

# FEDERAL RESERVE BULLETIN

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FEDERAL RESERVE BOARD  
AT WASHINGTON

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## FEDERAL RESERVE BOARD.

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### SUBSCRIPTION PRICE OF BULLETIN.

The Federal Reserve Bulletin is distributed without charge to member banks of the system and to the officers and directors of Federal Reserve Banks. In sending the Bulletin to others the Board feels that a subscription should be required. It has accordingly fixed a subscription price of \$2 per annum. Single copies will be sold at 20 cents. Foreign postage should be added when it will be required. Remittances should be made to the Federal Reserve Board. Member banks desiring to have the Bulletin supplied to their 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.

### SECOND EDITION OF THE INDEX DIGEST.

The Federal Reserve Board has had prepared, primarily for its own use, a second edition of the Index Digest of the Federal Reserve Act, by Hon. Charles S. Hamlin, member of the Federal Reserve Board, the first edition of which was published in 1915. While the edition is primarily for the use of the Board, enough copies will be printed to supply the demand of banks and others who may desire to purchase them. Those who desire copies should at once remit \$1 (bound in paper) or \$1.25 (bound in cloth) to the Federal Reserve Bank of the district in which the subscriber is resident. Copies of the edition, when published, will be transmitted to the Federal Reserve Bank for distribution.

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# FEDERAL RESERVE BULLETIN

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No. 11

## MEMBERSHIP OF STATE INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM.

The President, on October 13, made public through the Federal Reserve Board the following statement:

"It is manifestly imperative that there should be a complete mobilization of the banking reserves of the United States. All who are familiar with financial operations must appreciate the importance of developing to the maximum our banking power and of providing financial machinery adequate for meeting the very great financial requirements imposed upon our country by reason of the war. A vigorous prosecution and satisfactory termination of the war will depend in no small degree upon the ability of the Government not only to finance itself, but also to aid the Governments associated with it in the war, which must be kept supplied with munitions, fuel, food, and supplies of all kinds. The banking problem involved is one which concerns all banks alike. Its solution does not depend upon the National banks alone, nor upon the State banks. The burden and the privilege must be shared by every banking institution in the country. The important functions of the Federal Reserve Banks in the sale of the Government's securities, in receiving and transferring the billions of dollars involved, in

supplying credit facilities, and in protecting the reserves of the country, have become so familiar to all that I am sure it is unnecessary to dwell upon or expound them.

"The extent to which our country can withstand the financial strains for which we must be prepared will depend very largely upon the strength and staying power of the Federal Reserve Banks. The Federal Reserve Act is the only constructive financial legislation which we have ever had which was broad enough to accommodate at the same time banks operating under powers granted by the General Government and banks whose charters are granted by the respective States. The unification of our banking system and the complete mobilization of reserves are among the fundamental principles of the Act.

"The State banking institutions for some reason have until recently seemed inclined to hold aloof. Congress a few months ago prescribed very generous terms for the admission of the State banks into the Federal Reserve System which have removed the objections heretofore raised by State banks when considering membership. As the law now stands it leaves member State banks and trust companies practically undisturbed in the exercise

of all the banking powers conferred upon them by the States. The law provides also in definite terms the condition upon which any State bank or trust company may withdraw from the system. Many of the largest State banks and trust companies are now becoming members, realizing that to win the war we must conserve all of the physical, financial, and moral resources of our country—that our finances must rest on the firmest possible foundation, and that they must be adequately and completely conserved so as to respond instantly to every legitimate demand. How can this necessary condition be brought about and be made permanently effective better than by the concentration of the banking strength of our country in the Federal Reserve System.

“May I not, therefore, urge upon the officers and directors of all nonmember State banks and trust companies which have the required amount of capital and surplus to make them eligible for membership, to unite with the Federal Reserve System now and thereby contribute their share to the consolidated gold reserves of the country? I feel sure that as member banks they will aid to a greater degree than is possible otherwise in promoting the national welfare, and that at the same time, by securing for themselves the advantages offered by the Federal Reserve System, they will best serve their own interest and the interest of their customers. I believe that cooperation on the part of the banks is a patriotic duty at this time, and that membership in the Federal Reserve system is a distinct and significant evidence of patriotism.

“There are probably 8,000 or 9,000 State banks and trust companies eligible for membership which have not yet united with the system. These institutions have it in their power to add enormously to the resources of the Federal Reserve Banks, thereby broadening and strengthening the foundation upon which our whole financial structure must rest. Permit me to urge that every bank officer and bank director owes a solemn obligation to the country which I am sure they wish to discharge. I, therefore, wish again to impress upon them my solemn conviction that they can best measure up to their duties and responsibilities through membership in the Federal Reserve System.

“ (Signed)                      WOODROW WILSON.

“The WHITE HOUSE, *October 13, 1917.*”

The President's statement has been sent out by the Federal Reserve Board to all banks, with the following letter dated October 15:

DEAR SIR: The Federal Reserve Board takes pleasure in bringing to your attention a statement by the President of the United States in which he urges the importance of the mobilization of the banking reserves of the country and points out that cooperation on the part of the banks at this time is a patriotic duty, and that membership in the Federal Reserve System is a distinct and significant evidence of patriotism.

The Board trusts that you will give this statement your immediate and earnest consideration, and if your board decides to respond to the President's appeal, that you will send your application for membership to the Federal Reserve Bank of your district. Applications will be acted upon as promptly as possible in the order of their receipt.

Very truly, yours,

W. P. G. HARDING, *Governor.*

## REVIEW OF THE MONTH.

The foregoing letter addressed by the President to State banks and trust companies comes as the climax of a movement which, as is well known, the Federal Reserve Board has had at heart from the beginning. It marks the month of October as one of the most decisive in the history of the Federal Reserve System, so far as State bank membership is concerned.

The President addressed the banks at a moment when, in consequence of certain changes recently made in the Federal Reserve Act, the main objection of State institutions had been overcome and when, in consequence, some of the most powerful trust companies had already decided to join the system, not only as a matter of self-protection, but as a matter of public duty toward the country at this time. Since then, in patriotic response to the President's appeal, there has been a daily growing number of applications for membership. During October there have been admitted State banks and trust companies with an aggregate capital and surplus of \$164,614,500 and aggregate resources of \$1,856,600,853. The Board is advised that in addition 93 banks and trust companies have passed resolutions authorizing application for membership.

The total resources of State institutions which up to October 31 had been granted membership were \$3,083,852,542, a figure not less than 20 per cent of the total nonnational bank resources of the country. The total number of State institutions admitted to membership in the system up to October 31 is 112. Among this number is included the majority of the strongest and most liquid nonmember banks of the country, situated in almost all of the chief financial centers. It is confidently expected that the President's letter to State institutions will have its effect in greatly enlarging the membership of the system among the smaller institutions of the country, many of whom are now applying for membership, and thus at last there will have been accomplished within a comparatively

short time what has been the constant policy of the Federal Reserve Board from the very beginning, namely, the incorporation of the great majority of the leading State banks and trust companies of the country into the Federal Reserve system, thus giving the system its widest foundation, and making it more fully adequate to cope with the many difficult problems confronting the banking organization of the country.

Statements from recent members, a few of which are published elsewhere in this issue, point to the fact that in entering the system many State institutions have acted from a large sense of national duty and without waiting to count the profit which they may expect to earn as a result of their membership. That such profit will accrue to them through various opportunities for new business has already been repeatedly demonstrated, and that the increase in their own safety will alone more than compensate for such expense as may be incurred in complying with the requirements of membership, is the belief of not a few of the keenest and wisest State bankers of the Nation. Regardless of all this, however, the position of the Nation, the need of consolidating its gold resources, the earnest call for enlargement of its rediscounting power through the massing of funds in the hands of the reserve banks, all constitute so urgent and obvious a necessity in coping with the unprecedented need of the Public Treasury and of the nation at large as to make membership in the system an undeniable duty for all banks that may be considered eligible under the law and the regulations of the Federal Reserve Board.

In the annals of American war finance the month of October, 1917, will remain memorable. It marks the campaign for the second Liberty Loan, which was carried to a most successful conclusion—an evidence of loyal patriotism and splendid citizenship on the part both of those engaged in the campaign and those that responded to the leadership.

Subscriptions to the second Liberty Loan closed on October 27. In the last issue of the

Duty of State institutions.

Success of Liberty Loan.

Federal Reserve Bulletin the terms and conditions under which this second issue of bonds was offered have already been stated. The organization developed during the campaign for the first Liberty Loan had been brought into existence and gradually perfected during the months between the first and second issues, and this preliminary work naturally rendered the technique of the second operation much simpler than that of the first. The actual figures of subscriptions received from each district are not available at this writing, but it is safe to say that the fact that there has been an oversubscription above the amount of \$3,000,000,000 offered is testimony to the efficiency with which the undertaking has been handled, as well as to the interest and support afforded by the country in connection with this unprecedented operation. Of the proceeds of the new loan about \$2,320,493,000 has been anticipated by the issue of short-term certificates, as in the case of the former issue. The use of the certificate plan and the retention of the system of installment payments for those subscribers who desired it, as well as the re-depositing of the subscribed funds with the banks with which they originated, insure that this loan, as its predecessor, will be handled with the least possible disturbance of the financial market. Experience with this second loan shows that the issuing machinery is now well developed and under good control, the problems of administration and management being thereby very much simplified. It is as yet too early to state the proportions in which the new issue of bonds has been placed with the public and with banking institutions, respectively, or how much has been paid for in cash and how much by borrowing, but in this instance no doubt, as in that of the first loan, bonds taken by banks and trust companies will be steadily and as fast as practicable transferred to investors.

During the month of October further Government financing has been conducted along the lines marked out during the summer. Since the latest issue of the Bulletin three additional

issues of short-term certificates of indebtedness have been placed. The first, offered on September 26, amounted to \$400,000,000 and matures December 15, 1917. The second was offered on October 18, the offer being made to an amount of not less than \$300,000,000, maturing on November 22, 1917. There were subscribed and allotted a total of \$385,197,000. The third offer was made on October 24, and was not limited to a specified amount, the intention being to meet the requirements of banks desiring to anticipate payments due on Liberty Loan subscriptions of their customers. The total amount of this issue placed was \$685,296,000, the certificates maturing on December 15, 1917. All issues bore 4 per cent interest and were placed under conditions practically identical with those that had been announced on former occasions and have already been fully discussed in the Federal Reserve Bulletin. The total of short-term certificates of indebtedness now outstanding is \$2,320,493,000, and this may be taken as in round numbers indicating a corresponding reduction in the net proceeds of the Liberty Loan when realized. The effect of the short-term certificates will thus in the case of the October issues, as on preceding occasions of like kind, be that of producing a steady flow of funds into the Treasury, the certificates affording means of exchange which can be used in remitting the proceeds of subscriptions to bonds. This system, now thoroughly established as the result of experience in the past, continues to produce the same result as heretofore in the maintenance of stable conditions and the avoidance of shock to the financial market.

The prompt response of the banks to these offerings of United States certificates of indebtedness shows that they are using the utmost efforts to support the policy of the Government in connection with the war. While the number of banks applying for these certificates has been a constantly increasing one, it is the policy in placing these securities still further to widen the circle of those who participate in subscribing for them.

The policy of the Government will best be supported by the nation-wide distribution of these certificates between one Liberty Loan issue and another.

The operations of the month, while necessarily producing a heavy drain upon the resources of the community, have not materially altered the liquid condition of the Federal Reserve Banks themselves, but the various institutions have continued strong and able to maintain very large percentages against both deposits and notes, these being on October 26, respectively, 70.3 per cent and 73.8 per cent.

Heavy discounting by the New York Reserve Bank of collateral notes for city members, chiefly in connection with the Government's loan operations, is the outstanding feature of banking operations for the past five weeks. During the period the total holdings by the Federal Reserve Banks of members' collateral notes increased from \$70,171,000 to \$271,712,000, while like holdings of the New York bank alone went up from \$6,568,000 to \$173,921,000. Most of this paper is secured by United States certificates of indebtedness or Liberty bonds. The total holdings of collateral notes thus secured show an increase between September 21 and October 26, from \$22,183,000 to \$209,230,000, while the New York Reserve Bank alone reported \$156,560,000 of this class of paper on hand on October 26, as against \$2,095,000 on September 21. It must be remembered, however, that during the process of adjustment in connection with the first Liberty Loan the pressure on the New York Federal Reserve Bank was heaviest during the period preceding the first payment. In explanation of this, it is pertinent to note that of the certificates of indebtedness now outstanding, banks of the New York Federal Reserve district have absorbed in anticipation and preparation for the final payment for subscriptions \$1,467,543,000, or 63 per cent of the total issued.

Acceptances on hand show a relatively small increase during the period from \$161,012,000 to \$177,590,000, few of the banks, outside of New York, increasing their investments in bankers'

bills. The total bills held by the New York bank on October 26 were \$216,533,000 in excess of the total reported on September 21, while bill holdings of the remaining 11 banks were only \$13,381,000 larger. The banks report an increase between the two dates of \$15,043,000 in United States securities on hand, largely United States certificates of the most recent issues. Their holdings of municipal warrants continue almost negligible. The total investments of the 12 banks on October 26 had reached a record total of \$684,959,000, or \$132,310,000 in excess of the total reported on June 22, following the consummation of the first Liberty Loan.

In the following table are shown the changes between September 21 and October 26 in the amounts of bills held by each of the Federal Reserve Banks, also changes in the total amounts of other classes of earning assets:

[000 omitted.]

Federal Reserve Bank.	Sept. 21.	Oct. 26.	Net increase.	Net decrease.
Boston.....	\$35,402	\$34,910	.....	\$483
New York.....	85,655	302,188	\$216,533	.....
Philadelphia.....	30,052	23,599	.....	6,453
Cleveland.....	33,329	27,599	.....	5,630
Richmond.....	19,914	17,051	.....	2,863
Atlanta.....	9,279	14,301	5,022	.....
Chicago.....	43,470	59,888	16,418	.....
St. Louis.....	19,936	24,147	4,211	.....
Minneapolis.....	14,137	11,018	.....	3,119
Kansas City.....	22,746	25,001	2,255	.....
Dallas.....	12,188	17,297	5,109	.....
San Francisco.....	18,632	17,576	.....	1,056
Total bills.....	314,770	574,684	229,914	.....
Total United States securities.....	94,999	110,042	15,043	.....
Total municipal warrants.....	214	233	19	.....
Total investments held.....	439,983	684,959	244,976	.....

Increases of \$197,000,000 in investments and of \$162,000,000 in net demand deposits reported by the Reserve situation. 59 New York Clearing House banks for the four-weeks period ending October 20 were accompanied by a gain of over \$45,000,000 in vault cash and reserve. This upward movement of loans and deposits goes hand in hand with the large financing operations of the Government, including the sale on September 26 and October 18 of the two issues of certificates of indebtedness elsewhere described. The reserve percentage for all clearing-house banks, representing the ratio of net demand de-

posits to aggregate vault cash of banks outside the Federal Reserve system plus amounts due from legal depositaries, including Federal Reserve Banks, shows an improvement from 18.7 to 19.1 per cent. A different development is shown for the New York banks in the Federal Reserve system for the reason that, in figuring their reserve, vault cash is disregarded and balances at the Federal Reserve Bank only are considered. For the same period the weekly average total of vault cash of these banks shows a gain of \$20,500,000, largely gold. This latter gain does not, however, affect the reserve percentage, which shows a decline from 16.4 per cent for the week ending September 22 to 16.1 per cent for the week ending October 20. Average excess reserves of all the 59 clearing-house banks varied between \$85,300,000 for the week ending September 22, \$98,600,000 for the week ending October 13, the largest figure shown for the period, and \$94,900,000 for the week ending October 20.

For the trust companies in Greater New York the State banking department shows a development parallel to that indicated for the members of the Federal Reserve system, the average reserve percentage declining from 21.8 per cent for the week ending September 22 to 20.7 per cent for the week ending September 29, during which the Government sold the \$400,000,000 issue of certificates of indebtedness, and showing a slight recovery to 21.3 per cent for the week ending October 13. For the following week, when the Government disposed of the ninth issue of certificates of indebtedness, the average reserve of the New York trust companies declined to 21 per cent.

Average excess reserves, including vault cash, of the 11 clearing-house banks in Boston, all members of the Federal Reserve system, declined from \$19,252,000 for the week ending September 22 to \$18,498,000 for the week following and to \$17,717,000 for the week ending October 13. For the week ending October 20 the average stood at \$18,527,000, or \$725,000 below the level shown for the initial week.

For the 27 national banks, members of the Philadelphia Clearing House, excess reserves proper (i. e., disregarding amounts of vault

cash) show but little change, the weekly averages varying between \$5,263,000 for the week ending September 22 and \$5,917,000 for the week ending October 6 and averaging \$5,432,000 for the week of October 20. There was, however, a substantial gain in vault cash, the average excess of vault cash plus actual balances with the Federal Reserve bank over average Federal Reserve balances required by the amended act showing an increase from \$21,039,000 for the week ending September 22 to \$23,588,000 for the week ending October 20, the last week under review.

The President on October 3 signed the War Revenue Act, which thus becomes law, and which will necessarily largely affect the revenues of every business institution, as well as of every individual in the country. The banks are directly interested in those provisions of the measure which relate to taxation of their profits, and which impose a tax upon their instruments of credit. The portions of the law relating to these subjects are reprinted elsewhere in this issue (p. 868). One aspect of the law is of very considerable interest, not merely from the standpoint of business profit, but from that of general banking and financing. So great are the demands to be met under the new legislation, that it has been feared by some that funds may be "tied up" in banks to no inconsiderable extent, awaiting the time when payments have to be met on tax account. This would be an undesirable situation, both on account of the loss of interest to the owners of the funds, and because of the effect on banking conditions resulting from a policy which would unavoidably render so large a volume of resources unavailable. In this, as in the offering of short-term certificates of indebtedness, the problem is that of maintaining a regular flow of funds into and out of the Treasury. To meet this contingency it has been suggested that temporary certificates of indebtedness in suitable denominations, maturing June 15, 1918, be continuously placed on sale over the counters of reserve banks in any amount that may be necessary to satisfy the demand. Large taxpayers, who were unwilling to have

The War Revenue Act.

their funds rendered unavailable, would then purchase the certificates required, and would hold them as interest-bearing assets up to the time when tax payments must be turned in, using them in place of actual cash or checks on banks. If some adjustment of this kind can be effected the danger of rendering large quantities of bank funds unavailable over considerable periods will be avoided.

The system for the control of exports of coin, bullion, and currency, instituted in response to the proclamation of the President of the United States, under date of September 12, has been continued and extended in its application. While passing daily upon all applications for the export of money that have been presented to it, the effort of the Federal Reserve Board, working in conjunction with the Treasury Department, has been to devise ways and means for the furnishing of satisfactory quantities of exchange in our foreign trade, the disturbance of which would not be compatible with the best interests of our country. Mexico, South America, and the Orient each represent a different phase of the same general problem, and the solution must be sought either in developing ways and means of furnishing acceptable exchange upon a basis which would permit the retention of the gold in the United States as a basis for paper currency to be issued in the country with which the arrangement was entered into, or further experience may demonstrate that the most practicable method for effecting settlement of such trade balances will be a readjustment of exports and imports upon such a basis as to bring about a satisfactory equilibrium. The difficulty in the case will be found in determining exactly what elements of trade can safely be dispensed with, as well as in determining when and under what conditions a given branch of trade is so indispensable as to warrant its continued maintenance even at the expense of regular gold shipments for use in settling the trade balance growing out of it. In this connection it should be noted that the so-called trading with the enemy act, signed by the President on October 6,

places in the hands of the administration full power to control not only the movements of coin, bullion, and currency but all dealings in foreign exchange. By proclamation on October 12, published elsewhere in this issue, the President has vested these powers in the Secretary of the Treasury. The administrative oversight of coin and currency movements continues, however, to be exercised subject to the approval of the Secretary of the Treasury, as heretofore, by the Federal Reserve Board.

For the four weeks ending October 12 the net outward movement of gold totaled \$18,529,000, compared with \$33,312,000 for the immediately preceding four weeks. Gold imports totaling \$4,053,000 are credited chiefly to Canada, Mexico, and South American countries, while gold exports amounting to \$22,582,000 were destined largely to Japan, Spain, British India, and South American countries. The net increase in the country's stock of gold through recorded net imports since August 1, 1914, is seen from the following exhibit:

[000's omitted.]

	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914.....	\$23,253	\$104,972	\$81,719
Jan. 1 to Dec. 31, 1915.....	451,955	31,428	420,529
Jan. 1 to Dec. 31, 1916.....	685,745	155,793	529,952
Jan. 1 to Oct. 12, 1917.....	545,080	353,646	191,434
Total.....	1,706,033	645,837	1,060,196

<sup>1</sup> Excess of exports over imports.

The passage of the act of October 5, 1917, authorizing national banks to issue not more than \$25,000 each in denominations of \$1 and \$2, and authorizing them to issue notes of \$5 on the same basis as other denominations is intended to provide a larger volume of small bills. The Treasury Department, as is well known, has for some time past been converting large greenbacks or United States notes into notes of small denominations, thereby probably finding a permanent field of circulation for them. As the greenbacks thus move out of the larger and into the small denominations, an increasing field for Federal Reserve notes is opened.

The Treasury, the Federal Reserve Board, and the Federal Reserve Banks are consistently cooperating in substituting Federal Reserve notes for the circulation of gold certificates, and they are effectively supported in this undertaking by the national banks and those of the State banks and trust companies which have joined the system.

#### Membership in the Federal Reserve System.

The following statement shows the number of State institutions admitted to the Federal Reserve System from October 1 to October 31.

##### State banks admitted during October.

	Capital.	Surplus.	Total resources.
Canal Bank & Trust Co., New Orleans, La.	\$2,000,000	\$500,000	\$21,210,371
Spokane & Eastern Trust Co., Spokane, Wash.	1,000,000	200,000	20,078,866
Chicago Savings Bank & Trust Co., Chicago, Ill.	1,000,000	200,000	12,733,891
Union Bank of Pike Summit, Miss.	25,000	4,000	165,516
Guaranty Trust Co., New York, N. Y.	25,000,000	25,000,000	613,535,033
Sioux Falls Savings Bank, Sioux Falls, S. Dak.	200,000	23,000	3,852,236
First Savings & Trust Co. of Whitman County, Colfax, Wash.	50,000	15,000	369,711
Bank of Williston, Williston, N. Dak.	50,000		113,071
Live Stock State Bank, North Portland, Oreg.	100,000	10,000	372,846
Genesee Exchange Bank, Genesee, Idaho.	25,000	12,500	482,091
Lafayette South Side Bank, St. Louis, Mo.	800,000	400,000	12,604,870
Central Trust Co., New York, N. Y.	5,000,000	15,000,000	214,715,020
Bankers Trust Co., New York, N. Y.	11,250,000	11,250,000	327,011,784
Equitable Trust Co., New York, N. Y.	6,000,000	10,500,000	222,410,796
Metropolitan Trust Co., New York, N. Y.	2,000,000	4,000,000	66,250,091
Metropolitan Bank, New York, N. Y.	2,000,000	1,000,000	28,801,800
Franklin Bank, St. Louis, Mo.	600,000	700,000	3,961,674
Bank of America, New York, N. Y.	1,500,000	6,000,000	60,903,085
Buffalo Trust Co., Buffalo, N. Y.	500,000	500,000	9,624,217
Pacific Bank, New York, N. Y.	500,000	500,000	13,907,579
Union & Planters Bank & Trust Co., Memphis, Tenn.	1,400,000	200,000	15,307,795
The New York Trust Co., New York, N. Y.	3,000,000	10,000,000	90,773,776
Newton Trust Co., Newton, Mass.	400,000	400,000	4,889,053
German American Bank, St. Louis, Mo.	1,000,000	700,000	9,239,685
Lawrence Savings & Trust Co., New Castle, Pa.	300,000	300,000	3,183,907
Mercantile Trust & Deposit Co., New York, N. Y.	1,000,000	500,000	8,593,786
Girard Trust Co., Philadelphia, Pa.	2,500,000	7,500,000	61,172,461
Franklin Trust Co., New York, N. Y.	1,000,000	1,000,000	24,823,842
<b>Total</b>	<b>68,200,000</b>	<b>96,414,500</b>	<b>1,856,600,853</b>

One hundred and seventeen State institutions are now members of the system, having a total capital of \$130,605,000, total surplus of \$159,082,465, and total resources of \$3,083,852,542.

Following is the number of applications for admission to membership in the Federal Reserve System received from or authorized by the boards of directors of State banks and trust companies in the several districts, and which are now pending:

	Number of applications in hands of Federal Reserve Agent.	Number of banks passing resolutions authorizing application.	Total.
District No. 1—Boston	4	3	7
District No. 2—New York	10	5	15
District No. 3—Philadelphia	3	8	11
District No. 4—Cleveland	5	4	9
District No. 5—Richmond	2	2	4
District No. 6—Atlanta	6	5	11
District No. 7—Chicago	15	1	16
District No. 8—St. Louis		1	1
District No. 9—Minneapolis	8		8
District No. 10—Kansas City	1	2	3
District No. 12—San Francisco	6	3	9
<b>Total</b>	<b>60</b>	<b>33</b>	<b>93</b>

Expressions with reference to their reasons for entering the system have been issued during the past few weeks by some of the institutions that have applied for membership. It is believed that they will be of exceptional interest at this time as conveying an indication of the attitude of institutions joining the Federal Reserve System. A few of these, printed in full as issued, are as follows:

##### (Guaranty Trust Co. of New York.)

"The Guaranty Trust Co. of New York decided to join the Federal Reserve System after giving the matter very serious and very careful consideration covering many months of close study, keen analysis, and continuous observation.

"The act as first passed in December, 1913, contained certain provisions which in our judgment from the standpoint of State banks and trust companies rendered membership in the system undesirable. We felt at the time that the Federal Reserve Act was by far the best financial legislation that had ever been enacted, that it was a long step in the direction of banking and currency reform, but that it

contained certain defects which time and experience undoubtedly would remedy. It has been exceedingly interesting to observe the practical operation of the law during the past three years, and it is gratifying to all who are interested in the permanent solidity of the business structure of our country to note that Congress with reasonable promptness has made such vital changes in the law as practical experience has demonstrated were necessary.

"As the Federal Reserve Act stands to-day, practically every serious objection to membership, which was evident at the time the law was passed has been removed, and therefore it was with genuine satisfaction that the Guaranty Trust Co. of New York decided to apply for membership in the system.

"During the past three years there has existed an almost continuous discussion among bankers of the country as to the various provisions of the Federal Reserve Act with special regard to membership or nonmembership in the system. Hundreds and perhaps thousands of letters have come to us from banks and trust companies in all parts of the country asking our opinion of the law. These we have endeavored to answer to the best of our ability. In view of this fact, we are taking the liberty of presenting the specific reasons which influenced us to make application for membership in the system.

"Our country is engaged in the greatest war in the history of the world. This war must be won. In order to win it we must conserve all of the physical and financial and moral resources of our country. Manifestly the finances of our Nation must be as solid as a rock, adequately and competently conserved, and delicately and instantly responsive to every legitimate demand. In our judgment this absolutely necessary condition can best be made permanently effective by the concentration of the banking strength of our country in the Federal Reserve System. We believe that membership in the Federal Reserve System, especially at this time, is a distinct and significant evidence of practical patriotism.

"With certain minor exceptions, we retain all of our charter rights as a trust company under the New York State banking law. Nothing in the Federal Reserve Act abridges our powers in any of the following revenue-producing departments: Bond, coupon, registration, reorganization, transfer, and trust departments.

"If at any time we should desire to withdraw from the system, we could do so after six

months' notice, and on surrender of our holdings of capital stock in the Federal Reserve Bank of New York, provided that the Federal Reserve Bank of New York can not, except with express authority from the Federal Reserve Board, cancel within the same calendar year, more than 25 per cent of its capital stock for the purpose of effecting voluntary withdrawals during that year.

"As a member of the Federal Reserve Bank of New York, our acceptance business will experience increased profits due to the fact that our acceptances will receive the preferential rate accorded to those of member banks when purchased by the Federal Reserve Bank, and consequently they will sell at better rates in the open market also. In this way our acceptance credit standing will be improved.

"In addition to the rediscounting privileges in the handling of acceptances we shall have the privilege of rediscounting with the Federal Reserve Bank of New York eligible commercial paper and bills of exchange in an unlimited amount. Obviously this privilege is of distinct advantage, not only to the company, but to its commercial customers and through them to the entire business community.

"At the present time national banks and other member banks are limited in the matter of depositing with us their excess reserve to 10 per cent of their capital and surplus. By joining the system this restriction, so far as we are concerned, is removed, and member banks and trust companies can keep with us as much of their excess reserve as they desire.

"As a member of the system we are not compelled to maintain large excess cash reserves when anticipating stringent money conditions or when providing for the financing of large transactions in which we expect to participate with member banks. We can therefore employ to greater advantage our excess reserves by applying them in the usual investment channels, thus obtaining a substantial yield.

"By a decision of Acting Attorney General John W. Davis, rendered September 14, 1917, the Clayton Act, which under certain provisions prohibits interlocking directorates, does not apply to our company, and therefore membership in the system does not in any way affect the personnel of our board of directors.

"Our investment in the capital stock of the Federal Reserve Bank of New York is practically assured of a steady income of 6 per cent per annum.

"The original Federal Reserve Act provided for examinations under the direction of the

Comptroller of the Currency. By amendment of June 21, 1917, examinations are now made under the direction of the Federal Reserve Board, and when approved by the directors of the Federal Reserve Bank, examinations made by the New York State superintendent of banks may be accepted.

"Under the original Federal Reserve Act member banks were required to make reports to the Comptroller of the Currency at least five times a year. By amendment of June 21, 1917, as a member of the system we will now be required to make reports at least three times a year to the Federal Reserve Bank of New York on dates to be fixed by the Federal Reserve Board; and should calls for statements by the State superintendent and by the Federal Reserve Board fall on identical dates, the Federal Reserve Bank of New York may accept the reports made to the State superintendent."

(The Equitable Trust Co. of New York.)

"The Equitable Trust Co. of New York has applied for membership in the Federal Reserve System, moved by considerations not only of patriotism but from the conviction that the financial strain for which this country must be prepared during the continuance of the war and for a long period beyond can be most effectively withstood by the identification of every large financial institution with the established national banking system.

"Whatever the minor disadvantages of subordinating and, to some extent, surrendering some of the banking powers conferred upon State institutions by their several States, it was felt that the present was essentially the time for the unification of all the banking resources of the country.

"The Equitable Trust Co. of New York is the third largest trust company in the United States. Its capital, surplus, and undivided profits are \$18,900,000, and its total resources, according to its last report to the State banking department of New York, are about \$230,000,000. It has important branches in both London and Paris."

(Central Trust Co. of New York.)

"The board of trustees of the Central Trust Co. of New York to-day voted unanimously in favor of the Central Trust Co. of New York applying for membership in the Federal Reserve Bank.

"The trustees believe that it is their unmistakable patriotic duty to add all in their power

to the banking strength of this Government represented by the Federal Reserve Bank, and to participate in the many advantages that system furnishes."

(Bankers' Trust Co. of New York.)

"The board of directors of the Bankers' Trust Co., at a special meeting called for the purpose on October 9, authorized the officers of the company to make application to the Federal Reserve Board for membership in the Federal Reserve System.

"Seward Prosser, president of the company, authorized the following statement with reference to the motives which prompted the company's action:

"While it is true that we considered carefully what the benefits and the possible expenses might be attending membership in the Federal Reserve System, in the last analysis we struck aside all minor questions, such as whether it would be profitable or unprofitable, and allowed no technical or political objections to get in the way of the big question. The only reason which really brought about our application for membership was the fact that we had come to the conclusion that we no longer had a right to stay out of the Federal Reserve System when it was our belief that in a large way it was the duty of an institution such as ours to join hands with our Government at this time."

"The capital and surplus of the Bankers' Trust Co. is \$22,500,000 and its total assets \$329,000,000."

(Metropolitan Trust Co. of New York.)

The executive committee of the Metropolitan Trust Co. has applied for membership in the Federal Reserve System, and this action has been ratified by the board of directors of the company.

In announcing the decision of the institution to join the Federal Reserve, President George C. Van Tuyl, jr., said:

"In the opinion of the officers of the company it seemed wise, especially at this time, that all State institutions join the Federal Reserve System in order to aid the Government in marshalling and concentrating the financial resources of the country for the war.

"Motives of patriotism call for the strengthening and broadening of what has so far proven to be the most satisfactory banking system in the world. Amendments made to the Federal Reserve law, since opportunity has been provided to observe its practical work-

ings, make it possible for State institutions to become members of the Federal Reserve Bank without sacrificing their charter rights or having their business restricted.

"It is our belief that concerted action on the part of all banking institutions may in this way help to conserve the physical as well as the financial resources of the United States, and that membership in the Federal Reserve System is the highest standard of practical patriotism possible for banks and trust companies to attain.

"Practically every serious objection to membership in the Federal Reserve System, as originally passed in December, 1913, has been removed during the past three years, thus preparing the way satisfactorily for the Metropolitan Trust Co. to apply for membership. At that time we believed that the Federal Reserve Act was by far the best financial legislation ever enacted, but that it contained certain defects to be corrected by time and experience."

(W. R. Grace & Co., New York.)

"In addition to being a prompt response to President Wilson's appeal for State banks and trust companies to join the Federal Reserve System, the action of W. R. Grace & Co.'s bank in entering the system indicates the value of the Federal Reserve System to international banking activities.

"In bringing their resources into the Federal Reserve System the directors felt the affiliation would be a source of greater prestige to wider foreign banking operations soon to be undertaken, the variety of which will be much greater than would have been possible before the war, because of the greater diversification of American import and export trade.

"J. Louis Schaefer, president of the bank, said: 'Aside from patriotic reasons, there are distinct financial advantages to be derived from joining the system. The paper of the bank will be placed in a better position and immediately strengthened in South America.'

"The institution is a New York State bank, established in June, 1915, with a capital of \$100,000, and a surplus of \$25,000, to accommodate part of the banking business of the export, import, and shipping business of the firm. It now has a capital and surplus of more than \$1,000,000 and correspondents in all Central and South American countries."

(Pacific Bank, New York.)

"The Pacific Bank joins the Federal Reserve System because its directors believe that present conditions demand of every citizen and corporation the utmost of cooperative effort. We believe the bank can be of more service to the community as a part of the Federal Reserve System. Intelligent mobilization of the financial resources of the country is required, and we want to do our part in this service."

(New York Trust Co.)

The New York Trust Co., with a view to cooperating in every way with the United States Government under the present conditions, has filed its application for membership in the Federal Reserve System.

(Girard Trust Co., Philadelphia, Pa.)

"The Government needs every bit of the available resources of the country, and we decided the question purely on the ground of patriotism, and are anxious to do our share."

#### Small National-Bank Notes.

The President, on October 5, signed an act "to amend the laws relating to the denominations of circulating notes by national banks and to permit the issuance of notes of small denominations." The purpose of the measure is to relieve the recent shortage of small notes. The text of the law is as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the act of June third, eighteen hundred and sixty-four, Revised Statutes, section fifty-one hundred and seventy-five, which prohibits national banks from being furnished with notes of less denomination than \$5, be, and it is hereby repealed.

Sec. 2. That that part of the act of March fourteenth, nineteen hundred, which provides "that no national banking association shall, after the passage of this act, be entitled to receive from the Comptroller of the Currency, or to issue or reissue, or place in circulation

more than one-third in amount of its circulating notes of the denomination of \$5," be, and it is hereby, repealed.

Sec. 3. That from and after the passage of this act any national banking association, upon compliance with the provisions of law applicable thereto, shall be entitled to receive from the Comptroller of the Currency, or to issue or reissue, or place in circulation notes in denominations of \$1, \$2, \$5, \$10, \$20, \$50, and \$100 in such proportion as to each of said denominations as the bank may elect: *Provided, however,* That no bank shall receive or have in circulation at any one time more than \$25,000 in notes of the denominations of \$1 and \$2.

Sec. 4. That all acts or parts of acts which are inconsistent with this act are hereby repealed.

Approved, October 5, 1917.

#### Licensing of Insurance Companies.

Authority to license enemy or ally of enemy insurance companies or to withhold such license has been delegated under the trading with the enemy act by the President to Secretary McAdoo, who on October 17 requested all State superintendents of insurance to transmit to the companies concerned notices setting forth the information required at the time the application for license is made.

The information which the Secretary requires is as follows: Name of company, country under whose laws incorporated, address of head office in the United States; States and Territories in which company is entered to do business; financial statement of the United States branch; class of business done (fire, marine casualty, etc., and direct or reinsurance); total amount of insurance in force on September 1, 1917, showing the amount of insurance written in each of the several States and Territories and the District of Columbia of the United States; total amount of reinsuring received from other insurance companies in the United States, as of September 1, 1917; particulars of all contracts (class of business and limit of hazard) reimbursing other insurance companies in the United States, showing names of companies and dates of expiration of such contracts and any further information the applicant may desire to submit.

Applications for licenses must be made prior to November 5, and the applications must be acted upon within 30 days after receipt. The Secretary has full discretion as to granting or refusing to grant licenses, or he may grant them under such restrictions and for such a time as he may determine.

Companies that have made application for licenses may, until their applications are acted upon, continue to do business as provided by the terms of the President's proclamation of April 6, which allowed German insurance companies admitted to transact business in the various States of the United States to continue this business under certain restrictions, as amended by the proclamation of July 13, which withheld this privilege from companies transacting marine and war risk insurance.

#### Offering of Treasury Certificates.

Two issues of Treasury certificates of indebtedness, dated October 18 and 24, 1917, bearing 4 per cent interest, were announced by the Secretary of the Treasury in October. The certificates are payable November 22 and December 15, 1917. The announcements follow:

OCTOBER 18, 1917.

Secretary McAdoo offers for subscription at par, through the Federal Reserve Banks, \$300,000,000 of Treasury certificates of indebtedness, payable on November 22, 1917, with interest at the rate of 4 per cent per annum from October 18, 1917. Subscriptions will be received at the Federal Reserve Banks until 3 o'clock p. m., October 15, 1917, their local time.

Payment for certificates allotted must be made on October 18, 1917, to the 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. The certificates will be in denominations of \$1,000, \$5,000, \$10,000, and \$100,000.

Certificates will be exempt both as to principal and interest from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate and inheritance taxes and (b) graduated additional income taxes, com-

monly known as surtaxes and excess profits and war profits taxes now or hereafter imposed by the United States upon the income or profits of individuals, partnerships, associations, or corporations, and the interest on an amount of certificates authorized in said act the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, association, or corporation shall be exempt from the taxes provided for in clause (b) above.

Certificates of this series will be accepted at par, with adjustment of accrued interest, if tendered on November 15, in payment on the subscription price then payable on any bonds of the second Liberty Loan subscribed for by and allotted to holders of such certificates.

Interim receipts may be issued pending delivery of the definitive certificates.

The Treasury Department, on October 24, issued the following statement:

Secretary McAdoo to-day announced that under the authority of the act of Congress approved September 24, 1917, for the purposes therein indicated, and as a convenience to banks and trust companies and other subscribers to the second Liberty Loan, and as a further means of avoiding concentration of payments on bond subscriptions, he will receive through the Federal Reserve Banks subscriptions at par and accrued interest for a limited amount of Treasury certificates of indebtedness. The certificates will be payable December 15, 1917, with interest at the rate of 4 per cent per annum from October 24, 1917. Certificates of this series will be accepted at par with an adjustment of accrued interest if tendered on November 15 or December 15 in payment on the subscription price then payable of any bonds of the second Liberty Loan subscribed for by and allotted to holders of said certificates.

Allotments will be made in the order subscriptions are received, and payments at par and accrued interest must be made on allotment. The right is reserved to reject any subscription and to allot less than the amount applied for, and to close the subscriptions at any time without notice. Qualified depositories will be permitted to make payments by credit for certificates allotted to them for themselves or their customers up to the amount for which each shall have qualified when so notified by Federal Reserve Bank, otherwise payment must be made in the ordinary way. The certificates will be issued in denominations of \$1,000, to \$5,000, \$10,000, and \$100,000.

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### Acceptances to 100 Per Cent.

Since the issue of the October Bulletin the following banks have been authorized to accept drafts and bills of exchange up to 100 per cent of their capital and surplus: Safety Fund National Bank, Fitchburg, Mass.; Guaranty Trust Co., New York City; Liberty National Bank, New York City; Central National Bank, Albany, Ala.; Central Trust Co., New York City; Bankers' Trust Co., New York City; Hartford-Aetna National Bank, Hartford, Conn.; and the Equitable Trust Co., New York City.

### Fiduciary Powers.

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

#### DISTRICT No. 1.

Trustee, executor, administrator, and registrar of stocks and bonds:  
Mechanics National Bank, Worcester, Mass.  
Wareham National Bank, Wareham, Mass.

#### DISTRICT No. 2.

Trustee, executor, administrator, and registrar of stocks and bonds:  
Second National Bank, Red Bank, N. J.

#### DISTRICT No. 3.

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

#### DISTRICT No. 4.

Trustee, executor, administrator, and registrar of stocks and bonds:  
German National Bank, Allegheny, Pittsburgh, Pa.

#### DISTRICT No. 5.

Trustee, executor, administrator, and registrar of stocks and bonds:  
National Bank of Rising Sun, Rising Sun, Md.

#### DISTRICT No. 7.

Trustee, executor, administrator, and registrar of stocks and bonds:  
First National Bank, Monrovia, Ind.  
Central National Bank, Battle Creek, Mich.

#### DISTRICT No. 8.

Trustee, executor, administrator, and registrar of stocks and bonds:  
City National Bank, Metropolis, Ill.  
First National Bank, Mitchell, Ind.

## DISTRICT No. 10.

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

Farmers National Bank, Salina, Kans.

Registrar of stocks and bonds:

United States National Bank, Omaha, Nebr.

## DISTRICT No. 11.

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

First National Bank, Carlsbad, N. Mex.

Trustee, executor, and administrator:

Campbell National Exchange Bank, Campbell, Tex.  
San Angelo National Bank, San Angelo, Tex.

**GOLD SETTLEMENT FUND.**

For the four weeks ending October 18, net transfers through the gold settlement fund to the New York bank from other Federal Reserve Banks totaled \$13,100,000, while net debits of the New York bank in the four weekly settlements aggregated \$174,094,000. These results indicate a net movement of funds to the interior of \$160,994,000, Cleveland and Chicago receiving about one-third of the amounts thus transferred.

