally over the State the weather has been very hot and rainfall practically nothing until the last few days in central, west, and southwestern Texas. Cotton is doing fairly well in north central Texas, splendidly in the north and northeastern part of the State, and is up to the average over most of east Texas. The crop in western and southwestern Texas is almost a complete failure, and conditions are very serious in Milam, Williamson and some adjoining counties.

There is considerable movement of cotton in south Texas, and within 30 days receipts should be heavy. The grade of the staple is inferior there, however, and on account of the decreased yield the season will be short. One of our correspondents in central Texas reports that it will take from 20 to 40 acres to produce 1 bale. Similar advices are received from parts of west Texas, where the crop is almost a complete failure; in fact, one of our correspondents reports in his county alone, where the normal production is 20,000 bales, that even with favorable conditions from now on, only about 1,000 bales will be produced. In north and northeast Texas and southern Oklahoma the crop is fine, and progress all that could be expected. Particularly is this true in the black-land belt of north Texas. It is believed that the crop in the State may equal, but will not likely exceed, three and a quarter million bales. Rains within the last two or three days will undoubtedly improve the situation to some extent. The crop as a whole, based on present prices, will yield a sum considerably larger than the returns received last year, but the almost entire failure in large areas of the State will produce a serious condition in those sections.

The rice crop in the Orange section was not affected by the extreme dry weather there, and the average acreage has been planted. A normal seasonal yield of around 100,000 bags is anticipated.

Receipts of cattle from the drought-stricken sections of the district have been unusually heavy. As a consequence the class of such as offered was inferior, being hurried to market rather than be fed at the almost prohibitive prices of feed. Hogs have also been in good demand and prices continue high. During August the hog market has established new records, and prices paid were the highest in the history of the Fort Worth market.

Exports from Galveston for June (figures for July not obtainable) continue heavy, and for the month the value of such exports was $16,528,473. The value of such shipments in June, 1916, was $10,761,590, an increase of $5,766,883. The increase consisted principally of shipments of wheat and cotton to England, Sweden, and Cuba. A decrease in the exportation of timber is noted, and the volume is not as heavy as last year. This is attributable to the strong domestic demand for

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timber brought about by the building of Army cantonments and wooden ships. The scarcity of bottoms has curtailed the exportation of crude oil for the purpose of refining abroad, and this has naturally eventuated in the exportation of more high-grade refined oil and greases than ever before.

Industries affected by Government requirements are unusually active and running on full time. Lines ordinarily dull at this season show activity by reason of the inauguration of the annual series of trade excursions, which brings a large number of buyers to the larger markets of the district. Dry goods, shoes, millinery, and similar goods are in good demand. Retail trade has been stimulated by midsummer clearance sales.

Building operations are quiet. This dullness, however, is more than offset by the cantonment construction and other Government orders.

The offering of another issue of Treasury certificates of indebtedness, with November 15 maturity, was well received in the district, as demonstrated in the large oversubscription when the books closed August 9. Deposits, reflecting the seasonal decline, are nevertheless at a good figure. There is no diminution in the demand, and offerings with this bank have been very heavy in August. Rates are firm, with little change. Currency orders indicate the fall crop movement, and are beginning to reach large proportions. Clearings, as reported by the principal cities—Austin, Dallas, El Paso, Fort Worth, Galveston, Houston, San Antonio, and Shreveport—show an increase of 26 per cent for July over the same month in 1916. The figures were: July, 1916, $153,046,731; July, 1917, $205,867,982; increase, $52,821,251.

Post office receipts at the principal cities of the district for July show a slight decrease—less than 1 per cent—over July, 1916. The figures were as follows: July, 1916, $324,164; July, 1917, $323,659; decrease, $505.

The heavy drain on industrial and commercial forces by the selective draft has created uncertainty and unrest in the labor situation. Demand for men is greater than the supply, and there is a real scarcity of efficient workmen. The large number of men examined and claiming exemption, with the probability of other calls in the immediate future, have disrupted organizations, and resulted in makeshift forces. The wages paid men for cantonment construction, particularly carpenters and day laborers, are high and have attracted a large number of men from other fields. The tense situation brought about by the labor disturbances in the copper mining section of Arizona has been relieved, and conditions there are about normal.

Business with Mexico is increasing slowly with the restoration of normal conditions in that country. A regular schedule on the Mexican National Railway is being established between Matamoras and Monterey, and trade conditions are expected to improve as the result.

Briefly to summarize the business situation in the district and the prospects for the immediate future, it can be said that the outlook is decidedly favorable.

DISTRICT NO. 12—SAN FRANCISCO.

With a generally abundant production of foodstuffs in the twelfth Federal Reserve district, two unfavorable elements are conspicuous: First, heat and drought in the Northwest have considerably curtailed the yield of grain there, wheat and oats crops being reduced in spite of increased acreage, to not over 75 per cent of last year's production; and, second, the orange and lemon crops in California suffered so greatly from the extraordinary heat about the middle of June that the Government report of August 1 gives the condition of oranges as 45 and lemons 55, compared with a 10-year average of 87 for each. The effects upon the citrus fruit of this unusual heat are not all harmful, however, as it has destroyed or reduced some of the citrus pests, such as black scale, etc. Experienced growers express the opinion that, including the next two or three years, the crop results may average nearly as

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great as if the heat had not damaged this year's crop.

California's yield of both oats and wheat, though only 6,000,000 or 7,000,000 bushels each, has been in excess of that of last year. Barley is an important California crop and shows a large increase, the earlier estimate of a crop of 1,000,000 tons having been more than confirmed. This compares with about 550,000 tons last year. The output of beans, of which it is said that California produces one-third of all grown in the United States, will reach 6,480,000 bushels, a 50 per cent increase over last year.

The corn production in this district is relatively unimportant. Oregon, Washington, and Idaho show a prospect of more than 7,000,000 bushels, which is 100 per cent increase over last year.

Rice acreage in California is rapidly increasing and this year's product is expected to be greater than ever before. The yield of potatoes has been generally large.

Reports from Utah and Nevada have indicated unusual production of all crops.

It is estimated that the yield of grapes will exceed that of last year by 10 to 20 per cent, and that the product of deciduous fruit will reach a record total in California, although in the Northwest there will probably be no increase over last year.

The total of food products of this district will very substantially exceed that of last year, with possibilities of further increase next year. Lack of clear understanding on the part of farmers of the national and international importance of large production of foodstuffs hinders increase. This is illustrated by an instance in the Northwest where a number of farmers were found cutting unmatured wheat for forage, upon the ground that they must feed their live stock. In response to the showing that they could better afford to pay even $50 a ton for hay, the reply was that they had enough additional wheat to provide all the money they needed.

One possibility of a new supply of meat has been brought to the attention of residents of the Pacific coast in placing whale meat upon the menus of leading clubs and hotels. Its flavor is not unlike that of beefsteak.

The I. W. W. menace is important in certain sections. Instead of every one, proprietor, clerk, and laborer alike, feeling it a patriotic duty to work a little harder and a little longer in order that we may spare men for waging the war to bring peace and safety to the world, efforts are made to diminish both hours and output of work. The result is, of course, to hamper the effectiveness of this country's efforts, which in effect is the same as aiding to increase the enemy's effectiveness.

Lumber production in the Northwest is now much below normal because of labor conditions.

It is reported from Seattle that by the end of September that city will be the greatest builder of wooden ships of all ports of the world. There will then be over fifty ways for the construction of ocean-going wooden vessels, as against five a year ago.

On August 7 Mr. James K. Lynch was elected governor of the Federal Reserve Bank of San Francisco, assuming the duties on August 13. His banking experience admirably equips him for this important post. In conformity with the ruling of the Federal Reserve Board, that a governor should not be a director, Mr. Lynch has tendered his resignation as director. His successor will be elected by the votes of Group 2 member banks of this district, banks being divided into three groups according to size for the purpose of voting.

As governor, Mr. Lynch becomes ex officio chairman of the General Liberty Loan Committee, the work of which will necessarily absorb much of his attention for the time being both in perfecting the organization for the second Liberty Loan and in the campaign itself. The date for the second Liberty Loan will shortly be fixed. Meanwhile temporary certificates of indebtedness are being sold by the

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Secretary of the Treasury to provide funds for immediate needs. It is in every way desirable for these to be bought by both banks and individuals and used later on in payment for Liberty Loan issues. It is equally desirable for banks having subscribed on their own account for the first issue of Liberty bonds to dispose of them to investors so as to leave their resources free for handling the next issue. It is only in this way that the greatest effectiveness may be achieved in the use of our financial resources to aid in the prosecution of the war. This district made a splendid achievement in subscribing for more than $175,000,000 of the first Liberty Loan.

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DISCOUNT OPERATIONS OF THE FEDERAL RESERVE BANKS.

During July, 1917, discount operations of the Federal Reserve Banks totaled $460,733,353, or more than double the total discounts of the banks for the entire calendar year 1916. Of the monthly discounts over 85 per cent, or $395,452,415, were in the form of member banks' collateral notes. Almost 64 per cent of these notes were handled by the New York bank, which reports the discount during the month of 111 such notes, aggregating $252,654,805. All the banks, except Atlanta, Minneapolis, Dallas, and San Francisco, report a larger volume of collateral notes than customers' paper discounted for their members; Boston, Richmond, Chicago, Philadelphia, Kansas City, and St. Louis each reporting monthly amounts in excess of 10 millions. Over one-half of these notes, viz, $202,786,193, were secured by commercial paper, and nearly one-half, or $192,666,222, by interim receipts for Liberty Loan bonds or United States certificates of indebtedness. The average size of all collateral notes discounted by the New York Reserve Bank was about $2,276,000, as against about $268,000 for all the other banks. These averages are much smaller than for June, when some of the largest city members were accommodated in connection with Liberty Loan operations.

