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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 ten 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. 12

REVIEW OF THE MONTH.

On October 1, 1917, the Secretary of the Treasury invited subscriptions at par and accrued interest, from the people of the United States, for \$3,000,000,000 of United States of America 10-25 year 4 per cent convertible gold bonds, of an issue authorized by act of Congress approved September 24, 1917, the right being reserved to allot additional bonds up to one-half the amount of any oversubscription. Final returns received from the twelve Federal Reserve banks, and made public on November 9, show that the total subscriptions were \$4,617,532,300—an oversubscription of \$1,617,532,300, or approximately 54 per cent of the amount offered. This is a greater oversubscription than was received in the case of the first Liberty Loan, when \$2,000,000,000 of bonds were offered, and a subscription of more than \$3,000,000,000 was received. It is estimated by the Treasury Department that the second Liberty Loan was subscribed for by approximately 9,400,000 individuals, and in this number 9,306,000, or 99 per cent, subscribed in amounts ranging from \$50 to \$50,000, the aggregate of such subscriptions being \$2,486,469,350. The fact that so large a number subscribed for bonds is significant of the widespread interest of the people in the purposes of the war, and of their determined support of the Government in all measures required for its vigorous prosecution. In conformity with the original announcement, the Treasury accepted 50 per cent of the oversubscriptions, making the total issue of the second Liberty

Loan \$3,808,766,150, subscriptions by Federal Reserve districts being as follows:

	Total subscriptions received.	Quota.	Per cent of oversubscription.
Boston.....	\$476,950,050	\$300,000,000	59
New York.....	1,550,453,450	900,000,000	72
Philadelphia.....	380,350,250	250,000,000	52
Cleveland.....	486,106,800	300,000,000	62
Richmond.....	201,212,500	120,000,000	68
Atlanta.....	90,695,750	80,000,000	13
Chicago.....	585,853,350	420,000,000	39
St. Louis.....	184,280,750	120,000,000	54
Minneapolis.....	140,932,650	105,000,000	34
Kansas City.....	150,125,750	120,000,000	25
Dallas.....	77,899,850	75,000,000	4
San Francisco.....	292,671,150	210,000,000	39
Total.....	4,617,532,300	3,000,000,000	54

Every Federal Reserve district, as thus shown, exceeded its quatum of the \$3,000,000,000 of bonds offered. The full amount of the subscription was not accepted on this occasion just as on that of the first loan. In speaking of the amount taken the Secretary of the Treasury says: "Having announced that only one-half of the oversubscription would be accepted, the Government must, of course, faithfully observe that basis. Whenever loans are offered to the public, the banks and the public adjust themselves both consciously and unconsciously to the basis of the offering, and it would be extremely unwise to alter it after the subscriptions have been received." The Secretary adds that the impression which has prevailed in some quarters "that another offering of Government bonds will be made in the month of January, 1918," is without foundation, as, "in view of the large oversubscription of the second Liberty Loan" * * * this will not be necessary."

A definite plan with respect to the new war-savings certificates, whose issue was announced some time ago, has now been worked out and placed before the country in a circular issued by the Treasury Department, under date of November 15. The sum of such war-savings certificates outstanding is not at any one time to exceed in the aggregate \$2,000,000,000 (maturity value). The amount of war-savings certificates sold to any one person at any one time is not to exceed \$100 (maturity value), and it is not to be lawful for any one person at any one time to hold war-savings certificates to an aggregate amount exceeding \$1,000.

The certificates will be obligations of the United States only when one or more stamps have been affixed thereto. Each war-savings certificate will have spaces for 20 war-savings certificate stamps, and each stamp will have a maturity value of \$5 on January 1, 1923, which will accordingly give each such certificate, when bearing its full complement of such stamps, a maturity value of \$100 on that date. The details of the new issue are furnished on page 925 of this Bulletin.

Provision has been definitely made for a plan designed to relieve any possible congestion or disturbance of the money market such as might be caused by the payment of taxes due between June 15 and June 25, estimated to amount to over \$2,000,000,000. Under the authority of the war loan act, approved September 24, 1917, the Secretary of the Treasury announced that he would receive subscriptions at par and accrued interest for a limited amount of Treasury certificates of indebtedness, payable June 25, 1918, with interest at the rate of 4 per cent per annum, from November 30, 1917. Federal Reserve Banks were instructed to receive subscriptions, and certificates were issued in denominations of \$500, \$1,000, \$5,000, \$10,000, and \$100,000. The certificates have been sold, payment to be made upon allotment, but not before November 30. Any Treasury certificates of

indebtedness now outstanding were accepted in payment at par with adjustment of accrued interest. Allotments were made in the order that subscriptions were received. As authorized by the war revenue act of October 3, 1917, collectors of internal revenue will receive certificates of this issue at par and accrued interest, under rules and regulations to be prescribed by the Secretary of the Treasury, in payment of income and excess profits taxes when payable at or before the maturity of the certificates, but these certificates will not be accepted in payment of or on account of bond subscriptions. The amount of the first issue of certificates so sold is \$691,622,000.

The 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 estate or inheritance taxes, graduated additional income taxes ("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. The interest on an amount of bonds and certificates authorized in the act of September 24, 1917, the principal of which does not exceed in the aggregate \$5,000 owned by any individual, partnership, association, or corporation, is also to be exempt from the graduated income taxes. After allotment and upon payment, Federal Reserve Banks will issue interim receipts pending delivery of definitive certificates. Qualified depositaries are permitted to make payment by credit for certificates allotted to them for themselves or their customers up to amount for which each shall have qualified in excess of existing deposits when so notified by Federal Reserve Banks.

During the four weeks between October 26 and November 23 discount operations of the Federal Reserve Banks, mainly incidental to the financing of the second Liberty Loan, continued on a large scale.

**Condition of
Federal Reserve
Banks**

Following the payment of the 18 per cent installment (Nov. 15) temporary liquidation of discounted bills set in, especially at the New York bank, whose holdings of collateral notes secured by Liberty bonds and certificates of indebtedness show a decline between November 9 and 16 of over 92 millions. Renewed pressure was brought to bear on the Federal Reserve Banks during the following week, as the result of the large Government operations, mainly in New York City. Accordingly, the New York Federal Reserve Bank's holdings of collateral notes secured by war bonds and certificates show an increase for the week ending November 23 from \$151,531,000 to \$299,234,000, while the total holdings by all the banks of this class of paper went up during the week from \$208,229,000 to \$365,492,000. Holdings of other classes of discounts show either much smaller increases, or else, as in the case of collateral notes secured by commercial paper, substantial decreases.

Acceptances on hand show an increase for the period from \$177,590,000 to \$209,905,000, all the banks, except those of New York (a part of whose holdings were purchased by other Federal Reserve Banks) and Chicago, showing larger holdings on November 23 than on the last Friday of October. Aggregate bill holdings of all the banks increased during the four weeks from \$271,712,000 to \$449,474,000. Government financing accounts for most of the discounting done by the Federal Reserve Banks during November.

Investments of the Federal Reserve Banks in United States bonds show practically no change for the period, while the holdings of United States short-term securities, composed of 1-year Treasury notes and certificates of indebtedness, increased from \$55,876,000 to \$57,850,000.

In the following table are shown the changes between October 26 and November 23 in the totals of discounted and purchased bills held by each of the Federal Reserve Banks, also changes in the aggregates of other classes of earning assets:

[000 omitted.]

Federal Reserve Bank.	Oct. 26.	Nov. 23.	Net increase.
Boston.....	\$34,919	\$67,808	\$32,889
New York.....	302,188	401,451	99,263
Philadelphia.....	23,569	48,518	24,949
Cleveland.....	27,699	61,231	33,532
Richmond.....	17,051	29,560	12,509
Atlanta.....	14,301	17,350	3,049
Chicago.....	59,888	103,754	43,866
St. Louis.....	24,147	25,120	973
Minneapolis.....	11,018	19,306	8,288
Kansas City.....	25,001	37,658	12,657
Dallas.....	17,287	19,193	1,906
San Francisco.....	17,576	34,928	17,352
Total bills.....	574,684	865,907	291,223
Total United States securities.....	110,042	111,812	1,770
Total municipal warrants.....	233	1,422	1,189
Total investments held.....	684,959	979,141	294,182

While the increase of operations has reduced the reserve percentage from 71.7 to 64.7, it is interesting to note that the gold holdings of Federal Reserve Banks increased from \$1,503,436,000 to \$1,604,704,000 during the same period.

The subjoined table shows the manner in which the first installment of the second Liberty Loan was paid for at the several Federal Reserve Banks:

Payments as of Nov. 15 on second Liberty Loan.

[000 omitted.]

Federal Reserve Bank.	Allotment.	Cash.	Credit.	Certificates.	Total.
Boston.....	\$108,000	\$74,000	\$179,000	\$40,000	\$293,000
New York.....	1,151,000	113,000	701,000	161,000	975,000
Philadelphia.....	295,000	57,000	114,000	32,000	208,000
Cleveland.....	110,000	108,000	119,000	79,000	306,000
Richmond.....	183,000	54,000	50,000	14,000	118,000
Atlanta.....	83,000	21,000	42,000	3,000	66,000
Chicago.....	526,000	167,000	95,000	63,000	328,000
St. Louis.....	150,000	39,000	60,000	28,000	122,000
Minneapolis.....	132,000	51,000	20,000	10,000	84,000
Kansas City.....	136,000	56,000	24,000	10,000	90,000
Dallas.....	74,000	9,000	22,000	6,000	37,000
San Francisco.....	261,000	89,000	50,000	28,000	167,000
Total.....	3,809,000	841,000	1,477,000	439,000	2,787,000

It is interesting to note from the above statement the large extent to which the loan was paid in full by subscribers, being 73 per cent of the total accepted. It will further be noted that of this amount about 53 per cent was paid by credit. From this showing it is apparent that a very large number of subscribing banks qualified as depositaries, and it is largely due

to the satisfactory arrangements made by the Treasury with qualifying banks that a payment of almost \$3,000,000,000 could be made without creating any congestion or disturbance in the money market. During the month certificates of indebtedness fell due and were redeemed by Federal Reserve Banks to the amount of \$935,197,000. There remained to be paid on December 15 \$1,385,296,000 of certificates maturing on that date, a small part of which, however, was received in payment on Liberty Loan account. In order to avoid the necessity of withdrawing so large an amount on that date the Secretary of the Treasury has called the series of \$300,000,000 Treasury certificates of indebtedness dated September 17, 1917, and maturing December 15, 1917, for redemption on December 6, 1917, at par and accrued interest pursuant to the provision for such redemption contained in the certificates. On December 6, 1917, interest on all certificates of said series will cease to accrue.

The series of \$400,000,000 Treasury certificates of indebtedness dated September 26, 1917, and maturing December 15, 1917, has been called for redemption on December 11, 1917, at par and accrued interest pursuant to the provision for such redemption contained in the certificates. On December 11, 1917, interest on all certificates of said series will cease to accrue.

The series of Treasury certificates of indebtedness dated October 24, 1917, and maturing December 15, 1917, will not be redeemed before maturity but will be paid on December 15, 1917.

Between October 20 and November 23 the 59 New York clearing-house banks reported increases of \$620,164,000 in average weekly loans and investments as against decreases of \$226,987,000 in average net demand deposits and \$44,725,000 in average legal reserves. Their average Government deposits show an increase of \$679,113,000, from \$191,989,000 to \$871,102,000. These changes were caused largely by the heavy demands on the New York banks by both their local customers and out-of-town bank correspondents in connection with Government financing, including payments on

account of certificates of indebtedness and the 18 per cent installment of the second Liberty Loan. The banks' increases in loans and investments include both direct investments in Government securities and amounts advanced to their customers in connection with subscriptions to the second Liberty Loan.

The reserve percentage for all clearing-house banks, representing the ratio of net demand deposits to aggregate cash in vault plus amounts due from legal depositaries, including the Federal Reserve Bank, shows accordingly a decline from 19.1 per cent for the week ending October 20 to 18.1 for the week ending November 3. For the subsequent three weeks higher average percentages obtain, viz, 18.7, 18.9, and 20.7 per cent, indicating a lessening strain upon the liquid resources of the banks.

A similar development is shown for those banks which are members of the Federal Reserve system, and whose reserve percentage was figured on the basis of balances due from the Federal Reserve Bank only (i. e., excluding the amount of vault cash). From 16.1 per cent for the week ending October 20 the ratio thus figured shows a decline to 15 per cent on November 3 and an improvement to 16 per cent for the week ending November 23. Average excess reserves of all clearing-house banks declined from \$94,943,000 for the week ending October 20 to \$62,405,000 for the week ending November 3. For the following week the average shows a gain of over 22 millions, while average excess reserves for the week ending November 23 were in excess of 93 millions.

For the trust companies in Greater New York reserve percentages, as figured by the State Banking Department, show a somewhat similar development, the average of 21 per cent for the week ending October 20 declining to 20.1 per cent for the week ending November 3. An improvement to 21.2 per cent for the succeeding week is shown, which is followed, however, by a decline to 20.3 per cent for the week ending November 17. For the week ending November 23 this percentage is shown as 21.8, indicating a reserve position stronger than for the initial week.

Reserve position of the banks.

Average excess reserves, including vault cash, of the 11 clearing-house banks in Boston likewise indicate a successive decrease from \$18,527,000 to \$16,853,000 for the two weeks following October 20. For the subsequent two weeks these averages rise, the average for the week ending November 17, \$20,318,000, being \$1,791,000 larger than for the initial week. Excess reserves for the week ending November 24 averaged \$10,086,000, the lowest level for the period under review.

For those Philadelphia clearing-house banks which are also members of the Federal Reserve system excess reserves proper (i. e., disregarding amounts of vault cash) show much smaller changes, the amounts varying between \$5,432,000 for the week ending October 20 and \$7,453,000 for the week ending November 10. For the latter and subsequent weeks the list of member banks includes the Girard Trust Co., with considerable average excess reserves. Excess reserves of these banks for the week ending November 17 show a decline to \$6,534,000, followed by a considerable increase to \$9,583,000 for the week ending November 24.

During the past month the Board has designated as reserve cities Buffalo, N. Y., Toledo, Ohio, Memphis, Tenn., Peoria, Ill., Grand Rapids, Mich., and Oakland, Cal., thus making banks in those places subject to the reserve requirement of 10 per cent against demand deposits and 3 per cent against time deposits.

In view of the extensive fiscal operations **Reports by member banks.** which will be undertaken by the Government during the period of the war, it has been thought by the Board desirable that those in charge of these operations, the member banks themselves, and the public should be able to have a clear view at all times of the financial situation. To this end the Board has decided that the member banks in about 100 of the most important cities should be requested to transmit once a week to their respective Federal Reserve Banks a condensed statement showing the principal items, such as deposits, loans, investments, cash, Government obligations owned, and loans on such securities. The preparation of these statements will involve but little labor and when

tabulated they will reflect quite accurately the changing conditions in money and credit. The information given will thus be valuable to the business community and to the banks. It is intended that the figures be reported to the Federal Reserve Banks at the close of business on Friday of each week, beginning December 7, and that a summary be made by each Federal Reserve Bank and telegraphed to the Federal Reserve Board not later than the following Thursday, for publication when the Board's weekly statement is issued on Saturday.

As the leading State banks and trust companies are now members of the system, it will be possible for the first time regularly to publish statistics which will include figures from both the national banks and State banking institutions. The necessary forms have been transmitted, and each of the Federal Reserve Banks has been requested to instruct the member banks of those cities which are situated in its district. Additional cities in each district will be from time to time added upon request of the Federal Reserve Bank of each district.

In this connection it should be noted that a gratifying feature of the past month's operations has been the continued movement of strong State institutions into the Federal Reserve system. In all, 59 institutions were admitted during the month, their total capital and surplus being \$134,511,731, and their combined assets \$1,190,986,947. State institutions in all parts of the country are manifesting a patriotic and public spirited disposition to cooperate in the strengthening of the banking resources of the Nation.

At the request of the Federal Reserve Board, **Meeting of Governors.** governors of Federal Reserve Banks on November 8 met with it in Washington and discussed matters of general interest regarding the administration of the system.

On November 19 the quarterly meeting of the Federal Reserve Board and the Federal Advisory Council **Meeting of Advisory Council.** was held in Washington. The meeting proved to be unusually important on account of the significance of the questions presented for consideration,

prominent among which was that of rates of discount, and the question whether the Federal Reserve system could with propriety be employed in any way to relieve the necessities of the industrial enterprises of the country. On both points the view of the Advisory Council was the same as that which has guided the Board, this view being that the system must use every effort to maintain its liquid character and that commercial paper regarded as eligible for discount must be of a kind calculated to provide its own means of liquidation. Admission of long-term obligations, or obligations short-term in form only, but requiring continual renewal and incapable of settlement within a reasonable time by the use of funds growing out of business transactions directly financed by them, was regarded as unquestionably opening an avenue of danger to the system, both because of the unliquid character of the paper, and because of the very large quantity of such paper almost inevitably to be expected for discount under present conditions, should paper of this character be held admissible for discount at Federal Reserve Banks.

The attitude of the Council with respect to rates of discount was distinctly that they could to advantage be increased, such advance being called for by the growing pressure upon bank resources, and the necessity of discouraging unnecessary applications for discount. Discussions during the sessions of the Council covered other questions of general importance affecting the system which are now pending, and resulted in recommendations to the Board which have been taken under advisement.

As the requirements of war financing absorb a larger share of the capital available in the financial market, there is a disposition on the part of borrowers to put their paper into a form available for discount at Federal Reserve Banks in order that it may gain a wider field of sale, and may be enabled to take advantage of the lowest possible rate offered at any time. It is highly desirable that the paper

of the country should in every possible way be brought into conformity with the requirements of the Federal Reserve Act and of the regulations of the Board, and that there be at all times as large a proportion of banking discounts and investments in the form of strictly liquid paper eligible for presentation to Federal Reserve Banks as is possible. The campaign of education which the American Trade Acceptance Council is now carrying on is contributing strongly to this desired end. It is, however, undesirable that in this process of reshaping the commercial paper of the country there should be developed any kind of paper technically eligible for discount at Federal Reserve Banks, but in fact not conforming to the spirit and purpose of the Act and the regulations under it. During the past month the attention of the Board has been directed to a plan for financing corporations for approximately two years by means of a series of 90-day notes, issued under an agreement with the borrower providing for seven renewals. As statements have appeared in the press that notes of this kind are eligible for rediscount by Federal Reserve Banks, the Board thought it best to state definitely that renewal agreements of this nature destroy the self-liquidating character of the notes and render them undesirable as investments for Federal Reserve Banks. This opinion is in harmony with the Board's ruling made about a year ago in the case of certain acceptance credits, in connection with which the Board laid stress upon the point that the discount market, which is intended to deal with short term and commercial borrowings, should not be made to exercise functions properly pertaining to the investment market.

Changes in rates of discount at Federal Reserve Banks have been under advisement by the banks and by the Federal Reserve Board for some time past, and after careful consideration on November 26 the Federal Reserve Board suggested to Federal Reserve Banks that the time had come to increase their schedules in the near future, due consideration

**Liquid bank
paper.**

**Rates of dis-
count.**

in fixing the proper moment being given to local conditions. This suggestion has been generally adopted by the banks, the schedule of rates being approved by the Board on November 28, and resulting in the establishment of the following rates:

Discount rates approved by the Federal Reserve Board.

Federal Reserve Bank.	Commercial paper maturing—			Agricultural and live-stock paper over 90 days.
	Within 15 days, including member banks' collateral notes.	16 to 60 days.	61 to 90 days.	
Boston.....	4	4½	4½	5
New York.....	3	4	4	5
Philadelphia.....	4	4½	4½	5
Cleveland.....	4	4½	4½	5
Richmond.....	4	4½	4½	5
Atlanta.....	4	4½	4½	5
Chicago.....	4	4½	5	5½
St. Louis.....	4	4½	4½	5½
Minneapolis.....	4	4½	5	5½
Kansas City.....	4	4½	4½	5
Dallas.....	4	4½	4½	5
San Francisco.....	4	4½	4½	5½

Federal Reserve Bank.	Paper secured by U. S. certificates of indebtedness or Liberty loan bonds, maturing—		Trade acceptances maturing within—	
	Within 15 days, including member banks' collateral notes.	16 to 90 days.	1 to 60 days, inclusive.	61 to 90 days, inclusive.
Boston.....	3½	4	4	4
New York.....	3	3½	3½	3½
Philadelphia.....	3½	4	4	4
Cleveland.....	3½	4	4	4
Richmond.....	3½	4	4	4
Atlanta.....	3½	4	4	4
Chicago.....	3½	4	3½	4
St. Louis.....	3½	4	4	4
Minneapolis.....	3½	4	4	4
Kansas City.....	3½	4	4	4
Dallas.....	3½	4	3½	4
San Francisco.....	3½	4	4	4

NOTE 1.—Rate for acceptances purchased in open market 2½ to 4 per cent, except for San Francisco, whose rate ranges from 2½ to 4½ per cent.

NOTE 2.—Rates for commodity paper have been merged with those for commercial paper of corresponding maturities.

These advances in rates are in harmony with the generally upward tendency of market rates of interest in the country at large, and are a recognition of the changed conditions of demand for and supply of loan capital existing throughout the country as a whole. It will be noted that the so-called commodity rate has for the time being been eliminated, the only

preferential rate retained being in favor of paper secured by Government obligations. The former classification under which preferential rates upon acceptances and short term paper were established remains in effect. The slight advances in rates now introduced are likely to have their most important effect by way of suggestion or caution to member banks which might otherwise apply too freely for discount during a period which should as far as possible be devoted to timely reductions of loans in harmony with the policy of accelerating the absorption of Government obligations by restriction and savings.

During the past month the organization of the proposed branches of reserve of branches, serve banks at Pittsburgh, Cincinnati, and elsewhere has been given detailed study, and it has been determined to introduce, where conditions appear to require such action, a new type of branch organization. Elsewhere in this issue will be found a draft of branch by-laws as amended to meet the requirements of the new plan. It will be noted that the principal distinction between this plan and the old branch organization is found in the fact that under the new plan no distinct area or territory is to be assigned to a branch. Consequently no theoretical capital will be assigned to the branch, nor will the member banks in any specific territory be required to deal with the branch. The branch will be established upon the theory that it is an office of the Federal Reserve Bank of the district, opened for the convenience of such member banks as may desire to use it. The routine operations of the branch will be conducted by the manager and the board of directors, subject to the supervision of the directors of the parent Federal Reserve Bank and of the Federal Reserve Board. A collection zone will be allotted to each branch, and checks drawn upon banks located in this zone may be sent to the branch by any member bank in order to save time in transit and to reduce float. The resulting credit will be reported by the branch to the Federal Reserve Bank.

The member banks will continue to send their offerings for discount to the Federal Reserve Bank, except that any bank located in the collection zone allotted to a branch and having signified its desire to deal with the branch may have the option of offering its paper for discount to the branch. Paper which, in the opinion of the directors or the discount committee of the directors of the branch, is eligible, may be passed immediately to the credit of the member bank on the books of the branch, subject to approval by the Federal Reserve Bank.

Each member bank located in the collection zone of a branch bank will be expected to advise the Federal Reserve Bank as to whether it wishes to treat the branch bank as its Federal Reserve correspondent. If a bank so elects, it will transact all its Federal Reserve business with the branch, except that it may send checks direct to the Federal Reserve Bank or to any other branch in its district for credit of its account with its own branch. In the matter of exchange transfers, currency shipments and cash deposits and withdrawals, its dealings will be with its own branch and not with the Federal Reserve Bank.

Each Federal Reserve branch will forward to the Federal Reserve Bank of its district a daily transcript of all business transacted, showing in detail credits given for loans, reserve credits given on account of collected items, and checks paid for member banks. The Federal Reserve Bank will then make proper entries on its books in order to maintain a record of the reserves of all member banks in its district.

During the month of November the work of the Board in connection with the control of the country's gold supply, has continued. Certain branches of foreign trade have found it necessary to ask for the release of considerable gold, and remedial action has accordingly been taken, notably with respect to Mexico and Canada. A special conference with representatives of the Canadian bankers resulted in the Board's undertaking to release \$25,000,000 of gold prior to July 1, 1918, in amounts not to exceed

Movement of gold.

\$10,000,000 in any one month. This permission has not been largely availed of, because the action taken of itself went far toward stabilizing exchange. Negotiations have been in progress with various foreign countries looking to the establishment of a plan which would result in the furnishing of exchange either through deposits made with the Federal Reserve Bank in favor of such country, or through some other means of relief. A notable example of the purpose of these negotiations is afforded by arrangements made by the Secretary of the Treasury to supply to the importers of the United States rupee exchange for the purpose of satisfying the legitimate trade requirements of the country. The embargo on gold exports has made it difficult for importers of the United States to find remittances for their purchases in India. The Secretary of the Treasury has placed in the hands of the Federal Reserve Board the administration and apportionment of these rupee drafts and the Board has taken the necessary steps so that merchants requiring such remittances can make their applications through the Federal Reserve Bank of their district and receive allotments to cover their requirements. The amount of rupees now available is estimated as sufficient to cover immediate requirements of trade, and it is hoped that further arrangements can be made to take care of the future requirements as they arise from time to time. The question of gold export control has been given a new aspect by reason of the development of the larger problem of control of foreign trade in general with a view to discouraging the importation of unnecessary articles. Regulations relating to the licensing of foreign exchange transactions have also been worked out, and it is expected will be put into operation at an early date.

For the five weeks ending November 16 the net outward movement of gold totaled \$4,101,000, compared with \$26,367,000 shown for the immediately preceding five-week period. Gold imports totaling \$4,635,000 are credited largely

Gold imports and exports.

to Canada, Mexico, Colombia, and other American countries, while gold exports, totaling \$8,736,000 were consigned chiefly to Mexico, Peru, and British India. Since January 1 of the present year the country's stock of gold increased through net imports by \$187,332,000, while the gain since August 1, 1914, is \$1,056,094,000, as may be seen from the following exhibit:

(ooo'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	31,426	420,529
Jan. 1 to Dec. 31, 1916.....	685,745	155,793	529,952
Jan. 1 to Nov. 16, 1917.....	549,715	362,383	187,332
Total.....	1,710,668	654,574	1,056,094

: Excess of exports over imports.

Erratum.

On pages 844-845 of the October Bulletin two diagrams appear which show the movement of the price of silver for the period 1882 to September, 1917. The upper curve in either diagram is intended to illustrate changes in the price of an ounce of silver, and the lower curve changes in the price of 371½ grains of silver, the pure silver contents of an American dollar. In the diagram the upper curve was erroneously marked "(1)" instead of "(2)," while the lower curve was marked "(2)" instead of "(1)." Attention is called to this error, so proper corrections may be made in the reader's copy.

War Savings Certificates.

On page 730 of the October Bulletin reference was made to the committee on war savings certificates, of which Mr. Frank A. Vanderlip, president of the National City Bank of New York, is chairman, appointed by the Secretary of the Treasury under provisions of the act of September 24, 1917.

An enormous amount of detail work has been required and an immense amount of printing and engraving done; but the expectation as this

issue goes to press is that the campaign for the sale of the certificates will begin on December 1 or shortly thereafter.

The act of Congress of September 24, 1917, "To authorize an additional issue of bonds to meet expenditures for the national security and defense," etc., provided, among other things, for the issuance by the Secretary of the Treasury of two billions of war savings certificates. The act provided that these certificates were to be issued in small denominations and the Secretary of the Treasury was authorized to have stamps printed to evidence payments therefor. The object of Congress was twofold: First, to secure funds to meet the needs of the Government; and, second, to make it possible for every man, woman, and child in the country to lend money to the Government at rates of interest equal to those carried by Government bonds, yet in such a way as to meet public convenience.

A committee, appointed by the Secretary of the Treasury, has been working out the details and the machinery necessary to put this law into effect, and the general plan is as follows:

Provision is made for the issuance of the "war savings certificates." The certificate takes the form of an engraved sheet bearing upon its face the name and address of the investor or owner. It is given, without cost, to anyone who is ready to make the first investment for a large "war savings certificate stamp," which sells during this December and January at \$4.12, and thereafter through the months of 1918 at 1 cent more each month. Each certificate is designed to carry 20 of these large stamps, and since the value of each stamp increases with each successive month, the certificate, which represents the combined value of the certificate stamps affixed to it, increases in value each month in equal proportion. In other words, at the end of five years from the date of issue, to wit, January 1, 1923, the Government will redeem and pay for each stamp on the certificate \$5, and will redeem and pay for a filled certificate containing 20 stamps \$100. This payment by the Government rep-

resents the original cost of the stamps, together with interest at the rate of 4 per cent each year, compounded quarterly.

It is expected to make arrangements with banks to act as custodians of certificates for investors; and as a further protection any investor may, if he chooses, register his certificates with the stamps thereto affixed, at any money-order post office.

To take care of the case of the investor who, for any reason or at any time, must ask for the refund of his money from the Government, provision is made so that on suitable notice he will receive what he paid plus 1 cent per month thereafter for each stamp on the certificate. This is slightly less than the rate of increment he would receive if the stamps were held for their full term. This provision for redemption is made necessary by the fact that certificates can not be sold and are not transferable nor payable to bearer. At the same time this privilege is not given in order to encourage redemption, for the whole purpose of the Government in borrowing these funds is to make a five-year loan, which purpose is nullified if the return of the money is demanded by the investor.

As all thoughtful people must appreciate, the Government is appealing to all its people for aid of one kind or another. From those who can fight it asks for military service; from those who can spare from their cash means (i. e., earnings or savings, or both) it demands financial assistance, and this it takes partly in the form of taxes and partly in the form of borrowing. The difference between this method of Government borrowing and that provided for in the sale of Liberty Loan bonds lies in the fact that in the latter case larger units are dealt with and the interest is paid back to the lender every six months, while in the case of the war savings certificates, which bear the same rate of interest as the last Liberty Loan bonds, a much larger number of units are dealt with and the interest, because it is necessarily small, is added to the principal and the accumulated sum paid at maturity, or at the end of five

years. Thus each \$4.12 paid in grows in value from day to day until it becomes worth \$5 at the end of five years.

To facilitate the accumulation by those of small means of the price of the certificate stamp sold at \$4.12 to \$4.23, provision is made for the sale of 25-cent stamps which may be accumulated upon a card and turned in as payment for certificate stamps. This should appeal especially to school children; hence the committee has prepared an attractive card, known as a "thrift card," upon which the 25-cent thrift stamps will be affixed. Sixteen of these thrift stamps, with the necessary small change to bring the total up to the price of the certificate stamp, can be turned in to pay for such stamps.

Although the first issue of certificates and stamps are all to be printed as of the series of 1918, provision has been made for anticipating their sale so as to enable holiday makers and Christmas givers to avail themselves of the privilege of helping the Government in its need and at the same time make worthy gifts to their friends and little ones. With this object in view, it is intended to arrange for the issuance and sale of the 1918 certificates and stamps early in the month of December.

Every post office in the land will have them on sale; all banks and many stores and other reputable agencies will also be prepared to sell them. Many employers of labor will offer their employees facilities for purchasing these war-savings certificates.

Finally, the object of the loan in this form is to give every man, woman, and child in the United States the opportunity of doing his or her bit to help win the war and aid in the great task of bearing the torch of liberty to every land and every home. It is believed that the campaign of education about to be launched will serve the country in a permanent and lasting way in developing habits of thrift in all our people.

The Treasury circular relating to war-savings certificates is as follows:

[1917. Department Circular No. 94. (War-Savings Circular No. 1.) Loans and Currency.]

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November, 15, 1917.

The Secretary of the Treasury offers for sale to the people of the United States an issue of United States war-savings certificates, series of 1918, authorized by act of Congress, approved September 24, 1917. Payments for or on account of such war-savings certificates must be evidenced by United States war-savings certificate stamps, series of 1918, which are to be affixed thereto. The sum of such war-savings certificates outstanding shall not at any one time exceed in the aggregate \$2,000,000,000 (maturity value). The amount of war-savings certificates sold to any one person at any one time shall not exceed \$100 (maturity value), and it shall not be lawful for any one person at any one time to hold war-savings certificates to an aggregate amount exceeding \$1,000 (maturity value).

War-savings certificates, war-savings certificate stamps, and United States thrift stamps (described below) may be purchased, at the prices hereinafter mentioned, at post offices, and at numerous banks and other agencies to be appointed by the Secretary of the Treasury. Advance sales will begin December 3, 1917. All sales of war-savings certificates and war-savings certificate stamps made in December, 1917, will be at the January, 1918, price, and the date of issue of all certificates so sold will be deemed January 2, 1918.

DESCRIPTION OF WAR-SAVINGS CERTIFICATES.

A United States war-savings certificate, series of 1918, will be an obligation of the United States when, and only when, one or more United States war-savings certificate stamps, series of 1918, shall be affixed thereto. Each of such war-savings certificates will have spaces for 20 war-savings certificate stamps, series of 1918, and each of such stamps thereto affixed will have a maturity value of \$5 on January 1, 1923, which will accordingly give each such certificate, when bearing its full complement of such stamps, a maturity value of \$100 on said date. No war-savings certificate will be issued unless at the same time one or more war-savings certificate stamps shall be purchased and affixed thereto, but no additional charge will be made for the war-savings certificate itself. The name of the

owner of each war-savings certificate must be written upon such certificate at the time of the issue thereof.

War-savings certificate stamps, series of 1918, will be issued in 1918 at the following prices:

January.....	\$4.12	July.....	\$4.18
February.....	4.13	August.....	4.19
March.....	4.14	September.....	4.20
April.....	4.15	October.....	4.21
May.....	4.16	November.....	4.22
June.....	4.17	December.....	4.23

The average issue price above fixed for the year 1918 with interest at 4 per cent per annum compounded quarterly for the average period to maturity will amount to \$5 on January 1, 1923.

