

SIXTH ANNUAL REPORT  
OF THE  
**FEDERAL RESERVE  
BOARD**

COVERING OPERATIONS  
FOR THE YEAR 1919



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1920

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# PART I.

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REPORT OF THE FEDERAL RESERVE BOARD,  
WITH EXHIBITS.

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## THE FEDERAL RESERVE BOARD.

1919.

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CARTER GLASS, *ex officio*,  
*Secretary of the Treasury, Chairman.*  
JOHN SKELTON WILLIAMS, *ex officio*,  
*Comptroller of the Currency.*

W. P. G. HARDING, *Governor.*  
ALBERT STRAUSS, *Vice Governor.*  
A. C. MILLER.  
CHARLES S. HAMLIN.  
HENRY A. MOEHLERPAH.

VI

# ANNUAL REPORT OF THE FEDERAL RESERVE BOARD.

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FEDERAL RESERVE BOARD,  
*Washington, February 2, 1920.*

SIR: The Sixth Annual Report of the Federal Reserve Board covering operations for the calendar year ended December 31, 1919, is submitted herewith.

## INTRODUCTORY REVIEW.

The past year has witnessed the return and demobilization of troops, the readjustment of commercial and industrial activities to a peace basis, and the removal of most of the war-time restrictions. It has, moreover, been a year marked by industrial unrest, by economic confusion, by reduced production, increased domestic consumption, high prices, and unprecedented extravagance.

In the exercise of its functions, the Federal Reserve Board has been confronted with problems of peculiar difficulty, not admitting of treatment either by methods necessary or permissible in time of war, nor by recourse to means which would naturally suggest themselves under normal economic conditions.

A consideration of these problems makes necessary a brief review of the financial exigencies of the war and of the manner in which they were met. It must be remembered at the outset that war financing necessarily involves credit expansion unless private consumption is curtailed at a rate commensurate with the increase of Government requirements. Such curtailment is at best a gradual process; with us it had been brought under a gratifying degree of control when the armistice was signed. The War Industries Board through priority orders and price fixing, and the Food and Fuel Administrations by rationing, voluntary cooperation, and price fixing had limited consumption, and as a consequence expenditure; and these limitations, had the war continued, would have shown striking results in our ability to place further Liberty bond issues with investors. To the extent, however, that what was accomplished in saving fell short of actual requirements, there was a margin of bonds that could not be paid for immediately out of savings and which it became necessary for the banks to carry, either directly or indirectly through loans to purchasers. This expansion of bank loans must be kept in mind in order to understand the situation. Failure to understand it leads to the impression held by many that Liberty bonds could all have been sold to investors had they borne a higher interest rate. No rate within reason could have accomplished this end, as the invest-

ment funds to absorb these enormous issues in their entirety simply did not exist and their growth could not have been induced to an adequate degree by higher rates.

In order that the member banks might carry the burden of undigested Government securities they were obliged to rediscount with Federal Reserve Banks, and in order that such rediscounting should not involve them in heavy loss it was essential that as long as the banks were lending to bond subscribers at coupon rates the rediscount rate should be related to the bond rate. The rediscount rates of Federal Reserve Banks, therefore, instead of being higher than the market rates, as in theory and in normal practice they should have been, were made lower than the market rates. This circumstance is enough to prevent a normal functioning of a Federal Reserve Bank, whose rates should be so fixed that resort thereto is unprofitable to the borrowing institution and thus has a tendency to check expansion.

The remedy for this condition is the absorption by investors of the undigested securities. This process could not be accelerated, as in normal times, by sharp declines in value, as the large volume to be digested precluded that possibility. Absorption can be brought about only by time and saving; and it often happens that a rising price causes better absorption than a falling quotation. A consideration of these facts makes it clear that abnormalities were imposed on the banking system by the war and that a restoration of normal conditions must be brought about through the gradual elimination of war paper from the banks. It was necessary to cooperate with the Treasury in every way to facilitate first the sale of Government securities and then their absorption by investors. For the full understanding of the Treasury's position as the most important factor in the money market, it is necessary to touch briefly on its issues of certificates of indebtedness. The principal issues of such certificates were loan issues and tax issues. On May 5, 1919, there were outstanding \$6,467,525,000 of certificates, which was the maximum at any time outstanding. On December 31, 1919, there were outstanding \$3,262,184,500; at the date of this report there were outstanding but \$3,124,757,500, whereof about \$550,000,000 mature March 15 and will be paid off out of tax receipts due that day. It will be seen that there has thus been a very substantial reduction of the floating debt represented by the certificates of indebtedness. Certificates now outstanding mature on March 15, June 15, September 15, and December 15, 1920, these being the dates on which taxes become payable and they will then be paid off out of tax receipts. It is estimated that receipts from income and excess profits taxes payable during the calendar year 1920 will be more than ample to redeem all tax certificates outstanding at present, and that a portion of these taxes will be available to cover current

expenditures. The amount by which other current receipts fall short of meeting current expenditures may then be covered by further issues of tax certificates maturing on tax dates in 1921. Such issues will, it is estimated, be for amounts appreciably smaller than the issues now outstanding. The volume of certificates being steadily reduced, the new issues of certificates should be readily absorbed. It is estimated that over 60 per cent of present tax issues are held by taxpayers and investors and only 40 per cent by the banks. Distribution of the certificates has been effected through the Federal Reserve Banks, with the cooperation of the member banks—a vast organization which can not be duplicated—the member banks buying the certificates in the first instance and then gradually selling them to their costumers. This could not have been accomplished if member banks had not had the assurance that their investments in certificates pending distribution could, if necessary, be carried in Federal Reserve Banks without loss. In making rates for rediscounting loans on Government securities the policy was to avoid loss to the banks, which were necessarily the distributing media.

As Treasury operations became gradually a less determining factor in the money market, the situation as to commodity prices became more important. The purchasing power of the public growing out of high wages and large profits is greater than it has ever been before; and this purchasing power, competing with export demands arising out of the necessities of Europe, has raised prices to a point that takes no account of prudence. Every element of increased cost is added to price, and there is, therefore, no incentive to manufacturers to produce cheaply or to hold back because of any element of cost, whether of credit, labor, or material, as they can always sell their output at a profit. There is practically unlimited demand for credit not only for the manufacture and distribution of goods, but also for speculation in commodities and in the securities representing ownership of the industries producing those commodities and which profit by their production and sale.

From the facts set forth above, it is evident that an advance in discount rates while the Government had an unwieldy floating debt and Liberty bonds were still largely unabsorbed would have added to the difficulties of Government financing. While regulation and control of credit have been as desirable since the war restrictions were removed as before, the Board was convinced that to attempt this control through premature adjustments of rates would be so detrimental to the Treasury's position as to offset, if not prevent entirely, the results sought.

Early in December, however, after the program of the Treasury for the adjustment of the floating debt had advanced to a stage where it could no longer be seriously affected by the adoption of a

more normal banking policy, the Board notified the Federal Reserve Banks that it was ready to consider their suggestions for rate changes, and that it would approve an advance in the rates for paper secured by Government obligations other than Treasury certificates of indebtedness. As the highest rate borne at that time by the certificates was  $4\frac{1}{2}$  per cent and as they were held largely by banks, the Board felt that in view of all the circumstances the existing rate on notes secured by Treasury certificates as collateral should be maintained for a limited time. The Treasury, however, on December 29, announced that it would offer on January 2, 1920, certificates bearing interest at the rate of  $4\frac{3}{4}$  per cent payable on December 15, 1920, and the Board thereupon took steps to advance the rate on notes secured by Treasury certificates to  $4\frac{3}{4}$  per cent.

At the close of the year, at a majority of the Federal Reserve Banks, rates on paper secured by Government obligations of every kind had been advanced to the same level as the rates then ruling for commercial paper, while the other Federal Reserve Banks announced their readiness to comply with the Board's wishes as soon as meetings of their directors could be held.

No advance in the discount rate on commercial paper had been made up to December 31, chiefly because it was deemed desirable to ascertain to what extent the seasonal liquidation, beginning usually in January, would proceed without the added stimulus of higher rates and partly, too, because at some of the most important financial centers rates of interest on bank balances were based on the 90-day discount rate of the Federal Reserve Bank, and were subject to an automatic increase should that rate be advanced. Such increase might easily lead to a disturbing scramble for deposits. While there is no obligation on the part of either the Board or the Federal Reserve Banks to consider interest rates allowed by commercial banks on deposits in establishing discount rates, it was the Board's view that this fact should be understood by the banking community, and that the banks in the centers affected should be given an opportunity in anticipation of future rate changes to modify their rules. Accordingly, on December 29, the Board invited clearing-house associations to send representatives to a conference to be held in Washington on January 6, 1920, for a discussion of the matter.

It was the Board's conviction, however, at the close of the year, that a substantial advance in all discount rates was necessary and that it should not be long delayed.

The act of September 7, 1916, amended section 13 of the Federal Reserve Act by providing that "any Federal reserve bank may make advances to its member banks on their promissory notes for a period not exceeding 15 days at rates to be established by such Federal Reserve Bank, subject to the review and determination of the Federal Reserve Board, provided such promissory notes are

secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount, or for purchase by Federal reserve banks under the provisions of this act, or by the deposit or pledge of bonds or notes of the United States." Until recently it has been the policy of the Federal Reserve Banks to establish, and of the Federal Reserve Board to approve, preferential rates for paper, including member banks' collateral notes, maturing within 15 days, and a very large proportion of the invested assets of the Federal Reserve Banks have been represented by paper of this class.

This amendment was suggested by the Board at a time when borrowings by member banks were very small, and when much of the limited demand was for a short period only. Banks having occasion to use funds for a few days found frequently that eligible paper in their portfolios had a longer time to run than the period covering their requirements, and the result was either that no offering was made or that the loans were taken up before maturity with request for rebates.

During the period when the success of offerings of Government bonds and of Treasury certificates depended so largely upon the cooperation of the banks the ability of member banks to discount at preferential rates at Federal Reserve Banks their short-time notes secured by Government obligations proved of great value, but now that Treasury financing is no longer the paramount factor in the money market it is the view of the Board that there should be no preferential rates given to member banks' collateral notes.

#### INTERBANK PURCHASES OF ACCEPTANCES AND REDISCOUNT OPERATIONS.

The rediscounting between Federal Reserve Banks of bills purchased and of discounted paper has been continuous throughout the year, due both to the movement of funds in connection with fiscal operations of the Treasury and also to seasonal requirements for the movement of crops and the purchase of raw materials by industries.

The Board has carried out its policy of equalizing as far as practicable the reserve position of the several Federal Reserve Banks. All rediscount transactions and sales between Federal Reserve Banks have been arranged by the Board under authority of section 11 of the Federal Reserve Act, which provides that a Federal Reserve Bank may be permitted or, upon the affirmative vote of at least five members of the Federal Reserve Board, required to rediscount the discounted paper of another Federal Reserve Bank at rates of interest fixed by the Federal Reserve Board. There has, however, been such a spontaneous spirit of cooperation between the Federal Reserve Banks that all transactions suggested by the Federal Reserve Board have been made voluntarily, and in no case has the

Board found it necessary to exercise its statutory power to require such operations. By means of the Federal Reserve leased-wire system rediscount transactions have been consummated almost instantaneously. All payments have been made on the day the transactions were completed by direct transfers through the gold settlement fund, through book entries at the banks and at the office of the Board, without involving any physical transfer of gold.

There has been during the year a continuous increase in the amount of open-market purchases of acceptances made chiefly by the Federal Reserve Banks located in New York and Boston, which cities are the principal acceptance markets.

The Federal Reserve Banks of Cleveland, Chicago, Minneapolis, Kansas City, and San Francisco have participated daily in the open-market purchases of the Federal Reserve Bank of New York under an agreement approved by the Federal Reserve Board. Other Federal Reserve Banks have undertaken to care for acceptances originating in their own districts which have been sold in the New York market. The total purchases of acceptances by the Federal Reserve Bank of New York amounted to \$1,950,898,000, of which \$739,499,000 were immediately allotted in the amounts indicated to the Federal Reserve Banks in the cities named below:

Cleveland.....	\$179,592,000
Chicago.....	160,173,000
St. Louis.....	500,000
Minneapolis.....	\$8,696,000
Kansas City.....	22,461,000
San Francisco.....	288,077,000

The growth of the acceptance business and the great increase in the volume of acceptances purchased by Federal Reserve Banks are indicated in the following table.

*Acceptances bought by Federal Reserve Banks.*

(In thousands of dollars.)

Federal Reserve Bank.	Bought in open market.					Bought from other Federal Reserve Banks.		
	1915	1916	1917	1918	1919	1917	1918	1919
Boston.....	14,105	52,377	86,481	194,158	360,784	5,047	6,709	.....
New York.....	25,834	123,406	445,307	945,498	1,211,399	19,659	50,182	15,827
Philadelphia.....	7,565	53,122	70,710	77,686	14,049	15,204	42,321	.....
Cleveland.....	2,963	27,542	51,007	122,800	261,750	40,102	54,199	55,300
Richmond.....	250	11,313	54,759	70,766	52,977	3,367	331	5,080
Atlanta.....	72	12,544	25,388	45,477	51,661	1,005	2,514	5,065
Chicago.....	5,782	27,061	61,142	122,787	292,012	5,572	100,077	95,477
St. Louis.....	1,801	20,681	22,788	26,096	87,503	6,944	4,551	40,320
Minneapolis.....	1,455	13,539	16,397	13,903	108,714	16,675	25,911	19,282
Kansas City.....	1,788	8,191	17,561	14,691	26,086	9,264	19,047	45,099
Dallas.....	.....	3,543	9,743	25,024	12,415	25,333	8,242	10,077
San Francisco.....	3,230	32,776	48,018	150,653	345,827	20,249	22,506	133,050
Total.....	64,845	386,095	909,301	1,809,539	2,825,177	168,411	336,590	424,577

In order to maintain an open market for bankers' acceptances the Federal Reserve Banks of Boston and New York have been called upon constantly to make very heavy purchases, and it has been necessary for these banks in order to sustain their reserves to make large sales of acceptances. Other Federal Reserve Banks have had, from time to time, surplus funds and with the approval of the Federal Reserve Board have purchased bankers' acceptances from these eastern banks. In cases where Federal Reserve Banks have of their own initiative purchased bankers' acceptances from other Federal Reserve Banks with the approval of the Board, the indorsement of the selling bank has not been given as a rule, but whenever the Board has requested a Federal Reserve Bank to rediscount bankers' acceptances for another the selling bank has been required to indorse the bills sold.

The Federal Reserve Banks of Cleveland, Chicago, St. Louis, Minneapolis, and San Francisco are the only banks which have neither rediscounted nor sold paper during the past year. Rediscount operations between Federal Reserve Banks including straight purchases of bankers' acceptances during the year have amounted to \$2,658,254,000, as compared with \$660,638,000 during the year 1918. In addition to these transactions the Federal Reserve Bank of New York has purchased and allotted to other Federal Reserve Banks \$730,866,000 of bankers' acceptances, making a total interdistrict movement of bills discounted and acceptances purchased and allotted to other Federal Reserve Banks of \$3,389,120,000. The figures in detail appear in the following table:

*Interdistrict movement of bills discounted or purchased by Federal Reserve Banks during the period from Jan. 1 to Dec. 31, 1919.*

[In thousands of dollars.]

Federal Reserve Banks.	Rediscounts and sales between Federal Reserve Banks.				Acceptances purchased for account of other Federal Reserve Banks.		Interdistrict movement of discounted and purchased paper.	
	Rediscounted or sold by—	Discounted or purchased by—	Excess of rediscounts and sales.	Excess of discounts and purchases.	Amount purchased by—	Amount purchased for account of—	Excess movement from—	Excess movement to—
Boston.....	131,165		131,165				131,165	
New York.....	312,740	55,827	256,913		739,499		996,412	
Philadelphia.....	826,521		826,521				826,521	
Cleveland.....		284,317		284,317		179,592		463,909
Richmond.....	842,946	5,080	837,866				837,866	
Atlanta.....	82,690	10,065	72,625				72,625	
Chicago.....	1124	1,423,815		1,423,691		160,173		1,583,864
St. Louis.....		180,529		180,529		500		181,029
Minneapolis.....	178	447,895		447,817		88,696		536,513
Kansas City.....	56,500	50,099	6,401			22,461		16,060
Dallas.....	404,975	67,577	337,398				337,398	
San Francisco.....	1515	133,050		132,535		288,077		420,612
Total.....	2,658,254	2,658,254	2,468,889	2,468,889	739,499	739,499	3,701,987	3,201,987

<sup>1</sup> Acceptances purchased in the open market through the Federal Reserve Bank of New York and returned to that bank before maturity.



The reserve position of the 12 Federal Reserve Banks at the close of business on the last Friday of the year, December 26, and the amount of unmatured rediscounts and paper sold to other banks are shown below:

*Reserve position of the 12 Federal Reserve Banks, also amount of paper rediscounted with or sold to and held by other Federal Reserve Banks as at close of business, Dec. 26, 1919.*

[In thousands of dollars.]

Banks.	Bills rediscounted with or sold to other Federal Reserve Banks.	Bills discounted for or purchased from other Federal Reserve Banks.	Ratio of total reserves to combined net deposit and Federal Reserve note liabilities.	
			Actual.	After adjustment of reserves by deducting amount of bills rediscounted with or sold to other Federal Reserve Banks and adding amount of bills discounted for or purchased from other Federal Reserve Banks.
			Per cent.	Per cent.
Boston.....	69,899		44.0	24.3
New York.....	58,291		40.0	36.2
Philadelphia.....	27,615		40.8	32.7
Cleveland.....		12,265	46.3	49.4
Richmond.....		5,080	40.9	43.5
Atlanta.....		5,065	52.8	55.2
Chicago.....		60,090	50.6	58.8
St. Louis.....		29,022	46.5	60.5
Minneapolis.....			39.4	39.4
Kansas City.....	13,000	9,805	43.1	41.3
Dallas.....		32,123	49.4	77.0
San Francisco.....		15,265	54.9	59.3
Total.....	168,715	168,715	44.8	44.8

Changes in discount rates approved by the Board for the Federal Reserve Banks were, during the first 11 months of the year, unimportant, but in order to complete the record tables showing the changes and the dates on which they became effective are subjoined hereto.

*Changes in discount rates on paper secured by United States Treasury certificates of indebtedness, maturing within 15 days, including member banks' collateral notes.*

Federal Reserve Bank.	Effective—																				
	Jan. 1, 1919.	Apr. 21, 1919.	Apr. 25, 1919.	Apr. 26, 1919.	Aug. 23, 1919.	Sept. 3, 1919.	Nov. 4, 1919.	Nov. 5, 1919.	Nov. 6, 1919.	Nov. 7, 1919.	Nov. 10, 1919.	Nov. 17, 1919.	Dec. 12, 1919.	Dec. 13, 1919.	Dec. 15, 1919.	Dec. 16, 1919.	Dec. 17, 1919.	Dec. 19, 1919.	Dec. 26, 1919.	Dec. 30, 1919.	
Boston.....	4						4½						4½								4½
New York.....	4						4½						4½								4½
Philadelphia.....	4							4½								4½					
Cleveland.....	4																				
Richmond.....	4½		4													4½					
Atlanta.....	4																				
Chicago.....	4	4			4			4½						4½							
St. Louis.....	4							4½		4½											
Minneapolis.....	4							4½						4½							
Kansas City.....	4½			4		4	4½									4½					
Dallas.....	4										4½				4½						
San Francisco.....	4½										4½										4½

1 Rate of 4½ per cent on paper secured by 4½ per cent Treasury certificates.

2 Applies only to member banks' collateral notes; no rate on customers' paper.

3 Rate of 4½ per cent on member banks' collateral notes secured by 4½ per cent Treasury certificates.

4 Applies only to member banks' collateral notes; rate of 4½ per cent on customers' paper.

Changes in discount rates on paper secured by United States Treasury certificates of indebtedness maturing within 16 to 90 days.

Federal Reserve Bank.	Effective—													
	Jan. 1, 1919.	Nov. 4, 1919.	Nov. 5, 1919.	Nov. 6, 1919.	Nov. 7, 1919.	Nov. 10, 1919.	Nov. 17, 1919.	Dec. 13, 1919.	Dec. 15, 1919.	Dec. 16, 1919.	Dec. 17, 1919.	Dec. 19, 1919.	Dec. 26, 1919.	Dec. 30, 1919.
Boston.....	4½	1 4½												
New York.....	4½	(2)												4½
Philadelphia.....	4½			1 4½					4½					
Cleveland.....	4½					4½								
Richmond.....	4½					1 4½			4½					
Atlanta.....	4½					1 4½					4½			
Chicago.....	4½		4½											
St. Louis.....	4½				1 4½							4½		
Minneapolis.....	4½			1 4½				4½						
Kansas City.....	4½	1 4½						4½	4½					
Dallas.....	4½					1 4½								
San Francisco.....	4½						1 4½						4½	

<sup>1</sup> Rate of 4½ per cent on paper secured by Treasury certificates bearing interest at 4½ per cent.

<sup>2</sup> Rate discontinued.

Changes in discount rates on paper secured by Liberty bonds and Victory notes maturing within 15 days, including member banks' collateral notes.

Federal Reserve Bank.	Effective—																								
	Jan. 1, 1919.	Apr. 21, 1919.	Apr. 25, 1919.	May 15, 1919.	June 19, 1919.	Sept. 2, 1919.	Nov. 4, 1919.	Nov. 5, 1919.	Nov. 6, 1919.	Nov. 7, 1919.	Nov. 10, 1919.	Nov. 12, 1919.	Nov. 17, 1919.	Dec. 12, 1919.	Dec. 13, 1919.	Dec. 15, 1919.	Dec. 16, 1919.	Dec. 17, 1919.	Dec. 19, 1919.	Dec. 26, 1919.					
Boston.....	4						4½							4½											
New York.....	4						4½							4½											
Philadelphia.....	4								4½					4½				4½							
Cleveland.....	4										4½	4½													
Richmond.....	4½		4½								4½	4½				4½									
Atlanta.....	4																								
Chicago.....	4	4½								4½					4½										
St. Louis.....	4										4½													4½	
Minneapolis.....	4										4½				4½										
Kansas City.....	4½				4½		4½					4½				5									
Dallas.....	4			2 4½		4½										5									
San Francisco.....	4½					4½							4½												4½

<sup>1</sup> Rate of 4 per cent on paper secured by fourth Liberty loan bonds where paper rediscounted had been taken by discounting bank at rate not exceeding coupon rate on bonds.

<sup>2</sup> Rate applies to member banks' collateral notes; rate of 4 per cent on customers' paper.

Changes in discount rates on paper secured by Liberty bonds and Victory notes maturing within 16 to 90 days.

Federal Reserve Bank.	Effective—													
	Jan. 1, 1919.	Nov. 4, 1919.	Nov. 5, 1919.	Nov. 6, 1919.	Nov. 7, 1919.	Nov. 10, 1919.	Nov. 12, 1919.	Nov. 17, 1919.	Dec. 12, 1919.	Dec. 13, 1919.	Dec. 15, 1919.	Dec. 16, 1919.	Dec. 17, 1919.	Dec. 19, 1919.
Boston.....	4½	4½								4½				
New York.....	4½	4½								4½				
Philadelphia.....	4½			4½								4½		
Cleveland.....	4½					4½								
Richmond.....	4½					4½								
Atlanta.....	4½					4½								
Chicago.....	4½		4½							4½				
St. Louis.....	4½				4½									4½
Minneapolis.....	4½			4½						1 4½				
Kansas City.....	4½	4½						4½				5		
Dallas.....	4½										5			
San Francisco.....	4½							4½						

<sup>1</sup> Rate of 5 per cent for maturities 61 to 90 days.

NOTE.—Rate of 4 per cent on paper secured by fourth Liberty loan bonds where paper rediscounted was taken at rate not exceeding coupon rate, established during 1918 at the following banks, was discontinued on the dates given: Boston, Feb. 15, 1919; Chicago, Apr. 21, 1919; Richmond, Apr. 25, 1919; St. Louis, June 5, 1919; Atlanta, July 17, 1919; Kansas City, June 19, 1919.

*Changes in discount rates on commercial paper maturing within 15 days, including member banks' collateral notes secured by such paper.*

Federal Reserve Bank.	Effective—											
	Jan. 1, 1919.	Apr. 21, 1919.	Nov. 4, 1919.	Nov. 5, 1919.	Nov. 6, 1919.	Nov. 7, 1919.	Nov. 10, 1919.	Nov. 17, 1919.	Dec. 13, 1919.	Dec. 15, 1919.	Dec. 19, 1919.	Dec. 26, 1919.
Boston.....	4		4½									
New York.....	4		4½									
Philadelphia.....	4				4½							
Cleveland.....	4½											
Richmond.....	4½						1 4½			4½		
Atlanta.....	4½						4½					
Chicago.....	4	4½		4½					4½			
St. Louis.....	4					4½					4½	
Minneapolis.....	4½								4½			
Kansas City.....	4½		5									
Dallas.....	4½						5					
San Francisco.....	4½							4½				4½

<sup>1</sup> 4½ per cent on member banks' collateral notes.

*Changes in discount rates on commercial paper maturing within 16 to 90 days.*

Federal Reserve Bank.	Effective—			Federal Reserve Bank.	Effective—		
	Jan. 1, 1919.	Nov. 10, 1919.	Dec. 26, 1919.		Jan. 1, 1919.	Nov. 10, 1919.	Dec. 26, 1919.
Boston.....	4½			Chicago.....	4½		
New York.....	4½			St. Louis.....	4½		
Philadelphia.....	4½			Minneapolis.....	1 4½		
Cleveland.....	4½			Kansas City.....	5		
Richmond.....	4½			Dallas.....	1 4½	5	
Atlanta.....	4½			San Francisco.....	5		4½

<sup>1</sup> Rate of 5 per cent for maturities 61 to 90 days.

*Changes in discount rates on paper secured by War Finance Corporation bonds maturing within 90 days.*

Federal Reserve Bank.	Rates on paper secured by War Finance Corporation bonds established on dates given below at 1 per cent in excess of rates on commercial paper of corresponding maturities.	Federal Reserve Bank.	Rates on paper secured by War Finance Corporation bonds established on dates given below at 1 per cent in excess of rates on commercial paper of corresponding maturities.
Boston.....	Apr. 11, 1919.	Chicago.....	Apr. 4, 1919.
New York.....	Do.	St. Louis.....	Do.
Philadelphia.....	Do.	Minneapolis.....	Do.
Cleveland.....	Apr. 4, 1919.	Kansas City.....	Do.
Richmond.....	Do.	Dallas.....	Do.
Atlanta.....	Do.	San Francisco.....	Apr. 9, 1919.

*Changes in discount rates on agricultural and live-stock paper maturing within 91 to 180 days.*

Federal Reserve Bank.	Effective—		Federal Reserve Bank.	Effective—	
	Jan. 1, 1919.	Nov. 10, 1919.		Jan. 1, 1919.	Nov. 10, 1919.
Boston.....	5		Chicago.....	5½	
New York.....	5		St. Louis.....	5½	
Philadelphia.....	5		Minneapolis.....	5½	
Cleveland.....	5½		Kansas City.....	5½	
Richmond.....	5		Dallas.....	5½	
Atlanta.....	5	5½	San Francisco.....	5½	

*Changes in discount rates on trade acceptances maturing within 15 days.*

Federal Reserve Bank.	Effective—											
	Jan. 1, 1919.	Apr. 21, 1919.	Nov. 4, 1919.	Nov. 5, 1919.	Nov. 6, 1919.	Nov. 7, 1919.	Nov. 10, 1919.	Nov. 17, 1919.	Dec. 12, 1919.	Dec. 16, 1919.	Dec. 26, 1919.	Dec. 30, 1919.
Boston.....	4		4½						4½			
New York 1.....	4		4½									4½
Philadelphia.....	4				4½					4½		
Cleveland.....	4½						1 4½					
Richmond.....	4½						4½					
Atlanta.....	4½						4½					
Chicago.....	4	4½		4½								
St. Louis.....	4					4½						
Minneapolis.....	4½											
Kansas City.....	4½		5									
Dallas.....	4½						5					
San Francisco.....	4½							4½			4½	

<sup>1</sup> Rates apply also to discounted bankers' acceptances.

*Changes in discount rates on trade acceptances maturing within 16 to 90 days.*

Federal Reserve Bank.	Effective—							
	Jan. 1, 1919.	Nov. 4, 1919.	Nov. 10, 1919.	Nov. 17, 1919.	Dec. 12, 1919.	Dec. 16, 1919.	Dec. 26, 1919.	Dec. 30, 1919.
Boston.....	4½				4½			
New York.....	1 4½	2 4½						2 4½
Philadelphia.....	4½					4½		
Cleveland.....	4½		2 4½					
Richmond.....	4½							
Atlanta.....	4½							
Chicago.....	4½							
Ct. Louis.....	4½							
Minneapolis.....	4½							
Kansas City.....	4½	5						
Dallas.....	4½		5					
San Francisco.....	4½			5			4½	

<sup>1</sup> Bankers' acceptances discounted, 4½ per cent for maturities 16 to 60 days; 4¼ per cent for maturities 61 to 90 days.

<sup>2</sup> Rate applies also to bankers' acceptances discounted.

*Open market rates on bankers' acceptances maturing within three months.*

Federal Reserve Bank.	Effective Jan. 1, 1919— minimum rate.	Federal Reserve Bank.	Effective Jan. 1, 1919— minimum rate.
Boston.....	4	Chicago.....	4
New York.....	4	St. Louis.....	4
Philadelphia.....	4	Minneapolis.....	4
Cleveland.....	4	Kansas City.....	4
Richmond.....	4	Dallas.....	4
Atlanta.....	4	San Francisco.....	4

NOTE.—Whenever application is made by member banks for renewal of 15-day paper, the Federal Reserve Banks may charge a rate not exceeding that for 90-day paper of the same class.

## MOVEMENT OF THE PRINCIPAL ASSETS AND LIABILITIES OF ALL FEDERAL RESERVE BANKS DURING THE YEAR 1919.

During the year the activities of the Federal Reserve Banks continued in undiminishing scope and in even greater volume than heretofore. As stated in the opening paragraph of this report, the cessation of actual hostilities did not end the war work of the banks, and participation in the financial operations of the Treasury involving the flotation of the last of the popular war loans and the placing of the several issues of loan and tax certificates, continued to be an important function of the Federal Reserve Banks. The work performed by the Federal Reserve Banks during the year involved the collection, concentration, and disbursement on Government account of \$15,669,000,000, of which \$4,491,500,000 represents the total of the Victory loan allotted; \$6,754,400,000 the combined amounts of eight series of certificates issued during the year in anticipation of the Victory loan, and of four series of the so-called loan certificates; and \$4,423,000,000 the total of 11 series of certificates issued in anticipation of income and excess profits taxes due in 1919 and 1920.

The reported holdings by Federal Reserve Banks of war paper aggregated slightly more than \$1,400,000,000 at the close of the year 1918, and reached a maximum of \$1,863,500,000 on May 16 1919, about the time of the flotation of the Victory loan, when paper secured by Government obligations constituted 91.4 per cent of the total discounted paper of the Federal Reserve Banks. After this date there was a gradual decline to \$1,383,900,000, or 84.1 per cent of their total discounted paper on September 19. Between that date and November 14 the amount of war paper held by the Federal Reserve Banks increased to \$1,700,618,000, but since the latter date, as the result of rate revision during the months of November and December, the amount of such paper held by Federal Reserve Banks was reduced to \$1,510,400,000, or 68.8 per cent of their total holdings of discounted paper on December 26. Of this amount \$732,400,000, or 48.5 per cent were secured by Liberty bonds, \$337,700,000, or 22.3 per cent by Victory notes, and \$440,300,000, or 29.2 per cent by Treasury certificates. Other discounts, which aggregated \$302,500,000 at the close of the year 1918, continued at a comparatively low level during the greater part of the year 1919. It was not until the latter part of September that the discounts of ordinary commercial paper began to show a material increase. On December 26 holdings of such paper amounted to \$684,500,000, and constituted 31.2 per cent of the Federal Reserve Banks' total holdings of discounted bills as against less than 18 per cent a year earlier. Acceptances held, which amounted to \$303,700,000 on December 27, 1918, moved within moderate limits during the first half of the calendar year, and not until the end of June was the total amount in excess of

\$300,000,000. During the months of November and December the volume and amount of acceptances held by the Federal Reserve Banks increased very rapidly, and the total held by the banks on the last Friday of the year 1919 (\$585,200,000) was over 21 per cent of their total bills held as compared with 15 per cent on the corresponding date of the previous year.

During the year ending December 26 the Federal Reserve Banks' holdings of United States bonds decreased from \$28,900,000 to \$26,800,000, this amount being made up mainly of bonds purchased to secure Federal Reserve bank notes, and of 3 per cent conversion bonds, the amount of Liberty bonds held being comparatively negligible. The increase during the year of \$159,194,500 in the holdings of Treasury certificates represents largely the banks' holdings of one-year 2 per cent certificates to secure Federal Reserve bank note circulation issued to replace silver certificates and silver dollars withdrawn under the operation of the Pittman Act. The total of earning assets increased during the same period from \$2,346,200,000 to \$3,080,500,000, or nearly 33 per cent.

During the first half of the year, while the gold embargo was still in force and also in the period between August and November, the gold reserves of the Federal Reserve Banks were increased by net importations and deposits of gold and by the purchase of German gold from the United States Grain Corporation and its transfer to the Bank of England where it is held as a special deposit available for shipment to this country at any time. These gains were practically offset, however, by gold withdrawn for foreign shipments, principally to Spain, Argentina, and the Far East, the net result being that the gold reserves held by the Federal Reserve Banks on December 26, 1919, amounted to \$2,078,400,000, or \$11,800,000 less than the amount held on December 27, 1918. The total cash reserves held by the Federal Reserve Banks on December 26 show a corresponding decline from \$2,146,200,000 to \$2,135,500,000.

As compared with the moderate changes in the banks' aggregate reserves, their net deposits, because of additions to membership and in consequence of the general credit expansion, increased during the year from \$1,552,900,000 to \$1,704,500,000. Federal Reserve notes in circulation on the last Friday in the year 1918 amounted to \$2,685,200,000. During the early months of the year 1919 there was a very appreciable contraction of the note circulation, the amount outstanding on January 31 being \$2,450,729,000, on August 1 \$2,506,820,000, and on September 26 \$2,655,354,000. Between that date and December 26 the volume of Federal Reserve notes in circulation increased by over \$400,000,000 to \$3,057,646,000, the average weekly rate of increase being more than \$30,000,000. There has, in addition, been an increase during the year of \$143,900,000

of Federal Reserve bank notes in circulation, all of which, however, have been issued to take the place of silver certificates withdrawn from circulation and of silver dollars broken up and exported under the provisions of the act of April 23, 1918, commonly known as the Pittman Act.

The peak in Federal Reserve note circulation during the year 1918 was attained on December 27 and the high point for the year 1919 was reached on December 26. From December 27, 1918, to January 31, 1919, the note issues declined by \$234,515,000 and similar reduction may be expected during the opening weeks of the year 1920.

The reserve position of the banks until the close of September shows but little change, the ratio of cash reserves to aggregate deposit and note liabilities during the entire period, except on July 11, continuing above 50 per cent. Substantial growth of deposit liabilities during October and November and the large note issues during the last two months, coupled with a simultaneous loss of about 70 millions in reserves, account for the considerable decline in the reserve ratio during the latter part of the year. On the last Friday of 1919 the reserve ratio stood at 44.8 per cent, compared with 50.6 per cent on the corresponding date in 1918.

The following table shows in detail the changes in the principal assets and liabilities of the Federal Reserve Banks, week by week, throughout the year.

Movement of principal assets and liabilities of all Federal Reserve Banks during the calendar year 1919.

[In thousands of dollars.]

	Resources.								Liabilities.			
	1	2	3	4	5	6	7	8	9	10	11	12
	Discounted paper secured by Government war obligations.	Other discounted paper.	Total discounted paper.	Bills bought in open market.	Total bills discounted and bought.	Per cent (1 to 3).	Per cent (1 to 5).	Total cash reserves.	Net deposits.	Federal Reserve notes in actual circulation.	Ratio of cash reserves to net deposit and Federal Reserve note liabilities combined.	Federal Reserve Bank notes in circulation, net liability.
Jan. 3.	1,534,670	295,194	1,829,864	290,269	2,120,133	83.9	72.4	2,152,154	1,551,209	2,647,605	51.3	120,267
Jan. 10.	1,484,847	273,229	1,758,076	277,896	2,035,972	84.5	72.9	2,161,898	1,575,867	2,590,981	51.9	123,466
Jan. 17.	1,347,088	254,263	1,601,351	273,607	1,874,958	84.1	71.8	2,170,163	1,592,450	2,513,089	52.9	125,011
Jan. 24.	1,497,500	264,533	1,762,033	284,539	2,046,572	85.0	73.2	2,168,387	1,685,981	2,466,556	52.3	126,810
Jan. 31.	1,357,571	243,557	1,601,128	281,293	1,882,421	84.8	72.1	2,179,646	1,659,457	2,450,729	53.0	129,445
Feb. 7.	1,451,147	243,254	1,694,401	282,702	1,977,103	85.6	73.4	2,175,614	1,614,101	2,454,165	53.5	131,315
Feb. 14.	1,603,052	233,849	1,836,901	275,068	2,111,969	87.3	75.9	2,185,318	1,744,662	2,468,388	51.9	132,291
Feb. 20.	1,596,458	221,996	1,818,454	269,920	2,088,374	87.8	76.4	2,191,532	1,730,796	2,466,248	52.2	133,465
Feb. 28.	1,667,965	211,855	1,879,820	276,919	2,156,739	88.7	77.3	2,188,723	1,796,729	2,472,307	51.3	134,042
Mar. 7.	1,701,487	186,240	1,887,727	273,493	2,161,220	90.1	78.7	2,205,462	1,802,090	2,488,537	51.4	136,591
Mar. 14.	1,702,351	184,012	1,886,363	262,139	2,148,502	90.2	79.2	2,196,737	1,769,445	2,503,095	51.4	139,479
Mar. 21.	1,691,678	189,861	1,881,539	261,924	2,143,463	89.9	78.9	2,208,578	1,768,646	2,510,687	51.6	142,442
Mar. 28.	1,691,010	195,230	1,886,240	248,107	2,134,347	89.7	79.2	2,210,524	1,741,425	2,521,776	51.9	145,540
Apr. 4.	1,674,916	193,066	1,867,982	240,790	2,108,772	89.7	79.4	2,218,628	1,703,966	2,547,670	52.2	149,449
Apr. 11.	1,767,459	200,465	1,967,924	218,590	2,186,514	89.8	80.8	2,211,989	1,777,915	2,548,588	51.1	151,560
Apr. 18.	1,720,960	201,314	1,922,274	196,885	2,119,159	89.5	81.2	2,230,859	1,735,070	2,543,704	52.1	155,074
Apr. 25.	1,760,672	189,740	1,950,412	185,822	2,136,234	90.3	82.4	2,240,152	1,752,094	2,549,552	52.1	158,848
May 2.	1,788,068	178,715	1,966,783	195,284	2,162,067	90.9	82.7	2,237,219	1,774,950	2,549,040	51.7	161,415
May 9.	1,795,735	172,568	1,968,303	182,036	2,150,339	91.2	83.4	2,242,784	1,765,309	2,556,749	51.9	164,615
May 16.	1,863,476	175,464	2,038,940	184,717	2,223,657	91.4	83.8	2,245,857	1,865,315	2,532,039	51.1	165,045
May 23.	1,762,487	176,379	1,938,866	193,137	2,132,003	90.9	82.6	2,247,933	1,797,505	2,504,253	52.3	167,208
May 29.	1,802,893	186,499	1,989,392	183,650	2,173,042	90.6	82.5	2,255,106	1,830,920	2,519,292	51.8	168,427
June 6.	1,620,994	190,130	1,811,124	198,307	2,009,431	89.5	80.7	2,270,343	1,712,118	2,513,037	53.7	169,246
June 13.	1,695,576	182,598	1,878,174	234,537	2,112,711	90.3	80.2	2,261,988	1,794,770	2,499,265	52.7	170,937
June 20.	1,621,928	215,512	1,837,440	274,736	2,112,176	88.3	76.8	2,234,459	1,771,329	2,488,253	52.5	171,775
June 27.	1,573,483	244,557	1,818,040	304,558	2,122,598	86.6	74.4	2,216,256	1,750,694	2,499,180	52.1	177,185
July 3.	1,632,639	262,389	1,895,028	330,679	2,225,707	86.2	73.3	2,195,353	1,772,003	2,552,348	50.8	181,870



Movement of principal assets and liabilities of all Federal Reserve Banks during the calendar year 1919—Continued.

[In thousands of dollars.]

	Resources.								Liabilities.			
	1	2	3	4	5	6	7	8	9	10	11	12
	Discounted paper secured by Government war obligations.	Other discounted paper.	Total discounted paper.	Bills bought in open market.	Total bills discounted and bought.	Per cent (1 to 3).	Per cent (1 to 5).	Total cash reserves.	Net deposits.	Federal Reserve notes in actual circulation.	Ratio of cash reserves to net deposit and Federal Reserve note liabilities combined.	Federal Reserve Bank notes in circulation, net liability.
July 11.	1,684,946	251,367	1,936,313	360,095	2,296,348	87.0	73.4	2,180,211	1,842,433	2,538,127	49.8	184,806
July 18.	1,579,728	248,347	1,828,075	372,353	2,200,428	86.4	71.8	2,177,481	1,769,496	2,512,048	50.9	186,911
July 25.	1,616,210	251,392	1,867,602	375,556	2,243,158	86.5	72.0	2,161,023	1,796,561	2,504,497	50.2	193,849
Aug. 1.	1,612,639	235,300	1,847,939	374,791	2,222,730	87.3	72.5	2,156,327	1,766,181	2,506,820	50.5	200,945
Aug. 8.	1,608,583	225,535	1,834,118	381,241	2,215,359	87.7	72.6	2,152,118	1,820,817	2,532,057	49.4	205,318
Aug. 15.	1,522,992	220,347	1,743,339	374,375	2,117,714	87.4	71.9	2,151,723	1,688,675	2,540,904	50.9	209,709
Aug. 22.	1,563,048	211,262	1,774,310	362,911	2,137,221	88.1	73.1	2,142,701	1,621,147	2,553,534	51.3	215,795
Aug. 29.	1,609,290	205,838	1,815,134	363,138	2,178,272	88.7	73.8	2,135,976	1,629,797	2,580,629	50.7	219,815
Sept. 5.	1,635,233	212,185	1,847,418	354,667	2,202,085	88.5	74.2	2,136,870	1,624,117	2,611,697	50.4	223,565
Sept. 12.	1,524,521	230,317	1,754,838	362,005	2,116,843	86.9	72.0	2,138,499	1,618,216	2,621,228	50.4	228,169
Sept. 19.	1,383,896	261,985	1,645,881	353,817	1,999,698	84.1	69.0	2,162,057	1,499,914	2,621,258	52.5	232,594
Sept. 26.	1,572,503	309,779	1,882,282	342,491	2,224,773	83.5	70.7	2,187,505	1,634,074	2,655,354	51.0	239,451
Oct. 3.	1,654,166	361,771	2,015,937	326,687	2,342,604	82.1	70.6	2,205,511	1,726,266	2,708,186	49.7	241,937
Oct. 10.	1,672,797	401,058	2,073,855	326,852	2,400,707	80.7	69.7	2,202,100	1,743,850	2,741,684	49.1	247,176
Oct. 17.	1,698,885	422,842	2,121,727	342,938	2,464,665	80.1	68.9	2,199,185	1,796,159	2,752,569	48.3	249,675
Oct. 24.	1,666,055	416,084	2,082,139	368,846	2,450,985	80.0	68.0	2,214,561	1,792,402	2,753,457	48.7	251,590
Oct. 31.	1,681,082	447,465	2,128,547	394,355	2,522,902	79.0	66.6	2,205,592	1,850,518	2,752,756	47.9	254,933
Nov. 7.	1,771,028	418,461	2,189,489	433,586	2,623,075	80.9	67.5	2,187,369	1,870,510	2,808,759	46.8	257,572
Nov. 14.	1,700,618	439,000	2,139,618	455,653	2,595,271	79.5	65.5	2,200,106	1,858,258	2,808,456	47.1	257,281
Nov. 21.	1,673,890	456,747	2,130,637	480,043	2,604,680	78.8	64.3	2,186,972	1,846,800	2,817,173	46.9	257,680
Nov. 28.	1,736,933	478,176	2,215,109	495,595	2,709,804	78.4	64.1	2,159,666	1,889,399	2,852,277	45.5	256,793
Dec. 5.	1,603,313	504,795	2,108,108	514,219	2,622,327	76.1	61.1	2,154,095	1,761,521	2,881,359	46.4	257,480
Dec. 12.	1,588,417	550,999	2,139,416	541,551	2,680,967	74.3	59.2	2,160,405	1,786,424	2,907,435	46.0	258,444
Dec. 19.	1,414,950	580,162	1,995,112	566,266	2,561,378	70.9	55.2	2,154,911	1,610,924	2,988,894	46.8	259,975
Dec. 26.	1,510,364	684,514	2,194,878	585,212	2,780,090	68.8	54.3	2,135,536	1,704,470	3,057,646	44.8	261,039

## CONDITION DURING 1919 OF MEMBER BANKS IN PRINCIPAL CITIES.

The Board receives reports on Friday of each week from member banks in leading cities showing the principal items of resources and liabilities. The subjoined table shows the number of reporting banks and the weekly changes in their resources and liabilities.

In making a comparison between the consolidated figures for reporting member banks on various dates throughout the year, it should be borne in mind that the number of reporting banks has increased gradually from 763 to 797 as a result of accession of new members in the reporting cities.

The total of United States securities owned by the reporting banks shows a decrease during the year of 433.5 millions, from 2,363.3 to 1,929.8 millions, notwithstanding the inclusion since June 6 of Victory notes under this general heading. Holdings of Treasury certificates, which were 1,269.9 millions on the first Friday of the year, reached a maximum of 2,328 millions on May 2, shortly before the close of the Victory loan campaign. Since October 10 these holdings have been below 1,000 millions, and at the close of the year stood at 789.9 millions, or 480 millions less than the total shown at the beginning of the year. Holdings of United States bonds other than those available for circulation—principally Liberty bonds—declined during the year from 827.6 to 632.8 millions, while Victory notes, holdings of which appeared for the first time on June 6, declined from 447.9 millions to about 238 millions.

Between June 6 and the end of the year the net liquidation of United States securities by reporting banks amounted to 938.7 millions.

Loans secured by United States war obligations, which amounted to about 1,220 millions on January 3, exclusive of rediscounts with the Federal Reserve Banks, showed a downward trend until the flotation of the Victory loan. During the month of June these loans increased considerably, reaching the high point of 1,438.2 millions on June 20. Since the latter part of October holdings of war paper show a perceptible decrease, the total of such holdings at the close of the year, 1,020.4 millions, being about 200 millions less than at the beginning of the year. Since August 15 loans secured by miscellaneous stocks and bonds have been segregated in the weekly statements of member banks. These loans on the whole have followed an upward course during the five months for which data are available, and the total on December 26, 3,300.4 millions, shows an increase of 373.5 millions over the total reported on August 15.

Total loans and investments, including ordinary commercial discounts and acceptances, but excluding bills rediscounted at Federal Reserve Banks, show an increase for the year from 13,697.8 millions to 15,621 millions, the latter figure being the high point for the year. The rediscounts of these reporting banks with the Federal Reserve Banks amounted to 466.2 millions on January 3 and declined gradually to 226 millions on May 23. During the last three months

of the year the movement has been upward, and the total amount held under rediscount by the Federal Reserve Banks for the reporting banks on December 26, 899.6 millions, was nearly double the amount held at the beginning of the year. In addition to rediscounts, the Federal Reserve Banks extended accommodation to member banks by discounting their notes secured by United States war obligations, by customers' paper secured by such obligations, and to a much smaller extent by other eligible paper. The total of collateral notes held under rediscount by Federal Reserve Banks for reporting banks, which was 972.2 millions at the beginning of the year, reached its maximum of 1,312.1 millions on May 16, the Friday preceding the allotment of the Victory loan. During November and December, owing largely to the elimination of the differential between rates on war paper and ordinary commercial paper, the amount of member banks' collateral notes discounted by the Federal Reserve Banks shows some decline, the total on December 26 of 933.6 millions being 38.6 millions below the aggregate on January 3. Of the total amount of bills held by the Federal Reserve Banks under discount and rediscount for the reporting member banks on December 26, 1,236.5 millions, or about two-thirds, was secured by war paper, and 596.7, or about one-third, by commercial paper.

Government deposits showed wide fluctuations in connection with the various operations of the Treasury, mainly the flotation of the Victory loan, the issue and redemption of the various loan and tax certificates series, and the collection of the quarterly installments of income and excess profits taxes. The high point, 1,180.6 millions, was reached on June 6 following the allotment of the Victory loan. Large deposits are shown also on dates following the payment of tax installments and the redemption by the Treasury of outstanding certificates. Government deposits held by the reporting banks were considerably smaller during the last quarter of the year than during the preceding months. Other net demand deposits show an upward movement paralleling the increase in the loans and investments of the reporting banks. Except in the first quarter of the year, when demand deposits fell below 10,000 millions, the movement was upward, reaching its high point of 11,404 millions on December 12. Time deposits, partly as the result of accession to membership of trust companies with large savings departments, show an almost steady upward course, except for the few weeks in May preceding the placing of the Victory loan, and on December 26 reached a maximum total of 2,302.3 millions, or about 750 millions more than the total at the beginning of the year.

Reserve balances of the reporting banks carried with the Federal Reserve Banks fluctuated within the narrow limits of 1,225.2 millions on February 7 and 1,461.6 millions on November 7. Cash in vault shows maximum amounts of about 429 millions at the opening and close of the year, and a minimum of 336.5 millions on the third Friday in February.

Principal resources and liabilities of member banks in leading cities on each Friday during the calendar year 1919.

[In thousands of dollars.]

	Number of reporting banks.	United States bonds to secure circulation.	Other United States bonds, including Liberty bonds.	United States Victory notes.	United States certificates of indebtedness.	Total United States securities owned.	Loans secured by United States war obligations.	Loans secured by stocks and bonds other than U. S. bonds.	All other loans and investments. <sup>1</sup>	Total loans and investments.	Reserve balances with Federal Reserve Bank.	Cash in vault.	Net demand deposits on which reserve is computed.	Time deposits.	Government deposits.	Bills payable with Federal Reserve Bank.	Bills redi-counted with Federal Reserve Bank.
Jan. 3.....	763	265,774	827,569	-----	1,269,948	2,363,291	1,220,040	10,114,469	13,697,800	1,295,849	423,791	10,145,058	1,552,301	431,604	972,220	466,163	
Jan. 10.....	769	263,184	797,991	-----	1,300,888	2,362,063	1,165,451	10,131,141	13,658,655	1,295,723	411,603	10,066,502	1,565,326	499,022	880,286	446,707	
Jan. 17.....	768	262,742	825,955	-----	1,467,026	2,555,363	1,182,721	10,135,468	13,873,552	1,298,874	386,621	10,080,102	1,605,064	658,956	811,749	402,730	
Jan. 24.....	772	262,785	799,999	-----	1,457,219	2,520,003	1,189,351	10,092,149	13,801,503	1,275,623	368,296	9,995,791	1,587,597	489,447	998,545	360,773	
Jan. 31.....	772	263,047	769,727	-----	1,514,776	2,547,550	1,183,245	10,100,720	13,831,515	1,307,454	353,950	9,952,408	1,611,721	693,681	838,230	352,525	
Feb. 7.....	771	263,214	739,108	-----	1,463,955	2,466,277	1,198,353	10,066,011	13,670,641	1,225,219	353,177	9,786,907	1,616,452	581,969	933,753	372,888	
Feb. 14.....	771	263,111	723,713	-----	1,742,993	2,729,817	1,170,031	10,072,938	13,972,786	1,255,438	361,138	9,911,667	1,624,454	644,536	1,039,467	376,113	
Feb. 21.....	772	262,760	698,676	-----	1,729,178	2,690,614	1,158,500	9,975,932	13,824,245	1,225,462	336,514	9,945,267	1,633,657	552,634	1,078,992	323,153	
Feb. 28.....	771	263,523	695,678	-----	1,998,658	2,957,859	1,174,124	10,039,003	14,170,986	1,253,166	337,693	9,988,464	1,646,174	680,105	1,157,121	316,738	
Mar. 7.....	771	264,375	675,632	-----	1,994,256	3,934,263	1,133,193	10,069,172	14,136,628	1,262,249	346,035	10,035,620	1,646,620	546,190	1,188,026	292,831	
Mar. 14.....	772	265,735	676,095	-----	2,241,182	2,183,012	1,118,067	10,201,559	14,502,638	1,298,290	348,814	10,311,435	1,668,533	670,239	1,175,463	290,087	
Mar. 21.....	772	267,081	665,441	-----	1,994,256	2,954,540	1,123,551	10,253,563	14,311,654	1,236,335	347,755	10,058,842	1,674,932	690,045	1,131,300	283,717	
Mar. 28.....	772	267,756	660,825	-----	1,900,673	2,829,254	1,121,818	10,252,960	14,204,032	1,244,821	350,048	10,054,438	1,684,259	698,561	1,140,823	282,109	
Apr. 4.....	773	268,883	646,365	-----	1,841,783	2,757,031	1,106,751	10,218,294	14,082,076	1,267,552	349,579	10,097,465	1,691,917	452,831	1,140,258	276,737	
Apr. 11.....	773	268,950	647,493	-----	2,109,440	3,025,883	1,110,132	10,237,377	14,373,392	1,252,477	356,145	10,047,102	1,698,117	723,775	1,210,425	293,428	
Apr. 18.....	773	268,779	637,264	-----	2,079,489	2,985,532	1,093,932	10,266,712	14,346,226	1,275,986	349,952	10,186,100	1,714,216	662,671	1,159,498	281,472	
Apr. 25.....	772	268,823	657,697	-----	2,046,358	2,972,878	1,099,898	10,264,007	14,336,783	1,288,044	353,173	10,209,754	1,717,842	525,735	1,164,126	244,995	
May 2.....	771	269,287	669,736	-----	2,328,124	3,267,147	1,085,333	10,266,851	14,679,331	1,273,146	347,320	10,322,632	1,720,352	727,905	1,244,113	243,671	
May 9.....	773	268,188	678,617	-----	2,260,432	3,207,237	1,072,498	10,369,872	14,649,607	1,299,739	360,887	10,486,764	1,742,995	551,069	1,254,624	244,031	
May 16.....	773	268,095	682,490	-----	2,222,332	3,172,917	1,080,080	10,428,511	14,681,608	1,317,760	360,596	10,571,547	1,718,894	434,848	1,312,063	248,002	
May 23.....	773	268,215	864,446	-----	1,777,868	2,910,929	1,179,537	10,515,096	14,605,562	1,298,008	359,184	10,370,747	1,715,542	627,897	1,226,996	225,953	
May 29.....	772	268,378	852,944	-----	1,739,582	2,860,904	1,194,722	10,561,604	14,617,230	1,285,891	344,662	10,442,847	1,729,689	541,247	1,250,202	235,772	
June 6.....	770	269,153	636,978	447,884	1,514,452	2,868,467	1,420,581	10,656,381	14,945,429	1,303,769	368,882	10,375,244	1,727,163	1,180,992	1,084,182	251,215	
June 13.....	771	268,566	636,292	424,665	1,422,736	2,752,259	1,416,615	10,772,909	14,941,783	1,257,523	374,450	10,587,031	1,729,575	945,738	1,109,496	274,187	
June 20.....	771	268,540	638,781	388,738	1,040,664	2,336,723	1,438,204	10,711,859	14,486,786	1,268,989	358,588	10,321,405	1,736,134	823,236	1,062,494	300,522	
June 27.....	772	269,264	628,427	374,822	916,739	2,189,252	1,380,628	10,780,317	14,350,197	1,323,333	351,599	10,286,406	1,756,963	782,610	1,025,844	325,067	
July 3.....	773	269,314	635,170	349,918	1,001,415	2,255,817	1,369,948	10,873,648	14,499,413	1,269,102	343,185	10,511,628	1,758,103	601,481	1,113,102	355,750	
July 11.....	771	269,614	628,734	341,030	978,081	2,217,459	1,354,579	10,901,086	14,508,124	1,335,133	333,808	10,646,627	1,763,207	516,420	1,154,341	334,341	
July 18.....	769	269,001	650,063	368,189	930,124	2,217,397	1,382,145	10,891,032	14,490,574	1,300,919	364,823	10,716,098	1,766,515	412,925	1,068,817	349,978	
July 25.....	769	269,622	636,510	353,751	896,685	2,156,568	1,363,764	10,859,247	14,379,579	1,318,281	355,910	10,543,056	1,789,774	405,161	1,084,684	340,066	
Aug. 1.....	770	269,743	645,116	337,239	1,134,206	2,388,304	1,353,109	11,057,662	14,767,057	1,353,542	338,966	10,776,645	1,861,519	497,149	1,092,941	337,123	
Aug. 8.....	770	270,231	641,315	328,671	1,160,302	2,400,519	1,326,286	11,040,864	14,767,659	1,358,345	351,220	10,744,722	1,882,694	551,406	1,088,510	333,810	
Aug. 15.....	773	268,988	644,195	329,442	1,200,736	2,443,361	1,304,031	8,274,832	13,949,213	1,360,554	347,145	10,879,079	1,896,770	624,744	1,006,902	320,560	

<sup>1</sup> Prior to Aug. 15 loans secured by stocks and bonds were included in this classification.

## Principal resources and liabilities of member banks in leading cities on each Friday during the calendar year 1919—Continued.

[In thousands of dollars.]

	Number of reporting banks.	United States bonds to secure circulation.	Other United States bonds, including Liberty bonds.	United States Victory notes.	United States certificates of indebtedness.	Total United States securities owned.	Loans secured by United States war obligations.	Loans secured by stocks and bonds other than U.S. bonds.	All other loans and investments.	Total loans and investments.	Reserve balances with Federal Reserve Bank.	Cash in vault.	Net demand deposits on which reserve is computed.	Time deposits.	Government deposits.	Bills payable with Federal Reserve Bank.	Bills rediscounted with Federal Reserve Bank.
Aug. 22.....	775	268,959	642,182	321,955	1,187,316	2,420,412	1,307,872	2,943,553	8,292,637	14,964,474	1,286,616	350,507	10,794,660	1,900,776	573,213	1,086,341	290,586
Aug. 29.....	774	269,252	637,382	319,282	1,155,560	2,381,476	1,302,062	2,915,491	8,369,878	14,968,907	1,325,776	345,605	10,802,505	1,923,494	524,017	1,123,709	287,428
Sept. 5.....	774	269,393	636,804	316,489	1,334,416	2,557,102	1,294,285	2,956,596	8,425,179	15,233,162	1,342,058	365,330	10,901,999	1,921,549	686,443	1,147,401	297,805
Sept. 12.....	774	269,551	632,065	312,628	1,111,850	2,326,094	1,309,370	3,012,523	8,497,269	15,145,256	1,383,481	368,649	11,220,961	1,928,472	505,296	1,037,148	312,449
Sept. 19.....	776	270,365	624,434	312,726	1,125,677	2,333,202	1,343,049	3,027,173	8,602,211	15,305,635	1,249,379	358,276	10,973,284	1,978,118	770,864	925,339	335,917
Sept. 26.....	776	269,706	619,968	302,930	1,050,339	2,242,943	1,333,607	3,053,110	8,667,708	15,297,458	1,332,919	349,780	10,839,154	1,994,216	692,335	1,096,072	379,770
Oct. 3.....	776	269,656	615,624	304,608	1,008,046	2,197,931	1,318,944	3,122,614	8,751,950	15,391,442	1,363,437	353,950	11,019,486	2,002,595	604,485	1,168,574	425,221
Oct. 10.....	776	269,539	611,714	305,181	992,791	2,179,225	1,321,076	3,105,934	8,870,046	15,476,281	1,369,633	370,745	11,062,811	2,024,097	612,268	1,181,395	467,704
Oct. 17.....	778	269,365	615,062	305,866	945,549	2,135,842	1,302,128	3,141,026	8,854,567	15,433,563	1,396,123	368,385	11,153,523	2,037,688	482,804	1,214,751	489,349
Oct. 24.....	783	268,689	632,321	302,887	930,126	2,134,023	1,252,406	3,166,168	8,984,507	15,537,104	1,382,356	374,581	11,179,529	2,173,538	438,955	1,187,969	466,853
Oct. 31.....	784	268,612	636,066	298,637	904,623	2,107,938	1,234,057	3,246,059	9,023,666	15,611,720	1,403,171	358,771	11,284,902	2,194,156	355,360	1,194,489	503,480
Nov. 7.....	783	268,209	633,950	292,410	847,538	2,042,127	1,141,049	3,246,138	9,141,277	15,570,591	1,461,651	382,679	11,209,169	2,209,169	330,843	1,166,815	611,231
Nov. 14.....	782	268,997	631,730	278,659	831,281	2,040,667	1,061,438	3,203,988	9,147,224	15,422,357	1,417,123	381,503	11,354,900	2,224,012	285,833	1,065,540	668,000
Nov. 21.....	794	269,073	634,368	275,522	821,016	1,999,979	1,060,216	3,220,337	9,182,416	15,463,548	1,409,113	386,046	11,343,085	2,288,186	231,701	1,054,532	679,546
Nov. 28.....	795	269,097	628,221	265,981	816,540	1,979,839	1,053,663	3,222,622	9,195,138	15,451,262	1,414,856	384,543	11,337,614	2,288,133	183,053	1,107,935	704,974
Dec. 5.....	796	269,425	631,374	256,465	862,017	2,019,281	1,028,107	3,201,845	9,186,697	15,438,920	1,406,193	385,987	11,203,994	2,270,678	415,033	985,128	739,598
Dec. 12.....	796	269,850	628,728	251,624	792,722	1,942,924	1,020,574	3,249,062	9,246,697	15,459,257	1,402,429	383,558	11,404,289	2,283,673	295,962	977,054	783,803
Dec. 19.....	796	269,188	626,297	241,910	844,309	1,981,704	1,022,633	3,270,511	9,339,988	15,614,806	1,316,937	403,554	11,195,085	2,293,384	647,898	846,103	792,311
Dec. 26.....	797	269,113	632,776	237,997	789,882	1,929,708	1,020,384	3,300,373	9,370,426	15,620,951	1,347,175	429,712	11,174,249	2,302,344	589,452	933,603	899,604

## ACCEPTANCES.

Reference has already been made to the efforts to develop an acceptance market in this country, and notwithstanding adverse conditions there has been a substantial growth in the use of the acceptance as a credit instrument especially adapted to financing the movement of goods between the United States and foreign countries, from one foreign market to another, and between localities within the United States. Incorporated banks were first permitted to accept about 10 years ago under the laws of some of the States in which they were domiciled, and the Federal Reserve Act authorizes member banks to accept drafts and bills of exchange having not more than six months' sight to run, exclusive of days of grace, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods, provided shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples. The law also permits any member bank to accept drafts or bills of exchange drawn upon it having not more than three months' sight to run, exclusive of days of grace, drawn under regulations to be prescribed by the Federal Reserve Board, by banks or bankers in foreign countries or dependencies or insular possessions of the United States for the purpose of furnishing dollar exchange as required by the usages of trade in the respective countries, dependencies, or insular possessions. There is a restriction, however, which applies to all three classes of acceptances, that no member bank may accept bills for any one person, firm, or corporation to an amount equal at any time in the aggregate to more than 10 per cent of its paid-up and unimpaired capital stock and surplus, unless the bank is secured either by attached documents or some other adequate security growing out of the same transaction as the acceptance, and no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid-up and unimpaired capital stock and surplus.

The Federal Reserve Board is, however, authorized, under such general regulations as it may prescribe to be applicable to all banks alike, to permit any member bank to accept bills growing out of transactions involving the importation or exportation of goods to an amount not exceeding at any time in the aggregate 100 per cent of its paid-up and unimpaired capital stock and surplus, but in no event shall a member bank's acceptances growing out of domestic transactions or for the purpose of furnishing dollar exchange exceed in the aggregate 50 per cent of its capital stock and surplus. The Federal

Reserve Banks are authorized to discount acceptances of the kinds just described, which have a maturity at the time of discount of not more than three months' sight, exclusive of days of grace, and which are indorsed by at least one member bank, and they are also permitted under rules and regulations prescribed by the Federal Reserve Board to purchase and sell in the open market at home or abroad either from or to domestic or foreign banks, firms, corporations, or individuals, cable transfers and bankers' acceptances and bills of exchange of the kinds and maturities made eligible for rediscount, with or without the indorsement of a member bank.

Under the law the Board appears to have some latitude of discretion in the matter of permitting Federal Reserve Banks to discount renewal acceptances, and this authority was granted in a few instances and for comparatively small amounts during the war and immediately following the cessation of hostilities. The Board had repeated applications during the first half of the year for authority to discount renewal acceptances growing out of various foreign transactions, but has consistently declined to admit the eligibility of renewals except in cases where owing to delay in transportation or for other reasons it was clear that the renewal bill would meet all requirements applicable to the original acceptance, and that the goods covered by the acceptances were still in existence unconverted in form and capable of ready identification.

In its last annual report the Board discussed the subject of acceptances at length and pointed out that there was not in this country any broad acceptance market such as exists in London. The development of such a market is necessarily a slow process and the burden of its support has fallen during the year 1919, as in previous years, upon the Federal Reserve Banks. This condition will doubtless continue until banks generally begin to invest funds temporarily idle in acceptances and until this method of employing funds appeals to the private investor. The Federal Reserve Banks most actively engaged in the purchase of acceptances in the open market deemed it necessary in the beginning to establish a more favorable rate both for the discount of these bills for member banks and for their purchase in the open market than was established for the discount of commercial paper. This policy merely involved a recognition of the high quality of these credit instruments and was adopted the more readily in order to stimulate the development of a new business with which the American bankers were, as a rule, unfamiliar and which was regarded as essential in upbuilding the Federal Reserve system and in financing the foreign commerce of the United States by American banks instead of by foreign banks.

In establishing preferential rates for acceptances recognition was given to the fact that bills drawn against actual shipments of com-

modities and accepted by the strongest banks and bankers of the country were credit instruments of greater value and could therefore command a lower rate than the average of commercial paper coming from miscellaneous banks in the ordinary course of their discount operations. The Federal Reserve Banks in their open-market purchases have adopted the policy of keeping their buying rates more closely in line with the rates at which bills were offered in the open market by purchasing only at or slightly below these rates, taking into consideration the value of the bank indorsement required by Federal Reserve Banks, but which the bills did not bear ordinarily when they were sold on the outside. For example, when prime 90-day bills unindorsed were sold at  $4\frac{1}{4}$  per cent, the Federal Reserve Banks would buy prime bills of like maturity well indorsed at  $4\frac{1}{8}$  to  $4\frac{1}{4}$  per cent, and as outside rates advanced they would advance their buying rates so that in December prime 60 to 90 day bills with good indorsements were bought by the Federal Reserve Banks at the rate for commercial paper,  $4\frac{3}{8}$  per cent, although the same bills may have been offered by dealers in the open market without indorsement at  $4\frac{7}{8}$  to 5 per cent. A differential in favor of prime bills indorsed and rediscounted by member banks will be a necessary step in the further development of a broad and dependable acceptance market.

The fact that exports from the United States during the year 1919 reached unprecedented figures, and exceeded imports in value by about \$4,000,000,000, has aroused inquiry as to what expedients have been resorted to in the financing of exports. Goods have been sent out of the country in large volume, notwithstanding high prices, and the utter demoralization in the exchanges of many of the importing countries, conditions which ordinarily would greatly restrict our exports. Although there has been the largest trade balance in our favor in our history, our net visible outgo of gold for the year was \$291,651,202, or, if the amount of gold held on December 31, 1919, for Federal Reserve account by the Bank of England is deducted, a net total of \$160,330,713. These circumstances point to credit transactions on a large scale, the nature of which it is difficult even measurably to ascertain. The acceptances purchased by the Federal Reserve Banks are based mainly upon imports, and it appears that exporters have generally used their own capital and credit in financing their credit transactions abroad.

#### IMPORTS AND EXPORTS.

In considering the figures of our foreign commerce, it is necessary to realize that the great volume of our exports at present goes to countries to which sale is, in most cases, possible only if coupled with arrangements for extending credit, while the balance of trade is ad-



verse to this country with countries in a position to pay by their own exports or in gold. Our foreign commerce for the 12 months ending December 31, 1919, showed a balance of exports amounting to \$4,017,745,000. If this balance is subdivided so as to show separately our trade with countries where, broadly speaking, credit must be extended and countries which, in general, are in position to pay, either through exports or by the shipment of gold, the figures result as follows:

*Imports into the United States and exports from the United States in the trade with leading foreign countries during the calendar year 1919.*

[In thousands of dollars.]

	Imports.	Exports.	Excess of exports.
<b>Group A—Allied and associated countries:</b>			
United Kingdom.....	309,189	2,279,178	1,969,989
Canada.....	494,694	734,267	239,573
Newfoundland and Labrador.....	5,361	15,190	9,829
France.....	123,871	893,369	769,498
Belgium.....	7,700	377,876	370,176
Italy.....	59,048	442,677	383,629
Portugal.....	6,415	19,962	13,547
Roumania.....		6,588	6,588
Serbia, Montenegro, and Albania.....		2,928	2,928
Greece.....	28,611	42,884	14,273
Russia in Europe.....	2,953	27,758	24,805
Russia in Asia.....	6,710	54,679	47,969
Total.....	1,044,552	4,897,356	3,852,804
<b>Group B—Former enemy countries:</b>			
Austria-Hungary.....	2,391	42,212	39,821
Germany.....	10,624	92,761	82,137
Bulgaria.....	2,098	1,788	1,310
Total.....	15,113	136,761	121,648
<b>Group C—Neutral, including inactive belligerent countries:</b>			
<i>(a) Neutral countries in Europe—</i>			
Netherlands.....	75,507	255,134	179,627
Sweden.....	13,826	133,063	119,237
Norway.....	7,371	135,135	127,764
Denmark.....	6,202	163,965	157,763
Spain.....	49,392	102,820	53,428
Switzerland.....	27,688	76,146	48,458
Total.....	179,986	866,263	686,277
<i>(b) Non-European neutrals and inactive belligerents—</i>			
Argentina.....	199,158	155,968	143,190
Brazil.....	233,571	114,656	111,815
Chile.....	82,442	53,472	128,970
Cuba.....	418,610	278,391	140,219
China.....	154,154	105,515	148,639
British East Indies.....	322,148	81,514	1240,634
Japan.....	409,853	366,365	143,488
Total.....	1,819,936	1,155,881	1664,055
All other countries.....	844,819	865,890	21,071
Grand total.....	3,904,406	7,922,151	4,017,745

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

To make possible these large exports to countries not in a position to pay cash, credit or capital must have been advanced in one shape or another. The nature of these transactions can not, of course, be accurately analyzed. Between January 1, 1919, and December 31, 1919, the Government of the United States made advances to

allied and associated powers amounting to \$1,757,989,481.95, and various loans were placed in the American market by foreign Governments. The remainder was undoubtedly covered in many ways. A large part, approximately \$2,000,000,000, has probably fallen, directly or indirectly, upon the commercial banks throughout the country, and to this fact is to be attributed in corresponding measure the expansion of bank credit experienced during the year. While such credits would not be eligible for rediscount at Federal Reserve Banks, the banks extending them have undoubtedly in whole or in part recouped themselves through the rediscount of eligible paper with the Federal Reserve Banks. The Board has frequently expressed itself as opposed to the financing of exports which require long-term credit through banking operations as distinguished from appeals to the securities market, and takes occasion to repeat that view in this summary of general conditions.

#### FISCAL AGENCY OPERATIONS.

Although the conclusion of the armistice ended the more strenuous stage of Treasury financing, there has been no slackening of the duties imposed upon the Federal Reserve Banks as fiscal agents of the Government. These banks, as heretofore, have handled all details connected with the sale, allotment, distribution, and redemption of Treasury certificates of indebtedness among member and non-member banks of their respective districts, have received subscriptions to the Victory loan, collected all note and certificate payments, and redeposited the funds with depositary banks, withdrawing them as required by the Treasury. They have also effected the various exchanges of bonds and redemptions of certificates and have paid and canceled coupons of war securities as they have fallen due and have been presented.

By means of interdistrict settlements through the gold-settlement fund, the Treasury has continued to be able to leave funds with designated depositary banks throughout the country until actually required, transfers being made by telegraph to Federal Reserve Banks in cities where Government disbursements are made. These transfers have involved very large sums, and the number of transfers to New York alone over the wires of the Federal Reserve System amounted in 1919 to 2,883.

The subjoined table presents a detailed statement of the year's operations covering Victory notes, Treasury certificates of indebtedness issued in anticipation of Victory notes, certificates issued in anticipation of tax payments, and loan certificates.

Allotments of Victory notes and Treasury certificates from Jan. 1 to Dec. 31, 1919.

Federal Reserve Bank.	Victory notes.	Treasury certificates issued.					Grand total.	
		In anticipation of--			Loan certificates.	Total certificates.		
		Victory loan.	Tax payments.					
			1919 taxes.	1920 taxes.				Total tax certificates.
Boston.....	\$371,910,150	\$382,881,000	\$156,158,000	\$117,145,500	\$273,303,500	\$146,092,000	\$802,276,500	\$1,174,186,650
New York.....	1,318,041,150	1,833,198,000	1,056,238,500	926,644,500	1,982,883,000	990,074,500	4,506,155,500	5,824,196,650
Philadelphia.....	376,200,100	335,797,000	101,194,500	133,223,500	234,418,000	111,296,500	681,511,500	1,057,801,600
Cleveland.....	443,802,250	452,061,500	292,972,000	172,204,000	465,176,000	137,716,000	1,054,953,500	1,498,755,750
Richmond.....	210,889,300	148,981,500	75,856,000	45,309,000	121,165,000	36,428,500	306,575,000	517,464,300
Atlanta.....	133,080,800	115,362,000	56,515,000	55,243,000	111,758,000	58,870,000	285,990,000	419,070,800
Chicago.....	694,330,000	772,990,500	337,976,000	287,842,500	605,818,500	228,736,500	1,607,545,500	2,301,873,500
St. Louis.....	201,787,600	199,737,000	53,700,500	65,929,500	119,630,000	68,972,500	388,339,500	590,127,100
Minneapolis.....	170,076,650	172,115,500	39,601,000	39,303,000	78,904,000	59,114,000	310,133,500	480,210,150
Kansas City.....	192,429,300	145,851,500	30,878,500	40,959,500	71,838,000	66,238,500	283,928,000	476,357,300
Dallas.....	84,002,500	85,349,500	45,664,000	65,296,500	110,960,500	63,709,500	262,019,500	346,022,000
San Francisco.....	294,905,050	308,075,000	111,720,000	135,381,500	247,101,500	132,725,000	687,901,500	982,806,550
Total.....	4,491,544,850	4,952,400,000	2,358,474,000	2,064,482,000	4,422,956,000	1,801,973,500	11,177,329,500	15,668,874,350

<sup>1</sup> Excluding \$1,181,792,000 of Treasury certificates in anticipation of the Victory loan allotted through the Federal Reserve Banks during 1918.

NOTE.--Above figures are exclusive of \$154,668,000 of 2 per cent 1-year certificates sold to Federal Reserve Banks to secure bank-note circulation, also of special temporary certificates sold to Federal Reserve Banks, none of which were outstanding on Dec. 31, 1919.

The detail work accomplished by the several Federal Reserve Banks in their respective operations as fiscal agents of the Government has been very heavy and has required the services, in the aggregate for the 12 banks, of about 2,500 officers and employees. The number of banks, members and nonmembers, through which subscriptions to the Victory loan were received by the Federal Reserve Banks was 28,120, and the Federal Reserve Banks secured subscriptions to Treasury certificates of indebtedness from 21,895 member and nonmember banks. During the year there passed through the Federal Reserve Banks and branches 32,899,724 Government checks amounting to \$14,518,470,830; the banks received, paid and cancelled Liberty bond coupons and Victory note coupons to the number of 102,139,832, aggregating \$515,924,896; and they redeemed Treasury certificates of indebtedness to the extent of \$10,590,458,500. Payments for subscriptions to the Victory loan were received as follows: In cash, \$1,050,974,052; in credit upon the books of designated depositories, \$2,043,163,341; in certificates of indebtedness, \$1,397,200,508. The balance reported unpaid on December 31, 1919, was \$206,949. Payments for subscriptions to Treasury certificates in anticipation of 1920 taxes were received as follows: In cash, \$198,641,103; in credit, \$1,512,281,397; maturing certificates of former issues, \$353,559,500. Payment for subscriptions to Treasury loan certificates were received as follows: In cash, \$199,173,116; in credit, \$1,377,629,384; certificates of former issues, \$225,171,000. The number of bank depositories designated by the Secretary of the Treasury through the Federal Reserve Banks was 7,632 on December 31. The average daily Government balance with these depositories during 1919 was \$737,665,000, and as security for these deposits, the Federal Reserve Banks approved and received collateral of the average face value of approximately \$1,338,304,000. In addition to the fiscal agency operations outlined above the Federal Reserve Banks during the year sold Treasury savings certificates amounting to \$14,961,000; war savings stamps amounting to \$13,118,000; and thrift stamps amounting to \$1,898,000.

The Treasury balances carried with the Federal Reserve Banks have been subject to wide fluctuations owing to the constantly changing requirements of the Treasury and to the seasonal character of collections of internal revenue taxes made for the Treasury's account. The following table exhibits the maximum, minimum, and daily average amount of Government deposits in the 12 Federal Reserve Banks during each month of 1919.

*Government deposits held by Federal Reserve Banks.*

[In thousands of dollars.]

Month.	Maximum.	Minimum.	Daily average.
January.....	150,346	20,974	71,379
February.....	210,920	22,745	129,750
March.....	292,147	60,023	176,960
April.....	169,972	38,069	99,094
May.....	194,115	64,448	126,378
June.....	245,245	3,917	111,614
July.....	185,834	48,190	112,601
August.....	112,051	37,896	66,106
September.....	85,129	30,253	53,970
October.....	173,650	51,789	88,300
November.....	106,752	31,700	79,978
December.....	124,891	30,959	70,301
Year.....	292,147	3,917	98,755

## MEMBERSHIP OF STATE BANKS AND TRUST COMPANIES.

The movement of State banks and trust companies into the Federal Reserve System has continued throughout the year in a fairly satisfactory manner, although on December 31 about 8,021 eligible State institutions were not members. The Board is cooperating with the Federal Reserve Banks in a continuous campaign for State bank membership, and one member of the Board has been detailed to supervise these activities. The American Bankers' Association has continued its committee on Federal Reserve membership, which has done such effective work in impressing upon the management of State banks the advantages to be obtained from membership in the system.

On December 31, 1918, the total membership of State banks and trust companies was 930, representing an aggregate capital and surplus of \$759,790,000, and total resources of about \$7,482,000,000. On December 31, 1919, the membership of other than national banks had increased to 1,181, representing a total capital and surplus of over \$891,200,000, and total resources of about \$9,913,700,000. Favorable legislation in a number of States as well as cordial cooperation by nearly all of the State banking authorities have aided materially in obtaining these results.

The movement of State banks and trust companies into the Federal Reserve System during 1919, as well as the percentage relationship between the number, capital, and surplus, and total resources of such members and of all State banks and trust companies reported as eligible for membership, are indicated in the following tables:

*Number, capital and surplus, and total resources of State banks and trust companies, members of the Federal Reserve System.*

[Amounts in thousands of dollars.]

Federal Reserve district.	Dec. 31, 1918.			Mar. 4, 1919.			June 30, 1919.		
	Number.	Capital and surplus.	Total resources.	Number.	Capital and surplus.	Total resources.	Number.	Capital and surplus.	Total resources.
Boston.....	31	57,656	599,596	32	58,414	605,236	36	60,908	657,007
New York.....	101	277,492	3,488,611	102	286,110	3,598,070	110	297,999	4,021,687
Philadelphia.....	29	66,588	324,408	31	67,000	352,963	36	68,379	376,861
Cleveland.....	66	90,857	597,288	73	91,785	661,562	80	93,168	681,624
Richmond.....	37	16,002	110,430	39	16,183	114,973	42	16,901	131,663
Atlanta.....	54	26,424	249,532	55	27,059	245,691	57	27,396	264,638
Chicago.....	288	138,827	1,363,695	296	141,116	1,446,951	305	142,963	1,556,249
St. Louis.....	44	43,970	347,683	43	44,440	350,880	52	41,618	333,696
Minneapolis.....	70	8,259	81,861	72	8,852	90,122	75	9,112	90,671
Kansas City.....	27	8,489	96,796	29	8,759	104,648	31	6,969	94,574
Dallas.....	97	9,083	58,254	107	10,025	65,356	115	10,538	70,231
San Francisco.....	86	16,143	163,959	90	15,731	164,609	103	16,960	173,681
Total.....	930	759,790	7,482,113	969	775,474	7,801,061	1,042	792,911	8,452,582

Federal Reserve district.	Nov. 17, 1919.			Dec. 31, 1919.		
	Number.	Capital and surplus.	Total resources.	Number.	Capital and surplus.	Total resources.
Boston.....	36	64,233	692,320	36	64,385	719,918
New York.....	117	306,574	4,203,806	122	320,123	4,283,636
Philadelphia.....	38	70,328	359,318	38	70,455	370,462
Cleveland.....	93	97,330	760,659	97	101,871	803,439
Richmond.....	44	18,087	158,886	46	19,285	166,007
Atlanta.....	63	34,529	366,831	64	35,553	389,854
Chicago.....	321	153,837	1,681,302	326	157,019	1,751,177
St. Louis.....	66	44,086	391,268	68	44,354	409,086
Minneapolis.....	82	10,087	101,601	86	10,455	107,139
Kansas City.....	42	7,934	107,909	47	8,353	119,953
Dallas.....	113	9,779	87,196	114	10,391	97,103
San Francisco.....	120	37,329	513,217	137	48,930	695,933
Total.....	1,135	854,133	9,424,313	1,181	891,174	9,913,707

*Statement showing comparison between the number, capital and surplus, and total resources of (1) member banks, (2) banks eligible for membership in Federal Reserve System (including both member and nonmember banks), and (3) all banks in the United States, exclusive of savings and private banks, as of June 30, 1919.*

[Amounts in thousands of dollars.]

	Number.	Per cent of total.	Capital and surplus.		Aggregate resources.	
			Amount.	Per cent of total.	Amount.	Per cent of total.
<b>1. Member banks:</b>						
National.....	7,780	88.2	1,989,597	71.5	20,791,147	71.1
State banks and trust companies.....	1,042	11.8	792,911	28.5	8,452,582	28.9
Total.....	8,822	100.0	2,782,508	100.0	29,243,729	100.0
<b>2. Banks eligible for membership:</b>						
Member banks.....	8,822	52.0	2,782,508	72.1	29,243,729	77.4
Nonmember banks.....	8,160	48.0	1,074,365	27.9	8,547,023	22.6
Total.....	16,982	100.0	3,856,873	100.0	37,791,352	100.0
<b>3. All banks in the United States, exclusive of savings and private banks:</b>						
Member banks.....	8,822	33.4	2,782,508	66.9	29,243,729	72.3
Nonmember banks.....	17,560	66.6	1,376,023	33.1	11,209,020	27.7
Total.....	26,382	100.0	4,158,531	100.0	40,452,749	100.0

State banks and trust companies, members and nonmembers of the Federal Reserve System, classified according to institutions with combined capital and surplus of (1) \$1,000,000 and over, and (2) less than \$1,000,000, as of June 30, 1919.

[Amounts in thousands of dollars.]

(1) BANKS AND TRUST COMPANIES WITH COMBINED CAPITAL AND SURPLUS OF \$1,000,000 AND OVER.

Federal Reserve district.	Members.			Nonmembers.		
	Number.	Capital and surplus.	Total resources.	Number.	Capital and surplus.	Total resources.
Boston.....	13	49,850	536,267	8	14,800	113,020
New York.....	45	275,667	3,746,366	25	91,277	683,730
Philadelphia.....	12	60,100	310,564	28	56,278	269,386
Cleveland.....	15	79,200	537,664	18	38,920	209,583
Richmond.....	6	9,700	77,848	16	36,390	173,794
Atlanta.....	10	18,497	185,934	1	1,000	9,730
Chicago.....	24	100,550	1,070,758	10	21,200	181,591
St. Louis.....	12	33,172	252,749	3	6,525	41,498
Minneapolis.....				3	4,050	14,137
Kansas City.....	2	3,000	51,443			
Dallas.....				3	4,742	10,913
San Francisco.....	3	4,700	57,589	21	43,366	564,498
Total.....	142	634,436	6,827,182	136	318,548	2,271,880

(2) BANKS AND TRUST COMPANIES WITH COMBINED CAPITAL AND SURPLUS OF LESS THAN \$1,000,000.

Boston.....	23	11,058	120,740	155	28,407	315,808
New York.....	65	22,332	275,321	238	48,343	491,510
Philadelphia.....	24	8,279	66,297	312	70,423	514,415
Cleveland.....	65	13,968	143,960	533	73,077	613,191
Richmond.....	36	7,201	53,815	561	55,263	403,563
Atlanta.....	47	8,899	78,704	720	53,948	366,660
Chicago.....	281	42,413	485,491	2,016	160,277	1,537,193
St. Louis.....	40	8,446	80,947	926	63,940	462,685
Minneapolis.....	75	9,112	90,671	687	40,510	358,906
Kansas City.....	29	3,969	43,131	824	49,765	403,445
Dallas.....	115	10,538	70,231	397	34,092	157,980
San Francisco.....	100	12,260	116,092	655	77,763	650,407
Total.....	900	158,475	1,625,400	8,024	755,817	6,275,743

Total number, capital and surplus, and resources of State banks and trust companies, both member and nonmember reported as eligible for membership on basis of capital requirements; also ratios of number, capital and surplus, and resources of State bank and trust company members to totals for all State banks and trust companies reported as eligible for membership, as of June 30, 1919.

[Amounts in thousands of dollars.]

Federal Reserve district.	Number of banks.			Capital and surplus.			Total resources.		
	1. Total eligible.	2. Mem- bers.	3. Per cent (2+1).	4. Total eligible banks.	5. Member banks.	6. Per cent (5+4).	7. Total eligible banks.	8. Member banks.	9. Per cent (8+7).
Boston.....	199	36	18.1	104,115	60,908	58.5	1,085,835	657,007	60.5
New York.....	373	110	29.5	437,619	297,999	68.1	5,196,927	4,021,687	77.4
Philadelphia.....	376	36	9.6	195,080	68,379	35.1	1,160,662	376,861	32.5
Cleveland.....	631	80	12.7	205,165	93,168	45.4	1,504,398	681,624	45.3
Richmond.....	619	42	6.8	108,554	16,901	15.6	709,020	131,663	18.6
Atlanta.....	778	57	7.3	82,344	27,396	33.3	641,028	264,638	41.3
Chicago.....	2,331	305	13.1	324,440	142,963	44.1	3,275,033	1,556,249	47.5
St. Louis.....	981	52	5.3	112,092	41,618	37.1	837,859	333,696	39.8
Minneapolis.....	765	75	9.8	53,672	9,112	17.0	463,714	90,671	19.6
Kansas City.....	855	31	3.6	56,734	6,969	12.3	498,019	94,574	19.0
Dallas.....	515	115	22.3	49,372	10,538	21.3	239,124	70,231	29.4
San Francisco.....	779	103	13.2	138,089	16,960	12.3	1,388,586	173,681	12.5
Total.....	9,202	1,042	11.3	1,867,276	792,911	42.4	17,000,205	8,452,582	49.7

In the table immediately following will be found a statement of the total resources as of June 30, 1919, of all member banks, from which it will be seen that the resources of the State banks and trust companies which are members of the system are but 95 millions less than those of the nonmember banks reported as eligible for membership, and that the total resources of all member banks are about three and one-half times as great as those of eligible nonmember banks. The resources of the member banks are 72.3 per cent of the total resources of all banks in the United States, exclusive of savings and private banks.

(1) Member banks:	Total resources.
National .....	\$20, 791, 147, 000
State banks and trust companies.....	8, 452, 582, 000
Total.....	29, 243, 729, 000
(2) Nonmember State banks and trust companies reported as eligible for membership in the Federal Reserve System .....	8, 547, 623, 000
(3) All banks in the United States, exclusive of savings and private banks:	
National .....	20, 791, 147, 000
State banks and trust companies.....	19, 661, 602, 000
Total.....	40, 452, 749, 000
(4) Ratio of total resources of all member banks to total resources of nonmember banks reported as eligible for membership (per cent).....	342.1
Ratio of total resources of member banks to total resources of all banks in the United States, exclusive of savings and private banks (per cent).....	72.3

#### RATES OF EARNINGS BY CLASSES OF ASSETS.

Prior to the revision of discount rates in November, the rates of earnings of the Federal Reserve Banks during the year from the various classes of investments fluctuated between comparatively narrow limits. Earnings from discounts showed a maximum average rate of 4.53 per cent in December and a minimum average rate of 4.13 per cent in August. Variations in the average rate correspond more or less to the relative volume of war paper taken during the respective months. Average rates of earnings from acceptances purchased in the open market because of the special preferential treatment of war paper were slightly higher than the average rates from discounts, and the average rates earned by the Federal Reserve Bank of New York were somewhat lower than corresponding rates reported by the other banks. Earning rates were fairly level during the first 10 months of the year, ranging from 4.19 per cent in June to 4.29 per cent in January.

Increases in both the discount and open-market rates at the Federal Reserve Banks are reflected in higher rates of earnings for November



and December, the rate of earnings from discounted paper showing a rise from 4.15 in October to 4.40 in November and 4.53 in December, while the rate of earnings from open-market paper rose from 4.22 in October to 4.33 in November and to 4.53 in December.

Average rates of earnings from United States securities ranged between 2.17 per cent in September and 2.43 per cent in April. With a steady increase in the amount of one-year 2 per cent certificates included in the United States security holdings of the banks, a corresponding decline in the average rate of return might have been expected, but the average monthly rates of return did not show such a decline for the reason that the ratio was affected by the much larger amounts of special certificates held by the banks at various intervals for one or more days to cover Treasury overdrafts. The effect of these holdings is seen in the relatively low average rates obtaining in January, February, and September.

As a result of this development the average rate of return on all investments between January and October moved more or less in conformity with the average monthly rate of return from discounts. In September, however, when the holdings of special 2 per cent Treasury certificates were particularly heavy, the average rate of return from all investments shows a decline notwithstanding the simultaneous rise in the percentage of return from bills discounted.

*Rates of earnings from investments of the Federal Reserve Banks.*

	Bills dis- counted.	Bills bought in open market.	United States securities.	Total in- vestments.
January .....	4.21	4.29	2.26	4.04
February .....	4.18	4.25	2.31	4.03
March .....	4.16	4.26	2.41	4.02
April .....	4.16	4.23	2.43	4.01
May .....	4.15	4.25	2.42	3.99
June .....	4.20	4.19	2.33	4.01
July .....	4.15	4.27	2.24	3.98
August .....	4.13	4.22	2.21	3.93
September .....	4.17	4.27	2.17	3.91
October .....	4.15	4.22	2.18	3.95
November .....	4.40	4.33	2.22	4.16
December .....	4.55	4.54	2.19	4.29
Average for year .....	4.23	4.30	2.26	4.04

DISTRIBUTION OF EARNING ASSETS AT THE OPENING AND CLOSE OF  
THE YEAR.

During the past year total earning assets of the Federal Reserve Banks increased by 805 millions, from 2,275 to 3,080 millions. All three main classes of assets show considerable gains for the year—discounts by 365 millions, open market purchases by 293 millions, and United States securities by 145 millions.

Largely as the result of the reduction during the year in the volume of outstanding Treasury certificates, the holdings of "war paper" (i. e., discounted and rediscounted paper secured by United States war obligations) show a decline from 1,535 to 1,510 millions. Of the later date total, over 75 per cent was composed of member banks' collateral notes, as against about 50 per cent at the beginning of the year.

Considerable gains are shown in the December 26 figures of discounted bank and trade acceptances. The largest increase, however, under the general head of discounted bills is shown for ordinary commercial paper, the holdings of which assumed particularly large proportions during the last two months of the year, following the adoption of revised discount rates which reduced and subsequently eliminated in part the differential in favor of war paper maintained during the greater part of the year.

There has been a steady and increasing flow of bank acceptances, based on foreign trade transactions, into the portfolios of the Federal Reserve Banks, holdings of this class of paper at the close of the year, 452.5 millions, being 317.8 millions larger than at the beginning of the year.

Larger holdings are also shown for trade acceptances based upon foreign trade transactions and for dollar exchange bills, while holdings of both bank and trade acceptances based on domestic trade transactions were smaller at the close of the year than at its opening. As against a decrease of 3 millions in the holdings of United States bonds (largely circulation bonds and 3 per cent conversion bonds) the banks show an increase during the year of 148.4 millions in Treasury certificates, the holdings of this class of securities constituting nearly 9 per cent of the total earning assets of the banks, compared with 5.5 per cent on the first Friday of the year.

*Changes in classes of earning assets during 1919.*

[In thousands of dollars.]

	Jan. 3, 1919.	Dec. 26, 1919.	Increase.
<b>Bills discounted:</b>			
Secured by Government war obligations—			
Customer's paper.....	734,610	352,588	<sup>1</sup> 382,022
Member banks' collateral notes.....	800,080	1,157,766	357,706
Total.....	1,534,670	1,510,354	<sup>1</sup> 24,316
Otherwise secured and unsecured—			
Agricultural paper.....	28,108	24,825	<sup>1</sup> 3,283
Live-stock paper.....	27,247	26,243	<sup>1</sup> 1,004
Member banks' collateral notes.....	18,365	<sup>2</sup> 8,256	<sup>1</sup> 10,109
Bankers' acceptances.....	1,596	18,183	16,587
Trade acceptances.....	16,633	30,992	14,359
Other commercial and industrial paper.....	203,245	576,025	372,780
Total.....	295,194	684,524	389,330
Total discounted bills.....	1,829,864	2,194,878	365,014

<sup>1</sup> Decrease.

<sup>2</sup> Includes \$20,000 secured by War Finance Corporation bonds.

*Changes in classes of earning assets during 1919—Continued.*

[In thousands of dollars.]

	Jan. 3, 1919.	Dec. 26, 1919.	Increase.
<b>Bills bought in open market:</b>			
<b>Bankers' acceptances—</b>			
In the foreign trade.....	134, 703	452, 460	317, 757
In the domestic trade.....	147, 830	121, 169	<sup>1</sup> 26, 661
Dollar exchange bills.....	1, 647	3, 914	2, 267
<b>Total.....</b>	<b>284, 180</b>	<b>577, 543</b>	<b>293, 363</b>
<b>Trade acceptances—</b>			
In the foreign trade.....	3, 426	5, 024	1, 598
In the domestic trade.....	2, 663	2, 645	<sup>1</sup> 18
<b>Total.....</b>	<b>6, 089</b>	<b>7, 669</b>	<b>1, 580</b>
<b>Total bills bought in open market.....</b>	<b>290, 269</b>	<b>585, 212</b>	<b>294, 943</b>
<b>United States bonds.....</b>	<b>29, 824</b>	<b>26, 834</b>	<b><sup>1</sup> 2, 990</b>
<b>United States Victory notes.....</b>	<b>.....</b>	<b>64</b>	<b>64</b>
<b>United States certificates of indebtedness.....</b>	<b>125, 063</b>	<b>273, 507</b>	<b>148, 444</b>
<b>All other earning assets.....</b>	<b>13</b>	<b>.....</b>	<b><sup>1</sup> 13</b>
<b>Total earning assets.....</b>	<b>2, 275, 033</b>	<b>3, 080, 495</b>	<b>805, 462</b>

<sup>1</sup> Decrease.

## EARNINGS AND OPERATING EXPENSES OF FEDERAL RESERVE BANKS.

The number of officers and employees of each of the Federal Reserve Banks at the close of the year 1919, as compared with the number at the end of the previous year, is as follows:

Federal Reserve Bank.	Number of officers and employees Dec. 31, 1918.	Number of officers and employees Dec. 31, 1919.
Boston.....	585	755
New York.....	2, 657	2, 696
Philadelphia.....	423	647
Cleveland.....	589	626
Richmond.....	254	401
Atlanta.....	317	386
Chicago.....	815	1, 199
St. Louis.....	385	541
Minneapolis.....	267	287
Kansas City.....	480	583
Dallas.....	403	505
San Francisco.....	531	567
<b>Total.....</b>	<b>7, 706</b>	<b>9, 393</b>

The operating expenses of all the banks have been considerably higher than in previous years. Member banks, private banking firms, and corporations have drawn or attempted to draw upon the Federal Reserve Banks for officers and employees, and the continued advance in the cost of living also has made it necessary to raise salaries. There has been no increase in the maximum salary paid nor have any salaries been approved by the Board for Federal Reserve Bank officers as high as those paid officers of similar rank by the larger commercial banks in the several Federal Reserve cities.

The average salary paid officers and employees by each Federal Reserve Bank is as follows:

Federal Reserve Bank.	Average salary of officers.	Average salary of employees.
Boston.....	\$8,542	\$1,184
New York.....	10,540	1,206
Philadelphia.....	8,318	1,133
Cleveland.....	7,347	1,206
Richmond.....	6,215	1,031
Atlanta.....	5,080	1,054
Chicago.....	6,666	1,200
St. Louis.....	6,331	1,051
Minneapolis.....	5,985	1,080
Kansas City.....	5,554	1,194
Dallas.....	5,400	1,167
San Francisco.....	5,700	1,255

The Federal Reserve Banks have strengthened their auditing and examining departments, and other necessary expenses have been incurred in bringing the banks in closer contact with the member and nonmember banks of their districts. The Federal Reserve Banks also paid all costs of transportation of currency sent to and received from member banks, and some of the Federal Reserve Banks paid all costs of returning to member banks the collateral lodged with them by their member banks as security for advances made by the reserve banks. Notwithstanding the very considerable increase in the expense accounts of the Federal Reserve Banks, the combined current net earnings of the 12 Federal Reserve Banks for the year 1919 amounted to \$82,038,785, as compared with \$55,446,979 for the year 1918, or an increase of \$26,591,806. The combined gross earnings were \$102,380,583, as compared with \$67,584,417 in 1918.

Provision is made for the division of earnings of the Federal Reserve Banks in section 7 of the Federal Reserve Act, which provides in part that "after all necessary expenses of a Federal Reserve Bank have been paid or provided for, the stockholders shall be entitled to receive an annual dividend of six per centum on the paid-in capital stock, which dividend shall be cumulative." As originally enacted, this section further provided that "after the aforesaid dividend claims have been fully met, the net earnings shall be paid to the United States as a franchise tax except that one-half of such net earnings shall be paid into a surplus fund until it shall amount to forty per centum of the paid-in capital stock of such bank." The act of March 3, 1919, amended this section to read as follows: "After the aforesaid dividend claims have been fully met, the net earnings shall be paid to the United States as a franchise tax except that the whole of such net earnings, including those for the year ending December 31, 1918, shall be paid into a surplus fund until it shall amount to one hundred per centum of the subscribed capital stock of such bank, and that thereafter ten per centum of such net earnings shall be paid into the surplus."

At the end of the year 1917, and before section 7 was amended, the Federal Reserve Banks of Boston, New York, Richmond, Atlanta, Chicago, and Minneapolis had paid all accumulated dividends to the end of the year 1917, and after charging off all expenses and making the depreciation allowances authorized by the Board, carried to surplus the sum of \$1,134,234 and paid an equal amount to the Government as a franchise tax. The six remaining Federal Reserve Banks not having earned a sufficient amount to pay their accumulated dividends, carried nothing to surplus and made no payment to the Government at the end of the year 1917.

The Federal Reserve Bank of New York having provided for all expenses and depreciation charges, and having paid all accumulated dividends, carried to surplus out of its net earnings for the year 1919, the sum of \$23,964,678. It has therefore accumulated the maximum proportion of surplus provided for in section 7, as amended, of 100 per cent of its subscribed capital, plus \$300,433, being 10 per cent of the balance of its net earnings for the year. The remaining 90 per cent (\$2,703,894) has been paid to the Government as a franchise tax.

The percentage of surplus to subscribed capital of all Federal Reserve Banks at the close of business December 31, 1919, is as follows:

Federal Reserve Bank of—	Per cent.
Boston.....	58. 80
New York.....	100. 67
Philadelphia.....	55. 84
Cleveland.....	47. 67
Richmond.....	66. 26
Atlanta.....	68. 48
Chicago.....	57. 87
St. Louis.....	45. 81
Minneapolis.....	58. 05
Kansas City.....	76. 15
Dallas.....	44. 29
San Francisco.....	65. 56

The Board desires to call attention to the fact that the very large earnings of the banks are due to their abnormally large volume of discounts forced upon them first by the war and then by conditions growing out of the war. At the close of the year 69 per cent of the loans and discounts were secured by Government war obligations. The banks have been able to maintain their reserves while carrying this heavy loan account only because a correspondingly large volume of Federal Reserve notes has been needed to meet the demands of commerce and business. As conditions become more normal, and as recourse is had by member banks to Federal Reserve Banks less constantly, and when accommodations are sought principally for the purpose of meeting unexpected demands or seasonal requirements, the gross earnings of the Federal Reserve Banks will be reduced very substantially, and as it is not probable that the expense accounts can be reduced in a corresponding degree the net earnings in future are likely to be very much smaller.

The Board takes occasion again to point out that it was not until June 30, 1918, that all cumulative dividends were paid by all of the Federal Reserve Banks. At the close of the year 1918 each of the Federal Reserve Banks had set aside a reserve, out of surplus earnings, for the Government franchise tax, the aggregate of all being \$26,728,440. These reserves were transferred to the surplus funds of the respective banks on March 5, 1919, under authority of the act of March 3, 1919, above referred to.

The table below shows the capital and surplus of each Federal Reserve Bank on December 31, 1919, the gross and net earnings for the year, the dividends paid, the amounts transferred in each case to surplus, and the payments to the Treasury for account of the Government franchise tax:

Federal Reserve Bank.	Gross earnings.	Current net earnings.	Miscellaneous deductions from current net earnings.	Net earnings available for dividends, surplus, and franchise tax.	Dividend payments.
Boston.....	\$7,497,583	\$5,825,758	\$48,377	\$5,777,381	\$414,447
New York.....	35,332,412	29,598,067	1,638,448	27,959,619	1,291,047
Philadelphia.....	8,609,880	6,834,695	175,526	6,659,169	462,380
Cleveland.....	7,800,829	6,404,798	311,013	6,093,785	556,785
Richmond.....	4,775,324	3,863,397	13,869	3,877,266	252,872
Atlanta.....	4,416,001	3,443,784	61,387	3,382,397	197,397
Chicago.....	12,012,078	9,463,754	887,550	8,576,204	700,807
St. Louis.....	3,884,478	2,709,685	354,531	2,355,154	234,660
Minneapolis.....	3,007,041	2,450,550	116,607	2,333,943	180,186
Kansas City.....	4,961,482	3,775,413	147,949	3,627,464	228,755
Dallas.....	3,062,251	2,079,415	37,551	2,041,864	196,335
San Francisco.....	7,021,224	5,589,469	202,109	5,387,360	296,161
Total.....	102,380,583	82,038,785	3,671,281	78,367,504	5,011,832

Federal Reserve Bank.	Transferred to surplus account.	Paid to United States Government as a franchise tax.	Subscribed capital Jan. 1, 1920.	Surplus account, Jan. 1, 1920.	Ratio of surplus to subscribed capital on Jan. 1, 1920.
Boston.....	\$5,362,934	.....	\$14,215,000	\$8,359,034	<i>Per cent.</i> 58.80
New York.....	23,964,678	\$2,703,894	44,781,500	45,081,933	100.67
Philadelphia.....	6,196,789	.....	15,768,300	8,805,132	55.84
Cleveland.....	5,537,900	.....	19,065,900	9,089,000	47.67
Richmond.....	3,624,394	.....	8,784,000	5,820,463	66.26
Atlanta.....	3,185,000	.....	6,856,400	4,695,000	68.48
Chicago.....	7,875,397	.....	24,694,300	14,291,643	57.87
St. Louis.....	2,120,494	.....	8,128,900	3,723,805	45.81
Minneapolis.....	2,153,737	.....	6,147,900	3,569,000	58.05
Kansas City.....	3,694,607	.....	8,031,100	6,116,033	76.15
Dallas.....	1,845,329	.....	6,841,400	3,029,937	44.29
San Francisco.....	5,091,199	.....	11,499,500	7,539,374	65.56
Total.....	70,651,778	2,703,894	174,814,200	120,120,354	68.71

<sup>a</sup> Credit.

#### PERMANENT BUILDINGS FOR FEDERAL RESERVE BANKS.

In its report for the year 1918 the Board referred to the necessity for providing Federal Reserve Banks with permanent and more adequate physical facilities for the transaction of their business and called attention to the purchases of sites by eight of the banks. All of the banks have now provided themselves with suitable building sites.

The property acquired by the Federal Reserve Bank of Boston early in the year 1918 at a cost of \$1,000,000 was found to be inadequate because of the increased business of the bank, and a few

months ago the Board approved of the sale of this property at a net profit of approximately \$140,000 and the purchase at approximately \$1,400,000 of other real estate of nearly three times the area of that originally acquired.

As a rule the real estate acquired by the Federal Reserve Banks may be classified as improved property, but, except in Philadelphia, the buildings can not be utilized permanently and will have to be razed before work can be begun on new construction. While it is not believed that the existing buildings add materially to the value of the land, they are assessed separately, and in cases where new construction has been begun or where plans have been completed the Board has approved the charging off by the Federal Reserve Banks of amounts equal to the assessed value of the buildings to be removed.

The real estate and building account of each of the Federal Reserve Banks at the close of business December 31, 1919, is as follows:

Boston.....	\$1, 102, 827
New York.....	3, 094, 050
Philadelphia.....	500, 000
Cleveland.....	640, 392
Richmond.....	504, 025
Atlanta.....	463, 302
Chicago.....	2, 116, 149
St. Louis.....	355, 737
Minneapolis.....	500, 000
Kansas City.....	461, 687
Dallas.....	399, 399
San Francisco.....	231, 375

In order to be in position to pass more intelligently upon the expenditures which the Federal Reserve Banks propose to make in their building operations, as well as to secure uniformity in essential details, the Board deemed it expedient to employ a consulting architect and secured the services of Mr. A. B. Trowbridge, of New York, in this capacity. The United States Bureau of Standards of the Department of Commerce is cooperating with the Board's consulting architect in a study of the best methods of vault construction.

#### BRANCHES OF FEDERAL RESERVE BANKS AND THEIR OPERATIONS.

At the end of the year 1918 there were in operation 16 branches of Federal Reserve Banks, 5 of which had been authorized during that year. The branch of the Federal Reserve Bank of St. Louis at Little Rock, which was authorized during the latter part of the year 1918, began business on January 6, 1919. During the year just ended six additional branches have been authorized, as follows:

Location.	Established by Federal Reserve Bank of--
Houston, Tex.....	Dallas.
Nashville, Tenn.....	Atlanta.
Buffalo, N. Y.....	New York.
Helena, Mont.....	Minneapolis.
Los Angeles, Calif.....	San Francisco.
Oklahoma City, Okla.....	Kansas City.

All of these were in active operation at the end of the year 1919 except those authorized to be established at Helena, Los Angeles, and Oklahoma City. The Federal Reserve Bank of Atlanta also established an agency for the receipt and shipment of currency at Savannah, Ga.

The Board called attention in its last annual report to the greater facilities afforded by the branches to member banks located in their vicinity, as well as to the impracticability of establishing branches merely to gratify civic pride. The policy which was adopted nearly two years ago of giving equal facilities as far as possible to all member banks by having the Federal Reserve Banks pay all transportation charges on shipments of currency made to and received from member banks has been continued with satisfactory results, and, except as to time involved in transit, member banks located at a distance from the Federal Reserve Bank enjoy the same facilities in the matter of currency transfers as member banks located in Federal Reserve cities.

The activities of the branches, except those at New Orleans, Detroit, and in the St. Louis, Kansas City, Dallas, and San Francisco districts, where discount operations are authorized, are devoted mainly to the collection of checks and maturing notes and bills and to currency transfers to and from member banks.

A condensed statement of these activities of the branch Federal Reserve Banks appears below:

*Operations of Federal Reserve Branch Banks during the calendar year 1919.*

Branch banks.	Opened for business.	Average number and amount of items handled daily.		Average monthly currency receipts and shipments.	
		Number.	Amount.	Received.	Shipped.
Buffalo.....	May 15, 1919	18,944	\$6,418,888	<sup>1</sup> \$6,118,120	<sup>1</sup> \$8,090,857
Cincinnati.....	Jan. 10, 1918	24,907	8,345,111	6,590,415	4,623,206
Pittsburgh.....	Apr. 22, 1918	32,940	15,265,149	15,844,576	16,814,852
Baltimore.....	Mar. 1, 1918	24,581	11,419,118	7,679,653	5,590,849
Birmingham.....	Aug. 1, 1918	6,489	2,612,619	2,400,056	2,167,916
Jacksonville.....	Aug. 5, 1918	5,822	1,319,101	1,879,792	2,044,364
Nashville.....	Oct. 21, 1919	8,830	2,572,052	<sup>2</sup> 1,392,516	<sup>2</sup> 1,677,750
New Orleans.....	Sept. 10, 1915	8,184	4,004,788	5,402,518	4,230,352
Detroit.....	Mar. 18, 1918	6,110	4,311,323	13,599,667	14,954,079
Little Rock.....	Jan. 6, 1919	5,535	1,282,815	1,412,786	1,195,659
Louisville.....	Dec. 3, 1917	9,141	3,183,944	3,615,367	2,033,699
Memphis.....	Sept. 3, 1918	5,472	1,758,026	2,924,000	3,931,200
Denver.....	Jan. 14, 1918	12,368	3,145,812	1,978,490	1,186,136
Omaha.....	Sept. 4, 1917	15,437	4,513,692	1,433,205	1,817,015
El Paso.....	June 17, 1918	7,482	1,431,182	1,129,136	1,150,335
Houston.....	Aug. 4, 1919	8,847	2,945,752	<sup>3</sup> 1,640,856	<sup>3</sup> 2,823,946
Portland.....	Oct. 1, 1917	6,593	2,362,095	1,628,339	2,021,613
Salt Lake City.....	Apr. 1, 1918	15,010	3,920,959	1,099,546	864,533
Seattle.....	Sept. 19, 1917	8,533	3,525,956	2,958,443	2,473,197
Spokane.....	July 26, 1917	6,751	1,561,856	566,447	693,175
Total.....		237,978	85,900,238	81,293,928	80,385,733
Savannah agency.....	Feb. 4, 1919			<sup>4</sup> 817,730	<sup>4</sup> 916,660

<sup>1</sup> Average for 7 months.

<sup>2</sup> Average for 2 months.

<sup>3</sup> Average for 5 months.

<sup>4</sup> Average for 10 months.



## FEDERAL RESERVE CLEARING AND COLLECTION SYSTEM.

Rapid progress has been made during the year in the development of the Federal Reserve clearing and collection system. The par lists of the Federal Reserve Banks include all banks in the New England States, New York, Pennsylvania, New Jersey, Delaware, Maryland, Ohio, Indiana, Illinois, Michigan, Iowa, Missouri, North Dakota, Nebraska, Kansas, Oklahoma, Wyoming, Montana, Colorado, New Mexico, Texas, Utah, Idaho, Nevada, and California, and a majority of banks in all the other States except North Carolina, South Carolina, Georgia, Florida, Alabama, and Mississippi.

Opposition has developed in some localities to those provisions which require the Federal Reserve Banks to receive from their member banks, at par, checks and drafts payable on presentation and prescribe that no charge for remitting for such checks shall be made against the Federal Reserve Banks. This opposition, however, which has gradually become less intense, except in districts Nos. 6, 9, and 10, will, it is believed, disappear entirely within a reasonable time after all banks in the country are placed on the par list.

Member banks are compelled by law to remit at par to Federal Reserve Banks for checks drawn upon them, and for some years it was the policy of the Federal Reserve Banks to decline to receive from member banks, for credit or for collection, checks drawn upon nonmember banks which had not agreed to remit for them at par. Persistent efforts were made to induce nonmember banks to make remittances without charge to the Federal Reserve Banks for checks drawn upon them, but as these banks were able to avail themselves of the facilities of the system to collect their own items without expense through some correspondent bank, they were in many cases disinclined to render a like service and declined to give up this source of profit. With the approval of the Federal Reserve Board several of the Federal Reserve Banks, early in the year, undertook to collect at par on every bank in their respective districts. The Federal Reserve Bank of Boston has for more than three years been collecting at par on all banks in its district, and other Federal Reserve Banks felt that in justice to their member banks and to the public no further discrimination should be made. Recourse was had in many cases to means of collection other than banks, but as a rule such steps were not necessary for any length of time, and of the 29,561 banks in the country, 25,565 were on December 31 remitting to the Federal Reserve Banks at par, while 3,996 still declined to do so. The efforts to establish a universal par remittance system will be continued until all banks are on the par list, and it is believed that this result will be accomplished within a comparatively short time. Several banks in various sections of the country have protested

against the means adopted by the Federal Reserve Banks with the approval of the Board of collecting checks drawn upon banks which refuse to remit at par to the Federal Reserve Banks for items drawn on themselves, and in reply to formal complaints the Board has defined its attitude as follows:

The Board's action is based upon its conception of the very evident purposes of the Federal Reserve Act. Section 13 of the act begins as follows: "Any Federal Reserve Bank may receive from any of its member banks and from the United States deposits of current funds in lawful money, national-bank notes, Federal Reserve notes, or checks, and drafts, payable upon presentation, and also, for collection, maturing notes and bills." Even though the Federal Reserve Board has heretofore ruled that the permissive "may" as used in the foregoing paragraph should not be construed to mean the mandatory "shall," nevertheless it is clear that a Federal Reserve Bank in order to do any business whatever must exercise some of the permissive powers authorized by law. It would be impossible otherwise for a Federal Reserve Bank to afford to its member banks many of the privileges which the law clearly contemplates and to which the member banks are clearly entitled. But independently of a discussion of this phase of the situation, it seems to the Board that doubts upon this question are resolved upon a consideration of the provisions of section 16: "Every Federal Reserve Bank shall receive on deposit at par from member banks or from Federal Reserve Banks checks and drafts drawn upon any of its depositors." In this case, the obligatory "shall" is used so that there is no option in the Federal Reserve Bank so far as checks and drafts upon its depositors are concerned. From this it may be argued that as the depositors of a Federal Reserve Bank are member banks there is no obligation upon the Federal Reserve Bank to receive on deposit at par checks on nonmember banks, but even if the language of section 13 be construed as permissive there seems to be no question that the Federal Reserve Bank has the right to receive on deposit from any of its member banks any checks or drafts upon whomsoever drawn, provided they are payable upon presentation. The whole purpose of the act demands that in justice to member banks they should exercise that right.

Section 16 further provides that the Federal Reserve Board "may at its discretion exercise the functions of a clearing house for such Federal Reserve Banks \* \* \* and may also require each such bank to exercise the functions of a clearing house for its member banks." In accordance with the purpose of this paragraph, the Federal Reserve Board, with the view ultimately of establishing a universal or national system of clearing intersectional balances as well as bank checks and drafts, has established a gold settlement fund through which daily clearings between all Federal Reserve Banks are consummated and has also required each Federal Reserve Bank to exercise the functions of a clearing house for its member banks. In order, however, to make fully effective its facilities as a clearing house in accordance with the terms of this section, there does not seem to be any doubt that the Federal Reserve Bank should not only exercise its obligatory power to receive from member banks checks and drafts drawn upon other member banks, but that it should also exercise its permissive power to receive from member banks any other checks and drafts upon whomsoever drawn, provided that they are payable upon presentation.

There are no doubt many nonmember banks without sufficient capitalization to make them eligible for membership in the Federal Reserve System, but provision is made for such banks in section 13 by authorizing the Federal Reserve Banks, for purposes of exchange or of collection, to receive deposits from any nonmember bank or trust company. But for the fact that the small country banks are able to have their out of town items credited at par by some city correspondent, there is no doubt that

many more of them would avail themselves of the nonmember collection privilege than have done so.

There is a proviso in section 13 which allows member and nonmember banks to make reasonable charges "to be determined and regulated by the Federal Reserve Board, but in no case to exceed 10 cents per \$100 or fraction thereof, based on the total of checks and drafts presented at any one time, for collection or payment of checks and drafts and remission therefor by exchange or otherwise; but no such charges shall be made against the Federal Reserve Banks." This has been construed by the Attorney General of the United States as meaning that a Federal Reserve Bank can not legally pay any fee to a member or nonmember bank for the collection and remittance of a check. It follows, therefore, that if the Federal Reserve Banks are to give the service required of them under the provisions of section 13 they must, in cases where banks refuse to remit for their checks at par, use some other means of collection no matter how expensive.

The action of the various Federal Reserve Banks in extending their par lists has met with the cordial approval of the Federal Reserve Board, which holds the view that under the terms of existing law the Federal Reserve Banks must use every effort to collect all bank checks received from member banks at par. Several of the Federal Reserve Banks are now able to collect on all points in their respective districts at par, and new additions to the other par lists are being made every day. The Board sees no objection to one bank charging another bank or a firm or individual the full amount provided in section 13 of the Federal Reserve Act (10 cents per \$100) and has not undertaken to modify these charges, but the act expressly provides that no such charge shall be made against the Federal Reserve Banks.

It is the Board's duty to see that the law is administered fairly and without discrimination and that it applies to all banks and sections alike. It will, therefore, take any and all steps necessary to carry out the intent of the law as construed by the highest legal authority of the administrative branch of the Government.