Total amounts reported by all Federal Reserve Banks for the four settlements after September 20, to October 18 were \$2,030,572,000, or on an average of \$507,643,000 a week, as against \$492,204,000 the weekly average for the four-week period immediately preceding. Total balances in the fund, in-

cluding amounts standing to the credit of the Federal Reserve Agents, increased from \$610,021,560 on September 20 to \$679,184,260 on October 18, the credit balances of the banks indicating a decrease of \$4,990,300 and those of the Federal Reserve Agents an increase of \$74,153,000. Owing to heavy gold transfers from New York, changes in ownership of gold in the fund amounted to 7.42 per cent of the obligations settled, as against 2.86 per cent for the four weeks ending September 20.

Below are given figures showing changes in the fund between September 20 and October 18, inclusive:

*Amounts of clearings and transfers, Federal Reserve Banks, from Sept. 27 to Oct. 18, 1917, inclusive.*

(In thousands of dollars.)

	Total clearings.	Balances adjusted.	Transfers.
Settlement of—			
Sept. 27, 1917.....	542,078	55,269	39,400
Oct. 4, 1917.....	512,552	40,120	65,400
Oct. 11, 1917.....	495,374	42,302	27,500
Oct. 18, 1917.....	480,568	52,219	8,000
Total.....	2,030,572	189,910	140,300
Previously reported for 1917.....	14,572,434	1,319,094	1,568,065.5
Total since Jan. 1, 1917.....	16,603,006	1,509,004	1,708,365.5
Total transfers Jan. 1, 1917, to date...	1,708,365.5		
Total for 1916, including transfers.....	5,633,986		
Total for 1915, including transfers.....	1,032,649		
Total clearings and transfers, May 20, 1915, to Oct. 18, 1917.....	24,997,986.5		

*Changes in ownership of gold.*

(In thousands of dollars.)

Federal Reserve Bank of—	Total to Sept. 20, 1917.		From Sept. 20 to Oct. 18, 1917, inclusive. <sup>1</sup>				Total changes from May 20, 1915, to Oct. 18, 1917. <sup>2</sup>	
	Decrease.	Increase.	Balance to credit Sept. 20, 1917, plus net deposits of gold since that date.	Balance Oct. 18, 1917.	Decrease.	Increase.	Decrease.	Increase.
Boston.....		\$37,008	\$14,380	\$17,779		\$3,399		\$40,407
New York.....	\$415,428		207,695	46,601	\$160,994		\$576,422	
Philadelphia.....		50,868	25,316	41,947		16,631		67,499
Cleveland.....		70,550	34,229.4	57,672.4		23,443		93,993
Richmond.....		16,126	20,521.6	31,021.6		10,500		26,026
Atlanta.....		21,388	* 11,661.75	3,793.25		15,455		36,343
Chicago.....		47,011	40,359.16	63,381.16		23,022		70,033
St. Louis.....		8,864	10,300	20,956		10,656		19,510
Minneapolis.....		9,864	* 1,539	9,908		11,447		21,311
Kansas City.....		48,662.5	28,244.45	40,524.45		12,280		60,942.5
Dallas.....		27,228.5	125.4	14,441.4		14,316		41,544.5
San Francisco.....		77,868	9,387	29,232		19,845		97,713
Total.....	415,428	415,428	377,257.26	377,257.26	160,994	160,994	576,422	576,422

<sup>1</sup> Changes in ownership of gold during period Sept. 20 to Oct. 18, 1917, equal 7.42 per cent of the obligations settled.

<sup>2</sup> Total changes in ownership of gold since May 20, 1915, equal 2.31 per cent of obligations settled.

\* Overdraft.

Gold-settlement fund—Summary of transactions from Sept. 20 to Oct. 18, 1917, inclusive.

Federal Reserve Bank of—	Balance last statement, Sept. 20, 1917.	Gold.		Transfers.		Weekly settlements from Sept. 20 to Oct. 18, 1917.				Oct. 18, 1917, balance in fund after close of business.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....	\$15,180	\$2,000	\$1,200	\$2,000	\$3,000	\$3,646	\$143,666	\$146,065	\$6,045	\$17,779
New York.....	138,550	22,955	92,000	57,400	70,500	174,094	689,673	515,579	-----	46,601
Philadelphia.....	27,376	32,800	30,740	7,000	13,000	1,698	253,398	264,029	12,329	41,947
Cleveland.....	40,558.6	12,058	5,728.8	27,000	-----	-----	122,812	173,255	50,443	57,672.4
Richmond.....	23,879.1	13,301	9,943.5	6,000	-----	-----	103,292	119,792	16,500	31,021.6
Atlanta.....	12,161.75	13,200	3,700	1,000	9,900	-----	51,671	58,226	6,555	3,793.25
Chicago.....	54,952.06	64,702	50,109.1	24,900	3,000	-----	265,755	310,677	44,922	63,381.16
St. Louis.....	19,850	9,550	-----	-----	3,000	3,310	136,785	144,441	10,966	20,956
Minneapolis.....	9,461	13,000	2,000	3,000	1,000	-----	41,770	55,217	13,447	9,908
Kansas City.....	32,730.55	6,600	2,113.9	3,000	2,000	683	109,432	109,712	13,963	40,524.45
Dallas.....	7,560	7,434.6	-----	1,500	4,000	-----	51,953	63,769	11,816	14,441.4
San Francisco.....	14,312	8,675	3,750	7,500	30,900	6,479	73,365	69,810	2,924	29,232
<b>Total.....</b>	<b>382,247.56</b>	<b>206,275.6</b>	<b>201,285.3</b>	<b>140,300</b>	<b>140,300</b>	<b>189,910</b>	<b>2,030,572</b>	<b>2,030,572</b>	<b>189,910</b>	<b>377,257.26</b>

<sup>1</sup> Overdraft.

Federal Reserve Agents' fund—Summary of transactions from Sept. 20 to Oct. 18, 1917.

(In thousands of dollars.)

Federal Reserve Agent at—	Balance last statement, Sept. 20, 1917.	Gold withdrawn.	Gold deposited.	Balance Oct. 18, 1917.	Federal Reserve Agents at—	Balance last statement, Sept. 20, 1917.	Gold withdrawn.	Gold deposited.	Balance Oct. 18, 1917.
Boston.....	\$2,000	-----	-----	\$2,000	Minneapolis.....	\$5,500	-----	\$13,000	\$18,500
New York.....	-----	-----	-----	-----	Kansas City.....	17,260	\$500	6,600	23,360
Philadelphia.....	25,179	\$16,940	\$24,700	32,939	Dallas.....	3,344	600	6,930	9,674
Cleveland.....	20,600	-----	-----	20,600	San Francisco.....	21,266	3,500	8,660	26,366
Richmond.....	11,500	-----	13,300	24,800	<b>Total.....</b>	<b>227,774</b>	<b>50,167</b>	<b>124,320</b>	<b>301,927</b>
Atlanta.....	22,050	3,780	13,200	31,470					
Chicago.....	86,315	24,647	28,690	90,358					
St. Louis.....	13,360	200	9,300	22,460					

Operations of the Federal Reserve clearing system, Sept. 16 to Oct. 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).		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 member banks on par list.
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.		
Boston.....	2,244	\$10,326,230	36,056	\$4,460,551	3,431	\$5,091,833	41,731	\$19,878,614	2,262	\$1,367,877	396	250
New York.....	4,745	58,189,091	37,074	8,027,042	17,455	12,373,613	59,274	78,589,746	13,267	6,472,265	631	343
Philadelphia.....	13,392	13,584,699	20,014	2,952,628	9,376	10,029,282	42,752	26,566,609	1,325	621,477	634	251
Cleveland.....	1,302	3,447,174	17,754	9,338,330	1,252	1,879,427	20,308	14,664,931	401	123,839	754	567
Richmond.....	1,136	3,211,676	17,177	6,020,660	1,902	3,892,236	20,215	13,124,572	404	144,596	523	267
Atlanta.....	1,200	1,442,370	10,254	2,417,477	1,495	1,780,165	12,949	5,640,012	665	378,096	381	347
Chicago.....	6,829	16,983,000	16,937	3,901,060	1,530	543,000	25,296	21,427,000	4,401	1,141,000	1,062	2,082
St. Louis.....	1,689	5,593,479	9,612	2,126,025	165	2,036,901	11,466	9,756,405	1,859	719,081	473	1,004
Minneapolis.....	2,351	5,634,238	12,213	1,186,665	756	1,367,446	15,320	8,188,349	293	55,042	762	1,017
Kansas City.....	2,163	4,445,270	13,485	3,544,975	675	4,237,086	16,323	12,227,331	580	323,000	955	1,526
Dallas.....	1,293	2,313,694	12,276	965,046	592	1,242,750	14,161	4,521,490	127	83,772	633	220
San Francisco.....	2,247	3,100,545	10,683	2,535,805	1,587	510,842	13,917	6,147,192	1,213	2,088,471	543	1,178
<b>Totals:</b>												
Sept. 16 to Oct. 15, 1917.....	40,591	123,271,466	212,935	47,476,204	40,216	44,984,581	293,742	220,732,251	26,797	13,518,566	7,747	9,052
Aug. 16 to Sept. 15, 1917.....	36,306	100,331,694	182,191	41,323,621	32,564	40,648,168	251,061	182,303,433	23,492	11,006,515	7,718	8,934
July 16 to Aug. 15, 1917.....	36,727	98,075,919	175,625	40,353,278	31,273	37,981,022	243,625	176,410,219	19,533	9,701,569	7,683	8,837
June 16 to July 15, 1917.....	38,476	109,722,256	182,622	41,604,720	33,941	46,762,698	255,039	197,489,674	19,100	11,637,899	7,666	8,805
May 16 to June 15, 1917.....	37,898	97,322,883	179,193	38,599,461	33,150	38,314,393	250,241	174,236,737	16,344	4,414,508	7,651	8,789
Apr. 16 to May 15, 1917.....	33,767	87,370,859	171,093	36,473,163	33,428	36,836,934	238,288	160,680,956	15,925	3,597,865	7,634	8,926
Mar. 16 to Apr. 15, 1917.....	31,162	60,288,002	168,607	32,666,959	32,008	34,693,542	231,777	127,648,503	12,582	2,643,408	7,625	8,607

### Movement of the Price of Silver.

Together with the general rise of commodity prices since the beginning of the war, there has been a remarkable advance in the price of silver which set in about the end of 1915, continued steadily during 1916 and the first half of 1917, and assumed speculative proportions in August and September of the present year, as may be seen from the following table and accompanying diagram illustrating the monthly movement of the price of silver.

The monthly averages used are based on daily silver quotations in London reduced to their American equivalents at the nominal rate of \$4.8665 per £1, and to that extent are slightly overstated. Figures in the second column, represented by the lower curve in the diagram, indicate the effect of the changes in the price unit on the value of the pure silver contents in the American silver dollar.

On September 25, the London price of silver stood at 55d., which is equivalent to \$1.20566 per fine ounce (converted at the nominal rate of \$4.8665 per £). On the following day the downward price movement set in which continued steadily until October 23, when silver was quoted in London at \$0.91795 per fine ounce. During the last week of October silver prices resumed their upward course, the quotation for October 30, being \$1.00837. This movement, of course, affects exchange quotations on silver standard countries, notably the China exchanges, New York quotations of Shanghai cables, for instance, declining from \$1.03½ on October 1 to \$0.92 on October 23 and rising to \$1.07 on October 30.

For comparative purposes the yearly changes in the price of silver and in the value of the pure silver contents of an American dollar have been traced back from 1916 to 1882 in a separate table and diagram. A separate table has also been added showing the ratio of silver to gold and the value of 371¼ grains of silver, i. e., the pure silver contents in an American silver dollar, at various prices of silver.

*Annual average price of a fine ounce of silver 1882-1914, based upon London quotations at par rate of exchange; also bullion value of 371¼ grains of pure silver (contents of 1 silver dollar) at the average annual prices of silver quoted.*

[Data furnished by the Director of the Mint.]

Year.	Average annual price of ounce of fine silver.	Value of pure silver in a silver dollar.
1882.....	\$1.13562	\$0.87833
1883.....	1.10874	.85754
1884.....	1.11068	.85904
1885.....	1.06510	.82379
1886.....	.99467	.76931
1887.....	.97946	.75755
1888.....	.93974	.72683
1889.....	.93511	.72325
1890.....	1.04634	.80927
1891.....	.98800	.78416
1892.....	.87145	.67401
1893.....	.78030	.60351
1894.....	.63479	.49097
1895.....	.65406	.50587
1896.....	.67565	.52257
1897.....	.60483	.46745
1898.....	.59010	.45640
1899.....	.60154	.46525
1900.....	.62007	.47958
1901.....	.59595	.46093
1902.....	.52795	.40835
1903.....	.54257	.41960
1904.....	.57876	.44763
1905.....	.61027	.47200
1906.....	.67689	.52353
1907.....	.66152	.51164
1908.....	.53490	.41371
1909.....	.52016	.40231
1910.....	.54077	.41825
1911.....	.53928	.41709
1912.....	.61470	.47543
1913.....	.60458	.46760
1914.....	.55312	.42810
1915.....	.51892	.40135
1916.....	.68647	.53094

*Average price of a fine ounce of silver for each month during the calendar years 1915 to 1917, based upon London quotations at par rates of exchange; also bullion value of 371¼ grains of pure silver (contents of 1 silver dollar) at the average monthly prices of pure silver.*

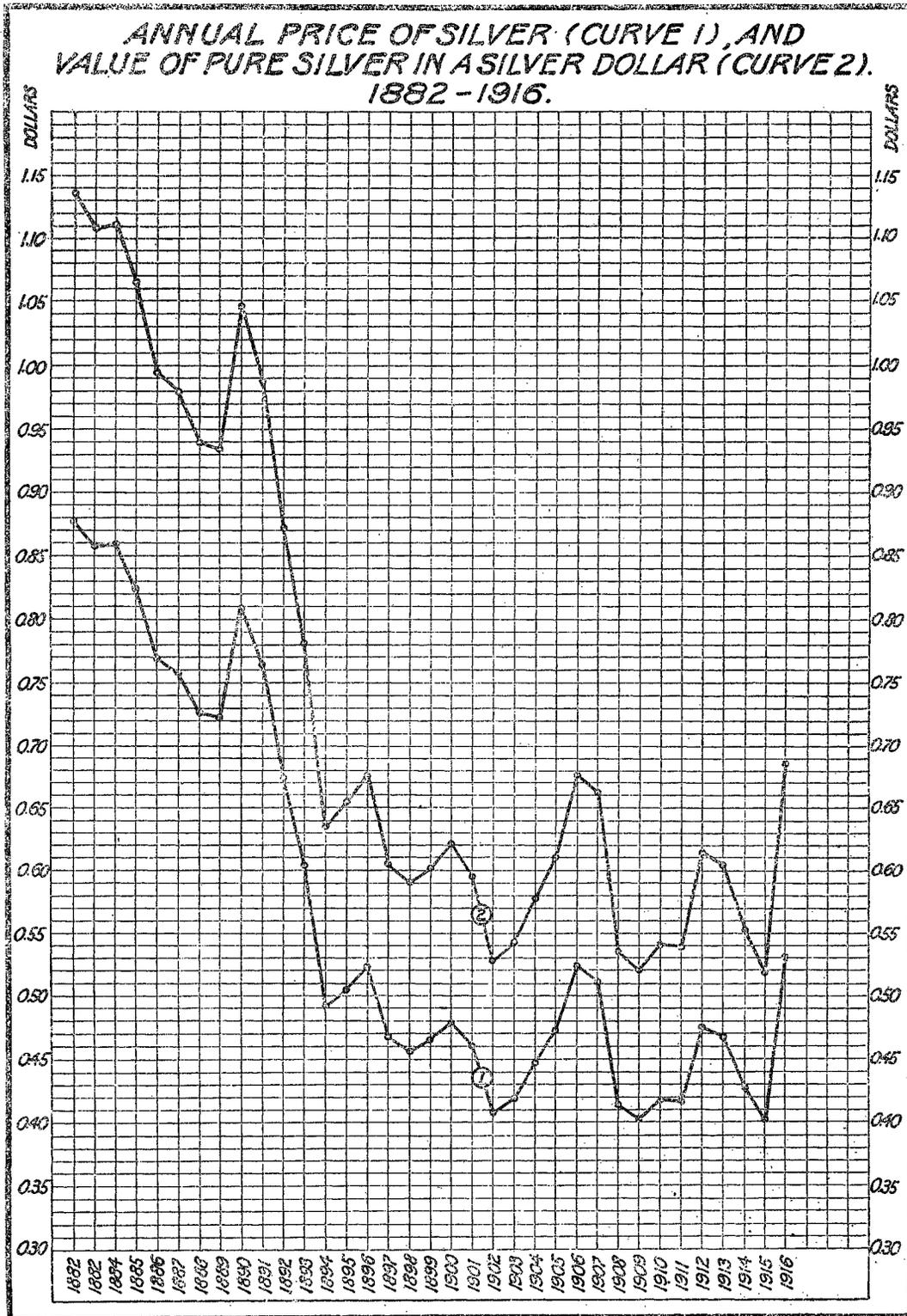
[Data furnished by the Director of the Mint.]

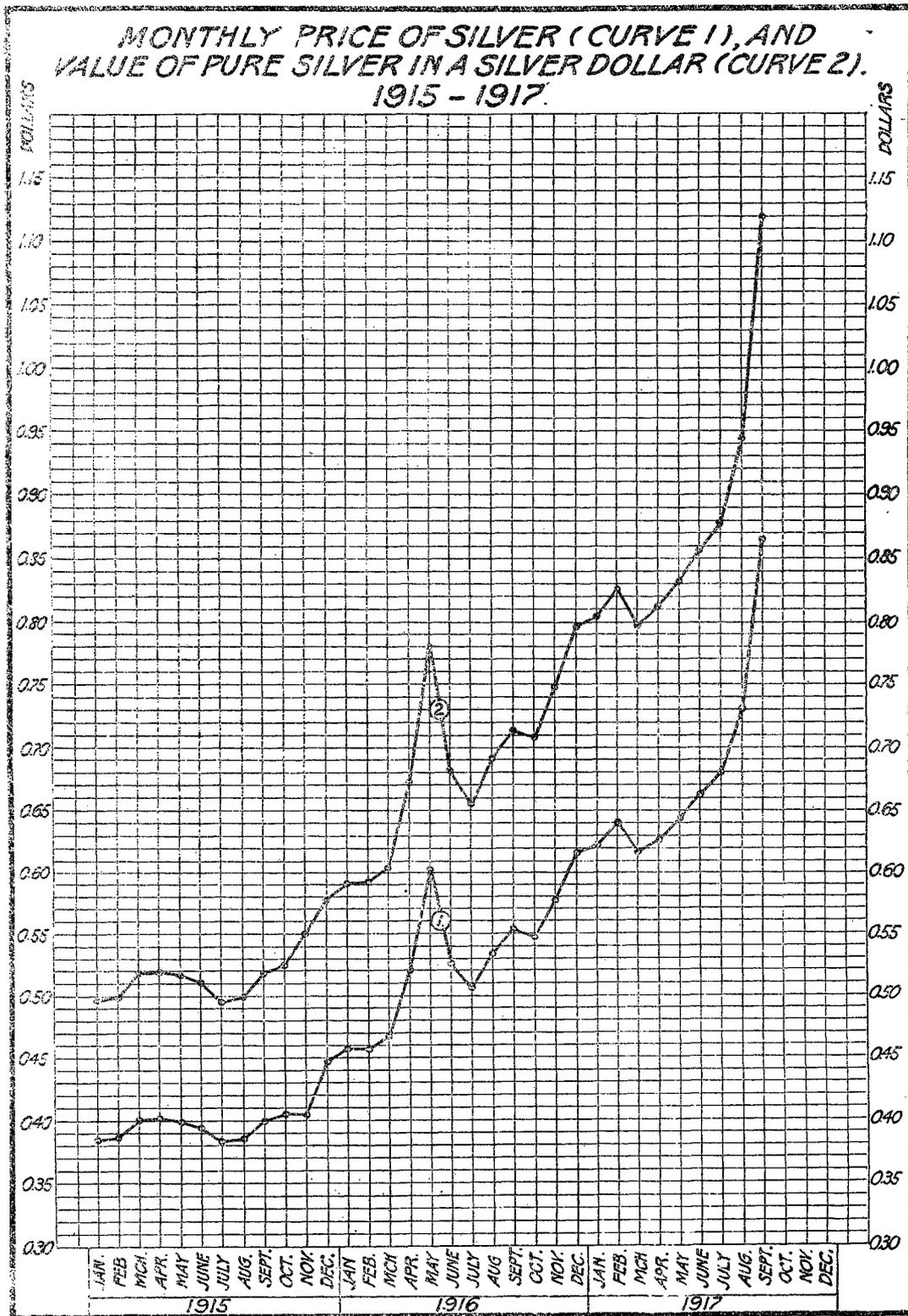
Months.	Average monthly price of ounce of fine silver.			Value of pure silver in a silver dollar.		
	1915	1916	1917	1915	1916	1917
January.....	\$0.46678	\$0.59099	\$0.80412	\$0.38423	\$0.45710	\$0.62194
February.....	.50007	.59133	.82721	.38677	.45736	.63980
March.....	.51823	.60496	.79844	.40082	.46790	.61754
April.....	.51925	.67215	.81102	.40161	.51986	.62727
May.....	.51706	.77989	.83163	.39991	.60319	.64321
June.....	.51035	.68088	.85712	.39472	.52662	.66293
July.....	.49556	.65632	.87913	.38328	.50782	.67996
August.....	.49973	.69040	.94409	.38651	.53398	.73010
September.....	.51781	.71469	1.11965	.40034	.55277	.86597
October.....	.52441	.70942	.....	.40559	.54869	.....
November.....	.54986	.74852	.....	.40528	.57893	.....
December.....	.57812	.79815	.....	.44714	.61732	.....

*Ratio of silver to gold and value of the pure silver in a silver dollar at various prices of silver.*

Price of silver per fine ounce.	Ratio of silver to gold.	Value of pure silver in a silver dollar.	Price of silver per fine ounce.	Ratio of silver to gold.	Value of pure silver in a silver dollar.	Price of silver per fine ounce.	Ratio of silver to gold.	Value of pure silver in a silver dollar.
.50	41.34	\$.387	\$.77	26.85	\$.596	\$1.04	19.88	\$.904
.51	40.53	.394	.78	26.51	.603	1.05	19.69	.912
.52	39.75	.402	.79	26.17	.611	1.06	19.50	.920
.53	39.00	.410	.80	25.84	.619	1.07	19.32	.928
.54	38.28	.418	.81	25.52	.626	1.08	19.14	.935
.55	37.58	.425	.82	25.21	.634	1.09	18.96	.943
.56	36.91	.433	.83	24.91	.642	1.10	18.79	.951
.57	36.27	.441	.84	24.61	.650	1.11	18.62	.959
.58	35.64	.449	.85	24.32	.657	1.12	18.46	.966
.59	35.04	.456	.86	24.04	.665	1.13	18.29	.974
.60	34.45	.464	.87	23.76	.673	1.14	18.13	.982
.61	33.89	.472	.88	23.49	.681	1.15	17.97	.989
.62	33.34	.480	.89	23.23	.688	1.16	17.82	.997
.63	32.81	.487	.90	22.97	.696	1.17	17.67	.905
.64	32.30	.495	.91	22.72	.704	1.18	17.52	.913
.65	31.80	.503	.92	22.47	.712	1.19	17.37	.920
.66	31.32	.510	.93	22.23	.719	1.20	17.23	.928
.67	30.85	.518	.94	21.99	.727	1.21	17.08	.936
.68	30.40	.526	.95	21.76	.735	1.22	16.94	.944
.69	29.96	.534	.96	21.53	.742	1.23	16.80	.951
.70	29.53	.541	.97	21.31	.750	1.24	16.67	.959
.71	29.12	.549	.98	21.09	.758	1.25	16.54	.967
.72	28.71	.557	.99	20.88	.766	1.26	16.41	.975
.73	28.32	.565	1.00	20.67	.773	1.27	16.28	.982
.74	27.93	.572	1.01	20.47	.781	1.28	16.15	.990
.75	27.56	.580	1.02	20.27	.789	1.29	16.02	.998
.76	27.20	.588	1.03	20.07	.797	1.2929	15.988	.100

<sup>1</sup> Parity at United States coinage ratio.



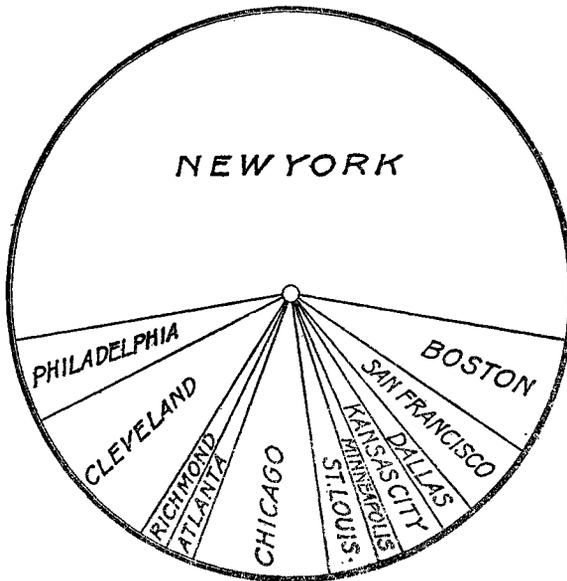


**Amount and Distribution of United States Certificates of Indebtedness.**

In addition to an issue at the end of March of 50 millions of United States certificates of indebtedness which was taken and held to maturity on June 29, by the Federal Reserve Banks, the Treasury Department up to October 23 allotted to the Reserve Banks for distribution among subscribers nine other issues totaling \$2,503,402,000. On October 24 another issue of \$685,296,000 was allotted:

Date of issue.	Date of maturity.	Amount.
1. Apr. 25.....	June 30.....	\$268,205,000
2. May 10.....	July 17.....	200,000,000
3. May 25.....	July 30.....	200,000,000
4. June 8.....	.....do.....	200,000,000
5. Aug. 9.....	Nov. 15.....	300,000,000
6. Aug. 28.....	Nov. 30.....	250,000,000
7. Sept. 17.....	Dec. 15.....	300,000,000
8. Sept. 26.....	.....do.....	400,000,000
9. Oct. 18.....	Nov. 22.....	385,197,000
Total.....	.....	2,503,402,000
10. Oct. 24.....	Dec. 15.....	685,296,000

In the following table are shown the amounts and per cent shares allotted to each Federal Reserve Bank under the first nine issues. The relative contributions of the several Federal Reserve districts under these issues are illustrated in the accompanying diagram.



*Allotment of United States certificates.*

Federal Reserve Bank.	Amounts allotted.	Per cent of total.
1. Boston.....	\$166,401,000	6.64
2. New York.....	1,384,922,000	55.33
3. Philadelphia.....	118,932,000	4.75
4. Cleveland.....	214,942,000	8.59
5. Richmond.....	42,250,000	1.69
6. Atlanta.....	39,557,000	1.58
7. Chicago.....	198,149,000	7.92
8. St. Louis.....	73,417,000	2.93
9. Minneapolis.....	38,866,000	1.55
10. Kansas City.....	66,161,000	2.64
11. Dallas.....	50,355,000	2.01
12. San Francisco.....	109,450,000	4.37
Total.....	2,503,402,000	100.0

**Movement of Reserves, Deposits, and Federal Reserve Circulation During 1917.**

In continuation of similar figures and diagram of earning assets shown on pages 758-759 of the October number of the Federal Reserve Bulletin, there are presented below figures and diagrams showing the weekly movement of reserves, of the several classes of deposits held by the Federal Reserve Banks, and of their outstanding Federal Reserve note circulation. The banks' reserves are shown uniformly for the entire year in accordance with the amended act, i. e., inclusive of the gold held by the Federal Reserve Agents against Federal Reserve notes. The latter total is composed of the amounts held with the Federal Reserve Board ("Agents' gold in settlement fund") and of other gold, including gold in the agents' vaults and amounts standing to their credit in the 5 per cent gold redemption fund. The reserve held by the banks is distributed under the following captions: (a) Gold held with the Federal Reserve Board—i. e., in the gold settlement fund; (b) other gold, including amounts of gold in vault, held with foreign agencies and standing to the banks' credit in the 5 per cent gold redemption fund; and (c) other reserve cash in vault. The volume of bank deposits held by the Federal Reserve Banks shows a fairly steady increase as a result of the continuous increase in membership, the growth of the deposits of the member banks themselves, and the opening of clearing accounts by non-

member banks. The movement of Government deposits, of course, is subject to the vicissitudes of Government financing, the largest balance being shown on June 22, the week following the consummation of the first Liberty Loan. Figures of Federal Reserve notes in circulation denote amounts in actual circulation outside the issuing Federal Reserve

Banks; i. e., amounts received by the banks from the Federal Reserve Agents less amounts on hand or in process of redemption. These figures also show a steady increase, the total in circulation on October 11-12 being over 500 millions larger than at the beginning of the year.

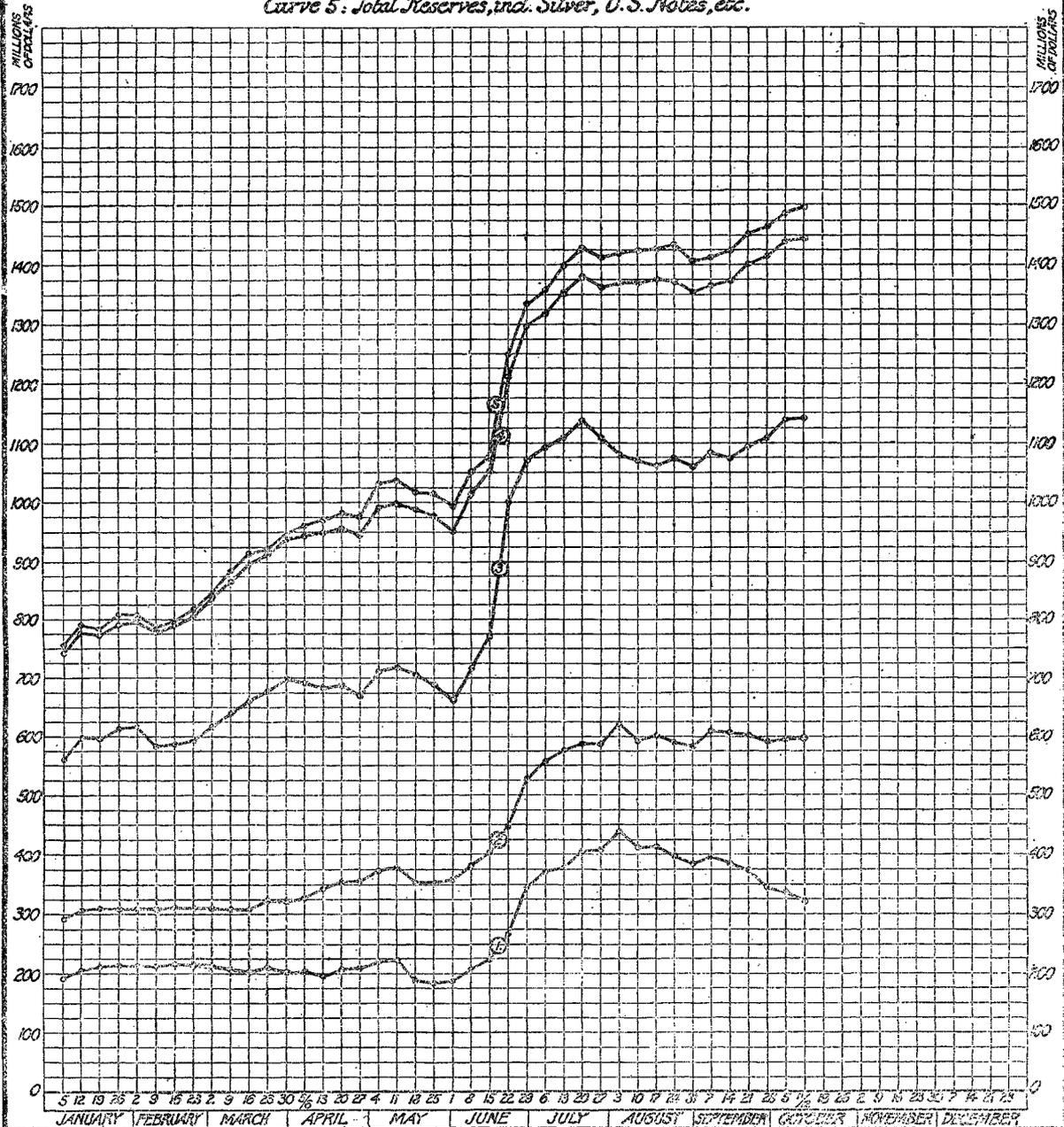
Movement of reserves of all Federal Reserve Banks during the calendar year 1917.

[In thousands of dollars.]

Date.	1	2	3	4	5	6	7	8	9
	Banks' gold in settlement fund.	Agents' gold in settlement fund.	Total gold in settlement fund.	Other gold held by banks.	3 + 4.	Other gold held by agents.	Total gold reserves.	Other cash reserve.	Total reserves.
1917.									
Jan. 5	192,001	99,610	291,611	268,769	560,380	181,682	742,062	16,180	758,242
12	206,541	97,510	304,051	294,611	598,662	177,002	775,664	16,769	792,433
18-19	212,051	95,710	307,761	288,292	596,053	177,431	773,484	10,338	783,822
26	213,771	93,710	307,481	304,154	611,635	179,610	791,245	17,579	808,824
Feb. 2	212,961	95,050	308,011	308,799	616,810	179,024	795,834	12,185	808,019
9	212,961	95,250	308,211	275,928	584,139	193,470	777,609	10,633	788,242
16	216,221	94,120	310,341	276,171	586,512	203,150	789,662	7,609	797,271
23	213,861	96,560	310,421	283,277	593,698	209,626	803,324	15,249	818,573
Mar. 2	212,031	97,800	309,831	306,510	616,341	219,781	836,122	9,971	846,093
9	205,561	101,380	306,941	332,509	639,450	227,053	866,503	19,113	885,616
16	201,661	104,620	306,281	357,657	663,938	233,988	897,926	16,176	914,102
23	209,281	115,330	324,611	353,255	677,866	234,189	912,055	10,665	922,720
30	200,061	120,660	320,721	377,317	698,038	240,008	938,046	9,282	947,328
Apr. 5-6	200,125	126,180	326,305	364,977	691,282	252,270	943,552	19,110	962,662
13	198,271	143,000	342,171	340,803	682,974	266,896	949,870	21,136	971,006
20	206,830	147,700	354,530	332,803	687,333	270,833	958,171	24,462	982,633
27	207,920	148,030	355,950	314,316	670,266	274,875	945,141	30,340	975,481
May 4	218,910	153,570	372,480	338,787	711,267	279,519	990,786	39,415	1,030,201
11	221,759	156,270	378,029	339,528	717,557	282,053	999,610	36,149	1,035,759
18	187,989	163,080	351,049	353,023	704,072	285,231	989,303	27,442	1,016,745
25	183,590	163,910	352,500	337,170	689,670	287,701	977,371	36,892	1,014,263
June 1	187,556	172,290	359,846	302,278	662,124	294,679	956,803	36,624	993,427
8	205,888	177,180	383,066	332,731	715,797	298,021	1,013,818	37,698	1,051,511
15	221,970	179,730	401,700	368,978	770,678	280,212	1,050,890	24,518	1,075,408
22	267,910	178,830	446,740	553,343	1,000,083	211,935	1,212,018	35,680	1,247,698
29	345,845	180,780	526,625	546,028	1,072,653	221,913	1,294,566	39,840	1,334,406
July 6	371,380	187,790	559,170	532,608	1,091,778	225,925	1,317,703	38,314	1,356,017
13	388,353	187,030	575,383	536,680	1,112,063	241,308	1,353,371	47,545	1,400,916
20	409,821	182,730	592,551	552,310	1,138,861	241,159	1,380,020	50,301	1,430,321
27	405,739	182,294	588,033	522,331	1,110,364	251,899	1,362,263	51,789	1,414,052
Aug. 3	433,153	182,533	620,806	461,675	1,082,481	285,192	1,367,673	53,709	1,421,382
10	409,852	183,093	592,945	475,623	1,068,568	302,374	1,369,942	53,117	1,424,059
17	410,502	189,744	600,246	461,493	1,061,739	312,844	1,374,583	52,906	1,427,489
24	397,067	193,741	590,808	486,616	1,077,424	294,795	1,372,219	52,550	1,424,769
31	383,937	199,041	582,978	476,376	1,059,354	294,144	1,353,498	52,610	1,406,108
Sept. 7	395,853	213,420	609,273	474,151	1,083,424	281,359	1,364,783	50,698	1,415,391
14	384,646	221,336	605,982	469,833	1,075,815	290,134	1,374,949	51,085	1,426,034
21	378,387	228,674	602,061	492,921	1,094,982	307,335	1,402,317	49,934	1,452,251
28	342,337	253,554	595,891	507,906	1,108,797	304,673	1,408,170	49,089	1,457,559
Oct. 5	334,787	261,543	596,330	543,579	1,139,909	298,568	1,438,477	48,238	1,486,715
11-12	321,778	276,083	597,861	544,933	1,142,794	304,651	1,447,445	48,113	1,495,558

**MOVEMENT OF RESERVES OF ALL FEDERAL RESERVE BANKS DURING THE CALENDAR YEAR 1917, IN MILLIONS OF DOLLARS.**

- Curve 1: *Banks' Gold Settlement Fund.*
- Curve 2: *Total Gold held with the F. R. Board, incl. Amounts standing to the credit of F. R. Agents.*
- Curve 3: *Total Gold Reserve against Deposits, plus Gold held with the F. R. Board to the credit of F. R. Agents.*
- Curve 4: *Total Gold Reserves against Deposits and F. R. Notes.*
- Curve 5: *Total Reserves, incl. Silver, U. S. Notes, etc.*



**MOVEMENT OF DEPOSITS AND F. R. NOTE CIRCULATION  
OF ALL FEDERAL RESERVE BANKS  
DURING THE CALENDAR YEAR 1917, IN MILLIONS OF DOLLARS.**

*Curve 1: Government Deposits.  
Curve 2: Government and Member Banks' Reserve Deposits.  
Curve 3: Government and Member & Non Member Bank Deposits.  
Curve 4: Aggregate Deposits and F. R. Notes in Circulation.*



*Movement of deposits and Federal Reserve note circulation of all Federal Reserve Banks during the calendar year 1917.*

[In thousands of dollars.]

Date.	1	2	3	4	5	6	7
	Government deposits.	Member bank reserve deposits.	Total (columns 1 and 2).	Nonmember bank clearing deposits.	Total Government and bank deposits (columns 3 and 4).	Federal Reserve notes in actual circulation.	Total (columns 5 and 6).
1917.							
Jan. 5	25,566	656,422	681,988		681,988	272,873	954,861
12	27,759	680,586	708,345		708,345	268,168	976,513
13-19	28,410	669,874	698,284		698,284	262,967	961,251
26	25,607	637,841	713,448		713,448	259,768	973,216
Feb. 2	23,333	639,878	713,211		713,211	260,030	973,241
9	15,525	678,170	693,695		693,695	278,523	972,218
16	10,851	688,591	699,442		699,442	291,839	991,281
23	13,407	692,475	705,882		705,882	303,171	1,009,053
Mar. 2	14,162	708,893	723,055		723,055	314,255	1,037,313
9	12,401	720,483	732,889		732,889	326,612	1,059,501
16	18,594	726,104	744,698		744,698	336,061	1,080,759
23	19,702	711,117	730,819		730,819	346,804	1,077,623
30	20,567	720,411	740,978		740,978	357,765	1,098,743
Apr. 5-6	46,461	758,219	804,680		804,680	376,510	1,181,190
13	42,247	741,542	783,789		783,789	401,809	1,185,598
20	41,988	742,584	784,572		784,572	414,357	1,198,929
27	99,689	719,785	819,474		819,474	420,509	1,239,983
May 4	107,868	743,143	851,011		851,011	428,502	1,279,513
11	242,421	740,726	983,147		983,147	438,218	1,421,365
18	187,127	748,499	935,626		935,626	446,501	1,382,127
25	198,463	813,326	1,011,789		1,011,789	454,402	1,466,191
June 1	96,478	721,146	817,624		817,624	464,865	1,282,489
8	228,125	775,771	1,003,896		1,003,896	481,469	1,485,365
15	262,581	870,734	1,133,315		1,133,315	491,615	1,624,930
22	495,807	806,209	1,302,016		1,302,016	499,721	1,801,737
29	300,966	1,033,460	1,334,426		1,334,426	508,807	1,843,233
July 6	143,626	1,112,347	1,255,973	5,000	1,260,973	527,459	1,788,432
13	300,872	1,019,672	1,320,544	6,847	1,327,391	532,508	1,859,899
20	184,631	1,164,995	1,349,626	4,767	1,354,393	534,226	1,888,619
27	143,032	1,135,456	1,278,488	8,547	1,287,035	534,015	1,821,050
Aug. 3	56,765	1,192,887	1,249,652	12,269	1,261,921	540,785	1,802,706
10	140,447	1,101,614	1,242,061	10,274	1,252,335	549,244	1,801,579
17	110,110	1,130,817	1,240,927	11,637	1,252,564	558,782	1,811,346
24	59,972	1,121,129	1,181,101	32,933	1,214,034	573,049	1,787,083
31	154,358	1,069,804	1,224,162	28,903	1,253,065	587,915	1,840,980
Sept. 7	39,926	1,138,542	1,178,468	52,339	1,230,807	621,299	1,852,106
14	21,602	1,139,291	1,160,893	50,621	1,211,514	644,567	1,856,081
21	25,030	1,151,704	1,176,734	50,779	1,227,513	670,246	1,897,759
28	71,289	1,136,930	1,208,219	67,433	1,275,652	700,212	1,975,864
Oct. 5	86,285	1,148,887	1,235,172	94,029	1,329,201	740,916	2,070,117
11-12	74,167	1,265,309	1,339,476	51,377	1,390,853	779,885	2,170,738

### Trading With the Enemy Act.

Below is reprinted the text of the so-called "Trading with the enemy act," which became law on October 6. There is also reprinted the text of the Executive Order prescribing regulations for carrying out the provisions of the act.

[Public—No. 91—65th Congress. H. R. 4960.]

An act to define, regulate, and punish trading with the enemy, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act shall be known as the "Trading with the enemy act."*

SEC. 2. That the word "enemy," as used herein, shall be deemed to mean, for the purposes of such trading and of this act—

(a) Any individual, partnership, or other body of individuals, of any nationality, resident within the territory (including that occupied by the military and naval forces) of any nation with which the United States is at war, or resident outside the United States and doing business within such territory, and any corporation incorporated within such territory of any nation with which the United States is at war or incorporated within any country other than the United States and doing business within such territory.