PAYMENT AT MATURITY.

Owners of war-savings certificates will be entitled to receive, on January 1, 1923, at the Treasury Department in Washington, or at a money-order post office, upon surrender of such certificates and upon compliance with all other provisions thereof, \$5 in respect of each war-savings certificate stamp, series of 1918, then affixed thereto; but no post office shall be required to make any such payment until 10 days after receiving written demand therefor.

PAYMENT PRIOR TO MATURITY.

Any owner of a war-savings certificate, at his option, will be entitled to receive at any time after January 2, 1918, and prior to January 1, 1923, at a money-order post office, upon surrender of his certificate and upon compliance with all other provisions thereof, in respect of each war-savings certificate stamp, series of 1918, then affixed to such certificate, the amount indicated in the following table; but no post office shall make any such payment until 10 days after receiving written demand therefor:

Month.	1918	1919	1920	1921	1922
January.....	\$4.12	\$4.24	\$4.36	\$4.48	\$4.60
February.....	4.13	4.25	4.37	4.49	4.61
March.....	4.14	4.26	4.38	4.50	4.62
April.....	4.15	4.27	4.39	4.51	4.63
May.....	4.16	4.28	4.40	4.52	4.64
June.....	4.17	4.29	4.41	4.53	4.65
July.....	4.18	4.30	4.42	4.54	4.66
August.....	4.19	4.31	4.43	4.55	4.67
September.....	4.20	4.32	4.44	4.56	4.68
October.....	4.21	4.33	4.45	4.57	4.69
November.....	4.22	4.34	4.46	4.58	4.70
December.....	4.23	4.35	4.47	4.59	4.71

Jan. 1, 1923, \$5.

REGISTRATION.

War-savings certificates may be registered without cost to the owners at any post office of the first, second, or third class, subject to such regulations as the Postmaster General may from time to time prescribe, and payment in respect of any certificate so registered will be made only at the post office where registered. Unless registered, the United States will not be liable if payment in respect of any certificate or certificates be made to a person not the rightful owner thereof.

WAR-SAVINGS CERTIFICATES NOT TRANSFERABLE.

War-savings certificates are not transferable and will be payable only to the respective owners named thereon, except in the case of the death or disability of any such owner.

TAX EXEMPTION.

War-savings certificates shall 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 or inheritance taxes, and (b) graduated additional income taxes, commonly 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. The interest on an amount of bonds and certificates authorized by said act of September 24, 1917, 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.

THRIFT CARDS AND THRIFT STAMPS.

Payments on account of war-savings certificates may also be evidenced by United States thrift stamps, having a face value of 25 cents each but bearing no interest. United States thrift stamps, however, must not be affixed to war-savings certificates, but only to thrift cards, which may be obtained without cost. Thrift stamps as such are not directly redeemable in cash, but each thrift card will have spaces for 16 such thrift stamps, and a thrift card, when bearing its full complement of such stamps, may be exchanged at a post office or other authorized agency, on or before December 31, 1918, for a war-savings certificate stamp,

series of 1918, and upon such exchange the owner of such thrift card must pay the difference between \$4 and the current issue price of war-savings certificate stamps during the month in which such exchange is made, as shown by the following table:

January.....	\$4.12	July.....	\$4.18
February.....	4.13	August.....	4.19
March.....	4.14	September.....	4.20
April.....	4.15	October.....	4.21
May.....	4.16	November.....	4.22
June.....	4.17	December.....	4.23

METHOD OF DISTRIBUTION AND SALE.

POST OFFICES AND FEDERAL RESERVE BANKS.

On or about December 3, 1917, war-savings certificate stamps and United States thrift stamps (together with thrift cards and war-savings certificates, with suitable pocket envelopes for such certificates) will be furnished (1) to post offices for sale to the public and to agents of the first class and (2) to Federal Reserve Banks, as fiscal agents of the United States, for distribution to agents of the second class and also for sale to banks which are agents of the first class; the classification of such agents being hereinafter provided for. Post offices and Federal Reserve Banks will maintain available supplies of stamps, certificates, and cards in amounts sufficient to meet the requirements for such distribution and sales.

OTHER AGENCIES.

Banks, bankers, and trust companies; railroad and express companies; department and other retail stores; the duly authorized representatives of labor, fraternal, and other associations; and other corporations, partnerships, and individuals; who patriotically offer their services without expense, either to the United States or to purchasers, will be among those whom the Secretary of the Treasury will in his discretion appoint as agents to sell war-savings certificate stamps and the United States thrift stamps and to issue war-savings certificates and thrift cards.

Blank forms of application for appointment as agent, with necessary information as to execution and filing, may be obtained from any money-order post office, from agent banks, or from State or local representatives of the National War-Savings Committee. Appointments will be made only under authorization of the Secretary of the Treasury.

No agent shall sell any United States thrift stamp at any price other than 25 cents for each stamp, nor any war-savings certificate stamp at any price other than the current issue price of such stamp during the month in which sold, as hereinabove specified.

CLASSIFICATION OF AGENTS.

Two classes of agents will be appointed: First, agents of the first class, who may neither obtain nor hold at any one time in excess of \$1,000 of war-savings certificate stamps (maturity value); second, agents of the second class, who may obtain at any time or times in excess of \$1,000 of such stamps (maturity value) for sale to the public.

AGENTS OF THE FIRST CLASS.

Agents of the first class may obtain, for sale to the public, from post offices, agent banks, or other authorized agents, war-savings certificate stamps in any amount desired, not, however, in excess of \$1,000 (maturity value), together with an adequate supply of war-savings certificates, upon payment for such stamps at the current issue price thereof during the month in which such stamps are thus obtained. Similarly, agents of the first class may obtain, for sale to the public, United States thrift stamps, together with an adequate supply of thrift cards, in any amount desired upon payment for such stamps at 25 cents each.

AGENTS OF THE SECOND CLASS.

Agents of the second class will be required to deposit with the Secretary of the Treasury, or with such agencies as he may designate, United States bonds of any Liberty Loan, or United States certificates of indebtedness, the aggregate par value of which shall be at least equal to the aggregate amount of war-savings certificate stamps, at the issue price thereof during December, 1918, as specified above, plus the aggregate face value of United States thrift stamps obtained by such agents, respectively. A further Treasury Department circular will shortly be issued specifying the terms and conditions for the deposit of such securities, or of such other securities, the deposit of which may be permitted by such circular under the conditions to be therein specified, and covering other matters of detail particularly concerning such agents of the second class.

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OTHER DETAILS.

War-savings certificates will not be receivable as security for deposits of public money and will not bear the circulation privilege.

The Secretary of the Treasury reserves the right at any time to revoke any or all appointments of agents, to withdraw war-savings certificates, war-savings certificate stamps, or United States thrift stamps from sale, to refuse to issue or to permit to be issued any war-savings certificates or thrift cards, and to refuse to sell or to permit to be sold any war-savings certificates or war-savings certificate stamps or United States thrift stamps to any person, firm, corporation, or association.

The right is also reserved to make from time to time any supplemental or amendatory regulations which shall not modify or impair the terms and conditions of war-savings certificates issued or to be issued in pursuance of said act of September 24, 1917.

Further details may be announced by the Secretary of the Treasury from time to time, information as to which will be promptly furnished to postmasters at money-order post offices and to other agents.

Indorsement by Directors.

In a circular letter, dated July 24, it was suggested by the Board that in compliance with section 22 a resolution of the board of directors of a member bank might be adopted, substantially as follows:

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

In order to remove any doubt as to whether such a resolution would cover notes discounted by a third party bearing the indorsement of directors or attorneys, it is suggested that wher-

ever this is necessary the foregoing resolution be modified to read as follows:

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

Income from Liberty Bonds Exempt from Tax.

The income from not to exceed \$5,000 face value of Liberty bonds, Treasury certificates of indebtedness, and war savings certificates authorized by the act of October 3, 1917, is exempt from all income and war excess profits taxes. The following was sent out from the office of Commissioner of Internal Revenue, Treasury Department, under date of November 8:

To collectors of internal revenue:

Attention is called to section 7 of the act of Congress approved September 24, 1917, providing for the issue of 4 per cent Liberty bonds, Treasury certificates of indebtedness, and war savings certificates, which reads as follows:

That none of the bonds authorized by section one, nor of the certificates authorized by section five, or by section six, of this act, shall bear the circulation privilege. All such bonds and certificates shall 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 or inheritance taxes, and (b) graduated additional income taxes, commonly 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. The interest on an amount of such bonds and certificates 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 subdivision (b) of this section.

You are hereby informed that holders (whether individuals, partnerships, associations or corporations) of Liberty bonds, Treasury certificates of indebtedness, and war

savings certificates authorized by the act of September 24, 1917, are entitled to exemption from all income and war excess profits taxes upon the interest received on a principal amount not to exceed \$5,000 face value of such obligations. If, for example, the holder owns \$5,000 Treasury certificates of indebtedness, \$7,000 4 per cent Liberty bonds, and \$2,000 war savings certificates, he will be entitled to exemption from graduated additional income taxes and war excess profits taxes upon only the interest received upon \$5,000 of the aforesaid obligations. It is immaterial whether the 4 per cent Liberty bonds were issued to the holder in exchange for Liberty bonds of the first series or Treasury certificates of indebtedness, or whether issued upon a new subscription. The exemption is upon the income from \$5,000 face value of the obligations issued by authority of the aforesaid act of September 24, 1917.

Standardizing Commercial Paper.

Progress in standardizing commercial paper is shown by the following, which was sent out by the clearing-house banks of Portland, Oreg.:

To our customers:

On November 14, 1917, the following resolution was passed unanimously by the Portland clearing-house banks:

"Resolved, That on and after December 1, 1917, the banks of the Portland Clearing House will accept commercial paper only when it is drawn with a fixed maturity date and for a period of six months or less."

Referring to the above resolution, kindly note that on and after December 1 next the undersigned will not accept notes drawn "On demand," but will require all obligations to be drawn with a fixed date of maturity not exceeding six months.

Canadian Bank of Commerce, First National Bank, Ladd & Tilton Bank, Bank of California, Natl. Assn. United States National Bank, Hibernia Savings Bank, Northwestern National Bank.

Use of Coin-Counting Machines.

Following is a circular letter issued on November 21 by the Federal Reserve Bank of Philadelphia:

To the banking institution addressed:

For your information your attention is again directed to a letter on the use of coin-counting machines, issued by the Federal Reserve Board some time ago, but which is especially appropriate at this time, reading as follows:

"The use of gold coin in machines for counting money has proved that there is quite a serious abrasion of the coin. This draws attention to the fact that in our country, as well as in Europe, the use of gold coin as currency in the hands of the people is disappearing. The public does not want to carry gold coin, and its use leads to rapid abrasion and consequent loss of value. In the United States it may be truly said that as a practical matter coined gold is only used as security behind gold certificates, or for foreign exchange purposes, where nothing else can be used in adjusting international balances.

"The manufacturers of coin-counting machines will undoubtedly make a strenuous protest against the enforcement of any order forbidding or discouraging the use of their machines for counting gold coin, but when the matter is explained to them they ought to see the importance of protecting the country's gold supply and discouraging the wasteful use of gold for pay rolls, especially when it is remembered that the recipient of gold coin would in most cases much prefer paper money. Of course, it is unnecessary to say that coin-counting machines are very valuable in counting silver money, and their use in this way is in no way objected to, silver coinage being accepted by tale and not by weight.

"It is suggested that the banks of your district be invited to point out to corporations or firms of their district using these coin-counting machines that they should forego the slight advantage or greater convenience derived from the use of gold in making up their pay rolls in view of the loss such use causes to the country by the abrasion involved and by the keeping in circulation of gold, which, if held by the Federal Reserve Banks, would add to the greater credit power of the country."

Exemption From Certain Taxes.

The Commissioner of Internal Revenue has written the Federal Reserve Board that, in his opinion, Federal Reserve Banks are not subject to the tax upon charges for telephone,

telegraph, and express service when such charges fall directly upon the Federal Reserve Bank.

Protection of Bank Depositors.

The Secretary of the Treasury on November 16 issued a statement as follows:

"Among the many absurd and vicious rumors which are being put into circulation these days, probably through pro-German influences, is one that the Government proposes to confiscate the money on deposit in the banks. The absurdity of the statement is obvious on its face, but I have received letters from several parts of the country which indicate that this rumor is being circulated for an evil purpose. Of course, these rumors are wholly without foundation. In fact, the Government has no power to confiscate the money of depositors in banks."

Christmas Gifts.

The following circular letter, issued by a large national bank in New York on November 16 to its customers, affords a statement of the policy that is being pursued by many institutions regarding the use of gold as holiday gifts.

To our customers and friends:

The use of gold coins as holiday presents, during the war period, is being discouraged by the Government—not for the purpose of abolishing a time-honored custom, but, to put it plainly, to conserve its supply of gold and thus help win the war.

That a hearty and willing response from everyone will be forthcoming goes without saying.

It occurs to us that excellent substitutes can be found, through the use of Liberty bonds, war-savings certificates, and United States thrift cards. These should not only prove to be acceptable presents, but their use would encourage the further development of thrift—to the importance of which the people of this country are slowly awakening. "Easy to come, easy to go," as the saying is, can be safely applied to money presents. Why not introduce the investment feature into your Christmas gifts? You will serve three purposes:

The spirit of the holiday time will be gratified.

The necessity for saving and for thrift will be emphasized.

Your country will be backed in its fight for right.

We will gladly furnish full details regarding Liberty bonds, war-saving certificates, or United States thrift cards, and are in position to supply them at face value. No charge for our services. Your cooperation in this will be direct support to a noble cause.

Success of the Second Liberty Loan.

The Secretary of the Treasury, on November 8, issued the following statement:

"On October 1, 1917, in Treasury Department Circular No. 90, the following announcement was made: 'The Secretary of the Treasury invites subscriptions, at par and accrued interest, from the people of the United States, for \$3,000,000,000 of United States of America 10-25 year 4 per cent convertible gold bonds, of an issue authorized by act of Congress approved September 24, 1917; the right being reserved to allot additional bonds up to one-half the amount of any oversubscription.'

"I congratulate the American people upon the phenomenal success of the second Liberty Loan. The final returns just received from the 12 Federal reserve banks show that the total subscriptions were \$4,617,532,300—an oversubscription of \$1,617,532,300, or approximately 54 per cent of the amount offered. This is a more gratifying result even than was the first Liberty Loan, when \$2,000,000,000 of bonds were offered and a subscription of more than \$3,000,000,000 was received.

"These financial operations, greater in magnitude than ever attempted by any other Government in the world, were not too great for the American people. They not only absorbed readily the full amount of the first and second Liberty Loans, but in each instance oversubscribed the loan by more than 50 per cent.

"It is an immensely gratifying fact that the second Liberty Loan was subscribed for by approximately 9,400,000 men and women of the country. In this number, it is estimated that 9,306,000, or 99 per cent, subscribed in amounts ranging from \$50 to \$50,000, the aggregate of such subscriptions being \$2,488,469,350. The fact that such a vast number subscribed for bonds is significant of the widespread interest of the people in the purposes

of the war, and of their determined support of the Government in all measures required for its vigorous prosecution.

"In conformity with the original announcement, I shall accept 50 per cent of the oversubscription, making the total issue of the second Liberty Loan \$3,808,766,150. Allotments will be made as follows:

Subscriptions.	Amount.	Allotment.	Amount.
Up to and including \$50,000.	\$2,488,469,350	100 per cent.....	\$2,488,469,350
Over \$50,000 up to and including \$100,000.	359,865,900	90 per cent, but not less than \$50,000 bonds.	323,879,600
Over \$100,000 up to and including \$200,000.	242,220,800	75 per cent, but not less than \$90,000 bonds.	181,665,800
Over \$200,000 up to and including \$1,000,000.	756,586,700	60 per cent, but not less than \$150,000 bonds.	453,952,000
Over \$1,000,000 up to and including \$8,000,000.	470,425,600	50 per cent, but not less than \$600,000 bonds.	235,212,800
Over \$8,000,000 up to and including \$30,000,000.	249,963,950	41.20 per cent, but not less than \$4,000,000 bonds.	102,985,200
\$30,000,000.....	50,000,000	40.3152 per cent..	20,407,600
Total.....	4,617,532,300	Total.....	3,808,766,150

The subscriptions by Federal Reserve districts are as follows:

	Total subscriptions received.	Quota.	Over-subscription.
			<i>Per cent.</i>
Boston.....	\$476,950,050	\$300,000,000	59
New York.....	1,550,453,450	900,000,000	72
Philadelphia.....	380,350,250	250,000,000	52
Cleveland.....	486,106,800	300,000,000	62
Richmond.....	201,212,500	120,000,000	68
Atlanta.....	90,695,750	80,000,000	13
Chicago.....	585,853,350	420,000,000	39
St. Louis.....	184,280,750	120,000,000	54
Minneapolis.....	140,932,650	105,000,000	34
Kansas City.....	150,125,750	120,000,000	25
Dallas.....	77,899,850	75,000,000	4
San Francisco.....	292,671,150	210,000,000	39
Total.....	4,617,532,300	3,000,000,000	54

"It is to the credit of the country that every Federal Reserve district exceeded its quota of the \$3,000,000,000 of bonds offered. The American people may well felicitate themselves upon this extraordinarily satisfactory result.

"It may be asked why I do not accept the full amount of the subscription. The answer is simple: The Government must never alter the basis upon which it offers an issue of bonds after subscriptions are closed. Having announced that only one-half of the oversubscription would be accepted, the Government

must, of course, faithfully observe that basis. Whenever loans are offered to the public, the banks and the public adjust themselves both consciously and unconsciously to the basis of the offering, and it would be extremely unwise to alter that basis after the subscriptions have been received.

"The success of the second Liberty Loan, like that of the first, is a distinct triumph for the people of the United States. It not only demonstrates their ability, patriotism, and resources, but augurs the certain success of any future loans that may be offered by the Government.

"This great loan would have been impossible without the loyal support and cooperation of the people of the country, but even that support could not have been secured except for the indefatigable, unselfish, and earnest work of hundreds of thousands of splendid men and women throughout the United States who threw themselves into the task without reservation. I wish to thank all these splendid volunteers and patriots, and I particularly wish to thank the bankers of America, the Liberty Loan organizations which were formed in every State, city, town, and community in the United States, the women of America who made a distinctive fight for the Liberty Loan through their own organizations throughout the country, the Boy Scouts and Girl Scouts, the newspapers and periodicals which gave, as in the first Liberty Loan, the most effective, unselfish and generous support through their columns and otherwise, the press associations, the business houses, the various patriotic organizations, cooperative and fraternal societies and other organizations throughout the length and breadth of the land which so generously and earnestly gave their services to the great cause. Thanks are due also to those employers who, in such large numbers, gave the fullest opportunity to their employees to subscribe to the loan upon terms commensurate with their ability to make the required payments.

"I should like to make special mention of the soldiers and sailors of America who came forward with subscriptions amounting to more per capita than those received from the civil population. These gallant men are not only giving their services and their lives to their country, but are lending their money as well to strengthen the Government in this great war for America's rights and world democracy.

"I understand that an impression prevails in some quarters that another offering of Government bonds will be made in the month of Jan-

uary, 1918, I desire to correct this impression. In view of the large over-subscription of the second Liberty Loan, I am glad to be able to state that this will not be necessary."

State Banks and Trust Companies Admitted.

The following list shows the State banks and trust companies which have been admitted to membership in the Federal Reserve system during the month of November:

	Capital.	Surplus.	Total resources.
Brooklyn Trust Co., Brooklyn, N. Y.	\$1,500,000	\$2,898,481	\$40,270,629
St. Clair County Savings Bank, Port Huron, Mich.	100,000	50,000	1,319,436
Citizens Bank, Clinton, Wis.	50,000	10,000	478,360
Miners Deposit Bank, Lykens, Pa.	50,000	110,000	679,897
Citizens Commercial Trust Co., Buffalo, N. Y.	1,250,000	1,250,000	18,196,063
Citizens Trust & Savings Bank, Columbus, Ohio	700,000	150,000	5,271,822
Savannah Bank & Trust Co., Savannah, Ga.	630,000	570,000	8,415,862
Manufacturers Trust Co., Brooklyn, N. Y.	1,000,000	300,000	15,031,812
The Baltimore Trust Co., Baltimore, Md.	1,000,000	2,000,000	15,990,745
Citizens Savings & Trust Co., Cleveland, Ohio	4,000,000	4,000,000	74,532,631
Manhattan Co., New York, N. Y.	2,050,000	4,500,000	82,004,144
Fidelity Trust Co., New York, N. Y.	1,000,000	1,000,000	13,965,146
Peoples Trust Co., Brooklyn, N. Y.	1,000,000	1,000,000	29,443,301
W. R. Grace & Co.'s Bank, New York, N. Y.	500,000	500,000	6,675,523
Paoli State Bank, Paoli, Ind.	25,000	750	194,868
Farmers' Banking Co., Prairie Depot, Ohio	30,000	6,000	339,528
Wayne Co. & Home Savings Bank, Detroit, Mich.	3,000,000	3,000,000	53,681,743
Baltimore Commercial Bank, Baltimore, Md.	500,000	100,000	2,668,945
Industrial Trust Co., Providence, R. I.	3,000,000	1,000,000	71,733,303
First Trust & Savings Bank, Chicago, Ill.	500,000	500,000	84,207,394
United States Bank of Chicago, Chicago, Ill.	200,000	30,000	869,220
Austin State Bank, Chicago, Ill.	500,000	100,000	2,668,743
Union Trust Co. of New York, New York, N. Y.	3,000,000	4,500,000	87,043,831
United States Mortgage & Trust Co., New York, N. Y.	2,000,000	4,000,000	93,377,698
Marion Central Bank, Marion, Ala.	50,000	100,000	497,661
Columbia Trust Co., New York, N. Y.	5,000,000	5,000,000	124,186,774
Hillsboro Bank & Savings Co., Hillsboro, Ohio	50,000	12,000	551,959
Scandinavian Trust Co., New York, N. Y.	1,000,000	1,500,000	11,359,362
The Citizens Commercial & Savings Bank, Flint, Mich.	150,000	175,000	3,433,805
B. Damsard & Son's State Bank, Monroe, Mich.	100,000	20,000	1,627,265
Lapeer Savings Bank, Lapeer, Mich.	50,000	10,000	545,282
Farmers State Bank, Spring Valley, Minn.	25,000	5,000	149,092
Ohio Banking & Trust Co., Massillon, Ohio	150,000	37,500	1,307,036
Kaspar State Bank, Chicago, Ill.	500,000	300,000	6,476,754
Union Bank, Jackson, Mich.	400,000	100,000	4,388,130
Central Bank & Trust Corporation, Atlanta, Ga.	1,000,000	300,000	9,620,109
Germania Bank of the City of New York	400,000	600,000	8,731,766

	Capital.	Surplus.	Total resources.
Passaic Trust & Safe Deposit Co., Passaic, N. J.	\$200,000	\$100,000	\$7,130,181
Utica Trust & Deposit Co., Utica, N. Y.	400,000	200,000	11,850,975
Bridgeport Trust Co., Bridgeport, Conn.	500,000	300,000	7,866,545
Kent State Bank, Grand Rapids, Mich.	500,000	500,000	9,419,740
The City Trust & Savings Bank, Youngstown, Ohio.	200,000	150,000	4,752,034
Citizens Trust Co. of Utica, Utica, N. Y.	500,000	400,000	10,641,931
The Grafton Banking & Trust Co., Grafton, W. Va.	100,000	30,000	1,180,082
Exchange Bank of Kentucky, Mount Sterling, Ky.	50,000	25,000	434,572
Enderlin State Bank, Enderlin, N. Dak.	50,000	10,000	395,259
Worcester Bank & Trust Co., Worcester, Mass.	1,250,000	500,000	24,123,410
Citizens & Southern Bank, Savannah, Ga.	1,000,000	1,000,000	18,537,851
Ladd & Tilton Bank, Portland, Oreg.	1,000,000	1,000,000	21,427,913
Philadelphia Trust Co., Philadelphia, Pa.	1,000,000	4,000,000	26,160,684
The Union Trust Co. of Pittsburgh, Pa.	1,500,000	34,500,000	137,516,868
The Union & New Haven Trust Co., New Haven, Conn.	650,000	500,000	4,574,303
Peoples Bank & Trust Co. of Westfield, N. J.	100,000	80,000	2,005,718
Oneida County Trust Co., Utica, N. Y.	250,000	250,000	2,428,746
Westminster Bank, Westminster, S. C.	100,000	25,000	453,433
Noel State Bank, Chicago, Ill.	300,000	75,000	2,581,716
Grand Rapids Savings Bank, Grand Rapids, Mich.	400,000	350,000	8,479,169
The Brunswick Bank and Trust Co., Brunswick, Ga.	100,000	72,000	1,049,176
The Citizens Bank of Norfolk, Va., Norfolk, Va.	600,000	500,000	5,896,002
Total.....	47,210,000	87,301,731	1,190,986,947

One hundred and seventy-six State institutions are now members of the system, having a total capital of \$179,865,700, total surplus of \$248,384,196, and total resources of \$4,275,468,908.

Membership of State Institutions.

The following letter, addressed to the officers and directors of State banks and trust companies in the State of Oregon, has been issued by the banking department of that State under date of November 10:

Since the establishment of the Portland branch of the Federal Reserve Bank of San Francisco, State bankers are showing considerable interest in the Federal Reserve system, and this office is receiving many letters, asking for information and advice regarding applications for membership.

The amendments to the Federal Reserve act, approved by the President June 21, 1917,

contain many liberal provisions pertaining to membership of State banks and trust companies. Prior to the enactment of these amendments, I felt a hesitancy in recommending membership to our State institutions, but since the privilege of retaining full charter and statutory rights has been extended, all objections have apparently been eliminated, and I am of the opinion that eligible banks will find membership exceedingly advantageous.

As I view it, the matter is both a patriotic duty and an economic expediency. Aside from the great need at this time for an efficient mobilization of the banking resources to fortify our Nation in meeting extraordinary war conditions, in my opinion, membership is going to prove very helpful in solving future problems and meeting contingencies that are sure to arise during the readjustment period after the war. Just now our Nation and the Federal Reserve system needs the support of the banks; later the banks are going to need the support of the system, and now is the time to make the alliance.

President Wilson, as you know, recently issued a call urging all eligible State banks to affiliate themselves with the Federal Reserve system to the end that the financial position of the country might be thereby materially strengthened. The matter, therefore, is entitled to the careful and thoughtful consideration of every banker in the State, and if your bank is eligible, a personal interview with the officials of the Portland branch would seem advisable, in order that the advantages of membership and the policies of the bank may be fully explained.

This department is ready and willing at all times to cooperate with you in every way possible.

Yours, very truly,

S. G. SARGENT,
Superintendent of Banks.

Organization of Branches.

The following is a draft of by-laws for use by branches of Federal Reserve Banks which organize as offices of the parent Federal Reserve Bank and not as branches assigned a distinct capital and territory. It is expected that the by-laws, as thus presented, will be adopted in practically this form by all branches which are organized on the new basis:

By-Laws of Branch Bank of Federal Reserve Bank of _____.

Pending the promulgation by the Federal Reserve Board of rules and regulations, under authority of section 3, governing the operations of branch banks, the following by-laws have been adopted by the Federal Reserve Bank of _____, with the approval of the Federal Reserve Board:

ARTICLE I.

SECTION 1. *Name and place of business.*—This branch shall have its principal place of business in the city of _____, State of _____, and shall be known as the _____ branch of the Federal Reserve Bank of _____.

SEC. 2. *Functions.*—Under the direction of the Federal Reserve Bank, hereinafter referred to as the head office, its functions shall be:

(1) To receive from any member bank within the collection zone assigned to it under section 3, Article I, of these by-laws, and from the United States, for credit with the head office, deposits of current funds in lawful money, national bank notes, Federal Reserve notes, or checks and drafts payable upon presentation, and for collection, maturing notes and bills.

(2) When tendered by such member banks within its zone as may elect to deal directly with the branch, to receive applications for rediscount under authority of section 13 of the Federal Reserve act, and to transmit such applications to the head office with the recommendation of the local board or of the discount committee selected by the local board.

(3) To pay checks drawn against the head office by member banks within its collection zone out of funds deposited with the branch by the head office for that purpose.

(4) To act as a clearing house for member banks within its zone and such nonmember banks as may qualify as clearing members.

(5) To provide for the custody of unissued Federal Reserve notes under appropriate safeguards and to deliver Federal Reserve notes when authorized to do so by the head office to member banks within its collection zone.

(6) To receive from any member banks or Federal Reserve Banks for collection and remittance, or for collection and credit with the head office, or with any other Federal Reserve Banks through the head office, items drawn against any bank within its collection zone.

(7) To receive from any nonmember bank or trust company within its collection zone solely for the purpose of exchange or collection, deposits of current funds in lawful money, national bank notes, Federal Reserve notes, checks and drafts payable upon presentation, or maturing notes and bills, provided, such nonmember bank or trust company maintains with the head office a balance sufficient to offset the items in transit held for its account by the head office and its branches.

SEC. 3.—The collection zone for _____ branch shall be known as the _____ zone, and shall include the following cities:

.....

.....

SEC. 4. *Reports.*—The _____ branch shall make a daily report to the head office on forms to be prescribed, showing—

(a) Amounts received on deposit for credit with the head office.

(b) Checks paid for the head office.

(c) Discounts recommended.

(d) Items received for collection and forwarded, and for which credit should be given by the head office at the expiration of the time allowed in collection schedule.

SEC. 5. *Reserve account.*—The balance appearing to the credit of a member bank on the books of the head office shall constitute its reserve, but member banks depositing with the branch may charge the Federal Reserve Bank with all items on day of deposit unless drawn against banks for which allowance is provided in collection schedule, in which case such banks may take credit at the expiration of such time allowance. Member banks may likewise take credit for the proceeds of discounts recommended by the local board on the date that the local board or its discount committee recommends the granting of such discounts, provided, the notes, drafts, or bills of exchange offered for rediscount, or the note of the applying bank secured by eligible collateral, have been actually received by the branch. The head office reserves the right to return through the branch any items which may be determined to be ineligible or which, for any reason the head office is unwilling to accept, in which case items so returned will be charged to the reserve account of the bank receiving credit therefor.

ARTICLE II.

SECTION 1. *Number and quorum.*—The number of directors shall be five, of whom the manager shall be one. A majority of the directors shall constitute a quorum for the transaction of business, but less than a majority may adjourn from time to time until a quorum is in attendance.

SEC. 2. *Vacancies.*—Vacancies in the membership of the board shall be filled and successors selected in the manner provided by law.

SEC. 3. *Meetings.*—There shall be a regular meeting of the board on the Tuesday next preceding the first Friday of each month at 10 o'clock a. m., or, if that day be a holiday, on the first succeeding full business day. The manager shall be empowered to call a special meeting at any time, or shall do so upon the request of the Federal Reserve Bank of _____ or the written request of any two directors. Notice of said meeting, if sent by mail, shall be mailed at least one day prior to date of meeting, and if given by telegraph or telephone at least two hours before the time of meeting.

SEC. 4. *Powers.*—(a) The board of directors shall supervise the operation of the branch under direction and control of the Federal Reserve Bank of ———, subject to such regulations as the Federal Reserve Board may prescribe, and shall exercise the functions prescribed in Article I, section 2, of these by-laws.

SEC. 5. Directors when present at directors' meetings shall receive a compensation of ——— dollars per day for each day the board is in session, and an allowance to cover actual necessary expenses incident to attendance at regular or special meetings of the board.

SEC. 6. The directors of the Federal Reserve Bank of ——— shall fix the compensation of officers, clerks, and employees of the branch, subject to the approval of the Federal Reserve Board.

SEC. 7. All expenditures of the branch shall be subject to the approval of the directors of the Federal Reserve Bank of ———.

SEC. 8. *Order of business.*—The following shall be the order of business at each meeting of the board of directors of the branch:

(1) Reading and disposition of minutes of the last regular meeting.

(2) Report of the manager, including information concerning banking and business conditions in the branch territory, as well as detailed summary of all business transacted since last regular meeting and statement of present condition, the latter to include:

(a) Statements concerning clearing operations.

(b) All official correspondence received from the Federal Reserve Bank of ———.

(3) Reports of committees.

(4) Unfinished business.

(5) Approval of reports and recommendations to Federal Reserve Bank of ———.

(6) New business.

ARTICLE III.

OFFICERS.

SEC. 1. The officers, who shall be chosen by the board of directors of the Federal Reserve Bank of ———, shall be a manager, who shall be one of the directors of the branch, and a cashier. They shall hold office during the pleasure of the directors of the Federal Reserve Bank of ———.

SEC. 2. *Manager.*—The manager shall preside at all directors' meetings and shall have general charge of the branch and shall be officially designated as "Manager, Branch." The manager shall, jointly with the cashier, have charge of all moneys received or paid out on account of the branch and shall sign all checks for the payment of money as may be authorized by the Federal Reserve Bank of ———. He shall have custody of all moneys, investments, and collaterals held by the branch, subject to such rules as the board may adopt as to their safety. In all cases where duties of subordinate officers of the

branch are not specifically prescribed by the by-laws or the board of directors of the branch or the Federal Reserve Bank of ———, they shall be the duties prescribed by and the instructions of the manager.

SEC. 3. *Acting manager.*—In the absence or disability of the manager, the Federal Reserve Bank of ——— may appoint an acting manager, who shall exercise the powers and discharge the duties of the manager; and for such services he shall receive a compensation to be fixed by the Federal Reserve Bank of ———.

SEC. 4. *Cashier.*—The cashier shall have such joint custody of all moneys, investments, and collaterals as may be delegated to him by the manager, subject to such rules as the board may adopt as to their safety. He shall countersign all checks for the payment of money signed by the manager. He shall keep the minutes of the board meetings and of all committees of the board and perform such other duties as may be assigned to him by the manager, subject to the approval of the board of directors.