Total discounts for the month include, beside the $395,452,415 of collateral notes, $1,077,607 of trade acceptances handled largely by the Boston, Richmond, and St. Louis banks; $449,894 of commodity paper discounted chiefly by the Richmond and Dallas banks, and $63,753,437 of other customers' paper.

Discounts for the first seven months of the present year aggregate $1,419,914,522, of which $1,161,840,406, or nearly 82 per cent, were collateral notes, while $8,202,341 of the total are specified as trade acceptances and $6,198,686 as commodity paper. As compared with corresponding 1916 figures trade acceptances increased more than fourfold, while commodity paper declined over 37 per cent.

Over 87 per cent of all discounts, including collateral notes, discounted during July, was 15-day paper (i. e., maturing within 15 days from the date of discount with the Federal Reserve Banks), less than 3 per cent 30-day paper, over 4 per cent 60-day paper, and about 5 per cent 90-day paper. Agricultural and live-stock paper maturing after 90 days but within 6 months from date of rediscount with the Federal Reserve Banks (so-called 6-month paper) aggregated $3,310,352, or over 0.7 per cent of the month's total discounts. During the 7 months of the present year the Federal Reserve Banks discounted about $11,516,000 of this class of paper, compared with $12,634,000 for the corresponding period in 1916 and $10,921,000 in 1915.

On the last Friday in July the Reserve Banks held $138,460,450 of discounted bills, as against $197,242,135 about the end of June and $27,594,000 on the corresponding date in 1916. About one-half of the paper on hand were bills maturing within 15 days. The total comprised $39,158,731 of collateral notes secured by commercial and bank paper; $13,213,197 of collateral notes secured by Liberty Loan bonds or United States certificates of indebtedness; $8,167,672 of agricultural paper; $7,181,614 of live-stock paper; $63,768,475 of commercial and industrial paper; and the remainder unclassified bills, chiefly discounts secured by Liberty bonds and nonmember bank paper with member banks' indorsement. Over three-fourths of the agricultural paper was held by the Richmond, Dallas, Chicago, and Minneapolis banks, and about 87 per cent of the live-stock paper by the Minneapolis, Kansas City, and Dallas banks.

During the month the number of member banks increased from 7,657 to 7,681, while the number of discounting members increased from 900 in June to 960 during the month under review. The largest number of accommodated members is shown for the Richmond district.

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Bills discounted by each Federal Reserve Bank during July, 1917, distributed by sizes.

Banks.	To $100.		Over $100 to $250.		Over $250 to $500.		Over $500 to $1,000.		Over $1,000 to $2,500.	
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.
Boston	14	$1,375	52	$9,349	73	$30,861	111	$96,087	125	$228,361
New York	50	3,815	80	15,372	133	52,907	111	94,229	211	366,357
Philadelphia	334	15,118	82	14,395	120	49,358	82	66,240	130	241,960
Cleveland	5	376	48	8,041	55	20,701	42	30,553	64	117,767
Richmond	73	6,725	378	73,379	640	264,952	670	548,721	616	1,062,508
Atlanta	111	7,992	208	37,382	238	90,592	121	185,055	210	367,839
Chicago	2	200	36	7,052	75	28,735	117	92,329	274	537,776
St. Louis	2	179	28	5,035	91	34,458	81	58,251	87	168,178
Minneapolis	17	1,165	100	17,830	213	78,833	323	247,872	485	730,241
Kansas City	15	1,425	166	28,104	270	101,317	192	139,555	125	204,729
Dallas	20	1,890	409	70,991	470	171,392	321	226,583	253	421,486
San Francisco	1	77	6	989	17	6,108	43	32,679	113	188,565
Total	644	40,337	1,593	287,919	2,395	930,214	2,214	1,818,154	2,693	4,635,767
Per cent		0.1		0.4		1.4		2.8		7.1
Member banks' collateral notes										

Banks.	Over $2,500 to $5,000.		Over $5,000 to $10,000.		Over $10,000.		Total.		Per cent.
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	
Boston	344	$1,636,979	152	$1,514,537	116	$4,106,950	987	$7,624,499	11.6
New York	378	1,701,156	151	1,261,536	122	6,215,928	1,236	9,711,300	14.9
Philadelphia	227	1,043,202	78	721,881	45	1,816,734	1,098	3,968,888	6.1
Cleveland	91	400,606	66	638,289	59	2,365,540	430	3,581,873	5.5
Richmond	512	2,138,722	217	1,851,954	78	1,652,855	3,184	7,599,816	11.6
Atlanta	179	738,287	69	521,521	27	1,024,775	1,163	2,973,443	4.6
Chicago	461	2,155,293	216	1,948,135	173	6,695,790	1,354	11,465,310	17.5
St. Louis	263	1,206,142	97	947,150	71	1,792,013	720	4,211,406	6.5
Minneapolis	254	1,058,213	136	1,003,625	78	1,864,327	1,606	5,002,106	7.7
Kansas City	113	489,320	27	219,811	31	595,854	939	1,780,115	2.7
Dallas	149	564,164	59	444,389	49	969,510	1,730	2,870,405	4.4
San Francisco	147	576,938	125	860,734	109	2,825,687	561	4,491,777	6.9
Total	3,118	13,709,022	1,393	11,933,562	958	31,925,963	15,008	65,280,938	100.0
Per cent		21.0		18.3		48.9		100.0	
Member banks' collateral notes	44	200,000	40	380,550	560	394,871,865	644	395,452,415	

Bills discounted during the month of July, 1917 and 1916, and the seven months ending July, 1917 and 1916, distributed by classes.

Federal Reserve Bank.	Member banks' collateral notes.		Trade acceptances.	Commodity paper.	All other discounts.	Total.
	Secured by Liberty Bonds or United States certificates of indebtedness.	Otherwise secured.				
Boston	$1,655,000	$33,150,985	$322,992		$7,301,507	$42,430,484
New York	175,869,630	76,785,175	13,000		9,698,300	262,366,105
Philadelphia	1,691,650	16,515,320	36,874	$25,000	3,907,014	22,175,858
Cleveland	2,010,000	5,281,000	66,956		3,514,917	10,872,873
Richmond	1,379,525	25,534,637	284,741	159,289	7,155,786	34,513,978
Atlanta	642,000	632,500	61,345	72,505	2,839,593	4,247,943
Chicago	3,881,117	18,265,000	90,135		11,375,175	33,611,427
St. Louis	350,000	10,820,000	136,788	19,000	4,055,618	15,381,406
Minneapolis	2,090,000	1,714,151	12,238	21,400	4,968,468	8,806,257
Kansas City	2,622,300	11,734,585	40,990		1,739,125	16,137,000
Dallas	125,000	1,187,500	102	152,700	2,717,603	4,182,905
San Francisco	350,000	1,165,340	11,446		4,480,331	6,007,117
Total, July, 1917	192,666,222	202,786,193	1,077,607	449,894	63,753,437	460,733,353
Total, July, 1916			199,000	1,525,200	18,458,800	20,183,000
Total, January-July, 1917	1,161,840,406		8,202,341	6,198,686	243,673,089	1,419,914,522
Total, January-July, 1916			2,002,200	9,884,600	70,840,100	82,726,900

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Amounts of discounted paper, including member banks' collateral notes, held by each Federal Reserve Bank on the last Friday in July, 1917, distributed by classes.

Banks.	Agricultural paper.	Live-stock paper.	Commercial and industrial paper.	Member banks' collateral notes.		All other discounts.	Total.
				Secured by Liberty bonds or U. S. certificates of indebtedness.	Otherwise secured.		
Boston			$8,382,675	$990,000	$3,740,000	$617,999	$13,730,674
New York	$150,854	$1,900	6,329,252	5,575,930	2,155,000	4,894,194	19,107,130
Philadelphia	131,753		3,853,024	425,650	5,115,500		9,525,927
Cleveland	23,737	10,133	4,091,834	1,160,000	1,631,000	1,051,722	7,968,426
Richmond	2,381,131	204,379	8,109,806	530,000	2,804,000	351,694	14,381,010
Atlanta	672,736	363,092	3,736,929	294,000	531,500	6,315	5,604,572
Chicago	1,389,367	17,240	8,109,841	1,101,117	9,560,499		20,178,064
St. Louis	148,447	87,006	4,874,102	481,000	5,905,000	19,513	11,515,068
Minneapolis	1,043,043	2,300,965	5,987,856	770,000	532,800		10,634,664
Kansas City	250,560	2,098,581	1,474,052	1,523,000	6,183,432		11,529,625
Dallas	1,523,982	1,796,038	1,214,459	62,500	350,000		4,946,979
San Francisco	452,062	302,280	7,604,645	300,000	650,000	29,324	9,338,311
Total	8,167,672	7,181,614	63,768,475	13,213,197	39,158,731	6,970,761	138,460,450
Per cent	5.9	5.2	46.0	9.5	28.3	5.1	100.0

Distribution, by sizes, of bills bought in open market by all Federal Reserve Banks during July, 1917, and the seven months ending July, 1917 and 1916.

