

further, That the provisions of section fifty-one hundred and ninety-one of the Revised Statutes, as amended by the Federal Reserve Act and the amendments thereof, with reference to the reserves required to be kept by national banking associations and other member banks of the Federal Reserve System, shall not apply to deposits of public moneys by the United States in designated depositories.

SEC. 8. That in order to pay all necessary expenses, including rent, connected with any operations under this act, a sum not exceeding one-tenth of one per centum of the amount of bonds and one-tenth of one per centum of the amount of certificates of indebtedness herein authorized is hereby appropriated, or as much thereof as may be necessary, out of any money in the Treasury not otherwise appropriated, to be expended as the Secretary of the Treasury may direct: *Provided*, That, in addition to the reports now required by law, the Secretary of the Treasury shall, on the first Monday in December, nineteen hundred and seventeen, and annually thereafter, transmit to the Congress a detailed statement of all expenditures under this act.

Conference of Governors.

The tenth conference of the governors of the Federal Reserve Banks was held at the Shoreham Hotel, April 4 to 6, inclusive. There were present: Governor A. L. Aiken, of Boston, chairman; Governor Seay, of Richmond; Governor Rhoads, of Philadelphia; Governor Wold, of Minneapolis; Governor McCord, of Atlanta; Governor Van Zandt, of Dallas; Governor Fancher, of Cleveland; Governor McDougal, of Chicago; Deputy Governor Treman, of New York; Deputy Governor Calkins, of San Francisco; and Mr. J. F. Curtis, secretary.

The Federal Reserve Banks of St. Louis and Kansas City were the only banks not represented.

The governors held several conferences with the Federal Reserve Board during the course of their meeting.

Among the subjects discussed were: Delays in the mails; direct interdistrict routing of items; disposition of Government bonds; Federal Reserve Banks as fiscal agents of the Gov-

ernment; reports of reserves by member banks; real-estate loans; Federal Reserve Bank drafts; Federal reserve district numbers on checks; establishment of collection department by Federal Reserve Banks; transit time schedules and domestic exchanges; establishment of branches and agencies; problems of collection and clearances; proposed amendments to Federal Reserve Act; abrasion of gold; direct redemption of unfit Federal Reserve notes; joint custody of funds held by Federal Reserve agents; purchase of acceptances; enlistment by Federal Reserve Bank employees in military forces of the United States; surety bonds held by Federal Reserve Banks; abstracts of clearing house figures and trade acceptances.

The conference adjourned subject to call of the chairman without definite time or place being fixed for next meeting.

State Banks Admitted.

The following State banks have been admitted to membership in the Federal Reserve System during the month of April, 1917: Cleveland Trust Co., Cleveland, Ohio; St. Louis Union Bank, St. Louis, Mo.; Farmers State Bank, Kasson, Minn.; Peoples Bank, St. Paul, Minn.

Federal Reserve Drafts.

Forms of special drafts on Federal Reserve Banks have been prepared and sent with the necessary suggestions as to their use to the 12 Federal Reserve Banks. Use of these drafts will begin on May 21. They are the result of careful study of the question of transfers by the Board and the banks.

Drafts drawn by member banks on their own Federal Reserve Bank immediately available at par at any Federal Reserve Bank but actually payable only at the Federal Reserve Bank on which drawn are, for the present, limited to sums not exceeding \$250. Transfer drafts payable on advice at any Federal Reserve

Bank specified are limited to sums in excess of \$250. Advice to the drawee Federal Reserve Bank by the member bank is required in either case.

Extracts from the instructions issued to Federal Reserve Banks under date of April 24 are given below:

FEDERAL RESERVE DRAFTS.

There shall be two special forms of drafts on each Federal Reserve Bank which will be available for immediate credit at other Federal Reserve Banks.

The privilege of drawing these drafts shall be extended to all member banks complying with the regulations to be formulated by their Federal Reserve Banks.

The drawing of these drafts shall not interfere with member banks drawing the ordinary checks on their Federal Reserve Banks.

The special drafts provided for in this circular must be drawn on forms approved by the Federal Reserve Bank of which the drawing bank is a member. The forms are to be similar to the specimens embodied herewith.

Any Federal Reserve Bank may, if in the judgment of its officers it becomes necessary, make a reasonable charge against member banks drawing these drafts for the purpose of effecting transfers of funds, such charge not to exceed the rate for transfers prevailing at the time the drafts are drawn.

All of these drafts shall be immediately charged to the drawing member bank's account on receipt of advice by the drawee Federal Reserve Bank. Specimen forms of advice are inclosed with this circular.

The two kinds of drafts shall be known as "Federal Reserve Exchange" and "Federal Reserve Transfer" drafts.

FEDERAL RESERVE EXCHANGE DRAFT.

The "Federal Reserve Exchange" drafts shall be the draft drawn by a member bank upon its own Federal Reserve Bank and made receivable for immediate availability at par at any Federal Reserve Bank, but actually payable only at the drawee Federal Reserve Bank.

They shall, for the present and until otherwise provided, be drawn for amounts not in excess of \$250.

The drawing bank shall be required to give advice by mail to its Federal Reserve Bank of the total amount of drafts drawn each day.