SEC. 5. *Acting cashier.*—In the absence or disability of the cashier, the board of directors of the branch may appoint an acting cashier, who shall exercise the powers and perform the duties of the cashier and shall receive a compensation to be fixed by the Federal Reserve Bank of ———.

ARTICLE IV.

COUNSEL.

SECTION 1. The general counsel of the Federal Reserve Bank of ——— shall act as counsel for the branch, and shall represent the branch in such matters as may be assigned to him and shall approve all legal documents; and said general counsel may appoint a local attorney as associate counsel, with a retainer to be approved by the Federal Reserve Bank of ———.

ARTICLE V.

AUDITOR.

SECTION 1. The auditor of the Federal Reserve Bank of ——— shall act as auditor of the branch.

ARTICLE VI.

BUSINESS HOURS.

SECTION 1. The bank shall be open for business from 9 a. m. to 2:30 p. m., on each day except Saturdays and Sundays, or days or parts of days established as legal holidays. On Saturdays the bank shall open at 9 a. m. and close at 12 noon.

ARTICLE VII.

AMENDMENTS.

These by-laws may be amended at any regular directors' meeting by a majority vote of the entire board of directors of the Federal Reserve Bank of ———, subject to the approval of the Federal Reserve Board.

Credit Needs of Farmers.

The Bureau of Markets of the Department of Agriculture has tabulated reports from banks in several States upon the credit needs of farmers which can be supplied from local sources, and the department has furnished the results to the Federal Reserve Board. They are here republished, with the consent of the Department of Agriculture, as follows:

The accompanying returns indicate that of the total amount of capital which the farmer needs to borrow to plant crops this fall and next spring in the various States mentioned, namely, Montana, Idaho, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, and Texas, the amount available locally is inadequate. The extent to which available local capital is insufficient to meet the borrowing needs of the farmers in these States, varies somewhat between the States and within each of the States. Especially in Montana and North Dakota, and to a less extent in Texas, Oklahoma, and Kansas, is the insufficiency of local capital apparent, while in the States of Idaho, South Dakota, and Nebraska, there is little need on the whole for drawing on outside capital to meet the farmers' borrowing needs for crop purposes. In Montana, the estimated percentage of credit needs of farmers, which can be supplied from local sources, is 60.6 per cent for the fall crop 1917, and 57.6 per cent for the spring crop 1918. In North Dakota the corresponding percentages are 74.3 per cent and 71.7 per cent, respectively. In South Dakota and Nebraska, on the other hand, the percentage of capital available locally to meet the borrowing needs of farmers ranges above 90 per cent, the exact percentages for South Dakota being 92.6 per cent for the fall crop 1917, and 92.9 per cent for the spring crop 1918, the corresponding percentages for Nebraska being 90.6 per cent and 93 per cent respectively.

The need for outside capital to meet the borrowing needs of farmers is especially apparent in some of the districts within the States. Thus, in Montana less than one-half of the capital needed in the north central district is available from local sources, the percentage for the fall crop of 1917 being 44.1 per cent and for the spring crop 1918 being

47.2 per cent. Similarly, only a little more than one-half of the necessary capital is available locally in the northwestern and west central districts in North Dakota, the percentage for the fall crop 1917 in the northwestern district being 59.9 per cent and for the spring crop 1918 being 53.2 per cent, while in the west central district the percentages are 56 per cent and 44 per cent, respectively. Likewise, in the southwestern district of Kansas the capital available locally is 60.7 per cent for the fall crop 1917 and 45.2 per cent for the spring crop 1918. In the northwestern district of Oklahoma the percentage of available local capital for the fall crop 1917 is 49.2 per cent and for the spring crop 1918, 64.5 per cent. It will be noted that in such States as Montana, North Dakota, South Dakota, Kansas, and Texas the districts showing the greatest lack of available local capital for crop purposes are located in areas having relatively slight rainfall.

Estimated percentage of credit needs of farmers which can be supplied from local sources.

[Figures based on reports from banks.]

MONTANA.

Districts.	Percentage available locally of the total amount of money which farmers need to borrow—	
	To plant crops in fall of 1917.	To plant crops in spring of 1918.
Montana.....	60.6	57.6
1. Northwest.....	88.7	85.1
2. North central.....	41.1	47.2
3. Northeast.....	53.4	53.0
4. West central.....	77.5	71.2
4a. West central.....	100.0	100.0
5. Central.....	61.5	60.2
6. East central.....	53.5	57.5
7. Southwest.....	100.0	100.0
8. South central.....	88.5	86.6
9. Southeast.....	70.4	59.4

IDAHO.

Idaho.....	89.8	89.7
1. Northwest.....	93.1	96.1
2. North central.....	0	100.0
4. West central.....	83.8	57.9
5. Central.....	97.0	94.9
7. Southwest.....	95.0	93.7
8. South central.....	99.4	94.6
9. Southeast.....	86.8	88.5

Estimated percentage of credit needs of farmers which can be supplied from local sources—Continued.

[Figures based on reports from banks.]

NORTH DAKOTA.

Districts.	Percentage available locally of the total amount of money which farmers need to borrow—	
	To plant crops in fall of 1917.	To plant crops in spring of 1918.
North Dakota.....	74.3	71.7
1. Northwest.....	59.9	53.2
2. North central.....	87.0	79.7
3. Northeast.....	97.8	95.2
4. West central.....	56.0	44.4
5. Central.....	77.4	73.3
6. East central.....	100.0	96.9
7. Southwest.....	80.5	74.6
8. South central.....	78.8	78.2
9. Southeast.....	86.8	87.1

SOUTH DAKOTA.

South Dakota.....	92.6	92.0
1. Northwest.....	68.6	71.7
2. North central.....	95.6	94.7
3. Northeast.....	94.9	98.8
4. West central.....	87.4	88.8
5. Central.....	99.8	95.5
6. East central.....	96.9	96.3
7. Southwest.....	100.0	100.0
8. South central.....	75.8	75.4
9. Southeast.....	100.0	99.0

NEBRASKA.

Nebraska.....	90.6	93.0
1. Northwest.....	100.0	100.0
2. North central.....	96.7	97.0
3. Northeast.....	93.8	95.9
4. West central.....	67.3	86.3
5. Central.....	97.0	95.8
6. East central.....	99.4	99.7
7. Southwest.....	95.8	95.0
8. South central.....	96.9	99.5
9. Southeast.....	98.3	97.4

KANSAS.

Kansas.....	83.0	84.8
1. Northwest.....	81.0	89.1
2. North central.....	92.5	95.2
3. Northeast.....	99.2	98.0
4. West central.....	73.5	66.1
5. Central.....	79.0	85.2
6. East central.....	98.9	99.8
7. Southwest.....	60.7	45.2
8. South central.....	84.7	88.1
9. Southeast.....	95.9	97.2

OKLAHOMA.

Oklahoma.....	88.4	81.1
1. Northwest.....	49.2	64.5
2. North central.....	96.7	96.6
3. Northeast.....	95.0	96.8
4. West central.....	94.3	90.4
5. Central.....	97.4	86.8
6. East central.....	94.1	54.2
7. Southwest.....	84.6	86.1
8. South central.....	98.3	89.4
9. Southeast.....	98.3	91.1

Estimated percentage of credit needs of farmers which can be supplied from local sources—Continued.

[Figures based on reports from banks.]

TEXAS.

Districts.	Percentage available locally of the total amount of money which farmers need to borrow—	
	To plant crops in fall of 1917.	To plant crops in spring of 1918.
Texas.....	81.5	82.8
1. Northwest.....	71.9	69.3
2. North central.....	98.0	98.0
3. Northeast.....	91.8	94.2
4. West central.....	100.0	100.0
4a. West central.....	62.4	58.1
5. Central.....	83.3	79.7
6. East central.....	99.2	93.9
8. South central.....	77.7	62.8
9. Southeast.....	93.3	96.9

SUMMARY FOR IMPORTANT STATES.

Montana.....	60.6	57.6
Idaho.....	89.8	89.7
North Dakota.....	74.3	71.7
South Dakota.....	92.6	92.0
Nebraska.....	90.6	93.0
Kansas.....	83.0	84.8
Oklahoma.....	88.4	81.1
Texas.....	81.5	82.8

Coupons from United States Bonds.

The Treasurer of the United States on November 5 issued instructions for the handling of coupons from United States bonds, as follows:

Coupons from United States bonds are actually payable only on presentation to the Treasurer of the United States, to an Assistant Treasurer of the United States, or to a Federal Reserve Bank or branch thereof. When so paid they should be canceled by punching a hole one-fourth inch in diameter in the middle of the coupon and near the top thereof through the words "United States" or immediately thereunder. The hole must not be punched through the date or number on such coupon, nor through the amount thereon. Coupons should be arranged according to loan and denomination, 100 of the same kind being put under a strap. The remaining odds, arranged by loan and denomination, should be strapped in 100s, leaving only one package containing less than 100. Each strap should bear a statement in brief of the contents.

The total amount of coupons paid on any particular day should be charged in the Treasurer's account of that date and listed in the "abstract of payments" on the transcript of the paying office as "United States coupons paid \$.....," giving symbol number 17199, and forwarding in support of the debit a charge document on Form No. 6518 (if a Federal Reserve Bank), or No. 1748 (if a subtreasury)—"Statement of coupons paid—U. S. bonds." This charge document must accompany the transcript in which the entry is made.

Coupons should be packed securely, sealed and forwarded, by registered mail, to the Treasurer of the United States, Division of Banks, Loans, and Postal Savings, Washington, D. C. A statement of paid coupons (Form 5686), properly filled out, must be inclosed with the coupons. The date of this form must correspond to the date of the transcript of the Treasurer's account in which the coupons are charged and the total amount shown thereon must agree with the amount charged in said transcript.

All postal savings loans of series 1 to 6, inclusive, must be listed by series on Form 5686, while postal savings loans of the seventh and subsequent series must be listed under the head of "Consolidated series."

In order to facilitate the verification of coupons and the clearing of such items, it is urged that each paying agency prepare coupons with care and forward them promptly to the Treasurer the same day they are paid.

Nothing in these instructions is to be construed as prohibiting the holder of United States coupons from cashing them at any bank or trust company that is willing to accommodate its patrons in this respect, or at a post office authorized by the Postmaster General to cash such coupons. Coupons so cashed, however, must under no circumstances be canceled except by the Treasurer of the United States, an Assistant Treasurer, or a Federal Reserve Bank to whom they have been delivered for actual payment. Coupons previously canceled will not be so paid.

Bank Failures.

The Comptroller of the Currency on November 19 made the following statement:

The national banks of the country are now eight times as safe as they were during the 33-year period prior to June 30, 1914, provided we

accept as a criterion the reduced proportion of losses sustained by depositors of failed banks to the total deposits of the national banks during the past three years as compared with the preceding 33 years.

Records which have just been compiled show that for the 33 years from 1881 to 1914 the losses to depositors which arose from bank failures averaged annually during that period twenty-eight one-thousandths of 1 per cent of the aggregate deposits of the national banks during those years. During the fiscal years ending June 30, 1915, 1916, and 1917, the percentage of losses of failed banks to total deposits of all banks has averaged only about three one-thousandths of 1 per cent, or less than one-eighth of what these losses averaged during the preceding 33 years.

This great reduction in losses is largely the result of the improved system of national-bank examination, of the greater thoroughness exercised in these examinations, and of the policy of requiring national banks to observe more rigidly the provisions of the law intended for their protection and the protection of their depositors and shareholders.

The figures show that if the Government or an insurance company had been insuring deposits of all national banks from the year 1881 to 1914, it would have been necessary to charge the banks an annual premium of 28 cents per thousand, or \$280 per million, of deposits to cover the actual losses, but during the past three years under improved methods of examination the losses from national-bank failures have been so greatly reduced that the payment of less than $3\frac{1}{2}$ cents per thousand, or less than \$35 per million, of deposits would have been sufficient to insure the payment in full to all depositors of all the national banks which have failed during the past three fiscal years.

These figures were developed as a result of a special investigation recently made by the Comptroller of the Currency into the subject of national-bank failures in the United States for the past 36 years, or since July 1, 1881, which has just been completed. The investigation was not carried beyond 1881 because detailed figures for those earlier years are not available.

The record shows that the total approximate loss to depositors for these 36 years on account of all national-bank failures was \$36,671,000, or 18.87 per cent of the deposits of these failed banks. The average annual loss in the 36-year period for the entire country was therefore \$1,018,638.

The largest loss to depositors reported for banks failing in any one year was for the year ending June 30, 1897, when the losses to depositors aggregated \$3,815,608, and represented 152 one-thousandths of 1 per cent of the aggregate deposits of all national banks at that time. The proportion of losses to the total deposits of all banks for that particular year was more than forty times as great as the average for the past three years.

In 1897 the total deposits of all national banks amounted to \$2,515,000,000 and the losses to depositors from failed banks amounted, as above stated, to \$3,815,608. For the past year, deposits amounted to \$12,769,000,000, or over five times what they were in 1897, and yet the total losses to depositors of banks which failed in the year amounted to only about \$369,000, or less than one-tenth of what the depositors' losses amounted to for banks failing in 1897.

Of the 500 national banks which failed between 1881 and July, 1917, 36 were restored to solvency. Of the number that failed 11 were located in the central reserve cities, of which 1 was restored to solvency; 63 were located in the reserve cities, of which 6 were restored, and 426 were country banks, of which 29 were reopened. From 1881 to July, 1917, there were 6 national bank failures in New York City, 4 in Chicago, and 1 in St. Louis. The failed banks in New York City returned to depositors 94.26 per cent of their deposits. The St. Louis bank paid 96.60 per cent, and the Chicago banks paid an average of 100 per cent, with 1.38 per cent of interest added.

Among the 54 reserve cities there are 24 cities in which there have been no national bank failures since 1881. The reserve cities in which there were no bank failures for the period named are Albany, Washington, Richmond, Charleston, Atlanta, Savannah, Birmingham, Galveston, Houston, Waco, Chattanooga, Cleveland, Milwaukee, St. Paul, Cedar Rapids, Des Moines, St. Joseph, Omaha, Muskogee, Oklahoma City, Tulsa, Los Angeles, Salt Lake City, and Ogden.

There were 15 reserve cities reporting only 1 national bank failure in this period. These were Brooklyn, Baltimore, Fort Worth, Louisville, Nashville, Indianapolis, Detroit, Dubuque, Kansas City, Kans., Topeka, Pueblo, Seattle, Spokane, Portland, and San Francisco.

The only cities in which losses sustained by depositors of failed banks aggregated in these 36 years as much as \$1,000,000 were Boston, Philadelphia, and Cincinnati.

The reserve and central reserve cities in which the depositors of failed national banks have already received or are expected to receive eventually in the aggregate at least 90 per cent of the deposits of the banks which have failed since 1881 in these cities, are New York, Chicago, St. Louis, Boston, Pittsburgh, Baltimore, San Antonio, Louisville, Minneapolis, Kansas City, Mo., and San Francisco.

The depositors of the failed banks in the central reserve cities which failed in this period received an average of 98.14 per cent; in the reserve cities they received or are expected to receive an average of 82.65 per cent, while the depositors in the country banks received or are expected to receive an average of 75.62 per cent.

The aggregate capital of all banks which failed from 1881 to 1917 was \$77,533,000, and the aggregate of their deposits at the time of suspension was \$194,361,000. The approximate average payment on deposits was 81.13 per cent, while the average percentage of losses of depositors to total deposits of all national banks each year for the period was 23 one-thousandths of 1 per cent.

Commercial Failures Reported.

The highly favorable features which have characterized the insolvency record throughout this year continue in evidence, and commercial failures in the United States during three weeks of November, as reported to R. G. Dun & Co., number only 737, against 847 in the same period last year. In October—the latest month for which complete returns are available—there were fewer defaults than for any October in over a decade, with the smallest liabilities, excepting those of 1916, since 1909. The expansion in the indebtedness in comparison with last year was about \$2,000,000, or from \$10,775,654 to \$12,812,012, but there was a numerical reduction of 158, or from 1,240 to 1,082. Aside from the first, second, and third districts, where there were, respectively, increases of 23, 44, and 29 defaults, and in the ninth district, where there was no change, the number was smaller than in October, 1916, in all of the 12 Federal Reserve districts, the decreases ranging from 7 in the fourth district to 75 in the twelfth district. As to the amount

involved, there was more or less expansion in every instance, except the fourth, tenth, eleventh, and twelfth districts.

Failures during October.

Districts.	Number.		Liabilities.	
	1917	1916	1917	1916
First.....	133	110	\$1,260,557	\$825,361
Second.....	219	175	3,067,784	2,358,642
Third.....	69	40	942,480	410,820
Fourth.....	70	77	903,909	1,030,850
Fifth.....	69	100	1,698,482	1,568,475
Sixth.....	64	119	609,113	530,163
Seventh.....	152	169	2,246,269	1,438,967
Eighth.....	65	71	453,481	332,163
Ninth.....	45	45	274,920	273,594
Tenth.....	35	61	181,995	263,128
Eleventh.....	52	89	392,822	599,966
Twelfth.....	109	184	690,200	1,143,527
Total.....	1,082	1,240	12,812,012	10,775,654

Notes Issued and Redeemed.

The Comptroller of the Currency issued on November 20, the following statement relating to the national-bank notes and Federal Reserve notes issued and redeemed through his office during the year ending October 31, 1917, together with the amount of notes of each class in the Treasury vaults on October 31, 1917, and the amount of notes outstanding in the hands of the public on the same date:

Total amount of national-bank notes and Federal Reserve notes issued through the office of the Comptroller of the Currency during the year ending October 31, 1917.....	\$1,301,970,430.00
Amount redeemed and destroyed through office of Comptroller of the Currency, during some period.....	464,410,082.50
Total amount of notes outstanding October 31, 1917.....	1,644,520,095.00
Total amount new notes in vaults October 31, 1917.....	996,028,330.00

The large increase during the year (\$689,746,800) in the amount of Federal Reserve notes outstanding is due mainly to the issuance of Federal Reserve notes against the deposit of gold or gold certificates with the Federal Reserve Agents, amount of gold and gold certificates so held October 31, 1917, being approximately \$600,000,000.

The figures as to the printing, issue, and redemption and amount outstanding of national-

bank notes and Federal Reserve notes separately for the year ending October 31, 1917, are as follows:

	National-bank notes.	Federal Reserve notes.
New notes printed and delivered by the Bureau of Engraving and Printing from Oct. 31, 1916, to Oct. 31, 1917.	\$261,706,870.00	\$1,291,280,000
Notes issued by Comptroller's Office Oct. 31, 1916, to Oct. 31, 1917.....	325,570,430.00	976,400,000
Notes redeemed and destroyed through Comptroller's Office from Oct. 31, 1916, to Oct. 31, 1917.....	335,679,477.50	128,730,606
Excess of national-bank notes redeemed and destroyed Oct. 31, 1916, to Oct. 31, 1917, over amount issued during same period.....	10,109,047.50	.....
Excess of Federal Reserve notes issued Oct. 31, 1916, to Oct. 31, 1917, over amount redeemed and destroyed, same period.....	.....	847,669,395
Total amount of new notes in vault Oct. 31, 1917.....	341,688,330.00	654,940,000
Reduction during the year in national-bank notes in vault of.....	72,889,530.00	.....
Increase during the same period in Federal Reserve notes in vault of.....	.....	177,120,000
Total amount of notes outstanding Oct. 31, 1917.....	716,276,375.00	928,243,720
Reduction during the year in national-bank notes outstanding of.....	9,792,915.00	.....
Increase during the same period in Federal Reserve notes outstanding of.....	.....	689,746,800

Acceptances to 100 Per Cent.

Since the issue of the November BULLETIN the following banks have been authorized to accept drafts and bills of exchange up to 100 per cent of their capital and surplus: Massasoit-Pocasset National Bank, Fall River, Mass.; Mechanics National Bank, New Bedford, Mass.; Importers & Traders National Bank, New York City; W. R. Grace & Co.'s Bank, New York City; First National Bank, Cleveland, Ohio; Savannah Bank & Trust Co., Savannah, Ga.; Seaboard National Bank, New York City; Franklin Trust Co., New York City; Seaboard National Bank, Norfolk, Va.; Market Street National Bank, Philadelphia, Pa.

Fiduciary Powers.

The applications of the following banks for permission to act under section 11k of the Federal Reserve Act have been approved since the issue of the November BULLETIN.

DISTRICT No. 1.

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

Plymouth National Bank, Plymouth, Mass.

Trustee, executor, and administrator:
Vermont National Bank, Brattleboro, Vt.

DISTRICT No. 2.

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

Phillipsburg National Bank, Phillipsburg, N. J.

DISTRICT No. 7.

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

First National Bank, Manchester, Mass.

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 October 27, 1917, to November 30, 1917, inclusive:

	Banks.	
New charters issued to.....	12	
With capital of.....		\$415,000
Increase of capital approved for.....	13	
With new capital of.....		2,070,000
Aggregate number of new charters and banks increasing capital.....	25	
With aggregate of new capital authorized.....		2,485,000
Number of banks liquidating (other than those consolidating with other national banks).....	6	
Capital of same banks.....		335,000
Number of banks reducing capital.....	2	
Reduction of capital.....		52,800
Total number of banks going into liquida- tion or reducing capital (other than those consolidating with other national banks).....	8	
Aggregate capital reduction.....		387,800
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was.....		2,485,000
Against this there was a reduction of capital owing to liquidations (other than for con- solidation with other national banks) and reductions of capital of.....		387,800
Net increase.....		2,097,200

Principal Changes in the Condition of European Banks Since the Outbreak of the War.

Some idea of the effect of war financing on the status of the principal European banks of issue may be had from the following tables and

accompanying diagrams, indicating the changes, month by month, in the amounts of gold in vault, notes in circulation, and, in the case of the French and Russian Central banks, also amounts of advances to the Government carried on the books of the banks. These figures are not specified in the reports of the Bank of England or of the German Reichsbank, and for this reason more general figures showing the total loans and discounts held by the two banks were chosen. Figures of gold reserve include amounts of gold in vault only, i. e., are exclusive of gold, reported as held abroad by both the French and Russian banks.

Notes in circulation shown by the latter two banks represent practically the entire paper currency of the countries in question. In Great Britain the circulation is made up at present largely of currency notes issued by the treasury secured to a large extent by Government securities and to a much smaller extent by a deposit of coin and bullion with the exchequer. On October 31, 1917, the amount of currency notes outstanding was \$911,057,000, secured by \$783,950,000 of Government securities, of \$138,695,000 of coin and bullion, and of \$25,737,000, on deposit at the Bank of England. In Germany the circulation of the country includes besides the Reichsbank notes also notes of the other four banks of issue, which, however, have but local currency and are relatively unimportant, about 82.8 millions of Imperial treasury notes, and over \$1,300,000,000 of notes of the so-called war loan banks.

Figures of "advances to the Government" and "short-term bonds" shown by the French and Russian banks measure to some extent the degree of direct assistance rendered to the Government through the issuance of bank notes. Advances of the Russian bank as shown under the caption "Short-term treasury bonds" indicate a practically continuous growth since the outbreak of the war. Direct advances to the Government are also specified among the assets of the Bank of France, the totals showing two considerable temporary curtailments about the end of 1915 and 1916,

following the consummation of the two funded "rente" loans. For the Bank of England and the Reichsbank figures indicating the total loans and discounts outstanding were used, viz, total "securities," held by the banking department of the former, and total bills, including treasury bills, held by the latter. As a matter of fact the aid given to the Government by these two institutions was primarily through assistance to the private banks rather than by direct financing of the treasury. Both these banks of course have been discounting short-term treasury bills, but these bills are redeemed by the Government from the proceeds of the long-term funded loans. This procedure is most clearly indicated by the course of curve 3 in the diagram for the German bank, which shows sharp declines between March and April, also between September and October after the consummation of each of the six large loans prior to October of the present year.

Bank of England.

[In millions of £ sterling and dollars.]

Date.	Total gold and silver in issue and banking department.		Bank of England notes in actual circulation.		Total securities in banking department.	
	Millions of £.	Millions of dollars.	Millions of £.	Millions of dollars.	Millions of £.	Millions of dollars.
1914.						
July 29.....	38.0	184.9	29.7	144.5	58.3	283.7
Aug. 26.....	43.5	217.7	35.6	173.2	139.7	679.9
Sept. 30.....	52.9	257.4	35.0	170.3	141.6	689.1
Oct. 28.....	61.9	301.2	35.1	170.8	124.3	604.9
Nov. 25.....	72.2	351.4	35.3	171.8	137.6	669.6
Dec. 30.....	69.5	338.2	36.1	175.7	121.0	588.8
1915.						
Jan. 27.....	69.2	336.8	34.7	168.9	130.2	633.6
Feb. 24.....	63.9	311.0	34.2	166.4	129.9	632.2
Mar. 31.....	53.9	262.3	35.2	171.3	184.6	898.4
Apr. 29.....	55.2	268.6	34.7	168.9	197.8	962.6
May 26.....	61.7	300.3	32.9	160.1	190.3	926.1
June 30.....	52.2	254.0	34.6	168.4	204.0	992.8
July 28.....	60.9	296.4	33.5	163.0	245.4	1,194.2
Aug. 25.....	67.3	327.5	31.8	154.8	187.8	913.9
Sept. 29.....	61.5	299.3	32.8	159.6	163.6	796.2
Oct. 27.....	56.2	273.5	32.8	159.6	115.5	562.1
Nov. 24.....	52.5	255.5	33.3	162.1	117.0	569.4
Dec. 29.....	51.5	250.6	35.3	171.8	144.9	705.2
1916.						
Jan. 26.....	52.2	254.0	33.8	164.5	145.0	705.6
Feb. 23.....	55.0	267.7	32.5	158.2	126.2	614.2
Mar. 29.....	56.7	275.9	33.6	163.5	121.2	589.8
Apr. 26.....	58.9	286.6	34.1	165.9	121.6	591.8
May 31.....	60.2	293.0	35.4	172.3	110.8	539.2
June 28.....	61.4	298.8	35.9	174.7	129.5	630.2
July 26.....	56.4	274.5	36.0	175.2	117.4	571.3
Aug. 30.....	56.2	273.5	36.2	176.2	134.1	652.6
Sept. 27.....	53.6	260.8	36.5	177.6	137.6	669.6
Oct. 25.....	56.1	273.0	36.7	178.6	144.6	703.7
Nov. 29.....	56.0	272.5	37.7	183.5	146.5	712.9
Dec. 27.....	54.3	264.3	39.7	193.2	163.6	796.2

Bank of England—Continued.

[In millions of £ sterling and dollars.]

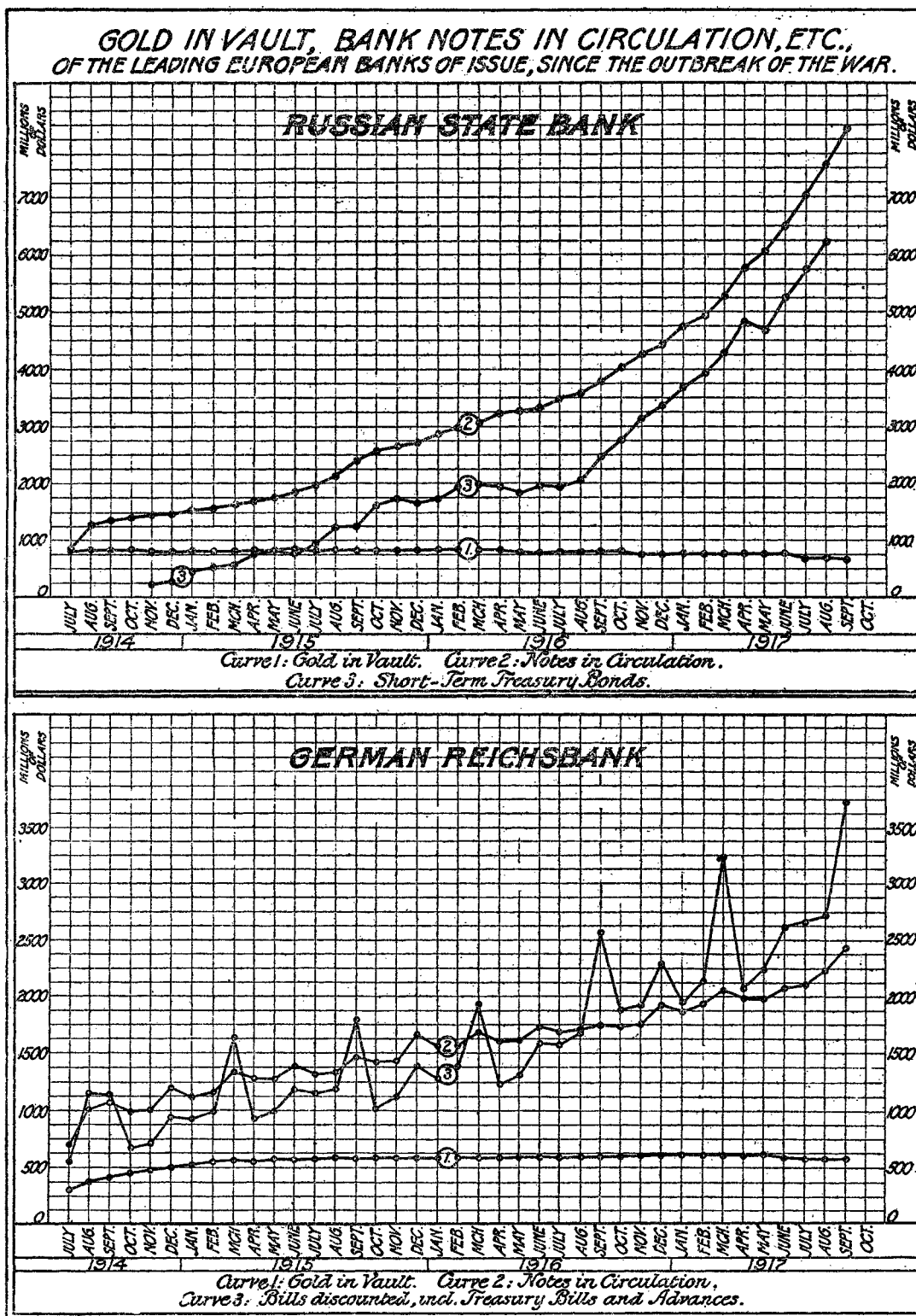
Date.	Total gold and silver in issue and banking department.		Bank of England notes in actual circulation.		Total securities in banking department.	
	Millions of £.	Millions of dollars.	Millions of £.	Millions of dollars.	Millions of £.	Millions of dollars.
1917.						
Jan. 31.....	56.7	275.9	39.6	192.7	196.1	954.3
Feb. 28.....	54.3	264.3	38.6	187.8	199.8	972.3
Mar. 28.....	54.0	262.8	38.3	186.4	163.6	796.2
Apr. 25.....	55.2	268.6	38.2	185.9	151.9	739.2
May 30.....	55.1	268.1	39.0	189.8	160.1	779.1
June 27.....	57.5	279.8	39.4	191.7	145.5	708.1
July 25.....	53.1	258.4	39.7	193.2	159.5	776.2
Aug. 29.....	54.3	264.3	40.4	196.6	163.4	795.2
Sept. 26.....	55.1	268.1	41.2	200.5	151.8	738.7
Oct. 31.....	56.0	272.5	42.4	206.3	151.9	739.2

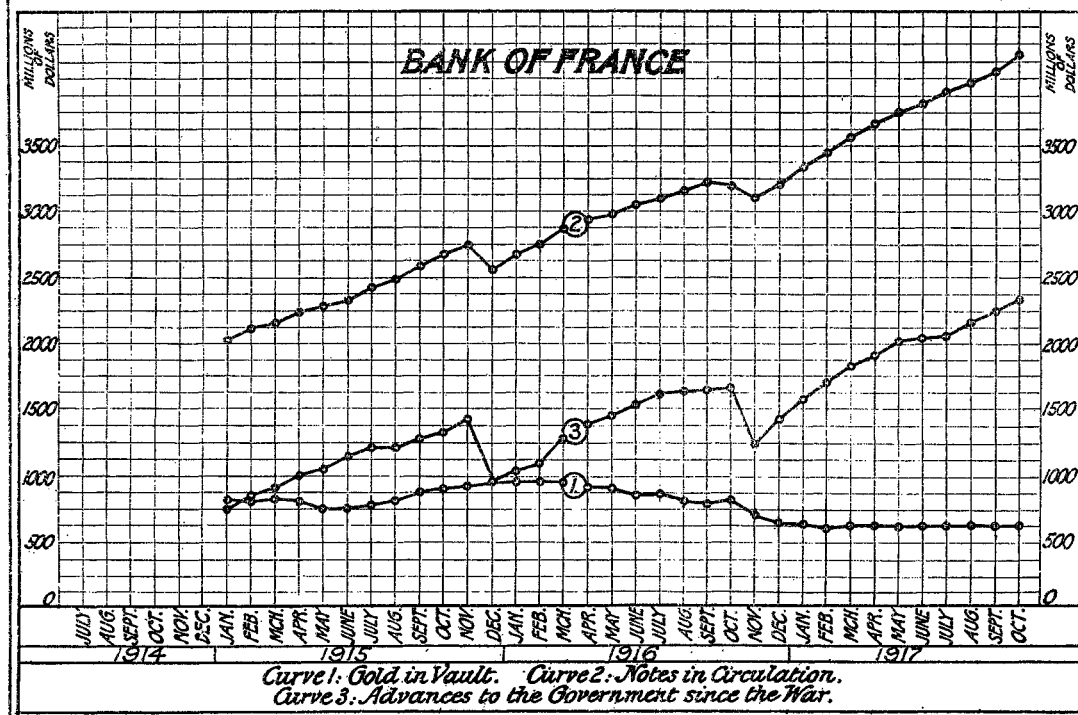
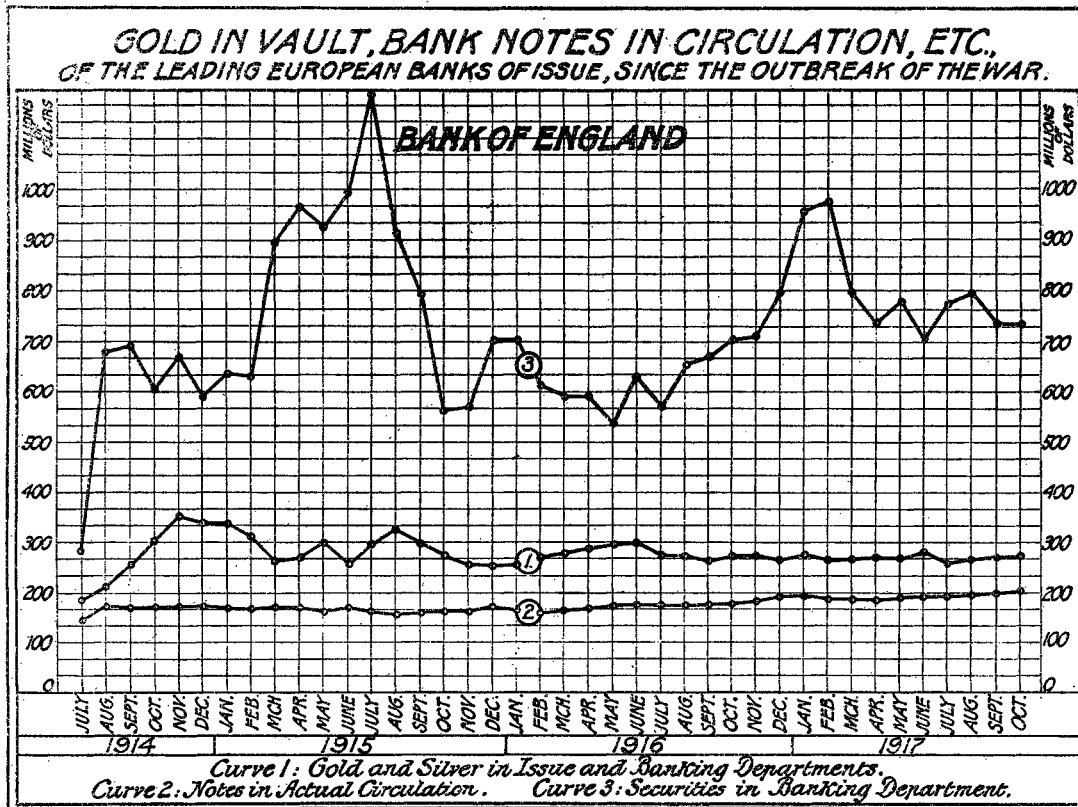
Bank of France.