The marked increase during the past year in the volume and amount of checks cleared through the Federal Reserve Banks shows that member banks are depending more and more upon the facilities afforded by the Federal Reserve Banks. The daily average number of items handled by the Federal Reserve Banks during the 30 days ending December 15, 1919, was 1,412,737, as compared with a daily average during the same period in 1918 of 912,752, and the daily average during the entire 12 months of the year 1919 was 1,110,791, against 612,731 during the year 1918. For the monthly period between November 16 and December 15, 1919, the daily average amount represented by the items handled by all Federal Reserve Banks was \$631,650,320, as compared with \$524,407,631 for the same period in 1918. The daily average value of items increased from about \$190,000,000 in 1917 to \$420,980,209 in 1918, and \$524,960,916 in 1919, an increase of nearly 25 per cent during the year 1919 as compared with the year 1918.

It should be recalled that during the year 1918 the service charge of from 1 to 1½ cents per item previously imposed by Federal Reserve Banks to cover overhead and other costs of collection was abolished and the growth of the collection business during that year was due to a great extent to this fact. Further growth during the year 1919

may be attributed to the larger use of the Federal Reserve collection system by member banks and to the greater effectiveness and value of the par collection system because of its approach toward universality.

The following table shows the daily average number and the amount of items collected by the 12 Federal Reserve Banks for each 30-day period from December 16, 1918, to December 15, 1919:

*Daily average number and amount of items handled by the 12 Federal Reserve Banks, during each month from Dec. 16, 1918, to Dec. 15, 1919.*

Month ending (1919).	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 Treasurer of United States (daily average).	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
Jan. 15.....	95, 622	\$221, 889, 946	635, 080	\$165, 386, 737	77, 282	\$37, 753, 800
Feb. 15.....	90, 944	198, 935, 424	599, 951	156, 360, 759	126, 051	63, 221, 002
Mar. 15.....	109, 083	168, 567, 377	640, 346	171, 714, 589	114, 563	46, 746, 505
Apr. 15.....	138, 817	197, 456, 121	686, 512	167, 142, 262	137, 228	48, 802, 574
May 15.....	129, 378	176, 737, 129	665, 641	163, 067, 746	157, 820	45, 318, 441
June 15.....	132, 688	196, 594, 573	696, 457	191, 330, 944	118, 248	48, 316, 599
July 15.....	149, 902	218, 737, 336	737, 007	194, 300, 102	95, 986	49, 867, 067
Aug. 15.....	139, 678	194, 733, 618	731, 680	176, 612, 134	83, 659	57, 868, 769
Sept. 15.....	149, 460	208, 529, 081	761, 680	202, 812, 209	77, 201	51, 935, 604
Oct. 15.....	164, 761	235, 072, 612	824, 862	223, 417, 562	93, 437	45, 272, 641
Nov. 15.....	177, 569	236, 521, 957	915, 794	246, 055, 511	107, 551	37, 355, 291
Dec. 15.....	182, 347	251, 531, 229	975, 095	254, 594, 746	88, 071	36, 506, 264

Month ending (1919).	Items handled by entire Federal Reserve system (daily average excluding duplications).		Items doubly handled.			
			Drawn on banks in other districts (daily average).		Handled by both parent bank and branches (daily average).	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
Jan. 15.....	807, 984	\$425, 030, 483	99, 828	\$64, 079, 660	13, 662	\$10, 080, 440
Feb. 15.....	816, 946	418, 517, 185	89, 972	58, 431, 530	12, 807	11, 036, 400
Mar. 15.....	863, 992	387, 028, 471	100, 963	55, 760, 559	15, 047	9, 774, 269
Apr. 15.....	962, 557	413, 400, 957	101, 329	59, 610, 264	16, 958	9, 029, 805
May 15.....	952, 839	385, 083, 316	95, 541	57, 858, 264	15, 798	7, 613, 937
June 15.....	947, 393	436, 242, 116	99, 349	61, 906, 814	18, 260	11, 626, 331
July 15.....	982, 895	462, 904, 505	104, 997	66, 672, 048	19, 061	10, 502, 207
Aug. 15.....	955, 017	429, 214, 521	110, 817	66, 552, 940	20, 787	9, 119, 203
Sept. 15.....	988, 341	463, 276, 894	107, 279	66, 883, 891	21, 959	10, 984, 785
Oct. 15.....	1, 083, 060	503, 762, 815	119, 387	74, 965, 478	23, 162	11, 417, 988
Nov. 15.....	1, 200, 914	519, 932, 757	129, 399	78, 178, 485	27, 594	12, 683, 739
Dec. 15.....	1, 245, 513	542, 632, 239	139, 915	76, 999, 447	27, 309	12, 018, 634

The table next following shows by Federal Reserve districts the number of banks remitting at par on January 1, 1920, and the number of nonmember banks not remitting at par, as compared with the number on January 1, 1919, together with the additions to the par list during the year 1919.

Federal Reserve Bank.	Number of banks remitting at par on Jan. 1, 1919.			Non-member banks not remitting at par on Jan. 1, 1919.	Number of banks remitting at par on Jan. 1, 1920.			Non-member banks not remitting at par on Jan. 1, 1920.	Net increase during year in number of nonmember banks on par list.
	Member banks.	Non-member banks.	Total.		Member banks.	Non-member banks.	Total.		
Boston.....	423	246	669	.....	432	245	677	.....	1 1
New York.....	723	339	1,062	.....	753	318	1,071	.....	1 21
Philadelphia.....	661	329	990	102	678	415	1,093	.....	86
Cleveland.....	814	728	1,542	411	843	1,085	1,928	.....	357
Richmond.....	565	351	916	1,156	585	485	1,070	995	134
Atlanta.....	426	209	635	1,345	426	355	781	1,219	146
Chicago.....	1,334	2,392	3,726	1,805	1,374	3,896	5,270	293	1,504
St. Louis.....	514	1,046	1,560	1,600	538	2,309	2,847	355	1,263
Minneapolis.....	867	1,169	2,036	1,743	920	1,879	2,799	1,025	710
Kansas City.....	994	2,200	3,194	979	1,038	3,346	4,384	.....	1,146
Dallas.....	727	247	974	947	756	1,220	1,976	.....	973
San Francisco....	644	1,049	1,693	159	723	942	1,665	109	1 107
Total.....	8,692	10,305	18,997	10,247	9,066	16,495	25,561	3,996	6,190

<sup>1</sup> Decrease.

#### GOLD SETTLEMENT FUND.

There has been a continued and steady increase in the volume of business cleared through the gold settlement fund during the past year. This increase is due in part to the transfer of funds on account of the Treasury's fiscal operations, including transactions incident to the sale of certificates of indebtedness and to the flotation of the Victory loan and payment on account of income and excess-profits taxes. Heavy transfers have also been occasioned by seasonal demands for money throughout the country for the movement of crops and for industrial purposes, and the transactions have been increased in volume also because of the larger use by member banks of the clearing and collection facilities of the Federal Reserve System.

There has been no important change during the past year in the method of operating the gold settlement fund, which has been explained fully in previous reports. The facilities of the gold settlement fund clearing have been extended to all branches of Federal Reserve Banks which carry deposit accounts of member banks, thus simplifying the accounting between the head offices and the branch banks. The New Orleans branch of the Federal Reserve Bank of Atlanta, the Baltimore branch of the Federal Reserve Bank of Richmond, the Louisville, Memphis, and Little Rock branches of the Federal Reserve Bank of St. Louis, the Omaha and Denver branches of the Federal Reserve Bank of Kansas City, the El Paso and Houston branches of the Federal Reserve Bank of Dallas, and the Salt Lake City, Seattle, Spokane, and Portland branches of the Federal Reserve Bank of San Francisco are now settling direct. While this arrangement has added to the work of making the settlement in the office of the Federal Reserve Board, additional facilities have been provided so that the settlements are now effected more quickly for the 12 Federal Reserve Banks and 13 branches than when the settlements were made only between the 12 Federal Reserve Banks.

The gold settlement fund operations have been affected to a large extent during the year 1919 as during the two previous years by the operations of the Treasury. This is shown by the comparison of the volume of clearings and transfers handled through the gold settlement fund with the principal fiscal operations of the Treasury. During the first quarter of the year clearings and transfers through the fund averaged more than one billion dollars a week. The record figure of \$1,345,521,000 was established during the week ending January 9. A large part of the volume of business handled through the fund during this period is accounted for by the movement of funds received by the Treasury from the sale of \$4,952,400,000, of certificates issued in anticipation of the Victory loan. For the week ending March 20 combined clearings and transfers exceeded by more than \$200,000,000 similar transactions for the previous week. This increase is accounted for by the movement of funds incident to the payment of the first installment of the income and excess-profits taxes to the Government on March 15, which amounted to more than \$1,000,000,000. Another large increase is noted for the week of May 22, which is incident to the movement of funds in connection with the payment of the first installment on account of the subscriptions to the Victory loan. For the week ending June 19 a new high record in the volume of business was established and combined clearings and transfers amounted to more than \$1,696,907,000, an increase of more than \$450,000,000 over the previous week's figures. This is accounted for by the large movement of funds incident to the second installment payment of the income and excess profits taxes due on June 15. These figures were exceeded, however, during the week ending September 18, the combined clearings and transfers for the week aggregating \$1,729,000,000. This amount was again exceeded the following week, when the total transfers and clearings through the fund amounted to more than \$1,940,000,000. The large volume of transactions during this period is accounted for by the payment of funds in connection with the third installment of income and excess profits taxes on September 15 and the unusually heavy movement of Government funds in connection with the redemption of Treasury certificates of indebtedness outstanding. During the last quarter of the year the combined clearings and transfers have averaged well above \$1,500,000,000 weekly, due to continued heavy movements of funds by the Government and to large transfers for account of member banks.

Combined clearings and transfers through the fund during the year 1919 aggregate \$73,984,252,000, as compared with \$50,251,592,000 in 1918, \$27,154,704,000 in 1917, \$5,533,966,000 in 1916, and \$1,052,649,000 in 1915, making a grand total of \$157,977,163,000 since the operation of the fund was begun on May 20, 1915.

When it is considered that these enormous transfers are made almost instantaneously by means of the leased wire system without involving the physical movement of a dollar, it will be seen that the arrangement has been of incalculable value to the Government, the banks, and the public. The total expense of operation, including the entire cost of the leased wires and salaries of accountants, was approximately \$250,000. This represents the basic cost of effecting the domestic exchanges between the several Federal Reserve districts. A charge of 10 cents per \$100, if generally imposed, would have involved an expense to the commerce of the country of \$73,984,252.

FEDERAL RESERVE BANK NOTES.

On May 6, 1919, the Secretary of the Treasury announced that no further sales of silver under the act of April 23, 1918, generally known as the Pittman Act, except to the Director of the Mint, were contemplated. This act, which was reviewed in the last annual report of the Board, provides that in order to prevent contraction of currency, the Federal Reserve Board is authorized to permit, or require Federal Reserve Banks to issue Federal Reserve bank notes in any denomination, including denominations of \$1 and \$2, in an aggregate amount not to exceed the amount of standard silver dollars melted or broken up, upon depositing with the Treasurer of the United States, as security for the bank notes issued, United States certificates of indebtedness, or United States one-year gold notes. The total amount of standard silver dollars melted or broken up under the provisions of this act up to May 6, 1919, the date of final transaction, was \$260,121,554, which, therefore, is the total amount of Federal Reserve bank notes which can be issued by the Federal Reserve Banks under the provisions of the so-called Pittman Act without melting more silver dollars.

Up to December 31, 1919, \$259,375,000 of Federal Reserve bank notes had been issued by the Federal Reserve Banks under the provisions of the act, principally in denominations of \$1 and \$2, as shown by the following table:

*Statement showing Federal Reserve bank notes, by denominations, issued to Federal Reserve Banks under the provisions of the "Pittman Act" up to and including Dec. 31, 1919.*

Bank.	\$1	\$2	\$5	\$10	Total.
Boston.....	\$12,788,000	\$6,728,000	\$1,920,000	.....	\$21,436,000
New York.....	33,944,000	13,272,000	10,620,000	\$1,440,000	59,276,000
Philadelphia.....	19,196,000	4,664,000	6,420,000	.....	30,280,000
Cleveland.....	13,900,000	4,080,000	5,319,000	.....	23,299,000
Richmond.....	10,524,000	1,736,000	.....	.....	12,260,000
Atlanta.....	12,388,000	1,656,000	1,620,000	.....	15,664,000
Chicago.....	27,608,000	7,344,000	3,700,000	960,000	39,612,000
St. Louis.....	9,056,000	2,512,000	4,500,000	1,000,000	17,068,000
Minneapolis.....	6,012,000	1,648,000	820,000	.....	8,480,000
Kansas City.....	6,688,000	1,792,000	4,340,000	.....	12,820,000
Dallas.....	6,432,000	1,368,000	500,000	.....	8,300,000
San Francisco.....	8,076,000	2,304,000	500,000	.....	10,880,000
<b>Total.....</b>	<b>166,612,000</b>	<b>49,104,000</b>	<b>40,259,000</b>	<b>3,400,000</b>	<b>259,375,000</b>

Section 6 of the so-called Pittman Act provides that as and when standard silver dollars shall be coined out of bullion purchased under authority of this act the Federal Reserve Banks shall be required by the Federal Reserve Board to retire Federal Reserve bank notes issued under section 5 of the act, if then outstanding, in an amount equal to the amount of standard silver dollars so coined, and the Secretary of the Treasury shall pay off and cancel United States certificates of indebtedness deposited as security for the bank notes so retired. As no bullion had been purchased by the Secretary of the Treasury on August 20, 1919, which was the date when the first certificates deposited under the provisions of this act as security for Federal Reserve bank notes matured, the Secretary of the Treasury advised the Federal Reserve Banks that the one-year Treasury certificates of indebtedness which had been purchased to secure their bank-note circulation would be extended for one year from that date and that all subsequent issues of certificates of indebtedness held by the Federal Reserve Banks under the provisions of this act to secure their bank notes would be extended for one year from date of maturity until further notice by the Secretary of the Treasury.

#### REGULATION AND CONTROL OF FOREIGN EXCHANGE.

During the first half of the year the restrictions which had been imposed on foreign exchange operations during the war, under the authority vested in the Secretary of the Treasury and the Federal Reserve Board by the Executive order of January 26, 1918, were removed as rapidly as was consistent with the best interests of the United States. Remittances were authorized to countries to which they had formerly been prohibited, and, wherever possible, "dealers" were allowed entire freedom in consummating exchange transactions which had previously required the approval of the Division of Foreign Exchange.

By the 1st of June most of the restrictions on foreign exchange transactions had been removed, and further statistical reports were not required from "dealers" after June 25. These reports disclose that from February 20, 1918, when the Executive order went into effect, to June 25, 1919, the total exchange from all sources on all countries of the world purchased by American "dealers" was \$11,769,942,317, while the total amount sold during that period was \$11,747,071,165. The total purchases and sales of demand and cable exchange between "dealers" in the United States for the same period were \$9,980,894,404, of which \$6,882,707,401, or approximately 69 per cent, were for exchange on Great Britain. In addition to these figures, the statement of the arbitrage operations also shows the important position in world finance held by Great Britain.



Exchange on Great Britain was sold in the United States by foreign holders from February 20, 1918, to June 25, 1919, in an aggregate amount of \$927,664,000, and exchange on Great Britain was purchased from American "dealers" for foreign account to a total of \$904,693,000. Of these amounts residents of the United States bought from British banks sterling to the equivalent of \$540,020,000, while we sold to British banks the equivalent of \$232,758,000 in sterling bills. The total arbitrage transactions of American "dealers" for this period were as follows:

Foreign exchange purchased from other countries by the United

States.....	\$1,606,710,000
Foreign exchange sold to other countries by the United States.....	1,296,454,000

During the period under discussion the total debits and credits to dollar accounts in the United States of European allied countries were \$39,949,417,757, of European countries other than our Allies \$5,498,186,496, of Asia \$4,310,229,078, and South America \$3,230,701,836. Purchases of securities in this country for foreign account for the same period were made to the value of \$777,031,000, while sales here for foreign account aggregated \$701,367,000. Securities held in this country for foreign account at the close of business June 25, 1919, amounted to \$1,990,808,000, while securities held abroad for American account on the same date were \$112,982,000.

#### EXCHANGE ON CENTRAL EUROPE.

On April 22 the Division of Foreign Exchange prohibited "dealers" from purchasing exchange, except from the American Relief Administration, upon any of the following countries: Finland, Czechoslovakia, Jugo-Slavia, Roumania, Poland, German Austria, Serbia, Bulgaria, and Turkey.

On April 30 Germany was added to this list by virtue of a license issued by the War Trade Board. This regulation was issued for the purpose of enabling the American Relief Administration to make use of such foreign currencies in the countries concerned as were received by it for food being shipped and to employ the dollar equivalent in the purchase of food in the United States for shipment to those countries, and was of great service in getting food into those territories. The arrangement continued in effect until June 30, on which date the American Relief Administration went out of existence.

The President issued an order on June 26, 1919, which revoked and canceled all previous proclamations prohibiting the exportation of coin, bullion, and currency and controlling transactions in foreign exchange and the power and authority for those purposes vested in the Secretary of the Treasury and in the Federal Reserve Board, and all orders, rules, and regulations issued or prescribed in connection therewith, except that such proclamations, orders, rules and regulations were continued in force and effect in so far as they were

necessary to enable the Secretary of the Treasury and the Federal Reserve Board effectively to control: (1) All exportations of coin, bullion, and currency to that part of Russia now (then) under the control of the so-called Bolshevik government, (2) any and all dealings or exchange transactions in Russian rubles, (3) the transfer of credit or exchange transactions with that part of Russia now (then) under the control of the so-called Bolshevik government, (4) any and all transfers of credit or exchange transactions with territories in respect of which such transactions were then permitted only through the American Relief Administration. On August 12 the Federal Reserve Board announced the issue of a general license permitting the exportation from the United States of Russian rubles, provided that notice of exportation be given to the Customs Division of the Treasury and to the Division of Foreign Exchange of the Federal Reserve Board. As the War Trade Board section of the Department of State issued on July 14 a general enemy trade license opening Germany to trade and communication and took similar action with regard to Hungary on September 2, all restrictions have been removed from the exportation of coin, bullion, and currency, and from transactions in foreign exchange, except as to (1) transactions with or for persons in that part of Russia now under the control of the so-called Bolshevik government, and (2) the importation of or exchange transactions in Russian rubles.

Continued and insistent demand for silver in China and the Orient generally led to a gradual increase in the price of silver, which on November 25, 1919, sold as high as \$1.3875 per ounce. The bullion value of the silver content of the standard silver dollar is equal to \$1 when silver sells at \$1.2929 per fine ounce. The bullion value of the silver content of our subsidiary coinage is equal to its face value when silver sells at \$1.38. It is evident, therefore, that when silver rises appreciably above \$1.29 per ounce, our standard silver dollars can be exported at a profit, and that should silver remain for any length of time above \$1.38 our subsidiary silver coinage would be subject to export. Standard silver dollars must, of course, be delivered on presentation for redemption of silver certificates, which are in effect trust receipts calling for the delivery of a specified number of standard silver dollars. Apart from silver so held, however, there is a considerable number of standard silver dollars free in the Treasury. In order to protect our subsidiary coinage from export it was deemed advisable to utilize the standard silver dollars free in the Treasury in order, so far as possible, so to control the rates of exchange with silver standard countries as not to permit the export of our subsidiary silver coinage to become profitable. The Board, in cooperation with the Treasury Department, accordingly arranged with American banks having their own branches in the

Orient, and included in the arrangement all American banks so situated, whereby these banks under the direction of the Division of Foreign Exchange of the Federal Reserve Board, will be enabled to utilize such standard silver dollars in meeting Oriental demands. This arrangement was announced by the Board on December 6, 1919, in a statement reading as follows:

Announcement was made to-day that under arrangements made between the Treasury and the Federal Reserve Board, standard silver dollars that are free in the Treasury will until further notice be delivered against other forms of money to the Division of Foreign Exchange of the Federal Reserve Board, which will, through the Federal Reserve Bank of New York, cooperating with the branches of American banks in the Orient, employ such dollars in regulating our exchanges with silver-standard countries.

This arrangement does not, of course, affect the redemption of outstanding silver certificates in standard silver dollars.

#### EXPORTS OF COIN, BULLION, AND CURRENCY.

The report of the Board for the year ended December 31, 1918, contained a complete statement of the operation of the gold export committee up to that date.

On May 6, 1919, the Board announced that thereafter licenses for the export of silver bullion or silver coin of foreign mintage would be granted freely and without condition. This was followed on June 9, 1919, by the announcement that, with the approval of the President, the control previously exercised over transactions in foreign exchange and over the exportation of coin, bullion, and currency would be terminated except as to the importation or exportation of ruble notes or exchange transactions with that part of Russia under the control of the so-called Bolshevik government, and except as to exchange transactions with territories with which such transactions were at that time permitted only through the American Relief Administration. At the same time it was announced that until formal action was taken by the President, applications for the export of gold would, like applications for the export of silver, be granted freely, irrespective of amount or destination except as above stated, and that during that interim licenses required to consummate specific transactions in foreign exchange would be granted freely with the exceptions indicated above.

The President's order of June 26, 1919, removed all restrictions upon transfers of credit and exchange transactions and exports of coin, bullion, and currency except as to those parts of Russia controlled by the so-called Bolshevik government.

On August 12, the Board announced the issuance of a general license permitting the exportation from the United States of Russian rubles, provided that notice of such exportation be given to the Customs Division of the Treasury and to the Board's Division of Foreign Exchange. With these exceptions, there is now no control over the export of coin, bullion or currency.

The following table shows the amounts represented by licenses issued by the Board from September 7, 1917, to June 7, 1919, for exports from the United States of coin, bullion, and currency, as well as the countries to which shipments were authorized. Approximately 1,142 licenses were issued for the shipment of gold, 1,500 licenses for the shipment of silver, and 1,817 licenses for the shipment of currency other than United States gold and silver certificates. There were disapproved 775 applications of all classes.

*Amounts represented by licenses granted by the Federal Reserve Board from Sept. 7, 1917, to June 7, 1919, covering exports from the United States of coin, bullion and currency.*

	Gold.	Silver.	United States currency.	Currency of the country to which exported.	Other currency.	Total.
<b>North America:</b>						
Canada.....	\$32,639,277.87	\$9,656,011.43	\$3,900,946.42	\$21,439,382.48	\$674,059.48	\$68,309,677.68
Mexico.....	48,033,946.96	9,924,964.99	23,969,947.58	1,394,090.66	51,445.81	83,374,396.00
West Indies.....	177,531.80	610,180.67	78,107,189.00	6,467.56	206,854.00	79,108,223.03
Total.....	80,850,756.63	20,191,157.09	105,978,083.00	22,839,940.70	932,359.29	230,792,296.71
<b>Central America:</b>						
Panama.....	2,607.38	94,000.00	2,021,000.00	.....	33,250.00	2,150,257.38
Other points.....	6,586.35	497,066.00	3,349,910.00	98,175.00	238,019.10	4,189,756.45
Total.....	8,593.73	591,066.00	5,370,910.00	98,175.00	271,269.10	6,340,013.83
<b>South America:</b>						
Argentina.....	17,510,142.95	11,534.72	22,750.00	19,108.60	30,810.00	17,594,346.27
Bolivia.....	785,000.00	.....	.....	43.60	.....	785,043.60
Brazil.....	1,142.50	2,745.00	65,000.00	1,321.00	.....	70,208.50
Chile.....	15,533,902.35	.....	.....	4,886.70	.....	15,538,789.05
Colombia.....	13,152,520.60	53,000.00	607,950.00	192.25	620,365.10	14,434,027.95
Ecuador.....	400.00	125,000.00	73,000.00	500,005.00	.....	573,405.00
Peru.....	4,620,058.37	216,200.00	940,000.00	448,323.75	280.00	6,133,632.12
Uruguay.....	.....	840,000.00	.....	1,414.80	.....	217,614.80
Venezuela.....	6,683,679.69	9,089.00	5,000.00	1,552.00	.....	7,525,181.69
Other points.....	157,074.07	.....	.....	5,000.00	.....	176,163.07
Total.....	58,463,870.53	1,257,568.72	1,713,700.00	981,847.70	651,425.10	63,068,412.05
<b>Europe:</b>						
Denmark.....	25.00	1,453,638.00	75,000.00	11,826.00	90,261.00	1,630,750.00
France.....	61,673.92	10,467,855.00	49,340,730.00	2,084,093.33	158,282.00	62,112,634.25
Great Britain.....	74,460.46	56,347,426.49	1,648,311.72	1,896,950.92	4,254,509.20	64,221,658.79
Holland.....	357.50	1,700,000.00	2,000.00	53,591.81	4,450.00	1,760,399.31
Italy.....	4,278.00	500,300.00	.....	.....	.....	504,578.00
Norway.....	.....	2,232,272.69	15,500.00	27,460.00	392,073.64	2,667,306.33
Portugal.....	.....	10,000.00	.....	438.00	.....	10,438.00
Russia.....	5,723.00	52,959.14	1,657,000.00	102,142.50	500.00	1,818,324.64
Spain.....	4,455,294.00	500.00	200.00	280.00	.....	4,456,274.00
Sweden.....	160.00	883,852.80	.....	39,410.11	180,675.00	1,104,097.91
Switzerland.....	225.00	460,032.00	100.00	8,708.00	13,000.00	482,065.00
Other points.....	1,340.00	368,000.00	112,700.00	400,000.00	292,703.80	1,174,743.80
Total.....	4,603,536.88	74,476,836.12	52,851,541.72	4,624,900.67	5,386,454.64	141,943,270.03
<b>Asia:</b>						
China.....	197,717.10	62,150,467.90	15,686.00	2,630.20	563,391.52	62,929,892.72
India.....	3,888,272.00	338,704,003.35	.....	810.00	2,786,025.85	345,379,110.87
Japan.....	1,344,789.70	500,000.00	60,500.00	101,535.43	598,790.00	2,605,615.13
Other points.....	357,962.50	4,328,179.76	55,100.00	61,500.00	31,250.00	4,833,992.26
Total.....	5,788,741.30	405,682,651.01	131,286.00	166,475.63	3,979,457.04	415,748,610.98
<b>Africa.....</b>	<b>1,598.00</b>	<b>13,330.00</b>	<b>81.00</b>	<b>697.50</b>	<b>250.00</b>	<b>15,956.50</b>
<b>Australasia:</b>						
Australia.....	20.00	2,167.50	5,650.00	45,802.87	10,815.88	64,456.25
Java.....	2,608,639.30	537,500.00	400.00	4,264.20	370,747.00	3,521,550.50
Philippines.....	.....	.....	.....	.....	.....	.....
Other points.....	1,220.00	3,727.00	728,985.00	150.00	1,025,022.00	1,759,104.00
Total.....	2,609,879.30	543,394.50	735,035.00	50,217.07	1,406,584.88	5,345,110.75
<b>Grand total.....</b>	<b>152,326,976.37</b>	<b>502,756,003.44</b>	<b>166,780,636.72</b>	<b>28,762,254.27</b>	<b>12,627,800.05</b>	<b>863,253,670.85</b>

Gold imports for the year just ended amounted to 76.5 millions compared with 62 millions for the calendar year 1918, while gold exports aggregated 368.2 millions, compared with 40.8 millions exported in 1918. Net gold exports for 1919 amounted to 291.7 millions, as against net imports of 21.1 millions the year before. The figures for 1919 are, however, exclusive of 173.4 millions of gold received from the Reichsbank for foodstuffs sold to the German Government. This gold is held at present in London with the exception of 42.1 millions which by arrangement have been delivered in London by the Federal Reserve Banks in place of gold that would otherwise have been withdrawn in the United States for export. Counting the 131.3 millions held on December 31 by the Bank of England for the Federal Reserve Banks as an offset against the net exports above shown, the net loss of gold through transfer abroad is reduced to 160.4 millions. Of the gold imports over three-fourths is credited to Canada, Hongkong, the United Kingdom, and Mexico, while of the gold exports 94.1 millions were consigned to Japan, and over 125 millions to the other Far Eastern countries, i. e., China, Hongkong, British India, Straits Settlements, and Dutch East Indies; 56.6 millions to Argentina, 33 millions to other South American countries, 29.8 millions to Spain, and 10.4 millions to Mexico.

Silver imports during 1919 amounted to 89.4 millions, compared with 71.4 millions in 1918, while silver exports during 1919 were about 239 millions compared with 252.8 millions the year before. By far the larger portion of the silver exported in 1919 was consigned to the Far East, British India being credited with 109.2 millions, China with 77.6 millions, and Hongkong with 10.2 millions. The three countries named account for over 80 per cent of the total value of silver shipped to foreign destinations during the past calendar year. Exports of silver to India, which constituted by far the larger portion of the total foreign silver shipments during 1918 and 1919 to September 10, have practically ceased since that date, and have been superseded by large gold shipments to that country during the latter part of the year. The recommendations of the committee now considering Indian currency problems are awaited with interest, as any change in Indian currency arrangements may have an important influence on the movement of money metals to that country.

The countries from which gold and silver were received by the United States and to which exports of these metals were made as well as the amounts in each instance, are shown in the following table:

Country.	Gold imports.	Gold exports.	Silver imports.	Silver exports.
Belgium.....	\$831,002	\$31,900	\$1,797	
Denmark.....		2,002,666		\$684,713
Finland.....				17,438
France.....		4,152,533	75,524	6,588,197
Gibraltar.....			2,400	
Greece.....	95,000			
Italy.....		454,925		
Netherlands.....		15,000		2,064,084
Norway.....				1,219,430
Portugal.....				1,950
Spain.....				228
Sweden.....		29,778,000		194,526
Switzerland.....		661		172,203
United Kingdom—England.....		67,570		
Canada.....	4,055,739	2,091,066	61,746	15,635,386
Newfoundland.....	44,487,390	5,706,428	7,171,469	7,854,378
Costa Rica.....	61		11	
Guatemala.....	616,583		163,665	
Honduras.....	29,267		8	5,900
British Honduras.....	258,255	21,300	2,621,645	205,600
Nicaragua.....		12,000	269,276	
Panama.....	1,424,217	16,500	769,921	
Salvador.....	3,401	1,390,000	89,273	363,250
Mexico.....	1,149,911	3,124,020	1,555,969	1,500
Jamaica.....	4,464,140	10,357,619	63,303,437	1,926,433
Trinidad.....	1,947		4,639	
Other British West Indies.....	18,838	7,940	37	10,328
Cuba.....	9,593		1,549	2,300
Danish West Indies (Virgin Islands of U. S.).....	525		82,837	161
Dominican Republic.....		25,000	1,105	
Dutch West Indies.....	5,200			150,000
Argentina.....	102,721	50,560,000	64,433	3,867
Bolivia.....	2,582	2,500,000	132,785	
Brazil.....	26,200	525,000	2,155	2,498
Chile.....	233,837	190,000	1,927,324	
Colombia.....	556,572	5,268,620	271,274	2,000
Ecuador.....	379,911		13,670	
British Guiana.....	139,159	5,005	121	3,193
Dutch Guiana.....	20,144	19,795	265	5,063
Peru.....	814,583	3,383,369	8,862,537	
Uruguay.....		9,205,000		
Venezuela.....	381,981	12,052,220	2,521	850,000
China.....		39,109,769		77,583,367
Chosen (Korea).....	1,714		3,328	
Hongkong.....	10,017,550	40,085,969	20,000	10,245,351
Dutch East Indies.....	3,851,075	7,365,111	1,773,584	
British India.....		34,300,666		109,180,718
Straits Settlements.....		4,209,667		
Japan.....		94,114,189		3,946,453
Russia (Asia).....		23,000		52,759
New Zealand.....	1,354,578		1,566	
Philippine Islands.....	581,924	102,500	12,327	
British East Africa.....		240		
British South Africa.....	8,150		76,822	
British West Africa.....				17,777
Portuguese Africa.....	619,296		68,698	
Total.....	76,534,046	368,185,248	89,410,018	239,021,051

## FOREIGN BRANCHES OF AMERICAN BANKS.

The operations of American banking corporations principally engaged in international or foreign banking have been extended during the past year and in addition to those to which reference was made in the Board's last annual report, the corporations named below have entered into the necessary agreements with the Federal Reserve Board to permit the purchase of their stock by national banks under the provisions of section 25 of the Federal Reserve Act.

The French American Banking corporation is incorporated under the laws of the State of New York. One-half of the stock of this corporation is owned by the Comptoir National D'Escompte of

Paris and the other half is divided equally between the First National Bank of Boston and the National Bank of Commerce in New York. The activities of this corporation are devoted more particularly to the development of trade relations between the United States and France. The Comptoir National D'Escompte has about 200 branches in France and also has branches in Great Britain, Spain and Belgium, and in other countries, besides affiliations with some of the French colonial banks.

The Park-Union Foreign Banking Corporation, which is owned jointly by the National Park Bank of New York and the Union Bank of Canada, is especially active in the development of trade between the United States and the Dominion of Canada and of their commerce with the Orient. It has established branches in Yokohama, Tokyo, Shanghai, Paris, San Francisco, and Seattle.

The Foreign Credit Corporation, the character of whose business is indicated by its title, is controlled by the Chase National Bank of New York.

The Shawmut Corporation was recently organized by the National Shawmut Bank of Boston. No foreign branches have been opened, but an office is maintained in New York City.

In the following table are given the names, capital and surplus, and resources of the domestic corporations principally engaged in foreign banking which have filed the necessary agreements with the Board and which number national banks among their stockholders.

Name of corporation.	Organized under laws of State of—	As of Dec. 31, 1919.				
		Capital and surplus.	Resources (head office).	Subsidiary or affiliated institutions.	Foreign branches.	Domestic branches.
American Foreign Banking Corporation, New York City.	New York . . . . .	\$4,575,000	\$46,570,000	.....	9	.....
Mercantile Bank of the Americas, New York City.	Connecticut . . . . .	10,000,000	69,000,000	17	3	1
Asia Banking Corporation, New York City.	New York . . . . .	5,100,000	22,100,000	.....	3	.....
International Banking Corporation, New York City.	Connecticut . . . . .	8,500,000	94,428,000	.....	27	1
Park-Union Foreign Banking Corporation, New York City.	New York . . . . .	2,250,000	12,698,000	.....	4	2
French American Banking Corporation, New York City.	.....do.....	2,500,000	22,309,000	.....	.....	.....
Foreign Credit Corporation, New York City.	.....do.....	6,000,000	11,410,000	.....	.....	.....
First National Corporation, Boston, Mass.	Massachusetts...	1,800,000	* 14,736,000	.....	.....	1
Shawmut Corporation, Boston, Mass.	.....do.....	2,280,000	23,444,000	.....	.....	1

<sup>1</sup> With 26 offices.

\* Includes figures for domestic branch.

It will be noted that these corporations are all organized under State laws. The Federal Reserve Board in two previous reports to Congress recommended that section 25 of the Federal Reserve Act be amended so as to provide for the Federal incorporation of associations solely engaged in international or foreign banking, which would operate under general supervision of the Federal Reserve Board and stock in which might be owned by national banks. This recommendation has been acted upon and provision is made for the Federal incorporation of corporations organized for the purpose of engaging in international or foreign banking and other international or foreign financial operations, as set forth in the act approved December 24, 1919, generally known as the Edge Act. This act contemplates the organization both of corporations to engage in foreign commercial business and of corporations to undertake long-time financing, and in connection therewith to issue securities to be sold to investors.

It is expected that some existing corporations and others to be organized will avail themselves of the privileges of this act.

The act approved September 17, 1919, amended section 25 of the Federal Reserve Act by permitting the investment by any national bank until January 1, 1921, without regard to the amount of its capital stock and surplus, of not more than 5 per cent of its paid-in capital and surplus in the capital stock of corporations organized under the laws of the United States or any State principally engaged in such phases of international or foreign financial operations as may be necessary to facilitate the export of goods, wares and merchandise from the United States or any of its dependencies or insular possessions to any foreign country. Provision is made also in the so-called Edge Act for the Federal incorporation of financial institutions of this character.

The Federal Reserve Board is charged generally with the same duties and responsibilities as to the organization, supervision and liquidation of corporations organized under the new law as those which devolve upon the Comptroller of the Currency in the case of national banks, and it is now engaged in the preparation of rules and regulations governing their operation, as prescribed by the act. The new law authorizes all national banks to invest to the limited extent set forth above in the stock of corporations organized to facilitate export transactions and, through the instrumentality of the corporations, to cooperate with exporters, producers, and manufacturers in extending their connections abroad. Corporations contemplated by the so-called Edge Act will be permitted under the supervision of the Federal Reserve Board to invest in foreign securities of various kinds and to offer their own obligations specifically secured by their foreign collateral to American investors. They will therefore be the means of utilizing private capital in the financing of exports on long



credits, not by the commercial banks but through the investment market. More extended reference to the Edge Act is made below under the caption "Law Division."

The only national banks operating branches abroad are the National City Bank of New York and the First National Bank of Boston.

#### MEETINGS OF THE FEDERAL ADVISORY COUNCIL.

The Federal Advisory Council has held during the year four meetings in Washington as required by section 13 of the Federal Reserve Act, and in addition there was a conference between the executive committee of the Council and the Federal Reserve Board on June 20, 1919.

The report of the proceedings of the Council and its recommendations will be found in the appendix.

The following statement was issued by the Board on June 20, 1919:

The Federal Reserve Board had to-day a conference with the executive committee of the Federal Advisory Council (Mr. James B. Forgan, of Chicago, Mr. L. L. Rue, of Philadelphia, Mr. Daniel G. Wing, of Boston, and Mr. W. S. Rowe, of Cincinnati) to consider problems relating to the financing of the foreign trade of the United States.

There was discussion as to what unusual features attached to this trade and the bearing thereof upon the American banking situation. The Board and the committee of the Council were in entire accord that the matter of providing long-term advances for Europe presented an investment rather than a banking problem and that the necessary funds must therefore come from the investment market. It was, however, the opinion of the conference that as a step toward supporting plans for the financing of our foreign trade it would be well to add a new paragraph to section 25 of the Federal Reserve Act so as to permit national banks until January 1, 1921, without regard to the amount of their capital and surplus, to invest not exceeding in the aggregate 5 per cent of their capital and surplus in the stock of one or more corporations principally engaged in such phases of international or foreign financial operations as may be necessary to facilitate the export of goods from the United States. The Board voted to recommend this legislation to Congress.

#### LAW DIVISION.

The general character and scope of the functions of the Law Division were set forth in the Board's last annual report. Although it is unnecessary to restate these activities in detail certain features of the current work of the Law Division should be mentioned.

*State laws.*—Under the terms of the Federal Reserve Act, State banks and trust companies which become members of the Federal Reserve System retain their full charter and statutory rights and, subject to the provisions of the Federal Reserve Act and the regulations of the Board, are permitted to continue the exercise of all corporate powers granted to them by the States in which they were organized. Because of the lack of uniformity in the laws of the 48 States the Law Division is frequently called upon to analyze those laws in so far as they affect the operations of banks and trust com-

panies and to render opinions defining their scope and effect in various cases presented to the Board for consideration. The Law Division has had the very helpful cooperation of the counsel for the several Federal Reserve Banks in the preparation of those analyses of the State laws which have from time to time been published in the *FEDERAL RESERVE BULLETIN*. During the past year the general enabling act prepared by the Law Division and recommended by the American Bankers' Association for enactment by State legislatures has been adopted in slightly different forms by the legislatures of seven States. The purpose of this act is to aid in effecting the standardization of State banking laws and a coordination of Federal and State banking powers. A number of State legislatures other than the seven above referred to have enacted laws which include the substance of some of the recommendations embodied in the enabling act.

The Law Division has also endeavored to keep up to date its file of State laws affecting banking and other related subjects. These laws and opinions of State officials or State courts construing them have from time to time been published in the *BULLETIN*.

*Membership of State banks and trust companies.*—During the past year the Board has approved 280 applications of State banks and trust companies for membership in the Federal Reserve System. Each of these applications is first submitted to the Law Division for its consideration and report. This involves an examination of the application itself and the various exhibits accompanying it in order to determine whether the bank is technically eligible for membership and whether under the terms of the State law it possesses any unusual powers which should be restricted by the Board in its conditions of membership.

*Trust powers of national banks.*—Under the terms of section 11 (*k*) of the Federal Reserve Act the Board is authorized to permit national banks to exercise trust powers when not in contravention of State or local law. During the past year 509 national banks have been granted trust permits under the terms of this section (372 of these were original applications and the remaining 137 were supplementary). The application of each of these banks has been examined by the Law Division. As a result of the amendment of September 26, 1918, making certain State laws applicable to the exercise of trust powers by national banks, many intricate questions of law and policy have arisen in connection with the approval of applications submitted to the Board under the terms of section 11 (*k*). These questions are referred to the Law Division for its report before final action is taken by the Board. A new set of regulations governing the exercise of trust powers by national banks necessitated by the amendment to section 11 (*k*) above referred to, has been prepared and issued by the Board.

*Clayton Antitrust Act.*—Since the issue of its last report, the Board has received and considered 281 applications presented to it under the

so-called Kern amendment to section 8 of the Clayton Antitrust Act, relating to interlocking bank directorates. These applications have in each case been investigated and reported upon by the Law Division. In addition to those applications which are received by the Board the Law Division has also investigated many cases of alleged violations of the law to which its attention has been called by reports of national bank examiners. In such cases the directors involved have been requested either to resign from the banks coming within the inhibitions of the Clayton Act or to file a formal application with the Board for its consent to continue to serve on the banks concerned under the provisions of the Kern amendment.

*Opinions and rulings.*—The Law Division is required constantly to pass upon questions and to prepare memoranda involving the interpretation of the Federal Reserve Act, the National Bank Act, the Negotiable Instruments Law, and the laws of the several States relating to the operations of national banks and State banks or trust companies which have become members of the Federal Reserve System and also to draft rulings defining the proper application of the law or the regulations of the Board to specific cases arising in the administration of the Federal Reserve Banks or in the operations of their member banks. Such of these opinions or rulings as are of general interest to member banks are published each month in the BULLETIN. The Law Division has recently undertaken the preparation of a codification of all the opinions and rulings of the Board which are now in force. It is believed that this codification, when complete, will be of great assistance in the administration of the reserve banks and their members.

#### AMENDMENTS TO THE FEDERAL RESERVE ACT.

The Federal Reserve Act has been amended three times during the past year. Each of these amendments, which will be discussed in order, was recommended by the Federal Reserve Board, and the Law Division, under the directions of the Board, assisted in the preparation of each of the bills presented.

By an act approved March 3, 1919, sections 7, 10, and 11 of the Federal Reserve Act and section 5172 of the Revised Statutes were amended as follows: Section 7 was amended so as to provide that the net earnings of the Federal Reserve Banks shall be paid into a surplus fund until that fund amounts to 100 per cent of the subscribed capital and thereafter 10 per cent of the net earnings shall be paid into the surplus fund and the balance shall be paid to the United States as a franchise tax. Previously the maximum surplus provided for was 40 per cent of the paid-in capital. That part of section 10 which made members of the Board ineligible to hold office, position, or employment in a member bank during the time they are in office and for two years thereafter, was amended so as to provide in substance that no

appointive member shall be thus ineligible after completing his full term of office.

Section 11 was amended by the substitution of a new subsection (*m*). This amendment authorizes the Federal Reserve Board upon the affirmative vote of not less than five of its members, to permit Federal Reserve Banks to discount for any member bank the paper bearing the signature or indorsement of any one borrower in excess of the amount theretofore permitted by sections 9 and 13 of the Federal Reserve Act, but in no case to exceed 20 per cent of the member bank's capital and surplus. It is provided, however, that all of the paper discounted for any member bank in excess of the amount theretofore permitted by law shall be secured by not less than a like face amount of bonds or notes of the United States issued since April 24, 1917, or by certificates of indebtedness of the United States. This amendment, which is designed to broaden the discount powers of the Federal Reserve Banks to correspond to the lending power of the national banks as enlarged by the act of September 24, 1918, lapses after December 31, 1920.

Section 5172 of the Revised Statutes also was amended by the act approved March 3, 1919, so as to authorize the issue of national-bank notes in denominations of \$500 and \$1,000 and to permit these notes to be attested by the written or engraved signatures of the president or vice president and cashier of the national bank which issues them. In view of the fact that Federal Reserve Banks are permitted under the terms of section 18 of the Federal Reserve Act to issue Federal Reserve bank notes under the same terms and conditions that are applicable to the issue of national bank notes, this amendment relates to Federal Reserve Banks as well as to national banks. By permitting the signatures of the officers of the issuing bank to be engraved on the notes before they are delivered much inconvenience and expense incident to the issue of the notes will be avoided.

By an act approved September 17, 1919, section 25 of the Federal Reserve Act was amended so as to permit any national banking association, until January 1, 1921, without regard to the amount of its capital and surplus, to apply to the Federal Reserve Board for its permission to invest an amount not exceeding in the aggregate 5 per cent of its capital and surplus in the stock of one or more corporations chartered or incorporated under the laws of the United States or of any State thereof and principally engaged in such phases of international or foreign financial operations as may be necessary to facilitate the export of goods, wares, or merchandise. Before this amendment any national banking association possessing a capital and surplus of \$1,000,000 was permitted to invest in the stock of corporations principally engaged in international or foreign banking or banking in a dependency or insular possession of the United States.

There was some doubt, however, whether the law would authorize a national bank to invest in a corporation engaged in financial operations other than those strictly defined as commercial banking operations. Under the terms of this amendment a national bank, regardless of the amount of its capital and surplus, may invest in the stock of a corporation principally engaged in a foreign investment business, whether organized under State or Federal law. This 5 per cent limit was changed by the enactment of section 25(a), discussed below, so far as corporations organized under Federal law are concerned.

By an act approved December 24, 1919, commonly known as the Edge Act, section 25 of the Federal Reserve Act was amended by the addition of a subsection (a). This amendment provides for the Federal incorporation of institutions for the purpose of engaging in international or foreign banking or in other international or foreign financial operations. By the enactment of this amendment Congress has provided for the Federal incorporation of that character of institutions in which it had previously authorized national banks to invest. Without the enactment of this Federal incorporation law, however, national banks could organize their foreign banking corporations only under State laws, although it was apparently contemplated in section 25 as amended on September 7, 1916, that they should be permitted to invest in the stock of corporations organized under either Federal or State law. Thus by the amendment approved December 24, 1919, Congress has completed the machinery designed in its earlier acts, and national banks may now under the terms of section 25(a) of the Federal Reserve Act, regardless of the amount of their capital and surplus, invest in the stock of a corporation organized under Federal law, either for the purpose of engaging in international or foreign banking or for the purpose of engaging in other international or foreign financial operations. It is provided under section 25(a) that no national bank may invest in the aggregate more than 10 per cent of its capital and surplus in the stock of corporations doing a foreign business. It should be noted, however, that although the amendment to section 25, approved September 17, 1919, heretofore discussed, limits the aggregate amount of the investments of any one national bank in the stock of corporations engaging in foreign financial operations (as distinct from foreign banking operations) to 5 per cent of its capital and surplus, nevertheless under the terms of section 25(a) a national bank may invest as much as 10 per cent of its capital and surplus in any corporation organized under that section, even though engaged in the foreign investment business, provided that the aggregate of all investments made by that national bank under the terms of section 25 and section 25(a) do not exceed 10 per cent of its capital and surplus. In effect, this permits

a national bank to make a larger investment in a corporation organized under the terms of section 25(a) for the purpose of engaging in foreign financial operations than in a similar corporation organized under State law. It is contemplated under the terms of the law that any corporation in which a national bank makes an investment and any corporation organized under the provisions of section 25(a), whether or not a national bank is an investor in its stock, shall operate under rules and regulations to be prescribed by the Federal Reserve Board. A draft of these regulations is now in preparation.

*Other amendments.*—There have been certain other acts of Congress enacted during the past year, which, though not amending the Federal Reserve Act, are of general interest to banks. One of these is an act approved December 24, 1919, which was recommended by the Federal Reserve Board and which provides that gold certificates of the United States, payable to bearer on demand, shall be a legal tender in payment of all debts and dues, public and private. The purpose of this legislation was to give to gold certificates the same legal-tender qualities as attach to gold which they represent and for which in substance they are a warehouse receipt issued by the Government and payable to bearer on demand.

Another act of interest to member banks is the act approved October 22, 1919, amending section 5200 of the Revised Statutes so as to permit a national bank to lend to any one borrower in excess of 10 per cent of its capital and surplus, but not to exceed 25 per cent, provided that the loans over and above 10 per cent are represented by notes secured by shipping documents, warehouse receipts, or other such documents conveying or securing title covering readily marketable, nonperishable staples, including live stock; and provided further, that the actual market value of the property securing the obligation is not at any time less than 115 per cent of the face amount of the loan; and provided further, that the property is fully covered by insurance. It is specified in the act, however, that this privilege of lending in excess of 10 per cent of the bank's capital and surplus upon notes secured in the manner described, shall not apply to any one borrower for more than six months in any consecutive 12 months.

The same act amended section 5202 of the Revised Statutes by excepting from the limitations upon the amount for which any national bank may be liable at any one time those "liabilities created by the indorsement of accepted bills of exchange payable abroad, actually owned by the indorsing bank and discounted at home or abroad." This amendment does not increase the lending power of the Federal Reserve Banks.

## FIDUCIARY POWERS.

Applications for permission to exercise fiduciary powers under the Federal Reserve Act as amended September 26, 1918, continue to be received and passed upon by the Board. It is the practice of the Board in each instance, before granting permission for the exercise of fiduciary powers, to satisfy itself that the bank making application is in good condition and standing and its management safe and capable.

During the year 372 original and 137 supplemental applications have been approved. The total number of banks now holding permits is 1,074, a list of which, with the powers granted, appears in the appendix.

## BOARD'S ORGANIZATION, STAFF, AND EXPENDITURES.

The general readjustment in practically all branches of commercial and governmental activities during the past year has been reflected in an unusual number of changes in the organization and staff of the Board.

Early in the year Mr. Strauss, vice governor of the Board, spent about two months in France in an advisory capacity for the Treasury Department in connection with financial questions coming up for discussion at the peace conference. In February Mr. L. C. Adelson, assistant secretary of the Board, resigned to become deputy governor of the Federal Reserve Bank of Atlanta. On March 1 Mr. Geo. L. Harrison, formerly assistant counsel, was appointed general counsel of the Board to succeed Mr. M. C. Elliott, who since the organization of the Board had served as its principal counsel and who resigned to resume the general practice of law, although continuing temporarily as consulting counsel of the Board. During the summer the work of the Division of Foreign Exchange, which had its headquarters in New York, was practically completed, Mr. F. I. Kent, director, resigned, and the employees of the division were released. Mr. J. E. Crane became acting director in charge of the remaining activities of that division.

Mr. J. A. Broderick, who had been chief examiner and chief of the division of audit and examination since the organization of the Board in 1914, and also secretary of the Board since September, 1918, tendered his resignation to become effective September 1, 1919. At this time a reassignment of duties was decided upon by the Board and the following appointments were made: Mr. W. T. Chapman, secretary; Mr. R. G. Emerson, assistant secretary; Mr. W. W. Hoxton, executive secretary; and Mr. W. W. Paddock, chief of the Division of Operations and Examination.

Mr. Henry A. Moehlenpah was appointed a member of the Board by the President, and took office on November 10, to fill the unexpired

term of Mr. F. A. Delano, whose resignation to enter military service abroad was noted in the last annual report.

The total cost of conducting the work of the Board during the year 1919, including salaries of members, expenses involved in printing and circulating the BULLETIN, and the cost of operating the Division of Foreign Exchange was \$558,560.61. During the year two assessments were levied against the Federal Reserve Banks aggregating \$594,668.63, or approximately 412 thousandths of 1 per cent of their average paid-in capital and surplus for the year.

Further details relating to the operations of the Federal Reserve Board, and the annual reports of the Federal Reserve Agents, appear as exhibits in the appendix.

#### PERMANENT QUARTERS FOR THE BOARD AND ITS STAFF.

Ever since its organization the Federal Reserve Board, although it is not a Treasury bureau but an independent establishment, has had its headquarters in the Treasury Building, the Secretary of the Treasury being authorized by a clause in section 10 of the Federal Reserve Act "to assign offices in the Department of the Treasury for the use of the Federal Reserve Board." There is nothing in the act, however, that makes such assignment obligatory upon the Secretary of the Treasury or that requires the Board to be located in the Treasury Building. Members of the Board have been provided with rooms for their own use, and during the first two years of operation quarters in the Treasury Building were allotted to the Board for the use of its entire staff. The development of the Federal Reserve System and the continuous increase in the volume of the Board's work have made new divisions necessary. The number of the Board's officers and employees has increased from 66 on January 1, 1916, to 324 on December 31, 1919.

Owing to the great expansion of its own business the Treasury Department has been obliged to remove many of its bureaus from the Treasury Building. While the Treasury authorities have shown a most accommodating spirit, it has been impossible for them to allot to the Board anything like the space required for the proper organization and efficient conduct of its work. Consequently arrangements had to be made to take care of some of the Board's divisions outside of the Treasury Building, so that there are now located in that building only the offices of the Board members, their secretaries and stenographers, a small room for meetings of the Board, which is entirely inadequate and unsuitable for the frequent hearings and conferences which must be held, the office of the Secretary of the Board, the office of the General Counsel, and the Gold Settlement Division, which is located on the floor above the other rooms used by the Board. The important Division of Reports and Statistics is located in the Southern Building, two squares from



the Treasury, in rooms held without lease for an indeterminate period. The Division of Operations and Examination is located in the National Metropolitan Bank Building, as is also the Board's assembly room where are held its conferences with the Federal Advisory Council, the Governors of the Federal Reserve Banks, and with the Federal Reserve Agents, and also its public hearings. The Division of Analysis and Research is in New York City.

The physical separation of the Board's working force in this manner militates against good organization and efficient operation. The inconvenience occasioned has been accepted cheerfully as unavoidable because of congested conditions. The time has come, however, when provision should be made for the housing of the Board and its employees under one roof. In making arrangements consideration should be given to the relations of one division to another in order that the business may be conducted with the maximum smoothness, promptness, and efficiency. Each division should have sufficient space to allow for continued growth and for the installation of necessary modern office equipment, including an adequate filing system and essential vault facilities. Quarters suitable for the Board's purposes can not be secured by lease, and while amounts required for the payment of rentals can be included in the assessments which the Board is authorized to levy semiannually upon the Federal Reserve Banks, it appears that specific authority is necessary to enable the Board to levy an assessment upon the banks for the funds required for the construction of a building suitable for its use.

The Board recommends, therefore, that Congress authorize the Board to levy an assessment upon the Federal Reserve Banks or the funds necessary to provide a adequate and permanent quarters. The acquisition of a site and the preparation of plans will require a considerable time. The Board would not, however, expect to begin construction work until conditions for building are more favorable.

#### BRANCHES OF NATIONAL BANKS.

The Board has on several occasions recommended to Congress that the Federal Reserve Act be amended so as to permit national banks under certain conditions to establish branches within the corporate limits of the cities in which they are located. Under the present law national banks can not afford the same facilities to the public as are given by State banks having branches, except in cases where State banks and trust companies operating branches have merged with national banks, when existing branches may be continued by the national banks. The Senate has passed a bill authorizing national banks located in cities of not less than 500,000 inhabitants and having a capital and surplus of \$1,000,000 or more to establish branches not exceeding 10 in number within the corporate limits of the cities in which they are located, provided the laws of the State extend a

similar privilege to banking institutions operating under State charters. While the Board would prefer to have this privilege extended to national banks in cities of not less than 100,000 inhabitants, or, failing that, have the population limit raised to 200,000, it wishes to point out that the limit fixed in the Senate bill does not affect the principle involved, and it therefore respectfully recommends once more that national banks be permitted to establish branches in the cities in which they are located under such limitations as in the wisdom of Congress may be deemed desirable.

#### FEDERAL RESERVE NOTES AND CREDIT EXPANSION.

On December 27, 1918, Federal Reserve notes in actual circulation amounted to \$2,685,244,000. As the result of the return of notes to the banks after the seasonal demands for currency had slackened, the volume in circulation had been reduced by February 7, 1919, to \$2,454,165,000. Notwithstanding the expansion of credit incident to the flotation of the Victory loan in May, there was no appreciable increase in the volume of Federal Reserve notes until the crop movement became general in August. The increase in note circulation between February 7 and August 1 was only \$52,655,000. The peak of Federal Reserve note circulation was reached on December 26, 1919, on which date the amount in actual circulation was \$3,057,646,000, the increase for the year, as compared with the high point attained by Federal Reserve note circulation in the year 1918, having been \$372,402,000. Indeed the increase in Federal Reserve note circulation must be regarded as moderate and as an incident of the general credit expansion and as having clearly been occasioned by crop moving and other seasonal needs—among which the requirements of the extraordinary holiday trade of the year just closed held an important place. Moreover this expansion of Federal Reserve note circulation was accompanied by a reduction of \$155,542,000 in other money in circulation outside the Treasury and the Federal Reserve Banks, of which about 140 millions represents the amount of gold withdrawn from use, presumably for shipment to foreign countries.

A general idea of the degree of expansion in banking operations during the last four months of the year 1919 as compared with the same period in the year 1918 may be gained from a comparison of total debits against individual accounts (all deposit accounts except those of other banks) reported by banks in about 140 leading cities for corresponding weeks in the two years. The figures for the New York banks are presented separately and are included also with those for the other centers. The separate figures for New York reflect to a considerable extent changes in the volume of stock exchange transactions; thus, for example, the appreciable increases in the New York figures early in November, 1919, were caused by

the activity of the stock market and the large volume of share transactions. Tax payments are effected chiefly in the large centers, and consequently the increase in the total debits reported about the middle of September, 1919, as compared with the corresponding period in 1918, as well as with the weeks immediately preceding, is much more pronounced in New York City and in other large financial centers than in smaller financial communities.

It will be seen from the table which follows this paragraph that for the period including August 21 to December 31, 1919, totals reported by the New York banks show an increase over the figures for the same period in 1918 about twice as great as the increase in corresponding totals for the other cities. The number of banking centers which have reported to the Board in both years varies from week to week, and in order to test the validity of conclusions based upon the changes indicated in Table A an exhibit has been added giving total debits for 36 of the larger centers, including New York, for which comparative data are available for the entire period in both years. It will be seen that the changes for the corresponding weeks in the two years and in the totals for the period under review do not differ essentially from those indicated in the last column of Table A, and that if the figures for New York are eliminated from those shown in Table B, a comparison of the 1918 and 1919 totals for the 36 cities with the average of about 140 cities in Table A leads to practically the same conclusion.

TABLE A.—*Debits to individual account as reported by clearing-house banks in leading cities for each week beginning with the week ended Aug. 27, 1919, and for each corresponding week in 1918.*

[In millions of dollars.]

Week ending—	New York City.			All other reporting centers.			Totals for all reporting centers.				
	1919	1918	Per cent increase 1919 over 1918.	Number centers included.	1919	1918	Per cent increase 1919 over 1918.	Number centers included.	1919	1918	Per cent increase 1919 over 1918.
Aug. 27-28 <sup>1</sup> .....	4,253	3,085	37.9	110	3,170	2,658	19.3	111	7,423	5,743	29.2
Sept. 3-4.....	3,434	2,998	14.5	118	2,981	2,529	17.9	119	6,415	5,527	16.1
Sept. 10-11.....	4,214	3,513	20.0	121	3,594	2,826	27.2	122	7,805	6,339	23.2
Sept. 17-18.....	5,394	3,015	78.9	132	4,341	3,298	31.6	133	9,735	6,313	54.2
Sept. 24-25.....	4,993	3,077	62.3	141	3,775	3,219	17.3	142	8,768	6,296	39.3
Oct. 1-2.....	5,366	3,831	40.1	140	3,833	3,373	13.6	141	9,199	7,204	27.7
Oct. 8-9.....	5,414	3,407	58.9	141	4,159	3,306	25.8	142	9,573	6,713	42.6
Oct. 15-16.....	4,680	3,454	35.5	143	4,066	3,409	19.3	144	8,746	6,863	27.4
Oct. 22-23.....	5,712	4,222	35.3	142	4,563	3,758	21.4	143	10,275	7,980	28.8
Oct. 29-30.....	5,713	4,820	18.5	140	4,133	3,774	9.5	141	9,546	8,594	14.6
Nov. 5-6.....	5,438	3,459	57.2	142	4,453	3,379	31.8	143	9,801	6,838	44.7
Nov. 12-13.....	6,314	3,779	67.1	141	4,416	3,618	22.1	142	10,730	7,397	45.1
Nov. 19-20.....	6,028	4,053	48.7	143	5,021	4,034	24.5	144	11,049	8,087	36.6
Nov. 26-27.....	5,365	4,160	29.0	143	4,657	4,035	15.4	144	10,022	8,195	22.3
Dec. 3-4.....	5,047	3,608	39.9	145	4,473	3,496	27.9	146	9,520	7,104	34.0
Dec. 10-11.....	5,069	3,700	37.0	146	4,394	3,690	19.1	147	9,463	7,390	28.0
Dec. 17-18.....	5,784	3,816	51.6	146	5,187	3,831	35.4	147	10,971	7,647	43.5
Dec. 24.....	5,591	3,501	59.7	146	4,836	3,445	40.4	147	10,427	6,946	50.1
Dec. 31.....	5,389	3,563	51.2	147	4,398	3,341	31.6	148	9,787	6,904	41.8
Total.....	99,198	69,061	43.6	.....	80,450	65,019	23.7	.....	179,648	134,080	34.0

These figures, however, throw very little light upon the relative importance of the several factors responsible for the larger volume of bank transactions during the past year. It will be difficult to determine what proportions of the increased volume of bank transactions may be ascribed to the higher price level, to the larger turn-over of merchandise bought and sold, and what proportion, if any, is due to greater physical volume of goods in trade. It is evident that the increase in the price level—wholesale prices for 1919 averaging about 8 per cent higher than in 1918—is not great enough to account for the increase of over 20 per cent in the volume of bank transactions outside of New York City, and it is reasonable to assume that to the other factor mentioned, viz, the larger turn-over owing to the greater volume of speculative dealings, must be ascribed much of the increase in the volume of bank transactions shown in the tables.

TABLE B.—Aggregate debits to individual account as reported by 36 leading cities (including New York City) for which figures are available for each week beginning with the week ended Aug. 27, 1919, as well as for each corresponding week in 1918.

[In millions of dollars.]

Week ending--	1919	1918	Per cent increase 1919 over 1918.
Aug. 27-28 <sup>1</sup> .....	6,803	5,324	29.7
Sept. 3-4.....	5,883	5,092	15.5
Sept. 10-11.....	7,125	5,769	23.5
Sept. 17-18.....	8,872	4,607	92.6
Sept. 24-25.....	7,953	5,567	42.9
Oct. 1-2.....	8,355	6,475	29.0
Oct. 8-9.....	8,522	5,879	45.0
Oct. 15-16.....	7,699	5,993	28.5
Oct. 22-23.....	9,145	7,032	30.0
Oct. 29-30.....	8,830	7,685	14.9
Nov. 5-6.....	8,650	5,875	47.2
Nov. 12-13.....	9,434	6,363	48.3
Nov. 19-20.....	9,659	6,919	39.8
Nov. 26-27.....	8,726	7,000	24.7
Dec. 3-4.....	8,215	6,087	35.0
Dec. 10-11.....	8,177	6,297	29.9
Dec. 17-18.....	9,548	6,519	46.5
Dec. 24.....	9,055	5,936	52.5
Dec. 31.....	8,498	5,880	44.5
<b>Total.....</b>	<b>150,249</b>	<b>116,299</b>	<b>37.4</b>

<sup>1</sup> The second date represents the end of the corresponding week in 1918.

#### DISCOUNT POLICY AND CREDIT CONTROL.

The experience of the past three years has demonstrated the expansive power of the Federal Reserve System. It should be understood, however, that an elastic system of reserve credit and note issue implies capacity to control and the ability to curtail credit. The ability of the system to check expansion under present circumstances and to induce healthy liquidation is now to be tested.

Owing to the abnormal ease of money throughout the year 1915 and during the greater part of the year 1916 the Board had little opportunity to test the efficiency of what it conceived to be the

correct discount policy. The principle had been adhered to consistently that the Federal Reserve Banks should not encourage rediscounting by members for the sake of profit, but that their own resources should be kept liquid and their reserve position strong.

Although section 5202 of the Revised Statutes, which provides that no national banking association shall at any time be in anyway liable for borrowed money to an amount exceeding the amount of its capital stock, had been amended by excepting liabilities incurred under the provisions of the Federal Reserve Act, it was not contemplated by the Board that the member banks would, except to meet seasonal requirements or emergencies, avail themselves of this amendment in order to extend their rediscount lines beyond the original limitations. It was the Board's view also that as a rule the discount rates of the Federal Reserve Banks should be higher than current market rates, thus offering no incentive to member banks to rediscount for the sake of making a profit in the transaction.

Because of this policy and of the conditions which prevailed up to the time when it began to appear that the United States would be drawn into the war, the reserve position of the Federal Reserve Banks was so strong as to suggest an analogy between the system and a safe-deposit vault.

In his address to Congress, urging the declaration of a state of war with Germany, the President pledged all the resources of the Nation—which, of course, include its man-power, money, credit, and goods—to the successful conduct of the war. By an overwhelming vote the Congress of the United States carried out the recommendations of the President, thus committing the country to the principles and policies outlined in his address.

Normal policies had to be subordinated, just as private business was subordinated, to Government business, and discount rates were of necessity fixed with the primary object of assisting the Treasury operations. How effective this policy was is now a matter of history. As has already been pointed out, the Federal Reserve Banks became great bond-distributing organizations; firms and corporations, large and small, men and women in every walk of life, were urged to subscribe for bonds, and the credit facilities of the Federal Reserve Banks were placed at the disposal of member and nonmember banks in order that they might lend freely on bonds for which the subscribers were unable to pay. The public was urged to borrow and buy, and it was found after the close of the Victory loan in May, 1919, that more than 20,000,000 subscriptions had been received in response to this appeal.

But in addition to the appeal to borrow and buy there was also added the injunction to save and pay. To assist this process, during the 18 months when the war was in progress there was established a

rigid control of such credits as were not essential, directly or indirectly, to the prosecution of the war, and the American people proved their ability to economize and to cooperate in the nation-wide policy of conservation. As a result of this control of nonessential credits, and of the cooperation of the banks and the public, the Treasury was able to float within a period of two years \$25,000,000,000 of interest-bearing obligations without reducing the reserves of the Federal Reserve Banks below a point which in normal pre-war times would have been regarded as a very strong reserve for a central bank.

The combined reserves of the 12 Federal Reserve Banks on January 3, 1919, amounted to 51.3 per cent of their liability for deposits and note issues. Due partly to the gold embargo, this percentage was well maintained during all the period of uncertainty which preceded the flotation of the Victory loan and for some time thereafter, for not until July 9, after the gold embargo had been removed, did the reserves fall even fractionally below 50 per cent. On September 26 the reserves stood at 51 per cent, after which date they show a steady and continuous decline to 44.8 per cent on December 26.

Although the period of war financing did not terminate with the year 1918 and the Federal Reserve System was consequently under the continued strain of war finance, that strain had to be met without the aid of war restrictions. The safeguards afforded by these restrictions were removed, for it was impracticable to continue them in time of peace. There is no longer an embargo on exports of gold nor any regulation or control of foreign exchange, with the trifling exceptions already noted; the controls set up over exports and imports, production and consumption, with a view of conserving the national resources and reducing waste, have practically disappeared. As a result the problems of the Federal Reserve System have been greatly increased, more particularly the problem of controlling credit.

The Federal Reserve System has met the requirements of war and readjustment by expanding without, however, encroaching upon its legal reserves; it is capable, if need be, of expanding still further without having recourse to the emergency provisions of the act, and very much further by availing itself of those provisions. But the time has come for it to demonstrate its power to move in the opposite direction, and to prove its ability to do so without shock and with a minimum disturbance of business and industry.

Fortunately the condition of the Treasury is such that the Board can now feel free to inaugurate discount policies adjusted to peacetime conditions and needs. The large volume of Government bonds looking for permanent ownership during the year was, however, an important factor in the situation and retarded the adoption of a normal discount policy. Until the absorption of Liberty bonds is fairly complete the Federal Reserve System will be in a transition

stage and normal banking policies can not be made entirely effective. The absorption by investors of Government bonds, as indicated by the figures cited earlier in this report, is a gratifying step in this direction. It should, however, be repeated that the time has come for the system, in the interest of commerce and business, to exercise its power to regulate and control the credit situation.

The normal and traditional method of credit control has been the discount rate; its efficacy, however, presupposes normal conditions. An advance in rate operates under normal conditions not only to diminish the demand for credit by making certain activities unprofitable but as well to increase the supply of credit by attracting it from other centers or countries. The conditions that make this traditional control effective do not all exist at the present time. The United States stands almost alone as an important free gold market. Other countries are seeking and have obtained large credits in the United States, as is evidenced by the fact that our exports exceeded imports during the year by about four billions of dollars, and we have paid our adverse balances in gold. It should be recognized that credits extended to Europe create a demand for commodities that competes with the domestic demand and this competition is one of the potent causes of high prices. The demand for commodities from domestic as well as foreign sources is so far in excess of the supply that the increased cost of credit due to an advance in rates is absorbed in the price, and speculation, anticipating large profits, is not checked by any reasonable advance in rates of interest. These conditions are all adverse to an easy and effective operation of credit control by means of discount rates.

Nevertheless, the discount rate is an indispensable factor in the regulation and control of credit. When there are legal limitations on the rates member banks may charge, a high reserve bank rate has a restraining influence upon them and upon their customers.

Although there are no specific limitations imposed upon the amount of borrowings by member banks at the Federal Reserve Banks, there is a potential limitation provided for in the act. In that part of section 4 which relates to the duties of the board of directors of a Federal Reserve Bank there is the following: "Said board shall administer the affairs of said bank fairly and impartially and without discrimination in favor of or against any member bank or banks and shall, subject to the provisions of law and the orders of the Federal Reserve Board, extend to each member bank such discounts, advancements, and accommodations as may be safely and reasonably made with due regard for the claims of other member banks."

Should all the member banks of a Federal Reserve Bank be borrowers, and should all ask for accommodations proportionate to those which may have been advanced to a few, the Federal Reserve Bank

would not be able out of its own resources to meet the demand. Therefore it is possible to determine theoretically what a fair line of accommodation for any member bank would be; that is, what amount of accommodation can be granted "safely and reasonably \* \* \* with due regard for the claims of other member banks."

Any attempt, however, to control credit by the application of this rule is subject to serious administrative difficulties. If the paper offered is eligible and good, it would be better for a reserve bank to grant accommodation at a price rather than to refuse it entirely, but the act, subdivision (d), section 14, provides that a Federal Reserve Bank shall have power to establish from time to time, subject to review and determination of the Federal Reserve Board, rates of discount to be charged by the Federal Reserve Bank for each class of paper, which shall be fixed with a view of accommodating commerce and business. There is no authority, however, for establishing graduated rates based upon the total borrowings of a member bank, and consequently when it becomes necessary to advance the discount rate in order to curb the demands of those banks rediscounting with the Federal Reserve Banks in very large amounts, the same rate would have to apply to the moderate requirements of other member banks who may rediscount with the Federal Reserve Banks infrequently and never excessively. Thus the application of rate advances as a corrective or deterrent to certain banks tends to raise the level of current rates to all.

The Board, therefore, recommends to Congress that an additional power be granted it, by adding to subdivision (d), section 14, a proviso that each Federal Reserve Bank may, with the approval of the Federal Reserve Board, determine by uniform rule, applicable to all its member banks alike, the normal maximum rediscount line of each member bank and that it may submit for the review and determination of the Federal Reserve Board graduated rates on an ascending scale to apply equally and ratably to all its member banks rediscounting amounts in excess of the normal line so determined. In this way, in the opinion of the Board, it would be possible to reduce excessive borrowings of member banks and to induce them to hold their own large borrowers in check without raising the basic rate. The Federal Reserve Banks would thus be provided with an effective method of dealing with credit expansion more nearly at the source than is now practicable and without unnecessary hardship to banks and borrowers who are conducting their affairs within the bounds of moderation.

The expansion of credit set in motion by the war must be checked. Credit must be brought under effective control and its flow be once more regulated and governed with careful regard to the economic welfare of the country and the needs of its producing industries.



Deflation, however, merely for the sake of deflation and a speedy return to "normal"—deflation merely for the sake of restoring security values and commodity prices to their prewar levels without regard to other consequences, would be an insensate proceeding in the existing posture of national and world affairs.

It must never be forgotten that productive industry is profoundly affected by credit conditions. Modern business is done on credit. One of its life-giving principles is credit. The mood and temper of the business community are deeply affected by the state of credit and may easily be disturbed by ill-considered or precipitate action. A system of credit control must always be judged by what it does to maintain a healthy condition of mind on the part of all sections and classes of the producing community. The ultimate test of the functioning of a credit system must be found in what it does to promote and increase the production of goods. True in general, the truth of this observation deserves to be particularly emphasized in the present deranged state of world industry and world trade when production is the crying need of the hour everywhere.

Too rapid or too drastic deflation would defeat the very purpose of a well-regulated credit system by the needless unsettlement of mind it would produce and the disastrous reaction that such unsettlement would have upon productive industry.

Radical and drastic deflation is not, therefore, in contemplation, nor is a policy of further expansion. Either course would in the end lead only to disaster and must not be permitted to develop. The credit situation in the United States is at bottom sound and safe. Our economic and financial position is essentially strong. There need be no occasion for apprehension as to our ability to effect the transition from war-time to peace-time conditions if reasonable safeguards against the abuse of credit are respected. There is, however, no need for precipitate action or extreme measures. Extremes must be avoided, the process of adjusting the volume of credit to a normal basis should be effected in an orderly manner, and its rapidity must be governed by conditions and circumstances as they develop. Much will depend upon the cooperation of the business and general community. Indeed without such cooperation progress can be neither rapid nor substantial. Much will depend also upon the rapidity with which the unabsorbed portion of the outstanding issues of war securities passes into the hands of permanent holders. As the national debt is thus absorbed and as it is reduced through the operation of the sinking fund, the loan accounts of the banks should be reduced correspondingly until the proper balance between the volume of credit and the volume of concrete things, which credit helps to produce and which are the normal basis of credit, is restored. This equilibrium, it can not be too frequently or too emphatically stated, can be restored

only by speeding up the processes of production, by the orderly distribution of goods, by the avoidance of wasteful consumption, and by the increased accumulation of savings. These are the fundamental economic processes upon which the proper functioning of the Federal Reserve Banks must depend. The Federal Reserve System can do much to assist these processes but it can not of itself and alone compel them. Efficacious action along these lines involves the intelligent and earnest cooperation of the business and general community. While the Federal Reserve Board will always be mindful of the interdependence of credit and industry and of the influence exerted on prices by the general volume of credit, the Board nevertheless can not assume to be an arbiter of industry or prices. Its primary duty, as the guardian of the Nation's ultimate banking reserve, is to see that the banks under its supervision function effectively and properly as reserve banks.

By direction of the Federal Reserve Board.

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

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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# EXHIBITS.

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178983—20—6

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## Exhibit A.—DISCOUNT RATES.

No. 1.—Discount rates (high and low) in force during the period from Nov. 16, 1914, to Dec. 31, 1919.

### MATURITIES.

Federal Reserve Bank.	Within 10 days.		11 to 30 days.		Within 15 days, including member banks' collateral notes.		16 to 30 days.		31 to 60 days.		61 to 90 days.		Agricultural and live-stock paper over 90 days.		Secured by United States Government war obligations.				Trade acceptances within 60 days (see note 1).		Trade acceptances 61 to 90 days.		Commodity paper within 90 days. <sup>1</sup>		
															Within 15 days, including member banks' collateral notes.										
	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.
<b>Boston:</b>																									
Nov. 16, 1914, to Dec. 31, 1915.....																									
Jan. 1, 1916, to Dec. 31, 1916.....																									
Jan. 1, 1917, to Dec. 31, 1917.....																									
Jan. 1, 1918, to Dec. 31, 1918.....																									
Jan. 1, 1919, to Dec. 31, 1919.....																									
<b>New York:</b>																									
Nov. 16, 1914, to Dec. 31, 1915.....																									
Jan. 1, 1916, to Dec. 31, 1916.....																									
Jan. 1, 1917, to Dec. 31, 1917.....																									
Jan. 1, 1918, to Dec. 31, 1918.....																									
Jan. 1, 1919, to Dec. 31, 1919.....																									
<b>Philadelphia:</b>																									
Nov. 16, 1914, to Dec. 31, 1915.....																									
Jan. 1, 1916, to Dec. 31, 1916.....																									
Jan. 1, 1917, to Dec. 31, 1917.....																									
Jan. 1, 1918, to Dec. 31, 1918.....																									
Jan. 1, 1919, to Dec. 31, 1919.....																									

Cleveland:																							
Nov. 16, 1914, to Dec. 31, 1915.....	6	3½	6	4				6	4	6	4½	6	5					3½	3½	4	4		
Jan. 1, 1916, to Dec. 31, 1916.....	3½	3½	4	4				4½	4	4½	4½	5	5					3½	3	4	3½		
Jan. 1, 1917, to Dec. 31, 1917.....					4	3½	4½	4	4½	4	4½	4½	5	5	3½	3	4	3½	4	4	4	4	4
Jan. 1, 1918, to Dec. 31, 1918.....					4½	4	4½	4½	4½	4½	4½	5½	5	4	3½	4½	4	4½	4	4½	4	4	
Jan. 1, 1919, to Dec. 31, 1919.....					4½	4½	4½	4½	4½	4½	4½	5½	5½	4½	4	4½	4½	4½	4½	4½	4½	4½	
Richmond:																							
Nov. 16, 1914, to Dec. 31, 1915.....	6	4	6	4				6	4	6	4	6	5					3½	3½	4	4	3	3
Jan. 1, 1916, to Dec. 31, 1916.....	4	4	4	4				4	4	4	4	5	4½					3½	3½	4	3½	3½	3
Jan. 1, 1917, to Dec. 31, 1917.....					4	3½	4½	4	4½	4	4½	4½	4½	3½	3½	4	3½	4	3½	4	3½	3½	3½
Jan. 1, 1918, to Dec. 31, 1918.....					4½	4	5	4½	5	4½	5	4½	4½	4½	3½	4½	4	4½	4	4½	4	4	
Jan. 1, 1919, to Dec. 31, 1919.....					4½	4½	4½	4½	4½	4½	4½	5	5	4½	4	4½	4	4½	4½	4½	4½	4½	
Atlanta:																							
Nov. 16, 1914, to Dec. 31, 1915.....	6	4	6	4				6½	4	6½	4	6½	4½					3½	3½	3½	3½	3	3
Jan. 1, 1916, to Dec. 31, 1916.....	4	4	4	4				4	4	4	4	5	5					3½	3½	3½	3½	3½	3
Jan. 1, 1917, to Dec. 31, 1917.....					4	3½	4½	4	4½	4	4½	4	5	5	3½	3½	4	3½	4	3½	4	3½	3
Jan. 1, 1918, to Dec. 31, 1918.....					4½	4	4½	4½	4½	4½	4½	5	5	4	3½	4½	4	4½	4	4½	4	4	
Jan. 1, 1919, to Dec. 31, 1919.....					4½	4½	4½	4½	4½	4½	4½	5½	5	4½	4	4½	4	4½	4½	4½	4½	4½	
Chicago:																							
Nov. 16, 1914, to Dec. 31, 1915.....	6	3½	6	4				6	4	6	4½	6	5										
Jan. 1, 1916, to Dec. 31, 1916.....	3½	3½	4	4				4½	4	4½	4½	5	5					3½	3½	3½	3½		
Jan. 1, 1917, to Dec. 31, 1917.....					4	3½	4½	4	4½	4	5	4½	5½	5	3½	3	4	3½	4	3½	4	3½	
Jan. 1, 1918, to Dec. 31, 1918.....					4	4	4½	4½	4½	4½	5	4½	5½	5½	4	3½	4½	4	4½	3½	4	4	
Jan. 1, 1919, to Dec. 31, 1919.....					4½	4	4½	4½	4½	4½	4½	5½	5½	4½	4	4½	4	4½	4½	4½	4½	4½	
St. Louis:																							
Nov. 16, 1914, to Dec. 31, 1915.....	6	3	6	4				6	4	6	4	6	5					3½	3½	3½	3½	3	3
Jan. 1, 1916, to Dec. 31, 1916.....	3	3	4	4				4	4	4	4	5	4½					3½	3	3½	3½	3½	3
Jan. 1, 1917, to Dec. 31, 1917.....					4	3½	4½	4	4½	4	4½	4	5½	4½	3½	3½	4	3½	4	3	4	3½	3½
Jan. 1, 1918, to Dec. 31, 1918.....					4	4	4½	4½	4½	4½	4½	5½	5½	4	3½	4½	4	4½	4	4½	4	4	
Jan. 1, 1919, to Dec. 31, 1919.....					4½	4	4½	4½	4½	4½	4½	5½	5½	4½	4	4½	4	4½	4½	4½	4½	4½	

<sup>1</sup> Commodity rates were established during September and October, 1915, and merged with those for commercial paper of corresponding maturities in November and December, 1917.

No. 1.—Discount rates (high and low) in force during the period from Nov. 16, 1914, to Dec. 31, 1919—Continued.

MATURITIES—Continued.

Federal Reserve Bank.	Within 10 days.		11 to 30 days.		Within 15 days, including member banks' collateral notes.		16 to 30 days.		31 to 60 days.		61 to 90 days.		Agricultural and livestock paper over 90 days.		Secured by United States Government war obligations.				Trade acceptances within 60 days (see note).		Trade acceptances 61 to 90 days.		Commodity paper within 90 days.				
	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.			
<b>Minneapolis:</b>																											
Nov. 16, 1914, to Dec. 31, 1915 .....	6	4	6	4	.....	.....	.....	.....	6½	4	6½	4½	6½	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	3	
Jan. 1, 1916, to Dec. 31, 1916 .....	4	4	4	4	.....	.....	.....	.....	4	4	4½	4½	5	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3½	3	
Jan. 1, 1917, to Dec. 31, 1917 .....	.....	.....	.....	.....	4	4	4½	4	4½	4	5	4½	5½	5	3½	3	4	3½	3½	3½	4	3½	4	3½	4½	3½	
Jan. 1, 1918, to Dec. 31, 1918 .....	.....	.....	.....	.....	4½	4	4½	4½	4½	4½	5	5	5½	5½	4	3½	4½	4	4½	3½	4½	4	.....	.....	.....	.....	
Jan. 1, 1919, to Dec. 31, 1919 .....	.....	.....	.....	.....	4½	4½	4½	4½	4½	4½	5	5	5½	5½	4½	4	5	4½	4½	4½	4½	4½	4½	.....	.....	.....	.....
<b>Kansas City:</b>																											
Nov. 16, 1914, to Dec. 31, 1915 .....	6	3½	6	4	.....	.....	.....	.....	6½	4	6½	4	6½	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	3	
Jan. 1, 1916, to Dec. 31, 1916 .....	4½	3½	4½	4	.....	.....	.....	.....	4½	4	4½	4	5	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4	3	
Jan. 1, 1917, to Dec. 31, 1917 .....	.....	.....	.....	.....	4	4	4½	4½	4½	4½	4½	4½	5	5	3½	3	4	3½	4	4	4	4	4	4	4	4	
Jan. 1, 1918, to Dec. 31, 1918 .....	.....	.....	.....	.....	4½	4	5½	4½	5½	4½	5½	4½	5½	5	4½	3½	4½	4	4½	4	4½	4	.....	.....	.....	.....	
Jan. 1, 1919, to Dec. 31, 1919 .....	.....	.....	.....	.....	5	4½	5	5	5	5	5	5	5½	5½	5	4	5	4	5	4½	5	4½	5	4½	.....	.....	.....
<b>Dallas:</b>																											
Nov. 16, 1914, to Dec. 31, 1915 .....	6	4	6	4	.....	.....	.....	.....	6½	4	6½	4	6½	4½	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	3	
Jan. 1, 1916, to Dec. 31, 1916 .....	4	4	4	4	.....	.....	.....	.....	4	4	4	4	4½	4½	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	3	
Jan. 1, 1917, to Dec. 31, 1917 .....	.....	.....	.....	.....	4	3½	4½	4	4½	4	4½	4	5	4½	3½	3½	4	3½	3½	3½	4	3½	4	3½	3½	3	
Jan. 1, 1918, to Dec. 31, 1918 .....	.....	.....	.....	.....	4½	4	4½	4½	4½	4½	5	4½	5½	5	4	3½	4½	4	4½	3½	4½	4	.....	.....	.....	.....	
Jan. 1, 1919, to Dec. 31, 1919 .....	.....	.....	.....	.....	5	4½	5	4½	5	4½	5	5	5½	5½	5	4	5	4½	5	4½	5	4½	5	4½	.....	.....	.....

San Francisco:

Nov. 16, 1914, to Dec. 31, 1915.....	6	3	6	3½	-----	-----	-----	-----	-----	6½	4	6½	4½	6½	6	-----	-----	-----	-----	3	3	3½	3½	(?)	(?)
Jan. 1, 1916, to Dec. 31, 1916.....	3	3	3½	3½	-----	-----	-----	-----	-----	4	4	4½	4½	6	5½	-----	-----	-----	-----	3	3	3½	3½	(?)	(?)
Jan. 1, 1917, to Dec. 31, 1917.....	-----	-----	-----	-----	4	3½	4½	3½	4½	3½	4½	4½	5½	5½	3½	3½	4	3½	4	3	3	4	3	(?)	(?)
Jan. 1, 1918, to Dec. 31, 1918.....	-----	-----	-----	-----	4½	4	5	4½	5	4½	5	4½	5½	5½	4½	3½	4½	4	4½	4	4½	4	4	-----	-----
Jan. 1, 1919, to Dec. 31, 1919.....	-----	-----	-----	-----	4½	4½	5	4½	5	4½	5	4½	5½	5½	4½	4½	4½	4½	5	4½	5	4½	-----	-----	-----

<sup>1</sup> Maximum rate during 1919 for maturities 16 to 60 days, 4½ per cent.

<sup>2</sup> Commodity paper rates for bills maturing within 30 days, 3½ per cent; 31 to 60 days, 4 per cent; 61 to 90 days, 4½ per cent.

\* Oct. 20, 1917, rate of 3½ per cent for commodity paper maturing within 60 days and 4 per cent for paper maturing after 60 days but within 90 days.

NOTE 1.—In cases during 1918 and 1919 where the 60-day trade acceptance rate was higher than the 15-day discount rate, trade acceptances maturing within 15 days were taken at the lower rate.

NOTE 2.—Rates on paper secured by War Finance Corporation bonds, established by all Federal Reserve Banks between Apr. 4 and 11, 1919, are 1 per cent higher than on commercial paper of corresponding maturities.

## Exhibit B.—FEDERAL RESERVE NOTES.

**No. 2.**—*Net amount of Federal Reserve notes received from the Comptroller of the Currency, issued to each Federal Reserve Bank and in actual circulation; gold and eligible paper held by each Federal Reserve agent; also amounts of Federal Reserve notes held by each Federal Reserve Bank on the last Friday in each month during the calendar year 1919.*

[In thousands of dollars.]

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Federal reserve notes received from the Comptroller of the Currency less notes returned for destruction:													
Jan. 31.....	188,464	931,171	253,059	283,127	159,701	169,703	492,607	130,226	103,280	126,517	78,663	226,277	3,142,795
Feb. 28.....	188,542	929,765	244,994	281,710	156,427	171,067	485,004	132,731	101,169	123,477	76,964	224,663	3,116,513
Mar. 28.....	196,966	937,789	237,732	278,833	159,816	174,995	480,401	136,331	99,110	120,102	74,764	224,539	3,121,378
Apr. 25.....	211,632	957,763	235,896	270,883	157,968	177,119	482,858	139,108	100,713	116,991	72,489	223,928	3,147,348
May 29.....	202,080	961,659	223,123	267,987	149,008	177,012	483,859	137,338	100,969	116,434	71,493	221,733	3,113,295
June 27.....	205,802	959,788	241,192	259,177	142,944	181,088	476,452	135,143	99,787	114,290	70,104	222,445	3,108,212
July 25.....	215,110	963,249	237,364	260,089	136,717	182,618	486,166	136,503	96,866	113,367	69,029	232,070	3,129,148
Aug. 29.....	229,731	965,368	248,711	269,120	136,364	177,830	494,233	146,981	95,348	109,753	67,190	230,029	3,170,658
Sept. 26.....	264,352	972,475	254,177	280,233	145,636	179,676	514,972	153,590	97,151	111,993	69,811	243,115	3,287,181
Oct. 31.....	274,109	954,382	260,807	283,915	169,152	194,520	529,285	167,362	96,383	110,477	88,045	249,851	3,378,288
Nov. 28.....	276,476	966,849	261,810	288,329	169,797	202,072	528,146	180,374	93,660	113,753	85,426	264,723	3,431,415
Dec. 26.....	284,349	1,035,663	270,778	300,955	174,170	203,254	539,058	187,515	96,476	115,695	90,347	278,951	3,577,211
Federal Reserve notes issued to Federal Reserve Banks (net amount):													
Jan. 31.....	162,564	767,671	217,669	254,562	141,466	114,958	444,167	121,411	91,830	112,897	56,948	217,277	2,703,420
Feb. 28.....	163,221	772,365	222,894	248,940	132,862	115,341	436,724	121,366	89,569	108,957	52,704	213,663	2,678,606
Mar. 28.....	171,826	794,189	215,532	245,073	130,456	120,080	444,561	120,161	88,120	105,722	51,449	218,539	2,705,708
Apr. 25.....	184,172	814,163	216,536	241,063	129,508	119,319	452,418	118,528	87,973	103,611	49,184	215,928	2,732,403
May 29.....	178,160	818,059	217,083	235,467	120,020	117,117	453,179	117,958	85,829	102,054	47,788	215,733	2,708,447
June 27.....	181,902	818,788	213,112	226,357	113,676	120,799	453,372	116,623	84,547	100,490	48,529	216,445	2,694,640
July 25.....	188,950	823,649	215,884	230,189	110,429	122,334	457,726	121,293	82,806	100,017	48,854	221,470	2,723,601



Aug. 29.....	200,231	830,368	220,531	245,340	108,327	117,130	463,233	125,191	79,638	98,293	49,555	223,329	2,767,166
Sept. 26.....	221,452	841,475	227,397	252,013	120,428	124,277	477,732	132,560	84,371	102,253	54,386	236,915	2,875,259
Oct. 31.....	222,229	821,382	232,327	254,935	143,454	145,955	491,205	150,252	85,703	102,267	64,040	244,951	2,958,700
Nov. 28.....	228,196	845,849	233,830	264,509	146,779	153,207	499,786	161,494	85,550	107,443	72,436	260,573	3,059,652
Dec. 26.....	253,669	929,663	249,438	284,335	155,232	162,809	533,738	167,515	88,916	111,005	77,977	277,801	3,292,098
Gold and gold certificates deposited with or to credit of Federal Reserve agents:													
Jan. 31.....	52,220	260,979	78,632	140,744	54,106	41,187	304,032	64,267	58,174	51,230	22,206	125,553	1,253,330
Feb. 28.....	48,954	257,256	68,566	135,947	47,374	40,590	296,589	68,316	54,563	48,101	19,765	101,739	1,187,760
Mar. 28.....	54,059	268,301	55,305	140,971	40,763	42,119	269,506	40,737	51,104	38,725	17,565	93,915	1,113,070
Apr. 25.....	60,405	276,335	76,069	138,796	31,515	43,699	255,723	40,393	28,207	34,614	16,789	107,404	1,109,949
May 29.....	56,893	286,920	68,375	130,019	31,554	42,592	266,485	56,804	40,263	29,957	16,594	105,269	1,131,725
June 27.....	57,135	292,311	68,205	115,510	32,090	42,668	261,677	53,729	36,581	25,113	15,904	112,901	1,113,824
July 25.....	59,163	287,952	70,576	119,522	30,863	44,199	266,031	61,069	33,660	30,770	15,780	88,466	1,108,051
Aug. 29.....	68,544	281,659	75,923	130,573	23,951	41,911	266,538	62,987	33,142	39,356	16,040	101,965	1,142,589
Sept. 26.....	67,965	288,849	75,889	137,686	30,763	43,157	318,957	46,436	35,445	34,596	16,831	99,751	1,196,325
Oct. 31.....	73,242	281,912	72,519	133,388	41,998	51,501	282,430	73,388	36,077	35,980	21,615	101,526	1,205,576
Nov. 28.....	62,090	282,877	78,522	105,502	46,923	53,553	247,491	69,100	34,354	38,917	24,996	104,399	1,148,724
Dec. 26.....	73,782	307,385	82,491	125,048	41,036	64,734	245,883	65,920	35,570	39,858	27,878	130,447	1,240,032
Eligible paper held by Federal Reserve agents:													
Jan. 31.....	145,637	717,489	143,199	138,602	87,500	76,857	184,286	59,921	43,509	78,615	53,193	94,677	1,823,485
Feb. 28.....	155,443	830,363	156,559	167,619	102,968	80,834	211,245	64,259	46,924	83,013	58,346	118,929	2,076,502
Mar. 28.....	169,345	732,816	161,480	153,228	105,152	78,973	255,859	84,702	58,989	99,389	53,094	127,201	2,080,228
Apr. 25.....	172,138	755,970	142,687	148,517	102,398	80,278	236,938	86,486	61,143	89,497	56,754	111,300	2,044,106
May 29.....	166,352	774,782	151,084	158,956	92,418	83,681	274,317	63,987	49,774	89,917	53,652	120,361	2,079,281
June 27.....	173,354	721,939	149,503	161,133	93,340	84,250	262,625	66,339	59,992	93,655	53,874	114,463	2,034,467
July 25.....	167,542	809,390	147,127	168,720	100,549	95,073	271,855	65,433	58,889	83,824	58,955	144,017	2,171,374
Aug. 29.....	161,447	794,178	156,096	166,510	94,892	91,735	251,899	67,852	49,558	74,767	58,819	127,808	2,095,561
Sept. 26.....	176,265	741,482	153,784	169,543	95,796	82,989	261,276	95,535	57,880	103,517	56,209	140,277	2,134,553
Oct. 31.....	170,627	917,586	161,113	175,609	102,588	109,097	295,648	87,208	64,458	107,701	64,100	171,390	2,427,125
Nov. 28.....	198,776	956,361	159,400	227,862	100,780	102,356	364,958	106,739	66,115	105,586	57,991	171,606	2,618,530
Dec. 26.....	211,342	977,365	176,867	222,792	120,967	106,172	383,370	115,098	69,456	107,359	61,795	115,593	2,711,898

**No. 2.**—*Net amount of Federal Reserve notes received from the Comptroller of the Currency, issued to each Federal Reserve Bank and in actual circulation; gold and eligible paper held by each Federal Reserve agent; also amounts of Federal Reserve notes held by each Federal Reserve Bank on the last Friday in each month during the calendar year 1919—Continued.*

[In thousands of dollars.]

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Federal Reserve notes held by banks:													
Jan. 31.....	12,999	119,758	7,748	23,409	5,396	3,567	39,141	12,044	1,302	7,304	1,572	18,451	252,691
Feb. 28.....	3,669	94,746	12,126	15,871	4,267	4,556	25,918	12,528	1,410	7,348	1,537	22,323	206,299
Mar. 28.....	4,952	71,029	9,446	12,431	4,258	4,105	27,015	12,146	1,062	6,107	1,342	30,039	183,932
Apr. 25.....	6,435	75,351	9,943	10,468	4,117	3,986	25,963	14,433	1,492	5,191	1,456	24,016	182,851
May 29.....	5,989	75,669	11,349	11,868	4,536	3,767	30,852	13,778	1,935	6,469	1,520	21,423	189,155
June 27.....	5,743	81,351	9,409	11,694	4,046	5,137	31,700	13,763	2,515	6,813	1,592	21,697	195,460
July 25.....	8,469	84,484	14,191	11,395	4,694	5,499	34,333	16,564	3,167	7,869	2,297	26,142	219,104
Aug. 29.....	7,264	78,085	7,779	14,204	3,654	3,499	23,489	18,039	2,004	5,760	2,952	19,808	186,537
Sept. 26.....	13,623	88,340	14,818	9,733	5,328	3,265	27,684	19,168	1,972	6,991	2,394	26,589	219,905
Oct. 31.....	10,133	70,667	16,034	11,195	4,862	3,979	30,808	19,492	1,855	6,696	2,888	27,215	205,824
Nov. 28.....	7,368	78,451	10,779	13,498	5,223	4,640	24,724	20,485	1,766	5,694	3,260	31,487	207,375
Dec. 26.....	7,214	104,719	9,165	11,451	6,539	6,210	23,720	19,063	1,441	5,905	3,091	35,934	234,452
Federal Reserve notes in actual circulation:													
Jan. 31.....	149,565	647,913	209,921	231,153	136,070	111,391	405,026	109,367	90,528	105,593	55,376	198,826	2,450,729
Feb. 28.....	159,552	677,619	210,768	233,069	128,595	110,785	410,806	108,838	88,159	101,609	51,167	191,340	2,472,307
Mar. 28.....	166,874	723,160	206,086	232,642	126,198	115,975	417,546	108,015	87,058	99,615	50,107	188,500	2,521,776
Apr. 25.....	177,737	738,812	206,593	230,595	125,391	115,333	426,455	104,095	86,481	98,420	47,728	191,912	2,549,552
May 29.....	172,171	742,390	205,734	223,599	115,484	113,350	422,327	104,180	83,894	95,585	46,268	194,310	2,519,292
June 27.....	176,159	737,437	203,703	214,663	109,630	115,662	421,672	102,860	82,032	93,677	46,937	194,748	2,499,180
July 25.....	180,481	739,165	201,693	218,794	105,735	116,835	423,393	104,729	79,639	92,148	46,557	195,325	2,504,497
Aug. 29.....	198,967	752,283	212,752	231,136	104,673	113,631	439,744	107,152	77,634	92,533	46,603	203,521	2,580,629
Sept. 26.....	207,829	753,135	212,579	242,280	115,100	121,012	450,048	113,392	82,399	95,262	51,992	210,326	2,655,354
Oct. 31.....	212,096	750,715	216,293	243,740	138,592	141,976	460,397	130,760	83,848	95,571	61,152	217,736	2,752,876
Nov. 28.....	220,828	767,398	223,051	251,011	141,556	148,567	475,062	141,009	83,784	101,749	69,176	229,086	2,852,277
Dec. 26.....	246,455	824,944	240,273	272,884	148,693	156,599	510,018	148,452	87,475	105,100	74,886	241,867	3,057,646

**No. 3.**—Federal Reserve notes outstanding (i. e., net amount issued to Federal Reserve Banks), in actual circulation, and gold and paper collateral held by Federal Reserve agents against outstanding notes.

[In thousands of dollars.]

	Federal Reserve notes outstanding.	Gold cover for notes issued.				Paper collateral for notes issued.			Federal Reserve notes held by issuing banks.	Federal Reserve notes in actual circulation.
		Coin and certificates in vault.	In redemption fund—United States Treasurer.	In gold settlement fund—Federal Reserve Board.	Total.	Amount required.	Amount actually held.	Excess paper held.		
<b>1919.</b>										
Jan. 3.....	2,866,047	246,315	84,632	930,436	1,261,383	1,604,664	2,069,228	464,564	218,442	2,647,605
10.....	2,844,516	254,656	82,599	900,990	1,238,245	1,606,271	1,993,694	387,423	253,835	2,590,681
17.....	2,770,301	249,707	80,598	958,800	1,289,105	1,481,196	1,813,066	331,870	257,212	2,513,089
24.....	2,730,916	241,527	77,193	936,472	1,255,192	1,475,724	1,978,084	502,360	264,360	2,466,556
31.....	2,703,420	240,527	80,142	932,661	1,253,330	1,450,090	1,823,485	373,395	252,691	2,450,729
Feb. 7.....	2,691,859	225,147	84,562	921,457	1,231,166	1,460,693	1,920,051	459,358	237,694	2,454,165
14.....	2,690,702	225,147	83,758	908,458	1,217,363	1,473,339	2,037,506	564,167	222,314	2,468,388
20.....	2,677,835	225,147	83,379	889,457	1,197,983	1,479,852	2,022,006	542,154	211,587	2,466,248
28.....	2,678,606	229,147	87,438	871,175	1,187,760	1,490,846	2,076,502	585,656	206,299	2,472,307
Mar. 7.....	2,670,903	232,146	79,457	852,237	1,163,840	1,507,063	2,101,419	594,356	182,366	2,488,537
14.....	2,679,021	240,146	78,718	851,737	1,170,601	1,508,420	2,080,990	572,570	175,926	2,503,095
21.....	2,696,544	243,006	78,005	791,927	1,112,938	1,583,606	2,084,708	501,102	185,857	2,510,687
28.....	2,705,708	245,147	78,633	789,290	1,113,070	1,592,638	2,080,228	487,590	183,932	2,521,776
Apr. 4.....	2,714,089	237,747	88,520	773,906	1,100,173	1,613,916	2,037,260	423,344	166,419	2,547,670
11.....	2,724,097	235,747	84,539	762,158	1,082,444	1,641,653	2,111,610	469,957	175,509	2,548,588
18.....	2,736,384	232,747	75,595	777,177	1,085,519	1,650,865	2,064,724	413,859	192,680	2,543,704
25.....	2,722,403	236,498	84,829	788,622	1,109,949	1,622,454	2,044,106	421,652	182,851	2,549,552
May 2.....	2,731,274	230,498	84,094	790,107	1,104,699	1,626,575	2,069,765	443,190	182,234	2,549,040
9.....	2,735,798	232,498	84,133	817,567	1,134,198	1,601,600	2,087,062	485,462	179,049	2,556,749
16.....	2,741,265	240,498	85,084	825,321	1,150,903	1,590,362	2,135,541	545,179	209,226	2,532,039
23.....	2,725,791	228,498	81,219	830,108	1,139,825	1,585,966	2,052,784	466,818	221,538	2,504,253
20.....	2,708,447	228,498	87,251	815,976	1,131,725	1,576,722	2,079,281	502,559	189,155	2,519,292

No. 3.—Federal Reserve notes outstanding (i. e., net amount issued to Federal Reserve Banks), in actual circulation, and gold and paper collateral held by Federal Reserve agents against outstanding notes—Continued.

[In thousands of dollars.]

	Federal Reserve notes outstanding.	Gold cover for notes issued.				Paper collateral for notes issued.			Federal Reserve notes held by issuing banks.	Federal Reserve notes in actual circulation.
		Coin and certificates in vault.	In redemption fund—United States Treasurer.	In gold settlement fund—Federal Reserve Board.	Total.	Amount required.	Amount actually held.	Excess paper held.		
<b>1919.</b>										
June 6	2,722,606	231,498	83,713	824,297	1,139,508	1,583,098	1,955,496	372,398	209,569	2,513,037
13	2,709,895	224,998	81,222	811,750	1,117,970	1,591,925	2,001,203	409,278	210,630	2,499,265
20	2,693,198	218,998	86,817	821,401	1,127,216	1,565,982	2,010,144	444,162	204,945	2,488,253
27	2,694,640	219,998	81,024	812,802	1,113,824	1,580,816	2,034,467	453,651	195,460	2,499,180
July 3	2,740,893	228,998	93,817	832,463	1,155,278	1,585,615	2,150,698	565,083	188,545	2,552,348
11	2,700,288	231,998	88,576	842,494	1,163,068	1,597,220	2,210,078	612,858	222,161	2,538,127
18	2,728,902	223,598	89,745	820,830	1,134,173	1,594,729	2,112,717	517,988	216,854	2,512,048
25	2,723,601	221,248	84,912	801,891	1,108,051	1,615,550	2,171,374	555,824	219,104	2,504,497
Aug. 1	2,715,374	221,248	81,549	768,510	1,071,307	1,644,067	2,140,965	496,898	208,554	2,506,820
8	2,725,263	223,248	84,764	776,035	1,084,047	1,641,216	2,150,291	509,075	193,206	2,532,057
15	2,734,254	227,248	87,962	803,684	1,118,894	1,615,360	2,037,471	422,111	193,550	2,540,904
22	2,748,740	226,248	104,350	796,430	1,127,028	1,621,712	2,039,265	417,553	195,206	2,553,534
29	2,767,166	236,248	94,160	812,181	1,142,589	1,624,577	2,095,561	470,984	186,537	2,580,629
Sept. 5	2,794,100	236,248	100,075	835,845	1,172,168	1,621,932	2,107,324	485,392	182,403	2,611,697
12	2,830,146	243,248	93,090	854,431	1,190,769	1,639,377	2,025,994	386,617	208,918	2,621,228
19	2,851,622	245,408	101,921	861,632	1,208,961	1,642,661	1,913,595	270,934	230,364	2,621,258
26	2,875,259	247,248	99,933	849,144	1,196,325	1,678,934	2,134,553	455,619	219,905	2,655,354
Oct. 3	2,899,122	242,248	93,608	830,542	1,166,398	1,732,724	2,264,643	531,919	190,936	2,708,186
10	2,949,244	244,248	88,108	854,341	1,186,697	1,762,547	2,312,574	550,027	207,560	2,741,684
17	2,970,132	242,248	91,949	867,105	1,201,302	1,768,830	2,371,047	602,217	217,563	2,752,569
24	2,980,610	242,248	90,999	864,686	1,197,933	1,782,677	2,366,692	584,015	227,153	2,753,457
31	2,958,700	242,249	83,668	879,659	1,205,576	1,753,124	2,427,125	674,001	205,824	2,752,876

Nov. 7.....	3,000,867	238,248	93,368	875,659	1,207,275	1,793,592	2,530,781	737,189	194,108	2,806,759
14.....	3,036,690	238,248	105,267	850,804	1,194,319	1,842,371	2,509,360	666,989	228,234	2,808,456
21.....	3,031,492	236,248	98,821	831,017	1,166,086	1,865,406	2,519,660	654,254	214,319	2,817,173
28.....	3,059,652	236,248	99,461	813,015	1,148,724	1,910,928	2,618,530	707,602	207,375	2,852,277
Dec. 5.....	3,108,377	249,648	98,158	824,385	1,172,191	1,936,186	2,536,068	599,882	227,018	2,881,359
12.....	3,148,740	244,848	90,489	853,006	1,188,343	1,960,397	2,615,646	655,249	241,305	2,907,435
19.....	3,220,560	244,648	110,000	847,006	1,201,654	2,018,906	2,494,034	475,128	231,666	2,988,894
26.....	3,292,098	244,148	103,575	892,309	1,240,032	2,052,066	2,711,898	659,832	234,452	3,057,646

No. 4.—Federal Reserve notes in actual circulation and per cent of gold cover therefor during the calendar year 1919.

[In thousands of dollars.]

		Total cash reserves.	Reserves required against net deposits—35 per cent.	Balance available as reserve against Federal Reserve notes in circulation.	Federal Reserve notes in circulation.	Gold reserve against Federal Reserve notes in circulation.			Total cash reserves.	Reserves required against net deposits—35 per cent.	Balance available as reserve against Federal Reserve notes in circulation.	Federal Reserve notes in circulation.	Gold reserve against Federal Reserve notes in circulation.
1919.						<i>Per cent.</i>	1919.						<i>Per cent.</i>
Jan.	3	2,152,154	543,028	1,609,126	2,647,605	60.8	July	3	2,195,353	620,201	1,575,152	2,552,348	61.7
	10	2,161,898	551,553	1,610,345	2,590,681	62.2		11	2,180,211	644,852	1,535,359	2,538,127	60.5
	17	2,170,163	557,369	1,612,794	2,513,089	64.2		18	2,177,481	619,324	1,558,157	2,512,048	62.0
	24	2,168,387	537,838	1,630,549	2,466,556	66.1		25	2,161,023	628,796	1,532,227	2,504,497	61.2
	31	2,179,646	580,810	1,598,836	2,450,729	65.2	Aug.	1	2,156,327	618,163	1,538,164	2,506,820	61.4
Feb.	7	2,175,614	564,956	1,610,658	2,454,165	65.6		8	2,152,118	607,440	1,544,678	2,532,057	61.0
	14	2,185,318	610,632	1,574,686	2,468,388	63.8		15	2,151,723	591,036	1,560,687	2,540,904	61.4
	20	2,191,532	605,779	1,585,753	2,466,248	64.3		22	2,142,701	567,401	1,575,300	2,553,534	61.7
	28	2,188,723	628,855	1,559,868	2,472,307	63.1		29	2,135,976	570,331	1,565,645	2,580,629	60.7
Mar.	7	2,205,462	630,732	1,574,730	2,488,537	63.3	Sept.	5	2,136,870	568,441	1,568,429	2,611,697	60.1
	14	2,196,737	619,306	1,577,431	2,503,095	63.0		12	2,138,499	566,376	1,572,123	2,621,228	60.0
	21	2,208,578	619,026	1,589,552	2,510,687	63.3		19	2,162,057	524,970	1,637,087	2,621,258	62.5
	28	2,210,524	609,499	1,601,025	2,521,776	63.5		26	2,187,505	571,926	1,615,579	2,655,354	60.8
Apr.	4	2,218,628	596,178	1,622,450	2,547,670	63.7	Oct.	3	2,205,511	604,193	1,601,318	2,708,186	59.1
	11	2,211,989	622,270	1,589,719	2,548,588	62.4		10	2,202,100	610,348	1,591,752	2,741,684	58.1
	18	2,230,859	607,275	1,623,584	2,543,704	63.8		17	2,199,185	628,656	1,570,529	2,752,569	57.1
	25	2,240,152	613,233	1,626,919	2,549,552	63.8		24	2,214,561	627,341	1,587,220	2,753,457	57.6
May	2	2,237,219	621,233	1,615,986	2,549,040	63.4		31	2,205,592	647,681	1,557,911	2,752,876	56.6
	9	2,242,784	617,858	1,624,926	2,556,749	63.5	Nov.	7	2,187,369	654,679	1,532,690	2,806,759	54.6
	16	2,245,857	652,860	1,592,997	2,532,039	62.9		14	2,200,106	650,390	1,549,716	2,808,456	55.2
	23	2,247,933	629,127	1,618,806	2,504,253	64.6		21	2,186,972	646,380	1,540,592	2,817,173	54.7
	29	2,255,106	640,822	1,614,284	2,519,292	64.1		28	2,159,666	661,290	1,498,376	2,852,277	52.5

June 6.....	2,270,343	599,241	1,671,102	2,513,037	66.5	Dec. 5.....	2,154,095	616,532	1,537,563	2,881,359	53.4
13.....	2,261,988	628,170	1,633,818	2,499,265	65.4	12.....	2,160,405	625,249	1,535,156	2,907,435	52.8
20.....	2,234,459	619,965	1,614,494	2,488,253	64.9	19.....	2,154,911	563,824	1,591,087	2,988,894	53.2
27.....	2,216,256	612,743	1,603,513	2,499,180	64.2	26.....	2,135,536	596,563	1,538,973	3,057,646	50.3

**No. 5.**—Federal Reserve notes, by denominations, printed, shipped to Federal Reserve agents and United States subtreasuries since organization of banks, and on hand in reserve vault Dec. 31, 1919.

Bank.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Five hundreds.	Thousands.	Five thousands.	Ten thousands.	Total.
<b>Boston:</b>										
Printed.....	\$105,280,000	\$204,880,000	\$140,880,000	\$38,800,000	\$33,600,000	\$8,400,000	\$30,400,000	\$12,000,000	\$16,000,000	\$590,240,000
Shipped.....	102,500,000	203,000,000	136,000,000	21,000,000	20,400,000	2,600,000	6,800,000	4,000,000	8,000,000	504,300,000
On hand.....	2,780,000	1,880,000	4,880,000	17,800,000	13,200,000	5,800,000	23,600,000	8,000,000	8,000,000	85,940,000
<b>New York:</b>										
Printed.....	428,260,000	698,640,000	550,080,000	126,800,000	208,000,000	34,600,000	79,600,000	26,000,000	52,000,000	2,203,980,000
Shipped.....	428,200,000	696,560,000	511,440,000	125,000,000	181,600,000	18,800,000	46,400,000	6,000,000	12,000,000	2,028,000,000
On hand.....	60,000	2,080,000	38,640,000	1,800,000	26,400,000	15,800,000	33,200,000	20,000,000	40,000,000	177,980,000
<b>Philadelphia:</b>										
Printed.....	98,580,000	162,520,000	220,320,000	44,000,000	40,000,000	11,000,000	12,400,000	10,000,000	24,000,000	622,820,000
Shipped.....	96,700,000	160,280,000	214,400,000	34,200,000	30,000,000	1,000,000	2,400,000	.....	.....	538,980,000
On hand.....	1,880,000	2,240,000	5,920,000	9,800,000	10,000,000	10,000,000	10,000,000	10,000,000	24,000,000	83,840,000
<b>Cleveland:</b>										
Printed.....	62,920,000	114,040,000	209,360,000	84,600,000	23,600,000	5,000,000	5,200,000	4,000,000	8,000,000	516,720,000
Shipped.....	61,360,000	108,760,000	204,080,000	83,200,000	23,600,000	3,000,000	3,200,000	2,000,000	4,000,000	493,200,000
On hand.....	1,560,000	5,280,000	5,280,000	1,400,000	.....	2,000,000	2,000,000	2,000,000	4,000,000	23,520,000
<b>Richmond:</b>										
Printed.....	62,060,000	92,880,000	114,400,000	35,600,000	26,400,000	11,600,000	12,400,000	8,000,000	8,000,000	371,340,000
Shipped.....	58,060,000	86,040,000	103,760,000	28,400,000	19,600,000	1,600,000	2,400,000	2,000,000	4,000,000	305,860,000
On hand.....	4,000,000	6,840,000	10,640,000	7,200,000	6,800,000	10,000,000	10,000,000	6,000,000	4,000,000	65,480,000
<b>Atlanta:</b>										
Printed.....	70,640,000	117,880,000	152,000,000	16,200,000	18,000,000	2,200,000	2,800,000	2,000,000	4,000,000	385,720,000
Shipped.....	65,460,000	103,040,000	118,480,000	12,800,000	14,800,000	200,000	800,000	.....	.....	315,580,000
On hand.....	5,180,000	14,840,000	33,520,000	3,400,000	3,200,000	2,000,000	2,000,000	2,000,000	4,000,000	70,140,000



Chicago:										
Printed.....	162,940,000	298,920,000	364,560,000	68,800,000	42,800,000	10,200,000	13,200,000	10,000,000	8,000,000	979,420,000
Shipped.....	155,360,000	279,720,000	327,680,000	56,800,000	29,200,000	2,200,000	6,000,000	2,000,000	.....	858,960,000
On hand.....	7,580,000	19,200,000	36,880,000	12,000,000	13,600,000	8,000,000	7,200,000	8,000,000	8,000,000	120,460,000
St. Louis:										
Printed.....	75,540,000	105,400,000	124,480,000	17,400,000	11,200,000	5,000,000	6,000,000	4,000,000	8,000,000	357,020,000
Shipped.....	73,880,000	102,720,000	108,160,000	16,000,000	10,400,000	1,000,000	2,000,000	2,000,000	4,000,000	320,160,000
On hand.....	1,660,000	2,680,000	16,320,000	1,400,000	800,000	4,000,000	4,000,000	2,000,000	4,000,000	36,860,000
Minneapolis:										
Printed.....	59,560,000	66,560,000	59,040,000	4,400,000	5,600,000	1,400,000	6,800,000	.....	.....	203,360,000
Shipped.....	50,040,000	57,360,000	48,080,000	2,600,000	4,400,000	400,000	1,200,000	.....	.....	164,080,000
On hand.....	9,520,000	9,200,000	10,960,000	1,800,000	1,200,000	1,000,000	5,600,000	.....	.....	39,280,000
Kansas City:										
Printed.....	86,800,000	79,680,000	86,080,000	10,600,000	10,400,000	4,000,000	4,000,000	.....	.....	281,560,000
Shipped.....	67,740,000	66,960,000	68,720,000	7,800,000	8,000,000	600,000	1,200,000	.....	.....	221,020,000
On hand.....	19,060,000	12,720,000	17,360,000	2,800,000	2,400,000	3,400,000	2,800,000	.....	.....	60,540,000
Dallas:										
Printed.....	47,380,000	67,680,000	70,960,000	8,400,000	7,600,000	3,000,000	6,000,000	6,000,000	12,000,000	229,020,000
Shipped.....	37,680,000	49,920,000	54,720,000	6,000,000	4,800,000	400,000	800,000	.....	.....	154,320,000
On hand.....	9,700,000	17,760,000	16,240,000	2,400,000	2,800,000	2,600,000	5,200,000	6,000,000	12,000,000	74,700,000
San Francisco:										
Printed.....	82,280,000	99,520,000	189,600,000	28,400,000	41,200,000	6,200,000	9,200,000	8,000,000	12,000,000	476,400,000
Shipped.....	82,140,000	96,720,000	184,320,000	28,400,000	41,200,000	3,200,000	9,200,000	6,000,000	8,000,000	459,180,000
On hand.....	140,000	2,800,000	5,280,000	.....	.....	3,000,000	.....	2,000,000	4,000,000	17,220,000
VAULT BALANCE										
Total printed.....	1,342,240,000	2,108,600,000	2,281,760,000	484,000,000	468,400,000	102,600,000	188,000,000	90,000,000	152,000,000	7,217,600,000
Total shipped.....	1,279,120,000	2,011,080,000	2,079,840,000	422,200,000	388,000,000	35,000,000	82,400,000	24,000,000	40,000,000	6,361,640,000
Total on hand.....	63,120,000	97,520,000	201,920,000	61,800,000	80,400,000	67,600,000	105,600,000	66,000,000	112,000,000	855,960,000

No. 6.—Federal Reserve notes, by denominations, on hand Dec. 31, 1918, received, issued to the banks, and returned to the comptroller for destruction during calendar year 1919, and on hand Dec. 31, 1919, as reported by Federal Reserve agents.

IN HANDS OF FEDERAL RESERVE AGENTS DEC. 31, 1918.