Acceptances bought in open market.	To $5,000.		To $10,000.		To $25,000.		To $50,000.	
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.
Bankers' acceptances	1,659	$4,338,353	835	$5,977,522	1,321	$25,951,857	249	$10,465,500
Trade acceptances	21	54,139	16	120,070	34	543,965	7	257,307
Total, July, 1917	1,680	4,392,492	851	6,097,592	1,355	26,495,822	256	10,722,807
Per cent								
June, 1917	2,297	6,053,419	1,497	11,774,481	2,641	46,144,288	793	34,140,652
May, 1917	1,305	3,571,384	890	7,024,753	1,580	27,835,025	442	18,681,746
April, 1917	748	1,589,086	270	2,147,380	647	13,231,092	257	11,003,120
March, 1917	389	876,506	175	1,381,029	363	6,976,406	171	7,185,125
February, 1917	819	2,175,639	777	6,324,018	1,248	22,367,962	401	16,483,974
January, 1917	390	1,023,210	483	1,706,069	300	5,238,206	152	6,898,412
Total, 7 months ending July, 1917	7,628	19,681,736	4,943	36,455,322	8,134	148,288,801	2,472	105,115,836
Total, 7 months ending July, 1916	2,441	7,305,289	2,345	19,337,406	3,056	52,190,774	783	31,258,735

Acceptances bought in open market.	To $100,000.		Over $100,000.		Total.		Per cent.
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	
Bankers' acceptances	134	$11,000,328	30	$5,895,593	4,228	[1] $63,629,153	95.2
Trade acceptances	18	1,643,081	4	616,350	100	[2] 3,234,912	4.8
Total, July, 1917	152	12,643,409	34	6,511,943	4,328	66,864,065	100.0
Per cent							
June, 1917	306	26,306,940	63	10,809,917	7,597	135,229,697	
May, 1917	181	15,377,503	46	10,098,085	4,444	82,588,496	
April, 1917	87	7,155,097	38	6,186,816	2,047	41,312,591	
March, 1917	86	6,801,912	25	4,930,660	1,209	28,151,638	
February, 1917	180	15,273,481	49	8,012,105	3,474	70,637,179	
January, 1917	48	3,891,515	11	1,859,768	1,384	20,617,180	
Total, 7 months ending July, 1917	1,040	87,449,857	266	48,409,294	24,483	445,400,846	
Total, 7 months ending July, 1916	345	28,296,468	137	25,860,097	9,107	164,248,769	

[1] Of the above amount, bankers' acceptances totaling $56,756,503 were based on imports and exports and $6,872,650 on domestic trade transactions.

[2] All of the above trade acceptances were drawn abroad on importers in the United States and indorsed by foreign banks.

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

Date.	Banker's acceptances.						Trade acceptances bought in open market.	Total acceptances.
	Member banks.	Nonmember trust companies.	Nonmember State banks.	Private banks.	Foreign bank branches and agencies.	Total.		
1915.								
Feb. 22	$93,000	.....	.....	.....	.....	$93,000	.....	$93,000
Apr. 5	3,653,000	$7,820,000	$10,000	$110,000	.....	11,593,000	.....	11,593,000
May 3	5,038,000	8,189,000	10,000	110,000	.....	13,347,000	.....	13,347,000
June 7	5,242,000	4,516,000	10,000	192,000	.....	9,960,000	.....	9,960,000
July 3	4,342,000	5,267,000	.....	161,000	.....	9,770,000	.....	9,770,000
Aug. 2	5,350,000	5,407,000	20,000	352,000	.....	11,129,000	.....	11,129,000
Sept. 6	6,087,000	6,305,000	20,000	472,000	.....	12,884,000	.....	12,884,000
Oct. 4	9,000,000	4,898,000	132,000	343,000	.....	14,373,000	.....	14,373,000
Nov. 1	8,477,000	4,331,000	253,000	204,000	.....	13,265,000	.....	13,265,000
Dec. 6	12,311,000	5,172,000	275,000	396,000	.....	18,154,000	.....	18,154,000
1916.								
Jan. 3	15,494,000	7,160,009	362,000	822,000	.....	23,838,000	.....	23,838,000
Feb. 7	15,681,000	7,876,000	336,000	1,456,000	.....	25,349,000	$489,000	25,838,000
Mar. 6	17,182,000	8,670,000	408,000	1,781,000	.....	28,041,000	462,000	28,503,000
Apr. 3	21,000,000	13,573,000	473,000	3,262,000	.....	38,308,000	722,000	39,030,000
May 1	24,875,000	15,400,000	585,000	3,430,000	.....	44,290,000	1,477,000	45,767,000
June 5	24,680,000	17,029,000	644,000	7,007,000	.....	49,360,000	2,208,000	51,568,000
July 3	32,989,000	18,921,000	471,000	11,830,000	.....	64,211,000	3,422,000	67,633,000
Aug. 7	39,695,000	19,060,000	738,000	13,940,000	.....	73,433,000	4,225,000	77,658,000
Sept. 4	41,413,000	20,356,000	726,000	12,491,000	.....	74,986,000	3,673,000	78,659,000
Oct. 2	37,798,000	21,782,000	712,000	9,944,000	.....	70,236,000	2,306,000	72,542,000
Nov. 6	37,770,000	29,474,000	1,014,000	12,147,000	.....	80,405,000	2,378,000	82,783,000
Dec. 4	47,748,000	33,232,000	1,630,000	16,069,000	.....	98,679,000	4,487,000	103,166,000
1917.								
Jan. 1	66,803,000	34,625,000	1,502,000	18,224,000	.....	121,154,000	4,585,000	125,739,000
Feb. 5	50,361,000	23,511,000	972,000	13,775,000	$140,000	88,759,000	4,041,000	92,800,000
Mar. 5	53,288,000	32,518,000	1,090,000	20,581,000	354,000	107,837,000	2,535,000	110,366,000
Apr. 2	43,979,000	20,328,000	689,000	16,830,000	200,000	82,026,000	1,144,000	83,170,000
May 7	49,192,000	19,650,000	236,000	19,177,000	94,000	88,349,000	1,679,000	90,028,000
June 4	69,262,000	27,611,000	584,000	21,077,000	239,000	118,773,000	3,022,000	121,795,000
June 11	81,196,000	32,043,000	946,000	22,604,000	239,000	137,028,000	3,723,000	140,751,000
June 18	103,314,000	38,776,000	1,296,000	23,860,000	1,301,000	168,547,000	3,611,000	172,158,000
June 25	113,786,000	45,738,000	2,260,000	31,215,000	3,165,000	196,164,000	4,129,000	200,293,000
July 2	117,555,000	48,496,000	2,242,000	32,137,000	3,287,000	203,717,000	4,429,000	208,146,000
July 9	117,991,000	49,260,000	2,549,000	32,484,000	3,095,000	205,379,000	4,923,000	210,302,000
July 14–16	108,597,000	30,390,000	3,333,000	38,082,000	3,805,000	184,785,000	4,660,000	189,445,000
July 31	112,433,000	43,107,000	2,564,000	20,782,000	1,087,000	179,973,000	4,242,000	184,215,000
Aug. 15	85,148,000	38,087,000	2,177,000	14,137,000	1,345,000	140,894,000	2,300,000	143,194,000

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Amounts of bills discounted and acceptances and warrants bought by each Federal Reserve Bank during July, 1917, distributed by maturities.

Banks.	15-day maturities.				30-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston	$35,073,960	$58,522		$35,132,482	$2,760,025	$11,817		$2,771,842
New York	254,205,950	551,665		254,757,615	428,914	1,303,624		1,732,538
Philadelphia	18,862,985	138,000		19,000,985	403,791	1,025,374		1,429,165
Cleveland	8,315,850	33,333		8,349,183	275,794	1,605		277,399
Richmond	28,559,333	174,000	$100,000	28,833,333	800,459	1,698,500		2,498,959
Atlanta	1,398,738	391,519		1,790,257	235,517	49,000		284,517
Chicago	22,612,209	3,117		22,615,326	5,183,125	241,659		5,424,784
St. Louis	12,080,617			12,080,617	615,065			615,065
Minneapolis	3,922,046			3,922,046	329,286			329,286
Kansas City	14,555,970			14,555,976	183,357			183,357
Dallas	1,330,400	69,756		1,400,156	195,304	437,985		633,289
San Francisco	2,392,721	197,200		2,589,921	661,891	454,265		1,116,156
Total	403,310,779	1,617,112	100,000	405,027,891	12,072,528	5,223,829		17,296,357
Per cent				76.7				3.3

Banks.	60-day maturities.				90-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston	$1,583,857	$1,568,031		$3,151,888	$3,012,317	$1,698,984		$4,711,301
New York	1,682,261	868,411		2,550,672	6,048,980	22,288,834		28,337,814
Philadelphia	940,462	879,227		1,819,689	1,966,750	6,762,400		8,729,150
Cleveland	1,062,308	352,278		1,414,586	1,212,024	5,198,603		6,410,627
Richmond	2,161,691	843,846		3,005,537	2,770,582	202,986		2,973,568
Atlanta	1,602,495	55,300		1,657,795	897,656	19,650		917,306
Chicago	3,805,235	682,736		4,487,971	1,851,326	4,266,545		6,117,871
St. Louis	1,730,948	322,000		2,052,948	925,859	948,116		1,873,975
Minneapolis	1,628,948			1,628,948	1,748,877	13,000		1,761,877
Kansas City	574,514	303,246		877,760	311,488	2,297,927		2,609,415
Dallas	725,686	1,444,212		2,169,898	1,087,612	566,023		1,653,635
San Francisco	1,155,333	2,682,698		3,838,031	1,552,485	236,941		1,789,426
Total	18,653,738	10,001,985		28,655,723	23,385,956	44,500,009		67,885,965
Per cent				5.4				12.9