[In millions of francs and dollars.]

Date.	Gold in vaults.		Notes in circulation.		War advances to Government.	
	Millions of francs.	Millions of dollars.	Millions of francs.	Millions of dollars.	Millions of francs.	Millions of dollars.
1914.						
July 30.....	4,141.3	799.3	6,683.2	1,289.9	.....	.....
August 1.....	.....	.....	.....	.....	.....	.....
September 1.....	.....	.....	.....	.....	.....	.....
October 1.....	.....	.....	.....	.....	.....	.....
November 1.....	.....	.....	.....	.....	.....	.....
December 1.....	.....	.....	.....	.....	.....	.....
1915.						
Jan. 25.....	4,233.8	817.1	10,473.5	2,021.4	3,900.0	752.7
Feb. 23.....	4,238.9	818.1	10,962.0	2,115.7	4,400.0	849.2
Mar. 25.....	4,248.7	820.0	11,176.5	2,157.1	4,700.0	907.1
Apr. 29.....	4,169.0	804.6	11,554.4	2,235.8	5,200.0	1,003.6
May 27.....	3,913.4	755.3	11,827.9	2,282.8	5,500.0	1,061.5
June 24.....	3,927.2	757.9	12,104.7	2,336.2	6,000.0	1,158.0
July 29.....	4,129.3	797.0	12,592.5	2,430.4	6,300.0	1,215.9
Aug. 26.....	4,266.3	823.4	12,950.3	2,499.4	6,300.0	1,215.9
Sept. 30.....	4,550.1	878.2	13,458.3	2,597.5	6,300.0	1,293.1
Oct. 28.....	4,730.0	912.9	13,867.6	2,676.4	6,900.0	1,331.7
Nov. 25.....	4,835.2	933.2	14,278.4	2,755.7	7,400.0	1,428.2
Dec. 30.....	5,015.3	968.0	13,309.9	2,568.8	5,000.0	965.0
1916.						
Jan. 27.....	5,011.6	967.2	13,858.0	2,674.6	5,400.0	1,042.2
Feb. 24.....	5,035.9	971.9	14,295.3	2,759.0	5,700.0	1,100.1
Mar. 30.....	5,006.3	966.2	14,952.1	2,885.8	6,700.0	1,293.1
Apr. 27.....	4,803.6	927.1	15,278.0	2,948.7	7,200.0	1,389.6
May 25.....	4,731.5	913.2	15,435.0	2,979.0	7,500.0	1,447.5
June 29.....	4,492.2	867.0	15,805.7	3,050.5	7,900.0	1,524.7
July 27.....	4,515.5	871.5	16,090.9	3,105.5	8,300.0	1,601.9
Aug. 31.....	4,239.0	818.1	16,424.6	3,169.9	8,400.0	1,621.2
Sept. 28.....	4,158.2	802.5	16,714.1	3,225.8	8,500.0	1,640.5
Oct. 26.....	4,247.4	819.7	16,559.2	3,201.7	8,600.0	1,659.3
Nov. 30.....	3,764.6	726.6	16,119.5	3,111.1	6,500.0	1,254.5
Dec. 28.....	3,382.8	652.9	16,678.8	3,219.0	7,400.0	1,428.2
1917.						
Jan. 25.....	3,326.9	642.1	17,328.2	3,344.3	8,100.0	1,563.3
Feb. 22.....	3,196.9	617.0	17,888.5	3,452.5	8,800.0	1,698.4
Mar. 29.....	3,252.4	627.7	18,459.8	3,562.7	9,500.0	1,833.5
Apr. 26.....	3,294.5	635.8	19,009.9	3,668.9	9,900.0	1,910.7
May 31.....	3,239.9	625.3	19,479.4	3,759.5	10,500.0	2,026.5
June 28.....	3,253.2	627.9	19,823.1	3,825.9	10,600.0	2,045.8
July 26.....	3,263.6	629.9	20,201.7	3,898.9	10,700.0	2,065.1
Aug. 30.....	3,274.7	632.0	20,568.9	3,969.8	11,200.0	2,161.6
Sept. 27.....	3,282.3	633.5	20,994.8	4,052.0	11,650.0	2,248.5
Oct. 25.....	3,289.0	634.8	21,705.3	4,189.1	12,150.0	2,345.0

¹ No bank statements issued.





Russian State Bank.							German Reichsbank.						
[In millions of rubles and dollars.]							[In millions of marks and dollars.]						
Date.	Gold in vault.		Notes in circulation.		Treasury short-term bonds.		Date.	Gold in vault.		Notes in circulation.		Discounts and advances.	
	Millions of Rubles.	Millions of Dollars.	Millions of Rubles.	Millions of Dollars.	Millions of Rubles.	Millions of Dollars.		Millions of Marks.	Millions of Dollars.	Millions of Marks.	Millions of Dollars.	Millions of Marks.	Millions of Dollars.
1914.							1914.						
July 21.....	1,601.1	824.6	1,634.1	841.6	-----	-----	July 31.....	1,253.2	298.3	2,909.4	692.4	2,283.3	543.4
Aug. 29.....	1,607.5	827.9	2,431.4	1,252.2	-----	-----	Aug. 31.....	1,556.5	370.4	4,234.9	1,007.9	4,855.0	1,155.5
Sept. 29.....	1,613.5	831.0	2,613.3	1,345.8	-----	-----	Sept. 30.....	1,716.1	408.4	4,490.9	1,068.8	4,786.4	1,139.2
Oct. 29.....	1,622.5	835.8	2,706.3	1,393.7	-----	-----	Oct. 31.....	1,858.3	442.3	4,170.8	992.7	2,809.1	668.6
Nov. 29.....	1,554.2	800.4	2,814.7	1,449.6	423.1	217.9	Nov. 30.....	1,991.3	473.9	4,205.4	1,000.9	2,968.2	706.4
Dec. 29.....	1,553.6	800.1	2,863.9	1,474.9	496.5	255.7	Dec. 31.....	2,077.2	498.1	5,045.9	1,200.9	3,959.4	942.3
1915.							1915.						
Jan. 29.....	1,557.3	802.0	2,997.9	1,543.9	859.6	442.7	Jan. 30.....	2,163.8	515.0	4,658.6	1,108.7	3,826.3	910.7
Feb. 21.....	1,569.0	808.0	3,078.8	1,584.6	1,001.0	515.5	Feb. 27.....	2,270.6	540.4	4,862.7	1,157.3	4,138.2	984.8
Mar. 29.....	1,571.3	809.2	3,198.3	1,647.1	1,131.5	582.7	Mar. 31.....	2,337.5	556.3	5,624.0	1,338.5	6,876.6	1,636.6
Apr. 29.....	1,573.2	810.2	3,277.3	1,687.8	1,453.3	748.4	Apr. 30.....	2,268.5	539.9	5,310.3	1,263.9	3,897.2	906.1
May 29.....	1,574.2	810.7	3,416.3	1,759.4	1,592.0	819.9	May 31.....	2,379.5	566.3	5,317.9	1,265.7	4,164.4	991.1
June 29.....	1,577.2	812.3	3,582.6	1,845.0	1,549.1	797.8	June 30.....	2,387.6	568.2	5,840.3	1,390.0	4,933.4	1,174.1
July 29.....	1,578.6	813.0	3,831.8	1,973.4	1,847.2	951.3	July 31.....	2,400.7	571.4	5,538.2	1,318.1	4,801.6	1,142.8
Aug. 29.....	1,585.5	816.5	4,092.3	2,107.5	2,368.7	1,219.9	Aug. 31.....	2,410.2	573.6	5,564.3	1,324.3	4,957.0	1,179.8
Sept. 29.....	1,590.8	819.3	4,621.8	2,380.2	2,395.5	1,233.7	Sept. 30.....	2,419.4	575.8	6,157.6	1,465.5	7,483.7	1,781.1
Oct. 29.....	1,598.3	823.1	5,018.0	2,584.3	3,140.0	1,617.1	Oct. 30.....	2,428.8	578.1	5,946.4	1,415.2	4,225.4	1,005.6
Nov. 29.....	1,608.3	828.3	5,164.6	2,659.8	3,326.9	1,713.4	Nov. 30.....	2,435.3	579.6	5,999.4	1,427.9	4,687.5	1,115.6
Dec. 29.....	1,611.7	830.0	5,304.6	2,731.9	3,244.6	1,671.0	Dec. 31.....	2,445.2	582.0	6,917.9	1,646.5	5,816.2	1,384.3
1916.							1916.						
Jan. 29.....	1,616.4	832.4	5,604.5	2,886.3	3,375.9	1,738.6	Jan. 31.....	2,453.5	583.9	6,502.4	1,547.6	5,294.8	1,260.2
Feb. 29.....	1,620.9	834.8	5,806.5	2,990.3	3,781.4	1,947.4	Feb. 29.....	2,457.1	584.8	6,554.3	1,560.0	5,797.2	1,379.7
Mar. 29.....	1,625.7	837.2	5,935.9	3,057.0	3,849.4	1,982.4	Mar. 31.....	2,460.1	585.5	6,988.1	1,663.2	8,124.4	1,933.6
Apr. 29.....	1,628.8	838.8	6,254.1	3,220.9	3,762.4	1,937.6	Apr. 29.....	2,461.8	585.9	6,696.9	1,593.9	5,138.1	1,222.9
May 29.....	1,541.5	793.9	6,286.2	3,237.4	3,520.0	1,812.8	May 31.....	2,464.4	586.5	6,737.6	1,603.5	5,507.9	1,310.9
June 29.....	1,540.3	793.3	6,443.1	3,318.2	3,795.2	1,954.5	June 30.....	2,465.7	586.8	7,240.5	1,723.2	6,621.5	1,575.9
July 29.....	1,547.4	796.9	6,753.1	3,477.8	3,762.2	1,937.5	July 29.....	2,467.8	587.3	7,024.4	1,671.8	6,554.7	1,560.0
Aug. 29.....	1,551.0	798.8	6,960.9	3,584.9	3,894.6	2,005.7	Aug. 31.....	2,469.0	587.6	7,117.9	1,694.1	7,090.2	1,687.5
Sept. 29.....	1,553.3	799.9	7,304.1	3,761.6	4,818.5	2,481.5	Sept. 30.....	2,484.8	591.4	7,370.0	1,754.1	10,769.3	2,563.1
Oct. 29.....	1,558.8	802.8	7,844.9	4,040.1	5,367.8	2,764.4	Oct. 31.....	2,506.1	596.4	7,260.0	1,727.9	7,891.4	1,878.2
Nov. 29.....	1,466.8	755.4	8,235.2	4,241.1	6,073.4	3,127.3	Nov. 30.....	2,518.5	599.4	7,333.7	1,745.4	8,088.1	1,925.0
Dec. 29.....	1,472.6	758.4	8,591.3	4,424.5	6,534.1	3,365.1	Dec. 30.....	2,520.5	599.9	8,054.7	1,917.0	9,619.5	2,289.4
1917.							1917.						
Jan. 29.....	1,475.4	759.8	9,204.6	4,740.4	7,126.5	3,670.1	Jan. 31.....	2,524.4	600.8	7,858.5	1,870.3	8,190.0	1,949.2
Feb. 21.....	1,474.9	759.6	9,557.2	4,922.0	7,640.4	3,934.8	Feb. 28.....	2,527.3	601.5	8,107.2	1,929.5	8,997.9	2,141.5
Mar. 29.....	1,479.5	761.9	10,277.8	5,293.1	8,339.4	4,294.8	Mar. 31.....	2,530.6	602.3	8,616.0	2,050.6	13,606.0	3,238.2
Apr. 29.....	1,479.8	762.1	11,186.6	5,761.1	9,372.9	4,827.0	Apr. 30.....	2,532.6	602.8	8,315.4	1,979.1	8,714.8	2,074.1
May 29.....	1,479.5	761.9	11,765.3	6,059.1	9,053.8	4,662.7	May 31.....	2,567.1	611.0	8,285.2	1,971.9	9,364.5	2,228.8
June 29.....	1,480.9	762.7	12,592.0	6,484.9	10,193.3	5,249.5	June 30.....	2,457.3	584.8	8,698.7	2,070.3	10,962.5	2,609.1
July 29.....	1,291.6	665.2	13,646.1	7,027.7	11,162.6	5,748.7	July 31.....	2,402.2	571.7	8,852.7	2,106.9	11,127.8	2,648.4
Aug. 29.....	1,297.9	668.4	14,676.2	7,558.2	12,037.4	6,199.3	Aug. 31.....	2,403.0	571.9	9,337.1	2,222.2	11,364.6	2,704.8
Sept. 29.....	1,295.2	667.0	15,887.0	8,181.8	-----	-----	Sept. 29.....	2,404.0	572.2	10,204.9	2,428.8	15,632.5	3,720.5
Oct. 29.....	1,295.2	667.0	18,362.1	9,456.5	-----	-----	Oct. 23.....	2,404.5	572.3	10,138.7	2,413.0	11,553.1	2,749.6

GOLD SETTLEMENT FUND.

Government financing, mainly payments on account of subscriptions to the second Liberty Loan and for the most recent issue of United States certificates of indebtedness, apparently account for the largely increased volume of clearings through the gold settlement fund during the five weeks ending November 22, 1917. Combined clearings and transfers for the week ending November 22 show the record total of \$1,092,920,000, total clearings and transfers for the period under consideration amounting to \$4,352,629,000, or over 14.8 per cent of the total clearings and transfers through the fund since its establishment in May, 1915. Changes in the ownership of gold in the fund amounted to only 1.77 per cent of the obligations settled, as against 7.42 per cent for the four weeks ending October 18 and 2.04 per cent from May 20, 1915, to November 22, 1917.

As may be seen from the table showing the changes in the ownership of gold, the New York, Boston, and Chicago banks report a heavy movement of funds to other Federal Reserve districts, mainly to Richmond, Atlanta, and St. Louis. Balances in the fund,

including amounts standing to the credit of Federal Reserve Agents, show a further increase and now aggregate \$737,612,110, as compared with \$679,184,260 on October 18 and \$272,-320,000 at the beginning of the present calendar year.

Below are given figures showing changes in the fund between October 18 and November 22, inclusive:

Amounts of clearings and transfers, Federal Reserve Banks, from Oct. 25 to Nov. 22, 1917, inclusive.

[In thousands of dollars.]

	Total clearings.	Balances adjusted.	Transfers.
Settlement of—			
Oct. 25, 1917.....	752,087	84,248	83,900
Nov. 1, 1917.....	695,925	61,592	120,500
Nov. 8, 1917.....	685,695	88,425	152,250
Nov. 15, 1917.....	697,862	45,923	71,490
Nov. 22, 1917.....	979,920	96,890	113,000
Total.....	3,811,489	377,078	541,140
Previously reported for 1917....	16,603,006	1,509,004	1,708,365.5
Total since Jan. 1, 1917....	20,414,495	1,886,082	2,249,505.5
Total transfers Jan. 1, 1917, to date.....	2,249,505.5		
Total for 1916, including transfers.....	5,633,966		
Total for 1915, including transfers.....	1,052,649		
Total clearings and transfers, May 20, 1915, to Nov. 22, 1917.....	29,350,615.5		

Changes in ownership of gold.

[In thousands of dollars.]

Federal Reserve Bank of—	Total to Oct. 18, 1917.		From Oct. 18 to Nov. 22, 1917, inclusive.				Total changes from May 20, 1915, to Nov. 22, 1917.	
	Decrease.	Increase.	Balance to credit Oct. 18, 1917, plus net deposits of gold since that date.	Balance, Nov. 22, 1917.	Decrease.	Increase.	Decrease.	Increase.
Boston.....		\$40,407	\$21,979	\$16	\$21,963			\$18,444
New York.....	\$576,422		52,201	28,507	23,694		\$600,116	
Philadelphia.....		67,499	26,962	33,511		\$6,549		74,048
Cleveland.....		93,993	49,809.6	58,485.6		8,676		102,669
Richmond.....		26,026	28,701.5	44,371.5		15,670		42,296
Atlanta.....		36,843	1,636	13,545		15,181		52,024
Chicago.....		70,033	94,472.66	74,938.66	19,534			50,499
St. Louis.....		19,510	10,611	26,140		15,529		35,039
Minneapolis.....		21,311	13,198	15,894	2,304			19,007
Kansas City.....		60,942.5	39,912.35	30,217.35	9,695			51,247.5
Dallas.....		41,544.5	9,901	19,204		9,303		50,847.5
San Francisco.....		97,713	24,787	31,069		6,282		103,995
Total.....	576,422	576,422	375,899.11	375,899.11	77,190	77,190	600,116	600,116

¹ Debit.

Gold settlement fund—Summary of transactions from Oct. 18 to Nov. 22, 1917, inclusive.

[In thousands of dollars.]

Federal Reserve Bank of—	Balance last statement, Oct. 18, 1917.	Gold.		Transfers.		Weekly statements from Oct. 18 to Nov. 15, 1917.				Nov. 22, 1917, balance in fund after close of business.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....	\$17,779	\$7,000	\$11,200	\$19,000	.....	\$12,671	\$259,876	\$256,913	\$9,708	\$16
New York.....	46,601	10,000	15,600	121,850	\$412,000	313,844	1,390,208	1,076,364	.....	28,507
Philadelphia.....	41,947	59,950	44,965	79,000	.....	.....	357,168	442,717	85,549	33,511
Cleveland.....	57,672.4	18,351.8	10,489	54,000	.....	.....	279,308	341,984	62,676	58,485.6
Richmond.....	31,021.6	14,702.1	12,382	46,000	6,000	.....	163,909	219,579	55,670	44,371.5
Atlanta.....	3,793.25	13,050	7,620.75	4,000	7,400	1,684	94,401	106,182	13,465	13,545
Chicago.....	63,381.16	53,010.5	84,102	36,600	31,000	39,859	510,741	496,807	25,925	74,938.66
St. Louis.....	20,956	12,750	2,405	15,000	10,000	798	241,367	261,896	21,327	26,140
Minneapolis.....	9,908	9,000	17,290	27,390	.....	.....	116,965	142,061	25,086	15,894
Kansas City.....	40,524.45	7,507	6,894.9	49,000	3,390	2,954	150,025	185,940	35,869	30,217.35
Dallas.....	14,441.4	8,740.4	4,200	24,300	8,000	.....	85,433	111,056	25,603	19,204
San Francisco.....	29,232	18,985	14,540	65,000	63,350	5,268	162,068	170,000	13,200	31,069
Total.....	377,257.26	233,046.8	231,688.65	541,140	541,140	377,078	3,811,489	3,811,489	377,078	375,899.11

Federal Reserve Agents' fund—Summary of transactions from Oct. 18 to Nov. 22, 1917.

[In thousands of dollars.]

Federal Reserve Agent at—	Balance last statement, Oct. 18, 1917.	Gold withdrawn.	Gold deposited.	Balance, Nov. 22, 1917.	Federal Reserve Agent at—	Balance last statement, Oct. 18, 1917.	Gold withdrawn.	Gold deposited.	Balance, Nov. 22, 1917.
Boston.....	\$2,000	.....	.....	\$2,000	Minneapolis.....	\$18,500	\$8,000	\$4,000	\$14,500
Philadelphia.....	32,939	\$32,265	\$53,950	54,624	Kansas City.....	23,360	500	5,500	23,360
Cleveland.....	20,000	300	10,300	30,000	Dallas.....	9,674	2,300	3,500	10,874
Richmond.....	24,800	.....	6,700	31,500	San Francisco.....	26,366	14,850	18,985	30,501
Atlanta.....	31,470	6,450	13,050	38,070	Total.....	301,927	117,959	177,745	361,713
Chicago.....	90,353	51,889	49,010	87,479					
St. Louis.....	22,460	1,405	12,750	33,805					

Operation of the Federal Reserve clearing system, Oct. 16 to Nov. 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 non-member banks on par list.
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.		
Boston.....	2,643	\$12,368,304	37,331	\$4,922,785	3,805	\$6,526,287	43,779	\$23,817,376	2,018	\$1,640,098	397	241
New York.....	5,350	72,910,887	38,592	15,910,259	21,870	12,636,673	65,812	101,457,819	15,887	6,610,037	651	346
Philadelphia.....	14,858	16,616,966	19,477	3,151,195	10,071	11,910,933	44,406	31,679,094	1,695	1,543,442	628	298
Cleveland.....	1,530	4,205,977	19,167	10,337,157	1,401	2,386,400	22,098	16,929,534	326	237,448	756	565
Richmond.....	1,253	4,302,908	20,850	6,978,792	2,195	5,071,431	24,298	16,353,131	404	183,541	526	265
Atlanta.....	1,421	2,096,599	11,318	2,904,034	1,311	2,192,344	14,050	7,192,977	788	490,051	431	237
Chicago.....	8,480	21,812,000	18,641	4,515,000	1,935	594,000	29,056	26,921,000	3,430	1,424,000	1,066	2,221
St. Louis.....	2,167	11,556,021	10,979	3,009,231	228	2,390,894	13,374	16,956,146	2,933	884,942	477	1,005
Minneapolis.....	2,599	6,822,141	13,274	1,410,516	911	2,035,527	16,784	10,268,184	267	64,150	768	1,024
Kansas City.....	2,194	6,569,828	16,599	6,113,469	776	5,351,099	19,569	18,034,396	1,184	748,000	955	1,525
Dallas.....	1,205	1,432,252	13,137	2,477,420	551	1,619,174	14,893	5,528,846	224	116,968	633	220
San Francisco.....	3,874	5,858,890	13,358	2,566,352	339	375,065	17,571	8,800,307	1,270	3,554,297	538	1,163
Totals:												
Oct. 16 to Nov. 15, 1917.....	47,574	166,552,773	232,723	64,296,210	45,393	53,089,827	325,690	283,938,810	30,426	17,496,974	7,826	9,210
Sept. 16 to Oct. 15, 1917.....	40,591	128,271,466	212,935	47,476,204	40,216	44,984,531	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	182,303,483	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	41,004,720	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	36,336,934	238,288	160,680,956	15,925	3,597,865	7,634	8,928
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	8,507

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 "On or Before 90 Days After Sight."

(To a Federal Reserve Bank.)

I have your letter of November 2, inclosing a letter from the ——— Bank in regard to bills drawn "on or before 90 days after sight."

I agree with you that we should not encourage or countenance this practice. If the bank accepts, it ought to accept for a definite period, otherwise the acceptance becomes in effect a limited demand note, or rather a certified check to be presented within a limited period of time. If an acceptance of this kind passed into the hands of a third party (other than the acceptor or the drawer), this third party could then according to his own requirements present this note for payment on any day he pleased, and probably the acceptor could not be put in funds in time. There may be conditions where the drawer—the goods being still in course of transportation—would not be in a position to cover the acceptor, even when requested by the latter to do so.

All that is required, I believe, is an understanding with the Federal Reserve Bank that it would permit the acceptor to take up its acceptance before maturity under rebate, and if a Federal Reserve Bank wants to encourage his business there is no reason why the Federal Reserve Bank could not make such an arrangement. But any such agreement would be a voluntary one between a holder of the acceptance and the acceptor and could not affect a fourth party who might happen to become the holder of the acceptance.

NOVEMBER 5, 1917.

Rediscount of Participation Certificate.

(To a Federal Reserve Bank.)

Your letter of October 24 raises the question whether a Federal Reserve Bank may rediscount a certificate of participation in a note, such note itself being eligible for rediscount.

The Board, after consultation with counsel, is of the opinion that there is no provision in the Federal Reserve Act which authorizes a Federal Reserve Bank to rediscount a participation certificate, because even though the original note is eligible for rediscount, a participation certificate nevertheless is nothing more than the evidence of an equitable interest in that original note, and does not in any way represent a legal claim against the maker of the note. Should a Federal Reserve Bank rediscount a participation certificate, there would be nothing to prevent the holder or trustee of the original note from selling or otherwise disposing of it to a bona fide holder for value, in which event the Federal Reserve Bank which had rediscounted the participation certificate would have no claim whatever against the maker of the original note, and no right to its proceeds against a holder in good faith.

Entirely apart from the risk involved, it does not seem that those sections of the Federal Reserve Act which authorizes the rediscount of notes, drafts, or bills of exchange can possibly be construed as authorizing the rediscount of an equitable interest in such notes, drafts, or bills of exchange.

NOVEMBER 1, 1917.

Public-Service Corporation Paper.

(To a Federal Reserve Agent.)

Receipt is acknowledged of your letter of the 14th instant, asking for the views of the Board as to the eligibility of notes of certain public-service corporations.

The Board wrote some time ago, either to you or to the governor of your bank, that this is a matter which it could not cover by a general ruling. It seems to be a matter for determination by the Federal Reserve Bank after an analysis of the statements rendered. If it is clear that the notes can not be liquidated within a short time out of current assets accruing through ordinary earnings, and that the borrowing is really for capital account, the notes should not be regarded as eligible. But, on the other hand, if the note is given in payment of material or supplies which are necessary to enable the public-service corporation to furnish goods (light, heat, or power) which it sells the public, and for which the public will pay at the end of

30 or 60 day periods, the note might be regarded as eligible, provided the statement of the corporation shows a satisfactory proportion of cash and accounts receivable against current liabilities. The cardinal test for eligibility is undoubtedly the ability of the public-service corporation to pay the obligation within 90 days out of collections accruing from current earnings.

NOVEMBER 17, 1917.

Tax on Promissory Notes.

(To Federal Reserve Banks.)

In December, 1914, Hon. Wm. H. Osborne, who was then the Commissioner of Internal Revenue, advised the Board that the following rulings had been made by his bureau:

"The rediscount of a note by a bank does not involve any tax liability.

"A promissory note payable on demand is not held to be renewed and subject to tax under the provisions of the internal revenue act of October 22, 1914, when accrued interest thereon is paid.

"A promissory note may have interest payments indorsed thereon without becoming subject to tax if the life of the note is not contingent upon payment of the interest and is not extended to a certain future date.

"A promissory note given for a fixed period which, when due, is allowed to run without suit, is not held to be renewed upon payment of interest. This is looked upon as a forbearance and not as a renewal; the holder not relinquishing his right for any stated period, and, therefore, no stamp is required in such cases."

The present commissioner, Hon. Daniel C. Roper, advises the Board that these rulings are deemed to be consistent with proper enforcement of the existing law. This information is given you in order that it may be transmitted to your member banks in such manner as may be deemed expedient.

NOVEMBER 28, 1917.

Stamp Tax on Acceptances.

(To a Federal Reserve agent.)

With reference to your telegram of November 8, reading as follows:

"Are acceptances originating outside but payable inside this country subject to stamp taxes?"

"Are acceptances originating inside but payable outside subject to stamp taxes?"

I beg to advise that the matter was referred to the Board's counsel for a ruling, which he has rendered as follows:

"In my opinion questions should be answered in the affirmative."

In support of his decision, counsel cites sections 800, 801, and 802 of the act approved October 3, 1917.

NOVEMBER 13, 1917.

Eligibility of Mutual Savings Bank.

(To an individual.)

Replying to your letter of the 25th instant, I would state that you are correct in your understanding that a mutual savings bank without capital stock or stockholders is not eligible, under the law, for membership in the Federal Reserve system.

OCTOBER 30, 1917.

State Bank Membership.

(To a State bank.)

I have received your letter of the 25th instant, in which you refer to the restrictions which disqualify your bank from membership in the Federal Reserve system. From what you say, however, I am not at all sure that your investments are of such a character as to disqualify you, for the Federal Reserve Act has been amended so as to allow State banks to become members and retain, at the same time, all of their charter and statutory privileges under their State laws. If you are authorized under your law to invest in real estate mortgages, the fact that you have large investments of this kind would not bar your bank from membership in the Federal Reserve system. Of course, if you should wish to rediscount with the Federal Reserve Bank you would be obliged to offer eligible paper, that is, commercial paper having not longer than 90 days to run, or agricultural paper or paper based on live stock maturing within six months.

OCTOBER 30, 1917.

(To a Federal Reserve Agent.)

I have received your letter of the 26th instant in reference to the inquiry of ———, as to whether his institution can become a member

of the Federal Reserve system as far as the reserve feature goes, without becoming amenable to all of the acts. I am inclosing for Mr. — information a copy of the Federal Reserve Act, as amended, and would refer you to section 9 which sets forth fully the terms, conditions, regulations, restrictions, and limitations of State bank membership. I think you will agree with me that the terms prescribed by the act are liberal enough, and that the Board can not, if it would, waive its right to make examinations, although it may not choose to exercise it, nor can it waive any of the other provisions and penalties prescribed in the section.

If admitted as a member, the — would not be disturbed in the enjoyment of the privileges or the exercise of the powers given by its charter, excepting in so far as these would conflict with the provisions of the Federal Reserve Act.

OCTOBER 30, 1917.

Method of Computing Discount.

(To a member bank.)

In reply to your letter of inquiry dated September 7 there is forwarded herewith a tabulated statement showing the methods used by each of the Federal Reserve Banks in computing discount.

Aside from the fact that New York and Boston Federal Reserve Banks figure discount on a 365-day basis while all the other Federal Reserve Banks use 360 days, the methods used by the Federal Reserve Banks do not vary. Discount is computed on the actual number of days the paper has to run, the date of payment of course varying in different States in accordance with the laws regarding holidays in force in the different jurisdictions.

Differences in the number of days and the amounts of discount shown in the above table result from the fact that a number of banks failed to take into consideration the fact that March 3 was a Saturday, when notes are not payable in some States, that July 1, 1917, fell on Sunday, also from the use of the 365-day basis by the New York and Boston banks instead of the 360-day basis, used by the other banks.

OCTOBER 29, 1917.

Deposits With Nonmember Banks.

(To an individual.)

Receipt is acknowledged of your letter of October 30, and in reply you are informed that section 19 of the Federal Reserve Act provides that—

“No member bank shall keep on deposit with any State bank or trust company which is not a member bank a sum in excess of 10 per cent of its own paid-up capital stock and surplus.”

This provision was clearly intended to apply to State banks and trust companies which become members of the system as well as to national banks. If there could have been any doubt on this subject it is removed by that part of section 19 as amended, which provides that:

“Banks becoming members of the Federal Reserve system under authority of this section shall be subject to the provisions of this section and to those of this act which relate specifically to member banks.”

NOVEMBER 3, 1917.

War Savings Certificates as Christmas Gifts.

(To a Federal Reserve Bank.)

Referring further to your letter of October 29, in which you inclose a letter from —, dated October 27, with reference to the use of gold as Christmas holiday gifts, I beg to advise you that at a meeting of the Federal Reserve Board, held November 16, the committee to which this matter had been referred reported that—

“* * * in view of the general opinion that gold should be concentrated, the attention of bankers, employers of labor, and of individuals should be directed to the new war savings certificate plan as being an entirely suitable and patriotic method of handling the matter. These war savings stamps will be on sale by December 1, descriptive literature is now on the press, and the Treasury circular will be issued within a few days.”

This report was approved by the Board.