(b) The Government of any nation with which the United States is at war, or any political or municipal subdivision thereof, or any officer, official, agent, or agency thereof.

(c) Such other individuals, or body or class of individuals, as may be natives, citizens, or subjects of any nation with which the United States is at war, other than citizens of the United States, wherever resident or wherever doing business, as the President, if he shall find the safety of the United States or the successful prosecution of the war shall so require, may, by proclamation, include within the term "enemy."

The words "ally of enemy," as used herein, shall be deemed to mean—

(a) Any individual, partnership, or other body of individuals, of any nationality, resident within the territory (including that occupied by the military and naval forces) of any nation which is an ally of a nation with which the United States is at war, or resident outside the United States and doing business within such territory, and any corporation incorporated within such territory of such ally nation, or incorporated within any country other than the United States and doing business within such territory.

(b) The Government of any nation which is an ally of a nation with which the United States is at war, or any political or municipal subdivision of such ally nation, or any officer, official, agent, or agency thereof.

(c) Such other individuals, or body or class of individuals, as may be natives, citizens, or subjects of any nation which is an ally of a nation with which the United States is at war, other than citizens of the United States, wherever resident or wherever doing business, as the President, if he shall find the safety of the United States or the successful prosecution of the war shall so require, may, by proclamation, include within the term "ally of enemy."

The word "person," as used herein, shall be deemed to mean an individual, partnership, association, company, or other unincorporated body of individuals, or corporation or body politic.

The words "United States," as used herein, shall be deemed to mean all land and water, continental or insular, in any way within the jurisdiction of the United States or occupied by the military or naval forces thereof.

The words "the beginning of the war," as used herein, shall be deemed to mean midnight ending the day on which Congress has declared or shall declare war or the existence of a state of war.

The words "end of the war," as used herein, shall be deemed to mean the date of proclamation of exchange of ratifications of the treaty of peace, unless the President shall, by proclamation, declare a prior date, in which case the date so proclaimed shall be deemed to be the "end of the war" within the meaning of this act.

The words "bank or banks," as used herein, shall be deemed to mean and include National banks, State banks, trust companies, or other banks or banking associations doing business under the laws of the United States, or of any State of the United States.

The words "to trade," as used herein, shall be deemed to mean—

(a) Pay, satisfy, compromise, or give security for the payment or satisfaction of any debt or obligation.

(b) Draw, accept, pay, present for acceptance, or payment, or indorse any negotiable instrument, or chose in action.

(c) Enter into, carry on, complete, or perform any contract, agreement, or obligation.

(d) Buy or sell, loan or extend credit, trade in, deal with, exchange, transmit, transfer, assign, or otherwise dispose of, or receive any form of property.

(e) To have any form of business or commercial communication or intercourse with.

SEC. 3. That it shall be unlawful—

(a) For any person in the United States, except with the license of the President, granted to such person, or to the enemy, or ally of enemy, as provided in this act, to trade, or attempt to trade, either directly or indirectly, with, to, or from, or for, or on account of, or on behalf of, or for the benefit of, any other person, with knowledge or reasonable cause to believe that such other person is an enemy or ally of enemy, or is conducting or taking part in such trade, directly or indirectly, for, or on account of, or on behalf of, or for the benefit of, an enemy or ally of enemy.

(b) For any person, except with the license of the President, to transport or attempt to transport into or from the United States, or for any owner, master, or other person in charge of a vessel of American registry to transport or attempt to transport from any place to any other place, any subject or citizen of an enemy or ally of enemy nation, with knowledge or reasonable cause to believe that the person transported or attempted to be transported is such subject or citizen.

(c) For any person (other than a person in the service of the United States Government or of the Government of any nation, except that of an enemy or ally of enemy nation, and other than such persons or classes of persons as may be exempted hereunder by the President or by such person as he may direct), to send, or take out of, or bring into, or attempt to send, or take out of, or bring into the United States, any letter or other writing or tangible form of communication, except in the regular course of the mail; and it shall be unlawful for any person to send, take, or transmit, or attempt to send, take, or transmit out of the United States, any letter or other writing, book, map, plan, or other paper, picture, or any telegram, cablegram, or wireless message, or other form of communication intended for or to be delivered, directly or indirectly, to an enemy or ally of enemy: *Provided, however,* That any person may send, take, or transmit out of the United States anything herein forbidden if he shall first submit the same to the President, or to such officer as the President may direct, and shall obtain the license or consent of the President, under such rules and regulations, and with such exemptions, as shall be prescribed by the President.

(d) Whenever, during the present war, the President shall deem that the public safety demands it, he may cause to be censored under such rules and regulations as he may from time to time establish, communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country he may from time to time specify, or which may be carried by any vessel or other means of transportation touching at any port, place, or territory of the United States and bound to or from any foreign country. Any person who willfully evades or attempts to evade the submission of any such communication to such censorship or willfully uses or attempts to use any code or other device for the purpose of concealing from such censorship the intended meaning of such communication shall be punished as provided in section sixteen of this act.

SEC. 4. (a) Every enemy or ally of enemy insurance or reinsurance company, and every enemy or ally of enemy, doing business within the United States through an agency or branch office, or otherwise, may, within thirty days after the passage of this act, apply to the President for a license to continue to do business; and, within thirty days after such application, the President may enter an order either granting or refusing to grant such license. The license, if granted, may be temporary or otherwise, and for such period of time, and may contain such provisions and con-

ditions regulating the business, agencies, managers and trustees and the control and disposition of the funds of the company, or of such enemy or ally of enemy, as the President shall deem necessary for the safety of the United States; and any license granted hereunder may be revoked or regranted or renewed in such manner and at such times as the President shall determine: *Provided, however,* That reasonable notice of his intent to refuse to grant a license or to revoke a license granted to any reinsurance company shall be given by him to all insurance companies incorporated within the United States and known to the President to be doing business with such reinsurance company: *Provided further,* That no insurance company, organized within the United States, shall be obligated to continue any existing contract, entered into prior to the beginning of the war, with any enemy or ally of enemy insurance or reinsurance company, but any such company may abrogate and cancel any such contract by serving thirty days' notice in writing upon the President of its election to abrogate such contract.

For a period of thirty days after the passage of this act, and further pending the entry of such order by the President, after application made by any enemy or ally of enemy insurance or reinsurance company, within such thirty days as above provided, the provisions of the President's proclamation of April sixth, nineteen hundred and seventeen, relative to agencies in the United States of certain insurance companies, as modified by the provisions of the President's proclamation of July thirteenth, nineteen hundred and seventeen, relative to marine and war-risk insurance, shall remain in full force and effect so far as it applies to such German insurance companies, and the conditions of said proclamation of April sixth, nineteen hundred and seventeen, as modified by said proclamation of July thirteenth, nineteen hundred and seventeen, shall also during said period of thirty days after the passage of this act, and pending the order of the President as herein provided, apply to any enemy or ally of enemy insurance or reinsurance company, anything in this act to the contrary notwithstanding. It shall be unlawful for any enemy or ally of enemy insurance or reinsurance company, to whom license is granted, to transmit out of the United States any funds belonging to or held for the benefit of such company or to use any such funds as the basis for the establishment directly or indirectly of any credit within or outside of the United States to, or for the benefit of, or on behalf of, or on account of, an enemy or ally of enemy.

For a period of thirty days after the passage of this act, and further pending the entry of such order by the President, after application made within such thirty days by any enemy or ally of enemy, other than an insurance or reinsurance company as above provided, it shall be lawful for such enemy or ally of enemy to continue to do business in this country and for any person to trade with, to, from, for, on account of, on behalf of, or for the benefit of such enemy or ally of enemy, anything in this act to the con-

trary notwithstanding: *Provided, however,* That the provisions of sections three and sixteen hereof shall apply to any act or attempted act of transmission or transfer of money or other property out of the United States and to the use or attempted use of such money or property as the basis for the establishment of any credit within or outside of the United States to, or for the benefit of, or on behalf of, or on account of, an enemy or ally of enemy.

If no license is applied for within thirty days after the passage of this act, or if a license shall be refused to any enemy or ally of enemy, whether insurance or reinsurance company, or other person, making application, or if any license granted shall be revoked by the President, the provisions of sections three and sixteen hereof shall forthwith apply to all trade or to any attempt to trade with, to, from, for, by, on account of, or on behalf of, or for the benefit of such company or other person: *Provided, however,* That after such refusal or revocation, anything in this act to the contrary notwithstanding, it shall be lawful for a policyholder or for an insurance company, not an enemy or ally of enemy, holding insurance or having effected reinsurance in or with such enemy or ally of enemy insurance or reinsurance company, to receive payment of, and for such enemy or ally of enemy insurance or reinsurance company to pay any premium, return premium, claim, money, security, or other property due or which may become due on or in respect to such insurance or reinsurance in force at the date of such refusal or revocation of license; and nothing in this act shall vitiate or nullify then existing policies or contracts of insurance or reinsurance, or the conditions thereof; and any such policyholder or insurance company, not an enemy or ally of enemy, having any claim to or upon money or other property of the enemy or ally of enemy insurance or reinsurance company in the custody or control of the alien property custodian, hereinafter provided for, or of the Treasurer of the United States, may make application for the payment thereof and may institute suit as provided in section nine hereof.

(b) That, during the present war, no enemy, or ally of enemy, and no partnership of which he is a member or was a member at the beginning of the war, shall for any purpose assume or use any name other than that by which such enemy or partnership was ordinarily known at the beginning of the war, except under license from the President.

Whenever, during the present war, in the opinion of the President the public safety or public interest requires, the President may prohibit any or all foreign insurance companies from doing business in the United States, or the President may license such company or companies to do business upon such terms as he may deem proper.

Sec. 5. (a) That the President, if he shall find it compatible with the safety of the United States and with the successful prosecution of the war, may, by proclamation, suspend the provisions of this act so far as they apply to an ally of enemy, and he may revoke or renew such suspension from time to time; and the President may grant

licenses, special or general, temporary or otherwise, and for such period of time and containing such provisions and conditions as he shall prescribe, to any person or class of persons to do business as provided in subsection (a) of section four hereof, and to perform any act made unlawful without such license in section three hereof, and to file and prosecute applications under subsection (b) of section ten hereof; and he may revoke or renew such licenses from time to time, if he shall be of opinion that such grant or revocation or renewal shall be compatible with the safety of the United States and with the successful prosecution of the war; and he may make such rules and regulations, not inconsistent with law, as may be necessary and proper to carry out the provisions of this act; and the President may exercise any power or authority conferred by this act through such officer or officers as he shall direct.

If the President shall have reasonable cause to believe that any act is about to be performed in violation of section three hereof he shall have authority to order the postponement of the performance of such act for a period not exceeding ninety days, pending investigation of the facts by him.

(b) That the President may investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, export or earmarkings of gold or silver coin or bullion or currency, transfers of credit in any form (other than credits, relating solely to transactions to be executed wholly within the United States), and transfers of evidences of indebtedness or of the ownership of property between the United States and any foreign country, whether enemy, ally of enemy or otherwise, or between residents of one or more foreign countries, by any person within the United States; and he may require any such person engaged in any such transaction to furnish, under oath, complete information relative thereto, including the production of any books of account, contracts, letters or other papers, in connection therewith in the custody or control of such person, either before or after such transaction is completed.

Sec. 6. That the President is authorized to appoint, prescribe the duties of, and fix the salary (not to exceed \$5,000 per annum) of an official to be known as the alien property custodian, who shall be empowered to receive all money and property in the United States due or belonging to an enemy or ally of enemy, which may be paid, conveyed, transferred, assigned, or delivered to said custodian under the provisions of this act; and to hold, administer, and account for the same under the general direction of the President and as provided in this act. The alien property custodian shall give such bond or bonds and in such form and amount and with such security as the President shall prescribe. The President may further employ in the District of Columbia and elsewhere and fix the compensation of such clerks, attorneys, investigators, accountants, and other employees as he may find necessary for the due administration of the provisions of

this act: *Provided*, That such clerks, investigators, accountants, and other employees shall be appointed from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service law: *Provided further*, That the President shall cause a detailed report to be made to Congress on the first day of January of each year of all proceedings had under this act during the year preceding. Such report shall contain a list of all persons appointed or employed, with the salary or compensation paid to each, and a statement of the different kinds of property taken into custody and the disposition made thereof.

SEC. 7. (a) That every corporation incorporated within the United States, and every unincorporated association or company, or trustee, or trustees within the United States, issuing shares or certificates representing beneficial interests, shall, under such rules and regulations as the President may prescribe and, within sixty days after the passage of this act, and at such other times thereafter as the President may require, transmit to the alien property custodian a full list, duly sworn to, of every officer, director, or stockholder known to be, or whom the representative of such corporation, association, company, or trustee has reasonable cause to believe to be an enemy or ally of enemy resident within the territory, or a subject or citizen residing outside of the United States, of any nation with which the United States is at war, or resident within the territory, or a subject or citizen residing outside of the United States, of any ally of any nation with which the United States is at war, together with the amount of stock or shares owned by each such officer, director, or stockholder, or in which he has any interest.

The President may also require a similar list to be transmitted of all stock or shares owned on February third, nineteen hundred and seventeen, by any person now defined as an enemy or ally of enemy, or in which any such person had any interest; and he may also require a list to be transmitted of all cases in which said corporation, association, company, or trustee has reasonable cause to believe that the stock or shares on February third, nineteen hundred and seventeen, were owned or are owned by such enemy or ally of enemy, though standing on the books in the name of another: *Provided, however*, That the name of any such officer, director, or stockholder shall be stricken permanently or temporarily from such list by the alien property custodian when he shall be satisfied that he is not such enemy or ally of enemy.

Any person in the United States who holds or has or shall hold or have custody or control of any property beneficial or otherwise, alone or jointly with others, of, for, or on behalf of an enemy or ally of enemy, or of any person whom he may have reasonable cause to believe to be an enemy or ally of enemy and any person in the United States who is or shall be indebted in any way to an enemy or ally of enemy, or to any person whom he may have reasonable cause to believe to be an enemy or ally of enemy, shall,

with such exceptions and under such rules and regulations as the President shall prescribe, and within thirty days after the passage of this act, or within thirty days after such property shall come within his custody or control, or after such debt shall become due, report the fact to the alien-property custodian by written statement under oath containing such particulars as said custodian shall require. The President may also require a similar report of all property so held, of, for, or on behalf of, and of all debts so owed to, any person now defined as an enemy or ally of enemy, on February third, nineteen hundred and seventeen: *Provided*, That the name of any person shall be stricken from the said report by the alien-property custodian, either temporarily or permanently, when he shall be satisfied that such person is not an enemy or ally of enemy. The President may extend the time for filing the lists or reports required by this section for an additional period not exceeding ninety days.

(b) Nothing in this act contained shall render valid or legal, or be construed to recognize as valid or legal, any act or transaction constituting trade with, to, from, for or on account of, or on behalf or for the benefit of an enemy performed or engaged in since the beginning of the war and prior to the passage of this act, or any such act or transaction hereafter performed or engaged in except as authorized hereunder, which would otherwise have been or be void, illegal or invalid at law. No conveyance, transfer, delivery, payment, or loan of money or other property, in violation of section three hereof, made after the passage of this act, and not under license as herein provided shall confer or create any right or remedy in respect thereof; and no person shall by virtue of any assignment, indorsement, or delivery to him of any debt, bill, note, or other obligation or chose in action by, from, or on behalf of, or on account of, or for the benefit of an enemy or ally of enemy have any right or remedy against the debtor, obligor, or other person liable to pay, fulfill, or perform the same unless said assignment, indorsement, or delivery was made prior to the beginning of the war or shall be made under license as herein provided, or unless, if made after the beginning of the war and prior to the date of passage of this act, the person to whom the same was made shall prove lack of knowledge and of reasonable cause to believe on his part that the same was made by, from or on behalf of, or on account of, or for the benefit of an enemy or ally of enemy; and any person who knowingly pays, discharges, or satisfies any such debt, note, bill, or other obligation or chose in action shall, on conviction thereof, be deemed to violate section three hereof: *Provided*, That nothing in this act contained shall prevent the carrying out, completion, or performance of any contract, agreement, or obligation originally made with or entered into by an enemy or ally of enemy where, prior to the beginning of the war and not in contemplation thereof, the interest of such enemy or ally of enemy devolved by assignment or otherwise upon a person not an enemy or ally of enemy, and no enemy or ally of enemy will be

benefited by such carrying out, completion, or performance otherwise than by release from obligation thereunder.

Nothing in this act shall be deemed to prevent payment of money belonging or owing to an enemy or ally of enemy to a person within the United States not an enemy or ally of enemy, for the benefit of such person or of any other person within the United States, not an enemy or ally of enemy, if the funds so paid shall have been received prior to the beginning of the war and such payments arise out of transactions entered into prior to the beginning of the war, and not in contemplation thereof: *Provided*, That such payment shall not be made without the license of the President, general or special, as provided in this act.

Nothing in this act shall be deemed to authorize the prosecution of any suit or action at law or in equity in any court within the United States by an enemy or ally of enemy prior to the end of the war, except as provided in section ten hereof: *Provided, however*, That an enemy or ally of enemy licensed to do business under this act may prosecute and maintain any such suit or action so far as the same arises solely out of the business transacted within the United States under such license and so long as such license remains in full force and effect: *And provided further*, That an enemy or ally of enemy may defend by counsel any suit in equity or action at law which may be brought against him.

Receipt of notice from the President to the effect that he has reasonable ground to believe that any person is an enemy or ally of enemy shall be prima facie defense to any one receiving the same, in any suit or action at law or in equity brought or maintained, or to any right or set-off or recoupment asserted by, such person and based on failure to complete or perform since the beginning of the war any contract or other obligation. In any prosecution under section sixteen hereof, proof of receipt of notice from the President to the effect that he has reasonable cause to believe that any person is an enemy or ally of enemy shall be prima facie evidence that the person receiving such notice has reasonable cause to believe such other person to be an enemy or ally of enemy within the meaning of section three hereof.

(c) If the President shall so require, any money or other property owing or belonging to or held for, by, on account of, or on behalf of, or for the benefit of an enemy or ally of enemy not holding a license granted by the President hereunder, which the President after investigation shall determine is so owing or so belongs or is so held, shall be conveyed, transferred, assigned, delivered, or paid over to the alien property custodian.

(d) If not required to pay, convey, transfer, assign, or deliver under the provisions of subsection (c) hereof, any person not an enemy or ally of enemy who owes to, or holds for, or on account of, or on behalf of, or for the benefit of an enemy or of an ally of enemy not holding a license granted by the President hereunder, any money or other property, or to whom any obligation or form of liability to such enemy or ally of enemy is presented for payment,

may, at his option, with the consent of the President, pay, convey, transfer, assign, or deliver to the alien property custodian said money or other property under such rules and regulations as the President shall prescribe.

(e) No person shall be held liable in any court for or in respect to anything done or omitted in pursuance of any order, rule, or regulation made by the President under the authority of this act.

Any payment, conveyance, transfer, assignment, or delivery of money or property made to the alien property custodian hereunder shall be a full acquittance and discharge for all purposes of the obligation of the person making the same to the extent of same. The alien property custodian and such other persons as the President may appoint shall have power to execute, acknowledge, and deliver any such instrument or instruments as may be necessary or proper to evidence upon the record or otherwise such acquittance and discharge, and shall, in case of payment to the alien property custodian of any debt or obligation owed to an enemy or ally of enemy, deliver up any notes, bonds, or other evidences of indebtedness or obligation, or any security therefor in which such enemy or ally of enemy had any right or interest that may have come into the possession of the alien property custodian, with like effect as if he or they, respectively, were duly appointed by the enemy or ally of enemy, creditor, or obligee. The President shall issue to every person so appointed a certificate of the appointment and authority of such person, and such certificate shall be received in evidence in all courts within the United States. Whenever any such certificate of authority shall be offered to any registrar, clerk, or other recording officer, Federal or otherwise, within the United States, such officer shall record the same in like manner as a power of attorney, and such record or a duly certified copy thereof shall be received in evidence in all courts of the United States or other courts within the United States.

SEC. 8. (a) That any person not an enemy or ally of enemy holding a lawful mortgage, pledge, or lien, or other right in the nature of security in property of an enemy or ally of enemy which, by law or by the terms of the instrument creating such mortgage, pledge, or lien, or right, may be disposed of on notice or presentation or demand, and any person not an enemy or ally of enemy who is a party to any lawful contract with an enemy or ally of enemy, the terms of which provide for a termination thereof upon notice or for acceleration of maturity on presentation or demand, may continue to hold said property, and, after default, may dispose of the property in accordance with law or may terminate or mature such contract by notice or presentation or demand served or made on the alien property custodian in accordance with the law and the terms of such instrument or contract and under such rules and regulations as the President shall prescribe; and such notice and such presentation and demand shall have, in all respects, the same force and effect as if duly served or made upon the enemy or ally

of enemy personally: *Provided*, That no such rule or regulation shall require that notice or presentation or demand shall be served or made in any case in which, by law or by the terms of said instrument or contract, no notice, presentation, or demand was, prior to the passage of this act, required; and that in case where, by law or by the terms of such instrument or contract, notice is required, no longer period of notice shall be required: *Provided further*, That if, on any such disposition of property, a surplus shall remain after the satisfaction of the mortgage, pledge, lien, or other right in the nature of security, notice of that fact shall be given to the President pursuant to such rules and regulations as he may prescribe, and such surplus shall be held subject to his further order.

(b) That any contract entered into prior to the beginning of the war between any citizen of the United States or any corporation organized within the United States, and an enemy or ally of an enemy, the terms of which provide for the delivery, during or after any war in which a present enemy or ally of enemy nation has been or is now engaged, of anything produced, mined, or manufactured in the United States, may be abrogated by such citizen or corporation by serving thirty days' notice in writing upon the alien property custodian of his or its election to abrogate such contract.

(c) The running of any statute of limitations shall be suspended with reference to the rights or remedies on any contract or obligation entered into prior to the beginning of the war between parties neither of whom is an enemy or ally of enemy, and containing any promise to pay or liability for payment which is evidenced by drafts or other commercial paper drawn against or secured by funds or other property situated in an enemy or ally of enemy country, and no suit shall be maintained on any such contract or obligation in any court within the United States until after the end of the war, or until the said funds or property shall be released for the payment or satisfaction of such contract or obligation: *Provided, however*, That nothing herein contained shall be construed to prevent the suspension of the running of the statute of limitations in all other cases where such suspension would occur under existing law.

SEC. 9. That any person, not an enemy, or ally of enemy, claiming any interest, right, or title in any money or other property which may have been conveyed, transferred, assigned, delivered, or paid to the alien property custodian hereunder, and held by him or by the Treasurer of the United States, or to whom any debt may be owing from an enemy, or ally of enemy, whose property or any part thereof shall have been conveyed, transferred, assigned, delivered, or paid to the alien property custodian hereunder, and held by him or by the Treasurer of the United States, may file with the said custodian a notice of his claim under oath and in such form and containing such particulars as the said custodian shall require; and the President, if application is made therefor by the claimant, may, with the assent of the owner of said property and of

all persons claiming any right, title, or interest therein, order the payment, conveyance, transfer, assignment or delivery to said claimant of the money or other property so held by the alien property custodian or by the Treasurer of the United States or of the interest therein to which the President shall determine said claimant is entitled: *Provided*, That no such order by the President shall bar any person from the prosecution of any suit at law or in equity against the claimant to establish any right, title or interest which he may have in such money or other property. If the President shall not so order within sixty days after the filing of such application, or if the claimant shall have filed the notice as above required and shall have made no application to the President, said claimant may, at any time before the expiration of six months after the end of the war, institute a suit in equity in the district court of the United States for the district in which such claimant resides, or, if a corporation, where it has its principal place of business (to which suit the alien property custodian or the Treasurer of the United States, as the case may be, shall be made a party defendant), to establish the interest, right, title, or debt so claimed, and if suit shall be so instituted then the money or other property of the enemy, or ally of enemy, against whom such interest, right, or title is asserted, or debt claimed, shall be retained in the custody of the alien property custodian, or in the Treasury of the United States, as provided in this act, and until any final judgment or decree which shall be entered in favor of the claimant shall be fully satisfied by payment or conveyance, transfer, assignment, or delivery by the defendant or by the alien property custodian or Treasurer of the United States on order of the court, or until final judgment or decree shall be entered against the claimant, or suit otherwise terminated.

Except as herein provided, the money or other property conveyed, transferred, assigned, delivered, or paid to the alien property custodian shall not be liable to lien, attachment, garnishment, trustee process, or execution, or subject to any order or decree of any court.

This section shall not apply, however, to money paid to the alien property custodian under section ten hereof.

SEC. 10. That nothing contained in this act shall be held to make unlawful any of the following acts:

(a) An enemy, or ally of enemy, may file and prosecute in the United States an application for letters patent, or for registration of trade-mark, print, label, or copyright, and may pay any fees therefor in accordance with and as required by the provisions of existing law and fees for attorneys or agents for filing and prosecuting such applications. Any such enemy, or ally of enemy, who is unable during war, or within six months thereafter, on account of conditions arising out of war, to file any such application, or to pay any official fee, or to take any action required by law within the period prescribed by law, may be granted an extension of nine months beyond the expiration of said period, provided the nation of which the said applicant is a citizen, subject, or corporation

shall extend substantially similar privileges to citizens and corporations of the United States.

(b) Any citizen of the United States, or any corporation organized within the United States, may, when duly authorized by the President, pay to an enemy or ally of enemy any tax, annuity, or fee which may be required by the laws of such enemy or ally of enemy nation in relation to patents and trade-marks, prints, labels, and copyrights; and any such citizen or corporation may file and prosecute an application for letters patent or for registration of trade-mark, print, label, or copyright in the country of an enemy, or of an ally of enemy after first submitting such application to the President and receiving license so to file and prosecute, and to pay the fees required by law and customary agents' fees, the maximum amount of which in each case shall be subject to the control of the President.

(c) Any citizen of the United States or any corporation organized within the United States desiring to manufacture, or cause to be manufactured, a machine, manufacture, composition of matter, or design, or to carry on, or to use any trade-mark, print, label, or cause to be carried on, a process under any patent or copyrighted matter owned or controlled by an enemy or ally of enemy at any time during the existence of a state of war may apply to the President for a license; and the President is hereby authorized to grant such a license, nonexclusive or exclusive as he shall deem best, provided he shall be of the opinion that such grant is for the public welfare, and that the applicant is able and intends in good faith to manufacture, or cause to be manufactured, the machine, manufacture, composition of matter, or design, or to carry on, or cause to be carried on, the process or to use the trade-mark, print, label, or copyrighted matter. The President may prescribe the conditions of this license, including the fixing of prices of articles and products necessary to the health of the military and naval forces of the United States or the successful prosecution of the war, and the rules and regulations under which such license may be granted and the fee which shall be charged therefor, not exceeding \$100, and not exceeding one per centum of the fund deposited as hereinafter provided. Such license shall be a complete defense to any suit at law or in equity instituted by the enemy or ally of enemy owners of the letters patent, trade-mark, print, label, or copyright, or otherwise, against the licensee for infringement or for damages, royalty, or other money award on account of anything done by the licensee under such license, except as provided in subsection (j) hereof.

(d) The licensee shall file with the President a full statement of the extent of the use and enjoyment of the license, and of the prices received in such form and at such stated periods (at least annually) as the President may prescribe; and the licensee shall pay at such times as may be required to the alien property custodian not to exceed five per centum of the gross sums received by the licensee from the sale of said inventions or use of the trade-mark, print, label, or copyrighted matter, or, if the President shall so

order, five per centum of the value of the use of such inventions, trade-marks, prints, labels, or copyrighted matter to the licensee as established by the President; and sums so paid shall be deposited by said alien property custodian forthwith in the Treasury of the United States as a trust fund for the said licensee and for the owner of the said patent, trade-mark, print, label, or copyright registration as hereinafter provided, to be paid from the Treasury upon order of the court, as provided in subdivision (f) of this section, or upon the direction of the alien property custodian.

(e) Unless surrendered or terminated as provided in this act, any license granted hereunder shall continue during the term fixed in the license or in the absence of any such limitation during the term of the patent, trade-mark, print, label, or copyright registration under which it is granted. Upon violation by the licensee of any of the provisions of this act, or of the conditions of the license, the President may, after due notice and hearing, cancel any license granted by him.

(f) The owner of any patent, trade-mark, print, label, or copyright under which a license is granted hereunder may, after the end of the war and until the expiration of one year thereafter, file a bill in equity against the licensee in the district court of the United States for the district in which the said licensee resides, or, if a corporation, in which it has its principal place of business (to which suit the Treasurer of the United States shall be made a party), for recovery from the said licensee for all use and enjoyment of the said patented invention, trade-mark, print, label, or copyrighted matter: *Provided, however,* That whenever suit is brought, as above, notice shall be filed with the alien property custodian within thirty days after date of entry of suit: *Provided further,* That the licensee may make any and all defenses which would be available were no license granted. The court on due proceedings had may adjudge and decree to the said owner payment of a reasonable royalty. The amount of said judgment and decree, when final, shall be paid on order of the court to the owner of the patent from the fund deposited by the licensee, so far as such deposit will satisfy said judgment and decree; and the said payment shall be in full or partial satisfaction of said judgment and decree, as the facts may appear; and if, after payment of all such judgments and decrees, there shall remain any balance of said deposit, such balance shall be repaid to the licensee on order of the alien property custodian. If no suit is brought within one year after the end of the war, or no notice is filed as above required, then the licensee shall not be liable to make any further deposits, and all funds deposited by him shall be repaid to him on order of the alien property custodian. Upon entry of suit and notice filed as above required, or upon repayment of funds as above provided, the liability of the licensee to make further reports to the President shall cease.

If suit is brought as above provided, the court may, at any time, terminate the license, and may, in such event, issue an injunction to restrain the licensee from infringe-

ment thereafter, or the court, in case the licensee, prior to suit, shall have made investment of capital based on possession of the license, may continue the license for such period and upon such terms and with such royalties as it shall find to be just and reasonable.

(g) Any enemy, or ally of enemy, may institute and prosecute suits in equity against any person other than a licensee under this act to enjoin infringement of letters patent, trade-mark, print, label, and copyrights in the United States owned or controlled by said enemy or ally of enemy, in the same manner and to the extent that he would be entitled so to do if the United States was not at war: *Provided*, That no final judgment or decree shall be entered in favor of such enemy or ally of enemy by any court except after thirty days' notice to the alien property custodian. Such notice shall be in writing and shall be served in the same manner as civil process of Federal courts.

(h) All powers of attorney heretofore or hereafter granted by an enemy or ally of enemy to any person within the United States, in so far as they may be requisite to the performance of acts authorized in subsections (a) and (g) of this section, shall be valid.

(i) Whenever the publication of an invention by the granting of a patent may, in the opinion of the President, be detrimental to the public safety or defense, or may assist the enemy or endanger the successful prosecution of the war, he may order that the invention be kept secret and withhold the grant of a patent until the end of the war: *Provided*, That the invention disclosed in the application for said patent may be held abandoned upon it being established before or by the Commissioner of Patents that, in violation of said order, said invention has been published or that an application for a patent therefor has been filed in any other country, by the inventor or his assigns or legal representatives, without the consent or approval of the commissioner or under a license of the President.

When an applicant whose patent is withheld as herein provided and who faithfully obeys the order of the President above referred to shall tender his invention to the Government of the United States for its use, he shall, if he ultimately receives a patent, have the right to sue for compensation in the Court of Claims, such right to compensation to begin from the date of the use of the invention by the Government.

Sec. 11. Whenever during the present war the President shall find that the public safety so requires and shall make proclamation thereof it shall be unlawful to import into the United States from any country named in such proclamation any article or articles mentioned in such proclamation except at such time or times, and under such regulations or orders, and subject to such limitations and exceptions as the President shall prescribe, until otherwise ordered by the President or by Congress: *Provided, however*, That no preference shall be given to the ports of one State over those of another.

Sec. 12. That all moneys (including checks and drafts payable on demand) paid to or received by the alien property custodian pursuant to this act shall be deposited forthwith in the Treasury of the United States, and may be invested and reinvested by the Secretary of the Treasury in United States bonds or United States certificates of indebtedness, under such rules and regulations as the President shall prescribe for such deposit, investment, and sale of securities; and as soon after the end of the war as the President shall deem practicable, such securities shall be sold and the proceeds deposited in the Treasury.

All other property of an enemy, or ally of enemy, conveyed, transferred, assigned, delivered, or paid to the alien property custodian hereunder shall be safely held and administered by him except as hereinafter provided; and the President is authorized to designate as a depository, or depositaries, of property of an enemy or ally of enemy, any bank, or banks, or trust company, or trust companies, or other suitable depository or depositaries, located and doing business in the United States. The alien property custodian may deposit with such designated depository or depositaries, or with the Secretary of the Treasury, any stocks, bonds, notes, time drafts, time bills of exchange, or other securities, or property (except money or checks or drafts payable on demand which are required to be deposited with the Secretary of the Treasury), and such depository or depositaries shall be authorized and empowered to collect any dividends or interest or income that may become due and any maturing obligations held for the account of such custodian. Any moneys collected on said account shall be paid and deposited forthwith by said depository or by the alien property custodian into the Treasury of the United States as hereinbefore provided.

The President shall require all such designated depositaries to execute and file bonds sufficient in his judgment to protect property on deposit, such bonds to be conditioned as he may direct.

The alien property custodian shall be vested with all of the powers of a common-law trustee in respect of all property, other than money, which shall come into his possession in pursuance of the provisions of this act, and, acting under the supervision and direction of the President, and under such rules and regulations as the President shall prescribe, may manage such property and do any act or things in respect thereof or make any disposition thereof or of any part thereof, by sale or otherwise, and exercise any rights which may be or become appurtenant thereto or to the ownership thereof, if and when necessary to prevent waste and protect such property and to the end that interests of the United States in such property and rights or of such person as may ultimately become entitled thereto, or to the proceeds thereof, may be preserved and safeguarded. It shall be the duty of every corporation incorporated within the United States and every unincorporated association, or company, or trustee, or trustees within the United States issuing shares or certificates rep-

representing beneficial interests, to transfer such shares or certificates upon its, his, or their books into the name of the alien property custodian upon demand, accompanied by the presentation of the certificates which represent such shares or beneficial interests. The alien property custodian shall forthwith deposit in the Treasury of the United States, as hereinbefore provided, the proceeds of any such property or rights so sold by him.

Any money or property required or authorized by the provisions of this act to be paid, conveyed, transferred, assigned, or delivered to the alien property custodian shall, if said custodian shall so direct by written order, be paid, conveyed, transferred, assigned, or delivered to the Treasurer of the United States with the same effect as if to the alien property custodian.

After the end of the war any claim of any enemy or of an ally of enemy to any money or other property received and held by the alien property custodian or deposited in the United States Treasury shall be settled as Congress shall direct: *Provided, however*, That on order of the President, as set forth in section nine hereof, or of the court, as set forth in sections nine and ten hereof, the alien property custodian or the Treasurer of the United States, as the case may be, shall forthwith convey, transfer, assign, and pay to the person to whom the President shall so order, or in whose behalf the court shall enter final judgment or decree, any property of an enemy or ally of enemy held by said custodian or by said Treasurer, so far as may be necessary to comply with said order of the President or said final judgment or decree of the court: *And provided further*, That the Treasurer of the United States, on order of the alien property custodian, shall, as provided in section ten hereof, repay to the licensee any funds deposited by said licensee.

SEC. 13. That, during the present war, in addition to the facts required by sections forty-one hundred and ninety-seven, forty-one hundred and ninety eight, and forty-two hundred of the Revised Statutes, as amended by the act of June fifteenth, nineteen hundred and seventeen, to be set out in the master's and shipper's manifest before clearance will be issued to vessels bound to foreign ports, the master or person in charge of any vessel, before departure of such vessel from port, shall deliver to the collector of customs of the district wherein such vessel is located a statement, duly verified by oath, that the cargo is not shipped or to be delivered in violation of this act, and the owners, shippers, or consignors of the cargo of such vessels shall in like manner deliver to the collector like statement under oath as to the cargo or the parts thereof laden or shipped by them, respectively, which statement shall contain also the names and addresses of the actual consignees of the cargo, or if the shipment is made to a bank or other broker, factor, or agent, the names and addresses of the persons who are the actual consignees on whose account the shipment is made. The master or person in control of the vessel shall, on reaching port of destination of any of the cargo, deliver a copy of the manifest and of the said

master's, owner's, shipper's, or consignor's statement to the American consular officer of the district in which the cargo is unladen.

SEC. 14. That, during the present war, whenever there is reasonable cause to believe that the manifest or the additional statements under oath required by the preceding section are false or that any vessel, domestic or foreign, is about to carry out of the United States any property to or for the account or benefit of an enemy, or ally of enemy, or any property or person whose export, taking out, or transport will be in violation of law, the collector of customs for the district in which such vessel is located is hereby authorized and empowered subject to review by the President 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.

The collector of customs shall, during the present war, in each case report to the President the amount of gold or silver coin or bullion or other moneys of the United States contained in any cargo intended for export. Such report shall include the names and addresses of the consignors and consignees, together with any facts known to the collector with reference to such shipment and particularly those which may indicate that such gold or silver coin or bullion or moneys of the United States may be intended for delivery or may be delivered, directly or indirectly to an enemy or an ally of enemy.

SEC. 15. That the sum of \$450,000 is hereby appropriated, out of any money in the Treasury of the United States not otherwise appropriated, to be used in the discretion of the President for the purpose of carrying out the provisions of this act during the fiscal year ending June thirtieth, nineteen hundred and eighteen, and for the payment of salaries of all persons employed under this act, together with the necessary expenses for transportation, subsistence, rental of quarters in the District of Columbia, books of reference, periodicals, stationery, typewriters and exchanges thereof, miscellaneous supplies, printing to be done at the Government Printing Office, and all other necessary expenses not included in the foregoing.

SEC. 16. That whoever shall willfully violate any of the provisions of this act or of any license, rule, or regulation issued thereunder, and whoever shall willfully violate, neglect, or refuse to comply with any order of the President issued in compliance with the provisions of this act shall, upon conviction, be fined not more than \$10,000, or, if a natural person, imprisoned for not more than ten years, or both; and the officer, director, or agent of any corporation who knowingly participates in such violation shall be punished by a like fine, imprisonment, or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, concerned in such violation shall be forfeited to the United States.

SEC. 17. That the district courts of the United States are hereby given jurisdiction to make and enter all such rules as to notice and otherwise, and all such orders and decrees, and to issue such process as may be necessary and proper in the premises to enforce the provisions of this act, with a right of appeal from the final order or decree of such court as provided in sections one hundred and twenty-eight and two hundred and thirty-eight of the act of March third, nineteen hundred and eleven, entitled "An act to codify, revise, and amend the laws relating to the judiciary."

SEC. 18. That the several courts of first instance in the Philippine Islands and the district court of the Canal Zone shall have jurisdiction of offenses under this act committed within their respective districts, and concurrent jurisdiction with the district courts of the United States of offenses under this act committed upon the high seas and of conspiracies to commit such offenses as defined by section thirty-seven of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March fourth, nineteen hundred and nine, and the provisions of such section for the purpose of this act are hereby extended to the Philippine Islands and to the Canal Zone.

SEC. 19. That ten days after the approval of this act and until the end of the war, it shall be unlawful for any person, firm, corporation, or association, to print, publish, or circulate, or cause to be printed, published, or circulated in any foreign language, any news item, editorial, or other printed matter, respecting the Government of the United States, or of any nation engaged in the present war, its policies, international relations, the state or conduct of the war, or any matter relating thereto: *Provided*, That this section shall not apply to any print, newspaper, or publication where the publisher or distributor thereof, on or before offering the same for mailing, or in any manner distributing it to the public, has filed with the postmaster at the place of publication, in the form of an affidavit, a true and complete translation of the entire article containing such matter proposed to be published in such print, newspaper, or publication, and has caused to be printed, in plain type in the English language, at the head of each such item, editorial, or other matter, on each copy of such print, newspaper, or publication, the words "True translation filed with the postmaster at \_\_\_\_\_ on \_\_\_\_\_ (naming the post office where the translation was filed, and the date of filing thereof), as required by the act of \_\_\_\_\_ (here giving the date of this act).

Any print, newspaper, or publication in any foreign language which does not conform to the provisions of this section is hereby declared to be nonmailable, and it shall be unlawful for any person, firm, corporation, or association to transport, carry, or otherwise publish or distribute the same, or to transport, carry or otherwise publish or distribute any matter which is made nonmailable by the provisions of the act relating to espionage, approved June fifteenth, nineteen hundred and seventeen: *Provided*

*further*, That upon evidence satisfactory to him that any print, newspaper, or publication, printed in a foreign language may be printed, published, and distributed free from the foregoing restrictions and conditions without detriment to the United States in the conduct of the present war, the President may cause to be issued to the printers or publishers of such print, newspaper, or publication, a permit to print, publish, and circulate the issue or issues of their print, newspaper, or publication, free from such restrictions and requirements, such permits to be subject to revocation at his discretion. And the Postmaster General shall cause copies of all such permits and revocations of permits to be furnished to the postmaster of the post office serving the place from which the print, newspaper, or publication, granted the permit is to emanate. All matter printed, published and distributed under permits shall bear at the head thereof in plain type in the English language, the words, "Published and distributed under permit authorized by the act of \_\_\_\_\_ (here giving date of this act), on file at the post office of \_\_\_\_\_ (giving name of office)."

Any person who shall make an affidavit containing any false statement in connection with the translation provided for in this section shall be guilty of the crime of perjury and subject to the punishment provided therefor by section one hundred and twenty-five of the act of March fourth, nineteen hundred and nine, entitled "An act to codify revise, and amend the penal laws of the United States" and any person, firm, corporation or association, violating any other requirement of this section shall, on conviction thereof, be punished by a fine of not more than \$500, or by imprisonment of not more than one year, or, in the discretion of the court, may be both fined and imprisoned.

Approved, October 6, 1917.

#### REGULATIONS FOR CARRYING OUT PROVISIONS OF TRADING WITH ENEMY ACT.

Following is the text of the Executive Order prescribing regulations for carrying out the provisions of the Trading with the Enemy Act:

*Executive order vesting power and authority in designated officers and making rules and regulations under Trading with the Enemy Act and Title VII of the act approved June 15, 1917.*

By virtue of the authority vested in me by "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, and by Title VII of the act approved June 15, 1917, entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage and better to enforce the criminal laws of the United States, and for other purposes" (hereinafter

designated as the espionage act), I hereby make the following orders and rules and regulations:

WAR TRADE BOARD.

I. I hereby establish a War Trade Board to be composed of representatives, respectively, of the Secretary of State, of the Secretary of the Treasury, of the Secretary of Agriculture, of the Secretary of Commerce, of the Food Administrator, and of the United States Shipping Board.