These drafts on a Federal Reserve Bank when received for immediate availability by another shall be listed in a special letter and forwarded to the drawee Federal Reserve Bank for credit.

If the total of the letter justifies there can be an advice by wire and entries made on the day the letter goes forward.

FEDERAL RESERVE TRANSFER DRAFT.

The "Federal Reserve Transfer" draft shall be the draft drawn by a member bank upon its own Federal Reserve Bank and made payable on advice of the drawee at any Federal Reserve Bank specified in the draft.

They shall, for the present, be drawn for amounts in excess of \$250.

The drawing bank shall be required to give advice by mail to its Federal Reserve Bank of the numbers, amounts, and total made payable at each Federal Reserve Bank of drafts drawn each day. This advice shall be under an authorized signature and a duplicate shall be forwarded to the Federal Reserve Bank at which the drafts are made payable, the duplicate advice to contain the signature in ink of officers signing the drafts.

The drawee Federal Reserve Bank shall, upon receipt of advice from the drawing member bank, telegraph the Federal Reserve Bank at which the drafts were made payable, confirming the advice * * *.

Under existing regulations governing the gold settlement fund any Federal Reserve Bank can at any time obtain a settlement on a net balance due from another Federal Reserve Bank.

This plan shall become operative on the 21st day of May, 1917.

[Inclosures.]

FIRST NATIONAL BANK.

WACO, TEX.,

To Federal Reserve Bank of Dallas.

GENTLEMEN: We have this day drawn checks on Federal Reserve Exchange form, the total amount of which is \$.....

..... dollars.

Charge our account to cover.

R. P. DUPREE,
Cashier.

MAY 1, 1917.

FIRST NATIONAL BANK.
WACO, TEX.,

To Federal Reserve Bank of Dallas.

We have this day drawn checks on Federal Reserve Transfer form as listed below, payable on advice from you at the Federal Reserve Bank of

Number.	Amount.	Number.	Amount.
		Total....	

Charge our account with total and arrange for payment.
Respectfully,

.....
Cashier.

FIRST NATIONAL BANK.
WACO, TEX.,

To Federal Reserve Bank of

We have this day drawn checks on Federal Reserve Transfer form as listed below, payable by you on advice from the Federal Reserve Bank of Dallas.

Number.	Amount.	Number.	Amount.
		Total....	

(Signature in ink and title of officers signing any of the checks above listed.)

.....

(Form of draft.)

Federal Reserve Exchange.	48-1	No.
	FIRST NATIONAL BANK.	WACO, TEXAS,
	Pay to the order of	\$.....
	.....	Dollars.
	To Federal Reserve Bank of Dallas 32-3	.....
	.....	<i>Cashier.</i>
Any Federal Reserve Bank will receive this check for immediate availability at par.		

Federal Reserve Transfer.	48-1	No.
	FIRST NATIONAL BANK.	WACO, TEXAS,
	Pay to the order of	\$.....
	.....	Dollars.
	To Federal Reserve Bank of Dallas 32-3	.....
	.....	<i>Cashier.</i>
The Federal Reserve Bank of will pay this check upon advice of drawee.		

Foreign War Loans.

The following condensed statement showing approximate amounts of war loans raised by the principal belligerent countries since August 1, 1914, has been compiled by the division of statistics of the Federal Reserve Board in answer to inquiries on the subject:

United Kingdom (Mar. 31, 1917).....	¹ \$18,805,000,000
France (Feb. 28, 1917).....	10,500,000,000
Germany (Dec. 31, 1916).....	² 11,226,000,000
Russia (Dec. 31, 1916).....	7,896,000,000
Italy (Dec. 31, 1916).....	³ 2,520,000,000
Austria (Dec. 31, 1916).....	⁴ 5,880,000,000
Hungary (Dec. 31, 1916).....	1,730,000,000
Total.....	⁵ 53,113,000,000

¹ Figures for the United Kingdom are apparently exclusive of \$704,120,000 of currency notes issued by the Government and secured to the extent of 19.7 per cent by gold.

² Subscriptions to the sixth German war loan have recently been completed. This loan is reported to have yielded over 3 billions of dollars. In addition to the funded debt, the Government at the end of February, 1917, had outstanding over 80 million dollars of Treasury notes, about 800 million dollars of war loan bank notes, and an unknown amount of Treasury bills.

³ Includes 154 millions of treasury notes secured to the extent of 12.8 per cent by a metallic reserve held in the Government treasury.

⁴ A considerable proportion of the loans of the Austrian Government was obtained in the shape of temporary advances from the Austro-Hungarian Bank at nominal rates of interest. The amount thus obtained is given on page 330 of the April Federal Reserve Bulletin as \$1,304,250,000.

⁵ The total includes the advances made by the United Kingdom and France to the smaller belligerent countries allied with them. No figures are available showing the additional amounts received through domestic loans by the Governments of the smaller countries, such as Roumania, Servia, and Belgium on the one hand and Turkey and Bulgaria on the other. Figures shown for Germany and Austria are apparently exclusive of the advances made to Turkey and Bulgaria, regarding which no official information has been published. Neither do these figures include the considerable amounts raised through loans by the British dominions and colonies: e. g., Canada, Australia, New Zealand, South Africa, and British India.