NOVEMBER 19, 1917.

LAW DEPARTMENT.

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

Real Estate Loans by Foreign Branches.

A branch bank of a national bank established in a foreign country, under authority of section 25, may make loans on real estate located within 100 miles of the branch, provided such loans conform in all other respects to the provisions of section 24.

NOVEMBER 17, 1917.

SIR: This office has been requested to give consideration to the question of the right of a branch bank of a national bank established in a foreign country, under authority of section 25 of the Federal Reserve Act, to make loans on real estate.

Section 25 authorizes national banking associations possessing a capital and surplus of \$1,000,000 or more, under regulations prescribed by the Federal Reserve Board—

to establish branches in foreign countries or dependencies or insular possessions of the United States for the furtherance of the foreign commerce of the United States, and to act if required to do so as fiscal agents of the United States.

The act does not undertake to prescribe the functions of branches. It is to be assumed that national banks are to exercise through their branches the same corporate powers that are exercised by the parent bank, subject, of course, to such regulations of the banking business as may be contained in the laws of the foreign country in which the branch is located.

While the branch has no separate corporate entity and obligations assumed by it become obligations of the parent bank, it is to all intents and purposes a separate organization in the exercise of its functions. It is in this respect that it differs from an agency.

The Attorney General, in an opinion published in the "Opinions of the Attorney General 29, 81," discusses at some length the difference between an agency and a branch bank. In the course of his opinion he says:

"An agency requires no division of the capital stock, and the details of the business are few and are easily supervised by the officers of the bank, while a branch requires, in effect, a division of the capital, the working force is organized, and the business conducted as if it were a separate organization, and it competes in all branches of the banking business with other banks in that locality the same as if it were an independent institution." (Citing certain authorities in support of this proposition.)

This would seem to be particularly true of a branch operating in a foreign country. Such a branch must necessarily exercise the functions possessed by the parent bank in competition with other local banking institutions and if it is to meet such competition should not be restricted in its operations to any greater extent than the parent bank.

Section 24 of the Federal Reserve act provides that—

Any national banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land situated within its Federal Reserve district or within a radius of 100 miles of the place in which such bank is located, irrespective of district lines, and may also make loans secured by improved and unencumbered real estate located within 100 miles of the place in which such bank is located, irrespective of district lines; but no loan made upon the security of such farm land shall be made for a longer time than five years, and no loan made upon the security of such real estate as distinguished from farm land shall be made for a longer time than one year nor shall the amount of any such loan, whether upon such farm land or upon such real estate, exceed 50 per cent of the actual value of the property offered as security. Any such bank may make such loans, whether secured by such farm land or such real estate, in an aggregate sum equal to 25 per cent of its capital and surplus or to one-third of its time deposits and such banks may continue hereafter as heretofore to receive time deposits and to pay interest on the same.

The Federal Reserve Board shall have power from time to time to add to the list of cities in

which national banks shall not be permitted to make loans secured upon real estate in the manner described in this section.

It is manifest that a branch of a national bank located in a foreign country can not be situated within any Federal Reserve district, all of which districts are included within the geographical limits of the United States. Land accepted as security for a loan could not, therefore, be located in the same Federal Reserve district as the branch bank. It could, however, be located within 100 miles of the branch bank, and the question arises whether a branch may make loans on real estate located within 100 miles of its place of business if such loans comply in other respects with the provisions of section 24.

The question arises in connection with a branch established on the Isthmus of Panama by a national bank located in Washington, which is not a central reserve city. The manager of the branch bank makes the following statement of local conditions:

There are a great many people here of perfectly sound financial standing, but there are very few stocks, bonds, or other negotiable securities held by the moneyed classes.

The ordinary procedure of a successful merchant here is to put the bulk of his earnings into improved real estate. These urban properties have so high a rate of yield that ordinary bonds, etc., can not compete with them as attractive investments. Therefore in many cases when we make a loan if we wish actually to hold more than the names of the parties who sign the document we are forced to take a mortgage on some of their property.

It thus appears that unless this branch is permitted to accept the security of real estate on loans made, it will be forced to make only unsecured loans if it is to continue business in the country in question.

It is hardly probable that Congress intended to require branches of national banks to engage in the banking business in competition with local foreign banks under restrictions which would prohibit such branches from obtaining the benefit of local securities, and while the branch could not exercise any cor-

porate powers not possessed by the parent bank and must confine its loans on real estate to those specifically authorized by section 24, it is the opinion of this office that such branches may exercise any of the functions or corporate powers possessed by the parent bank subject only to the restrictions that are contained in the National Bank Act and the Federal Reserve Act, and subject, of course, to the laws of the country in which the branch is located which regulate the banking business.

In this view, section 24 should be construed as authorizing the branch bank to make loans on real estate located within 100 miles of the branch, provided such loans conform in all other respects to the provisions of section 24.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. W. P. G. HARDING,

Governor Federal Reserve Board.

Applications for Membership by State Banks Before Commencing Business.

A State bank may make application for membership in the Federal Reserve system as soon as it has been granted a charter and is authorized to commence business.

NOVEMBER 10, 1917.

SIR: The accompanying letter raises the question whether a State bank or trust company may apply for membership in the Federal Reserve system after organization but before the applying bank has actually commenced business.

Section 9 of the Federal Reserve Act provides that—

Any bank incorporated by special law of any State or organized under the general laws of any State of the United States, desiring to become a member of the Federal Reserve system, may make application to the Federal Reserve Board, under such rules and regulations as it may prescribe, for the right to subscribe to the stock of the Federal Reserve Bank organized within the district in which the applying bank is located. Such application shall be for the same amount of stock that the applying bank would be required to subscribe to as a national bank. The Federal Reserve

Board, subject to such conditions as it may prescribe, may permit the applying bank to become a stockholder of such Federal Reserve Bank.

Under this language a bank would clearly be entitled to make an application as soon as it has been granted a charter and is authorized to commence business. This section further provides that—

In acting upon such application the Federal Reserve Board shall consider the financial condition of the applying bank, the general character of its management, and whether or not the corporate powers exercised are consistent with the purposes of this act.

This might seem to indicate that Congress intended to permit only those banks to apply for membership which are actively engaged in exercising their corporate powers. The purpose of this provision, however, was manifestly to enable the Board to determine whether the functions of the applying bank are banking functions or whether it is engaged in a business which is inconsistent with the provisions of the Federal Reserve Act. It presupposes that the applying bank possesses corporate powers, the exercise of which would not be consistent with the purposes of the act. If, therefore, the charter of the applying bank does not contain corporate powers which should not be exercised as a member bank, there would seem to be no reason why the Board should not authorize its membership. In any event, there would seem to be no reason why a bank incorporated under a State law should not file its application with the Federal Reserve Board for such action as it may deem necessary.

Respectfully,

M. C. ELLIOTT, *Counsel.*

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

**Rediscount of Bank's Note given for Funds to Replace
Deposits Withdrawn to Purchase Liberty Bonds.**

A note executed by Bank "A" and discounted by Bank "B," the proceeds of which were used to replace funds withdrawn by customers to purchase Liberty bonds, is

not eligible for rediscount by a Federal Reserve Bank, since the proceeds were not used for an agricultural, industrial, or commercial purpose, or for the purchase of notes or bonds of the United States.

NOVEMBER 1, 1917.

SIR: The attached letter presents for consideration the following case:

Bank "A" finds it necessary, on account of heavy withdrawals made to pay for Liberty bonds, to borrow on its note. It executes a promissory note secured by stocks and bonds other than bonds of the United States and discounts this note with Bank "B." Bank "B" subsequently offers the note of Bank "A" to the Federal Reserve Bank for rediscount. You have asked whether in the opinion of this office this note can be considered as eligible on the ground that the proceeds of the original discount were used to replace deposits withdrawn from Bank "A" by customers purchasing Liberty bonds.

Under section 13 of the Federal Reserve Act the eligibility of a note for rediscount is determined by the use of the funds derived from the original negotiation of the note. The collateral security of the note may indicate its use, but the form of collateral is otherwise immaterial. In other words, a note might be secured by railroad stocks and bonds, but the proceeds might be used for an agricultural, industrial, or a commercial purpose, in which event the note would be eligible for rediscount, although it would not be if the proceeds were used to purchase or carry the railroad stocks and bonds.

Applying this test to the case under consideration, it seems clear that the proceeds of the note executed by Bank "A" and discounted by Bank "B" were not used for an agricultural, industrial, or commercial purpose. They became a part of the general assets of the bank, having been borrowed to replace deposits withdrawn, and presumably were to be used to pay depositors or to make loans to customers. If it could be shown or assumed that these funds were used by the bank to purchase or carry United States bonds, the note in question would be eligible for rediscount; but since there is no

justification for such an assumption the note does not, in the opinion of this office, come within the classification of eligible paper.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. W. P. G. HARDING,

Governor, Federal Reserve Board.

Deduction of Federal Reserve Bank Stock from Tax Assessments Levied on Shareholders of National Banks.

The following opinion rendered recently by Judge Sater of the United States District Court, Southern District of Ohio, Western Division, holds that Federal Reserve Bank stock which is held by a national bank can not be deducted by such national bank in making a return of the value of its own stock for the purposes of taxation.

[United States District Court, Southern District of Ohio, Western Division. First National Bank of Cincinnati, Ohio, Plaintiff, v. Peter W. Durr, auditor of Hamilton County, Ohio, et al., Defendants. No. 86. *On motion to dismiss.*]

Sater, District Judge: The motion to dismiss the bill operates as a demurrer. It admits that, after the plaintiff's cashier had made the return for taxation purposes of plaintiff's resources and liabilities, with a statement of the names and residences of its stockholders, the number of shares held by each and the par value of each share, the defendant auditor delivered to his codefendant as county treasurer the tax duplicate authorizing him to collect, as in the Ohio statutes provided, the taxes charged against the owners of the shares of stock in the plaintiff bank, which taxes so charged include the sum of \$3,339.36, assessed on account of the State, county and municipal taxes claimed to be due on account of the plaintiff's ownership of \$4,320 shares of stock held and owned by it in the Federal Reserve Bank of the district within which Cincinnati is located. The plaintiff claims that the provisions of section 5219, R. S. U. S. (Act June 3, 1864, sec. 41, 13 Stat. 111, as amended Feb. 10, 1868, 15

Stat. 34) are so far repealed by section 26 of the Federal Reserve Act (Act Dec. 23, 1913, 38 Stat. 251), that the shareholders in the plaintiff bank are exempt from taxation by virtue of section 7 of the last-named act on so much of its capital and surplus as is invested in stock of the Federal Reserve Bank. A temporary injunction issued when the bill was filed.

Under section 5219, the States are empowered to tax the shares of stock of national banks by including them in the valuation of the personal property of the owners in the assessment of taxes. The only restriction on this power of taxation is that taxation thereon shall not be any greater than is assessed on other monied capital in the hands of individual citizens of the State imposing the tax, and that the shares of any national bank owned by nonresidents of any State shall be taxed in the city or town where the bank is located and not elsewhere. Real property of national banks is by the same section made subject to local taxation to the same extent as other real property.

The Legislature of Ohio, in pursuance of the authority conferred by section 5219, has declared that all the shares of stockholders in an incorporated State or national bank shall be listed at their true value in money and shall be taxed only in the city, ward or village within which the bank is located. Section 5408, Ohio G. C. A national bank is required to keep at its place of business a full and correct list of the names and residences of its stockholders and the number of shares held by each, which list shall at all times during business hours be open to the inspection of local taxing officers. Section 5410. The cashier of such bank is required to make a return to the county auditor of the bank's resources and liabilities, with a full statement of the names and residences of its stockholders, the number of shares held by each and the par value of each share. Section 5411. The auditor then determines the value of the shares of such bank. Section 5412. The taxes assessed on the shares or their par value are made a lien thereon

from the first Monday of May in each year until they are paid. The duty is imposed on the bank to collect the taxes due upon its shares of stock from the several owners of the shares and to pay the same to the county treasurer. Failure to do so is attended with a penalty. Section 5672. The bank, having paid the tax assessed upon the shares held by its stockholders, is authorized to deduct the amount so paid from the dividends that are due or that may become due on such shares, and is given a lien upon the same and on all funds in its possession belonging to its shareholders or which may at any time come into its possession, for its reimbursement for the taxes so paid on account of its several shareholders, with legal interest, which lien may be enforced in an appropriate manner.

Section 2 of the Federal Reserve Act required every national bank to signify in writing within 60 days after the passage of the act its acceptance of its terms and provisions. Any bank failing for one year to become a member of the Federal Reserve Bank forfeited all of its rights, privileges and franchises. The amount of each national bank's subscription to the capital stock of the Federal Reserve Bank in the district in which such national bank is situated must be 6 per cent. of its paid up capital stock and surplus. For the subscription thus made, the national bank becomes a shareholder or stockholder in the Federal Reserve Bank, but may not transfer or hypothecate its shares, each of which is of the face value of \$100. (Sec. 3.) Section 7 provides that—

“Federal Reserve Banks, including the capital stock and surplus therein, and the income derived therefrom, shall be exempt from Federal, State and local taxation, except taxes upon real estate.”

In *Tennessee v. Whitworth*, 117 U. S. 129, 136, Mr. Chief Justice Waite, in speaking of taxable corporate elements, said:

“In corporations four elements of taxable value are sometimes found: 1, franchises; 2, capital stock in the hands of the corporation; 3, corporate property; and, 4, the shares of the capital stock in the hands of the individual

stockholders. Each of these is, under some circumstances, an appropriate subject of taxation.”

By the unambiguous provisions of Section 5219, the power of the States to tax national banks is confined to a taxation of the fourth of the above elements—i. e., the shares of stock in the names of the shareholders, and to an assessment of the real estate of the bank. *Owensboro National Bank v. Owensboro*, 173 U. S. 664, 669; *People v. Weaver*, 100 U. S. 539, 549; *State, Northward National Bank v. City of Newark*, 39 N. J. L. 380, 383; *Flint v. Board of Aldermen*, 99 Mass. 141, 145; *First National Bank of Richmond v. City of Richmond*, 39 Fed. Rep. 309.

When the plaintiff subscribed to the capital stock of the Federal Reserve Bank, it permanently invested a portion of its capital and, it would seem, of its surplus also. Capital is thus defined in *Bailey v. Clark*, 88 U. S. 284, 286:

“When used with respect to the property of a corporation or association, the term has a settled meaning; it applies only to the property or means contributed by the stockholders as the fund or basis for the business or enterprise for which the corporation or association was formed.”

Capital or capital stock (the terms being often used synonymously) is not the same thing as the shares of capital stock. In *Farrington v. Tennessee*, 95 U. S. 679, 687 (quoted with approval in *Powers v. Detroit & Grand Haven Ry.*, 201 U. S. 543, 560), it is said:

“The capital stock and the shares of the capital stock are distinct things. The capital stock is the money paid or authorized or required to be paid in as the basis of the business of the bank and the means of conducting its operations. * * * The capital stock and the shares may both be taxed, and it is not double taxation. The bank may be required to pay the tax out of its corporate funds, or be authorized to deduct the amount paid for each stockholder out of his dividends.”

The Federal Reserve Act recognizes and maintains the distinction between capital stock

and the shares of capital stock. See Secs. 5 to 8, both inclusive. It will be further noted that the term "capital stock," when used in referring to a national bank, has the same meaning as when applied to a Federal Reserve Bank. The exemption from Federal, State and local taxation, given by section 7 of such act, by express language extends only to the banks organized under that act, "including the capital stock (capital) and surplus therein, and the income derived therefrom." The correct interpretation of such an exempting clause is gathered from *Railroad Companies v. Gaines*, 97 U. S. 697, 707, in which it was said:

"In general, an exemption of capital stock, without more, may, with great propriety, be considered, under ordinary circumstances, as exempting that which, in the legitimate operation of the corporation, comes to represent the capital."

The exemption provided in section 7 does not extend to national banks organized under the national banking law. Had Congress intended that their capital stock should be relieved from taxation, it would have said so.

The stock purchased by the plaintiff in the Federal Reserve Bank is but a nontaxable investment of a part of its capital and surplus. As said in *First National Bank v. Albright*, 208 U. S. 548, 553:

"The law does not consider the nature of a bank's investments not taxed in fixing the value of its stock. *Palmer v. McMahon*, 133 U. S. 660."

Whatever value the shares issued by the plaintiff national bank possess, they are to that extent taxable in the hands of their owners and holders. *Rosenblatt v. Johnson*, 104 U. S. 462; *City, etc., of San Francisco v.*

Crocker-Woolworth National Bank, 92 Fed. Rep. 273. The courts have repeatedly ruled that in fixing the value of the shares of stock of national banks for taxing purposes, the value due to the bank's ownership of nontaxable United States bonds as a part of its assets must be included. See, for instance, *Cleveland Trust Co. v. Landers*, 184, U. S. 111; *Hager v. American National Bank*, 159 Fed. Rep. 396, 401, C. C. A., 6; *Van Allen v. Assessors*, 3 Wall. 573; *People v. Commissioners*, 4 Wall. at p. 258; *National Bank v. Commonwealth*, 9 Wall. at p. 359; *Home Savings Bank v. Des Moines*, 205 U. S. at p. 518, 519. The same rule applies to nontaxable stock held by the plaintiff in the Federal Reserve Bank.

The declaration in section 26 of the Federal Reserve Act that all provisions of law inconsistent with or superseded by any of the provisions of such act are to that extent repealed, has no application to such a situation as is presented by the bill, for the reason that the exempting clause found in section 7 does not relieve or purport to relieve national banks, their capital and surplus from the taxation authorized by Section 5219, and is therefore not inconsistent with and does not supersede the provisions, or any of them, of such last named section.

The temporary injunction is dissolved and the motion to dismiss the bill is sustained. The same ruling may be taken in cases Nos. 87, 88 and 89, if the issues involved in those respective cases are the same as in this, which I understand to be the fact.

Other questions have been raised by the defense, but their consideration is not deemed necessary.

SUMMARY OF BUSINESS CONDITIONS NOVEMBER 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.....	Trend toward Gov- ernment work.	Very active.....	Good.....	Not entirely satis- factory.	Satisfactory; good volume.	Good.
Crops: Condition.....		Yield reported good	do.....	Fair.....	Prices high and re- turns satisfac- tory.	Winter grains fair.
Outlook.....			do.....	Improved.....		
Industries of the dis- trict.	Busy.....	Very busy.....	Very busy.....	Engaged as fully as practicable for war purposes.	Running full on remunerative basis.	Operating full.
Construction, build- ing, and engineer- ing.	Mostly on Govern- ment work.	Very quiet.....	Very dull.....	Decided falling off.	Private building limited; Govern- ment work in large volume.	Very little.
Foreign trade.....	Imports increased; exports decreased.	Volume slightly de- creased; value substantially same as last year.	Large.....		Limited by re- strictions and scarcity of freight room.	Light.
Bank clearings.....	Increased.....	Decrease.....	Increase.....	Increase.....	Increase.....	Increase.
Money rates.....	Little change from last month.	Steady.....	No change.....	Firm at about 6 per cent.	Plentiful at 5 to 6 per cent.	Stiffening.
Railroad, post office, and other receipts.	Spotty.....	Heavy.....	Increasing.....	Increase.....	Increased.....	Increase.
Labor conditions.....	Unsatisfactory.....	Labor supply less than demand.	Scarce and wages high.	Slightly better.....	Scarce and wages high.	Fair.
Outlook.....		Fairly good.....	Good.....	Not unfavorable.....	Generally satisfac- tory.	Good.
Remarks.....	All energy devoted to needs of the Government.	Fuel and transpor- tation serious problems.	Fuel, transpor- tation, and labor unsatisfactory.	General adoption of "necessities only" policy, and adjustments to fulfill Govern- ment require- ments.	Bank deposits high; collections good; money be- ing spent too freely.	

	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.....	Active.....	Active.....	Good.....	Excellent.....	Satisfactory.....	Large volume.
Crops: Condition.....	Good.....			Large yield; much soft corn.	Fair.....	
Outlook.....	do.....			Wheat good.	do.....	
Industries of the dis- trict.	Generally active.....	Generally active.....	Active.....	Excellent.....	Very active.....	Active.
Construction, build- ing and engineer- ing.	Very quiet.....	Very quiet.....	Fair.....	Little building.....	Ordinary building below normal; total operations good, account Government's activities.	38 per cent less than a year ago.
Foreign trade.....				Good.....	Large; increase over October, 1916.	
Bank clearings.....	Increase.....	Increase.....	Decrease.....	Increase.....	Increase.....	Increase.
Money rates.....	Firm.....	Firm.....	Very firm.....	Slight advance.....	Firm; demand good; ample funds.	Firmer.
Railroad, post office, and other receipts.	Post office increase.	Increase.....	Increase.....	Good.....	Increase.....	Very large.
Labor conditions.....	Scarcity of labor.....	Men scarce; high wages.	Good.....	Fully employed; but little trouble.	Unusual demand for skilled men, and actual short- age.	Unsettled but less menacing.
Outlook.....	Good.....	Good.....	Favorable.....	Good.....	Situation gener- ally satisfactory.	For larger trade and active indus- try.
Remarks.....		Cotton moving slowly.	Large amount of fall plowing ac- complished.	General car short- age; all impor- tant labor troubles ad- justed; Govern- ment regulation working well.	Scattered rains have helped situ- ation; drouth serious in por- tions of district; business at larger cities good, at canton- ment points at record figures.	Extraordinary re- turns for agricul- tural products and extraordi- nary wages to an unusual number of employees have resulted in active trade.

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

DISTRICT NO. 1—BOSTON.

Business in general follows the same trend as during the last month or two, Government business becoming an ever-increasing factor, and domestic business, except in necessities and lines pertaining to war, is gradually becoming less. This has been emphasized during the past month by statements emanating from Washington that all our energies must be devoted to the carrying on of the war and all other interests must be secondary.

The large oversubscription to the second Liberty Loan in this district is due to the patriotic efforts of banks and business men who gave ungrudgingly of both their time and money for subscriptions and to further the success of the issue.

Although the banks in this district have had heavy demands throughout the year from their commercial customers, still the financing of Liberty Loan subscriptions during the last month has been accomplished without any undue disturbance to the money market.

The securities market has been unsettled, and this disturbance has extended to even the highest grade of railroad bonds, which in some cases have shown radical declines, carrying them to a lower point than for many years.

The labor situation has been a most disturbing factor not only in domestic business but also in plants engaged on Government work. In the latter, strikes have been in progress during the month.

The boot and shoe industry is spotty, and manufacturers are using a good part of their facilities on Government orders. Retail shoe business is somewhat duller, due to general

economy and higher prices. In men's shoes the lessening demand is attributed to the draft of young men into the Army. Manufacturers, in making comparisons of their business, find that they are selling fewer pairs of shoes than last year, but that their business in money values is larger, because prices are on an average 30 per cent higher than a year ago. The leather market continues firm, and many of the large manufacturers are following a hand-to-mouth policy in purchasing their requirements.

The wool market continues firm, with a tendency upward. The English Government has released 45,000 bales of Australian fine wool, and this is reported to have all been shipped. In fact, one small shipment has already been received. This will be put on sale at auction in Boston to be used for civilian purposes. Wool and worsted mills continue to operate at capacity. The November 1 statement of the National Association of Wool Manufacturers shows a very small percentage of idle machinery.

The cotton mills continue busy, although in fine and fancy goods new orders are not keeping up with production. Buyers are still conservative and are not speculating on the future. For the most part they are unwilling to pay the higher prices necessitated by increased production costs.

Print cloths and coarse goods are in better demand, and in the former prices are advancing without any decrease in the demand.

Imports through the port of Boston for the month of September show some interesting figures, especially those from Mexico, Cuba, Egypt, and South Africa, which are largely in excess of previous years. Exports during that month to the United Kingdom and Italy showed a marked decrease. The increase in imports was largely in cotton, fibers, sugar, and wool.

Money is firm, but not more so than it has been for some time. Cotton brokers are considerable borrowers, as are wool men. Choice

mill paper is selling at $5\frac{1}{2}$ per cent for six months. Money on call ranges from $4\frac{1}{2}$ to 5 per cent. Time money is not overabundant, with rates normally $5\frac{1}{2}$ to 6 per cent.

The exchanges of the Boston Clearing House for the week ending November 17, 1917, were \$374,002,763, compared with \$277,309,318 for the corresponding week last year and \$240,038,634 for the week ending November 10, 1917.

Building and engineering operations in New England from January 1 to November 14, 1917, amounted to \$183,694,000, as compared with \$183,883,000 for the corresponding period of 1916, the highest previous year recorded.

The receipts of the Boston post office for October, 1917, show an increase of \$40,575.58, or about 5 per cent more than September, 1916. For the first 15 days of October, 1917, receipts were about 38 per cent, or \$144,338.85 more than for the corresponding period of last year.

The Boston & Maine Railroad reports net operating income, after taxes, for September, 1917, as \$1,233,734, compared with \$1,386,173 for the corresponding month of 1916. The New York, New Haven & Hartford Railroad reports operating income, after taxes, for September, 1917, as \$2,287,100, compared with \$2,187,435 for the same month last year.

Loans and discounts of the Boston Clearing House banks on November 17, 1917, amounted to \$501,874,000, as compared with \$456,701,000 last month and \$455,402,000 on November 18, 1916. Demand deposits on November 17, 1917, amounted to \$448,815,000, as compared with \$394,376,000 on October 20, 1917, and \$369,095,000 on November 18, 1916. Time deposits on November 17, 1917, totaled \$25,560,000, as compared with \$29,813,000 on October 20, 1917, and \$28,951,000 on November 18, 1916. The amount "due to banks" on November 17, 1917, was \$153,431,000, as compared with \$144,914,000 on October 20, 1917.

DISTRICT NO. 2—NEW YORK.

Current reports from banks and business interests of the district indicate substantial progress in war organization without serious

disruption of business or diminution of general activity and prosperity.

Unsatisfactory transportation conditions continue, and indicate that more rapid adjustment must be made if the strain upon the railroads is to be lessened and serious congestion avoided, for despite the vigorous efforts which the carriers are making, industries essential to war preparations are seriously hampered, especially the coal-mining industry and through it practically all manufacturing.

With the exception of numerous complaints concerning transportation and labor conditions, the general comment from our correspondents indicates active and prosperous business. Agricultural implements are selling well at prices substantially higher than normal. Activity in machinery manufacture continues unabated, supported largely by Government orders. Demand for railway, mill, and mining supplies is lessening slightly. Building trade materials are purchased only for limited immediate requirements. The absolute necessity, however, of increased housing facilities in factory and shipbuilding centers has led to special efforts toward construction of this character. The volume of business in rubber products continues heavy, although there is hesitancy among private buyers.

Sustained activity is the report from the textile and clothing industries. Men's and women's clothing is selling freely in spite of sharp advances in prices. The hosiery and underwear trades are fairly busy, with Government orders an important factor. Manufacturers of cotton textiles are hampered by difficulty in obtaining raw cotton promptly, and particularly by the problem of labor supply. Buying demand is excellent, with a tendency not to question prices, buyers trading for months ahead. Silks are selling readily and with no sign of diminishing demand, orders being placed ahead both for actual wants and in anticipation of future needs. This fact, taken with the report of active business in furs and other clothing, appears to indicate that the public is not stinting itself in the matter of clothing. Further evidence of the absence of

rigid economy is furnished by the heavy volume of sales of jewelry and watches.

As a result of high prices and of overstocking last year, the volume of business in men's shoes is not quite up to the usual standard. A tendency on the part of retailers to order in smaller quantities and more frequently is noticed.

Interior decorating and house furnishing companies are experiencing a recession of business, with buyers cautious and conservative, and as prices have advanced to the maximum, which it is thought the public will pay, further advances in the cost of raw materials will mean curtailment of business.

The paper manufacturers are having a good volume of business, though with narrowing profit, because of increased cost of labor, fuel, and wood. Pulp wood now costs twice as much as three years ago, while the cost of labor in this industry is reported to have increased 50 per cent. There is considerable unsettlement in the drug and chemical lines, with demand better than supply.

Conditions in the metals trades are very uneven. Practically all of the copper produced in this country is now being taken by the Government and the supply has been much below the demand. Production of lead, on the other hand, has outrun consumption. Exports for last year were 225,000 tons of pig lead and lead manufactured articles, or approximately 35 per cent of the entire production. The exports this year have been trifling in amount, and have been practically offset by imports from Mexico.

The oil industry reports an upward trend in prices of lubricating and fuel oils, but no recent change in the price of gasoline or burning oils. Burning oil is reported to be a drug in the market, and fuel oils are bringing prices as high as those obtained for the refined product.

Conditions in relation to foodstuffs continue little changed, buying being careful and for immediate needs only, with prices steady at levels considered high by the trade. For

the past six weeks there has been a serious shortage of raw and refined sugars in this market, and although temporary relief has been found in the distribution of supplies heretofore purchased for export to neutral nations and now used to supply the home market, it is expected that the available supply of sugar will be very small until raw sugar from Porto Rico and Cuba is received in large quantities. An international sugar committee is arranging for all purchases of foreign sugars that are to be used both in this country and England, France, and other allied countries.

The closing of the second Liberty Loan showed subscriptions for this district of \$1,550,453,450, while the amount allotted was \$1,163,475,200, of which \$949,239,980 has already been paid in. Of these payments, which included \$59,051,300 realized from cash sales of bonds, \$687,741,746 were made in book credit, \$153,972,000 in Treasury certificates, and \$107,526,234 in cash. The bulk of the cash thus paid in was at once redeposited in banks which had qualified as depositories, and the entire transaction was handled without any disturbance in the money market, which throughout the loan campaign has been very steady. Rates on call money have ruled close to 4 per cent throughout the month, with advances to 5 per cent on November 19, 20, and 21, while the rate on commercial paper has held steadily at 5½ to 6 per cent. The resources of the Federal Reserve Bank have assisted greatly in the financing process. Its loans and investments on November 19 reached \$456,000,000, their highest point.

DISTRICT NO. 3—PHILADELPHIA.

Manufacturing industries throughout the district are running at high pressure, restrained somewhat, of course, by the great difficulties encountered in securing supplies and sufficient labor. The great demand for cotton and leather, in particular, has made it very difficult for manufacturers to get a quantity sufficient to meet their needs. In the silk industry complaint is heard of some dullness

due to the economies now practiced on account of the war.

The shipbuilding industry along the Delaware River continues to increase and orders for a very large tonnage are on hand. A number of extensive yards are under construction to take care of the increasing demand for shipping.

Retail trade continues to be about stationary, with minor fluctuations above and below the general level of business. Increased wages and the tendency to economize have been conflicting factors with which business has had to contend.

The farmers have been quite successful this year, though they were very much handicapped by the lack of farm labor. Crops appear to be of good size and in excellent condition. Tobacco growers have been selling a good portion of their crop at exceptionally high prices.

Building operations continue to be curtailed owing to insufficiency of labor and materials. There is a pressing demand for houses in most industrial sections, but there is no immediate prospect of its being satisfied.

The coal situation shows no improvement during the past month, and in fact, the shortage is becoming a greater reality to the majority of the people. The householders have felt the inadequacy of the supply most of all, and in Philadelphia it has been found necessary to initiate a card system in order to equalize the distribution of an inadequate supply.

Opinion throughout the district seems to be strongly in favor of granting the increases in freight rates that the railroads are requesting. It is recognized that improved transportation facilities must be had in order that business may be satisfactorily conducted.

The floating of the Liberty Loan in this district was very successfully conducted. Payments thereon have been made without any noticeable disturbance of the money market. Loans have expanded, rates for money have become firmer and are quoted from $5\frac{1}{2}$ to 6 per cent.

DISTRICT NO. 4—CLEVELAND.

The Government activities, thrift campaigns, the Red Cross, and Y. M. C. A. campaigns throughout this district have all further impelled business in this district to make the necessary readjustments to a war basis. There is a decided tendency on the part of all business to serve the country and toward the policy of "necessities only."

Business is not entirely satisfactory. There is a spotty inclination in some localities, and transportation and labor difficulties have some detrimental effect in certain lines, but throughout there is no material change for the worse.

Agriculture.—Harvest yields in corn and foodstuffs were not up to estimates, but were good, except that a large part of corn was not thoroughly matured and necessitated feeding of stock or conversion into some form of manufactured product. Seasonable weather during the greater part of the month has aided fall planting materially.

In northern Ohio the increased acreage of wheat planted is estimated at from 25 to 50 per cent over last year.

In the burley tobacco regions the lessened crop in pounds is more than offset by higher prices, and the tendency is to dispose of the crop promptly. Indications are that tobacco manufacturers are making financial preparations for the handling of the crop, and the prospects show that the growers will have an unusually large money return on this year's crop.

Manufacturing.—Evidences of shortage of iron ore begin to become general, and nearly all the steel mills are declining business other than for Government requirements. Inadequate fuel supply has curtailed operations in some of the furnaces, though on the whole the steel industry is engaged in Government contracts as fully as possible.

The pottery and glass business is very active, and the general conditions are reported as healthful. The manufacture and sale of face brick have shown a marked decrease. The

reports do not indicate any material changes in other manufacturing lines from last month, except such as are required by labor and fuel conditions.

Mercantile lines.—The volume of the jobbing trade seems to be normal, with increased values. Some of the centers report increase in quantity of goods and a large increase in money value sold to country stores. Retail trade shows a slight recession, but it is about up to the average for the season.

Collections.—Collections are better than previously, and the percentage of slow paper is perhaps lower than average, though some industries report arrearages incident to delayed deliveries. Postoffice receipts show substantial increases over the corresponding month of last year.

Building operations.—There is a decided falling off in all the larger cities except one in the number of permits and valuations for new buildings. The demand for residence properties in the centers is still far greater than the supply, but the high cost of materials, inadequacy of labor, and the approach of winter are deterrent to increased activities.