Federal Reserve agent at—	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Five hundreds.	Thousands.	Five thousands.	Ten thousands.	Total.
Boston.....	\$3,640,000	\$3,160,000	\$4,240,000	\$3,300,000	\$3,500,000					\$17,840,000
New York.....	15,000,000	28,000,000	16,800,000	10,000,000	40,000,000					109,800,000
Philadelphia.....	2,760,000	2,200,000	5,680,000	3,000,000	4,000,000					17,640,000
Cleveland.....	1,320,000	3,640,000	4,080,000	3,200,000	5,100,000					22,340,000
Richmond.....		1,000,000	720,000	1,600,000	2,900,000					6,220,000
Atlanta.....	8,070,000	15,061,000	10,220,000	4,872,000	6,492,000					44,715,000
Chicago.....	5,840,000	10,680,000	20,320,000	4,600,000	4,800,000					46,240,000
St. Louis.....	2,590,000			400,000						2,990,000
Minneapolis.....	1,880,000	2,360,000	1,840,000	90,000	280,000					6,450,000
Kansas City.....	1,120,000	1,880,000	2,000,000	1,540,000	980,000					7,520,000
Dallas.....	4,715,000	4,860,000	4,020,000	1,605,000	2,430,000					17,630,000
San Francisco.....										
<b>Total.....</b>	<b>46,935,000</b>	<b>72,841,000</b>	<b>69,920,000</b>	<b>39,207,000</b>	<b>70,482,000</b>					<b>299,385,000</b>

RECEIVED FROM COMPTROLLER OF THE CURRENCY.

Boston.....	\$44,860,000	\$97,520,000	\$64,560,000	\$8,600,000	\$3,200,000	\$2,400,000	\$6,400,000	\$2,000,000	\$4,000,000	\$233,540,000
New York.....	159,400,000	241,200,000	182,720,000	42,600,000	25,200,000	18,800,000	38,400,000	6,000,000	12,000,000	726,320,000
Philadelphia.....	37,960,000	58,160,000	67,040,000	9,800,000	10,000,000	1,000,000	2,400,000			186,360,000
Cleveland.....	23,320,000	37,080,000	59,280,000	23,800,000	4,800,000	3,000,000	3,200,000	2,000,000	4,000,000	160,480,000
Richmond.....	23,600,000	32,840,000	35,440,000	6,200,000	3,200,000	1,600,000	2,400,000	2,000,000	4,000,000	111,280,000
Atlanta.....	19,480,000	31,920,000	44,980,000	1,600,000	2,800,000	200,000	800,000			101,760,000
Chicago.....	62,320,000	101,760,000	94,880,000	17,600,000	800,000	2,200,000	6,000,000	2,000,000		287,560,000
St. Louis.....	33,860,000	41,440,000	42,320,000	7,200,000	4,400,000	1,000,000	2,000,000	2,000,000	4,000,000	138,220,000

Minneapolis.....	12,040,000	6,840,000	6,320,000	400,000	400,000	400,000	1,200,000	.....	.....	27,600,000
Kansas City.....	17,560,000	17,240,000	10,160,000	400,000	400,000	600,000	1,200,000	.....	.....	47,560,000
Dallas.....	10,500,000	13,040,000	15,040,000	3,200,000	800,000	400,000	800,000	.....	.....	43,780,000
San Francisco.....	36,120,000	36,840,000	60,240,000	7,200,000	6,800,000	2,200,000	5,600,000	2,000,000	4,000,000	161,000,000
Total.....	481,020,000	715,880,000	682,960,000	128,600,000	62,800,000	33,800,000	70,400,000	18,000,000	32,000,000	2,225,460,000

## RETURNED BY FEDERAL RESERVE BANKS.

Boston.....	\$33,025,750	\$62,307,560	\$35,477,900	\$4,969,550	\$3,922,100	\$10,500	\$55,000	.....	.....	\$139,768,360
New York.....	146,830,510	244,452,730	172,511,340	35,223,200	30,649,100	384,000	2,319,000	.....	\$50,000	632,419,880
Philadelphia.....	36,740,190	59,712,110	82,653,680	6,444,800	4,026,300	4,000	54,000	.....	.....	189,635,080
Cleveland.....	21,973,015	37,994,900	64,683,480	18,955,150	2,652,100	5,500	19,000	.....	.....	146,283,145
Richmond.....	31,265,850	47,689,000	55,746,600	13,703,900	10,206,500	606,500	1,302,000	\$500,000	1,050,000	162,070,350
Atlanta.....	29,392,185	46,435,190	59,396,640	5,116,450	5,720,000	200,000	850,000	.....	.....	147,110,465
Chicago.....	56,046,620	86,993,270	83,465,940	10,351,150	2,888,300	16,500	37,000	.....	.....	239,798,780
St. Louis.....	23,482,580	33,594,220	33,776,320	4,773,600	2,350,700	102,500	146,000	100,000	100,000	98,425,920
Minneapolis.....	14,245,575	22,023,410	13,033,720	460,900	505,200	.....	3,000	.....	.....	50,271,805
Kansas City.....	21,514,145	21,484,190	21,949,540	1,622,200	1,087,500	3,000	1,000	.....	.....	67,661,575
Dallas.....	7,594,685	14,113,610	14,216,220	624,300	941,200	1,000	90,000	.....	.....	37,581,015
San Francisco.....	30,722,120	32,074,990	53,304,640	5,513,250	7,609,400	303,500	711,000	1,805,000	3,500,000	135,543,900
Total.....	452,833,225	708,875,180	690,216,020	107,758,450	72,558,400	1,637,000	5,587,000	2,405,000	4,700,000	2,046,570,275

**No. 6.**—Federal Reserve notes, by denominations, on hand Dec. 31, 1918, received, issued to the banks, and returned to the comptroller for destruction during calendar year 1919, and on hand Dec. 31, 1919, as reported by Federal Reserve agents—Continued.

ISSUED TO FEDERAL RESERVE BANKS.

Federal Reserve agent at—	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Five hundreds.	Thousands.	Five thousands.	Ten thousands.	Total.
Boston.....	\$44,500,000	\$91,920,000	\$63,680,000	\$11,400,000	\$8,600,000	\$700,000	\$5,300,000	\$400,000	\$1,000,000	\$225,500,000
New York.....	167,400,000	271,200,000	189,520,000	46,400,000	28,400,000	13,800,000	28,400,000	2,000,000	6,000,000	753,120,000
Philadelphia.....	37,010,000	58,880,000	75,970,000	9,600,000	11,600,000	600,000	2,000,000	.....	.....	195,660,000
Cleveland.....	23,425,000	38,710,000	64,680,000	27,600,000	6,850,000	800,000	1,000,000	200,000	300,000	163,565,000
Richmond.....	33,185,000	49,330,000	55,130,000	11,820,000	8,390,000	702,500	2,500,000	550,000	1,170,000	162,777,500
Atlanta.....	36,150,000	57,736,000	74,340,000	6,098,000	7,839,000	210,000	1,225,000	.....	.....	183,598,000
Chicago.....	67,640,000	110,920,000	112,560,000	19,800,000	3,200,000	2,200,000	6,000,000	2,000,000	.....	324,320,000
St. Louis.....	35,695,000	39,890,000	44,500,000	7,650,000	3,900,000	500,000	1,340,000	200,000	350,000	134,025,000
Minneapolis.....	14,540,000	11,820,000	11,630,000	350,000	420,000	230,000	1,000,000	.....	.....	39,990,000
Kansas City.....	18,580,000	20,720,000	15,760,000	990,000	1,050,000	300,000	500,000	.....	.....	57,900,000
Dallas.....	11,400,000	17,435,000	19,320,000	4,080,000	2,890,000	215,000	390,000	.....	.....	55,730,000
San Francisco.....	38,140,000	39,000,000	68,940,000	9,800,000	11,500,000	2,500,000	6,300,000	3,650,000	6,500,000	186,330,000
Total.....	527,665,000	807,561,000	796,030,000	155,588,000	92,639,000	22,757,500	55,955,000	9,000,000	15,320,000	2,482,515,500

RETURNED TO COMPTROLLER FOR DESTRUCTION.

Boston.....	\$33,025,750	\$62,308,560	\$35,475,900	\$3,271,050	\$2,821,600	\$10,500	\$55,000	.....	.....	\$136,968,360
New York.....	136,830,510	238,452,730	162,511,340	31,423,200	27,449,100	384,000	2,319,000	.....	\$50,000	599,419,880
Philadelphia.....	35,990,190	56,712,110	73,402,680	6,445,800	4,026,300	4,000	54,000	.....	.....	176,635,080
Cleveland.....	21,688,015	36,364,900	61,923,480	17,755,150	2,302,100	5,500	19,000	.....	.....	140,058,145
Richmond.....	20,020,850	28,969,000	32,776,600	7,803,900	2,776,500	6,500	52,000	.....	.....	92,405,350
Atlanta.....	15,212,185	23,525,190	24,436,640	1,195,450	703,000	.....	.....	.....	.....	65,072,465
Chicago.....	56,046,620	86,963,270	83,305,940	10,351,150	2,888,300	16,500	37,000	.....	.....	239,638,780
St. Louis.....	22,317,580	30,384,220	28,176,320	2,373,600	850,700	2,500	6,000	.....	.....	84,110,920
Minneapolis.....	12,405,575	15,073,410	8,603,720	320,900	365,200	.....	3,000	.....	.....	36,771,805
Kansas City.....	20,894,145	19,204,190	17,629,540	682,200	637,500	3,000	1,000	.....	.....	59,051,575

Dallas.....	6,639,685	9,948,610	9,596,220	534,300	251,200	1,000				26,971,015
San Francisco.....	28,702,120	29,914,990	44,604,640	2,913,250	2,909,400	3,500	11,000	\$5,000		109,063,900
Total.....	409,773,225	637,851,180	582,443,020	85,069,950	47,980,900	437,000	2,557,000	5,000	50,000	1,766,167,275

IN HANDS OF FEDERAL RESERVE AGENT DEC. 31, 1919.

Boston.....	\$4,000,000	\$8,760,000	\$5,120,000	\$2,200,000	\$1,200,000	\$1,700,000	\$1,100,000	\$1,600,000	\$3,000,000	\$28,680,000
New York.....	17,000,000	4,000,000	20,000,000	10,000,000	40,000,000	5,000,000	10,000,000	4,000,000	6,000,000	116,000,000
Philadelphia.....	4,460,000	4,480,000	6,000,000	3,200,000	2,400,000	400,000	400,000			21,340,000
Cleveland.....	1,500,000	3,640,000	1,440,000	5,600,000	3,400,000	2,200,000	2,200,000	1,800,000	3,700,000	25,480,000
Richmond.....	1,660,000	3,230,000	4,000,000	1,890,000	5,140,000	1,497,500	1,150,000	1,950,000	3,880,000	24,387,500
Atlanta.....	5,580,000	12,155,000	15,800,000	4,295,000	6,470,000	190,000	425,000			44,915,000
Chicago.....	520,000	1,520,000	2,800,000	2,400,000	2,400,000					9,640,000
St. Louis.....	1,920,000	4,760,000	3,420,000	2,350,000	2,000,000	600,000	800,000	1,900,000	3,750,000	21,500,000
Minneapolis.....	1,220,000	4,330,000	960,000	280,000	400,000	170,000	200,000			7,560,000
Kansas City.....	720,000	680,000	720,000	1,890,000	780,000	300,000	700,000			5,790,000
Dallas.....	4,770,000	4,630,000	4,360,000	815,000	1,030,000	185,000	500,000			16,290,000
San Francisco.....								150,000	1,000,000	1,150,000
Total.....	43,350,000	52,185,000	64,620,000	34,910,000	65,220,000	12,242,500	17,475,000	11,400,000	21,330,000	322,732,500

RECAPITULATION.

On hand Dec. 31, 1918.....	\$46,935,000	\$72,841,000	\$69,920,000	\$39,207,000	\$70,482,000					\$299,385,000
Received from Comptroller.....	481,020,000	715,880,000	682,960,000	128,600,000	62,800,000	\$33,800,000	\$70,400,000	\$18,000,000	\$32,000,000	2,225,460,000
Returned by bank.....	452,833,225	708,876,180	690,213,020	107,760,950	72,557,900	1,637,000	5,587,000	2,405,000	4,700,000	2,046,570,275
Total.....	980,788,225	1,497,597,180	1,443,093,020	275,567,950	205,839,900	35,437,000	75,987,000	20,405,000	36,700,000	4,571,415,275
Issued to banks.....	527,665,000	807,561,000	796,030,000	155,588,000	92,639,000	22,757,500	55,955,000	9,000,000	15,320,000	2,482,515,500
Returned for destruction.....	409,773,225	637,851,180	582,443,020	85,069,950	47,980,900	437,000	2,557,000	5,000	50,000	1,766,167,275
On hand Dec. 31, 1919.....	43,350,000	52,185,000	64,620,000	34,910,000	65,220,000	12,242,500	17,475,000	11,400,000	21,330,000	322,732,500
Total.....	980,788,225	1,497,597,180	1,443,093,020	275,567,950	205,839,900	35,437,000	75,987,000	20,405,000	36,700,000	4,571,415,275

No. 7.—Federal Reserve notes issued and redeemed by each Federal Reserve Bank, by months, during the calendar year 1919.

Federal Reserve Bank.	Outstanding Jan. 1, 1919.	January.		February.		March.		April.	
		Issued.	Redeemed.	Issued.	Redeemed.	Issued.	Redeemed.	Issued.	Redeemed.
Boston.....	\$168,986,330	\$2,300,000	\$8,722,305	\$10,960,000	\$10,302,940	\$17,500,000	\$9,122,760	\$21,500,000	\$10,315,730
New York.....	819,015,835	10,100,000	61,445,365	45,300,000	40,605,375	84,900,000	66,156,010	77,600,000	52,544,400
Philadelphia.....	241,870,745	1,250,000	25,451,420	18,290,000	13,065,590	5,900,000	14,302,435	14,240,000	14,386,250
Cleveland.....	266,519,915	2,000,000	13,957,930	3,795,000	9,417,105	4,210,000	10,106,855	7,920,000	11,505,140
Richmond.....	150,997,770	7,720,000	17,251,495	4,260,000	12,864,040	10,255,000	12,119,920	11,450,000	14,138,030
Atlanta.....	123,620,285	5,715,000	14,376,845	9,550,000	9,166,860	13,965,000	10,810,365	11,115,000	12,530,030
Chicago.....	450,938,010	4,240,000	11,011,320	9,880,000	17,322,335	21,560,000	13,835,635	21,800,000	15,209,960
St. Louis.....	129,119,875	2,600,000	10,309,150	5,090,000	5,135,170	7,425,000	5,969,685	4,160,000	8,334,240
Minneapolis.....	98,724,410	800,000	7,694,160	1,350,000	3,610,765	2,310,000	3,689,155	2,450,000	3,548,740
Kansas City.....	120,317,330	2,000,000	9,420,725	1,100,000	5,039,195	1,700,000	5,328,485	2,350,000	4,288,490
Dallas.....	60,495,080	2,185,000	5,732,050	360,000	4,603,740	1,775,000	3,253,660	740,000	2,857,850
San Francisco.....	229,238,335	1,600,000	13,560,930	2,600,000	6,214,160	9,700,000	9,398,775	18,680,000	14,637,860
Total, 1919.....	2,859,843,920	42,510,000	198,933,695	112,535,000	137,347,275	181,200,000	164,093,740	194,005,000	164,302,720
Total, 1918.....	1,350,624,225	56,015,000	39,780,780	104,140,000	28,910,110	156,385,000	34,503,930	122,985,000	35,986,115

Federal Reserve Bank.	May.		June.		July.		August.		September.	
	Issued.	Redeemed.	Issued.	Redeemed.	Issued.	Redeemed.	Issued.	Redeemed.	Issued.	Redeemed.
Boston.....	\$7,700,000	\$12,655,235	\$16,500,000	\$12,343,870	\$19,820,000	\$11,235,770	\$28,700,000	\$14,732,285	27,400,000	\$10,423,930
New York.....	53,400,000	51,905,000	61,800,000	64,229,900	63,000,000	63,397,700	67,140,000	51,603,700	63,340,000	50,113,900
Philadelphia.....	20,240,000	18,793,660	17,200,000	19,743,645	17,800,000	15,389,785	21,900,000	17,157,325	19,400,000	14,884,230
Cleveland.....	7,680,000	12,283,895	5,900,000	13,876,080	14,700,000	12,562,065	30,220,000	15,301,635	23,160,000	11,578,795
Richmond.....	3,272,500	12,200,375	5,670,000	12,093,170	6,440,000	9,818,700	16,910,000	16,219,400	24,010,000	11,753,615
Atlanta.....	14,140,000	14,250,505	13,806,000	11,143,665	10,015,000	8,802,500	7,797,000	12,007,245	20,754,000	10,268,070
Chicago.....	20,400,000	19,339,680	25,720,000	25,153,205	24,520,000	21,386,550	33,360,000	26,710,210	39,240,000	22,160,650

St. Louis.....	8,270,000	10,098,500	6,240,000	6,747,585	12,810,000	8,066,045	12,800,000	8,663,425	20,000,000	10,356,903
Minneapolis.....	3,800,000	5,709,835	2,900,000	4,084,510	1,480,000	3,838,815	2,050,000	4,050,060	8,080,000	3,194,590
Kansas City.....	3,250,000	5,022,965	3,080,000	5,008,940	3,870,000	4,570,940	5,940,000	6,683,975	9,920,000	5,839,240
Dallas.....	1,975,000	3,294,510	3,490,000	2,556,160	2,715,000	2,631,495	3,815,000	2,765,810	9,385,000	2,735,575
San Francisco.....	9,240,000	11,510,785	10,080,000	9,564,630	19,460,000	17,065,675	17,360,000	12,676,660	19,800,000	9,734,875
Total, 1919.....	153,367,500	177,064,945	172,386,000	186,545,360	196,630,000	178,766,040	247,992,000	188,571,730	284,489,000	163,044,400
Total, 1918.....	135,430,000	49,850,265	161,970,000	50,937,580	216,540,000	40,975,415	247,750,000	45,056,320	341,380,000	41,778,950

Federal Reserve Bank.	October.		November.		December.		Total.		Outstanding Dec. 31, 1919.
	Issued.	Redeemed.	Issued.	Redeemed.	Issued.	Redeemed.	Issued.	Redeemed.	
Boston.....	\$15,900,000	\$15,122,195	\$22,800,000	\$14,152,220	\$34,420,000	\$10,639,120	\$225,500,000	\$139,768,360	\$254,717,970
New York.....	44,480,000	66,692,700	60,920,000	36,452,800	121,140,000	27,273,030	753,120,000	632,419,880	939,715,955
Philadelphia.....	22,300,000	14,889,320	12,500,000	10,997,135	24,640,000	10,574,285	195,660,000	189,635,080	247,895,665
Cleveland.....	13,120,000	13,700,225	19,960,000	11,731,370	30,900,000	10,262,050	163,565,000	146,283,145	283,801,770
Richmond.....	34,110,000	13,182,245	16,120,000	12,795,005	22,560,000	17,634,355	162,777,500	162,070,350	151,704,920
Atlanta.....	32,084,000	13,243,785	20,867,000	13,515,235	23,790,000	16,989,360	183,598,000	147,110,465	160,107,820
Chicago.....	37,600,000	25,923,785	30,440,000	21,858,230	55,560,000	19,887,220	324,320,000	239,798,780	535,459,230
St. Louis.....	22,900,000	7,481,860	18,530,000	7,287,985	13,200,000	9,975,345	134,025,000	98,425,920	164,718,955
Minneapolis.....	5,050,000	3,870,295	3,570,000	3,723,150	6,150,000	3,257,730	39,990,000	50,271,805	88,442,605
Kansas City.....	5,430,000	5,487,190	11,240,000	6,160,310	8,020,000	4,811,120	57,900,000	67,661,575	110,555,755
Dallas.....	9,525,000	1,989,540	11,065,000	2,670,815	8,700,000	2,489,810	55,730,000	37,581,015	78,644,065
San Francisco.....	21,280,000	9,703,450	28,150,000	10,127,255	28,400,000	11,348,845	186,330,000	135,543,900	286,024,435
Total, 1919.....	263,759,000	191,286,590	256,162,000	151,471,510	377,480,000	145,142,270	2,482,515,500	2,046,570,275	3,295,789,145
Total, 1918.....	209,285,000	28,986,905	119,870,000	48,982,635	223,945,000	140,726,300	2,095,695,000	586,475,305	2,859,843,920

No. 8.—Federal Reserve notes issued and redeemed, by denominations, during the calendar year 1919.

	Outstanding Jan. 1, 1919.	Issued.	Redeemed.	Outstanding Dec. 31, 1919.
\$5.....	\$440,840,850	\$527,665,000	\$452,832,225	\$515,673,625
\$10.....	870,561,950	807,561,000	708,872,180	969,250,770
\$20.....	1,114,942,220	796,030,000	690,220,020	1,220,752,200
\$50.....	210,444,900	155,588,000	107,758,450	258,274,450
\$100.....	215,054,000	92,639,000	72,558,400	235,134,600
\$500.....		22,757,500	1,637,000	21,120,500
\$1,000.....	8,000,000	55,955,000	5,587,000	58,368,000
\$5,000.....		9,000,000	2,405,000	6,595,000
\$10,000.....		15,320,000	4,700,000	10,620,000
Total.....	2,859,843,920	2,482,515,500	2,046,570,275	3,295,789,145



**No. 9.**—*Total cost of Federal Reserve notes, including paper, preparing plates, and printing, but exclusive of shipping charges, for the calendar year 1919.*

Boston.....	\$249,740.82
New York.....	560,529.57
Philadelphia.....	181,403.08
Cleveland.....	117,477.71
Richmond.....	103,171.11
Atlanta.....	129,998.75
Chicago.....	340,059.72
St. Louis.....	147,782.40
Minneapolis.....	52,778.14
Kansas City.....	105,341.50
Dallas.....	75,430.60
San Francisco.....	136,133.97
Total.....	<u>2,199,847.37</u>

No. 10.—Federal Reserve agents' accounts at close of business Dec. 31, 1919.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.
<b>RESOURCES.</b>						
Federal Reserve notes on hand.....	\$28,680,000.00	\$116,000,000.00	\$21,340,000.00	\$25,480,000.00	\$24,387,500.00	\$44,915,000.00
Federal Reserve notes outstanding.....	254,717,970.00	939,715,955.00	247,895,665.00	283,801,770.00	151,704,920.00	160,107,820.00
Collateral security for Federal Reserve notes outstanding:						
Gold and gold certificates.....		183,740,280.00		37,025,000.00		2,500,000.00
Gold redemption fund.....	13,510,970.00	13,015,935.00	14,558,905.00	16,769,225.00	1,998,970.00	3,003,220.00
Gold settlement fund—Federal Reserve Board.....	60,000,000.00	110,000,000.00	74,389,260.00	75,000,000.00	38,000,000.00	58,000,000.00
Eligible paper—						
Amount required.....	181,207,000.00	632,959,740.00	158,947,500.00	155,007,545.00	111,705,950.00	96,604,600.00
Excess amount held.....	25,480,726.26	358,584,450.09	6,244,517.51	55,726,284.97	3,302,277.05	12,740,067.98
Total.....	563,596,666.26	2,354,016,360.09	523,375,847.51	648,809,824.97	331,189,617.05	377,870,707.98
<b>LIABILITIES.</b>						
Federal Reserve notes received from comptroller—gross.....	476,300,000.00	2,001,000,000.00	510,780,000.00	484,320,000.00	305,860,000.00	298,000,000.00
Less amounts returned for destruction.....	192,902,030.00	945,284,045.00	241,544,335.00	175,038,230.00	129,767,580.00	92,977,180.00
Net amount of Federal Reserve notes received from Comptroller of the Currency.....	283,397,970.00	1,055,715,955.00	269,235,665.00	309,281,770.00	176,092,420.00	205,022,820.00
Collateral received from Federal Reserve Bank:						
Gold.....	73,510,970.00	306,756,215.00	88,948,165.00	128,794,225.00	39,998,970.00	63,503,220.00
Eligible paper.....	206,687,726.26	991,544,190.09	165,192,017.51	210,733,829.97	115,098,227.05	109,344,667.98
Total.....	563,596,666.26	2,354,016,360.09	523,375,847.51	648,809,824.97	331,189,617.05	377,870,707.98

	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
<b>RESOURCES.</b>							
Federal Reserve notes on hand.....	\$9,640,000.00	\$21,500,000.00	\$7,560,000.00	\$5,790,000.00	\$16,290,000.00	\$1,150,000.00	\$322,732,500.00
Federal Reserve notes outstanding.....	535,459,230.00	164,718,955.00	88,442,605.00	110,555,755.00	78,644,065.00	280,024,435.00	3,295,789,145.00
Collateral security for Federal Reserve notes outstanding:							
Gold and gold certificates.....		4,000,000.00	13,052,000.00		8,831,000.00		249,148,280.00
Gold redemption fund.....	8,459,730.00	3,694,115.00	2,994,605.00	2,048,970.00	4,229,580.00	18,831,935.00	103,116,160.00
Gold settlement fund—Federal Reserve Board.....	235,144,500.00	53,930,600.00	19,800,000.00	37,360,000.00	14,484,000.00	110,218,500.00	886,326,860.00
Eligible paper—							
Amount required.....	291,855,000.00	103,094,240.00	52,596,000.00	71,146,785.00	51,099,485.00	150,974,000.00	2,057,197,845.00
Excess amount held.....	87,480,182.28	7,263,830.82	21,564,777.53	40,873,559.86	13,012,559.59	12,924,308.13	645,287,542.07
Total.....	1,168,038,642.28	358,201,740.82	206,009,987.53	267,775,069.86	186,590,689.59	574,123,178.13	7,559,598,332.07
<b>LIABILITIES.</b>							
Federal Reserve notes received from comptroller—gross.....	834,720,000.00	299,600,000.00	152,080,000.00	203,260,000.00	143,700,000.00	409,920,000.00	6,119,540,000.00
Less amounts returned for destruction.....	289,620,770.00	113,381,045.00	56,077,395.00	86,914,245.00	48,765,935.00	128,745,565.00	2,501,018,355.00
Net amount of Federal Reserve notes received from Comptroller of the Currency.....	545,099,230.00	186,218,955.00	96,002,605.00	116,345,755.00	94,934,065.00	281,174,435.00	3,618,521,645.00
Collateral received from Federal Reserve Bank:							
Gold.....	243,604,230.00	61,624,715.00	35,846,605.00	39,408,970.00	27,544,580.00	129,050,435.00	1,238,591,300.00
Eligible paper.....	379,335,182.28	110,358,070.82	74,160,777.53	112,029,344.86	64,112,044.59	163,898,308.13	2,702,485,387.07
Total.....	1,168,038,642.28	358,201,740.82	206,009,987.53	267,775,069.86	186,590,689.59	574,123,178.13	7,559,598,332.07

**No. 11.**—Amounts of Federal Reserve notes received from and returned to other Federal Reserve Banks for redemption or credit during the calendar year 1919 and totals for 1918 and 1917.

	Boston.		New York.		Philadelphia.		Cleveland.		Richmond.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....			\$59,860,250	\$33,280,800	\$4,370,700	\$3,382,000	\$4,528,700	\$1,655,100	\$4,367,850	\$2,250,250
New York.....	\$45,236,150	\$59,738,000			47,221,750	59,800,500	35,792,100	21,783,650	31,924,350	22,233,250
Philadelphia.....	4,247,000	6,872,600	59,310,500	54,441,950			11,133,500	9,567,500	9,899,870	13,156,250
Cleveland.....	2,325,250	4,427,450	22,815,150	24,882,550	10,451,000	8,798,000			6,876,600	9,627,500
Richmond.....	2,237,750	4,392,150	22,394,000	24,859,000	7,180,750	7,897,500	9,771,000	5,728,850		
Atlanta.....	1,607,830	2,470,650	12,802,160	14,603,700	1,874,200	3,510,500	4,605,380	3,060,400	6,217,370	8,539,250
Chicago.....	3,681,000	6,369,450	28,788,500	29,202,250	3,906,900	5,633,000	19,028,500	16,439,300	5,425,000	8,955,500
St. Louis.....	1,073,035	1,219,550	9,962,820	5,983,050	1,123,805	1,477,000	6,225,265	1,703,850	2,662,005	2,597,000
Minneapolis.....	420,000	1,378,050	3,414,000	4,091,350	395,000	1,068,500	1,099,000	1,515,550	524,000	2,027,750
Kansas City.....	522,400	1,621,300	4,883,200	5,489,350	571,100	1,452,500	1,716,200	1,762,250	1,001,200	2,146,000
Dallas.....	306,605	509,100	3,178,600	2,522,950	392,800	512,500	894,700	480,600	575,250	757,500
San Francisco.....	1,062,445	1,294,600	8,018,610	11,028,250	811,880	993,050	1,881,210	866,850	1,332,320	620,750
Total: 1919.....	62,719,465	90,292,900	235,407,790	210,385,200	78,299,885	94,525,050	96,675,555	64,563,900	70,805,815	72,911,000
1918.....	21,660,305	37,931,700	118,050,470	118,629,200	39,531,305	62,354,660	40,366,135	21,249,450	31,113,635	26,603,050
1917.....	4,278,835	12,012,900	29,997,052	24,799,975	8,066,790	14,960,902	5,175,740	2,534,070	6,450,175	2,080,430

	Atlanta.		Chicago.		St. Louis.		Minneapolis.		Kansas City.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$2,439,250	\$1,584,360	\$6,311,850	\$3,903,000	\$1,207,350	\$1,098,565	\$1,405,650	\$451,000	\$1,618,950	\$522,400
New York.....	18,361,150	14,014,420	40,400,150	28,930,000	7,747,100	10,234,335	5,693,250	3,376,000	7,450,700	4,908,700
Philadelphia.....	3,617,500	2,770,980	6,951,510	6,150,000	1,526,500	2,037,755	1,124,500	556,500	1,504,000	858,200
Cleveland.....	3,434,950	4,948,010	19,259,550	19,071,000	1,993,200	6,237,965	1,804,550	1,104,500	2,080,850	1,721,200
Richmond.....	8,699,750	6,271,540	8,873,310	5,490,500	2,582,000	2,705,855	2,089,250	524,000	2,148,500	1,019,500

Atlanta.....			6,792,795	6,340,000	8,802,075	9,518,855	1,017,730	550,000	2,040,725	1,617,500
Chicago.....	6,145,500	6,975,840			13,102,000	25,107,085	18,446,500	15,714,000	14,637,000	10,335,250
St. Louis.....	9,271,360	9,506,250	25,007,785	13,137,000			1,873,305	950,000	9,053,925	8,200,400
Minneapolis.....	571,500	1,063,500	15,834,500	18,418,000	953,500	1,871,705			2,518,000	2,402,050
Kansas City.....	1,677,400	2,381,450	10,335,250	14,621,500	8,200,400	9,093,880	2,402,050	2,510,000		
Dallas.....	2,820,850	4,139,000	2,310,850	3,270,000	2,805,705	5,495,840	392,700	378,500	3,208,750	4,015,150
San Francisco.....	1,357,935	965,310	7,900,180	10,269,500	1,550,095	2,157,445	3,377,150	3,589,000	5,345,740	4,201,550
Total: 1919.....	58,397,145	54,620,660	149,977,730	129,605,500	50,469,925	75,559,285	39,606,635	29,703,500	51,607,140	39,801,900
1918.....	21,107,515	20,438,925	49,708,155	51,456,600	15,019,535	37,557,760	14,296,105	9,115,300	33,604,360	6,320,605
1917.....	6,210,710	4,650,150	5,129,265	15,268,500	3,344,960	7,979,770	5,537,985	1,351,000	7,783,185	1,118,755

	Dallas.		San Francisco.		Total, 1919.		Total, 1918.		Total, 1917.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$494,200	\$356,800	\$1,277,800	\$1,075,745	\$87,882,550	\$49,565,020	\$38,274,400	\$22,594,955	\$11,941,700	\$4,219,425
New York.....	3,581,350	3,092,900	14,769,350	8,018,955	258,177,400	236,130,710	112,964,740	114,610,170	25,374,715	30,324,987
Philadelphia.....	548,000	509,000	1,044,500	1,280,495	100,907,380	98,201,230	64,559,000	47,705,480	14,515,907	8,010,485
Cleveland.....	606,700	811,300	1,044,950	1,866,410	72,692,750	83,495,885	20,926,210	39,974,500	2,528,325	4,999,655
Richmond.....	734,750	595,700	635,250	1,356,250	67,326,310	60,840,845	24,063,090	31,546,690	2,070,680	6,392,235
Atlanta.....	3,857,150	2,824,450	940,855	1,346,100	50,558,270	54,381,405	20,947,940	21,385,120	4,654,345	6,117,975
Chicago.....	3,229,500	2,112,950	10,172,000	7,783,965	126,542,400	134,628,590	53,422,845	48,857,010	15,079,650	5,006,115
St. Louis.....	5,458,235	2,738,850	2,128,495	1,529,745	73,840,035	49,042,695	38,591,215	15,431,645	8,022,765	3,418,680
Minneapolis.....	339,000	415,350	3,921,000	3,592,310	29,989,500	37,844,115	9,435,930	13,906,250	1,327,000	5,508,090
Kansas City.....	3,945,150	2,973,800	4,175,550	5,389,250	39,429,900	49,441,280	5,525,100	25,886,340	1,110,855	7,895,375
Dallas.....			2,280,850	2,027,590	19,167,660	24,108,730	14,782,020	11,614,220	3,536,050	5,760,020
San Francisco.....	1,971,060	1,742,500			34,608,625	37,728,805	7,631,520	15,094,765	1,933,625	4,456,440
Total: 1919.....	24,765,095	18,173,660	42,390,600	35,266,815	961,122,780	915,409,310				
1918.....	11,038,945	11,855,210	15,582,545	5,094,685			411,124,010	408,607,145		
1917.....	5,765,280	3,506,950	4,355,640	1,843,080					92,095,817	92,109,482

**No. 12.**—Federal Reserve bank notes, by denominations, printed, issued by the Comptroller of the Currency since organization of banks, and on hand Dec. 31, 1919.

Bank.	Ones.	Twos.	Fives.	Tens.	Twenties.	Fifties.	Total.
<b>Boston:</b>							
Printed.....	\$18,380,000	\$11,104,000	\$2,200,000				\$31,684,000
Issued.....	17,096,000	8,184,000	2,180,000				27,460,000
On hand.....	1,284,000	2,920,000	20,000				4,224,000
<b>New York:</b>							
Printed.....	61,712,000	16,120,000	32,000,000	\$2,000,000			114,832,000
Issued.....	51,604,000	13,928,000	13,840,000	1,440,000			80,812,000
On hand.....	13,108,000	2,192,000	18,160,000	560,000			34,020,000
<b>Philadelphia:</b>							
Printed.....	26,032,000	6,056,000	8,320,000	440,000	\$240,000		41,088,000
Issued.....	25,940,000	5,856,000	7,000,000				38,796,000
On hand.....	92,000	200,000	1,320,000	440,000	240,000		2,292,000
<b>Cleveland:</b>							
Printed.....	18,508,000	5,000,000	9,000,000	2,000,000	2,000,000		36,508,000
Issued.....	18,456,000	4,808,000	5,440,000				28,704,000
On hand.....	52,000	192,000	3,560,000	2,000,000	2,000,000		7,804,000
<b>Richmond:</b>							
Printed.....	12,096,000	2,880,000	3,500,000	400,000	400,000		19,276,000
Issued.....	12,040,000	1,914,000					13,984,000
On hand.....	56,000	936,000	3,500,000	400,000	400,000		5,292,000

<b>Atlanta:</b>							
Printed.....	14,780,000	2,336,000	4,640,000	480,000	480,000	400,000	23,116,000
Issued.....	14,488,000	2,112,000	2,240,000	360,000	160,000		19,360,000
On hand.....	292,000	224,000	2,400,000	120,000	320,000	400,000	3,756,000
<b>Chicago:</b>							
Printed.....	32,516,000	9,080,000	16,600,000	3,800,000	1,600,000		63,596,000
Issued.....	32,456,000	8,064,000	7,820,000	2,760,000	1,600,000		52,700,000
On hand.....	60,000	1,016,000	8,780,000	1,040,000			10,896,000
<b>St. Louis:</b>							
Printed.....	14,300,000	3,640,000	5,000,000	1,000,000	480,000	200,000	24,620,000
Issued.....	13,744,000	2,736,000	4,980,000	1,000,000	400,000		22,860,000
On hand.....	556,000	904,000	20,000		80,000	200,000	1,760,000
<b>Minneapolis:</b>							
Printed.....	9,292,000	1,752,000	4,820,000	2,680,000			18,544,000
Issued.....	7,532,000	1,688,000	920,000				10,140,000
On hand.....	1,760,000	64,000	3,900,000	2,680,000			8,404,000
<b>Kansas City:</b>							
Printed.....	9,996,000	2,504,000	12,360,000	5,040,000	3,600,000		33,500,000
Issued.....	9,548,000	2,048,000	11,140,000	5,040,000	3,600,000		31,376,000
On hand.....	448,000	456,000	1,220,000				2,124,000

No. 12.—Federal Reserve bank notes, by denominations, printed, issued by the Comptroller of the Currency since organization of banks, and on hand Dec. 31, 1919—Continued.

Bank.	Ones.	Twos.	Fives.	Tens.	Twenties.	Fifties.	Total.
Dallas:							
Printed.....	\$8,076,000	\$2,168,000	\$4,140,000	\$2,400,000	\$2,000,000		\$18,784,000
Issued.....	7,808,000	1,416,000	2,000,000	1,960,000	1,760,000		14,944,000
On hand.....	268,000	752,000	2,140,000	440,000	240,000		3,840,000
San Francisco:							
Printed.....	14,280,000	3,544,000	7,660,000	1,960,000	1,360,000		28,804,000
Issued.....	9,804,000	2,736,000	4,280,000				16,820,000
On hand.....	4,476,000	808,000	3,380,000	1,960,000	1,360,000		11,984,000
RECAPITULATION.							
Total printed.....	242,968,000	66,184,000	110,240,000	22,200,000	12,160,000	\$600,000	454,352,000
Total issued.....	220,516,000	55,520,000	61,840,000	12,560,000	7,520,000		357,956,000
Total on hand.....	22,452,000	10,664,000	48,400,000	9,640,000	4,640,000	600,000	96,396,000



No. 13.—Total amount of Federal Reserve bank notes issued to Federal Reserve Banks, also amounts redeemed and outstanding, Dec. 31, 1919.

Bank.	Ones.	Twos.	Fives.	Tens.	Twenties.	Fifties.	Total.
<b>Boston:</b>							
Issued.....	\$17,096,000	\$8,184,000	\$2,180,000				\$27,460,000
Redeemed.....	3,751,472	1,357,728	1,002,800				6,112,000
Outstanding.....	13,344,528	6,826,272	1,177,200				21,348,000
<b>New York:</b>							
Issued.....	51,604,000	13,928,000	13,840,000	\$1,440,000			80,812,000
Redeemed.....	9,299,408	2,883,342	9,134,150	755,100			22,072,000
Outstanding.....	42,304,592	11,044,658	4,705,850	684,900			58,740,000
<b>Philadelphia:</b>							
Issued.....	25,940,000	5,856,000	7,000,000				38,796,000
Redeemed.....	3,878,228	659,622	4,010,150				8,548,000
Outstanding.....	22,061,772	5,196,378	2,989,850				30,248,000
<b>Cleveland:</b>							
Issued.....	18,456,000	4,808,000	5,440,000				28,704,000
Redeemed.....	1,921,370	466,630	3,181,000				5,569,000
Outstanding.....	16,534,630	4,341,370	2,259,000				23,135,000
<b>Richmond:</b>							
Issued.....	12,040,000	1,944,000					13,984,000
Redeemed.....	1,532,510	211,490					1,744,000
Outstanding.....	10,507,490	1,732,510					12,240,000

**No. 13.**—Total amount of Federal Reserve bank notes issued to Federal Reserve Banks, also amounts redeemed and outstanding, Dec. 31, 1919—Con.

Bank.	Ones.	Twos.	Fives.	Tens.	Twenties.	Fifties.	Total.
<b>Atlanta:</b>							
Issued.....	\$14,488,000	\$2,112,000	\$2,240,000	\$360,000	\$160,000		\$19,360,000
Redeemed.....	1,878,380	201,620	1,398,400				3,538,400
Outstanding.....	12,609,620	1,850,380	841,600	360,000	160,000		15,821,600
<b>Chicago:</b>							
Issued.....	32,456,000	8,064,000	7,820,000	2,760,000	1,600,000		52,700,000
Redeemed.....	4,504,290	875,710	3,718,940	1,293,780	209,480		10,602,200
Outstanding.....	27,951,710	7,188,290	4,101,060	1,466,220	1,390,520		42,097,800
<b>St. Louis:</b>							
Issued.....	13,744,000	2,736,000	4,980,000	1,000,000	400,000		22,860,000
Redeemed.....	2,327,848	570,302	2,422,650	519,200			5,840,000
Outstanding.....	11,416,152	2,165,698	2,557,350	480,800	400,000		17,020,000
<b>Minneapolis:</b>							
Issued.....	7,532,000	1,688,000	920,000				10,140,000
Redeemed.....	999,490	291,010	461,500				1,752,000
Outstanding.....	6,532,510	1,396,990	458,500				8,388,000
<b>Kansas City:</b>							
Issued.....	9,548,000	2,048,000	11,140,000	5,040,000	3,600,000		31,376,000
Redeemed.....	1,514,200	301,800	4,295,630	3,374,830	1,689,540		11,176,000
Outstanding.....	8,033,800	1,746,200	6,844,370	1,665,170	1,910,460		20,200,000

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Dallas:							
Issued.....	7,808,000	1,416,000	2,000,000	1,960,000	1,760,000	.....	14,944,000
Redeemed.....	845,780	226,220	943,370	1,102,290	861,940	.....	3,979,600
Outstanding.....	6,962,220	1,189,780	1,056,630	857,710	898,060	.....	10,964,400
San Francisco:							
Issued.....	9,804,000	2,736,000	4,280,000	.....	.....	.....	16,820,000
Redeemed.....	1,185,588	358,162	2,028,250	.....	.....	.....	3,572,000
Outstanding.....	8,618,412	2,377,838	2,251,750	.....	.....	.....	13,248,000
RECAPITULATION.							
Total issued.....	220,516,000	55,520,000	61,840,000	12,560,000	7,520,000	.....	357,956,000
Total redeemed <sup>1</sup> .....	33,638,564	8,463,636	32,596,840	7,045,200	2,760,960	.....	84,505,200
Total outstanding.....	186,877,436	47,056,364	29,243,160	5,514,800	4,759,040	.....	273,450,800

<sup>1</sup> Exclusive of \$4,328,000 received for destruction but not assorted by denominations.

No. 14.—*Currency receipts and shipments of each Federal Reserve Bank, by months, during the calendar year 1919.*

Month.	Boston.		New York.		Philadelphia.		Cleveland.		Richmond.		Atlanta.	
	Receipts.	Shipments.	Receipts.	Shipments.	Receipts.	Shipments.	Receipts.	Shipments.	Receipts.	Shipments.	Receipts.	Shipments.
January.....	\$47,000,000	\$17,172,800	\$173,022,018	\$84,177,000	\$47,191,945	\$18,370,300	\$47,863,327	\$16,629,866	\$24,463,225	\$8,019,600	\$22,046,434	\$6,478,050
February.....	28,280,000	26,440,000	90,711,068	97,106,000	32,030,619	25,761,150	22,812,524	26,415,774	13,560,105	10,004,996	12,266,576	7,802,525
March.....	33,842,000	26,579,000	94,967,955	139,214,000	28,172,620	25,565,400	24,350,299	22,259,917	13,295,267	9,452,347	16,273,899	9,579,600
April.....	40,293,000	27,674,000	121,521,898	128,419,000	39,959,215	27,421,050	27,562,003	24,625,774	15,936,101	8,408,193	17,522,876	8,842,550
May.....	47,230,000	17,761,625	137,293,989	137,036,000	40,681,745	27,192,000	32,194,425	19,313,854	15,117,504	9,266,502	20,081,941	10,756,969
June.....	41,927,000	31,536,000	142,255,416	204,635,000	37,295,680	26,538,600	31,149,143	21,191,348	13,213,401	9,603,695	16,758,229	9,984,660
July.....	47,230,000	37,408,000	156,222,645	195,979,000	38,394,924	32,617,025	36,798,066	29,193,882	13,672,641	11,223,655	20,410,755	9,291,960
August.....	38,688,000	38,885,000	135,234,802	157,341,000	33,425,219	36,287,240	25,940,074	40,329,582	10,359,626	14,505,900	17,350,369	13,627,593
September.....	39,525,000	37,980,000	139,255,009	138,395,000	36,468,581	34,991,090	28,415,754	40,159,578	8,528,287	22,760,610	13,440,796	23,765,016
October.....	53,832,000	41,164,000	157,523,946	150,323,000	37,026,356	41,637,000	35,668,486	34,733,156	11,181,903	34,882,479	16,936,221	32,814,774
November.....	36,890,000	39,076,000	127,139,007	170,904,000	30,064,643	43,312,472	27,879,607	36,242,091	12,350,608	17,688,320	17,623,546	20,082,141
December.....	51,056,000	60,664,000	179,009,046	230,942,000	43,763,463	49,575,732	42,662,296	51,028,532	17,599,750	21,504,290	28,653,391	22,427,375
Total.....	505,853,000	402,340,425	1,654,156,799	1,834,471,000	444,475,010	389,269,059	383,296,004	362,123,354	169,276,418	177,320,587	219,365,033	175,453,213

Month.	Chicago.		St. Louis.		Minneapolis.		Kansas City.		Dallas.		San Francisco.		Total.	
	Receipts.	Shipments.	Receipts.	Shipments.	Receipts.	Shipments.	Receipts.	Shipments.	Receipts.	Shipments.	Receipts.	Shipments.	Receipts.	Shipments.
January.....	\$70,026,304	\$24,125,274	\$28,205,817	\$5,975,505	\$6,992,573	\$1,833,910	\$11,693,026	\$2,314,563	\$11,710,299	\$2,104,108	\$30,290,657	\$7,855,270	\$520,505,625	\$195,056,246
February.....	29,798,731	36,352,010	16,233,817	9,434,975	3,144,993	2,885,020	7,682,068	4,757,611	6,876,183	3,556,432	15,783,076	9,817,300	279,179,760	260,333,793
March.....	34,679,881	42,705,348	13,621,616	11,102,060	3,043,424	3,606,755	7,960,790	6,367,226	5,343,083	4,712,700	15,050,793	11,248,088	295,601,627	312,392,441
April.....	44,528,303	43,008,564	24,215,531	8,489,470	4,878,647	3,269,227	8,288,225	5,450,230	5,482,689	4,343,472	14,303,083	15,311,625	364,491,571	305,263,155
May.....	56,342,781	38,658,687	22,762,239	12,065,088	6,898,862	2,341,980	10,997,385	6,188,085	4,975,116	4,581,155	18,288,574	14,095,975	412,864,561	299,257,920
June.....	54,307,036	41,723,003	24,163,503	11,307,794	4,902,963	3,357,280	11,542,070	6,269,993	3,578,568	7,182,435	16,747,331	14,940,506	397,900,340	388,270,314
July.....	64,181,283	49,328,576	26,441,329	13,774,305	6,588,758	2,889,635	13,474,045	9,172,601	5,952,929	6,505,384	22,918,132	15,715,445	452,285,507	413,099,468
August.....	45,640,361	66,852,899	21,066,539	18,527,654	4,306,731	3,773,300	10,843,909	11,808,110	4,775,854	7,147,391	15,067,142	21,266,165	362,698,626	430,351,834
September.....	51,399,991	49,093,997	23,372,992	23,827,274	3,361,536	8,226,550	11,764,731	13,483,933	4,933,440	14,096,340	16,298,689	23,325,043	376,762,806	430,104,431
October.....	64,344,690	68,545,197	26,258,479	32,870,931	4,854,718	7,010,146	14,123,099	10,729,309	6,327,253	14,804,005	19,907,681	21,602,635	447,984,832	491,116,632
November.....	56,150,431	62,872,099	24,654,489	29,541,084	4,257,845	5,949,470	10,270,138	12,935,188	5,116,973	13,470,784	15,618,219	29,848,445	368,015,506	481,922,094
December.....	76,702,077	90,922,456	32,741,115	28,531,008	4,116,039	7,682,977	14,594,798	13,690,725	10,715,869	12,214,053	24,820,307	30,554,665	526,434,151	619,737,813
Total.....	648,101,869	614,188,110	288,737,466	205,447,148	57,347,089	52,826,250	133,234,284	103,167,574	75,788,256	94,718,259	225,093,684	215,581,162	4,804,724,912	4,626,906,141

No. 15.—*Currency receipts from and shipments to member and nonmember banks during calendar year 1919.*

Federal Reserve Bank or branch.	Receipts.			Shipments.			Excess.	
	From member banks.	From non-member banks.	Total.	To member banks.	To non-member banks.	Total.	Receipts.	Shipments.
Boston.....	\$462,144,094	\$43,708,906	\$505,853,000	\$401,317,115	\$1,023,310	\$402,340,425	\$103,512,575	.....
New York.....	1,412,385,204	193,401,002	1,605,786,206	1,727,348,000	48,452,000	1,775,800,000	.....	\$170,013,794
Buffalo.....	37,766,879	10,603,714	48,370,593	46,099,000	12,572,000	58,671,000	.....	10,300,407
Philadelphia.....	430,627,999	13,847,011	444,475,010	389,045,559	223,500	389,269,059	55,205,951	.....
Cleveland.....	111,189,308	2,886,821	114,076,129	102,945,982	1,920,671	104,866,653	9,209,476	.....
Cincinnati.....	78,580,061	504,910	79,084,971	54,924,164	554,310	55,478,474	23,606,497	.....
Pittsburgh.....	187,865,880	2,269,024	190,134,904	200,867,129	911,098	201,778,227	.....	11,643,323
Richmond.....	76,561,225	559,356	77,120,581	110,017,324	213,079	110,230,403	.....	33,109,822
Baltimore.....	91,712,231	443,606	92,155,837	66,958,584	131,600	67,090,184	25,065,653	.....
Atlanta.....	89,565,811	1,033,547	90,599,358	61,116,037	42,000	61,158,037	29,441,321	.....
Birmingham.....	27,532,218	1,268,453	28,800,671	26,014,993	.....	26,014,993	2,785,678	.....
Jacksonville.....	22,151,621	405,881	22,557,502	24,514,362	18,000	24,532,362	.....	1,974,860
Nashville.....	4,399,982	.....	4,399,982	3,817,000	.....	3,817,000	582,982	.....
New Orleans.....	64,657,170	173,050	64,830,220	50,609,221	155,000	50,764,221	14,065,999	.....
Savannah (agency).....	8,177,300	.....	8,177,300	9,166,600	.....	9,166,600	.....	989,300
Chicago.....	478,267,198	6,638,672	484,905,870	429,860,144	5,079,023	434,739,167	50,166,703	.....
Detroit.....	163,131,052	64,947	163,195,999	179,445,443	3,500	179,448,943	.....	16,252,944
St. Louis.....	181,178,675	12,132,962	193,311,637	116,986,993	2,521,452	119,508,445	73,803,192	.....
Little Rock.....	16,568,320	385,106	16,953,426	14,065,411	294,500	14,359,911	2,593,515	.....
Louisville.....	43,320,876	63,530	43,384,406	24,316,042	88,350	24,404,392	18,980,014	.....
Memphis.....	32,129,988	2,958,009	35,087,997	46,938,100	236,300	47,174,400	.....	12,086,403
Minneapolis.....	56,863,140	483,949	57,347,089	52,451,150	375,100	52,826,250	4,520,839	.....
Kansas City.....	91,529,638	764,305	92,293,943	66,628,724	501,034	67,129,758	25,164,185	.....
Denver.....	23,724,550	17,329	23,741,879	14,046,230	187,400	14,233,630	9,508,249	.....
Omaha.....	17,178,132	20,330	17,198,462	21,786,346	17,840	21,804,186	.....	4,605,724

Dallas.....	52,931,363	1,102,983	54,034,346	66,448,740	345,765	66,794,505	.....	12,760,159
El Paso.....	12,364,589	1,185,039	13,549,628	11,846,224	1,957,800	13,804,024	.....	254,396
Houston.....	7,284,534	919,748	8,204,282	11,850,030	2,269,700	14,119,730	.....	5,915,448
San Francisco.....	136,774,081	13,286,307	150,060,388	135,263,610	7,687,331	142,950,941	7,109,447	.....
Portland.....	19,452,705	87,368	19,540,073	24,080,456	178,900	24,259,356	.....	4,719,283
Salt Lake City.....	13,109,751	84,795	13,194,546	8,144,250	2,230,150	10,374,400	2,820,146	.....
Seattle.....	34,549,588	951,723	35,501,311	26,390,900	3,287,465	29,678,365	5,822,946	.....
Spokane.....	6,704,213	93,153	6,797,366	7,990,500	327,600	8,318,100	.....	1,520,734
Total.....	4,492,379,376	312,345,536	4,804,724,912	4,533,100,363	93,805,778	4,626,906,141	177,818,771	.....

## Exhibit C.—STATEMENTS OF CONDITION OF FEDERAL RESERVE BANKS.

**No. 16.**—Combined resources and liabilities of all Federal Reserve Banks as at close of business on the last Friday of each month during the calendar year 1919.

### RESOURCES.

[In thousands of dollars.]

	Jan. 31.	Feb. 28.	Mar. 28.	Apr. 25.	May 29.	June 27.	July 25.	Aug. 29.	Sept. 26.	Oct. 31.	Nov. 28.	Dec. 26.
Gold and gold certificates.....	338,916	345,762	326,791	340,022	346,618	314,135	270,601	244,231	239,168	254,027	235,348	229,445
Gold settlement fund, Federal Reserve Board.....	422,686	463,484	563,577	605,809	586,742	597,046	591,532	563,640	502,506	444,126	440,286	352,785
Gold with foreign agencies.....	5,828	5,829	5,829						79,370	129,923	135,696	134,320
Total gold held by banks.....	767,430	815,075	896,179	945,831	933,360	911,181	862,133	807,871	821,044	828,076	811,330	716,550
Gold with Federal Reserve agents.....	1,253,330	1,187,760	1,113,070	1,109,949	1,131,725	1,113,824	1,108,051	1,142,589	1,196,325	1,205,576	1,148,724	1,240,032
Gold redemption fund.....	91,346	120,163	133,038	113,436	122,658	122,779	124,967	116,328	100,485	104,348	133,587	121,850
Total gold reserves.....	2,112,106	2,122,998	2,142,305	2,169,216	2,187,743	2,147,784	2,095,151	2,066,788	2,117,854	2,138,000	2,093,641	2,078,432
Legal-tender notes, silver, etc.....	67,540	65,725	68,219	70,936	67,363	68,472	65,872	69,188	69,651	67,592	66,025	57,104
Total reserves.....	2,179,646	2,188,723	2,210,524	2,240,152	2,255,106	2,216,256	2,161,023	2,135,976	2,187,505	2,205,592	2,159,666	2,135,536
Bills discounted:												
Secured by Government war obligations*.....	1,357,571	1,667,965	1,691,010	1,760,672	1,802,893	1,573,483	1,616,210	1,609,296	1,572,503	1,681,082	1,736,033	1,510,364
All other.....	243,557	211,855	195,230	189,740	186,499	244,557	251,392	205,838	309,779	447,465	478,176	684,514
Bills bought in open market.....	281,293	276,919	248,107	185,822	183,650	304,558	375,556	363,138	342,491	394,355	495,595	585,212
Total bills on hand.....	1,882,421	2,156,739	2,134,347	2,136,234	2,173,042	2,122,598	2,243,158	2,178,272	2,224,773	2,522,902	2,709,804	2,780,090
United States Government bonds.....	28,252	27,094	27,138	27,135	27,131	27,130	27,086	27,096	27,097	26,845	26,848	26,834
United States Victory notes.....					83	335	286	198	137	84	57	64
United States certificates of indebtedness.....	266,532	155,688	173,797	191,501	201,800	204,104	212,028	243,411	251,081	274,325	288,032	273,507
All other earning assets.....	4	4	3									
Total earning assets.....	2,177,209	2,339,525	2,335,285	2,354,870	2,402,056	2,354,167	2,482,558	2,448,977	2,503,088	2,824,156	3,024,741	3,080,495



Bank premises.....	8,648	9,713	9,712	10,574	10,986	11,257	11,784	12,796	13,146	13,357	12,878	13,002
Gold in transit or in custody in foreign countries.....								107,119	30,246	19,242		
Uncollected items and other deductions from gross deposits.....	691,454	653,465	660,066	630,614	634,639	686,063	690,495	709,394	827,404	855,795	1,013,426	1,075,100
5 per cent redemption fund against Federal Reserve bank notes.....	6,767	6,813	7,067	8,176	8,963	9,714	10,613	11,580	11,508	13,333	12,671	13,237
All other resources.....	11,631	8,497	7,274	8,301	10,035	10,551	9,898	9,995	8,998	7,869	6,659	8,062
<b>Total resources.....</b>	<b>5,075,355</b>	<b>5,206,736</b>	<b>5,229,928</b>	<b>5,252,687</b>	<b>5,321,785</b>	<b>5,288,008</b>	<b>5,366,371</b>	<b>5,435,837</b>	<b>5,631,890</b>	<b>5,939,344</b>	<b>6,230,041</b>	<b>6,325,432</b>
* Includes bills discounted for other Federal Reserve Banks, viz.....	46,073	53,816	74,409	90,964	112,865	122,607	84,900	53,655	70,195	28,948	23,500	40,615
† Includes bankers' acceptances bought from other Federal Reserve Banks:												
With their indorsement.....	16,918	25,841	4,098	7,159	858	5,062					40,474	69,899
Without their indorsement.....	2,112	14,400	32,390	26,380	26,429	27,456	48,579	39,432	31,702	45,864	96,440	58,201

## LIABILITIES.

Capital paid in.....	80,913	81,452	81,641	82,015	82,589	82,764	83,317	84,926	85,296	86,013	87,001	87,339
Surplus.....	22,738	22,738	49,466	49,466	49,466	49,466	81,087	81,087	81,087	81,087	81,087	81,087
Government deposits.....	64,928	210,547	168,147	91,726	141,479	73,614	116,038	54,494	61,276	100,465	98,157	72,357
Due to members—reserve account.....	1,693,132	1,620,972	1,631,167	1,664,320	1,656,118	1,713,030	1,718,396	1,729,950	1,731,413	1,833,481	1,844,434	1,786,874
Deferred availability items.....	472,042	494,653	484,906	491,605	517,638	534,420	535,178	563,387	653,381	693,766	861,436	822,680
Other deposits, including foreign government credits.....	120,809	124,022	117,271	135,057	150,324	115,693	117,444	98,479	95,654	97,843	98,798	97,659
<b>Total gross deposits.....</b>	<b>2,350,911</b>	<b>2,450,194</b>	<b>2,401,491</b>	<b>2,382,708</b>	<b>2,465,559</b>	<b>2,436,757</b>	<b>2,487,056</b>	<b>2,446,310</b>	<b>2,541,724</b>	<b>2,725,555</b>	<b>2,902,825</b>	<b>2,779,570</b>
Federal Reserve notes in actual circulation.....	2,450,729	2,472,307	2,521,776	2,549,552	2,519,292	2,499,180	2,504,497	2,580,629	2,655,354	2,752,876	2,852,277	3,057,646
Federal Reserve bank notes in circulation—net liability.....	129,445	134,042	145,540	158,848	168,427	177,185	193,849	219,815	239,451	254,933	256,793	261,039
All other liabilities.....	40,619	46,003	30,014	30,098	36,452	42,656	16,565	23,070	28,978	38,880	50,058	58,751
<b>Total liabilities.....</b>	<b>5,075,355</b>	<b>5,206,736</b>	<b>5,229,928</b>	<b>5,252,687</b>	<b>5,321,785</b>	<b>5,288,008</b>	<b>5,366,371</b>	<b>5,435,837</b>	<b>5,631,890</b>	<b>5,939,344</b>	<b>6,230,041</b>	<b>6,325,432</b>

**No. 16.**—Combined resources and liabilities of all Federal Reserve Banks as at close of business on the last Friday of each month during the calendar year 1919—Continued.

LIABILITIES—Continued.

[In thousands of dollars.]

	Jan. 31.	Feb. 28.	Mar. 28.	Apr. 25.	May 29.	June 27.	July 25.	Aug. 29.	Sept. 26.	Oct. 31.	Nov. 28.	Dec. 26.
MEMORANDA.												
Contingent liability as indorser on—												
Discounted paper rediscounted with other Federal Reserve Banks.....	46,073	53,816	74,409	90,964	112,865	122,607	81,900	53,655	70,195	28,948	23,500	40,615
Bankers' acceptances sold to other Federal Reserve Banks.....	16,918	25,841	4,098	7,159	858	5,062	.....	.....	.....	.....	40,474	69,899

DISTRIBUTION OF BILLS ON HAND BY MATURITIES.

<b>Bills discounted:</b>												
Within 15 days.....	1,219,001	1,511,355	1,529,010	1,648,426	1,727,796	1,484,822	1,532,918	1,519,814	1,532,058	1,770,521	1,582,690	1,484,790
Over 15 but within 30 days.....	77,373	57,883	168,881	74,823	35,738	123,334	103,924	53,870	120,183	103,418	135,642	244,890
Over 30 but within 60 days.....	95,112	202,040	115,670	80,574	141,123	122,083	99,788	152,545	154,918	143,943	293,789	292,715
Over 60 but within 90 days.....	184,717	86,221	51,427	123,022	60,509	56,531	109,773	79,889	68,568	99,017	183,448	152,125
Over 90 days.....	24,925	22,321	21,252	23,567	24,226	31,270	21,199	9,016	6,555	11,648	18,640	20,358
Total.....	1,601,128	1,879,820	1,886,240	1,950,412	1,989,392	1,818,040	1,867,602	1,815,134	1,882,282	2,128,547	2,214,209	2,194,878
<b>Bills bought in open market:</b>												
Within 15 days.....	61,546	82,025	78,660	60,702	52,301	75,449	74,463	95,517	108,414	83,577	89,003	123,727
Over 15 but within 30 days.....	74,984	76,479	71,998	51,327	39,711	64,136	81,152	79,732	85,982	90,740	85,807	100,060
Over 30 but within 60 days.....	103,623	93,348	81,882	52,688	69,632	113,389	146,190	137,296	112,931	159,536	203,037	209,278
Over 60 but within 90 days.....	41,140	25,067	15,567	21,105	22,006	51,584	73,751	50,593	35,164	60,502	117,566	152,147
Over 90 days.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	182	.....
Total.....	281,293	276,919	248,107	185,822	183,650	304,558	375,556	363,138	342,491	394,355	495,595	585,212

No. 17.—Principal resources and liabilities of all Federal Reserve Banks at close of business on each Friday, Jan. 3 to Dec. 26, 1919.

[In thousands of dollars.]

	Gold and gold certificates.	Gold settlement fund.	Gold with foreign agencies.	Gold with Federal Reserve agents.	Gold redemption fund.	Total gold reserves.	Total cash reserves, including legal tender notes, silver, etc.	Bills discounted.		Bills bought in open market.	United States Government bonds.	United States Victory notes.	United States certificates of indebtedness.	Total United States securities.
								Secured by Government war obligations.	All other.					
1919.														
Jan. 3.....	338,717	398,997	5,829	1,263,383	84,268	2,091,194	2,152,154	1,534,670	295,194	290,269	29,824	.....	125,063	154,887
10.....	334,552	430,730	5,828	1,238,245	84,715	2,094,070	2,161,898	1,484,847	273,229	277,896	28,821	.....	175,809	204,630
17.....	334,696	387,572	5,828	1,289,105	85,368	2,102,569	2,170,163	1,347,088	254,263	273,607	28,571	.....	271,173	299,744
24.....	343,092	407,698	5,828	1,255,192	88,907	2,101,317	2,168,387	1,497,500	264,533	284,539	28,571	.....	147,398	175,969
31.....	338,916	422,686	5,828	1,253,330	91,346	2,112,106	2,179,646	1,357,571	243,557	281,293	28,252	.....	266,532	294,784
Feb. 7.....	348,605	419,050	5,829	1,231,166	103,533	2,108,183	2,175,614	1,451,147	243,254	282,702	28,250	.....	139,501	167,751
14.....	347,764	437,278	5,829	1,217,363	111,113	2,119,347	2,185,318	1,603,052	233,849	275,068	28,101	.....	141,204	169,305
20.....	350,417	457,889	5,829	1,197,983	112,923	2,125,041	2,191,532	1,596,458	221,996	269,920	28,095	.....	147,123	175,218
28.....	345,762	463,484	5,829	1,187,760	120,163	2,122,998	2,188,723	1,667,965	211,855	276,919	27,094	.....	155,688	182,782
Mar. 7.....	341,070	511,227	5,829	1,163,840	117,513	2,139,479	2,205,462	1,701,487	186,240	273,493	27,057	.....	159,835	186,892
14.....	332,749	501,078	5,829	1,170,601	119,277	2,129,534	2,196,737	1,702,351	184,012	262,139	27,223	.....	168,348	195,571
21.....	329,741	566,864	5,829	1,112,938	125,470	2,140,842	2,208,578	1,691,678	189,861	261,924	27,222	.....	172,471	199,693
28.....	326,791	563,577	5,829	1,113,070	133,038	2,142,305	2,210,524	1,691,010	195,230	248,107	27,138	.....	173,797	200,935
Apr. 4.....	333,384	612,711	.....	1,100,173	104,682	2,150,950	2,218,628	1,674,916	193,066	240,790	27,134	.....	178,646	205,780
11.....	335,162	610,196	.....	1,082,444	115,078	2,142,880	2,211,989	1,767,459	200,465	218,590	27,136	.....	185,711	212,847
18.....	346,145	612,365	.....	1,085,519	118,128	2,162,157	2,230,859	1,720,960	201,314	196,885	27,137	.....	189,038	216,175
25.....	340,022	605,809	.....	1,109,949	113,436	2,169,216	2,240,152	1,760,672	189,740	185,822	27,135	.....	191,501	218,636
May 2.....	346,707	600,989	.....	1,104,699	114,223	2,166,618	2,237,219	1,788,068	178,715	195,284	27,132	.....	194,262	221,394
9.....	345,797	569,082	.....	1,134,198	125,271	2,174,348	2,242,784	1,795,735	172,568	182,036	27,144	.....	202,363	229,507
16.....	335,224	548,954	.....	1,150,903	140,756	2,175,837	2,245,857	1,863,476	175,464	184,727	27,131	19	204,082	231,232
23.....	346,997	572,001	.....	1,139,825	119,916	2,178,739	2,247,933	1,762,487	176,379	193,187	27,149	17	199,748	226,914
29.....	346,618	586,742	.....	1,131,725	122,658	2,187,743	2,255,106	1,802,893	186,499	183,650	27,131	83	201,800	229,014

No. 17.—Principal resources and liabilities of all Federal Reserve Banks at close of business on each Friday, Jan. 3 to Dec. 26, 1919—Continued.

[In thousands of dollars.]

	Gold and gold certificates.	Gold settlement fund.	Gold with foreign agencies.	Gold with Federal Reserve agents.	Gold redemption fund.	Total gold reserves.	Total cash reserves, including legal tender notes, silver, etc.	Bills discounted.		Bills bought in open market.	United States Government bonds.	United States Victory notes.	United States certificates of indebtedness.	Total United States securities.
								Secured by Government war obligations.	All other.					
<b>1919.</b>														
June 6.....	354,969	581,055	.....	1,139,508	126,272	2,201,804	2,270,343	1,620,994	190,130	198,307	27,129	333	227,553	255,015
13.....	355,811	582,675	.....	1,117,970	137,418	2,193,874	2,261,988	1,695,576	182,598	234,537	27,130	333	204,405	231,868
20.....	332,676	581,238	.....	1,127,216	124,595	2,165,725	2,234,459	1,621,928	215,512	274,736	27,131	333	201,883	229,347
27.....	314,135	597,046	.....	1,113,824	122,779	2,147,784	2,216,256	1,573,483	244,557	304,558	27,130	335	204,104	231,560
July 3.....	282,943	564,290	.....	1,155,278	126,435	2,128,946	2,195,353	1,632,639	262,389	330,679	27,130	377	200,068	227,575
11.....	279,545	554,812	.....	1,163,068	114,399	2,111,824	2,180,211	1,684,946	251,367	360,035	27,131	374	206,054	233,559
18.....	273,810	591,190	.....	1,134,173	112,927	2,112,100	2,177,481	1,579,728	248,347	372,353	27,084	363	209,941	237,388
25.....	270,601	591,532	.....	1,108,051	124,967	2,095,151	2,161,023	1,616,210	251,392	375,556	27,086	286	212,028	239,400
Aug. 1.....	263,275	641,896	.....	1,071,307	111,997	2,088,475	2,156,327	1,612,639	235,300	374,791	27,094	280	217,982	245,356
8.....	262,745	618,636	.....	1,084,047	119,328	2,084,756	2,152,118	1,608,583	225,535	381,241	27,095	280	229,724	257,099
15.....	250,651	591,206	.....	1,118,894	121,836	2,082,587	2,151,723	1,522,992	220,347	374,375	27,098	274	295,727	323,099
22.....	260,507	579,480	.....	1,127,028	107,270	2,074,285	2,142,701	1,563,048	211,262	362,911	27,098	209	237,847	265,154
29.....	244,231	563,640	.....	1,142,589	116,328	2,066,788	2,135,976	1,609,296	205,838	363,138	27,096	198	243,411	270,705
Sept. 5.....	243,238	542,310	.....	1,172,168	109,336	2,067,052	2,136,870	1,635,233	212,185	354,667	27,096	197	250,223	277,516
12.....	231,609	537,723	.....	1,190,769	108,766	2,068,867	2,138,499	1,524,521	230,317	362,005	27,096	192	341,655	368,943
19.....	230,047	512,080	45,479	1,208,961	95,399	2,091,966	2,162,057	1,383,896	261,985	353,817	27,095	192	322,986	350,273
26.....	239,168	502,506	79,370	1,196,325	100,485	2,117,854	2,187,505	1,572,503	309,779	342,491	27,097	137	251,081	278,315
Oct. 3.....	242,405	516,335	108,892	1,166,398	101,252	2,135,282	2,205,511	1,654,166	361,771	326,667	27,095	136	263,148	290,379
10.....	245,485	496,904	108,123	1,186,697	94,119	2,131,328	2,202,100	1,672,797	401,058	326,852	27,096	133	267,551	294,780
17.....	251,954	461,193	106,917	1,201,302	107,077	2,128,443	2,199,185	1,698,885	422,842	342,938	27,097	87	269,414	296,598
24.....	248,375	465,535	132,983	1,197,933	101,779	2,146,605	2,214,561	1,666,055	416,084	368,846	27,095	86	273,585	300,766
31.....	254,027	444,126	129,923	1,205,576	104,348	2,138,000	2,205,592	1,681,082	447,465	394,355	26,845	84	274,325	301,254

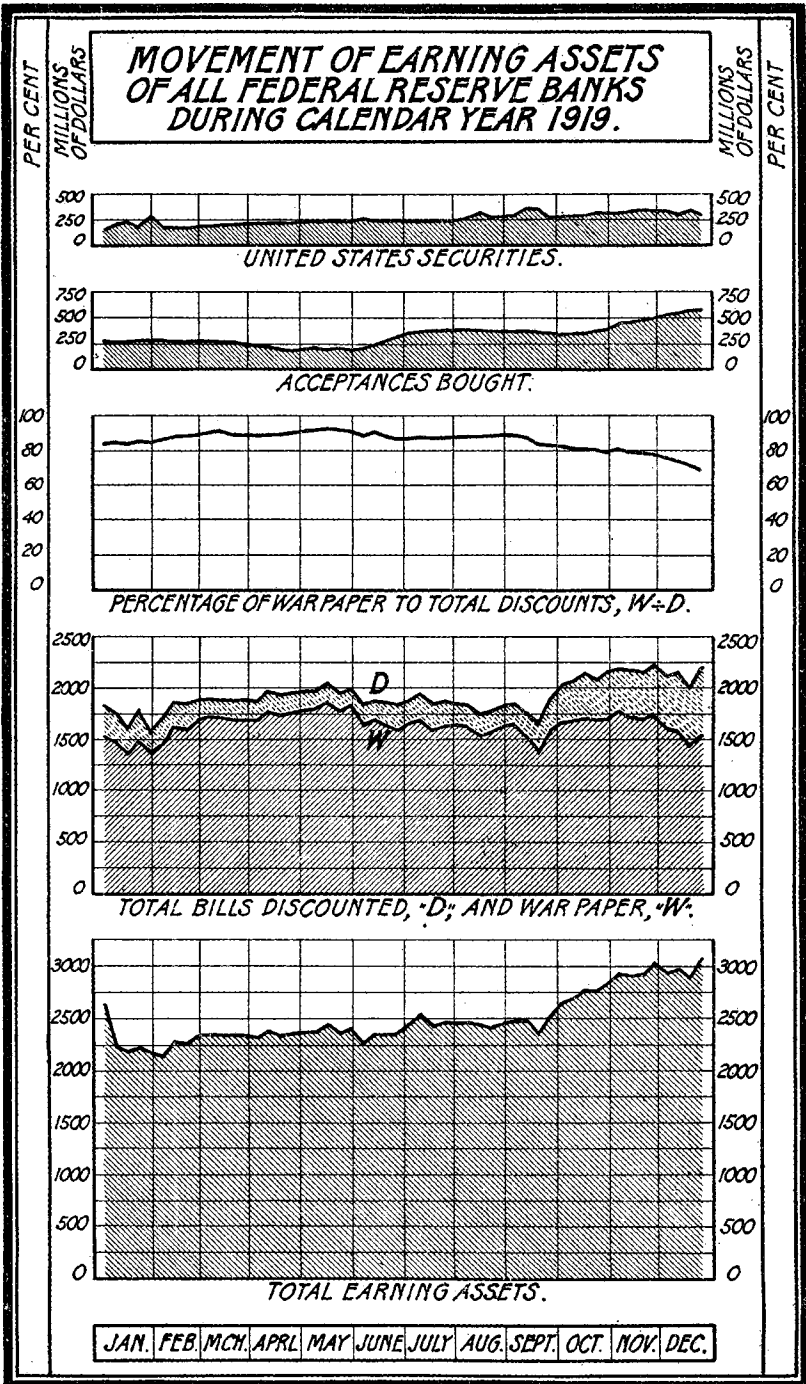
Nov. 7.....	244,836	429,429	127,165	1,207,275	110,860	2,119,565	2,187,369	1,771,028	418,461	433,586	26,846	84	273,199	300,129
14.....	248,601	440,078	146,176	1,194,319	104,086	2,133,260	2,200,106	1,700,618	439,000	455,653	26,846	79	278,538	305,463
21.....	248,012	444,547	142,195	1,166,086	118,475	2,119,315	2,186,972	1,673,890	450,747	480,043	26,847	57	285,341	312,245
28.....	235,348	440,286	135,696	1,148,724	133,587	2,093,641	2,159,666	1,736,033	478,176	495,595	26,848	57	288,032	314,937
Dec. 5.....	234,622	428,812	132,935	1,172,191	118,704	2,087,264	2,154,095	1,603,313	504,795	514,219	26,848	54	283,853	310,755
12.....	243,148	404,066	140,910	1,183,343	119,821	2,096,288	2,160,405	1,588,417	550,999	541,551	26,847	54	273,219	300,120
19.....	241,325	399,935	137,717	1,201,654	115,182	2,095,813	2,154,911	1,414,950	580,162	566,266	26,846	54	303,558	330,458
26.....	229,445	352,785	134,320	1,240,032	121,850	2,078,432	2,135,536	1,510,364	684,514	585,212	26,834	64	273,507	300,405

No. 17.—Principal resources and liabilities of all Federal Reserve Banks at close of business on each Friday, Jan. 3 to Dec. 26, 1919—Continued.

[In thousands of dollars.]

	All other earning assets.	Total earning assets.	Uncollected items and other deductions from gross deposits.	Total resources and liabilities.	Capital paid in.	Surplus.	Government deposits.	Due to members—reserve account.	Deferred availability items.	Other deposits, including foreign Government credits.	Total gross deposits.	Federal Reserve notes in actual circulation.	Federal Reserve bank notes in circulation—net liability.
1919.													
Jan. 3.....	13	2,275,033	828,849	5,285,868	80,792	22,738	89,821	1,602,901	569,055	118,581	2,380,358	2,647,605	120,267
10.....	13	2,240,615	712,381	5,141,431	80,812	22,738	37,291	1,640,729	495,354	114,874	2,288,248	2,590,681	123,406
17.....	4	2,174,706	816,914	5,187,193	80,510	22,738	48,996	1,694,960	537,172	128,236	2,409,364	2,513,089	125,011
24.....	4	2,222,545	716,588	5,132,658	80,820	22,738	146,381	1,624,415	511,899	113,429	2,396,124	2,466,556	126,810
31.....	4	2,177,209	691,454	5,075,355	80,913	22,738	64,928	1,693,132	472,042	120,809	2,350,911	2,450,729	129,445
Feb. 7.....	4	2,144,858	624,861	4,970,615	81,061	22,738	96,809	1,590,441	439,221	112,551	2,239,022	2,454,165	131,315
14.....	4	2,281,278	701,465	5,194,528	81,211	22,738	192,970	1,623,158	517,726	112,273	2,446,127	2,468,388	132,291
20.....	4	2,263,596	633,806	5,113,192	81,406	22,738	205,675	1,563,912	480,257	114,758	2,304,602	2,466,248	133,465
28.....	4	2,339,525	653,465	5,206,736	81,452	22,738	210,547	1,620,972	494,653	124,022	2,450,194	2,472,307	134,042
Mar. 7.....	4	2,348,116	599,197	5,178,134	81,490	49,466	195,559	1,626,076	456,289	123,363	2,401,287	2,488,537	136,591
14.....	4	2,344,077	683,017	5,247,803	81,562	49,466	150,783	1,675,045	509,112	117,522	2,452,462	2,503,095	139,479
21.....	4	2,343,160	797,303	5,373,425	81,612	49,466	285,785	1,604,719	555,383	120,062	2,565,949	2,510,687	142,442
28.....	3	2,335,285	660,066	5,229,928	81,641	49,466	168,147	1,631,167	484,906	117,271	2,401,491	2,521,776	145,540
Apr. 4.....	3	2,314,555	644,959	5,202,385	81,658	49,466	85,008	1,655,298	487,593	120,426	2,348,325	2,547,670	149,449
11.....	22	2,399,383	636,384	5,272,634	81,750	49,466	109,972	1,628,893	487,153	128,481	2,414,299	2,548,588	151,560
18.....		2,335,334	655,446	5,248,646	81,774	49,466	106,561	1,655,860	496,788	131,307	2,390,516	2,543,704	155,074
25.....		2,354,870	630,614	5,252,687	82,015	49,466	91,726	1,664,320	491,605	135,057	2,382,708	2,549,552	158,848
May 2.....		2,383,461	653,926	5,302,226	82,198	49,466	143,273	1,644,434	512,703	128,466	2,428,876	2,549,040	161,450
9.....		2,379,846	626,034	5,276,723	82,228	49,466	89,761	1,688,906	483,501	129,175	2,391,343	2,556,749	164,415
16.....		2,454,889	709,355	5,440,243	82,397	49,466	185,841	1,713,341	549,702	125,786	2,574,670	2,532,039	168,045
23.....		2,358,967	679,798	5,316,234	82,553	49,466	99,999	1,697,524	537,642	142,138	2,477,303	2,504,253	167,208
29.....		2,402,056	634,639	5,321,785	82,589	49,466	141,479	1,656,118	517,638	150,324	2,465,559	2,519,292	168,427

June 6	2,264,446	650,757	5,215,442	82,652	49,466	26,058	1,705,104	497,349	134,364	2,362,875	2,513,037	169,246
13	2,344,579	835,362	5,472,146	82,674	49,466	245,245	1,633,583	623,739	127,565	2,630,132	2,499,265	170,937
20	2,341,523	848,157	5,455,450	82,756	49,466	161,495	1,648,630	682,097	127,264	2,619,486	2,488,253	173,775
27	2,354,167	686,063	5,288,008	82,764	49,466	73,614	1,713,030	534,420	115,693	2,436,757	2,499,180	177,185
July 3	2,453,282	742,527	5,423,108	82,811	81,087	136,328	1,687,608	561,896	128,698	2,514,530	2,552,348	181,870
11	2,529,907	740,994	5,483,197	82,851	81,087	151,190	1,726,329	591,230	114,678	2,583,427	2,538,127	184,806
18	2,437,194	857,194	5,504,405	82,958	81,087	137,090	1,712,796	651,735	125,069	2,626,690	2,512,048	186,911
25	2,482,558	690,495	5,366,371	83,317	81,087	116,038	1,718,396	535,178	117,444	2,487,056	2,504,497	193,849
Aug. 1	2,468,086	739,617	5,395,952	83,532	81,087	68,357	1,742,478	581,232	113,731	2,505,798	2,506,820	200,945
8	2,472,458	793,301	5,450,301	83,807	81,087	108,686	1,756,807	555,485	107,882	2,528,860	2,532,057	205,318
15	2,440,813	928,030	5,553,188	84,400	81,087	58,590	1,778,365	670,539	109,210	2,616,704	2,540,904	209,709
22	2,402,375	865,927	5,444,096	84,730	81,087	103,330	1,679,834	605,812	98,098	2,487,074	2,553,534	215,795
29	2,448,977	816,513	5,435,837	84,926	81,087	54,494	1,729,950	563,387	98,479	2,446,310	2,580,629	219,815
Sept. 5	2,479,601	934,964	5,584,921	84,996	81,087	59,110	1,757,641	643,194	99,136	2,559,081	2,611,697	223,565
12	2,485,786	1,031,298	5,691,076	85,140	81,087	33,584	1,802,791	679,043	134,096	2,649,514	2,621,228	228,169
19	2,349,971	1,139,260	5,686,609	85,208	81,087	78,134	1,651,426	802,715	106,899	2,639,174	2,621,258	232,594
26	2,503,088	907,650	5,631,890	85,296	81,087	61,276	1,731,413	653,381	95,654	2,541,724	2,655,354	239,451
Oct. 3	2,632,983	908,310	5,782,131	85,350	81,087	78,832	1,765,863	691,968	97,913	2,634,576	2,708,186	241,937
10	2,695,487	900,013	5,832,049	85,391	81,087	80,067	1,777,859	688,734	97,203	2,643,863	2,741,684	247,176
17	2,761,263	1,162,167	6,161,812	85,540	81,087	133,639	1,841,101	882,156	101,430	2,958,326	2,752,569	249,675
24	2,751,751	937,250	5,938,630	85,863	81,087	83,984	1,813,563	733,227	98,878	2,729,652	2,753,457	251,590
31	2,824,156	875,037	5,939,344	86,013	81,087	100,465	1,833,481	693,766	97,843	2,725,555	2,752,876	254,933
Nov. 7	2,923,204	937,178	6,081,606	86,267	81,087	63,667	1,906,867	739,384	97,750	2,807,688	2,806,759	257,572
14	2,900,734	1,023,574	6,159,760	86,769	81,087	77,912	1,863,379	842,047	98,494	2,881,832	2,808,456	257,281
21	2,916,925	1,000,288	6,137,541	86,885	81,087	102,805	1,837,540	811,204	95,539	2,847,088	2,817,173	257,680
28	3,024,741	1,013,426	6,230,041	87,001	81,087	98,157	1,844,434	861,436	98,798	2,902,825	2,852,277	256,798
Dec. 5	2,933,082	920,299	6,041,396	86,973	81,087	39,798	1,830,037	717,852	94,133	2,681,820	2,881,359	257,480
12	2,981,087	983,527	6,159,241	87,002	81,087	89,503	1,817,406	759,554	103,488	2,769,951	2,907,435	258,444
19	2,891,836	1,140,224	6,224,604	87,049	81,087	64,459	1,733,013	848,607	105,069	2,751,148	2,988,894	259,975
26	3,080,495	1,075,100	6,325,432	87,339	81,087	72,357	1,786,874	822,680	97,659	2,779,570	3,057,646	261,639





No. 18.—Required reserves against net deposit and Federal Reserve note liabilities and amounts of gold held in excess of required reserves.

[In thousands of dollars.]

		Net deposits.		Federal Reserve notes in circulation.		Total net deposits and Federal Reserve note liabilities.	Total amount of required reserve.	Total cash reserves held.	Gold in excess of required reserves (free gold).	Ratio of total cash reserves to net deposits and Federal Reserve note liabilities combined.
		Amount.	Required reserve of 35 per cent.	Amount.	Required reserve of 40 per cent.					
1919.										
Jan.	3	1,551,509	543,028	2,647,605	1,059,042	4,199,114	1,602,070	2,152,154	550,084	51.3
	10	1,575,867	551,553	2,590,681	1,036,272	4,166,548	1,587,825	2,161,898	574,073	51.9
	17	1,592,450	557,358	2,513,089	1,005,236	4,105,539	1,562,594	2,170,163	607,569	52.9
	24	1,679,536	587,838	2,466,556	986,622	4,146,092	1,574,460	2,168,387	593,927	52.3
	31	1,659,457	580,810	2,450,729	980,292	4,110,186	1,561,102	2,179,646	618,544	53.0
Feb.	7	1,614,161	564,956	2,454,165	981,666	4,068,326	1,546,622	2,175,614	628,992	53.5
	14	1,744,662	610,632	2,468,388	987,355	4,213,050	1,597,987	2,185,318	587,331	51.9
	20	1,730,796	605,779	2,466,248	986,499	4,197,044	1,592,278	2,191,532	599,254	52.2
	28	1,796,729	628,855	2,472,307	988,923	4,269,036	1,617,778	2,188,723	570,945	51.3
Mar.	7	1,802,090	630,732	2,488,537	995,415	4,290,627	1,626,147	2,205,462	579,315	51.4
	14	1,769,445	619,306	2,503,095	1,001,238	4,272,540	1,620,544	2,196,737	576,193	51.4
	21	1,768,646	619,026	2,510,687	1,004,275	4,279,333	1,623,301	2,208,578	585,277	51.6
	28	1,741,425	609,499	2,521,776	1,008,710	4,263,201	1,618,209	2,210,524	592,315	51.9
Apr.	4	1,703,366	596,178	2,547,670	1,019,068	4,251,036	1,615,246	2,218,628	603,382	52.2
	11	1,777,915	622,270	2,548,588	1,019,435	4,326,503	1,641,705	2,211,989	570,284	51.1
	18	1,735,070	607,275	2,543,704	1,017,482	4,278,774	1,624,757	2,230,859	606,102	52.1
	25	1,752,094	613,268	2,549,552	1,019,821	4,301,646	1,633,089	2,240,152	607,063	52.1

No. 18.—Required reserves against net deposit and Federal Reserve note liabilities and amounts of gold held in excess of required reserves—Continued.

[In thousands of dollars.]

		Net deposits.		Federal Reserve notes in circulation.		Total net deposits and Federal Reserve note liabilities.	Total amount of required reserve.	Total cash reserves held.	Gold in excess of required reserves (free gold).	Ratio of total cash reserves to net deposits and Federal Reserve note liabilities combined.
		Amount.	Required reserve of 35 per cent.	Amount.	Required reserve of 40 per cent.					
1919.										
May	2.....	1,774,950	621,233	2,549,040	1,019,616	4,323,990	1,640,849	2,237,219	596,370	51.7
	9.....	1,765,309	617,858	2,556,749	1,022,700	4,322,058	1,640,558	2,242,784	602,226	51.9
	16.....	1,865,375	652,860	2,532,039	1,012,816	4,397,354	1,665,676	2,245,857	580,181	51.1
	23.....	1,797,505	629,127	2,504,253	1,001,701	4,301,758	1,630,828	2,247,933	617,105	52.3
	29.....	1,830,920	640,822	2,519,292	1,007,717	4,350,212	1,648,539	2,255,106	606,567	51.8
June	6.....	1,712,118	599,241	2,513,037	1,005,215	4,225,155	1,604,456	2,270,343	665,887	53.7
	13.....	1,794,770	628,170	2,499,265	999,706	4,294,035	1,627,876	2,261,988	634,112	52.7
	20.....	1,771,329	619,965	2,488,253	995,301	4,259,582	1,615,266	2,234,459	619,193	52.5
	27.....	1,750,694	612,743	2,499,180	999,672	4,249,874	1,612,415	2,216,256	603,841	52.1
July	3.....	1,772,003	620,201	2,552,348	1,020,939	4,324,351	1,641,140	2,195,353	554,213	50.8
	11.....	1,842,433	644,852	2,538,127	1,015,251	4,380,560	1,660,103	2,180,211	520,108	49.8
	18.....	1,769,496	619,324	2,512,048	1,004,819	4,281,544	1,624,143	2,177,481	553,338	50.9
	25.....	1,796,561	628,796	2,504,497	1,001,799	4,301,058	1,630,595	2,161,023	530,428	50.2
Aug.	1.....	1,766,181	618,163	2,506,820	1,002,728	4,273,001	1,620,891	2,156,327	535,436	50.5
	8.....	1,820,817	637,286	2,532,057	1,012,823	4,352,874	1,650,109	2,152,118	502,009	49.4
	15.....	1,688,674	591,036	2,540,904	1,016,362	4,229,578	1,607,398	2,151,723	544,325	50.9
	22.....	1,621,147	567,401	2,553,534	1,021,414	4,174,681	1,588,815	2,142,701	553,886	51.3
	29.....	1,629,797	570,429	2,580,629	1,032,252	4,210,426	1,602,681	2,135,976	533,295	50.7
Sept.	5.....	1,624,117	568,441	2,611,697	1,044,679	4,235,814	1,613,120	2,136,870	523,750	50.4
	12.....	1,618,216	566,376	2,621,228	1,048,491	4,239,444	1,614,867	2,138,499	523,632	50.4
	19.....	1,499,914	524,970	2,621,258	1,048,503	4,121,172	1,573,473	2,162,057	588,584	52.5
	26.....	1,634,074	571,926	2,655,354	1,062,142	4,289,428	1,634,068	2,187,505	553,437	51.0

Oct.	3	1,726,266	604,193	2,708,186	1,083,274	4,434,452	1,687,467	2,205,511	518,044	49.7
	10	1,743,850	610,348	2,741,684	1,096,674	4,485,534	1,707,022	2,202,100	495,078	49.1
	17	1,796,159	628,656	2,752,569	1,101,028	4,548,728	1,729,684	2,199,185	469,501	48.3
	24	1,792,402	627,341	2,753,457	1,101,383	4,545,859	1,728,724	2,214,561	485,837	48.7
	31	1,850,518	647,681	2,752,876	1,101,150	4,603,394	1,748,831	2,205,592	456,761	47.9
Nov.	7	1,870,510	654,679	2,806,759	1,122,704	4,677,269	1,777,383	2,187,369	409,986	46.8
	14	1,858,258	650,390	2,808,456	1,123,382	4,666,714	1,773,772	2,200,106	426,334	47.1
	21	1,846,800	646,380	2,817,173	1,126,869	4,663,973	1,773,249	2,186,972	413,723	46.9
	28	1,889,399	661,289	2,852,277	1,140,911	4,741,676	1,802,200	2,159,666	357,466	45.5
Dec.	5	1,761,521	616,532	2,881,359	1,152,544	4,642,880	1,769,076	2,154,095	385,019	46.4
	12	1,786,424	625,248	2,907,435	1,162,974	4,693,859	1,788,222	2,160,405	372,183	46.0
	19	1,610,924	563,823	2,988,894	1,195,558	4,599,818	1,759,381	2,154,911	395,530	48.8
	26	1,704,470	596,565	3,057,646	1,223,058	4,762,116	1,819,623	2,135,536	315,913	44.8

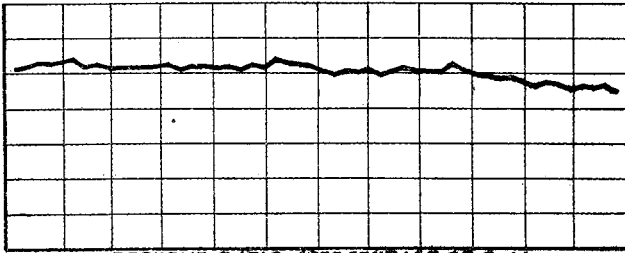
**NET DEPOSIT LIABILITIES,  
F.R. NOTE CIRCULATION,  
CASH RESERVES, AND RESERVE RATIO,  
OF ALL FEDERAL RESERVE BANKS,  
DURING CALENDAR YEAR 1919.**

PER CENT  
MILLIONS OF DOLLARS

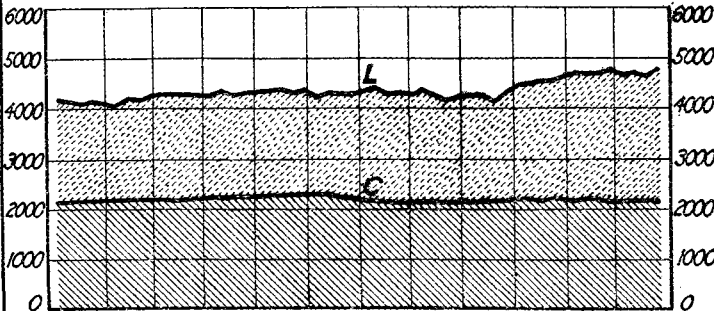
MILLIONS OF DOLLARS  
PER CENT

70  
60  
50  
40  
30  
20  
10  
0

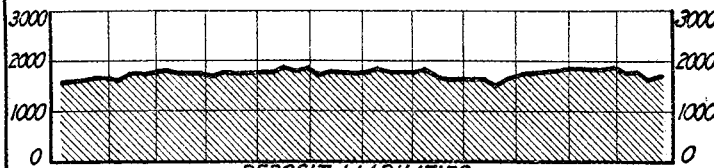
70  
60  
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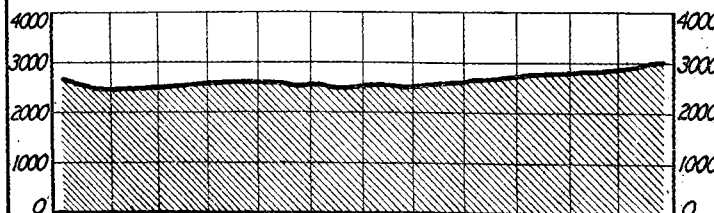
RESERVE RATIO, (PERCENTAGE OF C+L).



DEPOSIT AND F.R. NOTE LIABILITIES, L; AND TOTAL RESERVES, C.

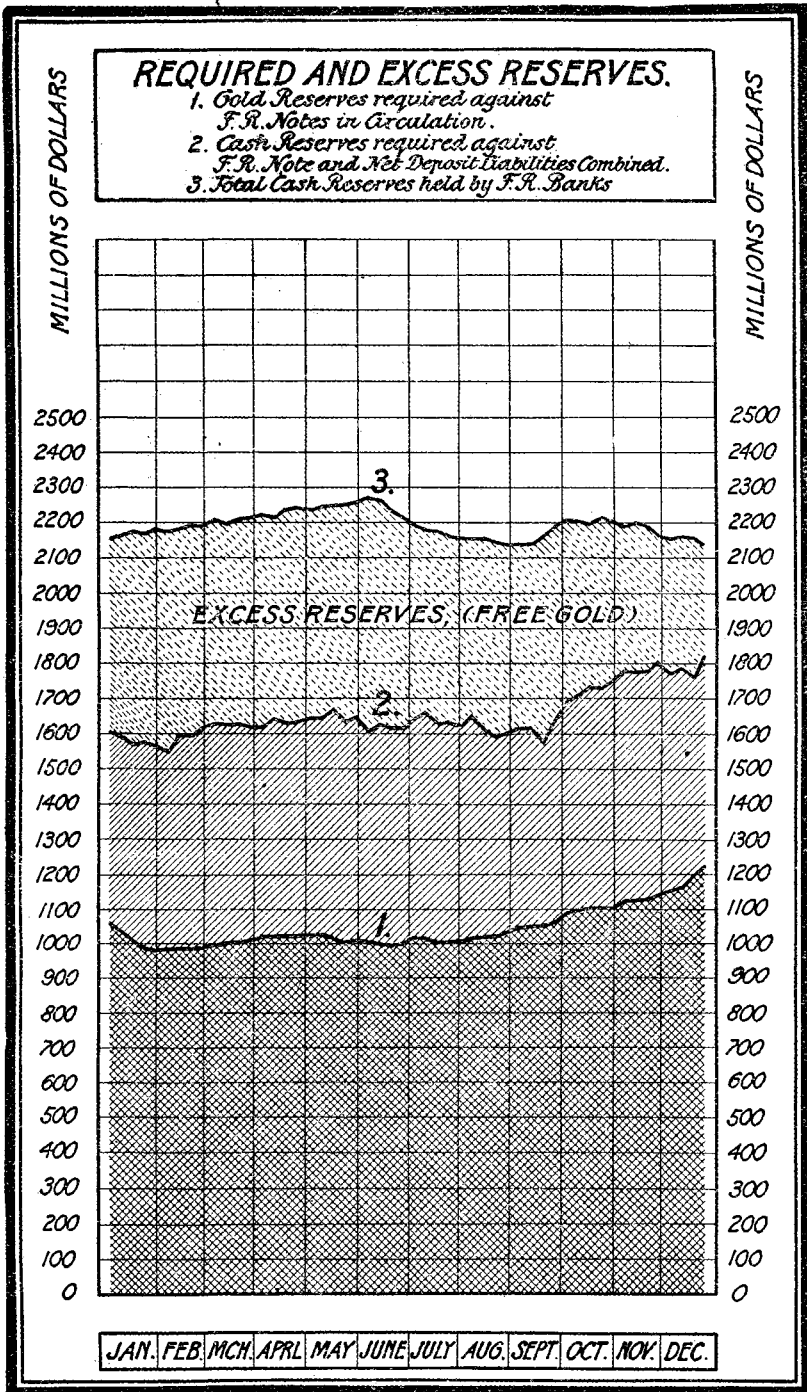


DEPOSIT LIABILITIES.



F.R. NOTE CIRCULATION.

JAN. FEB. MCH. APR. MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.



No. 19.—Average daily holdings of discounted bills, by months, during the calendar year 1919 and totals for 1918 and 1917.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.	August.
Boston.....	\$128,211,454	\$142,420,149	\$144,540,609	\$157,110,903	\$152,233,040	\$147,152,859	\$144,812,282	\$125,573,386
New York.....	684,720,582	734,456,855	745,545,361	695,762,071	753,166,858	652,929,328	739,789,808	685,519,941
Philadelphia.....	177,059,450	185,697,842	187,159,835	188,689,151	192,374,942	192,524,439	188,589,796	193,261,632
Cleveland.....	110,101,482	98,136,063	109,910,115	130,431,335	132,273,443	126,757,331	112,873,258	118,212,830
Richmond.....	89,084,194	91,829,939	94,647,814	96,059,641	93,118,887	92,134,519	89,912,879	89,217,576
Atlanta.....	77,734,791	74,524,548	77,776,512	81,157,557	84,215,540	84,557,609	83,313,601	90,154,929
Chicago.....	165,739,209	158,132,792	182,414,143	214,742,954	220,888,776	222,734,967	216,904,077	205,291,991
St. Louis.....	64,624,598	51,105,261	69,442,450	79,496,332	68,153,931	65,693,621	57,095,404	68,098,301
Minneapolis.....	32,371,000	18,848,000	23,395,000	43,713,500	48,169,000	46,051,000	37,856,400	33,561,000
Kansas City.....	66,559,290	68,737,839	79,744,405	86,558,049	87,150,314	86,591,646	81,358,300	71,733,184
Dallas.....	49,464,836	51,646,675	52,494,357	51,047,393	51,370,232	50,720,031	55,496,471	54,836,900
San Francisco.....	88,984,131	87,690,495	94,461,038	94,691,840	90,811,118	74,264,601	56,918,061	66,425,634
Total—1919.....	1,734,655,017	1,763,226,458	1,861,531,639	1,919,460,726	1,973,926,081	1,842,111,951	1,867,920,337	1,801,887,304
1918.....	611,235,224	531,541,333	567,474,932	769,259,187	902,101,974	938,441,967	1,165,649,422	1,337,701,494
1917.....	20,876,802	17,900,040	18,190,769	24,902,567	42,710,392	151,233,725	147,797,115	134,987,615

Federal Reserve Bank.	September.	October.	November.	December.	Year 1919.	Year 1918.	Year 1917.
Boston.....	\$121,518,581	\$127,392,286	\$147,255,981	\$170,522,598	\$142,385,669	\$76,415,140	\$12,812,843
New York.....	651,052,987	788,495,509	829,776,757	759,737,480	726,894,981	439,075,629	78,622,402
Philadelphia.....	196,612,074	204,075,941	205,069,357	206,825,892	193,194,965	75,556,041	9,923,917
Cleveland.....	123,713,210	142,712,525	150,177,449	162,522,519	126,649,267	73,080,025	9,531,459
Richmond.....	90,225,882	99,203,720	98,848,446	106,920,025	94,545,750	54,299,950	10,720,028
Atlanta.....	95,306,288	105,477,500	106,329,831	95,766,349	87,909,543	41,159,081	5,812,100
Chicago.....	186,297,025	228,308,375	242,933,736	293,668,441	209,114,369	150,018,487	24,407,209
St. Louis.....	74,701,186	82,545,493	70,056,523	72,393,861	68,688,026	51,755,325	9,314,101
Minneapolis.....	39,309,700	56,007,000	55,021,800	65,132,000	41,758,732	33,463,611	7,370,500
Kansas City.....	72,820,622	99,300,520	100,757,092	90,817,568	83,002,885	55,732,674	10,635,571
Dallas.....	58,831,494	60,404,714	49,661,464	48,653,660	52,666,018	32,083,680	4,666,899
San Francisco.....	69,944,873	79,492,060	89,742,205	84,060,930	81,387,347	57,413,505	6,468,358
Total—1919.....	1,777,333,922	2,073,415,643	2,145,630,641	2,157,021,323	1,908,197,552	.....	.....
1918.....	1,603,152,988	1,709,766,375	1,768,745,862	1,749,155,925	.....	1,140,053,148	.....
1917.....	182,439,407	313,771,389	568,352,241	664,153,799	.....	.....	190,285,297

**No. 20.**—Discounted paper held by each Federal Reserve Bank on Dec. 26, 1919, distributed by maturities; also totals for the system on the last Friday in December, 1918 and 1917.

Federal Reserve Bank.	Maturities.					Total.	Per cent.
	Within 15 days.	From 16 to 30 days.	From 31 to 60 days.	From 61 to 90 days.	Over 90 days.		
Boston.....	\$74,539,560	\$41,825,037	\$49,856,282	\$28,599,679	\$15,715	\$194,836,273	8.9
New York.....	630,489,445	61,313,832	75,354,377	21,032,843	3,090	788,193,587	35.9
Philadelphia.....	125,246,255	47,404,648	23,479,638	12,005,760	4,122	208,140,423	9.5
Cleveland.....	127,022,500	11,812,705	20,063,550	8,564,389	114,269	167,577,413	7.6
Richmond.....	80,953,043	10,128,477	13,190,324	4,382,299	6,606	108,660,749	4.9
Atlanta.....	66,136,970	8,113,410	11,470,423	4,452,085	49,223	90,222,111	4.1
Chicago.....	157,353,593	28,709,423	44,720,520	40,576,680	3,909,117	275,269,333	12.5
St. Louis.....	52,365,495	8,221,535	13,662,703	3,898,190	87,692	78,235,615	3.6
Minneapolis.....	29,229,450	9,812,912	15,773,905	12,045,412	3,195,333	70,057,012	3.2
Kansas City.....	46,058,821	8,641,698	13,637,426	9,707,142	9,387,778	87,432,865	4.0
Dallas.....	44,185,422	3,135,747	2,676,861	2,466,872	1,596,116	54,061,018	2.5
San Francisco.....	51,209,378	5,769,936	8,830,343	4,394,583	1,990,102	72,194,342	3.3
Total—1919.....	1,484,789,932	244,889,360	292,716,352	152,125,934	20,359,163	2,194,880,741	100.0
1918.....	1,149,955,240	266,107,544	166,876,852	93,062,065	26,939,547	1,702,941,248	.....
1917.....	355,373,000	57,367,000	175,006,000	83,974,000	8,986,000	608,706,000	.....



**No. 21.**—*Acceptances purchased and held by each Federal Reserve Bank on Dec. 26, 1919, distributed by maturities; also totals for the system on the last Friday in 1918 and 1917.*

Federal Reserve Bank.	Maturities.				Total.	Per cent.
	Within 15 days.	From 16 to 30 days.	From 31 to 60 days.	From 61 days to 3 months.		
Boston.....	\$4,609,791	\$3,198,782	\$4,533,982	\$4,163,620	\$16,506,175	2.8
New York.....	33,910,815	25,942,357	71,043,643	60,415,691	191,312,506	32.7
Philadelphia.....	44,784	101,256	1,848,140	2,703,575	4,697,755	.8
Cleveland.....	20,414,816	8,094,626	15,687,429	12,725,609	56,922,480	9.7
Richmond.....	1,805,900	4,954,082	6,048,185	3,223,238	16,031,405	2.8
Atlanta.....	1,858,700	3,478,666	7,788,777	3,104,765	16,230,908	2.8
Chicago.....	12,284,178	21,469,450	36,637,327	37,961,541	108,352,496	18.5
St. Louis.....	16,043,506	10,247,117	6,808,264	3,836,385	36,935,272	6.3
Minneapolis.....	4,172,587	2,695,035	7,202,291	331,433	14,401,346	2.5
Kansas City.....	4,782,242	5,796,088	6,844,792	2,558,184	19,981,306	3.4
Dallas.....	1,347,877	184,640	6,166,009	35,000	7,733,526	1.3
San Francisco.....	22,447,848	13,899,115	38,670,706	21,089,265	96,106,934	16.4
Total—1919.....	123,723,044	100,061,214	209,279,545	152,148,306	585,212,109	100.0
1918.....	104,435,581	73,913,956	104,879,834	20,443,854	303,673,225	.....
1917.....	40,321,000	61,177,000	105,132,000	68,736,000	275,366,000	.....

**No. 22.**—*Acceptances purchased and held by each Federal Reserve Bank on Dec. 31, 1919, distributed by classes of accepting institutions.*  
 [In thousands of dollars.]

Federal Reserve Bank.	Member banks.	Nonmember trust companies.	Nonmember State banks.	Private banks.	Foreign bank branches and agencies.	Total bankers' acceptances.	Trade acceptances.			Total.
							Domestic.	Foreign.	Total.	
Boston.....	12,518	170	487	3,467	336	16,978	368	1,303	1,671	18,649
New York.....	123,413	2,302	33,519	19,232	19,562	198,028	1,934	2,941	4,875	202,903
Philadelphia.....	4,494	.....	378	250	35	5,157	.....	20	20	5,177
Cleveland.....	30,051	76	6,743	7,025	4,383	48,278	157	172	329	49,607
Richmond.....	15,717	100	196	342	50	16,405	.....	.....	.....	16,405
Atlanta.....	14,481	875	466	817	.....	16,639	.....	.....	.....	16,639
Chicago.....	84,788	868	1,139	5,063	792	92,650	.....	.....	.....	92,650
St. Louis.....	25,739	275	3,256	2,868	666	32,804	.....	.....	.....	32,804
Minneapolis.....	12,516	.....	19	14	50	12,599	.....	.....	.....	12,599
Kansas City.....	12,791	258	2,040	1,638	1,964	18,691	.....	.....	.....	18,691
Dallas.....	5,538	.....	.....	883	.....	6,421	.....	.....	.....	6,421
San Francisco.....	63,293	197	11,970	13,938	12,321	101,719	81	758	839	102,558
<b>Total:</b>										
Dec. 31, 1919.....	405,339	5,121	60,213	55,537	40,159	566,369	2,540	5,194	7,734	574,103
Nov. 30, 1919.....	347,852	6,446	48,798	55,876	36,358	495,330	1,646	4,934	6,580	501,910
Oct. 31, 1919.....	271,701	8,021	36,707	42,677	28,511	387,617	1,740	4,998	6,738	394,355
Sept. 30, 1919.....	208,784	8,255	24,821	33,420	21,873	297,153	591	2,385	2,976	300,129
Aug. 31, 1919.....	264,827	3,111	32,665	43,815	20,955	365,373	561	1,229	1,790	367,163
July 31, 1919.....	269,568	8,935	31,928	42,593	18,967	371,991	576	673	1,249	373,240
June 30, 1919.....	233,519	9,225	29,361	29,648	12,654	314,407	382	1,204	1,586	315,993
May 31, 1919.....	130,741	2,853	18,729	14,628	10,612	183,563	136	1,857	1,993	185,556
Apr. 30, 1919.....	140,034	2,975	12,321	14,196	8,230	177,756	58	2,505	2,563	180,319
Mar. 31, 1919.....	185,207	2,172	15,561	15,263	12,885	231,088	319	4,207	4,526	235,614
Feb. 28, 1919.....	219,323	2,418	15,110	22,062	13,586	272,499	730	3,691	4,421	276,920
Jan. 31, 1919.....	224,237	2,178	11,986	22,163	15,119	275,683	1,871	3,739	5,610	281,293
Dec. 31, 1918.....	238,257	2,745	10,442	20,385	13,444	285,273	2,536	4,388	6,924	292,197
Dec. 31, 1917.....	227,717	8,163	3,179	20,137	7,657	266,853	.....	.....	6,383	273,236
Dec. 30, 1916.....	66,803	34,625	1,502	18,224	.....	121,154	.....	.....	4,585	125,739

No. 23.—United States securities held by each Federal Reserve Bank on Dec. 31, 1919, distributed by classes and maturities.

Federal Reserve Bank.	2 per cent consols of 1930.	2 per cent Panamas of 1935-1938.	4 per cent loan of 1925.	3 per cent loan of 1961.	3 per cent conversion bonds of 1946-47.	3½ per cent Liberty loan of 1947.	4 per cent Liberty loan of 1942-1947.	4½ per cent Liberty loan.	Total United States bonds.	Victory notes.	United States certificates of indebtedness.			Total United States securities.
											2 per cent to secure circulation of Federal Reserve bank notes.	All other.	Total.	
Boston.....	\$750				\$529,000		\$6,850	\$2,700	\$539,210	\$100	\$21,436,000	\$369,000	\$21,805,000	\$22,344,400
New York.....					1,255,400	\$400		1,000	1,256,800	50,000	59,276,000	8,445,500	67,721,500	69,028,300
Philadelphia.....		\$100			549,200		11,850	797,150	26,600	1,384,900	30,280,000	407,000	30,687,000	32,071,900
Cleveland.....					414,800		16,200		833,400	10,250	23,299,000	284,000	23,583,000	24,426,650
Richmond.....	915,100	237,000					42,850	37,850	1,234,300	300	12,260,000		12,260,000	13,494,600
Atlanta.....	240,600	21,000			10,300		16,650		375,600	3,600	15,664,000	1,000	15,665,000	16,044,200
Chicago.....	1,862,500	367,300	\$1,768,000	\$400	427,400		500		4,477,100		39,612,000	176,000	39,788,000	44,265,100
St. Louis.....	100				1,153,300				1,153,400		17,068,000	170,000	17,238,000	18,391,400
Minneapolis.....		260		500	114,800				115,560	2,875	8,480,000		8,480,000	8,598,435
Kansas City.....	7,155,000	20,000	825,000		838,500	20,400		8,400	8,867,300	450	12,820,000	2,247,000	15,067,000	23,934,750
Dallas.....	2,450,900	281,500			1,233,600				3,966,000		8,300,000	765,000	9,065,000	13,031,000
San Francisco.....	2,428,750					6,050	27,150	170,500	2,632,450		10,880,000	963,500	11,843,500	14,475,950
Total.....	15,053,700	927,160	2,593,000	900	6,526,300	114,900	1,007,050	613,100	26,836,020	67,575	259,375,000	13,828,000	273,203,000	300,106,685

Amount of United States bonds with circulation privilege:

2 per cent consols and Panamas.....	\$15,980,860
4 per cent loan of 1925.....	2,593,000
Total.....	18,573,860

Amount of United States securities without circulation privilege:

3 per cent loan of 1961.....	\$900
3 per cent conversion bonds.....	6,526,300
3½ per cent Liberty loan.....	114,900
4 per cent Liberty loan.....	1,007,050
4½ per cent Liberty loan.....	613,100
3½ per cent Victory notes.....	10,100
4½ per cent Victory notes.....	57,475
2 per cent certificates of indebtedness <sup>1</sup> .....	259,375,000
Other Treasury certificates of indebtedness.....	13,828,000
Total.....	281,532,825

<sup>1</sup> Circulation privilege for Federal Reserve bank notes only.

No. 24.—United States securities held by each Federal Reserve Bank on Dec. 31, 1918, distributed by classes and maturities.

Federal Reserve Bank.	2 per cent consols of 1930.	2 per cent Panamas of 1936-1938.	4 per cent loan of 1925.	3 per cent loan of 1961.	3 per cent conversion bonds of 1946-47.	3½ per cent Liberty loan of 1947.	4 per cent Liberty loan of 1942-1947.	4½ per cent Liberty loan.	Total U. S. bonds.	3 per cent 1-year Treasury notes. <sup>1</sup>	U. S. certificates of indebtedness.		Total U. S. certificates and Treasury notes.	Total U. S. securities.
											2 per cent to secure circulation of Federal Reserve bank notes.	All other		
Boston.....	\$750				\$529,000		\$6,600	<sup>2</sup> \$568,880	\$1,105,230	\$666,000	\$6,750,000		\$7,416,000	\$8,521,230
New York.....					1,255,400	\$140,350			1,395,750	521,000	34,955,000	\$93,374,500	128,850,500	130,246,250
Philadelphia.....		\$100			549,200	11,850	797,150	26,600	1,384,900	825,000	8,855,000	353,000	10,033,000	11,417,900
Cleveland.....					414,800	266,200		403,550	1,084,550	1,202,000	9,458,000	1,065,500	11,725,500	12,810,050
Richmond.....	915,100	237,000			42,850	42,850	37,750	1,500	1,234,200	899,000	3,885,000		4,784,000	6,018,200
Atlanta.....	240,600	21,000			10,300	16,750	183,700	81,400	553,750	667,000	5,297,000	102,000	6,066,000	6,619,750
Chicago.....	1,882,500	367,300	\$1,768,000	\$400	427,400		83,050	850	4,509,500	1,445,000	14,167,000		15,612,000	20,121,500
St. Louis.....	100				1,153,300				1,153,400		6,568,000		6,568,000	7,721,400
Minneapolis.....		260		500	114,800			4,970	120,530	530,000	4,350,000	266,500	5,146,500	5,267,030
Kansas City.....	7,155,000	20,000	825,000		838,500	19,950		8,000	8,866,450	821,000	3,499,000	58,000	4,378,000	13,244,450
Dallas.....	2,450,900	281,500			1,233,600	600	1,100	22,100	3,989,800	725,000	3,175,000	500,000	4,400,000	8,389,800
San Francisco.....	2,428,750					5,050	27,150		2,460,950	1,000,000	3,748,000	976,000	5,724,000	8,184,950
Total.....	15,053,700	927,160	2,593,000	900	6,526,300	503,600	1,136,500	1,117,850	27,859,010	9,301,000	104,707,000	96,695,500	210,703,500	238,562,510

Amount of United States bonds with circulation privilege:

2 per cent consols and Panamas.....	\$15,980,860
4 per cent loan of 1925.....	2,593,000
Total.....	18,573,860

Amount of United States securities without circulation privilege:

3 per cent loan of 1961.....	\$900
3 per cent conversion bonds.....	6,526,300
3½ per cent Liberty loan.....	503,600
4 per cent Liberty loan.....	1,136,500
4½ per cent Liberty loan.....	1,117,850
3 per cent 1-year notes <sup>1</sup> .....	9,301,000
2 per cent certificates of indebtedness <sup>1</sup> .....	104,707,000
Other Treasury certificates of indebtedness.....	96,695,500
Total.....	219,988,650

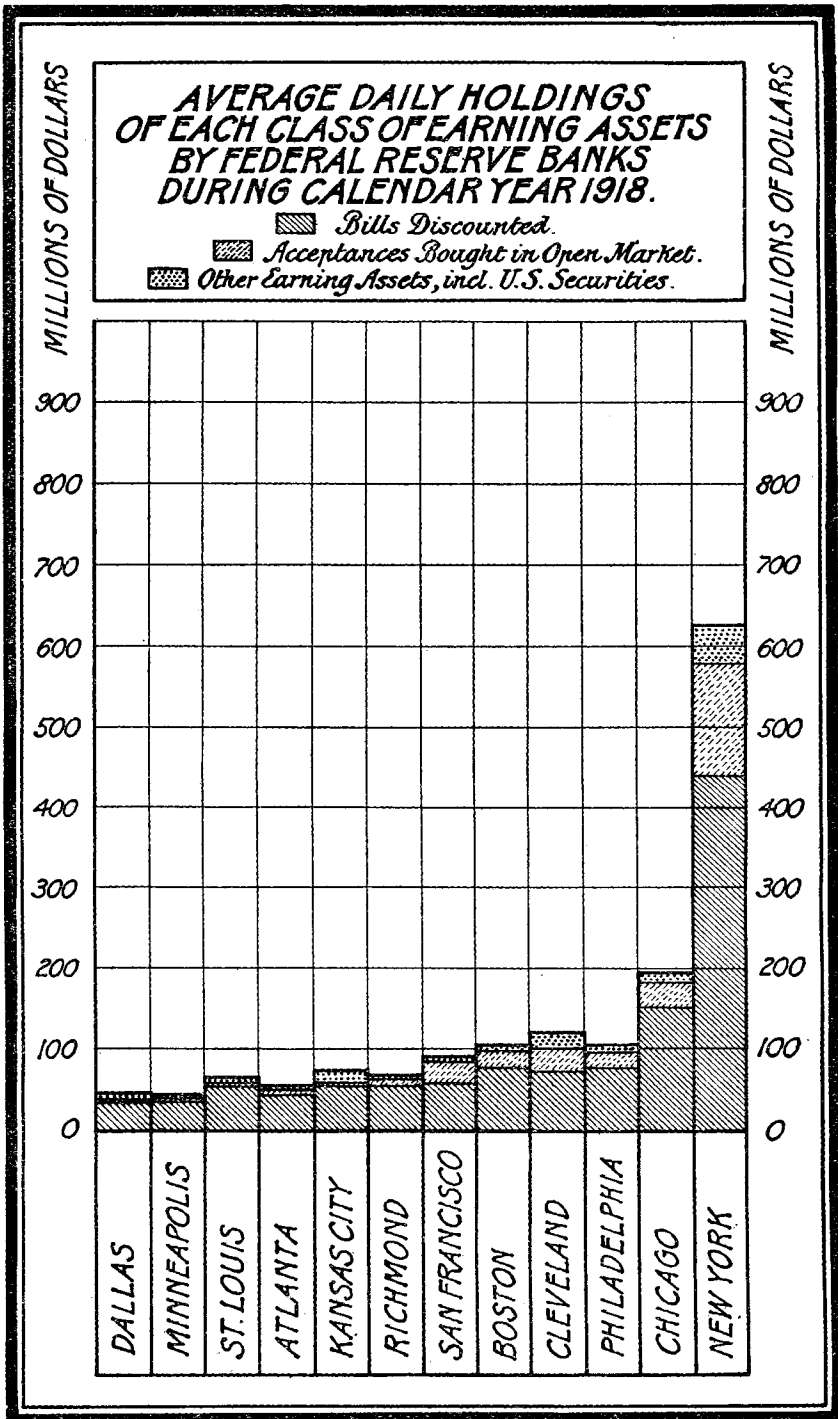
<sup>1</sup> Circulation privilege for Federal Reserve bank notes only. <sup>2</sup> Includes unpaid portion of bonds sold on partial payment plan to individual subscribers, other than employees.