II. I hereby vest in said board the power and authority to issue licenses under such terms and conditions as are not inconsistent with law, or to withhold or refuse licenses for the exportation of all articles, except coin, bullion, or currency, the exportation or taking of which out of the United States may be restricted by proclamations heretofore or hereafter issued by me under said Title VII of the espionage act.

III. I further hereby vest in said War Trade Board the power and authority to issue, upon such terms and conditions as are not inconsistent with law, or to withhold or refuse, licenses for the importation of all articles the importation of which may be restricted by any proclamation hereafter issued by me under section 11 of the trading with the enemy act.

IV. I further hereby vest in said War Trade Board the power and authority not vested in other officers by subsequent provisions of this order, to issue, under such terms and conditions as are not inconsistent with law, or to withhold or refuse, licenses to trade either directly or indirectly with, to, or from, or for, or on account of, or on behalf of, or for the benefit of, any other person, with knowledge or reasonable cause to believe that such other person is an enemy or ally of enemy, or is conducting or taking part in such trade, directly or indirectly, for, or on account of, or on behalf of, or for the benefit of, an enemy or ally of enemy.

V. I further hereby vest in said War Trade Board the power and authority under such terms and conditions as are not inconsistent with law to issue to every enemy or ally of enemy, other than enemy or ally of enemy insurance or reinsurance companies, doing business within the United States through an agency or branch office, or otherwise, applying therefor within 30 days of October 6, 1917, licenses, temporary or otherwise, to continue to do business, or said board may withhold or refuse the same.

VI. And I further hereby vest in said War Trade Board the executive administration of the provisions of section 4 (b) of the trading with the enemy act relative to granting licenses to enemies and enemy allies to assume or use other names than those by which they were known at the beginning of the war. And I hereby authorize said board to issue licenses not inconsistent with the provisions of law or to withhold or refuse licenses to any enemy, or ally of enemy, or partnership of which an enemy or ally of enemy is a member or was a member at the beginning of the war, to assume or use any name other than that by which such enemy or ally of enemy or partnership was ordinarily known at the beginning of the war.

VII. I hereby revoke the Executive order of August 21, 1917, creating the Exports Administrative Board. All proclamations, rules, regulations, and instructions made or given by me under Title VII of the espionage act and now being administered by the Exports Administrative Board are hereby continued, confirmed, and made applicable to the War Trade Board, and all employees of the Exports Administrative Board are hereby transferred to and constituted employees of the War Trade Board in the same capacities, and said War Trade Board is hereby authorized to exercise without interruption the powers heretofore exercised by said Exports Administrative Board.

VIII. The said War Trade Board is hereby authorized and empowered to take all such measures as may be necessary or expedient to administer the powers hereby conferred. And I hereby vest in the War Trade Board the power conferred upon the President by section 5 (a) to make such rules and regulations, not inconsistent with law, as may be necessary and proper for the exercise of the powers conferred upon said board.

WAR TRADE COUNCIL.

IX. I hereby establish a War Trade Council to be composed of the Secretary of State, Secretary of the Treasury, Secretary of Agriculture, Secretary of Commerce, the Food Administrator, and the chairman of the Shipping Board; and I hereby authorize and direct the said War Trade Council thus constituted to act in an advisory capacity in such matters under said acts as may be referred to them by the president of the War Trade Board.

SECRETARY OF THE TREASURY.

X. I hereby vest in the Secretary of the Treasury the executive administration of any investigation, regulation, or prohibition of any transaction in foreign exchange, export, or earmarking of gold or silver coin or bullion or currency, transfers of credit in any form—other than credits relating solely to transactions to be executed wholly within the United States—and transfers of evidences of indebtedness or of the ownership of property between the United States and any foreign country, or between residents of one or more foreign countries, by any person within the United States; and I hereby vest in the Secretary of the Treasury the authority and power to require any person engaged in any such transaction to furnish under oath complete information relative thereto, including the production of any books of account, contracts, letters, or other papers in connection therewith in the custody or control of such person, either before or after such transaction is completed.

XI. I further hereby vest in the Secretary of the Treasury the executive administration of the provisions of subsection (c) of section 3 of the trading with the enemy act relative to sending, or taking out of, or bringing into, or attempting to send, take out of, or bring into, the United States any letter, writing, or tangible form of communication except in the regular course of the mail; and of the

sending, taking, or transmitting, or attempting to send, take, or transmit, out of the United States any letter or other writing, book, map, plan, or other paper, picture, or any telegram, cablegram, or wireless message, or other form of communication intended for or to be delivered, directly or indirectly, to an enemy or ally of enemy. And said Secretary of the Treasury is hereby authorized and empowered to issue licenses to send, take, or transmit out of the United States anything otherwise forbidden by said subsection (c) and give such consent or grant such exemption in respect thereto, as is not inconsistent with law, or to withhold or refuse the same.

XII. I further authorize the Secretary of the Treasury to grant a license under such terms and conditions as are not inconsistent with law or to withhold or refuse the same to any "enemy" or "ally of enemy" insurance or reinsurance company doing business within the United States through an agency or branch office, or otherwise, which shall make application within 30 days of October 6, 1917.

XIII. I hereby authorize and direct the Secretary of the Treasury, for the purpose of such executive administration, to take such measures, adopt such administrative procedure, and use such agency or agencies as he may from time to time deem necessary and proper for that purpose. The proclamation of the President, dated September 7, 1917, made under authority vested in him by Title VII of said act of Congress, approved June 15, 1917, shall remain in full force and effect. The Executive order, dated September 7, 1917, made under the authority of said title shall remain in full force and effect until new regulations shall have been established by the President, or by the Secretary of the Treasury, with the approval of the President, and thereupon shall be superseded.

#### CENSORSHIP BOARD.

XIV. I hereby establish a Censorship Board to be composed of representatives, respectfully, of the Secretary of War, the Secretary of the Navy, the Postmaster General, the War Trade Board, and the chairman of the committee on publicity information.

XV. And I hereby vest in said Censorship Board the executive administration of the rules, regulations, and proclamations from time to time established by the President under subsection (d) of section 3 of the trading-with-the-enemy act for the censorship of communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country from time to time specified by the President or carried by any vessel or other means of transportation touching at any port, place, or territory of the United States and bound to or from any foreign country.

XVI. The said Censorship Board is hereby authorized to take all such measures as may be necessary or expedient to administer the powers hereby conferred.

#### FEDERAL TRADE COMMISSION.

XVII. I further hereby vest in the Federal Trade Commission the power and authority to issue licenses under such terms and conditions as are not inconsistent with law,

or to withhold or refuse the same to any citizen of the United States or any corporation organized within the United States to file and prosecute applications in the country of an enemy or ally of enemy for letters patent or for registration of trade-mark, print, label, or copyright, and to pay the fees required by law and the customary agents' fees, the maximum amount of which in each case shall be subject to the control of such commission; or to pay to any enemy or ally of enemy any tax, annuity, or fee which may be required by the laws of such enemy or ally of enemy nation in relation to patents, trade-marks, prints, labels, and copyrights.

XVIII. I hereby vest in the Federal Trade Commission the power and authority to issue pursuant to the provisions of section 10 (c) of the trading-with-the-enemy act, upon such terms and conditions as are not inconsistent with law, or to withhold or refuse, a license to any citizen of the United States, or any corporation organized within the United States, to manufacture or cause to be manufactured a machine, manufacture, composition of matter, or design, or to carry on or cause to be carried on a process under any patent, or to use any trade-mark, print, label, or copyrighted matter owned or controlled by an enemy or ally of enemy, at any time during the present war; and also to fix the prices of articles and products manufactured under such licenses necessary to the health of the military and the naval forces of the United States or the successful prosecution of the war; and to prescribe the fee which may be charged for such license not exceeding \$100 and not exceeding 1 per cent of the fund deposited by the licensee with the alien-property custodian as provided by law.

XIX. I hereby further vest in the said Federal Trade Commission the executive administration of the provisions of section 10 (d) of the trading-with-the-enemy act, the power and authority to prescribe the form of and time and manner of filing statements of the extent of the use and enjoyment of the license and of the prices received and the times at which the licensee shall make payments to the alien-property custodian, and the amounts of said payments, in accordance with the trading-with-the-enemy act.

XX. I further hereby vest in the Federal Trade Commission the power and authority, whenever in its opinion the publication of an invention or the granting of a patent may be detrimental to the public safety or defense, or may assist the enemy, or endanger the successful prosecution of the war, to order that the invention be kept secret and the grant of letters patent withheld until the end of the war.

XXI. The said Federal Trade Commission is hereby authorized to take all such measures as may be necessary or expedient to administer the powers hereby conferred.

#### THE POSTMASTER GENERAL.

XXII. I hereby vest in the Postmaster General the executive administration of all the provisions (except the penal provisions) of section 19 of the trading-with-the-enemy act, relating to the printing, publishing, or circulation in any foreign language of any news item, editorial,

or other printed matter respecting the Government of the United States or of any nation engaged in the present war, its policies, international relations, the state or conduct of the war or any matter relating thereto, and the filing with the postmaster at the place of publication, in the form of an affidavit of a true and complete translation of the entire article containing such matter proposed to be published in such print, newspaper, or publications, and the issuance of permits for the printing, publication, and distribution thereof free from said restriction. And the Postmaster General is authorized and empowered to issue such permits upon such terms and conditions as are not inconsistent with law, and to refuse, withhold, or revoke the same.

XXIII. The sum of \$35,000, or so much thereof as may be necessary, is hereby allotted out of the funds appropriated by the trading-with-the-enemy act to be expended by the Postmaster General in the administration of said section 19 thereof.

XXIV. The Postmaster General is hereby authorized to take all such measures as may be necessary or expedient to administer the powers hereby conferred.

SECRETARY OF STATE.

XXV. I hereby vest in the Secretary of State the executive administration of the provisions of subsection (b) of section 3 of the trading-with-the-enemy act relative to any person transporting or attempting to transport any subject or citizen of an enemy or ally of enemy nation, and relative to transporting or attempting to transport by any owner, master, or other person in charge of a vessel of American registry, from any place to any other place, such subject or citizen of an enemy or enemy ally.

XXVI. And I hereby authorize and empower the Secretary of State to issue licenses for such transportation of enemies and enemy allies or to withhold or refuse the same.

XXVII. And said Secretary of State is hereby authorized and empowered to take all such measures as may be necessary or expedient to administer the powers hereby conferred and to grant, refuse, withhold, or revoke licenses thereunder.

SECRETARY OF COMMERCE.

XXVIII. I hereby vest in the Secretary of Commerce the power to review the refusal of any collector of customs under the provisions of sections 13 and 14 of the trading-with-the-enemy act to clear any vessel, domestic or foreign, for which clearance is required by law.

ALIEN PROPERTY CUSTODIAN.

XXIX. I hereby vest in an alien property custodian, to be hereafter appointed, the executive administration of all the provisions of section 7 (a), section 7 (c), and section 7 (d) of the trading-with-the-enemy act, including all power and authority to require lists and reports, and to extend the time for filing the same, conferred upon the President by the provisions of said section 7 (a), and including the power and authority conferred upon the President by the provisions of said section 7 (c), to require the conveyance, transfer, assignment, delivery, or payment

to himself, at such time and in such manner as he shall prescribe, of any money or other properties owing to or belonging to or held for, by or on account of, or on behalf of, or for the benefit of any enemy or ally of an enemy not holding a license granted under the provisions of the trading-with-the-enemy act, which, after investigation, said alien property custodian shall determine is so owing or so belongs, or is so held.

XXX. Any person who desires to make conveyance, transfer, payment, assignment, or delivery, under the provisions of section 7 (d) of the trading-with-the-enemy act, to the alien property custodian of any money or other property owing to or held for, by or on account of or on behalf of, or for the benefit of an enemy or ally of enemy, not holding a license granted as provided in the trading-with-the-enemy act, or to whom any obligation or form of liability to such enemy or ally of enemy is presented for payment, shall file application with the alien property custodian for consent and permit to so convey, transfer, assign, deliver, or pay such money or other property to him, and said alien property custodian is hereby authorized to exercise the power and authority conferred upon the President by the provisions of said section 7 (d) to consent and to issue permit upon such terms and conditions as are not inconsistent with law, or to withhold or refuse the same.

XXXI. I further vest in the alien property custodian the executive administration of all the provisions of sections 8 (a), section 8 (b), and section 9 of the trading-with-the-enemy act, so far as said sections relate to the powers and duties of said alien property custodian.

XXXII. I vest in the Attorney General all power and authority conferred upon the President by the provisions of section 9 of the trading-with-the-enemy act.

XXXIII. The alien property custodian to be hereafter appointed is hereby authorized to take all such measures as may be necessary or expedient, and not inconsistent with law, to administer the powers hereby conferred; and he shall further have the power and authority to make such rules and regulations not inconsistent with law as may be necessary and proper to carry out the provisions of said section 7 (a), section 7 (c), section 7 (d), section 8 (a), and section 8 (b), conferred upon the President by the provisions thereof and by the provisions of section 5 (a), said rules and regulations to be duly approved by the Attorney General.

XXXIV. The alien property custodian to be hereafter appointed shall, "under the supervision and direction of the President, and under such rules and regulations as the President shall prescribe," have administration of all moneys (including checks and drafts payable on demand) and of all property, other than money which shall come into his possession in pursuance of the provisions of the trading-with-the-enemy act, in accordance with the provisions of section 6, section 10, and section 12 thereof.

(Signed) Woodrow Wilson.

THE WHITE HOUSE,  
October 12, 1917.

### 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 September 22, 1917, to October 26, 1917, inclusive:

	Banks.	
New charters issued to.....	16	
With capital of.....		\$850,000
Increase of capital approved for.....	10	
With new capital of.....		1,115,000
Aggregate number of new charters and banks increasing capital.....	26	
With aggregate of new capital authorized.....		1,965,000
Number of banks liquidating (other than those consolidating with other national banks).....	7	
Capital of same banks.....		775,000
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).....	7	
Aggregate capital reduction.....		775,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was.....		1,965,000
Against this there was a reduction of capital owing to liquidations (other than for consolidation with other national banks) and reductions of capital of.....		775,000
Net increase.....		1,190,000

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

### Commercial Failures Reported.

Commercial failures show a further marked reduction in number this month—692 for the three weeks of October, comparing with 835 for the corresponding period last year, according to the records of R. G. Dun & Co., on which this statement is based. During September, the latest month for which a complete report is available, there were 963 commercial failures, with liabilities of \$11,903,051, compared with 1,154 in September, 1916, for \$11,569,078. This is the most gratifying exhibit for any

month in six years as to number. Liabilities were the smallest, excepting those of May, since October last year. In the Federal Reserve districts there were increases in number in the second and twelfth districts; also an increase of one in the ninth district, but in all of the other districts decreases are shown, which is very marked in most of them. Several large failures swelled the liabilities in the second district, and while some increase in liabilities also appears in the comparison with a year ago in the seventh, ninth, tenth, and twelfth districts, there are decreases in the other seven districts.

### Failures during September.

	Number.		Liabilities.	
	1917	1916	1917	1916
Districts:				
First.....	97	104	\$629,491	\$839,052
Second.....	181	162	4,291,834	1,685,919
Third.....	63	74	548,914	750,253
Fourth.....	80	110	978,433	1,415,550
Fifth.....	59	61	715,091	1,983,290
Sixth.....	85	124	631,417	1,722,912
Seventh.....	113	190	1,558,140	1,369,295
Eighth.....	56	64	200,577	335,458
Ninth.....	33	32	410,523	126,349
Tenth.....	45	78	567,860	276,403
Eleventh.....	42	48	223,142	292,797
Twelfth.....	112	107	1,117,629	773,800
Total.....	963	1,154	11,903,051	11,569,078

### Export License List.

In the following statement, issued by the War Trade Board on October 22, are given the additions to the conservation list, complete conservation list, additions to articles requiring license, and a complete list of articles requiring a license:

#### ADDITIONS TO THE CONSERVATION LIST.

The War Trade Board announces a list of commodities, in addition to those published on September 28, 1917, whose conservation is necessary on account of the limited supply and the needs of the United States in its successful prosecution of the war. Accordingly, the board has practically prohibited the exportation of these articles the list of which follows:

Amorphous phosphorus.  
Babbitt metal and other antifriction metals; bichromate of potash; bismuth salts; boring machines, horizontal;

boring mills, vertical, all sizes; brass, articles of; bronze, articles of (unless containing less than 10 per cent copper).

Cable (copper or insulated); caustic potash; china wood oil; chrome steel, chromium, ore, any metal, ferro-alloy, or chemical extracted therefrom; cobalt, ore, any metal, ferro-alloy, or chemical extracted therefrom; copper, ore, any metal, ferro-alloy, or chemical extracted therefrom unless less than 10 per cent of copper; crucibles.

Diamonds (industrial); drill presses, except sensitive; drilling machinery, radial.

Ferrochrome; ferrovandium; ferrocobalt; ferromolybdenum; ferronickel; ferrotungsten; all manufactured articles containing flax which are manufactured in the United States; flannelette raisings (wool).

Grinders, internal, plain, and universal; graphite electrodes.

Hair, animal; hardware, finished articles containing more than 10 per cent of copper; hydrofluoric acid.

Jute and products (including cloth, bags, gunnies, twine, etc.).

Lathes, 24-inch swing and larger; linen.

Manganese, ore, any metal, ferro-alloy, or chemical extracted therefrom; milling machines, plain and universal, except hand millers; mercury; molybdenum; molybdenite.

Naxos emery; nickel and nickel alloys; nickel (more than 5 per cent), ore, any metal, ferro-alloy, or chemicals extracted therefrom.

Plumbago (graphite, imported, and articles manufactured therefrom); planers, 30 inches and larger; peas, including seed.

Sal ammoniac; sheelite; sodium phosphate; solder.

Tin and any metallic alloy containing tin; chloride of tin; tin ore; tin canisters, except when used as food containers; tin boxes, except when used as food containers; tin foil; tungsten ore, any metal, ferro-alloy, or chemical extracted therefrom; type metal.

Vanadium.

Wolframite; wool, raw; wool, scoured; wool products suitable for military purposes; wool and worsted yarns; wool and worsted tops; wool and worsted noils; wool and worsted waste.

Yellow phosphorus.

Export licenses may be granted, however, for the above-mentioned articles when they are destined for actual war purposes or when they will directly contribute thereto. Licenses may also be granted in certain unusual cases where such exports will contribute directly to the immediate production of important commodities required by the United States, and also in certain other cases where these commodities may be exported in limited quantities without detriment to this country.

#### SHIPMENTS IN TRANSIT TO CANADA.

To facilitate exports to Canada and Newfoundland, there has been heretofore issued, through the customs service, a special license whereby goods have been permitted to enter Canada and Newfoundland without an individual license for each shipment, except in the case of the commodities which the board has heretofore found it necessary to conserve, and for whose exportation individual licenses have

been required, as stated in the several announcements made by the board from time to time. With respect to the commodities above mentioned, which are now added to the "Conservation list" in accordance with this statement, an individual export license will likewise be required for each shipment of such additional conserved commodities, which is covered by ocean and/or railroad bill of lading marked "For export" and dated on or after October 20, 1917. This date has been fixed in order to avoid interference with goods in transit.

#### COMPLETE CONSERVATION LIST TO DATE.

For the convenient reference of shippers the War Trade Board takes this occasion to publish the "Conservation list," complete to date, including the commodities which it has heretofore been found necessary to conserve, as well as the commodities now added to the "Conservation list." The complete "Conservation list" follows:

Acetone; alcohol; aluminum; ammonia salts; amorphous phosphorus; ammonia nitrate; anhydrous ammonia; animal fats; arsenate of lead and arsenate of soda.

Babbitt metal and other antifriction metals; bichromate of potash; bismuth salts; boring machines, horizontal; boring mills, vertical, all sizes; brass, articles of; bronze, articles of (unless containing less than 10 per cent copper); boiler tubes (iron and steel); boring mills, vertical, 42 inches and larger; butter.

Cable (copper or insulated); carbolic acid (phenol); castor oil and castor beans; caustic potash; caustic soda; China wood oil; chrome nickel steel; chrome steel; chromium; ore, any metal, ferroalloy, or chemical extracted therefrom; cobalt; ore, any metal, ferroalloy, or chemical extracted therefrom unless less than 10 per cent of copper; cotton linters; cottonseed oil; crucibles; cyanide of sodium.

Diamonds (industrial); drill presses, except sensitive; drilling machines, radial.

Ferrochrome; ferrocobalt; ferromolybdenum; ferromanganese; ferronickel; ferrosilicon; ferrotungsten; ferrovandium; flannelette raisings (wool); flax, and all manufactured articles containing flax which are manufactured in the United States; food grains (including, among others, wheat, barley, corn, rice, oats, and rye).

Glycerine; grinders, internal, plain and universal; graphite electrodes.

Hair, animal; hardware, finished articles containing more than 10 per cent of copper; hydrofluoric acid.

Iron and steel plates, including ship, boiler, tank, and other iron and steel plates  $\frac{1}{8}$  inch thick and heavier and wider than 6 inches, whether plain or fabricated.

Jute and products (including cloth, bags, gunnies, twine, etc.).

Lard; lard compound; lathes, 24-inch swing and larger; linen.

Manganese: ore, any metal, ferro-alloy, or chemical extracted therefrom; milling machines, plain and universal, except hand millers; mercury; mercury salts: molybdenum; molybdenite.

Naxos emery; nitrate of soda; nitric acid; nickel and nickel alloys; nickel (more than 5 per cent): ore, any

metal, ferroalloy, or chemicals extracted therefrom; nitric salts.

Oil-well casing; oil cake; oil-cake meal.

Phosphoric acid; phosphorus; pig iron; planers, metal working, 36 inches wide and larger; planers, 30-inch and larger; plumbago (graphite, imported, and articles manufactured therefrom); peas, including seed; potash and chloride of potash; potassium salts.

Sal ammoniac; saltpeter; scrap iron; scrap steel; searchlights and generators (suited for Army and Navy use); sheelite; soaps; sodium phosphate; sodium sulphite; solder; spiegeleisen; stearin and stearic acid; steel billets; steel blooms; steel ingots; steel sheet bars; steel slabs; sugar; sulphate of ammonia; sulphur and sulphuric acid; superphosphate.

Tallow; tin and any metallic alloy containing tin; chloride of tin, tin ore, tin canisters, except when used as food containers, tin boxes, except when used as food containers, tin foil; tin plate; tungsten ore; tungsten: ore, any metal, ferroalloy, or chemical extracted therefrom; toluol; type metal.

Vegetable oils; vanadium.

Wireless apparatus; wheat; wheat flour; wolframite; wool, raw; wool, scoured; wool products suitable for military purposes; wool rags; wool and worsted yarns; wool and worsted tops; wool and worsted waste; wool and worsted noils.

Yellow phosphorus.

#### ADDITIONS TO ARTICLES REQUIRING LICENSES.

The attention of shippers is directed to the fact that the following commodities have been recently classified as requiring an export license when shipped 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.

In order to avoid interference with goods in transit no export license will be required for such shipments of these commodities as are

covered by an ocean and/or railroad bill of lading marked "For export" and dated on or before October 20, 1917. This list may be regarded as supplementary to the one already published:

Alum; amorphous phosphorus.

Bichromate of soda; bismuth salts; brass and articles of; bronze and articles of.

Chrome alum.

Epsom salts.

Ferric alum.

German silver; Glauber salts.

Hydrofluoric acid; hyposulphite of soda.

Nicotine sulphate.

Paraffin wax; peas (including seed); plated ware.

Sal ammoniac; silver-plated ware; sodium fluoride; sulphate of quinine.

Toys containing lead, zinc, tin, aluminum.

Yellow phosphorus.

Zinc, oxide, dry.

The War Trade Board has determined that the following benzol, phenol, and toluol derivatives will require an export license when shipped to any country of the world. Such of these, however, as are not on the "Conservation list" will proceed to Canada as heretofore under the special license issued through the Customs Service:

Acetalide; aniline oil; aniline salts; amido azo benzol; amido phenol (para amido phenol).

Benzol; beta naphthol.

Carbolic acid (phenol); chlorbenzol (mono chlorbenzol); cresols.

Dinitrobenzol (metadinitrobenzol); dinitrochlorbenzol; dinitrophenol; dimethylaniline; diphenylamine.

Nitroacetanilide (paranitroacetanilide); nitroaniline; nitrobenzol; nitrophenol (paranitrophenol); nitrotoluol, orthonitrotoluol, paranitrotoluol; nitroxylols; nitrocresols; nitronaphthalenes; nitrochlorbenzol (paranitrochlorbenzol); nitrosodimethylaniline; naphthalene.

Paranitraniline; phenol (carbolic acid).

Tetranitroaniline, tetranitromethylaniline; tetranitroethylaniline; toluol; trinitrotoluol; toluidine, orthotoluidine, paratoluidine.

Xylidine; xylool.

#### COMPLETE LIST OF ARTICLES REQUIRING A LICENSE AT PRESENT.

The War Trade Board has prepared the following list, comprising commodities which have already been determined to be included under the general headings mentioned in the second division of the proclamation of August 27, 1917. Additions may be made to this list if it is determined that other articles are properly included under these general headings:

Abrasives (all artificial); acetone; acetanilide; acid, hydrofluoric; acid phosphates; aeronautical instruments; aeronautical machines; alcohol; aloxite wheels; alloy steel; alum; aluminum and articles made entirely thereof; alun-

dum grain; alundum wheels; amido azo benzol; amido phenol (para amido phenol); ammonia and its salts; ammonia anhydrous; ammonia nitrate; ammunition; amorphous phosphorus; aniline oil; aniline salts; angles, iron and steel; animal fats; antiaircraft instruments, apparatus, and accessories; antimony; antimony black; antifriction metal; arms; arsenate of lead; arsenate of soda; ash, wood; auto grease; automatic guides.

Babbitt metal; bacon; barium nitrate; barley; belting, leather; benzene; betanaphthol; blue stones (copper sulphate); benzine; beams (of all sizes), iron and steel; benzol and its derivatives; bichromate of soda; billets, steel; binder twine (for reaping machines); binocular (for marine use); birch wood; blanchite (sulphate of barium); blooms, steel; bleached soda pulp; boilers, steam; boiler fitting; boiler plates; boiler plugs; boiler pipes; boiler tubes, iron, steel, and copper; bone, ground; bone meal; boots and shoes of leather; bolt heading machines; bone flour; bookbinders' tin stitching wire; boring mills (vertical, 42 inches and larger); boring tubes; broching machines, with countershaft; bromide ammonium; bronze and articles of; bunkers; buckram (flax); burlap; butter.

Cane knives; can maker machines; carbons, electric light; carbolic acid (phenol); car seals; carborundum; carrier and other pigeons; casings, oil well; castor oil; castor beans; caustic soda; cattle manure; cellulose; cereals (oatmeal, rolled oats); channels (all sizes), iron and steel; cheese; chlorate of potash; chlorbenzol (mono chlorbenzol); chrome alum; chromium (for steel alloy); chrome nickel steel; chlorate of potash; clothing, leather; coal; coconut desiccated; cod-liver oil; coke; condensed milk; condensers; coin, silver and gold; copper and articles made entirely thereof; copper bars; copper ingots; copper plates; copper rods; copper strap; copper sheets; copper sulphate; copper tubes; copper wire; copper wire insulators; cotton; cotton lint; copra; corn (maize); corn flour; corn meal; corn oil; corrugated copper gaskets; corundum wheels and stones; cottonseed meal; cottonseed oil; cresols; crisco; crucibles; cyanamide; cyanides (all); cyanide of sodium.

Diamonds, industrial; dimethyl aniline; dinitrobenzol (metadinitrobenzol); dinitrophenol; dinitrochlorbenzol; diphenylamine; drill presses, except sensitive; drilling machines, radial; dry blood; drill chucks; dry paste flour; drilling implements and machinery with accessories for oil wells; drill rods; drill presses; drills (carbon and high-speed twist).

Electrical equipment (all); electric generators; electric lamps; emery and emery cloth; emery wheels; engines (except locomotives); epsom salts; ether; exhaust pipes; explosives.

Fan belts (if leather); fats (all); ferrochrome; ferric alum; ferrocyanide potash; ferromanganese; ferrosilicon; ferrotitanium; ferrovandium; fertilizers, including cattle and sheep manure, nitrate of soda, poudretts, 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, and anhydrous ammonia; films (all), moving pictures, and scrap; fire box, boiler; fish, fresh, dried, and canned; flake graphite; flax; flour; food grains, flour and meal therefrom; fodder and feeds; fuel oils.

Gasoline; gauges for steam boilers; german silver; glass reflectors; glycerin; glucose; graphite; grease of animal or vegetable origin; grinders, internal, plain, and universal; grinding heads; grindstones, power-driven; ground bone; guano.

Hair, animal; hand-lantern oil; hardwood ashes; harness; hemp and manufactures thereof; hides; high-speed steel; hoof oil; humus; hulls, fodder; hydrofluoric acid; hydroquinine; hyposulphite of soda.

Iron boiler tubes; iron scrap; iron and steel shapes, beams (all sizes), channels (all sizes), angles (all sizes), tees and zeos; iron, fabricated, structural, including beams, channels, angles, tees and zeos, and plates, fabricated and shipped knocked down; iron plates, including ship, boiler, tank, and all other iron plates  $\frac{1}{4}$  of an inch thick and heavier and wider than 6 inches and circles over 6 inches in diameter (this includes No. 11 U. S. gauge, but not No. 11 B. W. gauge); instruments, aeronautical, antiaircraft, optical, electrical, ingots, and steel.

Jute and all manufactures thereof; jute cloth.

Kerosene; khaki clippings; knife-grinding machinery (power driven); knives (sugar-cane).

Land plaster; lard; lard compound; lathes; lathe tools; lead; leather; leather belting; leather clothing; leather, sole; leather, upper; lenses, optical; linseed oil; linseed; livestock; loopers; looper cutters for knitting machines; lubricants.

Machines, aeronautical (and instruments), their parts, and accessories; engines (except locomotives)—condensers, metal-working, woodworking, oil-well drilling, pumps, turbines; machetes; machine tools; manganese (for alloy steel); magnifiers, optical; mahogany wood; malt; manganese oxide; magnesium sulphate; manila rope; manure, cattle; manure, sheep; meats, all; meat juice; meats and fats, including poultry, cottonseed oil, corn oil, copra, desiccated coconut, butter, fish (fresh, dried, and canned); edible or inedible grease, of animal or vegetable origin, linseed oil, lard, tinned milk, peanut oil, peanut butter, rapeseed oil, tallow, tallow candles, stearic acid, pigtales; mercury and its salts; mercury salts; metals—antifriction, babbitt; metal-working machine; microscopes; milk (tinned and powdered), not fresh; milling cutters; mineral colza; mineral oil; mirror iron; molasses; molybdenum; motors (steam, gas, electric).

Naphtha; naphthalene; naphthalene balls; neat's-foot oil; Nestle's food (infants); news paper; nickel; nicotine sulphate; nitroacetanilide (paranitroacetanilide); nitrate silver; nitroaniline; nitrobenzol; nitrate of ammonia; nitrophenol (paranitrophenol); nitric acid; nitrolool—orthonitrolool, paranitrolool; nitric acid and its salts; nitroxylols; nitrocresols; nitrate of soda; nitronaphthalenes; nitrochlorbenzol (paranitrochlorbenzol); nitric salts; nitrosodimethylaniline; nitrate of potash; nitrogen lamps.

Oak, wood; oakum; oats; oatmeal; oil cake; oil-meal cake; oil-well casing; oil-well drilling implements and machinery and accessories; optical glass; optical—instruments, reflectors; oils, including fuel, lubricating, lantern, naphtha, benzine, red, kerosene, gasoline rapeseed, cylinder, oleo; oxide of zinc.

Paper, newsprint, book; paraffin oil, wax; paranitraniline; peanuts; peanut butter; peanut oil; petroleum; petrolatum; petroleum jelly; phenol (carbolic acid) and its derivatives; phosphoric acid; phosphate rock; phosphate (sodium); phosphorized, 5 per cent, tin; phosphorus; pigeons, carrier, and others; pig iron; pilchards, canned; pillar presses, power driven; planers; planes (metal working 36 inches and larger); platinum; plated ware; plumbago; potash; potash alum lumps; potash and its salts; potassium bromide crystals; potassium chlorate; potassium permanganate; potassium salts; potato manure; potential transformers; Poudrette; poultry; prawn; print paper; profilers; prussiate soda; propeller shaft; pulp boards; pumps, steam and electric driven; primers; potassium citrate.

Quicksilver; quinine sulphate.

Radio apparatus and all accessories; rapeseed oil; reamers; reflector, searchlight; rice; rice flour; red oil; rolled oats; rope, manila; rosin; rosin oil; rye.

Saddles; sago flour; salammoniac; saltpeter; samp, Indian corn; sawmill machinery (iron and steel); screw plates for cutting thread; screw machines; screw machines, auto-

matic; searchlights; seamless tubes; searchlight and generators suitable for Army and Navy use; sensitized potash; sheet bars, steel; slabs, steel; sheep manure; ship stores; shoes, leather; shooks (if of wood specified in the proclamation of Aug. 27, 1917); sirup; sisal; silver nitrate; silver-plated ware; skins; soap; soap powder; sodium; sodium cyanide; sodium fluoride; sodium hyposulphite; sodium bisulphate; sodium sulphite; sodium phosphate; sodium sulphide; solder; soot; soup paste; specular iron; spelter; spiegeleisen; spruce, wood; staves (if of wood specified in the proclamation of Aug. 27, 1917); steam boilers; steam boiler tubes; stearine; stearine acid; stearine-acid candles; steel shapes—beams, all sizes, channels, all sizes, angles, all sizes, tees and zeos; steel, fabricated, structural, including beams, channels, angles, tees and zeos, and plates, fabricated and shipped knocked down; steel plates, including ship boiler, tank, and all other steel plates  $\frac{3}{8}$  of an inch thick and heavier and wider than 6 inches and circles over 6 inches in diameter (this included No. 11 U. S. gauge but not No. 11 B. W. gauge); steel hardening materials; steel ingots: billets, blooms, slabs, sheet bars; steel scrap; steel: tool, high-speed; steel alloys; sugar; sugar of milk; sulphate copper; sulphate of soda; sulphur; sulphate of—ammonia, antimony, alumina, barium, iron, quinine; sulphide of antimony (stibnite); sulphurated castor oil; sulphuric acid and its salts; sulphuric acid; superphosphate; superheaters.

Tachometer; tallow; tallow candles; tamales; tank plates; taps and dies (machine); tetranitroaniline; tetranitromethylaniline; tees, iron, steel; telephone apparatus; tetranitroethylaniline; tin; tin, all articles containing: tin cans, except when used as containers; tin foil; tin plate, terneplate; toluol; toluol and its derivatives; trinitrotoluol; tools, machine; toluidine; orthotoluidine; paratoluidine; tool steel; toys (tin, brass, lead, etc.); tungsten; turbines; turpentine; turpentine, crude; turret holders; twine, binder; twist drills; type, printing; tools, boiler, iron, steel, copper.

Vanadium; vaseline; vises (bench drill); vegetable oils; vitriol, blue.

Walnut, wood; welting; wheat, wheat flour; white enamel book paper; white lead (dry); wireless apparatus and accessories; wood, ash, spruce, walnut, mahogany, oak, birch; wood pulp; woodworking machinery, power driven; wool; wool clippings; wool products; wool rags.

X-ray apparatus.

Xylidine; xylol.

Zeos, iron, steel; zinc; zinc oxide; zinc sulphate; zinc white (dry).

Shippers should note that every article of commerce is included in the list of articles mentioned in the first division of the President's proclamation of August 27, and will therefore require licenses when shipped 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 (in Europe), Norway, Spain (her colonies, possessions, or protectorates), Sweden, Switzerland, or Turkey (excluding any portion of the foregoing occupied by the military forces of the 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.

## War-Revenue Act.

Because of their significance to bankers and business men, there are herewith reprinted certain portions of the "act to provide revenue to defray war expenses, and for other purposes," which became law October 3, 1917:

[Public—No. 50—65th Congress. H. R. 4280.]

An act to provide revenue to defray war expenses, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

\* \* \* \* \*

### TITLE II.—WAR EXCESS PROFITS TAX.

SEC. 200. That when used in this title—

The term "corporation" includes joint-stock companies or associations and insurance companies;

The term "domestic" means created under the law of the United States, or of any State, Territory, or District thereof, and the term "foreign" means created under the law of any other possession of the United States or of any foreign country or Government;

The term "United States" means only the States, the Territories of Alaska and Hawaii, and the District of Columbia;

The term "taxable year" means the twelve months ending December thirty-first, excepting in the case of a corporation or partnership which has fixed its own fiscal year, in which case it means such fiscal year. The first taxable year shall be the year ending December thirty-first, nineteen hundred and seventeen, except that in the case of a corporation or partnership which has fixed its own fiscal year, it shall be the fiscal year ending during the calendar year nineteen hundred and seventeen. If a corporation or partnership, prior to March first, nineteen hundred and eighteen, makes a return covering its own fiscal year, and includes therein the income received during that part of the fiscal year falling within the calendar year nineteen hundred and sixteen, the tax for such taxable year shall be that proportion of the tax computed upon the net income during such full fiscal year which the time from January first, nineteen hundred and seventeen, to the end of such fiscal year bears to the full fiscal year; and

The term "prewar period" means the calendar years nineteen hundred and eleven, nineteen hundred and twelve, and nineteen hundred and thirteen, or, if a corporation or partnership was not in existence or an individual was not engaged in a trade or business during the whole of such period, then as many of such years during the whole of which the corporation or partnership was in existence or the individual was engaged in the trade or business.

The terms "trade" and "business" include professions and occupations.

The term "net income" means in the case of a foreign corporation or partnership or a nonresident alien individual, the net income received from sources within the United States.

SEC. 201. That in addition to the taxes under existing law and under this act there shall be levied, assessed, collected, and paid for each taxable year upon the income of every corporation, partnership, or individual, a tax (hereinafter in this title referred to as the tax) equal to the following percentages of the net income:

Twenty per centum of the amount of the net income in excess of the deduction (determined as hereinafter provided) and not in excess of fifteen per centum of the invested capital for the taxable year;

Twenty-five per centum of the amount of the net income in excess of fifteen per centum and not in excess of twenty per centum of such capital;

Thirty-five per centum of the amount of the net income in excess of twenty per centum and not in excess of twenty-five per centum of such capital;

Forty-five per centum of the amount of the net income in excess of twenty-five per centum and not in excess of thirty-three per centum of such capital; and

Sixty per centum of the amount of the net income in excess of thirty-three per centum of such capital.

For the purpose of this title every corporation or partnership not exempt under the provisions of this section shall be deemed to be engaged in business, and all the trades and businesses in which it is engaged shall be treated as a single trade or business, and all its income from whatever source derived shall be deemed to be received from such trade or business.

This title shall apply to all trades or businesses of whatever description, whether continuously carried on or not, except—

(a) In the case of officers and employees under the United States, or any State, Territory, or the District of Columbia, or any local subdivision thereof, the compensation or fees received by them as such officers or employees;

(b) Corporations exempt from tax under the provisions of section eleven of Title I of such act of September eighth, nineteen hundred and sixteen, as amended by this act, and partnerships and individuals carrying on or doing the same business, or coming within the same description; and

(c) Incomes derived from the business of life, health, and accident insurance combined in one policy issued on the weekly premium payment plan.

SEC. 202. That the tax shall not be imposed in the case of the trade or business of a foreign corporation or partnership or a nonresident alien individual, the net income of which trade or business during the taxable year is less than \$3,000.

SEC. 203. That for the purposes of this title the deduction shall be as follows, except as otherwise in this title provided—

(a) In the case of a domestic corporation, the sum of (1) an amount equal to the same percentage of the invested

capital for the taxable year which the average amount of the annual net income of the trade or business during the prewar period was of the invested capital for the prewar period (but not less than seven or more than nine per centum of the invested capital for the taxable year), and (2) \$3,000;

(b) In the case of a domestic partnership or of a citizen or resident of the United States, the sum of (1) an amount equal to the same percentage of the invested capital for the taxable year which the average amount of the annual net income of the trade or business during the prewar period was of the invested capital for the prewar period (but not less than seven or more than nine per centum of the invested capital for the taxable year), and (2) \$6,000;

(c) In the case of a foreign corporation or partnership or of a nonresident alien individual, an amount ascertained in the same manner as provided in subdivisions (a) and (b) without any exemption of \$3,000 or \$6,000.

(d) If the Secretary of the Treasury is unable satisfactorily to determine the average amount of the annual net income of the trade or business during the prewar period, the deduction shall be determined in the same manner as provided in section two hundred and five.

SEC. 204. That if a corporation or partnership was not in existence, or an individual was not engaged in the trade or business, during the whole of any one calendar year during the prewar period, the deduction shall be an amount equal to eight per centum of the invested capital for the taxable year, plus in the case of a domestic corporation \$3,000, and in the case of a domestic partnership or a citizen or resident of the United States \$6,000.

A trade or business carried on by a corporation, partnership, or individual, although formally organized or reorganized on or after January second, nineteen hundred and thirteen, which is substantially a continuation of a trade or business carried on prior to that date, shall, for the purposes of this title, be deemed to have been in existence prior to that date, and the net income and invested capital of its predecessor prior to that date shall be deemed to have been its net income and invested capital.

SEC. 205. (a) That if the Secretary of the Treasury, upon complaint finds either (1) that during the prewar period a domestic corporation or partnership, or a citizen or resident of the United States, had no net income from the trade or business, or (2) that during the prewar period the percentage, which the net income was of the invested capital, was low as compared with the percentage, which the net income during such period of representative corporations, partnerships, and individuals, engaged in a like or similar trade or business, was of their invested capital, then the deduction shall be the sum of (1) an amount equal to the same percentage of its invested capital for the taxable year which the average deduction (determined in the same manner as provided in section two hundred and three, without including the \$3,000 or \$6,000 therein referred to) for such year of representative corporations, partnerships,

or individuals, engaged in a like or similar trade or business, is of their average invested capital for such year plus (2) in the case of a domestic corporation \$3,000, and in the case of a domestic partnership or a citizen or resident of the United States \$6,000.

The percentage which the net income was of the invested capital in each trade or business shall be determined by the Commissioner of Internal Revenue in accordance with regulations prescribed by him, with the approval of the Secretary of the Treasury. In the case of a corporation or partnership which has fixed its own fiscal year, the percentage determined by the calendar year ending during such fiscal year shall be used.