Transportation.—The general situation is not greatly improved, and in some parts of the district is worse than heretofore. The railroads are evidently bending all energy to relieve congestion, but seem unable to handle the situation satisfactorily.

Labor.—The dearth of skilled mechanics continues, and common laborers are very scarce. Women are being freely employed by manufacturers, transportation companies, and other employers of labor where it is possible to use them in place of men. There have been numerous wage advances in industries, and all labor is fully employed. The uneasiness of a month ago is not so pronounced.

Money and investments.—The banks, despite the Liberty Loan payment, are able to meet legitimate demands, and money, though firm, is not denied to general trade. Rates throughout this district are steady at about 6 per cent. The investment markets are experiencing an

unprecedented quiet tone, with no demand for any class of securities, even at greatly reduced prices. Most investors seem fully imbued with the idea of loaning to the Government.

Clearing figures in the nine principal cities show increases over the corresponding period of last year.

The seriousness of our country's participation in the war is being felt generally by business in this district, and the outlook is for the tacit acceptance of the situation as it develops from time to time and determination to make the best possible of it.

DISTRICT NO. 5—RICHMOND.

Reports in the district continue to accentuate the disturbed conditions regarding labor, lack of transportation facilities, and abnormal conditions in many directions. Aside from these notes of uncertainty, the unprecedented high prices for cotton, tobacco, and other products have kept business generally up to high-water mark. There has been an increased production of wheat in the southern portion of the district, and general agricultural production has been very satisfactory.

Trade is in good volume, retailers reporting particular improvement, some an increase of as much as 20 to 25 per cent, the increase being principally due, however, to the very high prices. Wholesalers in shoes, dry goods, notions, and other lines are active, but factory deliveries are reported slow in all lines, due particularly to shortage in labor and freight facilities. Collections are universally reported good. Packers are doing somewhat less owing to high prices and difficulty in procuring supplies. Flour mills are running to full capacity on a profitable basis.

Building is almost at a standstill, except Government work, but most of the cantonments in the district are about complete. This will free quite a volume of labor for employment in other lines. Shipbuilding is active and orders for military supplies continue in large volume.

Producers of coal emphasize particularly difficulties in labor and transportation as being their most serious problems, and say that but for these the output could be made to take care of the increased consumption. The railroads are not able to furnish sufficient equipment to keep pace with the increased fuel demand, and are themselves complaining of the inadequate supply and exceedingly high prices.

Cotton picking is about complete. Cotton is selling freely and about as fast as the railroads can move it. This is the tenor of advices from interior points, but the ports report a disposition to hold cotton for higher prices and business is restricted by lack of shipping facilities. Normal freight rates to Liverpool were \$1.50 to \$1.75 per bale, but are now \$45 to \$50 per bale.

The clothing trade seems to be a little slow in general lines, attributable to mild weather and the large number of men who have gone into different branches of the Government service.

Manufacturers in all lines are running to capacity. The consumption of cotton is large even at present high prices, as products are still yielding excellent profits. Munition contracts in this district have been about completed and our largest locomotive plant is now running full time on regular work for foreign shipment. Wagons and agricultural implements are in strong demand, but labor is scarce and wages have advanced 40 to 50 per cent. The volume of business is large, owing to the high prices, but the number of vehicles and implements shows a decrease. Implement dealers are urging jobbers to lay in supplies now and avoid congestion and embargoes which are likely to be encountered during the spring.

The leather market is strong, buying active at full prices, collections good, and trade limited only by the obtainable volume of raw materials. Prices paid farmers for hides are the highest for many years.

The peanut crop is only about two-thirds of an average. Ordinarily prices range from 3 to 4 cents per pound, but are now 8 and 9 cents per pound. The demand for peanut butter and other food products has stimulated the demand, which has resulted in these high prices.

Tobacco has been selling freely and some high grades bring unheard-of prices; in some instances as much as \$1 per pound, the average price being 30 cents to 35 cents.

Money is readily obtainable, but the demand is good, rates ranging from $5\frac{1}{2}$ to 6 per cent. Farmers' paper is being paid up more closely than has ever been known and considerable payments are being made on mortgages. Land sales are unusually active at advancing prices. Deposits in banks are the highest ever known, but the demand for financing in every line has offered ample employment for them. Clearings show an increase of 35 per cent and post-office receipts also indicate a considerable increase. The latter is attributable to a considerable extent to the location of cantonments in the district and the increased rates of postage.

Crop preparations are naturally limited in extent at this season of the year, but fertilizer manufacturers anticipate an active demand for their goods at remunerative prices and are urging early shipments for the coming season.

The prices realized from crops in this district have increased its wealth and resources to a very appreciable extent, and trade activities are reflected in the increased volume of business being handled by the Federal Reserve Bank of Richmond.

The response of the people and the banks in this district to the second Liberty Loan has been most gratifying. The minimum apportionment to the district of \$120,000,000 was about 8 per cent of the banking resources and the maximum apportionment of \$200,000,000, over 13 per cent of the banking resources.

The subscriptions reached the enormous total of more than \$201,000,000, the New York district and this district being the only two in which the subscriptions exceeded the maximum apportionment.

DISTRICT NO. 6—ATLANTA.

Business continues good. The Sixth Federal Reserve district subscribed to approximately \$90,000,000 of the second Liberty Loan, and while \$40,000,000 was paid in on bond subscriptions on November 15, the condition of the banks of the district proved sufficiently

strong to enable them to finance all payments without creating any financial strain. It is not expected that the next installment payment due December 15 will have any material effect on business conditions generally, nor interfere with the ability of financial institutions to care for the legitimate money or credit requirements of the district. Bank clearings continue to increase. There has been a noticeable stiffening of money rates during the past month.

Wholesale and retail houses report an exceptionally large volume of business during November, with collections better and more satisfactory than at any time within the past 20 years. One wholesale house reports a collection of 70 per cent of their entire receivables due and not due on their books October 1. Advance orders for spring business are in excess of last year.

There is considerable congestion in railroad freight and passenger service and complaint is made of delay in handling the mails. Difficulty is experienced in obtaining merchandise, it being nothing unusual for express from New York City to require 7 to 10 days in transit. Railroad, express and postoffice receipts continue to increase. Industrial plants are operating at high speed, though labor conditions are not so bright as in previous months. Withdrawals for Army service are beginning to have an effect, in addition to the inclination of a certain element of labor "laying off" on account of inability to withstand the influence of a prosperous wage.

Cotton oil mills are largely employed in crushing peanuts. On account of shortage of cotton in certain sections and exorbitant prices for raw products, and with an overabundant supply of peanuts, these mills find it more profitable to crush peanuts than cotton seed. The industry is proving profitable to the peanut producer.

High prices brought about a considerable marketing of cotton, and with plenty of freight room it would not be long before the crop would be in the hands of the spinners.

In the dark tobacco fields a large crop has been housed and buyers are offering as high as \$21 per hundred, the low mark being \$15. These prices are beyond expectation, the average offered being about \$18 per round.

The Florida citrus crop is possibly 40 per cent short. Prices and demands, however, are good. Splendid weather prevailed in Tennessee for planting winter crops, with something more than an average acreage sown to wheat. In Georgia, Alabama, and Mississippi the weather has been unfavorable and very little grain has been put in, though preparations are under way for a good planting between now and Christmas. For the first time in many years winter grains will be planted in the northerly section of Florida. Louisiana has experienced an unprecedented drought, in fact, some parts of Louisiana are over 30 inches short of normal rainfall. This has seriously affected the cane crop, the cut being not over 60 per cent of a crop. Though the fertilizer shipping season has not opened, indications point to an increased use of approximately 15 per cent, with prices probably to range 33½ per cent advance over previous year.

The people are seriously taking up the work of food conservation and pledge cards are willingly signed by all classes of citizens. The Tuesday "meatless days" and Wednesday "wheatless days" prevail largely throughout the district, especially in restaurants and hotels. The general trend is to a more serious view of the war and a clearer realization of the necessity of a more rigid economy. In this connection the sale of Liberty bonds has had a strikingly good effect with wage earners and salaried people who are the more numerous subscribers to bonds. Objection to conscription has practically ceased, as evidenced by a greater solidarity for winning the war.

DISTRICT NO. 7—CHICAGO.

Throughout the seventh Federal Reserve district business involving necessities is active with Government orders playing an important part and labor in strong demand at high wages.

Liberty Loan withdrawals have caused some disturbance of banking equilibrium, but things are adjusting themselves, and the promptness of this adjustment in a given locality will vary with the nature of its industries. Borrowing in the market has been restricted practically to short-term maturities owing to the present abnormal market depression. During the Liberty Loan flotation investment houses generally dropped their own business for that of the Government; however, the anticipated rekindling of interest in securities did not develop, and no material improvement in this direction is now in sight.

Winter wheat looks good in some localities, though wheat, as well as rye, was sown late in other sections and it is too early to forecast accurately. Soft corn is much in evidence, but no particular hardship is reported, as this is being fed live stock, which is bringing high prices. The bean yield is better than anticipated and potatoes average well, though frosts have had some effect. Throughout the district increased acreage of winter wheat and rye is reported. Money rates are expected to remain hard for some time to come.

This is the slow season for agricultural implement concerns, and the usual condition is aggravated by the bad weather in October making a late season. The labor shortage and scarcity of materials are noticeable.

The volume of pleasure automobile business is causing manufacturers some concern, but it is suggested that by directing their facilities into other channels, such as truck and aeroplane engine manufacture, hardship in this direction will be minimized.

Building and construction are far below normal, due to governmental restriction of the use of certain materials. Scarcity of labor and of all materials are equal factors.

The car situation is still to be considered in the coal industry and demand exceeds the available supply. Production in Illinois has shown some improvement in the last two weeks.

Conditions in the distilling line are far below normal, with no new activity promising.

In dry goods advance sales are satisfactory in dollars and cents volume. A tendency is noted on the part of retailers to buy more conservatively and the demand for so-called luxuries is expected to decrease inversely with the increase in demand for Government necessities. There is a scarcity of goods. Collections are good.

Furniture manufacturers report business at about the same level as last month, but they are somewhat confused as to the future in the light of rumors regarding possible Government restriction of loading of lumber for furniture factories. The car shortage is causing some uneasiness. Collections are fairly satisfactory.

Scarcity of grain at terminals is mentioned as a very unfavorable circumstance and contributing causes to the shortage are given as the attitude of farmers who are delaying the usual movement, also the shortage of carrying equipment. Corn prices are working higher, due to the unanticipated poor quality. Notwithstanding the high prices for oats, farmers are said to be holding out for still greater returns, and this is keeping receipts at terminals light.

Difficulty in securing sugar and flour is mentioned in the grocery line and the inability to secure these staples effected a drop in sales for some wholesalers during the last half of October. Retailers are uncertain as to what stand to take as to increasing their stocks in the face of price fixing and the wave of economy among consumers. The volume seems good and collections are fair to good.

The hardware line appears to be in satisfactory position, with money value of sales generally large and collections good.

The jewelry business suffered somewhat during October and this is attributed to the Liberty Loan campaign. Its volume decreased from normal as established in the past year but expectations are for a satisfactory resumption of sales.

The leather industry is absorbed in Army and Navy contracts and can afford to overlook a falling off in demand from civilians. Tanners

are busy, jobbers are quiet, and retailers report satisfactory business. Collections are good and labor for the present seems satisfied.

Receipts of live stock are in good volume and this is expected to be maintained. The soft corn has prompted feeding to an unusual degree and prices are high.

Lumber distribution is handicapped by shortage of cars. Orders, however, have been well maintained for this time of year and prices hold up well. Retailers are rather pessimistic, due to the continued slump in building. Collections are not as good as they might be.

Mail-order houses report an increase for this month over the same period last year.

Piano manufacturers generally report a good volume of business with a scarcity of skilled labor, materials, and shipping facilities. Collections remain good.

Shipbuilders are still working at capacity, with labor shortage an outstanding feature. Steel is also at capacity. The balance of production not required by the Government is finding a ready market. Collections are good. A brisk demand from domestic sources is looked for to take care of next year's business now that the price question has been settled.

Raw wool is at top prices and difficult to procure in desirable quality. Some relief is expected from South America and Australia, and the increased use of cotton mixed goods as a substitute is suggested. The Government is practically monopolizing the mills.

Clearings in Chicago for the first 21 days of November were \$1,560,000,000, being \$170,000,000 more than for the corresponding 21 days in November, 1916. Clearings reported by 20 cities in the district outside of Chicago amounted to \$297,000,000 for the first 15 days of November, 1917, as compared with \$267,000,000 for the first 15 days of November, 1916. Deposits in the 12 central reserve city member banks in Chicago were \$837,000,000 at the close of business November 20, 1917, and loans were \$594,000,000. Deposits show a decrease of approximately \$1,000,000 over last month and loans an increase of approximately \$24,000,000.

DISTRICT NO. 8—ST. LOUIS.

General business in this district continues active. Especially is this true of those industries which are furnishing supplies to the Government. The requirements of the Government have had a tendency to divert the production of nonessentials to those things which are needed for the prosecution of the war, and in many instances orders of civilians and private enterprises are being turned aside to take care of Government needs. The restraints imposed by the Government have had a deterrent effect on some industries, and the scarcity of supplies has retarded other lines, but on the whole the stream of ordinary business is running freely and the present outlook is favorable.

Manufacturers of shoes and ready-to-wear garments are especially busy, and wholesale dry goods companies, hardware jobbers, drug dealers, and retail stores all seem to be transacting a large volume of business. There has been a good demand for all kinds of seasonable merchandise. A number of country merchants are buying for the future, apparently feeling that the prices will not be lower.

The prices on commodities continue high, but are made more bearable in the country districts by the unusually high prices the farmer is receiving for his products, and in the city by the full employment of labor at high wages. Government reports indicate that on November 1 the price index of all crops was 46.1 per cent higher than a year ago and 104.3 per cent higher than the average of the preceding five years.

Due to the prevailing high prices and the campaigns by Federal authorities, there seems to be a growing tendency on the part of consumers to economize and be more careful in their purchasing. This is shown by the more general centering of demands in the staple classes of merchandise. Signatures to the food pledges have also been obtained freely, and many restaurants as well as homes are now observing meatless and wheatless days.

Collections throughout the district are reported good, except in a few sections where the crop movement has been somewhat late.

The production of all crops this year in the States within this district is estimated to be 11.4 per cent above the average for several years past. This year's corn crop in the States within this district was estimated on November 1 to be 389,339,000 bushels more than that of 1916. The potato crop also greatly exceeds the production of last year. The winter wheat is now all planted, the acreage being considerably in excess of that of 1916. Rain is needed in some quarters.

On account of the cotton in the southern portion of the district having been damaged by killing frosts early in October, the crop is considerably shorter than expected. Prices are high, but the cotton is not moving as rapidly as it usually does in a normal season. This is doubtless due partly to the holding of cotton for higher prices and partly to the inability of exporters to get ocean tonnage.

The railroads are operating to capacity, but there is still a considerable shortage of freight cars, which is causing delays in deliveries and handicapping ordinary business.

Through intercession by the Government, the trouble between the coal miners and the operators in Illinois has been settled, and the coal situation is improving. However, the demand still exceeds the supply, due in great measure to the inability of the mines to get cars and abnormal consumption.

Labor continues scarce in this district. Trained men in the different lines are especially in demand. Unskilled laborers also find ready employment. In many industries it has been necessary to obtain women to do the work formerly performed by men.

During the past month there has been a decided increase over the previous month in the receipt and sales of cattle, horses, and mules in the St. Louis market, with decreases in the receipts and sales of hogs and sheep.

Postal receipts for October in St. Louis, Louisville, and Little Rock show substantial increases over the same month last year, while the receipts in Memphis show a slight decrease.

Reports from Little Rock, Louisville, Memphis, and St. Louis indicate that building

activities during October were considerably below those for the corresponding month last year. On account of the high prices of materials and the scarcity of labor, there is very little building going on, outside of extending factories to take care of war orders and necessary places of abode.

The chief financial activities of the month have been those involving the flotation of the second Liberty loan. The subscriptions to this loan were closed on November 1, with the total subscriptions in this district aggregating \$184,280,750, or \$64,280,750 more than the minimum assigned.

There has not been much change in bank rates since the last report. The rate to customers in the larger centers ranges from $5\frac{1}{2}$ to 6 per cent, with rates in the outlying districts slightly higher.

Commercial paper of the best names is being offered at from $5\frac{1}{2}$ to $5\frac{3}{4}$ per cent. There is a fairly strong demand from country banks for this time of the year, but the large city banks, as a rule, are not in the market for commercial paper.

DISTRICT NO. 9.—MINNEAPOLIS.

After a long period of very favorable fall weather, the northwestern grain territory embraced in the Ninth Federal Reserve district is ready for winter. A large amount of fall work has been accomplished. The farmers have been busy throughout the month preparing their fields for spring planting. In the western part of the district, where the 1917 crop was short, there has been unusual activity, and line elevator managers report that the outlook is for an increased acreage of wheat and other small grains next year. In western North Dakota, where the serious losses on the 1917 crop have created a serious problem, conferences are being called, under the lead of the State agricultural college, to prepare in advance to meet the shortage of seed, and to consider plans of financing for farmers who need assistance.

The receipts of wheat at Minneapolis and Duluth terminals are considerably lighter than

a year ago. To the middle of the month, the total receipts were 7,000,000 bushels short as compared with the same period a year ago, and elevator stocks amounted to 2,607,000 bushels as compared with 18,877,000 bushels a year ago. The output of flour by the mills of the district has been curtailed by the difficulty in securing cars, and railroads are making every effort to induce all flour shippers to load every car received to its fullest capacity. Mills have been warned that unless this is done there is danger that some of them will have to shut down for lack of cars.

In Minnesota, the public safety commission has introduced war bread, which is being manufactured under its direction, and distributed from licensed stores at 6½ cents for a full pound loaf. A daily distribution of 9,000 pounds in St. Paul and Minneapolis has already been arranged for, and the amount will be increased as additional stores are licensed. War bread is not as rich and nutritious as bread ordinarily sold, but is obtainable at a substantial reduction of price, and is in strong demand.

Business conditions over the district are favorable. Retail trade at the larger centers shows some evidences of a disposition on the part of buyers to purchase conservatively, and to put some measure of control on the buying of luxuries.

Retail trade at country points does not seem to be much affected, and is in good volume. The outlook is generally favorable.

Construction is in fair volume, but consists chiefly of necessary business structures and similar work that can not be deferred. A fair amount of residence building is in progress, although much of that class of work has been deferred on account of the high cost of labor and material. Money rates are very firm and the demand at both city and country banks is active. Industrial conditions are favorable. The larger concerns have ample orders ahead and labor is fully employed.

DISTRICT NO. 10—KANSAS CITY.

Agriculture.—The wheat crop of this year for the district was only two-thirds that for last year, but late estimates for corn indicate an

increase in bushels of 50 per cent over the 1916 crop. Frosts did considerable damage to the corn, the extent of which can not yet be judged accurately. The soft corn has created an unusual condition in the way of a wide variation in prices bearing little relation to the intrinsic value of the various grades. With prices ranging from 25 cents to \$2 a bushel, and no accurate way of judging the amount of moisture in the new corn, local dealers are checking their buying rather than continue under such hazards.

While the wheat acreage asked for may not have been reached, the amount planted is in excess of that for last year. Missouri reports an increased acreage over 1916 of 37 per cent. Oklahoma has planted 2 per cent more. Reliable reports from Kansas and Nebraska are not available, but indications are for slight increases, probably about 5 per cent, when the seeding is finished. Complaints have been made that dry weather east of the Rocky Mountains injured some of the early planting, but rains about the middle of November have restored much of the damage.

At the local market for October, wheat receipts were only one-fourth and shipments one-eighth those for a year ago. Corn receipts were 40 per cent more and shipments 43 per cent less for the same two periods. At the end of the month the visible supply of wheat was only one-twentieth that for a year ago and of corn four-fifths. The food administration has been able to improve the conditions with the mills and keep them going at almost full capacity.

Live stock.—In this district for the first 10 months of the year cattle receipts at the markets reached the total of five and a half millions. This is a fourth more than were marketed for the period last year, and the movement continues strong, owing principally to the dry weather and short pasturage in the belt east of the Rocky Mountains, which forces cattle to market in thin condition. Receipts for October were 37 per cent over the previous month and 18 per cent over October a year ago. The poorest grades, used for canning purposes, are bringing about the same price as

a year ago, but all other classes are selling at great deal higher, beef cattle bringing from 30 to 40 per cent more. The movement of stock cattle for feeding purposes continues strong, and should remain so on account of the soft corn to be utilized in feeding on the farms. Some difficulty is being had on account of shortage of stock cars for shipping feeders to the north and east.

For the 10-month period hog receipts were more than 7,000,000, being a decrease of 11 per cent from the figures for last year. October marketings, while 28 per cent less than for the same month a year ago, showed an increase of 35 per cent over last September. Prices are about 80 per cent in advance of those for last year. Since the food commission established a minimum price, the demand for stock hogs has been greatly stimulated at prices almost as high as for fat hogs.

The movement of sheep for October increased 17 per cent over the previous month and 12 per cent over October, 1916.

Mining.—Production of all ores for the Missouri-Kansas-Oklahoma lead and zinc district during the 10 months of the year, compared with the same period a year ago, increased 100,000 tons, with an increased value of \$2,000,000. In spite of the lower average price, stocks are practically three times as great, but conditions promise no further increase in the immediate future. Total shipments for the month ending November 11 decreased 2 per cent over the month a year ago. Prices for zinc were slightly less than for September. Lead prices averaged one-eighth lower, with an extreme drop of one-third.

Under war stimulus, Nebraska will this year produce \$2,500,000 worth of potash, which is eight times the value of her entire mineral output seven years ago. Interest is being aroused also in the potash beds of the Rocky Mountain States, and official surveys of the beds are being arranged for.

The coal situation has been serious. From every part of the district has come the call for fuel. Stocks are low, but owing to the moder-

ate weather and the assistance of the Government authorities, actual want and suffering have been avoided. The Kansas-Missouri output has been lessened and threatened entirely by an incipient strike. Colorado will this year produce 13,000,000 tons, nearly a third more than last year, but will not reach the maximum of 2,000,000 tons more, because of a scarcity of labor and cars, which has curtailed the output at a third of the mines. Increased development of the mines in Wyoming is being looked to as a partial solution, and authorities are attempting to provide transportation facilities accordingly.

Oil.—In the Mid-Continent field operators complain that notwithstanding the high prices for crude oil, full development has been limited by the cost of labor and supplies and the difficulty in getting both. Yet, the number of wells completed for October is nearly 40 per cent greater than for September, with a slight increase in total production. Piping from old wells in Eastern States is being shipped in and sold at good prices. The larger companies in Wyoming fields have secured supplies with the intention of drilling during the winter, there being now in that State about 200 wells partly completed.

The problem of waste gas at the wells in Oklahoma is being handled by State authorities, with the result of an estimated saving aggregating \$500,000 a year.

Lumber and construction.—The lumber trade is quiet. There is little local home building, as many of those who would build have entered the Army. High prices have eliminated the speculator, while the question of labor acts as a check in the larger cities. Some of the smaller cities are notable exceptions. Owing to the greatly increased production of oil near there, Wichita has had a remarkable increase in building. During October Wichita, with an increase of 661 per cent over October a year ago, is first and Lincoln, with an increase of 517 per cent, is second for all the cities reporting in the entire country. The country trade is awakening, but is not yet really active, for farmers are not yet

used to paying the higher prices, and are busy harvesting the corn.

Labor.—The strike record shows an improvement over the past few months and the middle of November found no strike of any consequence existing or contemplated in the district. There were ten or twelve small strikes of short duration. During the entire month the miners of the Missouri-Kansas-Oklahoma coal district threatened to strike and the situation was tense. Some of the men were out for short periods, but in the middle of November a conference of all parties directly interested was called and the miners yielded to the wishes of the Government administrators.

From nearly every locality and industry comes the call for laborers. The lack of farm labor is resulting in the increased use of machinery for every purpose to which it can be adapted. The cessation of Government building will probably be offset by the increased demands of the National Army this winter, so that immediate relief for the situation is not at present in sight.

Mercantile.—Trade conditions are unusually active; during the past six weeks many houses have doubled their sales for the same period last year. Orders for holiday goods are very heavy. Groceries, drugs, and provisions are in active demand at increasing prices. Garment factories of the West are working to capacity, there being an undersupply of men's garments and an oversupply of women's ready-to-wear clothing. There is a continued decline in the sale of pleasure automobiles, but this is more than made up by the increased demand for auto trucks and tractors, while the auto accessory and tire trade continues to increase.

Financial.—The unusual business activity of the month has been reflected in the bank clearings. Clearings for 14 cities in the district for October passed the billion mark, with an increase of 30 per cent over the same period last year and were more than twice the amount two years ago.

Money is in marked demand, rates have made a slight advance since last report, and

credit terms are growing shorter in all lines of business, with both wholesalers and retailers.

DISTRICT NO. 11—DALLAS.

Were it not for the unsatisfactory reports from the drought-stricken areas of the district the business situation could be reported as generally favorable, with normal activities for the season. The unprecedented period of dry weather has, however, curtailed activities in the South, Southwest, and West, and our correspondents there are discouraged over the outlook. Some rain has fallen in portions of these sections during the latter part of the month and has been very beneficial. It was hardly sufficient to break the drought, and conditions will not become normal until after heavy rains.

Agricultural conditions show little change from 30 days ago. The bulk of the cotton crop has been marketed, and there is no very large amount left in farmers' hands, though reports indicate scattering lots held by merchants and others in the district. Lack of export facilities and shortage of cars at compress points have retarded the movement. Exporters are finding it difficult to make shipments.

The outlook for the wheat crop in this district is not encouraging. In some sections it has been too dry to prepare the ground for wheat, and farmers were afraid of losing the seed if the grain is sown under present conditions. The wheat already planted has failed to germinate, on account of the dry weather, and unless rain falls soon the areas planted in wheat will be plowed up and put in other crops. The rice crop has brought excellent returns and reports from the producing sections are that growers have sold all their crop and are unusually prosperous. With peanuts bringing from \$1.75 to \$1.80 per bushel in northeast Texas, and prices for other commodities in proportion, conditions in that section are good and farmers in excellent shape, merchants are enjoying a good trade and collections are excellent. North and northeast Texas may be said to be the one bright spot in this district from an agricultural standpoint.

A good crop of beans has been produced in the western portion of the district, though

growers are somewhat disturbed by the Government price fixing, which gives them less than what they expected for the output. The alfalfa crop in that section is also excellent, and the prices received are very high.

As one correspondent reports, "cattlemen are strictly up against it on account of the drouth." Those who have pear flats in their pastures are feeding cottonseed cake and burnt pears; others are arranging to export to Mexico, where excellent range conditions are reported. A recent joint conference of representatives of the Texas Cattle Raisers' Association and Texas Cotton Seed Crushers' Association was held looking toward relief for cattlemen in the Southwest and measures taken to provide feed for the cattle in those sections. As a result of the conference a resolution was adopted fixing a maximum price of \$50 per ton for loose cracked cake, and \$53.50 per ton for sacked cake, on a basis of 43 per cent protein—this price on the basis of f. o. b. mills. Grass is reported as good in most parts of New Mexico and Arizona and the cattlemen in those sections are in better condition than farther south. On account of the car shortage sheep and cattle men have been unable to make shipments in the Albuquerque section. As in other parts of the range country, rain is badly needed there and stock will suffer unless water holes fill up before cold weather sets in. It has been necessary for stockmen to buy a large amount of cottonseed cake with which to feed during the winter months.

Since the close of the second Liberty Loan campaign banks of the district have been occupied in making the second installment payment and closing subscriptions on the issue. The payment of November 15 was made without undue confusion in the financial situation, the depositary plan being used to a large extent and payments made by credit in Government account. There is a good demand for money, and offerings with this bank continue heavy. No advance is noted in interest rates and they remain steady. Bank deposits are at good figures and continue to increase. Collections

show some improvement with the marketing of cotton and farm products. There has been in some sections foolish rumors that the Government intended to conscript or seize all moneys on deposit in the banks. Effective steps were at once taken to meet and refute these rumors and they have practically subsided without doing any substantial injury. The prompt and conclusive answer to these absurd rumors given by Secretary McAdoo, published in the daily press, did much to compose the situation. It is a matter of congratulation that the banks over the district, both State and National, are in such good condition, and that their management, with a very few exceptions, have met the duty of the hour so nobly in their patriotic effort to make the second Liberty Loan a success. Clearings show a large increase for October over October 1916, or 36 per cent. With the close of the Liberty bond campaign some activity is noted in bonds, and brokers are receiving an increased number of inquiries. In a statement issued by the commissioner of banking of Texas under date of October 27, attention was called to the unusually prosperous condition of the State banks on the call of September 11, 1917; the State banks reflecting a stronger condition than has ever been shown by a previous statement, which indicates the prosperity existing in most sections of Texas at this season.

Lumber manufacturers report that the car situation has become much worse in the last 30 days, so much so that at the present time it is almost impossible to get cars, even to load Government ship material; this even in the face of the appeal of the Government Shipping Board to the mills to get out their material. The demand for retail yard trade is very light, but prices are steadier and show an upward tendency. Were it not for the car situation conditions in the trade would be satisfactory.

There is some evidence of restoration of normal building operations in the past month, and with the completion of cantonment work and aviation contracts, thus releasing workmen for ordinary construction, it is expected

the industry will be more active during the winter. Permits issued at the principal cities—Austin, Beaumont, Dallas, El Paso, Fort Worth, Galveston, Houston, San Antonio, Shreveport, and Waco—in October, and the valuation of the same, were larger than in September, but show a decrease over October, 1916, the figures being as follows: October, 1916, \$1,671,469; October, 1917, \$989,034; decrease, \$682,435, or 41 per cent.

Wholesale and retail trade continues in good volume, and sales are in excess of last year. Mail-order houses are enjoying an unusually busy season, with collections in keeping; especially is this true at cantonment points.

All industries of the district are active and running on full time.

Skilled labor in all its branches is well employed, and in various quarters there is considerable unfilled demand for skilled workers in certain lines. This condition, however, is not expected to continue, as the work on cantonments, aviation camps, and similar work is now being completed, and this means that several thousand skilled workers, such as carpenters, painters, plumbers, and electricians, will be out of employment.

The coal mines of Oklahoma are working to capacity, and the car situation at the present time is better than usual.

Drilling is unusually active in the oil fields around Iowa Park, and new pipe lines are being constructed in that section. Local refineries there are working to capacity. Drilling pipe is hard to obtain, and operations are hampered on account of the water scarcity. A new field has recently been developed near Coleman. Two wells have already been brought in there and pipe lines have been contracted for and are now being laid to pipe the oil a distance of several miles.

To summarize business conditions in this district they may be said to be generally satisfactory, and optimism prevails as to the outlook. It is hoped that good rains will fall over the drouth-stricken area soon, and this should be a stimulus to all lines of trade.

DISTRICT NO. 12--SAN FRANCISCO.

The President of the United States has appealed to all eligible State banks and trust companies to become members of the Federal Reserve system in order to contribute their proportion toward fortifying the Nation to meet present and future financial strains growing out of war requirements. He urges this as a patriotic duty, citing the solemn obligation to the country resting upon every bank officer and bank director, and with deep meaning says: "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."

In the twelfth Federal Reserve District there are 1,299 State banks and trust companies, having \$148,000,000 capital and surplus and \$1,160,000,000 deposits. Those having capital and surplus such that they are eligible for membership are as follows, according to the annual reports of last year, when deposits were probably 25 per cent less than now:

State.	Number eligible.	Capital and surplus.	Total deposits.
Arizona.....	20	\$2,743,000	\$10,583,000
California.....	341	35,432,000	266,008,000
Idaho.....	53	3,226,000	20,782,000
Nevada.....	18	2,163,000	13,342,000
Oregon.....	75	9,230,000	36,581,000
Utah.....	60	6,789,000	30,298,000
Washington.....	115	12,140,000	45,478,000
Total.....	742	78,512,000	423,072,000

National banks, being under Federal jurisdiction, were all constituted members from the outset. In this district there are 534 national banks, having \$931,000,000 deposits. (Comptroller's summary Sept. 11, 1917. Deposits by summary June 30, 1916, were \$696,000,000.)

Thus if each eligible State bank and trust company, whether large or small, should respond to the President's appeal, the strength of the Federal Reserve Bank of San Francisco would be increased approximately 50 per cent both in capital and reserve deposits, and its ability to render aid would be increased in like proportion.

State banks and trust companies in this district which have become members or have made application are as follows:

State.	Number.	Capital and surplus.	Deposits.
Arizona.....	0		
California.....	0		
Idaho.....	2	\$82,500	\$839,000
Nevada.....	0		
Oregon.....	2	2,110,000	17,515,000
Utah.....	0		
Washington.....	9	3,758,000	29,298,000
Total.....	13	5,950,500	47,652,000

Of eligible State banks and trust companies, those holding two-thirds of the total deposits are in California, from which no application has yet been received.

The State superintendents of banks in Idaho and Oregon have circularized banks under their jurisdiction, urging them to join the Federal Reserve System. Those of other States, including California, have expressed themselves as favoring prompt response to the President's appeal.

Banks, whether small or large, member or nonmember, may further aid the desired mobilization of gold by sorting out gold certificates and shipping them to the Federal Reserve Bank (in amounts of \$1,000 or multiples). The Federal Reserve Bank will pay express charges on such shipments and, if desired, will send Federal Reserve notes, charges prepaid, in return; or will credit upon its books or remit to other centers for credit. Those able to ship gold coin should also write to the Federal Reserve Bank.