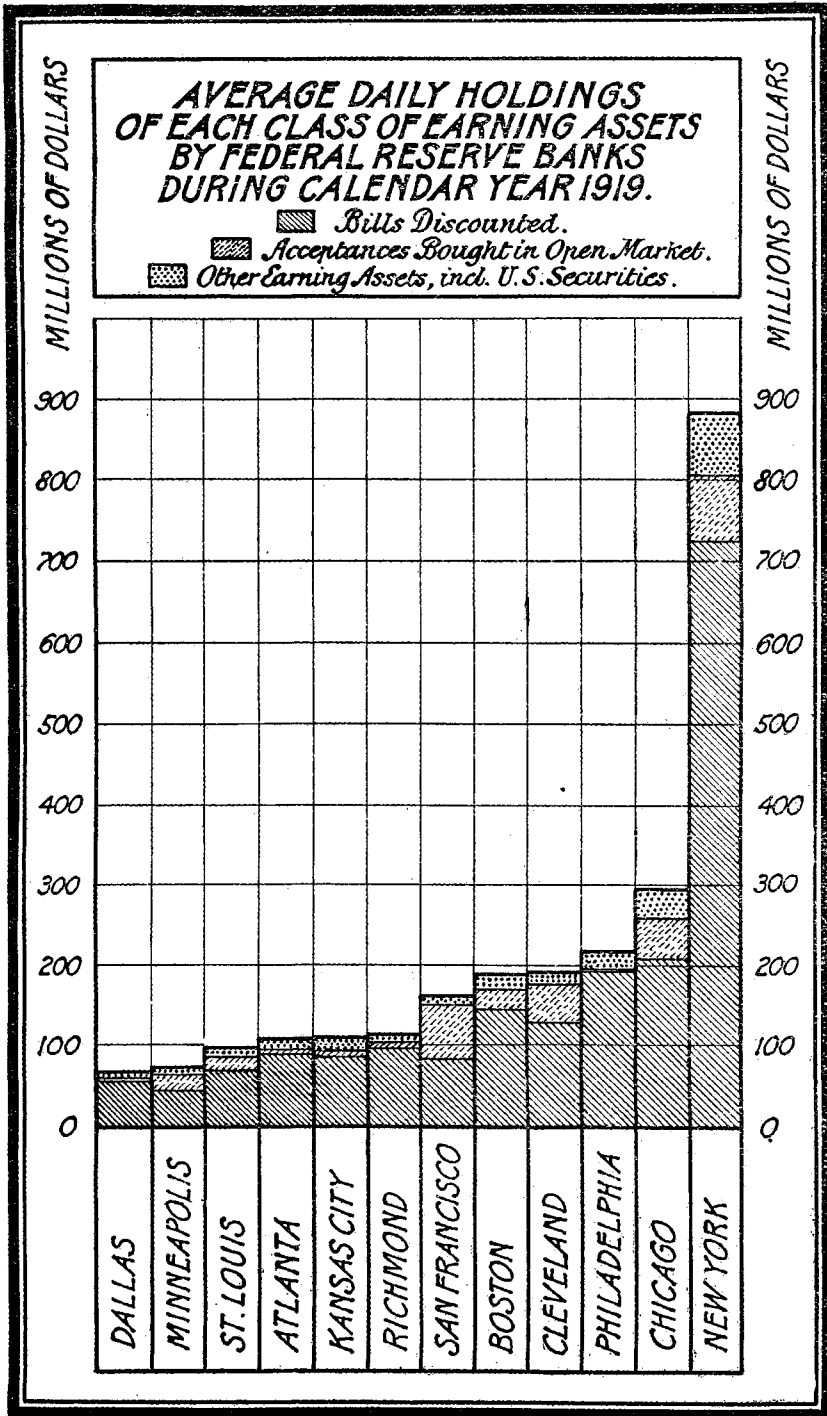
**No. 25.**—Average daily holdings of each class of earning assets, by Federal Reserve Banks, during the calendar years 1918 and 1919.

[In thousands of dollars.]

Federal Reserve Bank.	Discounted bills.		Purchased bills.		United States securities.		Total, 1919.	Total, 1918 (including municipal warrants)
	1919	1918	1919	1918	1919	1918		
Boston.....	142,386	76,415	25,350	22,217	18,217	3,648	185,953	102,280
New York.....	726,895	439,076	78,282	133,096	74,104	50,390	879,281	622,632
Philadelphia.....	198,195	75,556	1,581	18,375	23,263	7,135	218,039	101,067
Cleveland.....	126,649	73,080	44,148	27,175	20,389	17,722	191,186	117,977
Richmond.....	94,546	54,300	7,687	6,411	9,206	3,392	111,439	64,103
Atlanta.....	87,910	41,159	8,038	7,200	11,289	3,746	107,237	52,174
Chicago.....	209,114	150,018	49,458	29,575	35,003	11,560	293,575	191,167
St. Louis.....	68,688	51,756	12,940	5,407	15,288	3,627	96,916	60,790
Minneapolis.....	41,759	33,464	20,682	4,851	8,678	3,814	71,119	42,129
Kansas City.....	83,003	55,733	7,811	3,707	17,960	12,069	108,774	71,509
Dallas.....	52,666	32,084	2,366	4,289	10,133	6,040	65,165	42,609
San Francisco.....	81,387	57,413	66,889	26,119	10,524	5,089	158,800	88,621
Total.....	1,908,198	1,140,054	325,232	288,422	254,054	128,232	2,487,484	<sup>1</sup> 1,557,058

<sup>1</sup> Includes \$350,630 of municipal warrants.





**No 26.**—Average amounts of earning assets held by each Federal Reserve Bank during 1919, earnings from each class of earning assets, and annual rates of earnings.

Federal Reserve Banks.	Average balances for the year of the several classes of earning assets.					Earnings from—	
	Discounted bills.	Purchased bills.	United States securities.	Municipal warrants.	Total.	Discounted bills.	Purchased bills.
Boston .....	\$142,385,669	\$25,350,127	\$18,216,892	.....	\$185,952,688	\$6,003,252	\$1,077,601
New York.....	726,894,981	78,281,695	74,103,968	.....	879,280,644	29,935,911	3,326,839
Philadelphia.....	163,194,965	1,581,247	23,262,740	.....	218,038,952	7,987,864	67,019
Cleveland.....	126,649,267	44,147,874	20,388,887	.....	191,186,028	5,341,785	1,882,985
Richmond.....	94,545,750	7,686,825	9,206,479	.....	111,439,054	4,099,953	351,418
Atlanta.....	87,909,543	8,038,103	11,288,704	\$1,410	107,237,760	3,735,033	367,338
Chicago.....	209,114,369	49,457,373	35,002,957	.....	293,574,699	8,915,827	2,141,789
St. Louis.....	68,688,026	12,939,390	15,288,098	.....	96,915,514	2,918,462	564,495
Minneapolis.....	41,758,732	20,682,482	8,677,696	.....	71,118,910	1,829,461	882,564
Kansas City.....	83,002,885	7,810,736	17,960,085	.....	108,773,706	3,888,839	340,875
Dallas.....	52,666,018	2,366,439	10,132,800	.....	65,165,257	2,443,806	113,397
San Francisco.....	81,387,347	66,889,042	10,523,781	.....	158,800,170	3,667,951	2,870,368
Total—1919.....	1,908,197,552	325,231,333	254,053,087	1,410	2,487,483,382	80,768,144	13,986,778
1918.....	1,140,053,148	288,422,390	128,232,322	350,630	1,557,058,490	48,343,852	11,939,786



Federal Reserve Banks.	Earnings from—			Average rates of earnings on—				
	United States securities.	Municipal warrants.	Total.	Dis-counted bills.	Pur-chased bills.	United States securities.	Muni-ci-pal warrants.	Total.
				<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Boston.....	\$369,457	.....	\$7,450,400	4.21	4.25	2.03	.....	4.01
New York.....	1,888,497	.....	35,151,247	4.12	4.25	2.55	.....	4.00
Philadelphia.....	495,768	.....	8,550,651	4.13	4.24	2.13	.....	3.92
Cleveland.....	450,308	.....	7,675,078	4.22	4.27	2.21	.....	4.02
Richmond.....	185,293	.....	4,636,664	4.34	4.57	2.01	.....	4.16
Atlanta.....	228,958	\$85	4,331,414	4.25	4.57	2.03	5.00	4.03
Chicago.....	736,241	.....	11,793,857	4.26	4.33	2.10	.....	4.02
St. Louis.....	320,412	.....	3,803,369	4.25	4.36	2.10	.....	3.92
Minneapolis.....	213,501	.....	2,925,526	4.33	4.27	2.46	.....	4.11
Kansas City.....	405,400	.....	4,635,114	4.68	4.36	2.26	.....	4.26
Dallas.....	229,080	.....	2,786,283	4.64	4.79	2.26	.....	4.28
San Francisco.....	238,385	.....	6,776,704	5.41	4.29	2.27	.....	4.26
Total—1919.....	5,761,300	85	100,516,307	4.23	4.30	2.26	5.00	4.04
1918.....	3,828,801	14,222	64,126,661	4.24	4.14	2.99	4.06	4.12

**No. 27.**—Average rates (per cent) of earnings on total earning assets for each Federal Reserve Bank, by months, during the calendar year 1919.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Total, 1919.	Total, 1918.
Boston.....	3.97	3.95	3.92	3.92	3.95	3.96	3.96	3.92	3.93	3.96	4.13	4.30	4.01	4.02
New York.....	3.91	3.09	3.96	3.93	3.93	3.96	3.93	3.96	3.86	3.90	4.21	4.37	4.00	3.97
Philadelphia.....	4.01	3.98	3.96	3.92	3.87	3.87	3.81	3.78	3.78	3.77	4.02	4.22	3.92	4.19
Cleveland.....	4.08	4.06	3.99	3.96	4.00	3.99	3.95	3.90	3.81	3.90	4.15	4.27	4.02	4.14
Richmond.....	4.18	4.11	3.96	4.17	4.15	4.13	4.13	4.09	4.07	4.05	4.15	4.30	4.16	4.29
Atlanta.....	4.19	4.07	4.01	3.99	3.97	3.96	3.96	3.90	3.91	3.99	4.11	4.27	4.03	4.17
Chicago.....	4.10	4.09	4.07	4.00	4.00	4.03	3.99	3.85	3.73	3.93	4.16	4.32	4.02	4.19
St. Louis.....	4.02	3.92	3.95	3.88	3.79	3.81	3.87	3.74	3.85	3.87	4.08	4.17	3.92	4.17
Minneapolis.....	4.03	4.08	3.88	4.08	4.04	4.02	4.07	3.87	4.04	4.08	4.20	4.52	4.11	4.45
Kansas City.....	4.33	4.33	4.26	4.36	4.22	4.33	4.24	4.07	4.21	4.11	4.22	4.44	4.26	4.35
Dallas.....	4.34	4.42	4.36	4.33	4.28	4.37	4.15	4.11	4.14	4.11	4.20	4.32	4.28	4.30
San Francisco.....	4.33	4.29	4.35	4.30	4.27	4.23	4.22	4.14	4.23	4.19	4.23	4.43	4.26	4.41
<b>Total—1919.....</b>	<b>4.04</b>	<b>4.03</b>	<b>4.02</b>	<b>4.01</b>	<b>3.99</b>	<b>4.01</b>	<b>3.98</b>	<b>3.93</b>	<b>3.91</b>	<b>3.95</b>	<b>4.16</b>	<b>4.29</b>	<b>4.04</b>	.....
1918.....	3.75	3.81	3.86	4.07	4.29	4.20	4.31	4.27	4.21	4.13	4.19	4.14	.....	4.12

No. 28.—Statement showing condition of each Federal Reserve Bank on Dec. 31, 1919.

RESOURCES.

[Detailed figures shown for each bank in first column represent items as reported to the Board; figures in second column, printed in italics, indicate results of consolidation according to methods used in the compilation of the Board's weekly statement.]

	Boston.		New York.		Philadelphia.	
Gold bullion and coin .....	\$4,310,070.00	.....	\$93,534,518.73	.....	\$55,340.00	.....
Gold certificates (including clearing-house certificates).....	3,649,000.00	.....	60,699,240.00	.....	1,138,700.00	.....
<i>Gold and gold certificates</i> .....	.....	<i>\$7,959,000</i>	.....	<i>\$154,234,000</i>	.....	<i>\$1,194,000</i>
<i>Gold settlement fund, Federal Reserve Board</i> .....	34,350,523.48	<i>34,351,000</i>	14,976,859.68	<i>14,977,000</i>	31,678,751.93	<i>31,679,000</i>
<i>Gold with foreign agencies</i> .....	9,586,375.44	<i>9,586,000</i>	48,194,795.30	<i>48,195,000</i>	10,505,616.91	<i>10,505,000</i>
<i>Total gold held by banks</i> .....	.....	<i>51,898,000</i>	.....	<i>217,406,000</i>	.....	<i>43,978,000</i>
<i>Gold with Federal Reserve Agents</i> .....	73,510,970.00	<i>73,511,000</i>	306,756,215.00	<i>306,756,000</i>	88,948,165.00	<i>88,948,000</i>
<i>Gold redemption fund</i> .....	26,342,440.00	<i>26,342,000</i>	25,000,000.00	<i>25,000,000</i>	8,448,460.00	<i>8,449,000</i>
<i>Total gold reserves</i> .....	.....	<i>151,749,000</i>	.....	<i>549,162,000</i>	.....	<i>140,775,000</i>
Legal-tender notes (including clearing-house certificates).....	1,940,311.00	.....	43,770,842.00	.....	447,000.00	.....
Silver certificates (including clearing-house certificates).....	1,995,738.00	.....	2,221,257.00	.....	109,565.00	.....
Silver coin .....	100,568.00	.....	201,551.50	.....	32,546.05	.....
<i>Legal-tender notes, silver, etc</i> .....	.....	<i>4,037,000</i>	.....	<i>46,194,000</i>	.....	<i>589,000</i>
<i>Total reserves</i> .....	.....	<i>155,786,000</i>	.....	<i>595,556,000</i>	.....	<i>141,364,000</i>
Member banks' collateral notes, secured by Government war obligations.....	54,582,400.00	.....	425,496,832.83	.....	87,908,591.66	.....
Other discounted bills secured by Government war obligations.....	69,946,815.70	.....	136,593,009.62	.....	86,541,067.11	.....
<i>Bills discounted, secured by Government war obligations</i> .....	.....	<i>124,529,000</i>	.....	<i>562,090,000</i>	.....	<i>174,450,000</i>
Member banks' collateral notes, secured otherwise than by Government war obligations.....	112,154.66	.....	.....	.....	.....	.....
Other discounted bills secured otherwise than by Government war obligations and unsecured.....	63,397,695.36	.....	228,713,445.79	.....	35,405,303.29	.....
<i>Bills discounted, all other</i> .....	.....	<i>63,510,000</i>	.....	<i>228,713,000</i>	.....	<i>35,405,000</i>
<i>Bills bought in open market</i> .....	18,648,660.54	<i>18,649,000</i>	202,902,609.54	<i>202,903,000</i>	5,177,538.86	<i>5,177,000</i>
<i>Total bills on hand</i> .....	.....	<i>206,688,000</i>	.....	<i>993,706,000</i>	.....	<i>216,032,000</i>

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No. 28.—Statement showing condition of each Federal Reserve Bank on Dec. 31, 1919—Continued.

RESOURCES—Continued.

	Boston.		New York.		Philadelphia.	
<i>United States Government bonds</i> .....	\$539,400.00	\$539,000	\$1,256,800.00	\$1,257,000	\$1,384,900.00	\$1,385,000
<i>United States Victory notes</i> .....			50,000.00	50,000		
One-year certificates of indebtedness (Pittman Act).....	21,436,000.00		59,276,000.00		30,280,000.00	
Other certificates of indebtedness.....	369,000.00		8,445,500.00		407,000.00	
<i>United States certificates of indebtedness</i> .....		21,805,000		67,721,000		30,687,000
<i>Total earning assets</i> .....		229,032,000		1,062,734,000		247,104,000
<i>Bank premises</i> .....	1,102,826.56	1,103,000	3,994,081.72	3,994,000	500,000.00	500,000
Due from foreign banks.....			1,141,326.31			
National-bank notes.....	480,000.00					
Federal Reserve notes of other Federal Reserve Banks.....	600,000.00		4,666,000.00		132,000.00	
Unassorted currency.....	6,751,000.00				6,171,000.00	
Transit items.....	73,237,200.55		189,140,539.09		71,597,476.61	
Checks and other cash items.....	132,519.66		15,889,091.99		6,330,921.66	
Exchanges for clearing house.....	4,223,644.32		38,642,925.19		8,739,332.58	
Deferred items, Treasurer United States.....			575,373.52			
<i>Uncollected items and other deductions from gross deposits</i> .....		85,424,000		250,055,000		92,971,000
<i>Five per cent redemption fund against Federal Reserve bank notes</i> .....	1,071,800.00	1,072,000	2,900,000.00	2,900,000	1,475,000.00	1,475,000
Other resources:						
Reimbursable expenditures—						
War-loan expenses.....	191,518.60		977,835.29		117,805.33	
War Finance Corporation.....	5.64				11.60	
Liberty bonds—unpaid installments due from employees.....	11,432.50				3,246.00	
Deferred charges.....	5,958.41		6,985.91		523.01	
Difference account.....	333.12		17,870.59		298.32	
Nickels and cents.....	69,407.42		38,910.83		50.03	
Overdrafts—member banks.....	1,454.32				277,149.43	
New building account.....			106,576.83			
United States Liberty loan bonds held against participation certificates.....			40,650.00			

All other resources .....		280,000		1,189,000		599,000
<b>Total resources</b> .....		<b>472,697,000</b>		<b>1,916,228,000</b>		<b>483,813,000</b>

	Cleveland.		Richmond.		Atlanta.	
Gold bullion and coin .....	\$2,667,677.50		\$459,945.00		\$1,930,767.62	
Gold certificates (including clearing-house certificates).....	2,677,920.00		1,959,780.00		6,482,040.00	
Gold and gold certificates .....	\$5,346,000		\$2,420,000		\$8,413,000	
Gold settlement fund, Federal Reserve Board .....	43,848,018.81	43,848,000	25,201,328.28	25,201,000	19,333,518.51	19,333,000
Gold with foreign agencies .....	10,768,257.35	10,768,000	6,434,690.37	6,434,000	4,727,527.61	4,728,000
<b>Total gold held by banks</b> .....		<b>59,962,000</b>		<b>34,055,000</b>		<b>32,474,000</b>
Gold with Federal Reserve agents .....	128,794,225.00	128,794,000	39,998,970.00	39,999,000	63,503,220.00	63,503,000
Gold redemption fund .....	1,872,462.24	1,872,000	7,196,777.49	7,197,000	7,940,425.13	7,941,000
<b>Total gold reserves</b> .....		<b>190,628,000</b>		<b>81,251,000</b>		<b>103,918,000</b>
Legal-tender notes (including clearing-house certificates).....	595,288.00		122,000.00		163,325.00	
Silver certificates (including clearing-house certificates).....	109,493.00		68,229.00		117,580.00	
Silver coin .....	8,089.45		110.55		709,806.30	
Legal-tender notes, silver, etc.....		713,000		190,000		990,000
<b>Total reserves</b> .....		<b>191,341,000</b>		<b>81,441,000</b>		<b>104,908,000</b>
Member banks' collateral notes, secured by Government war obligations..	101,361,120.00		67,520,380.00		61,832,680.00	
Other discounted bills secured by Government war obligations.....	13,164,365.85		13,986,311.34		4,558,955.09	
Bills discounted, secured by Government war obligations.....		114,525,000		81,506,000		66,392,000
Member banks' collateral notes, secured otherwise than by Government war obligations.....	113,000.00		150,000.00		635,000.00	
Other discounted bills secured otherwise than by Government war obligations and unsecured.....	49,878,647.04		23,345,584.34		26,025,232.73	
Bills discounted, all other.....		49,992,000		23,496,000		23,860,000
Bills bought in open market .....	48,606,679.40	48,606,000	16,404,904.82	16,405,000	16,639,000.16	16,639,000
<b>Total bills on hand</b> .....		<b>213,123,000</b>		<b>121,407,000</b>		<b>109,691,000</b>
United States Government bonds.....	833,400.00	834,000	1,234,300.00	1,235,000	375,300.00	375,000
United States Victory notes.....	10,250.00	10,000	300.00		3,900.00	4,000

No. 28.—Statement showing condition of each Federal Reserve Bank on Dec. 31, 1919—Continued.

RESOURCES—Continued.

	Cleveland.		Richmond.		Atlanta.	
One-year certificates of indebtedness (Pittman Act).....	\$284,000.00		\$12,260,000.00		\$15,664,000.00	
Other certificates of indebtedness.....	23,299,000.00				1,846.00	
<i>United States certificates of indebtedness.....</i>		<i>\$33,583,000</i>		<i>\$12,260,000</i>		<i>\$15,666,000</i>
<i>Total earning assets.....</i>		<i>237,550,000</i>		<i>134,902,000</i>		<i>125,736,000</i>
<i>Bank premises.....</i>	894,683.73	<i>895,000</i>	524,024.50	<i>524,000</i>	486,926.88	<i>487,000</i>
National bank notes.....	1,270,055.00		113,250.00		367,700.00	
Bank notes of other Federal Reserve Banks.....	10,230.00		35,000.00		449,700.00	
Federal Reserve notes of other Federal Reserve Banks.....	2,176,355.00		376,370.00		1,278,455.00	
Unassorted currency.....	3,185,787.00		4,217,494.00		7,181,806.00	
Transit items.....	67,974,177.20		84,182,455.68		36,319,680.10	
Checks and other cash items.....	21,122.78		154,714.81		67,064.23	
Exchanges for clearing house.....	7,870,166.85		5,113,094.03		2,602,513.91	
Domestic transfers purchased.....	1,190,000.00					
<i>Uncollected items and other deductions from gross deposits.....</i>		<i>83,698,000</i>		<i>94,183,000</i>		<i>48,267,000</i>
<i>Five per cent redemption fund against Federal Reserve bank notes.....</i>	<i>1,122,000.00</i>	<i>1,122,000</i>	<i>643,300.00</i>	<i>643,000</i>	<i>878,550.00</i>	<i>878,000</i>
Other resources:						
Reimbursable expenditures—						
War-loan expenses.....	328,957.01		514,860.47		121,786.25	
War Finance Corporation.....	1,428.97				.47	
Deferred charges.....	1,970.09		735.60		9,269.68	
Difference account.....	723.76		4,817.48		3,088.67	
Nickels and cents.....	1,376.15		13.93		6,170.35	
Overdrafts—member banks.....	39,976.71		557,198.65		10,049.31	
New building account.....	392.19					
Dividend account, including premium on surrendered stock.....	280,236.67					
<i>All other resources.....</i>		<i>655,000</i>		<i>1,078,000</i>		<i>151,000</i>
<i>Total resources.....</i>		<i>515,261,000</i>		<i>312,781,000</i>		<i>280,427,000</i>

	Chicago.		St. Louis.		Minneapolis.	
Gold bullion and coin.....	\$160,000.00		\$237.50		\$2,099,845.00	
Gold certificates (including clearing-house certificates).....	24,021,000.00		2,756,890.00		6,175,430.00	
<i>Gold and gold certificates.....</i>		<i>\$24,181,000</i>		<i>\$2,757,000</i>		<i>\$8,275,000</i>
<i>Gold settlement fund, Federal Reserve Board.....</i>	<i>76,478,739.40</i>	<i>76,479,000</i>	<i>17,887,751.75</i>	<i>17,888,000</i>	<i>4,872,374.56</i>	<i>4,872,000</i>
<i>Gold with foreign agencies.....</i>	<i>15,627,105.15</i>	<i>15,627,000</i>	<i>6,172,049.99</i>	<i>6,172,000</i>	<i>3,545,645.72</i>	<i>3,546,000</i>
<i>Total gold held by banks.....</i>		<i>116,287,000</i>		<i>26,817,000</i>		<i>16,693,000</i>
<i>Gold with Federal Reserve agents.....</i>	<i>243,604,230.00</i>	<i>243,604,000</i>	<i>61,624,715.00</i>	<i>61,625,000</i>	<i>35,846,605.00</i>	<i>35,847,000</i>
<i>Gold redemption fund.....</i>	<i>19,533,109.59</i>	<i>19,533,000</i>	<i>6,132,620.00</i>	<i>6,132,000</i>	<i>205,448.00</i>	<i>205,000</i>
<i>Total gold reserves.....</i>		<i>379,424,000</i>		<i>94,574,000</i>		<i>52,745,000</i>
Legal-tender notes (including clearing-house certificates).....	1,049,900.00		1,164,189.50		48,730.00	
Silver certificates (including clearing-house certificates).....	755,524.00		176,580.00		14,669.00	
Silver coin.....	115,019.00		1,013,126.00		1,850.00	
<i>Legal-tender notes, silver, etc.....</i>		<i>1,921,000</i>		<i>2,854,000</i>		<i>66,000</i>
<i>Total reserves.....</i>		<i>381,345,000</i>		<i>96,928,000</i>		<i>52,811,000</i>
Member banks' collateral notes, secured by Government war obligations..	143,949,500.00		37,047,050.00		18,842,643.67	
Other discounted bills, secured by Government war obligations.....	6,868,814.23		8,021,177.23		3,488,669.47	
<i>Bills discounted, secured by Government war obligations.....</i>		<i>150,818,000</i>		<i>45,068,000</i>		<i>22,331,000</i>
Member banks' collateral notes, secured otherwise than by Government war obligations.....	148,000.00		560,010.19		1,120,000.00	
Other discounted bills, secured otherwise than by Government war obligations and unsecured.....	135,941,860.97		32,051,235.84		50,405,778.55	
<i>Bills discounted, all other.....</i>		<i>136,090,000</i>		<i>32,611,000</i>		<i>51,526,000</i>
<i>Bills bought in open market.....</i>	<i>92,650,234.57</i>	<i>92,650,000</i>	<i>32,803,679.36</i>	<i>32,804,000</i>	<i>12,599,452.47</i>	<i>12,600,000</i>
<i>Total bills on hand.....</i>		<i>379,559,000</i>		<i>110,483,000</i>		<i>86,457,000</i>
<i>United States Government bonds.....</i>	<i>4,477,100.00</i>	<i>4,477,000</i>	<i>1,153,400.00</i>	<i>1,153,000</i>	<i>115,561.00</i>	<i>115,000</i>
One-year certificates of indebtedness (Pittman Act).....	39,612,000.00		17,068,000.00		8,480,000.00	
Other certificates of indebtedness.....	176,000.00		170,000.00			
<i>United States certificates of indebtedness.....</i>		<i>39,788,000</i>		<i>17,238,000</i>		<i>8,480,000</i>
<i>Total earning assets.....</i>		<i>423,824,000</i>		<i>128,874,000</i>		<i>95,052,000</i>

RESOURCES—Continued.

	Chicago.		St. Louis.		Minneapolis.	
<i>Bank premises</i> .....	\$2,936,149.26	\$2,936,000	\$355,736.50	\$356,000	\$600,000.00	\$600,000
National bank notes.....	1,151,517.00		747,310.00		36,890.00	
Bank notes of other Federal Reserve Banks.....	60,000.00		71,192.00			
Federal Reserve notes of other Federal Reserve Banks.....	5,486,572.17		1,957,805.00		541,385.00	
Unassorted currency.....			5,888,621.00		134,500.00	
Transit items.....	105,213,721.14		61,374,327.97		20,415,770.08	
Checks and other cash items.....			343,283.18		195,414.11	
Exchanges for clearing house.....	13,019,211.23		3,460,255.75		1,945,609.22	
Domestic transfers purchased.....	3,570,000.00				1,136,265.19	
Unmatured Government coupons.....			111.81			
<i>Uncollected items and other deductions from gross deposits</i> .....		128,501,000		73,843,000		24,406,000
<i>Five per cent redemption fund against Federal Reserve bank notes</i> .....	1,888,150.00	1,888,000	672,800.00	673,000	400,350.00	400,000
Other resources:						
Reimbursable expenditures—						
War-loan expenses.....	532,481.16		105,203.98		131,700.81	
War Finance Corporation.....			1,252.95		93.26	
Furniture and equipment.....					1.00	
Deferred charges.....	11,255.50		17,263.35		7,685.42	
Difference account.....					5,069.20	
Nickels and cents.....	2,141.84		113,486.98		10.75	
Overdrafts—member banks.....	6,648.78		1,046.64			
United States Liberty loan bonds held against participation certificates.....	2,850.00					
Dividend account, including premium on surrendered stock.....					92,353.86	
<i>All other resources</i> .....		555,000		238,000		237,000
<i>Total resources</i> .....		\$39,049,000		\$90,912,000		\$173,506,000



	Kansas City.		Dallas.		San Francisco.		Total.	
Gold bullion and coin.....	\$40,375.00		\$326,500.00		\$11,070,025.00		\$116,655,301.35	
Gold certificates (including clearing-house certificates)	150,850.00		6,143,050.00		2,283,290.00		118,137,190.00	
Gold and gold certificates.....		\$191,000		\$6,469,000		\$13,553,000		\$234,792,000
Gold settlement fund, Federal Reserve Board.....	25,932,982.00	25,983,000	17,073,569.26	17,073,000	27,109,565.22	27,110,000	338,743,982.88	338,744,000
Gold with foreign agencies.....	6,303,370.16	6,304,000	3,414,325.49	3,415,000	6,040,729.73	6,041,000	131,320,489.22	131,321,000
<i>Total gold held by banks.....</i>		<i>32,428,000</i>		<i>26,957,000</i>		<i>46,504,000</i>		<i>704,857,000</i>
Gold with Federal Reserve agents.....	39,408,970.00	39,409,000	27,544,580.00	27,545,000	129,050,435.00	129,050,000	1,238,591,300.00	1,238,591,000
Gold redemption fund.....	4,374,862.20	4,375,000	3,711,624.90	3,712,000	8,638,655.00	8,639,000	119,396,884.55	119,397,000
<i>Total gold reserves.....</i>		<i>76,212,000</i>		<i>58,214,000</i>		<i>184,193,000</i>		<i>2,062,845,000</i>
Legal-tender notes (including clearing-house certificates).....	167,600.00		72,895.00		228,660.00		49,770,740.50	
Silver certificates (including clearing-house certificates).....	20,000.00		132,220.00		91,099.00		5,811,954.00	
Silver coin.....	177,099.60		992,313.50		26,123.25		3,378,203.20	
Legal-tender notes, silver, etc.....		364,000		1,197,000		346,000		53,961,000
<i>Total reserves.....</i>		<i>76,576,000</i>		<i>59,411,000</i>		<i>184,539,000</i>		<i>2,121,806,000</i>
Member banks' collateral notes, secured by Government war obligations.....	40,815,468.44		38,904,309.30		40,624,550.00		1,118,885,525.90	
Other discounted bills, secured by Government war obligations.....	4,474,907.16		472,078.51		2,926,822.71		351,042,994.02	
<i>Bills discounted, secured by Government war obligations.....</i>		<i>45,290,000</i>		<i>39,376,000</i>		<i>43,552,000</i>		<i>1,469,928,000</i>
Member banks' collateral notes, secured otherwise than by Government war obligations.....	5,670,968.49		62,500.00		467,500.00		9,039,133.34	
Other discounted bills, secured otherwise than by Government war obligations and unsecured.....	42,419,386.57		18,877,031.14		29,877,085.76		736,338,287.38	
<i>Bills discounted, all other.....</i>		<i>48,090,000</i>		<i>18,940,000</i>		<i>50,344,000</i>		<i>745,377,000</i>
<i>Bills bought in open market.....</i>	<i>18,691,464.20</i>	<i>18,692,000</i>	<i>6,420,648.92</i>	<i>6,421,000</i>	<i>102,558,190.86</i>	<i>102,558,000</i>	<i>574,103,063.70</i>	<i>574,104,000</i>
<i>Total bills on hand.....</i>		<i>112,072,000</i>		<i>64,787,000</i>		<i>176,454,000</i>		<i>2,789,409,000</i>

No. 28.—Statement showing condition of each Federal Reserve Bank on Dec. 31, 1919—Continued.

RESOURCES—Continued.

	Kansas City.		Dallas.		San Francisco.		Total.	
United States Government bonds.....	\$8,867,300.00	\$8,868,000	\$3,966,000.00	\$3,968,000	\$2,632,450.00	\$2,638,000	\$26,835,911.00	\$26,836,000
United States Victory notes.....	450.00						64,900.00	64,000
One-year certificates of indebtedness (Pittman Act)...	12,820,000.00				10,880,000.00		228,060,000.00	
Other certificates of indebtedness.....	2,247,000.00		9,065,000.00		963,500.00		45,143,846.00	
United States certificates of indebtedness.....		15,067,000		9,065,000		11,844,000		273,204,000
<i>Total earning assets.....</i>		136,007,000		77,768,000		190,930,000		3,089,513,000
Bank premises.....	461,686.76	462,000	399,393.65	399,000	400,000.00	400,000	12,655,514.56	12,656,000
Due from foreign banks.....							1,141,326.31	
National bank notes.....	330,500.00		227,140.00		242,304.00		4,966,666.00	
Bank notes of other Federal Reserve Banks.....	17,100.00		3,250.00		29,455.00		675,927.00	
Federal Reserve notes of other Federal Reserve Banks.....	788,500.00		402,650.00		4,017,563.00		22,423,655.17	
Unassorted currency.....	2,739,301.00		1,882,346.00		5,521,980.00		43,673,835.00	
Transit items.....	77,800,762.51		48,180,320.89		34,854,858.78		870,291,290.58	
Checks and other cash items.....	228,878.16		1,324,456.08		177,907.39		24,865,374.05	
Exchanges for clearing house.....	1,524,324.86		789,288.35		2,581,634.50		90,512,000.79	
Domestic transfers purchased.....			8,515,395.13		6,847,502.00		21,259,162.32	
Deferred items, Treasurer United States.....							575,373.52	
Unmatured Government coupons.....							111.81	
Uncollected items and other deductions from gross deposits.....		83,429,000		61,325,000		54,273,000		1,080,385,000
Five per cent redemption fund against Federal Reserve bank notes.....	957,460.00	958,000	558,200.00	558,000	665,000.00	665,000	13,232,610.00	13,232,000
Other resources:								
Reimbursable expenditures—								
War-loan expenses.....	407,176.18		213,594.00		211,737.81		3,854,656.89	
War Finance Corporation.....					11.22		2,804.11	
Liberty bonds—unpaid installments due from employees.....	5,772.50		19,300.00				39,751.00	

Cost of Federal Reserve currency.....				112,194.92		112,194.92	
Furniture and equipment.....				83,232.69		83,232.69	
Deferred charges.....		10,278.21		8,986.70		80,911.88	
Difference account.....	46.45	96.94		558.83		32,903.36	
Adjustment a/c subscriptions Fourth Liberty loan.....				12,415.39		12,415.39	
Nickels and cents.....	40,143.08	4,649.54		789.02		277,149.92	
Overdrafts—member banks.....	42,856.28	82,984.41		20,680.25		1,040,044.78	
New building account.....						106,969.02	
United States Liberty loan bonds held against participation certificates.....						43,500.00	
Dividend account, including premium on surrendered stock.....						372,590.53	
Profit and loss.....		7,421.06				7,421.06	
Suspense.....		21,096.50				21,096.50	
<i>All other resources</i> .....		496,000	360,000		450,000		6,088,000
<i>Total resources</i> .....		897,928,000	199,821,000		431,257,000		6,323,680,000

**LIABILITIES.**

	Boston.		New York.		Philadelphia.	
Capital paid in by members.....	\$7,103,900.00		\$22,390,750.00		\$7,884,150.00	
Capital paid in by applicants for membership.....	3,600.00					
<i>Capital paid in</i> .....		\$7,108,000		\$22,391,000		\$7,884,000
Surplus.....	5,205,759.33	5,206,000	32,922,051.13	52,922,000	5,311,335.94	5,311,000
U. S. Treasurer—general account:						
Collected funds.....	1,122,752.48		4,091,625.67		5,188,851.06	
Uncollected funds.....			1,756,767.83			
<i>Government deposits</i> .....		1,123,000		5,848,000		5,189,000
<i>Due to members—reserve account</i> .....	117,083,126.15	117,083,000	755,951,452.59	755,952,000	110,541,160.68	110,541,000
Gold settlement fund—suspense.....	21,725,206.44		72,964,615.44		23,447,942.14	
Government transit items.....					5,875,753.00	

No. 28.—Statement showing condition of each Federal Reserve Bank on Dec. 31, 1919—Continued.

LIABILITIES—Continued.

	Boston.		New York.		Philadelphia.	
All other transit items.....	\$45,468,617.21	.....	\$95,905,112.17	.....	\$46,308,843.84	.....
<i>Deferred availability items</i> .....		\$67,194,000		\$168,870,000		\$75,632,000
Foreign Government credits.....	5,277,466.11	.....	27,569,776.45	.....	5,783,524.49	.....
Nonmembers—clearing account.....	3,500.00	.....	11,655,844.36	.....		.....
Cashiers' checks.....	149,813.01	.....	6,170,350.28	.....	3,486,814.95	.....
Federal Reserve exchange drafts.....	32,866.84	.....		.....	88,358.81	.....
Federal Reserve transfer drafts.....	379,566.50	.....		.....		.....
<i>Other deposits, including foreign Government credits</i> .....		5,843,000		45,398,000		9,359,000
<i>Total gross deposits</i> .....		191,243,000		976,066,000		200,721,000
Federal Reserve notes outstanding.....	254,717,970.00	.....	939,715,955.00	.....	247,895,665.00	.....
Less:						
Held by banks and branches.....	8,124,500.00	.....	126,285,385.00	.....	9,677,915.00	.....
Forwarded for redemption.....	2,500,900.00	.....	5,814,600.00	.....	1,167,100.00	.....
Total deductions.....	10,625,400.00	.....	132,099,985.00	.....	10,845,015.00	.....
<i>Federal Reserve notes in actual circulation</i> .....		244,092,000		807,616,000		237,051,000
Federal Reserve bank notes outstanding.....	20,912,000.00	.....	58,200,000.00	.....	29,052,000.00	.....
Less:						
Held by banks and branches.....	200.00	.....	3,527,000.00	.....	260,249.00	.....
<i>Federal Reserve bank notes in actual circulation—net liability</i> .....		20,912,000		54,673,000		28,792,000
Other liabilities:						
Profit and loss.....	242,303.70	.....	1,311,644.06	.....	258,741.65	.....
Earnings:						
Discount on bills discounted.....	3,041,516.00	.....	15,678,039.09	.....	4,184,193.99	.....
Discount on bills purchased.....	802,007.42	.....	2,157,089.28	.....	32,212.20	.....

Interest on United States securities.....	229,188.74	960,715.01	313,559.80
Penalties on deficient reserves.....	13,794.65	31,281.02	16,013.11
Income and expenses—real estate.....		54,406.20	
Discount profit on bills sold.....		4,779.43	
Miscellaneous.....	565.00	75,543.97	14,539.92
•			
Gross earnings.....	4,087,071.81	18,961,854.00	4,560,519.02
Less current expenses.....	876,376.87	3,035,886.09	959,189.06
Current net earnings.....	3,210,694.94	15,925,967.91	3,601,329.96
Deduct—dividends paid in current year.....		674,187.71	232,835.41
Net earnings available for dividends, surplus, and franchise tax.....	3,210,694.94	15,251,780.20	3,368,494.55
Reserved for taxes other than franchise tax.....	1,659.51	3,637.20	54,495.49
Reserved for sundry expenses.....		104,375.00	222.57
Self insurance reserve.....		51,474.12	
Reserve against undetermined liabilities.....		200,000.00	
Depreciation reserve on United States bonds.....	92,697.48	200,880.00	116,131.00
Suspense credits.....	4,290.39	30,305.45	4,580.85
Gold in transit or in custody— withheld for expense account.....		3,192,092.38	
Participation certificates and contract—Liberty loan bonds.....		20,130.00	
Unearned discount.....	807,179.11	2,737,510.26	544,462.25
Total.....	4,358,825.13	23,103,828.67	4,347,128.36
Less interest accrued on United States securities.....	222,145.92	543,500.33	292,903.89
All other liabilities.....		4,136,000	22,560,000
Total liabilities.....		472,697,000	1,916,228,000
			4,054,000
			483,813,000

No. 23.—Statement showing condition of each Federal Reserve Bank on Dec. 31, 1919—Continued.

LIABILITIES—Continued.

	Cleveland.		Richmond.		Atlanta.	
Capital paid in by members.....	\$9,532,950.00		\$4,392,000.00		\$3,425,650.00	
Capital paid in by applicants for membership.....					2,550.00	
Capital paid in.....		\$9,533,000		\$4,392,000		\$3,428,000
Surplus.....	5,859,600.00	5,860,000	3,799,846.22	3,800,000	2,805,000.00	2,805,000
U. S. Treasurer—general account:						
Collected funds.....	1,675,111.23		2,839,730.49		2,474,263.27	
Uncollected funds.....					232,728.11	
Government deposits.....		1,675,000		2,340,000		2,707,000
Due to members—reserve account.....	129,415,061.66	129,415,000	62,712,122.52	62,712,000	58,388,305.76	53,383,000
Gold settlement fund—suspense.....	24,836,625.39		33,800,592.08		5,862,338.16	
Government transit items.....	622,632.79		1,551,849.08		998,183.13	
All other transit items.....	46,144,272.82		39,970,579.66		30,287,211.48	
Deferred availability items.....		71,603,000		75,323,000		37,143,000
Foreign Government credits.....	5,928,112.60		3,542,408.75		2,602,586.02	
Nonmembers—clearing account.....					12,498.22	
Cashiers' checks.....	173,841.58		69,642.70		163,501.14	
Federal Reserve exchange drafts.....	25,968.06		2,917.62			
Federal Reserve transfer drafts.....	208.00					
Other deposits, including foreign Government credits.....		6,128,000		3,615,000		2,779,000
Total gross deposits.....		208,821,000		144,490,000		101,022,000
Federal Reserve notes outstanding.....	283,801,770.00		151,704,920.00		160,107,820.00	
Less:						
Held by banks and branches.....	17,355,115.00		5,298,000.00		4,108,635.00	
Forwarded for redemption.....	1,709,065.00		641,600.00		483,250.00	
Total deductions.....	19,064,180.00		5,939,600.00		4,596,885.00	
Federal Reserve notes in actual circulation.....		264,738,000		145,765,000		155,511,000
Federal Reserve bank notes outstanding.....	22,491,000.00		12,216,000.00		15,777,600.00	

Less:				
Held by banks and branches.....	460,010.00		158,050.00	216,300.00
Forwarded for redemption.....	23,500.00			
<b>Total deductions.....</b>	<b>483,510.00</b>		<b>158,050.00</b>	<b>216,300.00</b>
<i>Federal Reserve bank notes in actual circulation—net liability.....</i>		<i>22,007,000</i>		<i>12,058,000</i>
				<i>15,561,000</i>
Other liabilities:				
Profit and loss.....	252,200.15		178,991.05	94,401.24
Earnings:				
Discount on bills discounted.....	2,894,597.08		2,101,839.95	2,069,466.98
Discount on bills purchased.....	1,098,596.55		188,301.48	196,308.42
Interest on United States securities.....	276,400.89		115,671.33	140,608.60
Penalties on deficient reserves.....	37,365.69		61,457.28	48,596.56
Domestic transfers bought and sold—net.....	29,362.64			
Profit on United States securities.....	2,350.00			
Miscellaneous.....	5,775.09		753.84	6,391.62
Gross earnings.....	4,344,447.94		2,468,023.88	2,461,372.18
Less current expenses.....	764,236.86		510,661.72	559,059.05
Current net earnings.....	3,580,211.08		1,957,362.16	1,902,313.13
Deduct—dividends paid in current year.....	1,007.85		128,811.94	101,012.73
Net earnings available for dividends, surplus, and franchise tax.....	3,579,203.23		1,828,550.22	1,801,300.40
Reserved for taxes other than franchise tax.....	30,101.94		19,970.00	25,583.24
Reserved for sundry expenses.....			20,316.50	49,378.20
Depreciation reserve on United States bonds.....	84,406.79		63,186.30	5,402.23
Participation certificates and contract—Liberty loan bonds.....			1,839.37	
Deferred credit—war loan expenses.....			9,520.00	
Unearned discount.....	582,891.31		260,184.59	259,673.32
Total.....	4,528,803.42		2,382,558.03	2,235,738.63
Less interest accrued on United States securities.....	226,732.80		106,576.81	135,903.92
<i>All other liabilities.....</i>		<i>4,302,000</i>		<i>2,276,000</i>
<b>Total liabilities.....</b>		<b>515,261,000</b>		<b>280,427,000</b>

No. 28.—Statement showing condition of each Federal Reserve Bank on Dec. 31, 1919—Continued.

LIABILITIES—Continued.

	Chicago.		St. Louis.		Minneapolis.	
Capital paid in by members.....	\$12,347,150.00		\$4,064,450.00		\$3,073,950.00	
Capital paid in.....		\$12,347,000		\$4,064,000		\$3,074,000
Surplus.....	9,710,581.44	9,710,000	2,589,495.50	2,589,000	2,310,601.04	2,320,000
United States Treasurer—General account:						
Collected funds.....	350,003.59		1,576,568.34		513,187.11	
Uncollected funds.....			775,815.62			
Government deposits.....		350,000		2,353,000		513,000
Due to members—reserve account.....	257,978,903.15	257,979,000	72,282,788.29	72,283,000	53,827,751.78	53,828,000
Gold settlement fund—suspense.....	43,258,856.55		22,401,610.62		6,087,509.78	
Government transit items.....	1,899,176.02		3,561.59		197,856.45	
All other transit items.....	55,467,389.26		30,975,608.33		7,976,836.89	
Domestic transfers sold.....	200,000.00					
Deferred availability items.....		100,825,000		53,381,000		14,262,000
Foreign Government credits.....	8,602,992.69		3,397,820.65		1,951,939.52	
Nonmembers—clearing account.....	525,711.41		348,498.56		115,000.00	
Cashiers' checks.....	826,704.59		199,436.62		191,259.44	
Federal Reserve exchange drafts.....	10,000.00		1,879.26		4,088.25	
Federal Reserve transfer drafts.....	10,000.00		53.19			
Other deposits, including foreign Government credits.....		9,976,000		3,947,000		2,262,000
Total gross deposits.....		\$69,130,000		131,964,000		70,865,000
Federal Reserve notes outstanding.....	535,459,230.00		164,718,955.00		88,442,605.00	
Less:						
Held by banks and branches.....	30,238,330.00		17,589,880.00		896,665.00	
Forwarded for redemption.....	5,082,225.00		1,830,745.00		359,250.00	
Total deductions.....	35,320,555.00		19,420,625.00		1,255,915.00	
Federal Reserve notes in actual circulation.....		500,139,000		145,298,000		87,187,000



Federal Reserve bank notes outstanding .....	41,289,800.00	16,603,000.00	8,288,000.00
Less:			
Held by banks and branches .....	340,000.00	1,109,676.00	87,925.00
<i>Federal Reserve bank notes in actual circulation—net liability</i> .....	<i>40,960,000</i>	<i>15,498,000</i>	<i>8,200,000</i>
Other liabilities:			
Profit and loss .....	366,037.28	109,550.80	100,484.16
Earnings:			
Discount on bills discounted .....	4,873,548.83	1,540,175.19	1,070,128.60
Discount on bills purchased .....	1,404,763.69	366,713.57	448,447.84
Interest on United States securities .....	486,781.19	192,740.99	91,894.86
Penalties on deficient reserves .....	26,234.32	26,464.85	14,565.47
Domestic transfers bought and sold—net .....	81,338.37	9,152.96	28,629.73
Interest earned—bills of lading drafts .....			244.02
Miscellaneous .....	11,052.95	9,389.02	1,269.03
Gross earnings .....	6,883,719.35	2,144,636.58	1,655,179.55
Less current expenses .....	1,421,459.05	980,479.74	298,477.19
Current net earnings .....	5,462,260.30	1,164,156.84	1,356,702.36
Deduct—dividends paid in current year .....	360,339.61	119,878.48	117,735.75
Net earnings available for dividends, surplus, and franchise tax ..	5,101,920.69	1,044,278.36	1,357,876.11
Reserved for sundry expenses .....	151,495.19	56,180.04	18,813.39
Depreciation reserve on United States bonds .....	97,571.50	172,997.00	53,610.82
Difference account .....	40,296.63	226.57	
Participation certificates and contract Liberty loan bonds .....	2,850.00		
Unearned discount .....	1,393,585.65	296,691.41	408,542.58
Total .....	7,153,756.94	1,679,924.18	1,939,327.06
Less interest accrued on United States securities .....	380,865.65	181,755.28	79,271.98
<i>All other liabilities</i> .....	<i>6,778,000</i>	<i>1,499,000</i>	<i>1,860,000</i>
<i>Total liabilities</i> .....	<i>839,049,000</i>	<i>300,912,000</i>	<i>178,506,000</i>

<sup>1</sup> Interest received.

No. 28.—Statement showing condition of each Federal Reserve Bank on Dec. 31, 1919—Continued.

LIABILITIES—Continued.

	Kansas City.		Dallas.		San Francisco.		Total.	
Capital paid in by members.....	\$4,015,550.00		\$3,420,700.00		\$5,488,750.00		\$87,137,950.00	
Capital paid in by applicants for membership.....					263,000.00		269,150.00	
Capital paid in.....		\$4,016,000		\$3,421,000		\$5,749,000		\$87,407,000
Surplus.....	3,957,137.55	3,957,000	2,028,868.33	2,029,000	4,577,547.49	4,578,000	81,086,823.97	81,087,000
United States Treasurer—general account:								
Collected funds.....	813,785.80		245,397.19		3,434,902.39		24,326,178.62	
Uncollected funds.....	976,044.10		2,654,949.74		237,991.43		6,634,296.83	
Government deposits.....		1,790,000		2,300,000		3,673,000		30,961,000
Due to members—reserve account.....	90,406,431.51	90,406,000	63,371,988.44	63,372,000	117,929,882.55	117,930,000	1,889,888,975.08	1,889,889,000
Gold settlement fund—suspense.....	11,249,008.19		10,168,008.46		7,688,511.54		283,490,824.79	
Government transit items.....					1,907,445.81		13,056,457.87	
All other transit items.....	56,008,686.35		29,179,114.99		25,174,902.17		508,867,185.17	
Domestic transfers sold.....	500,000.00				1,000.35		701,000.35	
Deferred availability items.....		67,753,000		39,347,000		34,772,000		806,115,000
Foreign Government credits.....	3,470,114.70		1,879,645.46		3,325,526.59		73,331,914.03	
Nonmembers—clearing account.....	3,749.57				1,575,364.38		14,240,166.50	
Cashiers' checks.....	249,940.45		156,554.78		985,638.38		12,823,497.92	
Federal Reserve exchange drafts.....	10.98				20,159.44		186,247.26	
Federal Reserve transfer drafts.....			6,135.38				395,963.07	
Other deposits, including foreign Government credits.....		3,724,000		2,043,000		5,906,000		100,978,000
Total gross deposits.....		163,678,000		107,662,000		162,281,000		2,827,943,000
Federal Reserve notes outstanding.....	110,555,755.00		78,644,065.00		280,024,435.00		3,295,789,145.00	
Less:								
Held by banks and branches.....	5,263,450.00		3,118,890.00		35,056,575.00		263,013,340.00	
Forwarded for redemption.....	1,203,050.00		594,850.00		2,506,100.00		23,897,735.00	
Total deductions.....	6,466,500.00		3,713,740.00		37,562,675.00		286,911,075.00	
Federal Reserve notes in actual circulation.....		104,089,000		74,930,000		242,462,000		3,003,373,000

<b>Federal Reserve bank notes outstanding</b> .....	19,980,000.00	10,972,400.00	13,200,000.00	268,986,800.00
<b>Less:</b>				
Held by banks and branches.....	447,300.00	511,050.00	1,355,095.00	8,472,855.00
Forwarded for redemption.....				23,500.00
<b>Total deductions</b> .....	447,300.00	511,050.00	1,355,095.00	8,496,355.00
<i>Federal Reserve bank notes in actual circulation—net liability</i> .....	19,533,000	10,461,000	11,845,000	260,490,000
<b>Other liabilities:</b>				
<b>Profit and loss</b> .....	170,634.53		236,596.93	3,321,585.55
<b>Earnings:</b>				
Discount on bills discounted.....	2,041,071.78	1,269,176.88	1,689,866.24	42,453,620.61
Discount on bills purchased.....	156,321.16	70,285.50	1,923,956.53	8,845,003.64
Interest on United States securities.....	241,693.16	128,544.13	126,345.56	3,304,144.26
Penalties on deficient reserves.....	64,039.84	37,923.67	33,844.66	411,581.12
Commissions.....			48.33	48.33
Domestic transfers bought and sold—net.....	92,935.89	115,895.16	111,689.26	469,004.01
Profit on United States securities.....				2,350.00
Income and expenses—real estate.....				54,406.20
Discount profits on bills sold.....				4,779.43
Interest earned—bills of lading drafts.....				244.02
Miscellaneous.....	19,412.13	322.47	2.25	145,017.29
<b>Gross earnings</b> .....	2,615,473.96	1,622,147.81	3,885,752.83	55,690,198.91
<b>Less current expenses</b> .....	658,069.06	595,836.93	588,265.23	11,247,996.85
<b>Current net earnings</b> .....	1,957,404.90	1,026,310.88	3,297,487.60	44,442,202.06
<b>Deduct—dividends paid in current year</b> .....	116,943.77		<sup>1</sup> 17,392.87	1,716,450.88
<b>Net earnings available for dividends, surplus, and franchise tax</b> .....	1,840,461.13	1,026,310.88	3,314,880.47	42,725,751.18
<b>Reserved for taxes other than franchise tax</b> .....		19,481.36	966.55	155,895.29
<b>Reserved for sundry expenses</b> .....	38,201.29	1,622.25	2,377.58	442,982.01

<sup>1</sup> Interest received.

No. 28.—Statement showing condition of each Federal Reserve Bank on Dec. 31, 1919—Continued.

LIABILITIES—Continued.

	Kansas City.	Dallas.	San Francisco.	Total.
Self insurance reserve.....				\$51,474.12
Reserve against undetermined liabilities.....				200,000.00
Depreciation reserve on United States bonds.....	\$220,734.00	\$240,662.50	\$85,658.45	1,433,936.07
Difference account.....			1,114.51	41,637.71
Suspense credits.....				39,176.69
Gold in transit or in custody— withheld for expense account.....				3,192,092.38
Participation certificates and contract Liberty loan bonds.....	400.00			25,219.37
Deferred credit—war loan expenses.....				9,520.00
War Finance Corporation.....		3,823.67		3,823.67
Unearned discount.....	549,091.77	137,725.42	813,812.31	8,791,349.98
<b>Total.....</b>	<b>2,819,522.72</b>	<b>1,429,626.08</b>	<b>4,455,404.80</b>	<b>60,434,444.02</b>
Less interest accrued on United States securities.....	164,385.32	112,152.07	113,199.31	2,559,393.28
<i>All other liabilities.....</i>	<i>\$2,655,000</i>	<i>\$1,318,000</i>	<i>\$4,342,000</i>	<i>\$57,875,000</i>
<i>Total liabilities.....</i>	<i>297,928,000</i>	<i>199,821,000</i>	<i>431,257,000</i>	<i>6,323,680,000</i>

## Exhibit D.—INVESTMENT OPERATIONS OF FEDERAL RESERVE BANKS.

No. 29.—Bills discounted for member banks during each month in 1919, distributed by maturities, and totals for 1919, 1918, and 1917.

PAPER MATURING WITHIN 15 DAYS.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.
Boston.....	\$311,273,713	\$322,149,332	\$320,114,049	\$436,840,788	\$419,500,722	\$324,455,859	\$353,077,945
New York.....	3,398,475,347	2,628,995,396	2,613,267,364	2,644,177,339	4,026,657,505	3,052,318,144	3,909,040,887
Philadelphia.....	665,577,813	634,486,873	829,649,998	906,514,792	942,806,595	1,076,377,278	1,028,780,503
Cleveland.....	194,140,669	191,790,359	240,864,416	221,085,899	234,154,805	216,488,479	279,197,860
Richmond.....	269,866,081	266,088,494	323,231,765	350,133,113	356,051,299	386,520,481	405,606,197
Atlanta.....	155,743,585	102,699,669	137,792,237	143,507,225	158,127,833	152,629,867	170,558,544
Chicago.....	295,547,561	256,787,724	332,880,925	341,147,153	396,959,732	368,517,225	345,285,844
St. Louis.....	133,609,519	112,104,716	177,244,541	192,518,199	200,850,120	165,035,232	138,106,763
Minneapolis.....	16,554,472	12,031,200	20,699,576	72,076,398	77,444,565	36,693,625	26,345,775
Kansas City.....	82,872,805	76,546,682	108,498,591	125,176,472	132,642,066	112,788,027	96,403,520
Dallas.....	73,189,260	79,970,053	94,351,851	106,725,726	120,603,060	105,568,044	92,712,166
San Francisco.....	152,445,998	154,337,332	163,684,608	173,460,437	172,133,515	142,068,912	117,296,204
<b>Total.....</b>	<b>5,749,296,823</b>	<b>4,837,987,830</b>	<b>5,362,279,921</b>	<b>5,713,363,541</b>	<b>7,237,931,817</b>	<b>6,139,461,173</b>	<b>6,962,415,208</b>
Per cent.....	7.6	6.4	7.0	7.5	9.5	8.1	9.2

No. 29.—Bills discounted for member banks during each month in 1919, distributed by maturities, and totals for 1919, 1918, and 1917—Continued.

PAPER MATURING WITHIN 15 DAYS—Continued.

Federal Reserve Bank.	August.	September.	October.	November.	December.	Total.	Per cent.
Boston.....	\$217,863,707	\$283,850,412	\$336,369,850	\$352,813,001	\$453,306,413	\$4,131,615,791	5.4
New York.....	3,483,588,766	3,460,922,800	4,439,070,914	4,321,518,142	3,791,687,787	41,769,720,391	54.9
Philadelphia.....	920,489,149	1,001,506,921	1,142,672,864	609,362,351	803,063,687	10,561,288,824	13.9
Cleveland.....	266,846,514	289,118,643	291,611,582	266,143,965	290,850,077	2,982,293,268	3.9
Richmond.....	369,532,334	328,061,652	304,667,490	249,647,419	349,678,464	3,959,082,789	5.2
Atlanta.....	171,855,326	195,965,443	183,856,237	147,354,424	136,599,842	1,856,690,232	2.5
Chicago.....	357,850,380	320,728,014	341,469,716	352,411,768	358,299,033	4,067,883,075	5.3
St. Louis.....	144,315,176	186,915,887	206,084,642	163,011,260	152,818,631	1,972,614,686	2.6
Minneapolis.....	37,332,607	55,354,335	76,927,602	63,993,209	56,046,873	551,500,237	.7
Kansas City.....	96,168,135	119,635,335	149,768,912	112,994,512	114,929,515	1,328,427,572	1.7
Dallas.....	89,309,602	105,412,808	125,978,562	65,606,885	54,457,932	1,113,885,949	1.5
San Francisco.....	124,111,221	135,785,568	161,048,024	155,897,243	184,613,854	1,836,882,916	2.4
Total.....	6,279,262,917	6,483,255,818	7,759,526,395	6,860,754,179	6,746,350,108	76,131,885,730	.....
Per cent.....	8.2	8.5	10.1	9.0	8.9	.....	100.0

PAPER MATURING AFTER 15 DAYS BUT WITHIN 30 DAYS.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.
Boston.....	\$1,926,086	\$1,683,158	\$3,017,752	\$3,792,930	\$1,015,736	\$3,343,399	\$5,334,420
New York.....	1,579,804	1,295,504	1,566,077	1,313,404	1,178,225	2,370,413	4,577,975
Philadelphia.....	728,240	439,500	387,780	664,404	532,669	408,246	568,285
Cleveland.....	2,144,894	448,229	544,188	629,767	1,113,872	1,081,706	885,136
Richmond.....	2,401,932	2,122,726	3,043,174	2,098,344	2,362,587	2,332,746	2,532,342
Atlanta.....	1,627,618	1,020,676	1,029,477	1,819,328	1,086,816	1,903,002	906,214
Chicago.....	2,117,189	693,037	933,947	978,182	2,362,395	5,730,842	3,740,995

St. Louis.....	978,898	559,396	1,627,630	974,319	597,503	887,880	2,634,442
Minneapolis.....	101,065	85,504	12,469	28,819	1,390,649	65,149	311,428
Kansas City.....	726,864	1,051,930	1,994,075	2,669,980	1,409,814	2,907,028	1,308,532
Dallas.....	1,509,376	1,241,637	858,797	757,274	844,205	798,975	692,576
San Francisco.....	777,429	677,203	480,143	506,431	392,384	999,733	358,565
<b>Total.....</b>	<b>16,619,485</b>	<b>11,318,500</b>	<b>15,495,509</b>	<b>16,233,182</b>	<b>14,286,855</b>	<b>22,829,119</b>	<b>23,850,911</b>
<b>Per cent.....</b>	<b>4.3</b>	<b>2.9</b>	<b>4.0</b>	<b>4.2</b>	<b>3.7</b>	<b>5.9</b>	<b>6.18</b>

Federal Reserve Bank.	August.	September.	October.	November.	December.	Total.	Per cent.
Boston.....	\$1,380,099	\$3,426,776	\$4,651,347	\$8,726,269	\$10,450,741	\$48,748,713	12.6
New York.....	2,704,162	2,289,110	2,800,415	8,467,179	14,671,908	44,814,266	11.6
Philadelphia.....	208,923	701,013	695,106	6,373,917	6,520,128	18,228,212	4.7
Cleveland.....	1,117,042	3,732,433	5,623,856	5,246,435	8,438,106	31,005,664	8.0
Richmond.....	2,294,025	4,999,705	3,673,499	4,988,766	7,518,022	40,365,868	10.4
Atlanta.....	1,467,872	3,488,150	2,995,011	3,513,553	2,953,793	23,811,510	6.2
Chicago.....	1,716,573	8,796,866	14,475,872	10,243,671	24,833,663	85,623,232	22.1
St. Louis.....	1,186,864	4,596,101	2,175,644	3,120,522	5,864,154	25,203,353	6.5
Minneapolis.....	150,058	2,048,305	3,982,504	2,603,369	6,711,119	17,490,438	4.5
Kansas City.....	647,053	2,649,935	2,615,616	5,657,075	3,981,701	27,619,603	7.1
Dallas.....	384,850	2,295,979	1,303,652	713,695	693,886	12,094,902	3.1
San Francisco.....	549,570	1,020,132	2,194,037	2,879,245	1,722,785	12,557,657	3.2
<b>Total.....</b>	<b>13,807,091</b>	<b>40,044,505</b>	<b>47,186,559</b>	<b>71,533,696</b>	<b>94,358,006</b>	<b>387,563,418</b>	.....
<b>Per cent.....</b>	<b>3.6</b>	<b>10.3</b>	<b>12.2</b>	<b>18.5</b>	<b>24.3</b>	.....	<b>100.0</b>

## No. 29.—Bills discounted for member banks during each month in 1919, distributed by maturities, and totals for 1919, 1918, and 1917—Continued.

## PAPER MATURING AFTER 30 DAYS BUT WITHIN 60 DAYS.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.
Boston.....	\$2,970,940	\$1,592,828	\$1,227,400	\$10,659,562	\$2,178,454	\$10,186,948	\$7,765,776
New York.....	2,257,823	8,800,937	9,038,657	2,386,016	6,881,053	15,027,809	15,918,988
Philadelphia.....	960,042	989,950	376,911	613,128	713,766	742,229	434,807
Cleveland.....	3,455,681	3,170,261	6,252,226	1,818,117	1,455,230	1,776,965	3,834,790
Richmond.....	3,678,795	3,076,399	4,445,243	2,656,456	4,181,574	3,599,810	3,507,292
Atlanta.....	4,468,260	2,313,666	2,020,293	1,921,353	2,104,681	3,318,934	1,760,843
Chicago.....	3,577,377	1,329,587	2,771,497	2,326,337	4,079,406	10,359,044	5,260,017
St. Louis.....	1,390,901	801,749	2,099,582	1,355,844	1,122,615	2,398,553	1,970,787
Minneapolis.....	225,909	130,484	68,854	367,445	355,533	90,145	1,077,406
Kansas City.....	3,341,659	2,710,888	5,560,392	4,702,539	3,505,382	5,256,395	3,082,777
Dallas.....	4,920,465	4,080,668	3,080,663	2,444,017	2,176,409	1,558,013	1,235,063
San Francisco.....	1,774,711	1,309,320	1,594,910	1,634,744	1,439,511	1,021,519	1,791,097
Total.....	33,022,563	30,306,737	38,536,628	32,885,558	30,193,614	55,336,364	47,639,643
Per cent.....	4.2	3.8	4.9	4.2	3.8	7.0	6.0

Federal Reserve Bank.	August.	September.	October.	November.	December.	Total.	Per cent.
Boston.....	\$2,927,287	\$5,852,537	\$9,544,049	\$17,962,540	\$17,770,705	\$90,639,026	11.4
New York.....	4,396,247	5,151,462	7,592,438	39,225,540	23,069,837	139,746,807	17.7
Philadelphia.....	466,695	766,374	1,879,378	9,227,538	15,312,829	32,483,647	4.1
Cleveland.....	1,879,218	3,925,592	6,452,956	8,649,464	10,654,436	53,324,936	6.7
Richmond.....	4,348,580	5,827,650	3,645,788	2,819,501	9,272,018	51,059,106	6.5
Atlanta.....	3,831,614	6,279,124	8,279,001	9,290,337	4,679,447	50,267,553	6.4
Chicago.....	7,230,744	21,831,576	31,524,480	25,938,586	52,363,232	168,591,883	21.3
St. Louis.....	2,114,860	6,540,559	3,017,904	4,787,584	9,914,246	37,515,184	4.7
Minneapolis.....	358,464	7,005,187	9,823,940	13,575,620	10,863,933	43,942,920	5.6



Kansas City.....	2,825,792	9,301,589	6,056,407	9,678,368	8,472,976	64,495,164	8.2
Dallas.....	1,709,359	4,617,276	4,397,527	1,570,153	1,076,702	32,866,315	4.1
San Francisco.....	1,805,711	1,788,269	4,322,909	4,520,694	3,379,533	26,382,928	3.3
Total.....	33,894,571	78,887,195	96,536,777	147,245,925	166,829,894	791,315,469	.....
Per cent.....	4.3	9.9	12.2	18.6	21.1	.....	100

PAPER MATURING AFTER 60 DAYS BUT WITHIN 90 DAYS.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.
Boston.....	\$54,788,341	\$30,315,141	\$7,048,939	\$53,946,779	\$21,235,255	\$25,023,505	\$39,878,469
New York.....	65,744,893	28,679,130	7,842,205	30,170,926	32,332,152	33,070,504	59,935,257
Philadelphia.....	16,455,153	4,686,953	2,576,991	8,245,933	1,425,998	2,048,866	2,290,625
Cleveland.....	4,232,889	2,187,744	1,608,741	1,138,660	3,086,761	2,405,899	2,042,544
Richmond.....	7,341,516	5,352,147	4,415,977	8,098,993	5,140,977	5,509,624	8,032,475
Atlanta.....	7,897,279	2,570,483	3,079,190	4,303,870	3,530,008	3,159,608	3,945,029
Chicago.....	6,923,724	3,669,099	4,279,678	5,410,851	7,803,855	9,015,965	8,814,698
St. Louis.....	3,176,136	2,058,393	3,998,507	2,224,259	2,397,620	2,476,344	3,976,974
Minneapolis.....	116,878	90,708	88,589	166,943	231,657	128,465	401,712
Kansas City.....	4,796,324	5,304,304	5,693,841	5,630,997	3,716,872	7,195,442	5,549,924
Dallas.....	6,397,090	4,415,744	3,296,062	4,066,996	2,671,215	1,666,860	2,881,922
San Francisco.....	6,108,445	5,379,706	5,084,048	2,874,525	3,388,193	2,534,692	2,434,611
Total.....	183,978,668	94,709,552	49,012,768	126,279,732	86,960,563	94,285,774	140,184,240
Per cent.....	10.6	5.4	2.8	7.3	5.0	5.4	8.1

No. 29.—Bills discounted for member banks during each month in 1919, distributed by maturities, and totals for 1919, 1918, and 1917—Continued.

PAPER MATURING AFTER 60 DAYS, BUT WITHIN 90 DAYS—Continued.

Federal Reserve Bank.	August.	September.	October.	November.	December.	Total.	Per cent.
Boston.....	\$23,201,630	\$20,921,341	\$35,207,810	\$47,417,477	\$45,336,452	\$404,321,139	23.3
New York.....	38,013,193	27,337,722	22,959,777	96,995,285	52,051,477	495,132,521	28.5
Philadelphia.....	1,610,519	740,670	6,544,409	58,672,986	19,123,633	124,422,736	7.1
Cleveland.....	3,873,096	3,633,588	6,101,096	12,017,208	16,559,789	58,888,015	3.4
Richmond.....	6,742,023	5,994,198	7,041,742	6,613,393	8,463,033	78,746,098	4.5
Atlanta.....	4,177,461	6,889,027	10,665,295	13,830,711	6,895,534	70,943,495	4.1
Chicago.....	9,980,359	25,142,848	20,494,312	47,562,740	68,069,137	217,167,266	12.5
St. Louis.....	4,709,705	10,238,945	8,980,617	9,116,512	10,733,094	64,087,106	3.7
Minneapolis.....	227,696	2,151,011	8,994,455	6,954,259	20,606,340	40,158,713	2.3
Kansas City.....	3,478,511	6,547,116	8,868,547	12,461,958	13,567,264	82,811,100	4.8
Dallas.....	2,248,984	3,889,188	4,692,743	1,846,114	2,418,066	40,490,984	2.3
San Francisco.....	4,218,177	5,038,392	6,871,693	9,637,718	7,130,299	60,750,499	3.5
Total.....	102,481,354	118,524,046	147,422,496	323,126,361	270,954,118	1,737,919,672	.....
Per cent.....	5.9	6.8	8.5	18.6	15.6	.....	100.0

AGRICULTURAL AND LIVE-STOCK PAPER MATURING AFTER 90 DAYS.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.
Boston.....	\$318	.....	\$600	\$1,409	.....	\$459	\$3,737
New York.....	1,326	.....	17,087	8,089	\$20,896	10,457	1,600
Philadelphia.....	1,500	\$5,075	.....	.....	.....	.....	.....
Cleveland.....	.....	.....	71,439	28,783	14,313	5,294	3,972
Richmond.....	67,729	35,953	178,387	277,966	397,366	335,623	229,909
Atlanta.....	98,494	111,993	301,280	386,203	673,226	875,419	1,014,345
Chicago.....	780,222	568,258	1,022,100	998,589	1,645,288	847,746	553,005
St. Louis.....	45,681	53,611	156,681	54,442	197,686	245,601	138,191

Minneapolis.....	318,751	152,084	111,607	318,940	1,730,061	884,480	417,155
Kansas City.....	4,602,020	1,888,258	3,158,890	5,968,473	6,105,834	8,942,870	3,575,044
Dallas.....	4,061,704	2,703,593	2,258,129	3,188,842	3,577,635	2,921,230	2,064,050
San Francisco.....	1,487,081	1,098,070	963,148	1,407,891	2,092,902	1,929,921	1,344,063
<b>Total.....</b>	<b>11,464,726</b>	<b>6,612,895</b>	<b>8,239,348</b>	<b>12,639,627</b>	<b>16,460,207</b>	<b>16,999,100</b>	<b>9,345,071</b>
<b>Per cent.....</b>	<b>9.1</b>	<b>5.3</b>	<b>6.6</b>	<b>10.0</b>	<b>13.1</b>	<b>13.6</b>	<b>7.5</b>

Federal Reserve Bank.	August.	September.	October.	November.	December.	Total.	Per cent.
Boston.....	\$5,889	\$618	\$43,492	\$2,977	\$14,078	\$73,577	0.1
New York.....			1,500	929	15,265	77,149	.1
Philadelphia.....		1,000	277		4,000	11,852	
Cleveland.....	2,472	16,905	19,343	129,606	52,359	344,486	.3
Richmond.....	82,986	38,669	7,554	11,583	25,323	1,689,048	1.3
Atlanta.....	313,340	166,982	54,478	44,011	20,021	4,064,792	3.2
Chicago.....	838,712	1,512,678	3,266,634	3,026,490	1,986,967	17,046,689	13.6
St. Louis.....	93,678	73,208	27,213	74,886	49,489	1,210,267	1.0
Minneapolis.....	123,973	292,157	884,670	1,679,156	1,515,037	8,428,071	6.7
Kansas City.....	958,994	1,827,582	3,869,562	5,142,978	6,204,679	52,243,184	41.7
Dallas.....	987,057	1,096,761	859,003	934,586	955,405	25,607,995	20.4
San Francisco.....	809,252	417,133	612,016	791,012	1,537,842	14,488,331	11.6
<b>Total.....</b>	<b>4,216,353</b>	<b>5,443,693</b>	<b>9,645,742</b>	<b>11,838,214</b>	<b>12,380,465</b>	<b>125,285,441</b>	<b>.....</b>
<b>Per cent.....</b>	<b>3.4</b>	<b>4.3</b>	<b>7.7</b>	<b>9.5</b>	<b>9.9</b>	<b>.....</b>	<b>100.0</b>

No. 29.—Bills discounted for member banks during each month in 1919, distributed by maturities, and totals for 1919, 1918, and 1917—Continued.

TOTAL BILLS DISCOUNTED.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.	August.	September.
Boston.....	\$370,959,398	\$355,740,459	\$331,408,740	\$505,241,468	\$443,930,167	\$363,010,170	\$406,060,347	\$245,378,612	\$314,051,684
New York.....	3,468,059,283	2,667,770,967	2,631,731,390	2,678,055,774	4,067,069,831	3,102,797,327	3,989,474,707	3,528,702,368	3,495,701,094
Philadelphia.....	683,722,748	640,608,351	832,991,680	916,038,257	945,479,028	1,079,576,619	1,032,074,221	922,775,286	1,003,715,978
Cleveland.....	203,974,133	197,596,593	249,341,010	224,701,226	239,824,981	221,758,343	285,964,302	273,718,342	300,427,161
Richmond.....	283,356,053	276,675,719	335,314,546	363,264,872	368,133,803	398,298,284	419,908,215	382,999,948	344,921,874
Atlanta.....	169,835,236	108,716,487	144,222,477	151,937,979	165,527,564	161,886,830	178,184,975	181,645,613	212,788,726
Chicago.....	308,946,073	263,047,705	341,888,147	350,861,112	412,850,676	394,470,822	363,654,559	377,616,768	378,009,982
St. Louis.....	139,201,035	115,577,865	185,126,941	197,127,063	205,165,544	171,043,610	146,827,157	152,420,283	208,364,700
Minneapolis.....	17,317,075	12,489,980	20,981,095	72,958,545	81,152,465	37,861,864	28,553,476	38,192,798	66,850,995
Kansas City.....	96,339,672	87,500,062	124,905,789	144,148,461	147,379,968	137,089,762	109,922,797	104,078,485	139,961,557
Dallas.....	90,077,895	92,411,695	103,845,502	117,182,855	129,872,524	112,513,122	99,585,777	94,639,852	117,312,012
San Francisco.....	162,593,664	162,799,631	171,806,857	179,884,028	179,446,505	148,604,777	123,224,540	131,493,931	144,049,494
Total—1919.....	5,994,382,265	4,980,935,514	5,473,564,174	5,901,401,640	7,385,833,056	6,328,911,530	7,183,435,073	6,433,662,286	6,726,155,257
1918.....	868,229,619	762,444,698	754,933,533	2,172,580,139	2,993,019,346	3,137,225,829	3,343,458,151	3,762,259,098	4,685,139,704
1917.....	18,326,286	22,408,604	26,788,982	50,055,801	91,413,473	750,269,838	460,733,354	220,939,974	548,164,104
Percent—1919.....	7.6	6.3	6.9	7.4	9.3	8.0	9.1	8.1	8.5
1918.....	2.2	1.9	1.9	5.5	7.5	7.9	8.4	9.4	11.8
1917.....	.2	.3	.3	.6	1.0	8.4	5.1	2.5	6.1

Federal Reserve Bank.	October.	November.	December.	Total, 1919.	Total, 1918.	Total, 1917.	Per cent, 1919.	Per cent, 1918.	Per cent, 1917.
Boston.....	\$385,816,548	\$426,922,264	\$526,878,389	\$4,675,398,246	\$1,760,284,933	\$350,919,310	5.9	4.5	3.9
New York.....	4,472,425,044	4,466,207,075	3,881,496,274	42,449,491,134	24,535,538,457	6,511,274,920	53.6	61.8	72.6
Philadelphia.....	1,151,792,034	683,636,792	844,024,277	10,736,435,271	1,833,598,274	223,416,008	13.6	4.6	2.5
Cleveland.....	309,808,833	292,186,678	326,554,767	3,125,856,369	1,386,117,996	211,176,106	3.9	3.5	2.3
Richmond.....	319,036,073	264,080,662	374,952,860	4,130,942,909	2,159,845,371	401,220,685	5.2	5.4	4.4
Atlanta.....	205,850,022	174,033,036	151,148,637	2,005,777,582	930,130,087	95,114,744	2.5	2.3	1.1
Chicago.....	411,231,014	448,183,255	505,552,032	4,556,312,145	3,265,850,010	521,872,103	5.8	8.2	6.0
St. Louis.....	220,286,020	180,110,764	179,379,614	2,100,630,596	1,085,137,254	181,117,652	2.7	2.7	2.0
Minneapolis.....	100,613,171	88,805,613	95,743,302	661,520,379	433,791,800	80,154,716	.8	1.1	.9
Kansas City.....	171,179,044	145,934,891	147,156,135	1,555,596,623	833,520,562	237,690,768	2.0	2.1	2.6
Dallas.....	137,231,487	70,671,433	59,601,991	1,224,946,145	587,677,766	52,052,600	1.5	1.4	.6
San Francisco.....	175,048,679	173,725,912	198,384,313	1,951,062,331	941,441,337	102,981,206	2.5	2.4	1.1
Total—1919.....	8,060,317,969	7,414,498,375	7,290,872,591	79,173,969,730	.....	.....	.....	.....	.....
1918.....	5,903,962,877	5,154,597,322	6,215,083,531	.....	39,752,933,847	.....	.....	.....	.....
1917.....	2,681,165,854	3,206,486,771	937,433,413	.....	.....	8,968,990,818	.....	.....	.....
Per cent—1919.....	10.2	9.4	9.2	.....	.....	.....	100	.....	.....
1918.....	14.9	13.0	15.6	.....	.....	.....	.....	100	.....
1917.....	29.9	35.7	9.9	.....	.....	.....	.....	.....	100

**No. 30.**—*Bills discounted by each Federal Reserve Bank, distributed by States; also number of banks in each State and number accommodated through the discount of paper during 1919.*

States.	Number of member banks in each State on Dec. 31, 1919.	Number accommodated during 1919.	Total amount of paper discounted.	States.	Number of member banks in each State on Dec. 31, 1919.	Number accommodated during 1919.	Total amount of paper discounted.
Maine.....	65	42	\$77,747,271	Michigan:			
New Hampshire.....	55	46	99,425,477	District No. 7.....	215	161	\$1,216,159,567
Vermont.....	48	41	53,314,620	District No. 9.....	41	12	6,908,664
Massachusetts.....	187	165	4,108,983,608	Total.....	256	173	1,223,068,231
Rhode Island.....	20	14	133,014,312	Wisconsin:			
Connecticut:				District No. 7.....	129	88	263,942,845
District No. 1.....	57	40	202,912,958	District No. 9.....	53	20	5,557,230
District No. 2.....	15	12	110,454,312	Total.....	182	108	269,500,075
Total.....	72	52	313,367,270	Iowa.....	434	341	547,590,970
New York.....	574	419	41,223,866,583	Illinois:			
New Jersey:				District No. 7.....	380	208	2,254,681,713
District No. 2.....	164	115	1,115,170,239	District No. 8.....	169	93	71,573,791
District No. 3.....	81	63	212,880,702	Total.....	549	301	2,326,255,504
Total.....	245	178	1,328,050,941	Indiana:			
Delaware.....	23	14	41,369,786	District No. 7.....	216	153	273,937,050
Pennsylvania:				District No. 8.....	63	23	45,962,325
District No. 3.....	574	417	10,482,184,783	Total.....	279	176	319,899,375
District No. 4.....	314	144	1,712,941,061	Missouri:			
Total.....	888	561	12,195,125,844	District No. 8.....	100	65	1,100,474,774
Ohio.....	439	226	1,324,416,220	District No. 10.....	61	35	632,952,518
				Total.....	161	100	1,733,427,292

<b>Kentucky:</b>				<b>Arkansas</b> .....	101	65	152,289,846
District No. 4.....	74	29	59,145,705	Minnesota.....	335	174	570,419,991
District No. 8.....	67	36	461,520,385	North Dakota.....	179	80	18,411,910
<b>Total</b> .....	141	65	520,666,090	South Dakota.....	144	88	45,963,050
<b>West Virginia:</b>				Montana.....	168	101	14,259,534
District No. 4.....	16	10	29,353,333	Wyoming.....	46	26	5,042,339
District No. 5.....	110	46	46,837,583	Nebraska.....	207	173	436,358,614
<b>Total</b> .....	126	56	76,190,966	Colorado.....	135	79	89,303,884
<b>District of Columbia</b> .....	15	10	105,260,815	Kansas.....	255	124	98,168,831
<b>Maryland</b> .....	102	68	1,000,475,362	<b>Oklahoma:</b>			
<b>Virginia</b> .....	170	124	2,195,062,920	District No. 10.....	320	235	\$286,724,555
<b>North Carolina</b> .....	92	74	356,205,945	District No. 11.....	36	35	19,835,586
<b>South Carolina</b> .....	96	92	427,100,284	<b>Total</b> .....	356	270	308,560,141
<b>Tennessee:</b>				<b>New Mexico:</b>			
District No. 6.....	85	54	578,661,484	District No. 10.....	14	7	7,045,882
District No. 8.....	23	16	256,578,507	District No. 11.....	40	35	17,511,220
<b>Total</b> .....	108	70	835,239,991	<b>Total</b> .....	54	42	24,557,102
<b>Georgia</b> .....	120	119	568,548,042	<b>Texas</b> .....	655	518	1,144,804,118
<b>Florida</b> .....	61	46	106,732,880	<b>Arizona:</b>			
<b>Alabama</b> .....	109	86	167,698,880	District No. 11.....	10	8	5,370,670
<b>Mississippi:</b>				District No. 12.....	12	6	6,029,421
District No. 6.....	19	18	32,536,019	<b>Total</b> .....	22	14	11,400,091
District No. 8.....	15	7	12,230,968	<b>Utah</b> .....	54	42	334,276,321
<b>Total</b> .....	34	25	44,766,987	<b>Nevada</b> .....	10	1	20,000
<b>Louisiana:</b>				<b>California</b> .....	311	151	1,034,429,134
District No. 6.....	32	24	551,600,277	<b>Oregon</b> .....	101	50	74,143,102
District No. 11.....	15	11	37,424,551	<b>Idaho</b> .....	111	86	142,506,562
<b>Total</b> .....	47	35	589,024,828	<b>Washington</b> .....	123	82	359,657,791
				<b>Alaska</b> .....	1		
				<b>Grand total</b> .....	9,066	5,993	79,173,969,730

**No. 31.**—*Member banks' collateral notes, also customers' paper secured by Government war obligations (war paper), discounted by each Federal Reserve Bank, by months, during the calendar year 1919, and totals for 1918.*

Federal Reserve Bank.	January.		February.		March.		April.		May.	
	Members' collateral notes.	Customers' paper.	Members' collateral notes.	Customers' paper.	Members' collateral notes.	Customers' paper.	Members' collateral notes.	Customers' paper.	Members' collateral notes.	Customers' paper.
Boston.....	\$305, 441, 850	\$57, 552, 105	\$317, 960, 300	\$31, 255, 392	\$317, 994, 060	\$9, 613, 744	\$432, 594, 700	\$68, 444, 366	\$414, 642, 050	\$22, 943, 483
New York.....	3, 303, 157, 768	65, 434, 147	2, 518, 274, 955	40, 627, 613	2, 539, 834, 662	23, 259, 904	2, 581, 314, 859	39, 543, 639	3, 945, 329, 542	43, 828, 151
Philadelphia.....	617, 370, 301	35, 788, 437	596, 245, 257	20, 450, 724	788, 215, 567	18, 750, 461	860, 065, 571	28, 573, 304	901, 388, 419	18, 830, 235
Cleveland.....	183, 103, 000	10, 877, 844	181, 619, 800	7, 484, 120	235, 031, 600	8, 721, 389	208, 522, 500	2, 639, 169	225, 789, 200	4, 992, 978
Richmond.....	266, 933, 014	7, 063, 780	264, 232, 811	5, 858, 837	318, 440, 638	4, 286, 367	345, 869, 655	7, 712, 417	353, 649, 227	5, 434, 110
Atlanta.....	135, 331, 686	5, 488, 116	99, 313, 600	1, 138, 803	130, 975, 650	920, 623	137, 352, 350	3, 314, 616	151, 400, 675	2, 176, 444
Chicago.....	276, 499, 667	5, 651, 524	246, 929, 273	2, 782, 685	323, 238, 826	3, 551, 591	328, 750, 576	2, 594, 409	393, 232, 013	2, 873, 184
St. Louis.....	128, 158, 850	1, 556, 204	107, 401, 737	966, 087	168, 920, 450	2, 857, 375	187, 029, 473	656, 227	192, 378, 989	1, 309, 347
Minneapolis.....	16, 478, 140	6, 418	11, 986, 700	42, 031	20, 693, 700	1, 125	62, 047, 950	1, 280	70, 593, 800	241, 079
Kansas City.....	69, 864, 098	315, 052	67, 657, 823	1, 168, 513	100, 485, 139	897, 852	116, 228, 588	1, 470, 742	126, 139, 850	1, 112, 213
Dallas.....	70, 948, 810	812, 410	79, 109, 964	533, 504	93, 877, 680	339, 594	106, 263, 330	605, 811	119, 943, 750	377, 088
San Francisco.....	148, 384, 462	1, 685, 136	150, 389, 070	2, 199, 766	158, 511, 026	2, 121, 314	170, 402, 275	1, 812, 714	168, 701, 200	2, 059, 524
Total—1919.....	5, 521, 671, 646	192, 231, 173	4, 641, 121, 290	114, 508, 075	5, 196, 218, 998	75, 321, 339	5, 536, 441, 827	157, 368, 694	7, 063, 188, 715	106, 177, 836
1918.....	333, 892, 976	44, 614, 222	261, 755, 660	138, 280, 849	251, 445, 794	63, 669, 906	1, 768, 938, 819	37, 730, 096	2, 431, 571, 106	91, 934, 430

Federal Reserve Bank.	June.		July.		August.		September.		October.	
	Members' collateral notes.	Customers' paper.	Members' collateral notes.	Customers' paper.	Members' collateral notes.	Customers' paper.	Members' collateral notes.	Customers' paper.	Members' collateral notes.	Customers' paper.
Boston.....	\$315, 892, 288	\$34, 540, 365	\$346, 164, 950	\$50, 728, 823	\$210, 973, 650	\$24, 652, 827	\$270, 424, 246	\$32, 126, 812	\$320, 011, 100	\$48, 616, 479
New York.....	2, 942, 788, 252	54, 166, 545	3, 700, 706, 910	105, 340, 085	3, 375, 900, 068	50, 247, 623	3, 282, 979, 949	41, 329, 289	4, 147, 487, 334	38, 337, 625
Philadelphia.....	1, 015, 119, 754	26, 915, 972	958, 011, 339	28, 931, 497	855, 176, 865	26, 623, 749	928, 134, 397	21, 821, 228	1, 045, 504, 216	34, 599, 579
Cleveland.....	207, 002, 150	4, 417, 749	258, 371, 450	9, 589, 447	248, 007, 050	3, 455, 438	267, 276, 380	7, 232, 883	257, 958, 715	15, 914, 237
Richmond.....	378, 907, 595	5, 745, 900	399, 873, 756	7, 450, 766	364, 584, 337	7, 843, 623	321, 730, 670	4, 357, 478	300, 113, 720	7, 417, 856



Atlanta.....	143,179,659	2,036,732	163,735,433	2,905,538	168,999,124	2,177,602	182,040,760	3,137,658	160,082,789	3,639,097
Chicago.....	363,861,538	2,178,555	336,348,458	2,395,150	348,490,000	4,220,208	302,684,200	4,321,217	314,164,100	5,997,954
St. Louis.....	156,768,528	1,439,360	131,851,909	3,947,165	139,488,089	3,187,891	179,143,487	3,356,958	191,134,029	2,516,477
Minneapolis.....	35,443,125	4,670	26,323,275	75,572	36,971,203	4,958	54,050,800	109,588	71,598,000	1,724,754
Kansas City.....	101,286,495	1,326,633	86,499,064	1,832,472	87,107,211	592,671	98,807,348	2,231,991	113,284,881	2,663,660
Dallas.....	104,749,760	226,336	91,245,130	258,473	87,873,553	218,223	103,036,973	553,820	124,073,785	590,755
San Francisco.....	136,795,402	1,484,346	110,906,890	1,494,084	115,991,135	1,995,372	125,533,090	1,900,002	139,306,400	2,204,367
Total—1919.....	5,901,794,546	134,483,163	6,610,038,564	214,849,072	6,089,562,285	131,220,185	6,115,822,300	122,478,924	7,184,719,069	164,222,840
1918.....	2,574,561,810	46,569,980	2,391,811,025	77,574,241	3,007,485,670	119,847,633	4,021,888,543	56,008,637	5,129,044,297	179,237,274

Federal Reserve Bank.	November.		December.		Total.		Grand total.	
	Members' collateral notes.	Customers' paper.	Members' collateral notes.	Customers' paper.	Members' collateral notes.	Customers' paper.	1919	1918
Boston.....	\$340,468,760	\$37,427,227	\$445,343,550	\$30,340,410	\$4,037,911,504	\$448,242,033	\$4,486,153,537	\$1,550,310,782
New York.....	4,077,121,327	156,816,670	3,321,651,381	58,414,777	39,736,547,007	717,346,068	40,453,893,075	22,254,444,699
Philadelphia.....	550,862,817	91,297,964	708,969,108	32,334,764	9,825,063,611	384,917,914	10,209,981,525	1,504,636,670
Cleveland.....	240,665,940	8,346,251	261,223,690	9,197,134	2,774,571,475	98,868,639	2,873,440,114	1,060,687,150
Richmond.....	245,872,700	7,656,906	345,054,060	6,510,418	3,905,262,183	77,338,458	3,982,600,641	1,625,616,690
Atlanta.....	135,408,300	3,043,184	128,959,975	2,899,987	1,736,780,001	32,878,400	1,769,658,401	631,032,371
Chicago.....	330,954,550	8,645,278	340,611,100	4,089,135	3,905,744,301	49,300,890	3,955,045,191	2,139,330,599
St. Louis.....	149,007,353	4,963,899	130,880,580	6,325,716	1,862,163,474	33,082,706	1,895,246,180	777,982,270
Minneapolis.....	62,095,885	889,773	49,327,350	1,269,847	517,609,928	4,371,095	521,981,023	242,826,420
Kansas City.....	99,889,664	3,400,507	101,055,325	2,943,265	1,168,305,486	19,955,571	1,188,261,057	475,659,106
Dallas.....	85,987,719	130,339	53,925,419	277,425	1,100,135,873	4,923,778	1,105,059,651	447,833,088
San Francisco.....	136,547,100	4,941,644	158,271,500	2,321,457	1,719,739,550	26,219,726	1,745,959,276	679,720,046
Total—1919.....	6,433,982,115	327,559,642	6,045,273,038	156,924,335	72,289,834,393	1,897,445,278	74,187,279,671	.....
1918.....	4,350,208,812	251,041,418	5,619,803,199	141,165,494	32,142,405,711	1,247,674,180	.....	33,390,079,891

No. 32.—Total amounts of member banks' collateral notes discounted by each Federal Reserve Bank by months, during the calendar year 1919 and totals for 1918.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.
Boston.....	\$305,456,850	\$318,180,300	\$318,157,060	\$433,310,700	\$416,101,750	\$318,016,288	\$347,476,450
New York.....	3,303,157,768	2,518,274,955	2,539,834,662	2,581,314,859	3,945,329,542	2,942,788,252	3,700,706,910
Philadelphia.....	617,370,301	596,245,257	788,215,567	860,165,571	901,433,419	1,015,182,754	958,324,339
Cleveland.....	183,103,000	181,619,800	235,031,600	208,867,500	225,939,200	207,028,350	258,371,450
Richmond.....	267,642,514	264,240,311	320,365,638	347,183,655	354,590,227	381,802,095	402,233,856
Atlanta.....	136,094,486	99,378,600	131,007,650	137,412,350	152,142,714	144,401,272	165,364,156
Chicago.....	277,595,494	248,778,943	326,281,497	332,077,658	393,388,763	365,276,038	340,448,458
St. Louis.....	128,783,850	107,401,737	169,020,450	187,459,473	192,563,989	156,953,528	132,051,909
Minneapolis.....	16,521,340	11,991,700	20,693,700	72,047,950	77,350,800	36,643,125	26,323,275
Kansas City.....	82,266,225	76,185,408	108,234,293	124,433,372	132,430,812	111,909,501	96,031,629
Dallas.....	72,763,360	79,772,964	94,206,180	106,658,330	120,447,836	105,270,903	92,562,267
San Francisco.....	148,390,462	150,389,070	158,549,026	170,567,275	169,207,450	136,795,402	111,036,890
Total—1919.....	5,539,145,650	4,652,459,045	5,209,597,323	5,561,498,693	7,080,926,502	5,922,067,508	6,630,931,589
1918.....	481,942,377	306,662,397	310,478,386	1,799,119,597	2,502,693,369	2,660,201,285	2,554,685,811

Federal Reserve Bank.	August.	September.	October.	November.	December.	Total, 1919.	Total, 1918.
178983-20 Boston.....	\$211,978,650	\$271,217,246	\$321,659,100	\$341,724,844	\$445,704,705	\$4,048,983,943	\$1,346,143,638
New York.....	3,375,900,068	3,282,979,949	4,147,487,334	4,077,121,327	3,321,651,381	39,736,547,007	21,810,005,187
Philadelphia.....	855,179,865	928,159,897	1,045,507,216	550,865,817	708,969,108	9,825,619,111	1,329,253,568
Cleveland.....	248,373,550	267,498,380	258,145,715	240,665,940	261,436,690	2,776,081,175	993,593,567
Richmond.....	367,508,837	325,449,670	302,563,220	246,322,700	346,511,607	3,926,414,330	1,538,747,984
Atlanta.....	169,635,483	184,779,260	161,227,059	136,818,300	131,734,975	1,749,996,305	629,504,816
Chicago.....	352,905,000	303,071,310	315,742,761	332,257,730	340,937,100	3,928,760,752	2,569,555,091
15 St. Louis.....	139,782,589	179,309,487	192,024,029	149,024,353	131,830,580	1,866,205,974	765,663,931
Minneapolis.....	37,288,203	54,165,800	73,551,148	62,391,415	50,224,094	539,192,550	276,916,606
Kansas City.....	95,813,154	118,466,305	147,196,319	110,245,857	113,720,115	1,316,932,990	619,134,694
Dallas.....	89,184,710	104,993,473	125,827,785	65,456,369	54,286,619	1,111,430,796	459,888,553
San Francisco.....	116,314,135	125,533,090	139,436,400	136,762,100	158,861,500	1,721,842,800	669,380,595
Total—1919.....	6,059,864,244	6,145,623,867	7,230,368,086	6,449,656,752	6,065,868,474	72,548,007,733	.....
1918.....	3,063,893,999	4,058,567,522	5,182,814,264	4,415,279,882	5,671,449,341	.....	33,007,788,230

No. 33.—Trade acceptances discounted by each Federal Reserve Bank, by months, during the calendar year 1919, and totals for 1918 and 1917.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.	August.
Boston.....	\$1,470,858	\$1,211,748	\$510,189	\$459,033	\$106,740	\$358,275	\$305,814	\$128,777
New York.....	3,189,254	3,907,288	3,597,027	3,944,232	3,766,408	3,196,586	4,101,953	2,747,381
Philadelphia.....	182,126	113,663	396,659	197,797	157,829	213,366	139,625	191,924
Cleveland.....	1,129,610	693,731	427,305	603,332	391,912	779,365	1,068,762	944,905
Richmond.....	721,168	568,851	850,340	632,700	850,077	941,394	540,651	292,559
Atlanta.....	987,686	371,794	606,231	438,940	526,196	455,288	310,647	335,619
Chicago.....	612,710	237,317	267,882	84,140	136,263	164,616	306,939	215,162
St. Louis.....	558,573	370,525	335,582	510,293	367,761	258,794	292,124	416,385
Minneapolis.....	6,107	9,631	18,376	29,097	13,255	10,796	7,500	6,772
Kansas City.....	830,397	540,233	699,066	734,594	501,236	1,484,710	864,408	509,567
Dallas.....	410,718	144,898	109,681	72,261	108,217	28,047	49,974	3,896
San Francisco.....	805,006	709,758	743,033	364,949	135,441	49,895	516,531	634,464
Total— 919.....	10,904,213	8,879,437	8,561,401	8,071,368	7,061,335	7,946,132	8,504,928	6,427,411
1918.....	13,998,454	19,217,453	16,230,557	11,120,947	13,165,738	14,810,953	13,822,069	12,762,403
1917.....	574,464	856,078	762,820	678,022	1,767,702	2,521,374	1,077,607	1,668,063

Federal Reserve Bank.	September.	October.	November.	December.	Total, 1919. <sup>1</sup>	Total, 1918.	Total, 1917
Boston.....	\$348,356	\$386,620	\$2,237,225	\$3,297,357	\$10,820,992	\$10,287,131	\$6,115,127
New York.....	3,567,082	7,220,020	9,758,892	8,136,966	57,133,089	70,676,912	6,863,800
Philadelphia.....	270,787	381,084	959,873	543,565	3,753,298	5,650,053	726,078
Cleveland.....	1,495,015	1,572,906	2,031,238	2,953,262	14,091,343	24,894,291	4,400,590
Richmond.....	466,194	670,753	536,361	2,011,330	9,082,378	13,389,109	3,160,449
Atlanta.....	522,391	1,968,217	1,017,726	693,112	8,233,847	11,697,196	4,562,494
Chicago.....	484,222	468,857	2,268,244	1,334,383	6,580,735	9,033,011	429,845
St. Louis.....	674,714	1,330,184	1,168,770	1,662,475	7,946,180	15,681,201	3,114,603
Minneapolis.....	99,953	134,066	78,422	151,139	565,114	799,371	363,673
Kansas City.....	384,550	479,476	69,350	388,698	7,486,315	10,400,938	2,646,322
Dallas.....	58,465	120,142	435,844	344,859	1,887,002	2,056,758	177,953
San Francisco.....	2,236,593	1,331,959	1,361,975	1,950,176	10,839,780	12,806,608	5,210,298
Total—1919.....	10,608,322	16,064,284	21,923,920	23,467,322	<sup>1</sup> 138,420,073	.....	.....
1918.....	20,917,189	23,519,494	16,190,679	11,616,643	.....	187,372,579	.....
1917.....	1,125,834	4,354,747	6,959,770	15,424,651	.....	.....	37,771,132

<sup>1</sup> Includes foreign trade acceptances as follows: Boston, \$2,483,516; New York, \$15,936,065; Atlanta, \$50,547; Dallas, \$74,052; San Francisco, \$304,125.

No. 34.—Total bills discounted, by months, during the calendar year 1919, distributed by classes of member banks.

Federal Reserve Bank.	January.		February.		March.		April.		May.	
	National banks.	State banks and trust companies.	National banks.	State banks and trust companies.	National banks.	State banks and trust companies.	National banks.	State banks and trust companies.	National banks.	State banks and trust companies.
Boston.....	\$313,291,557	\$57,667,841	\$303,707,840	\$52,032,619	\$270,959,061	\$60,449,679	\$438,719,759	\$66,521,709	\$390,391,994	\$53,538,173
New York.....	2,734,628,978	733,430,305	2,040,220,299	627,550,668	1,933,364,120	698,367,270	1,997,908,420	680,147,354	3,320,699,274	746,370,557
Philadelphia.....	558,879,080	124,843,668	506,458,644	134,149,707	676,446,144	156,545,536	744,544,451	171,493,806	806,526,373	138,952,655
Cleveland.....	145,943,471	55,030,662	127,971,485	69,625,108	159,198,612	90,142,398	170,451,215	54,250,011	160,635,880	79,189,101
Richmond.....	265,617,894	17,738,159	257,722,555	18,953,164	311,669,971	23,644,575	334,403,771	28,861,101	337,548,680	30,585,123
Atlanta.....	122,481,932	47,353,304	79,466,488	29,249,999	104,332,563	39,889,914	112,047,000	39,890,979	126,758,427	38,769,137
Chicago.....	184,367,373	124,578,700	168,850,971	94,196,734	241,652,703	100,235,444	238,095,359	112,765,753	261,781,704	151,068,972
St. Louis.....	59,127,506	80,073,529	50,639,332	64,938,533	96,373,624	88,753,317	99,960,074	97,166,989	100,927,954	104,237,590
Minneapolis.....	15,405,960	1,911,115	11,217,266	1,272,714	19,201,054	1,780,041	69,148,620	3,809,925	75,110,846	6,041,619
Kansas City.....	91,634,298	4,705,374	84,398,282	3,101,780	117,501,381	7,404,408	134,282,116	9,866,345	140,649,340	6,730,628
Dallas.....	84,045,692	6,032,203	91,132,625	6,332,471	95,927,759	7,917,743	107,191,237	9,991,618	112,984,431	11,834,692
San Francisco.....	148,096,302	14,497,362	149,314,292	13,485,339	153,862,942	17,943,915	160,349,731	19,534,297	153,582,928	25,863,577
Total.....	4,726,520,043	1,267,862,222	3,871,100,079	1,114,888,836	4,180,489,934	1,293,074,240	4,607,101,753	1,294,299,887	5,987,597,831	1,393,181,824

Federal Reserve Bank.	June.		July.		August.		September.		October.	
	National banks.	State banks and trust companies.	National banks.	State banks and trust companies.	National banks.	State banks and trust companies.	National banks.	State banks and trust companies.	National banks.	State banks and trust companies.
Boston.....	\$315,844,179	\$47,165,991	\$349,556,293	\$56,504,054	\$201,668,015	\$43,710,597	\$275,609,012	\$38,442,672	\$338,861,090	\$46,955,458
New York.....	2,548,527,973	554,269,354	3,201,056,209	788,418,498	2,947,565,691	581,136,677	2,795,478,550	700,222,544	3,671,788,669	800,636,375
Philadelphia.....	900,679,601	178,897,018	833,404,090	198,670,131	767,442,786	155,332,500	847,442,670	156,273,308	1,003,293,351	148,498,683
Cleveland.....	165,913,775	55,844,568	180,694,630	105,269,672	185,153,800	88,564,542	222,008,834	78,418,327	229,696,205	80,112,628
Richmond.....	366,266,960	32,031,324	384,460,508	35,447,707	351,695,051	31,304,897	320,346,694	24,575,180	297,868,455	21,167,618

Atlanta.....	121,497,546	40,389,284	142,547,831	35,637,144	149,808,888	31,836,725	165,675,611	47,113,115	132,588,683	73,261,339
Chicago.....	220,092,173	174,378,649	184,972,455	178,682,104	198,498,456	179,118,312	245,958,856	132,051,126	287,164,554	124,066,460
St. Louis.....	79,204,476	91,839,134	75,028,109	71,799,048	73,439,168	78,981,115	98,214,274	110,150,426	119,537,478	100,748,542
Minneapolis.....	34,065,169	3,796,695	26,019,482	2,533,994	34,166,400	4,026,398	62,241,616	4,609,379	92,896,788	7,716,333
Kansas City.....	132,622,673	4,467,089	102,571,576	7,351,221	101,653,201	2,425,284	132,577,844	7,383,713	159,767,995	11,411,049
Dallas.....	103,394,959	9,118,163	88,584,927	11,000,850	85,035,122	9,604,730	107,051,634	10,260,378	127,917,001	9,314,486
San Francisco.....	123,194,857	25,409,920	103,850,671	19,373,869	115,031,699	16,462,232	124,591,377	19,458,157	149,737,454	25,311,225
<b>Total.....</b>	<b>5,111,304,341</b>	<b>1,217,607,189</b>	<b>5,672,746,781</b>	<b>1,510,688,292</b>	<b>5,211,158,277</b>	<b>1,222,504,009</b>	<b>5,397,196,932</b>	<b>1,328,958,325</b>	<b>6,611,117,723</b>	<b>1,449,200,246</b>

Federal Reserve Bank.	November.		December.		Total.		
	National banks.	State banks and trust companies.	National banks.	State banks and trust companies.	National banks.	State banks and trust companies.	All member banks.
Boston.....	\$364,692,049	\$62,230,215	\$440,188,026	\$86,690,363	\$4,003,488,875	\$671,909,371	\$4,675,398,246
New York.....	3,758,956,649	707,250,426	3,181,117,946	700,378,328	34,131,312,778	8,318,178,356	42,449,491,134
Philadelphia.....	607,829,457	75,807,335	768,450,673	75,573,604	9,021,397,320	1,715,037,951	10,736,435,271
Cleveland.....	205,906,474	86,280,204	212,705,507	113,849,260	2,169,279,888	956,576,481	3,125,856,369
Richmond.....	242,049,476	22,031,186	349,107,998	25,844,862	3,818,758,013	312,184,896	4,130,942,909
Atlanta.....	115,989,224	58,043,812	105,582,800	45,565,837	1,478,776,993	527,000,589	2,005,777,582
Chicago.....	327,412,209	120,771,046	368,611,413	136,940,619	2,927,458,226	1,628,853,919	4,556,312,145
St. Louis.....	103,891,199	76,219,565	109,216,637	70,162,977	1,065,559,831	1,035,070,765	2,100,630,596
Minneapolis.....	84,049,670	4,755,943	91,257,292	4,486,010	614,780,163	46,740,216	661,520,379
Kansas City.....	138,149,854	7,785,037	135,770,313	11,385,822	1,471,578,873	84,017,750	1,555,596,623
Dallas.....	65,097,987	5,573,446	54,979,342	4,622,649	1,123,342,716	101,603,429	1,224,946,145
San Francisco.....	140,608,384	33,117,528	170,718,320	27,665,993	1,692,938,917	258,123,414	1,951,062,331
<b>Total.....</b>	<b>6,154,632,632</b>	<b>1,259,865,743</b>	<b>5,987,706,267</b>	<b>1,303,166,324</b>	<b>63,518,672,593</b>	<b>15,655,297,137</b>	<b>79,173,969,730</b>

No. 35.—Average rate (per cent) charged on all paper discounted by each Federal Reserve Bank, by months, during the calendar year 1919.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Average, 1919.	Average, 1918.
Boston.....	4.05	4.13	4.09	4.18	4.14	4.17	4.20	4.18	4.18	4.22	4.56	4.64	4.25	4.17
New York.....	4.07	4.03	4.02	4.03	4.03	4.04	4.06	4.05	4.04	4.03	4.49	4.63	4.14	4.06
Philadelphia.....	4.12	4.08	4.07	4.09	4.07	4.07	4.01	4.01	4.01	4.02	4.34	4.61	4.13	4.09
Cleveland.....	4.19	4.13	4.13	4.11	4.13	4.13	4.08	4.08	4.12	4.14	4.55	4.68	4.24	4.21
Richmond.....	4.28	4.28	4.31	4.44	4.25	4.26	4.20	4.20	4.31	4.28	4.46	4.64	4.32	4.38
Atlanta.....	4.21	4.18	4.18	4.16	4.19	4.22	4.13	4.13	4.19	4.24	4.51	4.61	4.25	4.06
Chicago.....	4.17	4.14	4.15	4.17	4.21	4.26	4.17	4.18	4.36	4.40	4.61	4.69	4.35	4.24
St. Louis.....	4.17	4.15	4.18	4.13	4.15	4.20	4.15	4.16	4.29	4.22	4.52	4.64	4.26	4.27
Minneapolis.....	4.39	4.28	4.19	4.22	4.41	4.40	4.29	4.10	4.38	4.50	4.74	4.88	4.54	4.72
Kansas City.....	4.82	4.68	4.72	4.77	4.66	4.82	4.57	4.40	4.55	4.60	4.91	5.02	4.74	4.80
Dallas.....	4.65	4.52	4.42	4.47	4.46	4.45	4.38	4.30	4.36	4.34	4.55	4.80	4.46	4.55
San Francisco.....	4.54	4.49	4.47	4.46	4.50	4.51	4.44	4.41	4.39	4.47	4.58	4.62	4.50	4.54
System—1919.....	4.18	4.14	4.15	4.18	4.16	4.19	4.14	4.12	4.18	4.19	4.53	4.67	4.26	.....
1918.....	4.02	4.02	4.08	4.23	4.35	4.42	4.37	4.25	4.24	4.21	4.20	4.18	.....	4.26



No. 36.—Average rate (per cent) charged on all paper purchased by each Federal Reserve Bank, by months, during the calendar year 1919.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Average, 1919.
Boston.....	4.20	4.17	4.19	4.15	4.17	4.18	4.22	4.24	4.19	4.25	4.45	4.92	4.36
New York.....	4.22	4.19	4.18	4.20	4.19	4.23	4.25	4.23	4.22	4.24	4.45	4.81	4.37
Philadelphia.....	4.26	4.13	4.17	4.20	4.23	4.33	4.23	4.27	4.26	4.31	4.34	4.75	4.38
Cleveland.....	4.27	4.22	4.19	4.21	4.20	4.22	4.23	4.22	4.23	4.23	4.46	4.84	4.32
Richmond.....	4.56	4.56	4.56	4.56	4.56	4.56	4.56	4.56	4.56	4.56	4.57	4.82	4.60
Atlanta.....	4.56	4.56	4.56	4.56	4.56	4.56	4.56	4.56	4.56	4.56	4.56	4.60	4.57
Chicago.....	4.36	4.26	4.21	4.22	4.28	4.27	4.21	4.28	4.25	4.24	4.50	4.87	4.38
St. Louis.....	4.26	4.21	4.21	4.23	4.39	4.25	4.23	4.22	4.26	4.32	4.49	4.80	4.31
Minneapolis.....	4.23	4.21	4.20	4.17	4.20	4.22	4.24	4.22	4.21	4.22	4.47	4.75	4.25
Kansas City.....	4.33	4.19	4.38	4.26	5.07	5.07	.....	5.00	4.25	.....	.....	4.79	4.51
Dallas.....	4.62	4.67	4.57	4.63	4.65	4.56	4.65	4.50	4.67	4.73	4.77	5.01	4.68
San Francisco.....	4.34	4.29	4.33	4.28	4.23	4.26	4.25	4.24	4.24	4.23	4.53	4.88	4.40
System.....	4.28	4.24	4.24	4.24	4.24	4.24	4.25	4.25	4.25	4.26	4.47	4.84	4.36

No. 37.—Average maturity (in days) of all paper discounted by each Federal Reserve Bank, by months, during the calendar year 1919.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Average, 1919.	Average, 1918.
Boston.....	17.72	12.44	8.27	14.68	9.15	12.06	13.87	14.45	11.85	13.38	15.61	13.28	13.12	18.93
New York.....	7.20	8.68	8.36	8.61	6.58	7.31	7.05	6.67	6.49	6.32	7.12	7.40	7.20	7.31
Philadelphia.....	9.85	8.46	7.28	7.71	7.27	6.94	7.10	7.31	6.69	6.93	14.32	9.04	7.29	16.51
Cleveland.....	13.70	14.84	12.28	14.10	14.42	13.99	13.14	14.22	13.16	15.35	17.77	17.61	14.66	17.51
Richmond.....	10.79	10.75	9.98	10.56	10.88	10.29	11.30	11.51	9.79	10.50	10.90	9.93	10.60	10.40
Atlanta.....	18.04	17.15	16.64	17.56	16.73	16.35	16.91	16.85	16.95	19.70	21.79	18.70	17.83	19.01
Chicago.....	16.67	15.95	16.28	16.33	16.71	17.10	16.84	17.40	20.29	21.31	24.53	27.04	19.33	18.59
St. Louis.....	13.93	13.42	12.87	12.29	11.00	10.91	13.52	12.39	14.10	13.16	13.50	16.73	13.12	19.89
Minneapolis.....	16.83	17.09	15.42	15.28	17.95	17.13	18.07	15.42	19.66	25.00	26.73	35.23	22.27	32.78
Kansas City.....	24.23	22.26	21.87	23.30	21.76	27.09	22.41	17.97	20.76	22.31	27.33	27.66	23.41	30.76
Dallas.....	26.62	23.07	20.22	21.70	20.43	19.23	19.43	17.94	18.91	17.89	19.14	19.46	20.25	27.00
San Francisco.....	16.65	15.99	16.58	16.25	16.96	16.42	16.42	17.14	16.41	16.49	17.04	15.28	16.42	25.31
System—1919.....	10.34	10.74	10.15	11.07	9.13	9.79	9.41	9.33	9.44	9.54	11.36	11.52	10.13	.....
1918.....	18.90	27.73	22.25	11.25	12.59	10.09	12.85	12.70	10.38	11.17	12.37	8.54	.....	11.81

No. 38.—Average maturity (in days) of all paper purchased by each Federal Reserve Bank, by months, during the calendar year 1919.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Average, 1919.
Boston.....	44.84	33.29	34.10	34.22	24.55	34.92	34.47	50.80	29.52	41.12	55.53	55.49	43.10
New York.....	43.70	38.80	36.89	35.18	38.47	37.65	45.46	44.09	36.65	42.24	46.83	48.31	42.64
Philadelphia.....	39.71	33.88	39.38	41.47	73.24	47.63	67.02	44.56	49.70	82.78	79.08	74.12	57.00
Cleveland.....	78.14	51.93	46.57	45.60	47.19	52.95	57.12	52.50	49.93	54.39	65.07	66.39	59.82
Richmond.....	69.78	65.48	69.82	62.83	62.26	45.80	46.62	37.63	36.38	58.90	71.64	67.74	56.41
Atlanta.....	73.70	73.56	66.65	60.40	60.60	45.38	55.80	54.73	59.45	68.14	63.55	66.54	62.38
Chicago.....	71.12	58.39	53.26	56.07	70.35	65.71	67.27	65.22	60.50	54.67	67.73	71.26	64.43
St. Louis.....	33.93	48.63	36.52	34.17	35.05	44.94	44.51	41.02	48.67	21.42	46.68	61.65	42.16
Minneapolis.....	63.69	57.56	57.64	47.22	57.04	59.92	64.96	57.60	54.42	60.16	70.67	73.27	60.14
Kansas City.....	62.27	53.01	53.48	47.96	36.77	82.84	.....	88.00	76.25	.....	.....	65.26	61.24
Dallas.....	44.74	62.80	52.76	56.34	49.16	23.01	41.20	29.00	58.10	50.54	49.40	36.80	47.38
San Francisco.....	67.04	54.71	60.58	55.29	58.74	60.91	63.61	57.55	54.86	58.28	66.78	73.39	61.93
System.....	55.51	45.67	42.69	42.00	45.80	45.60	51.21	50.73	46.15	48.36	55.55	57.11	50.45

No. 39.—Number of banks, by districts, accommodated through the discount of paper during each month in 1919.

Federal Reserve district.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Total, 1919.	Total, 1918.	Total, 1917.
Boston.....	191	152	208	230	245	250	250	243	231	244	265	277	348	269	218
New York.....	395	403	403	426	423	504	402	381	378	396	405	434	546	522	322
Philadelphia.....	351	322	341	346	391	432	413	389	388	389	375	405	494	457	201
Cleveland.....	153	143	177	195	207	229	199	213	222	245	282	276	409	320	160
Richmond.....	242	266	263	281	312	320	321	299	387	297	252	255	414	373	246
Atlanta.....	245	236	214	223	262	265	233	241	255	247	185	173	347	327	228
Chicago.....	416	301	597	651	560	551	497	468	494	614	613	586	951	850	541
St. Louis.....	176	167	171	190	191	168	190	185	205	223	211	205	305	278	149
Minneapolis.....	168	128	142	180	235	212	151	163	164	224	280	270	475	580	284
Kansas City.....	334	313	366	400	418	410	381	295	351	391	354	365	679	554	364
Dallas.....	419	403	421	465	508	426	398	341	420	359	235	200	607	548	258
San Francisco.....	226	257	272	288	283	280	250	242	227	210	192	213	418	415	156
Total—1919.....	3,316	3,091	3,575	3,875	4,035	4,047	3,685	3,460	3,722	3,839	3,649	3,659	5,993	.....	.....
1918.....	1,432	1,353	1,568	2,100	2,793	3,021	3,462	3,671	3,464	3,610	3,667	3,288	.....	5,493	.....
1917.....	309	262	315	384	590	900	960	990	953	1,140	1,574	1,701	.....	.....	3,127

No. 40.—Acceptances bought in open market during the calendar year 1919, distributed by classes.