(b) The tax shall be assessed upon the basis of the deduction determined as provided in section two hundred and three, but the taxpayer claiming the benefit of this section may at the time of making the return file a claim for abatement of the amount by which the tax so assessed exceeds a tax computed upon the basis of the deduction determined as provided in this section. In such event, collection of the part of the tax covered by such claim for abatement shall not be made until the claim is decided, but if, in the judgment of the Commissioner of Internal Revenue, the interests of the United States would be jeopardized thereby he may require the claimant to give a bond in such amount and with such sureties as the commissioner may think wise to safeguard such interests, conditioned for the payment of any tax found to be due, with the interest thereon, and if such bond, satisfactory to the commissioner, is not given within such time as he prescribes, the full amount of tax assessed shall be collected and the amount overpaid, if any, shall upon final decision of the application be refunded as a tax erroneously or illegally collected.

SEC. 206. That for the purposes of this title the net income of a corporation shall be ascertained and returned (a) for the calendar years nineteen hundred and eleven and nineteen hundred and twelve upon the same basis and in the same manner as provided in section thirty-eight of the act entitled "An act to provide revenue, equalize duties, and encourage the industries, of the United States, and for other purposes," approved August fifth, nineteen hundred and nine, except that income taxes paid by it within the year imposed by the authority of the United States shall be included; (b) for the calendar year nineteen hundred and thirteen upon the same basis and in the same manner as provided in section II of the act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October third, nineteen hundred and thirteen, except that income taxes paid by it within the year imposed by the authority of the United States shall be included, and except that the amounts received by it as dividends upon the stock or from the net earnings of other corporations, joint-stock companies or associations, or insurance companies, subject to the tax imposed by section II of such act of October third, nineteen hundred

and thirteen, shall be deducted; and (c) for the taxable year upon the same basis and in the same manner as provided in Title I of the act entitled "An act to increase the revenue, and for other purposes," approved September eighth, nineteen hundred and sixteen as amended by this act, except that the amounts received by it as dividends upon the stock or from the net earnings of other corporations, joint-stock companies or associations, or insurance companies, subject to the tax imposed by Title I of such act of September eighth, nineteen hundred and sixteen, shall be deducted.

The net income of a partnership or individual shall be ascertained and returned for the calendar years nineteen hundred and eleven, nineteen hundred and twelve, and nineteen hundred and thirteen, and for the taxable year, upon the same basis and in the same manner as provided in Title I of such act of September eighth, nineteen hundred and sixteen, as amended by this act, except that the credit allowed by subdivision (b) of section five of such act shall be deducted. There shall be allowed (a) in the case of a domestic partnership the same deductions as allowed to individuals in subdivision (a) of section five of such act of September eighth, nineteen hundred and sixteen, as amended by this act; and (b) in the case of a foreign partnership the same deductions as allowed to individuals in subdivision (a) of section six of such act as amended by this act.

SEC. 207. That as used in this title, the term "invested capital" for any year means the average invested capital for the year, as defined and limited in this title, averaged monthly.

As used in this title "invested capital" does not include stocks, bonds (other than obligations of the United States), or other assets, the income from which is not subject to the tax imposed by this title nor money or other property borrowed, and means, subject to the above limitations:

(a) In the case of a corporation or partnership: (1) Actual cash paid in, (2) the actual cash value of tangible property paid in other than cash, for stock or shares in such corporation or partnership, at the time of such payment (but in case such tangible property was paid in prior to January first, nineteen hundred and fourteen, the actual cash value of such property as of January first, nineteen hundred and fourteen, but in no case to exceed the par value of the original stock or shares specifically issued therefor), and (3) paid in or earned surplus and undivided profits used or employed in the business, exclusive of undivided profits earned during the taxable year: *Provided*, That (a) the actual cash value of patents and copyrights paid in for stock or shares in such corporation or partnership, at the time of such payment, shall be included as invested capital, but not to exceed the par value of such stock or shares at the time of such payment, and (b) the good will, trade-marks, trade brands, the franchise of a corporation or partnership, or other intangible property, shall be included as invested capital if the corporation or partner-

ship made payment bona fide therefor specifically as such in cash or tangible property, the value of such good will, trade-mark, trade brand, franchise, or intangible property, not to exceed the actual cash or actual cash value of the tangible property paid therefor at the time of such payment; but good will, trade-marks, trade brands, franchise of a corporation or partnership, or other intangible property, bona fide purchased, prior to March third, nineteen hundred and seventeen, for and with interests or shares in a partnership or for and with shares in the capital stock of a corporation (issued prior to March third, nineteen hundred and seventeen), in an amount not to exceed, on March third, nineteen hundred and seventeen, twenty per centum of the total interests or shares in the partnership or of the total shares of the capital stock of the corporation, shall be included in invested capital at a value not to exceed the actual cash value at the time of such purchase, and in case of issue of stock therefor not to exceed the par value of such stock;

(b) In the case of an individual, (1) actual cash paid into the trade or business, and (2) the actual cash value of tangible property paid into the trade or business, other than cash, at the time of such payment (but in case such tangible property was paid in prior to January first, nineteen hundred and fourteen, the actual cash value of such property as of January first, nineteen hundred and fourteen), and (3) the actual cash value of patents, copyrights, good will, trade-marks, trade brands, franchises, or other intangible property, paid into the trade or business, at the time of such payment, if payment was made therefor specifically as such in cash or tangible property, not to exceed the actual cash or actual cash value of the tangible property bona fide paid therefor at the time of such payment.

In the case of a foreign corporation or partnership or of a nonresident alien individual the term "invested capital" means that proportion of the entire invested capital, as defined and limited in this title, which the net income from sources within the United States bears to the entire net income.

SEC. 208. That in case of the reorganization, consolidation, or change of ownership of a trade or business after March third, nineteen hundred and seventeen, if an interest or control in such trade or business of fifty per centum or more remains in control of the same person, corporations, associations, partnerships, or any of them, then in ascertaining the invested capital of the trade or business no asset transferred or received from the prior trade or business shall be allowed a greater value than would have been allowed under this title in computing the invested capital of such prior trade or business if such asset had not been so transferred or received, unless such asset was paid for specifically as such, in cash or tangible property, and then not to exceed the actual cash or actual cash value of the tangible property paid therefor at the time of such payment.

SEC. 209. That in the case of a trade or business having no invested capital or not more than a nominal capital there shall be levied, assessed, collected and paid, in addition to the taxes under existing law and under this act, in lieu of the tax imposed by section two hundred and one, a tax equivalent to eight per centum of the net income of such trade or business in excess of the following deductions: In the case of a domestic corporation \$3,000, and in the case of a domestic partnership or a citizen or resident of the United States \$6,000; in the case of all other trades or business, no deduction.

SEC. 210. That if the Secretary of the Treasury is unable in any case satisfactorily to determine the invested capital, the amount of the deduction shall be the sum of (1) an amount equal to the same proportion of the net income of the trade or business received during the taxable year as the proportion which the average deduction (determined in the same manner as provided in section two hundred and three, without including the \$3,000 or \$6,000 therein referred to) for the same calendar year of representative corporations, partnerships, and individuals, engaged in a like or similar trade or business, bears to the total net income of the trade or business received by such corporations, partnerships, and individuals, plus (2) in the case of a domestic corporation \$3,000, and in the case of a domestic partnership or a citizen or resident of the United States \$6,000.

For the purpose of this section the proportion between the deduction and the net income in each trade or business shall be determined by the Commissioner of Internal Revenue in accordance with regulations prescribed by him, with the approval of the Secretary of the Treasury. In the case of a corporation or partnership which has fixed its own fiscal year, the proportion determined for the calendar year ending during such fiscal year shall be used.

SEC. 211. That every foreign partnership having a net income of \$3,000 or more for the taxable year, and every domestic partnership having a net income of \$6,000 or more for the taxable year, shall render a correct return of the income of the trade or business for the taxable year, setting forth specifically the gross income for such year, and the deductions allowed in this title. Such returns shall be rendered at the same time and in the same manner as is prescribed for income-tax returns under Title I of such act of September eighth, nineteen hundred and sixteen, as amended by this act.

SEC. 212. That all administrative, special, and general provisions of law, including the laws in relation to the assessment, remission, collection, and refund of internal-revenue taxes not heretofore specifically repealed, and not inconsistent with the provisions of this title are hereby extended and made applicable to all the provisions of this title and to the tax herein imposed, and all provisions of Title I of such act of September eighth, nineteen hundred and sixteen, as amended by this act, relating to returns and payment of the tax therein imposed, including

penalties, are hereby made applicable to the tax imposed by this title.

SEC. 213. That the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, shall make all necessary regulations for carrying out the provisions of this title, and may require any corporation, partnership, or individual, subject to the provisions of this title, to furnish him with such facts, data, and information as in his judgment are necessary to collect the tax imposed by this title.

SEC. 214. That Title II (sections two hundred to two hundred and seven, inclusive) of the act entitled "An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy, and the extensions of fortifications, and for other purposes," approved March third, nineteen hundred and seventeen, is hereby repealed.

Any amount heretofore or hereafter paid on account of the tax imposed by such Title II, shall be credited toward the payment of the tax imposed by this title, and if the amount so paid exceeds the amount of such tax the excess shall be refunded as a tax erroneously or illegally collected.

Subdivision (1) of section three hundred and one of such act of September eighth, nineteen hundred and sixteen, is hereby amended so that the rate of tax for the taxable year nineteen hundred and seventeen shall be ten per centum instead of twelve and one-half per centum, as therein provided.

Subdivision (2) of such section is hereby amended to read as follows:

"(2) This section shall cease to be of effect on and after January first, nineteen hundred and eighteen.

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TITLE V.—WAR TAX ON FACILITIES FURNISHED BY PUBLIC UTILITIES, AND INSURANCE.

SEC. 500. That from and after the first day of November, nineteen hundred and seventeen, there shall be levied, assessed, collected, and paid (a) a tax equivalent to three per centum of the amount paid for the transportation by rail or water or by any form of mechanical motor power when in competition with carriers by rail or water of property by freight consigned from one point in the United States to another; (b) a tax of 1 cent for each 20 cents, or fraction thereof, paid to any person, corporation, partnership, or association, engaged in the business of transporting parcels or packages by express over regular routes between fixed terminals, for the transportation of any package, parcel, or shipment by express from one point in the United States to another: *Provided*, That nothing herein contained shall be construed to require the carrier collecting such tax to list separately in any bill of lading, freight receipt, or other similar document, the amount of the tax herein levied, if the total amount of the freight and tax be therein stated; (c) a tax equivalent to eight per centum of the amount paid for the transportation of persons by rail or water, or

by any form of mechanical motor power on a regular established line when in competition with carriers by rail or water, from one point in the United States to another or to any point in Canada or Mexico, where the ticket therefor is sold or issued in the United States, not including the amount paid for commutation or season tickets for trips less than thirty miles, or for transportation the fare for which does not exceed 35 cents, and a tax equivalent to ten per centum of the amount paid for seats, berths, and staterooms in parlor cars, sleeping cars, or on vessels. If a mileage book used for such transportation or accommodation has been purchased before this section takes effect, or if cash fare be paid, the tax imposed by this section shall be collected from the person presenting the mileage book, or paying the cash fare, by the conductor or other agent, when presented for such transportation or accommodation, and the amount so collected shall be paid to the United States in such manner and at such times as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe; if a ticket (other than a mileage book) is bought and partially used before this section goes into effect it shall not be taxed, but if bought but not so used before this section takes effect, it shall not be valid for passage until the tax has been paid and such payment evidenced on the ticket in such manner as the commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe; (d) a tax equivalent to five per centum of the amount paid for the transportation of oil by pipe line; (e) a tax of 5 cents upon each telegraph, telephone, or radio, dispatch, message, or conversation, which originates within the United States, and for the transmission of which a charge of 15 cents or more is imposed: *Provided*, That only one payment of such tax shall be required, notwithstanding the lines or stations of one or more persons, corporations, partnerships, or associations, shall be used for the transmission of such dispatch, message or conversation.

SEC. 501. That the taxes imposed by section five hundred shall be paid by the person, corporation, partnership, or association paying for the services or facilities rendered.

In case such carrier does not, because of its ownership of the commodity transported, or for any other reason, receive the amount which as a carrier it would otherwise charge, such carrier shall pay a tax equivalent to the tax which would be imposed upon the transportation of such commodity if the carrier received payment for such transportation: *Provided*, That in case of a carrier which on May first, nineteen hundred and seventeen, had no rates or tariffs on file with the proper Federal or State authority, the tax shall be computed on the basis of the rates or tariffs of other carriers for like services as ascertained and determined by the Commissioner of Internal Revenue: *Provided further*, That nothing in this or the preceding section shall be construed as imposing a tax (a)

upon the transportation of any commodity which is necessary for the use of the carrier in the conduct of its business as such and is intended to be so used or has been so used; or (b) upon the transportation of company material transported by one carrier, which constitutes a part of a railroad system, for another carrier which is also a part of the same system.

SEC. 502. That no tax shall be imposed under section five hundred upon any payment received for services rendered to the United States, or any State, Territory, or the District of Columbia. The right to exemption under this section shall be evidenced in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

SEC. 503. That each person, corporation, partnership, or association receiving any payments referred to in section five hundred shall collect the amount of the tax, if any, imposed by such section from the person, corporation, partnership, or association making such payments, and shall make monthly returns under oath, in duplicate, and pay the taxes so collected and the taxes imposed upon it under paragraph two of section five hundred and one to the collector of internal revenue of the district in which the principal office or place of business is located. Such returns shall contain such information, and be made in such manner, as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

SEC. 504. That from and after the first day of November, nineteen hundred and seventeen, there shall be levied, assessed, collected, and paid the following taxes on the issuance of insurance policies:

(a) Life insurance: A tax equivalent to 8 cents on each \$100 or fractional part thereof of the amount for which any life is insured under any policy of insurance, or other instrument, by whatever name the same is called: *Provided*, That on all policies for life insurance only by which a life is insured not in excess of \$500, issued on the industrial or weekly-payment plan of insurance, the tax shall be forty per centum of the amount of the first weekly premium: *Provided further*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision;

(b) Marine, inland, and fire insurance: A tax equivalent to 1 cent on each dollar or fractional part thereof of the premium charged under each policy of insurance or other instrument by whatever name the same is called whereby insurance is made or renewed upon property of any description (including rents or profits), whether against peril by sea or inland waters, or by fire or lightning, or other peril: *Provided*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision;

(c) Casualty insurance: A tax equivalent to 1 cent on each dollar or fractional part thereof of the premium charged under each policy of insurance or obligation of the nature of indemnity for loss, damage, or liability (except bonds taxable under subdivision two of schedule A of Title VIII) issued or executed or renewed by any

person, corporation, partnership, or association, transacting the business of employer's liability, workmen's compensation, accident, health, tornado, plate glass, steam boiler, elevator, burglary, automatic sprinkler, automobile, or other branch of insurance (except life insurance, and insurance described and taxed in the preceding subdivision): *Provided*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision;

(d) Policies issued by any person, corporation, partnership, or association, whose income is exempt from taxation under Title I of the act entitled "An act to increase the revenue, and for other purposes," approved September eighth, nineteen hundred and sixteen, shall be exempt from the taxes imposed by this section.

SEC. 505. That every person, corporation, partnership, or association, issuing policies of insurance upon the issuance of which a tax is imposed by section five hundred and four, shall, within the first fifteen days of each month, make a return under oath, in duplicate, and pay such tax to the collector of internal revenue of the district in which the principal office or place of business of such person, corporation, partnership, or association is located. Such returns shall contain such information and be made in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

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TITLE VIII.—WAR STAMP TAXES.

SEC. 800. That on and after the first day of December, nineteen hundred and seventeen, there shall be levied, collected, and paid, for and in respect of the several bonds, debentures, or certificates of stock and of indebtedness, and other documents, instruments, matters, and things mentioned and described in Schedule A of this title, or for or in respect of the vellum, parchment, or paper upon which such instruments, matters, or things, or any of them, are written or printed, by any person, corporation, partnership, or association who makes, signs, issues, sells, removes, consigns, or ships the same, or for whose use or benefit the same are made, signed, issued, sold, removed, consigned, or shipped, the several taxes specified in such schedule.

SEC. 801. That there shall not be taxed under this title any bond, note, or other instrument, issued by the United States, or by any foreign Government, or by any State, Territory or the District of Columbia, or local subdivision thereof, or municipal or other corporation exercising the taxing power, when issued in the exercise of a strictly governmental, taxing, or municipal function; or stocks and bonds issued by cooperative building and loan associations which are organized and operated exclusively for the benefit of their members and make loans only to their shareholders, or by mutual ditch or irrigating companies.

SEC. 802. That whoever—

(a) Makes, signs, issues, or accepts, or causes to be made, signed, issued, or accepted, any instrument, document, or paper of any kind or description whatsoever without the full amount of tax thereon being duly paid:

(b) Consigns or ships, or causes to be consigned or shipped, by parcel post any parcel, package, or article without the full amount of tax being duly paid;

(c) Manufacturers or imports and sells, or offers for sale or causes to be manufactured or imported and sold, or offered for sale, any playing cards, package, or other article without the full amount of tax being duly paid;

(d) Makes use of any adhesive stamp to denote any tax imposed by this title without canceling or obliterating such stamp as prescribed in section eight hundred and four;

Is guilty of a misdemeanor and upon conviction thereof shall pay a fine of not more than \$100 for each offense.

SEC. 803. That whoever—

(a) Fraudulently cuts, tears, or removes from any vellum, parchment, paper, instruments, writing, package, or article, upon which any tax is imposed by this title, any adhesive stamp or the impression of any stamp, die, plate, or other article provided, made, or used in pursuance of this title;

(b) Fraudulently uses, joins, fixes, or places to, with, or upon any vellum, parchment, paper, instrument, writing, package, or article, upon which any tax is imposed by this title, (1) any adhesive stamp, or the impression of any stamp, die, plate, or other article, which has been cut, torn, or removed from any other vellum, parchment, paper, instrument, writing, package, or article, upon which any tax is imposed by this title; or (2) any adhesive stamp or the impression of any stamp, die, plate, or other article of insufficient value; or (3) any forged or counterfeit stamp or the impression of any forged or counterfeited stamp, die, plate, or other article;

(c) Willfully removes, or alters the cancellation, or defacing marks of, or otherwise prepares, any adhesive stamp, with intent to use, or cause the same to be used, after it has been already used, or knowingly or willfully buys, sells, offers for sale, or gives away, any such washed or restored stamp to any person for use, or knowingly uses the same;

(d) Knowingly and without lawful excuse (the burden of proof of such excuse being on the accused) has in possession any washed, restored, or altered stamp, which has been removed from any vellum, parchment, paper, instrument, writing, package, or article, is guilty of a misdemeanor, and upon conviction shall be punished by a fine of not more than \$1,000, or by imprisonment for not more than five years, or both, in the discretion of the court, and any such reused, canceled, or counterfeit stamp and the vellum, parchment, document, paper, package, or article upon which it is placed or impressed shall be forfeited to the United States.

SEC. 804. That whenever an adhesive stamp is used for denoting any tax imposed by this title, except as hereinafter provided, the person, corporation, partnership, or association, using or affixing the same shall write or stamp or cause to be written or stamped thereupon the initials of his or its name and the date upon which the same is attached or used, so that the same may not again be used:

*Provided*, That the Commissioner of Internal Revenue may prescribe such other method for the cancellation of such stamps as he may deem expedient.

SEC. 805. (a) That the Commissioner of Internal Revenue shall cause to be prepared and distributed for the payment of the taxes prescribed in this title suitable stamps denoting the tax on the document, articles, or thing to which the same may be affixed, and shall prescribe such method for the affixing of said stamps in substitution for or in addition to the method provided in this title, as he may deem expedient.

(b) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to procure any of the stamps provided for in this title by contract whenever such stamps can not be speedily prepared by the Bureau of Engraving and Printing; but this authority shall expire on the first day of January, nineteen hundred and eighteen, except as to imprinted stamps furnished under contract, authorized by the Commissioner of Internal Revenue.

(c) All internal-revenue laws relating to the assessment and collection of taxes are hereby extended to and made a part of this title, so far as applicable, for the purpose of collecting stamp taxes omitted through mistake or fraud from any instrument, document, paper, writing, parcel, package, or article named herein.

SEC. 806. That the Commissioner of Internal Revenue shall furnish to the Postmaster General without prepayment a suitable quantity of adhesive stamps to be distributed to and kept on sale by the various postmasters in the United States. The Postmaster General may require each such postmaster to give additional or increased bond as postmaster for the value of the stamps so furnished, and each such postmaster shall deposit the receipts from the sale of such stamps to the credit of and render accounts to the Postmaster General at such times and in such form as he may by regulations prescribe. The Postmaster General shall at least once monthly transfer all collections from this source to the Treasury as internal-revenue collections.

SEC. 807. That the collectors of the several districts shall furnish without prepayment to any assistant treasurer or designated depository of the United States located in their respective collection districts a suitable quantity of adhesive stamps for sale. In such cases the collector may require a bond, with sufficient sureties, to an amount equal to the value of the adhesive stamps so furnished, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment monthly of all quantities or amounts sold or not remaining on hand. The Secretary of the Treasury may from time to time make such regulations as he may find necessary to insure the safe-keeping or prevent the illegal use of all such adhesive stamps.

#### SCHEDULE A.—STAMP TAXES.

1. Bonds of indebtedness: Bonds, debentures, or certificates of indebtedness issued on and after the first day of

December, nineteen hundred and seventeen, by any person, corporation, partnership, or association, on each \$100 of face value or fraction thereof, 5 cents: *Provided*, That every renewal of the foregoing shall be taxed as a new issue: *Provided further*, That when a bond conditioned for the repayment or payment of money is given in a penal sum greater than the debt secured, the tax shall be based upon the amount secured.

2. Bonds, indemnity and surety: Bonds for indemnifying any person, corporation, partnership, or corporation who shall have become bound or engaged as surety, and all bonds for the due execution or performance of any contract, obligation, or requirement, or the duties of any office or position, and to account for money received by virtue thereof, and all other bonds of any description, except such as may be required in legal proceedings, not otherwise provided for in this schedule, 50 cents: *Provided*, That where a premium is charged for the execution of such bond the tax shall be paid at the rate of one per centum on each dollar or fractional part thereof of the premium charged: *Provided further*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision.

3. Capital stock, issue: On each original issue, whether on organization or reorganization, of certificates of stock by any association, company, or corporation, on each \$100 of face value or fraction thereof, 5 cents: *Provided*, That where capital stock is issued without face value, the tax shall be 5 cents per share, unless the actual value is in excess of \$100 per share, in which case the tax shall be 5 cents on each \$100 of actual value or fraction thereof.

The stamps representing the tax imposed by this subdivision shall be attached to the stock books and not to the certificates issued.

4. Capital stock, sales or transfers: On all sales, or agreements to sell, or memoranda of sales or deliveries of, or transfers of legal title to shares or certificates of stock in any association, company, or corporation, whether made upon or shown by the books of the association, company, or corporation, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock or not, on each \$100 of face value or fraction thereof, 2 cents, and where such shares of stock are without par value, the tax shall be 2 cents on the transfer or sale or agreement to sell on each share, unless the actual value thereof is in excess of \$100 per share, in which case the tax shall be 2 cents on each \$100 of actual value or fraction thereof: *Provided*, That it is not intended by this title to impose a tax upon an agreement evidencing a deposit of stock certificates as collateral security for money loaned thereon, which stock certificates are not actually sold, nor upon such stock certificates so deposited: *Provided further*, That the tax shall not be imposed upon deliveries or transfers to a broker for sale, nor upon deliveries or transfers by a broker to a customer for whom and upon whose order he has purchased

same, but such deliveries or transfers shall be accompanied by a certificate setting forth the facts: *Provided further*, That in case of sale where the evidence of transfer is shown only by the books of the company the stamp shall be placed upon such books; and where the change of ownership is by transfer of the certificate the stamp shall be placed upon the certificate; and in cases of an agreement to sell or where the transfer is by delivery of the certificate assigned in blank there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale, to which the stamp shall be affixed; and every bill or memorandum of sale or agreement to sell before mentioned shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers. Any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons who shall make any such sale, or who shall in pursuance of any such sale deliver any stock or evidence of the sale of any stock or bill or memorandum thereof, as herein required, without having the proper stamps affixed thereto with intent to evade the foregoing provisions shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$1,000, or be imprisoned not more than six months, or both, at the discretion of the court.

5. Produce, sales of, on exchange: Upon each sale, agreement of sale, or agreement to sell, including so-called transferred or scratch sales, any products or merchandise at any exchange, or board of trade, or other similar place, for future delivery, for each \$100 in value of the merchandise covered by said sale or agreement of sale or agreement to sell, 2 cents, and for each additional \$100 or fractional part thereof in excess of \$100, 2 cents: *Provided*, That on every sale or agreement of sale or agreement to sell as aforesaid there shall be made and delivered by the seller to the buyer a bill, memorandum, agreement, or other evidence of such sale, agreement of sale, or agreement to sell, to which there shall be affixed a lawful stamp or stamps in value equal to the amount of the tax on such sale: *Provided further*, That sellers of commodities described herein, having paid the tax provided by this subdivision, may transfer such contracts to a clearing house corporation or association, and such transfer shall not be deemed to be a sale, or agreement of sale, or an agreement to sell within the provisions of this Act, provided that such transfer shall not vest any beneficial interest in such clearing house association but shall be made for the sole purpose of enabling such clearing house association to adjust and balance the accounts of the members of said clearing house association on their several contracts. And every such bill, memorandum, or other evidence of sale or agreement to sell shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers; and any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons, who shall make any such sale or agreement of sale, or

agreement to sell, or who shall, in pursuance of any such sale, agreement of sale, or agreement to sell, deliver any such products or merchandise without a bill, memorandum, or other evidence thereof as herein required, or who shall deliver such bill, memorandum, or other evidence of sale, or agreement to sell, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$1,000, or be imprisoned not more than six months, or both, at the discretion of the court.

That no bill, memorandum, agreement, or other evidence of such sale, or agreement of sale, or agreement to sell, in case of cash sales of products or merchandise for immediate or prompt delivery which in good faith are actually intended to be delivered shall be subject to this tax.

6. Drafts or checks payable otherwise than at sight or on demand, promissory notes, except bank notes issued for circulation, and for each renewal of the same, for a sum not exceeding \$100, 2 cents; and for each additional \$100 or fractional part thereof, 2 cents.

7. Conveyance: Deed, instrument, or writing, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value of the interest or property conveyed, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, exceeds \$100 and does not exceed \$500, 50 cents; and for each additional \$500 or fractional part thereof 50 cents: *Provided*, That nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt.

8. Entry of any goods, wares, or merchandise at any custom-house, either for consumption or warehousing, not exceeding \$100 in value, 25 cents; exceeding \$100 and not exceeding \$500 in value, 50 cents; exceeding \$500 in value, \$1.

9. Entry for the withdrawal of any goods or merchandise from customs bonded warehouse, 50 cents.

10. Passage ticket, one way or round trip, for each passenger, sold or issued in the United States for passage by any vessel to a port or place not in the United States, Canada, or Mexico, if costing not exceeding \$30, \$1; costing more than \$30 and not exceeding \$60, \$3; costing more than \$60, \$5: *Provided*, That such passage tickets, costing \$10 or less, shall be exempt from taxation.

11. Proxy for voting at any election for officers, or meeting for the transaction of business, of any incorporated company or association, except religious, educational, charitable, fraternal, or literary societies, or public cemeteries, 10 cents.

12. Power of attorney granting authority to do or perform some act for or in behalf of the grantor, which authority is not otherwise vested in the grantee, 25 cents: *Provided*, That no stamps shall be required upon any papers

necessary to be used for the collection of claims from the United States or from any State for pensions, back pay, bounty, or for property lost in the military or naval service or upon powers of attorney required in bankruptcy cases.

13. Playing cards: Upon every pack of playing cards containing not more than fifty-four cards, manufactured or imported, and sold, or removed for consumption or sale, after the passage of this act, a tax of 5 cents per pack in addition to the tax imposed under existing law.

14. Parcel-post packages: Upon every parcel or package transported from one point in the United States to another by parcel post on which the postage amounts to 25 cents or more, a tax of 1 cent for each 25 cents or fractional part thereof charged for such transportation, to be paid by the consignor.

No such parcel or package shall be transported until a stamp or stamps representing the tax due shall have been affixed thereto.

\* \* \* \* \*

#### TITLE X.—ADMINISTRATIVE PROVISIONS.

SEC. 1000. That there shall be levied, collected, and paid in the United States, upon articles coming into the United States from the West Indian Islands acquired from Denmark, a tax equal to the internal-revenue tax imposed in the United States upon like articles of domestic manufacture; such articles shipped from said islands to the United States shall be exempt from the payment of any tax imposed by the internal-revenue laws of said islands: *Provided*, That there shall be levied, collected, and paid in said islands, upon articles imported from the United States, a tax equal to the internal-revenue tax imposed in said islands upon like articles there manufactured; and such articles going into said islands from the United States shall be exempt from payment of any tax imposed by the internal-revenue laws of the United States.

SEC. 1001. That all administrative, special, or stamp provisions of law, including the law relating to the assessment of taxes, so far as applicable, are hereby extended to and made a part of this act, and every person, corporation, partnership, or association liable to any tax imposed by this act, or for the collection thereof, shall keep such records and render, under oath, such statements and returns, and shall comply with such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe.

SEC. 1002. That where additional taxes are imposed by this act upon articles or commodities upon which the tax imposed by existing law has been paid the person, corporation, partnership, or association required by this act to pay the tax shall, within thirty days after its passage, make return under oath in such form and under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. Payment of the tax shown to be due may be extended to a date not exceeding seven months from the

passage of this act, upon the filing of a bond for payment in such form and amount and with such sureties as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

SEC. 1003. That in all cases where the method of collecting the tax imposed by this act is not specifically provided the tax shall be collected in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. All administrative and penalty provisions of Title VIII of this act, in so far as applicable, shall apply to the collection of any tax which the Commissioner of Internal Revenue determines or prescribes shall be paid by stamp.

SEC. 1004. That whoever fails to make any return required by this act or the regulations made under authority thereof within the time prescribed, or who makes any false or fraudulent return, and whoever evades or attempts to evade any tax imposed by this act or fails to collect or truly to account for and pay over any such tax shall be subject to a penalty of not more than \$1,000, or to imprisonment for not more than one year, or both, at the discretion of the court, and in addition thereto a penalty of double the tax evaded, or not collected, or accounted for and paid over, to be assessed and collected in the same manner as taxes are assessed and collected, in any case in which the punishment is not otherwise specifically provided.

SEC. 1005. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to make all needful rules and regulations for the enforcement of the provisions of this act.

SEC. 1006. That where the rate of tax imposed by this act, payable by stamps, is an increase over previously existing rates stamps on hand in the collectors' offices and in the Bureau of Internal Revenue may continue to be used until the supply on hand is exhausted but shall be sold and accounted for at the rates provided by this act, and assessment shall be made against manufacturers and other taxpayers having such stamps on hand on the day this act takes effect for the difference between the amount paid for such stamps and the tax due at the rates provided by this act.

SEC. 1007. That (a) if any person, corporation, partnership, or association has prior to May ninth, nineteen hundred and seventeen, made a bona fide contract with a dealer for the sale, after the tax takes effect, of any article (or, in the case of moving-picture films, such a contract with a dealer, exchange, or exhibitor, for the sale or lease thereof) upon which a tax is imposed under Title III, IV, or VI, or under subdivision thirteen of Schedule A of Title VIII, or under this section, and (b) if such contract does not permit the adding of the whole of such tax to the amount to be paid under such contract, then the vendee or lessee shall, in lieu of the vendor or lessor, pay so much of such tax as is not so permitted to be added to the contract price.

The taxes payable by the vendee or lessee under this section shall be paid to the vendor or lessor at the time the sale or lease is consummated, and collected, returned, and

paid to the United States by such vendor or lessor in the same manner as provided in section five hundred and three.

The term "dealer" as used in this section includes a vendee who purchases any article with intent to use it in the manufacture or production of another article intended for sale.

SEC. 1008. That in the payment of any tax under this act not payable by stamp a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

SEC. 1009. That the Secretary of the Treasury, under rules and regulations prescribed by him, shall permit taxpayers liable to income and excess profits taxes to make payments in advance in installments or in whole of an amount not in excess of the estimated taxes which will be due from them, and upon determination of the taxes actually due any amount paid in excess shall be refunded as taxes erroneously collected: *Provided*, That when payment is made in installments at least one-fourth of such estimated tax shall be paid before the expiration of thirty days after the close of the taxable year, at least an additional one-fourth within two months after the close of the taxable year, at least an additional one-fourth within four months after the close of the taxable year, and the remainder of the tax due on or before the time now fixed by law for such payment: *Provided further*, That the Secretary of the Treasury, under rules and regulations prescribed by him, may allow credit against such taxes so paid in advance of an amount not exceeding three per centum per annum calculated upon the amount so paid from the date of such payment to the date now fixed by law for such payment; but no such credit shall be allowed on payments in excess of taxes determined to be due, nor on payments made after the expiration of four and one-half months after the close of the taxable year. All penalties provided by existing law for failure to pay tax when due are hereby made applicable to any failure to pay the tax at the time or times required in this section.

SEC. 1010. That under rules and regulations prescribed by the Secretary of the Treasury, collectors of internal revenue may receive, at par and accrued interest, certificates of indebtedness issued under section six of the act entitled "An act to authorize an issue of bonds to meet expenditures for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to extend credit to foreign governments, and for other purposes," approved April twenty-fourth, nineteen hundred and seventeen, and any subsequent act or acts, and uncertified checks in payment of income and excess-profits taxes, during such time and under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe; but if a check so received is not paid by the bank on which it is drawn the person by whom such check has been tendered shall remain liable for the payment of the tax and for all legal penalties and additions the same as if such check had not been tendered.

## 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:

### Drafts Drawn for the Purpose of Financing Sale of Goods to Allied Purchasing Commissions.

(To an individual.)

I wish to acknowledge receipt of your letter of October 16, 1917, relating to the right of a member bank to accept drafts drawn for the purpose of financing the sale of goods to one of the allied purchasing commissions, such goods to be delivered aboard ship and paid for within a reasonable time thereafter.

Section 13 of the Federal Reserve Act authorizes any member bank to accept drafts or bills of exchange "growing out of transactions involving the importation or exportation of goods." The Board believes that the sale of goods to be exported by the purchaser in the manner indicated in your letter comes within the terms of that section even though the title to the goods be transferred to the foreign purchaser before the shipment out of the United States actually begins. The transaction against which the draft is drawn involves the direct sale to a foreign purchaser, and the fact that the sale itself may be consummated before the exportation of the goods actually commences is immaterial, provided, of course, that the transaction is bona fide and that the accepting bank has no reason to believe that the purchaser will divert the goods from their foreign destination.

It may be mentioned in this connection that even if this transaction did not involve the exportation of goods a member bank might accept a draft drawn for the purpose of financing it if it involved a domestic shipment of goods and if the shipping documents are attached at the time of acceptance. An acceptance of that character would seem to be permissible in any case where the goods are shipped from the interior to the seaboard preparatory to exportation.

OCTOBER 19, 1917.

### Substantial Competition Within the Meaning of the Clayton Act.

(To a Federal Reserve Bank.)

Confirming our talk over the telephone to-day, at your request I repeat in writing what I said to you in reply to your question whether or not directors of national banks now serving on trust-company boards would have to resign in case the trust companies should become purchasers of bankers' acceptances or first-class commercial paper.

Inasmuch as national banks engage primarily in the commercial banking business, the policy of the Board in passing upon applications filed under the Kern amendment has been to give special consideration to this character of business. If an application was received from an officer or director of a national bank for permission to serve at the same time with a trust company or other bank, the Board has been inclined to refuse its permission if the two banks grant commercial credits or receive and solicit commercial deposit accounts in the same general territory.

On the other hand, the Board has not been inclined to refuse its permission merely because both institutions purchase acceptances or first-class commercial paper in the open market. It recognizes that both of these classes of paper have a wide market and that the purchase of such paper does not of itself constitute competition. It appreciates the fact that many banking institutions and trust companies, as an incident of the business engaged in, may make call loans on the stock exchange or may make loans or purchase Government bonds or other securities which have a wide or general market without competing for local business.

In reply to the specific question, therefore, I feel that it is safe to assure you that a director of a national bank now serving with a trust company would not be required to resign in case the trust company should become the purchaser of bankers' acceptances or of first-class commercial paper, but did not otherwise come into competition with the national bank.

This has been the policy of the Board in the past and is the Board's policy at this time. You understand, of course, that it is a policy which is subject to review by any future Board. Indeed, though this is not likely, it may be changed at any time.

OCTOBER 15, 1917.

**Limitations Under Section 5200, R. S.**

(To Federal Reserve Banks.)

From inquiries received at this office it appears that the officers of some nonmember State banks and trust companies are under the misapprehension that such banks and trust companies becoming members of the Federal Reserve System are subject to the limitations imposed by section 5200, Revised Statutes, which limit the total liabilities to a national bank of any one person, firm, or corporation to an amount not to exceed 10 per cent of the capital and surplus of the lending bank.

Where this misapprehension exists attention should be called to the fact that under section 9 of the Federal Reserve Act as amended, State banks and trust companies becoming members of the Federal Reserve System are not subject to the limitations of section 5200, but are subject only to such limitations as are imposed by State laws. Such banks may, therefore, make loans to the same person, firm, or corporation in any amounts permitted by the State laws. Loans to one person in excess of 10 per cent are, however, not eligible for rediscount with a Federal Reserve Bank.

The provision of section 9 of the Federal Reserve Act bearing on this point is as follows:

"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."

OCTOBER 20, 1917.

**Renewal of Short-Term Paper.**

(To a Federal Reserve Bank.)

Your letter of recent date in regard to the renewal of 15-day notes made by member banks against collateral was duly received and has been given consideration by the Board.

It seems that in some districts Federal Reserve Banks have been encouraging renewals of paper of this kind. While the Board does not wish to prohibit the renewal of a 15-day note, it

feels that the renewal should be an exception rather than the rule. The matter has been referred to the proper committee of the Board for report and a circular letter will be sent to all Federal Reserve Banks on the subject within the next few days.

SEPTEMBER 12, 1917.

**Advertisements of "Clearing Members."**

(To a Federal Reserve Bank.)

Your letter of the 4th instant on the subject of advertising by "clearing member" banks was presented to the Board. The Board is of the opinion that while a bank, in advertising, should be careful to avoid giving a wrong impression, there is no objection, legally or morally, to its stating facts. The law authorizes nonmember banks to carry accounts with Federal Reserve Banks for clearing or collection purposes. The term "clearing member" does not appear anywhere in the act. Perhaps, therefore, the use of this term in advertisements may be misleading, but, on the other hand, it seems entirely proper that where a nonmember bank carries a clearing balance with the Federal Reserve Bank, thereby permitting checks upon itself to be collected at par, it should have the right of informing the public that checks upon it possess this advantage over checks drawn upon banks which are neither members or depositors of Federal Reserve Banks.

The term "clearing member," therefore, may be a concise way of giving this information, and the Board has no doubt that the competing banks which are members of the Federal Reserve System will see that all parties interested are informed of the distinction between a member bank and a clearing member.

OCTOBER 16, 1917.

**Purchase of United States 2 Per Cent Bonds.**

(To a Federal Reserve Bank.)

I acknowledge receipt of your letter of the 4th instant, and can reassure you by referring you to the statement issued by the Board some time ago that it will not, under existing circumstances, require the Federal Reserve Banks to make further purchases of United States 2 per cent bonds. The Board would certainly not permit a member bank to unload bonds purchased by it at a discount on Federal Reserve Banks at par.

OCTOBER 5, 1917.

## LAW DEPARTMENT.

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

### Bills Payable with Exchange and Collection Charges.

A bill made payable with "collection charges" is not a negotiable instrument, though the Negotiable Instruments Law provides that an instrument payable "with exchange" does not lose its negotiability.

OCTOBER 8, 1917.

SIR: The attached letter raises the question whether the insertion of the following words; "with exchange and collection charges," renders a trade acceptance nonnegotiable.

A promissory note or bill of exchange to be negotiable must contain an unconditional promise or order to pay a *sum certain* in money. (Negotiable Instruments Law, section 1, subsection 2.) The only question to be determined appears to be whether or not an order to pay a certain amount "with exchange and collection charges" can be said to be an order to pay a "sum certain in money."

There are some court cases which hold that an instrument calling for the payment of a certain specified amount of money "with exchange" is not negotiable because of the fact that a fluctuation in the rate of exchange makes it impossible definitely to determine the exact amount payable. As pointed out, however, in an opinion filed by this office on August 10, 1916, and printed on page 459 of the September, 1916, Bulletin, there are many other cases which hold that such instruments are negotiable because of the fact that the current rate of exchange between two places at a particular date is usually a matter of common commercial knowledge—at least it is usually ascertainable by anyone—and in consequence the various parties to the instrument can, without difficulty, definitely ascertain the precise

amount to be paid under the terms of the instrument. The majority of the courts and the various text writers agree that these latter cases are the better considered ones and that the custom and convenience of merchants demand the introduction of the element of exchange into negotiable instruments.

In any event, this particular phase of the situation is definitely determined by section 2, subsection 4, of the Negotiable Instrument's Law which provides that "the sum payable is a sum certain within the meaning of the act although it is to be paid *with exchange* whether at a fixed rate or at a current rate." The principles, however, which have influenced the courts and text writers in the decision that a bill payable with exchange is negotiable can hardly be said to apply to bills payable with "collection charges." Such charges are not as a matter of custom made upon a uniform basis. On the contrary, they are so subject to variations in individual cases it is not practical for the parties to the instrument to ascertain in advance the amount that may be charged for this service in any given case.

There is accordingly every reason to assume that the courts will hold that an instrument payable with collection charges is not payable in a sum certain as required by the Negotiable Instruments Act. It is also pertinent that section 2, subsection 4, which authorizes making a negotiable instrument payable "with exchange" does not in any way refer to the question of collection charges.

It is, therefore, the opinion of this office that a bill which is payable with "collection charges" is not a negotiable instrument.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. W. P. G. HARDING,

*Governor, Federal Reserve Board.*

**Trust Receipts as Actual Security for Acceptance Transactions.**

If an acceptance is secured by shipping documents which are surrendered by the acceptor for a trust receipt which permits the purchaser of the goods to retain control of the goods, the accepting bank can not be said to be secured "by some other actual security" as provided in section 13 of the Federal Reserve Act. A trust receipt, however, which does not permit the purchaser to procure control of the goods, may properly be said to be actual security within the meaning of the act.

OCTOBER 12, 1917.

SIR: The attached correspondence raises the question whether a national bank may accept drafts in excess of 10 per cent of its capital and surplus in a case where it appears that, though shipping documents are attached at the time of acceptance, those documents are thereafter delivered to the purchaser under a trust receipt, the goods being taken up at once by milling concerns.