The increasing use of trade acceptances is making for sounder bank paper. Grain dealers and millers of the Northwest adopted the use of trade acceptances on August 1. At a recent meeting at Portland of the West Coast Lumbermen's Association the use of trade acceptances was embodied in the new terms of sale. Beginning November 1, drafts will be sent out twice a month for acceptance, no matter how small the account. To the extent that trade acceptances are used, open

book accounts are correspondingly reduced. An acceptance carrying the responsibility of both seller and buyer and growing out of a sale of goods is a more desirable and more surely liquid investment than one-name paper not necessarily growing out of sales of goods.

Labor conditions in this district are still unsettled, but as this is written there are no important strikes. Those in the copper districts of Arizona have been settled and normal output restored. Shipbuilders both about San Francisco and in the Northwest have returned to work, although dissatisfied, it is reported, with the increase of wages granted averaging 35 per cent.

The United States Mediation Board, Secretary of Labor W. B. Wilson, chairman, has recently had many sessions here with various labor organizations in the endeavor to reach such adjustments as will result in continuous operation of industries.

In the Northwest reduced lumber production for the remainder of the year is anticipated.

Mining products in Arizona will exceed those of last year, copper having an estimated value of \$200,000,000; other metals, \$60,000,000. Cotton acreage has risen to 38,850, with a product valued at \$6,000,000.

Car shortage is becoming serious, the only immediate relief lying in better cooperation by shippers in heavy loading and quick discharge.

The wheat crop in Washington will total about 27,000,000 bushels, against 45,000,000 last year. Fall planting is being hampered by lack of precipitation.

California citrus shipments for the year ending November 1, 1917, surpassed all records, aggregating 54,361 cars, the previous high record having been 48,548 cars in 1913-14. The crop of navel oranges for the current season, curtailed by excessive heat last summer, is estimated at 25 per cent; valencias, at 80 per cent; and lemons, at 71 per cent of normal.

The raisin crop will exceed that of last year by 35,000 tons.

During October the shipments of petroleum from California fields exceeded production by

860,892 barrels, reducing stored stocks, on October 31 to 33,795,115 barrels, being the lowest figure recorded since February, 1911. Fifty-six new wells were completed during the month, yielding an initial daily production of 14,860 barrels.

Building permits in 20 principal cities declined from \$7,533,000 in October, 1916, to \$4,684,000 in October, 1917. Clearings show an increase of 35.6 per cent, Ogden leading with 60.9 per cent increase and Tacoma second, with 55.7 per cent.

The situation throughout the district is one of great industrial and agricultural activity and large volume of trade. The splendid response of this district in buying \$290,000,000 of the bonds of the second Liberty Loan evidences a widespread, fervent, and patriotic desire to serve the Nation, but there is as yet little evidence of an effective realization of the necessity of service by curtailing individual consumption of the products of labor in order that the Nation may consume instead for war purposes.

DISCOUNT OPERATIONS OF THE FEDERAL RESERVE BANKS.

During the month of October discount operations of the Federal Reserve Banks totaled \$2,681,165,854, compared with \$548,164,104 for the month before, and \$750,270,739 for June of the present year, when Government financing in connection with the first Liberty Loan may be said for the first time to have called into full play the discount facilities of the New York Federal Reserve Bank. Members obtained accommodation just as before, in connection with the first Government loan, primarily through the discount of collateral notes of the shortest maturities secured by Liberty bonds and certificates of indebtedness, and to a smaller extent through the discount of such notes secured by commercial paper. Of the total discounts for the month, \$2,262,474,850, or over 84 per cent, represents the amount of member banks' notes collateralized by Government securities, \$307,725,601, or over 11 per cent, the amount of such notes otherwise secured, and only \$110,965,403, or less than 5 per cent, the amount of customers' paper rediscounted with the reserve banks. Of the total amount of collateral notes discounted during the month, over 90 per cent represents the share of the New York bank, which reports the discount during the month of \$2,152,680,000 of collateral notes secured by Liberty bonds and certificates and of \$185,687,000 of collateral notes otherwise secured.

Among total discounts for the month, trade acceptances (two-name paper) figure to the extent of \$4,442,261, compared with \$855,834 for September and an average of \$1,191,804 for the nine months of the present year; also \$1,659,491 of commodity paper, compared with \$500,141 for September and an average of \$779,975 for the nine-month period ending September of the present year. The largest increases in the monthly discounts of trade acceptances are shown for the San Francisco and Cleveland banks, while Atlanta reports nearly 70 per cent of the commodity paper discounted during the month.

Discounts for the 10 months of the present year, including collateral loans to member banks, aggregated \$4,870,083,422, of which \$4,358,327,401, or 83 per cent, were collateral notes, while \$15,168,499 are specified as trade acceptances and \$8,679,267 a commodity paper. As compared with corresponding 1916 figures, trade acceptances discounted by the Federal Reserve Banks increased about 366 per cent, while commodity paper discounted by them declined about 42 per cent.

Owing to the large preponderance of day-to-day and 15-day collateral notes among the total discounts for the month, about 97 per cent of these discounts is shown to have been 15-day paper (i. e., maturing within 15 days from date of discount with the Federal Reserve Bank), the proportion rising to 99 per cent in the case of the New York bank.

On the last Friday in October the Federal Reserve Banks held a total of \$397,094,000 of discounted bills, as against \$233,539,000 at the end of September and \$197,243,135 at the end of June, following the consummation of the first Liberty Loan. Of the total, \$208,965,000 is represented by collateral notes secured by Liberty bonds and certificates of indebtedness, \$62,922,000 by collateral notes otherwise secured, \$7,994,000 by agricultural paper, \$109,065,000 by industrial and commercial paper, \$6,064,000 by live-stock paper, and the remainder, \$2,804,000, by miscellaneous paper, including customers' paper secured by Liberty bonds or certificates and nonmember banks' paper indorsed by member banks. Over two-thirds of the agricultural paper was held by the Richmond, Chicago, Minneapolis, and Dallas banks, while over 88 per cent of the live-stock paper held is reported by the Minneapolis, Kansas City, and Dallas banks.

During the month the number of member banks increased from 7,751 to 7,783 largely as the result of accession to the system of State banks and trust companies. The number of discounting members shows an increase from

946 in September to 1,129 in October, the largest number of accommodated members for the Chicago Federal Reserve Bank reporting the month, viz, 222 banks.

Bills discounted by each Federal Reserve Bank during October, 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.	
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.
Boston.....			15	\$3,300	113	\$50,154	172	\$152,065	196	\$360,427
New York.....	120	\$5,714	40	6,698	48	19,357	66	53,640	161	303,750
Philadelphia.....	147	7,085	43	8,094	118	45,235	133	107,912	178	323,378
Cleveland.....			33	4,794	30	11,732	42	34,305	124	238,230
Richmond.....			69	12,655	172	71,277	188	168,133	229	406,930
Atlanta.....	13	1,200	145	22,715	115	45,311	149	121,380	249	452,317
Chicago.....	103	9,090	244	42,277	320	128,859	438	357,019	426	1,125,156
St. Louis.....	19	1,462	73	13,484	99	38,495	88	64,917	160	334,442
Minneapolis.....			32	5,663	100	36,746	149	102,686	173	269,509
Kansas City.....	2	185	47	9,147	126	47,933	131	102,649	179	291,522
Dallas.....	8	391	20	3,863	54	19,913	55	40,639	78	134,903
San Francisco.....	9	640	18	2,982	24	8,423	43	34,859	113	214,092
Total.....	421	25,857	779	135,672	1,319	523,435	1,654	1,340,204	2,266	4,454,656
Per cent.....		.02		.12		.47		1.21		4.01
Member banks' collateral notes.....										

Banks.	Over \$2,500 to \$5,000.		Over \$5,000 to \$10,000.		Over \$10,000.		Total.	
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.
Boston.....	275	\$1,236,759	115	\$1,045,798	84	\$2,892,926	970	\$5,741,429
New York.....	1,083	5,283,681	325	2,957,956	471	35,895,315	2,314	44,526,111
Philadelphia.....	144	635,353	38	314,998	23	3,660,364	824	5,102,419
Cleveland.....	142	561,212	58	475,094	60	2,754,253	460	4,079,620
Richmond.....	238	1,009,998	115	989,998	50	1,248,418	1,061	3,907,009
Atlanta.....	205	861,700	103	833,921	81	2,207,718	1,060	4,546,352
Chicago.....	766	3,444,565	349	3,182,350	290	11,459,186	2,936	19,748,502
St. Louis.....	351	1,657,852	169	1,581,167	141	4,893,928	1,100	8,555,747
Minneapolis.....	86	329,125	43	377,016	36	1,460,674	619	2,581,419
Kansas City.....	180	791,899	50	422,954	42	1,443,305	757	3,109,594
Dallas.....	60	222,327	34	234,521	23	404,181	332	1,000,738
San Francisco.....	389	1,817,512	178	1,459,224	161	4,438,731	935	7,976,463
Total.....	3,919	17,851,583	1,577	13,874,997	1,462	72,758,999	13,397	110,965,403
Per cent.....		16.06		12.5		65.61		100.00
Member bank's collateral notes.....	50	231,800	99	886,462	1,192	2,569,082,189	1,341	2,570,200,451

Bills discounted during the month of October, 1917 and 1916, and the 10 months ending October, 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.....	\$2,457,700	\$3,586,840	\$333,710		\$5,407,719	\$11,785,969
New York.....	2,152,680,000	185,687,000	1,121,773		43,404,338	2,382,893,111
Philadelphia.....	3,002,500	8,714,811	184,701	\$25,000	4,892,718	16,819,730
Cleveland.....	12,885,000	9,331,500	601,687		3,477,933	26,296,120
Richmond.....	1,449,500	19,745,000	214,403	186,650	3,505,956	25,101,509
Atlanta.....	4,744,000	7,683,000	417,228	1,146,633	2,982,491	16,973,352
Chicago.....	44,592,000	31,889,462			19,748,502	96,229,964
St. Louis.....	9,411,000	7,875,000	299,981	82,589	8,203,177	25,871,747
Minneapolis.....	5,076,900		59,819		2,521,600	7,658,319
Kansas City.....	15,864,000	25,452,334	399,020		2,710,574	44,425,928
Dallas.....	5,760,250	4,910,654	109,270		951,468	11,721,642
San Francisco.....	4,562,000	2,850,000	700,669	218,619	7,057,175	15,388,463
Total, October, 1917.....	2,262,474,850	307,725,601	4,442,261	1,659,491	104,863,651	2,681,165,854
Total, October, 1916.....		2,076,302	414,900	2,921,100	6,450,598	11,862,900
Total, January-October, 1917.....		4,358,327,401	15,168,499	8,679,267	487,908,255	4,870,083,422
Total, January-October, 1916.....		3,487,152	3,256,000	14,949,600	104,557,748	126,250,400

Amounts of discounted paper, including member banks collateral notes, held by each Federal Reserve Bank on the last Friday in October, 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.		All other discounts.	Total.
				Secured by Liberty bonds or U. S. certificates of indebtedness.	Otherwise secured.		
Boston.....	\$6	.....	\$8,070	\$645	\$629	\$1,523	\$10,873
New York.....	73	.....	38,942	156,560	17,361	688	213,624
Philadelphia.....	40	.....	6,269	1,257	2,676	.....	10,242
Cleveland.....	12	4	4,479	2,160	2,905	38	9,598
Richmond.....	1,192	16	6,299	679	2,693	441	11,320
Atlanta.....	670	306	4,218	2,160	4,083	89	11,526
Chicago.....	2,221	40	16,794	21,993	11,125	.....	52,173
St. Louis.....	154	156	10,217	5,642	5,525	25	21,719
Minneapolis.....	1,125	1,225	3,241	8,640	.....	.....	9,231
Kansas City.....	320	2,096	1,764	7,587	11,997	.....	23,764
Dallas.....	836	2,039	1,051	3,242	2,282	.....	9,450
San Francisco.....	625	182	7,721	3,400	1,646	.....	13,574
Total.....	7,994	6,064	109,065	208,965	62,922	2,804	397,094
Per cent.....	2.0	1.5	27.4	52.6	15.8	0.7	100.0

Distribution, by sizes, of bills bought in open market by all Federal Reserve Banks during October, 1917, and the 10 months ending October, 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.....	1,745	\$3,392,215	776	\$6,385,035	1,475	\$28,622,639	461	\$20,117,296
Trade acceptances.....	40	149,648	46	396,595	29	499,253	7	234,608
Total, October, 1917.....	1,785	3,541,863	822	6,781,630	1,504	29,121,892	468	20,351,904
Per cent.....	.....	4.1	.....	7.8	.....	33.5	.....	23.4
September, 1917.....	1,708	3,753,473	954	7,930,927	1,893	34,648,570	672	29,109,172
August, 1917.....	1,153	3,631,618	864	7,108,253	1,164	21,217,335	426	18,089,978
July, 1917.....	1,680	4,392,492	851	6,097,592	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	3,324,018	1,248	22,367,962	401	16,483,974
January, 1917.....	390	1,023,210	433	1,706,069	300	5,238,206	152	6,898,412
Total, 10 months ending October, 1917.....	12,274	30,608,690	7,583	58,276,132	12,695	233,276,598	4,038	172,666,890
Total, 10 months ending October, 1916.....	3,789	11,110,586	3,654	29,822,811	4,878	83,554,624	1,344	55,576,822

Acceptances bought in open market.	To \$100,000.		Over \$100,000.		Total.		Per cent.
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	
Banker's acceptances.....	239	\$19,650,679	42	\$7,275,238	4,738	\$85,443,102	98.3
Trade acceptances.....	3	170,976	.....	.....	125	21,451,080	1.7
Total, October, 1917.....	242	19,821,655	42	7,275,238	4,863	86,894,182	.....
Per cent.....	.....	82.8	.....	8.4	.....	.....	100.0
September, 1917.....	279	23,317,006	53	10,287,318	5,559	109,046,466	.....
August, 1917.....	186	15,008,823	44	7,066,795	3,837	72,122,802	.....
July, 1917.....	152	12,643,409	34	6,511,943	4,328	66,864,065	.....
June, 1917.....	306	26,306,940	63	10,809,917	7,597	135,229,697	.....
May, 1917.....	181	15,377,503	46	10,098,085	4,444	82,588,496	.....
April, 1917.....	87	7,155,097	38	6,186,816	2,047	41,312,591	.....
March, 1917.....	86	6,801,912	25	4,930,660	1,209	28,151,638	.....
February, 1917.....	180	15,273,481	49	8,012,105	3,474	70,637,179	.....
January, 1917.....	48	3,891,515	11	1,859,768	1,384	20,617,180	.....
Total, 10 months ending October, 1917.....	1,747	146,497,341	405	73,038,645	38,742	713,464,296	.....
Total, 10 months ending October, 1916.....	566	47,868,141	229	42,743,391	14,460	270,676,375	.....

¹ Of the above amount, banker's acceptances totaling \$71,275,629 were based on imports and exports and \$14,167,473 on domestic trade transactions.

² Of the above trade acceptances, \$1,353,580 were drawn abroad on American importers and indorsed by foreign banks and \$97,500 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.						Trade acceptances bought in open market.	Total acceptances.
	Member banks.	Nonmember trust companies.	Nonmember State banks.	Private banks.	Foreign bank branches and agencies.	Total.		
1915.								
Feb. 22.....	893,000					\$83,000		\$93,000
Apr. 5.....	3,653,000	57,820,000	510,000	\$110,000		11,593,000		11,593,000
May 3.....	5,038,000	8,189,000	10,000	110,000		13,347,000		13,347,000
June 7.....	5,242,000	4,516,000	10,000	192,000		9,960,000		9,960,000
July 3.....	4,342,000	5,267,000		161,000		9,770,000		9,770,000
Aug. 2.....	5,350,000	5,407,000	20,000	352,000		11,129,000		11,129,000
Sept. 6.....	6,087,000	6,305,000	20,000	472,000		12,884,000		12,884,000
Oct. 4.....	9,000,000	4,898,000	132,000	343,000		14,373,000		14,373,000
Nov. 1.....	8,477,000	4,331,000	253,000	204,000		13,265,000		13,265,000
Dec. 6.....	12,311,000	5,172,000	275,000	396,000		18,154,000		18,154,000
1916.								
Jan. 3.....	15,494,000	7,160,000	362,000	822,000		23,838,000		23,838,000
Feb. 7.....	15,681,000	7,875,000	336,000	1,456,000		25,349,000	8489,000	25,838,000
Mar. 6.....	17,182,000	8,670,000	408,000	1,781,000		28,041,000	462,000	28,503,000
Apr. 3.....	21,000,000	13,573,000	473,000	3,262,000		38,308,000	722,000	39,030,000
May 1.....	24,875,000	15,409,000	585,000	3,430,000		44,290,000	1,477,000	45,767,000
June 5.....	24,680,000	17,029,000	644,000	7,007,000		49,360,000	2,208,000	51,568,000
July 3.....	32,989,000	18,921,000	471,000	11,830,000		64,211,000	3,422,000	67,633,000
Aug. 7.....	39,695,000	19,060,000	738,000	13,940,000		73,433,000	4,225,000	77,658,000
Sept. 4.....	41,413,000	20,356,000	726,000	12,491,000		74,986,000	3,673,000	78,659,000
Oct. 2.....	37,798,000	21,782,000	712,000	9,944,000		70,236,000	2,306,000	72,542,000
Nov. 6.....	37,770,000	29,474,000	1,014,000	12,147,000		80,405,000	2,378,000	82,783,000
Dec. 4.....	47,748,000	33,232,000	1,630,000	16,069,000		98,679,000	4,487,000	103,166,000
1917.								
Jan. 1.....	66,803,000	34,625,000	1,502,000	18,221,000		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	1,060,000	20,581,000	354,000	107,837,000	2,535,000	110,366,000
Apr. 2.....	43,979,000	20,328,000	689,000	16,830,000	200,000	82,026,000	1,144,000	83,170,000
May 7.....	49,102,000	19,650,000	236,000	19,177,000	94,000	88,249,000	1,679,000	90,028,000
June 4.....	69,262,000	27,611,000	584,000	21,077,000	239,000	118,773,000	3,022,000	121,795,000
July 14-16.....	108,597,000	30,390,000	3,333,000	38,082,000	3,805,000	184,785,000	4,660,300	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	18,686,000	1,369,000	149,637,000	4,952,000	154,589,000
Sept. 15.....	108,111,000	28,496,000	2,431,000	21,118,000	1,329,000	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
Oct. 31.....	150,301,000	3,147,000	1,307,000	21,083,000	2,153,000	177,991,000	6,224,000	184,216,000

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

Banks.	15-day maturities.				30-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston.....	\$6,770,804			\$6,770,804	\$770,204	\$61,425		\$831,629
New York.....	2,359,046,667	\$336,151		2,359,382,818	3,359,466	3,016,121		6,375,587
Philadelphia.....	11,962,123			11,962,123	509,485	1,175,391		1,684,876
Cleveland.....	22,775,905	21,964		22,797,869	949,270	890,939		1,840,209
Richmond.....	21,490,550	263,965		21,754,515	713,285	2,557,399		3,270,684
Atlanta.....	13,236,274	673,000		13,909,274	964,005	978,057		1,942,062
Chicago.....	80,684,929			80,684,929	3,841,465			3,841,465
St. Louis.....	18,419,492			18,419,492	3,486,396			3,486,396
Minneapolis.....	5,120,615	111,000		5,231,615	617,798	310,000		927,798
Kansas City.....	41,639,057			41,639,057	373,504			373,504
Dallas.....	10,682,704	50,000		10,732,704	66,742	1,400,000		1,466,742
San Francisco.....	9,609,799	17,185		9,626,984	1,863,551	280,672		2,144,223
Total.....	2,601,438,919	1,473,265		2,602,912,184	17,515,171	10,670,004		28,185,175
Per cent.....				94.0				1.0

Banks	60-day maturities.				90-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston.....	\$1,274,929	\$725,915		\$2,000,844	\$2,389,172	\$4,219,460		\$6,608,632
New York.....	5,902,649	10,349,813	\$505,823	16,658,285	14,634,329	36,605,010		51,239,339
Philadelphia.....	716,249	540,876		1,257,125	3,629,448	2,429,493	\$10,000	6,068,941
Cleveland.....	1,467,251	1,357,963		2,825,214	1,100,987	4,865,740		5,966,727
Richmond.....	1,606,785	491,833		2,098,618	1,276,167	1,507,500		2,783,667
Atlanta.....	1,506,045	862,500		2,458,545	1,083,456	957,002	144,962	2,185,420
Chicago.....	6,783,293			6,783,293	4,138,169	2,714,170		6,852,339
St. Louis.....	1,736,583			1,736,583	2,186,082	173,796		2,359,878
Minneapolis.....	1,140,637	115,000		1,255,637	606,235		15,170	621,405
Kansas City.....	826,044	14,775		840,819	1,260,034	15,760		1,275,794
Dallas.....	303,531	2,821,632		3,125,163	337,893	628,865		966,758
San Francisco.....	1,923,762	510,129		2,433,891	1,971,127	297,825		2,268,952
Total.....	25,177,758	17,790,456	505,823	44,317,193	34,663,069	54,414,621	170,132	89,247,822
Per cent.....				1.6				3.2

Banks.	Over 90-day maturities.				Total.				Per cent.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston.....	\$530,860	\$633,928		\$1,214,788	\$11,785,969	\$5,646,728		\$17,432,697	67.6	32.4		100.0
New York.....			\$510,701	510,701	2,382,893,111	50,307,095	\$1,016,524	2,434,216,730	97.9	2.1		100.0
Philadelphia.....	2,425	419,420		421,845	16,819,730	4,565,180	10,000	21,394,910	78.6	21.3	0.1	100.0
Cleveland.....	2,707	225,060		227,767	26,296,120	7,361,666		33,657,786	78.1	21.9		100.0
Richmond.....	14,722	800,000		814,722	25,101,509	5,620,717		30,722,226	81.7	18.3		100.0
Atlanta.....	93,572			93,572	16,973,352	3,470,559	144,962	20,588,873	82.4	16.9	.7	100.0
Chicago.....	782,108	467,428		1,249,536	96,229,964	3,181,598		99,411,562	96.8	3.2		100.0
St. Louis.....	43,194			43,194	25,871,747	173,798		26,045,543	99.3	.7		100.0
Minneapolis.....	173,044			173,044	7,658,319	536,000	15,170	8,209,489	93.3	6.5	.2	100.0
Kansas City.....	327,288			327,288	44,425,928	30,535		44,456,463	99.9	.1		100.0
Dallas.....	330,802			330,802	11,721,642	4,900,497		16,622,139	70.5	29.5		100.0
San Francisco.....	20,224			20,224	15,388,463	1,105,811		16,494,274	93.3	6.7		100.0
Total.....	2,370,937	2,545,836	510,701	5,427,474	2,681,165,854	86,894,182	1,186,656	2,769,246,692	96.8	3.2		100.0
Per cent.....				0.2				100.0				

Maturities of discounts, acceptances, and municipal warrants held by each Federal Reserve Bank on Friday, Oct. 26, 1917.

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

Banks.	1 to 15 days.				16 to 30 days.			
	Bills dis- counted.	Accept- ances bought.	Municipal warrants.	Total.	Bills dis- counted.	Accept- ances bought.	Municipal warrants.	Total.
Boston.....	4,429	4,196	.....	8,625	1,854	1,643	.....	3,497
New York.....	186,251	13,666	.....	199,917	5,056	9,258	.....	14,314
Philadelphia.....	5,294	3,993	.....	9,287	632	1,380	.....	2,012
Cleveland.....	6,426	5,504	.....	11,930	488	3,823	.....	4,311
Richmond.....	5,790	1,165	.....	6,955	2,165	837	.....	3,002
Atlanta.....	8,044	1,044	.....	9,088	1,268	800	2	2,070
Chicago.....	34,656	2,609	.....	37,265	7,475	185	.....	7,660
St. Louis.....	14,593	1,589	.....	16,182	2,193	396	.....	2,589
Minneapolis.....	5,132	840	.....	5,972	1,097	897	.....	1,994
Kansas City.....	20,623	908	.....	21,531	891	304	.....	1,195
Dallas.....	6,686	1,508	.....	8,194	887	3,978	.....	4,865
San Francisco.....	8,146	1,099	.....	9,245	2,401	1,977	.....	4,378
Total.....	306,070	38,121	.....	344,191	26,407	25,478	2	51,887
Per cent.....	.....	.....	.....	59.9	.....	.....	.....	9.0

Banks.	31 to 60 days.				61 to 90 days.			
	Bills dis- counted.	Accept- ances bought.	Municipal warrants.	Total.	Bills dis- counted.	Accept- ances bought.	Municipal warrants.	Total.
Boston.....	2,615	13,673	.....	16,288	1,975	4,534	.....	6,509
New York.....	13,789	36,835	.....	45,624	13,528	28,805	.....	42,333
Philadelphia.....	840	4,162	.....	5,002	3,467	3,822	10	7,299
Cleveland.....	1,952	5,711	5	7,668	731	3,063	7	3,801
Richmond.....	2,713	1,472	.....	4,185	643	2,257	.....	2,900
Atlanta.....	1,487	289	9	1,785	651	642	13	1,306
Chicago.....	5,618	1,356	.....	6,974	3,656	3,565	.....	7,221
St. Louis.....	3,893	382	.....	4,275	1,009	61	.....	1,070
Minneapolis.....	1,975	50	.....	2,025	892	10	.....	902
Kansas City.....	1,181	25	.....	1,206	637	.....	.....	637
Dallas.....	1,117	2,361	.....	3,478	374	.....	46	420
San Francisco.....	2,116	902	.....	3,018	873	24	.....	897
Total.....	34,296	67,218	14	101,528	28,436	46,783	76	75,285
Per cent.....	.....	.....	.....	17.7	.....	.....	.....	13.1

Banks.	Over 90 days.				Total.				Percentages.			
	Bills dis- counted.	Accept- ances bought.	Municipal warrants.	Total.	Bills dis- counted.	Accept- ances bought.	Municipal warrants.	Total.	Bills dis- counted.	Accept- ances bought.	Municipal warrants.	Total.
Boston.....	.....	.....	.....	10,873	24,046	.....	.....	34,919	32.1	67.9	.....	100.0
New York.....	.....	.....	.....	213,624	88,564	.....	.....	302,188	70.7	29.3	.....	100.0
Philadelphia.....	9	.....	9	10,242	13,357	10	.....	23,609	43.4	56.6	.....	100.0
Cleveland.....	1	.....	1	9,598	18,101	12	.....	27,711	34.6	65.4	.....	100.0
Richmond.....	9	.....	9	11,320	5,731	.....	.....	17,051	66.4	33.6	.....	100.0
Atlanta.....	76	131	207	11,526	2,775	155	.....	14,456	79.7	19.2	1.1	100.0
Chicago.....	768	.....	768	52,173	7,715	.....	.....	59,888	87.1	12.9	.....	100.0
St. Louis.....	31	.....	31	21,719	2,428	.....	.....	24,147	89.9	10.1	.....	100.0
Minneapolis.....	135	.....	135	9,231	1,787	10	.....	11,028	83.7	16.2	1	100.0
Kansas City.....	432	.....	432	23,764	1,237	.....	.....	25,001	95.1	4.9	.....	100.0
Dallas.....	386	.....	386	9,450	7,847	46	.....	17,343	54.5	45.2	3	100.0
San Francisco.....	38	.....	38	13,574	4,002	.....	.....	17,576	77.2	22.8	.....	100.0
Total.....	1,885	131	2,016	397,094	177,590	233	.....	574,917	69.1	30.9	.....	100.0
Per cent.....	.....	.....	.....	.3	.....	.....	.....	100.0	.....	.....	.....	.....

Total investment operations, exclusive of purchases of United States certificates of indebtedness, of each Federal Reserve Bank during the months of October, 1917 and 1916, and the 10 months ending Oct. 31, 1917 and 1916.

Federal Reserve Banks.	Bills discounted for member banks.	Bills bought in open market.			Municipal warrants.			
		Bankers' acceptances.	Trade acceptances.	Total.	City.	State.	All other.	Total.
Boston.....	\$11,785,969	\$5,579,994	\$60,734	\$5,640,728				
New York.....	2,382,893,111	49,851,540	455,555	50,307,095	\$1,016,524			\$1,016,524
Philadelphia.....	16,819,730	4,565,180		4,565,180			\$10,000	10,000
Cleveland.....	26,296,120	6,945,028	416,638	7,361,666				
Richmond.....	25,101,509	5,620,717		5,620,717				
Atlanta.....	16,973,352	3,470,559		3,470,559	11,910	\$133,052		144,962
Chicago.....	96,229,904	3,181,598		3,181,598				
St. Louis.....	25,871,747	173,796		173,796				
Minneapolis.....	7,658,319	536,000		536,000	15,170			15,170
Kansas City.....	44,425,928	30,535		30,535				
Dallas.....	11,721,642	4,900,497		4,900,497				
San Francisco.....	15,388,463	537,658	518,153	1,055,811				
Total, October, 1917.....	2,681,165,854	85,443,102	1,451,080	86,894,182	1,043,604	133,052	10,000	1,186,656
Total, October, 1916.....	11,862,900	39,195,600	1,699,100	40,894,700	10,030,300	2,000	235,200	10,267,500
Total, 10 months ending October, 1917.....	4,870,083,422	590,487,615	22,976,681	713,464,296	15,645,355	135,092	681,498	16,461,945
Total, 10 months ending October, 1916.....	126,250,400	258,988,000	11,789,400	270,676,400	75,233,500	3,656,900	826,500	79,716,900

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.	October, 1917.	October, 1916.	October, 1917.	October, 1916.
Boston.....							\$17,426,697	\$2,899,800	Per cent.	Per cent.
New York.....			\$15,650	\$25,000	\$955,000	\$995,650	2,435,212,380	16,640,600	0.6	4.6
Philadelphia.....							21,394,910	7,469,300	87.9	26.3
Cleveland.....		\$2,100	100		408,000	408,200	34,065,986	5,676,360	1.2	8.9
Richmond.....			134,600			134,600	30,856,826	2,682,100	1.1	4.2
Atlanta.....			1,200	1,250		2,450	20,501,323	5,347,800	8	8.5
Chicago.....			1,000		8,000	9,000	99,420,502	5,134,000	3.6	8.1
St. Louis.....							26,015,543	3,664,000	9	5.8
Minneapolis.....		1,000				1,000	8,210,489	3,210,300	3	5.1
Kansas City.....			10,000			10,000	44,466,463	1,702,700	1.6	2.7
Dallas.....				3,400		3,400	16,625,539	1,559,800	6	2.5
San Francisco.....			10,750			10,750	16,505,024	7,295,400	.6	11.5
Total, October, 1917.....		3,100	173,300	29,650	1,369,000	1,575,050	2,770,821,742		100.0	
Total, October, 1916.....	\$2,000	5,060			250,000	257,060		63,282,160		100.0
Total, 10 months ending October, 1917.....	13,997,200	186,540	44,325,710	63,900	7,059,000	65,632,350	5,665,642,013			
Total, 10 months ending October, 1916.....	37,481,250	3,647,880		4,153,000	300,000	45,582,130		522,225,830		

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

	United States bonds with circulation privilege.				United States securities without circulation privilege.						Total.
	2 per cent consols of 1930.	2 per cent Panamas of 1936-1938.	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.	4 per cent Liberty Loan of 1942.	United States certificates of indebtedness.	
Boston.....	\$750				\$529,000	\$2,191,000		\$80,000		\$492,000	\$2,295,750
New York.....	50		\$50,000		1,255,500	4,493,000		1,532,750	\$25,000	11,581,000	18,937,300
Philadelphia.....		\$100			549,200	2,548,000		1,100		577,000	3,675,400
Cleveland.....	6,400	467,200	2,653,660	\$2,378,200	414,800	3,271,000		2,026,450		4,406,000	15,623,710
Richmond.....	915,100	237,000				1,969,000		43,100		395,000	3,559,200
Atlanta.....	640,600	21,000			10,300	1,491,000		215,900	1,250	7,454,000	9,834,050
Chicago.....	1,862,500	367,300	2,581,000	1,768,000	427,400	3,368,000	\$400	14,000,000		1,057,000	25,431,600
St. Louis.....	100		1,080,000		1,153,300	1,444,000				349,000	4,026,400
Minneapolis.....	323,050	16,260	1,199,180	206,250	114,800	1,340,000	500			871,000	4,071,040
Kansas City.....	7,155,850	22,240		825,000	838,500	1,784,000		10,050		426,000	11,061,640
Dallas.....	2,450,900	231,500			1,233,600	1,430,000		2,400	3,400	2,091,000	7,492,800
San Francisco.....	2,428,750					1,500,000		10,750		3,276,000	7,215,500
Total.....	15,784,050	1,412,600	7,563,840	5,177,450	6,526,400	26,832,000	900	17,912,500	29,650	32,925,000	114,224,390

Total United States bonds with circulation privilege, \$29,937,940. Total United States securities without circulation privilege, \$84,286,450.

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, Oct. 26 to Nov. 23, 1917.

RESOURCES.