Month.	Bankers' acceptances.				Trade acceptances.			Grand total.
	In the foreign trade.	In the domestic trade.	Dollar exchange.	Total.	In the foreign trade.	In the domestic trade.	Total.	
January.....	\$100,580,386	\$96,180,827	\$1,698,770	\$198,459,983	\$1,935,145	\$1,096,578	\$3,031,723	\$201,491,706
February.....	81,381,667	61,804,082	1,468,980	144,654,729	2,255,982	499,382	2,755,364	147,410,093
March.....	84,757,707	54,254,477	405,265	139,417,449	3,963,834	280,273	4,244,107	143,661,556
April.....	89,420,640	47,451,019	406,114	137,277,773	3,114,337	246,799	3,361,136	140,638,909
May.....	106,705,776	37,889,464	1,158,490	145,753,730	1,621,293	275,169	1,896,462	147,650,192
June.....	227,983,824	62,218,856	67,557	290,270,237	983,940	661,269	1,645,209	291,915,446
July.....	213,595,045	60,379,550	841,327	274,815,922	940,450	728,458	1,668,908	276,484,830
August.....	155,751,303	36,653,358	381,250	192,785,911	1,157,435	267,279	1,424,714	194,210,625
September.....	153,415,849	48,546,581	312,468	202,274,898	2,293,845	479,592	2,773,437	205,048,335
October.....	248,045,528	81,818,557	408,637	330,272,722	3,051,436	1,937,554	4,988,990	335,261,712
November.....	252,695,143	82,849,782	1,463,650	337,008,575	2,897,336	789,594	3,686,930	340,695,505
December.....	306,555,328	86,378,589	2,693,252	395,627,169	3,073,839	2,007,085	5,080,924	400,708,093
Total.....	2,020,888,196	756,425,142	11,305,760	2,788,619,098	27,288,872	9,269,032	36,557,904	2,825,177,002

No. 41.—Acceptances bought in open market during each month in 1919; also totals for 1918 and 1917.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.	August.	September.
Boston.....	\$24,383,920	\$20,341,094	\$13,227,576	\$17,239,328	\$18,501,331	\$31,701,356	\$24,972,461	\$42,565,466	\$20,353,090
New York.....	75,582,937	56,351,764	53,250,195	61,605,656	60,721,633	137,454,889	129,118,992	64,910,476	64,400,086
Philadelphia.....	883,390	1,541,652	1,828,063	1,918,792	534,512	134,911	278,963	509,732	687,216
Cleveland.....	31,770,316	13,278,112	13,331,247	14,238,451	15,472,166	29,127,647	30,233,112	16,755,025	23,450,835
Richmond.....	4,083,668	2,502,650	3,365,168	3,904,855	2,791,242	4,567,752	5,538,112	5,492,800	5,226,079
Atlanta.....	4,088,494	1,817,889	3,171,230	3,064,032	2,788,678	5,620,163	4,802,064	2,286,371	3,950,570
Chicago.....	15,436,290	13,573,765	13,631,397	14,497,266	22,025,711	26,299,097	30,434,172	23,529,003	24,031,764
St. Louis.....	10,199,890	11,345,794	9,925,288	5,353,983	5,546,649	8,684,572	7,445,974	7,469,809	7,213,275
Minneapolis.....	10,457,484	4,563,902	12,462,554	5,386,625	4,596,780	16,604,013	10,776,667	7,642,665	12,698,615
Kansas City.....	6,048,056	3,190,558	4,476,105	1,401,481	9,595	1,999	.....	21,115	690,000
Dallas.....	2,062,000	943,000	1,080,000	678,000	830,000	734,000	627,822	499,659	1,025,272
San Francisco.....	16,495,261	17,959,913	13,912,733	11,350,440	13,831,895	30,985,047	32,256,491	22,528,704	41,351,533
Total—1919.....	201,491,706	147,410,093	143,661,556	140,638,909	147,650,192	291,915,446	276,484,830	194,210,625	205,048,335
1918.....	130,619,509	148,275,106	138,996,364	108,515,517	115,913,940	89,580,022	123,573,644	162,796,413	183,132,122
1917.....	20,617,180	70,640,679	28,152,638	41,312,691	82,544,372	135,229,697	66,864,065	72,122,802	109,046,466
Per cent—1919.....	7.1	5.2	5.1	5.0	5.2	10.3	9.8	6.9	7.2
1918.....	7.2	8.1	7.6	6.0	6.4	4.9	6.8	8.9	10.1
1917.....	1.9	6.6	2.6	3.8	7.7	12.5	6.2	6.7	10.1

No. 41.—Acceptances bought in open market during each month in 1919; also totals for 1918 and 1917—Continued.

Federal Reserve Bank.	October.	November.	December.	Total.			Per cent.		
				1919	1918	1917	1919	1918	1917
Boston.....	\$44,081,751	\$63,977,798	\$39,438,586	\$360,783,757	\$194,157,686	\$91,528,205	12.8	10.7	8.5
New York.....	145,060,466	152,609,063	210,272,820	1,211,398,977	945,497,423	464,965,602	42.9	52.0	42.9
Philadelphia.....	220,704	2,832,489	2,678,026	14,048,450	77,686,322	85,913,798	.4	4.3	7.9
Cleveland.....	27,417,732	19,053,191	27,622,483	261,750,317	122,800,420	91,109,193	9.3	6.7	8.4
Richmond.....	4,956,924	3,805,212	6,743,120	52,977,382	70,765,491	58,116,061	1.9	3.9	5.4
Atlanta.....	9,686,840	4,365,746	6,019,116	51,661,193	45,477,368	26,392,564	1.9	2.5	2.4
Chicago.....	32,835,029	33,701,105	42,017,209	292,011,808	122,787,257	66,714,061	10.3	7.2	6.2
St. Louis.....	3,610,303	5,325,336	5,381,753	87,502,626	26,096,120	29,732,271	3.1	1.4	2.7
Minneapolis.....	11,327,226	10,649,919	1,547,985	108,714,435	13,902,579	33,072,316	3.0	.8	3.1
Kansas City.....			10,337,197	26,086,106	14,600,587	26,825,413	.9	.8	2.5
Dallas.....	1,082,620	1,912,400	940,460	12,415,233	25,024,122	35,076,917	.4	1.4	3.2
San Francisco.....	54,982,117	42,463,246	47,709,338	345,826,718	150,653,420	68,266,108	12.2	8.3	6.8
Total—1919.....	335,261,712	340,695,505	400,708,093	2,825,177,002					
1918.....	256,705,208	195,697,512	155,733,438		1,809,538,795				
1917.....	86,894,182	186,218,728	178,069,009			1,077,712,509			
Per cent—1919.....	11.9	12.1	14.2				100.0		
1918.....	14.6	10.8	8.6					100.0	
1917.....	8.1	17.3	16.5						100.0

## No. 42.—Acceptances bought in open market during each month in 1919, distributed by maturities.

## MATURITIES.

Month.	Within 15 days.	From 16 to 30 days.	From 31 to 60 days.	From 61 to 90 days.	Over 90 days.	Total, 1919.	Total, 1918.	Total, 1917.
January.....	\$27,192,062	\$61,483,057	\$46,851,121	\$65,565,466	\$400,000	\$201,491,706	\$130,619,509	\$20,617,180
February.....	26,214,072	23,394,980	67,650,245	30,150,796	.....	147,410,093	148,275,106	70,640,679
March.....	22,886,198	32,397,835	60,215,753	28,151,770	10,000	143,661,556	138,996,364	23,152,638
April.....	32,819,728	25,629,438	59,148,103	23,041,640	.....	140,638,909	108,515,517	41,312,691
May.....	34,396,176	25,172,762	50,699,368	37,381,886	.....	147,650,192	115,913,940	82,544,372
June.....	75,037,208	48,801,795	79,513,349	88,563,094	.....	291,915,446	89,580,022	135,229,697
July.....	63,916,450	25,443,507	70,265,490	116,859,383	.....	276,484,830	123,573,644	66,864,065
August.....	34,977,827	29,547,930	67,276,021	62,408,847	.....	194,210,625	162,796,413	72,122,802
September.....	40,798,778	48,627,506	52,288,254	63,333,797	.....	205,048,335	183,132,122	109,046,466
October.....	72,022,506	56,552,913	89,997,199	116,665,011	24,083	335,261,712	256,705,208	86,894,182
November.....	63,079,659	34,869,917	87,498,710	155,247,219	.....	340,695,505	195,697,512	186,218,728
December.....	85,410,188	43,867,155	75,922,791	195,507,959	.....	400,708,093	155,733,438	178,069,009
Total—1919.....	578,750,852	455,788,795	807,326,404	982,876,868	434,083	2,825,177,002	.....	.....
1918.....	161,963,856	276,656,397	466,589,072	876,539,062	27,790,408	.....	1,809,538,795	.....
1917.....	128,048,198	128,893,138	267,034,882	613,295,256	36,441,035	.....	.....	1,077,712,509



No. 43.—Rediscunts and sales of discounted and purchased paper between Federal Reserve Banks during calendar year 1919.

CHRONOLOGICAL TABLE.

Discounted or purchased by Federal Reserve Bank of—  ↓	Date.	Rediscouted or sold by Federal Reserve Bank of—										
		Boston.		New York.	Phila- delphia.	Richmond.	Atlanta.	Chicago.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.
		Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Purchased bills.
Chicago.....	Jan. 2..								\$5,000,000			
Minneapolis.....	Jan. 3..				\$6,013,000							
Chicago.....	do.							5,000,000				\$5,000,000
Kansas City.....	do.		\$5,009,980									
Chicago.....	Jan. 6..							5,190,000				
Minneapolis.....	do.											5,000,000
Do.....	Jan. 10.							5,000,000				
Chicago.....	Jan. 15.							1,000,000				
Minneapolis.....	do.											7,500,000
Chicago.....	Jan. 17.							7,500,000				
Do.....	Jan. 20.											5,000,000
Do.....	Jan. 22.							2,500,000				
Cleveland.....	do.	\$10,017,300										
Chicago.....	Jan. 23.											5,000,000
New York.....	do.										\$45,853	
Minneapolis.....	Jan. 28.							\$10,000,000				
Chicago.....	do.				10,004,000							
Minneapolis.....	Jan. 29.			\$5,052,808								
Chicago.....	Jan. 30.											5,000,000
Do.....	Jan. 31.							5,000,000				
Cleveland.....	do.			5,088,039								
Minneapolis.....	Feb. 3..			5,036,913								
San Francisco.....	do.			5,010,687								

No. 43.—Rediscunts and sales of discounted and purchased paper between Federal Reserve Banks during calendar year 1919—Continued.

CHRONOLOGICAL TABLE—Continued.

Discounted or purchased by Federal Reserve Bank of—  ↓	Date.	Rediscunted or sold by Federal Reserve Bank of—										
		Boston.		New York.	Phila- delphia.	Richmond.	Atlanta.	Chicago.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.
		Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Purchased bills.
Chicago.....	Feb 3..										\$5,000,000	
Cleveland.....	Feb. 4..			\$10,100,167								
Chicago.....	Feb. 6..										5,000,000	
Minneapolis.....	Feb. 7..					\$10,000,000						
Cleveland.....	do.....		\$5,034,384									
Chicago.....	Feb. 8..										5,000,000	
Do.....	Feb. 11..		5,057,259									
St. Louis.....	do.....		5,071,020									
San Francisco.....	do.....			2,538,884								
Chicago.....	Feb. 14..				\$10,000,000							
Minneapolis.....	Feb. 17..			5,001,156		10,000,000						
Chicago.....	do.....										10,000,000	
San Francisco.....	Feb. 18..			5,163,305								
Chicago.....	Feb. 19..	\$10,028,000										
Do.....	Feb. 20..				5,000,000						5,000,000	
Do.....	Feb. 24..										7,500,000	
San Francisco.....	Feb. 25..			5,016,061								
Minneapolis.....	Feb. 27..					10,000,000						
Kansas City.....	do.....		5,060,295									
Chicago.....	do.....				15,000,000							
Do.....	Mar. 1..										10,000,000	
Minneapolis.....	Mar. 3..			1,182,893								
Chicago.....	Mar. 4..					5,000,000						

New York	do.					100,000			
St. Louis	do.				2,500,000				
Kansas City	do.				2,500,000				
Chicago	Mar. 7.								5,000,000
Do.	Mar. 10.								5,000,000
Minneapolis	do.					10,000,000			
Do.	Mar. 13.		3,008,010	5,000,000					
Chicago	do.		20,079,153	5,000,000					5,000,000
Do.	Mar. 14.				5,000,000				
St. Louis	do.			5,000,000	2,500,000				
Kansas City	do.				2,500,000				
Chicago	Mar. 17.								5,000,000
Cleveland	Mar. 18.								6,000,000
Do.	Mar. 19.			5,000,000					
Chicago	do.			5,000,000					
Do.	Mar. 20.			5,000,000					
Minneapolis	do.			5,000,000	10,000,000				
Do.	Mar. 24.								2,500,000
Cleveland	do.				5,000,000				
Chicago	do.				5,000,000				5,000,000
Do.	Mar. 27.			5,000,000					
Minneapolis	Mar. 28.			5,000,000					
Chicago	do.			5,000,000					5,000,000
Minneapolis	Mar. 31.			5,000,000	10,000,000				
Cleveland	do.			5,000,000					
Chicago	do.								5,000,000
Cleveland	Apr. 1.			10,000,000					5,000,000
New York	Apr. 2.	10,048,289		10,000,000					
Cleveland	Apr. 3.				5,000,000				
Chicago	do.				5,000,000				10,000,000
New York	do.						10,000,000		
Cleveland	Apr. 9.			5,000,000					
Chicago	do.			5,000,000					
Do.	Apr. 10.								5,000,000
Minneapolis	do.				10,000,000				

No. 43.—Rediscunts and sales of discounted and purchased paper between Federal Reserve Banks during calendar year 1919—Continued.

CHRONOLOGICAL TABLE—Continued.

Discounted or purchased by Federal Reserve Bank of—	Date.	Rediscouted or sold by Federal Reserve Bank of—										
		Boston.		New York.	Phila- delphia.	Richmond.	Atlanta.	Chicago.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.
		Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Purchased bills.
Cleveland.....	Apr. 11				\$5,000,000							
Chicago.....	do.				10,000,000							
San Francisco.....	do.			\$2,827,239								
New York.....	Apr. 12								\$10,000,000			
Chicago.....	do.									\$5,000,000		
Cleveland.....	Apr. 14				\$5,000,000							
Chicago.....	do.				5,000,000						7,500,000	
Do.....	Apr. 16				6,000,000						5,000,000	
Cleveland.....	Apr. 17				10,000,000							
Chicago.....	do.					5,000,000						
Do.....	Apr. 18										5,000,000	
Minneapolis.....	Apr. 21					10,000,000						
San Francisco.....	do.			5,036,461								
New York.....	Apr. 22								10,000,000			
Cleveland.....	do.				5,000,000							
Chicago.....	do.										2,500,000	
Do.....	Apr. 23				10,000,000							
Cleveland.....	Apr. 24					5,000,000						
Chicago.....	do.					5,000,000					2,500,000	
San Francisco.....	do.			5,046,506								
Chicago.....	Apr. 26					5,000,000					7,500,000	
Do.....	Apr. 28					5,000,000					5,000,000	
San Francisco.....	do.			5,000,000								

Cleveland	Apr. 29		10,000,000				
Chicago	do.		5,000,000			2,500,000	
Do	Apr. 30					4,500,000	
San Francisco	do.	5,010,366					
Minneapolis	May 1			10,000,000			
Chicago	do.					3,000,000	
Do	May 2					5,000,000	
Cleveland	do.		10,000,000				
Chicago	May 3					6,000,000	
Do	May 5			5,000,000			
Cleveland	do.			5,000,000			
Chicago	May 6			5,000,000			
Do	May 7		5,000,000			2,500,000	
Do	May 8			5,000,000			
Do	May 9		10,000,000			4,000,000	
San Francisco	do.	3,244,941					
Minneapolis	May 12			10,000,000			
Cleveland	May 13		5,000,000				
Chicago	do.		10,000,000				
Do	May 14					5,000,000	
Do	May 15			5,000,000		4,000,000	
Cleveland	do.			5,000,000			
Chicago	May 16			5,000,000		3,000,000	
Minneapolis	do.			5,000,000			
Chicago	May 17					4,000,000	
Do	May 19			5,000,000		5,000,000	
Cleveland	May 20		5,000,000				
San Francisco	do.	5,021,553					
Cleveland	May 21		5,000,000				
Chicago	do.					3,000,000	
Do	May 22					6,000,000	
Cleveland	do.		5,000,000	5,000,000			
Minneapolis	do.			10,000,000			
Cleveland	May 23			5,000,000			
Chicago	do.					6,200,000	

No. 43.—Rediscunts and sales of discounted and purchased paper between Federal Reserve Banks during calendar year 1919—Continued.

CHRONOLOGICAL TABLE—Continued.

Discounted or purchased by Federal Reserve Bank of—  ↓	Date.	Rediscouted or sold by Federal Reserve Bank of—										
		Boston.		New York.	Phila- delphia.	Richmond.	Atlanta.	Chicago.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.
		Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Purchased bills.
St. Louis.....	May 23				\$10,000,000							
Cleveland.....	May 26					\$5,000,000						
Minneapolis.....	do.					5,000,000						
Chicago.....	do.					10,000,000						
Do.....	May 28									\$4,000,000		
Cleveland.....	do.			10,000,000								
Do.....	May 29					5,000,000						
Chicago.....	do.				5,000,000	5,000,000					2,500,000	
Cleveland.....	June 2				5,000,000	5,000,000						
Chicago.....	do.										13,000,000	
Minneapolis.....	do.						10,000,000				4,000,000	
Cleveland.....	June 3						5,000,000					
St. Louis.....	do.				5,000,000							
Minneapolis.....	do.					5,000,000						
Chicago.....	June 4				5,000,000						5,000,000	
St. Louis.....	do.				7,000,000							
Chicago.....	June 5					10,000,000						
Minneapolis.....	do.					5,000,000						
San Francisco.....	June 6			\$5,120,057								
Chicago.....	June 7										2,500,000	
Cleveland.....	June 9					5,000,000						
Chicago.....	do.					5,000,000						
San Francisco.....	do.			3,318,585								

Chicago	June 10			8,000,000					4,000,000
Do	June 11								2,500,000
Cleveland	June 12				5,000,000				
Chicago	do			5,000,000					2,500,000
Minneapolis	do				10,000,000				
Cleveland	June 13				5,000,000				
Chicago	do								3,500,000
St. Louis	do			8,000,000					
Minneapolis	do			4,000,000	5,000,000				
Chicago	June 14			8,000,000					4,000,000
Cleveland	June 16			5,000,000					
Chicago	do			5,000,000	10,000,000				7,000,000
Minneapolis	do				5,000,000				
Chicago	June 18			5,000,000					
Cleveland	June 19			5,000,000					
Chicago	do				5,000,000				6,000,000
San Francisco	do		5,041,472						
Cleveland	June 20			10,000,000					
Chicago	do			5,000,000					2,775,000
Cleveland	June 23				10,000,000				
St. Louis	do			10,000,000					
Minneapolis	do				15,000,000				
San Francisco	do		5,028,319						
Chicago	June 24			10,000,000					
Minneapolis	June 25				5,000,000				
Chicago	June 26			10,000,000	10,000,000				
Minneapolis	do				5,000,000				
New York	June 27	\$5,061,566							
Chicago	do			5,000,000	5,000,000				
Do	June 28			5,000,000					3,000,000
Do	June 30			10,000,000					
Minneapolis	do				5,000,000				
Do	July 1				10,000,000				
Do	July 2				10,000,000				
Chicago	do				5,000,000				

No. 43.—*Rediscounts and sales of discounted and purchased paper between Federal Reserve Banks during calendar year 1919—Continued.*

CHRONOLOGICAL TABLE—Continued.

Discounted or purchased by Federal Reserve Bank of—  ↓	Date.	Rediscounted or sold by Federal Reserve Bank of—										
		Boston.		New York.	Phila- delphia.	Richmond.	Atlanta.	Chicago.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.
		Discounted bills.	Purchase:d bills.	Purchased bills.	Discounted bills.	Discounted bills.	Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Purchased bills.
Chicago .....	July 3										\$4,000,000	
Do .....	July 7				\$20,000,000	\$10,000,000						
Do .....	July 10				15,000,000	5,000,000						
Minneapolis .....	do					5,000,000						
Do .....	July 11					10,000,000						
Chicago .....	do				5,000,000						2,000,000	
Do .....	July 12					5,000,000						
Minneapolis .....	do					10,000,000						
San Francisco .....	July 14			\$10,013,583								
Chicago .....	July 15					5,000,000						
San Francisco .....	do			10,022,763								
Do .....	July 16			7,006,406								
Chicago .....	do										3,000,000	
Cleveland .....	July 17			10,011,871								
Chicago .....	do				20,000,000	10,000,000					3,500,000	
St. Louis .....	do					5,000,000						
Chicago .....	July 21				15,000,000	5,000,000						
Minneapolis .....	do					15,000,000						
Do .....	July 22					10,000,000						
Chicago .....	July 25					5,000,000						
Do .....	July 28				14,000,000	10,000,000					2,000,000	
St. Louis .....	do					5,000,000						
Chicago .....	July 30				7,000,000							



Do.....	July 31			18,000,000	5,000,000					2,000,000
St. Louis.....	do.				10,000,000					
Minneapolis.....	do.				10,000,000					
Do.....	Aug. 1				5,000,000					2,000,000
St. Louis.....	do.				5,000,000					
Chicago.....	Aug. 4				5,000,000					
Do.....	Aug. 7				10,000,000					
St. Louis.....	do.				5,000,000					
Do.....	Aug. 8				100,000					
Minneapolis.....	do.									2,000,000
Do.....	Aug. 9			7,000,000						
Do.....	Aug. 11				10,000,000					
St. Louis.....	do.				5,000,000					
Chicago.....	do.				5,000,000					
Do.....	do.			18,000,000						
St. Louis.....	Aug. 12				5,000,000					
Minneapolis.....	do.				5,000,000					
Do.....	Aug. 14				1,000,000					
St. Louis.....	do.				1,409,000					
Chicago.....	do.				5,000,000					
Minneapolis.....	Aug. 15				100,000					
Chicago.....	do.									2,000,000
St. Louis.....	do.				10,000,000					
Do.....	Aug. 18				5,000,000					
Chicago.....	do.				10,000,000					
San Francisco.....	do.		5,010,163							
Do.....	Aug. 19		5,018,288							
Chicago.....	do.				136,500					
St. Louis.....	Aug. 20				5,000,000					
Minneapolis.....	Aug. 21				10,000,000					
Chicago.....	do.			17,000,000	5,000,000					
St. Louis.....	do.				200,000					
Minneapolis.....	Aug. 22				5,000,000					
Chicago.....	Aug. 23									2,000,000
Do.....	Aug. 25									1,000,000

No. 43.—Rediscunts and sales of discounted and purchased paper between Federal Reserve Banks during calendar year 1919—Continued.

CHRONOLOGICAL TABLE—Continued.

Discounted or purchased by Federal Reserve Bank of—  ↓	Date.	Rediscouted or sold by Federal Reserve Bank of—										
		Boston.		New York.	Phila- delphia.	Richmond.	Atlanta.	Chicago.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.
		Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Purchased bills.
St. Louis.....	Aug. 25					\$10,000,000						
Kansas City.....	do.			\$10,012,883								
Chicago.....	Aug. 28				\$5,000,000	5,000,000						
Do.....	Aug. 29					5,000,000						
Do.....	Aug. 30									\$2,000,000		
Do.....	Sept. 2				16,000,000		\$5,000,000			1,500,000		
Minneapolis.....	do.					10,000,000						
Kansas City.....	do.			10,001,499								
San Francisco.....	Sept. 3			4,294,113								
St. Louis.....	Sept. 4					5,000,000						
Chicago.....	Sept. 5				5,000,000					2,000,000		
Kansas City.....	do.			5,008,191								
Cleveland.....	Sept. 6						3,000,000					
Chicago.....	Sept. 8					10,000,000						
Do.....	Sept. 11									2,000,000		
Minneapolis.....	Sept. 12					15,000,000						
New York.....	do.								\$21,667			
Chicago.....	do.				7,000,000		3,000,000					
St. Louis.....	Sept. 15					5,000,000						
Chicago.....	Sept. 17				3,000,000					2,000,000		
Do.....	Sept. 18				15,000,000					2,000,000		
San Francisco.....	Sept. 19			2,794,293								
Chicago.....	do.						5,000,000			3,500,000		

Minneapolis.....	Sept. 22			5,000,000				
Chicago.....	do.....				5,000,000			4,000,000
Do.....	Sept. 24			5,000,000				4,000,000
Minneapolis.....	do.....			5,000,000				
Chicago.....	Sept. 25		7,000,000	10,000,000				4,000,000
Do.....	Sept. 26							3,000,000
Minneapolis.....	Sept. 27					2,500,000		
Chicago.....	Sept. 29			10,000,000		2,500,000		
Do.....	Sept. 30							2,000,000
Do.....	Oct. 1			4,000,000				
Minneapolis.....	Oct. 3				5,000,000			
Chicago.....	do.....					3,000,000		1,000,000
Do.....	Oct. 4					2,500,000		2,000,000
San Francisco.....	Oct. 6		3,176,075					
Chicago.....	Oct. 7				5,000,000	1,000,000		10,000,000
Do.....	Oct. 9			6,000,000	5,000,000			5,000,000
Do.....	Oct. 11			3,500,000				
Minneapolis.....	Oct. 13				5,000,000			
Chicago.....	Oct. 14			3,000,000		2,500,000		
Do.....	Oct. 15					2,500,000		
San Francisco.....	do.....		3,177,012					
Chicago.....	Oct. 16			3,500,000				
Do.....	Oct. 17			4,500,000		1,500,000		3,000,000
Do.....	Oct. 18					2,500,000		4,000,000
Do.....	Oct. 20				5,000,000			4,000,000
Do.....	Oct. 21					1,500,000		
Do.....	Oct. 22							3,000,000
Do.....	Oct. 23			5,000,000				2,000,000
Do.....	Oct. 27			8,000,000				
Do.....	Oct. 28					1,000,000		
Do.....	Oct. 29		20,032,021	4,000,000				
St. Louis.....	do.....		5,014,052					
Cleveland.....	do.....		10,042,517					
San Francisco.....	do.....		5,032,618					
Chicago.....	Oct. 30			4,000,000				

No. 43.—Rediscunts and sales of discounted and purchased paper between Federal Reserve Banks during calendar year 1919—Continued.

CHRONOLOGICAL TABLE—Continued.

Discounted or purchased by Federal Reserve Bank of—	Date.	Rediscunted or sold by Federal Reserve Bank of—Continued.										
		Boston.		New York.	Phila- delphia.	Richmond.	Atlanta.	Chicago.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.
		Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Discounted bills.	Purchased bills.	Purchased bills.	Discounted bills.	Discounted bills.	Purchased bills.
Chicago.....	Oct. 31				\$2,500,000		\$1,500,000					
New York.....	do.							\$24,083	\$9,824			
Cleveland.....	Nov. 3			\$15,022,249								
St. Louis.....	do.			10,056,382								
Chicago.....	do.			25,002,073								
Do.....	Nov. 4						1,000,000					
Do.....	Nov. 6				10,000,000							
Do.....	Nov. 10				10,000,000							
Do.....	Nov. 12				2,500,000							
Do.....	Nov. 13		\$10,164,346									
St. Louis.....	do.		10,081,040									
Chicago.....	Nov. 14				1,500,000							
Do.....	Nov. 17				5,000,000							
St. Louis.....	do.				4,500,000							
Dallas.....	Nov. 19			5,012,134								
Chicago.....	Nov. 20				4,000,000							
Do.....	Nov. 21				3,000,000							
Do.....	Nov. 22				5,000,000							
Do.....	Nov. 24		5,045,896									
Richmond.....	do.		5,079,873									
St. Louis.....	do.		5,036,679									
Dallas.....	do.		5,065,649									
Chicago.....	Nov. 26				2,500,000							

Kansas City	do		10,005,496					
Chicago	Nov. 28			5,000,000				
St. Louis	do			4,000,000				
Chicago	Dec. 1			10,000,000				
Do	Dec. 2			4,500,000				
Do	Dec. 5			2,000,000				
Do	Dec. 8			3,000,000				
Dallas	do			5,000,000				
Do	Dec. 12			9,000,000				
Chicago	Dec. 13			4,500,000				
Do	Dec. 18			4,000,000				
Dallas	do			4,000,000				
Do	Dec. 19						\$7,000,000	
Atlanta	do	5,061,648						
Chicago	do	10,097,441						
St. Louis	do	5,061,111						
San Francisco	do	10,081,286						
Chicago	Dec. 20			7,000,000				
New York	Dec. 22							\$500,000
Dallas	do			9,000,000				
Chicago	Dec. 23			4,500,000				
Dallas	Dec. 24						6,000,000	
Atlanta	Dec. 29				\$5,000,000			
Chicago	do			3,000,000	5,000,000			
Dallas	do			4,000,000			6,000,000	
New York	Dec. 30							15,280
Chicago	do			7,000,000				
Dallas	Dec. 31						7,500,000	

No. 43.—*Rediscounts and sales of discounted and purchased paper between Federal Reserve Banks during calendar year 1919—Continued.*

MONTHLY RECAPITULATION.

[In thousands of dollars.]

Month.	Rediscounted or sold by Federal Reserve Bank of—														
	Boston.		New York.	Phila- delphia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.	
	Dis- counted bills.	Pur- chased bills.	Pur- chased bills.	Dis- counted bills.		Dis- counted bills.	Dis- counted bills.	Pur- chased bills.		Pur- chased bills.	Dis- counted bills.	Dis- counted bills.	Pur- chased bills.	Dis- counted bills.	Pur- chased bills.
January.....	10,017	5,010	10,141	16,017		10,000	36,190			46		32,500		104,724	15,197
February.....	10,028	20,223	37,867	30,000		30,000						37,500		107,528	58,090
March.....			24,270	60,000		60,000		100				53,500		173,500	24,370
April.....		10,048	22,921	91,000		65,000					30,000	67,000		253,000	32,969
May.....			8,266	80,004		115,000						63,200		258,204	8,266
June.....		5,062	18,508	140,000		155,000						59,775		354,775	23,570
July.....			37,055	114,000		165,000						16,500		295,500	37,055
August.....			20,041	47,000		137,946						11,000		195,946	20,041
September.....			22,098	63,000		70,000	26,000			22		30,000		189,000	22,120
October.....			46,475	48,000		25,000	19,500	24		10		34,000		126,500	46,509
November.....		40,473	65,098	57,000			1,000							58,000	105,571
December.....		30,304		80,500		10,000					26,500		515	117,000	30,819
Total.....	20,045	111,120	312,740	826,521		842,946	82,690	124		78	56,500	404,975	515	2,233,677	424,577

SUMMARY FOR THE YEAR.

[In thousands of dollars.]

Discounted or purchased by Federal Reserve Bank of—	Rediscounted or sold by Federal Reserve Bank of—												Total.		Grand total.	
	Boston.		New York.	Phila- delphia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Discounted bills.		Pur- chased bills.
	Dis- counted bills.	Pur- chased bills.	Pur- chased bills.	Dis- counted bills.		Dis- counted bills.	Dis- counted bills.	Pur- chased bills.		Pur- chased bills.	Dis- counted bills.	Dis- counted bills.	Pur- chased bills.			
Boston.....																
New York.....		15,110		10,000				124		78	30,000		515	40,000	15,827	55,827
Philadelphia.....																
Cleveland.....	10,017	5,035	50,265	120,000		85,000	3,000					11,000	229,017	55,300	284,317	
Richmond.....		5,080												5,080	5,080	
Atlanta.....		5,065				5,000							5,000	5,065	10,065	
Chicago.....	10,028	30,364	65,113	575,008		300,137	72,190					370,975	1,328,338	95,477	1,423,815	
St. Louis.....		25,250	15,070	53,500		86,709							140,209	40,320	180,529	
Minneapolis.....			19,282	37,013		361,100	7,500				23,000		428,613	19,282	447,895	
Kansas City.....		10,070	35,029			5,000							5,000	45,099	50,099	
Dallas.....		5,065	5,012	31,000							26,500		57,500	10,077	67,577	
San Francisco.....		10,081	122,969											133,050	133,050	
Total.....	20,045	111,120	312,740	826,521		842,946	82,690	124		78	56,500	404,975	515	2,233,677	424,577	2,658,254

EXHIBIT D—OPERATIONS OF FEDERAL RESERVE BANKS. 199

No. 44.—Amounts of United States bonds and Victory notes (par value) purchased by Federal Reserve Banks during each month in 1919 and totals for 1918 and 1917.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.	August.	September.
Boston.....				\$1,300	\$16,250	\$13,500			
New York.....			\$1,000		50,000				
Philadelphia.....						2,000			
Cleveland.....							\$10,100	\$100	\$50
Richmond.....								100	
Atlanta.....		\$146,000			7,600				200
Chicago.....									
St. Louis.....									
Minneapolis.....					12,050	261,800	50,000		
Kansas City.....	\$150	100	50			300	150		50
Dallas.....	7,025								
San Francisco.....	1,007,000	100	165,000						
<b>Total—1919.....</b>	<b>1,014,175</b>	<b>146,200</b>	<b>166,050</b>	<b>1,300</b>	<b>85,900</b>	<b>277,600</b>	<b>60,250</b>	<b>200</b>	<b>300</b>
1918.....	14,337,638	14,746,700	9,823,400	3,239,550	15,831,825	13,047,750	1,141,700	284,650	106,950
1917.....	2,431,390	144,950	8,640,510	2,870,040	52,000	1,241,900	18,366,650	3,825,460	20,830,650
Per cent—1919.....	57.76	8.32	9.45	.07	4.89	15.79	3.43	.01	.02
1918.....	19.38	19.93	13.28	4.38	21.40	17.63	1.54	.38	.14
1917.....	2.98	.18	10.60	3.52	.06	1.52	22.53	4.69	25.55
<b>Classes of securities purchased each month:</b>									
3½ per cent bonds.....			1,000						200
4 per cent bonds.....	1,000,000								
4½ per cent bonds.....	14,175	146,200	165,050	1,300		50		100	
Victory notes.....					85,900	277,550	60,250	100	100



Federal Reserve Bank.	October.	November.	December.	Total.			Per cent.		
				1919	1918	1917	1919	1918	1917
Boston.....			\$350	\$31,400	\$8,529,063	\$1,418,116	1.79	11.53	1.74
New York.....				51,000	24,119,000	7,646,600	2.90	32.59	9.38
Philadelphia.....				2,000	10,973,050	12,274,250	.11	14.83	15.05
Cleveland.....				10,250	103,900	4,159,700	.58	.14	5.10
Richmond.....		\$300	100	500	3,900	1,137,500	.03	.01	1.39
Atlanta.....				153,800	19,482,250	7,924,900	8.75	26.33	9.72
Chicago.....			500	500	94,000	40,985,760	.03	.13	50.27
St. Louis.....			3,250	3,250		650,050	.18		.80
Minneapolis.....				323,850	8,520,400	615,650	18.44	11.51	.75
Kansas City.....	\$50			850	28,200	1,187,240	.05	.04	1.46
Dallas.....				7,025	91,950	1,364,950	.41	.12	1.71
San Francisco.....		50		1,172,150	2,050,600	2,142,600	66.73	2.77	2.63
Total—1919.....	50	350	4,200	1,756,575					
1918.....	1,305,750	93,550	36,850		73,996,313				
1917.....	190,400	1,546,946	21,396,420			81,537,316			
Per cent—1919.....		.02	.24				100.00		
1918.....	1.76	.13	.05					100.00	
1917.....	.23	1.90	26.24						100.00
Classes of securities purchased each month:									
3½ per cent bonds.....			500	1,700					
4 per cent bonds.....				1,000,000					
4½ per cent bonds.....	50	50	350	327,325					
Victory notes.....		300	3,350	427,550					

No. 45.—Total amounts of United States certificates of indebtedness purchased by Federal Reserve Banks during each month in 1919.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.
Boston.....	\$7,666,000	\$3,000,000	\$2,000,000	\$2,944,000	.....	\$1,000,000	\$4,520,000
New York.....	716,083,000	317,375,500	49,386,500	62,263,000	\$75,311,500	114,359,000	204,727,000
Philadelphia.....	1,860,000	1,000,000	4,550,000	2,660,000	1,500,000	8,579,500	2,152,000
Cleveland.....	16,485,000	1,550,000	2,772,500	3,322,000	1,259,500	1,271,000	3,179,500
Richmond.....	15,414,000	76,000	.....	.....	500,000	3,500,000	1,550,000
Atlanta.....	1,167,000	1,000,000	1,010,000	500,000	735,000	1,050,000	6,000
Chicago.....	6,457,000	.....	.....	3,000,000	2,030,000	3,000,000	14,000,000
St. Louis.....	500,000	1,000,000	2,500,000	2,500,000	2,000,000	5,122,000	.....
Minneapolis.....	8,989,500	994,000	24,370,000	2,450,500	878,000	800,500	718,000
Kansas City.....	2,557,500	166,000	873,500	924,000	653,500	5,019,000	580,500
Dallas.....	725,000	.....	500,000	500,000	.....	796,000	500,000
San Francisco.....	50,543,000	165,500	731,000	2,778,500	1,670,000	6,311,500	912,000
Total—1919.....	828,447,000	326,327,000	88,693,500	83,842,000	86,537,500	150,808,500	232,845,000
1918.....	511,542,000	518,192,000	1,089,231,860	321,326,300	184,425,500	415,800,500	21,797,000

Federal Reserve Bank.	August.	September.	October.	November.	December.	Total, 1919.	Total, 1918.
Boston.....	\$100,000	\$31,170,000	\$2,498,000	\$1,516,000	\$4,257,000	\$60,671,000	\$76,620,000
New York.....	99,464,000	858,955,000	43,431,000	35,948,000	555,628,000	3,132,931,500	5,003,904,500
Philadelphia.....	2,707,000	16,087,500	3,144,500	3,343,000	5,336,000	52,919,500	56,199,000
Cleveland.....	4,044,000	179,754,500	607,000	3,163,000	67,199,000	284,607,000	257,443,000
Richmond.....	1,100,000	16,600,000	1,100,000	200,000	400,000	40,440,000	32,719,000
Atlanta.....	2,000,000	19,000,000	1,100,000	1,101,000	1 846	28,669,846	20,756,100
Chicago.....	61,193,500	652,755,000	11,240,000	2,845,000	92,002,500	848,523,000	146,295,060
St. Louis.....			31,000	1,275,000	3,857,500	18,785,500	6,568,000
Minneapolis.....	2,690,000	53,393,000	883,500	176,000	5,548,500	101,891,500	87,570,500
Kansas City.....	6,165,000	6,409,500	1,036,500	2,000,000	5,408,500	31,791,500	11,103,000
Dallas.....	800,000	7,000,000	500,000	4,510,000	3,575,000	19,406,000	22,570,500
San Francisco.....	610,500	28,963,000	6,881,000	810,000	15,150,500	115,526,500	54,603,500
Total—1919.....	180,874,000	1,870,087,500	72,452,500	56,887,000	758,361,346	4,736,162,846	.....
1918.....	30,221,500	85,582,000	631,044,500	219,309,000	1,747,880,000	.....	5,776,352,160

<sup>1</sup>United States war savings certificate.

**No. 46.**—Amount of 1-year 2 per cent certificates of indebtedness purchased under the provisions of the Pittman Act by Federal Reserve Banks during each month in 1919 and deposited with the United States Treasurer as security for Federal Reserve bank notes.

Month.	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.
January.....	\$2,666,000	\$2,521,000	\$1,825,000	\$1,202,000	\$1,399,000	\$1,167,000	\$2,445,000
February.....	3,000,000	.....	1,000,000	499,000	76,000	1,000,000	.....
March.....	2,000,000	.....	4,500,000	2,600,000	.....	1,000,000	.....
April.....	2,500,000	.....	2,000,000	1,500,000	.....	500,000	3,000,000
May.....	.....	500,000	1,500,000	1,000,000	500,000	500,000	2,000,000
June.....	.....	500,000	3,000,000	1,040,000	500,000	1,000,000	3,000,000
July.....	4,520,000	3,600,000	2,000,000	1,000,000	1,500,000	.....	3,000,000
August.....	.....	6,200,000	2,500,000	2,000,000	1,100,000	2,000,000	6,000,000
September.....	.....	6,300,000	500,000	3,000,000	1,600,000	1,000,000	4,000,000
October.....	.....	4,000,000	1,500,000	.....	1,100,000	1,100,000	2,000,000
November.....	.....	300,000	1,100,000	.....	200,000	1,100,000	.....
December.....	.....	400,000	.....	.....	400,000	.....	.....
Total—1919.....	14,686,000	24,321,000	21,425,000	13,841,000	8,375,000	10,367,000	25,445,000
1918.....	6,750,000	34,955,000	8,855,000	9,458,000	3,885,000	5,297,000	14,167,000

Month.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total, 1919.	Total, 1918.
January.....	\$500,000	\$1,030,000	\$1,821,000	\$725,000	\$1,000,000	\$18,301,000	.....
February.....	1,000,000					6,575,000	.....
March.....	2,500,000	500,000	500,000	500,000		14,100,000	.....
April.....	2,500,000		500,000	500,000		13,000,000	.....
May.....	2,000,000	500,000	500,000		1,000,000	10,000,000	.....
June.....	2,000,000	500,000		500,000		12,040,000	.....
July.....			500,000	500,000	832,000	17,452,000	.....
August.....		500,000	3,000,000	800,000		24,100,000	\$6,000,000
September.....		500,000	1,500,000	1,000,000	1,500,000	20,900,000	20,000,000
October.....		500,000	1,000,000	500,000	2,600,000	14,300,000	35,217,000
November.....				100,000		2,800,000	12,495,000
December.....		100,000			200,000	1,100,000	30,995,000
Total—1919.....	10,500,000	4,130,000	9,321,000	5,125,000	7,132,000	154,668,000	.....
1918.....	6,568,000	4,350,000	3,499,000	3,175,000	3,748,000	.....	104,707,000

NOTE.—Figures for 1919 do not include certificates whose maturity was extended for one year by the Secretary of the Treasury.

**No. 47.**—Discount and open market operations of Federal Reserve Banks during 1919, by classes of investments.

[Figures are exclusive of rediscounts and sales of discounted and purchased paper between Federal Reserve Banks.]

Federal Reserve Bank.	Bills discounted for member banks.				Acceptances bought in open market.			United States securities.			
	Secured by Government war obligations.	Trade ac- ceptances.	All other.	Total.	Bankers'.	Trade.	Total.	Bonds.			
								3 per cent.	3½ per cent.	4 per cent.	4½ per cent.
Boston.....	\$4,486,153,537	\$10,820,992	\$178,423,717	\$4,675,398,246	\$356,634,133	\$4,149,624	\$360,783,757				\$1,550
New York.....	40,453,893,075	57,133,089	1,938,464,970	42,449,491,134	1,191,492,283	19,906,694	1,211,398,977				1,000
Philadelphia.....	10,209,981,525	3,753,298	522,700,448	10,736,435,271	14,028,450	20,000	14,048,450				
Cleveland.....	2,873,440,114	14,091,343	238,324,912	3,125,856,369	257,361,390	4,388,927	261,750,317				
Richmond.....	3,982,600,641	9,082,378	139,259,890	4,130,942,909	52,977,382		52,977,382				200
Atlanta.....	1,769,658,401	8,233,847	227,885,334	2,005,777,582	51,661,193		51,661,193		\$200		146,000
Chicago.....	3,955,045,191	6,580,735	594,686,219	4,556,312,145	291,950,839	60,969	292,011,808		500		
St. Louis.....	1,895,246,180	7,946,180	197,438,236	2,100,630,596	87,502,626		87,502,626				
Minneapolis.....	521,981,023	565,114	138,974,242	661,520,379	108,714,435		108,714,435				
Kansas City.....	1,188,261,057	7,486,315	359,849,251	1,555,596,623	26,086,106		26,086,106				400
Dallas.....	1,105,059,651	1,887,002	117,999,492	1,224,946,145	12,415,233		12,415,233				7,025
San Francisco.....	1,745,959,276	10,839,780	194,263,275	1,951,062,331	337,795,028	8,031,690	345,826,718		1,000	\$1,000,000	171,150
Total—1919.....	74,187,279,671	138,420,073	4,848,269,986	79,173,969,730	2,788,619,098	36,557,904	2,825,177,002		1,700	1,000,000	327,325
1918.....	33,390,079,891	187,372,579	6,175,481,377	39,752,933,847	1,748,502,825	61,035,970	1,809,538,795	\$455,000	7,578,050	44,230,988	21,732,275

Federal Reserve Bank.	United States securities.			Municipal warrants.				Total.	
	Victory notes.	Certificates of indebtedness.	Total.	City.	State.	All other.	Total.	1919	1918
Boston.....	\$29,850	\$60,671,000	\$60,702,400	.....	.....	.....	.....	\$5,096,884,403	\$2,039,591,682
New York.....	50,000	3,132,931,500	3,132,982,500	.....	.....	.....	.....	46,793,872,611	30,509,109,901
Philadelphia.....	2,000	52,919,500	52,921,500	.....	.....	.....	.....	10,803,405,221	1,978,466,646
Cleveland.....	10,250	284,607,000	284,617,250	.....	.....	.....	.....	3,672,223,936	1,766,465,316
Richmond.....	300	40,440,000	40,440,500	.....	.....	.....	.....	4,224,360,791	2,263,333,762
Atlanta.....	7,600	28,669,846	28,823,646	\$1,000	.....	.....	\$1,000	2,086,263,421	1,016,112,678
Chicago.....	.....	848,523,000	848,523,500	.....	.....	.....	.....	5,696,847,453	3,536,026,327
St. Louis.....	3,250	18,785,500	18,788,750	.....	.....	.....	.....	2,206,921,972	1,117,801,374
Minneapolis.....	323,850	101,891,500	102,215,350	.....	.....	.....	.....	872,450,164	543,785,279
Kansas City.....	450	31,791,500	31,792,350	.....	.....	.....	.....	<sup>1</sup> 1,613,475,079	859,342,349
Dallas.....	.....	19,406,000	19,413,025	.....	.....	.....	.....	1,256,774,403	635,746,546
San Francisco.....	.....	115,526,500	116,698,650	.....	.....	.....	.....	2,413,587,699	1,148,748,857
Total—1919.....	427,550	4,736,162,846	4,737,919,421	1,000	.....	.....	1,000	88,737,067,153	.....
1918.....	.....	<sup>2</sup> 5,776,352,160	5,850,348,473	547,373	\$300,000	\$862,229	1,709,602	.....	47,414,530,717

<sup>1</sup> Exclusive of \$22,000 War Finance Corporation bonds held temporarily pending payment by subscribers.

<sup>2</sup> Includes \$520,000 of 1-year Treasury notes.

No. 48.—Discount and open market operations of Federal Reserve Banks during 1919 and 1918, by months and classes of investments.

Month and year.	Bills discounted for member banks.				Acceptances bought in open market.			United States bonds.	
	Secured by Government war obligations.	Trade acceptances.	All other.	Total.	Bankers'.	Trade.	Total.	3 per cent.	3½ per cent.
January.....	\$5,713,902,819	\$10,904,213	\$269,575,233	\$5,994,382,265	\$198,459,983	\$3,031,723	\$201,491,706	.....	.....
February.....	4,755,629,365	8,879,437	216,426,712	4,980,935,514	144,654,729	2,755,364	147,410,093	.....	.....
March.....	5,271,540,337	8,561,401	193,462,436	5,473,564,174	139,417,449	4,244,107	143,661,556	.....	\$1,000
April.....	5,693,810,521	8,071,368	199,519,751	5,901,401,640	137,277,773	3,361,136	140,638,909	.....	.....
May.....	7,169,366,551	7,061,335	209,405,170	7,385,833,056	145,753,730	1,896,462	147,650,192	.....	.....
June.....	6,036,277,709	7,946,132	284,687,689	6,328,911,530	290,270,237	1,645,209	291,915,446	.....	.....
July.....	6,824,937,636	8,504,928	349,942,509	7,183,435,073	274,815,922	1,668,908	276,484,830	.....	.....
August.....	6,170,782,470	6,427,411	256,452,405	6,433,662,286	192,785,911	1,424,714	194,210,625	.....	.....
September.....	6,238,301,224	10,608,322	477,245,711	6,726,155,257	202,274,898	2,773,437	205,048,335	.....	200
October.....	7,348,941,909	16,064,284	695,311,776	8,060,317,969	330,272,722	4,988,990	335,261,712	.....	.....
November.....	6,761,541,757	21,923,920	631,032,698	7,414,498,375	337,008,575	3,686,930	340,695,505	.....	.....
December.....	6,202,197,373	23,467,322	1,065,207,896	7,290,872,591	395,627,169	5,080,924	400,708,093	.....	500
Total—1919.....	74,187,279,671	138,420,073	4,848,269,986	79,173,969,730	2,788,619,068	36,557,904	2,825,177,002	.....	1,700
1918.....	33,390,079,891	187,372,579	6,175,481,377	39,752,933,847	1,748,502,825	61,035,970	1,809,538,795	\$455,000	7,578,050



Month and year.	United States bonds.		Victory notes.	United States certificates of indebtedness.	Total United States securities.	Municipal warrants.				Total.	
	4 per cent.	4½ per cent.				City.	State.	All other.	Total.	1919	1918
January .....	\$1,000,000	\$14,175	.....	\$828,447,000	\$829,461,175	\$1,000	.....	.....	\$1,000	\$7,025,336,146	\$1,525,984,720
February.....	.....	146,200	.....	326,327,000	326,473,200	.....	.....	.....	.....	5,454,818,807	1,443,795,053
March.....	.....	165,050	.....	88,693,500	88,859,550	.....	.....	.....	.....	5,706,085,280	1,993,080,060
April.....	.....	1,300	.....	83,842,000	83,843,300	.....	.....	.....	.....	6,125,883,849	2,605,719,776
May.....	.....	.....	\$85,900	86,537,500	86,623,400	.....	.....	.....	.....	7,620,106,648	3,309,207,111
June.....	.....	50	277,550	150,808,500	151,086,100	.....	.....	.....	.....	6,771,913,076	3,655,663,674
July.....	.....	.....	60,250	232,845,000	232,905,250	.....	.....	.....	.....	7,692,825,153	3,490,037,616
August.....	.....	100	100	180,874,000	180,874,200	.....	.....	.....	.....	6,808,747,111	3,955,611,937
September.....	.....	.....	100	1,870,087,500	1,870,087,800	.....	.....	.....	.....	8,801,291,392	4,953,969,540
October.....	.....	50	.....	72,452,500	72,452,550	.....	.....	.....	.....	8,468,032,231	6,793,018,635
November.....	.....	50	300	56,887,000	56,887,350	.....	.....	.....	.....	7,812,081,230	5,569,708,767
December.....	.....	350	3,350	758,361,346	758,365,546	.....	.....	.....	.....	8,449,946,230	8,118,733,819
Total—1919.....	1,000,000	327,325	427,550	4,736,162,846	4,737,919,421	1,000	.....	.....	1,000	86,737,067,153	.....
1918.....	44,230,988	21,732,275	.....	1 5,776,919,160	5,850,348,473	547,373	\$300,000	\$382,229	1,709,602	.....	47,414,530,717

<sup>1</sup> Includes \$520,000 of 1-year Treasury notes.

No. 49.—Total discount and open market operations of each Federal Reserve Bank, by months, during 1919.

Federal Reserve Bank.	January.	February.	March.	April.	May.	June.	July.
Boston.....	\$403,009,318	\$379,081,553	\$346,636,316	\$525,426,096	\$462,447,748	\$395,725,026	\$435,552,808
New York.....	4,259,725,220	3,041,498,231	2,734,369,085	2,801,924,430	4,203,152,964	3,354,611,216	4,323,320,699
Philadelphia.....	686,466,138	643,150,003	839,369,743	920,617,049	947,513,540	1,088,293,030	1,034,505,184
Cleveland.....	252,229,449	212,424,705	265,444,757	242,261,677	256,556,647	252,156,990	319,387,014
Richmond.....	302,853,721	279,254,369	338,679,714	367,169,727	371,425,045	406,366,036	426,996,327
Atlanta.....	175,091,730	111,680,376	148,403,707	155,502,011	169,058,842	168,556,993	182,993,039
Chicago.....	330,839,363	276,621,470	355,519,544	368,358,378	436,906,387	423,769,919	408,088,731
St. Louis.....	149,900,925	127,923,659	197,552,229	204,981,046	212,712,193	184,850,182	154,273,131
Minneapolis.....	36,764,059	18,047,882	57,813,649	80,795,670	86,639,295	55,528,177	40,098,143
Kansas City.....	104,945,378	90,856,720	130,255,444	146,473,942	148,043,063	142,111,061	110,503,447
Dallas.....	92,871,920	93,354,695	105,425,502	118,360,855	130,702,524	114,043,122	100,713,599
San Francisco.....	230,638,925	180,925,144	186,615,590	194,012,968	194,948,400	185,901,324	156,393,031
Total—1919.....	7,025,336,146	5,454,818,807	5,706,085,280	6,125,883,849	7,620,106,648	6,771,913,076	7,692,825,153
1918.....	1,525,984,729	1,443,795,053	1,993,080,060	2,605,719,776	3,309,207,111	3,655,663,674	3,490,037,616

Federal Reserve Bank.	August.	September.	October.	November.	December.	Total.
Boston.....	\$288,044,078	\$365,574,774	\$432,396,299	\$492,416,062	\$570,574,325	\$5,096,884,403
New York.....	3,693,076,844	4,419,116,180	4,660,916,510	4,654,764,138	4,647,397,094	46,793,872,611
Philadelphia.....	925,992,018	1,020,490,694	1,155,157,238	689,812,281	852,038,303	10,803,405,221
Cleveland.....	294,517,467	503,632,546	337,833,565	314,402,869	421,376,250	3,672,223,936
Richmond.....	389,592,648	366,747,953	325,092,997	268,086,174	382,096,080	4,224,360,791
Atlanta.....	185,931,984	235,739,496	216,636,862	179,499,782	157,168,599	2,086,263,421
Chicago.....	462,339,271	1,054,796,746	455,306,043	484,729,360	639,572,241	5,696,847,453
St. Louis.....	159,890,092	215,577,975	223,927,323	186,711,100	188,622,117	2,206,921,972
Minneapolis.....	48,525,463	132,942,610	112,823,897	99,631,532	102,839,787	872,450,164
Kansas City.....	110,264,600	146,971,107	172,215,594	147,934,891	162,899,832	1,613,475,079
Dallas.....	95,939,511	125,337,284	138,814,107	77,093,833	64,117,451	1,256,774,403
San Francisco.....	154,633,135	214,364,027	236,911,796	216,999,208	261,244,151	2,413,587,699
Total—1919.....	6,808,747,111	8,801,291,392	8,468,032,231	7,812,081,230	8,449,946,230	86,737,067,153
1918.....	3,955,611,937	4,953,969,540	6,793,018,635	5,569,708,767	8,118,733,819	47,414,530,717

<sup>1</sup>Exclusive of \$22,000 War Finance Corporation bonds held temporarily pending payment by subscribers.

## Exhibit E.—GOLD SETTLEMENT FUND.

No. 50.—Summary of transactions, Jan. 1 to Dec. 31, 1919.

### GOLD SETTLEMENT FUND.

[In thousands of dollars.]

Federal Reserve Bank.	Balance Dec. 31, 1918.	Gold with-drawals.	Gold deposits.	Aggregate with-drawals and trans-fers to agent's fund.	Aggregate deposits and trans-fers from agent's fund.	Interbank transfers.		Settlements from Jan. 1, 1919, to Dec. 31, 1919, both inclusive.				Balance in fund at close of busi-ness Dec. 31, 1919.	Summary of changes in ownership of gold by banks through transfers and settlements.	
						Debits.	Credits.	Net debits.	Total debits.	Total credits.	Net credits.		Decrease.	Increase.
Boston.....	37,293	280	47,054	50,780	50,554	738,233	225,550	.....	5,263,553	5,773,519	509,966	34,351	2,717	.....
New York.....	66,790	80,120	220,000	165,120	230,000	392,958	3,297,644	3,030,399	20,434,208	17,403,809	.....	5,957	125,713	.....
Philadelphia.....	37,413	1,400	177,279	185,400	193,176	561,261	1,028,191	480,440	6,889,785	6,409,345	.....	31,679	13,510	.....
Cleveland.....	52,126	61,800	48,468	86,800	78,468	918,369	132,122	.....	4,776,924	5,563,225	786,301	43,848	.....	54
Richmond.....	14,254	3,318	81,852	89,318	101,852	949,399	845,347	.....	5,472,082	5,574,547	102,465	25,201	1,587	.....
Atlanta.....	6,302	1,625	72,904	102,025	86,904	133,651	131,127	.....	1,967,295	1,997,971	30,676	19,333	.....	28,152
Chicago.....	106,772	170	244,681	433,610	476,681	2,115,191	1,052,986	.....	7,833,044	8,821,885	988,841	76,479	73,364	.....
St. Louis.....	15,974	27,902	78,616	216,402	191,116	397,140	119,576	.....	4,809,048	5,113,822	304,774	17,898	.....	27,210
Minneapolis.....	23,774	250	41,641	47,750	75,141	682,927	357,671	.....	1,320,379	1,599,342	278,963	4,872	46,293	.....
Kansas City.....	23,237	559	18,456	10,559	31,456	331,356	106,364	.....	3,350,391	3,557,182	206,791	25,933	18,201	.....
Dallas.....	6,935	6,139	21,711	25,939	22,711	460,125	488,930	15,435	1,970,174	1,954,739	.....	17,077	.....	13,370
San Francisco.....	11,056	208,730	71,642	458,230	261,685	250,249	145,351	.....	1,966,510	2,284,007	317,497	27,109	.....	212,599
<b>Total.....</b>	<b>401,926</b>	<b>392,293</b>	<b>1,124,304</b>	<b>1,871,933</b>	<b>1,799,744</b>	<b>7,930,859</b>	<b>7,930,859</b>	<b>3,526,274</b>	<b>66,053,393</b>	<b>66,053,393</b>	<b>3,526,274</b>	<b>329,737</b>	<b>281,385</b>	<b>281,385</b>

FEDERAL RESERVE AGENTS' FUND.

[In thousands of dollars.]

Federal Reserve agent at—	Balance, Dec. 31, 1918.	Gold withdrawals.	Gold deposits.	Withdrawals for transfers to bank.	Deposits through transfers from bank.	Total withdrawals.	Total deposits.	Balance at close of business, Dec. 31, 1919.
Boston.....	46,000	133,000	100,000	3,500	50,500	136,500	150,500	60,000
New York.....	80,000	45,000	.....	10,000	85,000	55,000	85,000	110,000
Philadelphia.....	72,287	166,000	.....	15,897	184,000	181,897	184,000	74,390
Cleveland.....	90,000	11,500	1,500	30,000	25,000	41,500	26,500	75,000
Richmond.....	60,000	88,000	.....	20,000	86,000	108,000	86,000	38,000
Atlanta.....	37,270	65,670	.....	14,000	100,400	79,670	100,400	58,000
Chicago.....	270,704	243,000	6,000	232,000	433,440	475,000	439,440	235,144
St. Louis.....	59,131	81,200	.....	112,500	188,500	193,700	188,500	53,931
Minneapolis.....	40,800	35,000	.....	33,500	47,500	68,500	47,500	19,800
Kansas City.....	51,360	54,000	43,000	13,000	10,000	67,000	53,000	37,360
Dallas.....	6,684	25,500	14,500	1,000	19,800	26,500	34,300	14,484
San Francisco.....	114,261	63,500	.....	190,043	249,500	253,543	249,500	110,218
Total.....	928,497	1,011,370	165,000	675,440	1,479,640	1,686,810	1,644,640	886,327

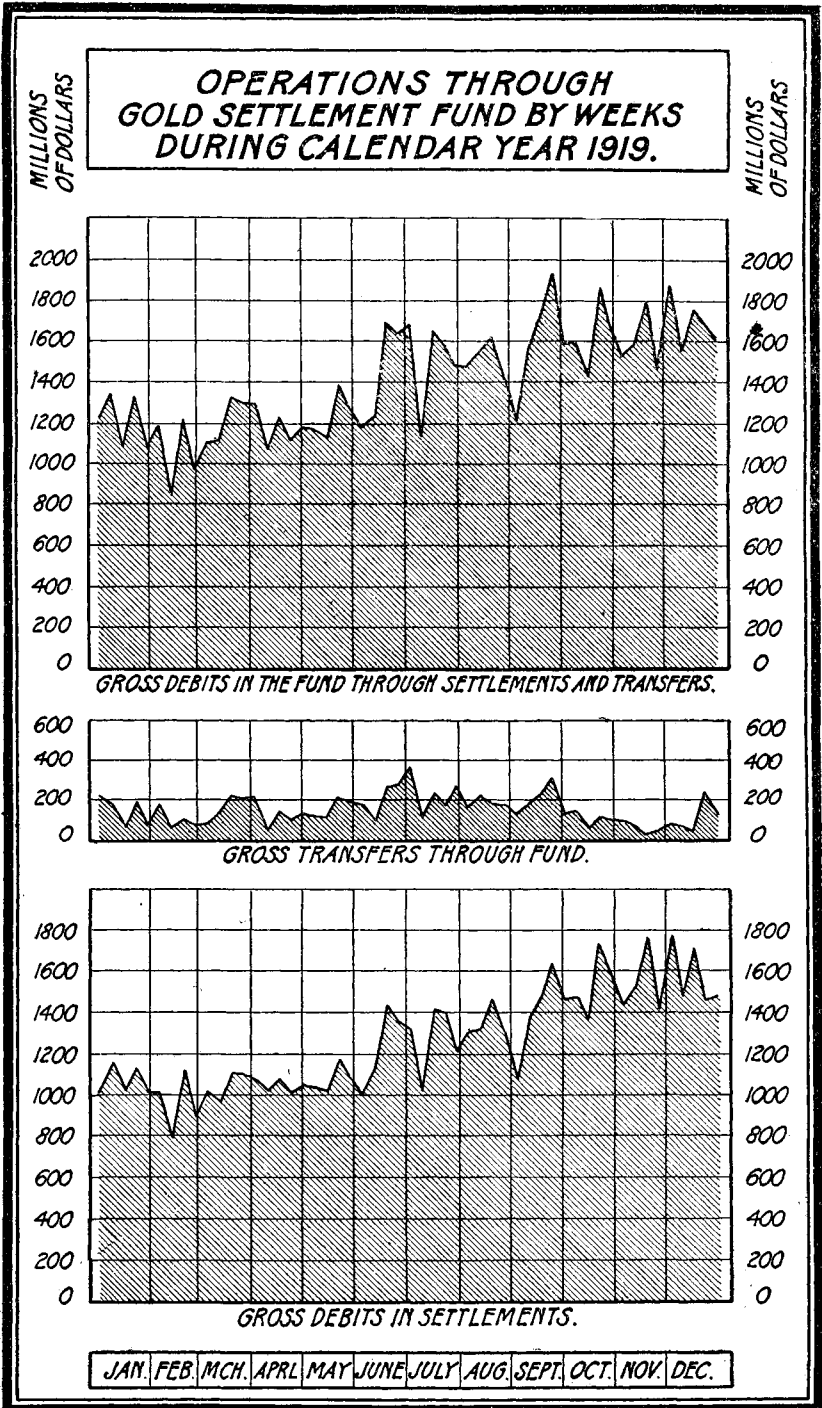
EXHIBIT E—GOLD SETTLEMENT FUND.

No. 51.—Weekly operations through the gold settlement fund during 1919.

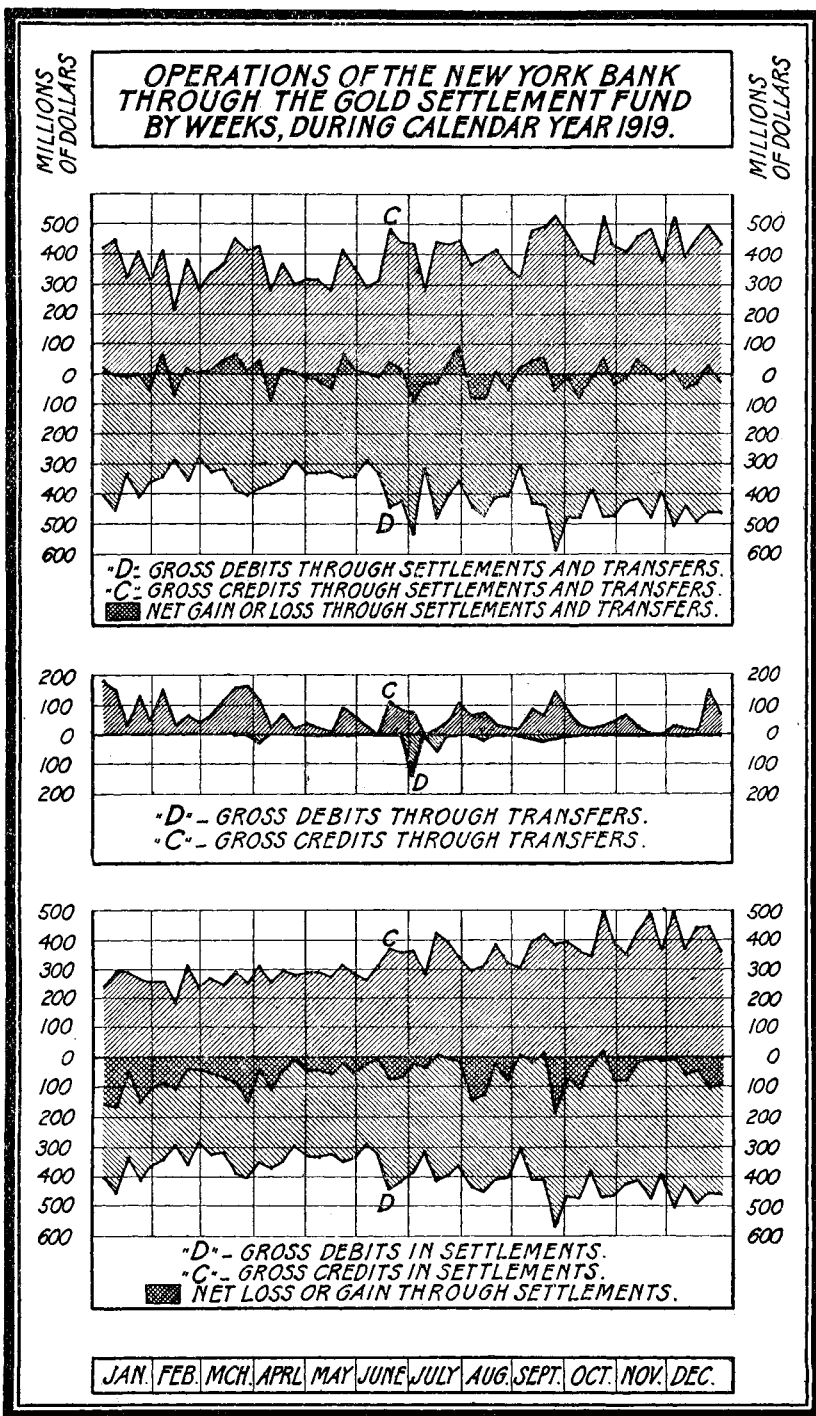
[In thousands of dollars.]

Week ending—	Transactions, all Federal Reserve Banks.			Transactions, Federal Reserve Bank of New York.									
	Total clearings (debits only.)	Total transfers (debits only).	Total combined clearings and transfers.	Gross debits in clearings.	Gross credits in clearings.	Transfers from other Federal Reserve Banks.	Transfers to other Federal Reserve Banks.	Clearings.		Transfers.		Clearings and transfers combined.	
								Net debit.	Net credit.	Net debit.	Net credit.	Net debit.	Net credit.
1919.													
Jan. 2.....	1,014,823	218,876	1,233,699	400,905	243,630	181,111		157,275			181,111		23,836
9.....	1,155,677	192,844	1,348,521	455,265	293,486	155,395		161,779			155,395	6,384	
16.....	1,020,725	65,942	1,086,667	337,491	286,575	36,496		50,916			36,496	14,420	
23.....	1,139,184	192,810	1,331,994	411,451	265,818	140,383	45	145,633			140,338	5,295	
30.....	1,009,724	80,909	1,090,633	362,917	255,733	54,771		107,184			54,771	52,413	
Feb. 6.....	1,010,963	179,521	1,190,484	342,889	257,463	152,521		85,426			152,521		67,095
13.....	788,963	61,162	850,125	288,205	180,530	41,000		107,675			41,000	66,675	
20.....	1,117,683	103,760	1,221,443	357,494	317,139	63,500		40,355			63,500		23,145
27.....	896,434	79,672	976,106	281,722	234,027	50,131		47,695			50,131		2,436
Mar. 6.....	1,013,443	92,500	1,105,943	326,035	269,543	70,500		56,492			70,500		14,008
13.....	976,960	150,000	1,126,960	320,736	250,667	120,000		70,069			120,000		49,931
20.....	1,114,020	216,496	1,330,516	384,205	292,448	160,000	496	91,757			159,504		67,747
27.....	1,102,339	201,926	1,304,265	402,118	250,263	165,000		151,854			165,000		13,146
Apr. 3.....	1,086,410	214,007	1,300,417	350,726	310,495	119,000	30,007	40,231			88,993		48,762
10.....	1,026,768	51,000	1,077,768	368,547	255,207	25,000		113,340			25,000	88,340	
17.....	1,083,304	150,500	1,233,804	345,858	299,192	70,000		46,666			70,000		23,334
24.....	1,014,720	103,967	1,118,687	292,696	279,886	21,000		12,810			21,000		8,190
May 1.....	1,050,756	140,014	1,190,770	330,136	283,613	36,361	1,967	46,523			34,394	12,129	
8.....	1,042,949	131,180	1,174,129	333,923	288,306	26,895	1,954	45,617			24,941	20,676	
15.....	1,022,076	112,790	1,134,866	327,025	274,888	5,000	1,641	52,137			3,359	48,778	
22.....	1,179,312	209,591	1,388,903	343,954	321,129	95,000	1,963	22,825			93,037		70,212
29.....	1,079,781	191,964	1,271,745	339,172	285,971	70,000	401	53,201			69,599		16,398

June 5.....	1,010,089	180,320	1,190,409	288,274	262,349	34,000		25,925		34,000		8,075	
12.....	1,145,978	100,131	1,246,109	328,942	319,229		1,420	9,713	1,420		11,133		
19.....	1,433,166	263,741	1,696,907	442,905	369,115	113,000	842	73,790		112,158		38,368	
26.....	1,359,793	285,722	1,645,515	422,536	354,936	87,000	1,512	67,600		85,488		17,888	
July 3.....	1,324,223	361,192	1,685,415	387,281	362,761	75,000	147,150	24,520	72,150		96,670		
10.....	1,025,728	119,493	1,145,221	317,766	282,656			35,110			35,110		
17.....	1,411,078	239,556	1,650,634	419,593	424,650	21,700	58,612		5,057	36,912		31,855	
24.....	1,400,774	176,282	1,577,056	397,382	393,659	46,347	2,551	3,723			43,796	40,073	
31.....	1,213,926	272,020	1,485,946	359,740	341,724	107,000		18,016		107,000		88,984	
Aug. 7.....	1,310,594	160,114	1,470,708	441,848	299,022	68,000		142,826		68,000	74,826		
14.....	1,328,100	223,925	1,552,025	451,345	319,430	72,000	20,700	131,915		51,300	80,615		
21.....	1,434,295	185,178	1,619,473	411,916	383,637	33,934	589	28,279		33,345		5,066	
28.....	1,303,133	108,036	1,411,169	404,325	327,028	27,942		77,297		27,942	49,355		
Sept. 4.....	1,083,871	136,878	1,220,749	301,519	306,634	24,000	3,032		5,115	20,968		26,083	
11.....	1,391,775	180,132	1,571,907	411,629	394,563	85,000	18,940	17,066		66,060		48,994	
18.....	1,487,666	242,195	1,729,861	406,195	423,843	68,789	31,020		17,648	37,769		55,417	
25.....	1,634,744	305,375	1,940,119	565,566	381,166	147,953	16,800	184,400		131,153	53,247		
Oct. 2.....	1,458,773	138,630	1,597,403	460,585	390,192	74,455	13,563	70,393		60,892	9,501		
9.....	1,463,637	147,090	1,610,727	468,698	365,750	34,000	4,387	102,948		29,613	73,335		
16.....	1,371,694	62,101	1,433,795	378,772	347,177	25,000	750	31,595		24,250	7,345		
23.....	1,745,586	116,489	1,862,075	472,749	493,097	33,163	664		20,348	32,499		52,847	
30.....	1,577,673	104,330	1,682,003	469,232	392,227	41,000	1,936	77,005		39,064	37,941		
Nov. 6.....	1,432,615	101,218	1,533,833	427,809	351,266	65,000	1,747	76,543		63,253	13,290		
13.....	1,521,155	75,548	1,596,703	414,723	432,133	27,180			17,410	27,180		44,500	
20.....	1,758,322	36,327	1,794,649	473,992	485,726	300	2,667		11,734	2,367		9,367	
26.....	1,409,957	48,754	1,458,711	390,832	372,906		3,634	17,926		3,634	21,560		
Dec. 4.....	1,783,514	94,023	1,877,537	504,102	493,376	30,000	2,229	10,727		27,772		17,045	
11.....	1,478,042	75,348	1,553,390	430,784	371,901	20,621	9,670	58,883		10,950	47,933		
18.....	1,704,302	51,117	1,755,419	488,237	445,750	10,200	2,020	42,487		8,180	34,307		
24.....	1,452,209	244,639	1,696,848	454,472	348,193	150,269	6,151	106,279		144,118		37,839	
31.....	1,481,085	135,761	1,616,846	458,696	366,074	66,198	1,898	92,622		64,300	28,322		
Total.....	66,884,511	8,113,096	74,997,607	20,755,915	17,598,179	3,448,115	392,958	3,235,048	77,312	116,483	3,171,640	1,021,455	918,876







No. 52.—Gold settlement fund—Changes in ownership of gold through transfers and settlements, by weeks.

[In thousands of dollars.]

Week ending—	Boston.		New York.		Philadelphia.		Cleveland.		Richmond.		Atlanta.	
	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.
1919.												
Jan. 2 (1 day only).....		747		704		534	2,948		3,263			3,635
9.....	1,285		6,384		8,222		11,797		1,503		2,421	
16.....	8,729		14,420		13,471		1,338		7,040		1,957	
23.....		7,047	5,295		2,342		8,147		2,634			1,753
30.....		1,771	52,413		6,730		1,559			9,786		6,259
Feb. 6.....	15,418		67,095		3,040		20,396		2,887		2,743	
13.....		11,315	66,675		7,943		16,876		866			800
20.....		1,722	23,145		51		9,314		177			3,918
27.....		4,679	2,436		5,595		7,333		1,289		719	
Mar. 6.....	3,076		14,008		3,228		1,458			8,492		1,842
13.....	160		49,931		809		15,037			2,955		6,372
20.....	20,814		67,747		1,903		20,440			8,525		6,218
27.....		7,909	13,144		5,956		1,664		18,138			6,150
Apr. 3.....	3,334		48,762		3,110		8,861			535		4,507
10.....		13,239	88,340		1,455			9,975			2,211	
17.....	2,097		23,334		4,536		19,103			824		315
24.....	9,131		8,190		1,648			12,823	5,493		6,450	
May 1.....		325	12,129		3,506			2,075	2,919			67
8.....	1,210		20,676		6,682		6,392			3,365		860
15.....		9,055	48,778			5,881		12,947	3,416		1,030	
22.....	6,863		70,212		2,764		6,403		411		1,791	
29.....		9,671	16,398		2,508		9,020			3,543		3,034
June 5.....	12,949		8,075		4,746			10,762		416		686
12.....		3,429	11,133		5,970		7,144			572		2,803
19.....		10,613	38,368		1,699			1,225		8,510		11,714
26.....	17,731		17,888		7,163		29,115		12,927			5,552

July	3	2,044	96,670	3,550		24,627	3,818	6,045					
	10		19,987	35,110	708	15,211	2,957	3,397					
	17		6,071	31,855	5,414	3,428	26	2,445					
	24		10,458	40,073	797	12,155	2,590	3,448					
	31	19,823		88,984	6,557	14,078	810	7,527					
Aug.	7		12,496	74,826	3,024	2,625	4,060	4,025					
	14		22,920	80,615	5,835	7,438	242	1,634					
	21		306	5,066	5,752	758	3,620	2,153					
	28		1,005	49,355	4,523	11,600	422	3,557					
Sept.	4	11,362		26,083	5,002	7,986	4,357	3,188					
	11		8,163	48,994	3,167	3,152	1,812	2,470					
	18	28,937		55,417	2,793	15,317	15,630	5,039					
	25		8,622	53,247	1,737	4,671	9,248	8,101					
Oct.	2		2,360	9,501	1,508	4,663	1,139	800					
	9		12,265	73,335	3,372	2,865	6,058	6,462					
	16	1,098		7,345	4,323	2,093	3,689	2,914					
	23		7,286	52,847	2,648	13,217	6,581	2,233					
	30		772	37,941	1,760	3,440	5,484	2,344					
Nov.	6	15,151		13,290	6,750	15,879	8,712	5,822					
	13	16,471		44,590	6,176	14,631	494	2,955					
	20		1,201	9,367	2,957	5,145	2,612	1,438					
	26		8,368	21,560	1,833	879	8,996	2,136					
Dec.	4	359		17,045	2,134	7,611	831	146					
	11	17,269		47,933	827	3,452	1,575	7,222					
	18	1,760		34,307	8,270	18,990	4,762	8,364					
	24		5,162	37,839	575	19,741	14,919	1,227					
	31		5,390	28,322	6,816	17,552	348	4,069					
	Total	217,071	214,354	1,021,455	895,742	111,905	98,395	253,651	253,705	115,038	113,451	81,390	109,542
	Net increase								54			28,152	
	Net decrease	2,717		125,713		13,510				1,587			

No. 52.—Gold settlement fund—Changes in ownership of gold through transfers and settlements, by weeks—Continued.

[In thousands of dollars.]

Week ending—	Chicago.		St. Louis.		Minneapolis.		Kansas City.		Dallas.		San Francisco.		Total.
	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	
1919.													
Jan. 2 (1 day only).....	4,973			2,506	1,918		448		1,577			7,002	15,128
9.....	10,029			568	1,051		4,490		2,212			2,262	26,112
16.....		40,430		6,602	2,660			2,963	701		2,355		51,333
23.....	32,437			2,472		11,261		6,409		276		659	40,366
30.....		19,835		10,244	5,161			6,502	276		4,836		62,686
Feb. 6.....		2,388		2,259	11,735		10,553			395	5,365		72,137
13.....		29,639		183		8,506		3,558	679			5,287	76,163
20.....	21,998		4,908		2,743			5,162		1,145		4,099	39,191
27.....		859	2,856			511	164		1,840		14,545		21,413
Mar. 6.....		6,491	10,087			2,571	10,901			1,837	9,407		36,699
13.....	16,290		990		12,724		5,034			439		4,091	57,416
20.....	20,213		21,768		4,268		12,151		5,399		3,988		96,712
27.....	21,187			5,034	2,797		7,292		2,883		1,735		46,945
Apr. 3.....	15,188			2,492	16,782		4,174		4,072		1,165		56,491
10.....		28,182		1,777		9,313		8,796	4,581			14,708	94,378
17.....		2,766	3,394		2,452		2,952		4,224			4,095	35,046
24.....	2,387			2,209	1,059			3,855		2,377	3,286		29,454
May 1.....		12,717		3,612		2,368		2,883	1,811		3,682		24,047
8.....		15,553		8,284		10,574	4,690		2,475			5,209	42,985
15.....	5,772			13,123		6,544		6,422		5,509	485		59,481
22.....	16,466		4,201		19,721			5,092	717		15,967		75,304
29.....	30,026		2,468			5,365	5,287		1,163			7,445	47,964
June 5.....		8,814	8,056		860		3,977			1,959		1,248	31,274
12.....		3,963		10,623		5,154		1,347	2,833		811		27,891
19.....	22,033		6,097		7,410		7,616		1,490		4,055		60,415
26.....		7,665	4,003			554		5,860		6,837		12,257	63,776

July 3.		17,645		10,335		9,522		3,659	4,507			31,120	106,771
10.		5,741		3,590	4,429		3,918			4,550	12,684		56,141
17.		43,997	66			5,913		2,370	2,183		17,876		60,822
24.	38,596		2,182		6,991			3,455		5,730		5,449	65,962
31.	20,819		4,301		3,612		6,420		5,594			557	89,541
Aug. 7.		19,755	2,068			5,475		7,165	1,076			19,345	77,970
14.	10,485			21,064	584			20,343		2,359		10,333	91,926
21.		26,005	12,880			1,580	3,711			981		4,618	33,715
28.		6,083		3,563		762	5,280			1,681		29,397	58,614
Sept. 4.	3,957		3,806			314	10,573			314		7,548	42,245
11.	19,930		9,603		5,593		22,104		1,042		9,486		67,758
18.	6,099		4,966		1,911		2,242			456	3,287		71,047
25.		17,578	1,432			1,531		4,705	499			17,481	64,426
Oct. 2.	3,810			518	2,666			716		81		15,118	21,440
9.		26,722		2,845	7,450			14,464		3,321		9,155	84,157
16.	7,659			18,770	794		10,154			1,307	218		30,182
23.	41,485		1,377		12,629			2,254	1,208			1,363	72,564
30.		16,566		7,196		8,306	3,026		9,821			4,920	50,788
Nov. 6.	15,530			2,960		3,181	4,920			14,974		22,371	64,770
13.	40,981			261	1,118			10,898		6,330		14,837	79,871
20.	11,566		2,868			345		8,243	1,420			5,974	26,568
26.		1,739	2,637		4,763			9,456		1,079		12,467	37,956
Dec. 4.	17,909		4,792		5,595		16,604			2,740		16,414	46,090
11.		32,405		12,905		4,230	11,456			5,513		13,331	79,059
18.	1,691		1,752		3,973		7,321		7,880			18,297	58,684
24.	10,212		2,424		1,740			2,934	4,679			9,583	55,518
31.		2,826	2,803		690			5,162		4,562	6,772		42,657
Total.....	469,728	396,364	128,785	155,995	154,021	107,728	180,166	161,965	71,112	84,482	123,723	336,322	2,928,047
Net increase.....				27,210						13,370		212,599	281,385
Net decrease.....	73,364				46,293		18,201						281,385

## Exhibit F.—CLEARING OPERATIONS.

No. 53.—Operations of the Federal Reserve clearing system Jan. 1 to Dec. 31, 1919.

Federal Reserve Bank.	Items drawn on banks in Federal Reserve Bank city.		Items drawn on banks in Federal Reserve branch cities.		Items drawn on banks in district outside Federal Reserve Bank and branch cities.		Items forwarded direct to banks in other Federal Reserve districts.		Items drawn on United States treasurer.		Total. <sup>1</sup>			
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.		
Boston.....	5,941,776	\$7,295,404,959			27,427,592	\$4,109,154,120					2,203,930	\$724,044,603	35,573,298	\$12,128,603,682
New York.....	7,359,215	22,658,510,132	893,748	\$623,292,894	41,866,397	19,594,682,115					13,052,056	7,653,564,995	63,171,416	50,530,050,136
Philadelphia.....	12,051,043	8,907,672,377			15,379,260	2,129,201,167					2,117,101	923,192,809	29,547,404	11,960,066,353
Cleveland.....	2,073,358	2,447,238,428	3,971,168	4,439,940,802	19,904,217	3,402,145,518	40,977	\$13,578,423			1,928,493	509,262,826	28,008,213	10,812,165,997
Richmond.....	852,423	2,163,826,000	1,772,463	1,817,519,340	15,196,386	3,092,406,700					786,155	165,877,305	18,607,427	7,239,629,345
Atlanta.....	1,061,425	1,001,447,360	1,325,039	1,031,494,078	7,971,684	1,502,571,449					1,485,934	396,820,055	11,844,082	3,932,332,942
Chicago.....	6,499,319	8,207,773,000	1,420,996	981,781,000	23,274,806	3,382,981,000					4,231,417	918,985,000	35,426,538	13,491,520,000
St. Louis.....	2,003,865	2,867,534,767	1,711,435	1,314,007,992	12,886,664	1,393,981,053					2,224,362	286,874,571	18,826,326	5,882,398,383
Minneapolis.....	1,865,012	1,502,509,473			8,021,304	772,659,605	1,486	21,433,878			357,880	66,960,349	10,245,682	2,363,563,305
Kansas City.....	2,002,947	3,392,275,702	1,491,838	1,229,091,504	22,004,489	3,122,524,234	61	1,009,583			1,751,252	166,155,176	27,250,587	7,911,056,199
Dallas.....	603,014	863,236,590	547,925	281,020,111	9,591,545	2,697,697,933					1,264,544	157,168,692	12,007,028	3,999,123,326
San Francisco.....	892,688	1,173,663,890	1,697,871	1,397,567,072	10,562,938	1,140,899,386	897	1,218,211			1,496,600	2,549,564,449	14,650,994	6,262,913,008
Total.....	43,206,085	62,481,092,678	14,832,483	13,115,714,793	214,177,282	46,340,904,280	43,421	37,240,095	32,899,724	14,518,470,830	305,158,995	136,493,422,676		

<sup>1</sup> Represents total of items handled exclusive of duplications.

Federal Reserve Bank.	Items forwarded to branches in own district.		Items forwarded to head office by branches.		Items forwarded to other Federal Reserve Banks and branches.		Grand total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.
Boston.....					660,973	\$926,195,000	36,234,271	\$13,054,798,682
New York.....	238,776	\$100,489,001	158,869	\$118,217,969	10,894,856	5,791,991,010	74,463,917	56,540,748,116
Philadelphia.....					7,456,465	2,806,870,819	37,003,869	14,766,937,172
Cleveland.....	508,916	404,944,059	206,928	98,200,807	1,064,872	1,141,488,326	29,788,929	12,456,799,189
Richmond.....	43,593	104,219,100	79,230	115,941,400	2,204,105	1,844,390,100	20,934,355	9,304,179,945
Atlanta.....	1,100,122	252,123,984	258,007	376,202,026	1,053,650	926,446,065	14,255,861	5,487,105,017
Chicago.....	88,268	95,674,000	43,740	57,238,000	2,033,775	481,111,000	37,592,321	14,125,543,000
St. Louis.....	196,141	71,498,334	109,979	30,625,448	281,309	146,137,487	19,413,795	6,110,659,652
Minneapolis.....					502,014	406,445,334	10,747,696	2,770,008,639
Kansas City.....	1,022,556	419,011,545	197,610	187,301,741	2,330,721	1,595,553,631	30,801,474	10,112,923,116
Dallas.....	512,020	123,371,930	224,851	56,651,842	1,405,493	686,845,129	14,149,392	4,865,992,227
San Francisco.....	1,133,551	485,495,520	46,792	79,562,471	377,250	477,349,713	16,208,587	7,305,320,712
<b>Total.....</b>	<b>4,843,943</b>	<b>2,056,827,473</b>	<b>1,326,006</b>	<b>1,119,941,704</b>	<b>30,265,483</b>	<b>17,230,823,614</b>	<b>341,594,427</b>	<b>156,901,015,467</b>

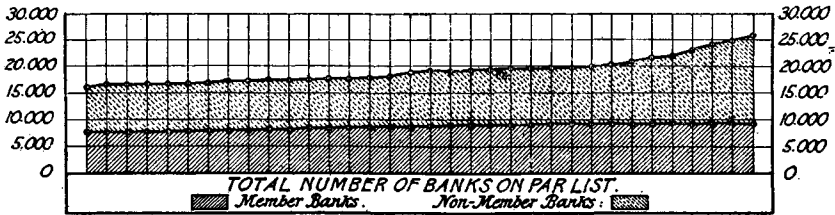
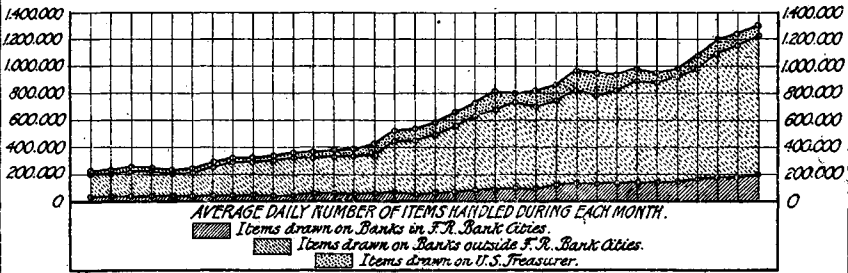
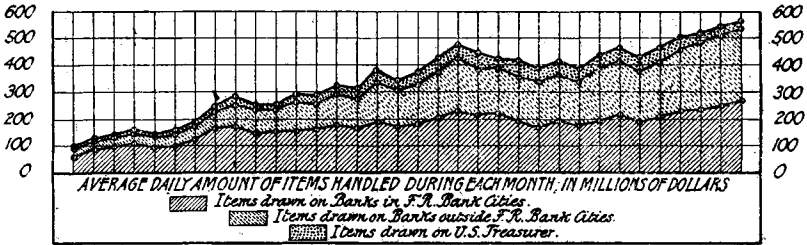
No. 54.—Growth of the Federal Reserve clearing system, by monthly periods, from Apr. 15, 1917, to Jan. 15, 1920, inclusive.

	Average daily number of items handled.				Average daily amount of items handled.				Total number of member banks.	Total number of member banks on par list.
	Drawn on—			Total.	Drawn on—			Total.		
	Banks in Federal Reserve city.	Banks in district outside Federal Reserve city.	Treasurer of United States.		Banks in Federal Reserve city.	Banks in district outside Federal Reserve city.	Treasurer of United States.			
1917.										
Apr. 15.....	31,162	168,607	12,582	212,351	\$60,288,002	\$32,666,959	\$2,643,408	\$95,598,369	7,625	8,607
May 15.....	33,767	171,093	15,925	220,785	87,370,859	36,473,163	3,597,865	127,441,887	7,634	8,926
June 15.....	37,898	179,193	16,344	233,435	97,322,883	38,599,461	4,414,508	140,336,852	7,651	8,789
July 15.....	38,476	182,622	19,100	240,198	109,722,256	41,004,720	11,637,899	162,364,875	7,666	8,805
Aug. 15.....	36,727	175,625	19,533	231,885	98,075,919	40,353,278	9,701,569	148,130,766	7,683	8,837
Sept. 15.....	36,306	182,191	23,492	241,989	100,331,694	41,323,621	11,006,515	152,661,830	7,718	9,934
Oct. 15.....	40,591	212,935	26,797	280,323	128,271,466	47,476,204	13,518,566	189,266,236	7,747	9,052
Nov. 15.....	47,574	232,723	30,426	310,723	166,552,773	64,296,210	17,496,974	248,345,957	7,826	9,210
Dec. 15.....	47,678	240,756	33,806	322,240	171,723,439	84,441,761	27,179,053	283,343,253	7,823	9,321
1918.										
Jan. 15.....	48,549	253,458	38,130	340,137	148,033,108	89,065,135	21,116,293	258,214,536	7,909	9,268
Feb. 15.....	46,207	227,312	48,224	321,743	153,847,568	80,248,466	21,316,033	255,412,067	7,972	9,319
Mar. 15.....	51,408	259,531	58,991	369,930	153,701,375	113,134,162	25,827,757	292,663,294	8,013	9,425
Apr. 15.....	55,034	271,506	59,228	385,768	159,441,188	98,201,962	31,563,675	289,206,825	8,059	9,450
May 15.....	49,569	287,061	60,771	397,401	178,372,385	114,099,520	30,928,185	323,400,090	8,113	9,475
June 15.....	51,055	295,056	77,750	423,861	164,539,000	113,407,619	30,054,003	317,000,622	8,165	9,710
July 15.....	63,549	391,264	82,536	537,349	192,220,658	143,751,620	47,181,467	383,153,745	8,212	9,761
Aug. 15.....	50,229	406,330	81,323	537,882	172,600,132	131,047,263	41,063,646	344,711,041	8,294	10,206
Sept. 15.....	55,123	441,979	87,213	584,315	182,321,867	145,374,804	45,695,643	373,392,314	8,428	10,549
Oct. 15.....	64,931	495,441	106,539	668,911	208,639,006	169,025,374	51,048,149	428,712,529	8,510	10,318
Nov. 15.....	82,434	550,484	98,168	731,086	231,014,467	191,310,103	52,790,232	475,114,802	8,584	10,219
Dec. 14.....	85,174	590,685	135,173	811,032	219,162,199	167,471,893	60,766,938	447,401,030	8,612	10,409



	1919.									
Jan. 15.....	98,584	632,118	77,282	807,984	224,904,918	162,371,765	37,753,800	425,030,483	8,702	10,246
Feb. 15.....	90,944	599,951	126,051	816,946	198,935,424	156,360,759	63,221,002	418,517,185	8,724	10,483
Mar. 15.....	109,083	640,346	114,563	863,992	168,567,377	171,714,589	46,746,505	387,028,471	8,735	10,718
Apr. 15.....	138,817	686,512	137,228	962,557	197,456,121	167,142,262	49,329,926	413,928,309	8,758	11,060
May 15.....	129,378	665,641	157,820	952,839	176,737,129	163,067,746	45,278,441	385,083,316	8,786	11,288
June 15.....	132,688	696,457	118,248	947,393	196,594,573	191,330,944	48,316,599	436,242,116	8,825	11,782
July 15.....	149,902	737,007	95,986	982,895	218,737,336	194,300,102	49,869,067	462,906,505	8,848	12,071
Aug. 15.....	139,678	731,680	83,659	955,017	194,733,618	176,612,134	57,868,769	429,214,521	8,894	12,578
Sept. 15.....	149,460	761,680	77,201	988,341	208,529,081	202,812,209	51,935,604	463,276,894	8,920	12,962
Oct. 15.....	164,761	824,862	93,437	1,083,060	235,072,612	223,417,562	45,272,641	503,762,815	8,955	13,852
Nov. 15.....	177,569	915,794	107,551	1,200,914	236,521,957	246,055,511	37,355,291	519,932,759	9,007	14,861
Dec. 15.....	182,347	975,095	88,071	1,245,513	251,531,229	254,594,746	36,506,264	542,632,239	9,050	15,851
	1920.									
Jan. 15.....	197,562	1,028,259	78,160	1,303,981	270,143,956	264,521,801	29,612,240	564,277,997	9,089	16,986

**NUMBER OF BANKS ON PAR LIST,  
ALSO AVERAGE DAILY NUMBER AND AMOUNT  
OF ITEMS HANDLED BY F.R. BANKS, 1917-1919.**



APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MCH.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.
1917									1918						1919						

**No. 55.**—Number of member banks in district; also number of nonmember banks on par list in each Federal Reserve district, by months, for the calendar year 1919.

Month.	Boston.		New York.		Philadelphia.		Cleveland.		Richmond.		Atlanta.		Chicago.	
	Member banks in district.	Non-member banks on par list.	Member banks in district.	Non-member banks on par list.	Member banks in district.	Non-member banks on par list.	Member banks in district.	Non-member banks on par list.	Member banks in district.	Non-member banks on par list.	Member banks in district.	Non-member banks on par list.	Member banks in district.	Non-member banks on par list.
Jan. 15.....	424	244	721	322	666	314	814	738	565	353	424	290	1,338	2,414
Feb. 15.....	424	244	722	321	666	322	819	778	568	312	422	289	1,338	2,500
Mar. 15.....	424	244	722	320	666	338	821	786	568	329	422	295	1,340	2,599
Apr. 15.....	425	243	725	322	665	350	819	790	569	295	423	310	1,342	2,804
May 15.....	426	243	729	319	666	356	822	797	570	299	424	301	1,346	2,925
June 15.....	429	241	734	318	667	361	825	833	572	339	424	329	1,351	3,080
July 15.....	429	241	735	319	669	406	826	911	574	349	424	333	1,356	3,067
Aug. 15.....	429	241	740	317	670	406	832	956	572	395	428	351	1,364	3,192
Sept. 15.....	430	242	744	319	670	409	837	1,014	573	418	431	349	1,363	3,184
Oct. 15.....	430	242	746	322	674	409	841	1,025	575	443	431	348	1,363	3,211
Nov. 15.....	429	244	751	321	676	411	841	1,063	582	450	429	347	1,366	3,522
Dec. 15.....	431	245	751	319	677	414	842	1,079	584	466	426	348	1,374	3,700
Dec. 31.....	432	245	753	322	678	415	843	1,085	585	485	426	355	1,374	3,896

No. 55.—Number of member banks in district; also number of nonmember banks on par list in each Federal Reserve district, by months, for the calendar year 1919—Continued.

Month.	St. Louis.		Minneapolis.		Kansas City.		Dallas.		San Francisco.		Total.	
	Member banks in district.	Non-member banks on par list.	Member banks in district.	Non-member banks on par list.	Member banks in district.	Non-member banks on par list.	Member banks in district.	Non-member banks on par list.	Member banks in district.	Non-member banks on par list.	Member banks.	Non-member banks on par list.
Jan. 15.....	513	1,035	867	1,191	994	2,171	728	247	648	927	8,702	10,246
Feb. 15.....	511	1,184	871	1,207	994	2,161	734	245	655	920	8,724	10,483
Mar. 15.....	512	1,248	873	1,233	995	2,167	736	244	656	915	8,735	10,718
Apr. 15.....	515	1,333	875	1,292	999	2,170	739	240	662	911	8,758	11,060
May 15.....	519	1,356	875	1,293	1,003	2,248	741	240	665	911	8,786	11,288
June 15.....	526	1,483	882	1,307	1,002	2,279	744	301	669	911	8,825	11,782
July 15.....	519	1,606	887	1,318	1,007	2,290	746	321	676	910	8,848	12,071
Aug. 15.....	527	1,653	893	1,463	1,013	2,371	748	320	678	913	8,894	12,578
Sept. 15.....	527	1,731	899	1,485	1,017	2,502	748	392	681	917	8,920	12,962
Oct. 15.....	530	1,848	909	1,504	1,019	2,828	748	750	689	922	8,955	13,852
Nov. 15.....	533	2,127	915	1,493	1,028	3,038	757	905	700	940	9,007	14,861
Dec. 15.....	535	2,222	920	1,874	1,037	3,138	756	1,105	713	941	9,050	15,851
Dec. 31.....	538	2,309	920	1,879	1,038	3,346	756	1,220	723	942	9,066	16,499

**Exhibit G.—EARNINGS AND EXPENSES OF THE FEDERAL RESERVE BANKS FOR 1919.**

Total earnings of the Federal Reserve Banks for the calendar year 1919 were \$102,380,583, compared with \$67,584,417 for the calendar year 1918, while total current expenses were \$20,341,798, compared with \$12,137,438 for the earlier year. Current expenses for the year under review include, besides \$15,439,194 of expense of operation proper, \$3,016,823, the cost, including expressage, insurance, and other expenses incident to the issue and retirement of Federal Reserve notes; \$872,326, taxes on Federal Reserve bank note circulation; \$938,791, the cost of furniture and equipment purchased during the year, and \$74,664, the cost of repairs and alterations of bank premises.

As a result of increased borrowings by member banks and the higher discount rates adopted, the earnings of all the Federal Reserve Banks show considerably higher totals for the last three months than for the earlier months of the year.

Total current expenses shown above are exclusive of the expenses of the fiscal agency departments. These expenses are treated separately, being reimbursable by the Government. During the past calendar year the Federal Reserve Banks acting as fiscal agents, largely in connection with the Victory loan and the several certificate issues, expended a total of \$16,626,016. There was also due to the banks from the Treasury at the beginning of the year a total of \$9,573,832, expended by the banks during the year 1918. Reimbursements received during the year from the Government amounted to \$22,612,681, leaving thus a reimbursable balance at the end of 1919 of \$3,587,167.

Current net earnings of the banks—i. e., the excess of earnings over current expenses—totalled \$82,038,785, compared with \$55,446,979 for 1918. Calculated on an average aggregate paid-in capital for the year of \$83,513,000 the net earnings for 1919 constitute 98.2 per cent, as compared with 72.6 per cent on the average paid-in capital in 1918.

To the current net earnings above shown should be added \$219,575, the amount by which the reserve set aside in previous years to take care of depreciation of United States bonds owned has been reduced, and \$40,857 representing largely amounts carried directly to profit and loss during the past year. This gives total gross profits of \$82,299,217. Deductions from this total, \$3,931,713, comprise the following items: Depreciation allowances of \$2,649,819 on bank premises (especially large in New York City and Chicago); additional reserve against depreciation of United States bonds, \$34,156; a special reserve of \$525,741 set aside by the New York bank to cover losses and take care of future contingencies; an amount of \$493,928, assessed against the banks for the support of the Federal Reserve Board during the first six months of 1920, and miscellaneous deductions of \$228,069. This leaves net earnings available for dividends, surplus, and franchise taxes of \$78,367,504. Dividends at the rate of 6 per cent paid during the year by all the Federal Reserve Banks amounted to \$5,011,832.

Under section 7 of the original act the banks had to carry to surplus one-half of their net earnings up to 40 per cent of their paid-in

capital and had to pay the other half to the Government as a franchise tax. In accordance with this provision the banks at the close of 1918 carried to surplus \$21,605,901, and under instructions from the Reserve Board, concurred in by the Treasury, set aside the balance of their net earnings, \$26,728,440, as a special reserve for payment of the franchise tax. On March 3, 1919, an amendment to section 7 was enacted whereby all net earnings, after deduction of 6 per cent dividends, were to be paid into a surplus fund until this fund should have reached 100 per cent of the total subscribed capital, and that thereafter 10 per cent of such net earnings were to be carried to surplus, while the remainder was to be paid as a franchise tax to the Government. This amendment was made applicable to the net earnings for the calendar year 1918, and accordingly the Federal Reserve Banks transferred to surplus account the amount of \$26,728,440 reserved at the close of the year for franchise tax.

At the end of 1919 net earnings, after payment of dividends, amounted to \$73,355,672, and of this amount \$70,651,778 was carried to surplus, while the balance was paid to the Government as franchise tax by the New York bank, whose surplus is in excess of 100 per cent of its subscribed capital. For the other banks the ratios of surplus to subscribed capital stand as follows:

	Per cent.		Per cent.
Boston.....	58.8	St. Louis.....	45.8
New York.....	100.7	Minneapolis.....	58.0
Philadelphia.....	55.8	Kansas City.....	76.1
Cleveland.....	47.7	Dallas.....	44.3
Richmond.....	66.3	San Francisco.....	65.3
Atlanta.....	68.5		
Chicago.....	57.9	System.....	68.7

Of the total earnings of the banks, about 78.9 per cent, as against 71.5 per cent in 1918, came from discounts, largely war paper; bills purchased in open market contributed about 13.7 per cent of the total earnings, as against 17.7 per cent in 1918; United States securities, chiefly Treasury certificates, 5.6 per cent, as against 5.7 per cent the year before; transfer operations yielded about 0.8 per cent of the annual earnings, compared with 1.5 per cent in 1918, while the balance of the earnings represent penalties including interest on deficient reserves, collection charges, profits on sales of foreign coin, and sundry smaller profits.

Of the total expenses of operation of the banks proper, exclusive of their fiscal agency departments, \$7,103,547, or about 46 per cent, as against 42 per cent the year before, went as compensation to the clerical staff, and \$1,418,144, or about 9 per cent, as against 11.5 per cent in 1918, as salaries to bank officers. Compensation of special officers and watchmen, also of extra help, overtime pay, and supper money account for \$1,375,311, or about 9 per cent of the total expenses of operation; \$902,547, or 6 per cent, as against 10 per cent the year before, went for postage and expressage, and \$829,178, or about 5.5 per cent, for printing and stationery. Contributions of the banks for the support of the Federal Reserve Board totaled \$594,818, as against \$382,641 the year before, and constitute about 4 per cent of the banks' total operating expenses, compared with 4.5 per cent for 1918.

Rent paid by the banks totaled \$613,988, compared with \$369,122 in 1918, the New York and Chicago banks reporting the largest increases under this head. All the banks have invested in bank premises, but most of them for the present find it necessary to transact the bulk of their business in rented quarters. Total book value of investments in bank premises at the close of the year, after allowing \$2,649,819 for depreciation, stood at \$10,156,318, compared with \$8,081,841 at the beginning of the year.

## Earnings and expenses of each Federal Reserve Bank for the calendar year 1919.

## EARNINGS.

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Discounted bills.....	\$6,003,252	\$29,935,911	\$7,987,864	\$5,341,785	\$4,099,953	\$3,735,033	\$8,915,827	\$2,918,462	\$1,829,461	\$3,888,839	\$2,443,806	\$3,667,951	\$80,768,144
Purchased bills.....	1,077,691	3,326,839	67,019	1,882,985	351,418	367,338	2,141,789	564,495	882,564	340,875	113,397	2,870,368	13,986,778
United States securities.....	369,457	1,888,497	495,768	450,308	185,293	228,958	736,241	320,412	213,501	405,400	229,080	238,385	5,761,300
Municipal warrants.....						85							85
Transfers—net earnings.....				45,607		8,356	143,495	10,570	51,461	198,749	193,661	178,410	830,309
Deficient reserve penalties (including interest).....	27,836	36,405	25,673	66,442	125,192	68,313	44,569	52,373	26,382	106,705	81,984	65,970	727,844
Profits realized on United States secur- ities.....				2,350		5							2,355
Sundry profits.....	19,347	144,760	33,556	11,352	13,468	7,913	30,157	18,166	3,672	20,914	323	140	303,768
Total earnings.....	7,497,583	35,332,412	8,609,880	7,800,820	4,775,324	4,416,001	12,012,078	3,884,478	3,007,041	4,961,482	3,062,251	7,021,224	102,380,583

## CURRENT EXPENSES.

Expense of operation:													
Assessments, account expenses													
Federal Reserve Board.....	\$45,619	\$181,875	\$49,059	\$58,676	\$29,535	\$22,391	\$80,170	\$24,981	\$20,209	\$28,151	\$20,362	\$33,790	\$594,818
Federal advisory council (fees and traveling expenses).....	500	1,150	381	1,035	736	470	816	1,150	1,274	300	992	2,594	11,398
Governors' conferences (including traveling expenses).....	244	316	210	499	254	575	523	553	83	498	788	2,498	7,041
Federal Reserve agents' confer- ences (including traveling ex- penses).....	109	139		255	43	133	84	229	341	361	109	1,105	2,908
Salaries—													
Bank officers.....	105,097	294,795	96,929	99,815	74,796	116,952	158,083	95,040	61,014	91,604	87,212	136,807	1,418,144
Clerical staff.....	606,345	1,982,807	577,104	494,639	326,746	289,855	881,142	400,860	208,171	453,258	390,993	491,627	7,103,547
Special officers and watchmen.....	12,278	61,208	44,688	17,444	7,497	10,037	64,752	13,408	8,726	14,423	6,363	13,757	274,581
All other.....	12,111	781,297	59,228	71,687	16,283	12,934	80,785	20,289	3,530	11,698	11,883	19,005	1,100,730
Directors' fees.....	3,550	24,345	4,059	2,600	3,400	3,013	4,915	5,970	3,870	6,735	2,220	5,879	70,556
Per diem allowance.....	1,140		650	930	820	4,085	590	2,290	980	6,438	740	1,344	20,007
Traveling expenses.....	2,661	3,385	1,278	1,989	1,999	3,025	1,249	3,326	1,965	5,102	1,487		27,466
Officers' and clerks' traveling ex- penses.....	8,708	29,015	5,421	16,304	8,689	9,113	28,147	22,933	5,531	13,959	14,578	16,729	179,127
Legal fees.....	3,817	11,250	1,941	3,000	570	4,495	5,500	61	3,380	1,825	2,400	3,199	41,438
Rent.....	58,367	290,243	1,500	53,525	7,941	14,018	97,477	36,020	14,295	31,820	5,526	3,256	613,988
Taxes and fire insurance.....	3,554		15,775	533	11,452	8,268	253	701	851	646	1,746	5,672	49,451
Telephone.....	11,855	32,490	14,423	6,445	2,447	2,988	9,793	3,548	2,233	3,734	3,189	4,912	98,047
Telegraph.....	7,958	33,235	7,578	15,084	10,032	24,326	24,216	15,609	2,752	12,233	21,772	27,929	202,724



Postage.....	78,621	116,072	60,780	70,916	48,262	49,906	98,723	54,853	34,781	78,769	39,833	17,193	778,758
Expressage.....	3,416	54,395	7,804	2,023	2,809	8,831	6,393	4,586	969	2,468	25,556	4,538	123,789
Insurance and premiums on fidelity bonds.....	19,104	98,817	45,848	33,088	9,718	8,881	8,736	18,961	8,692	20,806	13,308	20,636	306,955
Light, heat, and power.....	16,771	2,859	17,616	3,937	5,093	3,889	8,087	1,945	.....	4,546	3,365	5,852	73,960
Printing and stationery.....	41,478	236,653	78,477	46,952	39,083	46,294	101,466	34,676	25,228	49,782	41,009	88,080	829,178
Repairs and alterations.....	16,722	130,718	31,581	9,560	11,393	2,619	40,349	5,314	6,352	11,508	13,194	18,620	297,930
Cost of currency shipments to and from member and nonmember banks.....	78,824	103,905	35,354	33,700	41,504	31,982	66,144	47,789	7,906	27,075	25,519	46,474	546,266
All other.....	82,115	142,251	102,559	31,552	21,008	44,003	84,905	18,673	11,255	40,881	41,348	46,197	666,747
Total expense of operation.....	1,220,964	4,613,220	1,260,243	1,076,278	682,110	723,083	1,853,298	833,765	434,378	918,620	775,542	1,047,693	15,439,194
Cost of Federal Reserve currency (including expressage, insurance, etc.)..	285,917	642,430	209,419	168,867	119,347	148,735	400,418	188,617	56,273	131,339	85,719	187,486	2,624,567
Miscellaneous charges, account note issues.....	31,774	105,167	45,411	16,981	28,582	11,536	62,558	20,313	17,002	16,493	8,028	28,411	392,256
Taxes on Federal Reserve bank note circulation.....	89,422	169,514	98,132	80,491	32,468	41,561	133,970	58,300	24,912	65,327	42,829	35,400	872,326
Furniture and equipment.....	43,748	204,014	100,868	53,414	49,420	46,844	98,080	73,798	23,926	54,290	70,718	119,671	938,791
Bank premises.....	.....	.....	61,112	.....	.....	458	.....	.....	.....	.....	.....	13,094	74,664
Total current expenses.....	1,671,825	5,734,345	1,775,185	1,396,031	911,927	972,217	2,548,324	1,174,793	556,491	1,186,069	982,836	1,431,755	20,341,798
Current net earnings, year 1919.....	5,825,758	29,598,067	6,834,695	6,404,798	3,863,397	3,443,784	9,463,754	2,709,685	2,450,550	3,775,413	2,079,415	5,589,469	82,038,785
Per cent of average paid-in capital.....	84.3	137.5	89.1	69.0	91.7	104.8	81.0	69.3	81.6	99.0	63.5	113.3	98.2

FISCAL AGENCY DEPARTMENT EXPENSES OF EACH FEDERAL RESERVE BANK, AMOUNTS REIMBURSED BY THE TREASURY DEPARTMENT AND BALANCES REIMBURSABLE AT THE END OF THE CALENDAR YEAR 1919.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Total disbursements during 1919.....	\$1,166,763	\$4,963,642	\$1,005,050	\$1,494,163	\$577,099	\$712,656	\$2,711,206	\$921,819	\$606,534	\$752,044	\$553,058	\$1,161,982	\$16,626,016
Amounts reimbursable Jan. 1, 1919.....	558,932	3,049,530	758,096	766,785	226,076	458,650	1,261,885	450,342	150,212	451,220	508,669	933,435	9,573,832
Total.....	1,725,695	8,013,172	1,763,146	2,260,948	803,175	1,171,306	3,973,091	1,372,161	756,746	1,203,264	1,061,727	2,095,417	26,199,848
Reimbursements received during 1919..	1,539,918	7,035,337	1,645,329	1,930,562	580,352	1,049,519	3,440,610	1,265,704	627,461	796,088	848,133	1,883,668	22,612,681
Balance reimbursable Jan. 1, 1920	185,777	977,835	117,817	330,386	252,823	121,787	532,481	106,457	129,285	407,176	213,594	211,749	3,587,167

## Earnings and expenses of each Federal Reserve Bank for the calendar year 1919—Continued.

## PROFIT AND LOSS ACCOUNT OF EACH FEDERAL RESERVE BANK FOR THE CALENDAR YEAR 1919.

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Earnings .....	\$7,497,583	\$35,332,412	\$8,609,880	\$7,800,829	\$4,775,324	\$4,416,001	\$12,012,078	\$3,884,478	\$3,007,041	\$4,961,482	\$3,062,251	\$7,021,224	\$102,380,583
Current expenses .....	1,671,825	5,734,345	1,775,185	1,396,031	911,927	972,217	2,548,324	1,174,793	556,491	1,186,069	982,836	1,431,755	20,341,798
Current net earnings for year .....	5,825,758	29,598,067	6,834,695	6,404,798	3,863,397	3,443,784	9,463,754	2,709,685	2,450,550	3,775,413	2,079,415	5,589,469	82,038,785
Credits to current net earnings on account of—													
Amounts previously reserved for depreciation on United States bonds .....					58,606	13,096				147,846		27	219,575
All other .....		31,096	3,697		940	3,584				103	470	967	40,837
Total .....	5,825,758	29,629,163	6,838,392	6,404,798	3,922,943	3,460,464	9,463,754	2,709,685	2,450,550	3,923,362	2,079,885	5,590,463	82,299,217
Deductions from current net earnings on account of—													
Bank premises .....		900,032		254,684	20,000	51,478	820,000	335,000	100,000			168,625	2,649,819
Reserve for depreciation United States bonds .....			29,112	5,044									34,156
Assessment account expenses Fed- eral Reserve Board, Jan.-June, 1920 .....	38,666	168,682	41,828	40,555	25,531	20,302	66,764	19,520	16,607		16,167	33,306	493,928
Special reserves .....		525,741											525,741
All other .....	9,711	75,089	108,283	4,730	146	6,287	786	11			21,854	1,172	228,069
Total deductions .....	48,377	1,669,544	179,223	311,013	45,677	78,067	887,550	354,531	116,607		38,021	203,103	3,931,713
Net earnings available for dividends, surplus, and franchise tax, Dec. 31, 1919 .....	5,777,381	27,959,619	6,659,169	6,093,785	3,877,266	3,382,397	8,576,204	2,355,154	2,333,943	3,923,362	2,041,864	5,387,360	78,367,504
Dividends paid .....	414,447	1,291,047	462,380	556,785	252,872	197,397	700,807	234,660	180,186	228,755	196,335	296,161	5,011,832
Transferred to surplus fund .....	5,362,934	23,964,678	6,196,789	5,537,000	3,624,394	3,185,000	7,875,397	2,120,494	2,153,757	3,694,607	1,845,529	5,091,199	70,651,778
Franchise tax paid United States Government .....		2,703,894											2,703,894

Earnings and current expenses of each Federal Reserve Bank, by months, for the calendar year 1919.

EARNINGS.

	Boston.	New York.	Philadelp- hia.	Cleveland.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minneapo- lis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
January.....	\$525,055	\$2,806,299	\$658,171	\$579,072	\$385,481	\$349,756	\$823,055	\$282,051	\$204,303	\$382,520	\$265,073	\$509,295	\$7,770,131
February.....	506,592	2,576,420	616,446	542,338	354,977	288,668	693,832	226,019	193,851	340,310	227,487	466,167	7,033,107
March.....	567,475	2,843,565	690,973	597,250	394,719	324,003	865,435	327,022	224,985	413,774	246,157	577,361	8,072,719
April.....	587,362	2,648,937	674,815	570,417	396,212	318,467	853,765	330,224	259,045	413,795	232,809	508,416	7,794,264
May.....	619,389	2,908,549	706,261	590,570	398,218	338,776	934,037	288,564	240,428	400,104	234,943	566,630	8,226,919
June.....	604,188	2,586,788	702,695	578,734	377,693	334,959	958,234	285,962	229,249	395,505	233,634	507,603	7,793,244
July.....	631,738	3,064,518	702,684	619,051	380,629	344,191	1,022,300	284,508	239,952	391,880	255,115	575,207	8,511,773
August.....	583,143	2,896,848	718,959	646,465	366,955	352,294	988,782	311,286	216,553	351,139	242,681	588,572	8,263,677
September.....	629,460	2,623,409	707,226	621,130	383,302	383,043	931,560	343,458	241,666	436,133	256,967	607,390	8,164,744
October.....	655,413	3,155,511	756,681	709,893	416,300	446,108	1,076,905	368,794	300,369	458,344	295,663	663,666	9,294,647
November.....	745,500	3,400,023	793,629	845,449	420,958	451,996	1,290,014	385,860	299,549	456,273	259,549	707,021	10,055,821
December.....	841,818	3,821,545	881,340	911,460	499,880	483,740	1,574,159	450,730	357,091	521,173	312,173	743,896	11,399,537
Total.....	7,497,583	35,332,412	8,609,880	7,800,829	4,775,324	4,416,001	12,012,078	3,884,478	3,007,041	4,961,482	3,062,251	7,021,224	102,380,583

CURRENT EXPENSES.