Section 13 provides that no member bank shall accept for any one person, company, firm, or corporation in excess of 10 per cent of its paid-up and unimpaired capital and surplus, *unless* the bank is secured "either by attached documents or by some actual security growing out of the same transaction as the acceptance."

The question to be determined, therefore, is whether a trust receipt is an "actual security" in the sense contemplated by the act. This question has been considered before by the Federal Reserve Board, and it has been generally understood that a trust receipt which permits the purchaser of the goods to obtain control of those goods either for milling or other purposes is not an actual security within the meaning of the act, and that, therefore, acceptances secured by such trust receipts come within the 10 per cent limitation imposed by section 13.

A different situation results, of course, in any case where the trust receipt is of such a character as not to permit the purchaser to gain control of the goods as where they are held for the account of the acceptor by some person, warehouse, or corporation independent of the borrower.

It is the opinion of this office that in the case presented in the attached correspondence where the documents are delivered to the purchaser, and where the goods are subject to his disposition, the trust receipt is not an actual security within the meaning of section 13 and the 10 per cent limitation must be held to apply.

Respectfully,

M. C. ELLIOTT, *Counsel.*

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

**Federal Farm Land Bank Deposits with Federal Reserve Banks.**

Federal Reserve Banks may properly receive deposits from the various Farm Land Banks for the purpose of exchange or of collection or for the purpose of paying farm loan bond coupons.

OCTOBER 23, 1917.

SIR: The chairman of the Farm Loan Board has asked whether an arrangement can be entered into between the Farm Land Banks and the Federal Reserve Banks by which coupons on farm loan bonds maturing November 1, 1917, may be paid by the Federal Reserve Banks out of deposits to be made by the Farm Land Banks.

I have discussed this question with the Solicitor of the Treasury and am authorized to say that in his opinion the Farm Land Banks are empowered by section 22 of the farm loan act to enter into such an arrangement and to make the necessary deposits with the Federal Reserve Banks. Section 22 of the farm loan act contains the following provision:

Whenever any farm loan bonds, or coupons or interest payments of such bonds, are due under their terms, they shall be payable at the land bank by which they were issued, in gold or lawful money, and upon payment shall be duly canceled by said bank. At the discretion of the Federal Farm Loan Board, payment of any farm loan bond or coupon or interest payment may, however, be authorized to be made at any Federal Land Bank, any joint stock land bank, or any other bank, under rules and regulations to be prescribed by the Federal Farm Loan Board.

Under authority of this provision the Farm Loan Board could, in the opinion of the Solicitor of the Treasury, prescribe regulations providing for the payment of these coupons at any Federal Reserve Bank.

The only question to be considered, therefore, is whether or not Federal Reserve Banks are authorized to receive such deposits.

Section 13 of the Federal Reserve act provides in part that—

Any Federal Reserve Bank may receive from any of its member banks, and from the United States, deposits of current funds in lawful money, \* \* \* or solely for the purposes of exchange or of collection, may receive from any nonmember bank or trust company deposits of current funds in lawful money, \* \* \* 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.

While this section does not authorize Federal Reserve Banks to receive deposits from Farm Land Banks to the same extent that such deposits are received from member banks, or from the United States Government, it

would seem to authorize the receipt of deposits made to offset items received for collection from Farm Land Banks or from other banks drawn against Farm Land Banks.

The coupons in question are ultimately payable at the Farm Land Bank issuing the mortgage, but it is evident that many of these coupons will be offered for collection through other banks and particularly through the various Federal Reserve Banks. It is also understood that while the Farm Land Banks do not engage in the banking business generally, they have frequent occasion to transmit funds from one part of the country to another, in making loans and collections.

There would seem to be no reason therefore why Federal Reserve Banks should not extend to Farm Land Banks the same accommodation in the matter of collection and exchange that they extend to other nonmember banks, and in the opinion of this office they may legally do so.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. W. P. G. HARDING,

*Governor Federal Reserve Board.*

SUMMARY OF BUSINESS CONDITIONS OCTOBER 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.....	Hesitant, except for war orders.	Active and well maintained.	Good.....	Good.....	Highly satisfactory.	Good.
Crops:						
Condition.....		Fair.....	do.....	do.....	Yield satisfactory; prices high.	Do.
Outlook.....		Harvest good.....		Very good.....	Running full time.	Do.
Industries of the district.	Busy for the most part.	Generally very active.	Very busy.....	Fair, but uneasy tone.		Operating fully.
Construction, building, and engineering.	Well up to previous high record.	Very quiet.....	Very dull.....	Poor.....	Private building limited; Government work in large volume.	Slow.
Foreign trade.....	Good.....	Heavy, measured in value, particularly exports.	Large.....		Limited by restrictions and scarcity of freight room.	Do.
Bank clearings.....	Increase.....	Decrease.....	Decreasing.....	Increase.....	Increase.....	Increasing.
Money rates.....	Temporarily decreasing.	Steady at moderately firm rates.	No change.....	Firm.....	Plentiful at 5 to 6 per cent.	Slightly increasing.
Railroad, post office, and other receipts.	Decreased.....	Railroad receipts heavy; telegraph tolls very much increased.	Increasing.....	Increase.....	Increase in gross receipts absorbed in increased operating costs.	Good.
Labor conditions.....	Unsatisfactory.....	Labor supply hardly adequate.	Unsettled.....	Restive.....	Scarce and wages high.	Fair.
Outlook.....	Uncertain.....	Good.....	Good.....	Not unfavorable.	Satisfactory.....	Good.
Remarks.....				Fuel, labor, and transportation difficulties quite troublesome.	Flush times would hardly be an exaggeration of conditions in the district.	
	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.....	Good.....	Active.....	Active.....	Averages 25 per cent over last year.	Satisfactory.....	Active.
Crops:						
Condition.....	do.....	Excellent.....		Corn good.....	Fair.....	
Outlook.....	do.....			Good.....	do.....	
Industries of the district.	Active.....	Active.....	Active.....	Very busy and behind with orders.	Active; running full time.	
Construction, building, and engineering.	Slow.....	Decrease.....	Fair to good.....	Fair.....	Slight decrease.....	Slight decrease.
Foreign trade.....					Export trade decrease.	Increase.
Bank clearings.....	Increasing.....	Little change.....	Up.....	40 per cent over last year.	Increase.....	Do.
Money rates.....	Firm.....	Firm.....	Firm.....	No appreciable change.	Firm; ample funds for legitimate requirements.	Firmer.
Railroad, post office, and other receipts.	Post office increasing.	Increase.....	Strong.....	Good volume.....	Increase.....	Increase.
Labor conditions.....	Shortage.....	Labor scarce; somewhat unsettled.	Good.....	Improved; increased shortage.	Acute shortage.....	Disturbed.
Outlook.....	Good.....	Good.....	Very good.....	Good.....	Encouraging.....	For active industry and large trade.
Remarks.....		Cotton late; early killing frosts reported.		Conditions arising from Government regulations becoming more settled.	Business situation satisfactory; outlook good except in south central and western Texas.	

## GENERAL BUSINESS CONDITIONS.

There is given on the preceding page a summary of business conditions in the United States by Federal reserve districts. These 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 October 23:

### DISTRICT NO. 1—BOSTON.

Government orders and work pertaining to the war are sustaining factors in an otherwise hesitant period. Emergency business, ranging from orders for ships and aeroplanes to small articles of equipment, has caused activity in many lines. Reports from similar trades are not all of the same tenor and we find departments engaged in domestic business hesitant and conservative, while departments occupied with war orders are extremely busy and running at capacity.

All attention is focussed on the second Liberty Loan and business men and bankers everywhere are giving freely of their own time and that of their employees to further its successful flotation.

Skilled labor of all kinds is hard to obtain and wages are high; this in some lines, notably in cotton, is restricting production. On the other hand, the wage earner in domestic trades is confronted with an increasing cost of living out of all proportion to any increase in his wages.

The farmers in this district, with the exception of those that specialize or those in districts given up to one kind of production, are not very prosperous. Farm labor is very hard to obtain, and for the most part is inefficient.

The growing season for crops in this district is over. The potato yield was less than normal and uneven. The apple crop was light and below normal in all sections. The peach crop was fair to good.

Shoe manufacturers are endeavoring to standardize their production; and with this in view, are not making as many fancy shoes, es-

pecially in women's lines, as they did at this time last year.

The leather market continues firm, and many of the large manufacturers are buying from hand to mouth, taking advantage of any weak spots to care for their needs.

Retailers with limited capital are finding some difficulty in attempting to carry a large stock at the present prices. Many have more money tied up in their inventories than in previous years, with many less pairs of shoes on hand.

The wool trade is hesitant, and very little speculation is going on. The market is strong, and there appears to be nothing in view to prevent its going even higher. It is reported that England is soon to release a large amount of Australian fine wool, the greater part of which is to be used for Government purposes. It is estimated that this may amount to as much as 100,000,000 pounds. However, because of the scarcity of shipping space, this action will probably not have much effect on the market.

The report of the National Association of Wool Manufacturers as of October 1 shows both woolen and worsted spinning spindles operating at capacity with about one-third occupied upon war orders.

Buying of fine and fancy cotton fabrics is not overbrisk, and buyers are very conservative and reluctant to pay the present high prices. Fine-cloth manufacturers are unable to increase their prices to keep pace with advancing production cost and are stopping looms rather than sell at unprofitable levels. It is estimated that in one large center the curtailment is as much as 15 per cent. On the other hand, print cloths have enjoyed a better market and manufacturers of these have been selling their full production at advancing prices.

The money market is quiet. Banks are conserving their resources to as large an extent as possible. Payments on account of Government work are reported to be much better and this, together with accumulation in anticipa-

tion of subscriptions for the Liberty Loan, have eased the money market somewhat during the past week. There is a wide range of rates for call money, running from 4 per cent to 6 per cent, with the general rate about 5 per cent. Time money is dull and what little business exists is done at 6 per cent. The commercial-paper market is narrow, the ruling rate being  $5\frac{1}{2}$  per cent to  $5\frac{3}{4}$  per cent.

The exchanges of the Boston Clearing House for the week ending October 20, 1917, were \$312,255,935, compared with \$256,308,384 for the corresponding week last year and \$203,234,076 for the week ending October 13, 1917 (five days).

Building and engineering operations in New England from January 1 to October 10, 1917, amounted to \$160,126,000, as compared with \$162,636,000 for the corresponding period of 1916, the highest previous year recorded.

The receipts of the Boston post office for September, 1917, show a decrease of \$12,265.71, or about 2 per cent less than September, 1916. For the first 15 days of October, 1917, receipts were about 4 per cent, or \$14,356.13, more than for the corresponding period of last year.

Boston & Maine Railroad reports net operating income, after taxes, for August, 1917, as \$1,446,538, as compared with \$1,703,943 for the corresponding month of 1916. New York, New Haven & Hartford Railroad reports operating income, after taxes, for August, 1917, as \$2,061,162, as compared with \$2,366,073 for the same month last year.

Loans and discounts of the Boston Clearing House banks on October 20, 1917, amounted to \$456,701,000, as compared with \$451,904,000 last month and \$450,309,000 on October 21, 1916. Demand deposits on October 20, 1917, amounted to \$394,376,000, as compared with \$368,851,000 on September 22, 1917, and \$356,434,000 on October 21, 1916. Time deposits on October 20, 1917, totaled \$29,813,000, as compared with \$29,077,000 on September 22, 1917, and \$28,220,000 on October 21, 1916. The amount "Due to banks" on October 20, 1917, was \$144,914,000, as compared with \$119,494,000 on September 22, 1917.

#### DISTRICT NO. 2—NEW YORK.

General business activity in this district continues, with production at limit of capacity and important and far-reaching adjustments in progress. The slowing up of industries not essential to war needs is being accomplished not so much through lightening of demand for their products as through difficulty in obtaining supplies and holding labor in competition with industries which are stimulated by the vital necessity for speedy production of war materials.

Building is almost at a standstill except in localities where important factory extension has taken place in connection with war orders and building for housing purposes has been necessary; but, in general, almost no new building is in progress or contemplation and materials are being supplied chiefly for repairs or alterations.

There is uneasiness as to the prospects for fuel supply and transportation. The belief is expressed that if transportation conditions could be improved the supply would be ample, but, while coal is being supplied in quantities sufficient to keep factories running, there is little surplus. Transportation of merchandise has been handled fairly satisfactorily thus far.

Foreign trade, despite the inconvenience of embargoes, is holding up well, exports being in satisfactory volume and at very high prices. Heavy business with Central and South America has compensated for decreased shipments to Europe.

There has been a substantial increase, both in value and quantity, in the manufacture of machinery, caused principally by Government buying. Equipment is bought conservatively as required for the handling of business in hand and existing contracts.

In the iron and steel industry there is renewal of buying activity. It is expected that there will be a considerable shortage of materials entering into the construction of ships, particularly plates, so that there will be little left for commercial uses, but, with building activities restricted, the general upkeep requirements of the country will unquestionably be met by the surplus tonnage available after

satisfying Government needs. The shortage of labor and the difficulties of transportation make any increase of production very difficult.

Because of high prices the railroads have not for some time past purchased their usual requirements of equipment and there is apprehension that the heavy service which is now being rendered, unaccompanied by replacements which in normal times would be considered essential, may later result in impairment of service. Freight and passenger cars now cost two and a half to three times what they did three or four years ago.

General conditions in the drug and chemical industries are satisfactory. It is gratifying to note that the dyestuff industry is now firmly rooted and that those engaged in the industry believe that the country need no longer depend upon European supplies, also that there has been a tendency for prices to drop owing to increased and more economical production. Difficulties in obtaining sufficient quantities of bituminous coal have interfered with production of some chemical by-products and difficulty is being experienced in maintaining the production of chemicals at the maximum of earlier months. In the retail drug trade buying is conservative, due apparently to a general feeling that prices are dangerously high.

The textile trades are working to fullest capacity. Woolen mills are handling the greatest business in their history, both as to yardage and weight, with the total value of the product far above that of last year. Government orders have been particularly heavy in this field. Typical of the war time adjustments which are in progress is the action taken by an important carpet manufacturing concern in installing new machinery for making army blankets and tent duck. Civilian business is quieter than for some time past, though maintained at a fair level. The wool supply is furnishing serious concern and the use of part cotton in fabrics is very probable.

Conditions in the clothing line are good, with steady retail demand. Makers of women's clothing report indications for good business for the rest of the year.

In the shoe trade conditions among manufacturers, wholesalers, and retailers are good. For some time past there has been conservative feeling on the part of dealers and the buying has been light, but within the last few weeks there has been a tendency to place orders which appear to indicate that the period of adjustment in the business has been passed and that demand is becoming active.

Sales of jewelry and watches have thus far continued very active at continually rising prices. The public's purchases are expected to hold up well until after the Christmas holidays.

Makers of furniture report that shortage of labor has enforced some curtailment of output and that the demand for household furniture is very light. Office furniture, however, can not be made rapidly enough to meet Government and private buying orders.

Reports throughout the district indicate that satisfactory crops have been harvested and that the farmers are very prosperous. The early frost occasioned no very widespread or serious damage. Some of the fruit crops available for canning have been disappointing, and the pack may therefore fall somewhat below normal. The most important shortage is in the apple crop. Sugar refineries have temporarily been obliged to curtail activity because of scarcity of raw materials, and there is an acute shortage of this commodity in the New York market.

Reports this month indicate generally satisfactory collections though with occasional important exceptions.

#### DISTRICT NO. 3—PHILADELPHIA.

General business conditions in this district continue to be good. Trade is generally active and retail absorption continues large. The influence of the war, however, is the predominant influence in nearly all lines of industry, Government orders taking precedence over private business and obscuring somewhat the normal demand. Conservation in buying is noticeable in many lines, especially in the placing of orders for delivery next spring, but current trade is brisk.

Nearly every line of industry is reported to be hindered by inadequate transportation facilities. Many are tied up because of the movement of Government supply trains.

The output of coal in this district is reported as being larger than ever, but the mines are handicapped by scarcity of labor and car shortage, hence the deliveries are unsatisfactory.

Crop yields are reported to be about normal in spite of the many setbacks that the farmer has experienced, such as difficulty in getting adequate labor, proper fertilizers, blights, frosts, etc. The late crops are reported as being very good and will bring high prices.

The demand for iron and steel is keeping the mills running to as full capacity as is possible, depending upon the available supply of labor and cars, both of which are difficult to secure.

Textile mills are reported to be running to capacity and in some instances are sold out for the entire next year's production. Government orders are playing a considerable part in the textile lines.

The demand for dwellings is keen, but builders hesitate to proceed with large operations on account of the extraordinarily high cost of labor and materials.

Goatskins, calfskins, and light hides seem to have reached bottom prices about the first of October and since then have been advancing. A large sale of leather has been made to a foreign government, which has reduced the supply of leather considerably, and shoe dealers have disposed of a portion of their surplus stocks and are now buying in a normal manner.

Money continues in good demand. There has been little or no change in the rates in the last 30 days. Rate for call money is 5 per cent. Commercial paper, four to six months,  $5\frac{1}{2}$  to 6 per cent.

#### DISTRICT NO. 4—CLEVELAND.

Evidences of the readjustment in business life caused by the transition from peaceful to war endeavors are the features of the situation in this district.

*Agriculture.*—There is a large increased acreage in wheat, which has been seeded in exceptionally well, due to showers and favorable weather conditions. There is some soft corn as a result of frost, and a great many cattle will be bought for feeding. Farmers are bending every energy and are working overtime to supply shortage of labor. Agricultural communities were never in so prosperous a condition.

*Industries.*—Government needs continue to absorb much more of steel mill capacity than the highest estimates of a few months ago, and private consumers are necessarily restricted. The fixing of prices has not stimulated buying, of course, because the Government requirements permit no promises of this character for ordinary commercial work. It is a difficult situation from the standpoint of selling and manufacturing, but the situation seems to be largely in getting just the right kind of distribution, which appears to be gradually working out.

The coal output appears to be maintained at the recent average, and the reports indicate serious problems to manufacturers in relation to contracts for future deliveries. Reserve stocks of fuel have been considerably depleted. Domestic consumers have not been able to secure necessary supplies for winter uses.

In the pottery business around Wheeling plants are working to capacity, with some shut-downs by reason of labor disturbances.

The car shortage and embargoes have caused some trying situations in some manufacturing localities, both in receiving raw materials and in making deliveries of finished products.

*Building operations.*—The difficulties in the labor situation and the high cost of materials have greatly retarded new buildings in most of the centers. At Cleveland there is a relative increase, but throughout the remaining portions of the district from which we receive reports there is a decided decrease.

*Labor.*—There is no material change in the labor situation from previous reports. Sporadic strikes are reported, and there seems to be more or less of a general unrest among

skilled and unskilled workmen, with a very inadequate supply. Labor-saving devices are rapidly being installed everywhere possible, dispensing with man power and substituting machine power, which later will have its resultant effect in a marked degree.

*Mercantile lines.*—Seasonable weather has tended toward a very active fall trade in general merchandising, our reports indicating that retail business throughout the district has no complaint of the situation. Collections seem to be better than average. Post-office receipts show comparative increases in the larger cities.

*Money and investments.*—Banking is very active, with the greatest volume of business known. Deposits have probably reached the high-water mark, and loans and discounts are apparently keeping pace. There seems, however, to be a disposition of the bankers more closely to scrutinize the character of loans, and, as far as possible, to confine them for necessary production and development of agriculture and other war necessities.

Money rates continue firm at  $5\frac{1}{2}$  to 6 per cent. Investment markets are at an absolute standstill by reason of the Liberty Loan. Bank clearings in the important centers show substantial increases.

Close observers of financial and industrial conditions are confident that the transition to a war basis in this district will continue to be accomplished without serious economic disturbance.

#### DISTRICT NO. 5—RICHMOND.

Reports from all points in the district indicate unusually prosperous conditions. The corn crop is much larger than the average, tobacco fully up to the average and selling at unprecedented prices, and the cotton crop about the same as last year, but selling above 25 cents per pound. Fruits and smaller crops have on the average been satisfactory and farmers are more prosperous and better supplied with money than ever before in the history of the district.

The above conditions are reflected in unprecedented deposits in the banks, money is

circulating freely and high prices seem no hindrance to trade, which is reported good among wholesalers and retailers.

The production of lumber is below normal, due to the scarcity of labor and inadequate transportation, but orders are abundant at satisfactory prices and the general condition in this line much improved. Ordinary building has been considerably restricted, owing to high prices of material, but Government work and construction for the filling of Government orders have been on a large scale.

Everything in the manufacturing line is reported running to full capacity, restricted only by scarcity of labor. This scarcity of labor brings reports that there has been some loss of crops due to inability to harvest them.

Railroad earnings have increased in gross very considerably, but the increase has been largely absorbed in operating expenses. Bank clearings indicate an expansion of 25 per cent; post-office receipts are above normal, indicating the movement of a large volume of trade.

The second Liberty Loan has been the all-absorbing topic, both in discussion and effort. The organizations for securing subscriptions to this loan have been more efficient than was the case with the previous loan, and both banks and individuals in the larger cities and towns have responded to the Nation's call, both in solicitations and subscriptions.

#### DISTRICT NO. 6—ATLANTA.

General business conditions in this district continue good. The volume of business, measured in dollars, while equal to that of preceding months, is not equal to expectation, considering the high prices for farm products and the disbursement of Government funds at the seven Army camps and several training camps in the district. This is due entirely to the holding movement among the cotton producers.

While the weather has been generally favorable throughout the district for cotton picking and marketing, the producer, by reason of high prices received for the unusually large diversified crops, is withholding in almost every instance a portion of his cotton crop, as storing

cotton causes no loss to the product and the general consensus is that high prices will prevail before Christmas.

Reports indicate that mills' stock is running low and that mill buyers are meeting with little success in purchasing at the prevailing prices.

Notwithstanding the holding movement, merchants report collections exceedingly good and very little cotton is being pledged to carry the product or pay notes due. In the communities where are located the Army camps the large pay rolls and other Government expenditures have brought wholesale and retail business to an extra high level.

Some farmers are having difficulty in getting labor to pick cotton, and some of the harvesting is much too late for the early destruction of stalks to control the boll weevil.

During the middle of the month frosts caused considerable damage to immature cotton in Tennessee, north and central Mississippi, extreme north Georgia, and Alabama. Truck gardens and tender vegetation also suffered from frosts. The citrus fruit crop in Florida is reported short, but fair to good quality.

*Alabama.*—The weather conditions have been favorable for all farm work and generally ideal for harvesting crops. Cotton harvesting is practically finished in the southern portion and good progress in the northern. The crop is reported short in some sections in the northern portion, due to cold nights and frost. Corn, sweet potatoes, and truck gardens are in fair to excellent condition.

*Florida.*—Harvesting over the State is practically completed. The corn crop has been housed and the larger bulk of the cotton picked and ginned. Citrus fruits are fair to good, but the crop is reported short. The crop resulting from the "June bloom" is rather uncertain.

*Georgia.*—Cold, dry weather prevailed, with heavy frosts about the 13th in the northern districts, considerably damaging cotton. Cotton is practically all picked in the southern portion and is opening slowly in the northern portion. Fall plowing and seeding of oats and wheat is progressing rapidly. Considerable complaint is heard regarding the shortage

of labor. Government reports estimate the crops of Georgia for 1917: Corn, 71,300,000 bushels; oats, 7,900,000 bushels; potatoes, 1,468,000 bushels; sweet potatoes, 11,080,000 bushels; apples, 1,740,000 bushels; peaches, 4,720,000 bushels; and cotton, 1,930,000 bales.

*Mississippi.*—Cotton picking and harvesting generally is progressing favorably. Lake cotton was materially damaged by frosts. Cotton is opening rapidly in the northern portion, where much of the product has been picked. In the southern portion, cotton picking is practically completed. Fall crops need rain.

*Louisiana.*—Rice harvesting and threshing are well advanced, with the yield good, except in the southwest, where it is fair. Harvesting of corn and cotton picking are practically completed. The dry, cool weather has been unfavorable for Irish and sweet potatoes, and hastened the ripening of sugar cane under normal growth.

*Tennessee.*—Delay has occurred in putting the ground in condition to plow and prepare for wheat and oats, due to lack of rain, which has been badly needed for late crops. The cotton crop is only fair in Tennessee; it has deteriorated for several weeks, with little top crop, and is several weeks late. Picking is progressing slowly. Corn is reported a record breaking crop. The tobacco crop, which is excellent, is about all housed and in fine condition.

Flour mills report no new feature of importance. There has been some complaint of inadequate supplies of wheat in the southeast, and the mills that had light supplies when Government control became active are running short. The crop of wheat in the district was considerably reduced this year, while in former years it was sufficient to supply the mills up until late in the season. In order to get supplies from other zones, it has been necessary for mills to show purchases of grain there in former years, and it is the report that many of them are not in position to do this.

Bank clearings are increasing and money rates appear to be stiffening slightly.

The most striking feature in connection with the sale of the second Liberty Loan bonds just closed was the subscriptions made by the soldiers at the Army camps in the district. The subscriptions were largely for the smaller issues and the solicitations were met with eagerness by the officers and enlisted men, both as a matter of patriotism and from the viewpoint of investment.

The New Orleans branch of the Federal Reserve Bank of Atlanta reports that in all sections in Louisiana and Mississippi there is an underlying prosperity. The year 1917 is noteworthy for the greatest production of cotton in Louisiana and Mississippi within a decade. Under date of September 1, the United States Bureau of Crop Estimates figures that the values of cotton and cotton seed for Louisiana and Mississippi is in excess of \$219,000,000. It is figured that half of this amount would reasonably represent net profit to the growers. The corn crop of the two States exceed \$125,000,000 in value; and sugar and molasses in southern Louisiana at \$50,600,000. The Louisiana rice crop for 1917 is estimated worth over \$23,000,000. The total money value of the chief agricultural crops of Louisiana and Mississippi is estimated at \$458,069,000 for 1917, against an estimate of \$300,000,000 for the same crops in 1916, which was considered a good crop year.

#### DISTRICT NO. 7—CHICAGO.

The business situation throughout this district appears to be satisfactory at this time, with the principal interest centering in the Liberty Loan and the new Government war taxes. Many corporations are not altogether clear as to the effect of the new taxation upon their profits, and this is causing some uneasiness, although there is little complaint with regard to the operating schedules in force. Money rates are still strong, but deposits are accumulating in some of the centers, resulting in a somewhat easier banking condition. Country banks are well loaned out, and there is some evidence that the farmers are carrying

their grain in the hope of realizing higher prices. Bond houses are concentrating every effort upon the Liberty Loan and report but little interest in other issues.

The crops in this district have come through the season in good shape, and the recent frosts have done but small damage. The State of Iowa expects to produce the largest crop of oats on record, and its corn crop should total approximately 300,000,000 bushels of sound corn. The planting of winter wheat continues, but it is too early to actually estimate the acreage, although the indications are for an increase over last year.

There is no change in the agricultural implement situation, manufacturers reporting a good demand for their output and difficulty in securing the necessary labor and raw materials. The lack of farm help has considerably stimulated the purchase of tractors and labor-saving farm machinery, particularly as the present prices encourage the planting of a large acreage.

Automobile concerns find a falling off in the demand for pleasure cars and, wherever possible, are turning their attention to the manufacture of trucks. Automobile accessory concerns report a satisfactory volume, with increased demand for truck parts and decreased demand for pleasure-car equipment.

Building and its allied lines have shown no change for the better, and the official reduction in steel prices, together with the small reduction and the price of Portland cement, has had no appreciable effect.

The high prices of merchandise are beginning to cut down dry goods sales, although the volume measured in dollars still remains satisfactory. Retail merchandise stocks are still heavy, but there seems an inclination to reduce the merchandise on the shelves and to pay off indebtedness.

Distillers have not been operating since September 8, and the revenue bill increasing the tax has resulted in a falling off in sales.

Grain is moving in from the country gradually, but country elevators are reported as carrying a large quantity of oats and corn,

which the farmers are holding in the hope of stronger market conditions. It is the opinion of some authorities that the release of these stocks will cause an oversupply next spring, resulting in lower prices.

In the grocery line the demand for canned goods is better than the supply, and the general volume of trade, measured in money values, is large. Sales, however, vary with local conditions, and wholesalers dealing with country communities are experiencing a good trade.

The hardware business finds a little slackening in demand, due presumably to the desire of purchasers to determine the effect on prices resulting from Government action. The leather market has improved considerably during the past month, as a result of Government orders for shoes and the foreign requirements in this line. Raw-material prices have advanced, and collections are fair.

There has been no change in the live-stock market during the past month. Some heavy-weight cattle are being taken into the country for short-time feeding. Receipts of hogs in the Chicago market continue light, and there has been a fairly good demand for sheep from the farming communities, which will increase the supply.

Piano concerns report that orders are coming in freely and that collections are good. A good fall trade is in prospect, but manufacturers may experience some difficulty in supplying the requirements of the purchasers.

Shipbuilding concerns are still working to capacity, as are the steel companies, which have not felt the effects of the Government regulation of prices. Most of the steel companies are so fully booked for at least six months that they are preferring to fill their old contracts rather than take on new contracts at the Government prices.

Watch companies report an active business, with particular demand for military and bracelet watches, and jewelers are finding sales satisfactory, although the latter part of September and the first week in October showed a slight decrease over the figures a year ago. A large fall business is anticipated.

The wool market remains firm and mills are fully employed. There is a scarcity of labor, but this condition pervades all industries at this time.

Clearings in Chicago for the first 20 days of October were \$1,348,000,000, being \$67,000,000 more than for the corresponding 20 days in October, 1916. Clearings reported by 22 cities in the district outside of Chicago amounted to \$296,000,000 for the first 15 days of October, 1917, as compared with \$208,000,000 for the first 15 days of October, 1916. Deposits in the 12 Central Reserve City member banks in Chicago were \$838,000,000 at the close of business October 19, 1917, and loans were \$570,000,000. Deposits show an increase of approximately \$36,000,000 over last month and loans an increase of approximately \$5,000,000.

#### DISTRICT NO. 8—ST. LOUIS.

With very few exceptions all business activity in this district continues at a high level. Some few lines are restricted on account of the scarcity of raw material or unfavorable labor conditions, but, in general, business shows marked activity. Favorable crop conditions have contributed to the general feeling of confidence, and there are no unfavorable symptoms which would appear to affect the situation for some months.

Orders for Government requirements continue to be the important factor as noted in my last report, while Government price restrictions and other regulations are a somewhat disturbing factor. Whereas formerly Government orders had influenced only manufacturing and jobbing industries, reports at this writing indicate that they are also influencing retail trade—at least in the large department stores. Reports from wholesale grocers, millinery jobbers, drug and chemical dealers, woodenware, bagging, cracker manufacturers, stove manufacturers, glass companies, shoe manufacturers, stationery jobbers, jobbers of dry goods and general merchandise, candy manufacturers, and wire-rope manufacturers, all show increases in sales for the three months ending

September 30 as compared to the average sales for the same three months of 1914, 1915, and 1916, which indicates a healthy condition.

Collections appear to be keeping up with sales, except from a few of the rural sections, where the crop movement is unusually late, as in Arkansas, where the cotton, at this writing, is just beginning to move. Dry goods jobbers report future orders for spring delivery in excess of a year ago, and these were a record at that time. The business of the department stores and retailers in general has been stimulated by cool, seasonable weather.

Large packers report that wool prices run close to the high point of the season. The demand for fertilizer appears to be equal to the production, the cost of raw material, however, advancing faster than that of the finished article. There is a strong demand for all meats, with prices about steady and stocks on hand decreasing.

The cotton situation in the southern portion of the district has changed somewhat materially within the last month. While the crop was late all season, the condition a month ago appeared to be satisfactory. Since then, killing frosts have been reported from most sections of the belt, and it is feared that the crop will be shorter than was anticipated. Well informed Memphians estimate that that territory will produce not over 80 per cent of last year's harvest. Prices of both cotton and cotton seed are high, which should stimulate an early and rapid movement to market. This movement, in volume, is just beginning. It will probably take more money to move this cotton crop than any crop since the Civil War, but there appears to be no anxiety on this score, unless a shortage of freight cars should restrict the movement eastward from Memphis.

Plowing and planting for winter wheat has progressed satisfactorily. It is estimated that probably 80 per cent of winter wheat acreage has been plowed. Farmers have been busy plowing and sowing, and this seems to have had a deterrent effect on the movement to market, which is again reported to be light for

this time of the year. The wheat acreage of Missouri is estimated to be 136 per cent of that of 1916. Further efforts are being made to increase this acreage in order to bring it up to the acreage proposed by the Federal authorities.

Preliminary estimates on the oats crop are for a yield per acre largely in excess of the 10-year average in Illinois, Indiana, and Missouri, with the total production materially above that of 1916.

The corn crop at this date is practically safe from further damage. The forecast for the 1917 harvest from the October 1 condition is slightly smaller than the forecast from the September 1 condition, except that of Missouri, which shows an increase. The estimates, however, are well above the 1916 harvest and the five-year average. Frosts which have occurred in the corn belt did not do any material damage.

The condition of the tobacco crop in Kentucky and Tennessee appears to be highly satisfactory. The October 1 condition in both States is considerably higher than the 10-year average, and the forecast from the October 1 condition approximates the 1916 harvest, which was materially above the 5-year average.

During the last two weeks rains have revived pastures, and live stock is looking well. Fodder crops in general, especially alfalfa, have yielded satisfactory harvests in spite of the increased acreage of corn and wheat.

Apple picking and shipment to market is proceeding rapidly, prices being considerably higher than a year ago.

The labor situation is causing some concern. The coal situation in St. Louis and other large cities may easily become acute unless early settlement of strikes in the Illinois fields is made. The scarcity of labor may be said to be general, farmers, manufacturers, and even retailers, reporting difficulty in obtaining and keeping a supply of suitable labor.

Index figures on the cost of living show little change during the past two weeks.

Postal receipts for September show slight increases as compared to September of last year.

Building permits again show a slight decrease in Little Rock, a large decrease in Louisville, a slight increase in Memphis and in St. Louis, a decrease of nearly 50 per cent this September as compared to the same month of 1916. It would appear that little improvement in the building situation can be expected until materials decrease in price and labor becomes more plentiful.

The second Liberty Loan is engaging the attention of bond houses, hence the bond business is quiet.

Commercial paper rates have advanced again, ruling rates now ranging from 5 to 6 per cent. Banks in the large cities are entirely out of the market, while demand from the country banks is widely scattered and for notes of small denominations. Bank rates to customers show little change.

#### DISTRICT NO. 9—MINNEAPOLIS.

Business conditions throughout the Ninth Federal Reserve district are sound, and the outlook is favorable. While crops in the western half of the district were short, the district as a whole has received more money for its 1917 crop production than has ever been received in any previous year, and the returns to the farmers, especially in the eastern half of the district, have been very large.

The movement of the grain crops has been slow, partially on account of the lack of understanding of the new Federal grades and partially on account of the new Government price regulations. Wheat has been moving during the last half of the month in better volume. Much of the corn in the district is soft, and there will be difficulty in obtaining first-class seed for the next year's planting. Agricultural associations and county agricultural agents are already at work on this problem, and in many localities are selecting the best of the corn, which escaped frost, drying it and saving it for spring seeding. A large amount of fall plowing has been accomplished.

Industrial concerns are busy and are loaded with orders for months ahead. A large amount of new Government work has come into the

district, going chiefly to the larger concerns, and labor is fully employed.

Bank rates have been firm and steady. Mercantile reports are favorable and collections good. The volume of trade is very satisfactory both in the wholesale and retail lines. The outlook for the winter is good, with the exception that there will undoubtedly be some difficulty over the fuel question on account of the inability to secure shipments in sufficient volume before the close of navigation to take care of the normal requirements of the district.

Food administration officers of the various States are already taking steps to bring the necessity of economizing fully to the attention of the public. Prices of the chief staples entering into the cost of living have shown some inclination to fall off, but the decreases so far recorded are not of any special importance, excepting as to certain items in the grocery line, and as to meat and lard.

The chief activities of the month have been those involved in the flotation of the second Liberty Loan, which has met with universal support and which is being heavily subscribed to.

#### DISTRICT NO. 10—KANSAS CITY.

*Agriculture.*—Weather has generally been favorable for maturing crops and for planting wheat. Official estimates indicate a corn crop 61 per cent larger than last year in the States wholly or partly in this district.

As predicted last month, the seed-wheat problem was solved successfully. A large acreage is being sown, with the ground in good condition, while much of that planted is up in fine stand, and prospects are good for a yield approaching that officially requested.

Farmers are beginning to market their wheat, but the supply is limited. Figures for the district are not available, but during the period from September 6 to October 6 the local market received approximately 2,500,000 bushels as against 8,500,000 a year ago.

The result of the nation-wide stimulus of potato growing is clearly shown in the increase of 40 per cent over last year's crop.

*Live stock.*—During the week closing October 13 the local market received more than 110,000 cattle and calves. This is the highest record ever made for any week at any market in the world. Other markets in the district showed greatly increased receipts, so that the total number of cattle marketed in this district for September was 21 per cent greater than for September, 1916.

In order to secure the good profits that are insured by present prices, stockmen are rushing their cattle to the market rather than take the chances of feeding any that are even fairly marketable in the face of the high cost of feed and uncertain profits in the spring. At the same time they are buying stockers more heavily than last year to utilize the forage and rough feed that is abundant in many localities. In spite of the heavy marketing now, well-informed observers make the gratifying prediction that next year there will be an increased supply of beef cattle. For September the movement of stockers in this district was 11 per cent greater than for the same month last year. Prices for cattle have covered a wide range, corresponding with the quality, being high for the best grades. Prices for hogs have been high, notwithstanding which the receipts in this district have declined nearly 45 per cent in the period September 8 to October 6, as compared with last year.

On October 16 a fire occurred at the Kansas City stock yards, resulting in the loss of 7,500 cattle, of a value of \$500,000, as well as 3,000 hogs. Business was checked only temporarily.

*Mining.*—Zinc and calamine shipments from the Missouri-Kansas-Oklahoma district show an increase over a year ago, but a decline from last month, with prices gradually decreasing. Lead shipments increased slightly, but these prices also have declined. Some 40 mines are reported as closed in Missouri, but the resultant decrease of production is more than made up by the increase in Oklahoma, where, nevertheless, reports indicate the shortage of 1,000 miners.

The outlook for mining in Colorado has been more promising during the past few weeks

than it has been for the past 25 years, on account of the advance in the price of silver in particular, and the profitable mining of tungsten and other ores.

*Oil.*—In September, Oklahoma completed nearly 50 per cent more wells than in August, but obtained about a third less production from them. Kansas completed half as many wells as Oklahoma with a production more than twice as great, and a half greater than her own new production for August. Kansas produced more than 4,500,000 barrels for September, five times her amount a year ago.

Wyoming fields show more than satisfactory progress, and at the present rate of production this year's output will be three and a half times that for last year.

There is still difficulty in obtaining piping and other drilling supplies, and prices are very high. Owners of old piping are able to sell at excellent profit after having had the use of it.

*Lumber and construction.*—Country dealers have been buying slowly and very conservatively, awaiting the time when the farmers will have become adjusted to paying present prices and have harvested their corn crops.

Wholesalers are very conservative over the fall trade outlook. More and more persons are coming around to the belief that under the extraordinary conditions now prevailing stabilized prices, under Government regulation, are a distinct benefit to the country and to be desired by the dealers, even though the result were adverse to some individuals and localities.

The expected car shortage did not materialize, there having been but little difficulty in getting shipments through.

For this district during September building permits in 11 cities showed an increase of 3 per cent over the same month a year ago, as against a decrease of 27 per cent for the entire country for the same two months. Topeka showed an increase of 345 per cent, third greatest reported for the entire United States.

*Labor.*—During the past month a score of strikes have been called, but at present no important one remains unsettled. A strike of serious proportions and consequence was called

for the coal fields of Missouri, Kansas, and Oklahoma, but intervention of the Federal mediators promises to obviate the disastrous results that seemed imminent. Throughout, the work of the mediators has been most able and effective and their success on every hand is of more than passing importance to the country at large as well as to this district.

There is an increasing shortage of help on the farms, while the mining districts of Oklahoma and Colorado are each calling for skilled workers.

*Mercantile.*—The development of the district's oil fields is largely responsible for an improvement in general business conditions of approximately 25 per cent over a year ago, according to authentic reports. Wholesale implement and hardware trade has improved at least 30 per cent. The sales in number of boots and shoes and of hats and caps show a most satisfactory increase, while those for millinery, rugs, groceries, and packing-house products have been more than maintained.

Government demands for lumber continue heavy; also cement and all building materials. Manufactories of men's and women's garments, harness, saddles, tents and awnings are working to full capacity, and behind on orders. The manufacturing of all kinds of metal goods is unusually active. Department stores are enjoying an excellent trade in nearly every line. People are buying liberally of a better class of goods than ever before.

Grain supplies enable flour mills to run at only about 80 per cent of capacity. After a month of operation, Federal regulation of grain seems to be working well and more and more to the satisfaction of the millers.

*Financial.*—Heavy increases in bank clearings for 14 cities in the district reflect activity in every line, having been influenced most by Government purchases and high prices for products. For the four weeks from September 8 to October 6 clearings were 40 per cent greater than for the same period a year ago, and more

than double the clearings for the same period two years ago.

Official reports show that the State banks and trust companies of Kansas have made heavy gains during the year ending September 1, the increase in deposits being 27 per cent.

Demand for money is good, as is to be expected at this time of the year, and there has been no material change in rates of discount.

#### DISTRICT NO. 11—DALLAS.

Commercial activities greatly exceed a year ago and the volume of fall business being transacted in the larger centers of the district more than offsets the unfavorable reports of general trade and agricultural conditions in the west and southwest portions, where the drought has been so serious. Business of practically all classes transacted at the principal markets of the district is unusually heavy, especially at points where Government cantonments are situated. As a result of the latter condition activities at those cities are almost unprecedented; in fact, as one of our correspondents at a cantonment city reports, it is practically impossible for new concerns to obtain suitable business locations, the influx of the population makes houses scarce, and business is at capacity at the present time. Added to the unusually heavy business, resulting from supplying Government requirements and the concentration of troops, have been the seasonal activities at places where fairs and expositions are being held. Business generally, and especially retail trade, shows the effect of such attractions, and railroad and inter-urban facilities are taxed to capacity to handle the crowds. Wholesale and jobbing trade is in good volume; manufacturing industries, particularly those working on Government contracts, are running on full time; the only thing to restrict such operations being the scarcity of material and the continued shortage of labor. Collections are fair to good.