Banks.	Over 90-day maturities.				Total.				Per cent.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston	$325	$66,092		$66,417	$42,430,484	$3,403,446		$45,833,930	92.6	7.4		100.0
New York					262,366,105	25,012,534		287,378,639	91.3	8.7		100.0
Philadelphia	1,870	2,667,424		2,669,294	22,175,858	11,472,425		33,648,283	65.9	34.1		100.0
Cleveland	6,897	96,068		102,965	10,872,873	5,681,887		16,554,760	65.4	34.6		100.0
Richmond	221,913	950,000		1,171,913	34,513,978	3,869,332	$100,000	38,483,310	89.7	10.1	0.2	100.0
Atlanta	113,537			113,537	4,247,943	515,469		4,763,412	89.2	10.8		100.0
Chicago	159,532	900,000		1,059,532	33,611,427	6,094,057		39,705,484	84.7	15.3		100.0
St. Louis	28,917	15,528		44,445	15,381,406	1,285,644		16,667,050	92.3	7.7		100.0
Minneapolis	1,177,100			1,177,100	8,806,257	13,000		8,819,257	99.9	.1		100.0
Kansas City	511,671	666,018		1,177,689	16,137,000	3,267,191		19,404,191	83.2	16.8		100.0
Dallas	843,903	100,000		943,903	4,182,905	2,617,976		6,800,881	61.5	38.5		100.0
San Francisco	244,687	60,000		304,687	6,007,117	3,631,104		9,638,221	62.3	37.7		100.0
Total	3,310,352	5,521,130		8,831,482	460,733,353	66,864,065	100,000	527,697,418	87.3	12.7		100.0
Per cent				1.7				100.0				

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Federal Reserve Bank of St. Louis

Maturities of discounts, acceptances, and municipal warrants held by the Federal Reserve Banks on Friday, July 27, 1917.

[In thousands of dollars; i. e., 000 omitted.]

Banks.	1 to 15 days.				16 to 30 days.			
	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.
Boston	5,835	2,856	.....	8,691	1,859	2,686	.....	4,545
New York	9,914	20,141	50	30,105	998	16,254	.....	17,252
Philadelphia	6,670	1,911	153	8,734	690	796	.....	1,486
Cleveland	4,751	3,519	3	8,273	558	2,059	51	2,668
Richmond	5,657	1,921	115	7,693	2,439	927	.....	3,366
Atlanta	1,667	742	.....	2,409	898	214	.....	1,112
Chicago	12,294	7,803	.....	20,097	1,648	3,216	.....	4,864
St. Louis	7,775	1,242	.....	9,017	1,099	905	.....	2,004
Minneapolis	2,742	175	.....	2,917	870	105	.....	975
Kansas City	8,426	1,945	.....	10,371	747	2,420	.....	3,167
Dallas	824	666	.....	1,490	496	1,061	.....	1,557
San Francisco	2,876	2,871	.....	5,747	1,597	257	.....	1,854
Total	69,431	45,792	321	115,544	13,899	30,900	51	44,850
Per cent	.....	.....	.....	34.5	.....	.....	.....	13.4

Banks.	31 to 60 days.				61 to 90 days.			
	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.
Boston	3,491	8,619	.....	12,110	2,546	2,545	.....	5,091
New York	3,143	28,696	.....	31,839	5,052	30,715	.....	35,767
Philadelphia	1,087	3,453	5	4,545	1,069	8,385	.....	9,454
Cleveland	1,825	2,129	1,023	4,977	830	4,580	20	5,430
Richmond	3,507	270	.....	3,777	2,327	1,088	.....	3,415
Atlanta	1,999	278	.....	2,277	770	76	.....	846
Chicago	5,464	11,195	.....	16,659	569	4,543	.....	5,112
St. Louis	1,866	1,017	.....	2,883	720	963	.....	1,683
Minneapolis	3,148	12	.....	3,160	1,933	13	.....	1,946
Kansas City	1,026	6,391	.....	7,417	581	1,769	.....	2,350
Dallas	1,036	570	.....	1,606	1,309	405	.....	1,714
San Francisco	3,585	624	.....	4,209	1,036	69	.....	1,105
Total	31,177	63,254	1,028	95,459	18,742	55,151	20	73,913
Per cent	.....	.....	.....	28.5	.....	.....	.....	22.1

Banks.	Over 90 days.				Total.					Percentages.			
	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total. Amount.	Total. Per cent.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.
Boston	.....	.....	.....	.....	13,731	16,706	.....	30,437	9.1	45.1	54.9	.....	100.0
New York	.....	.....	.....	.....	19,107	95,806	50	114,963	34.3	16.6	83.3	0.1	100.0
Philadelphia	10	.....	.....	10	9,526	14,545	158	24,229	7.2	39.3	60.0	.7	100.0
Cleveland	4	.....	3	7	7,968	12,287	1,100	21,355	6.4	37.3	57.5	5.2	100.0
Richmond	451	.....	.....	451	14,381	4,206	115	18,702	5.6	76.9	22.5	.6	100.0
Atlanta	270	.....	.....	270	5,604	1,310	.....	6,914	2.1	81.1	18.9	.....	100.0
Chicago	203	.....	.....	203	20,178	26,757	.....	46,935	14.0	43.0	57.0	.....	100.0
St. Louis	55	.....	.....	55	11,515	4,127	.....	15,642	4.6	73.6	26.4	.....	100.0
Minneapolis	1,942	.....	.....	1,942	10,635	305	.....	10,940	3.3	97.2	2.8	.....	100.0
Kansas City	749	.....	.....	749	11,529	12,525	.....	24,054	7.2	47.9	52.1	.....	100.0
Dallas	1,282	.....	46	1,328	4,947	2,702	46	7,695	2.3	64.3	35.1	.6	100.0
San Francisco	244	.....	.....	244	9,338	3,821	.....	13,159	3.9	71.0	29.0	.....	100.0
Total	5,210	.....	49	5,259	138,459	195,097	1,469	335,025	.....	.....	.....	.....	.....
Per cent	.....	.....	.....	1.5	.....	.....	.....	.....	100.0	.....	.....	.....	.....

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Federal Reserve Bank of St. Louis

Total investment operations, exclusive of purchases of United States certificates of indebtedness, of each Federal Reserve Bank during the months of July, 1917 and 1916, and the seven months ending July 31, 1917 and 1916.

Federal Reserve Banks.	Bills discounted for member banks.	Bills bought in open market.			Municipal warrants bought.			
		Bankers' acceptances.	Trade acceptances.	Total.	City.	State.	All other.	Total.
Boston	$42,430,484	$3,403,446		$3,403,446				
New York	262,366,105	25,012,534		25,012,534				
Philadelphia	22,175,858	11,208,840	$263,585	11,472,425				
Cleveland	10,872,873	5,412,332	269,555	5,681,887				
Richmond	34,513,978	3,869,332		3,869,332	$100,000			$100,000
Atlanta	4,247,943	504,769	10,700	515,469				
Chicago	33,611,427	6,047,050	47,007	6,094,057				
St. Louis	15,381,406	1,285,644		1,285,644				
Minneapolis	8,806,257	13,000		13,000				
Kansas City	16,137,000	3,267,191		3,267,191				
Dallas	4,182,905	2,617,976		2,617,976				
San Francisco	6,007,117	987,039	2,644,065	3,631,104				
Total, July, 1917	460,733,353	63,629,100	3,234,912	66,864,065	100,000			100,000
Total, July, 1916	20,183,000	34,802,200	1,773,500	36,575,700	6,553,200	$498,800	$202,500	7,254,500
Total, 7 months ending July, 1917	1,419,914,522	433,371,115	12,029,731	445,400,846	14,464,057	2,040	652,220	15,118,317
Total, 7 months ending July, 1916	82,726,900	156,741,100	7,507,700	164,248,800	59,076,200	3,301,800	377,600	62,755,600

Federal Reserve Banks.	United States bonds and Treasury notes.						Total investment operations.			
	2 per cent.	3 per cent.	3½ per cent.	4 per cent.	1-year Treasury notes.	Total.	July, 1917.	July, 1916.	July, 1917.	July, 1916.
									P. ct.	*P. ct.*
Boston							$45,833,930	$6,586,600	8.4	10.2
New York			$1,500,000			$1,500,000	288,878,639	16,652,450	52.7	25.9
Philadelphia							33,648,283	7,318,400	6.1	11.4
Cleveland		$65,000			$1,000,000	1,065,000	17,619,760	4,619,400	3.2	7.2
Richmond							38,483,310	4,715,000	7.0	7.3
Atlanta			1,100			1,100	4,764,512	1,927,700	0.9	3.0
Chicago			16,782,600			16,782,600	56,488,084	8,326,800	10.3	12.9
St. Louis			57,800			57,800	16,724,850	3,762,600	3.2	5.8
Minneapolis		2,000				2,000	8,821,257	2,379,700	1.7	3.7
Kansas City			7,500			7,500	19,411,691	869,500	3.5	1.4
Dallas							6,800,881	2,481,900	1.2	3.9
San Francisco			190,650			190,650	9,828,871	4,714,400	1.8	7.3
Total, July, 1917		67,000	18,539,650		1,000,000	19,606,650	547,304,068		100.0	
Total, July, 1916	$331,250	10,000				341,250		64,354,450		100.0
Total, 7 months ending July, 1917	14,047,200	185,440	18,578,150	$34,250	5,314,000	38,159,040	1,918,592,725			
Total, 7 months ending July, 1916	34,819,850	3,632,820		4,128,000	50,000	42,630,670		352,361,970		

United States securities held by each Federal Reserve Bank on July 31, 1917, distributed by maturities.