January.....	\$105,759	\$345,502	\$79,011	\$93,863	\$50,214	\$57,207	\$136,033	\$73,798	\$33,423	\$87,111	\$62,652	\$77,595	\$1,202,168
February.....	92,402	306,935	94,066	115,527	70,201	75,445	135,033	68,199	35,580	63,002	46,422	75,109	1,173,461
March.....	177,414	411,008	117,851	119,519	77,650	74,440	181,500	97,658	32,358	116,995	80,096	89,342	1,575,837
April.....	125,801	354,288	91,920	83,108	67,434	76,463	206,763	75,704	32,402	102,430	54,775	84,950	1,356,038
May.....	97,283	531,778	84,591	90,258	63,803	69,099	237,633	68,598	33,708	74,957	65,456	78,494	1,495,658
June.....	152,789	654,433	345,017	114,565	71,964	64,140	229,903	150,356	90,543	83,505	75,598	221,873	2,257,686
July.....	105,732	388,537	121,370	98,212	47,665	56,868	165,619	73,337	37,577	81,115	63,574	78,314	1,317,970
August.....	139,303	374,970	108,115	88,644	48,388	79,218	207,021	73,731	39,690	82,284	98,181	72,185	1,411,730
September.....	124,664	371,320	102,211	84,975	63,915	61,986	181,922	84,297	41,007	81,547	76,558	82,513	1,356,985
October.....	106,449	361,698	101,998	93,261	63,598	67,561	284,410	76,931	40,590	90,376	81,354	85,638	1,453,864
November.....	106,032	536,922	102,584	93,966	59,945	78,867	171,480	82,425	44,315	99,277	87,848	104,499	1,567,590
December.....	338,117	1,096,954	422,911	320,733	227,150	210,917	474,937	254,759	95,298	223,470	190,322	381,243	4,172,811
Total.....	1,671,825	5,734,345	1,775,185	1,396,031	911,927	972,217	2,548,324	1,174,793	556,491	1,186,069	982,836	1,431,755	20,341,798

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EXHIBIT G—EARNINGS AND EXPENSES.

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### Exhibit H.—RECEIPTS AND DISBURSEMENTS OF THE FEDERAL RESERVE BOARD.

There is here given a statement of receipts and expenditures of the Federal Reserve Board in 1919. The total expenses of the Board for the year are shown on the detailed statement of commitments to have been \$558,560.61.

#### RECEIPTS.

Assessments, 1919.....	\$594, 668. 63	
Bulletin, subscriptions to.....	3, 360. 94	
Reimbursements.....	28, 397. 26	
Miscellaneous.....	5, 836. 85	
Total.....		\$632, 263. 68
Deficiency, Jan. 1, 1919.....		6, 202. 21
Total available.....		626, 061. 47

#### DISBURSEMENTS.

By fiscal agent.....	524, 332. 10	
Auditor's settlements.....	61, 015. 59	
Total disbursements.....		585, 347. 69
Balance "Expenses trading-with-the-enemy act, Federal Reserve Board," transferred to "Executive expenses, trading-with-the-enemy act".....		4. 62
		585, 352. 31
Balance Dec. 31, 1919, with Treasurer of the United States to credit of—		
Federal Reserve Board.....	38, 926. 66	
Fiscal agent.....	1, 782. 50	
		40, 709. 16
		626, 061. 47

#### GENERAL STATEMENT.

Total available.....	626, 061. 47	
Reimbursable expenditures.....	\$24, 763. 29	
Balance to credit reimbursable account.....	779. 14	
	25, 542. 43	600, 519. 04
Commitments for general expenses, 1919.....	558, 560. 61	
Commitments, 1918, paid in 1919.....	25, 694. 66	
Balance, "Expenses trading-with-the-enemy act, Federal Reserve Board," transferred to "Executive expenses, trading-with-the-enemy act".....	4. 62	
		584, 259. 89
Unincumbered balance, Jan. 1, 1920.....		16, 259. 15
Unpaid commitments, Dec. 31, 1919.....		23, 670. 87
Balance to credit reimbursable account.....		779. 14
Unexpended balance.....		40, 709. 16

Detailed statement of commitments.

	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Total.
<b>PERSONAL SERVICES.</b>													
Board members and their staff.....	\$6,229.14	\$6,315.84	\$6,433.52	\$6,439.14	\$6,391.50	\$6,179.19	\$6,274.15	\$6,397.91	\$6,390.44	\$6,390.40	\$7,183.96	\$7,613.78	\$78,238.97
Secretary's office.....	3,764.99	3,790.00	3,594.01	3,596.32	3,595.00	3,867.83	4,174.95	4,457.50	3,631.68	3,961.38	4,615.00	4,615.02	47,663.71
Counsel's office.....	1,563.32	1,983.00	2,060.85	2,089.98	2,090.00	2,090.01	2,520.52	2,631.67	2,631.69	2,631.64	2,566.67	2,501.69	27,361.04
Division of operations and examination.....	5,284.70	5,091.66	5,120.86	5,224.98	5,224.99	5,225.03	5,807.20	6,018.33	6,201.70	6,301.63	6,314.99	6,501.71	68,317.78
Division of reports and statistics.....	3,694.11	3,902.35	4,149.62	4,290.79	4,298.51	4,596.05	4,765.99	5,347.51	5,113.83	5,061.00	5,340.03	5,485.07	56,042.86
Division of gold settlement.....	837.82	865.84	865.84	865.82	865.84	644.84	762.32	858.34	858.34	858.32	858.34	941.67	10,083.33
Division of analysis and research.....	1,360.80	1,434.17	1,520.86	1,379.82	1,337.50	1,422.84	1,353.94	1,059.17	1,297.52	1,714.70	1,891.09	2,078.35	17,880.76
Division of architecture.....				780.56	1,080.55	555.56	555.55	622.23	888.89	888.89	888.88	888.90	7,150.01
Division of Federal Reserve issue and redemption.....	2,526.99	2,697.50	2,839.85	2,883.83	3,128.49	4,676.89	4,951.49	4,931.02	4,837.84	5,432.35	6,057.66	5,993.35	59,957.26
Messengers.....	729.99	671.01	735.00	730.65	696.01	735.67	833.32	843.32	833.34	845.82	858.34	888.34	9,440.81
Charwomen.....	77.13	78.00	78.00	78.00	78.00	78.00	96.00	96.00	96.00	96.00	96.00	81.05	1,028.18
Employees detailed to—													
National bank redemption agency, office of Treasurer of the United States.....									384.18	2,984.08	5,748.95	6,159.25	15,276.46
Redemption division, office of Comptroller of the Currency.....											1,389.55	2,747.39	4,136.94
<b>Total.....</b>	<b>26,068.99</b>	<b>26,829.37</b>	<b>27,398.41</b>	<b>28,379.89</b>	<b>28,784.39</b>	<b>30,071.91</b>	<b>32,145.46</b>	<b>33,263.00</b>	<b>33,165.45</b>	<b>37,166.21</b>	<b>43,809.46</b>	<b>46,495.57</b>	<b>393,578.11</b>
<b>NONPERSONAL SERVICES.</b>													
Transportation and subsistence:													
Board members and their staff.....	62.40	189.66	128.52	148.22	552.11	120.44	201.50	1.60	141.26	55.09	168.99	392.90	2,162.69
Secretary's office.....	6.08	5.50		93.00	1.25	118.77	15.56	18.41	11.25				267.82
Division of operations and examination.....	1,254.39	2,852.02	3,307.95	3,230.86	2,801.41	3,150.46	2,809.62	1,710.37	2,624.98	3,214.43	1,818.65	1,910.51	30,685.65
Division of reports and statistics.....						30.31			70.36				100.67
Division of analysis and research.....	148.62	75.58	22.03	55.77	48.57	65.30	23.26	115.00	35.51	56.90	32.54	29.62	708.70
Counsel's office.....							14.81				21.56	24.34	60.71
Messengers.....	5.00	5.00	5.00	5.00		5.00	5.00	5.00	5.00		18.75	12.50	71.25
Communication service:													
Telephone.....	209.60	167.41	160.92	189.34	194.35	223.57	210.54	226.83	204.14	232.22	228.97	229.66	2,477.55
Telegraph.....	142.06	244.45	215.06	276.93	239.97	255.54	279.25	265.14	270.90	258.34	301.22	285.00	3,013.86
Postage.....	14.00	15.00	17.00		43.50		34.00	19.50	6.00		15.50	17.50	201.50
Printing, binding, etc.....	7,447.01	2,550.95	3,230.57	2,312.35	2,188.20	1,858.16	2,984.52	2,371.23	2,540.18	2,515.65	3,397.77	3,387.47	36,790.16
Contract repairs.....	3.60	8.00	3.60	55.20	3.12	3.75	19.30	17.10	26.88	85.64	14.10	1.75	242.04
Electricity (light and power).....	35.20	35.20	35.20	35.20	35.20	35.20	35.20	35.20	35.20	35.20	35.20	35.20	422.40
Steam (heat).....	30.90	30.90	30.90	30.90	30.90					30.90	30.90	30.90	216.30
Other nonpersonal service.....	429.81	221.00	416.35	232.56	246.36	581.48	284.33	405.95	295.02	364.22	355.01	397.27	4,229.36

## Detailed statement of commitments—Continued.

	January.	Febru- ary.	March.	April.	May.	June.	July.	August.	Septem- ber.	October.	Novem- ber.	Decem- ber.	Total.
<b>Supplies:</b>													
Stationery.....	\$492.23	\$300.85	\$569.54	\$312.55	\$321.76	\$803.80	\$977.95	\$413.11	\$347.82	\$829.30	\$427.49	\$453.97	\$6,250.37
Periodicals.....	23.35	36.70	12.75	36.00	.....	9.57	97.50	18.00	11.50	29.50	72.70	372.15	719.72
Other.....	247.84	109.70	96.15	216.06	663.81	191.14	61.37	38.24	229.45	73.57	130.17	215.65	2,273.15
<b>Equipment:</b>													
Furniture and office.....	223.30	804.79	408.43	372.35	1,640.36	682.57	681.00	666.38	923.11	930.63	1,714.87	1,239.08	10,286.87
Books.....	3.37	40.75	62.50	3.47	26.41	11.12	53.00	18.90	2.98	55.87	82.27	2,705.47	3,066.11
Rent.....	571.95	564.03	593.76	692.42	692.42	692.42	739.56	814.56	814.56	814.56	814.56	825.56	8,630.36
Division of foreign exchange (including salaries).....	10,020.53	9,381.43	8,198.98	7,589.76	6,555.34	5,778.48	3,485.58	953.07	142.09	.....	.....	.....	52,105.26
<b>Total.....</b>	<b>21,371.24</b>	<b>17,638.92</b>	<b>17,524.21</b>	<b>15,887.94</b>	<b>16,251.24</b>	<b>14,617.08</b>	<b>13,012.85</b>	<b>8,111.59</b>	<b>8,681.33</b>	<b>9,658.38</b>	<b>9,681.22</b>	<b>12,546.50</b>	<b>164,982.50</b>
<b>Grand total.....</b>	<b>47,440.23</b>	<b>91,909.52</b>	<b>44,922.62</b>	<b>44,267.83</b>	<b>45,035.63</b>	<b>44,688.99</b>	<b>45,158.31</b>	<b>41,374.59</b>	<b>41,846.78</b>	<b>46,824.59</b>	<b>53,490.68</b>	<b>59,042.07</b>	<b>558,560.61</b>

**Exhibit I.—STATE BANKS AND TRUST COMPANIES ADMITTED.**

The following is a list of State banks and trust companies members of the Federal Reserve system, showing capital, surplus, and total resources as compiled from figures available on December 31, 1919.

One thousand one hundred and eighty-one State institutions are now members of the system, having a total capital of \$421,653,766, total surplus of \$447,553,603, and total resources of \$9,608,710,574.

	Capital. <sup>1</sup>	Surplus. <sup>1</sup>	Total resources. <sup>1</sup>
<b>DISTRICT NO. 1.</b>			
CONNECTICUT.			
New Britain—New Britain Trust Co. ....	\$400,000	\$200,000	\$4,954,861
New Haven—Union & New Haven Trust Co. ....	650,000	650,000	4,845,388
South Manchester—Manchester Trust Co. ....	100,000	50,000	2,057,737
Waterbury—Colonial Trust Co. ....	400,000	500,000	8,569,696
MAINE.			
Bangor—Merrill Trust Co. ....	300,000	400,000	7,401,911
Portland—Fidelity Trust Co. ....	400,000	400,000	14,501,467
MASSACHUSETTS.			
Arlington—Menotomy Trust Co. ....	125,000	25,000	1,634,136
Boston—			
American Trust Co. ....	1,000,000	2,000,000	29,309,782
Beacon Trust Co. ....	600,000	1,200,000	22,468,280
Commonwealth Trust Co. ....	1,000,000	500,000	33,458,171
International Trust Co. ....	1,500,000	1,500,000	32,342,230
Liberty Trust Co. ....	200,000	300,000	7,125,776
Market Trust Co. ....	400,000	100,000	2,568,339
Metropolitan Trust Co. ....	500,000	400,000	9,250,740
New England Trust Co. ....	1,000,000	2,000,000	28,727,006
Old Colony Trust Co. ....	7,000,000	9,000,000	164,351,082
State Street Trust Co. ....	2,000,000	2,500,000	41,439,721
United States Trust Co. ....	1,000,000	1,000,000	18,906,488
Cambridge—			
Charles River Trust Co. ....	200,000	200,000	4,345,827
Harvard Trust Co. ....	200,000	100,000	5,206,079
Fitchburg—Fitchburg Bank & Trust Co. ....	500,000	350,000	5,196,119
Gloucester—Gloucester Safe Deposit & Trust Co. ....	200,000	200,000	4,842,245
Greenfield—Franklin County Trust Co. ....	200,000	100,000	2,905,766
Holyoke—Hadley Falls Trust Co. ....	500,000	250,000	6,110,352
Lawrence—Merchants Trust Co. ....	300,000	150,000	7,248,243
Lynn—Security Trust Co. ....	200,000	200,000	8,416,446
New Bedford—New Bedford Safe Deposit & Trust Co. ....	200,000	360,000	5,760,592
Newton—Newton Trust Co. ....	400,000	400,000	7,030,205
Norwood—Norwood Trust Co. ....	200,000	8,000	2,887,604
Salem—Naumkeag Trust Co. ....	250,000	150,000	5,348,903
Waltham—Waltham Trust Co. ....	200,000	100,000	4,806,562
Winchester—Winchester Trust Co. ....	100,000	25,000	983,962
Worcester—Worcester Bank & Trust Co. ....	1,250,000	500,000	30,254,870
RHODE ISLAND.			
Providence—			
Industrial Trust Co. ....	3,000,000	4,000,000	80,817,308
Rhode Island Hospital Trust Co. ....	3,000,000	3,500,000	61,602,439
Union Trust Co. ....	1,000,000	500,000	14,643,505
Total.....	30,475,000	33,758,000	692,319,838
<b>DISTRICT NO. 2.</b>			
CONNECTICUT.			
Bridgeport—Bridgeport Trust Co. ....	1,000,000	300,000	10,060,300
South Norwalk—South Norwalk Trust Co. ....	200,000	131,000	3,404,025
NEW JERSEY.			
Asbury Park—Seacoast Trust Co. ....	100,000	75,000	2,213,172
Bayonne—Bayonne Trust Co. ....	200,000	150,000	5,243,516
Bloomfield—Bloomfield Trust Co. ....	200,000	100,000	4,286,366
Boonton—Farmers & Merchants Bank. ....	75,000	25,000	639,839
Cranford—Cranford Trust Co. ....	100,000	20,000	1,801,598

<sup>1</sup> Amounts shown represent capital, surplus, and total resources as of Nov. 17, 1919, except in the case of banks admitted since that date, for which figures as of the date of admission were used.

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 2—Continued.</b>			
<b>NEW JERSEY—continued.</b>			
East Orange—			
Savings Investment & Trust Co. ....	\$498,200	\$300,000	\$8,385,242
East Orange Bank .....	150,000	25,000	1,902,757
Elizabeth—Elizabethport Banking Co. ....	250,000	50,000	4,739,350
Franklin—Sussex County Trust Co. ....	100,000	20,000	402,030
Glen Ridge—Glen Ridge Trust Co. ....	100,000	20,000	1,193,377
Hackensack—Peoples Trust & Guaranty Co. ....	500,000	300,000	6,893,777
Hoboken—Jefferson Trust Co. ....	200,000	50,000	4,764,214
Jersey City—			
Commercial Trust Co. of New Jersey .....	1,000,000	1,500,000	34,764,301
The New Jersey Title Guarantee & Trust Co. ....	1,000,000	1,000,000	17,333,216
Montclair—			
Bank of Montclair .....	100,000	80,000	3,047,186
Montclair Trust Co. ....	300,000	100,000	5,100,725
Morristown—Morristown Trust Co. ....	600,000	300,000	9,443,058
Newark—			
Federal Trust Co. ....	1,000,000	500,000	12,350,793
Ironbound Trust Co. ....	200,000	100,000	9,048,197
Nutley—Bank of Nutley .....	100,000	35,000	1,538,980
Orange—Trust Co. of Orange .....	100,000	25,000	1,162,945
Passaic—			
Passaic Trust & Safe Deposit Co. ....	200,000	100,000	8,945,909
Peoples Bank & Trust Co. ....	200,000	300,000	6,815,993
Paterson—Hamilton Trust Co. ....	500,000	400,000	12,351,991
Plainfield—Plainfield Trust Co. ....	300,000	300,000	9,010,872
Rahway—Rahway Trust Co. ....	100,000	25,000	1,087,750
Ridgefield Park—Ridgefield Park Trust Co. ....	100,000	25,000	1,579,494
Rutherford—Rutherford Trust Co. ....	100,000	25,000	1,487,275
Westfield—			
Peoples Bank & Trust Co. ....	100,000	80,000	2,346,002
Westfield Trust Co. ....	100,000	20,000	2,768,934
West Hoboken—Hudson Trust Co. of West Hoboken. ....	1,000,000	1,000,000	26,516,497
<b>NEW YORK.</b>			
Adams—Citizens Trust Co. ....	150,000	75,000	1,374,760
Amityville—Bank of Amityville .....	25,000	50,000	716,225
Amsterdam—Montgomery County Trust Co. ....	200,000	100,000	3,004,377
Batavia—The Bank of Genesee .....	100,000	100,000	1,454,449
Binghamton—Peoples Trust Co. ....	500,000	100,000	5,675,099
Brooklyn—			
Brooklyn Trust Co. ....	1,500,000	2,066,861	49,419,480
Franklin Trust Co. ....	1,000,000	1,000,000	34,543,434
Manufacturers Trust Co. ....	1,000,000	500,000	44,559,342
Mechanics Bank .....	1,600,000	800,000	43,857,404
Peoples Trust Co. ....	1,200,000	1,200,000	37,824,472
Buffalo—			
Bank of Buffalo .....	2,500,000	1,000,000	47,969,225
Buffalo Trust Co. ....	500,000	500,000	16,602,852
Citizens Commercial Trust Co. ....	1,250,000	1,250,000	28,472,624
Fidelity Trust Co. ....	1,000,000	1,000,000	22,066,511
Liberty Bank of Buffalo .....	1,500,000	1,000,000	37,048,764
Peoples Bank of Buffalo .....	600,000	600,000	17,946,195
Canisteo—First State Bank .....	50,000	25,000	661,243
Cape Vincent—Citizens Bank of Cape Vincent .....	50,000	8,000	170,606
Chatham—State Bank of Chatham .....	50,000	50,000	1,527,112
East Aurora—			
Bank of East Aurora .....	100,000	25,000	1,498,420
Erie County Trust Co. ....	100,000	37,500	1,283,367
Elmira—Chemung Canal Trust Co. ....	600,000	400,000	8,679,382
Endicott—State Bank of Endicott .....	50,000	10,000	60,000
Floral Park—Floral Park Bank .....	25,000	25,000	1,037,760
Geneva—Geneva Trust Co. ....	250,000	225,000	4,135,279
Gloversville—Trust Co. of Fulton County .....	200,000	100,000	1,309,260
Hammondsport—Bank of Hammondsport .....	50,000	50,000	1,161,633
Highville—Bank of Highville .....	25,000	80,000	1,294,964
Ithaca—Ithaca Trust Co. ....	200,000	100,000	3,512,582
Johnson City—Workers Trust Co. ....	100,000	25,000	4,194,344
Katonah—Northern Westchester Bank .....	50,000	25,000	330,550
Kingston—Kingston Trust Co. ....	150,000	60,000	1,626,614
Little Falls—Herkimer County Trust Co. ....	350,000	350,000	5,374,690
Millbrook—Bank of Millbrook .....	50,000	50,000	796,138
Mineola—Nassau County Trust Co. ....	100,000	75,000	2,482,330
New York—			
Bankers Trust Co. ....	15,000,000	11,250,000	380,486,721
Bank of America .....	1,500,000	6,000,000	92,023,675
Bank of United States .....	1,000,000	250,000	28,964,148
Central Union Trust Co. ....	12,500,000	15,000,000	256,750,201
Columbia Bank .....	1,000,000	500,000	27,339,047
Columbia Trust Co. ....	5,000,000	6,000,000	118,968,522
Commercial Exchange Bank .....	200,000	700,000	11,065,899
Commonwealth Bank of the City of New York .....	400,000	600,000	12,125,486



	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 2—Continued.</b>			
NEW YORK—continued.			
New York—Continued.			
Continental Bank.....	\$1,000,000	\$500,000	\$27,236,031
Corn Exchange Bank.....	4,200,000	6,800,000	224,393,312
Equitable Trust Co.....	6,000,000	12,000,000	287,206,150
Farmers Loan & Trust Co.....	5,000,000	10,000,000	194,428,340
Fidelity Trust Co.....	1,000,000	1,000,000	17,596,219
Fifth Avenue Bank.....	500,000	2,000,000	27,700,896
Fulton Trust Co.....	500,000	250,000	10,497,592
Guaranty Trust Co.....	25,000,000	25,000,000	883,900,180
Irving Trust Co.....	3,000,000	1,000,000	83,625,357
Lincoln Trust Co.....	1,000,000	600,000	29,255,250
Manhattan Co.....	2,500,000	7,000,000	179,024,483
Mercantile Trust Co.....	1,000,000	500,000	21,502,713
Metropolitan Bank.....	2,000,000	2,000,000	58,472,268
Metropolitan Trust Co. of the City of New York.....	2,000,000	4,000,000	50,761,526
Mutual Bank.....	200,000	400,000	15,201,059
New Netherland Bank.....	600,000	650,000	11,369,059
New York Trust Co.....	3,000,000	10,000,000	105,554,951
Pacific Bank.....	500,000	1,000,000	32,637,687
United States Mortgage & Trust Co.....	2,000,000	4,000,000	80,404,420
United States Trust Co. of New York.....	2,000,000	12,000,000	63,406,235
W. R. Grace & Co.'s Bank.....	500,000	700,000	10,381,084
Yorkville Bank of New York City.....	200,000	400,000	14,405,985
Niagara Falls—Power City Bank.....	300,000	300,000	8,327,708
Nyack—Rockland County Trust Co.....	100,000	25,000	2,460,182
Ogdensburg—St. Lawrence Trust Co.....	100,000	25,000	1,538,058
Olean—Olean Trust Co.....	100,000	20,000	1,370,281
Oneida—Madison County Trust & Deposit Co.....	200,000	120,000	3,147,374
Orchard Park—Bank of Orchard Park.....	30,000	6,000	406,844
Oyster Bay—Oyster Bay Bank.....	50,000	50,000	1,203,568
Perry—Citizens Bank.....	50,000	50,000	1,279,726
Port Chester—Mutual Trust Co. of Westchester County.....	300,000	60,000	2,866,488
Rochester—Alliance Bank.....	1,000,000	500,000	19,300,375
Rome—Rome Trust Co.....	300,000	60,000	3,988,319
Schenectady—Schenectady Trust Co.....	300,000	62,500	8,527,020
Stony Brook—Bank of Suffolk County.....	25,000	15,000	451,752
Syracuse—			
City Bank Trust Co.....	1,500,000	658,000	21,402,905
First Trust & Deposit Co.....	2,500,000	1,000,000	42,227,596
Syracuse Trust Co.....	1,500,000	750,000	28,911,917
Trumansburg—State Bank of Trumansburg.....	25,000	15,000	399,713
Utica—			
Citizens Trust Co.....	500,000	500,000	15,614,564
Oneida County Trust Co.....	250,000	250,000	2,904,226
Utica Trust & Deposit Co.....	800,000	600,000	14,976,897
Warsaw—Trust Co. of Wyoming County.....	100,000	20,000	789,496
Watertown—Northern New York Trust Co.....	400,000	400,000	8,638,980
Westbury—Bank of Westbury.....	25,000	5,000	582,214
White Plains—County Trust Co.....	100,000	50,000	3,248,794
Total.....	138,803,200	168,184,861	4,207,562,560
<b>DISTRICT NO. 3.</b>			
DELAWARE.			
Milford—Milford Trust Co.....	50,000	87,500	1,077,829
Wilmington—			
Equitable Trust Co.....	500,000	500,000	5,477,122
Security Trust & Safe Deposit Co.....	600,000	700,000	7,083,707
Wilmington Trust Co.....	1,000,000	500,000	17,874,975
NEW JERSEY.			
Atlantic City—			
Bankers Trust Co.....	100,000		546,534
Equitable Trust Co.....	200,000	100,000	3,166,687
Burlington—Burlington City Loan & Trust Co.....	100,000	100,000	1,748,440
Camden—Camden Safe Deposit & Trust Co.....	500,000	800,000	12,657,162
Gloucester City—Gloucester City Trust Co.....	100,000	30,000	1,176,581
Princeton—Princeton Bank & Trust Co.....	100,000	150,000	2,272,164
Riverside—Riverside Trust Co.....	100,000	100,000	2,039,889
Swedesboro—Swedesboro Trust Co.....	100,000	20,000	945,662
PENNSYLVANIA.			
Chester—Cambridge Trust Co.....	250,000	175,000	6,036,853
Dubois—Union Banking & Trust Co.....	125,000	200,000	2,173,667
Harrisburg—Dauphin Deposit Trust Co.....	300,000	300,000	4,071,310
Hazleton—			
Markle Banking & Trust Co.....	100,000	500,000	4,918,393
Peoples Savings & Trust Co.....	125,000	75,000	2,933,057

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 3—Continued.</b>			
PENNSYLVANIA—continued.			
Honesdale—Wayne County Savings Bank.....	\$200,000	\$325,000	\$4,032,119
Huntingdon—Grange Trust Co.....	125,000	12,500	706,752
Lewistown—Lewistown Trust Co.....	125,000	25,000	752,153
Lykens—Miners Deposit Bank.....	50,000	110,000	857,854
Philadelphia—			
Colonial Trust Co.....	300,000	275,000	5,708,643
Commercial Trust Co.....	2,000,000	2,750,000	24,405,222
Fidelity Trust Co.....	5,000,000	16,000,000	61,681,333
Girard Trust Co.....	2,500,000	7,500,000	57,861,550
Logan Trust Co.....	1,000,000	250,000	13,967,406
Pennsylvania Co. for Insurance on Lives and Granting Annuities.....	2,000,000	5,000,000	39,201,186
Philadelphia Trust Co.....	1,000,000	4,000,000	26,203,174
Provident Life & Trust Co. of Philadelphia.....	2,000,000	5,000,000	19,897,970
Rittenhouse Trust Co.....	250,000	50,000	2,616,743
West Philadelphia Title & Trust Co.....	500,000	500,000	8,361,313
Reading—Berks County Trust Co.....	250,000	155,000	3,917,502
Schuylkill Haven—Schuylkill Haven Trust Co.....	125,000	55,000	1,307,027
Seranton—American Bank of Commerce.....	300,000	60,000	1,460,189
Wilkes-Barre—Dime Deposit Bank.....	200,000	150,000	1,991,776
Williamsport—			
Northern Central Trust Co.....	500,000	200,000	4,465,701
Susquehanna Trust & Safe Deposit Co.....	400,000	300,000	3,209,687
Williamstown—Williams Valley Bank.....	50,000	47,000	511,837
Total.....	23,225,000	47,102,000	359,317,169
<b>DISTRICT NO. 4.</b>			
KENTUCKY.			
Brooksville—Farmers Equity Bank.....	25,000	15,000	332,151
Georgetown—Farmers Bank & Trust Co.....	105,000	60,000	1,006,468
Independence—Bank of Independence.....	40,000	8,000	523,837
Lexington—			
Guaranty Bank & Trust Co.....	150,000	30,000	1,758,857
Security Trust Co.....	500,000	150,000	2,451,414
Richmond—State Bank & Trust Co.....	150,000	50,000	906,864
OHIO.			
Akron—			
Central Savings & Trust Co.....	500,000	500,000	15,094,027
Depositors Savings & Trust Co.....	300,000	300,000	7,707,219
Firestone Park Trust & Savings Bank.....	200,000	75,000	4,101,875
Peoples Savings & Trust Co.....	200,000	100,000	7,325,259
Alliance—			
Alliance Bank Co.....	150,000	150,000	4,158,486
City Savings Bank & Trust Co.....	100,000	100,000	2,944,665
Apple Creek—Apple Creek Banking Co.....	25,000	15,000	321,510
Barberton—Peoples Savings & Banking Co.....	100,000	25,000	1,814,585
Bridgeport—Bridgeport Bank & Trust Co.....	75,000	40,000	820,623
Buckeye City—Commercial & Savings Bank Co.....	25,000	3,250	233,167
Canton—Dime Savings Bank Co.....	200,000	140,000	4,061,570
Chagrin Falls—Chagrin Falls Banking Co.....	100,000	40,000	1,153,896
Cincinnati—			
Brighton Bank & Trust Co.....	200,000	200,000	6,895,844
Provident Savings Bank & Trust Co.....	1,400,000	1,000,000	16,604,806
Union Savings Bank & Trust Co.....	1,000,000	2,000,000	23,664,396
Western Bank & Trust Co.....	500,000	500,000	12,768,736
Cleveland—			
Citizens Savings & Trust Co.....	4,000,000	4,000,000	79,516,947
Cleveland Trust Co.....	3,000,000	3,000,000	86,997,285
Guardian Savings & Trust Co.....	3,000,000	3,000,000	78,022,394
The Pearl Street Savings & Trust Co.....	600,000	400,000	14,666,924
Superior Savings & Trust Co.....	500,000	1,000,000	18,032,880
United Banking & Savings Co.....	1,000,000	400,000	17,127,309
Columbiana—Union Banking Co.....	50,000	25,000	716,072
Columbus—Citizens Trust & Savings Bank.....	700,000	150,000	5,872,965
Conneaut—Conneaut Mutual Loan & Trust Co.....	100,000	70,000	1,850,737
Cuyahoga Falls—			
Citizens Bank.....	50,000	5,500	635,936
Cuyahoga Falls Savings Bank Co.....	100,000	32,000	1,743,671
Dayton—Dayton Savings & Trust Co.....	575,000	506,250	17,061,785
Eldorado—The Farmers State Bank.....	35,000	2,675	424,166
Frazeyburg—Peoples Bank Co.....	25,000	38,000	607,352
Geneva—Geneva Savings Bank Co.....	100,000	74,000	1,371,871

<sup>1</sup> Exclusive of insurance assets of \$101,408,940.

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 4—Continued.</b>			
OHIO—continued.			
Gibsonburg—			
Gibsonburg Banking Co.....	\$50,000	\$18,500	\$822,950
Home Banking Co.....	25,000	10,000	858,167
Hillsboro—Hillsboro Bank & Savings Co.....	50,000	15,000	586,036
Hubbard—Hubbard Banking Co.....	50,000	25,000	1,088,823
Lodi—Lodi State Bank.....	40,000	60,000	774,721
McCutchenville—Farmers Bank.....	30,000	900	126,260
Mansfield—Farmers Savings & Trust Co.....	160,725	160,725	1,718,627
Massillon—Ohio Banking & Trust Co.....	150,000	37,500	1,723,533
Metamora—Farmers & Merchants Bank Co.....	25,000	5,500	348,137
Middlefield—Middlefield Banking Co.....	25,000	25,000	442,778
Milan—The Farmers & Citizens Banking Co.....	25,000	10,000	471,666
Minerva—Minerva Savings & Trust Co.....	50,000	50,000	1,576,234
Minster—Minster State Bank.....	25,000	25,000	442,510
Newark—Newark Trust Co.....	200,000	125,000	2,868,761
Orrville—The Orrville Savings Bank.....	50,000	45,000	853,318
Pandora—Farmers Bank Co.....	25,000	500	206,657
Pemberville—Pemberville Savings Bank Co.....	25,000	5,000	539,684
Peninsula—Peninsula Banking Co.....	25,000	5,000	239,262
Portsmouth—Security Bank.....	150,000	250,000	2,437,502
Rittman—Rittman Savings Bank.....	25,000	8,500	427,930
Rossford—Rossford Savings Bank.....	50,000	5,000	328,297
St. Marys—Home Banking Co.....	100,000	22,000	1,086,137
Shadyside—The Shadyside Bank.....	35,000	3,900	290,105
Shelby—Citizens Bank.....	100,000	50,000	1,260,124
Shiloh—Shiloh Savings Bank Co.....	25,000	29,000	408,955
Spencer—Spencer State Bank.....	40,000	1,000	319,573
Stuebenville—			
Stuebenville Bank & Trust Co.....	178,100	81,860	2,155,494
Union Savings Bank & Trust Co.....	250,000	250,000	3,717,300
Struthers—Struthers Savings & Banking Co.....	50,000	50,000	1,653,548
Toledo—			
The Commercial Savings Bank & Trust Co.....	200,000	100,000	7,739,953
Guardian Trust & Savings Bank.....	200,000	200,000	6,962,639
Upper Sandusky—Citizens Savings Bank.....	50,000	30,000	804,095
Vermilion—Erie County Banking Co.....	50,000	10,000	603,236
Wakeman—Wakeman Bank Co.....	25,000	10,000	304,701
Warren—Union Savings & Trust Co.....	300,000	300,000	5,120,770
Wellington—First Wellington Bank.....	85,000	85,000	1,400,982
West Lafayette—West Lafayette Bank Co.....	100,000	50,000	1,255,579
West Milton—Citizens State Bank Co.....	30,000	6,000	292,217
Youngstown—			
City Trust & Savings Bank.....	200,000	200,000	5,862,887
Dollar Savings & Trust Co.....	1,500,000	500,000	21,204,265
PENNSYLVANIA.			
Ambridge—Ambridge Savings & Trust Co.....	125,000	50,000	2,180,244
Beaver—Beaver Trust Co.....	300,000	100,000	1,610,362
Beaver Falls—Federal Title & Trust Co.....	200,000	40,000	1,475,760
Bellevue—Bellevue Realty Savings & Trust Co.....	125,000	50,000	1,149,051
Erie—Security Savings & Trust Co.....	200,000	350,000	6,480,899
Greensburg—Merchants Trust Co.....	188,600	100,000	1,825,304
Meadville—Crawford County Trust Co.....	125,000	20,000	1,752,935
New Castle—Lawrence Savings & Trust Co.....	300,000	300,000	4,096,960
Pittsburgh—			
Allegheny Trust Co.....	700,000	500,000	5,395,203
City Deposit Bank.....	200,000	800,000	11,130,344
Colonial Trust Co.....	2,600,000	2,600,000	23,240,973
Commonwealth Trust Co.....	1,500,000	1,000,000	12,024,026
Oakland Savings & Trust Co.....	200,000	200,000	6,911,479
Pittsburgh Trust Co.....	2,000,000	1,000,000	24,023,411
Potter Title & Trust Co.....	500,000	75,000	4,620,382
Union Trust Co.....	1,500,000	34,500,000	140,969,999
Woodlawn—Woodlawn Trust Co.....	125,000	75,000	1,770,784
WEST VIRGINIA.			
Moundsville—Marshall County Bank.....	150,000	40,000	1,214,065
Wheeling—			
Security Trust Co.....	300,000	200,000	2,919,582
Wheeling Bank & Trust Co.....	160,000	520,000	5,487,985
Total.....	36,152,425	63,597,560	782,901,856

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 5.</b>			
DISTRICT OF COLUMBIA.			
Washington—Continental Trust Co.....	\$1,000,000	\$100,000	\$5,466,223
MARYLAND.			
Baltimore—			
American Bank.....	300,000	150,000	4,358,195
Baltimore Commercial Bank.....	500,000	100,000	5,131,619
Baltimore Trust Co.....	1,000,000	2,000,000	19,733,250
Maryland Trust Co.....	1,000,000	.....	12,396,838
Gwynn Oak Junction—Liberty Bank of Baltimore County.....	25,000	6,000	497,104
Hamilton—Hamilton Bank.....	30,000	12,500	648,367
Overlea—Overlea Bank.....	50,000	20,000	845,245
NORTH CAROLINA.			
Asheville—Battery Park Bank.....	100,000	100,000	3,197,831
Charlotte—			
American Trust Co.....	1,050,000	375,000	13,742,624
Independence Trust Co.....	500,000	250,000	3,965,665
High Point—Bank of Commerce.....	100,000	16,000	1,085,707
New Bern—			
New Bern Banking & Trust Co.....	100,000	25,000	1,704,486
Peoples Bank.....	100,000	50,000	2,335,008
Winston-Salem—Wachovia Bank & Trust Co.....	1,250,000	750,000	31,959,672
SOUTH CAROLINA.			
Charleston—Carolina Savings Bank.....	200,000	150,000	3,582,804
Cheraw—			
Bank of Cheraw.....	110,000	50,000	978,783
Merchants & Farmers Bank.....	100,000	10,000	670,038
Chester—Commercial Bank.....	100,000	75,000	1,403,583
Darlington—Bank of Darlington.....	100,000	50,000	2,129,542
Florence—Commercial & Savings Bank.....	125,000	30,000	1,499,196
Georgetown—			
Bank of Georgetown.....	100,000	100,000	1,251,562
Peoples Bank of Georgetown.....	93,300	30,490	673,121
Hartsville—Bank of Hartsville.....	75,000	42,500	1,653,165
Rock Hill—Citizens Bank & Trust Co.....	100,000	5,600	557,391
St. Matthews—The Home Bank.....	25,000	25,000	427,826
Sumter—Peoples Bank.....	100,000	23,000	697,320
Union—Nicholson Bank & Trust Co.....	75,000	25,000	1,045,286
Westminster—Westminster Bank.....	100,000	25,000	1,206,884
Woodruff—Bank of Woodruff.....	40,700	10,500	554,260
VIRGINIA.			
Blackstone—Citizens Bank.....	100,000	43,000	717,312
Cambria—Cambria Bank (Inc.).....	30,000	6,000	269,742
Charlottesville—Commerce Bank & Trust Co.....	100,000	10,000	153,389
Chase City—Peoples Bank & Trust Co.....	100,000	11,500	656,424
Christiansburg—Bank of Christiansburg.....	34,000	100,000	1,186,950
Emporia—			
Greensville Bank.....	50,000	60,000	900,446
Merchants & Farmers Bank.....	50,000	50,000	636,629
Harrisonburg—Peoples Bank of Harrisonburg.....	150,000	50,000	827,950
Norfolk—			
Citizens Bank of Norfolk.....	1,000,000	500,000	9,207,554
Marine Bank.....	220,000	110,000	2,464,117
Richmond—			
Bank of Commerce & Trusts.....	250,000	200,000	5,394,668
The Savings Bank of Richmond.....	200,000	200,000	2,454,672
Union Bank of Richmond.....	219,750	300,000	3,434,367
WEST VIRGINIA.			
Charleston—Kanawha Valley Bank.....	400,000	1,100,000	8,493,996
Franklin—Franklin Bank.....	40,000	10,000	321,667
Grafton—Grafton Banking & Trust Co.....	100,000	30,000	1,052,410
Total.....	11,592,750	7,387,090	163,570,888
<b>DISTRICT NO. 6.</b>			
ALABAMA.			
Birmingham—			
American Trust & Savings Bank.....	500,000	250,000	9,723,313
Birmingham Trust & Savings Bank.....	500,000	650,000	14,582,549
Carrollton—Pickens County State Bank.....	60,000	.....	210,698
Cullman—Alabama Bank & Trust Co.....	50,000	.....	532,888
Eufaula—Bank of Eufaula.....	201,000	.....	705,760

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 6—Continued.</b>			
ALABAMA—continued.			
Huntsville—Farmers State Bank.....	\$100,000	\$35,000	\$942,062
Marion—Marion Central Bank.....	50,000	100,000	644,709
Mobile—			
Merchants Bank.....	200,000	300,000	7,228,622
Peoples Bank.....	200,000	200,000	6,092,730
Union Commercial Bank.....	200,000	6,585	1,280,100
Montgomery—Merchants Bank of Montgomery.....	100,000	20,000	1,329,985
Union Springs—American Bank.....	50,000	5,000	299,467
FLORIDA.			
Deland—Volusia County Bank.....	100,000	100,000	1,624,850
Jacksonville—American Trust Co.....	200,000	20,000	1,063,297
Leesburg—Leesburg State Bank.....	30,000	11,000	521,907
Miami—The Southern Bank & Trust Co.....	100,000	.....	1,379,280
Orlando—Bank of Orange & Trust Co.....	100,000	20,000	839,270
Tallahassee—The Exchange Bank.....	50,000	4,000	300,051
Tampa—Citizens American Bank & Trust Co.....	250,000	500,000	6,150,578
Winter Park—Union State Bank.....	30,000	1,500	223,308
GEORGIA.			
Athens—American State Bank.....	100,000	20,000	941,332
Atlanta—			
Atlanta Trust Co.....	1,000,000	100,000	3,562,986
Central Bank & Trust Corporation.....	1,000,000	300,000	16,853,709
Georgia Savings Bank & Trust Co.....	200,000	100,000	1,776,175
Trust Co. of Georgia.....	1,000,000	1,000,000	6,466,051
Brunswick—			
Brunswick Bank & Trust Co.....	100,000	90,000	1,854,970
Glynn County Bank.....	100,000	20,000	1,026,974
Calhoun—Peoples Bank.....	55,000	11,000	854,130
Camilla—Bank of Camilla.....	50,000	50,000	567,131
Canon—The Canon Bank.....	25,000	12,500	154,432
Cave Spring—Bank of Cave Spring.....	25,000	25,000	313,576
Commerce—Northwestern Banking Co.....	100,000	50,000	1,160,960
Grayson—Bank of Grayson.....	40,000	7,750	247,223
Hartwell—Hartwell Bank.....	60,000	20,000	764,148
Jackson—Jackson Banking Co.....	50,000	10,000	417,960
Louisville—Bank of Louisville.....	25,000	55,000	485,211
Metter—Citizens Bank.....	30,000	20,000	314,828
Sardis—Peoples Bank.....	25,000	6,000	192,436
Sasser—Bank of Sasser.....	25,000	25,000	194,487
Savannah—			
American Bank & Trust Co.....	200,000	10,500	1,054,609
Citizens & Southern Bank.....	2,000,000	2,500,000	55,578,064
Citizens Trust Co.....	200,000	50,000	1,095,031
The Hibernia Bank of Savannah.....	200,000	200,000	7,503,628
Mercantile Bank & Trust Co.....	200,000	20,000	1,522,067
Savannah Bank & Trust Co.....	700,000	700,000	11,347,996
West Point—Citizens Bank.....	50,000	1,000	415,282
Winder—Farmers Bank.....	50,000	2,500	501,961
Winterville—Pittard Banking Co.....	25,000	11,000	201,272
LOUISIANA.			
Baton Rouge—Union Bank & Trust Co.....	150,000	.....	2,973,749
Gretna—Jefferson Trust & Savings Bank.....	50,000	4,200	578,610
Iota—Bank of Iota.....	25,000	7,500	446,061
New Orleans—			
American Bank & Trust Co.....	200,000	20,000	750,341
Canal-Commercial Trust & Savings Bank.....	4,000,000	1,500,000	64,329,856
Citizens Bank & Trust Co. of Louisiana.....	400,000	150,000	7,692,682
Hibernia Bank & Trust Co.....	2,000,000	2,500,000	67,538,742
Interstate Trust & Banking Co.....	750,000	500,000	12,795,559
Liberty Bank & Trust Co.....	200,000	10,000	1,028,996
Marine Bank & Trust Co.....	800,000	217,400	17,832,338
Pan-American Bank & Trust Co.....	800,000	500,000	7,350,868
New Roads—Pointe Coupee Trust & Savings Bank.....	60,000	1,800	319,647
MISSISSIPPI.			
Laurel—Commercial Bank & Trust Co.....	100,000	25,000	1,564,741
Summit—Union Bank of Pike.....	25,000	12,000	266,499
TENNESSEE.			
Chattanooga—Chattanooga Savings Bank.....	750,000	225,000	6,291,304
Nashville—Bank of Tennessee.....	200,000	50,000	2,340,995
Total.....	21,216,000	13,363,245	367,145,101

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 7.</b>			
ILLINOIS.			
Auburn—Auburn State Bank .....	\$25,000	\$25,000	\$628,289
Barrington—First State Bank .....	50,000	10,000	450,056
Bloomington—State Bank of Bloomington .....	100,000	150,000	2,155,341
Chicago—			
Austin State Bank .....	200,000	65,000	4,348,870
Capital State Savings Bank .....	200,000	20,000	1,761,225
Central Trust Co. of Illinois .....	6,000,000	1,000,000	73,572,011
Chicago Trust Co. ....	1,000,000	300,000	12,380,096
Depositors State Bank .....	300,000	100,000	4,862,887
First Trust & Savings Bank .....	5,000,000	5,500,000	90,329,060
Foreman Brothers Banking Co. ....	1,500,000	1,500,000	30,287,496
Great Lakes Trust Co. ....	3,000,000	600,000	9,734,107
Harris Trust & Savings Bank .....	2,000,000	3,000,000	38,644,349
Home Bank & Trust Co. ....	300,000	75,000	4,918,706
Hyde Park State Bank .....	200,000	50,000	2,934,437
Illinois Trust & Savings Bank .....	5,000,000	10,000,000	141,144,803
Kasper State Bank .....	500,000	300,000	10,319,227
Madison & Kedzie State Bank .....	200,000	50,000	2,930,597
Mechanics & Traders State Bank .....	200,000	50,000	2,648,821
Mercantile Trust & Savings Bank .....	250,000	75,000	5,158,154
Merchants Loan & Trust Co. ....	5,000,000	9,000,000	137,569,158
Noel State Bank .....	300,000	100,000	4,451,032
Northern Trust Co. ....	2,000,000	3,000,000	44,375,938
North Side State Savings Bank .....	200,000	20,000	2,650,153
Northwestern Trust & Savings Bank .....	600,000	150,000	13,681,848
Second Security Bank .....	200,000	100,000	3,356,262
Security Bank of Chicago .....	400,000	250,000	6,541,206
Standard Trust & Savings Bank .....	1,000,000	500,000	12,045,797
State Bank of Chicago .....	1,500,000	4,000,000	44,288,118
United Trust Co. ....	1,500,000	2,000,000	49,883,354
United State Bank of Chicago .....	200,000	30,000	1,339,094
Cicero—Western State Bank .....	100,000	25,000	1,518,617
Des Plaines—Des Plaines State Bank .....	50,000	35,000	761,804
Elizabeth—Elizabeth State Bank .....	40,000	15,600	549,781
Elmhurst—Elmhurst State Bank .....	60,000	25,000	959,369
Eureka—Farmers State Bank .....	100,000	5,000	696,092
Evanston—			
Evanston Trust & Savings Bank .....	100,000	10,600	1,276,515
State Bank & Trust Co. ....	300,000	300,000	6,017,898
Fulton—Whiteside County State Bank .....	50,000	5,500	513,128
Geneva—State Bank of Geneva .....	50,000	10,000	694,123
Hinsdale—Hinsdale State Bank .....	50,000	25,000	592,563
Joliet—			
Commercial Trust & Savings Bank .....	100,000	5,000	1,098,002
Joliet Trust & Savings Bank .....	100,000	35,000	1,059,790
Kewanee—Union State Savings Bank & Trust Co. ....	150,000	25,000	1,637,238
La Grange—La Grange State Bank .....	50,000	25,000	1,272,475
Magnolia—First State Bank .....	25,000	5,000	233,974
Marshall—Marshall State Bank .....	60,000	5,000	359,215
Martinsville—Martinsville State Bank .....	50,000	20,000	491,042
Matteson—First State Bank .....	25,000	10,000	160,917
Mattoon—Central Illinois Trust & Savings Bank .....	100,000	75,000	1,089,851
Moline—			
Moline Trust & Savings Bank .....	225,000	85,000	3,964,545
Peoples Savings Bank & Trust Co. ....	250,000	200,000	6,254,758
State Savings Bank & Trust Co. ....	300,000	165,000	5,580,396
Mount Carroll—Carroll County State Bank .....	50,000	35,000	1,075,196
Oak Park—			
Oak Park Trust & Savings Bank .....	200,000	50,000	3,120,557
Suburban Trust & Savings Bank .....	100,000	10,000	667,018
Oswego—Oswego State Bank .....	50,000	10,000	421,733
St. Charles—Stewart State Bank .....	100,000	50,000	1,297,817
Shannon—State Bank of Shannon .....	25,000	18,500	419,363
Springfield—Ridgely Farmers State Bank .....	600,000	150,000	7,509,719
Sycamore—Pierce Trust & Savings Bank .....	100,000	75,000	969,731
Wenona—First State Bank .....	50,000	35,000	635,793
INDIANA.			
Angola—Stauben County State Bank .....	40,000	10,000	230,669
Bargersville—Farmers State Bank .....	25,000	16,000	298,085
Colfax—Farmers State Bank .....	25,000	2,000	209,370
Connersville—Fayette Bank & Trust Co. ....	400,000	35,100	2,763,242
Cromwell—Sparta State Bank .....	27,500		163,885
Elkhart—St. Joseph Valley Bank .....	150,000	75,000	3,797,616
Hillsboro—Hillsboro State Bank .....	25,000	7,000	229,545
Jamestown—Citizens State Bank .....	30,000	7,500	432,756
Kentland—			
Discount & Deposit State Bank .....	70,000	45,000	662,462
Kent State Bank .....	50,000	35,500	487,238

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 7—Continued.</b>			
<b>INDIANA—continued.</b>			
La Fontaine—Farmers State Bank.....	\$35,000	\$491	\$138,927
Marion—Grant Trust & Savings Bank.....	100,000	160,000	1,982,928
North Liberty—North Liberty State Bank.....	50,000	10,000	351,752
Peru—Peru Trust Co.....	100,000	25,000	1,398,810
Richmond—Dickinson Trust Co.....	200,000	125,000	3,090,949
Rochester—United States Bank & Trust Co.....	75,000	25,000	808,950
South Bend—			
American Trust Co.....	200,000	128,000	3,634,718
St. Joseph Loan & Trust Co.....	200,000	100,000	3,424,492
South Whitley—Gandy State Bank.....	25,000	12,000	347,303
Terre Haute—Terre Haute Trust Co.....	350,000	200,000	6,450,195
Tipton—Farmers Loan & Trust Co.....	50,000	50,000	911,385
Winamac—First Trust & Savings Bank.....	40,000	1,000	228,794
<b>IOWA.</b>			
Algona—County Savings Bank.....	100,000	25,000	2,113,139
Alta Vista—Alta Vista Savings Bank.....	30,000	11,000	499,746
Ames—Story County Trust & Savings Bank.....	50,000	12,500	860,572
Audubon—Iowa Savings Bank.....	50,000		342,367
Avoca—Avoca State Bank.....	50,000	20,000	794,319
Barnes City—Farmers Savings Bank.....	35,000	15,000	569,759
Battle Creek—Battle Creek Savings Bank.....	40,000	60,000	886,707
Bellevue—Bellevue State Bank.....	30,000	18,000	1,050,970
Blairsburg—State Bank of Blairsburg.....	25,000	8,500	293,792
Brighton—Brighton State Bank.....	50,000	25,000	682,171
Britt—Commercial State Bank.....	60,000	60,000	1,340,151
Cedar Falls—Security Trust & Savings Bank.....	50,000	8,000	435,621
Cedar Rapids—Iowa State Savings Bank.....	100,000	28,000	2,491,936
Chariton—State Savings Bank.....	50,000	50,000	912,160
Charter Oak—Farmers State Bank.....	40,000	8,000	463,717
Cherokee—Cherokee State Bank.....	75,000	75,000	1,390,865
Clinton—Peoples Trust & Savings Bank.....	300,000	300,000	5,293,603
Davenport—American Commercial & Savings Bank.....	700,000	700,000	17,410,330
Decorah—			
Citizens Savings Bank.....	50,000	50,000	703,645
Winneshek County Bank.....	150,000	50,000	2,234,310
Des Moines—			
Bankers Trust Co.....	1,000,000	200,000	5,089,403
Central State Bank.....	250,000	250,000	7,092,000
First Trust & Savings Bank.....	200,000	17,122	1,657,797
Iowa Loan & Trust Co.....	500,000	250,000	9,868,911
Elberon—Farmers State Bank.....	40,000	20,000	783,213
Eldora—Citizens Savings Bank.....	50,000	15,000	240,950
Elkader—Elkader State Bank.....	50,000	25,000	1,080,838
Ellsworth—			
Farmers State Bank.....	25,000		203,883
State Bank of Ellsworth.....	35,000	10,000	318,796
Fairbank—Fairbank State Bank.....	26,000	24,000	565,759
Fairfield—Iowa State Savings Bank.....	100,000	100,000	2,010,258
Fort Madison—American State Bank.....	100,000	8,000	1,250,388
Fostoria—Citizens Savings Bank.....	25,000	4,000	214,598
Garwin—Garwin State Bank.....	50,000	25,000	548,785
Gilbert—Gilbert Savings Bank.....	50,000		340,123
Gilman—Citizens Savings Bank.....	25,000	18,000	550,456
Grant—Farmers Savings Bank.....	25,000	10,000	302,149
Humboldt—Peoples State Bank.....	100,000	35,000	909,214
Jefferson—Jefferson Savings Bank.....	50,000	7,000	554,672
Knoxville—Guaranty State Bank.....	50,000	12,000	502,764
Lakota—Farmers & Drivers State Bank.....	30,000	6,000	291,502
Leon—Farmers & Traders State Bank.....	100,000	7,500	986,283
Lockridge—Lockridge Savings Bank.....	25,000	15,000	445,275
Logan—State Savings Bank.....	50,000	10,000	492,001
Lowden—Lowden Savings Bank.....	25,000	12,000	467,464
Lytton—Farmers Savings Bank.....	30,000	10,000	470,034
Malcom—Malcom Savings Bank.....	50,000	30,000	542,363
Mapleton—Mapleton Trust & Savings Bank.....	75,000	9,000	713,516
Marshalltown—Marshalltown State Bank.....	100,000	50,000	2,648,163
Mason City—Commercial Savings Bank.....	100,000	25,000	1,763,271
Mediapolis—Commercial State Bank.....	50,000	17,500	665,417
Missouri Valley—State Savings Bank.....	50,000	10,000	559,127
Mondamin—Mondamin Savings Bank.....	35,000	7,000	397,726
Monticello—			
Lovell State Bank.....	200,000	100,000	1,360,960
Monticello State Bank.....	200,000	200,000	2,268,660
Moville—Moville State Bank.....	35,000	20,000	395,132
New Hampton—State Bank.....	50,000	40,000	822,020
Newton—			
Citizens State Bank.....	60,000	15,000	627,761
Jasper County Savings Bank.....	100,000	50,000	1,510,567

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 7—Continued.</b>			
IOWA—continued.			
Ogden—City State Bank.....	\$50,000	\$10,000	\$593,358
Osage—Home Trust & Savings Bank.....	50,000	25,000	613,702
Ottumwa—Ottumwa Savings Bank.....	100,000	30,000	1,575,033
Perry—Peoples Trust & Savings Bank.....	50,000	1,500	497,300
Remsen—Farmers Savings Bank.....	50,000	17,000	629,325
Riceville—Riceville State Bank.....	25,000	10,000	249,472
Roland—Farmers Savings Bank.....	35,000	25,000	552,570
Royal—Home State Bank.....	25,000	2,500	242,174
Sac City—			
Farmers Savings Bank.....	50,000	25,000	763,289
Sac County State Bank.....	75,000	75,000	1,218,958
Sibley—Sibley State Bank.....	50,000	15,000	783,175
Sioux Center—Sioux Center State Bank.....	25,000	35,000	347,358
Sioux City—Bankers Loan & Trust Co.....	100,000	8,000	655,468
Sutherland—First Savings Bank.....	50,000	5,000	423,923
Terril—Terril Savngs Bank.....	25,000	1,500	179,385
Thompson—State Bank of Thompson.....	30,000	8,000	295,062
Tipton—Farmers & Merchants.Savings Bank.....	50,000	15,000	617,033
Ute—State Savings Bank.....	50,000	15,000	361,365
Vail—Farmers State Bank.....	50,000	8,000	364,468
Wapello—Wapello State Savings Bank.....	30,000	10,000	563,252
Waterloo—Waterloo Bank & Trust Co.....	200,000	50,000	1,782,126
MICHIGAN.			
Adrian—			
Adrian State Savings Bank.....	120,000	100,000	2,262,880
Commercial Savings Bank.....	110,000	30,000	1,565,559
Lenawee County Savings Bank.....	150,000	50,000	2,276,838
Albion—			
Albion State Bank.....	50,000	40,000	1,106,027
Commercial & Savings Bank.....	75,000	40,000	1,023,737
Alpena—Alpena County Savings Bank.....	100,000	125,000	3,791,254
Ann Arbor—			
Farmers & Mechanics Bank.....	150,000	75,000	2,289,788
State Savings Bank.....	150,000	150,000	3,574,736
Armada—			
Armada State Bank.....	25,000	16,000	425,881
Farmers State Bank.....	25,000	8,500	325,322
Bay City—			
Bay City Bank.....	250,000	250,000	5,401,627
Farmers State Savings Bank.....	100,000	25,000	1,575,933
Peoples Commercial & Savings Bank.....	400,000	400,000	10,743,815
Bellevue—Farmers State Bank.....	25,000	5,000	154,196
Benton Harbor—Benton Harbor State Bank.....	100,000	29,000	1,821,730
Big Rapids—			
Big Rapids Savings Bank.....	50,000	10,000	801,910
Citizens State Bank.....	50,000	25,000	1,161,340
Birmingham—First State Savings Bank.....	40,000	15,000	1,106,007
Caledonia—State Bank of Caledonia.....	25,000	14,000	511,780
Caro—State Savings Bank.....	112,500	87,500	1,449,951
Carson City—Farmers & Merchants State Bank.....	25,000	5,000	360,319
Carsonville—The First State Bank.....	25,000	5,000	481,228
Cassopolis—Cass County State Bank.....	40,000	2,350	414,394
Charlotte—Eaton County Savings Bank.....	100,000	20,000	1,213,274
Chelsea—			
Farmers & Merchants Bank.....	25,000	25,000	705,936
Kempt Commercial & Savings Bank.....	40,000	40,000	882,361
Coloma—State Bank of Coloma.....	25,000	12,500	625,325
Coopersville—Peoples Savings Bank.....	25,000	1,600	356,103
Crosswell—First State Savings Bank.....	30,000	6,000	568,256
Davison—Davison State Bank.....	25,000	6,000	518,694
Dearborn—Dearborn State Bank.....	100,000	150,000	4,939,094
Detroit—			
American State Bank.....	500,000	200,000	13,644,876
Bank of Detroit.....	1,000,000	350,000	21,321,231
Central Savings Bank.....	1,000,000	200,000	17,907,902
Detroit Savings Bank.....	750,000	750,000	25,843,603
First State Bank.....	1,000,000	300,000	14,417,698
Peninsular State Bank.....	2,500,000	1,000,000	38,134,998
Peoples State Bank of Detroit.....	2,500,000	4,000,000	119,690,466
The Dime Savings Bank.....	1,000,000	1,300,000	38,093,426
United Savings Bank.....	500,000	175,000	6,517,627
Wayne County and Home Savings Bank.....	3,000,000	4,000,000	80,174,511
Edmore—Edmore State Bank.....	30,000	8,500	473,047
Elk Rapids—Elk Rapids State Bank.....	35,000	15,000	344,598
Evart—First State Savings Bank.....	50,000	10,000	792,878
Farmington—Farmington State Savings Bank.....	40,000	20,000	603,707
Fenton—			
Commercial Savings Bank.....	25,000	13,500	559,262
Fenton State Savings Bank.....	25,000	12,000	762,438



	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 7—Continued.</b>			
<b>MICHIGAN—continued.</b>			
<b>Flint—</b>			
Citizens Commercial & Savings Bank.....	\$150,000	\$210,000	\$4,839,972
Genesee County Savings Bank.....	500,000	300,000	10,792,676
Industrial Savings Bank.....	250,000	250,000	10,702,208
Union Trust & Savings Bank.....	100,000	160,000	5,513,784
Flushing—Peoples State Bank.....	25,000	15,000	329,887
Fountain—Bank of Fountain.....	25,000	5,000	190,298
Frankenmuth—Frankenmuth State Bank.....	50,000	25,000	977,288
<b>Fremont—</b>			
Fremont State Bank.....	25,000	25,000	650,405
Old State Bank.....	50,000	25,000	1,018,241
<b>Grand Haven—</b>			
Grand Haven State Bank.....	75,000	75,000	1,938,211
Peoples Savings Bank.....	50,000	22,000	810,362
<b>Grand Rapids—</b>			
City Trust & Savings Bank.....	200,000	40,000	2,769,424
Commercial Savings Bank.....	300,000	60,000	3,309,304
Grand Rapids Savings Bank.....	400,000	350,000	11,626,312
Kent State Bank.....	500,000	500,000	11,355,949
Peoples Savings Bank.....	200,000	100,000	2,551,847
Greenville—Commercial State Savings Bank.....	50,000	15,000	976,331
Hart—Oceana County Savings Bank.....	40,000	13,000	619,126
Highland Park—Highland Park State Bank.....	1,600,000	700,000	22,975,650
Hillsdale—Hillsdale Savings Bank.....	60,000	25,000	1,036,180
<b>Holland—</b>			
First State Bank.....	100,000	20,000	2,283,967
Holland City State Bank.....	100,000	50,000	1,775,915
Holly—First State & Savings Bank.....	30,000	60,000	1,437,916
Hopkins—The Hopkins State Bank.....	25,000	5,000	495,819
Howell—First State & Savings Bank.....	75,000	15,000	591,510
<b>Hudson—</b>			
Boise State Savings Bank.....	75,000	25,000	820,332
Thompson Savings Bank.....	100,000	50,000	1,475,230
<b>Imlay City—</b>			
Lapeer County Bank.....	50,000	10,000	1,117,493
Peoples State Bank.....	50,000	10,000	767,430
Ionia—State Savings Bank.....	100,000	100,000	1,596,172
<b>Jackson—</b>			
Central State Bank.....	100,000	26,000	1,986,627
Jackson State Savings Bank.....	100,000	100,000	2,715,606
Jonesville—Grosvenor Savings Bank.....	50,000	25,000	584,300
Lake Odessa—Lake Odessa State Savings Bank.....	25,000	12,500	392,830
<b>Lakeview—</b>			
Commercial State Savings Bank.....	25,000	3,250	236,424
Farmers & Merchants State Bank.....	25,000	5,000	297,827
Lansing—Lansing State Savings Bank.....	150,000	100,000	4,479,584
Lapeer—Lapeer Savings Bank.....	50,000	10,000	774,743
Lenox and Richmond—The Macomb County Savings Bank.....	50,000	10,000	894,872
Lowell—City State Bank.....	25,000	10,000	685,028
Ludington—Ludington State Bank.....	100,000	20,000	1,600,343
<b>Manchester—</b>			
Peoples Bank.....	25,000	15,000	563,755
Union Savings Bank.....	25,000	50,000	813,303
Manistee—Manistee County Savings Bank.....	100,000	100,000	2,236,988
Marcellus—G. W. Jones Exchange Bank.....	40,000	20,000	619,254
Marshall—Commercial Savings Bank.....	100,000	20,000	1,195,517
<b>Mason—</b>			
The Farmers Bank.....	50,000	10,000	576,790
First State & Savings Bank.....	25,000	15,000	671,090
Midland—Chemical State Savings Bank.....	50,000	5,000	827,035
Milan—Milan State Savings Bank.....	25,000	8,000	356,256
Milford—First State Bank.....	25,000	6,000	637,828
Monroe—B. Dansard & Sons State Bank.....	100,000	20,000	1,964,986
Morenci—Wakefield State Bank.....	50,000	30,000	921,857
Mount Clemens—Ulrich Savings Bank.....	100,000	100,000	2,381,062
<b>Mount Pleasant—</b>			
Exchange Savings Bank.....	50,000	30,000	1,152,846
Isabella County State Bank.....	60,000	9,000	1,370,559
<b>Nashville—</b>			
Farmers & Merchants Bank.....	30,000	35,000	761,350
State Savings Bank.....	25,000	5,750	411,603
Niles City—Niles City Bank.....	100,000	25,000	923,707
Northville—Lapham State Savings Bank.....	50,000	15,000	721,595
Onsted—Onsted State Bank.....	25,000	6,000	296,144
Paw Paw—Paw Paw Savings Bank.....	40,000	10,000	466,574
Petersburg—The H. C. McLachlin & Co. State Bank.....	25,000	5,000	500,640
Petoskey—First State Bank.....	60,000	12,000	985,617
<b>Pontiac—</b>			
American Savings Bank.....	200,000	50,000	2,559,143
First Commercial Bank.....	200,000	90,000	4,473,244
Pontiac Savings Bank.....	500,000	100,000	7,313,744

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 7—Continued.</b>			
<b>MICHIGAN—continued.</b>			
Port Huron—Federal Commercial & Savings Bank.....	\$150,000	\$50,000	\$5,428,410
Redford—Redford State Savings Bank.....	25,000	10,500	657,819
Rochester—Rochester Savings Bank.....	50,000	10,000	636,576
Rogers City—Presque Isle County Savings Bank.....	35,000	15,000	843,166
Romeo—Romeo Savings Bank.....	50,000	30,000	1,321,556
Royal Oak—			
First Commercial State Bank.....	25,000	15,000	888,289
Royal Oak Savings Bank.....	40,000	20,000	1,189,570
Saginaw—			
American State Bank.....	200,000	100,000	3,501,657
Bank of Saginaw.....	500,000	700,000	17,507,730
Saline—Saline Savings Bank.....	25,000	25,000	505,025
St. Charles—St. Charles State Bank.....	25,000	5,000	481,213
St. Clair—Commercial & Savings Bank.....	50,000	10,000	996,456
Saugatuck—Fruit Growers State Bank.....	50,000	15,000	699,924
South Haven—Citizens State Bank.....	100,000	50,000	1,369,701
Suttons Bay—Leelanau County Savings Bank.....	25,000	10,000	346,908
Tecumseh—			
Lilley State Bank.....	40,000	20,000	645,765
Tecumseh State Savings Bank.....	26,000	26,000	864,726
Traverse City—Traverse City State Bank.....	200,000	100,000	2,988,624
Vicksburg—			
Farmers State Bank.....	25,000	5,000	484,557
First State Bank.....	30,000	3,500	405,666
Warren—State Savings Bank of Warren.....	25,000	25,000	707,601
Washington—Washington Savings Bank.....	25,000	10,000	336,718
Wayne—Wayne Savings Bank.....	50,000	50,000	1,061,250
Williamston—			
Crossman & Williams State Bank.....	40,000	12,000	426,642
Williamston State Bank.....	50,000	10,000	492,418
<b>WISCONSIN.</b>			
Baraboo—Bank of Baraboo.....	100,000	50,000	1,924,125
Burlington—Bank of Burlington.....	125,000	25,000	1,795,826
Clinton—Citizens Bank.....	50,000	10,000	573,826
Delavan—Citizens Bank of Delavan.....	50,000	25,000	1,016,132
Green Lake—Green Lake State Bank.....	25,000	10,000	430,562
Kenosha—Merchants & Savings Bank.....	100,000	14,000	2,133,313
Kewaunee—State Bank of Kewaunee.....	60,000	15,000	993,135
Madison—Bank of Wisconsin.....	300,000	60,000	2,809,417
Milwaukee—			
American Exchange Bank.....	1,000,000	200,000	8,820,159
Badger State Bank.....	200,000	10,000	2,610,846
Marshall & Ilsley Bank.....	1,000,000	1,000,000	24,500,721
Second Ward Savings Bank.....	1,000,000	1,000,000	31,522,962
Mineral Point—Iowa County Bank.....	100,000	50,000	1,830,710
Mosinee—State Bank of Mosinee.....	45,000	25,000	582,152
Oakfield—Bank of Oakfield.....	25,000	10,000	337,289
Platteville—State Bank of Platteville.....	50,000	10,000	1,261,358
Plymouth—			
Plymouth Exchange Bank.....	100,000	40,000	1,241,455
State Bank of Plymouth.....	125,000	32,500	1,385,294
Sheboygan—			
Bank of Sheboygan.....	100,000	200,000	4,314,938
Citizens State Bank.....	200,000	125,000	3,084,727
Sturgeon Bay—Bank of Sturgeon Bay.....	50,000	10,000	1,876,348
Waupun—State Bank of Waupun.....	50,000	3,000	739,417
Wausau—Marathon County Bank.....	100,000	40,000	1,294,894
Winneconne—Union Bank.....	25,000	9,500	509,792
<b>Total.....</b>	<b>83,022,000</b>	<b>71,011,363</b>	<b>1,683,694,386</b>
<b>DISTRICT NO. 8.</b>			
<b>ARKANSAS.</b>			
Arkansas City—Desha Bank & Trust Co.....	100,000*	100,000	1,384,430
Batesville—			
Citizens Bank & Trust Co.....	50,000	15,000	578,065
Union Bank and Trust Co.....	75,000	12,000	1,373,673
Blytheville—Farmers Bank & Trust Co.....	50,000	35,000	906,970
Dardanelle—Dardanelle Bank & Trust Co.....	50,000	10,000	557,489
Dumas—Merchants & Farmers Bank.....	50,000	15,000	476,657
El Dorado—Bank of Commerce.....	50,000	5,000	131,927
England—Citizens Bank & Trust Co.....	100,000	10,000	691,795
Helena—Security Bank & Trust Co.....	100,000	50,000	2,058,994
Jonesboro—			
Bank of Jonesboro.....	150,000	150,000	3,533,192
Jonesboro Trust Co.....	100,000	50,000	1,646,547
Lake Village—Chicot Bank & Trust Co.....	100,000	21,000	955,274

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 8—Continued.</b>			
ARKANSAS—continued.			
Little Rock—			
American Bank of Commerce & Trust Co.....	\$750,000	\$150,000	\$14,394,354
Bankers Trust Co.....	250,000	25,000	3,964,766
Southern Trust Co.....	500,000	100,000	6,009,694
Union & Mercantile Trust Co.....	400,000	200,000	6,575,055
W. B. Worthen Co., Bankers.....	200,000	200,000	2,035,483
Magnolia—			
Columbia County Bank.....	50,000	11,500	593,714
Farmers Bank & Trust Co.....	50,000	30,000	1,086,435
Pine Bluff—Cotton Belt Savings & Trust Co.....	100,000	40,000	1,010,023
Prescott—First State Bank.....	50,000	1,500	340,976
Texarkana—Merchants & Planters Bank.....	200,000	14,000	1,234,384
Warren—Warren Bank.....	75,000	20,000	577,849
ILLINOIS.			
Belleville—Belleville Savings Bank.....	150,000	400,000	4,115,464
East St. Louis—			
Illinois State Bank.....	400,000	60,000	5,227,813
Union Trust & Savings Bank.....	200,000	50,000	2,733,136
Edwardsville—Citizens State & Trust Bank.....	60,000	36,000	896,611
Effingham—Effingham State Bank.....	50,000	10,000	1,017,231
Gillespie—Gillespie Trust & Savings Bank.....	50,000	15,000	771,013
Greenville—State Bank of Hoiles & Sons.....	100,000	30,000	1,412,506
Lebanon—State Bank of Lebanon.....	50,000	5,000	320,497
Litchfield—Litchfield Bank & Trust Co.....	100,000	10,000	863,068
Louisville—Clay County State Bank.....	25,000	7,500	225,254
Madison—Union Trust Co.....	50,000		166,296
Quincy—State Savings Loan & Trust Co.....	1,000,000	200,000	9,273,119
INDIANA.			
Evansville—Mercantile Commercial Bank.....	200,000	100,000	2,549,260
Paoli—Paoli State Bank.....	25,000	1,750	403,705
KENTUCKY.			
Harrodsburg—State Bank & Trust Co.....	100,000	21,000	682,754
Louisville—			
Kentucky Title Savings Bank & Trust Co.....	350,000	70,000	7,866,749
Liberty Insurance Bank.....	500,000	750,000	14,134,528
Lincoln Savings & Trust Co.....	500,000	100,000	3,142,808
Owensboro—Central Trust Co.....	200,000	40,000	1,747,485
MISSOURI.			
Bowling Green—Pike County Bank.....	25,000	6,750	326,713
Clayton—Farmers & Commercial Savings Bank.....	75,000	7,500	229,132
Jefferson City—Exchange Bank of Jefferson City.....	100,000	20,000	1,312,041
Lexington—Lafayette County Trust Co.....	75,000	15,000	307,285
Linn Creek—Camden County Bank.....	25,000	35,000	322,890
Macon—State Exchange Bank of Macon.....	100,000	20,000	1,001,647
Maplewood—Bank of Maplewood.....	50,000	7,200	555,185
Marshall—Wood & Huston Bank.....	100,000	150,000	2,037,632
St. Louis—			
American Trust Co.....	1,000,000	128,000	9,770,405
Farmers & Merchants Trust Co.....	200,000	30,000	3,337,187
Franklin Bank.....	600,000	800,000	11,311,079
International Bank of St. Louis.....	500,000	500,000	9,137,875
Lafayette South Side Bank.....	800,000	400,000	16,531,746
Liberty Bank.....	1,500,000	1,000,000	20,869,508
Mercantile Trust Co.....	3,000,000	7,000,000	63,343,189
Mississippi Valley Trust Co.....	3,000,000	3,500,000	39,333,195
United States Bank.....	1,000,000	700,000	15,998,957
Versailles—Bank of Versailles.....	75,000	7,000	577,984
Waynesville—Bank of Waynesville.....	25,000	5,000	562,378
TENNESSEE.			
Brownsville—First State Bank.....	200,000	20,000	1,890,063
Dyer—The Farmers & Merchants Bank.....	40,000	18,941	385,093
Dyersburg—Citizens Bank.....	50,000	50,000	1,380,171
Memphis—			
Bank of Commerce & Trust Co.....	1,500,000	1,500,000	28,944,780
Commercial Trust & Savings Bank.....	350,000	175,000	7,290,960
Guaranty Bank & Trust Co.....	500,000	30,500	5,179,142
Union & Planters Bank & Trust Co.....	1,800,000	500,000	40,805,303
Total.....	24,400,000	19,797,141	392,409,088

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 9.</b>			
MICHIGAN.			
Gladstone—Gladstone State Savings Bank.....	\$50,000	\$15,000	\$1,210,750
Gwinn—Gwinn State Savings Bank.....	25,000	15,000	352,115
Iron Mountain—Commercial Bank.....	100,000	50,000	1,365,807
Laurium—State Savings Bank.....	100,000	125,000	1,288,920
Menominee—The Commercial Bank.....	100,000	20,000	717,494
Sault Ste Marie—			
Central Savings Bank.....	100,000	20,600	956,817
Sault Savings Bank.....	100,000	35,000	1,532,398
MINNESOTA.			
Benson—Swift County Bank.....	50,000	50,000	1,545,254
Clarkfield—Clarkfield State Bank.....	50,000	10,000	1,041,544
Jeffers—State Bank of Jeffers.....	25,000	10,000	383,034
Lake City—Lake City Bank of Minnesota.....	50,000	50,000	851,239
Lewiston—Security State Bank.....	25,000	30,000	897,673
Luverne—Rock County Bank.....	50,000	10,000	580,667
Madelia—State Bank of Madelia.....	50,000	10,000	727,533
Minneapolis—			
North American Bank.....	200,000	200,000	5,971,419
St. Anthony Falls Bank.....	300,000	109,000	5,402,091
Wells-Dickey Trust Co.....	500,000	30,000	2,582,253
New Richland—State Bank of New Richland.....	50,000	10,000	683,621
Red Wing—First Security Bank.....	125,000	60,000	1,477,854
Revere—State Bank of Revere.....	30,000	30,000	219,570
St. Paul—			
Central Bank.....	200,000	40,000	2,873,458
Midland Trust & Savings Bank.....	456,422	74,060	895,493
Peoples Bank.....	300,000	60,000	2,747,397
South St. Paul—			
Drovers State Bank.....	100,000	59,000	1,987,173
Exchange State Bank.....	125,000	25,000	446,881
Spring Valley—			
Farmers State Bank.....	25,000	5,000	335,285
First State Bank.....	30,000	30,000	742,664
Waconia—Farmers State Bank.....	25,000	8,500	441,036
Westbrook—Citizens State Bank.....	25,000	8,000	294,926
Willmar—Kandiyohi County Bank.....	100,000	20,000	1,974,990
Winona—			
Deposit Bank of Winona.....	400,000	100,000	4,771,830
Merchants Bank of Winona.....	200,000	50,000	3,802,531
MONTANA.			
Billings—Security Trust & Savings Bank.....	100,000		1,034,349
Bozeman—			
Gallatin Trust & Savings Bank.....	100,000	25,000	995,522
Security Bank & Trust Co.....	190,000		270,554
Broadus—Powder River County Bank.....	25,000		196,702
Denton—Denton State Bank.....	25,000	4,000	210,676
Dillon—			
Beaverhead State Bank.....	50,000		271,522
Security State Bank.....	50,000	3,700	234,530
Ennis—Southern Montana Bank.....	25,000	20,000	398,854
Hamilton—Ravalli County Bank.....	50,000	12,500	672,449
Helena—			
Conrad Trust & Savings Bank.....	200,000	100,000	2,511,780
Union Bank & Trust Co.....	250,000	150,000	5,298,137
Hingham—Hingham State Bank.....	35,000	6,000	230,687
Hinsdale—Valley County Bank.....	25,000	5,000	203,497
Inverness—Inverness State Bank.....	25,000	3,000	185,391
Laurel—American Bank of Laurel.....	25,000	2,500	162,669
Lewistown—			
Bank of Fergus County.....	250,000	250,000	3,736,661
Empire Bank & Trust Co.....	100,000	20,000	1,040,729
Lewistown State Bank.....	50,000	20,000	443,539
Missoula—American Bank & Trust Co.....	100,000	11,500	1,887,218
Nashua—State Bank of Nashua.....	25,000	3,000	277,361
Opheim—First State Bank of Opheim.....	25,000	5,000	254,319
Park City—Park City State Bank.....	40,000		359,379
Reed Point—Reed Point State Bank.....	25,000	5,000	188,368
Roundup—Citizens State Bank.....	50,000	35,000	841,224
Sidney—Yellowstone Valley Bank & Trust Co.....	103,600	19,000	629,691
White Sulphur Springs—Central State Bank.....	60,000	15,000	409,027
NORTH DAKOTA.			
Enderlin—Enderlin State Bank.....	50,000	10,000	582,204
Fargo—Northern Savings Bank.....	100,000	25,000	2,261,024
Hettinger—Hettinger State Bank.....	25,000	5,000	354,767
Noonan—Security State Bank.....	25,000	5,000	444,871

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 9—Continued.</b>			
SOUTH DAKOTA.			
Belle Fourche—Butte County Bank .....	\$75,000	\$25,000	\$1,386,611
Brookings—Bank of Brookings .....	150,000	25,000	3,228,105
Camp Crook—Little Missouri Bank .....	25,000	5,000	711,737
Chamberlain—Brule State Bank .....	50,000	10,000	885,993
Groton—Brown County Banking Co. ....	25,000	10,000	774,138
Hocla—Farmers & Merchants State Bank ..	25,000	5,000	357,789
Mitchell—Commercial Trust & Savings Bank..	100,000	10,000	1,353,187
Newell—Reclamation State Bank .....	25,000	2,000	301,343
Sioux Falls—			
Commercial & Savings Bank .....	500,000	.....	1,578,355
Sioux Falls Savings Bank .....	300,000	32,000	6,332,140
South Shore—South Shore Bank .....	25,000	3,500	286,779
Stratford—First State Bank .....	30,000	1,000	474,122
Timber Lake—Stock Growers State Bank ..	25,000	5,000	340,537
Webster—Security Bank & Trust Co. ....	60,000	25,000	1,811,571
WISCONSIN.			
Arcadia—Bank of Arcadia .....	50,000	7,500	724,155
Balsam Lake—Polk County Bank .....	25,000	5,000	297,162
Boyceville—Bank of Boyceville .....	30,000	5,300	451,593
Ellsworth—Bank of Ellsworth .....	50,000	15,000	1,119,911
Glenwood City—First State Bank .....	42,000	600	375,792
Grantsburg—First Bank of Grantsburg .....	50,000	3,000	685,918
Merrill—Lincoln County Bank .....	100,000	35,000	1,622,173
New Richmond—Bank of New Richmond .....	35,000	15,000	835,811
West Salem—La Crosse County Bank .....	30,000	7,500	557,940
Whitehall—Peoples State Bank .....	30,000	6,000	551,585
Total .....	8,033,422	2,360,160	104,794,215
<b>DISTRICT NO. 10.</b>			
COLORADO.			
Denver—			
American Bank & Trust Co. ....	500,000	193,500	7,669,261
International Trust Co. ....	500,000	500,000	13,421,652
Fort Lupton—Fort Lupton State Bank .....	25,000	5,000	453,437
KANSAS.			
Anthony—Home State Bank .....	25,000	1,500	174,605
Fairview—Fairview State Bank .....	30,000	17,000	302,644
Fort Scott—Fort Scott State Bank .....	100,000	32,000	1,692,413
Hiaawatha—Morrill & James Bank .....	100,000	50,000	1,162,173
Liberal—The Citizens State Bank .....	50,000	17,000	515,068
Topeka—Kansas Reserve State Bank .....	200,000	55,200	2,444,872
Wichita—			
Southwest State Bank .....	200,000	50,000	2,115,997
The State Savings & Mercantile Bank ..	200,000	20,000	1,786,824
Winfield—State Bank of Winfield .....	100,000	50,000	1,846,893
MISSOURI.			
Joplin—Conqueror Trust Co. ....	150,000	75,000	2,380,562
Kansas City—			
Commerce Trust Co. ....	1,000,000	1,000,000	41,465,657
Live Stock State Bank .....	200,000	37,500	2,148,302
Savannah—The Wells-Hine Trust Co. ....	100,000	3,000	688,938
South St. Joseph—St. Joseph Stock Yards Bank..	250,000	100,000	4,894,006
NEBRASKA.			
Allen—Farmers State Bank .....	30,000	6,000	288,296
Broken Bow—Custer State Bank .....	35,000	7,000	534,538
Chappell—Chappell State Bank .....	25,000	25,000	665,833
Cozad—Farmers State Bank .....	50,000	10,000	780,807
David City—Butler County State Bank .....	50,000	15,000	455,910
Elgin—Elgin State Bank .....	80,000	20,000	1,009,447
Genoa—Farmers State Bank .....	25,000	1,250	231,008
Kilgore—Kilgore State Bank .....	25,000	5,100	299,747
Lewellen—Bank of Lewellen .....	50,000	1,713	381,007
Lincoln—American State Bank .....	100,000	.....	956,576
Neligh—Security State Bank .....	25,000	5,000	258,890
North Bend—First State Bank .....	25,000	15,000	567,355
Ord—Nebraska State Bank .....	35,000	12,000	520,161
Pender—Pender State Bank .....	85,000	19,000	747,597
St. Edward—Farmers State Bank .....	25,000	1,250	257,139
Sidney—American Bank .....	100,000	25,000	1,348,161
Wayne—State Bank of Wayne .....	50,000	15,000	1,182,246
Western—Saline County Bank .....	30,000	30,000	350,800

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 10—Continued.</b>			
NEW MEXICO.			
Aztec—The Citizens Bank.....	\$40,000	\$10,000	\$267,895
Santa Fe—Capital City Bank.....	50,000	10,000	378,877
OKLAHOMA.			
Chelsea—Bank of Chelsea.....	50,000	6,000	739,919
Clinton—The First State Bank.....	50,000	5,500	698,095
Cordell—Cordell State Bank.....	30,000	3,000	449,902
Goltry—Bank of Goltry.....	25,000	2,500	190,244
Locust Grove—First State Bank.....	25,000	8,500	230,098
Oklahoma City—Tradesmens State Bank.....	200,000	50,000	5,171,057
Okmulgee—Guaranty State Bank.....	200,000	20,000	2,619,633
Pawhuska—Stockgrowers State Bank.....	60,000	6,000	301,305
Ponca City—Security State Bank.....	300,000	15,000	2,538,794
WYOMING.			
Cheyenne—Cheyenne State Bank.....	100,000	20,000	517,969
Total.....	5,705,000	2,576,513	110,103,110
<b>DISTRICT NO. 11.</b>			
ARIZONA.			
Safford—Bank of Safford.....	33,000	40,000	740,902
Tombstone—Cochise County State Bank.....	30,000	10,000	349,745
LOUISIANA.			
Monroe—Central Savings Bank & Trust Co.....	250,000	62,500	2,119,517
Shreveport—Continental Bank & Trust Co.....	300,000	50,000	3,988,581
NEW MEXICO.			
Albuquerque—American Trust & Savings Bank.....	100,000	50,000	935,369
Corona—Stockmen's State Bank.....	30,000	5,000	162,257
Lovington—First Territorial Bank.....	30,000	50,000	310,690
Mountainair—Mountainair State Bank.....	25,000	10,000	229,025
Portales—Security State Bank.....	25,000	5,000	263,769
OKLAHOMA.			
Fort Towson—First State Bank.....	50,000	15,000	560,935
Valliant—Farmers State Guaranty Bank.....	50,000	21,000	674,792
TEXAS.			
Alpine—Alpine State Bank.....	30,000	35,000	385,721
Alto—Alto State Bank.....	25,000	10,000	244,809
Anson—Anson State Bank.....	35,000	11,000	788,780
Avery—Avery State Bank.....	25,000	5,000	173,088
Ballinger—Ballinger State Bank & Trust Co.....	60,000	10,000	343,769
Beaumont—			
Guaranty Bank & Trust Co.....	100,000	20,000	1,891,960
Texas Bank & Trust Co.....	250,000	127,500	3,394,636
Beeville—Beeville Bank & Trust Co.....	50,000	27,000	427,832
Bomarton—First State Bank.....	25,000	2,500	418,637
Bonham—			
Fannin County Bank.....	100,000	50,000	1,502,051
First State Bank of Bonham.....	200,000	100,000	1,450,642
Bremond—First State Bank.....	50,000	11,000	399,188
Brownfield—Brownfield State Bank.....	25,000	25,000	386,804
Canyon—First State Bank.....	32,000	1,000	343,286
Childress—Farmers & Mechanics State Bank.....	50,000	40,000	1,247,962
Collinsville—First Guaranty State Bank.....	25,000	7,000	369,346
Colorado—First State Bank.....	30,000	3,000	254,541
Commerce—Citizens State Bank.....	25,000	5,000	329,899
Corseicana—First State Bank.....	100,000	20,000	1,233,188
Crowell—First State Bank.....	30,000	23,000	497,926
Cuero—First State Bank & Trust Co.....	100,000	42,000	703,181
Dallas—Central State Bank.....	500,000	131,000	5,657,809
DeKalb—First State Bank.....	50,000	25,000	586,076
Denison—Denison Bank & Trust Co.....	160,000	42,500	3,328,644
Denton—First Guaranty State Bank.....	50,000	5,000	437,344
Edgewood—Farmers & Merchants State Bank.....	35,000	5,500	244,311
El Paso—El Paso Bank & Trust Co.....	200,000	10,000	2,484,798
Ferris—Farmers & Merchants State Bank.....	50,000	12,000	301,494
Flatonla—Flatonla State Bank.....	50,000		485,235
Franklin—First State Bank.....	30,000	10,000	367,323
Frost—The Citizens State Bank.....	25,000	50,000	321,543

	Capital.	Surplus.†	Total resources.
<b>DISTRICT NO. 11—Continued.</b>			
TEXAS—continued.			
Galveston—South Texas State Bank .....	\$150,000	\$30,000	\$3,389,578
Gatesville—Guaranty State Bank & Trust Co. ....	50,000	8,000	490,268
Gilmer—Gilmer State Bank .....	50,000	13,500	310,852
Goldthwaite—Trent State Bank .....	50,000	25,000	386,400
Gonzales—Gonzales State Bank & Trust Co. ....	75,000	25,000	572,291
Graford—First State Bank .....	50,000	10,000	291,712
Grand Prairie—			
First State Bank .....	40,000	20,200	298,553
Guaranty State Bank .....	25,000		108,675
Hamlin—First State Bank .....	40,000	10,000	538,438
Henderson—First State Bank .....	25,000	15,000	242,842
Hereford—First State Bank & Trust Co. ....	50,000	50,000	662,670
Hillsboro—First State Bank .....	150,000	15,000	720,110
Italy—Farmers State Bank .....	50,000	15,000	550,364
Jacksonville—			
Farmers Guaranty State Bank .....	50,000	12,000	334,182
First Guaranty State Bank .....	62,500	15,625	531,726
Junction—Junction State Bank .....	50,000	60,000	827,847
Kerens—First State Bank .....	50,000	30,000	419,627
Killeen—First State Bank .....	25,000	8,000	487,451
Kirkland—First State Bank .....	25,000	15,000	508,142
Ladonia—First State Bank .....	25,000	12,500	581,278
Lamesa—First State Bank .....	30,000	20,000	685,052
Leonard—First State Bank .....	50,000	7,500	480,014
Lockney—Lockney State Bank .....	25,000	10,000	582,506
Loraine—First State Bank .....	30,000	15,000	475,010
Lorenzo—First State Bank .....	25,000	700	527,795
Lubbock—			
Lubbock State Bank .....	100,000	25,000	1,338,715
Security State Bank & Trust Co. ....	100,000		587,162
Memphis—Citizens State Bank .....	75,000	37,500	1,058,633
Mount Calm—First State Bank .....	25,000	10,000	162,059
Mount Pleasant—Guaranty State Bank .....	60,000	20,000	812,247
Nacogdoches—Commercial Guaranty State Bank ..	100,000	25,000	1,557,644
Normangee—First State Bank .....	25,000	25,000	223,707
Paducah—First State Bank .....	50,000	50,000	695,147
Palmer—First Guaranty State Bank .....	25,000	15,000	225,308
Pampa—Gray County State Bank .....	25,000		293,769
Paris—			
First State Bank .....	150,000	75,000	1,963,398
Lamar State Bank & Trust Co. ....	150,000	25,000	3,522,750
Pecos—Pecos Valley State Bank .....	110,000	32,000	674,426
Post City—First State Bank .....	25,000	300	190,767
Quanah—First Guaranty State Bank .....	100,000	50,000	1,266,356
Ralls—			
First State Bank .....	25,000	2,500	257,670
Guaranty State Bank & Trust Co. ....	60,000	1,000	594,100
Reagan—First State Bank .....	25,000	10,000	169,984
Richardson—Citizens State Bank .....	35,000	500	272,762
Rockwall—Guaranty State Bank .....	35,000	2,500	848,216
Royse—First State Bank .....	50,000	25,000	258,660
Rusk—Farmers & Merchants State Bank .....	25,000	17,500	444,762
Sabinal—First State Bank .....	30,000	30,000	367,103
San Augustine—Commercial Guaranty State Bank ..	50,000	3,000	315,183
Santa Anna—First State Bank .....	35,000	13,000	425,533
Savoy—First State Bank .....	25,000	6,500	229,858
Seymour—First Guaranty State Bank .....	35,000	3,150	171,956
Shamrock—Farmers & Merchants State Bank .....	50,000	50,000	539,924
Sinton—Bank of Commerce .....	25,000	12,500	381,407
Snyder—First State Bank & Trust Co. ....	50,000	25,000	382,422
Spearman—Guaranty State Bank .....	25,000	3,000	74,723
Stamford—First State Bank .....	55,000	15,000	1,125,468
Sweetwater—Texas Bank & Trust Co. ....	100,000	75,000	767,655
Terrell—First State Bank .....	100,000	65,000	1,514,824
Tioga—First Guaranty State Bank .....	30,000	10,000	282,080
Trenton—Guaranty State Bank .....	25,000	6,500	151,665
Troup—Guaranty State Bank .....	25,000	20,000	318,125
Tyler—			
Guaranty State Bank .....	200,000	60,000	1,406,428
Peoples Guaranty State Bank .....	100,000	30,000	916,928
Valley View—First Guaranty State Bank .....	25,000	10,000	163,792
Weatherford—First State Bank .....	125,000	17,000	1,728,190
Wellington—Wellington State Bank .....	50,000	40,000	904,881
Wharton—Security Bank & Trust Co. ....	50,000	7,000	453,469
White Deer—First State Bank .....	25,000	500	570,569
Winnboro—Merchants & Planters State Bank .....	30,000	30,000	803,298
Wolfe City—First State Bank .....	50,000	25,000	659,692
Wylie—First State Bank .....	50,000	25,000	401,380
<b>Total.....</b>	<b>7,432,500</b>	<b>2,658,475</b>	<b>89,315,568</b>

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 12.</b>			
ARIZONA.			
Buckeye—Buckeye Valley Bank .....	\$25,000	\$3,500	\$170,881
Phoenix—The Valley Bank .....	500,000	100,000	6,456,256
CALIFORNIA.			
Alameda—Alameda Savings Bank .....	236,300	125,000	4,228,830
Cedarville—Surprise Valley Bank .....	25,000	25,000	346,183
Fullerton—Standard Bank of Orange County .....	50,000		67,042
Los Angeles—			
Guaranty Trust & Savings Bank .....	1,500,000	1,000,000	28,216,489
Los Angeles Trust & Savings Bank .....	1,500,000	1,725,000	36,001,546
Security Trust & Savings Bank .....	1,800,000	1,100,000	62,634,439
Norwalk—Bank of Norwalk .....	25,000	10,000	407,185
Placerville—The A. Mierson Banking Co. ....	53,000	71,000	1,391,659
St. Helena—Bank of St. Helena .....	75,000	29,500	812,899
San Bruno—California Bank of San Mateo County .....	25,000		27,500
San Fernando—The San Fernando Valley Savings Bank .....	25,000	3,000	172,009
San Francisco—			
Anglo-California Trust Co. ....	1,500,000	700,000	24,428,237
Bank of Italy .....	6,000,000	1,500,000	131,862,820
French American Bank of Savings .....	1,000,000	250,000	14,836,458
Italian American Bank .....	1,000,000	142,500	11,404,786
The San Francisco Savings & Loan Society .....	1,000,000	2,300,000	63,118,056
Savings Union Bank & Trust Co. ....	1,500,000	1,625,000	47,132,254
Santa Barbara—Commercial Trust & Savings Bank .....	632,500	175,000	7,376,160
Santa Monica—			
Bank of Santa Monica .....	140,000	61,000	2,301,621
Ocean Park Bank .....	114,500	17,700	1,577,811
Sausalito—Bank of Sausalito .....	50,000	7,000	615,839
Stockton—Farmers & Merchants Bank .....	640,000	220,000	6,411,752
IDAHO.			
Arco—Butte County Bank .....	25,000		28,750
Ashton—Security State Bank .....	50,000	15,000	625,980
Bellevue—Bellevue State Bank .....	30,000	8,000	322,011
Blackfoot—Blackfoot City Bank .....	50,000	10,000	627,356
Cambridge—Peoples Bank .....	40,000	4,000	434,909
Drummond—First State Bank .....	25,000		86,872
Eagle—Bank of Eagle .....	25,000	1,250	248,625
Emmett—Bank of Emmett .....	60,000	15,000	921,913
Filet—Farmers & Merchants Bank .....	25,000		240,386
Genesee—Genesee Exchange Bank .....	25,000	12,500	824,643
Gooding—Citizens State Bank .....	25,000	12,500	509,196
Grangeville—Bank of Camas Prairie .....	50,000	50,000	927,076
Idaho Falls—			
Anderson Bros. Bank .....	100,000	100,000	2,767,315
Farmers & Merchants Bank .....	150,000	15,000	2,194,794
Kimberly—Bank of Kimberly .....	35,000	11,000	490,218
May—Union Central Bank .....	30,000	1,700	134,255
Menan—Jefferson State Bank .....	25,000		157,894
Meridian—Meridian State Bank .....	25,000		238,648
Murtaugh—Bank of Murtaugh .....	25,000	2,500	153,133
Nezperce—Union State Bank .....	50,000	10,000	413,681
Oakley—Farmers Commercial & Savings Bank .....	25,000	10,000	304,076
Orofino—Bank of Orofino .....	25,000	5,000	430,272
Picabo—Picabo State Bank .....	25,000	2,500	209,140
Pocatello—			
Citizens Bank .....	100,000	20,000	1,612,815
Stockgrowers Bank & Trust Co. ....	155,500	14,000	2,094,324
Potlatch—Potlatch State Bank .....	50,000	10,000	873,663
Rexburg—Farmers & Merchants Bank .....	50,000	10,000	466,232
St. Anthony—St. Anthony Bank & Trust Co. ....	30,000	24,000	733,526
Star—The Farmers Bank .....	25,000	5,000	278,192
Sugar City—Freemont County Bank .....	25,000	4,000	312,693
Sweet—Farmers & Stockgrowers Bank .....	25,000	350	174,271
Teton City—First State Bank .....	30,000		114,405
Twin Falls—Twin Falls Bank & Trust Co. ....	100,000	50,000	2,719,395
Victor—Victor State Bank .....	25,000	2,500	210,068
OREGON.			
Astoria—Scandinavian American Bank .....	100,000	15,000	1,942,311
Enterprise—Enterprise State Bank .....	50,000	15,000	630,878
Hood River—Butler Banking Co. ....	100,000	20,000	1,399,617
Joseph—First Bank of Joseph .....	50,000	10,500	435,255
Marshfield—			
Bank of Southwestern Oregon .....	100,000	12,500	1,077,747
Scandinavian American Bank .....	25,000	5,000	334,292



	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 12—Continued.</b>			
OREGON—continued.			
Moro—Farmers State Bank.....	\$25,000	\$3,900	\$352,133
North Portland—Live Stock State Bank.....	100,000	25,000	2,370,276
Oregon City—Bank of Oregon City.....	100,000	50,000	1,817,366
Pendleton—The Inland Empire Bank.....	250,000	.....	946,203
Portland—			
Hibernia Savings Bank.....	200,000	100,000	5,051,535
Ladd & Tilton Bank.....	1,000,000	1,000,000	30,100,367
Tillamook—Tillamook County Bank.....	40,000	10,000	673,554
UTAH.			
Brigham City—Security Savings Bank.....	50,000	15,000	729,233
Cedar City—			
Bank of Southern Utah.....	75,000	65,000	710,865
Iron Commercial & Savings Bank.....	50,000	2,500	262,614
Delta—Delta State Bank.....	25,000	6,000	423,606
Duchesne—Bank of Duchesne.....	25,000	2,500	225,941
Helper—Helper State Bank.....	50,000	25,000	524,059
Kaysville—Barnes Banking Co.....	50,000	70,000	478,435
Logan—			
Cache Valley Banking Co.....	100,000	23,000	1,168,529
Farmers & Merchants Savings Bank.....	100,000	17,500	573,082
Thatcher Bros. Banking Co.....	150,000	50,000	1,869,328
Magna-Magna Banking Co.....	25,000	3,000	171,126
Monticello—Monticello State Bank.....	25,000	2,500	101,779
Myton—The Myton State Bank.....	25,000	10,000	275,665
Ogden—Ogden Savings Bank.....	150,000	150,000	1,946,656
Payson—Payson Exchange Savings Banks.....	50,000	25,000	896,118
Price—			
Carbon County Bank.....	89,569	6,671	314,888
Price Commercial & Savings Bank.....	50,000	60,000	879,818
Provo—			
Farmers & Merchants Bank.....	100,000	5,000	1,128,731
Knight Trust & Savings Bank.....	300,000	25,000	2,659,286
Richfield—			
James M. Peterson Bank.....	50,000	40,000	1,003,592
State Bank of Sevier.....	45,000	45,000	786,450
Salt Lake City—			
Deseret Savings Bank.....	500,000	300,000	6,133,613
McCormick & Co., Bankers.....	600,000	120,000	14,330,453
Tracy Loan & Trust Co.....	222,600	103,500	733,062
Utah Savings & Trust Co.....	300,000	25,329	2,113,206
Walker Bros., Bankers.....	500,000	100,000	13,178,239
Spanish Fork—Commercial Bank.....	50,000	10,000	387,987
Vernal—Bank of Vernal.....	60,000	15,000	625,200
WASHINGTON.			
Albion—Albion State Bank.....	25,000	6,000	182,639
Almira—			
Almira State Bank.....	50,000	10,000	589,513
Farmers State Bank.....	25,000	6,000	294,864
Centralia—Centralia State Bank.....	100,000	10,000	618,683
Chehalis—Coffman Dobson Bank & Trust Co.....	150,000	100,000	2,480,069
Cofax—First Savings & Trust Bank of Whitman County.....	50,000	15,000	591,889
Ellensburg—The Farmers Bank.....	50,000	50,000	1,684,726
Enumclaw—			
Peoples State Bank.....	25,000	6,250	486,240
State Bank of Enumclaw.....	30,000	10,000	686,502
Farmington—Bank of Farmington.....	25,000	5,000	371,978
Hoquiam—Lumbermans Bank.....	100,000	15,500	1,252,625
Lacrosse—			
First State Bank.....	60,000	30,000	801,351
Security State Bank.....	30,000	6,045	208,737
Molson—Molson State Bank.....	25,000	5,000	329,286
Odessa—Farmers & Merchants Bank.....	25,000	3,000	412,457
Port Townsend—Merchants Bank.....	75,000	25,000	946,951
Pullman—Pullman State Bank.....	37,500	10,000	714,487
Reardan—Farmers State Bank.....	50,000	20,000	732,602
Renton—			
The Citizens Bank of Renton.....	25,000	5,000	684,907
Renton State Bank.....	25,000	2,500	94,138
Rosalia—Bank of Rosalia.....	25,000	5,000	500,893
St. John—Farmers State Bank.....	25,000	4,000	412,637
Seattle—			
Dexter Horton Trust & Savings Bank.....	400,000	100,000	8,158,744
The Marine Bank.....	200,000	50,000	800,124
Metropolitan Bank.....	200,000	100,000	4,781,785
Scandinavian American Bank.....	1,000,000	500,000	22,839,861
South Bellingham—Northwestern State Bank.....	100,000	70,000	2,071,342

	Capital.	Surplus.	Total resources.
<b>DISTRICT NO. 12—Continued.</b>			
WASHINGTON—continued.			
Spokane—			
Spokane & Eastern Trust Co. ....	\$1,000,000	\$200,000	\$15,218,957
The Washington Trust Co. ....	200,000	40,000	1,196,810
Stanwood—			
Bank of Stanwood. ....	25,000	10,000	691,943
Citizens State Bank. ....	25,000	2,500	105,720
Tekoa—			
Citizens State Bank. ....	25,000	12,000	582,481
Tekoa State Bank. ....	30,000	15,000	539,605
Toppenish—			
Central Bank of Toppenish. ....	50,000	20,000	662,174
Traders Bank. ....	25,000	10,000	358,787
Walla Walla—Farmers Savings Bank. ....	200,000	40,000	2,254,332
Wilbur—The State Bank of Wilbur. ....	50,000	10,000	729,059
Yakima—Yakima Valley Bank. ....	100,000	23,000	2,364,388
Total. ....	31,596,469	15,757,195	655,576,800

*Statement showing membership of State banks and trust companies in the Federal Reserve System up to and including Dec. 31, 1919, classified by districts as to number of banks, capital, surplus, and resources.*

District.	Number of banks.	Capital.	Surplus.	Total resources.
No. 1—Boston. ....	36	\$30,475,000	\$33,758,000	\$692,319,838
No. 2—New York. ....	122	138,803,200	168,184,861	4,207,562,560
No. 3—Philadelphia. ....	38	23,225,000	47,102,000	359,317,169
No. 4—Cleveland. ....	97	36,152,425	63,597,560	782,901,856
No. 5—Richmond. ....	46	11,592,750	7,387,090	163,570,888
No. 6—Atlanta. ....	64	21,216,000	13,363,245	367,145,101
No. 7—Chicago. ....	326	83,022,000	71,011,363	1,683,694,386
No. 8—St. Louis. ....	68	24,400,000	19,797,141	392,409,088
No. 9—Minneapolis. ....	86	8,033,422	2,360,160	104,794,215
No. 10—Kansas City. ....	47	5,705,000	2,576,513	110,103,110
No. 11—Dallas. ....	114	7,432,500	2,658,475	89,315,563
No. 12—San Francisco. ....	137	31,596,469	15,757,195	655,576,800
Total. ....	1,181	421,653,766	447,553,603	9,608,710,574

Abstract of condition reports of State bank and trust company members of the Federal Reserve system as of Dec. 31, 1918, Mar. 4, June 30, Nov. 17 and Dec. 31, 1919.

[In thousands of dollars.]

	Dec. 31, 1918— 930 banks.	Mar. 4, 1919— 969 banks.	June 30, 1919— 1,042 banks.	Nov. 17, 1919— 1,135 banks.	Dec. 31, 1919— 1,181 banks.
<b>RESOURCES.</b>					
Loans and discounts.....	3,630,678	3,731,973	4,318,722	5,046,940	5,249,833
Overdrafts.....	3,383	3,120	3,044	5,827	5,362
Customers' liability under letters of credit.....	12,959	8,352	11,768	1,193	1,016
Customers' liability account of acceptances.....	168,713	168,964	179,925	196,090	231,019
Liberty bonds (exclusive of Liberty bonds borrowed).....	375,045	311,424	293,548	329,800	335,752
Other United States bonds (exclusive of United States bonds borrowed).....	3,883	6,547	15,897	5,954	9,851
United States Victory notes.....			191,633	150,909	131,057
United States certificates of indebtedness.....	321,977	819,012	360,286	293,217	307,026
War savings and thrift stamps actually owned.....	1,714	1,145	975	1,254	1,327
Stock of Federal Reserve Bank.....	22,545	22,983	23,661	25,384	25,850
Other bonds, stocks, etc. (exclusive of securities borrowed).....	1,097,597	1,132,795	1,131,988	1,268,888	1,300,952
Banking house.....	105,050	106,510	115,219	129,154	132,434
Furniture and fixtures.....	7,401	7,860	9,263	10,624	11,164
Other real estate owned.....	22,046	23,084	22,937	25,119	25,748
Lawful reserve with Federal Reserve Bank. Items with Federal Reserve Bank in process of collection.....	474,579	483,426	514,805	562,813	591,702
Due from banks and bankers.....	61,498	64,106	82,197	191,010	122,640
Gold coin and certificates.....	543,316	497,151	545,838	610,039	676,794
All other cash in vault.....	20,478	17,091	18,955	18,002	17,692
Exchanges for clearing house, also checks on banks in same place.....	133,592	111,582	116,780	135,679	165,756
Outside checks and other cash items.....	307,918	181,024	364,918	374,116	446,317
Approximate interest earned but not collected.....	35,395	22,730	36,152	56,561	64,653
Other assets.....	17,170	16,785	21,169	20,635	24,257
	115,226	64,397	72,002	35,105	35,595
<b>Total.....</b>	<b>7,482,113</b>	<b>7,801,061</b>	<b>8,452,582</b>	<b>9,424,313</b>	<b>9,913,707</b>
<b>LIABILITIES.</b>					
Capital stock paid in.....	350,110	360,468	371,979	412,869	436,244
Surplus fund.....	409,680	415,006	420,934	441,264	454,930
Undivided profits, less expenses and taxes paid.....	93,315	99,991	110,351	135,458	115,321
Approximate interest and discount collected but not earned.....	8,111	8,753	11,191	13,660	15,809
Amount reserved for taxes accrued.....	15,007	18,570	19,569	18,694	15,681
Amount reserved for interest accrued.....	9,156	12,241	10,512	20,865	10,592
Due to Federal Reserve Bank.....	1,109	2,606	964	2,167	1,324
Due to banks and bankers.....	628,139	606,079	676,852	722,618	755,303
Certified and cashiers' or treasurers' checks outstanding.....		137,844	222,423	276,343	303,064
Demand deposits.....	3,851,970	3,717,482	4,092,481	4,592,270	4,834,830
Time deposits.....	1,361,070	1,440,371	1,558,940	1,996,405	2,165,786
United States deposits.....	160,464	285,228	337,432	117,977	201,710
Bills payable with Federal Reserve Bank.....	342,009	461,768	376,995	395,417	309,197
Bills payable other than with Federal Reserve Bank.....	18,963	8,624	9,852	15,504	14,311
Cash letters of credit and travelers' checks outstanding.....	16,335	7,588	7,874	7,121	8,087
Acceptances.....	175,523	182,092	194,551	206,597	233,379
Other liabilities.....	41,202	26,400	29,732	49,114	38,139
<b>Total.....</b>	<b>7,482,113</b>	<b>7,801,061</b>	<b>8,452,582</b>	<b>9,424,313</b>	<b>9,913,707</b>
Liability for rediscounts, including those with Federal Reserve Bank.....	228,044	138,854	175,934	270,334	326,289
Ratio of reserve with Federal Reserve Bank to net deposit liability (per cent).....	11.0	11.0	10.8	10.4	10.4

<sup>1</sup> Includes certified and cashiers' or treasurers' checks outstanding.

**Exhibit J.—FOREIGN BRANCHES AUTHORIZED.**

The Federal Reserve Board, during the year 1919, authorized the establishment of foreign branches and subbranches of national banks as follows:

## National City Bank, New York, N. Y.:

	Date authorized.
Spain—	
Madrid.....	Jan. 15, 1919
Subbranch—Barcelona.....	Jan. 15, 1919
Cuba—	
Subbranches—Santa Clara, Ciego de Avila, Caibarien, and Sancti Spiritus.....	Jan. 24, 1919
Subbranches—Havana (2), Union del Reyes, Pinar del Rio, Colon, Bayamo, Remedios, Placetas, Neuvitas, Cruces, Artemisa, and Yaguajay.....	Mar. 17, 1919
Argentina—	
Subbranches—Rosario and Buenos Aires (2).....	Jan. 29, 1919
Brazil—	
Subbranches—Porto Alegre and Rio Grande do Sul.....	Jan. 29, 1919
Australia—	
Sydney.....	Mar. 12, 1919
Subbranch—Melbourne.....	Mar. 12, 1919
British South Africa—	
Cape Town.....	Mar. 12, 1919
Subbranches—Durban, Port Elizabeth, and Johannesburg.....	Mar. 12, 1919
Venezuela—	
Subbranch—Ciudad Bolivar.....	Mar. 12, 1919
Trinidad—	
Port of Spain.....	Mar. 12, 1919
Jamaica—	
Kingston.....	Mar. 12, 1919
Dutch West Indies—	
Island of Curaçao.....	Mar. 12, 1919
Egypt—	
Alexandria.....	Mar. 17, 1919
Colombia—	
Bogota.....	June 4, 1919
Subbranches—Medellin, Antioquia, Cartagena, Barranquilla, and Buenaventura.....	June 4, 1919
Uruguay—	
Subbranch—Montevideo.....	June 10, 1919

**Exhibit K.—FIDUCIARY POWERS GRANTED TO NATIONAL BANKS.**

The following is a complete list of national banks which have been granted fiduciary powers to December 31, 1919. For a description of the powers granted see footnotes on page 269.

The Federal Reserve Act, as amended September 26, 1918, after naming certain powers which may be granted to national banks, when not in contravention of State or local law, authorizes the Federal Reserve Board under such circumstances to grant permission to act in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which located. Where this general power has been granted in addition to certain specific powers, the footnote describing the powers is followed by an asterisk.

DISTRICT NO. 1.

CONNECTICUT.

(See also District No. 2.)

Ansonia.....	Ansonia National Bank. <sup>1</sup>
Bristol.....	Bristol National Bank. <sup>2</sup>
Hartford.....	First National Bank. <sup>1</sup>
	Phoenix National Bank. <sup>1</sup>
Middletown.....	Middletown National Bank. <sup>3</sup>
Naugatuck.....	Naugatuck National Bank. <sup>3</sup>
New Britain.....	New Britain National Bank. <sup>1</sup>
New Haven.....	First National Bank. <sup>2</sup>
	Merchants National Bank. <sup>2</sup>
	National Tradersmens Bank. <sup>3</sup>
	Second National Bank. <sup>1</sup>
	Yale National Bank. <sup>3</sup>
New London.....	National Bank of Commerce. <sup>25</sup>
	New London City National Bank. <sup>9</sup>
Torrington.....	Torrington National Bank. <sup>10</sup>
Wallingford.....	First National Bank. <sup>1</sup>
Waterbury.....	Citizens National Bank. <sup>11</sup>
	Manufacturers National Bank. <sup>1</sup>
	Waterbury National Bank. <sup>1</sup>

MAINE.

Bangor.....	First National Bank. <sup>12</sup>
Bar Harbor.....	First National Bank. <sup>3</sup>
Bath.....	Bath National Bank. <sup>2</sup>
Belfast.....	City National Bank. <sup>2</sup>
Lewiston.....	Manufacturers National Bank. <sup>12</sup>
Norway.....	Norwa <sup>n</sup> National Bank. <sup>2</sup>
Portland.....	Canal National Bank. <sup>1</sup>
	First National Bank. <sup>12</sup>
	Portland National Bank. <sup>13</sup>

MASSACHUSETTS.

Adams.....	First National Bank. <sup>2</sup>
	Gracklock National Bank. <sup>11</sup>
Amherst.....	First National Bank. <sup>1</sup>
Beverly.....	Beverly National Bank. <sup>3</sup>
Boston.....	Boylston National Bank. <sup>1</sup>
	First National Bank. <sup>11</sup>
	Fourth-Atlantic National Bank. <sup>1</sup>
	Merchants National Bank. <sup>1</sup>
	National Shawmut Bank. <sup>3</sup>
	National Union Bank. <sup>3</sup>
	Peoples National Bank. <sup>3</sup>
	Second National Bank. <sup>1</sup>
	Webster & Atlas National Bank. <sup>1</sup>
Brockton.....	Brockton National Bank. <sup>1</sup>
	Home National Bank. <sup>3</sup>
Edgartown.....	Edgartown National Bank. <sup>4</sup>
Fall River.....	Massasoit Pocasset National Bank. <sup>1</sup>
	Metacomet National Bank. <sup>1</sup>
Fitchburg.....	Safety Fund National Bank. <sup>1</sup>
Foxboro.....	Foxboro National Bank. <sup>1</sup>
Gardner.....	First National Bank. <sup>1</sup>
Gloucester.....	Cape Ann National Bank. <sup>1</sup>
Great Barrington.....	National Mahaiwe Bank. <sup>1</sup>
Haverhill.....	Essex National Bank. <sup>2</sup>
	First National Bank. <sup>3</sup>
	Merrimack National Bank. <sup>3</sup>
	City National Bank. <sup>3</sup>
	Holyoke National Bank. <sup>3</sup>
Lawrence.....	Bay State National Bank. <sup>1</sup>
Leominster.....	Leominster National Bank. <sup>3</sup>
	Merchants National Bank. <sup>10</sup>
Lowell.....	Old Lowell National Bank. <sup>6</sup>
Lynn.....	Central National Bank. <sup>2</sup>
	Manufacturers National Bank. <sup>1</sup>
	National City Bank. <sup>13</sup>
Marlboro.....	First National Bank. <sup>3</sup>
	Peoples National Bank of Marlborough. <sup>1</sup>
Methuen.....	National Bank of Methuen. <sup>2</sup>
New Bedford.....	First National Bank. <sup>1</sup>
	Merchants National Bank. <sup>1</sup>
Newburyport.....	Merchants National Bank. <sup>2</sup>
North Adams.....	North Adams National Bank. <sup>1</sup>
Northampton.....	Northampton National Bank. <sup>1</sup>
Pittsfield.....	Agricultural National Bank. <sup>2</sup>
	Pittsfield National Bank. <sup>3</sup>

DISTRICT NO. 1—Continued.

MASSACHUSETTS—continued.

Plymouth.....	Plymouth National Bank. <sup>3</sup>
Provincetown.....	First National Bank. <sup>1</sup>
Reading.....	First National Bank. <sup>3</sup>
Salem.....	Merchants National Bank. <sup>1</sup>
Southbridge.....	Southbridge National Bank. <sup>1</sup>
Springfield.....	Chapin National Bank. <sup>1</sup>
	Chicopee National Bank. <sup>1</sup>
	Springfield National Bank. <sup>3</sup>
Tisbury.....	Martha's Vineyard National Bank. <sup>2</sup>
Turner Falls.....	Crocker National Bank. <sup>11</sup>
Wareham.....	National Bank of Wareham. <sup>3</sup>
Watertown.....	Union Market National Bank. <sup>3</sup>
Webster.....	First National Bank. <sup>3</sup>
Worcester.....	Mechanics National Bank. <sup>3</sup>
	Merchants National Bank. <sup>1</sup>
	Worcester National Bank. <sup>3</sup>
Woburn.....	Woburn National Bank. <sup>14</sup>
Uxbridge.....	Blackstone National Bank. <sup>3</sup>

NEW HAMPSHIRE.

Berlin.....	City National Bank. <sup>6</sup>
Claremont.....	Claremont National Bank. <sup>3</sup>
Concord.....	First National Bank. <sup>1</sup>
	Mechanics National Bank. <sup>15</sup>
	National State Capital Bank. <sup>15</sup>
Dover.....	Merchants National Bank. <sup>1</sup>
	Strafford National Bank. <sup>3</sup>
Keene.....	Ashuelot National Bank. <sup>15</sup>
	Keene National Bank. <sup>3</sup>
Manchester.....	Amoskeag National Bank. <sup>15</sup>
	Manchester National Bank. <sup>6</sup>
	Merchants National Bank. <sup>15</sup>
Nashua.....	Indian Head National Bank. <sup>4</sup>
	Second National Bank. <sup>15</sup>
Newport.....	Citizens National Bank. <sup>15</sup>
Wolfeboro.....	Wolfeboro National Bank. <sup>15</sup>

RHODE ISLAND.

Newport.....	Aquidneck National Bank. <sup>3</sup>
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VERMONT.

Barre.....	Peoples National Bank. <sup>1</sup>
Bennington.....	County National Bank. <sup>1</sup>
Brattleboro.....	Peoples National Bank. <sup>1</sup>
	Vermont National Bank. <sup>3</sup>
Bellows Falls.....	National Bank of Bellows Falls. <sup>4</sup>
Brandon.....	First National Bank. <sup>3</sup>
Montpelier.....	First National Bank. <sup>3</sup>
Poultney.....	Citizens National Bank. <sup>3</sup>
St. Albans.....	Welden National Bank. <sup>3</sup>
Springfield.....	First National Bank. <sup>3</sup>
Windsor.....	State National Bank. <sup>4</sup>

DISTRICT NO. 2.