A heavy frost over the agricultural belt the early part of the month caused some damage to crops. As to just what the extent of this damage is, however, it is difficult to say. Authorities report that its most serious effect will be on the top crop of cotton, and our information is that its yield will probably not be large. The height of the cotton picking and ginning season is now here, and with favorable weather, receipts at the larger markets have been quite heavy. The high prices at which the staple is selling are being reflected in the unusually prosperous conditions, and bankers at interior points report good collections. While cotton is bringing the highest price in the history of this section, nevertheless, there is a disposition in some quarters to hold for higher figures.

The Texas peanut crop, estimated as between 500,000 and 600,000 acres, is now being marketed at good prices, and the yield promises to be unusually large. This crop is every year becoming more and more important in this section. The yield per acre will be probably 30 bushels, and it will therefore be seen that the total production will be around 15,000,000 bushels. Authorities state that probably 60 per cent of the crop will be crushed into peanut oil, and a bushel of peanuts will produce one gallon of oil, or three-fifths of a barrel per acre. It will, therefore, be seen that Texas alone will produce this year around 300,000 barrels of peanut oil, and the importance of this industry is therefore significant.

Rice harvesting is now on and the prospects are good for a normal yield. The returns from the crop are bringing 75 per cent more money than during previous years, notwithstanding the cost of raising and harvesting the crop is increased over previous years.

There is little change in the building industry since our October letter. Private construction work continues to be dull on account of the scarcity and high price of material and labor. Building permits at the principal cities in the district for the month of September show a decrease, both in number and valuation, over a year ago, although a slight increase over the

two months preceding. Cattle are selling at good prices, especially calves and older steers. Range conditions are still unsatisfactory, and a large number of cattle are being shipped from the west, southwest, and panhandle sections for pasturage and water.

The lumber mills of the district continue to be active and are running on full time on Government orders and ship construction. Commercial trade, however, is dull and has been for the last two months. There is some improvement from the interior trade and considerable improvement is looked for in the cotton district as soon as the cotton is marketed. As is always the case in seasons of light demand, prices have been disturbed, and while there has not been any considerable decline, the market is weak, and may be termed a buyer's rather than a seller's market. Cars are getting scarce and manufacturers are not shipping to more than two-thirds capacity on this account, which condition is said to be general. The outlook in the trade for the fall and winter months, however, is very good.

As in other sections, the Liberty Loan campaign in this district has overshadowed every other event in financial circles. Whether this district will sell its allotment remains to be seen. It is a fact, however, that the outlook at this writing is not favorable, although much more encouraging than a week ago. Money is in good demand and rates are firm. Bank deposits, reflecting returns from the marketing of cotton and other farm products, are increasing steadily. Banking institutions, however, are closely scrutinizing new credits, and conservatism is unquestionably being practiced throughout the district. Another issue of Treasury certificates offered during the month was quickly absorbed in this district and our allotment oversubscribed. Bond dealers report a large number of inquiries for that class of securities and anticipate a large demand, especially for municipals, when the Liberty Bond campaign is over. The attractiveness of municipal bonds as an investment and their exemption from taxation will unquestionably create an active market. Clearings at the

principal cities—Austin, Beaumont, Dallas, El Paso, Fort Worth, Galveston, Houston, San Antonio, Shreveport—for the month of September show an increase of 16 per cent over the same period last year. The figures were: September, 1916, \$246,176,574; September, 1917, \$285,921,249; increase, \$39,744,675.

General business in the mining sections of the extreme West, which recently suffered from labor disturbances, shows a good recovery.

There is an acute shortage of labor in all lines and many organizations are handicapped as a result.

Post-office receipts at the principal cities of the district—Austin, Dallas, Fort Worth, Galveston, San Antonio, Shreveport, Waco—for the month of September show an increase of 12 per cent over the same month last year. The figures were: September, 1916, \$255,562; September, 1917, \$287,379; increase, \$31,817.

Commercial failures reflect the general improvement in business, and the number in Texas for the nine months of this year, as compared with the same period of 1916, shows a substantial reduction, together with a similar reduction in liabilities, of more than 100 per cent. The figures as furnished us by Dun's Review are as follows: September, 1916: Number, 471; amount, \$4,994,576. September, 1917: Number, 316; amount, \$1,143,073.

Exports through the port of Galveston for the month of August—the latest figures available—aggregated \$11,216,885, a decrease of \$2,333,247 as compared with August, 1916, and \$620,272 less than July, 1917.

Operations in the oil fields of the district continue very active as a result of the high prices for the output. Operations are somewhat restricted, however, on account of a shortage of material and labor, and insufficient water supply.

Trade with Mexico is active, but merchants at border points are experiencing a great deal of trouble owing to the embargo. The Mexican customhouses are requiring all payments of duties in Mexican silver or Mexican gold, which

has a prevailing rate at this time of about 53½ cents. They will accept Mexican gold on a basis of two to one, but will not accept American currency. Owing to the embargo on the exportation of gold, banks on the border have declined to supply their customers American gold for the purposes mentioned and as a result their customers are suffering a loss of about 7 per cent. Many of the mining concerns operating along the border and in Mexico expect to resume operation in the Republic at an early date, provided the present Government continues.

Labor troubles in the Bisbee and Douglas sections have become more quiet and mining operations are quite active, with smelters working full capacity.

Briefly, to summarize conditions throughout the district, it may be said they are all that could be expected for the season and the outlook is satisfactory. The conditions created by the war must necessarily be considered, and the uncertainty of the future has undoubtedly affected many lines of business in this section; at the same time the activities of the Government, in the way of cantonment construction, the army pay rolls, and the influx of people at the cantonment cities, has made for an activity practically without parallel. The agricultural conditions are only fair on account of the drought, which is probably the worst in the history of this section; at the same time the excellent yield from cotton and farm products in more favored sections tends to offset this condition, and there is generally an optimistic feeling as to business conditions.

#### DISTRICT NO. 12—SAN FRANCISCO.

The second Liberty Loan has had the center of the stage during October. Subscriptions to the first Liberty Loan closed June 15 and the last payments were made August 15. Consequently the pressure upon banks because of withdrawals and borrowings occasioned by the first loan would appear within this period. Some timid banks feared great reduction of re-

sources. The loans, however, of the national banks in the eight reserve cities of this district show an increase of only \$17,900,000 from June 20, 1917, to September 11, 1917, while deposits increased \$32,300,000. During the year—September 12, 1916, to September 11, 1917—deposits in the same banks increased \$80,000,000, ranging from an increase of 11.7 per cent in Los Angeles to 24.2 per cent in Seattle. While complete reports of State banks are not available, those published indicate a similar trend.

The entire reserves of all national banks are now mobilized in the Federal Reserve Bank, but only three State banks of Washington, one of Oregon, and one of Idaho have become members.

Labor conditions in this district are disturbed. There have been important interruptions in production by strikes, notably those in the shipyards about San Francisco Bay and those of Puget Sound and the Columbia River. In some cases there has been temporary resumption of work at increased wages pending further adjustment by the Federal Wage Adjustment Board. In some cases the demand has been made for the closed shop.

It is too obvious to require statement that our present national need is for the greatest industry, the maximum product and the minimum consumption of food and other goods on the part of each individual as his contribution toward a successful prosecution of the war, and that no consequent hardships of either capitalist or laborer could possibly equal those of the man who is fighting at the front in the interest of all.

Strikes have hampered the lumber industry, but output has again reached 75 per cent of normal. Mill stocks are from 51 to 83 per cent below those of November 1, 1916.

In Arizona the I. W. W. agitation has ceased, although the Miners' Union has not yet voted to return to work in the copper mines. The most serious recent depredation has been the firing of grain and feed in the San Joaquin Valley in California.

The yield of grains is below normal, except in the case of barley. The hay crop is about normal, with decreases in Oregon and Washington and increases in California, Idaho, and Utah.

The October 1 Government forecast gives Washington's commercial apple crop as 3,660,000 barrels—an increase of 200,000 barrels over that of last year. The increase would have been greater but for the codling moth. A large canning and evaporating establishment erected in the Yakima district will save 4,000 to 5,000 tons of windfalls and inferior fruit heretofore wasted. The Northwestern Fruit Exchange reports the 1916 apple crop in excess of 16,000 cars, compared with 9,600 cars in 1915.

During the past three months a new record has been established in the shipment from California this season of 27,000 carloads of deciduous fruits and other perishable commodities. The California peach crop this year will exceed that of last year by 1,300,000 bushels. A threatened box shortage may hamper future shipments of deciduous fruits. The California prune crop will exceed all records. The condition is given as 92, compared with a six-year average of 77. The condition in southern Idaho, however, will be only about 40 per cent of normal, due largely to hot weather early in October.

The California bean crop aggregates 9,280,000 bushels from 395,000 acres, being twice that of 1916 from 253,000 acres. The value of the lima bean crop in Southern California is estimated at \$10,000,000, that of other varieties, \$4,000,000. The crop of pink beans in the delta region near Stockton, Cal., will be from 550,000 to 600,000 sacks.

Constantly increasing hay prices, with alfalfa now quoted at \$25 per ton, are causing many farmers in central Oregon to ship their breeding cattle to market. Purchases by large interests to feed sheep during the winter, and by the Government for the 16,000 head of horses and mules at the American Lake cantonment near Tacoma are given as contributing causes. The high price of feed, the high prices offered for ewes and lambs, and the shortage of range

will prevent an increase in the number of sheep carried over in Idaho this year. Increased sheep feeding by farmers in southern Idaho will to some extent offset the decrease in range feeding.

California is producing more fall onions for commercial purposes than any other State in the Union. The yield is estimated at 3,348,000 bushels, 500,000 more than in New York, the second State. Idaho, Washington, and Oregon will produce 890,000 bushels.

The salmon pack, though disappointing at certain points, will show an extraordinary total.

During September the shipments of petroleum from the California field exceeded production by 661,470 barrels, reducing stored stocks to 34,656,007 barrels compared with 48,469,257 a year ago.

Conditions are generally those of activity and prosperity throughout the district.

## DISCOUNT OPERATIONS OF THE FEDERAL RESERVE BANKS.

During the month of September discount operations of the Federal Reserve Banks totaled \$548,164,104, compared with \$220,838,942 the month before, and an average of \$409,912,133 for the quarter ending September. Over 86 per cent of the month's discounts, or \$474,178,258, is represented by member banks' collateral notes, the New York bank alone reporting \$303,327,497 of discounts of this class of paper. Of the total collateral notes discounted by the Federal Reserve Banks during the month about 45 per cent was secured by Liberty bonds or United States certificates of indebtedness, while the remainder had as collateral commercial and bank paper or United States bonds issued prior to the war.

Total discounts for the month include, in addition, \$855,834 of trade acceptances (two-name paper) reported by all but the Dallas bank, \$500,141 of commodity paper, reported largely by the Atlanta bank, and \$72,629,871 of other, principally one-name, secured and unsecured paper. Discounts for the nine months of the current year aggregate \$2,188,917,568, compared with \$114,387,500 for the corresponding period in 1916. Over 80 per cent of the present year's discounts were collateral notes, while \$10,726,238 are given as trade acceptances and \$7,019,776 as commodity paper. As compared with corresponding 1916 figures, trade acceptances discounted by the Federal Reserve Banks increased about 277 per cent, while commodity paper discounted declined about 41 per cent. Owing to the preponderance of collateral notes among the total discounts of the month, nearly 90 per cent of these discounts is shown to be 15-day paper (i. e., maturing within 15 days from date of discount with the Federal Reserve Bank), the proportion rising to 96 per cent in the case of the New York bank. Less than 3 per cent of the month's discounts was 30-day paper, over 4 per cent 60-day paper, and about 3 per cent 90-day paper. Agricultural and live-stock paper maturing after 90 days from date of dis-

count with the Federal Reserve Bank (so-called 6-months paper) totaled \$1,401,135, or only a fraction of 1 per cent of the month's total discounts. During the nine months of the current year the Federal Reserve Banks discounted about \$14,528,000 of this class of paper, compared with \$14,637,300 for the corresponding period in 1916 and \$13,032,300 in 1915.

On the last Friday in September the Federal Reserve Banks held a total of \$233,539,000 of discounted bills as against \$147,315,000 at the end of August and \$25,952,800 on the corresponding date in 1916. Nearly two-thirds of the discounts on hand were bills maturing within 15 days. The total comprised \$65,923,000 of member banks' collateral notes secured by Liberty bonds or United States certificates of indebtedness, \$56,695,000 collateral notes otherwise secured, \$10,185,000 of agricultural paper, and \$9,910,000 of live-stock paper of all maturities, \$89,709,000 of commercial and industrial paper, and the remainder unclassified paper, including customers' paper of all maturities secured by Liberty bonds or certificates; also, nonmember-bank paper indorsed by member banks. Over 77 per cent of the agricultural paper was held by Richmond, Chicago, Dallas, and Minneapolis banks, while nearly 90 per cent of the live-stock paper is reported by the Kansas City, Minneapolis, Dallas, and Boston banks.

During the month the number of member banks increased from 7,756 to 7,805, while the number of discounting members shows a decrease from 990 during August to 946 in September. Chicago reports 127 member banks accommodated, the largest number for the month; Atlanta, 122; Richmond, 101; and New York, 98 discounting banks. During the third quarter of the current year a total of 1,647 member banks availed themselves of the discount privileges, Minneapolis, with 194 discounting members, leading all other Federal Reserve districts. Cleveland reports the smallest number of members accommodated during the quarter—viz, 52 banks.

*Bills discounted by each Federal Reserve Bank during September, 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.....	1	\$100	25	\$4,316	64	\$26,787	87	\$71,476	87	\$148,910
New York.....	57	3,075	54	8,733	70	24,895	82	66,566	167	309,081
Philadelphia.....	195	10,283	90	13,700	113	43,932	96	80,409	189	351,561
Cleveland.....			2	312	4	1,583	7	6,216	63	125,197
Richmond.....	25	2,500	188	35,230	263	101,483	282	231,099	324	593,951
Atlanta.....	1	100	84	15,361	122	50,780	181	145,339	236	419,014
Chicago.....	21	2,075	98	19,896	287	120,295	259	214,167	330	573,357
St. Louis.....	15	1,209	62	11,170	118	45,672	73	52,205	170	378,807
Minneapolis.....	72	3,833	32	4,483	36	14,482	64	49,380	123	190,173
Kansas City.....	1	100	41	8,020	161	62,074	133	96,685	144	233,795
Dallas.....	27	1,996	125	20,822	91	32,729	119	90,533	172	286,031
San Francisco.....			11	2,003	29	10,101	35	22,739	79	143,882
Total.....	415	25,271	812	144,046	1,358	534,813	1,418	1,126,814	2,084	3,753,759
Per cent.....				2		.7		1.5		5.1
Member banks' collateral notes.....										

Banks.	Over \$2,500 to \$5,000.		Over \$5,000 to \$10,000.		Over \$10,000.		Total.	
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.
Boston.....	283	\$1,345,899	88	\$813,342	75	\$2,601,106	710	\$5,011,986
New York.....	566	2,546,979	256	2,344,689	242	10,912,478	1,494	16,216,496
Philadelphia.....	247	1,092,239	70	596,966	39	1,130,221	1,039	3,319,311
Cleveland.....	113	490,837	67	549,355	52	1,453,124	308	2,626,624
Richmond.....	410	1,800,150	173	1,560,094	94	2,106,896	1,759	6,431,403
Atlanta.....	200	845,706	91	735,453	25	682,579	940	2,894,332
Chicago.....	431	1,988,015	232	2,125,537	172	6,563,175	1,830	11,606,517
St. Louis.....	591	2,905,141	186	1,747,900	159	6,047,844	1,374	11,189,948
Minneapolis.....	108	457,724	83	727,478	48	1,061,335	566	2,508,888
Kansas City.....	152	696,348	64	523,102	48	1,302,534	744	2,927,658
Dallas.....	105	400,267	50	369,702	17	382,441	706	1,584,521
San Francisco.....	348	1,637,609	124	1,058,513	154	4,793,365	780	7,668,212
Total.....	3,554	16,206,914	1,484	13,157,131	1,125	39,037,098	12,250	73,985,846
Per cent.....		21.9		17.8		52.8		100.0
Member banks' collateral notes.....	45	197,000	105	964,790	816	473,016,468	966	474,178,258

*Bills discounted during the month of September, 1917 and 1916, and the nine months ending September 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 U. S. certificates of indebtedness.	Otherwise secured.				
Boston.....	\$2,804,700	\$18,193,650	\$141,384	.....	\$4,870,552	\$26,010,286
New York.....	173,970,000	129,357,497	161,845	.....	16,054,651	319,543,998
Philadelphia.....	5,532,500	10,082,190	16,289	.....	3,303,022	18,934,001
Cleveland.....	9,018,000	6,060,000	70,508	.....	2,556,116	17,704,624
Richmond.....	1,952,290	41,738,500	35,926	836,878	6,358,799	50,122,193
Atlanta.....	1,749,400	3,261,000	102,954	467,457	2,327,915	7,904,732
Chicago.....	7,951,900	16,078,000	13,653	.....	11,592,864	35,636,417
St. Louis.....	2,711,500	11,125,000	93,137	.....	11,096,811	25,026,448
Minneapolis.....	1,067,000	771,148	1,000	.....	2,507,888	4,347,036
Kansas City.....	5,556,450	19,767,633	172,795	.....	2,754,863	28,251,741
Dallas.....	1,852,500	1,778,000	.....	.....	1,584,521	5,215,021
San Francisco.....	1,469,400	330,000	46,343	.....	7,621,869	9,467,612
Total, September, 1917.....	215,635,640	258,542,618	855,834	500,141	72,629,871	548,164,104
Total, September, 1916.....	.....	1,410,850	593,500	1,636,300	10,668,150	14,308,800
Total, January-September, 1917.....	.....	1,788,126,950	10,726,238	7,019,776	383,044,604	2,188,917,568
Total, January-September, 1916.....	.....	1,410,850	2,841,100	12,028,400	98,107,150	114,387,500

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

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

Banks.	Agricultural paper.	Live-stock paper.	Commercial and industrial paper.	Member banks' collateral notes.			Total.
				Secured by Liberty Bonds or U. S. certificates of indebtedness.	Otherwise secured.	All other discounts.	
Boston.....	7	1,594	10,315	1,953	1,345	.....	15,214
New York.....	110	.....	17,995	43,591	13,775	147	75,618
Philadelphia.....	46	5	6,331	1,113	3,625	.....	11,120
Cleveland.....	10	3	2,922	9,094	2,100	487	10,616
Richmond.....	2,437	28	8,992	8,337	2,985	417	15,696
Atlanta.....	861	375	3,852	1,096	2,160	.....	8,344
Chicago.....	2,167	36	12,969	5,321	13,350	.....	33,843
St. Louis.....	160	227	9,774	1,385	5,237	35	16,828
Minneapolis.....	1,421	2,413	5,667	488	300	.....	10,289
Kansas City.....	181	2,597	1,466	2,978	10,633	.....	17,855
Dallas.....	1,830	2,188	2,007	1,198	1,075	.....	8,298
San Francisco.....	965	444	7,419	869	110	11	9,818
Total.....	10,185	9,910	89,709	65,923	56,695	1,117	233,539
Per cent.....	4.4	4.2	38.4	28.2	24.3	0.5	100.0

*Bills, including member banks' collateral notes, discounted by each Federal Reserve Bank during the three months ending September, 1917, distributed by maturities as of date of discount.*

Districts.	Number of member banks at end of September.	Number of banks accommodated during quarter ending Sept. 30.	Maturities.					Total bills discounted.
			Within 15 days.	From 16 to 30 days.	From 31 to 60 days.	From 61 to 90 days.	Over 90 days.	
<b>District No. 1—Boston:</b>								
Connecticut.....	54	8	\$2,653,874	\$578,463	\$377,300	\$688,397		\$4,298,034
Maine.....	64	7	84,131	89,488	108,739	88,890	\$325	371,573
Massachusetts.....	100	50	98,217,799	4,707,923	5,176,250	8,035,478	262,077	86,399,497
New Hampshire.....	55	13	1,100,609	109,883	262,991	181,825		1,655,299
Rhode Island.....	17	4	510,000	400,000				910,000
Vermont.....	48	11	717,311	158,710	162,645	144,808		1,183,474
<b>Total.....</b>	<b>368</b>	<b>103</b>	<b>73,283,385</b>	<b>6,044,467</b>	<b>6,087,925</b>	<b>9,139,398</b>	<b>262,402</b>	<b>94,817,877</b>
<b>District No. 2—New York:</b>								
New York.....	484	102	599,653,793	3,683,063	6,123,461	14,033,353	7,089	623,500,759
New Jersey.....	132	37	8,141,685	504,125	683,687	1,417,700		10,747,197
Connecticut.....	15	5	325,085	140,824	90,254	130,602		686,636
<b>Total.....</b>	<b>631</b>	<b>144</b>	<b>608,120,563</b>	<b>4,328,012</b>	<b>6,897,173</b>	<b>15,581,655</b>	<b>7,089</b>	<b>634,934,492</b>
<b>District No. 3—Philadelphia:</b>								
Delaware.....	22							
New Jersey.....	72	17	1,548,940	117,505	224,267	133,830		2,074,542
Pennsylvania.....	533	86	49,084,828	1,248,732	1,690,290	5,175,808	6,084	57,205,758
<b>Total.....</b>	<b>627</b>	<b>103</b>	<b>50,632,778</b>	<b>1,366,237</b>	<b>1,914,563</b>	<b>5,359,638</b>	<b>6,084</b>	<b>59,289,300</b>
<b>District No. 4—Cleveland:</b>								
Kentucky.....	68	4	49,613	2,000	3,756	50,000		105,369
Ohio.....	374	39	26,337,135	4,637,451	2,650,133	2,508,662	10,769	36,164,150
Pennsylvania.....	299	8	7,013,557	8,465	13,819	53,849	614	7,090,304
West Virginia.....	13	1			11,000	10,000		21,000
<b>Total.....</b>	<b>754</b>	<b>52</b>	<b>33,420,305</b>	<b>4,647,916</b>	<b>2,678,708</b>	<b>2,622,511</b>	<b>11,383</b>	<b>43,389,832</b>
<b>District No. 5—Richmond:</b>								
District of Columbia.....	15	3	721,836	109,171	22,000	22,000		866,057
Maryland.....	95	17	14,214,208	1,306,141	2,192,807	2,354,406		20,067,622
North Carolina.....	80	47	3,247,231	298,020	1,078,462	1,574,840	99,196	6,297,749
South Carolina.....	81	59	3,418,382	592,315	1,334,087	1,612,488	152,613	7,070,185
Virginia.....	148	47	76,382,679	665,932	1,631,801	1,129,205	36,680	79,840,357
West Virginia.....	102	3	130,000	38,045	42,067	37,096		267,149
<b>Total.....</b>	<b>521</b>	<b>176</b>	<b>98,134,446</b>	<b>2,916,685</b>	<b>6,351,164</b>	<b>6,739,035</b>	<b>282,789</b>	<b>114,499,119</b>
<b>District No. 6—Atlanta:</b>								
Alabama.....	94	32	302,067	207,787	371,891	402,708	53,256	1,342,709
Florida.....	54	19	1,361,755	251,228	452,699	144,258	4,796	2,214,736
Georgia.....	100	54	3,985,049	373,230	1,808,203	301,411	36,216	7,004,109
Louisiana.....	24	12	1,090,500	47,500	39,499	155,930	71,732	1,315,161
Mississippi.....	17	7	339,000	31,770	139,137	42,333	4,000	606,240
Tennessee.....	92	33	976,653	519,195	1,634,960	902,380	51,700	4,384,888
<b>Total.....</b>	<b>381</b>	<b>157</b>	<b>8,315,024</b>	<b>1,730,710</b>	<b>4,446,389</b>	<b>2,449,620</b>	<b>228,700</b>	<b>17,167,843</b>
<b>District No. 7—Chicago:</b>								
Illinois.....	323	35	36,039,895	2,811,436	2,199,997	2,383,516	68,631	43,503,475
Indiana.....	197	33	1,825,920	517,901	547,990	275,502	49,845	3,217,158
Iowa.....	356	62	2,106,323	222,837	782,920	862,083	367,414	4,341,577
Michigan.....	79	29	15,289,175	3,849,547	1,348,399	1,170,220	66,398	21,723,739
Wisconsin.....	108	22	5,704,830	2,382,897	7,065,217	404,199	44,469	15,601,612
<b>Total.....</b>	<b>1,063</b>	<b>181</b>	<b>60,966,143</b>	<b>9,784,618</b>	<b>11,944,523</b>	<b>5,095,520</b>	<b>596,757</b>	<b>88,387,561</b>
<b>District No. 8—St. Louis:</b>								
Arkansas.....	67	20	812,397	144,996	195,851	186,710	79,206	1,419,070
Illinois.....	156	13	64,191	30,214	113,792	121,398	3,854	338,359
Indiana.....	62	6	1,262,500	136,826	339,904	116,798		1,856,028
Kentucky.....	66	8	1,691,070	433,579	737,668	212,778		3,075,095
Mississippi.....	18	6	18,300	7,100	23,430	71,374	2,075	122,279
Missouri.....	84	14	37,025,896	3,045,422	3,632,939	3,210,091	28,451	46,942,799
Tennessee.....	20	12	516,807	330,312	656,686	248,763	6,000	1,758,568
<b>Total.....</b>	<b>473</b>	<b>79</b>	<b>41,391,071</b>	<b>4,128,449</b>	<b>5,705,180</b>	<b>4,167,912</b>	<b>119,586</b>	<b>55,512,198</b>

*Bills, including member banks' collateral notes, discounted by each Federal Reserve Bank during the three months ending September, 1917, distributed by maturities as of date of discount—Continued.*

Districts.	Number of member banks at end of September.	Number of banks accommodated during quarter ending Sept. 30.	Maturities.					Total bills discounted.
			Within 15 days.	From 16 to 30 days.	From 31 to 60 days.	From 61 to 90 days.	Over 90 days.	
<b>District No. 9—Minneapolis:</b>								
Michigan.....	33	3	39,639	15,000	29,639	5,082		89,360
Minnesota.....	293	71	8,822,718	1,850,283	5,590,388	3,730,887	999,410	20,993,086
North Dakota.....	157	51	106,207	59,460	342,492	359,716		1,129,063
South Dakota.....	127	26	37,475	10,516	52,511	93,514		315,039
Montana.....	108	33	355,000	7,943	71,373	245,073		1,048,736
Wisconsin.....	37	10	26,505	89,002	219,927	259,062		616,649
<b>Total.....</b>	<b>755</b>	<b>194</b>	<b>9,387,544</b>	<b>2,032,204</b>	<b>6,306,330</b>	<b>4,693,334</b>	<b>1,773,121</b>	<b>24,192,533</b>
<b>District No. 10, Kansas City:</b>								
Colorado.....	122	17	470,000	5,785	48,227	43,877	147,986	715,875
Kansas.....	231	35	1,057,873	483,448	361,850	97,021	81,878	2,082,075
Missouri.....	55	14	43,685,575	130,000	183,235	67,012		44,066,397
Nebraska.....	192	20	6,708,300	272,627	243,094	131,320	336,539	7,691,880
New Mexico.....	9	4			17,711	31,067		119,463
Oklahoma.....	308	89	5,795,452	434,196	1,491,599	1,148,191	359,521	9,138,959
Wyoming.....	36	3	2,200		11,500		23,410	54,960
<b>Total.....</b>	<b>953</b>	<b>182</b>	<b>57,729,205</b>	<b>1,328,256</b>	<b>2,267,216</b>	<b>1,524,338</b>	<b>1,020,594</b>	<b>63,869,609</b>
<b>District No. 11, Dallas:</b>								
Arizona.....	7							
Louisiana.....	12	1		6,750	32,924	10,533	3,281	53,488
New Mexico.....	31	9	160,000	9,590	500,254	113,781	318,214	1,161,839
Oklahoma.....	31	8	45,000	9,015	41,554	78,246	22,047	195,862
Texas.....	551	151	6,413,891	407,073	2,006,783	2,373,569	1,077,258	12,278,604
<b>Total.....</b>	<b>632</b>	<b>169</b>	<b>6,618,891</b>	<b>432,428</b>	<b>2,581,515</b>	<b>2,576,159</b>	<b>1,420,800</b>	<b>13,629,793</b>
<b>District No. 12, San Francisco:</b>								
Alaska.....	1							
Arizona.....	7							
California.....	271	43	5,421,162	2,567,746	3,626,747	2,159,810	141,246	13,916,711
Idaho.....	63	14	157,000	8,817	93,682	183,739	119,262	562,500
Nevada.....	10							
Oregon.....	82	9	170,000	2,027	42,090	190,805	26,613	431,535
Utah.....	24	9	492,080	58,075	114,261	299,710	39,865	1,004,021
Washington.....	159	32	1,968,256	371,347	933,530	698,475	267,876	4,239,484
<b>Total.....</b>	<b>617</b>	<b>107</b>	<b>8,208,498</b>	<b>3,008,012</b>	<b>4,810,310</b>	<b>3,532,539</b>	<b>594,892</b>	<b>20,154,251</b>

## RECAPITULATION.

No. 1, Boston.....	398	103	73,283,685	6,044,467	6,087,925	9,139,398	262,402	94,817,877
No. 2, New York.....	631	114	608,120,563	4,328,012	6,897,173	15,581,655	7,089	634,934,492
No. 3, Philadelphia.....	627	103	50,633,778	1,366,237	1,914,563	5,359,638	6,084	59,280,300
No. 4, Cleveland.....	754	52	33,420,305	4,647,916	2,678,708	2,622,511	11,383	43,380,823
No. 5, Richmond.....	521	176	98,134,446	2,910,685	6,351,164	6,730,035	282,789	114,409,119
No. 6, Atlanta.....	381	157	8,315,024	1,730,710	4,446,389	2,449,020	226,700	17,167,843
No. 7, Chicago.....	1,063	181	60,966,143	9,784,618	11,944,523	5,095,520	596,757	88,387,561
No. 8, St. Louis.....	472	79	41,391,071	4,128,449	5,795,180	4,167,912	119,586	55,512,198
No. 9, Minneapolis.....	755	194	9,387,544	2,032,204	6,306,330	4,693,334	1,773,121	24,192,533
No. 10, Kansas City.....	953	182	57,729,205	1,328,256	2,267,216	1,524,338	1,020,594	63,869,609
No. 11, Dallas.....	632	169	6,618,891	432,428	2,581,515	2,576,159	1,420,800	13,629,793
No. 12, San Francisco.....	617	107	8,208,498	3,008,012	4,810,310	3,532,539	594,892	20,154,251
<b>Total for 3 months ending September, 1917.....</b>	<b>7,805</b>	<b>1,647</b>	<b>1,056,209,153</b>	<b>41,741,994</b>	<b>61,990,996</b>	<b>63,472,059</b>	<b>6,322,197</b>	<b>1,229,736,399</b>
<b>Per cent.....</b>								
<b>Total for 3 months ending September, 1916.....</b>			<b>24,327,200</b>		<b>10,093,200</b>	<b>13,594,900</b>	<b>3,828,300</b>	<b>51,843,600</b>
<b>Total for 3 months ending September, 1915.....</b>			<b>5,246,100</b>		<b>15,683,300</b>	<b>15,120,900</b>	<b>3,826,400</b>	<b>39,876,700</b>

Distribution, by sizes, of bills bought in open market by all Federal Reserve Banks during September, 1917, and the nine months ending September, 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.
Banker's acceptances.....	1,595	\$3,516,176	849	\$6,993,461	1,807	\$33,096,394	642	\$27,986,816
Trade acceptances.....	113	237,297	105	932,466	88	1,552,176	30	1,122,386
<b>Total, September, 1917.....</b>	<b>1,708</b>	<b>3,753,473</b>	<b>954</b>	<b>7,930,927</b>	<b>1,893</b>	<b>34,648,570</b>	<b>672</b>	<b>29,109,172</b>
Per cent.....		3.4		7.3		31.8		26.7
August, 1917.....	1,153	3,631,618	864	7,108,253	1,164	21,217,335	426	18,989,976
July, 1917.....	1,680	4,392,492	851	6,697,592	1,355	26,495,822	256	10,722,807
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	1,243	22,367,962	401	16,483,974
January, 1917.....	390	1,023,210	483	1,706,069	300	5,238,206	152	6,598,412
<b>Total, 9 months ending September, 1917.....</b>	<b>10,489</b>	<b>27,066,827</b>	<b>6,761</b>	<b>51,494,502</b>	<b>11,191</b>	<b>204,154,706</b>	<b>3,570</b>	<b>152,314,986</b>
<b>Total, 9 months ending September, 1916.....</b>	<b>3,292</b>	<b>9,726,410</b>	<b>3,022</b>	<b>24,743,803</b>	<b>4,138</b>	<b>71,221,027</b>	<b>1,079</b>	<b>43,434,347</b>

Acceptances bought in open market.	To \$100,000.		Over \$100,000.		Total.		Per cent.
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	
Banker's acceptances.....	267	\$22,387,005	52	\$10,177,558	5,212	\$104,162,500	95.4
Trade acceptances.....	12	929,911	1	109,760	347	4,833,968	4.6
<b>Total, September, 1917.....</b>	<b>279</b>	<b>23,317,006</b>	<b>53</b>	<b>10,287,318</b>	<b>5,559</b>	<b>109,046,466</b>	<b>100.0</b>
Per cent.....		21.4		9.4			
August, 1917.....	186	15,008,823	44	7,066,795	3,837	72,122,802	
July, 1917.....	152	12,643,408	34	6,511,943	4,328	66,864,065	
June, 1917.....	306	29,306,940	63	10,369,917	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	
<b>Total, 9 months ending September, 1917.....</b>	<b>1,505</b>	<b>126,675,686</b>	<b>363</b>	<b>65,763,407</b>	<b>33,879</b>	<b>626,570,114</b>	
<b>Total, 9 months ending September, 1916.....</b>	<b>492</b>	<b>40,877,226</b>	<b>209</b>	<b>39,778,869</b>	<b>12,232</b>	<b>229,781,682</b>	

Of the above amount, banker's acceptances totaling \$87,937,125 were based on imports and exports and \$16,242,042 on domestic trade transactions. Of the above trade acceptances, \$4,755,352 were drawn abroad on American importers and indorsed by foreign banks and \$128,615 were based on domestic trade transactions.

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.					Total.	Trade acceptances bought in open market.	Total acceptances.
	Member banks.	Nonmember trust companies.	Nonmember State banks.	Private banks.	Foreign bank branches and agencies.			
1915.								
Feb. 22.....	593,000					593,000		593,000
Apr. 5.....	3,653,000	87,820,000	\$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	5,287,000		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.....	6,037,000	6,305,000	20,000	472,000		12,834,000		12,834,000
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	234,000		13,295,000		13,295,000
Dec. 6.....	12,311,000	5,172,000	275,000	396,000		18,154,000		18,154,000
1916.								
Jan. 3.....	15,494,000	7,160,000	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	5489,000	25,338,000
Mar. 6.....	17,182,000	8,676,000	468,000	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	17,020,000	644,000	7,007,000		49,350,000	2,208,000	51,558,000
July 3.....	32,980,000	18,921,000	471,000	11,810,000		64,211,000	3,422,000	67,633,000
Aug. 7.....	39,605,000	19,060,000	738,000	13,940,000		73,453,000	4,225,000	77,678,000
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.....	37,776,000	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	1,562,000	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	260,000	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	5,022,000	121,795,000
July 14-16.....	108,597,000	30,399,000	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
Aug. 31.....	94,597,000	33,273,000	2,312,000	18,086,000	1,369,000	149,637,000	4,952,000	154,589,000
Sept. 15.....	108,111,000	28,406,000	2,431,000	21,118,000	1,320,000	161,145,000	7,246,000	168,641,000
Sept. 29.....	131,997,000	14,987,000	2,193,000	21,708,000	2,286,000	173,171,000	6,942,000	180,113,000
Oct. 15.....	127,942,000	15,356,000	1,840,000	22,931,000	1,471,000	169,540,000	8,234,000	177,774,000

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

Banks.	15-day maturities.				30-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston.....	\$21,307,152	\$454,281	.....	\$21,761,413	\$1,105,029	\$790,293	.....	\$1,904,322
New York.....	307,344,787	308,493	.....	307,653,280	3,151,604	5,237,243	.....	8,388,847
Philadelphia.....	17,174,648	844	.....	17,175,492	568,323	637,528	.....	1,205,851
Cleveland.....	15,123,309	13,099	.....	15,136,408	974,081	1,110,555	.....	2,084,636
Richmond.....	44,511,614	16,679	.....	44,528,293	1,272,245	1,307,528	.....	2,579,773
Atlanta.....	5,358,774	38,500	.....	5,397,274	475,233	1,042,476	.....	1,517,709
Chicago.....	25,552,994	1,600	.....	25,554,594	3,016,285	.....	.....	2,016,285
St. Louis.....	17,123,763	.....	.....	17,123,763	2,689,767	.....	.....	2,689,767
Minneapolis.....	1,953,263	.....	.....	1,953,263	136,377	.....	.....	136,377
Kansas City.....	25,913,339	.....	.....	25,913,339	496,887	.....	.....	496,887
Dallas.....	3,658,491	200,000	.....	3,858,491	135,632	200,000	.....	335,632
San Francisco.....	3,320,165	87,553	.....	3,407,718	1,879,306	1,068,500	.....	2,947,806
Total.....	489,347,299	1,121,029	.....	489,468,328	15,900,769	11,403,123	.....	27,303,892
Per cent.....	.....	.....	.....	74.5	.....	.....	.....	4.2

Banks.	60-day maturities.				90-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston.....	\$1,567,284	\$2,292,846	.....	\$3,860,130	\$1,768,744	\$12,340,454	.....	\$14,109,198
New York.....	3,575,917	14,952,657	.....	18,527,974	5,471,685	39,506,879	.....	44,978,564
Philadelphia.....	717,629	919,546	.....	1,637,175	469,187	4,357,002	.....	4,826,189
Cleveland.....	846,816	1,466,578	.....	2,313,394	760,418	7,244,072	.....	8,004,490
Richmond.....	2,405,684	655,000	.....	3,060,684	1,927,160	941,500	.....	2,868,660
Atlanta.....	1,420,993	41,780	\$1,546	1,464,319	614,208	411,167	.....	1,025,375
Chicago.....	4,784,878	66,667	.....	4,851,545	1,998,716	1,408,666	.....	3,405,382
St. Louis.....	2,918,950	.....	.....	2,918,950	2,279,956	22,698	.....	2,302,652
Minneapolis.....	1,059,761	.....	.....	1,059,761	1,106,735	95,079	.....	1,201,814
Kansas City.....	854,681	.....	.....	854,681	665,261	9,117	.....	674,378
Dallas.....	771,092	3,557,339	.....	4,328,431	412,992	268,415	.....	681,407
San Francisco.....	2,762,084	1,145,039	.....	3,907,123	1,344,130	627,324	.....	1,971,454
Total.....	23,695,769	25,096,852	1,546	48,794,167	18,819,132	67,230,371	.....	86,049,503
Per cent.....	.....	.....	.....	7.4	.....	.....	.....	13.1

Banks.	Over 90-day maturities.				Total.				Per cent.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston.....	\$262,077	\$746,765	.....	\$1,008,843	\$26,019,286	\$16,633,629	.....	\$42,643,006	61.0	39.0	.....	100.0
New York.....	.....	2,430,168	.....	2,430,168	319,543,993	62,434,840	.....	381,978,833	83.7	16.3	.....	100.0
Philadelphia.....	4,214	141,362	.....	145,576	18,934,001	6,956,282	.....	24,990,283	75.8	24.2	.....	100.0
Cleveland.....	.....	21,478	.....	21,478	17,704,624	9,855,782	.....	27,560,406	64.2	35.8	.....	100.0
Richmond.....	5,550	105,000	.....	110,550	50,122,193	3,025,707	.....	53,147,900	94.3	5.7	.....	100.0
Atlanta.....	35,524	.....	\$10,000	45,524	7,994,732	1,575,925	\$11,546	9,450,201	83.7	16.2	0.1	100.0
Chicago.....	283,544	450,000	.....	733,544	35,636,417	1,924,532	.....	37,561,350	94.9	5.1	.....	100.0
St. Louis.....	90,012	360,900	.....	450,912	25,029,448	322,696	.....	25,349,144	98.7	1.3	.....	100.0
Minneapolis.....	90,900	.....	10,210	101,110	4,347,036	5,073	10,210	4,452,325	97.6	2.2	0.2	100.0
Kansas City.....	311,573	.....	.....	311,573	28,251,741	9,117	.....	28,260,858	100.0	.....	.....	100.0
Dallas.....	236,814	.....	.....	236,814	5,215,021	4,225,754	.....	9,440,775	55.2	44.8	.....	100.0
San Francisco.....	161,927	317	.....	162,244	9,467,612	2,928,733	.....	12,396,345	76.4	23.6	.....	100.0
Total.....	1,401,135	4,195,091	20,210	5,616,436	548,164,104	109,646,496	21,756	657,232,326	83.6	16.4	.....	100.0
Per cent.....	.....	.....	.....	0.8	.....	.....	.....	160.0	.....	.....	.....	.....

## Maturities of discounts, acceptances, and municipal warrants held by each Federal Reserve Bank on Friday, Sept. 28, 1917.