	United States bonds with circulation privilege.				United States securities without circulation privilege.				Total.
	2 per cent consols of 1930.	2 per cent Panamas of 1936–38.	3 per cent loan of 1918.	4 per cent loan of 1925.	3 per cent conversion bonds of 1946–47.	3 per cent 1-year Treasury notes.	3 per cent loan of 1961.	3½ per cent Liberty Loan of 1947.	
Boston	$750				$529,000	$2,194,000			$2,723,750
New York	50		$50,000		1,255,500	3,538,000		$1,500,000	6,343,550
Philadelphia		$100			549,200	2,548,000			3,097,300
Cleveland	6,400	467,200	2,651,560	$2,378,200	414,800	2,865,000			8,783,160
Richmond	915,100	237,000				1,969,000			3,121,100
Atlanta	640,600	21,000			10,300	1,491,000		27,800	2,190,700
Chicago	1,862,500	367,300	2,581,000	1,768,000	427,400	3,361,000	$400	4,588,840	14,956,440
St. Louis	100		1,080,000		1,153,300	1,444,000		31,600	3,709,000
Minneapolis	323,050	16,260	1,198,180	206,250	114,800	1,340,000	500		3,199,040
Kansas City	7,155,850	22,240		825,000	838,500	1,784,000		7,500	10,633,090
Dallas	2,450,900	281,500			1,233,600	1,430,000		3,800	5,399,800
San Francisco	2,428,750					1,500,000		26,000	3,954,750
Total	15,784,050	1,412,600	7,560,740	5,177,450	6,526,400	25,464,000	900	6,185,540	68,111,680

Total United States bonds with circulation privilege, $29,934,840. Total United States securities without circulation privilege, $38,176,840.

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Federal Reserve Bank of St. Louis

RESOURCES AND LIABILITIES OF FEDERAL RESERVE BANKS.

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve System at close of business on Fridays, July 27 to Aug. 24, 1917.

RESOURCES.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Gold coin and certificates in vault:													
July 27	32,685	234,737	41,215	33,342	6,450	7,613	39,744	4,752	17,792	8,522	14,195	19,717	460,764
Aug. 3	24,884	202,722	22,201	32,747	6,483	7,295	40,353	4,703	16,323	8,711	14,467	18,896	399,785
Aug. 10	25,266	216,580	25,443	32,174	6,217	7,139	40,057	4,951	16,629	8,935	13,132	17,326	413,849
Aug. 17	26,372	199,222	27,506	31,341	6,257	7,074	40,305	4,728	16,931	8,365	13,460	17,637	399,198
Aug. 24	26,534	229,517	28,739	29,869	6,228	7,007	40,115	4,337	17,092	8,469	13,681	15,153	426,741
Gold settlement fund:													
July 27	8,811	120,367	20,232	45,443	43,800	7,921	53,086	23,888	11,476	39,140	8,674	22,901	405,739
Aug. 3	7,744	255,667	10,482	35,790	22,258	2,339	27,082	20,698	8,995	34,210	3,248	9,640	438,153
Aug. 10	5,811	187,101	13,496	45,989	23,353	3,464	45,666	28,701	8,558	31,980	2,042	13,691	409,852
Aug. 17	13,855	166,408	22,568	52,928	23,053	2,466	41,252	22,271	7,443	38,399	4,212	15,647	410,502
Aug. 24	17,553	117,279	26,867	54,347	30,798	5,684	46,481	25,678	7,871	38,263	6,025	20,221	397,067
Gold with foreign agencies:													
July 27	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,500
Aug. 3	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,500
Aug. 10	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,500
Aug. 17	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,500
Aug. 24	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,500
Gold with Federal Reserve Agent:													
July 27	21,891	173,670	32,905	30,880	7,483	18,072	56,653	14,911	21,366	14,635	15,624	26,103	434,193
Aug. 3	24,890	202,670	32,904	30,876	7,483	18,778	59,234	14,891	21,349	14,588	14,095	26,087	467,845
Aug. 10	24,868	218,462	32,813	30,794	8,416	18,984	59,943	14,871	21,140	14,548	14,076	26,552	485,467
Aug. 17	24,846	228,312	32,539	30,747	8,353	20,039	64,555	15,971	21,124	14,507	14,056	27,539	502,588
Aug. 24	25,832	206,898	32,161	32,121	8,781	18,902	70,007	15,953	19,292	14,476	15,636	28,487	488,546
Gold redemption fund:													
July 27	498	5,250	450	22	854	351	236	390	338	491	170	17	9,067
Aug. 3	500	5,250	450	22	880	363	238	388	528	514	245	12	9,390
Aug. 10	500	5,250	550	13	866	412	242	386	277	513	260	5	9,274
Aug. 17	500	5,250	700	56	854	417	243	385	456	524	395	15	9,795
Aug. 24	500	2,500	700	44	850	602	244	382	589	522	427	15	7,375
Legal tender notes, silver, etc.:													
July 27	3,952	37,391	1,480	519	200	694	2,425	2,951	252	478	1,320	127	51,789
Aug. 3	3,581	39,314	1,347	428	170	760	3,246	2,681	356	440	1,291	95	53,709
Aug. 10	3,276	39,718	1,601	588	189	759	2,654	2,108	360	396	1,355	113	53,117
Aug. 17	3,445	39,632	1,331	629	141	713	3,120	1,760	405	313	1,291	126	52,906
Aug. 24	3,724	39,406	1,204	491	131	653	3,413	1,593	347	334	1,153	91	52,540
Total reserves:													
July 27	71,512	589,527	99,957	114,931	60,624	36,226	159,494	48,992	53,324	65,891	41,821	71,753	1,414,052
Aug. 3	65,274	723,735	71,059	104,588	39,111	31,110	137,503	45,461	49,651	61,088	35,184	57,618	1,421,382
Aug. 10	63,396	685,223	77,578	114,283	40,878	32,333	155,912	53,117	49,064	58,997	32,703	60,575	1,424,059
Aug. 17	72,693	656,936	88,319	120,426	40,495	32,284	156,825	47,215	48,459	64,733	35,252	63,852	1,427,489
Aug. 24	77,818	613,712	93,346	121,597	48,625	34,423	167,610	50,043	47,291	64,689	38,760	66,855	1,424,769
Bills discounted—members:													
July 27	13,731	19,107	9,526	7,968	14,381	5,604	20,178	11,515	10,635	11,529	4,947	9,338	138,459
Aug. 3	16,252	11,855	8,999	9,966	14,575	4,851	19,864	8,330	10,752	10,287	5,730	9,487	130,948
Aug. 10	15,810	13,311	10,216	10,558	14,574	4,965	16,769	9,191	11,285	12,428	6,113	9,009	134,229
Aug. 17	17,016	13,582	13,168	10,231	15,945	5,434	16,310	9,641	13,197	13,730	6,997	8,695	143,946
Aug. 24	16,959	15,327	9,762	5,950	13,691	5,690	12,757	8,657	12,727	12,206	6,942	7,739	128,407
Bills bought in open market:													
July 27	16,706	95,806	14,545	12,287	4,206	1,310	26,757	4,127	305	12,525	2,702	3,821	195,097
Aug. 3	15,976	73,687	16,557	16,595	4,290	968	23,825	3,844	130	11,756	2,163	4,392	174,183
Aug. 10	16,207	56,510	16,894	18,026	3,626	680	19,220	3,201	130	10,739	2,036	2,521	149,790
Aug. 17	18,749	56,791	17,630	17,098	3,182	668	18,392	2,813	25	11,198	2,531	6,252	155,329
Aug. 24	17,544	49,898	18,608	20,026	2,384	1,608	19,601	5,461	2,281	11,504	1,985	8,657	159,557
United States Government long-term securities:													
July 27	530	1,306	549	5,918	1,152	698	11,609	2,266	1,859	8,849	3,970	2,429	41,135
Aug. 3	530	2,805	549	5,918	1,152	704	11,376	2,255	1,859	8,849	3,970	2,455	42,422
Aug. 10	610	1,306	549	5,918	1,152	704	11,651	2,255	1,859	8,849	3,970	2,453	41,276
Aug. 17	610	2,806	549	7,918	1,152	704	12,004	2,255	1,859	8,849	3,970	2,453	45,129
Aug. 24	610	2,805	549	7,918	1,192	704	12,062	2,255	1,859	8,849	3,970	2,453	45,226
United States Government short-term securities:													
July 27	2,194	9,980	2,548	2,933	1,969	1,584	4,409	1,524	2,015	1,784	1,430	3,448	35,818
Aug. 3	2,194	3,538	2,548	2,865	1,969	1,491	3,361	1,444	1,340	1,784	1,430	1,500	25,464
Aug. 10	2,194	5,038	2,548	3,083	1,969	3,522	3,630	1,471	1,564	1,789	1,896	3,900	32,604
Aug. 17	2,194	3,538	2,548	2,973	1,969	3,522	3,364	1,471	1,554	1,784	1,868	3,767	30,552
Aug. 24	2,194	3,538	2,548	2,918	1,969	3,522	3,360	1,465	1,554	1,784	1,868	3,760	30,480
Municipal warrants:													
July 27	.....	50	158	1,100	115	.....	.....	.....	.....	.....	46	.....	1,469
Aug. 3	.....	.....	106	1,097	.....	.....	.....	.....	.....	.....	46	.....	1,249
Aug. 10	.....	.....	131	1,097	.....	.....	.....	.....	.....	.....	46	.....	1,274
Aug. 17	.....	.....	131	1,046	.....	.....	.....	.....	.....	.....	46	.....	1,223
Aug. 24	.....	.....	131	1,055	.....	.....	.....	.....	.....	.....	46	.....	1,232

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Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve System at the close of business on Fridays, July 27 to Aug. 24, 1917—Continued.