CONNECTICUT.

(See also district No. 1.)

Bridgeport.....	City National Bank. <sup>1</sup>
	Connecticut National Bank. <sup>1</sup>
	First-Bridgeport National Bank. <sup>1</sup>
Danbury.....	City National Bank. <sup>1</sup>
	Danbury National Bank. <sup>1</sup>
Greenwich.....	Greenwich National Bank. <sup>1</sup>
Norwalk.....	National Bank of Norwalk. <sup>3</sup>
Ridgefield.....	First National Bank. <sup>1</sup>
South Norwalk.....	City National Bank. <sup>3</sup>
Stamford.....	First National Bank. <sup>1</sup>

NEW JERSEY.

(See also district No. 3.)

Asbury Park.....	Merchants National Bank. <sup>1</sup>
Atlantic Highlands.....	Atlantic Highlands National Bank. <sup>4</sup>
Belvidere.....	Belvidere National Bank. <sup>2</sup>
Bloomfield.....	Bloomfield National Bank. <sup>3</sup>
Boonton.....	Boonton National Bank. <sup>1</sup>
Boundbrook.....	First National Bank. <sup>3</sup>
Cranbury.....	First National Bank. <sup>3</sup>

## DISTRICT NO. 2—Continued.

## NEW JERSEY—continued.

Dover.....	National Union Bank. <sup>3</sup>
Elizabeth.....	National State Bank. <sup>11</sup>
Frenchtown.....	Union National Bank. <sup>15</sup>
Hoboken.....	First National Bank. <sup>3</sup>
Jersey City.....	First National Bank. <sup>1</sup>
Lambertville.....	Lambertville National Bank. <sup>1</sup>
Long Branch.....	Citizens National Bank. <sup>1</sup> First National Bank. <sup>3</sup>
Morristown.....	First National Bank. <sup>1</sup> National Iron Bank. <sup>1</sup>
Newark.....	Merchants National Bank. <sup>3</sup> National Newark & Essex Banking Co. <sup>1</sup> National State Bank. <sup>1</sup> North Ward National Bank. <sup>3</sup>
New Brunswick.....	National Bank of New Jersey. <sup>1</sup> Peoples National Bank. <sup>3</sup>
Orange.....	Orange National Bank. <sup>2</sup> Second National Bank. <sup>1</sup>
Passaic.....	Passaic National Bank. <sup>1</sup>
Paterson.....	First National Bank. <sup>16</sup> Paterson National Bank. <sup>1</sup> Second National Bank. <sup>1</sup>
Perth Amboy.....	First National Bank. <sup>1</sup>
Phillipsburg.....	Phillipsburg National Bank. <sup>2</sup>
Plainfield.....	City National Bank. <sup>3</sup>
Red Bank.....	Second National Bank. <sup>1</sup>
Rutherford.....	Rutherford National Bank. <sup>3</sup>
Somerville.....	Second National Bank. <sup>3</sup>
South River.....	First National Bank. <sup>1</sup>
Sussex.....	Farmers National Bank. <sup>3</sup>

## NEW YORK.

Albany.....	First National Bank. <sup>5</sup> National Commercial Bank. <sup>2</sup> New York State National Bank. <sup>5</sup>
Amsterdam.....	First National Bank. <sup>1</sup>
Auburn.....	Cayuga County National Bank. <sup>2</sup> National Bank of Auburn. <sup>5</sup>
Brooklyn.....	First National Bank. <sup>1</sup> Nassau National Bank. <sup>1</sup>
Buffalo.....	Manufacturers & Traders National Bank. <sup>1</sup>
Canandaigua.....	Canandaigua National Bank. <sup>1</sup>
Canton.....	First National Bank. <sup>1</sup> St. Lawrence County National Bank. <sup>17</sup>
Carthage.....	Carthage National Bank. <sup>1</sup>
Catskill.....	Catskill National Bank. <sup>2</sup>
Clayton.....	National Exchange Bank. <sup>5</sup>
Cooperstown.....	First National Bank. <sup>1</sup> Second National Bank. <sup>2</sup>
Corning.....	First National Bank. <sup>1</sup>
Cuba.....	Cuba National Bank. <sup>2</sup>
Dunkirk.....	Lake Shore National Bank. <sup>1</sup> Merchants National Bank. <sup>1</sup>
Edwards.....	Edwards National Bank. <sup>5</sup>
Elmira.....	Merchants National Bank. <sup>10</sup> Second National Bank. <sup>1</sup>
Far Rockaway.....	National Bank of Far Rockaway. <sup>5</sup>
Geneva.....	Geneva National Bank. <sup>5</sup>
Glens Falls.....	Merchants National Bank. <sup>2</sup>
Gloversville.....	City National Bank. <sup>1</sup> Fulton County National Bank. <sup>1</sup>
Goshen.....	National Bank of Orange County. <sup>1</sup>
Granville.....	Farmers National Bank. <sup>5</sup> Washington County National Bank. <sup>5</sup>
Hempstead.....	First National Bank. <sup>1</sup>
Herkimer.....	Herkimer National Bank. <sup>2</sup>
Hoosick Falls.....	Peoples National Bank. <sup>2</sup>
Hornell.....	Citizens National Bank. <sup>1</sup>
Hudson.....	Farmers National Bank. <sup>1</sup> First National Bank. <sup>1</sup>
Ilion.....	Ilion National Bank. <sup>1</sup>
Ithaca.....	First National Bank. <sup>1</sup>

## DISTRICT NO. 2—Continued.

## NEW YORK—continued.

Jamestown.....	National Chautauqua County Bank. <sup>2</sup>
Kingston.....	Roundout National Bank. <sup>1</sup>
Little Falls.....	Little Falls National Bank. <sup>1</sup>
Lockport.....	National Exchange Bank. <sup>1</sup> Niagara County National Bank. <sup>1</sup>
Middletown.....	Merchants National Bank. <sup>1</sup> First National Bank. <sup>5</sup>
Minerola.....	Frontier National Bank. <sup>5</sup>
Morristown.....	First National Bank. <sup>1</sup>
Mount Vernon.....	First National Bank. <sup>1</sup>
New York City.....	American Exchange National Bank. <sup>1</sup> Atlantic National Bank. <sup>1</sup> Bank of New York N.B.A. <sup>1</sup> Bronx National Bank. <sup>5</sup> Chase National Bank. <sup>1</sup> Chatham & Phenix National. <sup>1</sup> Chemical National Bank. <sup>2</sup> Citizens National Bank. <sup>2</sup> Coal & Iron National Bank. <sup>1</sup> First National Bank. <sup>1</sup> Garfield National Bank. <sup>1</sup> Gotham National Bank. <sup>1</sup> Hanover National Bank. <sup>2</sup> Harriman National Bank. <sup>1</sup> Irving National Bank. <sup>1</sup> Liberty National Bank. <sup>1</sup> Lincoln National Bank. <sup>1</sup> Mechanics & Metals National Bank. <sup>2</sup> Merchants National Bank. <sup>1</sup> National Bank of Commerce. <sup>2</sup> National City Bank. <sup>1</sup> National Park Bank. <sup>1</sup> Seaboard National Bank. <sup>1</sup>
North Tonawanda.....	State National Bank. <sup>1</sup>
Norwich.....	Chenango National Bank. <sup>2</sup> National Bank of Norwich. <sup>1</sup>
Nyack.....	Nyack National Bank. <sup>1</sup>
Ogdensburg.....	National Bank of Ogdensburg. <sup>2</sup>
Oneida.....	Oneida Valley National Bank. <sup>1</sup>
Oneonta.....	Citizens National Bank. <sup>1</sup> Wilber National Bank. <sup>1</sup>
Ovid.....	First National Bank. <sup>5</sup>
Peekskill.....	Peekskill National Bank. <sup>1</sup> Westchester County National Bank. <sup>1</sup>
Plattsburg.....	City National Bank. <sup>5</sup> Plattsburg National Bank. <sup>1</sup>
Port Chester.....	First National. <sup>1</sup>
Port Jervis.....	First National Bank. <sup>1</sup> National Bank of Port Jervis. <sup>1</sup>
Poughkeepsie.....	Falkill National Bank. <sup>1</sup> Farmers & Manufacturers National Bank. <sup>1</sup>
Richfield Springs.....	First National Bank. <sup>5</sup>
Riverhead.....	Suffolk County National Bank. <sup>5</sup>
Rochester.....	Lincoln National Bank. <sup>5</sup> Farmers National Bank. <sup>1</sup>
Rome.....	Farmers National Bank. <sup>1</sup>
Saratoga Springs.....	First National Bank. <sup>5</sup>
Southampton.....	First National Bank. <sup>2</sup>
Stapleton.....	Richmond Borough National Bank. <sup>5</sup>
Tarrytown.....	Tarrytown National Bank. <sup>7</sup>
Troy.....	Union National Bank. <sup>1</sup>
Utica.....	Oneida National Bank. <sup>1</sup> Utica City National Bank. <sup>1</sup>
Vernon.....	National Bank of Vernon. <sup>18</sup>
Walton.....	First National Bank. <sup>1</sup>
Watertown.....	Jefferson County National Bank. <sup>1</sup> Watertown National Bank. <sup>2</sup>
Westfield.....	National Bank of Westfield. <sup>5</sup>

## DISTRICT NO. 3.

## DELAWARE.

Frederica.....	First National Bank. <sup>3</sup>
Laurel.....	Peoples National Bank. <sup>2</sup>
Milford.....	First National Bank. <sup>1</sup>
Seaford.....	First National Bank. <sup>3</sup>

## DISTRICT NO. 2—Continued.

## NEW JERSEY.

(See also district No. 2.)

Atlantic City.....	Union National Bank. <sup>4</sup>
	Atlantic City National Bank. <sup>5</sup>
Burlington.....	Mechanics National Bank. <sup>1</sup>
Camden.....	National State Bank. <sup>1</sup>
Cape May.....	Merchants National Bank. <sup>5</sup>
Elmer.....	First National Bank. <sup>1</sup>
Haddonfield.....	Haddonfield National Bank. <sup>1</sup>
Princeton.....	First National Bank. <sup>3</sup>
Salem.....	Salem National Banking Co. <sup>1</sup>
Swedesboro.....	Swedesboro National Bank. <sup>1</sup>
Trenton.....	Broad Street National Bank. <sup>3</sup>
	First National Bank. <sup>1</sup>
	Mechanics National Bank. <sup>1</sup>
Ventnor City.....	Ventnor City National Bank. <sup>1</sup>
Woodbury.....	First National Bank. <sup>1</sup>

## PENNSYLVANIA.

(See also district No. 4.)

Allentown.....	Allentown National Bank. <sup>1</sup>
	Merchants National Bank. <sup>2</sup>
Annaville.....	Annaville National Bank. <sup>3</sup>
Atglen.....	Atglen National Bank. <sup>4</sup>
Belleville.....	Belleville National Bank. <sup>4</sup>
Bethlehem.....	Bethlehem National Bank. <sup>1</sup>
	Lehigh Valley National Bank. <sup>2</sup>
Bloomsburg.....	Bloomsburg National Bank. <sup>1</sup>
Blossburg.....	Miners National Bank. <sup>3</sup>
Boyetown.....	National Bank of Boyetown. <sup>3</sup>
Catasauqua.....	National Bank of Catasauqua. <sup>1</sup>
Clearfield.....	Clearfield National Bank. <sup>1</sup>
	County National Bank. <sup>1</sup>
Danville.....	First National Bank. <sup>4</sup>
DuBois.....	Deposit National Bank. <sup>1</sup>
	DuBois National Bank. <sup>3</sup>
Emaus.....	Emaus National Bank. <sup>1</sup>
Emporium.....	First National Bank. <sup>1</sup>
Ephrata.....	Farmers National Bank. <sup>4</sup>
Greencastle.....	First National Bank. <sup>1</sup>
Harrisburg.....	Merchants National Bank. <sup>3</sup>
Hazleton.....	Hazleton National Bank. <sup>3</sup>
Huntingdon.....	First National Bank. <sup>1</sup>
	Union National Bank. <sup>2</sup>
Jenkintown.....	Jenkintown National Bank. <sup>4</sup>
Johnstown.....	First National Bank. <sup>2</sup>
Lancaster.....	Conestoga National Bank. <sup>4</sup>
	Fulton National Bank. <sup>1</sup>
Lansdale.....	First National Bank. <sup>3</sup>
Lititz.....	Farmers National Bank. <sup>3</sup>
Mahanoy City.....	Union National Bank. <sup>2</sup>
Manheim.....	Keystone National Bank. <sup>1</sup>
Marietta.....	Exchange National Bank. <sup>3</sup>
Maytown.....	Maytown National Bank. <sup>3</sup>
Mount Carmel.....	Union National Bank. <sup>1</sup>
Mountville.....	Mountville National Bank. <sup>3</sup>
Myerstown.....	Myerstown National Bank. <sup>3</sup>
Nanticoke.....	First National Bank. <sup>3</sup>
Nazareth.....	Nazareth National Bank. <sup>1</sup>
Newville.....	First National Bank. <sup>3</sup>
Oxford.....	National Bank of Oxford. <sup>1</sup>
Patton.....	First National Bank. <sup>3</sup>
Pen Argyle.....	First National Bank. <sup>3</sup>
Philadelphia.....	Corn Exchange National Bank. <sup>1</sup>
	Eighth National Bank. <sup>3</sup>
	Fourth Street National Bank. <sup>3</sup>
	National Bank of Germantown. <sup>2</sup>
	Ninth National Bank. <sup>1</sup>
	Penn National Bank. <sup>1</sup>
	Philadelphia National Bank. <sup>1</sup>
	Quaker City National Bank. <sup>5</sup>
	Southwark National Bank. <sup>3</sup>
	Textile National Bank. <sup>1</sup>
	Union National Bank. <sup>2</sup>
Phillipsburg.....	Moshanan National Bank. <sup>1</sup>
Pittston.....	First National Bank. <sup>1</sup>
Pottstown.....	National Bank of Pottstown. <sup>1</sup>
	National Iron Bank. <sup>1</sup>
Reading.....	Reading National Bank. <sup>1</sup>
	Penn National Bank. <sup>3</sup>
Red Lion.....	Red Lion National Bank. <sup>1</sup>
Seranton.....	Third National Bank. <sup>1</sup>
Spring City.....	National Bank of Spring City. <sup>1</sup>

## DISTRICT NO. 2—Continued.

## PENNSYLVANIA—continued.

Stroudsburg.....	First National Bank. <sup>3</sup>
Sunbury.....	First National Bank. <sup>1</sup>
Tamaqua.....	Tamaqua National Bank. <sup>1</sup>
Tioga.....	Grange National Bank. <sup>3</sup>
Topton.....	National Bank of Topton. <sup>3</sup>
West Chester.....	First National Bank. <sup>1</sup>
	National Bank of Chester County. <sup>1</sup>
West Grove.....	National Bank of West Grove. <sup>3</sup>
Wilkes-Barre.....	Second National Bank. <sup>1</sup>
	Wyoming National Bank. <sup>1</sup>
Williamsport.....	First National Bank. <sup>1</sup>
	West Branch National Bank. <sup>3</sup>
	Williamsport National Bank. <sup>1</sup>
Wrightsville.....	First National Bank. <sup>1</sup>
York.....	Industrial National Bank of West York. <sup>3</sup>
	Western National Bank. <sup>1</sup>

## DISTRICT NO. 4.

## KENTUCKY.

(See also district No. 8.)

Brooksville.....	First National Bank. <sup>3</sup>
Mount Sterling.....	Mount Sterling National Bank. <sup>3</sup>
Newport.....	American National Bank. <sup>19</sup>
Paris.....	First National Bank. <sup>1</sup>
Somerset.....	First National Bank. <sup>19</sup>
Williamsburg.....	First National Bank. <sup>3</sup>

## OHIO.

Akron.....	First-Second National Bank. <sup>20</sup>
	National City Bank. <sup>20</sup>
Bellaire.....	First National Bank. <sup>20</sup>
Bucyrus.....	First National Bank. <sup>20</sup>
Canton.....	First National Bank. <sup>5</sup>
Cincinnati.....	Atlas National Bank. <sup>20</sup>
	Citizens National Bank. <sup>11</sup>
	Fifth-Third National Bank. <sup>20</sup>
	First National Bank. <sup>11</sup>
	Second National Bank. <sup>11</sup>
Cleveland.....	First National Bank. <sup>15</sup>
	National City Bank. <sup>11</sup>
	Union Commerce National Bank. <sup>11</sup>
Columbus.....	City National Bank. <sup>15</sup>
	Commercial National Bank. <sup>5</sup>
	Huntington National Bank. <sup>11</sup>
	Ohio National Bank. <sup>15</sup>
Coshocton.....	Commercial National Bank. <sup>20</sup>
Dayton.....	Merchants National Bank. <sup>20</sup>
	Winters National Bank. <sup>20</sup>
Defiance.....	First National Bank. <sup>20</sup>
	Merchants National Bank. <sup>20</sup>
Fostoria.....	Union National Bank. <sup>11</sup>
Gahon.....	Citizens National Bank. <sup>20</sup>
Hamilton.....	First National Bank. <sup>20</sup>
Hillsboro.....	Merchants National Bank. <sup>11</sup>
Lebanon.....	Lebanon National Bank. <sup>20</sup>
Mansfield.....	Citizens National Bank. <sup>5</sup>
Marietta.....	Central National Bank. <sup>20</sup>
	First National Bank. <sup>20</sup>
Massillon.....	Merchants National Bank. <sup>20</sup>
Painesville.....	Painesville National Bank. <sup>15</sup>
Ravenna.....	Second National Bank. <sup>20</sup>
Sidney.....	Citizens National Bank. <sup>5</sup>
Steubenville.....	National Exchange Bank. <sup>11</sup>
Tiffin.....	Tiffin National Bank. <sup>11</sup>
Toledo.....	Northern National Bank. <sup>3</sup>
Troy.....	First National Bank. <sup>11</sup>
Urbana.....	Citizens National Bank. <sup>5</sup>
Wilmingon.....	Clinton County National Bank. <sup>20</sup>
Youngstown.....	First National Bank. <sup>5</sup>
Zanesville.....	First National Bank. <sup>20</sup>
	Old Citizens National Bank. <sup>1</sup>

## PENNSYLVANIA.

(See also district No. 3.)

Ellwood City.....	First National Bank. <sup>1</sup>
Franklin.....	Lamberton National Bank. <sup>1</sup>
Greensburg.....	First National Bank. <sup>1</sup>
Greenville.....	First National Bank. <sup>3</sup>
Grove City.....	First National Bank. <sup>5</sup>

## DISTRICT NO. 4—Continued.

## PENNSYLVANIA—continued.

Meadville.....	New First National Bank. <sup>19</sup>
New Castle.....	First National Bank. <sup>1</sup>
Oakmont.....	First National Bank. <sup>6</sup>
Oil City.....	Oil City National Bank. <sup>1</sup>
Pittsburgh.....	Bank of Pittsburgh N. A. <sup>1</sup> Duquesne National Bank. <sup>1</sup> Monongahela National Bank. <sup>3</sup> National Bank of America. <sup>3</sup> Peoples National Bank. <sup>5</sup> Second National Bank of Allegheny. <sup>1</sup> Third National Bank. <sup>1</sup> Union National Bank. <sup>1</sup> Western National Bank. <sup>1</sup>
Punxsutawney.....	Punxsutawney National Bank. <sup>1</sup>
Sharon.....	McDowell National Bank. <sup>3</sup>
Titusville.....	Second National Bank. <sup>1</sup>
Warren.....	Warren National Bank. <sup>1</sup>
Washington.....	Citizens National Bank. <sup>18</sup> First National Bank. <sup>1</sup>
Zelienople.....	Peoples National Bank. <sup>3</sup>

## WEST VIRGINIA.

(See also district No. 5.)

New Cumberland.....	First National Bank. <sup>6</sup>
Wheeling.....	National Bank of West Virginia. <sup>1</sup>

## DISTRICT NO. 5.

## DISTRICT OF COLUMBIA.

Washington.....	National Bank of Washington. <sup>3</sup> National Metropolitan Bank. <sup>2</sup>
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## MARYLAND.

Baltimore.....	Merchants-Mechanics First National Bank. <sup>1</sup> Second National Bank. <sup>2</sup> Second National Bank. <sup>1</sup>
Cumberland.....	Farmers & Mechanics National Bank. <sup>3</sup>
Hagerstown.....	Second National Bank. <sup>1</sup>
Hyattsville.....	First National Bank. <sup>3</sup>
New Windsor.....	First National Bank. <sup>3</sup>
Rising Sun.....	National Bank of Rising Sun. <sup>3</sup>
Rockville.....	Montgomery County National Bank. <sup>4</sup>
Salisbury.....	Salisbury National Bank. <sup>1</sup>

## NORTH CAROLINA.

Charlotte.....	Commercial National Bank. <sup>1</sup> Merchants & Farmers National Bank. <sup>1</sup>
Elizabeth City.....	First & Citizens National Bank. <sup>1</sup>
High Point.....	Commercial National Bank. <sup>3</sup>
Goldsboro.....	Wayne National Bank. <sup>1</sup>
New Bern.....	National Bank of New Bern. <sup>3</sup>
Oxford.....	First National Bank. <sup>3</sup>

## SOUTH CAROLINA.

Charleston.....	Atlantic National Bank. <sup>1</sup> Peoples National Bank. <sup>3</sup>
Columbia.....	National Loan & Exchange Bank. <sup>1</sup>
Greenville.....	First National Bank. <sup>1</sup> Fourth National Bank. <sup>3</sup> Peoples National Bank. <sup>3</sup>
Lake City.....	Farmers & Merchants National Bank. <sup>3</sup>
Orangeburg.....	Edisto National Bank. <sup>1</sup>
Rock Hill.....	National Union Bank. <sup>1</sup>
Spartanburg.....	Central National Bank. <sup>3</sup>
York.....	First National Bank. <sup>3</sup>

## VIRGINIA.

Abingdon.....	First National Bank. <sup>1</sup>
Alexandria.....	Citizens National Bank. <sup>3</sup> First National Bank. <sup>3</sup>
Appalachia.....	First National Bank. <sup>6</sup>

## DISTRICT NO. 5—Continued.

## VIRGINIA—continued.

Charlottesville.....	National Bank of Charlottesville. <sup>3</sup> Peoples National Bank. <sup>1</sup>
Chatham.....	First National Bank. <sup>4</sup>
Clifton Forge.....	Clifton Forge National Bank. <sup>3</sup> First National Bank. <sup>1</sup>
Covington.....	Citizens National Bank. <sup>3</sup> Covington National Bank. <sup>3</sup>
Danville.....	First National Bank. <sup>3</sup>
Harrisonburg.....	First National Bank. <sup>4</sup>
Lexington.....	Rockbridge National Bank. <sup>1</sup>
Martinsville.....	Peoples National Bank. <sup>3</sup>
Newport News.....	First National Bank. <sup>3</sup>
Norfolk.....	National Bank of Commerce. <sup>3</sup> Seaboard National Bank. <sup>1</sup>
Petersburg.....	Virginia National Bank. <sup>4</sup>
Reedville.....	Commonwealth National Bank. <sup>4</sup>
Richmond.....	American National Bank. <sup>3</sup> First National Bank. <sup>1</sup> Merchants National Bank. <sup>1</sup>
Roanoke.....	American National Bank. <sup>3</sup> National Exchange Bank. <sup>1</sup>
Rocky Mount.....	Peoples National Bank. <sup>3</sup>
South Boston.....	Planters & Merchants National Bank. <sup>3</sup>
Staunton.....	Augusta National Bank. <sup>1</sup> National Valley Bank. <sup>3</sup>
Warrenton.....	Fauquier National Bank. <sup>1</sup>
Winchester.....	Shenandoah Valley National Bank. <sup>3</sup>

## WEST VIRGINIA.

(See also district No. 4.)

Clarksburg.....	Empire National Bank. <sup>3</sup> Union National Bank. <sup>3</sup>
Fairmont.....	National Bank of Fairmont. <sup>1</sup>
Fairview.....	First National Bank. <sup>3</sup>
Grafton.....	First National Bank. <sup>1</sup>
Huntington.....	First National Bank. <sup>1</sup>
Madison.....	Madison National Bank. <sup>3</sup>
Parkersburg.....	Parkersburg National Bank. <sup>1</sup>

## DISTRICT NO. 6.

## ALABAMA.

Anniston.....	Anniston National Bank. <sup>11</sup> First National Bank. <sup>3</sup>
Bessemer.....	Bessemer National Bank. <sup>3</sup>
Birmingham.....	First National Bank. <sup>1</sup>
Cullman.....	Leeth National Bank. <sup>3</sup>
Florence.....	First National Bank. <sup>2</sup>
Gadsden.....	First National Bank. <sup>4</sup>
Mobile.....	First National Bank. <sup>2</sup>
Montgomery.....	First National Bank. <sup>16</sup>
Piedmont.....	First National Bank. <sup>4</sup>
Selma.....	City National Bank. <sup>2</sup>
Talladega.....	Talladega National Bank. <sup>4</sup>
Tuscaloosa.....	City National Bank. <sup>2</sup> First National Bank. <sup>2</sup>

## FLORIDA.

Bradentown.....	First National Bank. <sup>3</sup>
DeFuniak Springs.....	First National Bank. <sup>3</sup>
Jacksonville.....	Barnett National Bank. <sup>3</sup>
Pensacola.....	National Bank of Commerce. <sup>16</sup>
St. Petersburg.....	Central National Bank. <sup>4</sup> First National Bank. <sup>3</sup>
Tampa.....	First National Bank. <sup>2</sup>

## GEORGIA.

Atlanta.....	Lowry National Bank. <sup>3</sup>
Fitzgerald.....	Exchange National Bank. <sup>3</sup>
LaGrange.....	LaGrange National Bank. <sup>2</sup>
Macon.....	Fourth National Bank. <sup>3</sup>
Quitman.....	First National Bank. <sup>17</sup>
Winder.....	Winder National Bank. <sup>1</sup>

## LOUISIANA.

(See also district No. 11.)

Alexandria.....	First National Bank. <sup>2</sup>
Crowley.....	First National Bank of Acadia Parish. <sup>10</sup>
Lake Charles.....	Calcasieu National Bank of Southwest Louisiana. <sup>21</sup>



DISTRICT NO. 6—Continued.

MISSISSIPPI.

(See also district No. 8.)

Biloxi.....First National Bank.<sup>3</sup>  
 Canton.....First National Bank.<sup>3</sup>  
 Laurel.....First National Bank.<sup>1</sup>  
 Meridian.....First National Bank.<sup>2</sup>

TENNESSEE.

(See also district No. 8.)

Dickson.....Citizens National Bank.<sup>10</sup>  
 Fayetteville.....Elk National Bank.<sup>22</sup>  
 Harriman.....Manufacturers National Bank.<sup>3</sup>  
 Knoxville.....City National Bank.<sup>6</sup>  
 McMinnville.....Peoples National Bank.<sup>17</sup>  
 Nashville.....American National Bank.<sup>1</sup>  
                     Broadway National Bank.<sup>3</sup>  
                     Cumberland Valley National Bank.<sup>3</sup>  
                     Fourth & First National Bank.<sup>2</sup>  
                     Tennessee-Hermitage National Bank.<sup>5</sup>

DISTRICT NO. 7.

ILLINOIS.

(See also district No. 8.)

Aurora.....Old Second National Bank.<sup>1</sup>  
 Belvidere.....Second National Bank.<sup>3</sup>  
 Canton.....Canton National Bank.<sup>1</sup>  
 Casey.....First National Bank.<sup>3</sup>  
 Charleston.....National Trust Bank.<sup>1</sup>  
 Chicago.....Corn Exchange National Bank.<sup>5</sup>  
                     First National Bank of Englewood.<sup>3</sup>  
                     National City Bank.<sup>1</sup>  
 Chillicothe.....First National Bank.<sup>1</sup>  
 Danville.....First National Bank.<sup>1</sup>  
 Decatur.....Citizens National Bank.<sup>1</sup>  
                     Milliken National Bank.<sup>3</sup>  
                     National Bank of Decatur.<sup>3</sup>  
 Dixon.....Dixon National Bank.<sup>1</sup>  
 El Paso.....Woodford County National Bank.<sup>1</sup>  
 Freeport.....First National Bank.<sup>1</sup>  
 Galesburg.....First National Bank.<sup>1</sup>  
 Joliet.....First National Bank.<sup>3</sup>  
                     Joliet National Bank.<sup>1</sup>  
 Kankakee.....City National Bank.<sup>3</sup>  
 Kewanee.....First National Bank.<sup>1</sup>  
 LaSalle.....LaSalle National Bank.<sup>3</sup>  
 Macomb.....Union National Bank.<sup>1</sup>  
 Marseilles.....First National Bank.<sup>3</sup>  
 Mattoon.....National Bank of Mattoon.<sup>4</sup>  
                     State National Bank.<sup>1</sup>  
 Monticello.....First National Bank.<sup>1</sup>  
 Moweaqua.....First National Bank.<sup>4</sup>  
 Peoria.....Central National Bank.<sup>1</sup>  
 Rockford.....Manufacturers National Bank.<sup>1</sup>  
                     Rockford National Bank.<sup>3</sup>  
                     Third National Bank.<sup>2</sup>

INDIANA.

(See also district No. 8.)

Batesville.....First National Bank.<sup>3</sup>  
 Brazil.....Citizens National Bank.<sup>10</sup>  
                     First National Bank.<sup>3</sup>  
                     Riddell National Bank.<sup>3</sup>  
 Brookville.....Franklin County National Bank.<sup>3</sup>  
                     National Brookville Bank.<sup>3</sup>  
 Cambridge City.....First National Bank.<sup>3</sup>  
 Crawfordsville.....Citizens National Bank.<sup>3</sup>  
                     Elston National Bank.<sup>2</sup>  
 Dana.....First National Bank.<sup>4</sup>  
 Dublin.....First National Bank.<sup>4</sup>  
 Dyer.....First National Bank.<sup>3</sup>

DISTRICT NO. 7—Continued.

INDIANA—continued.

Edinburg.....Farmers National Bank.<sup>3</sup>  
 Elkhart.....First National Bank.<sup>1</sup>  
 Fort Wayne.....Old National Bank.<sup>1</sup>  
 Franklin.....Franklin National Bank.<sup>3</sup>  
 Goshen.....City National Bank.<sup>1</sup>  
 Greencastle.....First National Bank.<sup>4</sup>  
 Hammond.....First National Bank.<sup>3</sup>  
 Indianapolis.....Fletcher-American National Bank.<sup>11</sup>  
 Kokomo.....Citizens National Bank.<sup>3</sup>  
                     Howard National Bank.<sup>1</sup>  
 LaPorte.....First National Bank.<sup>3</sup>  
 Liberty.....Union County National Bank.<sup>4</sup>  
 Logansport.....City National Bank.<sup>2</sup>  
                     First National Bank.<sup>3</sup>  
 Marion.....First National Bank.<sup>3</sup>  
                     Marion National Bank.<sup>1</sup>  
 Michigan City.....Merchants National Bank.<sup>1</sup>  
 Mishawaka.....First National Bank.<sup>3</sup>  
 Monrovia.....First National Bank.<sup>3</sup>  
 Muncie.....Delaware County National Bank.<sup>1</sup>  
                     Merchants National Bank.<sup>3</sup>  
 New Carlisle.....First National Bank.<sup>4</sup>  
 New Castle.....First National Bank.<sup>1</sup>  
 Richmond.....First National Bank.<sup>1</sup>  
                     Second National Bank.<sup>3</sup>  
 Rochester.....First National Bank.<sup>24</sup>  
 Rockville.....Rockville National Bank.<sup>3</sup>  
 Rushville.....Rush County National Bank.<sup>3</sup>  
                     Rushville National Bank.<sup>3</sup>  
 Russiaville.....First National Bank.<sup>4</sup>  
 Sheridan.....Farmers National Bank.<sup>2</sup>  
                     First National Bank.<sup>3</sup>  
 South Bend.....First National Bank.<sup>3</sup>  
 Thorntown.....Home National Bank.<sup>4</sup>  
 Tipton.....Citizens National Bank.<sup>3</sup>  
 Valparaiso.....Farmers National Bank.<sup>2</sup>  
 Wabash.....Farmers & Merchants National Bank.<sup>3</sup>  
 Whiteland.....Whiteland National Bank.<sup>3</sup>  
 Wilkinson.....Farmers National Bank.<sup>4</sup>  
 Winamac.....First National Bank.<sup>2</sup>

IOWA.

Arlington.....American National Bank.<sup>4</sup>  
 Boone.....First National Bank.<sup>3</sup>  
 Burlington.....Merchants National Bank.<sup>1</sup>  
 Cedar Rapids.....Cedar Rapids National Bank.<sup>1</sup>  
                     Merchants National Bank.<sup>3</sup>  
 Charter Oak.....First National Bank.<sup>22</sup>  
 Cherokee.....First National Bank.<sup>1</sup>  
 Clarence.....First National Bank.<sup>3</sup>  
 Clinton.....City National Bank.<sup>3</sup>  
                     Merchants National Bank.<sup>26</sup>  
 Coon Rapids.....First National Bank.<sup>4</sup>  
 Council Bluffs.....City National Bank.<sup>3</sup>  
                     First National Bank.<sup>1</sup>  
 Decorah.....National Bank of Decorah.<sup>3</sup>  
 Des Moines.....Des Moines National Bank.<sup>3</sup>  
 Dubuque.....First National Bank.<sup>1</sup>  
 Elkader.....First National Bank.<sup>1</sup>  
 Emmetsburg.....Emmetsburg National Bank.<sup>3</sup>  
 Evely.....First National Bank.<sup>10</sup>  
 Fairfield.....First National Bank.<sup>2</sup>  
 Fonda.....First National Bank.<sup>3</sup>  
 Gladbrook.....First National Bank.<sup>4</sup>  
 Greenfield.....First National Bank.<sup>19</sup>  
 Hawarden.....First National Bank.<sup>17</sup>  
 Humboldt.....First National Bank.<sup>3</sup>  
 Independence.....First National Bank.<sup>3</sup>  
 Indianola.....First National Bank.<sup>4</sup>  
 Kanawha.....First National Bank.<sup>4</sup>  
 Le Mars.....First National Bank.<sup>4</sup>  
 Linn Grove.....First National Bank.<sup>1</sup>  
 Manchester.....First National Bank.<sup>3</sup>  
 Marengo.....First National Bank.<sup>3</sup>  
 Marshalltown.....First National Bank.<sup>4</sup>  
 Milford.....First National Bank.<sup>4</sup>  
 Montezuma.....First National Bank.<sup>3</sup>  
 Muscatine.....First National Bank.<sup>1</sup>  
 Newell.....First National Bank.<sup>1</sup>  
 New Sharon.....First National Bank.<sup>10</sup>  
 Odebolt.....First National Bank.<sup>3</sup>

## DISTRICT NO. 7—Continued.

## IOWA—continued.

Oskaloosa	Oskaloosa National Bank. <sup>4</sup>
Peterson	First National Bank. <sup>3</sup>
Red Oak	First National Bank. <sup>3</sup>
Rippey	First National Bank. <sup>17</sup>
Royal	Citizens National Bank. <sup>4</sup>
Sibley	First National Bank. <sup>4</sup>
Sioux City	Continental National Bank. <sup>10</sup>
Sioux Rapids	First National Bank. <sup>4</sup>
Stanton	First National Bank. <sup>3</sup>
Storm Lake	Citizens National Bank. <sup>1</sup>
Story City	First National Bank. <sup>3</sup>
Washington	Washington National Bank. <sup>4</sup>
Waterloo	Commercial National Bank. <sup>3</sup> Leavitt & Johnson National Bank. <sup>3</sup>
Waverly	First National Bank. <sup>3</sup>
Webster City	Farmers National Bank. <sup>3</sup> First National Bank. <sup>1</sup>

## MICHIGAN.

(See also district No. 9.)

Battle Creek	Central National Bank. <sup>3</sup> Old National Bank. <sup>1</sup>
Bay City	First National Bank. <sup>3</sup>
Benton Harbor	Farmers & Merchants National Bank. <sup>1</sup>
Birmingham	First National Bank. <sup>3</sup>
Boyer City	First National Bank. <sup>4</sup>
Detroit	National Bank of Commerce. <sup>2</sup>
Flint	First National Bank. <sup>3</sup>
Grand Rapids	Old National Bank. <sup>15</sup>
Hillsdale	First National Bank. <sup>3</sup>
Jackson	National Union Bank. <sup>1</sup>
Lansing	Capital National Bank. <sup>3</sup>
Petoskey	First National Bank. <sup>3</sup>
Port Huron	First National Bank. <sup>3</sup>
Rochester	First National Bank. <sup>3</sup>
Saginaw	Second National Bank. <sup>3</sup>
St. Clair Heights	Michigan National Bank. <sup>3</sup>
Traverse City	First National Bank. <sup>4</sup>

## WISCONSIN.

(See also district No. 9.)

Antigo	Langlade National Bank. <sup>17</sup>
Appleton	Citizens National Bank. <sup>1</sup>
Beaver Dam	Old National Bank. <sup>3</sup>
Fond du Lac	Commercial National Bank. <sup>1</sup>
Hartford	First National Bank. <sup>11</sup>
Janesville	First National Bank. <sup>3</sup>
Marinette	First National Bank. <sup>1</sup>
Monroe	First National Bank. <sup>3</sup>
Oshkosh	City National Bank. <sup>3</sup>
Waukesha	National Exchange Bank. <sup>3</sup>
West Bend	First National Bank. <sup>1</sup>

## DISTRICT NO. 8.

## ARKANSAS.

Batesville	First National Bank. <sup>11</sup>
El Dorado	Citizens National Bank. <sup>1</sup>
Pordyce	First National Bank. <sup>3</sup>
Fort Smith	Merchants National Bank. <sup>1</sup>
Hot Springs	Arkansas National Bank. <sup>1</sup> Citizens National Bank. <sup>7</sup>
Jonesboro	First National Bank. <sup>1</sup>
Little Rock	England National Bank. <sup>1</sup>
Mariana	Lee County National Bank. <sup>3</sup>
Newport	First National Bank. <sup>3</sup>
Texarkana	State National Bank. <sup>1</sup>

## ILLINOIS.

(See also district No. 7.)

Anna	First National Bank. <sup>3</sup>
Bellefonte	First National Bank. <sup>2</sup>
Edwardsville	Edwardsville National Bank. <sup>15</sup>
Jacksonville	Ayers National Bank. <sup>3</sup>
Metropolis	City National Bank. <sup>3</sup>
Mount Sterling	First National Bank. <sup>3</sup>
Murphysboro	First National Bank. <sup>2</sup>

## DISTRICT NO. 8—Continued.

## ILLINOIS—continued.

Nashville	Farmers & Merchants National Bank. <sup>1</sup>
	First National Bank. <sup>1</sup>
Nokomis	Nokomis National Bank. <sup>4</sup>
O'Fallon	First National Bank. <sup>1</sup>
Pittsfield	First National Bank. <sup>3</sup>
Quincy	Ricker National Bank. <sup>1</sup>
Sparta	First National Bank. <sup>26</sup>
Vandalia	First National Bank. <sup>3</sup>

## INDIANA.

(See also district No. 7.)

Bedford	Bedford National Bank. <sup>7</sup>
Evansville	City National Bank. <sup>3</sup> Old State National Bank. <sup>1</sup>
Farmersburg	First National Bank. <sup>57</sup>
Jeffersonville	First National Bank. <sup>1</sup>
Mitchell	First National Bank. <sup>3</sup>
Mt. Vernon	First National Bank. <sup>3</sup>
New Albany	New Albany National Bank. <sup>1</sup>
Princeton	Farmers National Bank. <sup>15</sup> Peoples American National Bank. <sup>2</sup>
Seymour	First National Bank. <sup>1</sup> Seymour National Bank. <sup>1</sup>
Tell City	Citizens National Bank. <sup>3</sup>

## KENTUCKY.

(See also district No. 4.)

Bowling Green	American National Bank. <sup>15</sup>
Danville	Citizens National Bank. <sup>1</sup> Farmers National Bank. <sup>2</sup>
Elizabethtown	First-Harden National Bank. <sup>1</sup>
Glasgow	Farmers National Bank. <sup>3</sup>
Harrodsburg	First National Bank. <sup>1</sup>
Henderson	Henderson National Bank. <sup>3</sup>
Hopkinsville	First National Bank. <sup>1</sup>
Lawrenceburg	Anderson National Bank. <sup>7</sup> Lawrenceburg National Bank. <sup>2</sup>
Lebanon	Citizens National Bank. <sup>3</sup> Marion National Bank. <sup>3</sup>
Louisville	Louisville National Banking Company. <sup>5</sup> National Bank of Kentucky. <sup>1</sup>
Morganfield	Morganfield National Bank. <sup>8</sup>
Owensboro	United States National Bank. <sup>4</sup>
Paducah	City National Bank. <sup>1</sup> First National Bank. <sup>4</sup>

## MISSISSIPPI.

(See also district No. 6.)

Greenville	First National Bank. <sup>3</sup>
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## MISSOURI.

(See also district No. 10.)

Carrollton	First National Bank. <sup>2</sup>
Chillicothe	First National Bank. <sup>1</sup>
Columbia	Boone County National Bank. <sup>3</sup> Exchange National Bank. <sup>3</sup>
Hannibal	Hannibal National Bank. <sup>1</sup>
Kirksville	Citizens National Bank. <sup>2</sup>
Ridgeway	First National Bank. <sup>1</sup>
St. Louis	Merchants-Laclede National Bank. <sup>3</sup> National Bank of Commerce. <sup>1</sup> State National Bank. <sup>1</sup> First National Bank. <sup>3</sup>
Sedalia	Citizens National Bank. <sup>3</sup>
Springfield	Union National Bank. <sup>3</sup>
Versailles	First National Bank. <sup>4</sup>

## TENNESSEE.

(See also district No. 6.)

Memphis	Central State National Bank. <sup>1</sup>
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**DISTRICT NO. 9.**

**MICHIGAN.**

(See also district No. 7.)

Manistique.....First National Bank.<sup>3</sup>  
Negaunee.....Negaunee National Bank.<sup>4</sup>

**MINNESOTA.**

Albert Lea.....First National Bank.<sup>2</sup>  
Austin.....Austin National Bank.<sup>1</sup>  
                    First National Bank.<sup>2</sup>  
Bemidji.....First National Bank.<sup>1</sup>  
Crookston.....Merchants National Bank.<sup>2</sup>  
Duluth.....American National Bank.<sup>2</sup>  
                    City National Bank.<sup>1</sup>  
                    First National Bank.<sup>2</sup>  
Fergus Falls.....Fergus Falls National Bank.<sup>2</sup>  
Minneapolis.....Metropolitan National Bank.<sup>1</sup>  
                    Midland National Bank.<sup>2</sup>  
                    Northwestern National Bank.<sup>5</sup>  
Owatonna.....First National Bank.<sup>1</sup>  
                    National Farmers Bank.<sup>7</sup>  
Red Wing.....Goodhue County National  
                    Bank.<sup>1</sup>  
St. Peter.....First National Bank.<sup>2</sup>  
Stillwater.....First National Bank.<sup>1</sup>  
Waseca.....Farmers National Bank.<sup>1</sup>  
Wells.....First National Bank.<sup>1</sup>  
Winona.....Winona National Bank.<sup>1</sup>

**MONTANA.**

Billings.....Merchants National Bank.<sup>3</sup>  
                    Montana National Bank.<sup>1</sup>  
Bozeman.....Commercial National Bank.<sup>3</sup>  
Great Falls.....Great Falls National Bank.<sup>3</sup>  
Kalispell.....First National Bank.<sup>3</sup>  
Lewistown.....First National Bank.<sup>10</sup>  
Miles City.....First National Bank.<sup>1</sup>  
Missoula.....Western Montana National  
                    Bank.<sup>2</sup>

**NORTH DAKOTA.**

Ellendale.....First National Bank.<sup>3</sup>  
Forman.....First National Bank.<sup>4</sup>  
Grand Forks.....First National Bank.<sup>1</sup>

**SOUTH DAKOTA.**

Aberdeen.....Aberdeen National Bank.<sup>3</sup>  
Arlington.....First National Bank.<sup>3</sup>  
Brookings.....First National Bank.<sup>1</sup>  
Colman.....First National Bank.<sup>3</sup>  
Flandreau.....First National Bank.<sup>4</sup>  
Lake Preston.....First National Bank.<sup>3</sup>  
Rapid City.....First National Bank.<sup>11</sup>  
Sioux Falls.....Minnehaha National Bank.<sup>3</sup>  
                    Security National Bank.<sup>2</sup>  
                    Sioux Falls National Bank.<sup>2</sup>  
Spearfish.....American National Bank.<sup>4</sup>  
Watertown.....First National Bank.<sup>1</sup>  
Webster.....First National Bank.<sup>4</sup>

**WISCONSIN.**

(See also district No. 7.)

Ashland.....Ashland National Bank.<sup>1</sup>  
                    Northern National Bank.<sup>11</sup>  
Barron.....First National Bank.<sup>4</sup>  
Clintonville.....First National Bank.<sup>3</sup>  
Neenah.....National Manufacturers Bank.<sup>4</sup>  
Superior.....First National Bank.<sup>10</sup>

**DISTRICT NO. 10.**

**COLORADO.**

Boulder.....Boulder National Bank.<sup>3</sup>  
                    Citizens National Bank.<sup>10</sup>  
Canon City.....Freemont County National  
                    Bank.<sup>3</sup>  
Center.....First National Bank.<sup>3</sup>  
Colorado Springs.....Exchange National Bank.<sup>1</sup>  
                    First National Bank.<sup>1</sup>

**DISTRICT NO. 10—Continued.**

**COLORADO—continued.**

Denver.....Colorado National Bank.<sup>1</sup>  
                    Denver National Bank.<sup>1</sup>  
                    First National Bank.<sup>1</sup>  
                    United States National Bank.<sup>1</sup>  
Eagle.....First National Bank of Eagle  
                    County.<sup>3</sup>  
Englewood.....First National Bank.<sup>3</sup>  
Fort Collins.....First National Bank.<sup>3</sup>  
                    Poudre Valley National  
                    Bank.<sup>11</sup>  
Fort Morgan.....First National Bank.<sup>3</sup>  
Grand Junction.....Grand Valley National Bank.<sup>1</sup>  
Greeley.....First National Bank.<sup>1</sup>  
                    Greeley National Bank.<sup>1</sup>  
                    Union National Bank.<sup>3</sup>  
Hugo.....First National Bank.<sup>4</sup>  
Idaho Springs.....First National Bank.<sup>3</sup>  
Las Animas.....First National Bank.<sup>3</sup>  
Longmont.....American National Bank.<sup>1</sup>  
Loveland.....First National Bank.<sup>16</sup>  
                    Loveland National Bank.<sup>10</sup>  
Sterling.....Farmers National Bank.<sup>1</sup>  
Trinidad.....First National Bank.<sup>4</sup>  
Walsenburg.....First National Bank.<sup>1</sup>

**KANSAS.**

Anthony.....First National Bank.<sup>3</sup>  
Coffeyville.....First National Bank.<sup>22</sup>  
Fort Scott.....Citizens National Bank.<sup>11</sup>  
Goodland.....Farmers National Bank.<sup>3</sup>  
Horton.....First National Bank.<sup>3</sup>  
Hutchinson.....First National Bank.<sup>3</sup>  
Independence.....Commercial National Bank.<sup>1</sup>  
Jewell City.....First National Bank.<sup>4</sup>  
Lawrence.....Lawrence National Bank.<sup>2</sup>  
Luray.....First National Bank.<sup>4</sup>  
Ottawa.....Peoples National Bank.<sup>3</sup>  
Pittsburg.....National Bank of Commerce.<sup>1</sup>  
Sabetha.....National Bank of Sabetha.<sup>8</sup>  
Salina.....Farmers National Bank.<sup>3</sup>  
                    National Bank of America.<sup>1</sup>  
Topeka.....Farmers National Bank.<sup>3</sup>  
Troy.....First National Bank.<sup>4</sup>  
Winfield.....First National Bank.<sup>1</sup>

**MISSOURI.**

(See also district No. 8.)

Cameron.....First National Bank.<sup>4</sup>  
Carthage.....Central National Bank.<sup>4</sup>  
Kansas City.....Commonwealth National  
                    Bank.<sup>11</sup>  
                    Drovers National Bank.<sup>3</sup>  
                    Fidelity National Bank &  
                    Trust Co.<sup>1</sup>  
                    First National Bank.<sup>3</sup>  
                    Interstate National Bank.<sup>1</sup>  
                    Midwest National Bank &  
                    Trust Co.<sup>2</sup>  
                    New England National Bank.<sup>1</sup>  
Neosho.....First National Bank.<sup>1</sup>  
St. Joseph.....American National Bank.<sup>3</sup>  
                    Burnes National Bank.<sup>3</sup>  
                    Tootle-Lacy National Bank.<sup>3</sup>

**NEBRASKA.**

Butte.....First National Bank.<sup>4</sup>  
Decatur.....First National Bank.<sup>4</sup>  
Lyons.....First National Bank.<sup>4</sup>  
Norfolk.....Norfolk National Bank.<sup>4</sup>  
Omaha.....First National Bank.<sup>3</sup>  
                    Merchants National Bank.<sup>2</sup>  
                    United States National Bank.<sup>1</sup>  
Ord.....First National Bank.<sup>3</sup>  
Utica.....First National Bank.<sup>10</sup>

**NEW MEXICO.**

(See also district No. 11.)

Las Vegas.....San Miguel National Bank.<sup>1</sup>  
Raton.....First National Bank.<sup>11</sup>  
Santa Fe.....First National Bank.<sup>1</sup>

## DISTRICT NO. 10—Continued.

## OKLAHOMA.

(See also district No. 11.)

Ada.....	First National Bank. <sup>10</sup>
Lawton.....	City National Bank. <sup>18</sup>
McAlester.....	American National Bank. <sup>6</sup>
Muskogee.....	First National Bank. <sup>4</sup>
Oklahoma City.....	American National Bank. <sup>30</sup> Farmers National Bank. <sup>3</sup> Liberty National Bank. <sup>1</sup> Security National Bank. <sup>2</sup>
Pond Creek.....	Farmers National Bank. <sup>2</sup>
Shawnee.....	National Bank of Commerce. <sup>4</sup>
Tulsa.....	Central National Bank. <sup>1</sup> Exchange National Bank. <sup>15</sup> First National Bank. <sup>12</sup>
Woodward.....	First National Bank. <sup>4</sup>

## WYOMING.

Basin.....	First National Bank. <sup>10</sup>
Buffalo.....	First National Bank. <sup>3</sup>
Casper.....	Casper National Bank. <sup>3</sup> Wyoming National Bank. <sup>3</sup>
Cheyenne.....	Citizens National Bank. <sup>1</sup> First National Bank. <sup>1</sup> Stock Growers National Bank. <sup>1</sup>
Cody.....	Shoshone National Bank. <sup>15</sup>
Evanston.....	First National Bank. <sup>4</sup>
Kemmerer.....	First National Bank. <sup>3</sup>
Laramie.....	First National Bank. <sup>4</sup>
Powell.....	First National Bank. <sup>2</sup>
Rawlins.....	First National Bank. <sup>1</sup> Rawlins National Bank. <sup>4</sup>
Rock Springs.....	First National Bank. <sup>2</sup> Rock Springs National Bank. <sup>1</sup>
Sheridan.....	First National Bank. <sup>1</sup>
Shoshoni.....	First National Bank. <sup>2</sup>

## DISTRICT NO. 11.

## ARIZONA.

Nogales.....	First National Bank. <sup>2</sup>
Tucson.....	Arizona National Bank. <sup>1</sup> Consolidated National Bank. <sup>3</sup>

## LOUISIANA.

(See also district No. 6.)

Shreveport.....	Commercial National Bank. <sup>3</sup> First National Bank. <sup>3</sup>
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## NEW MEXICO.

(See also district No. 10.)

Albuquerque.....	State National Bank. <sup>3</sup>
Carlsbad.....	First National Bank. <sup>1</sup>
Roswell.....	Citizens National Bank. <sup>4</sup> First National Bank. <sup>4</sup>
Silver City.....	Silver City National Bank. <sup>31</sup>

## TEXAS.

Abilene.....	Citizens National Bank. <sup>32</sup>
Amarillo.....	First National Bank. <sup>3</sup>
Austin.....	American National Bank. <sup>4</sup>
Beaumont.....	First National Bank. <sup>2</sup>
Bonham.....	First National Bank. <sup>4</sup>
Brownwood.....	Citizens National Bank. <sup>1</sup>
Campbell.....	Campbell National Exchange Bank. <sup>4</sup>
Colorado.....	City National Bank. <sup>3</sup>
Corsicana.....	Corsicana National Bank. <sup>3</sup>
Dallas.....	City National Bank. <sup>1</sup> National Bank of Commerce. <sup>3</sup> Tenison National Bank. <sup>3</sup>
Denison.....	State National Bank. <sup>1</sup>
El Paso.....	City National Bank. <sup>1</sup>
Fort Worth.....	First National Bank. <sup>12</sup> Fort Worth National Bank. <sup>3</sup> Stock Yards National Bank. <sup>3</sup>
Galveston.....	First National Bank. <sup>3</sup>
Granger.....	First National Bank. <sup>32</sup>

## DISTRICT NO. 11—Continued.

## TEXAS—continued.

Greenville.....	Greenville National Exchange Bank. <sup>2</sup>
Houston.....	National Bank of Commerce. <sup>11</sup>
McKinney.....	First National Bank. <sup>3</sup>
Marshall.....	First National Bank. <sup>4</sup> Marshall National Bank. <sup>3</sup>
Orange.....	First National Bank. <sup>1</sup>
Palestine.....	Royal National Bank. <sup>3</sup>
Port Arthur.....	First National Bank. <sup>3</sup>
San Angelo.....	Central National Bank. <sup>3</sup> First National Bank. <sup>1</sup> San Angelo National Bank. <sup>4</sup> Western National Bank. <sup>1</sup>
San Antonio.....	Lockwood National Bank. <sup>1</sup>
Sealy.....	Sealy National Bank. <sup>3</sup>
Sherman.....	Commercial National Bank. <sup>1</sup>
Stanton.....	First National Bank. <sup>4</sup>
Texarkana.....	Texarkana National Bank. <sup>1</sup>
Troup.....	First National Bank. <sup>6</sup>
Tyler.....	Citizens National Bank. <sup>4</sup>
Victoria.....	Victoria National Bank. <sup>3</sup>
Waco.....	First National Bank. <sup>2</sup>
Wichita Falls.....	City National Bank. <sup>1</sup> National Bank of Commerce. <sup>3</sup> First National Bank. <sup>1</sup>

## DISTRICT NO. 12.

## ALASKA.

Fairbanks.....	First National Bank. <sup>1</sup>
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## CALIFORNIA.

Bakersfield.....	First National Bank. <sup>1</sup>
Calexico.....	First National Bank. <sup>5</sup>
Chico.....	Butte County National Bank. <sup>1</sup>
Fresno.....	Farmers National Bank. <sup>1</sup>
Fullerton.....	Farmers & Merchants National Bank. <sup>5</sup>
Los Angeles.....	Continental National Bank. <sup>5</sup> Farmers & Merchants National Bank. <sup>1</sup>
Mountain View.....	First National Bank. <sup>5</sup>
Oakland.....	Central National Bank. <sup>1</sup>
Orland.....	First National Bank. <sup>5</sup>
Pasadena.....	National Bank & Trust Co. <sup>1</sup>
Pleasanton.....	First National Bank. <sup>5</sup>
Redwood City.....	First National Bank of Mateo County. <sup>30</sup>
Sacramento.....	Capital National Bank. <sup>1</sup> National Bank of D. O. Mills & Co. <sup>11</sup>
San Francisco.....	American National Bank. <sup>5</sup> Bank of California, N. A. <sup>1</sup>
Santa Barbara.....	First National Bank. <sup>1</sup>
Visalia.....	First National Bank. <sup>5</sup>
Wilmington.....	First National Bank. <sup>5</sup>

## IDAHO.

Boise.....	Boise City National Bank. <sup>6</sup> First National Bank of Idaho. <sup>25</sup>
Hagerman.....	First National Bank. <sup>6</sup>
Hailey.....	Hailey National Bank. <sup>4</sup>
Moscow.....	First National Bank. <sup>3</sup>
Payette.....	First National Bank. <sup>1</sup>
Weiser.....	First National Bank. <sup>1</sup>

## NEVADA.

Tonopah.....	Nevada First National Bank. <sup>1</sup>
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## OREGON.

Asbland.....	First National Bank. <sup>1</sup>
Corvallis.....	First National Bank. <sup>3</sup>
Eugene.....	First National Bank. <sup>3</sup>
Harrisburg.....	First National Bank. <sup>4</sup>
Junction City.....	First National Bank. <sup>18</sup>
Marshfield.....	First National Bank of Coos Bay. <sup>1</sup>
Medford.....	Medford National Bank. <sup>1</sup>
Milton.....	First National Bank. <sup>3</sup>
Ontario.....	First National Bank. <sup>29</sup>

DISTRICT NO. 12—Continued.

OREGON—continued.

Pendleton.....	American National Bank. <sup>3</sup>
	First National Bank. <sup>3</sup>
Portland.....	First National Bank. <sup>3</sup>
	United States National Bank. <sup>1</sup>
Salem.....	Capital National Bank. <sup>1</sup>

UTAH.

Salt Lake City.....	Continental National Bank. <sup>3</sup>
	Deseret National Bank. <sup>3</sup>

WASHINGTON.

Bellingham.....	Bellingham National Bank. <sup>3</sup>
	First National Bank. <sup>23</sup>
Clarkston.....	First National Bank. <sup>1</sup>
Colfax.....	Farmers National Bank. <sup>3</sup>

DISTRICT NO. 12—Continued.

WASHINGTON—continued.

Ellensburg.....	Washington National Bank. <sup>4</sup>
Everett.....	First National Bank. <sup>1</sup>
Mount Vernon.....	First National Bank. <sup>4</sup>
Oroville.....	First National Bank. <sup>1</sup>
Pullman.....	First National Bank. <sup>10</sup>
Seattle.....	Dexter Horton National Bank. <sup>1</sup>
	First National Bank. <sup>3</sup>
	National Bank of Commerce. <sup>1</sup>
	National City Bank. <sup>3</sup>
	Seattle National Bank. <sup>10</sup>
	Union National Bank. <sup>1</sup>
Spokane.....	Exchange National Bank. <sup>1</sup>
Vancouver.....	Vancouver National Bank. <sup>3</sup>
Walla Walla.....	Baker Boyer National Bank. <sup>1</sup>
	First National Bank. <sup>1</sup>
	Third National Bank. <sup>23</sup>

- <sup>1</sup> Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics.\*
- <sup>2</sup> Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics.
- <sup>3</sup> Trustee, executor, administrator, and registrar of stocks and bonds.
- <sup>4</sup> Trustee, executor, and administrator.
- <sup>5</sup> Registrar of stocks and bonds.
- <sup>6</sup> Trustee.
- <sup>7</sup> Trustee, executor, administrator, guardian of estates, assignee, receiver, and committee of estates of lunatics.\*
- <sup>8</sup> Trustee, executor, administrator, and guardian of estates.\*
- <sup>9</sup> Trustee, executor, administrator, guardian of estates, and receiver.\*
- <sup>10</sup> Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and receiver.
- <sup>11</sup> Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and receiver.\*
- <sup>12</sup> Trustee, executor, and registrar of stocks and bonds.
- <sup>13</sup> Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, and receiver.
- <sup>14</sup> Trustee, executor, administrator, assignee, and receiver.\*
- <sup>15</sup> Trustee and registrar of stocks and bonds.
- <sup>16</sup> Trustee, executor, administrator, registrar of stocks and bonds, assignee, and receiver.
- <sup>17</sup> Trustee, executor, administrator, guardian of estates, assignee, receiver, and committee of estates of lunatics.
- <sup>18</sup> Trustee, executor, administrator, guardian of estates, assignee, and receiver.\*
- <sup>19</sup> Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, receiver, and committee of estates of lunatics.\*
- <sup>20</sup> Trustee, and registrar of stocks and bonds.\*
- <sup>21</sup> Trustee, executor, administrator, guardian of estates, assignee, receiver, and committee of estates of lunatics.\*
- <sup>22</sup> Trustee, executor, administrator, and guardian of estates.
- <sup>23</sup> Trustee, administrator, and registrar of stocks and bonds.
- <sup>24</sup> Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, and receiver.\*
- <sup>25</sup> Trustee, executor, administrator, registrar of stocks and bonds, and guardian of estates.
- <sup>26</sup> Trustee, executor, administrator, guardian of estates, assignee, and receiver.
- <sup>27</sup> Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and committee of estates of lunatics.
- <sup>28</sup> Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, and assignee.
- <sup>29</sup> Executor and administrator.
- <sup>30</sup> Trustee, executor, administrator, guardian of estates, receiver, and committee of estates of lunatics.\*
- <sup>31</sup> Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and committee of estates of lunatics.\*
- <sup>32</sup> Trustee and executor.
- <sup>33</sup> Trustee, executor, administrator, registrar of stocks and bonds, and guardian of estates.\*

Exhibit L.—ACCEPTANCES TO 100 PER CENT.

The following banks have been granted authority by the Federal Reserve Board to accept drafts and bills of exchange up to 100 per cent of their capital stock and surplus:

DISTRICT No. 1.

Connecticut:	
Hartford.....	Hartford Aetna National Bank. Phoenix National Bank.
Norwich.....	Thames National Bank.
Maine:	
Portland.....	Canal National Bank. Portland National Bank.

## Massachusetts:

Boston.....	Beacon Trust Co. Commonwealth Trust Co. First National Bank. Fourth-Atlantic National Bank. International Trust Co. Merchants National Bank. National Shawmut Bank. National Union Bank. Old Colony Trust Co. Second National Bank. State Street Trust Co. Webster & Atlas National Bank.
Dedham.....	Dedham National Bank.
Fall River.....	Massasoit-Pocasset National Bank.
Fitchburg.....	Safety Fund National Bank.
New Bedford.....	First National Bank. New Bedford Safe Deposit & Trust Co.
Springfield.....	Springfield National Bank.
Worcester.....	Merchants National Bank.
Rhode Island:	
Providence.....	Blackstone Canal National Bank. Merchants National Bank. National Bank of Commerce. Providence National Bank.

## DISTRICT No. 2.

## Connecticut:

Bridgeport.....	City National Bank.
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## New Jersey:

Hoboken.....	First National Bank.
Newark.....	National Newark & Essex Banking Co.
New Brunswick.....	National Bank of New Jersey.
Paterson.....	Hamilton Trust Co. Paterson National Bank.

## New York:

New York.....	American Exchange National Bank. Atlantic National Bank. Bankers Trust Co. Bank of America. Bank of Manhattan Co. Bank of New York, N. B. A. Central Union Trust Co. Chase National Bank. Chemical National Bank. Citizens National Bank. Columbia Trust Co. Corn Exchange Bank. Equitable Trust Co. Farmers Loan & Trust Co. Fifth Avenue Bank. First National Bank. Franklin Trust Co. Guaranty Trust Co. Harriman National Bank. Importers & Traders National Bank. Irving National Bank. Liberty National Bank. Mechanics & Metals National Bank. Mercantile Bank of the Americas. Mercantile Trust & Deposit Co. Merchants National Bank. National Bank of Commerce. National City Bank. National Park Bank. New Netherlands Bank. Scandinavian Trust Co.
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## New York—Continued.

New York.....	Seaboard National Bank. Second National Bank. U. S. Mortgage & Trust Co. W. R. Grace & Co.'s Bank.
Utica.....	First National Bank. Utica Trust & Deposit Co.

## DISTRICT No. 3.

## Pennsylvania:

Philadelphia.....	Bank of North America. Corn Exchange National Bank. First National Bank. Fourth Street National Bank. Girard National Bank. Market Street National Bank. Philadelphia National Bank. Tradesmen's National Bank.
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## DISTRICT No. 4.

## Kentucky:

Lexington.....	Phoenix & Third National Bank.
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## Ohio:

Akron.....	First-Second National Bank.
Cincinnati.....	Fifth-Third National Bank.
Cleveland.....	Central National Bank. Cleveland Trust Co. First National Bank. Guardian Savings & Trust Co. Superior Savings & Trust Co. Union Commerce National Bank.
Toledo.....	Guardian Trust & Savings Bank.

## Pennsylvania:

Pittsburgh.....	Bank of Pittsburgh, N. A. First National Bank. Mellon National Bank. Peoples National Bank. Pittsburgh Trust Co. Union National Bank. Union Trust Co.
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## DISTRICT No. 5.

## Maryland:

Baltimore.....	Baltimore Trust Co. Drovers & Mechanics National Bank. Farmers & Merchants National Bank. Merchants-Mechanics First National Bank. National Bank of Commerce. National Exchange Bank. National Marine Bank. National Union Bank of Maryland. Second National Bank.
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## North Carolina:

Wilmington.....	Murchison National Bank.
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## South Carolina:

Charleston.....	Bank of Charleston, N. B. A. Peoples National Bank.
Orangeburg.....	Edisto National Bank.
Rock Hill.....	Peoples National Bank.

## Virginia:

Danville.....	First National Bank.
Hampton.....	Merchants National Bank.
Norfolk.....	Citizens Bank. Marine Bank. National Bank of Commerce. Norfolk National Bank. Seaboard National Bank. Virginia National Bank.

## Virginia—Continued

Richmond.....	American National Bank. Bank of Commerce & Trusts. First National Bank. Merchants National Bank. National State and City Bank. Planters National Bank.
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## DISTRICT No. 6.

## Alabama:

Albany.....	Central National Bank.
Decatur.....	City National Bank.
Huntsville.....	Henderson National Bank.
Troy.....	Farmers & Merchants National Bank.

## Florida:

Jacksonville.....	Atlantic National Bank.
Pensacola.....	Citizens & People's National Bank.

## Georgia:

Atlanta.....	Atlanta National Bank. Fourth National Bank. Lowry National Bank.
Cordele.....	American National Bank.
Macon.....	Fourth National Bank. Macon National Bank.
Savannah.....	Citizens Trust Co. Citizens & Southern Bank. Hibernia Bank. National Bank of Savannah. Savannah Bank & Trust Co.
Valdosta.....	First National Bank.

## Louisiana:

New Orleans.....	Canal Commercial National Bank. Canal Commercial Trust & Savings Bank. Hibernia Bank & Trust Co. Interstate Trust & Banking Co. Marine Bank & Trust Co. New Orleans National Bank. Whitney-Central National Bank.
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## Mississippi:

Vicksburg.....	Merchants National Bank.
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## Tennessee:

Chattanooga.....	Hamilton National Bank.
Clarksville.....	First National Bank.

## DISTRICT No. 7.

## Illinois:

Chicago.....	Chicago Trust Co. Continental & Commercial National Bank. Corn Exchange National Bank. Drovers National Bank. First National Bank. Fort Dearborn National Bank. Harris Trust & Savings Bank. Illinois Trust & Savings Bank. Live Stock Exchange National Bank. Merchants Loan & Trust Co. National Bank of the Republic. National City Bank. Union Trust Co.
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## Indiana:

Indianapolis.....	Fletcher American National Bank.
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## Michigan:

Detroit.....	First & Old Detroit National Bank.
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## Wisconsin:

Milwaukee.....	First National Bank.
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## DISTRICT No. 8.

## Mississippi:

Canton.....	First National Bank.
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Missouri:	
St. Louis.....	First National Bank. Liberty Bank. Mercantile Trust Co. Merchants-Laclede National Bank. Mississippi Valley Trust Co. National Bank of Commerce.
Tennessee:	
Memphis.....	Union & Planters Bank & Trust Co. Central State National Bank.
	DISTRICT No. 9.
Minnesota:	
Minneapolis.....	First & Security National Bank, Northwestern National Bank.
St. Paul.....	Capital National Bank. First National Bank.
	DISTRICT No. 10.
Kansas:	
Hutchinson.....	First National Bank.
Missouri:	
Kansas City.....	First National Bank. Commerce Trust Co. National Bank of Commerce.
St. Joseph.....	First National Bank.
	DISTRICT No. 11.
Arizona:	
Nogales.....	First National Bank.
Texas:	
Austin.....	American National Bank.
Brownwood.....	Brownwood National Bank.
Dallas.....	American Exchange National Bank. City National Bank. Tenison National Bank.
Fort Worth.....	American National Bank. Fort Worth National Bank. National Bank of Commerce. Stockyards National Bank.
Gainesville.....	First National Bank.
Hillsboro.....	Citizens National Bank.
Honey Grove.....	State National Bank.
Houston.....	First National Bank. Houston National Exchange Bank. Lumbermans National Bank. National Bank of Commerce. South Texas Commercial National Bank. Union National Bank.
Navasota.....	First National Bank.
Paris.....	Lamar State Bank & Trust Co.
San Angelo.....	First National Bank.
Terrell.....	First National Bank. American National Bank.
Waco.....	First National Bank.
Waxahachie.....	Waxahachie National Bank.
	DISTRICT No. 12.
California:	
San Francisco.....	American National Bank. Anglo & London-Paris National Bank. Bank of California, N. A. Crocker National Bank. First National Bank. Wells Fargo-Nevada National Bank.
Oregon:	
Portland.....	First National Bank. Ladd & Tilton Bank. Northwestern National Bank. United States National Bank.

## Washington:

Seattle..... Dexter Horton National Bank.  
 First National Bank.  
 National Bank of Commerce of Seattle.  
 Seaboard National Bank.  
 Seattle National Bank.

Spokane..... Spokane & Eastern Trust Co.  
 Old National Bank.  
 Exchange National Bank.

**Exhibit M.—PERSONNEL AND SALARIES.***Salaries of officers and employees of Federal Reserve Banks.*

## FEDERAL RESERVE BANK OF BOSTON.

Departments.	Number of officers and employees.					Salaries.				
	1915	1916	1917	1918	1919	1915	1916	1917	1918	1919
Chairman and Federal Reserve agent.....	1	1	1	1	1	\$10,000	\$10,000	\$12,000	\$12,000	\$15,000
Governor.....	1	1	1	1	1	15,000	20,000	20,000	20,000	25,000
Deputy governor.....	2	3	5	8	8	8,500	10,900	17,500	11,000	24,000
Other officers.....	4	13	55	160	223	6,100	15,260	57,700	134,263	285,200
Banking department.....	3	12	17	29	32	3,100	11,360	16,530	27,343	33,240
Bookkeeping department.....	3	25	30	126	187	2,100	24,460	24,964	75,635	188,240
Transit department.....	2	3	4	15	14	2,500	3,680	7,100	17,400	21,780
Federal Reserve agent's department.....	.....	.....	112	211	262	.....	.....	106,200	252,873	347,980
Fiscal agency department.....	4	13	23	30	25	3,580	10,280	26,378	23,477	23,460
General.....	.....	.....	.....	3	.....	.....	.....	.....	2,095	.....
Capital issues.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>Total.....</b>	<b>20</b>	<b>71</b>	<b>248</b>	<b>585</b>	<b>755</b>	<b>50,880</b>	<b>105,940</b>	<b>288,372</b>	<b>609,081</b>	<b>982,400</b>

## FEDERAL RESERVE BANK OF NEW YORK (INCLUDING BUFFALO BRANCH).

Chairman and Federal Reserve agent.....	1	1	1	1	1	\$16,000	\$16,000	\$20,000	\$20,000	\$30,000
Governor.....	1	1	1	1	1	30,000	15,000	30,000	30,000	50,000
Deputy governor.....	.....	1	2	4	2	.....	20,000	45,000	81,000	51,000
Other officers.....	4	6	8	17	27	32,800	42,000	56,200	89,400	195,700
Banking department.....	47	88	287	892	1,297	60,588	97,552	301,648	945,360	1,608,220
Bookkeeping department.....	5	10	15	42	78	4,620	10,700	15,360	47,680	100,560
Transit department.....	9	57	168	446	614	6,430	36,480	94,480	338,430	580,700
Federal Reserve agent's department.....	.....	.....	6	8	26	.....	.....	9,520	17,860	49,980
Fiscal agency department.....	.....	.....	299	1,219	713	.....	.....	360,932	1,501,840	955,888
Capital issues.....	.....	.....	.....	5	.....	.....	.....	.....	11,720	.....
General.....	6	9	42	22	137	5,540	8,460	37,440	21,540	160,320
<b>Total.....</b>	<b>73</b>	<b>173</b>	<b>829</b>	<b>2,657</b>	<b>2,896</b>	<b>155,978</b>	<b>246,192</b>	<b>970,580</b>	<b>3,104,830</b>	<b>3,782,368</b>

## FEDERAL RESERVE BANK OF PHILADELPHIA.

Chairman and Federal Reserve agent.....	1	1	1	1	1	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000
Governor.....	1	1	1	1	1	20,000	20,000	20,000	20,000	25,000
Other officers.....	1	2	4	7	9	5,000	10,200	21,250	37,000	51,500
Banking department.....	8	12	38	143	134	14,400	15,940	34,084	137,740	173,060
Bookkeeping department.....	4	10	17	36	26	3,300	9,360	18,080	47,540	29,700
Transit department.....	6	35	74	98	186	5,880	24,180	47,790	79,560	176,904
Federal Reserve agent's department.....	5	5	6	6	11	5,976	7,140	8,060	7,880	27,130
Fiscal agency department.....	.....	.....	26	98	63	.....	.....	23,160	102,240	76,640
General.....	19	23	25	33	216	12,480	14,672	16,848	32,080	237,440
<b>Total.....</b>	<b>45</b>	<b>89</b>	<b>192</b>	<b>423</b>	<b>647</b>	<b>77,036</b>	<b>111,492</b>	<b>199,272</b>	<b>474,040</b>	<b>812,374</b>

*Salaries of officers and employees of Federal Reserve Banks—Continued.*

## FEDERAL RESERVE BANK OF CLEVELAND (INCLUDING PITTSBURGH AND CINCINNATI BRANCHES).

Departments.	Number of officers and employees.					Salaries.				
	1915	1916	1917	1918	1919	1915	1916	1917	1918	1919
Chairman and Federal Reserve agent.....	1	1	1	1	1	\$10,000	\$10,000	\$12,000	\$15,000	\$20,000
Governor.....	1	1	1	1	1	18,000	20,000	20,000	20,000	25,000
Other officers.....	2	3	6	11	13	7,000	10,750	21,050	48,850	65,199
Banking department.....	9	7½	21	129	175	16,900	13,430	23,800	155,418	232,819
Bookkeeping department.....	4	4	15	39	38	5,160	4,380	19,080	35,280	41,580
Transit department.....	2	3½	73	169	211	1,080	23,370	52,710	130,150	179,620
Federal Reserve agents' department.....	2	2	5	10	17	3,500	3,780	7,820	16,080	32,480
Fiscal agency department.....	.....	.....	70	203	105	.....	.....	87,180	321,884	184,589
General.....	10	10	19	26	65	6,900	8,040	16,440	22,800	66,045
<b>Total.....</b>	<b>31</b>	<b>65</b>	<b>211</b>	<b>589</b>	<b>626</b>	<b>68,540</b>	<b>93,750</b>	<b>260,080</b>	<b>765,462</b>	<b>847,332</b>

## FEDERAL RESERVE BANK OF RICHMOND (INCLUDING BALTIMORE BRANCH, OPENED MAR. 1, 1919).

Chairman and Federal Reserve agent.....	1	1	1	1	1	\$10,000	\$10,000	\$10,000	\$10,000	\$12,000
Governor.....	1	1	1	1	1	10,000	12,000	15,000	15,000	18,000
Other officers.....	2	2	4	6	11	5,978	9,428	14,550	16,359	50,800
Banking department.....	10	11	18	63	82	12,742	13,956	22,880	76,953	93,410
Bookkeeping department.....	3	5	6	12	13	4,748	5,520	4,980	9,640	14,540
Transit department.....	7	36	43	79	157	2,278	11,599	21,954	59,485	125,228
Federal Reserve agent's department.....	1	1	2	4	9	945	916	2,400	7,202	19,900
Fiscal agency department.....	.....	.....	20	40	54	.....	.....	21,024	54,930	63,230
General.....	5	6	14	48	73	6,439	8,819	8,540	36,810	83,560
<b>Total.....</b>	<b>30</b>	<b>63</b>	<b>109</b>	<b>254</b>	<b>401</b>	<b>53,130</b>	<b>72,238</b>	<b>121,328</b>	<b>286,379</b>	<b>480,768</b>

## FEDERAL RESERVE BANK OF ATLANTA (INCLUDING BIRMINGHAM, JACKSONVILLE, NASHVILLE, AND NEW ORLEANS BRANCHES).

Chairman and Federal Reserve agent.....	1	1	1	1	1	\$7,500	\$9,000	\$10,000	\$10,000	\$10,000
Governor.....	1	1	1	1	1	9,000	9,000	10,000	10,000	15,000
Other officers.....	4	4	3	14	18	13,100	12,060	11,380	53,400	76,600
Banking department.....	23	21	35	85	98	23,928	21,828	37,690	92,770	113,850
Bookkeeping department.....	3	5	6	15	32	3,600	5,100	6,480	17,100	33,000
Transit department.....	2	24	28	68	109	1,250	15,900	20,180	53,790	98,400
Federal Reserve agent's department.....	2	3	3	5	10	3,200	4,380	5,220	9,180	21,250
Fiscal agency department.....	.....	.....	51	93	71	.....	.....	61,010	102,240	82,980
General.....	5	6	4	35	46	3,180	4,080	3,120	25,598	36,288
<b>Total.....</b>	<b>41</b>	<b>65</b>	<b>132</b>	<b>317</b>	<b>386</b>	<b>64,768</b>	<b>81,348</b>	<b>165,080</b>	<b>374,078</b>	<b>487,366</b>

## FEDERAL RESERVE BANK OF CHICAGO (INCLUDING DETROIT BRANCH).

Chairman and Federal Reserve agent.....	1	1	1	1	1	\$10,000	\$10,000	\$10,000	\$12,000	\$18,000
Governor.....	2	3	7	18	25	14,000	17,500	33,500	79,000	132,000
Other officers.....	18	33	36	155	301	21,426	31,880	47,880	180,910	387,682
Banking department.....	4	9	10	24	31	4,100	8,700	9,520	25,100	38,580
Bookkeeping department.....	9	40	61	124	299	8,700	30,240	49,280	109,160	207,236
Transit department.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Federal Reserve agent's department.....	2	2	5	11	17	7,200	7,800	13,800	17,120	33,460
Fiscal agency department.....	.....	.....	166	292	277	.....	.....	215,930	354,370	365,538
General.....	13	21	77	189	247	11,134	20,985	61,130	183,800	274,091
<b>Total.....</b>	<b>50</b>	<b>110</b>	<b>364</b>	<b>815</b>	<b>1,199</b>	<b>96,560</b>	<b>147,105</b>	<b>465,040</b>	<b>985,460</b>	<b>1,586,587</b>

*Salaries of officers and employees of Federal Reserve Banks—Continued.*

## FEDERAL RESERVE BANK OF ST. LOUIS (INCLUDING LOUISVILLE, MEMPHIS, AND LITTLE ROCK).

Departments.	Number of officers and employees.					Salaries.				
	1915	1916	1917	1918	1919	1915	1916	1917	1918	1919
Chairman and Federal Reserve agent.....	1	1	1	1	1	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000
Governor.....	1	1	1	1	1	20,000	20,000	20,000	20,000	20,000
Other officers.....	2	2	8	13	14	13,500	13,500	35,500	55,500	66,300
Banking department.....	8	12	43	117	225	12,820	17,180	44,500	123,292	261,850
Bookkeeping department.....	5	6	7	11	23	6,200	6,200	5,900	12,000	25,650
Transit department.....	14	24	50	60	114	9,660	16,140	34,620	57,540	72,350
Federal Reserve agent's department.....	3	3	2	5	8	5,900	5,900	3,340	7,920	10,950
Fiscal agency department.....	5	4	59	126	104	2,820	2,820	65,840	132,620	156,700
General.....	5	4	6	51	51	2,820	2,820	4,920	47,000	24,100
Total.....	39	53	177	385	541	80,900	91,800	224,620	465,872	652,900

## FEDERAL RESERVE BANK OF MINNEAPOLIS.

Chairman and Federal Reserve agent.....	1	1	1	1	1	\$ 7,500	\$ 9,000	\$10,000	\$10,000	\$12,000
Governor.....	1	1	1	1	1	15,000	15,000	18,000	18,000	12,000
Deputy governor.....				1					6,000	
Other officers.....	1	1	3	5	5	3,000	3,500	12,500	16,210	17,900
Banking department.....	10	14	30	71	88	11,940	15,850	29,120	56,629	104,380
Bookkeeping department.....	3	6	6	12	13	2,460	5,540	6,040	6,078	14,560
Transit department.....	1	29	37	78	101	2,000	19,460	24,040	33,243	85,860
Federal Reserve agent's department.....	3	2	2	3	14	5,520	4,080	4,580	5,636	28,300
Fiscal agency department.....			47	95	64			51,180	65,721	72,360
Total.....	20	54	127	267	287	47,420	72,430	155,460	217,517	347,360

## FEDERAL RESERVE BANK OF KANSAS CITY (INCLUDING OMAHA AND DENVER BRANCHES).

Chairman and Federal Reserve agent.....	1	1	1	1	1	\$7,500	\$7,500	\$7,500	\$9,000	\$12,000
Governor.....	1	1	1	1	1	7,500	10,000	12,500	15,000	18,000
Other officers.....	1	2	4	12	15	6,000	8,800	17,400	60,000	64,400
Bookkeeping department.....	6	4	4	16	18	6,120	4,500	5,340	20,180	26,860
Transit department.....	16	26	26	139	199	10,980	18,780	22,960	108,360	206,160
Federal Reserve agent's department.....	3	3	5	5	6	4,080	4,380	7,680	5,760	9,100
Fiscal agency department.....			85	201	157			93,190	219,810	194,890
General.....	12	15	27	105	186	13,460	18,460	27,020	122,880	239,060
Total.....	40	52	153	480	583	55,640	72,420	193,590	560,990	770,470

## FEDERAL RESERVE BANK OF DALLAS (INCLUDING EL PASO AND HOUSTON BRANCHES, THE LATTER OPENED AUG. 4, 1919).

Chairman and Federal Reserve agent.....	1	1	1	1	1	\$7,500	\$9,000	\$10,000	\$10,000	\$14,000
Governor.....	1	1	1	1	1	10,000	10,000	12,000	12,000	15,000
Other officers.....	2	3	4	8	15	11,000	15,000	19,700	38,200	62,800
Banking department.....	11	12	31	113	165	17,140	17,760	39,300	136,200	202,460
Bookkeeping department.....	2	5	7	13	23	1,620	5,100	6,360	12,840	24,780
Transit department.....	2	27	39	86	173	2,100	20,760	33,140	74,400	178,000
Federal Reserve agent's department.....	2	2	2	5	16	7,400	3,700	3,700	10,860	25,260
Fiscal agency department.....			75	162	89			60,690	191,104	118,260
General.....	10	12	10	14	22	9,060	11,680	7,580	10,960	21,000
Total.....	31	63	170	403	505	65,820	93,000	192,470	496,564	661,560

*Salaries of officers and employees of Federal Reserve Banks—Continued.*

**FEDERAL RESERVE BANK OF SAN FRANCISCO (INCLUDING SPOKANE, PORTLAND, SEATTLE, AND SALT LAKE CITY BRANCHES).**

Departments.	Number of officers and employees.					Salaries.				
	1915	1916	1917	1918	1919	1915	1916	1917	1918	1919
Chairman and Federal Reserve agent.....	1	1	1	1	1	\$12,000	\$12,000	\$14,000	\$14,000	\$18,000
Governor.....	1	1	1	1	1	15,090	15,000	18,000	18,000	18,000
Other officers.....	2	3	10	18	25	10,200	12,200	39,500	68,280	117,900
Banking department.....	10	31	77	157	196	14,820	30,230	101,046	190,560	270,480
Bookkeeping department.....	2	5	17	27	33	2,520	4,620	18,240	30,960	40,740
Transit department.....	1	15	31	64	100	780	11,640	28,740	62,940	108,720
Federal Reserve agent's department.....	3	2	3	10	16	7,000	1,620	3,420	16,224	33,560
Fiscal agency department.....			122	207	142			146,100	253,140	145,140
General.....	2	4	11	41	53	1,800	4,620	980	60,320	79,000
Capital issues.....				5					12,600	
Total.....	22	62	273	531	567	64,120	91,930	370,026	727,024	831,540

**SALARIES OF OFFICERS AND EMPLOYEES OF THE FEDERAL RESERVE BOARD AS OF DECEMBER 31, 1919.**

OFFICE OF THE SECRETARY.

W. T. Chapman, secretary.....	\$6,000.00
R. G. Emerson, assistant secretary.....	3,600.00
Staff:	
1 at \$3,600.....	3,600.00
1 at \$2,500.....	2,500.00
1 at \$2,240.....	2,240.00
1 at \$2,000.....	2,000.00
5 at \$1,800.....	9,000.00
2 at \$1,700.....	3,400.00
1 at \$1,680.....	1,680.00
3 at \$1,500.....	4,500.00
6 at \$1,440.....	8,640.00
3 at \$1,320.....	3,960.00
1 at \$1,200.....	1,200.00
1 at \$1,100.....	1,100.00
1 at \$1,020.....	1,020.00
1 at \$600.....	600
1 at \$360 (part time employee).....	360
1 at \$120 (part time employee).....	120
	<hr/>
	\$55,520.00

OFFICE OF GENERAL COUNSEL.

Geo. L. Harrison, general counsel.....	8,500.00
Milton C. Elliott, consulting counsel.....	5,000.00
Walter S. Logan, assistant counsel.....	5,000.00
Staff:	
1 at \$3,300.....	3,300.00
1 at \$2,600.....	2,600.00
1 at \$2,200.....	2,200.00
1 at \$1,680.....	1,680.00
1 at \$1,500.....	1,500.00
	<hr/>
	29,780

EXECUTIVE SECRETARY.

W. W. Hoxton.....	10,000
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FISCAL AGENT.

W. M. Murray.....	4,000.00
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## ARCHITECTS.

A. B. Trowbridge, consulting architect.....	\$3,663.66	
O. W. Ten Eyck, assistant architect.....	4,000.00	
		<u>\$10,666.66</u>

## OFFICES OF MEMBERS OF THE BOARD.

## Staff:

1 at \$3,025.....	3,025.00	
2 at \$3,000.....	6,000.00	
1 at \$2,800.....	2,800.00	
\$1 at \$2,600.....	2,600.00	
1 at \$2,500.....	2,500.00	
1 at \$2,400.....	2,400.00	
3 at \$1,440.....	4,320.00	
		<u>23,645.00</u>

## DIVISION OF REPORTS AND STATISTICS.

Morris Jacobson, statistician and chief of division.....	6,000.00
E. L. Smead, assistant chief of division.....	4,000.00
E. A. Goldenweiser, assistant statistician.....	3,300.00

## Staff:

1 at \$2,250.....	2,250.00	
1 at \$2,240.....	2,240.00	
3 at \$2,000.....	6,000.00	
1 at \$1,920.....	1,920.00	
1 at \$1,800.....	1,800.00	
1 at \$1,650.....	1,650.00	
2 at \$1,600.....	3,200.00	
1 at \$1,520.....	1,520.00	
3 at \$1,500.....	4,500.00	
4 at \$1,400.....	5,600.00	
8 at \$1,320.....	10,560.00	
1 at \$1,200.....	1,200.00	
2 at \$1,100.....	2,200.00	
1 at \$1,000.....	1,000.00	
1 at \$960.....	960.00	
1 at \$840.....	840.00	
1 at \$660.....	660.00	
		<u>61,400.00</u>

## DIVISION OF OPERATIONS AND EXAMINATION.

W. W. Paddock, chief of division.....	5,500.00
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## Examiners:

John A. Will, chief Federal Reserve examiner.....	7,000.00	
James F. Herson, chief Federal Reserve examiner.....	5,500.00	
W. J. Donald.....	4,200.00	
George L. Hamilton.....	4,200.00	
James Buchanan, jr.....	3,600.00	
George A. Aughterton.....	3,000.00	
Ralph M. Chapman.....	3,000.00	
		<u>40,000.00</u>

## Assistant examiners:

2 at \$2,700.....	5,400.00	
1 at \$2,500.....	2,500.00	
5 at \$2,400.....	12,000.00	
1 at \$2,200.....	2,200.00	
1 at \$2,100.....	2,100.00	
2 at \$2,000.....	4,000.00	
1 at \$1,800.....	1,800.00	
		<u>30,000.00</u>

## Office staff:

2 at \$1,440.....	2,880.00	
2 at \$1,320.....	2,640.00	
1 at \$1,200.....	1,200.00	
1 at \$960.....	960.00	
1 at \$120 (part-time employee).....	120.00	
		<u>7,800.00</u>

77,800.00

DIVISION OF ANALYSIS AND RESEARCH.

H. Parker Willis, director.....	\$5,000.00	
Staff:		
1 at \$2,750.....	2,750.00	
1 at \$2,500.....	2,500.00	
1 at \$2,400.....	2,400.00	
1 at \$2,000.....	2,000.00	
1 at \$1,800.....	1,800.00	
4 at \$1,500.....	6,000.00	
1 at \$1,440.....	1,440.00	
1 at \$1,320.....	1,320.00	
2 at \$1,200.....	2,400.00	
1 at \$1,080.....	1,080.00	
1 at \$1,000.....	1,000.00	
		\$29,690.00

DIVISION OF FEDERAL RESERVE ISSUE AND REDEMPTION.

Willard E. Buell, chief of division.....	3,000.00	
Staff:		
1 at \$2,250.....	2,250.00	
1 at \$1,800.....	1,800.00	
2 at \$1,560.....	3,120.00	
2 at \$1,440.....	2,880.00	
1 at \$1,320.....	1,320.00	
1 at \$1,260.....	1,260.00	
5 at \$1,200.....	6,000.00	
9 at \$1,140.....	10,260.00	
38 at \$1,020.....	38,760.00	
1 at \$720.....	720.00	
		71,370.00

CURRENCY COUNTERS.

Detailed to National Bank Redemption Division, office of the Comptroller of the Currency—		
33 at 1,040.....		34,320.00
Detailed to National Bank Redemption Agency, office of the Treasurer of the United States—		
78 at \$1,040.....		81,120.00

MESSENGERS.

1 at \$1,140.....	1,140.00	
2 at \$1,100.....	2,200.00	
2 at \$1,080.....	2,160.00	
4 at \$840.....	3,360.00	
		8,860.00

CHARWOMEN.

3 at \$240.....		720.00
Total.....		464,891.66

SALARIES OF NATIONAL BANK EXAMINERS.

[Effective in the year ending Dec. 31, 1919.]

Sidney B. Congdon, examiner at large, not assigned to any Federal Reserve district.....	\$4,000
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DISTRICT No. 1—BOSTON.

(397 national member banks.)

Daniel C. Mulloney, chief examiner.....	\$7,000	
3 examiners, at \$3,900; 1 examiner, at \$3,600; 1 examiner, at \$3,300;		
1 examiner, at \$2,400.....	21,000	
		28,000

## DISTRICT No. 2—NEW YORK.

(637 national member banks.)

Sherrill Smith, chief examiner.....	\$15, 000	
1 examiner, at \$4,500; 1 examiner, at \$4,200; 3 examiners, at \$3,600; 3 examiners, at \$3,300; 1 examiner, at \$3,000; 1 examiner, at \$2,700; 2 examiners, at \$2,400.....	39, 900	<u>\$54, 900</u>

## DISTRICT No. 3—PHILADELPHIA.

(643 national member banks.)

Edward I. Johnson, chief examiner.....	9, 000	
examiner, at \$4,800; 2 examiners, at \$4,500; 1 examiner, at \$4,000; 1 examiner, at \$3,900; 1 examiner, at \$3,600; 1 examiner, at \$3,300; 4 examiners, at \$3,000; 1 examiner, at \$2,700; 2 examiners, at \$2,400.....	48, 100	<u>57, 100</u>

## DISTRICT No. 4.—CLEVELAND.

(749 national member banks.)

Silas H. L. Cooper, chief examiner.....	8, 500	
2 examiners, at \$4,500; 1 examiner, at \$4,200; 1 examiner, at \$3,600; 1 examiner, at \$3,300; 3 examiners, at \$3,000; 1 examiner, at \$2,700; 3 examiners, at \$2,400.....	39, 000	<u>47, 500</u>

## DISTRICT No. 5—RICHMOND.

(543 national member banks.)

James K. Doughton, chief examiner.....	8, 000	
1 examiner, at \$6,500; 1 examiner, at \$4,200; 1 examiner, at \$4,000; 2 examiners, at \$3,600; 1 examiner, at \$3,300; 3 examiners, at \$3,000; 2 examiners, at \$2,400.....	39, 000	<u>47, 000</u>

## DISTRICT No. 6—ATLANTA.

(364 national member banks.)

J. William Pole, chief examiner.....	6, 500	
2 examiners, at \$4,200; 1 examiner, at \$3,900; 2 examiners, at \$3,600; 2 examiners, at \$3,300; 1 examiner, at \$2,700; 1 examiner, at \$2,400.....	31, 200	<u>37, 700</u>

## DISTRICT No. 7—CHICAGO.

(1,049 national member banks.)

Daniel V. Harkin, acting chief examiner.....	5, 500	
2 examiners, at \$4,500; 1 examiner, at \$4,200; 6 examiners, at \$3,900; 4 examiners, at \$3,600; 1 examiner, at \$3,300; 3 examiners, at \$2,400.....	61, 500	<u>67, 000</u>

## DISTRICT No. 8—ST. LOUIS.

(473 national member banks.)

John S. Wood, acting chief examiner.....	3, 900	
2 examiners, at \$4,500; 1 examiner, at \$4,000; 1 examiner, at \$3,600; 2 examiners, at \$3,300; 2 examiners, at \$3,000.....	29, 200	<u>33, 100</u>

## DISTRICT No. 9—MINNEAPOLIS.

(842 national member banks.)

Fred Brown, chief examiner.....	7, 000	
2 examiners, at \$4,200; 1 examiner, at \$4,000; 1 examiner, at \$3,600; 1 examiner, at \$3,300; 4 examiners, at \$3,000; 3 examiners, at \$2,400.....	38, 500	<u>45, 500</u>



## · DISTRICT No. 10—KANSAS CITY.

(1,001 national member banks.)

Stephen L. Newnham, chief examiner.....	\$7,000	
1 examiner, at \$4,500; 2 examiners, at \$4,200; 3 examiners, at \$3,900; 1 examiner, at \$3,600; 2 examiners, at \$3,300; 2 examiners, at \$3,000; 1 examiner, at \$2,700; 3 examiners, at \$2,400.....	50,700	\$57,700

## DISTRICT No. 11—DALLAS.

(641 national member banks.)

Richard H. Collier, chief examiner.....	7,500	
1 examiner, at \$4,000; 1 examiner, at \$3,900; 4 examiners, at \$3,600; 1 examiner, at \$3,300; 1 examiner, at \$3,000; 2 examiners, at \$2,400.....	33,400	40,900

## DISTRICT No. 12.—SAN FRANCISCO.

(598 national member banks.)

H. R. Gaither, chief examiner.....	7,500	
1 examiner, at \$5,000; 2 examiners, at \$4,800; 2 examiners, at \$3,600; 2 examiners, at \$3,300; 1 examiner, at \$3,000; 1 examiner, at \$2,700; 1 examiner, at \$2,400.....	36,500	44,000

Grand total of annual salaries of examiners on Dec. 31, 1919..... 564,400

## RECAPITULATION.

## Examining staff:

## Chief examiners—

At \$15,000 per annum.....	1
At \$9,000 per annum.....	1
At \$8,500 per annum.....	1
At \$8,000 per annum.....	1
At \$7,500 per annum.....	2
At \$7,000 per annum.....	3
At \$6,500 per annum.....	1
At \$5,500 per annum.....	<sup>1</sup> 1
At \$3,900 per annum.....	<sup>1</sup> 1

Total chief examiners..... 12

Salaries, chief examiners..... \$92,400

## Other examiners:

At \$6,500 per annum.....	1
At \$5,000 per annum.....	1
At \$4,800 per annum.....	3
At \$4,500 per annum.....	10
At \$4,200 per annum.....	10
At \$4,000 per annum.....	<sup>2</sup> 6
At \$3,900 per annum.....	15
At \$3,600 per annum.....	23
At \$3,300 per annum.....	18
At \$3,000 per annum.....	21
At \$2,700 per annum.....	6
At \$2,400 per annum.....	23

Total other examiners..... 137

Salaries, other examiners..... 472,000

Total examining staff..... 149

Total salaries..... 564,400

<sup>1</sup> Acting.<sup>2</sup> Includes one examiner at large.

## Exhibit N.—DIRECTORY OF THE FEDERAL RESERVE BOARD AND FEDERAL RESERVE BANKS.

### FEDERAL RESERVE BOARD.

#### EX OFFICIO MEMBERS.

CARTER GLASS,  
*Secretary of the Treasury, Chairman.*

JOHN SKELTON WILLIAMS,  
*Comptroller of the Currency.*

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

ALBERT STRAUSS, *Vice Governor.*

ADOLPH C. MILLER.

CHARLES S. HAMLIN.

HENRY A. MOEHLLENPAH.

GEORGE L. HARRISON, *General Counsel.*

W. T. CHAPMAN, *Secretary.*

R. G. EMERSON, *Assistant Secretary.*

W. M. IMLAY, *Fiscal Agent.*

W. W. PADDOCK, *Chief, Division of  
Operations and Examination.*

W. W. HOXTON, *Executive Secretary.*

H. PARKER WILLIS,  
*Director, Division of Analysis and  
Research.*

M. JACOBSON, *Statistician.*

J. E. CRANE,  
*Acting Director, Division of Foreign  
Exchange.*

### OFFICERS AND DIRECTORS OF FEDERAL RESERVE BANKS.<sup>1</sup>

#### DISTRICT NO. 1—FEDERAL RESERVE BANK OF BOSTON.

[Frederic H. Curtiss, chairman and Federal Reserve agent; Allen Hollis, deputy chairman; Chas. A. Morss, governor.]

Director.	Residence.	Term expires.
Class A:		
Thomas P. Beal.....	Boston, Mass.....	Dec. 31, 1920
Edward S. Kennard.....	Rumford, Me.....	Dec. 31, 1921
F. S. Chamberlain.....	New Britain, Conn.....	Dec. 31, 1922
Class B:		
Philip R. Allen.....	East Walpole, Mass.....	Dec. 31, 1920
Chas. G. Washburn.....	Worcester, Mass.....	Dec. 31, 1921
Edmund R. Morse.....	Proctor, Vt.....	Dec. 31, 1922
Class C:		
Frederic H. Curtiss.....	Boston, Mass.....	Dec. 31, 1920
Allen Hollis.....	Concord, N. H.....	Dec. 31, 1921
Jesse H. Metcalf.....	Providence, R. I.....	Dec. 31, 1922

#### DISTRICT NO. 2—FEDERAL RESERVE BANK OF NEW YORK.

[Pierre Jay, chairman and Federal Reserve agent; George Foster Peabody, deputy chairman; Benjamin Strong, governor.]

Class A:		
R. H. Treman.....	Ithaca, N. Y.....	Dec. 31, 1920
Charles Smith.....	Oneonta, N. Y.....	Dec. 31, 1921
James S. Alexander.....	New York, N. Y.....	Dec. 31, 1922
Class B:		
W. B. Thompson <sup>2</sup> .....	Yonkers, N. Y.....	Dec. 31, 1920
L. R. Palmer.....	Croton-on-Hudson, N. Y.....	Dec. 31, 1921
Charles A. Stone.....	New York, N. Y.....	Dec. 31, 1922
Class C:		
W. L. Saunders.....	New York, N. Y.....	Dec. 31, 1920
George Foster Peabody.....	Saratoga Springs, N. Y.....	Dec. 31, 1921
Pierre Jay.....	New York, N. Y.....	Dec. 31, 1922

#### DISTRICT NO. 2—BUFFALO BRANCH OF THE FEDERAL RESERVE BANK OF NEW YORK

[R. M. Gidney, manager.]

Harry T. Ramsdell.....	Buffalo, N. Y.....	Dec. 31, 1920
Elliott C. McDougal.....	.....do.....	Do.
Clifford Hubball.....	.....do.....	Do.
Ray M. Gidney.....	.....do.....	Do.
Frank L. Bartlett.....	Olean, N. Y.....	Do.

<sup>1</sup> Includes directors elected or appointed in Dec., 1919, for the three-year term beginning Jan. 1, 1920.

<sup>2</sup> Resigned Dec. 22, 1919.

*Officers and Directors of Federal Reserve Banks—Continued.*

## DISTRICT NO. 3—FEDERAL RESERVE BANK OF PHILADELPHIA.

[Richard L. Austin, chairman and Federal Reserve agent; H. B. Thompson, deputy chairman; E. P. Passmore, governor.]

Director.	Residence.	Term expires.
Class A:		
Joseph Wayne, jr.....	Philadelphia, Pa.....	Dec. 31, 1920
Francis Douglas.....	Wilkes-Barre, Pa.....	Dec. 31, 1921
M. J. Murphy.....	Clarks Green, Pa.....	Dec. 31, 1922
Class B:		
Edwin S. Stuart.....	Philadelphia, Pa.....	Dec. 31, 1920
Chas. K. Haddon.....	Camden, N. J.....	Dec. 31, 1921
Alba B. Johnson.....	Philadelphia, Pa.....	Dec. 31, 1922
Class C:		
Richard L. Austin.....	Philadelphia, Pa.....	Dec. 31, 1920
Charles C. Harrison.....	.....do.....	Dec. 31, 1921
H. B. Thompson.....	Wilmington, Del.....	Dec. 31, 1922

## DISTRICT NO. 4—FEDERAL RESERVE BANK OF CLEVELAND.

[D. C. Wills, chairman and Federal Reserve agent, Lewis B. Williams, deputy chairman; E. R. Fancher, governor.]

Class A:		
Robert Wardrop.....	Pittsburgh, Pa.....	Dec. 31, 1920
O. N. Sams.....	Hillsboro, Ohio.....	Dec. 31, 1921
Chess Lambertson.....	Franklin, Pa.....	Dec. 31, 1922
Class B:		
T. A. Combs.....	Lexington, Ky.....	Dec. 31, 1920
John Stambaugh.....	Youngstown, Ohio.....	Dec. 31, 1921
R. P. Wright.....	Erie, Pa.....	Dec. 31, 1922
Class C:		
D. C. Wills.....	Cleveland, Ohio.....	Dec. 31, 1920
H. P. Wolfe.....	Columbus, Ohio.....	Dec. 31, 1921
Lewis B. Williams.....	Cleveland, Ohio.....	Dec. 31, 1922

## DISTRICT NO. 4—PITTSBURGH BRANCH OF THE FEDERAL RESERVE BANK OF CLEVELAND.

[George DeCamp, manager.]

Chas. W. Brown.....	Pittsburgh, Pa.....	Dec. 31, 1920
James D. Callery.....	.....do.....	Do.
Harrison Nesbit.....	.....do.....	Do.
R. B. Mellon.....	.....do.....	Do.
George DeCamp.....	.....do.....	Do.

## DISTRICT NO. 4—CINCINNATI BRANCH OF THE FEDERAL RESERVE BANK OF CLEVELAND.

[L. W. Manning, manager.]

Judson Harmon.....	Cincinnati, Ohio.....	Dec. 31, 1920
Charles A. Hirsch.....	.....do.....	Do.
L. W. Manning.....	.....do.....	Do.
W. S. Rowe.....	.....do.....	Do.
George D. Crabbs.....	.....do.....	Do.

## DISTRICT NO. 5—FEDERAL RESERVE BANK OF RICHMOND.

[Caldwell Hardy, chairman and Federal Reserve agent; James A. Moncure, deputy chairman; George J. Seay, governor.]

Class A:		
Edwin Mann.....	Bluefield, W. Va.....	Dec. 31, 1920
Chas. E. Riegan.....	Baltimore, Md.....	Dec. 31, 1921
J. F. Bruton.....	Wilson, N. C.....	Dec. 31, 1922
Class B:		
D. R. Coker.....	Hartsville, S. C.....	Dec. 31, 1920
Edmund Strudwick.....	Richmond, Va.....	Dec. 31, 1921
James F. Oyster.....	Washington, D. C.....	Dec. 31, 1922
Class C:		
Caldwell Hardy.....	Richmond, Va.....	Dec. 31, 1920
Howard Bruce.....	Baltimore, Md.....	Dec. 31, 1921
James A. Moncure.....	Richmond, Va.....	Dec. 31, 1922

*Officers and Directors of Federal Reserve Banks—Continued.*

## DISTRICT NO. 5—BALTIMORE BRANCH OF THE FEDERAL RESERVE BANK OF RICHMOND.

[M. M. Prentis, manager.]

Director.	Residence.	Term expires.
M. M. Prentis.....	Baltimore, Md.....	Dec. 31, 1920
Chas. C. Homer.....	do.....	Do.
William Ingle.....	do.....	Do.
Waldo Newcomer.....	do.....	Do.
H. B. Wilcox.....	do.....	Do.

## DISTRICT NO. 6—FEDERAL RESERVE BANK OF ATLANTA.

[Jos. A. McCord, chairman and Federal Reserve agent; Edw. T. Brown, deputy chairman; M. B. Wellborn, governor.]

Class A:		
P. R. Kittles.....	Sylvania, Ga.....	Dec. 31, 1920
John K. Otley.....	Atlanta, Ga.....	Dec. 31, 1921
Oscar W. Newton.....	Jackson, Miss.....	Dec. 31, 1922
Class B:		
Leon C. Simon.....	New Orleans, La.....	Dec. 31, 1920
J. A. McCrary.....	Decatur, Ga.....	Dec. 31, 1921
W. H. Hartford.....	Nashville, Tenn.....	Dec. 31, 1922
Class C:		
Jos. A. McCord.....	Atlanta, Ga.....	Dec. 31, 1920
Edw. T. Brown.....	do.....	Dec. 31, 1921
W. H. Kettig.....	Birmingham, Ala.....	Dec. 31, 1922

## DISTRICT NO. 6—NEW ORLEANS BRANCH OF THE FEDERAL RESERVE BANK OF ATLANTA.

[P. H. Saunders, chairman; Marcus Walker, manager.]

R. S. Hecht.....	New Orleans, La.....	Dec. 31, 1920
Jno. E. Bouden, jr.....	do.....	Do.
Frank W. Foote.....	Hattiesburg, Miss.....	Do.
H. B. Lightcap.....	Jackson, Miss.....	Do.
A. P. Bush.....	Mobile, Ala.....	Do.
P. H. Saunders.....	New Orleans, La.....	Do.
Marcus Walker.....	do.....	Do.

## DISTRICT NO. 6—BIRMINGHAM BRANCH OF THE FEDERAL RESERVE BANK OF ATLANTA.

[W. H. Kettig, chairman; A. E. Walker, manager.]

Oscar Wells.....	Birmingham, Ala.....	Dec. 31, 1920
T. O. Smith.....	do.....	Do.
W. W. Crawford.....	do.....	Do.
John H. Frye.....	do.....	Do.
W. H. Kettig.....	do.....	Do.

## DISTRICT NO. 6—JACKSONVILLE BRANCH OF THE FEDERAL RESERVE BANK OF ATLANTA.

[John C. Cooper, chairman; Geo. R. DeSaussure, manager.]

E. W. Lane.....	Jacksonville, Fla.....	Dec. 31, 1920
Bion H. Barnett.....	do.....	Do.
Giles L. Wilson.....	do.....	Do.
Fulton Saussy.....	do.....	Do.
John C. Cooper.....	do.....	Do.

*Officers and Directors of Federal Reserve Banks—Continued.*

DISTRICT NO. 6—NASHVILLE BRANCH OF THE FEDERAL RESERVE BANK OF ATLANTA.

[W. H. Hartford, chairman; Bradley Currey, manager.]

Director.	Residence.	Term expires.
P. M. Davis.....	Nashville, Tenn.....	Dec. 31, 1920
J. E. Caldwell.....	.....do.....	Do.
E. A. Lindsey.....	.....do.....	Do.
T. A. Embry.....	Winchester, Tenn.....	Do.
W. H. Hartford.....	Nashville, Tenn.....	Do.

DISTRICT NO. 6—SAVANNAH AGENCY OF THE FEDERAL RESERVE BANK OF ATLANTA.

[R. J. Taylor, manager.]

DISTRICT NO. 7—FEDERAL RESERVE BANK OF CHICAGO.

[William A. Heath, chairman and Federal Reserve agent; James Simpson, deputy chairman; James B. McDougal, governor.]

Class A:		
E. L. Johnson.....	Waterloo, Iowa.....	Dec. 31, 1920
Geo. M. Reynolds.....	Chicago, Ill.....	Dec. 31, 1921
Charles H. McNider.....	Mason City, Iowa.....	Dec. 31, 1922
Class B:		
Albert R. Erskine.....	South Bend, Ind.....	Dec. 31, 1920
A. H. Vogel.....	Milwaukee, Wis.....	Dec. 31, 1921
John W. Blodgett.....	Grand Rapids, Mich.....	Dec. 31, 1922
Class C:		
James Simpson.....	Chicago, Ill.....	Dec. 31, 1920
Wm. A. Heath.....	Evanston, Ill.....	Dec. 31, 1921
E. T. Meredith.....	Des Moines, Iowa.....	Dec. 31, 1922

DISTRICT NO. 7—DETROIT BRANCH OF THE FEDERAL RESERVE BANK OF CHICAGO.

[R. B. Locke, manager.]

John Ballantyne.....	Detroit, Mich.....	Dec. 31, 1920
Emory W. Clark.....	.....do.....	Do.
Julius H. Haas.....	.....do.....	Do.
Charles H. Hodges.....	.....do.....	Do.
R. B. Locke.....	.....do.....	Do.

DISTRICT NO. 8—FEDERAL RESERVE BANK OF ST. LOUIS.

[William McC. Martin, chairman and Federal Reserve agent; John W. Boehne, deputy chairman; David C. Biggs, governor.]

Class A:		
Walker Hill.....	St. Louis, Mo.....	Dec. 31, 1920
J. C. Utterback.....	Paducah, Ky.....	Dec. 31, 1921
Sam A. Ziegler.....	Albion, Ill.....	Dec. 31, 1922
Class B:		
LeRoy Percy.....	Greenville, Miss.....	Dec. 31, 1920
Rolla Wells.....	St. Louis, Mo.....	Dec. 31, 1921
W. B. Plunkett.....	Little Rock, Ark.....	Dec. 31, 1922
Class C:		
John W. Boehne.....	Evansville, Ind.....	Dec. 31, 1920
Wm. McC. Martin.....	St. Louis, Mo.....	Dec. 31, 1921
C. P. J. Mooney.....	Memphis, Tenn.....	Dec. 31, 1922

DISTRICT NO. 8—LOUISVILLE BRANCH OF THE FEDERAL RESERVE BANK OF ST LOUIS.

[W. P. Kincheloe, manager.]

Geo. W. Norton.....	Louisville, Ky.....	Dec. 31, 1920
W. C. Montgomery.....	Elizabethtown, Ky.....	Do.
W. P. Kincheloe.....	Louisville, Ky.....	Do.
F. M. Sackett.....	.....do.....	Do.
Embry L. Swearingen.....	.....do.....	Do.

*Officers and Directors of Federal Reserve Banks—Continued.*

## DISTRICT NO. 8—MEMPHIS BRANCH OF THE FEDERAL RESERVE BANK OF ST. LOUIS

[John J. Heflin, manager.]

Director.	Residence.	Term expires.
R. Brinkley Snowden.....	Memphis, Tenn.....	Dec. 31, 1920
John D. McDowell.....	.....do.....	Do.
John J. Heflin.....	.....do.....	Do.
T. K. Riddick.....	.....do.....	Do.
S. E. Ragland.....	.....do.....	Do.

## DISTRICT NO. 8—LITTLE ROCK BRANCH OF THE FEDERAL RESERVE BANK OF ST. LOUIS.

[A. F. Bailey, manager.]

Director.	Residence.	Term expires.
C. A. Pratt.....	Little Rock, Ark.....	Dec. 31, 1920
J. E. England, jr.....	.....do.....	Do.
A. F. Bailey.....	.....do.....	Do.
Moorhead Wright.....	.....do.....	Do.
G. W. Rogers.....	.....do.....	Do.

## DISTRICT NO. 9—FEDERAL RESERVE BANK OF MINNEAPOLIS.

[John H. Rich, chairman and Federal Reserve agent; Wm. H. Lightner, deputy chairman; R. A. Young, governor.]

Director.	Residence.	Term expires.
Class A:		
L. B. Hanna.....	Fargo, N. Dak.....	Dec. 31, 1920
W. C. McDowell.....	Marion, N. Dak.....	Dec. 31, 1921
Theodore Wold.....	Minneapolis, Minn.....	Dec. 31, 1922
Class B:		
N. B. Holter.....	Helena, Mont.....	Dec. 31, 1920
F. P. Hixon.....	La Crosse, Wis.....	Dec. 31, 1921
F. R. Bigelow.....	St. Paul, Minn.....	Dec. 31, 1922
Class C:		
John H. Rich.....	Minneapolis, Minn.....	Dec. 31, 1920
W. H. Lightner.....	St. Paul, Minn.....	Dec. 31, 1921
C. H. Benedict.....	Lake Linden, Mich.....	Dec. 31, 1922

## DISTRICT NO. 10—FEDERAL RESERVE BANK OF KANSAS CITY.

[Asa E. Ramsay, chairman and Federal Reserve agent; F. W. Fleming, deputy chairman; J. Z. Miller, jr., governor.]

Director.	Residence.	Term expires.
Class A:		
C. E. Burnham.....	Norfolk, Nebr.....	Dec. 31, 1920
J. C. Mitchell.....	Denver, Colo.....	Dec. 31, 1921
W. J. Bailey.....	Atchison, Kans.....	Dec. 31, 1922
Class B:		
Harry W. Gibson.....	Muskogee, Okla.....	Dec. 31, 1920
T. C. Byrne.....	Omaha, Nebr.....	Dec. 31, 1921
M. L. McClure.....	Kansas City, Mo.....	Dec. 31, 1922
Class C:		
Asa E. Ramsay.....	.....do.....	Dec. 31, 1920
R. H. Malone.....	Denver, Colo.....	Dec. 31, 1921
F. W. Fleming.....	Kansas City, Mo.....	Dec. 31, 1922

## DISTRICT NO. 10—DENVER BRANCH OF THE FEDERAL RESERVE BANK OF KANSAS CITY.

[C. A. Burkhardt, manager.]

Director.	Residence.	Term expires.
C. C. Parks.....	Denver, Colo.....	Dec. 31, 1920
A. C. Foster.....	.....do.....	Do.
C. A. Burkhardt.....	.....do.....	Do.
John Evans.....	.....do.....	Do.
Alva Adams.....	Pueblo, Colo.....	Do.

*Officers and Directors of Federal Reserve Banks—Continued.*

DISTRICT NO 10—OMAHA BRANCH OF THE FEDERAL RESERVE BANK OF KANSAS, CITY.

[O. T. Eastman, manager.]

Director.	Residence.	Term expires.
Luther Drake.....	Omaha, Nebr.....	Dec. 31, 1920
George E. Abbott.....	Cheyenne, Wyo.....	Do.
O. T. Eastman.....	Omaha, Nebr.....	Do.
P. L. Hall.....	Lincoln, Nebr.....	Do.
R. O. Marnell.....	Nebraska City, Nebr.....	Do.

DISTRICT NO. 11—FEDERAL RESERVE BANK OF DALLAS.

[W. F. Ramsey, chairman and Federal Reserve agent; W. B. Newsome, deputy chairman; R. L. Van Zandt, governor.]

Class A:		
E. K. Smith.....	Shreveport, La.....	Dec. 31, 1920
John T. Scott.....	Houston, Tex.....	Dec. 31, 1921
B. A. McKinney.....	Durant, Okla.....	Dec. 31, 1922
Class B:		
J. J. Culbertson.....	Paris, Tex.....	Dec. 31, 1920
Frank Kell.....	Wichita Falls, Tex.....	Dec. 31, 1921
Marion Sansom.....	Fort Worth, Tex.....	Dec. 31, 1922
Class C:		
W. F. Ramsey.....	Dallas, Tex.....	Dec. 31, 1920
W. B. Newsome.....	do.....	Dec. 31, 1921
H. O. Wooten.....	Abilene, Tex.....	Dec. 31, 1922

DISTRICT NO. 11—EL PASO BRANCH OF THE FEDERAL RESERVE BANK OF DALLAS.

[R. R. Gilbert, manager.]

U. S. Stewart.....	El Paso, Tex.....	Dec. 31, 1920
A. F. Kerr.....	do.....	Do.
R. R. Gilbert.....	do.....	Do.
W. W. Turney.....	do.....	Do.
A. P. Coles.....	do.....	Do.

DISTRICT NO. 11—HOUSTON BRANCH OF THE FEDERAL RESERVE BANK OF DALLAS

[Sam R. Lawder, manager.]

Frank Andrews.....	Houston, Tex.....	Dec. 31, 1920
Guy M. Bryan.....	do.....	Do.
Sam R. Lawder.....	do.....	Do.
J. C. Chidsey.....	do.....	Do.
J. J. Davis.....	Galveston, Tex.....	Do.

DISTRICT NO. 12—FEDERAL RESERVE BANK OF SAN FRANCISCO.

John Perrin, chairman and Federal Reserve agent; Walton N. Moore, deputy chairman; John U. Calkins, governor.]

Class A:		
J. E. Fishburn.....	Los Angeles, Calif.....	Dec. 31, 1920
M. A. Buchan.....	Palo Alto, Calif.....	Dec. 31, 1921
C. K. McIntosh.....	San Francisco, Calif.....	Dec. 31, 1922
Class B:		
A. B. C. Dohrmann.....	do.....	Dec. 31, 1920
J. A. McGregor.....	do.....	Dec. 31, 1921
E. H. Cox.....	do.....	Dec. 31, 1922
Class C:		
John Perrin.....	do.....	Dec. 31, 1920
Walton N. Moore.....	do.....	Dec. 31, 1921
Edward Elliott.....	Berkeley, Calif.....	Dec. 31, 1922

DISTRICT NO. 12—PORTLAND BRANCH OF THE FEDERAL RESERVE BANK OF SAN FRANCISCO.