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

	Bos- ton.	New York.	Phila- del- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total.
Gold coin and certificates in vault:													
Oct. 26.....	27,546	281,218	17,623	21,657	6,219	6,175	35,270	4,772	17,873	5,448	12,225	25,082	461,113
Nov. 2.....	29,547	308,420	18,678	30,550	6,092	5,794	35,904	5,109	16,622	6,354	12,197	25,954	501,711
Nov. 9.....	33,251	309,258	20,077	29,404	6,123	5,779	36,377	5,299	15,060	5,988	12,206	28,581	507,405
Nov. 16.....	39,946	321,188	20,576	30,647	6,203	5,799	35,076	5,426	14,069	5,607	12,238	30,017	526,792
Nov. 23.....	31,698	333,776	21,106	29,073	6,144	5,551	33,900	5,362	14,234	3,988	12,531	32,682	530,045
Gold settlement fund:													
Oct. 26.....	22,047	36,496	38,043	52,368	30,394	3,859	72,842	21,158	5,370	38,480	15,679	27,231	363,967
Nov. 2.....	19,687	111,398	29,941	39,138	38,751	3,650	52,958	19,801	4,580	20,846	17,059	20,706	378,514
Nov. 9.....	12,721	90,846	40,389	30,706	36,139	9,548	68,785	22,205	10,871	25,646	13,579	24,289	388,724
Nov. 16.....	11,104	67,140	37,232	55,419	35,240	9,411	67,007	21,923	14,070	20,508	15,603	19,053	363,710
Nov. 23.....	6,016	28,666	40,511	50,490	40,417	13,545	72,007	25,040	15,894	30,443	27,504	35,529	386,662
Gold with foreign agencies:													
Oct. 26.....	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,539
Nov. 2.....	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
Nov. 9.....	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
Nov. 16.....	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
Nov. 23.....	3,675	18,112	3,675	4,725	1,837	1,575	7,350	2,100	2,100	2,625	1,838	2,888	52,500
Gold with Federal Reserve Agent:													
Oct. 26.....	35,371	187,224	48,220	47,715	23,729	40,058	81,372	27,075	35,625	30,620	26,303	26,330	614,692
Nov. 2.....	37,539	177,432	51,749	44,223	28,614	39,027	74,371	30,059	32,491	30,314	26,485	30,129	602,433
Nov. 9.....	36,182	177,146	49,785	47,014	32,061	36,904	86,231	33,375	29,477	30,287	27,772	30,020	616,254
Nov. 16.....	31,692	174,325	50,529	46,192	31,997	39,892	98,474	38,359	29,353	30,209	27,757	31,127	629,906
Nov. 23.....	30,461	174,058	50,644	48,121	31,940	43,551	81,692	38,847	29,325	30,186	29,039	35,784	623,948
Gold redemption fund:													
Oct. 26.....	1,000	5,000	950	12	715	546	391	768	393	517	818	30	11,164
Nov. 2.....	992	5,000	950	35	664	585	398	766	511	515	870	31	11,517
Nov. 9.....	1,000	5,000	950	21	639	667	411	762	594	515	898	39	11,496
Nov. 16.....	1,000	5,000	950	52	615	535	431	758	589	515	965	10	11,420
Nov. 23.....	1,000	5,000	950	31	594	573	462	754	595	514	1,035	41	11,549
Legal tender notes, silver, etc.													
Oct. 26.....	4,037	40,276	760	352	157	248	1,816	613	322	45	493	387	49,506
Nov. 2.....	4,368	41,134	873	462	179	281	1,609	695	321	69	522	211	50,744
Nov. 9.....	5,441	42,134	767	473	182	269	1,183	695	310	62	505	187	52,208
Nov. 16.....	5,046	42,366	858	500	193	282	1,499	606	315	59	558	213	52,525
Nov. 23.....	5,362	42,658	1,023	679	158	305	2,162	614	310	37	528	222	51,058
Total reserves:													
Oct. 26.....	93,676	568,326	109,271	126,829	68,051	52,455	199,041	56,486	61,685	77,735	57,336	81,998	1,552,912
Nov. 2.....	95,808	661,496	105,866	119,153	70,137	50,912	172,590	58,620	56,625	60,723	58,970	79,919	1,596,819
Nov. 9.....	92,270	642,496	115,643	112,343	70,981	54,742	200,337	61,436	58,412	65,123	56,798	86,061	1,625,585
Nov. 16.....	92,463	628,131	113,820	127,535	76,085	57,494	209,837	69,172	60,496	59,523	58,989	83,308	1,636,853
Nov. 23.....	78,212	602,270	117,909	133,119	81,090	65,400	197,573	73,317	62,458	67,793	72,475	107,146	1,658,762
Bills discounted—members:													
Oct. 26.....	10,873	213,624	10,242	9,598	11,320	11,526	52,173	21,719	9,231	23,764	9,450	13,574	397,094
Nov. 2.....	11,995	277,754	11,321	12,635	11,471	11,877	69,365	24,815	14,591	31,975	10,535	15,630	503,965
Nov. 9.....	11,488	298,963	9,287	14,223	9,586	12,320	63,584	15,642	13,450	35,024	10,211	16,376	510,154
Nov. 16.....	36,286	223,297	16,046	25,386	10,775	10,157	76,813	17,181	13,473	31,900	10,423	16,111	487,850
Nov. 23.....	37,574	351,111	22,914	30,149	16,623	12,653	97,805	17,334	10,262	33,122	8,375	18,089	656,002
Bills bought in open market:													
Oct. 26.....	24,046	88,564	13,357	18,101	5,731	2,775	7,715	2,428	1,787	1,237	7,847	4,002	177,590
Nov. 2.....	23,483	70,869	17,240	29,686	6,399	4,295	7,696	2,076	1,976	5,947	7,407	8,938	186,012
Nov. 9.....	28,742	24,518	26,190	36,302	11,740	4,395	5,700	6,353	11,357	5,340	11,595	8,769	181,001
Nov. 16.....	28,437	31,220	25,859	34,444	12,191	5,595	5,624	7,405	10,537	4,951	10,372	17,174	193,869
Nov. 23.....	30,234	50,340	25,604	31,082	12,937	4,727	5,949	7,786	9,044	4,536	10,818	16,848	209,905
United States Government long-term securities:													
Oct. 26.....	619	2,426	550	7,947	1,296	893	21,007	2,233	1,860	8,853	3,972	2,519	54,166
Nov. 2.....	610	2,302	550	7,697	1,361	589	21,007	2,233	1,860	8,851	3,972	2,519	53,851
Nov. 9.....	610	2,273	550	7,697	1,348	889	21,007	2,233	1,860	8,849	3,972	2,455	53,743
Nov. 16.....	610	2,044	550	8,178	1,346	898	21,007	2,233	1,860	8,849	3,972	2,455	54,062
Nov. 23.....	610	2,180	550	8,053	1,311	897	21,007	2,233	1,860	8,849	3,972	2,440	53,962
United States Government short-term securities:													
Oct. 26.....	2,686	16,074	3,128	3,693	2,364	8,945	4,948	1,793	3,037	2,210	2,252	4,746	55,876
Nov. 2.....	2,686	6,074	3,065	3,737	2,364	9,250	4,000	1,793	2,183	2,210	2,862	4,987	45,211
Nov. 9.....	2,686	6,074	3,062	3,514	2,364	9,151	3,585	1,793	2,183	1,784	2,285	3,886	42,367
Nov. 16.....	2,536	156,072	2,860	3,529	2,364	7,060	3,404	1,693	1,819	2,210	2,824	1,533	187,904
Nov. 23.....	2,456	26,122	2,858	4,824	2,364	5,383	3,779	1,693	1,810	2,222	2,654	1,685	57,850
Municipal warrants:													
Oct. 26.....			10	12		155			10		46		233
Nov. 2.....		1,017	10	12		157			25		46		1,267
Nov. 9.....		1,017	10	12		163			25		46		1,273
Nov. 16.....		1,017	10	12		163			25		46		1,273
Nov. 23.....		1,017	44	12		278			25		46		1,422

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve System at close of business on Fridays, Oct. 26 to Nov. 23, 1917—Continued.

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.
Due from other Federal Reserve Banks, net:													
Oct. 26.....	3,111		6,497	11,269	2,036	1,114		6,002	2,512	3,695	2,263	6,395	16,896
Nov. 2.....	2,504		5,365	1,788	228	1,749	6,851	4,666	11,006	6,756	728	8,489	14,383
Nov. 9.....		2,520		6,426				1,683	986	1,380	241	8,995	17,725
Nov. 16.....	17,452		4,641	10,390	3,189	1,973	6,150	2,981	1,923	9,988	286	17,772	17,838
Nov. 23.....		9,514		2,831		171	10,109		2,601	8,689		896	11,872
Uncollected items:													
Oct. 26.....	18,598	55,216	32,885	18,199	17,893	19,266	37,151	19,873	10,017	17,551	15,629	19,399	281,677
Nov. 2.....	17,183	81,000	34,364	17,737	20,116	17,505	42,027	19,084	14,695	16,102	19,544	18,544	317,901
Nov. 9.....	15,983	65,570	34,053	17,039	17,700	16,379	35,548	17,416	10,351	16,803	13,400	11,549	271,796
Nov. 16.....	30,708	80,127	47,898	36,454	30,409	22,079	70,775	27,067	18,330	35,901	15,026	13,770	428,544
Nov. 23.....	16,222	60,973	30,636	21,706	20,613	17,121	44,022	16,898	11,690	24,410	17,277	20,957	302,525
Five per cent redemption fund against Federal Reserve Bank notes:													
Oct. 26.....										400	137		537
Nov. 2.....										400	137		537
Nov. 9.....										400	137		537
Nov. 16.....										400	137		537
Nov. 23.....										400	137		537
All other resources:													
Oct. 26.....						100		345	524		122	63	1,354
Nov. 2.....						148		426	670		127	217	1,588
Nov. 9.....						62		1,547	797	170	301	112	2,989
Nov. 16.....					141	139	98	2,069	885		404		3,736
Nov. 23.....					35	100		1,470	980		599	109	3,293
Total resources:													
Oct. 26.....	153,600	944,230	175,940	195,648	108,691	97,229	322,035	111,079	90,666	135,445	99,104	132,696	2,523,365
Nov. 2.....	154,269	1,100,512	177,781	132,446	118,076	96,782	323,536	113,713	104,231	132,964	104,328	139,243	2,721,534
Nov. 9.....	151,779	1,043,431	188,800	197,556	119,719	98,101	329,761	111,103	99,421	134,873	98,986	138,146	2,697,170
Nov. 16.....	208,492	1,121,908	211,634	245,928	136,500	105,558	393,708	129,861	109,350	153,722	102,479	152,123	3,012,406
Nov. 23.....	165,308	1,103,527	200,515	231,776	134,973	106,730	380,244	120,731	100,730	150,021	116,353	168,161	2,956,130

LIABILITIES.

Capital paid in:													
Oct. 26.....	5,467	15,236	5,273	6,460	3,477	2,595	8,048	3,305	2,579	3,372	2,783	4,034	62,629
Nov. 2.....	5,467	16,733	5,284	6,478	3,477	2,595	8,047	3,443	2,579	3,372	2,783	4,033	64,291
Nov. 9.....	5,701	16,848	5,584	6,743	3,587	2,635	8,055	3,443	2,581	3,372	2,783	4,033	65,345
Nov. 16.....	5,701	17,675	5,590	6,743	3,585	2,635	8,549	3,444	2,581	3,372	2,783	4,033	66,691
Nov. 23.....	5,701	18,028	5,590	6,751	3,585	2,665	8,603	3,444	2,581	3,372	2,783	4,033	67,136
Government deposits:													
Oct. 26.....	12,823	15,591	8,313	15,157	8,535	5,866	17,545	9,688	5,013	10,746	8,748	14,196	132,221
Nov. 2.....	6,528	49,819	6,965	9,899	15,120	4,869	18,224	7,245	15,139	8,806	12,875	20,423	175,912
Nov. 9.....	359	7,303	2,039	5,895	3,863	5,042	3,199	1,636	7,085	4,420	6,227	12,130	59,198
Nov. 16.....	42,256	3,485	19,267	46,017	23,872	4,673	25,367	14,438	14,559	11,393	3,324	10,236	218,887
Nov. 23.....	7,292	31,292	4,227	28,563	12,220	3,196	40,674	1,705	7,132	12,753	11,048	36,309	196,411
Due to members—reserve account:													
Oct. 26.....	74,592	528,035	73,634	98,754	40,799	32,226	156,951	46,537	39,587	67,612	38,854	66,742	1,264,323
Nov. 2.....	78,523	632,111	72,868	98,447	40,553	32,328	157,244	47,814	42,028	66,858	39,785	63,464	1,372,023
Nov. 9.....	77,177	633,364	80,769	103,998	45,104	31,083	165,717	48,844	41,753	71,251	40,578	67,344	1,406,982
Nov. 16.....	87,647	657,133	83,991	101,442	44,324	33,498	153,756	48,562	42,917	74,968	43,450	78,810	1,480,498
Nov. 23.....	78,715	657,097	82,623	104,785	42,257	34,673	159,931	46,682	41,271	69,889	46,395	62,330	1,426,648
Due to nonmember banks—clearing account:													
Oct. 26.....		25,287		390		100	5,749	7	39	2		3,761	35,335
Nov. 2.....		14,409		609		81	5,178	18	10	2		4,003	24,310
Nov. 9.....		24,362		590		137	4,349	19	7	2		4,400	33,866
Nov. 16.....		11,331		129		72	5,911	46	36	2		3,398	20,925
Nov. 23.....		10,973		78		485	5,984	482	36	2		4,251	22,291
Collection items:													
Oct. 26.....	12,243	32,537	28,693	13,709	12,831	10,895	19,945	12,960	4,209	10,962	6,105	9,403	174,492
Nov. 2.....	12,494	49,351	29,072	13,680	14,692	8,885	19,330	14,129	4,516	10,027	5,664	9,971	191,811
Nov. 9.....	12,516	44,251	30,349	12,094	13,797	8,222	23,109	13,964	4,746	9,977	5,117	8,880	187,022
Nov. 16.....	18,420	51,196	31,934	20,940	15,971	10,870	38,889	16,073	5,252	13,695	6,451	10,746	240,437
Nov. 23.....	14,311	52,094	27,285	16,815	16,469	9,137	27,807	13,592	4,614	12,162	6,915	13,968	215,169
Due to other Federal Reserve Banks—net:													
Oct. 26.....		36,426					1,572						
Nov. 2.....		36,347											
Nov. 9.....	3,020		3,498		6,304	55	1,629						
Nov. 16.....		58,907											
Nov. 23.....	1,086		7,003		9,063		3,894				1,803		

¹ 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, Oct. 26 to Nov. 23, 1917—Continued.

LIABILITIES—Continued.

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

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Kansas City.	Minneapolis.	Dallas.	San Francisco.	Total.
Federal Reserve notes in actual circulation:													
Oct. 26.....	47,932	288,798	59,613	60,998	42,896	45,547	112,144	38,582	39,239	34,583	42,614	34,560	847,506
Nov. 2.....	50,644	299,263	63,155	63,074	44,071	48,024	115,494	41,064	39,959	35,683	43,221	37,349	881,001
Nov. 9.....	52,347	314,807	66,076	67,876	46,969	50,927	123,573	43,197	43,249	37,851	44,281	41,359	932,512
Nov. 16.....	53,805	319,481	70,429	70,432	48,748	53,810	131,236	47,298	44,005	42,018	46,471	44,852	972,585
Nov. 23.....	57,604	331,167	73,151	74,687	51,379	56,574	137,024	50,932	45,096	43,599	47,409	47,270	1,015,892
Federal Reserve Bank notes in circulation, net liability:													
Oct. 26.....										8,000			8,000
Nov. 2.....										8,000			8,000
Nov. 9.....										8,000			8,000
Nov. 16.....										8,000			8,000
Nov. 23.....										8,000			8,000
All other liabilities, including foreign Government credits:													
Oct. 26.....	543	2,320	414	180	153		81			168			3,859
Nov. 2.....	613	2,479	437	259	163		19			216			4,186
Nov. 9.....	659	2,496	485	360	115		130						4,245
Nov. 16.....	663	2,700	473	225						274		48	4,383
Nov. 23.....	599	2,876	546	97			221			244			4,583
Total liabilities:													
Oct. 26.....	153,600	944,230	175,940	185,648	108,691	97,229	322,035	111,079	90,666	135,445	99,104	132,696	2,528,365
Nov. 2.....	154,269	1,100,512	177,781	192,446	118,076	96,782	323,536	113,713	104,231	132,964	104,328	139,243	2,721,534
Nov. 9.....	151,779	1,043,431	188,800	197,556	119,719	98,101	329,761	111,103	99,421	134,873	98,986	138,146	2,697,170
Nov. 16.....	208,492	1,121,908	211,684	245,928	136,500	105,558	393,708	129,861	109,350	153,722	102,479	152,123	3,012,406
Nov. 23.....	165,308	1,103,527	200,515	231,776	134,973	106,730	380,244	120,731	100,730	150,021	116,353	168,161	2,956,130

FEDERAL RESERVE NOTES.

Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, Oct. 26 to Nov. 23, 1917.

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

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal Reserve notes received from agent—net:													
Oct. 26.....	51,251	315,224	63,320	64,215	44,313	47,069	116,632	41,322	40,421	37,580	42,906	39,134	903,387
Nov. 2.....	54,419	324,232	66,939	66,723	45,403	49,509	120,831	44,306	41,287	39,793	43,759	44,083	941,284
Nov. 9.....	55,652	342,946	70,355	71,514	48,941	52,300	129,431	45,372	44,473	42,456	44,570	47,374	995,384
Nov. 16.....	57,612	349,525	73,959	73,692	50,267	55,158	133,174	49,856	45,349	45,582	46,915	51,531	1,038,620
Nov. 23.....	61,381	377,878	77,474	76,621	53,811	57,758	147,592	54,844	46,321	46,842	48,077	53,688	1,102,287
Federal Reserve notes held by bank:													
Oct. 26.....	3,319	26,426	3,707	3,217	1,417	1,522	4,488	2,740	1,182	2,997	222	4,574	55,881
Nov. 2.....	3,775	24,969	3,784	3,649	1,332	1,485	5,337	3,242	1,328	4,110	538	6,734	60,283
Nov. 9.....	3,305	28,139	4,279	3,638	1,972	1,373	5,858	2,175	1,224	4,605	289	6,015	62,872
Nov. 16.....	3,807	30,044	3,530	3,260	1,519	1,348	7,938	2,558	1,344	3,564	444	6,679	66,035
Nov. 23.....	3,777	46,711	4,323	1,934	2,432	1,184	10,568	3,912	1,225	3,243	668	6,418	86,355
Federal Reserve notes in actual circulation:													
Oct. 26.....	47,932	288,798	59,613	60,998	42,896	45,547	112,144	38,582	39,239	34,583	42,614	34,560	847,506
Nov. 2.....	50,644	299,263	63,155	63,074	44,071	48,024	115,494	41,064	39,959	35,683	43,221	37,349	881,001
Nov. 9.....	52,347	314,807	66,076	67,876	46,969	50,927	123,573	43,197	43,249	37,851	44,281	41,359	932,512
Nov. 16.....	53,805	319,481	70,429	70,432	48,748	53,810	131,236	47,298	44,005	42,018	46,471	44,852	972,585
Nov. 23.....	57,604	331,167	73,151	74,687	51,379	56,574	137,024	50,932	45,096	43,599	47,409	47,270	1,015,892
Gold deposited with or to credit of Federal Reserve Agent:													
Oct. 26.....	35,371	187,224	48,220	47,715	28,729	40,058	81,372	27,075	35,625	30,620	26,303	26,380	614,692
Nov. 2.....	37,539	177,432	51,746	44,223	23,614	39,027	74,371	30,059	32,491	30,314	26,485	30,129	602,433
Nov. 9.....	36,182	177,146	49,785	47,014	32,061	36,961	86,231	33,375	29,477	30,287	27,772	30,020	616,254
Nov. 16.....	31,692	174,325	50,529	46,192	31,997	39,892	98,474	38,359	29,353	30,209	27,757	31,127	629,906
Nov. 23.....	30,461	174,058	50,644	48,121	31,940	43,851	81,692	38,847	29,325	30,186	29,039	35,784	623,948
Paper delivered to Federal Reserve Agent:													
Oct. 26.....	15,899	133,136	15,165	16,508	17,051	9,331	35,783	14,258	8,886	7,380	17,297	12,076	303,704
Nov. 2.....	16,899	163,953	15,194	22,511	17,870	10,583	47,019	14,259	14,991	9,501	17,942	14,385	365,107
Nov. 9.....	19,489	205,337	20,574	24,515	21,326	15,397	43,788	12,036	22,676	12,462	21,806	19,796	439,202
Nov. 16.....	25,949	180,842	23,436	27,584	22,966	15,294	41,321	11,526	19,430	15,634	20,795	26,405	431,182
Nov. 23.....	30,957	234,763	26,854	28,549	29,645	14,655	66,530	16,016	16,475	16,903	19,194	31,870	532,411

Federal Reserve note account of each Federal Reserve Agent at close of business on Fridays, Oct. 26 to Nov. 23, 1917.

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

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
FEDERAL RESERVE NOTES.													
Received from Comptroller:													
Oct. 26.....	79,680	532,760	92,440	83,000	60,100	59,980	151,440	55,840	57,280	56,720	63,080	44,460	1,337,680
Nov. 2.....	80,880	541,160	92,440	84,000	61,900	64,980	155,320	55,840	57,280	58,720	64,180	49,460	1,363,760
Nov. 9.....	80,880	560,960	99,240	84,600	65,600	66,300	170,480	57,780	59,480	61,720	64,180	52,820	1,424,040
Nov. 16.....	80,880	574,960	101,960	97,880	68,700	69,100	184,120	61,380	59,480	64,740	64,180	57,220	1,484,600
Nov. 23.....	88,320	590,480	109,480	97,880	69,700	72,280	191,720	65,680	61,480	66,740	67,540	59,420	1,540,720
Returned to Comptroller:													
Oct. 26.....	15,029	106,016	14,080	7,845	14,107	9,801	4,908	7,468	8,569	10,460	11,294	5,326	214,903
Nov. 2.....	15,061	108,808	14,961	7,937	14,317	9,881	5,229	7,484	8,703	10,847	11,401	5,377	220,006
Nov. 9.....	15,828	109,094	15,045	8,146	14,439	10,030	5,796	7,918	8,717	10,884	11,600	5,446	222,856
Nov. 16.....	15,868	111,915	15,861	8,248	14,513	10,092	5,796	7,934	8,841	11,163	11,615	5,689	227,505
Nov. 23.....	16,619	112,182	15,946	8,319	14,669	10,132	5,823	7,946	9,069	11,198	11,653	5,732	229,293
Chargeable to Federal Reserve Agent:													
Oct. 26.....	64,651	426,744	78,360	75,155	45,993	50,179	146,532	48,372	48,711	46,260	52,686	39,134	1,122,777
Nov. 2.....	65,819	432,352	77,479	76,603	47,583	55,099	150,091	48,356	48,577	47,873	52,779	44,083	1,146,754
Nov. 9.....	65,052	451,896	84,195	76,454	51,161	56,270	164,771	49,862	50,763	50,836	52,580	47,374	1,201,184
Nov. 16.....	65,012	463,045	86,099	89,632	54,187	59,008	178,354	53,446	50,639	53,577	52,665	51,531	1,257,095
Nov. 23.....	71,701	478,298	93,534	89,561	55,031	62,148	185,892	57,734	52,411	55,542	55,887	53,688	1,311,427
In hands of Federal Reserve Agent:													
Oct. 26.....	13,400	111,520	15,040	10,940	1,680	3,110	29,900	7,059	8,290	8,680	9,780	.....	219,390
Nov. 2.....	11,400	108,120	10,540	9,940	2,180	5,590	29,260	4,050	7,290	8,080	9,020	.....	205,470
Nov. 9.....	9,400	108,920	13,840	4,940	2,220	3,970	35,340	4,490	6,290	8,380	8,010	.....	205,800
Nov. 16.....	7,400	113,520	12,140	15,940	3,920	3,850	39,180	5,290	7,995	5,650	.....	.....	218,475
Nov. 23.....	10,320	100,420	16,060	12,940	1,220	4,390	38,300	2,890	6,090	8,700	7,810	.....	209,140
Issued to Federal Reserve Bank, less amount returned to Federal Reserve Agent for redemption:													
Oct. 26.....	51,251	315,224	63,320	64,215	44,313	47,069	116,632	41,322	40,421	37,580	42,906	39,134	903,387
Nov. 2.....	54,419	324,232	66,939	66,723	45,403	49,509	120,831	44,306	41,287	39,793	43,759	44,083	941,284
Nov. 9.....	55,652	342,946	70,355	71,514	48,941	52,300	129,431	45,372	44,473	42,456	44,570	47,374	995,384
Nov. 16.....	57,612	349,525	73,959	73,692	50,267	55,158	139,174	49,856	45,349	45,582	46,915	51,531	1,038,620
Nov. 23.....	61,381	377,878	77,474	76,621	53,811	57,758	147,592	54,844	46,321	46,842	48,077	53,688	1,102,287
Collateral held as security for outstanding notes:													
Gold coin and certificates on hand—													
Oct. 26.....	30,599	177,082	4,220	19,321	.....	3,579	.....	2,513	13,102	2,270	14,480	.....	267,166
Nov. 2.....	32,799	167,920	4,220	10,883	.....	3,578	.....	2,513	13,102	.....	14,480	.....	249,495
Nov. 9.....	31,509	157,920	4,220	13,341	.....	3,604	.....	2,513	13,102	.....	14,480	.....	250,689
Nov. 16.....	27,060	165,460	4,220	12,592	.....	3,604	.....	2,512	13,102	.....	14,480	.....	243,080
Nov. 23.....	25,859	165,460	4,220	14,275	.....	3,603	.....	2,512	13,102	.....	14,080	.....	243,111
In gold redemption fund—													
Oct. 26.....	2,772	10,142	3,361	3,394	729	2,509	444	1,502	2,023	1,990	2,349	1,989	33,204
Nov. 2.....	2,740	9,512	3,480	3,340	614	2,429	398	1,486	1,889	1,954	2,331	1,938	32,111
Nov. 9.....	2,673	9,226	3,896	3,673	561	2,280	332	1,757	1,875	1,927	2,318	1,869	32,187
Nov. 16.....	2,632	8,865	3,885	3,600	497	2,218	275	2,042	1,751	1,849	2,403	1,826	31,843
Nov. 23.....	2,602	8,598	3,800	3,846	440	3,178	213	2,030	1,723	1,826	2,485	1,783	32,524
With Federal Reserve Board—													
Oct. 26.....	2,000	.....	40,639	25,000	28,000	33,970	80,928	23,060	20,500	26,360	9,474	24,391	314,322
Nov. 2.....	2,000	.....	44,049	30,000	28,000	33,020	73,973	26,060	17,500	28,360	9,674	28,191	320,827
Nov. 9.....	2,000	.....	41,869	30,000	31,500	31,020	85,896	29,105	14,500	28,360	10,974	28,151	333,378
Nov. 16.....	2,000	.....	42,421	30,000	31,500	34,070	98,199	33,805	14,500	28,360	10,874	29,301	355,033
Nov. 23.....	2,000	.....	42,621	30,000	31,500	37,070	81,479	34,305	14,500	28,360	12,474	34,001	348,313
Commercial and bank paper, required minimum—¹													
Oct. 26.....	15,880	128,000	15,100	16,500	15,584	7,011	35,260	14,247	4,796	6,960	16,603	12,754	288,695
Nov. 2.....	16,880	146,800	15,190	22,500	16,789	10,482	46,460	14,247	8,796	9,479	17,274	13,954	338,851
Nov. 9.....	19,470	165,800	20,570	24,500	16,880	15,396	43,200	11,997	14,996	12,169	16,798	17,354	379,130
Nov. 16.....	25,920	175,200	23,430	27,500	18,270	15,266	40,700	11,497	15,996	15,373	19,158	20,404	408,714
Nov. 23.....	30,920	203,820	26,830	28,500	21,871	13,907	65,900	15,997	16,996	16,656	19,038	17,904	478,339
Total—													
Oct. 26.....	51,251	315,224	63,320	64,215	44,313	47,069	116,632	41,322	40,421	37,580	42,906	39,134	903,387
Nov. 2.....	54,419	324,232	66,939	66,723	45,403	49,509	120,831	44,306	41,287	39,793	43,759	44,083	941,284
Nov. 9.....	55,652	342,946	70,355	71,514	48,941	52,300	129,431	45,372	44,473	42,456	44,570	47,374	995,384
Nov. 16.....	57,612	349,525	73,959	73,692	50,267	55,158	139,174	49,856	45,349	45,582	46,915	51,531	1,038,620
Nov. 23.....	61,381	377,878	77,474	76,621	53,811	57,758	147,592	54,844	46,321	46,842	48,077	53,688	1,102,287

¹ For actual amounts see item "Paper delivered to Federal Reserve Agent" on p. 985.

EARNINGS ON INVESTMENTS OF FEDERAL RESERVE BANKS.

Average amounts of earning assets held by each Federal Reserve Bank during October, 1917, earnings from each class of earning assets, and annual rates of earnings on the basis of October, 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.....	\$12,437,992	\$24,080,653	\$3,295,750		\$39,814,395
New York.....	148,441,362	81,873,716	17,298,199	\$131,165	247,744,442
Philadelphia.....	9,958,904	15,298,910	3,740,400	7,419	29,005,633
Cleveland.....	10,977,699	20,146,591	13,474,613	12,192	44,611,095
Richmond.....	12,512,358	5,181,221	3,860,614		21,554,193
Atlanta.....	9,668,476	2,323,311	8,467,247	76,195	20,535,139
Chicago.....	42,165,165	8,446,702	27,523,052		78,134,919
St. Louis.....	18,693,029	3,429,396	4,161,465		26,283,890
Minneapolis.....	8,319,100	2,482,800	4,352,800	11,500	15,166,200
Kansas City.....	20,337,478	2,245,478	11,171,187		33,754,143
Dallas.....	7,964,720	7,814,505	6,301,516	46,265	21,627,006
San Francisco.....	12,295,106	5,856,675	7,161,113		25,312,894
Total.....	313,771,389	178,679,953	110,807,956	284,646	603,543,949

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.....	\$42,016	\$73,218	\$9,183		\$124,420	<i>Per cent.</i> 3.85	<i>Per cent.</i> 3.47	<i>Per cent.</i> 3.03		<i>Per cent.</i> 3.56
New York.....	377,336	237,876	49,445	\$303	664,960	3.09	3.53	3.47	2.6	3.29
Philadelphia.....	31,328	43,065	9,738	40	84,171	3.70	3.31	3.06	4.06	3.41
Cleveland.....	34,795	56,422	33,351	48	124,616	3.73	3.29	2.91	4.62	3.29
Richmond.....	41,834	15,121	9,248		66,203	3.94	3.44	2.82		3.62
Atlanta.....	32,765	7,008	25,900	260	65,933	3.88	3.44	3.48	3.89	3.66
Chicago.....	128,224	23,788	74,750		226,762	3.60	3.32	3.20		3.43
St. Louis.....	60,545	9,432	9,855		79,832	3.79	3.24	2.80		3.58
Minneapolis.....	30,791	6,492	10,111	48	47,442	4.36	3.08	2.75	4.89	3.68
Kansas City.....	68,648	6,845	22,846		98,339	3.97	3.29	2.41		3.41
Dallas.....	31,988	19,629	13,947	159	65,723	4.82	3.22	2.66	4.14	3.65
San Francisco.....	42,507	17,467	19,619		79,593	4.07	3.51	3.23		3.70
Total.....	922,777	516,363	287,996	853	1,727,994	3.47	3.40	3.06	3.54	3.37

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.
	Oct. 19, 1917.	Oct. 26, 1917.	Nov. 2, 1917.	Nov. 9, 1917.	Nov. 16, 1917.		
IMPORTS.							
Ore and base bullion.....	535	169	247	192	80	13,988	11,721
United States mint or assay office bars.....						114	4,009
Bullion, refined.....	653	1,168	361	328	462	391,046	361,274
United States coin.....	10	22	326	24		53,692	3,119
Foreign coin.....	1	12			35	90,875	119,486
Total.....	1,199	1,381	934	544	577	549,715	499,609
EXPORTS.							
Domestic:							
Ore and base bullion.....				31		210	258
United States mint or assay office bars.....			1			46,594	13,736
Bullion, refined.....	1,707	1,466	503	117	3	38,900	7,003
Coin.....	1,334	437	538	1,140	694	269,572	71,319
Total.....	3,041	1,903	1,042	1,288	697	355,276	92,316
Foreign:							
Bullion, refined.....						31	1,458
Coin.....	585	38	35	63	44	7,076	19,831
Total.....	585	38	35	63	44	7,107	21,289
Total exports.....	3,626	1,941	1,077	1,351	741	362,383	113,605

Excess of gold imports over exports since Jan. 1, 1917, \$187,332.
 Excess of gold imports over exports since Aug. 1, 1914, \$1,056,094.

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank approved by the Federal Reserve Board up to Dec. 4, 1917.

Federal Reserve Bank.	Maturities.						
	Discounts.					Trade acceptances.	
	Within 15 days, including member banks' collateral notes.	16 to 60 days.	61 to 90 days.	Agricultural and live-stock paper over 90 days.	Secured by U. S. certificates of indebtedness or Liberty Loan bonds.	1 to 60 days, inclusive.	61 to 90 days, inclusive.
					Within 15 days, including member banks' collateral notes. 16 to 90 days.		
Boston.....	4	4½	4½	5	3½	4	4
New York.....	3	4	4	5	3	3½	3½
Philadelphia.....	4	4½	4½	5	3½	4	4
Cleveland.....	4	4½	4½	5	3½	4	4
Richmond.....	4	4½	4½	5½	3½	4	4
Atlanta.....	4	4½	4½	5	3½	4	4
Chicago.....	4	4½	5	5½	3½	4	4
St. Louis.....	4	4½	4½	5½	3½	4	4
Minneapolis.....	4	4½	5	5½	3½	4	4
Kansas City.....	4	4½	4½	5	3½	4	4
Dallas.....	4	4½	4½	5	3½	3½	4
San Francisco.....	4	4½	4½	5½	3½	4	4

Note 1.—Rate for acceptances purchased in open market, 2½ to 4 per cent, except for San Francisco, whose rate ranges from 2½ to 4½ per cent.
 Note 2.—Rates for commodity paper have been merged with those for commercial paper of corresponding maturities.

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