[In thousands of dollars; i. e., 600 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.....	6,215	1,805	.....	8,020	3,256	2,033	.....	5,289
New York.....	62,540	7,333	.....	69,873	3,404	12,894	.....	16,298
Philadelphia.....	6,240	1,195	126	7,561	1,077	3,232	.....	7,309
Cleveland.....	8,069	2,663	20	10,752	518	6,981	.....	7,509
Richmond.....	7,421	541	.....	7,962	3,146	1,301	.....	4,447
Atlanta.....	4,580	115	.....	4,695	1,364	1,619	.....	1,983
Chicago.....	24,655	3,778	.....	28,433	2,261	2,607	.....	4,868
St. Louis.....	9,842	790	.....	10,632	1,925	1,662	.....	3,587
Minneapolis.....	3,132	736	.....	3,868	1,787	731	.....	2,518
Kansas City.....	14,415	1,580	.....	15,995	625	1,783	.....	2,708
Dallas.....	3,967	902	.....	4,869	931	1,327	.....	2,253
San Francisco.....	3,740	2,024	.....	5,764	1,839	3,114	.....	4,953
Total.....	154,816	23,462	146	178,424	22,533	41,284	.....	63,817
Per cent.....	86.7	+13.1	0.08	43.5	35.3	64.7	.....	15.6

Banks.	31 to 60 days.				61 to 90 days.			
	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.
Boston.....	4,242	6,970	.....	11,212	1,501	11,858	.....	13,359
New York.....	6,884	26,732	.....	27,616	2,790	31,575	.....	34,366
Philadelphia.....	2,763	5,609	.....	8,372	1,029	3,899	.....	4,898
Cleveland.....	1,384	9,037	.....	10,421	545	3,702	5	4,252
Richmond.....	3,940	853	.....	4,793	1,168	791	.....	1,959
Atlanta.....	1,931	802	.....	2,733	447	336	.....	783
Chicago.....	4,803	2,727	.....	7,530	1,690	1,800	.....	3,490
St. Louis.....	2,834	2,044	.....	4,878	2,195	324	.....	2,518
Minneapolis.....	3,803	1,751	.....	5,554	1,530	.....	.....	1,530
Kansas City.....	1,554	1,197	.....	2,751	625	9	.....	634
Dallas.....	2,246	2,144	.....	4,390	775	.....	.....	775
San Francisco.....	3,113	2,874	.....	5,987	955	419	.....	1,374
Total.....	39,497	56,740	.....	96,237	15,250	54,683	5	69,933
Per cent.....	41.0	59.0	.....	23.5	21.8	78.2	0.0	17.6

Banks.	Over 90 days.				Total.				Percentages.			
	Bills dis-counted.	Acceptances bought.	Municipal war-rants.	Total.	Bills dis-counted.	Acceptances bought.	Municipal war-rants.	Total.	Bills dis-counted.	Acceptances bought.	Municipal war-rants.	Total.
Boston.....	.....	.....	.....	.....	15,214	22,666	.....	37,880	-40.2	59.8	.....	100
New York.....	.....	.....	.....	.....	75,618	72,534	.....	148,152	51.0	49.0	.....	100
Philadelphia.....	11	.....	.....	11	11,120	16,905	126	28,151	-39.5	-60.1	0.4	100
Cleveland.....	.....	.....	7	7	10,616	22,383	32	33,031	32.1	67.8	0.1	100
Richmond.....	21	.....	.....	21	15,696	3,486	.....	19,182	81.8	18.2	.....	100
Atlanta.....	22	.....	10	32	8,344	1,872	10	10,226	81.6	18.3	0.1	100
Chicago.....	434	.....	.....	434	33,843	10,912	.....	44,755	75.6	24.4	.....	100
St. Louis.....	32	.....	.....	32	16,828	4,820	.....	21,648	77.7	22.3	.....	100
Minneapolis.....	37	.....	10	47	10,289	3,218	10	13,517	76.2	23.8	.....	100
Kansas City.....	336	.....	.....	336	17,855	4,569	.....	22,424	79.6	20.4	.....	100
Dallas.....	379	.....	46	425	8,298	4,373	46	12,717	65.2	34.4	0.4	100
San Francisco.....	171	.....	.....	171	9,818	8,431	.....	18,249	53.8	46.2	.....	100
Total.....	1,443	.....	73	1,516	233,539	176,169	224	409,932	57.0	43.0	0.0	100
Per cent.....	95.8	.....	4.2	0.4	57.0	43.0	0.0	100.0	.....	.....	.....	.....

Total investment operations, exclusive of purchases of United States certificates of indebtedness, of each Federal Reserve Bank during the months of September, 1917 and 1916, and the nine months ending Sept. 28, 1917 and 1916.

Federal Reserve Banks.	Bills discounted for member banks.	Bills bought in open market.			Municipal warrants.			
		Banker's acceptances.	Trade acceptances.	Total.	City.	State.	All other.	Total.
Boston	\$26,010,286	\$14,613,214	\$2,020,406	\$16,633,620				
New York	219,543,993	61,887,505	547,245	62,434,840				
Philadelphia	18,934,601	5,950,470	105,812	6,050,282				
Cleveland	17,704,024	9,334,272	521,510	9,855,782				
Richmond	50,122,193	3,025,707		3,025,707				
Atlanta	7,904,732	1,533,923		1,533,923	\$1,546		\$10,000	\$11,546
Chicago	35,036,417	1,924,933		1,924,933				
St. Louis	25,025,448	322,695		322,695				
Minneapolis	4,347,036	95,079		95,079	10,210			10,210
Kansas City	28,251,741	9,117		9,117				
Dallas	5,215,021	4,225,754		4,225,754				
San Francisco	9,467,612	1,236,740	1,688,993	2,925,733				
Total, September, 1917	548,154,104	194,162,500	4,883,966	199,046,496	11,756		10,000	21,756
Total, September, 1916	14,308,800	35,874,900	1,211,000	37,086,500	4,867,200	\$114,900	108,900	5,090,900
Total, 9 months ending September, 1917	2,188,917,568	505,044,513	21,525,601	626,570,114	14,601,751	2,040	671,498	15,275,289
Total, 9 months ending September, 1916	114,387,500	219,792,400	10,090,300	229,781,700	65,203,200	3,654,900	591,300	69,449,400

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.	September, 1917.	September, 1916.	September, 1917.	September, 1916.
Boston							\$42,643,906	\$7,083,400	P. ct. 6.3	P. ct. 12.1
New York			\$19,300			\$19,300	381,998,133	11,391,800	56.3	19.4
Philadelphia			10,200			10,200	25,000,483	7,571,500	3.7	12.9
Cleveland			29,600			29,600	27,590,006	4,745,300	4.1	8.1
Richmond			9,000			9,000	53,156,900	5,412,400	7.8	9.2
Atlanta			192,150			192,150	9,641,351	4,680,500	1.4	8.0
Chicago			20,404,600			20,404,600	57,965,950	5,792,500	8.6	9.9
St. Louis			750			750	25,349,894	4,280,200	3.7	7.3
Minneapolis							4,452,325	1,734,200	.7	2.9
Kansas City							28,266,858	863,000	4.2	1.5
Dallas							9,440,775	2,149,600	1.4	3.7
San Francisco			130,700			130,700	12,527,045	2,956,100	1.8	5.0
Total, September, 1917	\$2,186,306	\$7,000	20,796,300			20,796,300	678,028,626	58,679,500	100.0	100.0
Total, September, 1916						2,153,300				
Total, 9 months ending September, 1917	14,047,200	185,440	45,141,110	\$34,250	\$5,314,000	63,728,300	2,894,492,271			
Total, 9 months ending September 1916	37,479,250	3,642,820		4,153,000	50,000	45,325,070		458,943,670		

United States securities held by each Federal Reserve Bank on Sept. 29, 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 1935-38.	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.	United States certificates of indebtedness.	
Boston	\$750				\$529,000	\$2,194,000		\$80,000	\$492,000	\$3,295,750
New York	50		\$50,000		1,255,500	3,538,000		1,517,100	6,531,000	12,891,650
Philadelphia		\$100			549,200	2,548,000		622,500	658,000	4,387,800
Cleveland	6,405	487,200	2,651,500	\$2,378,200	414,800	2,865,500		2,029,600	243,000	11,055,766
Richmond	913,100	237,000				1,969,000		9,200	395,000	3,525,300
Atlanta	640,600	21,000			10,300	1,491,000		220,100	4,293,000	6,676,000
Chicago	1,862,500	367,300	2,581,000	1,788,000	427,400	3,360,000	\$400	14,749,000	787,000	25,902,606
St. Louis	100		1,080,000		1,153,300	1,444,000		2,350	349,000	4,028,750
Minneapolis	323,050	16,260	1,198,180	206,250	114,800	1,340,000	500		749,000	3,948,040
Kansas City	7,153,850	22,240		825,000	838,500	1,784,000		7,500	426,000	11,056,090
Dallas	2,450,900	231,500			1,233,600	1,430,000		2,800	887,000	6,285,800
San Francisco	2,428,750					1,500,000			2,393,000	6,321,750
Total	13,784,050	1,412,600	7,560,740	5,177,450	6,528,400	25,463,000	900	19,250,150	18,203,000	99,378,230

Total United States bonds with circulation privilege, \$29,934,840. Total United States securities without circulation privilege, \$69,443,450.

**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, Sept. 27 to Oct. 19, 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.
<b>Gold coin and certificates in vault:</b>													
Sept. 28.....	25,032	263,632	18,736	26,831	6,256	6,199	40,854	33,337	17,442	8,011	12,510	16,757	445,597
Oct. 5.....	24,846	299,057	19,045	25,242	6,244	6,154	37,392	3,681	18,203	7,611	12,557	21,617	481,649
Oct. 11-12.....	23,961	305,176	18,272	22,239	6,323	6,072	35,661	4,607	18,584	6,830	12,615	22,376	482,716
Oct. 19.....	25,211	236,268	18,956	23,571	6,330	6,382	35,907	4,618	19,123	6,792	12,412	23,620	419,195
<b>Gold settlement fund:</b>													
Sept. 28.....	17,436	69,191	36,586	40,119	26,578	2,055	54,383	19,490	8,959	38,573	4,845	24,122	342,337
Oct. 5.....	19,605	56,552	35,771	44,404	24,466	2,646	50,719	21,793	6,403	34,498	10,211	27,719	334,787
Oct. 11-12.....	17,159	24,122	36,985	50,478	25,919	3,383	58,271	20,037	10,043	38,631	12,717	24,033	321,778
Oct. 19.....	17,779	109,601	27,347	35,248	26,420	3,493	66,862	21,956	1,908	34,027	8,041	17,117	369,799
<b>Gold with foreign agencies:</b>													
Sept. 28.....	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
Oct. 5.....	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
Oct. 11-12.....	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
Oct. 19.....	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
<b>Gold with Federal Reserve Agent:</b>													
Sept. 28.....	25,623	212,300	40,418	36,244	15,955	30,117	88,537	17,270	21,965	20,748	22,471	26,579	558,227
Oct. 5.....	27,594	201,486	43,020	38,145	18,891	34,230	79,316	16,830	24,960	23,517	25,021	27,101	560,111
Oct. 11-12.....	29,980	200,551	44,247	41,552	22,634	36,479	80,330	21,298	28,818	23,484	26,351	25,030	590,734
Oct. 19.....	33,008	206,957	41,303	40,448	26,774	39,179	91,424	27,086	33,691	27,153	24,319	27,485	618,827
<b>Gold redemption fund:</b>													
Sept. 28.....	500	4,000	950	43	787	611	200	573	828	518	694	15	9,809
Oct. 5.....	500	4,000	950	37	772	156	200	572	926	518	714	30	9,465
Oct. 11-12.....	500	4,000	950	27	746	181	296	771	951	517	728	50	9,717
Oct. 19.....	500	5,000	950	20	729	447	374	769	1,053	517	833	26	11,218
<b>Legal-tender notes, silver, etc.:</b>													
Sept. 28.....	4,185	39,681	1,104	316	127	364	1,029	1,221	347	43	574	98	49,089
Oct. 5.....	4,084	39,498	622	285	153	379	1,140	807	320	39	464	112	48,203
Oct. 11-12.....	4,089	39,601	789	309	144	344	1,050	818	314	45	454	116	48,113
Oct. 19.....	4,107	40,080	716	322	180	359	1,478	697	317	41	430	246	48,973
<b>Total reserves:</b>													
Sept. 28.....	76,451	606,916	101,469	108,278	51,540	40,921	192,443	43,991	51,641	70,518	42,932	70,459	1,457,559
Oct. 5.....	80,304	618,615	103,333	112,898	52,363	45,140	176,207	45,773	52,912	68,808	50,805	79,467	1,486,715
Oct. 11-12.....	79,344	591,562	104,818	119,330	57,608	48,034	182,998	49,631	60,510	72,132	54,708	74,493	1,495,523
Oct. 19.....	84,230	616,018	92,947	104,334	62,270	51,435	203,395	57,226	58,197	71,155	47,873	71,382	1,520,512
<b>Bills discounted—members:</b>													
Sept. 28.....	15,214	75,619	11,120	10,616	15,696	8,344	33,843	16,827	10,289	17,855	8,298	9,818	233,539
Oct. 5.....	13,519	103,789	10,875	10,916	13,929	9,584	39,102	17,658	8,415	18,704	7,007	11,753	265,251
Oct. 11-12.....	13,086	142,494	9,818	10,348	12,517	8,783	36,190	16,834	6,528	18,394	7,137	11,280	293,164
Oct. 19.....	10,721	127,647	10,099	12,932	11,074	9,545	36,566	18,012	8,728	20,270	9,017	12,004	236,615
<b>Bills bought in open market:</b>													
Sept. 28.....	22,666	72,534	16,905	22,383	3,486	1,872	10,912	4,820	3,218	4,569	4,373	8,431	176,169
Oct. 5.....	24,104	81,316	16,915	21,438	4,768	2,181	10,087	4,499	3,145	3,718	6,433	7,553	186,162
Oct. 11-12.....	24,816	80,501	17,462	21,458	5,398	2,095	8,818	4,186	2,807	3,307	8,151	6,776	185,775
Oct. 19.....	24,280	81,977	14,300	16,098	5,381	1,976	7,637	2,842	2,257	1,788	7,760	5,356	171,611
<b>United States Government long-term securities:</b>													
Sept. 28.....	610	2,829	562	7,948	1,161	888	21,756	2,236	1,859	8,849	3,969	2,462	55,129
Oct. 5.....	610	2,728	556	7,945	1,161	893	21,507	2,233	1,859	8,849	3,969	3,417	55,727
Oct. 11-12.....	610	2,609	550	7,945	1,295	893	21,507	2,233	1,859	8,849	3,969	2,559	54,878
Oct. 19.....	610	2,542	550	7,947	1,295	893	21,257	2,233	1,860	8,859	3,968	3,074	55,088
<b>United States Government short-term securities:</b>													
Sept. 28.....	2,686	5,569	3,206	3,318	2,364	5,784	4,647	1,793	2,089	2,210	2,317	3,893	39,876
Oct. 5.....	2,636	26,069	3,205	7,246	2,944	7,294	3,086	2,559	2,518	2,430	2,302	5,293	73,632
Oct. 11-12.....	2,636	6,074	3,155	6,033	2,830	7,284	6,774	1,949	2,244	2,320	2,220	4,948	48,517
Oct. 19.....	2,636	6,074	3,075	4,751	2,370	8,945	5,602	1,833	2,240	2,358	2,580	4,741	47,255
<b>Municipal warrants:</b>													
Sept. 28.....			126	32		10			10		46		224
Oct. 5.....				12		11			10		46		79
Oct. 11-12.....			10	12		23			10		46		101
Oct. 19.....			10	12		155			10		46		233
<b>Due from other Federal Reserve Banks—net:</b>													
Sept. 28.....				2,970		2,139	2,697	1,627	3,092	1,646	2,200	1,892	15,929
Oct. 5.....	1,078		1,983	5,782		1,883	10,608	1,311	3,820	3,126	499	1,302	22,570
Oct. 11-12.....	5,879					2,392	10,641	7,124	1,164	3,429		2,428	17,147
Oct. 19.....	5,397	3,964	7,088	7,127				5,409	2,388	8,013		4,752	32,540
<b>Uncollected items:</b>													
Sept. 28.....	16,644	58,557	28,010	17,215	13,338	10,725	29,952	12,529	8,848	12,855	13,222	14,466	234,361
Oct. 5.....	14,572	47,508	27,824	14,395	15,448	13,083	34,161	15,561	9,167	14,203	12,780	11,721	230,123
Oct. 11-12.....	15,808	131,918	30,681	14,833	16,443	13,911	35,407	17,270	8,308	14,338	12,553	9,735	321,205
Oct. 19.....	22,929	62,343	41,270	19,255	22,940	21,459	44,953	19,779	13,732	19,174	22,021	22,447	332,302

\* Difference between net amounts due from and net amounts due to other Federal Reserve Banks.

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve System at close of business on Fridays, Sept. 27 to Oct. 19, 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.
<b>Five per cent redemption fund against Federal Reserve Bank notes:</b>													
Sept. 28.....										400	100		500
Oct. 5.....										400	100		500
Oct. 11-12.....										400	100		500
Oct. 19.....										400	100		500
<b>All other resources:</b>													
Sept. 28.....						80			103		141	63	387
Oct. 5.....						66		67	223		90	128	574
Oct. 11-12.....						56		194	448		98	209	1,000
Oct. 19.....						55		433	551		78	68	1,185
<b>Total resources:</b>													
Sept. 28.....	134,271	822,024	161,398	172,760	87,585	70,763	296,250	83,823	79,149	118,902	77,598	111,484	2,203,673
Oct. 5.....	136,873	880,025	164,741	180,572	90,613	80,135	300,758	89,761	82,069	120,238	84,036	120,724	2,301,633
Oct. 11-12.....	142,229	955,158	166,094	179,959	96,086	83,426	302,335	99,421	84,478	123,169	88,972	112,428	2,417,845
Oct. 19.....	150,912	900,565	169,339	172,456	105,330	94,463	319,410	107,767	89,963	131,967	93,443	123,824	2,447,841

LIABILITIES.

<b>Capital paid in:</b>													
Sept. 28.....	5,463	12,224	5,270	6,459	3,478	2,503	8,006	3,269	2,567	3,370	2,783	3,987	59,379
Oct. 5.....	5,463	13,724	5,273	6,460	3,478	2,596	8,012	3,269	2,569	3,372	2,783	4,028	61,027
Oct. 11-12.....	5,463	13,723	5,273	6,460	3,477	2,596	8,048	3,305	2,576	3,372	2,783	4,028	61,104
Oct. 19.....	5,467	14,456	5,274	6,460	3,477	2,595	8,048	3,305	2,578	3,372	2,783	4,032	61,847
<b>Government deposits:</b>													
Sept. 28.....	2,138	27,578	2,262	5,549	2,072	635	15,764	647	3,078	1,240	2,546	7,780	71,289
Oct. 5.....	2,403	32,840	4,550	9,134	569	3,200	13,169	3,260	2,522	2,953	4,536	7,149	86,285
Oct. 11-12.....	2,567	42,480	593	3,955	309	1,513	8,148	2,063	2,296	1,947	4,098	4,198	74,167
Oct. 19.....	5,988	9,669	1,622	4,386	1,056	4,275	9,639	10,755	3,891	7,464	5,471	12,149	76,365
<b>Due to members—reserve account:</b>													
Sept. 28.....	75,495	424,103	71,506	97,270	39,144	27,326	156,043	43,300	39,079	69,782	33,319	60,563	1,136,930
Oct. 5.....	76,245	421,098	75,719	98,840	38,479	29,755	157,199	43,369	39,478	66,441	33,955	68,309	1,148,887
Oct. 11-12.....	75,893	535,090	75,328	101,046	40,107	29,687	157,522	44,724	40,706	68,156	35,390	61,660	1,265,309
Oct. 19.....	71,350	518,042	71,188	89,596	39,926	29,647	160,591	43,442	40,523	67,820	37,554	60,878	1,230,557
<b>Due to nonmember banks—clearing account:</b>													
Sept. 28.....		59,381		550		300	4,507	37	7			2,651	67,433
Oct. 5.....		84,268		575		212	4,493	17	18			4,446	94,029
Oct. 11-12.....		40,796		407		136	6,033	16	21			3,968	51,377
Oct. 19.....		33,164		210		75	5,133	11	3			3,666	42,262
<b>Collection items:</b>													
Sept. 28.....	12,283	37,341	25,664	13,327	11,340	7,481	17,080	10,089	3,529	8,519	4,141	6,730	157,524
Oct. 5.....	12,081	33,539	25,477	11,577	12,958	8,282	19,722	10,793	3,983	9,558	4,885	6,128	159,283
Oct. 11-12.....	13,785	35,198	26,139	12,470	13,952	8,890	19,861	17,793	4,445	9,840	5,019	6,433	173,253
Oct. 19.....	21,433	43,597	32,663	15,790	15,494	11,432	23,511	13,650	4,587	11,715	6,192	9,984	210,048
<b>Due to other Federal Reserve Banks—net:</b>													
Sept. 28.....	1,477	3,198	5,375		2,284								
Oct. 5.....		27,017			1,895								
Oct. 11-12.....		10,549	1,948	514	456						2,443		
Oct. 19.....					4,095	2,650	3,945				908		
<b>Federal Reserve notes in actual circulation:</b>													
Sept. 28.....	36,915	256,399	51,027	49,490	29,157	32,518	94,333	26,471	30,889	27,931	34,809	29,773	700,212
Oct. 5.....	40,183	265,677	53,397	53,865	33,102	36,090	98,035	29,053	33,499	29,474	37,877	30,664	740,916
Oct. 11-12.....	43,969	274,620	56,415	54,978	37,636	40,604	102,621	31,520	34,434	31,708	39,239	32,141	779,885
Oct. 19.....	46,188	279,523	58,184	55,872	41,124	43,789	108,451	36,604	38,381	33,444	40,535	33,115	815,210
<b>Federal Reserve Bank notes in circulation, net liability:</b>													
Sept. 28.....										8,000			8,000
Oct. 5.....										8,000			8,000
Oct. 11-12.....										8,000			8,000
Oct. 19.....										8,000			8,000
<b>All other liabilities, including foreign Government credits:</b>													
Sept. 28.....	500	1,800	294	115	110		17	10		80			2,906
Oct. 5.....	498	1,882	325	121	132		128			140			3,206
Oct. 11-12.....	552	2,703	398	129	149		102			146			4,178
Oct. 19.....	486	2,114	408	142	158		92			152			3,552
<b>Total liabilities:</b>													
Sept. 28.....	134,271	822,024	161,398	172,760	87,585	70,763	296,250	83,823	79,149	118,902	77,598	111,484	2,203,673
Oct. 5.....	136,873	880,025	164,741	180,572	90,613	80,135	300,758	89,761	82,069	120,238	84,036	120,724	2,301,633
Oct. 11-12.....	142,229	955,158	166,094	179,959	96,086	83,426	302,335	99,421	84,478	123,169	88,972	112,428	2,417,845
Oct. 19.....	150,912	900,565	169,339	172,456	105,330	94,463	319,410	107,767	89,963	131,967	93,443	123,824	2,447,841

## FEDERAL RESERVE NOTES.

*Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, Sept. 28 to Oct. 19, 1917.*

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

	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
<b>Federal Reserve notes received from agent—net:</b>													
Sept. 28.....	40,674	282,300	53,318	52,244	31,871	34,428	99,497	28,317	32,761	30,162	35,021	36,483	757,076
Oct. 5.....	42,644	289,486	55,920	56,145	35,337	38,040	104,776	31,377	34,756	33,817	38,327	37,005	797,630
Oct. 11-12.....	46,810	298,551	60,347	57,552	38,872	42,491	110,160	33,845	35,614	35,481	39,968	37,734	837,425
Oct. 19.....	49,278	304,957	61,903	58,448	42,277	45,190	116,684	40,333	39,487	36,574	40,958	39,189	875,278
<b>Federal Reserve notes held by bank:</b>													
Sept. 28.....	3,759	25,901	2,291	2,754	2,714	1,910	4,664	1,846	1,872	2,231	212	6,710	56,804
Oct. 5.....	2,461	23,809	2,523	2,280	2,235	1,950	6,741	2,324	1,257	4,343	450	6,341	56,714
Oct. 11-12.....	2,841	23,931	3,932	2,574	1,236	1,887	7,539	2,325	1,180	3,773	729	5,593	57,540
Oct. 19.....	3,090	25,434	3,719	2,576	1,153	1,401	8,233	3,729	1,106	3,130	423	6,074	60,068
<b>Federal Reserve notes in actual circulation:</b>													
Sept. 28.....	36,915	256,399	51,027	49,490	29,157	32,518	94,833	26,471	30,889	27,931	34,809	29,773	700,212
Oct. 5.....	40,183	265,677	53,397	53,865	33,102	36,090	98,035	29,053	33,499	29,474	37,877	30,664	746,916
Oct. 11-12.....	43,969	274,620	56,115	54,978	37,636	40,604	102,621	31,520	34,434	31,708	39,239	32,141	779,885
Oct. 19.....	46,188	279,523	58,184	55,872	41,124	43,789	108,451	36,604	38,381	33,444	40,535	33,115	815,210
<b>Gold deposited with or to credit of Federal Reserve agent:</b>													
Sept. 28.....	25,623	212,300	40,418	36,244	15,955	30,117	88,537	17,270	21,965	20,748	22,471	26,579	558,227
Oct. 5.....	27,594	201,486	43,020	38,145	18,891	34,230	79,316	16,830	24,960	23,517	25,021	27,101	560,111
Oct. 11-12.....	29,960	200,551	44,247	41,552	22,634	36,479	80,330	21,298	28,818	23,484	26,351	25,030	580,734
Oct. 19.....	33,008	206,957	41,303	40,448	26,774	39,179	91,424	27,086	33,691	27,153	24,319	27,485	618,827
<b>Paper delivered to Federal Reserve agent:</b>													
Sept. 28.....	15,069	70,822	12,906	16,012	19,182	4,329	11,178	11,054	11,139	9,992	12,647	10,137	204,467
Oct. 5.....	15,069	91,035	12,906	18,014	18,697	4,325	25,776	14,562	9,318	11,028	13,445	14,737	248,912
Oct. 11-12.....	16,869	98,150	16,143	16,006	17,915	6,525	30,196	12,552	7,216	12,158	15,288	14,146	263,164
Oct. 19.....	16,389	107,194	20,643	18,008	16,455	7,041	25,703	13,256	6,228	9,536	16,777	12,955	270,185

Federal Reserve note account of each Federal Reserve Agent at close of business on Fridays, Sept. 28 to Oct. 19, 1917.

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

	Boston.	New York.	Phila- del- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total.
<b>FEDERAL RESERVE NOTES.</b>													
<b>Received from Comptroller:</b>													
Sept. 28.....	69,680	492,966	74,500	71,000	47,600	49,980	133,480	38,900	46,640	49,720	54,300	41,260	1,170,320
Oct. 5.....	69,680	504,660	81,020	73,000	49,600	52,880	133,120	40,300	46,640	51,720	57,060	41,880	1,207,940
Oct. 11-12.....	75,880	519,990	81,920	73,000	54,600	55,986	142,240	43,800	50,640	51,720	60,020	42,660	1,251,580
Oct. 19.....	75,880	526,190	92,440	81,000	59,700	58,980	148,960	51,440	53,280	56,720	63,020	44,400	1,309,040
<b>Returned to Comptroller:</b>													
Sept. 28.....	13,636	98,340	12,382	7,316	13,409	8,622	4,083	6,973	7,949	9,678	10,834	4,777	197,969
Oct. 5.....	14,436	102,074	12,480	7,415	13,488	9,016	4,444	7,413	7,954	9,323	10,013	4,855	204,280
Oct. 11-12.....	14,470	102,389	13,053	7,502	13,748	9,379	4,500	7,445	8,086	10,059	11,122	4,926	206,695
Oct. 19.....	15,002	105,683	13,997	7,612	13,943	9,680	4,886	7,437	8,223	10,366	11,232	5,271	213,342
<b>Chargeable to Federal Reserve Agent:</b>													
Sept. 28.....	56,074	394,620	62,118	63,684	34,191	41,358	129,397	31,927	38,661	40,042	48,766	36,483	972,351
Oct. 5.....	55,244	402,906	58,540	65,585	36,117	43,970	134,676	32,887	38,686	41,897	46,147	37,005	1,063,660
Oct. 11-12.....	61,410	417,571	67,967	65,492	40,852	46,001	137,740	36,415	42,544	41,661	48,898	37,734	1,044,885
Oct. 19.....	60,878	420,477	78,443	73,388	46,737	49,309	144,104	43,983	45,037	46,354	48,768	39,189	1,095,898
<b>In hands of Federal Reserve Agent:</b>													
Sept. 28.....	15,400	112,320	8,800	11,440	2,320	6,930	29,900	3,610	5,930	9,880	8,745	.....	215,275
Oct. 5.....	12,600	113,420	12,620	9,440	788	5,930	29,900	1,510	3,930	8,080	7,820	.....	206,030
Oct. 11-12.....	14,600	119,020	7,620	7,940	1,980	4,110	27,580	2,570	6,930	6,180	8,930	.....	207,460
Oct. 19.....	11,600	115,520	16,540	14,940	3,480	4,110	27,420	3,650	5,570	9,780	7,810	.....	220,420
<b>Issued to Federal Reserve Bank, less amount returned to Federal Reserve Agent for redemption:</b>													
Sept. 28.....	40,674	282,300	53,318	52,244	31,871	34,428	99,497	28,317	32,761	30,162	35,021	36,483	757,076
Oct. 5.....	42,644	289,486	55,920	56,145	35,337	38,040	104,776	31,377	34,756	33,817	38,327	37,005	797,630
Oct. 11-12.....	46,810	298,551	60,347	57,552	38,872	42,491	110,160	33,845	35,614	35,481	39,968	37,734	837,425
Oct. 19.....	49,278	304,957	61,903	58,448	42,277	45,190	116,684	40,333	39,487	36,574	40,958	39,189	875,278
<b>Collateral held as security for outstanding notes:</b>													
<b>Gold coin and certificates on hand—</b>													
Sept. 28.....	21,660	200,884	4,220	13,517	.....	3,459	.....	2,953	13,102	2,370	14,480	.....	276,645
Oct. 5.....	23,659	190,384	4,220	15,284	.....	3,459	.....	2,953	13,102	2,370	14,480	.....	269,911
Oct. 11-12.....	25,629	189,784	4,220	18,544	.....	3,579	.....	2,513	13,102	2,370	14,480	.....	274,221
Oct. 19.....	28,209	196,482	4,220	17,496	.....	3,579	.....	2,513	13,102	2,270	14,480	.....	282,351
<b>In gold redemption fund—</b>													
Sept. 28.....	1,963	11,416	2,819	2,727	955	1,408	172	957	1,368	1,118	1,817	1,313	28,028
Oct. 5.....	1,935	11,102	2,721	2,861	891	2,301	132	517	1,358	1,587	2,017	1,235	28,657
Oct. 11-12.....	2,331	10,767	3,228	3,008	834	2,930	75	1,126	1,216	1,554	2,197	1,164	30,430
Oct. 19.....	2,799	10,475	3,144	2,952	774	2,630	496	1,513	1,089	1,523	2,165	2,044	31,604
<b>With Federal Reserve Board—</b>													
Sept. 28.....	2,000	.....	33,379	20,000	15,000	25,250	88,365	13,360	7,500	17,260	6,174	25,266	253,554
Oct. 5.....	2,000	.....	36,079	20,000	18,000	28,470	79,184	13,360	10,500	19,560	8,524	25,866	261,543
Oct. 11-12.....	2,000	.....	36,799	20,000	21,800	29,970	80,254	17,660	14,500	19,560	9,674	23,866	276,083
Oct. 19.....	2,000	.....	33,939	20,000	26,000	32,970	90,928	23,060	19,500	23,360	7,674	25,441	304,872
<b>Commercial and bank paper required, minimum—</b>													
Sept. 28.....	15,051	70,000	12,900	16,000	15,916	4,311	10,960	11,047	10,796	9,414	12,550	9,904	198,849
Oct. 5.....	15,050	88,000	12,900	18,000	16,446	3,810	25,460	14,547	9,796	10,390	13,306	9,904	237,519
Oct. 11-12.....	16,850	98,000	16,100	16,000	16,238	6,012	29,831	12,546	16,796	11,997	13,617	12,704	256,691
Oct. 19.....	16,270	98,009	20,600	18,000	15,503	6,011	25,260	13,247	5,796	9,421	16,639	11,704	256,451
<b>Total—</b>													
Sept. 28.....	40,674	282,300	53,318	52,244	31,871	34,428	99,497	28,317	32,761	30,162	35,021	36,483	757,076
Oct. 5.....	42,644	289,486	55,920	56,145	35,337	38,040	104,776	31,377	34,756	33,817	38,327	37,005	797,630
Oct. 11-12.....	46,810	298,551	60,347	57,552	38,872	42,491	110,160	33,845	35,614	35,481	39,968	37,734	837,425
Oct. 19.....	49,278	304,957	61,903	58,448	42,277	45,190	116,684	40,333	39,487	36,574	40,958	39,189	875,278

<sup>1</sup> For actual amounts see item "Paper delivered to Federal Reserve Agent," on p. 912.

Amounts of Federal Reserve notes received from and returned to other Federal Reserve Banks for redemption or credit during the period Jan. 1 to Sept. 30, 1917.

	Boston.		New York.		Philadelphia.		Cleveland.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....			\$5,731,300	\$1,654,650	\$339,000	\$197,000	\$213,400	\$19,915
New York.....	\$1,616,650	\$5,772,300			3,375,950	7,059,900	837,745	786,300
Philadelphia.....	197,000	339,000	6,675,900	3,375,950			395,000	125,495
Cleveland.....	21,415	213,400	796,300	873,050	130,995	443,000		
Richmond.....	23,000	172,600	661,600	2,427,350	225,000	517,000	68,150	62,600
Atlanta.....	35,450	131,600	648,450	2,217,600	78,750	206,000	64,900	45,180
Chicago.....	152,500	115,000	2,434,000	718,150	230,500	207,000	696,900	237,040
St. Louis.....	24,350	51,700	568,300	421,750	47,500	71,000	117,450	81,520
Minneapolis.....	4,000	84,000	132,500	471,800	5,000	76,000	19,500	54,030
Kansas City.....	5,565	74,000	83,800	627,900	8,000	88,000	17,350	43,240
Dallas.....	8,495	66,700	312,870	682,100	21,700	73,000	21,390	27,910
San Francisco.....	17,315	93,600	250,740	1,706,100	17,360	106,000	25,825	23,840
Total.....	2,105,740	7,113,900	18,295,760	15,176,400	4,379,755	9,043,900	2,477,610	1,507,070

	Richmond.		Atlanta.		Chicago.		St. Louis.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$172,600	\$26,000	\$131,600	\$36,450	\$115,000	\$138,500	\$50,500	\$28,600
New York.....	2,465,655	655,600	2,215,500	665,250	697,150	2,434,000	409,250	629,050
Philadelphia.....	517,005	237,750	206,000	80,550	194,000	230,500	71,000	55,500
Cleveland.....	62,600	72,900	43,650	70,400	228,040	594,500	83,520	139,950
Richmond.....			227,350	635,360	26,060	240,000	24,500	85,800
Atlanta.....	632,350	215,850			76,290	569,000	336,250	650,800
Chicago.....	229,000	26,060	543,000	80,050			783,000	535,750
St. Louis.....	75,550	24,500	617,995	349,650	535,750	853,000		
Minneapolis.....	7,500	14,890	14,500	56,400	64,600	2,571,000	30,500	236,150
Kansas City.....	15,090	22,990	52,200	170,650	112,150	2,025,500	162,400	1,837,050
Dallas.....	27,880	28,500	425,330	747,500	43,635	734,000	286,270	1,453,750
San Francisco.....	18,060	9,700	34,675	51,000	104,400	574,000	38,405	101,600
Total.....	4,223,290	1,334,740	4,511,830	2,943,200	2,200,785	10,964,000	2,275,595	5,754,000

	Minneapolis.		Kansas City.		Dallas.		San Francisco.		Total.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$84,000	\$5,000	\$74,000	\$5,565	\$66,700	\$8,495	\$93,600	\$19,915	\$7,071,700	\$2,139,825
New York.....	471,800	132,500	584,550	83,800	692,200	280,370	1,693,550	250,740	15,060,000	18,749,810
Philadelphia.....	76,000	5,000	88,000	8,500	73,000	19,700	106,000	17,810	8,598,905	4,495,755
Cleveland.....	54,890	21,000	43,240	17,350	27,910	17,140	26,095	25,375	1,517,825	2,488,065
Richmond.....	14,890	7,500	22,990	15,090	28,500	30,530	8,950	18,060	1,330,990	4,211,830
Atlanta.....	56,400	14,500	156,050	52,200	718,950	429,330	47,695	34,675	2,851,445	4,566,735
Chicago.....	2,571,000	64,000	2,039,500	115,550	660,000	48,535	453,000	112,900	10,792,400	2,260,035
St. Louis.....	236,150	30,500	1,837,050	162,400	1,371,850	286,270	85,200	38,405	5,517,145	2,370,695
Minneapolis.....			103,500	100,150	29,500	45,750	138,500	184,795	549,000	3,894,965
Kansas City.....	100,150	103,500			244,900	519,870	37,250	259,935	838,855	5,772,635
Dallas.....	45,750	29,500	503,870	244,900			63,910	170,630	1,765,500	4,258,490
San Francisco.....	134,795	138,500	236,935	41,250	170,630	66,410			1,099,140	2,912,000
Total.....	3,894,965	551,500	5,689,685	846,755	4,084,140	1,752,400	2,753,750	1,132,975	56,992,905	58,120,840

**EARNINGS ON INVESTMENTS OF FEDERAL RESERVE BANKS.**

*Average amounts of earning assets held by each Federal Reserve Bank during September, 1917, earnings from each class of earning assets, and annual rates of earnings on the basis of September, 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.....	\$16,886,658	\$17,993,546	\$3,011,129	.....	\$37,891,328
New York.....	42,309,340	61,296,149	11,721,112	.....	115,236,601
Philadelphia.....	12,656,277	13,019,258	3,666,040	\$125,938	34,467,513
Cleveland.....	8,695,345	23,976,496	11,015,280	32,556	43,719,677
Richmond.....	15,713,551	2,760,584	3,299,967	.....	21,774,102
Atlanta.....	6,696,871	1,709,045	6,380,467	7,241	14,793,624
Chicago.....	22,777,463	14,069,907	19,303,426	.....	56,150,796
St. Louis.....	13,445,375	4,844,282	3,844,142	.....	22,133,799
Minneapolis.....	12,422,500	3,228,900	3,649,700	1,400	19,302,500
Kansas City.....	14,265,784	7,149,968	10,633,090	.....	32,048,872
Dallas.....	7,892,515	3,379,861	6,046,731	46,265	17,265,672
San Francisco.....	8,677,433	9,094,789	6,126,200	.....	23,868,422
<b>Total.....</b>	<b>182,439,407</b>	<b>167,402,815</b>	<b>88,697,294</b>	<b>213,400</b>	<b>438,752,906</b>

Banks.	Earnings from—					Calculated annual rates of earning from—				
	Bills discounted, members.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.	Bills discounted, members.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.
Boston.....	\$51,619	\$48,663	\$7,607	.....	\$107,889	<i>Per cent.</i> 3.85	<i>Per cent.</i> 3.41	<i>Per cent.</i> 3.18	.....	<i>Per cent.</i> 3.58
New York.....	112,756	173,572	21,806	.....	308,134	3.24	3.45	2.26	.....	3.26
Philadelphia.....	38,178	46,982	9,226	\$419	94,805	3.67	3.17	3.06	4.05	3.34
Cleveland.....	25,780	63,765	26,106	92	115,743	3.61	3.23	2.88	3.44	3.22
Richmond.....	50,515	7,283	7,058	.....	64,836	3.91	3.20	2.60	.....	3.62
Atlanta.....	21,777	4,537	16,441	29	42,784	4.09	3.34	3.24	5.07	3.64
Chicago.....	70,887	37,190	47,663	.....	155,740	3.79	3.22	3.00	.....	3.37
St. Louis.....	40,847	12,462	8,539	.....	61,848	3.70	3.12	2.65	.....	3.40
Minneapolis.....	45,763	8,414	8,094	4	62,275	4.48	3.17	2.70	3.81	3.93
Kansas City.....	48,084	19,887	19,965	.....	87,936	4.10	3.38	2.28	.....	3.31
Dallas.....	28,572	8,182	12,844	154	49,752	4.40	2.96	2.59	4.72	3.49
San Francisco.....	39,925	24,594	14,093	.....	69,612	4.35	3.30	2.80	.....	3.55
<b>Total.....</b>	<b>565,703</b>	<b>455,511</b>	<b>199,442</b>	<b>698</b>	<b>1,221,354</b>	<b>3.79</b>	<b>3.35</b>	<b>2.75</b>	<b>3.98</b>	<b>3.41</b>

## GOLD IMPORTS AND EXPORTS.

Gold imports and exports into and from the United States.

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

	Week ending—				Total since Jan. 1, 1917.	Total corresponding period during 1916.
	Sept. 21, 1917.	Sept. 28, 1917.	Oct. 5, 1917.	Oct. 12, 1917.		
<b>IMPORTS.</b>						
Ore and base bullion.....	240	242	716	236	12,765	10,168
United States mint or assay office bars.....					114	3,451
Bullion, refined.....	671	411	409	382	387,074	268,063
United States coin.....	25	12	1	9	53,300	3,114
Foreign coin.....		638	1		90,827	105,214
Total.....	936	1,303	1,187	627	545,080	390,010
<b>EXPORTS.</b>						
<b>Domestic:</b>						
Ore and base bullion.....			23	20	179	237
United States mint or assay office bars.....	2		200		46,593	11,994
Bullion, refined.....	2,410	957		1,491	35,104	6,262
Coin.....	7,675	6,026	504	2,534	265,429	56,224
Total.....	10,087	6,983	787	4,345	347,305	74,717
<b>Foreign:</b>						
Bullion, refined.....					31	1,452
Coin.....		33	194	153	6,310	19,792
Total.....		33	194	153	6,341	21,244
Total exports.....	10,087	7,016	981	4,498	353,646	95,961

Excess of gold imports over exports since Jan. 1, 1917, \$191,434.  
 Excess of gold imports over exports since Aug. 1, 1914, \$1,060,196.

## DISCOUNT RATES.

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

	Maturities.							Commodity paper maturing within 90 days.
	Discounts.					Trade acceptances.		
	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 live-stock paper over 90 days.	To 60 days, inclusive.	61 to 90 days, inclusive.	
Boston.....	3½	4	4	3½	5	4	4	4
New York <sup>1</sup> .....	3	4	4	3½	5	3½	3½	3½
Philadelphia.....	3½	4	4	3½	4½	3½	3½	3½
Cleveland.....	3½	4	4½	4	5	3½	4	4
Richmond.....	3½	4	4	3½	4½	3½	3½	3½
Atlanta.....	3½	4	4½	3½	5	3½	3½	3½
Chicago.....	2 3/4	4	4½	3½	5	3½	3½	3½
St. Louis.....	3½	4	4	3½	5	3½	3½	3½
Minneapolis.....	2 4/8	4	4½	3½	5	3½	4	4
Kansas City.....	2 4/8	4	4½	3½	5	4	4	4
Dallas.....	3½	4	4½	3½	5	3½	3½	3½
San Francisco.....	3½	4	4½	3½	5½	3½	4	2 3/4-4

<sup>1</sup> Rate of 2 to 4 per cent on member banks' 1-day collateral notes in connection with the loan operations of the Government.

<sup>2</sup> 3 per cent for member banks' collateral notes if secured by United States bonds, notes, or certificates of indebtedness.

<sup>3</sup> Rate of 3½ per cent for paper maturing within 60 days, and 4 per cent for paper maturing after 60, but within 90 days.

NOTE.—Rate for acceptances purchased in open market, 2½ to 4 per cent, except for San Francisco, which has a rate of from 2½ to 4½ per cent.

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