RESOURCES—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Due from other Federal Reserve Banks—net:													
July 27	6,603	.....	.....	3,062	.....	4,967	21,255	161	.....	.....	.....	9,834	[1] 11,106
Aug. 3	6,115	.....	9,478	3,884	5,227	3,042	31,318	4,029	.....	1,201	.....	8,910	[1] 4,746
Aug. 10	4,554	.....	3,373	.....	2,302	1,278	14,069	.....	.....	5,028	.....	2,884	[2] 1,655
Aug. 17	11,428	.....	.....	.....	6,244	3,299	28,541	.....	595	360	53	5,068	[1] 11,688
Aug. 24	639	.....	.....	.....	.....	1,416	22,253	586	.....	458	.....	3,033	[1] 243
Uncollected items:													
July 27	15,298	43,686	24,247	18,577	11,200	10,660	40,218	9,574	4,901	9,699	6,521	10,175	204,756
Aug. 3	14,481	43,202	28,782	14,272	11,148	9,343	28,240	11,485	7,010	13,472	6,670	8,953	197,058
Aug. 10	13,931	44,696	27,417	16,411	9,843	10,589	32,263	12,356	6,401	10,715	9,255	11,884	205,761
Aug. 17	16,867	52,622	31,522	18,067	12,275	10,779	39,020	13,450	6,504	9,073	8,246	12,279	230,704
Aug. 24	14,441	58,652	28,539	16,714	12,417	9,421	27,354	10,011	5,076	10,739	8,905	8,118	210,387
Five per cent redemption fund against Federal Reserve Bank notes:													
July 27	.....	.....	.....	.....	.....	.....	.....	.....	.....	400	100	.....	500
Aug. 3	.....	.....	.....	.....	.....	.....	.....	.....	.....	400	100	.....	500
Aug. 10	.....	.....	.....	.....	.....	.....	.....	.....	.....	400	100	.....	500
Aug. 17	.....	.....	.....	.....	.....	.....	.....	.....	.....	400	100	.....	500
Aug. 24	.....	.....	.....	.....	.....	.....	.....	.....	.....	400	100	.....	500
All other resources:													
July 27	.....	.....	.....	79	97	80	.....	271	62	23	445	.....	1,057
Aug. 3	.....	.....	.....	16	68	78	.....	64	32	16	218	.....	492
Aug. 10	.....	.....	.....	1	.....	135	.....	28	23	5	233	.....	425
Aug. 17	.....	.....	.....	10	.....	72	.....	1,570	.....	.....	230	.....	1,882
Aug. 24	.....	.....	.....	.....	.....	66	.....	10	.....	.....	179	84	339
Total resources:													
July 27	126,574	759,462	151,530	166,855	93,744	61,129	283,920	78,430	73,101	110,700	61,982	110,798	2,021,237
Aug. 3	120,822	858,822	138,078	159,201	77,540	51,587	255,487	76,912	70,774	108,853	55,511	93,315	1,998,444
Aug. 10	116,702	806,084	138,706	169,377	74,344	54,206	253,514	81,619	70,326	108,950	56,352	93,226	1,988,263
Aug. 17	139,557	786,275	153,867	177,769	81,262	56,762	274,456	78,415	72,193	110,127	59,293	102,366	2,048,442
Aug. 24	130,265	743,932	153,483	176,178	80,278	56,850	264,997	78,488	70,788	110,629	62,755	100,699	2,001,140

LIABILITIES.

Capital paid in:													
July 27	5,134	12,067	5,276	6,365	3,444	2,387	7,465	3,267	2,520	3,175	2,757	3,968	57,825
Aug. 3	5,135	12,091	5,277	6,365	3,444	2,387	7,465	3,267	2,523	3,197	2,756	3,974	57,881
Aug. 10	5,135	12,125	5,277	6,365	3,443	2,387	7,513	3,267	2,524	3,203	2,757	3,974	57,970
Aug. 17	5,141	12,119	5,277	6,365	3,443	2,382	7,647	3,261	2,524	3,203	2,757	3,974	58,093
Aug. 24	5,373	12,123	5,277	6,365	3,470	2,507	7,651	3,260	2,524	3,203	2,757	3,974	58,484
Government deposits:													
July 27	11,635	16,113	1,945	7,671	18,190	8,242	38,446	2,474	6,008	7,374	6,726	18,208	143,032
Aug. 3	6,662	6,338	206	5,497	8,445	[3] 716	11,318	4,088	3,035	5,712	1,391	4,789	56,765
Aug. 10	4,415	94,601	3,007	2,764	5,903	1,418	13,581	2,231	4,430	3,767	2,354	1,976	140,447
Aug. 17	19,669	33,472	3,760	6,310	12,536	1,828	11,831	425	5,503	4,297	3,565	6,824	110,110
Aug. 24	9,112	4,126	1,809	6,287	5,578	1,021	11,245	3,071	5,535	3,446	3,042	5,700	59,972
Due to members—reserve account:													
July 27	72,885	444,489	67,541	100,942	36,724	25,503	150,831	45,580	36,518	65,612	28,956	59,875	1,135,456
Aug. 3	70,603	515,814	66,053	98,344	36,547	25,604	147,992	43,066	36,801	65,227	29,504	57,332	1,192,887
Aug. 10	68,393	431,518	65,829	94,601	36,528	25,048	146,205	43,100	36,136	66,697	28,915	58,644	1,101,614
Aug. 17	72,252	440,849	63,936	104,848	35,410	25,472	150,288	43,485	36,819	66,072	28,954	62,432	1,130,817
Aug. 24	72,319	420,957	70,694	104,649	37,275	26,740	150,525	43,762	35,800	66,858	29,980	61,570	1,121,129
Due to nonmember banks—clearing account:													
July 27	.....	8,451	.....	.....	.....	.....	.....	.....	.....	.....	.....	96	8,547
Aug. 3	.....	11,879	.....	.....	.....	.....	.....	.....	.....	.....	.....	390	12,269
Aug. 10	.....	10,018	.....	.....	.....	.....	.....	.....	.....	.....	.....	256	10,274
Aug. 17	.....	11,461	.....	.....	.....	.....	.....	.....	.....	.....	.....	176	11,637
Aug. 24	.....	30,924	.....	.....	.....	.....	1,746	.....	.....	.....	.....	263	32,933
Collection items:													
July 27	10,128	28,976	22,355	14,395	10,660	5,087	18,363	8,707	2,987	7,072	3,573	5,512	137,815
Aug. 3	11,073	26,743	24,841	11,307	10,818	4,292	18,976	7,555	3,240	7,055	2,826	3,327	132,053
Aug. 10	10,201	24,046	21,774	12,636	9,347	5,083	15,568	7,593	2,597	6,347	2,860	4,441	122,493
Aug. 17	13,452	30,184	36,617	16,592	10,326	5,654	32,316	9,274	2,952	7,011	2,875	4,663	171,916
Aug. 24	13,745	24,841	26,250	13,729	10,671	4,794	18,226	7,442	2,517	7,283	3,659	4,798	137,955
Due to other Federal Reserve Banks—net:													
July 27	.....	34,666	12,771	.....	7,180	.....	.....	.....	799	63	1,509	.....	.....
Aug. 3	.....	67,268	.....	.....	.....	.....	.....	.....	534	.....	656	.....	.....
Aug. 10	.....	13,946	.....	14,095	.....	.....	.....	6,205	308	.....	589	.....	.....
Aug. 17	.....	36,615	1,415	4,347	.....	.....	.....	1,523	.....	.....	.....	.....	.....
Aug. 24	.....	15,425	6,488	2,788	2,713	.....	.....	.....	139	.....	589	.....	.....

[1] Difference between net amounts due from and net amounts due to other Federal Reserve Banks.
[2] Net amount due to other Federal Reserve Banks.
[3] Overdraft.

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Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve System at close of business on Fridays, July 27 to Aug. 24, 1917—Continued.

LIABILITIES—Continued.

[In thousands of dollars; i. e., 000 omitted,]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal Reserve notes in actual circulation:													
July 27	26,484	213,182	41,425	37,482	17,546	19,910	68,812	18,402	24,269	24,945	18,461	23,097	534,015
Aug. 3	27,016	216,321	41,471	37,688	18,286	20,020	69,700	18,936	24,641	24,834	18,378	23,494	540,785
Aug. 10	28,203	218,478	42,582	38,916	19,086	20,270	70,609	19,223	24,331	24,754	18,877	23,915	549,244
Aug. 17	28,671	220,195	42,638	39,307	19,499	21,426	72,279	20,447	24,377	24,628	21,052	24,263	558,782
Aug. 24	29,323	224,151	42,728	42,358	20,518	21,788	75,537	20,953	24,227	24,344	22,728	24,394	573,049
Federal Reserve Bank notes in circulation, net liability:													
July 27	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,459	.....	.....	2,459
Aug. 3	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,828	.....	.....	2,828
Aug. 10	.....	.....	.....	.....	.....	.....	.....	.....	.....	4,182	.....	.....	4,182
Aug. 17	.....	.....	.....	.....	.....	.....	.....	.....	.....	4,907	.....	.....	4,907
Aug. 24	.....	.....	.....	.....	.....	.....	.....	.....	.....	5,473	.....	.....	5,473
All other liabilities, including foreign Government credits:													
July 27	308	1,518	217	.....	.....	.....	3	.....	.....	.....	.....	42	2,088
Aug. 3	333	2,368	230	.....	.....	.....	36	.....	.....	.....	.....	9	2,976
Aug. 10	355	1,352	237	.....	37	.....	38	.....	.....	.....	.....	20	2,039
Aug. 17	372	1,380	224	.....	48	.....	95	.....	18	9	.....	34	2,180
Aug. 24	333	11,385	237	2	53	.....	67	.....	46	22	.....	.....	12,145
Total liabilities:													
July 27	126,574	759,462	151,530	166,855	93,744	61,129	283,920	78,430	73,101	110,700	61,982	110,798	2,021,237
Aug. 3	120,822	858,822	138,078	159,201	77,540	51,587	255,487	76,912	70,774	108,853	55,511	93,315	1,998,444
Aug. 10	116,702	806,084	138,706	169,377	74,344	54,206	253,514	81,619	70,326	108,950	56,352	93,226	1,988,263
Aug. 17	139,557	786,275	153,867	177,769	81,262	56,762	274,456	78,415	72,193	110,127	59,293	102,366	2,048,442
Aug. 24	130,205	743,932	153,483	176,178	80,278	56,850	264,997	78,488	70,788	110,629	62,755	100,699	2,001,140

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FEDERAL RESERVE NOTES.

Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, July 27 to Aug. 24, 1917.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal Reserve notes received from agent—net:													
July 27	31,891	240,170	42,205	39,880	18,155	21,563	73,653	20,368	25,862	25,671	18,943	26,103	584,464
Aug. 3	34,890	239,670	42,204	39,876	18,503	21,749	76,234	20,828	25,845	25,598	18,905	26,087	590,389
Aug. 10	34,868	243,462	43,613	42,794	19,525	21,955	75,993	21,908	26,136	25,402	19,019	26,552	601,227
Aug. 17	34,846	246,312	45,339	42,747	20,706	22,908	78,945	21,638	26,120	25,335	21,211	27,539	613,646
Aug. 24	35,822	250,898	45,561	44,121	21,205	22,873	81,327	22,720	25,788	24,881	23,624	28,487	627,307
Federal Reserve notes held by bank:													
July 27	5,407	26,988	780	2,398	609	1,653	4,841	1,966	1,593	726	482	3,006	50,449
Aug. 3	7,874	23,349	733	2,188	217	1,729	6,534	1,892	1,204	764	527	2,593	49,604
Aug. 10	6,665	24,984	1,031	3,878	439	1,685	5,384	2,685	1,805	648	142	2,637	51,983
Aug. 17	6,175	26,117	2,701	3,440	1,207	1,482	6,666	1,191	1,743	707	159	3,276	54,864
Aug. 24	6,499	26,747	2,833	1,763	687	1,085	5,790	1,767	1,561	537	896	4,093	54,258
Federal Reserve notes in actual circulation:													
July 27	26,484	213,182	41,425	37,482	17,546	19,910	68,812	18,402	24,269	24,945	18,461	23,097	534,015
Aug. 3	27,016	216,321	41,471	37,688	18,286	20,020	69,700	18,936	24,641	24,834	18,378	23,494	540,785
Aug. 10	28,203	218,478	42,582	38,916	19,086	20,270	70,609	19,223	24,331	24,754	18,877	23,915	549,244
Aug. 17	28,671	220,195	42,638	39,307	19,499	21,426	72,279	20,447	24,377	24,628	21,052	24,263	558,782
Aug. 24	29,323	224,151	42,728	42,358	20,518	21,788	75,537	20,953	24,227	24,344	22,728	24,394	563,049
Gold deposited with or to credit of Federal Reserve Agent:													
July 27	21,891	173,670	32,905	30,880	7,483	18,072	56,653	14,911	21,366	14,635	15,624	26,103	434,193
Aug. 3	24,890	202,670	32,904	30,876	7,483	18,778	59,234	14,891	21,349	14,588	14,095	26,087	467,845
Aug. 10	24,868	218,462	32,813	30,794	8,416	18,984	59,943	14,871	21,140	14,548	14,076	26,552	485,467
Aug. 17	24,846	228,312	32,539	30,747	8,353	20,039	64,555	15,971	21,124	14,507	14,056	27,539	502,588
Aug. 24	25,832	206,898	32,161	32,121	8,781	18,902	70,007	15,953	19,292	14,476	15,636	28,487	488,546
Amount of commercial paper delivered to Federal Reserve Agent:													
July 27	10,116	77,860	9,301	9,069	18,389	3,498	17,199	5,462	4,496	11,099	4,175	.....	170,664
Aug. 3	10,115	39,202	9,303	9,076	18,815	2,978	17,199	5,952	4,496	11,337	5,005	.....	133,478
Aug. 10	10,149	26,706	10,804	12,000	18,150	2,978	16,244	7,044	4,996	11,289	5,228	.....	125,588
Aug. 17	10,164	18,877	12,805	12,618	19,127	2,978	14,581	5,670	4,996	10,861	8,034	.....	120,711
Aug. 24	10,164	44,644	13,406	13,508	16,075	3,978	11,509	6,772	6,496	11,982	8,130	.....	146,664

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Federal Reserve note account of each Federal Reserve Agent at close of business on Fridays, July 27 to Aug. 24, 1917.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
FEDERAL RESERVE NOTES.													
Received from Comptroller:													
July 27	55,680	453,160	66,900	52,000	32,980	37,180	106,220	31,100	38,640	42,720	36,920	29,660	983,160
Aug. 3	55,680	453,160	66,900	52,000	32,980	37,180	106,220	31,100	38,640	42,720	36,920	29,660	983,160
Aug. 10	62,680	459,760	66,900	54,000	34,080	37,180	108,820	31,100	38,640	42,720	36,920	30,160	1,002,960
Aug. 17	62,680	459,760	66,900	64,000	35,040	37,180	112,060	32,500	38,640	42,720	36,920	31,160	1,019,560
Aug. 24	62,680	466,160	71,500	64,000	35,840	37,180	112,060	33,700	38,640	42,720	42,920	32,160	1,039,560
Returned to Comptroller:													
July 27	10,839	85,270	10,195	6,180	11,735	6,877	2,667	5,912	6,188	7,609	9,516	3,557	166,545
Aug. 3	11,290	87,470	10,196	6,184	11,737	6,931	2,686	5,932	6,205	7,682	9,554	3,573	169,490
Aug. 10	11,312	87,778	10,287	6,266	11,915	7,025	2,927	5,952	6,414	8,038	9,775	3,608	171,297
Aug. 17	11,934	88,028	10,561	6,312	12,034	7,172	3,216	6,472	6,630	8,105	9,854	3,621	173,939
Aug. 24	11,958	88,342	10,939	6,439	12,235	7,707	3,433	6,490	6,962	8,559	10,071	3,673	176,808
Chargeable to Federal Reserve Agent:													
July 27	44,841	367,890	56,705	45,820	21,245	30,303	103,553	25,188	32,452	35,111	27,404	26,103	816,615
Aug. 3	44,390	365,690	56,704	45,816	21,193	30,249	103,534	25,168	32,435	35,038	27,366	26,087	813,670
Aug. 10	51,368	371,982	56,613	47,734	22,165	30,155	105,893	25,148	32,226	34,682	27,145	26,552	831,663
Aug. 17	50,746	371,732	56,339	57,688	23,006	30,008	108,844	26,028	32,010	34,615	27,066	27,539	845,621
Aug. 24	50,722	377,818	60,561	57,561	23,605	29,473	108,627	27,210	31,678	34,161	32,849	28,487	862,752
In hands of Federal Reserve Agent:													
July 27	12,950	127,720	14,500	5,940	3,090	8,740	29,900	4,820	6,590	9,440	8,461	.....	232,151
Aug. 3	9,500	126,020	14,500	5,940	2,690	8,500	27,300	4,340	6,590	9,440	8,461	.....	223,281
Aug. 10	16,500	128,520	13,000	4,940	2,640	8,200	29,900	3,240	6,090	9,280	8,126	.....	230,436
Aug. 17	15,900	125,420	11,000	14,941	2,300	7,100	29,899	4,390	5,890	9,280	5,855	.....	231,975
Aug. 24	14,900	126,920	15,000	13,440	2,400	6,600	27,300	4,490	5,890	9,280	9,225	.....	235,445
Issued to Federal Reserve Bank, less amount returned to Federal Reserve Agent for redemption:													
July 27	31,891	240,170	42,205	39,880	18,155	21,563	73,653	20,368	25,862	25,671	18,943	26,103	584,464
Aug. 3	34,890	239,670	42,204	39,876	18,503	21,749	76,234	20,828	25,845	25,598	18,905	26,087	590,389
Aug. 10	34,868	243,462	43,613	42,794	19,525	21,955	75,993	21,908	26,136	25,402	19,019	26,552	601,227
Aug. 17	34,846	246,312	45,339	42,747	20,706	22,908	78,945	21,638	26,120	25,335	21,211	27,539	613,646
Aug. 24	35,822	250,898	45,561	44,121	21,205	22,873	81,327	22,720	25,788	24,881	23,624	28,487	627,307
Collateral held in joint custody of Federal Reserve Bank and Agent, as security for outstanding notes:													
Gold coin and certificates on hand—													
July 27	18,210	164,705	4,220	8,820	.....	3,441	.....	3,353	14,102	2,370	11,110	.....	230,331
Aug. 3	21,210	193,705	4,220	8,816	.....	3,442	.....	3,353	14,102	2,370	11,110	.....	262,328
Aug. 10	21,210	207,805	4,220	8,586	.....	3,442	.....	3,353	14,102	2,370	12,610	.....	277,698
Aug. 17	21,210	217,905	4,220	8,582	.....	3,441	.....	3,353	14,102	2,370	12,610	.....	287,793
Aug. 24	22,210	196,805	4,220	10,007	.....	3,338	.....	3,353	14,102	2,370	12,610	.....	269,015
In gold redemption fund—													
July 27	1,681	8,965	2,025	2,060	483	1,051	443	718	1,014	1,205	1,010	913	21,568
Aug. 3	1,680	8,965	2,325	2,060	483	1,996	424	898	997	1,158	981	897	22,864
Aug. 10	1,658	10,657	2,234	2,208	416	1,902	393	878	1,288	1,118	1,062	862	24,676
Aug. 17	1,636	10,407	2,460	2,165	853	1,858	374	858	1,272	1,077	1,242	849	25,051
Aug. 24	1,612	10,093	2,362	2,114	781	1,324	349	840	940	1,046	2,822	1,497	25,780
With Federal Reserve Board—													
July 27	2,000	.....	26,660	20,000	7,000	13,580	56,210	10,840	6,250	11,060	3,504	25,190	182,294
Aug. 3	2,000	.....	26,359	20,000	7,000	13,340	58,810	10,640	6,250	11,060	2,004	25,190	182,653
Aug. 10	2,000	.....	26,359	20,000	8,000	13,640	59,550	10,640	5,750	11,060	404	25,690	183,093
Aug. 17	2,000	.....	25,859	20,000	7,500	14,740	64,181	11,760	5,750	11,060	204	26,690	189,744
Aug. 24	2,000	.....	25,579	20,000	8,000	14,240	69,658	11,760	4,250	11,060	204	26,990	193,741
Commercial paper required, minimum [1]—													
July 27	10,000	66,500	9,300	9,000	10,672	3,491	17,000	5,457	4,496	11,036	3,319	.....	150,271
Aug. 3	10,000	37,000	9,300	9,000	11,020	2,971	17,000	5,937	4,496	11,010	4,810	.....	122,544
Aug. 10	10,000	25,000	10,800	12,000	11,109	2,971	16,050	7,037	4,996	10,854	4,943	.....	115,760
Aug. 17	10,000	18,000	12,800	12,000	12,353	2,869	14,390	5,667	4,996	10,828	7,155	.....	111,058
Aug. 24	10,000	44,000	13,400	12,000	12,424	3,971	11,320	6,767	6,496	10,405	7,988	.....	138,771
Total—													
July 27	31,891	240,170	42,205	39,880	18,155	21,563	73,653	20,368	25,862	25,671	18,943	26,103	584,464
Aug. 3	34,890	239,670	42,204	39,876	18,503	21,749	76,234	20,828	25,845	25,598	18,905	26,087	590,389
Aug. 10	34,868	243,462	43,613	42,794	19,525	21,955	75,993	21,908	26,136	25,402	19,019	26,552	601,227
Aug. 17	34,846	246,312	45,339	42,747	20,706	22,908	78,945	21,638	26,120	25,335	21,211	27,539	613,646
Aug. 24	35,822	250,898	45,561	44,121	21,205	22,873	81,327	22,720	25,788	24,881	23,624	28,487	267,307

[1] For actual amounts see item "Commercial paper delivered to Federal Reserve Agent" on page 725.

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EARNINGS ON INVESTMENTS OF FEDERAL RESERVE BANKS.

Average amounts of earning assets held by each Federal Reserve Bank during July, 1917, earnings from each class of earning assets, and annual rates of earnings on the basis of July, 1917, returns.

Banks.	Average balances for the month of the several classes of earning assets.				
	Bills discounted members.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.
Boston	$15,957,728	$16,332,064	$2,723,750	.....	$35,013,542
New York	31,245,286	98,304,074	8,209,485	$249,336	138,008,181
Philadelphia	13,852,692	12,401,445	3,097,300	158,364	29,509,801
Cleveland	7,768,822	10,934,816	8,777,870	1,237,022	28,718,530
Richmond	13,127,263	5,208,280	3,121,100	50,484	21,507,127
Atlanta	4,530,617	1,466,792	2,445,087	435	8,442,931
Chicago	19,548,953	28,775,366	16,654,994	152,625	65,131,938
St. Louis	9,030,886	4,363,285	3,760,090	145,486	17,299,747
Minneapolis	10,301,700	744,600	3,529,900	.....	14,576,200
Kansas City	8,645,964	12,541,200	10,629,057	42,669	31,858,890
Dallas	4,690,962	2,043,860	5,396,000	31,992	12,162,814
San Francisco	9,096,242	5,587,655	5,184,266	170,674	20,038,837
Total	147,797,115	198,703,437	73,528,899	2,239,087	422,268,538

Banks.	Earnings from—					Calculated annual rates of earnings from—				
	Bills discounted members.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.	Bills discounted members.	Bills bought in ope market.	United States securities.	Municipal warrants.	Total.
						Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Boston	$50,510	$45,966	$7,278	.....	$103,754	3.73	3.31	2.99	.....	3.34
New York	89,361	270,724	22,200	$657	382,942	3.36	3.24	3.18	3.10	3.26
Philadelphia	43,877	33,766	7,828	526	85,997	3.72	3.20	2.97	3.91	3.43
Cleveland	24,740	29,094	19,804	3,818	77,456	3.75	3.13	2.66	3.63	3.18
Richmond	43,709	13,526	6,917	152	64,304	3.92	3.06	2.61	3.54	3.52
Atlanta	15,925	4,145	5,661	2	25,733	4.14	3.33	2.73	3.96	3.59
Chicago	63,540	75,936	37,670	334	177,480	3.83	3.11	2.90	3.08	3.27
St. Louis	28,971	11,836	8,599	412	49,818	3.77	3.19	2.69	3.33	3.39
Minneapolis	37,670	1,936	7,819	.....	47,425	4.31	3.06	2.61	.....	3.83
Kansas City	31,270	34,465	20,231	81	86,047	4.26	3.23	2.24	2.25	3.18
Dallas	17,262	6,843	11,331	84	35,520	4.42	4.01	2.54	3.17	3.51
San Francisco	33,046	16,509	11,441	424	61,320	4.28	3.48	2.60	2.93	3.61
Total	479,881	544,746	166,779	6,490	1,197,896	3.82	3.23	2.67	3.40	3.34

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GOLD IMPORTS AND EXPORTS.

Gold imports and exports into and from the United States.

[In thousands of dollars—i. e., 000's omitted.]

	Week ending—					Total since Jan. 1, 1917.	Total corresponding period during 1916.
	July 20, 1917.	July 27, 1917.	Aug. 3, 1917.	Aug. 10, 1917.	Aug. 17, 1917.		
IMPORTS.							
Ore and base bullion	280	214	248	148	446	9,475	8,171
United States Mint or assay office bars						33	2,697
Bullion, refined	477	729	6,463	8,302	640	384,030	198,605
United States coin		9	6	265	18	53,184	2,029
Foreign coin	1	1			1	90,095	72,968
Total	758	953	6,717	8,715	1,105	536,817	284,470
EXPORTS.							
Domestic:							
Ore and base bullion				11		120	209
United States Mint or assay office bars		3,105	6,853	607	1,166	36,833	8,106
Bullion, refined	2,638	1,662	3,600	983	1,898	25,695	5,827
Coin	4,129	16,232	13,822	5,008	11,541	225,649	46,154
Total	6,767	20,999	24,275	6,609	14,605	288,297	60,296
Foreign:							
Bullion, refined						31	1,443
Coin	5					5,293	19,660
Total	5					5,324	21,103
Total exports	6,772	20,999	24,275	6,609	14,605	293,621	81,399

Excess of gold imports over exports since Jan. 1, 1917 ..... $243,196
Excess of gold imports over exports since Aug. 1, 1914 1,111,958

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank in effect August 29, 1917.

	Maturities.							
	Discounts.					Trade acceptances.		Commodity paper maturing within 90 days.
	Within 15 days, including member banks' collateral notes.	16 to 60 days, inclusive.	61 to 90 days, inclusive.	Secured by U. S. certificates of indebtedness or Liberty Loan Bonds. Within 90 days.	Agricultural and livestock paper over 90 days.	To 60 days, inclusive.	61 to 90 days, inclusive.	
Boston	3½	4	4	3½	5	4	4	4
New York [1]	3	4	4	3½	5	3½	3½	.....
Philadelphia	3½	4	4	3½	4½	3½	3½	3½
Cleveland	[2] 3½	4	4½	3½	5	3½	4	4
Richmond	3½	4	4	3½	4½	3½	3½	3½
Atlanta	3½	4	4½	3½	5	3½	3½	3½
Chicago	[3] 3½	4	4½	3½	5	3½	3½	.....
St. Louis	3½	4	4	3½	5	3½	3½	3½
Minneapolis	[3] 4	4	4½	3½	5	3½	4	4
Kansas City	[3] 4	4½	4½	3½	5	4	4	4
Dallas	3½	4	4½	3½	5	3½	3½	3½
San Francisco	3½	4	4½	3½	5½	3½	3½	3½

[1] Rate of 2 to 4 per cent on member banks' 1-day collateral notes in connection with the loan operations of the Government.
[2] 3 per cent for member banks' collateral notes if secured by United States certificates of indebtedness.
[3] 3 per cent for member banks' collateral notes if secured by United States bonds, notes, or certificates of indebtedness.

NOTE.—Rate for bankers' acceptances, 2½ to 4 per cent.

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