[C. L. Lamping, manager.]

Edward Cookingham.....	Portland, Oreg.....	Dec. 31, 1920
J. C. Ainsworth.....	do.....	Do.
C. L. Lamping.....	do.....	Do.
Nathan Strauss.....	do.....	Do.
Joseph N. Teal.....	do.....	Do.

*Officers and Directors of Federal Reserve Banks—Continued.*

## DISTRICT NO. 12—SEATTLE BRANCH OF THE FEDERAL RESERVE BANK OF SAN FRANCISCO.

[C. J. Shepherd, manager.]

Director.	Residence.	Term expires.
M. F. Backus.....	Seattle, Wash.....	Dec. 31, 1920
M. A. Arnold.....	do.....	Do.
C. J. Shepherd.....	do.....	Do.
C. H. Clarke.....	do.....	Do.
Chas. E. Peabody.....	do.....	Do.

## DISTRICT NO. 12—SPOKANE BRANCH OF THE FEDERAL RESERVE BANK OF SAN FRANCISCO.

[Chas. A. McLean, manager.]

D. W. Twohy.....	Spokane, Wash.....	Dec. 31, 1920
R. L. Rutter.....	do.....	Do.
Chas. A. McLean.....	do.....	Do.
Peter McGregor.....	Hooper, Wash.....	Do.
G. I. Toevs.....	Spokane, Wash.....	Do.

## DISTRICT NO. 12—SALT LAKE CITY BRANCH OF THE FEDERAL RESERVE BANK OF SAN FRANCISCO.

[Chas. H. Stewart, acting manager.]

L. H. Farnsworth.....	Salt Lake City, Utah.....	Dec. 31, 1920
Chas. H. Stewart.....	do.....	Do.
Chapin A. Day.....	Ogden, Utah.....	Do.
G. G. Wright.....	Idaho Falls, Utah.....	Do.
Lafayette Hanchett.....	Salt Lake City, Utah.....	Do.

DISTRICT NO. 12—LOS ANGELES BRANCH OF THE FEDERAL RESERVE BANK OF SAN FRANCISCO.<sup>1</sup>

[Ira Clerk, acting manager.]

A. J. Waters.....	Los Angeles, Calif.....	Dec. 31, 1920
J. F. Sartori.....	do.....	Do.
Ira Clerk.....	do.....	Do.
I. B. Newton.....	do.....	Do.
Henry M. Robinson.....	Pasadena, Calif.....	Do.

<sup>1</sup> Open for business Jan. 2, 1920.**Exhibit O.—FEDERAL ADVISORY COUNCIL.**

- District No. 1.—Philip Stockton, president Old Colony Trust Co., Boston, Mass.  
 District No. 2.—A. B. Hepburn, chairman advisory board, Chase National Bank, New York City.  
 District No. 3.—L. L. Rue, president Philadelphia National Bank, Philadelphia, Pa.  
 District No. 4.—W. S. Rowe, president First National Bank, Cincinnati, Ohio; director Federal Reserve Bank of Cleveland.  
 District No. 5.—Joseph G. Brown, president City National Bank, Raleigh, N. C.  
 District No. 6.—Oscar Wells, president First National Bank, Birmingham, Ala.  
 District No. 7.—James B. Forgan, president First National Bank, Chicago, Ill.; director Federal Reserve Bank of Chicago.  
 District No. 8.—F. O. Watts, president Third National Bank, St. Louis, Mo.; director Federal Reserve Bank of St. Louis.  
 District No. 9.—C. T. Jaffray, president First and Security National Bank, Minneapolis, Minn.  
 District No. 10.—E. F. Swinney, president First National Bank, Kansas City, Mo.  
 District No. 11.—R. L. Ball, chairman of board, National Bank of Commerce, San Antonio, Tex.  
 District No. 12.—A. L. Mills, president First National Bank, Portland, Ore.



## Exhibit P.—AMENDMENTS TO THE FEDERAL RESERVE ACT AND REVISED STATUTES.

[PUBLIC—No. 329—65TH CONGRESS.]

[S. 5236.]

AN ACT To amend sections seven, ten, and eleven of the Federal Reserve act, and section fifty-one hundred and seventy-two, Revised Statutes of the United States.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That that part of the first paragraph of section seven of the Federal Reserve act which reads as follows: "After the aforesaid dividend claims have been fully met, all the net earnings shall be paid to the United States as a franchise tax except that one-half of such net earnings shall be paid into a surplus fund until it shall amount to forty per centum of the paid-in capital stock of such bank," be amended to read as follows:

"After the aforesaid dividend claims have been fully met, the net earnings shall be paid to the United States as a franchise tax except that the whole of such net earnings, including those for the year ending December thirty-first, nineteen hundred and eighteen, shall be paid into a surplus fund until it shall amount to one hundred per centum of the subscribed capital stock of such bank, and that thereafter ten per centum of such net earnings shall be paid into the surplus."

Sec. 2. That that part of section ten of the Federal Reserve act which reads as follows: "The members of said board, the Secretary of the Treasury, the Assistant Secretaries of the Treasury, and the Comptroller of the Currency, shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank," be amended to read as follows:

"The Secretary of the Treasury and the Comptroller of the Currency shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank. The appointive members of the Federal Reserve Board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed."

Sec. 3. That section eleven of the Federal Reserve act as amended by the act of September seventh, nineteen hundred and sixteen, be further amended by striking out the whole of subsection (m) and by substituting therefor a subsection to read as follows:

"(m) Upon the affirmative vote of not less than five of its members, the Federal Reserve Board shall have power to permit Federal Reserve Banks to discount for any member bank notes, drafts, or bills of exchange bearing the signature or endorsement of any one borrower in excess of the amount permitted by section nine and section thirteen of this act, but in no case to exceed twenty per centum of the member bank's capital and surplus: *Provided, however,* That all such notes, drafts, or bills of exchange discounted for any member bank in excess of the amount permitted under such sections shall be secured by not less than a like face amount of bonds or notes of the United States issued since April twenty-fourth, nineteen hundred and seventeen, or certificates of indebtedness of the United States: *Provided further,* That the provisions of this subsection (m) shall not be operative after December thirty-first, nineteen hundred and twenty."

Sec. 4. That section fifty-one hundred and seventy-two, Revised Statutes of the United States, be amended to read as follows:

"Sec. 5172. That in order to furnish suitable notes for circulation, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved, in the best manner to guard against counterfeiting and fraudulent alterations, and shall have printed therefrom and numbered such quantity of circulating notes in blank, or bearing engraved signatures of officers as herein provided, of the denominations of \$1, \$2, \$5, \$10, \$20, \$50, \$100, \$500, and \$1,000, as may be required to supply the associations entitled to receive the same. Such notes shall express upon their face that they are secured by United States bonds deposited with the Treasurer of the United States, by the written or engraved signatures of the Treasurer and Register, and by the imprint of the seal of the Treasury; and shall also express upon their face the promise of the association receiving the same to pay on demand, attested by the written or engraved signatures of the president or vice president and cashier; and shall bear such devices and such other statements and shall be in such form as the Secretary of the Treasury shall, by regulation, direct."

Approved, March 3, 1919.

[PUBLIC—No. 48—66TH CONGRESS.]

[S. 2395.]

AN ACT Amending section 25 of the Act approved December 23, 1913, known as the Federal Reserve act, as amended by the act approved September 7, 1916.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 25 of the act approved December 23, 1913, known as the Federal Reserve act, as amended by the act approved September 7, 1916, be further amended by the addition of the following paragraph at the end of subparagraph 2 of the first paragraph, after the word "possessions":

"Until January 1, 1921, any national banking association, without regard to the amount of its capital and surplus, may file application with the Federal Reserve Board for permission, upon such conditions and under such regulations as may be prescribed by said board, to invest an amount not exceeding in the aggregate 5 per centum of its paid-in capital and surplus in the stock of one or more corporations chartered or incorporated under the laws of the United States or of any State thereof, and, regardless of its location, principally engaged in such phases of international or foreign financial operations as may be necessary to facilitate the export of goods, wares, or merchandise from the United States or any of its dependencies or insular possessions to any foreign country: *Provided, however*, That in no event shall the total investments authorized by this section by any one national bank exceed 10 per centum of its capital and surplus."

SEC. 2. That paragraph 2 of said section be amended by adding after the word "banking," in line three, the words "or financial," so that the sentence will read: "Such application shall specify the name and capital of the banking association filing it, the powers applied for, and the place or places where the banking or financial operations proposed are to be carried on."

SEC. 3. That paragraph 3 of said section be amended by striking out the words "subparagraph 2 of the first paragraph of this section" and inserting in lieu thereof the word "above," so that the paragraph will read:

"Every national banking association operating foreign branches shall be required to furnish information concerning the condition of such branches to the Comptroller of the Currency upon demand, and every member bank investing in the capital stock of banks or corporations described above shall be required to furnish information concerning the condition of such banks or corporations to the Federal Reserve Board upon demand, and the Federal Reserve Board may order special examinations of the said branches, banks, or corporations at such time or times as it may deem best."

Approved, September 17, 1919.

[PUBLIC—No. 106—66TH CONGRESS.]

[S. 2472.]

AN ACT To amend the act approved December 23, 1913, known as the Federal Reserve act.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the act approved December 23, 1913, known as the Federal Reserve act, as amended, be further amended by adding a new section as follows:

**"BANKING CORPORATIONS AUTHORIZED TO DO FOREIGN BANKING BUSINESS.**

"SEC. 25 (a). Corporations to be organized for the purpose of engaging in international or foreign banking or other international or foreign financial operations, or in banking or other financial operations in a dependency or insular possession of the United States, either directly or through the agency, ownership, or control of local institutions in foreign countries, or in such dependencies or insular possessions as provided by this section, and to act when required by the Secretary of the Treasury as fiscal agents of the United States, may be formed by any number of natural persons, not less in any case than five.

"Such persons shall enter into articles of association which shall specify in general terms the objects for which the association is formed and may contain any other provisions not inconsistent with law which the association may see fit to adopt for the regulation of its business and the conduct of its affairs.

"Such articles of association shall be signed by all of the persons intending to participate in the organization of the corporation and, thereafter, shall be forwarded to the Federal Reserve Board and shall be filed and preserved in its office. The person

signing the said articles of association shall, under their hands, make an organization certificate which shall specifically state:

"First. The name assumed by such corporation, which shall be subject to the approval of the Federal Reserve Board.

"Second. The place or places where its operations are to be carried on.

"Third. The place in the United States where its home office is to be located.

"Fourth. The amount of its capital stock and the number of shares into which the same shall be divided.

"Fifth. The names and places of business or residence of the persons executing the certificate and the number of shares to which each has subscribed.

"Sixth. The fact that the certificate is made to enable the persons subscribing the same, and all other persons, firms, companies, and corporations, who or which may thereafter subscribe to or purchase shares of the capital stock of such corporation, to avail themselves of the advantages of this section.

"The persons signing the organization certificate shall duly acknowledge the execution thereof before a judge of some court of record or notary public, who shall certify thereto under the seal of such court or notary, and thereafter the certificate shall be forwarded to the Federal Reserve Board to be filed and preserved in its office. Upon duly making and filing articles of association and an organization certificate, and after the Federal Reserve Board has approved the same and issued a permit to begin business, the association shall become and be a body corporate, and as such and in the name designated therein shall have power to adopt and use a corporate seal, which may be changed at the pleasure of its board of directors; to have succession for a period of twenty years unless sooner dissolved by the act of the shareholders owning two-thirds of the stock or by an act of Congress or unless its franchises become forfeited by some violation of law; to make contracts; to sue and be sued, complain, and defend in any court of law or equity; to elect or appoint directors, all of whom shall be citizens of the United States; and, by its board of directors, to appoint such officers and employees as may be deemed proper, define their authority and duties, require bonds of them, and fix the penalty thereof, dismiss such officers or employees, or any thereof, at pleasure and appoint others to fill their places; to prescribe, by its board of directors, by-laws not inconsistent with law or with the regulations of the Federal Reserve Board regulating the manner in which its stock shall be transferred, its directors elected or appointed, its officers and employees appointed, its property transferred, and the privileges granted to it by law exercised and enjoyed.

"Each corporation so organized shall have power, under such rules and regulations as the Federal Reserve Board may prescribe:

"(a) To purchase, sell, discount, and negotiate, with or without its indorsement or guaranty, notes, drafts, checks, bills of exchange, acceptances, including bankers' acceptances, cable transfers, and other evidences of indebtedness; to purchase and sell, with or without its indorsement or guaranty, securities, including the obligations of the United States or of any State thereof but not including shares of stock in any corporation except as herein provided; to accept bills or drafts drawn upon it subject to such limitations and restrictions as the Federal Reserve Board may impose; to issue letters of credit; to purchase and sell coin, bullion, and exchange; to borrow and to lend money; to issue debentures, bonds, and promissory notes under such general conditions as to security and such limitations as the Federal Reserve Board may prescribe, but in no event having liabilities outstanding thereon at any one time exceeding ten times its capital stock and surplus; to receive deposits outside of the United States and to receive only such deposits within the United States as may be incidental to or for the purpose of carrying out transactions in foreign countries or dependencies or insular possessions of the United States; and generally to exercise such powers as are incidental to the powers conferred by this act or as may be usual, in the determination of the Federal Reserve Board, in connection with the transaction of the business of banking or other financial operations in the countries, colonies, dependencies, or possessions in which it shall transact business and not inconsistent with the powers specifically granted herein. Nothing contained in this section shall be construed to prohibit the Federal Reserve Board, under its power to prescribe rules and regulations, from limiting the aggregate amount of liabilities of any or all classes incurred by the corporation and outstanding at any one time. Whenever a corporation organized under this section receives deposits in the United States authorized by this section it shall carry reserves in such amounts as the Federal Reserve Board may prescribe, but in no event less than 10 per centum of its deposits.

"(b) To establish and maintain for the transaction of its business branches or agencies in foreign countries, their dependencies or colonies, and in the dependencies or insular possessions of the United States, at such places as may be approved by the Federal Reserve Board and under such rules and regulations as it may prescribe, including countries or dependencies not specified in the original organization certificate.

"(c) With the consent of the Federal Reserve Board to purchase and hold stock or other certificates of ownership in any other corporation organized under the provisions of this section, or under the laws of any foreign country or a colony or dependency thereof, or under the laws of any State, dependency, or insular possession of the United States but not engaged in the general business of buying or selling goods, wares, merchandise or commodities in the United States, and not transacting any business in the United States except such as in the judgment of the Federal Reserve Board may be incidental to its international or foreign business: *Provided, however,* That, except with the approval of the Federal Reserve Board, no corporation organized hereunder shall invest in any one corporation an amount in excess of 10 per centum of its own capital and surplus, except in a corporation engaged in the business of banking, when 15 per centum of its capital and surplus may be so invested: *Provided further,* That no corporation organized hereunder shall purchase, own, or hold stock or certificates of ownership in any other corporation organized hereunder or under the laws of any State which is in substantial competition therewith, or which holds stock or certificates of ownership in corporations which are in substantial competition with the purchasing corporation.

"Nothing contained herein shall prevent corporations organized hereunder from purchasing and holding stock in any corporation where such purchase shall be necessary to prevent a loss upon a debt previously contracted in good faith; and stock so purchased or acquired in corporations organized under this section shall within six months from such purchase be sold or disposed of at public or private sale unless the time to so dispose of same is extended by the Federal Reserve Board.

"No corporation organized under this section shall carry on any part of its business in the United States except such as, in the judgment of the Federal Reserve Board, shall be incidental to its international or foreign business: *And provided further,* That except such as is incidental and preliminary to its organization no such corporation shall exercise any of the powers conferred by this section until it has been duly authorized by the Federal Reserve Board to commence business as a corporation organized under the provisions of this section.

"No corporation organized under this section shall engage in commerce or trade in commodities except as specifically provided in this section, nor shall it either directly or indirectly control or fix or attempt to control or fix the price of any such commodities. The charter of any corporation violating this provision shall be subject to forfeiture in the manner hereinafter provided in this section. It shall be unlawful for any director, officer, agent, or employee of any such corporation to use or to conspire to use the credit, the funds, or the power of the corporation to fix or control the price of any such commodities, and any such person violating this provision shall be liable to a fine of not less than \$1,000 and not exceeding \$5,000 or imprisonment not less than one year and not exceeding five years, or both, in the discretion of the court.

"No corporation shall be organized under the provisions of this section with a capital stock of less than \$2,000,000, one-quarter of which must be paid in before the corporation may be authorized to begin business, and the remainder of the capital stock of such corporation shall be paid in installments of at least 10 per centum on the whole amount to which the corporation shall be limited as frequently as one installment at the end of each succeeding two months from the time of the commencement of its business operations until the whole of the capital stock shall be paid in. The capital stock of any such corporation may be increased at any time, with the approval of the Federal Reserve Board, by a vote of two-thirds of its shareholders or by unanimous consent in writing of the shareholders without a meeting and without a formal vote, but any such increase of capital shall be fully paid in within ninety days after such approval; and may be reduced in like manner, provided that in no event shall it be less than \$2,000,000. No corporation, except as herein provided, shall during the time it shall continue its operations withdraw or permit to be withdrawn, either in the form of dividends or otherwise, any portion of its capital. Any national banking association may invest in the stock of any corporation organized under the provisions of this section, but the aggregate amount of stock held in all corporations engaged in business of the kind described in this section and in section 25 of the Federal Reserve act as amended shall not exceed 10 per centum of the subscribing bank's capital and surplus.

"A majority of the shares of the capital stock of any such corporation shall at all times be held and owned by citizens of the United States, by corporations the controlling interest in which is owned by citizens of the United States, chartered under the laws of the United States or of a State of the United States, or by firms or companies, the controlling interest in which is owned by citizens of the United States. The provisions of section 8 of the act approved October 15, 1914, entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' as amended by the acts of May 15, 1916, and September 7, 1916, shall be construed to

apply to the directors, other officers, agents, or employees of corporations organized under the provisions of this section: *Provided, however,* That nothing herein contained shall (1) prohibit any director or other officer, agent or employee of any member bank, who has procured the approval of the Federal Reserve Board from serving at the same time as a director or other officer, agent or employee of any corporation organized under the provisions of this section in whose capital stock such member bank shall have invested; or (2) prohibit any director or other officer, agent, or employee of any corporation organized under the provisions of this section, who has procured the approval of the Federal Reserve Board, from serving at the same time as a director or other officer, agent or employee of any other corporation in whose capital stock such first-mentioned corporation shall have invested under the provisions of this section.

“No member of the Federal Reserve Board shall be an officer or director of any corporation organized under the provisions of this section, or of any corporation engaged in similar business organized under the laws of any State, nor hold stock in any such corporation, and before entering upon his duties as a member of the Federal Reserve Board he shall certify under oath to the Secretary of the Treasury that he has complied with this requirement.

“Shareholders in any corporation organized under the provisions of this section shall be liable for the amount of their unpaid stock subscriptions. No such corporation shall become a member of any Federal reserve bank.

“Should any corporation organized hereunder violate or fail to comply with any of the provisions of this section, all of its rights, privileges, and franchises derived herefrom may thereby be forfeited. Before any such corporation shall be declared dissolved, or its rights, privileges, and franchises forfeited, any noncompliance with, or violation of such laws shall, however, be determined and adjudged by a court of the United States of competent jurisdiction, in a suit brought for that purpose in the district or territory in which the home office of such corporation is located, which suit shall be brought by the United States at the instance of the Federal Reserve Board or the Attorney General. Upon adjudication of such noncompliance or violation, each director and officer who participated in, or assented to, the illegal act or acts, shall be liable in his personal or individual capacity for all damages which the said corporation shall have sustained in consequence thereof. No dissolution shall take away or impair any remedy against the corporation, its stockholders, or officers for any liability or penalty previously incurred.

“Any such corporation may go into voluntary liquidation and be closed by a vote of its shareholders owning two-thirds of its stock.

“Whenever the Federal Reserve Board shall become satisfied of the insolvency of any such corporation, it may appoint a receiver who shall take possession of all of the property and assets of the corporation and exercise the same rights, privileges, powers, and authority with respect thereto as are now exercised by receivers of national banks appointed by the Comptroller of the Currency of the United States: *Provided, however,* That the assets of the corporation subject to the laws of other countries or jurisdictions shall be dealt with in accordance with the terms of such laws.

“Every corporation organized under the provisions of this section shall hold a meeting of its stockholders annually upon a date fixed in its by-laws, such meeting to be held at its home office in the United States. Every such corporation shall keep at its home office books containing the names of all stockholders thereof, and the names and addresses of the members of its board of directors, together with copies of all reports made by it to the Federal Reserve Board. Every such corporation shall make reports to the Federal Reserve Board at such times and in such form as it may require; and shall be subject to examination once a year and at such other times as may be deemed necessary by the Federal Reserve Board by examiners appointed by the Federal Reserve Board, the cost of such examinations, including the compensation of the examiners, to be fixed by the Federal Reserve Board and to be paid by the corporation examined.

“The directors of any corporation organized under the provisions of this section may, semiannually, declare a dividend of so much of the net profits of the corporation as they shall judge expedient; but each corporation shall, before the declaration of a dividend, carry one-tenth of its net profits of the preceding half year to its surplus fund until the same shall amount to 20 per centum of its capital stock.

“Any corporation organized under the provisions of this section shall be subject to tax by the State within which its home office is located in the same manner and to the same extent as other corporations organized under the laws of that State which are transacting a similar character of business. The shares of stock in such corporation shall also be subject to tax as the personal property of the owners or holders thereof in the same manner and to the same extent as the shares of stock in similar State corporations.

"Any corporation organized under the provisions of this section may at any time within the two years next previous to the date of the expiration of its corporate existence, by a vote of the shareholders owning two-thirds of its stock, apply to the Federal Reserve Board for its approval to extend the period of its corporate existence for a term of not more than twenty years, and upon certified approval of the Federal Reserve Board such corporation shall have its corporate existence for such extended period unless sooner dissolved by the act of the shareholders owning two-thirds of its stock, or by an Act of Congress or unless its franchise becomes forfeited by some violation of law.

"Any bank or banking institution, principally engaged in foreign business, incorporated by special law of any State or of the United States or organized under the general laws of any State or of the United States and having an unimpaired capital sufficient to entitle it to become a corporation under the provisions of this section may, by the vote of the shareholders owning not less than two-thirds of the capital stock of such bank or banking association, with the approval of the Federal Reserve Board, be converted into a Federal corporation of the kind authorized by this section with any name approved by the Federal Reserve Board: *Provided, however,* That said conversion shall not be in contravention of the State law. In such case the articles of association and organization certificate may be executed by a majority of the directors of the bank or banking institution, and the certificate shall declare that the owners of at least two-thirds of the capital stock have authorized the directors to make such certificate and to change or convert the bank or banking institution into a Federal corporation. A majority of the directors, after executing the articles of association and the organization certificate, shall have power to execute all other papers and to do whatever may be required to make its organization perfect and complete as a Federal corporation. The shares of any such corporation may continue to be for the same amount each as they were before the conversion, and the directors may continue to be directors of the corporation until others are elected or appointed in accordance with the provisions of this section. When the Federal Reserve Board has given to such corporation a certificate that the provisions of this section have been complied with, such corporation and all its stockholders, officers, and employees, shall have the same powers and privileges, and shall be subject to the same duties, liabilities, and regulations, in all respects, as shall have been prescribed by this section for corporations originally organized hereunder.

"Every officer, director, clerk, employee, or agent of any corporation organized under this section who embezzles, abstracts, or willfully misapplies any of the moneys, funds, credits, securities, evidences of indebtedness or assets of any character of such corporation; or who, without authority from the directors, issues or puts forth any certificate of deposit, draws any order or bill of exchange, makes any acceptance, assigns any note, bond, debenture, draft, bill of exchange, mortgage, judgment, or decree; or who makes any false entry in any book, report, or statement of such corporation with intent, in either case, to injure or defraud such corporation or any other company, body politic or corporate, or any individual person, or to deceive any officer of such corporation, the Federal Reserve Board, or any agent or examiner appointed to examine the affairs of any such corporation; and every receiver of any such corporation and every clerk or employee of such receiver who shall embezzle, abstract, or willfully misapply or wrongfully convert to his own use any moneys, funds, credits, or assets of any character which may come into his possession or under his control in the execution of his trust or the performance of the duties of his employment; and every such receiver or clerk or employee of such receiver who shall, with intent to injure or defraud any person, body politic or corporate, or to deceive or mislead the Federal Reserve Board, or any agent or examiner appointed to examine the affairs of such receiver, shall make any false entry in any book, report, or record of any matter connected with the duties of such receiver; and every person who with like intent aids or abets any officer, director, clerk, employee, or agent of any corporation organized under this section, or receiver or clerk or employee of such receiver as aforesaid in any violation of this section, shall upon conviction thereof be imprisoned for not less than two years nor more than ten years, and may also be fined not more than \$5,000, in the discretion of the court.

"Whoever being connected in any capacity with any corporation organized under this section represents in any way that the United States is liable for the payment of any bond or other obligation, or the interest thereon, issued or incurred by any corporation organized hereunder, or that the United States incurs any liability in respect of any act or omission of the corporation, shall be punished by a fine or not more than \$10,000 and by imprisonment for not more than five years."

Approved, December 24, 1919.

[PUBLIC—No. 62—66TH CONGRESS.]

[H. R. 7478.]

AN ACT To amend sections 5200 and 5202 of the Revised Statutes of the United States as amended by acts of June 22, 1906, and September 24, 1918.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 5200 of the Revised Statutes of the United States as amended by the acts of June 22, 1906, and September 24, 1918, be further amended to read as follows:

“SEC. 5200. The total liabilities to any association of any person or of any company, corporation, or firm for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed 10 per centum of the amount of the capital stock of such association, actually paid in and unimpaired, and 10 per centum of its unimpaired surplus fund: *Provided, however,* That (1) the discount of bills of exchange drawn in good faith against actually existing values, including drafts and bills of exchange secured by shipping documents conveying or securing title to goods shipped, and including demand obligations when secured by documents covering commodities in actual process of shipment, and also including bankers' acceptances of the kinds described in section 13 of the Federal Reserve act, (2) the discount of commercial or business paper actually owned by the person, company, corporation, or firm negotiating the same, (3) the discount of notes secured by shipping documents, warehouse receipts, or other such documents conveying or securing title covering readily marketable nonperishable staples, including live stock, when the actual market value of the property securing the obligation is not at any time less than 115 per centum of the face amount of the notes secured by such documents and when such property is fully covered by insurance, and (4) the discount of any note or notes secured by not less than a like face amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, shall not be considered as money borrowed within the meaning of this section. The total liabilities to any association, of any person or of any corporation, or firm, or company, or the several members thereof upon any note or notes purchased or discounted by such association and secured by bonds, notes, or certificates of indebtedness as described in (4) hereof shall not exceed (except to the extent permitted by rules and regulations prescribed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury) 10 per centum of such capital stock and surplus fund of such association and the total liabilities to any association of any person or of any corporation, or firm, or company, or the several members thereof for money borrowed, including the liabilities upon notes secured in the manner described under (3) hereof, except transactions (1), (2), and (4), shall not at any time exceed 25 per centum of the amount of the association's paid-in and unimpaired capital stock and surplus. The exception made under (3) hereof shall not apply to the notes of any one person, corporation or firm or company, or the several members thereof for more than six months in any consecutive twelve months.”

SEC. 2. That section 5202 of the Revised Statutes of the United States as amended by section 20, Title I, of the act approved April 5, 1918, be further amended so as to read as follows:

“SEC. 5202. No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

“First. Notes of circulation.

“Second. Moneys deposited with or collected by the association.

“Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

“Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

“Fifth. Liabilities incurred under the provisions of the Federal Reserve act.

“Sixth. Liabilities incurred under the provisions of the War Finance Corporation act.

“Seventh. Liabilities created by the indorsement of accepted bills of exchange payable abroad actually owned by the indorsing bank and discounted at home or abroad.”

Approved, October 22, 1919.

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PART II.

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REPORTS OF FEDERAL RESERVE AGENTS TO  
FEDERAL RESERVE BOARD.

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## DISTRICT NO. 1.—BOSTON.

FREDERIC H. CURTISS, Chairman and Federal Reserve Agent.

### INTRODUCTION.

Active hostilities with the Central Powers of Europe ceased with the signing of the armistice on November 11, 1918, but the after-effects of the great World War dominated finance and industry in this Federal Reserve district during the entire year of 1919. Well into the new year the industries of New England were occupied on Government orders and the settlement and adjustment of Government contracts, but gradually, as spring approached, industries were able to readjust themselves from a war to a peace basis, domestic demands bringing increasing business, so that throughout the year almost all industries were running at top notch, which, with increasing costs in labor and raw material, called for unusually heavy credit expansion. This demand for credit was reflected in the loans of the Federal Reserve Bank of Boston.

During the year there was but one public offering of long-term securities, that of the fifth or Victory loan in April, 1919, but short-time borrowings of the Treasury Department on loan and tax certificates of indebtedness were continuous throughout the year, and these short-time borrowings, together with the new income and excess-profits taxes, placed a continuous and insistent demand upon the banks of the district which, with the increased commercial demands, made recourse to the Federal Reserve Bank heavier than in any previous year. In order, therefore, to maintain reserves above the legal limit this bank was obliged frequently to rediscount with other Federal Reserve Banks of the system; on the other hand, this bank did not rediscount for any other Federal Reserve Bank during the entire year.

### REVIEW OF INDUSTRIAL CONDITIONS DURING 1919.

The year opened with retail trade extremely good, stimulated by patronage of wage earners who had shown no disposition to curtail their expenditures and whose purchases included many luxuries—a condition which offered opportunity for retailers to dispose of stocks at prevalent high prices; but in view of uncertainty concerning the future dealers were generally cautious in placing orders and replenishing depleted inventories.

By another month, however, there was evidently throughout the entire district less apprehension regarding future conditions, confidence was beginning to return, and there was more general inclination to enter into future commitments; by April the turn in the tide was increasingly evident each week, and the impression was becoming general that no lower commodity price level was likely to be established for some time to come. Buyers were encouraged to place

orders with more confidence and manufacturers went ahead with less hesitation.

The summer found manufacturers and merchants in practically all lines doing a large business, and buyers who had withheld orders awaiting lower prices were now purchasing heavily in anticipation of costs advancing still further; moreover, the removal of numerous Government restrictions had gone far toward substantiating the belief that the price level would be no lower until production was sufficient to fill the vacuum in inventories created during the war. The general business situation was, nevertheless, unsettled, for, in spite of boundless activity and surface prosperity, the industrial unrest by the late summer overshadowed all other factors. The constant threat of strikes, and the interference with transportation facilities, traction and railroad, had begun to be a burden on all lines of industry, causing a general slowing down, which, however, was traceable more to apprehension on the part of the manufacturers than to any direct slackening of demand for goods.

The year ended with general business conditions in the New England district reflecting unprecedented prosperity as defined in terms of high wages and purchasing power, high prices, orders booked by manufacturers in some cases far into 1920, projected plans for expansion of plants and equipment which in some cases are already taking the form of actual building construction, and the absence of serious or widespread dislocation of working relationship between employer and employee in any of the great basic industries. Practically the only exception to this general condition of business activity is in the field of dwelling-house construction, which has shown no broad recovery from the stagnation of the war period.

Commercial failures have been less in number and less in volume of liabilities than in the two previous years. Bank clearings in the larger cities emphasize the increasing business activity of the year. The business through the port of Boston shows some change, although it must be borne in mind that Boston is one of the terminals for the entire country.

#### BALANCE SHEET.

The comparative statement of the condition of the bank on December 31 for the years 1917, 1918, and 1919, as shown in Exhibit C, demonstrates the large increase in the operations of the bank. Total resources amounting to 521 million, it will be noted, are over twice those of 1917, not including the increase in rediscounts with other Federal Reserve Banks.

#### FINANCIAL RESULTS OF OPERATION.

While the heavy increase in bills discounted for member banks and the high discount rates maintained during the year have brought increased earnings to the bank, the increase on the other hand in service furnished to member banks, more particularly in connection with currency transactions and the handling of checks and other items, has entailed heavy increases in expense. Dividends at the rate of 6 per cent per annum were paid on the stock holdings of member banks on June 30 and December 31 and \$5,362,934.40 was added to the surplus fund, making the total surplus fund \$8,359,034.40,

or 59 per cent of the subscribed capital of the bank. Under the amendment to the Federal Reserve Act of March 3, 1919, Federal Reserve Banks may accumulate a surplus fund equal to their subscribed capital, and thereafter 10 per cent of net earnings. The success of a Federal Reserve Bank should not be measured, however, by its earning capacity, but by the assistance it furnishes to the commercial and agricultural interests of the community it serves.

#### DISCOUNT RATES.

As in the immediate war period, the policy of rates of discount during the year 1919 has been dominated by the necessities of the Treasury Department. Changes in rates were slight during the year. The preferential rate of 4 per cent on loans secured by and carrying the coupon rate of the fourth Liberty loan bonds was withdrawn February 15. The rate in connection with loans secured by the bonds of the War Finance Corporation, automatically, in accordance with the provision of that act, went into effect April 12, with the first offering of the bonds of that corporation, a rate so high that it was used but to a very small extent. There were no further changes in discount rates, even in connection with the flotation of the fifth or Victory Liberty loan, until November 4, when the preferential rates on maturities of 15 days or less were discontinued and rates on loans secured by long-term Government obligations slightly increased, the rates on loans secured by tax and loan certificates of indebtedness being continued in order to assist in placing the issues of those securities which the Treasury Department was offering from time to time.

On December 12 the rates on all classes of paper, including trade acceptances and loans against United States Government long-term securities, were raised to the commercial rate of  $4\frac{3}{4}$  per cent, the rates being still continued on loans secured by certificates of indebtedness at the interest rate which such securities bore— $4\frac{1}{4}$  to  $4\frac{1}{2}$  per cent. The gradual raising of rates on loans secured by long-term Government securities has had some effect in keeping the volume of that class of loans out of the banks, for in the latter months of the year when the discounts of the bank increased heavily the increase was almost entirely in commercial paper.

#### LOAN AND DISCOUNT OPERATIONS.

The year 1918 ended with the loans of this bank at nearly their maximum, a point which proved to be almost the low point of the year 1919. The high state of industrial activity during the war and the character of the subscriptions to the fourth Liberty loan which had been placed under a "borrow to buy" policy were the principal causes for the year opening with loans high and with reserves low.

While in 1918 there had been an improvement in general conditions, final payments on Liberty loan bonds and further issues of certificates of indebtedness, together with the slow adjustment of payments on account of Government contracts, soon brought loans to a new high mark. The loans continued at a high level until the middle of July. As payments began to come in on the Victory Liberty

loan, the first of which on June 3 brought in \$116,000,000, it became evident that this loan had been placed more largely in the hands of investors than previous loans and had not been subscribed to so large an extent on borrowed money, as partial-payment plans had been encouraged. Financing by means of certificates of indebtedness made it possible for banks to meet their payments without recourse to this bank for any considerable amount of new loans. Even the heavy tax payment of \$140,000,000 in June was met easily and not reflected in the loans, as redemption of certificates of indebtedness provided much of the necessary money.

Ordinarily, the demands of the mills for money with which to purchase raw materials appears in the late summer or early fall. This year price uncertainty delayed the demand two or three months. The same held true in the case of other seasonal demands. In August, as all indications were that this demand would hold off, and as reserves were at the high point of the year, being 55.6 per cent on August 15, this bank became a free buyer of acceptances. This policy was continued until early in November when, although still in the market, acceptance rates were raised above the discount rate.

By November a marked change had occurred in the demands made upon banks. The ever-increasing price level, the financing of local taxes, the heavy purchases of raw material, the final payments on subscriptions to Victory notes, high stock exchange call rates in New York, rates which attracted the balances the country banks had been carrying on deposit with their Boston correspondents—all together greatly augmented the demands made on this bank and necessitated heavy rediscounting with other Federal Reserve Banks. From then on to the end of the year an increasing demand on the part of commercial borrowers caused a marked change in the character of the loans. Commercial paper discounted, which had averaged under \$10,000,000 up to November 1, rose to \$63,000,000 by the end of the year, an increase caused in part by the changes in discount rates on November 4 and December 12, which tended to eliminate the preferential rate that had led commercial borrowers to use United States obligations rather than their unsecured notes when seeking accommodation.

Early in December payment of \$30,000,000 in this district on the part of the United States Railroad Administration to the Boston & Maine Railroad brought an easing of conditions which, however, lasted but a few days, the money being rapidly distributed to other districts. From then on commercial demands and Government financing necessitated further rediscounts with other Federal Reserve Banks. The December 15 tax payment in this district was directly felt in the loans of this bank, which at the close of the year rose to \$289,000,000, including rediscounts, or almost \$85,000,000 higher than the previous year. This rise occurred notwithstanding the fact that constant pressure had been brought to bear on individual banks that were rediscounting undue amounts either for carrying Liberty loan bonds for customers, or for purchasing paper in the open market. As in previous years borrowings were made by banks largely on short maturities, thus keeping the bank's investments in a satisfactory liquid state.

## TRADE ACCEPTANCES.

Although the larger city banks are still disinclined to encourage borrowing for commercial purposes through the use of trade acceptances, preferring the single name note, there has been a strong tendency on the part of note brokers and merchants to increase the volume of this class of commercial obligation.

While in some cases the firms using trade acceptances have not been those enjoying the highest credit, still merchants have found that they could get increased credit from their banks through the use of paper of this character, and that brokers were inclined to favor it. During the past year a number of corporations have been organized, in some cases under the general corporation laws of the State and in others under the State banking laws, corporations whose principal operations are confined to the financing of automobiles, both in connection with sales to dealers and to individual purchasers. The relation of these corporations to member banks, to the Federal Reserve System, and the character of the obligations which they handle as they pertain to the development of the general acceptance business should be given careful consideration.

For a short time the Federal Reserve Bank purchased in the open market trade acceptances indorsed by member banks. Foreign-trade acceptances have also made their appearance in this market to a marked degree, and have been carried by the large city banks in their portfolios. These have been purchased at somewhat higher rates by the bank under open market operation, but only when indorsed by member banks. Inasmuch as it has been deemed desirable to increase rates whenever possible and to bring about a closer uniformity of discount rates on all classes of paper, the preferential rate for trade acceptances was withdrawn on December 12.

## BANKERS' ACCEPTANCES.

Increased demand for credits has produced a marked increase in the volume of bankers' acceptances created in this Federal Reserve district, and every encouragement has been given to the brokerage houses and discount companies to handle and distribute bankers' acceptances. This has led to considerable carrying of acceptances by this bank on repurchase agreements, only acceptances being taken, however, that this bank would purchase and these at rates slightly above the open market. Several of the large city banks have followed the same practice. There has been evidenced as a result of this encouragement a wider distribution of these acceptances among commercial and savings banks during the past year than ever before. With the Treasury out of the market for short borrowings, the banks in this district will be in a position to carry large portfolios of bills as secondary reserve.

During the entire year the Federal Reserve Bank has maintained an open-market policy in connection with the purchase of these acceptances. Banks have preferred to sell their acceptances to the Federal Reserve Bank even at rates considerably higher than the current discount rates rather than offer their holdings for rediscount. As referred to elsewhere, during the months of August, September,

October, and early November the Federal Reserve Bank was offered large amounts of bankers' acceptances from the portfolios of member banks due to the increasing commercial demand made by their customers. The general policy of having differential rates with reference to the character or maturity of acceptances has been maintained, but purchases of bills have been confined to those either accepted by or indorsed by member banks. The total amount of holdings of acceptances on the part of member banks was \$109,000,000 on November 17. This bank has maintained the policy of requiring the indorsement of all acceptances rediscounted with or for other Federal Reserve Banks.

During the year seven member banks have been given the special privilege by the Federal Reserve Board to accept up to 100 per cent of their combined capital and surplus, while several banks have entered the acceptance field for the first time.

A policy has finally been adopted whereby bankers' acceptances payable in Federal Reserve Bank cities become reserve funds to the holding bank on the date of payment, settlement being consummated through the gold settlement fund in Washington. This arrangement has greatly aided the distribution of these bills among the various districts.

#### UNITED STATES SECURITIES.

The principal changes in the amount of United States securities held by this bank have been in connection with certificates of indebtedness issued under the Pittman Act, which provides for their use as security for Federal Reserve bank notes which have been issued to take the place of silver certificates. January 1, \$666,000 of these were purchased to replace a like amount of United States 1-year 3 per cent notes which matured on that day and had been used as security for Federal Reserve bank notes. In addition to these \$14,020,000 certificates of indebtedness were purchased to be used as security for additional Federal Reserve bank notes.

Anticipating receipt of funds on a few occasions the Treasury Department sold to the Federal Reserve Bank special certificates of indebtedness maturing in one or two days and carrying 2 per cent interest. The funds so obtained were used to meet its current obligations. The largest amount of these certificates held at one time was \$30,000,000 on September 15 and the total amounted to \$36,000,000.

#### CREDIT DEPARTMENT AND BANK EXAMINATIONS.

The expansion of the general credit situation has called for a more careful scrutinizing of credits than ever before. Investigations have been made both of notes offered for discount by member banks and of notes and securities carried in the loans. In the past credit analysis has been conducted in connection with the examining department, but this work has now increased to such a point that after the first of the year it is planned to organize a separate credit department which will be under the immediate supervision of Frank S. Hughes, who, for many years, has been associated with R. G. Dun & Co. The scope of the department will be considerably extended, as it is proposed to follow more closely the different lines of commercial activity

in New England in order that the Federal Reserve Bank may be kept in closer touch with the credit situation and the needs of the industrial, commercial, and agricultural communities in this district.

The work of the examining department has been largely increased during the past year in connection with both State member banks and national banks. It has been found desirable in the case of State banks to pursue the policy of making independent examinations not only at the time that they apply for admission but subsequently. This policy has been adopted not through any lack of cooperation on the part of the various State banking departments or through lack of confidence in their examinations, but rather in order to bring about a uniformity of detail in the information obtained and greater regularity of making examinations.

During the past year every State member bank has been examined either independently or in cooperation with State banking departments, in which latter case independent reports have been made by the Federal Reserve examiner.

It has been found necessary to keep in closer touch with the condition of all national banks and to work in even closer cooperation with the chief national-bank examiner of this district than in previous years, and satisfactory results have been obtained thereby.

#### RESERVE POSITION.

Although the reserve position of the bank would appear to show less fluctuation than in 1918, this has been brought about only through the adjustment of reserves by rediscounts with other Federal Reserve Banks. The bank's reserve position has been affected quite as much by transfers of funds by the Treasury Department out of the district as by actual commercial demand. The transfers made from the proceeds of the sale of Government securities were mostly to the Federal Reserve Bank of New York. A heavy decline in the reserve position appeared early in November, due to heavy demand on the local banks for commercial purposes and incidental to the payment of local taxes. Municipal obligations created in this district in anticipation of these tax payments had been largely purchased outside of the district and on becoming due they withdrew quite an amount of the tax money from the district. The adjusted reserve percentage—eliminating gold received from rediscounts with other Federal Reserve Banks—has been unusually low except during the months of July, August, and September, the year ending with an adjusted reserve of 27 per cent, and on one occasion falling as low as 23 per cent.

#### BANK OF ENGLAND STERLING ACCOUNT.

On April 2, 1919, final payment was received by this bank on account of its share of the gold which had been deposited with the Bank of England on June 27, 1917. The original amount apportioned to this bank was \$3,675,000. During the summer of 1919 the United States Grain Corporation received payment in gold for food sold in Germany. The gold was forwarded to the Bank of England to be held for the account of the Federal Reserve Bank of New York. As this was received by the Bank of England and counted, the various Federal Reserve Banks assumed a proportionate share of the total.

The first allotment of this gold was made on September 17, 1919, and the final one brought the total allotment for this bank to \$12,638,000. However, before all adjustments had been made, the Federal Reserve Bank of New York commenced to sell part of this gold. The first sale was on October 2, 1919, and sales continued during the remainder of the year. As the year closes, this account stands at \$9,600,000.

#### RELATIONS WITH COMMERCIAL BANKS.

Treasury financing and commercial expansion during the year have necessitated the closest cooperation between the officials of the Federal Reserve Bank and those of the commercial banks of the district. In connection with the Treasury financing, it was found necessary, in order to meet the quota of Treasury certificates placed on this district at each issue, to allot a percentage to each commercial bank in the district, that percentage being based upon each bank's total resources.

Notwithstanding constantly increasing demands of their commercial customers and the tempting rates on commercial and call money, most of the banks in this district not only took their full quota of Treasury certificates but kept their commitments down and met the suggestions of this bank's officials regarding their credit lines.

The governor and chairman of the board of directors of the Federal Reserve Bank have had meetings, when conditions seemed to make it necessary, with the executive committee of the Boston Clearing House, and discussed matters pertaining to the general credit situation in the district.

Seven new national banks opened for business during the year, all but one being located outside of Boston. Four national banks went into liquidation, all but one of these, which consolidated with another member bank, being converted into State banks.

Five trust companies were admitted during the year, all from Massachusetts, bringing the total number of trust company members to 36 and the total number of member banks to 432. While there are apparently a number of trust companies in the district that are not members of the Federal Reserve System, a large percentage do a character of business that probably does not warrant their joining the reserve system.

Under the banking laws of most of the New England States, the investments of savings departments of trust companies not only must be segregated but are chiefly limited to investments of a character that are not eligible for rediscount purposes in the Federal Reserve Bank, these investments being largely in real estate mortgages and securities. State laws also either require no reserves against savings deposits or else require reserves considerably lower than called for by the Federal Reserve Act. Of the total resources of nonmember banks, over 135 millions, or 30 per cent, are composed of savings deposits.

Although nonmember State banks in many cases no doubt indirectly used the resources of the Reserve Bank for accommodation, i. e., through their Boston correspondents, the effect of such borrowings on the general credit situation has been unimportant, these loans having largely been made at rates higher than those maintained by



the Federal Reserve Bank, borrowings for commercial purposes being mostly at 5½ and 6 per cent.

The deposits of mutual savings banks and savings departments of commercial banks in this district have shown a heavy increase. While it is difficult to give the exact figures of this increase, there is no doubt that it will exceed 200 millions.

Forty-two national banks have been granted special authority by the Federal Reserve Board to exercise fiduciary powers.

#### DEPOSITS.

The reserve accounts of member banks (collected funds) show an increase of some 16 millions over the previous year, having expanded from 101 millions on December 31, 1918, to 117 millions on the same date in 1919. This increase reflects the growth of deposits in member banks and also includes the reserves of trust companies admitted during the year.

There has been greater penalizing of banks for deficient reserves than during the previous year, probably due to the policy inaugurated on July 1 of requiring member banks to make reports of average deposit liabilities for weekly periods if located in Boston and for semimonthly periods if located elsewhere, instead of monthly, as heretofore. On the other hand, the policy of allowing all banks outside of Boston to remit for checks sent them for collection instead of charging such collections to their accounts has enabled the banks to handle their reserve accounts more satisfactorily.

The account of the Treasurer of the United States has shown great fluctuations during the year. At times, when funds have been drawn in from depository banks, the Treasury balances carried with this bank have been very large, but transfers to other districts and the payment of maturing Treasury certificates have not only at times drawn this account very low, but have necessitated the bank purchasing Treasury certificates for a day or two to cover overdrafts.

#### CURRENCY.

During January currency receipts were unusually heavy, probably due to the large expansion which occurred just previous to the Christmas holiday season. The question of properly sorting and counting this currency presented a difficult problem, as at that time the bank employed only a small number of money counters and its quarters were inadequate. As rapidly as possible this force was augmented and a new system of counting put into operation. A steadily increasing number of banks have taken advantage of the plan put in operation in October, 1918, whereby the Federal Reserve Bank absorbs the charges for shipping incoming and outgoing currency. During the year over \$500,000,000 of currency was received and \$400,000,000 paid out. The demands of December, 1919, were even heavier than those of the same month in 1918, and it is expected that much of this currency will speedily be returned from general circulation. While during the early months of the year the bank accumulated a supply of about \$500,000 in silver coin and \$75,000 in nickels and dimes, after the December demand had run its course there was less than \$25,000 of this coin in the bank's vaults, notwithstanding the fact that heavy purchases were made all during November and

December.

## FEDERAL RESERVE NOTES.

Every year has shown a steadily increasing issue of Federal Reserve notes by this bank, for, unlike the situation that appears in other Federal Reserve districts, where agricultural seasonal demands expand and contract the note issues, the demand in this Federal Reserve district has been constant and increasing, except for fluctuations due to the Christmas retail trade.

The interdistrict movement of Federal Reserve notes has been considerably heavier than in 1918, especially with New York, Philadelphia, and Chicago, and should be given careful study by the Federal Reserve Board. The handling, counting, and sorting of these notes, together with other currency, has called for a large increase in the force and accommodations of the money department, from 71 to 104. It has also been found necessary to increase the supply of unissued Federal Reserve notes.

## FEDERAL RESERVE BANK NOTES.

The further withdrawal of silver has resulted in the retirement of large amounts of silver certificates by the Treasury Department. This has called for some other circulating medium to replace that retired, especially \$1 and \$2 notes. To fill this demand, the Federal Reserve Bank has increased its issue of Federal Reserve bank notes to \$21,000,000. All these are secured by special 2 per cent certificates of indebtedness issued under the Pittman Act.

## COLLECTION OF CHECKS.

From the inauguration of the collection system by the Federal Reserve Bank, all banks in New England have remitted for their checks at par. In the case of member banks it had been customary to enter a deferred charge against their reserve account, while non-member banks had the privilege of remitting for their checks after receipt. On December 1 all banks were placed on a remittance basis, a plan which greatly aided member banks in maintaining their reserves at the required amounts.

Boston banks are now permitted to deposit in one package all checks on New England banks instead of being required to prepare a package of the checks drawn on each bank. As a result the number of items handled per day has increased to about 100,000 and the force handling these items has increased from 109 to 173.

## INTERNAL ORGANIZATION.

There have been but few changes in the list of officers during the past year. However, the increase in departmental work has called for a large addition to our clerical force—an increase from 508 employees on December 31, 1918, to 629 on December 31, 1919, the increase for the most part being in the money and transit departments, and being about evenly divided between men and women employees.

## BANKING QUARTERS.

The problem of housing the activities of the bank under one roof and of adequately safeguarding the cash and securities which it is called upon to handle has been exceedingly difficult. The premises

at 95 Milk Street, purchased in June, 1918, containing some 13,000 square feet, were subsequently found to be inadequate for the bank's purposes, and as suitable adjoining property could not be obtained the directors decided to sell this property and to purchase elsewhere. It was accordingly disposed of and at a substantial net profit over all carrying charges, a tract of some 40,500 square feet being then purchased for \$1,400,000, which has a frontage of 181 feet on Pearl Street, 267 feet on Franklin Street, and 128 feet on Oliver Street. This location is in close enough proximity to the banking center of Boston and its dimensions are such as to make its use entirely adequate for the bank's purposes.

#### CERTIFICATES OF INDEBTEDNESS.

United States Treasury financing, while decreasing in volume as the year 1919 drew to a close, was heavier for the first six months of the year than in any previous similar period. The Victory Liberty loan being the only long-term loan placed during the year, the Treasury Department was obliged to finance itself largely through the sale of certificates of indebtedness issued in anticipation of taxes, and other short-time certificates of indebtedness. These certificates were issued at frequent intervals, occasionally more than one issue being placed on sale at the same time.

Although the committee in charge of the sale of certificates of indebtedness did splendid work, it was with difficulty, owing to the general conditions of the investment and money markets, that quotas were even approached. General commercial demands on the banks were such that subscriptions had to be obtained through personal solicitation. Most of the subscribing banks paid for these certificates by credit, as in previous years. These deposits were gradually withdrawn to meet Government requirements.

These Government deposits, although no doubt having an important influence in the volume of certificate sales, have been, on the other hand, a rather unsettling factor in the general credit situation. As banks distributed these certificates to the public, they used the money thereby obtained as a basis for granting additional credits and when these Government deposits were later withdrawn had recourse to the Federal Reserve Bank or to their own correspondents for money with which to meet these payments.

In connection with the different offerings of Treasury certificates of indebtedness, the Federal Reserve Bank has during the year acted as a medium to assist in the distribution of certificates between banks and has placed and filled orders for them. At the close of the year \$369,000 of certificates were held for resale.

#### VICTORY LOAN.

The announcement made early in the year by the Secretary of the Treasury that there would be but one more popular offering of bonds enabled the Liberty loan committee to hold intact its volunteer organization that had handled so successfully the four previous bond issues, until after the flotation of the fifth or Victory loan, opened for subscription by the Secretary of the Treasury on April 22.

The quota allotted to New England was \$375,000,000 and the subscriptions received were \$427,223,750, or 113 per cent, repre-

sending subscriptions received from 817,822 individual subscribers, as reported by banks. The amount finally allotted to the district by the Treasury Department was \$371,910,150. This Victory loan, owing to the improvement in the organization of the Liberty loan committee and to the fact that the Treasury Department had announced that it would be a closed issue and that it would be the last popular offering, was distributed as well, if not better, than any previous loan. Banks were not encouraged to solicit subscriptions on the "subscribe and borrow policy," as in the fourth loan, and furthermore subscribers were encouraged to subscribe on the Government installment plan. With the subscription to the Victory notes, the total amount of long-term Government securities subscribed for in the New England district amounted to over \$2,000,000,000. Previous to May 20, when the initial payment of 10 per cent was due on subscriptions, about \$35,000,000 of bonds were disposed of in advance of the issue for cash. In anticipation of the Victory loan, Treasury certificates of indebtedness amounting to \$475,792,500 had been sold in the district which could be used in payment for Victory bonds, but only a negligible amount of these were so used, banks preferring to hold the certificates until they matured. The percentage of subscription to the Victory loan in the several New England States was about equal to that of previous loans. The Victory notes were issued in two series— $4\frac{1}{2}$  per cent and  $3\frac{1}{2}$  per cent, the latter being tax exempt. The bank delivered \$317,644,500 of  $4\frac{1}{2}$  per cent notes and \$54,254,650 of the  $3\frac{1}{2}$  per cent.

#### WAR-SAVINGS DIVISION.

On November 15, 1918, the Secretary of the Treasury definitely placed the distribution of all Government securities under the governor of each Federal Reserve Bank. This included the Liberty loan issues, Treasury certificates, and war-savings certificates. Until that date the war-savings organization had been directly conducted by the Treasury Department in Washington. As the various State committees had largely resigned, this necessitated the building up of almost an entirely new organization in this district.

#### CUSTODY DEPARTMENT.

This department has become of increasing importance during the year, in connection with the collateral against notes discounted with the bank and collateral pledged against Government deposits. The added activities placed on this department have called for an increase in the clerical force. Member banks have also become accustomed to leave securities in this department for safe-keeping. The character of the collateral pledged during the year has changed to quite an extent, commercial paper increasing in volume and securities other than those of the United States Government showing a material decrease. The cutting of coupons on collateral held in this department has become an important factor in its activities. The handling of the coupons and bonds of the Government in the bond department has also been increasingly heavy, that department having redeemed no less than 7,000,000 coupons, amounting to \$44,000,000, during the year. This same department during 1919 handled 961,000 odd bonds of the fourth loan and 1,000,000 bonds of the Victory loan and

157,900 Treasury certificates. That these securities have been handled without loss demonstrates to some extent the efficiency of the bond department. The privilege of converting Liberty loan bonds carrying 4 per cent interest into bonds carrying  $4\frac{1}{2}$  per cent interest was reopened on March 9, 1919, and many holders have taken advantage of this opportunity.

#### FOREIGN EXCHANGE.

Under the presidential proclamation of January 26, 1918, this bank was required to license all dealers in foreign exchange and to obtain reports of those who were doing an active business. Before the proclamation regulating foreign exchange was rescinded on June 26, 1919, this bank had issued licenses to over 1,600 dealers. In addition, permits to export coin and currency were issued to a number of concerns and banks. Blanket permits also were issued covering the shipment of Canadian currency to Canada and reports from holders of these permits indicated that a considerable amount of money was returned to that country.

In order to provide means for the payment of imports from India, arrangements were made whereby this bank was enabled to sell exchange on that country through the Federal Reserve Bank of New York. Lesser amounts of exchange on Argentina and Peru were also provided through the same channel. On June 26, 1919, all regulations concerning foreign exchange with only minor exceptions were repealed and therefore this department of the bank ceased operation on July 1, after about a year and a half of existence.

#### CONCLUSION.

The Treasury financing, after the successful flotation of the Victory loan, has been of diminishing volume, so that as the year ends it is intimated that hereafter such financing will be so done as to divorce the Federal Reserve Banks from its influence. The foreign exchanges, while still unsatisfactory, will, no doubt, be helped by the relief which the Edge bill, recently passed by Congress, can afford.

The responsibility of the Federal Reserve Banks will now be very great. The credit situation, which is far from satisfactory, must be brought back nearer to normal, but to do that without causing undue distress, will require the most careful judgment and foresight on the part of the officials of those banks, and the closest cooperation with the Federal Reserve Board. As this report shows, the demand for credit by member banks on the Federal Reserve Bank of Boston has been insistent and increasing. The year ends with the total earning assets—investments—at not only the highest point of the year, but, including bills rediscounted with other Federal Reserve Banks, they reach a total of over 300 millions against a high point of about 200 millions the previous year, although there has been only a slight increase in the gold reserve.

With cooperation between the Federal Reserve Bank, the local bankers, and business men, all working together to gradually restore more normal conditions of business, it is believed that the desired results may be obtained without undue hardship to legitimate business. It will, however, take patience, courage, and complete understanding between these elements if this is to be accomplished.

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of Boston during the calendar year 1919.*

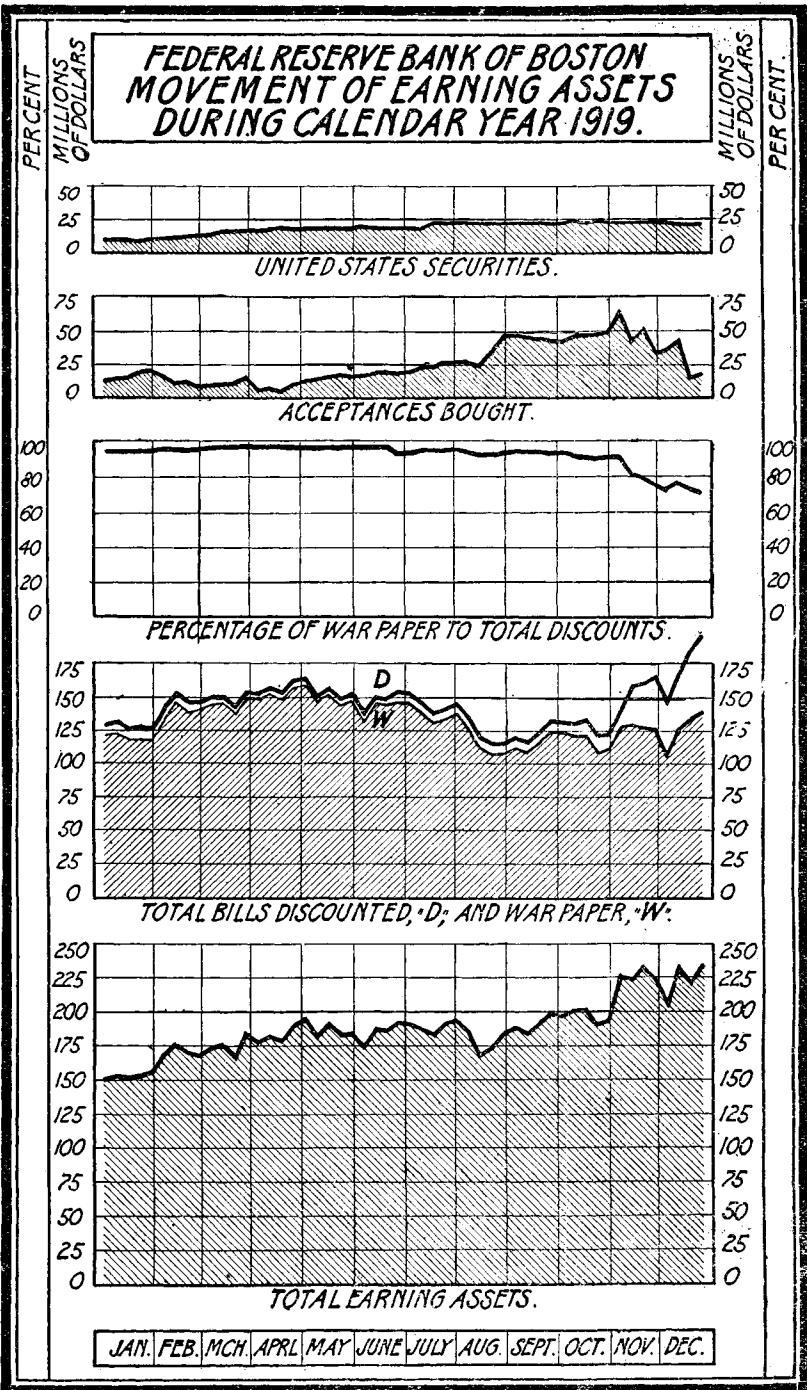
[In thousands of dollars.]

Date.	1 Discounted paper secured by United States war obligations.	2 Other dis- counted paper.	3 1+2	4 Per cent. 1+3	5 Bills bought in open market.	6 Total bills discount- ed and bought.	7 United States securities	8 Total earning assets.
Jan. 3	120,775	8,419	129,194	93.5	12,538	141,732	9,521	151,253
10	121,954	9,035	130,989	93.1	13,689	144,678	9,521	154,199
17	118,394	7,957	126,351	93.7	15,354	141,705	10,264	151,969
24	118,034	8,744	126,778	93.1	18,088	144,866	9,264	154,130
31	118,082	7,774	125,856	93.8	19,781	145,637	9,954	155,591
Feb. 7	133,374	7,844	141,218	94.4	15,588	156,806	9,954	166,760
14	146,463	7,318	153,721	95.2	11,213	164,934	10,954	175,888
20	138,158	7,831	145,989	94.6	12,033	158,022	11,954	169,976
28	139,841	6,361	146,202	95.6	9,241	155,443	12,954	168,397
Mar. 7	143,801	6,206	150,007	95.9	10,393	160,400	12,954	173,354
14	144,517	5,245	149,762	96.5	9,816	159,578	14,954	174,532
21	136,864	5,085	141,949	96.4	10,572	152,521	14,954	167,475
28	148,867	5,053	153,920	96.7	15,425	169,345	14,954	184,299
Apr. 4	148,631	4,849	153,480	96.8	7,152	160,632	15,954	176,586
11	151,733	5,564	157,297	96.5	8,032	165,329	15,956	181,285
18	148,018	5,864	154,482	96.2	6,402	160,884	16,955	177,839
25	157,068	5,376	162,444	96.7	9,684	172,138	17,255	189,393
May 2	158,981	4,576	163,557	97.2	13,180	176,737	17,455	194,192
9	145,065	4,499	150,167	97.0	13,932	164,099	17,455	181,554
16	152,150	4,966	157,116	96.8	15,204	172,320	17,455	189,775
23	144,102	5,199	149,301	96.5	15,859	165,160	17,472	182,632
29	146,191	5,488	151,679	96.4	14,673	166,352	17,471	183,823
June 6	133,197	4,992	138,189	96.4	17,433	155,622	18,484	174,106
13	145,205	4,869	150,074	96.7	18,842	168,916	17,485	186,401
20	143,557	5,155	148,712	96.5	19,056	167,768	17,485	185,253
27	144,720	10,454	155,174	93.2	18,180	173,354	17,485	190,839
July 3	143,591	9,576	153,167	93.7	19,240	172,407	17,484	189,891
11	138,677	7,545	146,222	94.8	22,720	168,942	17,484	186,426
18	130,820	6,910	137,730	94.9	23,445	161,175	21,993	183,168
25	134,001	6,570	140,571	95.3	26,971	167,542	21,993	189,535
Aug. 1	137,720	6,986	144,706	95.1	26,725	171,431	21,963	193,324
8	128,136	8,276	136,412	93.9	26,862	163,274	22,093	185,367
15	111,748	8,433	120,181	92.3	25,184	145,365	21,989	167,354
22	107,163	8,517	115,680	92.6	35,756	151,436	21,989	173,425
29	107,744	7,948	115,692	93.1	45,755	161,447	21,989	183,436
Sept. 5	112,074	7,441	119,515	93.8	46,330	165,845	21,988	187,833
12	108,671	7,895	116,179	93.5	44,951	161,130	22,019	183,149
19	115,900	7,895	123,795	101.8	44,279	168,074	21,984	190,058
26	123,851	9,451	133,302	92.8	42,963	176,265	21,984	198,249
Oct. 3	122,745	9,089	131,835	93.1	41,675	173,500	22,278	195,778
10	120,944	10,456	131,400	92.0	45,880	177,280	23,710	200,990
17	121,104	12,877	133,981	90.4	46,078	180,059	22,214	202,273
24	109,146	11,641	120,787	90.4	46,383	167,172	22,555	189,727
31	110,735	10,775	121,510	91.1	49,117	170,627	22,102	192,729
Nov. 7	127,564	13,549	141,113	90.4	62,622	203,735	21,979	225,714
14	130,236	28,715	158,951	81.9	42,069	201,020	22,470	223,490
21	127,078	32,763	159,841	79.5	50,555	210,296	22,983	233,279
28	126,192	36,238	162,430	76.2	33,348	198,776	23,101	221,877
Dec. 5	105,888	39,870	145,758	72.6	36,266	182,004	22,620	204,624
12	128,055	38,889	166,944	76.7	42,707	209,651	22,281	231,932
19	134,324	49,559	183,883	73.0	14,412	198,295	22,137	220,432
26	138,206	36,630	194,836	70.9	16,509	211,342	22,200	233,542

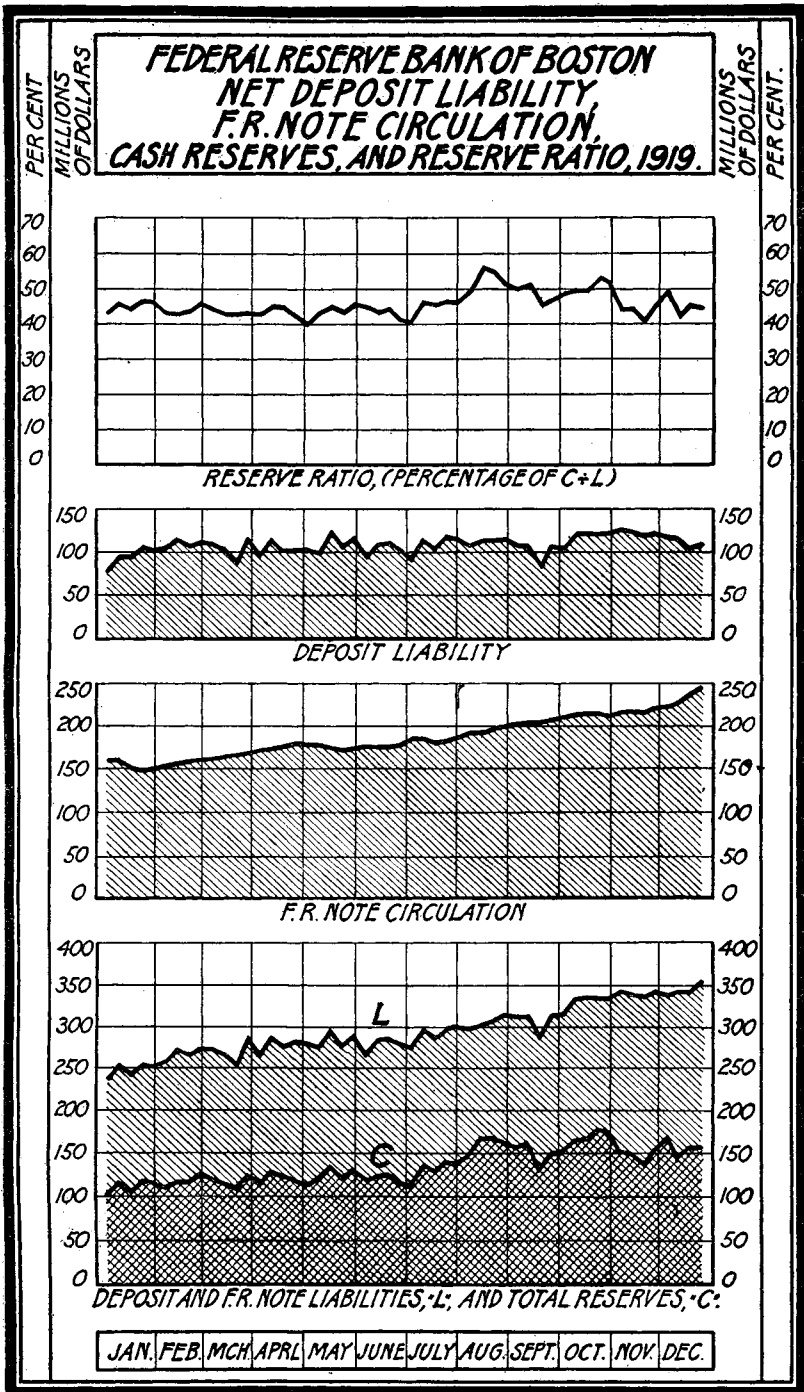
EXHIBIT B.—*Movement of gold and cash reserves, Federal reserve note and net deposit liabilities, and the reserve percentage of the Federal Reserve Bank of Boston during the calendar year 1919.*

[In thousands of dollars.]

Date.	1 Gold reserves.	2 Total cash reserves.	3 Federal reserve notes in actual circulation.	4 Net deposits.	5 (3+4.)	6 Ratio of cash re- serves to net deposit and Federal reserve note liabilities combined.
Jan. 3.....	99,045	101,733	160,506	76,556	237,062	42.9
10.....	109,897	114,192	159,053	93,023	252,076	45.3
17.....	102,573	106,145	148,985	92,271	241,256	44.0
24.....	113,691	117,546	148,332	105,434	253,766	46.3
31.....	110,461	114,625	149,565	102,241	251,806	45.5
Feb. 7.....	105,110	110,166	152,479	105,061	257,540	42.8
14.....	109,284	114,533	155,884	114,730	270,614	42.3
20.....	110,338	115,988	158,190	107,459	265,649	43.7
28.....	118,757	124,637	159,552	112,578	272,130	45.8
Mar. 7.....	112,761	119,089	160,876	110,217	271,093	43.9
14.....	107,445	114,011	163,142	102,736	265,878	42.9
21.....	102,359	108,693	165,338	87,414	252,752	43.0
28.....	116,574	122,884	166,874	116,537	283,411	43.4
Apr. 4.....	107,533	113,709	169,609	96,107	265,716	42.8
11.....	121,455	127,537	171,265	112,328	283,593	45.0
18.....	116,303	122,674	174,092	100,522	274,614	44.7
25.....	112,610	118,760	177,737	103,440	281,177	42.2
May 2.....	103,608	111,560	176,931	102,033	278,964	40.0
9.....	111,566	118,817	176,024	97,620	273,644	43.4
16.....	124,615	132,052	171,595	123,225	294,820	44.8
23.....	113,546	121,262	169,647	107,321	276,968	43.8
29.....	122,771	130,127	172,171	115,012	287,183	45.3
June 6.....	112,397	119,481	173,771	92,962	266,733	44.8
13.....	115,796	122,855	172,632	109,650	282,282	43.5
20.....	117,509	124,917	172,757	109,972	282,729	44.2
27.....	108,533	115,574	176,159	102,438	278,597	41.5
July 3.....	105,428	111,953	182,631	91,532	274,163	40.8
11.....	130,114	136,396	181,787	113,275	295,062	46.2
18.....	121,902	128,433	178,961	104,804	283,765	45.3
25.....	130,336	137,841	180,481	117,342	297,823	46.3
Aug. 1.....	128,116	136,378	183,544	115,188	298,732	45.7
8.....	136,890	145,614	189,597	108,807	298,404	48.8
15.....	159,326	168,146	191,077	111,595	302,672	55.6
22.....	159,581	167,744	195,600	112,448	308,048	54.5
29.....	155,777	163,444	198,967	115,481	314,448	52.0
Sept. 5.....	149,489	156,502	203,986	107,846	311,832	50.2
12.....	154,490	161,064	205,316	106,661	311,977	51.6
19.....	123,973	130,699	205,735	82,704	288,439	45.3
26.....	142,086	148,564	207,829	106,667	314,496	47.2
Oct. 3.....	146,072	152,014	211,341	104,085	315,426	48.2
10.....	159,890	165,301	213,067	120,992	334,059	49.5
17.....	160,841	166,342	215,092	121,101	336,193	49.5
24.....	171,687	177,191	213,903	120,271	334,174	53.0
31.....	167,466	173,043	212,096	120,792	332,888	52.0
Nov. 7.....	145,153	150,860	215,598	126,682	342,280	44.1
14.....	144,731	149,882	218,358	120,829	339,187	44.2
21.....	132,430	137,538	216,914	119,357	336,271	40.9
28.....	149,821	154,371	220,828	120,806	341,634	45.2
Dec. 5.....	163,609	168,144	223,073	115,996	339,069	49.6
12.....	140,845	144,760	226,737	115,567	342,304	42.3
19.....	152,070	155,795	238,211	103,715	341,926	45.6
26.....	152,865	156,103	246,455	108,572	355,027	44.0







## EXHIBIT C.—Comparative balance sheet.

[000 omitted.]

	Dec. 31, 1919.	Dec. 31, 1918.	Dec. 31, 1917.
<b>RESOURCES.</b>			
<b>Earning assets:</b>			
Bills discounted, secured by United States war obligations.....	\$124, 529	\$120, 515	\$43, 898
Other bills discounted (commercial).....	63, 510	13, 060	21, 984
Acceptances purchased in open market.....	18, 649	15, 084	9, 037
United States bonds.....	539	533	610
United States short term obligations.....	21, 805	7, 416	2, 194
<b>Total.....</b>	<b>229, 032</b>	<b>156, 613</b>	<b>77, 723</b>
<b>Reserve cash:</b>			
Gold (coin and certificates).....	7, 959	3, 317	18, 691
Gold settlement fund.....	34, 351	37, 292	16, 977
Bank of England sterling gold account.....	9, 586	408	3, 675
Other lawful money.....	4, 037	2, 288	3, 574
<b>Total.....</b>	<b>55, 933</b>	<b>43, 305</b>	<b>42, 917</b>
<b>Reserve against Federal reserve notes—</b>			
Gold with Federal Reserve agent.....	73, 511	59, 733	40, 896
Gold redemption fund.....	26, 342	7, 812	2, 000
<b>Other resources:</b>			
Interest accrued on United States securities.....	222	33	21
Due from Liberty loan subscriptions.....	204	567	118
Expense, Liberty loan, etc. (recoverable).....	504	373	144
Items in process of collection.....	73, 236	52, 210	15, 007
Exchanges for clearing house and cash items.....	4, 357	10, 548	3, 216
Federal Reserve notes and other cash on hand.....	7, 301	13, 809	4, 661
Due from Government depositories.....	48, 373	30, 014	66, 489
Redemption fund Federal Reserve bank notes.....	1, 072	320	.....
Real estate for bank quarters.....	1, 103	800	.....
<b>Total.....</b>	<b>521, 286</b>	<b>377, 042</b>	<b>253, 196</b>
<b>LIABILITIES.</b>			
<b>Capital fund:</b>			
Capital paid in.....	7, 107	6, 691	5, 858
Surplus.....	8, 359	1, 535	75
<b>Deposits:</b>			
Due to member banks, reserve account.....	117, 294	101, 806	82, 842
Due to Federal Reserve banks, collected funds <sup>1</sup> .....	21, 725	17, 467	3, 870
Due to banks, uncollected funds <sup>1</sup> .....	45, 469	29, 269	13, 780
Due to Treasurer of the United States, general account.....	1, 123	10, 499	2, 419
Due to Treasurer of the United States, special account.....	48, 373	30, 014	66, 489
Cashier's checks, outstanding, etc.....	566	411	20
Foreign Government credits.....	5, 277	.....	.....
<b>Other liabilities:</b>			
Federal Reserve notes outstanding.....	244, 093	168, 986	77, 296
Federal Reserve bank notes outstanding.....	20, 912	6, 889	.....
Unearned discount and interest.....	807	467	468
Reserve for depreciation and interest.....	93	93	.....
Reserve for franchise tax and other taxes.....	88	1, 460	75
Mortgage on real estate.....	.....	750	.....
<b>Total.....</b>	<b>521, 286</b>	<b>377, 042</b>	<b>253, 196</b>
<b>Liability for rediscounts with other Federal Reserve Banks.....</b>	<b>60, 121</b>	<b>48, 962</b>	<b>44, 477</b>

<sup>1</sup> Offsetting items to be cleared through gold settlement fund.

## DISTRICT NO. 2.—NEW YORK.

PIERRE JAY, Chairman and Federal Reserve Agent.

Recourse to the credit facilities of the Federal Reserve Bank of New York during 1919 was more constant and general and in larger volume than during 1918. The maximum of its earning assets during 1918 was \$968,000,000. In 1919 it was \$1,079,000,000.

As the necessity for the banks to borrow from the Federal Reserve Bank arose primarily from their absorption of one form or another of Government obligations, it was natural that these obligations should have continued to be used during the year as the chief basis for accommodation at the Federal Reserve Bank, though loans based on commercial paper showed a marked increase from 1918. But the impelling reason why loans continued to be based mainly on Government obligations was the preferential rate established for such transactions and the greater ease and simplicity of borrowing with such security. In both 1918 and 1919, although it was the volume of Government obligations outstanding which created the necessity for borrowing at the Federal Reserve Bank, the fluctuations in the amount of this borrowing arose directly from the movement of Government funds into or out of the district, as was noted in the last annual report.

During the year the fluctuations in earning assets and the movements of Government funds effected considerable variations in the reserve percentage of the Federal Reserve Bank of New York, as appears in the charts accompanying Exhibits A and B. In its weekly published statements the highest per cent of reserves against deposit and note liabilities was 54.5, on June 20, and the lowest per cent, 40, on December 26. Changes from week to week are shown in Exhibit B and accompanying diagram. Frequently during the year, in order to equalize reserve percentages, this bank sold bills from its portfolio to other Federal Reserve Banks. The volume of these sales aggregated \$312,739,000. On the other hand, as a partial offset to this larger aggregate transfer of investments, the Federal Reserve Bank of New York rediscounted for or purchased bills from other Federal Reserve Banks to the aggregate amount of \$55,826,561.89.

The following table shows the reserve figures of this bank and of the Federal Reserve System when the United States entered the war and at the close of 1918 and 1919:

Date.	Federal Reserve Bank of New York.		All Federal Reserve Banks.	
	Per cent.	Amount.	Per cent.	Amount.
Apr. 6, 1917.....	92.0	\$426,814,000	84.7	\$962,662,000
Dec. 27, 1918.....	42.5	637,295,000	50.6	2,146,219,000
Dec. 26, 1919.....	40.0	616,040,000	44.8	2,135,536,000

During the year the purchase from the Treasury of special certificates of indebtedness for short periods in order to supply the Treasury with funds to meet maturing obligations pending the transfer of funds from other districts, or their withdrawal from depository banks, aggregated \$2,605,500,000; the largest amount of such certificates held at any one time was \$260,000,000. The bank purchased during the year \$24,321,000 United States 2 per cent certificates of indebtedness, which it hypothecated under the authority of the Pittman Act as security for Federal Reserve bank notes.

The custom of purchasing certificates of indebtedness from non-member banks, with an agreement on their part to repurchase within 15 days, was continued in 1919 as a means of encouraging their subscriptions to the issues. The largest amount of certificates held under repurchase agreements at any one time was \$35,876,500, on May 6.

This bank has continued during the year its policy covering the temporary purchase of bills, thereby assisting houses that deal in such paper from time to time in carrying their portfolios. The largest amount of bills so held at any one time was \$14,288,851.73, on November 17.

Below is a comparative summary of the discounts and advances made in 1919, 1918, and 1917:

	1919	1918	1917
Number of applications received.....	23,237	14,831	2,513
Amount of applications accepted and discounted or advanced upon.....	\$42,449,491,133.87	\$24,535,538,457.77	\$6,513,225,285.60
Number of pieces of paper discounted or advanced upon.....	127,721	129,038	22,484
Largest piece of paper discounted or advanced upon.....	\$120,000,000.00	\$135,000,000.00	\$147,000,000.00
Smallest piece of paper discounted or advanced upon.....	\$2.81	\$5.02	\$25.00
Average size of notes discounted or advanced upon.....	\$332,361.09	\$190,141.96	\$289,682.67
Number of banks rediscounting.....	546	522	322

#### ACCEPTANCES AND THE DISCOUNT MARKET.

Purchases by months of bankers' acceptances and indorsed trade bills by this bank for its own account and for the account of other Federal Reserve Banks have been as follows:

	For our own account.		For the account of other Federal Reserve Banks.	
	Number of items.	Amount.	Number of items.	Amount.
January.....	2,850	\$75,628,789.75	1,789	\$46,516,341.45
February.....	2,115	56,351,763.56	1,209	31,772,303.09
March.....	2,013	53,350,194.52	1,329	34,959,972.36
April.....	2,645	71,653,945.23	1,217	33,966,815.31
May.....	2,300	60,721,633.14	1,252	34,190,164.37
June.....	4,768	142,516,454.53	2,875	81,900,544.26
July.....	4,832	129,118,992.41	2,749	73,976,160.83
August.....	2,301	64,910,475.76	1,903	46,094,342.25
September.....	2,332	64,481,753.02	2,931	76,141,468.06
October.....	5,448	145,060,465.83	3,838	98,869,452.20
November.....	5,145	152,643,970.06	3,109	79,417,045.05
December.....	6,823	210,788,099.84	4,383	101,694,398.60
<b>Total.....</b>	<b>43,572</b>	<b>\$1,227,225,537.65</b>	<b>28,584</b>	<b>739,499,007.83</b>

<sup>1</sup>Includes \$15,826,561.89 of bills bought from other Federal Reserve Banks.

## PURCHASES FOR MEMBER BANKS.

During the year 1919 this bank, as a service to member banks, has also bought bills in the open market for their account. This new service has been availed of by 38 member banks up to the end of December 31, 1919. Bills bought for their account aggregated \$8,199,947 and comprised 873 pieces. Such purchases are made for member banks on their order, and if desired, this bank retains custody of the paper bought, and either collects it for the member bank's credit at maturity or makes such other disposition of it before maturity as may be desired. This service is without charge to members and through it several of them have become experienced buyers of bills on their own account, and find it no longer necessary regularly to avail themselves of the service. Others, having surplus funds for investment only occasionally, have not yet developed as individual buyers. From the very general interest manifested in this new service, the outlook for increasing activity in it is promising.

## BANKERS' ACCEPTANCES.

The demand for bankers' acceptance credit continues to increase substantially and more bills are being created than ever before. Freer shipping facilities have promoted larger import movements, particularly from South America and the Orient, and increased commodity prices have resulted in very large dollar drawings from those markets. The increased price of cotton this year also has required much greater banking accommodation, which has largely taken bankers' acceptance form, with the result that many new names have appeared in the New York market as acceptors, principally of banks located in the South and Southwest.

The further development during the year of the business of accepting corporations and foreign trade banks has been rapid. At the end of the year such institutions located in New York had aggregate capital and surplus in excess of \$38,802,000, and their liability for acceptances outstanding was approximately \$90,000,000.

While discount houses and dealers in bills have endeavored strenuously to accomplish distribution of this increased volume of bills and in the main have been fairly successful, the almost constant advance in money rates made their task increasingly difficult. Not only have they had to carry larger portfolios, often requiring for that purpose funds obtainable only at rates equal to or higher than those earned by their portfolios, but the higher rates for call money on investment securities attracted to that market out-of-town funds that would otherwise have been at the service of commercial requirements; and during the latter months of the year, as the market rates for bills yielded along with other rates to higher levels, there developed an instability that prevented satisfactory distribution. Under these circumstances the Federal Reserve banks absorbed an increasing amount of bills in the open market, buying from member banks and dealers alike at uniform rates for prime indorsed paper.

## EARNINGS AND EXPENSES.

Earnings during 1919 aggregated \$35,278,000, as compared with \$25,315,000 during the preceding year. These increased earnings were due, of course, to the larger volume of discounts and advances which war and business financing necessitated during the year.

Total expenses during 1919 amounted to \$5,565,000, exclusive of disbursements made for the account of the Government aggregating \$4,963,642.44. This latter amount includes the cost of carrying on the departments of the bank performing fiscal agency functions for the United States, and the Government loan and war savings organizations. These payments have been reimbursed or are now in process of reimbursement by the Treasury Department.

The amendment to the Federal Reserve Act, approved March 3, 1919, directed that each Federal Reserve Bank should pay its net earnings into a surplus fund until it amounted to 100 per cent of its subscribed capital and that thereafter it should pay into surplus each year a further 10 per cent of its net earnings, before transferring to the Treasury of the United States any of its surplus earnings as a franchise tax. This was made retroactive so as to cover the surplus earnings of the year 1918, which had not been called for by the Treasury Department pending the consideration of this legislation by Congress. Accordingly, at the close of the year the surplus of the Federal Reserve Bank of New York is \$44,781,500, or 100 per cent of its subscribed capital, to which is added 10 per cent of the remaining net earnings of the present year, or \$300,432.63, making in the aggregate a surplus of \$45,081,932.63 to which the United States has reversionary ownership. The amount transferred to the Treasury of the United States as a franchise tax was \$2,703,893.63.

From the total net earnings of the bank amounting to \$29,713,000 deductions have been made to cover certain known items of depreciation and to provide reserves for special purposes. Thus, the appraised valuation of the old buildings and foundations on the property acquired during the year as a part of the site for the new bank building, has been charged off in the amount of \$900,031.72. The loss in value of the foreign exchange held by the bank as based on market rates at the close of the year, amounting to \$325,741.35, has also been provided for, and an additional sum of \$200,000 has been set aside for the establishment of a self-insurance fund. Other charges are \$169,514.40, to cover the tax on Federal Reserve bank note circulation for 1919, and \$168,681.70 to cover the assessment to be made by the Federal Reserve Board for its expenses.

Semiannual dividends of 3 per cent were paid to stockholders on June 30 and December 31.

#### NOTE ISSUES.

Exhibit B shows the movement of the Federal Reserve notes of this bank in actual circulation during the year. The decrease during the first month of the year reflects the normal release of currency following the crop moving and holiday periods. The maintenance of the circulation at a high point throughout the balance of the year, which reached \$770,000,000 on July 7, is merely indicative of great trade activity at steadily increasing prices.

The substitution of Federal Reserve notes for gold certificates seems to have proceeded as far as practicable. The banks of the district are carrying very small stocks of gold certificates, and though they continue to retire from general circulation those which are presented over their counters, the volume of gold certificates in general circulation in the district is now very small indeed.

With the continuance during the early part of the year of the export of silver to oriental countries, Federal Reserve bank notes have been issued in increasing volume to replace silver certificates retired from circulation. The amount of Federal Reserve bank notes of this bank outstanding on December 31, was \$58,000,000, which compares with \$33,000,000 a year ago.

## COLLECTIONS AND CLEARINGS.

*Check collection.*—The increasing use which is being made of the check collection facilities of the bank is indicated in the following figures, showing the number of items handled year by year, and the amount in dollars:

Period.	Number of items.	Amount.
1915 (June 1-Dec. 31).....	1,262,211	\$1,334,015,772
1916.....	6,841,364	5,160,192,000
1917.....	19,408,179	20,104,527,000
1918.....	35,348,601	42,581,833,000
1919.....	74,463,917	56,540,748,118

During 1919, in addition to handling an increased number of items, progress was made in many directions. Chief among these was the notable increase of 6,580 banks in other Federal Reserve districts added to the par list, making the total number of such points 25,571, out of a total estimated number of banks and bankers of 29,586.

*Note collection.*—The facilities of the bank in the collection of notes, drafts, and coupons were further developed and increasingly used. During 1919 the bank collected 83,534 notes and drafts payable in New York City, as compared with 39,302 the year before, and about 8,000 in 1917. The collection of such items payable elsewhere than in New York increased nearly 200 per cent during the year, aggregating 147,742 in number and \$234,834,000 in amount. Through the Buffalo branch collections of a similar nature were made for the Buffalo territory. No charge is made by the Federal Reserve Bank for this service, but where a charge is made by the collecting bank it is passed back to the depositing bank.

The bulk of these noncash items, however, is collected at par. During the year, of those payable within this district, about 97½ per cent were collected at par, and where charges were made the average rate was one-twelfth of 1 per cent. Of the items payable outside of this district, about 77 per cent were collected at par, and charges, when made, averaged about one-tenth of 1 per cent.

*Coupon collections.*—The collection of matured bonds and coupons by this bank during 1919 was \$25,000,000, as compared with \$17,796,000 during 1918. The extent to which the member banks are availing themselves of this service is seen in the increase in the number for whom collections were made from 238 during 1918 to 531 during 1919.

*Gold settlement fund.*—The settlements made through this fund during 1919, as compared with those of previous years, were as follows:

1919.....	\$41,932,723,000
1918.....	32,935,576,000
1917.....	17,118,917,000
1916.....	2,335,225,0
1915.....	556,432,0

## RELATIONS WITH BANKS.

The banks of the second Federal Reserve district as they were on December 31, 1919, classified according to their charters, whether national or State, and also according to membership in the Federal Reserve System, are as follows:

Location.	National banks.	State banks.		Trust companies.		Total.	
		Members.	Nonmembers.	Members.	Nonmembers.	Members.	Nonmembers.
Manhattan.....	31	15	19	15	8	61	27
Rest of New York State.....	457	24	166	35	41	516	207
Total New York State.....	488	39	185	50	49	577	234
New Jersey.....	135	5	11	26	61	166	76
Connecticut.....	13	0	1	2	15	15	12
Total for district.....	636	44	197	78	125	758	322

## NEW MEMBERS OF THE SYSTEM.

The number of State banks and trust companies, which are members of the system, increased during the year from 101 to 122. Twenty-two new State bank or trust company members were admitted, and one trust company formerly a member was merged with a national bank. The 122 members represent 31 per cent in number, and about 79 per cent in resources of the State banks and trust companies in the district which have sufficient capital to make them eligible for membership.

## FIDUCIARY POWERS FOR NATIONAL BANKS.

During the year the number of national banks in the district exercising fiduciary powers—authorized by the Federal Reserve Board, under the amendment to the Federal Reserve Act approved September 26, 1918—increased from 34 to 117. A number of these banks, especially those in the larger cities, are actively developing fiduciary business, but in the smaller places many of the banks have gone no further than to obtain the Federal Reserve Board's permission to transact it.

## THE RESERVES OF MEMBER BANKS.

From the inauguration of the Federal Reserve System the reserves of member banks in this district were calculated by this bank on the basis of averages for monthly periods; but in other districts a number of other plans, some on a semimonthly, some on a weekly, and some on a daily basis were in operation. In the early fall the Federal Reserve Board thought it desirable to establish a uniform practice, and in conformity with general instructions issued by the Board, this bank instituted on October 1 the Board's uniform system, superseding the monthly reporting system in effect previously. Under the revised method weekly reports are received from member banks in the central reserve cities and reserve cities—that is, the Boroughs of Manhattan, Brooklyn, and The Bronx, and the cities of Albany and Buffalo—and semimonthly reports from members elsewhere. From these reports are computed each bank's net demand and time deposits for the weekly or semimonthly period, as the case may be, and the amount of reserve which each bank is required to keep at the Federal Reserve Bank. The penalty rate on deficient



reserves has remained at 6 $\frac{3}{4}$  per cent throughout the year. Penalty payments amounting to \$36,405.58 were slightly above those of last year, when the amount was \$27,191.89.

#### INTERNATIONAL FINANCIAL ARRANGEMENTS.

Prior to January 1, 1919, this bank made certain financial arrangements with foreign banks or governments which were by way of preparation for a return to more nearly normal conditions in international commerce than had existed during the war. These arrangements were outlined in this report for 1918. The operations carried on in accordance with them during the year are summarized below:

*Bank of England.*—Transactions with the Bank of England under the terms of our formal agreement have been very limited during the past year. We have opened a current account with them which has, however, remained inactive. The Bank of England is handling for our account the German gold purchased from the United States Grain Corporation, described elsewhere in this report, which involves a very considerable amount of work on their part.

*Bank of France.*—Operations between this bank and the Bank of France have been very limited, being confined largely to our opening a current account with them and the occasional receipt of funds by us for their credit.

*Bank of Japan.*—No active business has been transacted during the past year with the Bank of Japan, although it is expected that our relations with them may become more active in the near future.

*Philippine National Bank.*—Our relationship with the Philippine National Bank has remained unchanged, there being no need for active operations, as they have a branch in New York.

*De Nederlandsche Bank.*—Our relations with this institution during the past year have become more active and we now perform for them many of the duties of a New York correspondent. They have opened a current account with us and also invest in bills in this market which are held by us in portfolio for them. The account which we opened with de Nederlandsche Bank for the purpose of receiving therein, for the use of the Treasury Department, the proceeds in guilders of the sale of wheat and other commodities, has been closed out during the past year.

*Norges Bank and Sveriges Riksbank.*—Both of these accounts, which were opened at the request of the Treasury Department to effect disbursements for the War Department, have been closed out, the former on September 24, 1919, the latter on April 10, 1919.

*De Javasche Bank.*—In April, 1919, a limited arrangement was effected between ourselves and de Javasche Bank whereby we agreed to hold United States gold coin in custody for them, open a current account in their favor, and buy bills for them in this market. This arrangement is now in actual operation.

*Bank of Spain.*—This account was opened in August, 1919, at the request of the Treasury, to receive therein the pesetas which we purchased as fiscal agents of the United States to retire peseta certificates of indebtedness issued by the Treasury in connection with the 250,000,000 Spanish peseta credit. Operations through this account have been confined to such transactions.

*India.*—Operations under the arrangement between the United States and the British Government by which American importers

obtained rupees through the Federal Reserve Bank of New York to pay for imports from India were concluded on May 12, 1919, when the last sale was made. The total credits received by this bank under the arrangement from November 28, 1917, when it went into operation, to May 12, 1919, were 202,500,000 rupees, all of which were disposed of to our importers.

*Argentina, Bolivia, and Peru.*—Transactions under the arrangements entered into between the United States and the Argentine, Bolivian, and Peruvian Governments, for the stabilization of exchange between the United States and those countries, also came to an end during the past year. The Argentine Government has withdrawn a portion of the deposit held by us for its credit under the terms of this agreement, but still retains a substantial amount on deposit with us. Under the Bolivian agreement, which provided for a maximum deposit of \$5,000,000, we received \$4,500,000, all of which was withdrawn during the first six months of the past year. No operations were carried on through this bank under the Peruvian agreement.

#### GOLD IMPORTS AND EXPORTS.

From January 1, 1919, to June 9, 1919, the Federal Reserve Bank of New York forwarded to the Federal Reserve Board 810 applications for permission to export gold, silver, or currency, aggregating \$151,811,816.82, of which it recommended that 703 applications, aggregating \$138,258,264.62, should be granted.

While the embargo was in force the amount of gold exported from the United States under license from the Federal Reserve Board aggregated \$14,035,672, while imports during that period were \$24,310,573, making a net gain in our gold supply from imports of \$10,274,901.

#### ACQUISITION OF GERMAN GOLD.

The Federal Reserve Banks received in London approximately \$173,000,000 in gold, representing payment by the German Government for foodstuffs bought in the United States. That amount was introduced into the gold reserves of the Federal Reserve Banks and is, therefore, tantamount to an importation. Approximately \$42,000,000 of this gold has been sold to banks for exportation to the Far East, and would have been withdrawn from this country if it had not been available in London.

The German gold mentioned above, which this bank purchased in May, 1919, from the United States Grain Corporation at bullion value, consisted of approximately 730,000,000 German marks against which we originally made an advance to the Grain Corporation of 92 per cent, or about \$159,000,000, based upon a preliminary examination of the gold. This advance was later increased to 98 per cent, or approximately \$170,000,000, as more accurate returns on the value of the gold were received. Two hundred and ninety million marks of this gold was deposited with the National Bank of Belgium, Brussels, and the balance, 440,000,000 marks, with de Nederlandsche Bank, Amsterdam. At our request the Bank of England undertook the transfer of this gold from the Continent to London, and as it arrived at the Bank of England it was introduced into our reserves and prorated among all the Federal Reserve Banks. All of the gold has arrived at the Bank of England, and most of it has been reduced to bars.

## INTERNAL MANAGEMENT.

Throughout the year the board of directors met weekly and the executive committee daily except on Saturdays and holidays. Other committees of the board have held meetings as occasion required.

One of the subjects to which the directors and officers gave special attention during the first eight months of the year was the development of a form of internal organization which would facilitate the most effective conduct of the bank. After thorough study and analysis, a plan was adopted which went into effect on September 2. It has as its fundamental aim the separation of the functions of operation and organization, and involves placing the responsibility for conducting each department upon its own chief administrative officer and requiring it to transact completely the business falling within its province. Every activity is definitely allocated to a specific department, and responsibility is thus more definitely fixed. The office of cashier, through whom all operating matters, in the last analysis, formerly had to pass, is abolished.

The officers are grouped as follows: (A) Junior officers, (B) senior officers, and (C) general officers. The junior officers are the managers of the various departments. Their title corresponds with the title of assistant cashier, formerly used. Each one of these managers is responsible for the duties of operation or organization as the case may be, which attach to his department, and has working under him subordinates authorized to sign within specified limitations and a sufficient staff to complete all business of his department.

Each of the senior officers, called controllers, is assigned to one or more of the functions of the bank and is responsible for the development of policies relating to his particular function and for the supervision of the departments charged with carrying out the various aspects of such function. The controllers, therefore, do not operate the departments of the bank, but supervise and control their policies.

The number of managers at present is 26, and the number of controllers is 12. At present some of the controllers are acting as managers and some of the deputy governors are acting as controllers.

The general officers of the bank are as follows: Governor, deputy governors, and chairman of the board of directors.

These officers form the managing committee of the bank with which certain controllers are from time to time invited to sit. The managing committee meets daily except Saturdays. Its members are not assigned to specific functions or departments of the bank, but are concerned with general policies of administration.

Another aim of this plan of organization is to enter greater responsibility upon the junior and senior officers and to open to them more opportunities for promotion than existed under the old form of organization, where there was only one cashiership through which all assistant cashiers would normally expect to receive promotion. The plan of fixing operating responsibility has been extended even below the rank of manager. In many of the departments there are divisions, each in charge of a chief, and many of the larger divisions are divided into sections, each in charge of a supervisor.

The plan of organization has now been in operation about four months, and seems to be working satisfactorily as a means of accelerating administration and of fixing and developing responsibility.

Living cost continued to increase during the year, and the directors, with the approval of the Federal Reserve Board, supplemented the normal compensation of employees by additional payments. From January until October this additional compensation was 25 per cent on salaries up to and including \$1,500 a year; 20 per cent on salaries of more than \$1,500 up to and including \$3,000; and 15 per cent on salaries of more than \$3,000 up to and including \$5,000 a year. For the last quarter the additional compensation was on the basis of 50 per cent on salaries up to and including \$1,500; 40 per cent on salaries above \$1,500 up to and including \$9,000, and 25 per cent on salaries of more than \$3,000 up to and including \$6,000 a year; these higher percentages being in the nature of an adjustment for the year.

#### THE BUFFALO BRANCH.

The first branch of the Federal Reserve Bank of New York to be established was opened for business at Buffalo on May 15, 1919. The purpose was to make the facilities of the Federal Reserve Bank more readily available to banks in the western part of New York State. The territory assigned to the branch included the counties of Monroe, Livingston, Allegany, Orleans, Genesee, Wyoming, Cattaraugus, Niagara, Erie, and Chautauqua. It is optional with member banks in those counties to deal with the Buffalo branch or with the main office in New York.

The branch was placed in Buffalo, a city of more than 500,000 people, whose industries are unusually diversified, because of its commercial and banking importance. The branch was established at the request of the Buffalo banks and all but one of the eligible State institutions not already members of the Federal Reserve System applied for and were admitted to membership. At present there are 75 member banks with capital and surplus of \$31,186,000 in the branch territory, aside from 84 nonmember institutions.

*Functions of the branch.*—The by-laws adopted for the branch permit it to exercise many of the functions which had been performed at the main office in New York; nevertheless an intimate connection is to be maintained in all of its operations between the branch and the bank in New York. It is permitted to receive from member banks and other Federal Reserve Banks checks and drafts for collection on the same terms and conditions as they are received by the Federal Reserve Bank in New York. It sends items direct to all member and nonmember banks on the par list in this district for payment by remittance to the Federal Reserve Bank of New York in New York funds or, if preferred, for payment by remittance to the Buffalo branch in Buffalo funds. In either case a single remittance may be made for letters received from both New York and Buffalo. It receives deposits from member banks and makes payments of money to or through them for the account of other member banks. These payments include the supply of currency in all denominations. It makes telegraphic transfers without charge for the account of member banks and Federal Reserve Banks. It collects maturing notes, drafts, bills of exchange and coupons for member banks in the Second Federal Reserve District, for the Federal Reserve Bank of New York or for other Federal Reserve Banks. It receives from member banks within its territory applications for discount of eligible paper, which are sent to New York, with recommendations by the Buffalo branch for final action and credit, or for such other disposition as

may be desired for the applying member bank. It pays Government checks, Liberty bond coupons, maturing United States certificates of indebtedness and other Government obligations, and also receives and holds securities for safe-keeping for the account of member banks in its territory.

#### FISCAL AGENCY OPERATIONS.

*The sale and handling of Government issues.*—The sale of the Victory loan in the spring of 1919 was the final stage in the great series of Treasury operations for funding the country's war indebtedness. Like its predecessors the Victory loan presented a problem which was not limited to selling bonds, but extended to the creation of a new public attitude toward investments.

In the 12 months of 1919 there were sold through the Federal Reserve Bank of New York a total of \$4,506,155,500 of certificates of indebtedness, making a total of \$11,019,491,000 since the war began and approximately 42.6 per cent of all the certificates sold in the country since the issues were initiated.

The general participation by the banks of this district in the purchase of certificates is shown by the fact that all but 84 out of a total of 1,262 commercial and savings banks in the district appear in the list of subscribers. The banks outside New York City received allotments to Victory loan certificates of 101 per cent of their total quota, as against 108 per cent in the case of the fourth loan certificates, and New York City banks received allotments of 126 per cent of their quota of Victory loan certificates as against 135 per cent of fourth loan certificates.

The redemption of certificates in this district has been materially in excess of sales, indicating that many certificates sold in other districts have been sent to this market prior to their maturity dates. The total amount redeemed through this bank up to December 31 was \$4,351,057,500, of which \$2,872,177,500 were redeemed in cash; \$646,031,500 were exchanged for other issues and \$832,848,500 were presented in payment for bonds and in payment of taxes.

*The Victory loan.*—As in previous loans, the amount subscribed in the second Federal Reserve district to the Victory loan exceeded the quota assigned. Total subscriptions exceeded the quota by 31 per cent, thus placing the New York district at the head of all districts, not only in the total sold but in the excess subscribed above the quota assigned. The number of subscribers was less than in either the third or fourth loans, and the average subscription was greater than in either of those loans. The reduction in the number of subscribers is accounted for mainly on the ground that many subscribers on partial-payment plans were still paying on the two previous loans. Furthermore, the sense of universal obligation present in the campaigns when the country was still at war had somewhat passed. The increase in the size of the average subscription was a reflection of the greater financial attractiveness of the Victory loan.

*Government deposits.*—The number of banks qualifying as depositaries increased from 867 in the fourth loan to 889 in the Victory loan. Custodians of collateral acted in 35 cities, a reduction from the earlier loans.

Collateral agents of the second class for the sale of Treasury savings certificates, war-savings certificate stamps, and thrift stamps, were appointed by the Federal Reserve Bank, which received the securities pledged by them as collateral.

This year internal-revenue collectors deposited with us for the credit of the Treasurer of the United States, checks representing payments of income and excess-profits taxes, but these funds were not redeposited with depository banks as was the case during June, 1918, inasmuch as the funds were required in most instances for immediate disbursement.

*Government disbursements.*—Disbursements by the Treasury Department through this bank have continued in very large volume throughout 1919. Nearly 13,000,000 Treasury checks were handled as against 11,100,000 in 1918, but the average size has been somewhat smaller. Consequently, the total of nearly \$5,000,000,000 for a year ago was not reached. The day of largest transactions was on April 21, when 96,153 checks were handled.

EXHIBIT A.—*Classification of earning assets of the Federal Reserve Bank of New York.*

[In thousands of dollars.]

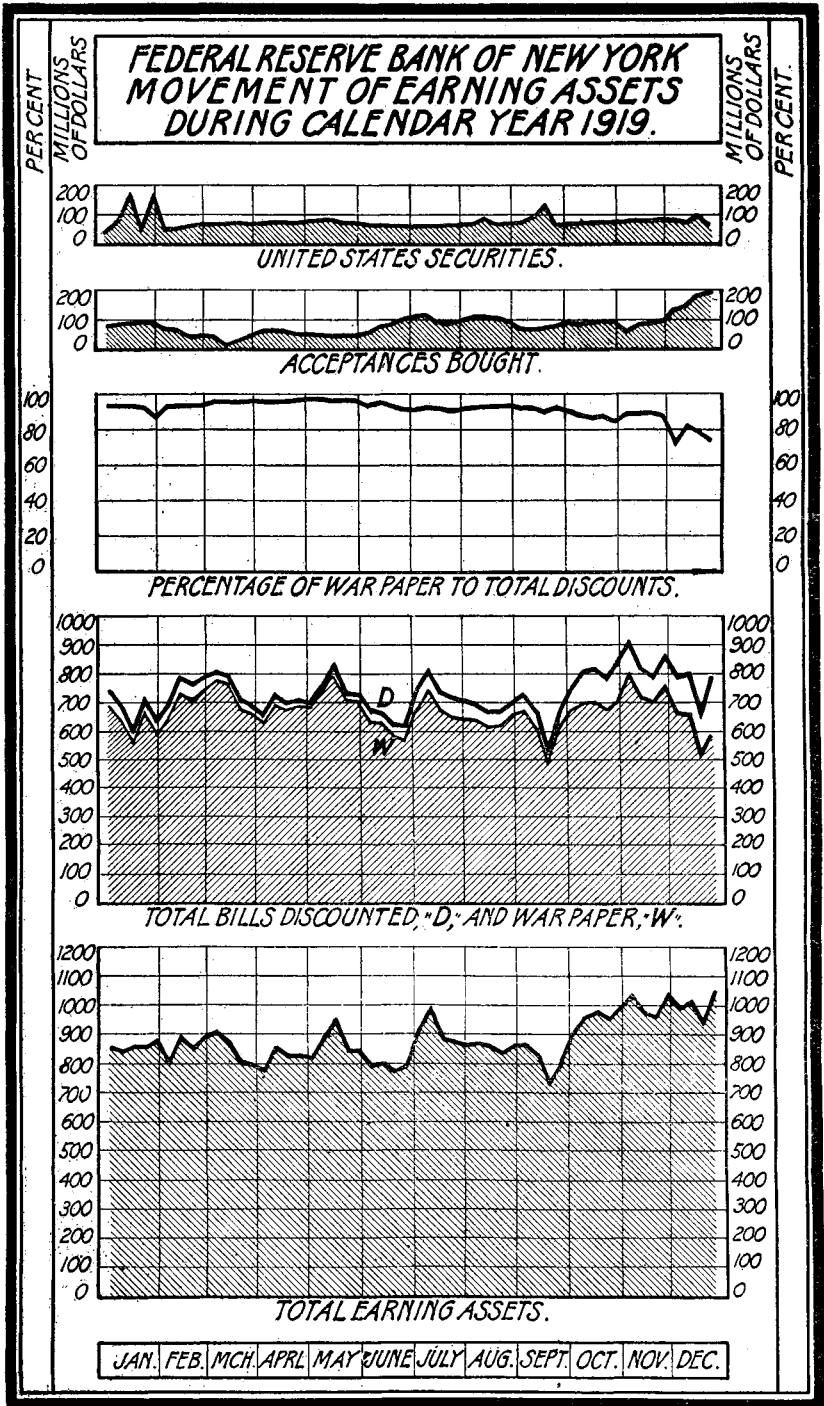
Date.	1 Dis- counted paper se- cured by United States war obli- gations.	2 Other dis- counted paper.	3 1+2.	4 Per cent 1÷3.	5 Bills bought in open market.	6 Total bills dis- counted and bought.	7 United States securities.	8 Total earning assets.
Jan. 3	691,786	44,307	736,093	94.0	76,294	812,387	43,241	855,628
10	644,980	39,259	684,239	94.3	79,628	763,867	76,136	840,003
17	567,446	33,553	602,981	94.4	84,148	687,129	169,139	856,268
24	663,904	46,653	710,557	93.4	93,385	803,942	47,852	851,794
31	591,242	42,519	633,761	87.5	83,727	717,488	157,247	874,735
Feb. 7	632,721	49,226	688,947	92.9	64,524	753,471	47,896	801,367
14	731,071	51,449	782,520	93.4	54,927	837,447	49,426	886,873
21	707,364	46,917	754,281	93.8	41,399	795,680	54,119	849,799
28	741,979	45,059	787,038	94.3	43,325	830,363	60,138	890,501
Mar. 7	775,574	29,157	804,731	96.4	43,088	844,819	61,096	905,915
14	761,365	29,234	790,599	96.3	16,897	807,496	64,852	872,348
21	676,608	32,052	708,660	95.5	27,158	735,818	65,826	801,644
28	661,987	29,500	691,487	95.7	41,329	732,816	65,394	798,210
Apr. 4	628,697	25,572	654,269	96.1	55,612	709,881	66,179	776,060
11	692,682	31,507	724,189	95.6	57,017	781,206	70,850	852,056
18	671,675	28,744	700,439	95.9	54,730	755,169	70,827	825,996
25	685,022	24,045	709,067	96.6	46,933	755,970	70,126	826,096
May 2	678,623	22,028	700,651	96.8	47,311	747,962	70,658	818,620
9	741,711	20,174	761,885	97.4	43,737	805,622	76,026	881,648
16	792,953	32,618	825,571	96.0	42,691	868,262	76,713	944,975
23	708,974	23,422	732,396	96.8	44,424	776,820	69,639	846,459
29	703,252	26,677	729,929	96.3	44,853	774,782	69,834	844,616
June 6	624,661	38,949	673,610	94.2	51,779	725,389	67,492	792,881
13	620,112	39,644	660,756	95.4	71,992	732,748	67,628	800,376
20	584,513	39,782	624,295	93.6	80,948	705,243	64,818	770,061
27	567,632	53,485	621,117	91.4	100,822	721,939	65,253	787,192
July 3	674,449	65,674	740,123	91.1	113,407	853,170	58,684	911,854
11	742,901	62,342	805,243	92.3	119,363	924,606	60,371	984,977
18	667,802	61,775	729,577	91.5	91,563	821,140	59,056	880,226
25	649,147	68,746	717,893	90.4	91,497	809,390	60,309	869,699
Aug. 1	644,096	58,120	702,216	91.7	98,002	800,218	62,887	863,105
8	641,566	53,625	695,191	92.3	106,980	802,171	64,498	866,669
15	615,433	49,853	665,286	92.5	111,654	776,940	77,951	854,891
22	619,361	46,978	666,339	92.9	105,843	772,182	66,477	838,659
29	656,305	43,891	700,196	93.7	94,288	794,484	67,811	862,295
Sept. 5	672,070	52,791	724,861	92.7	71,177	796,038	68,640	864,678
12	611,442	49,692	661,134	92.5	70,955	732,089	194,059	926,148
19	483,053	45,539	528,592	91.4	73,521	602,113	132,093	734,206
26	617,837	47,707	665,544	92.8	76,461	741,975	64,816	806,761
Oct. 3	674,010	72,578	746,588	90.3	87,683	834,270	70,778	905,048
10	697,763	104,877	802,640	86.9	89,400	883,040	71,078	954,118
17	698,653	116,668	815,321	85.7	85,315	900,636	73,772	974,408
24	675,376	105,083	780,459	86.5	97,925	878,344	74,780	953,124
31	702,142	130,880	833,022	84.3	85,373	918,395	76,000	994,395
Nov. 7	795,212	109,139	904,351	87.9	54,323	958,674	70,015	1,028,689
14	721,344	98,759	820,103	88.0	77,896	897,999	76,519	974,518
21	701,956	88,855	790,811	88.8	86,379	877,190	76,871	954,061
28	753,824	107,068	860,892	87.5	97,021	957,923	78,991	1,036,914
Dec. 5	607,512	119,342	726,854	72.7	131,865	918,719	70,714	989,433
12	654,401	144,924	799,325	91.9	147,039	946,355	69,461	1,015,816
19	515,035	143,537	658,572	78.2	179,332	837,954	98,800	936,754
26	584,588	203,606	788,194	74.2	191,312	979,506	68,654	1,048,160

EXHIBIT B.—*Movement of gold and cash reserves, Federal Reserve note and net deposit liabilities, etc., Federal Reserve Bank of New York.*

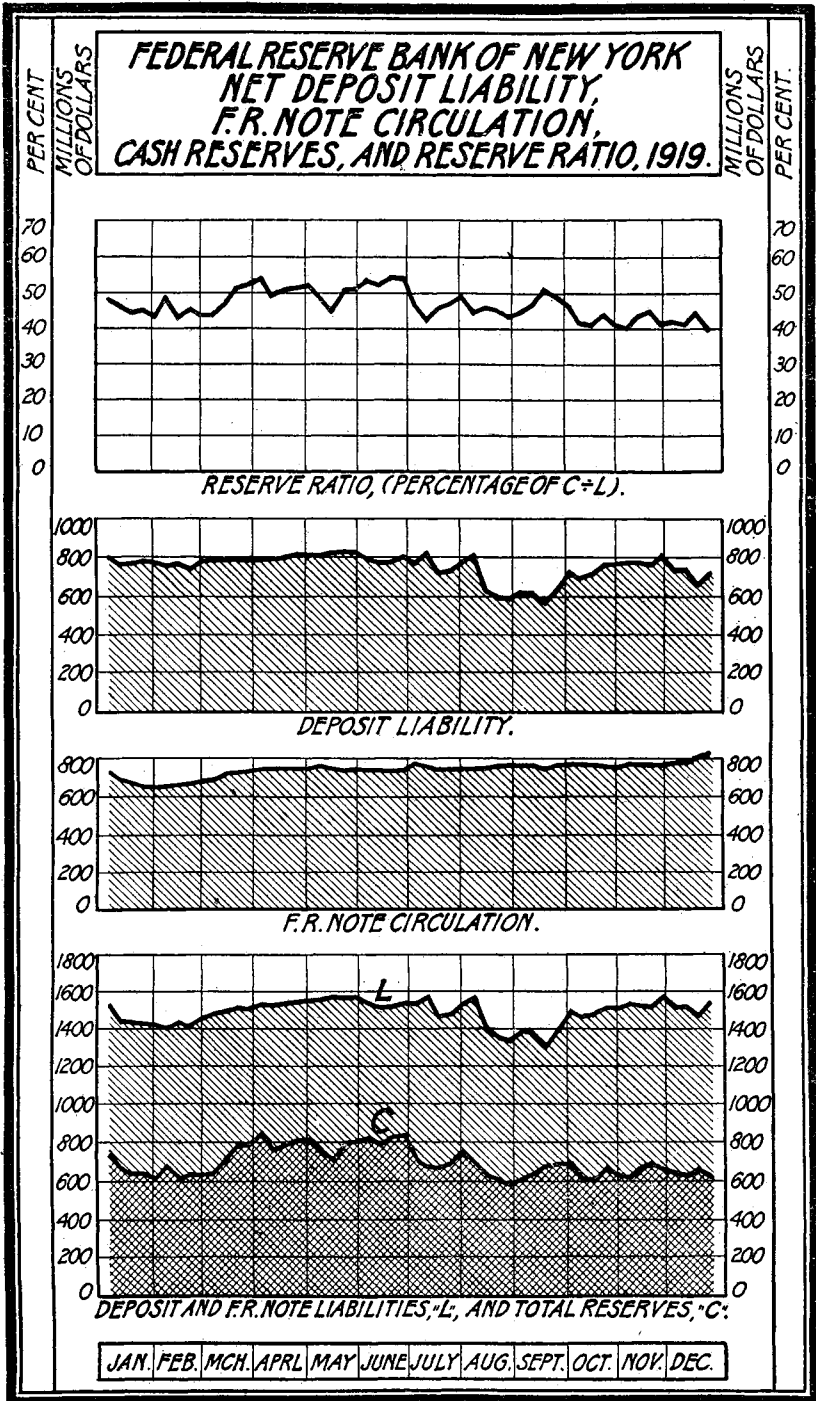
(In thousands of dollars.)

Date.	1 Gold reserves.	2 Total cash reserves.	3 Federal Reserve notes in actual cir- culation.	4 Net deposits.	5 (3+4)	6 Reserve percent- age. <sup>1</sup>
Jan. 3	686,208	734,896	724,932	795,455	1,520,387	48.3
10	617,160	670,308	691,455	747,131	1,438,586	46.6
17	588,365	640,515	665,688	759,157	1,424,845	45.0
24	592,652	644,321	650,587	771,261	1,421,848	45.3
31	568,367	621,297	647,913	772,464	1,420,377	43.7
Feb. 7	625,547	677,213	650,046	751,587	1,401,633	48.3
14	568,670	620,327	664,613	765,496	1,430,109	43.4
20	588,156	641,463	666,858	745,635	1,412,493	45.3
28	588,288	639,268	677,619	776,240	1,453,859	44.0
Mar. 7	596,479	647,494	689,212	787,777	1,476,989	43.8
14	649,122	701,213	710,002	786,270	1,496,272	46.9
21	728,407	780,836	715,569	789,168	1,504,737	51.0
28	735,392	788,481	723,160	780,338	1,503,498	52.4
Apr. 4	779,865	832,649	736,433	793,240	1,529,673	54.4
11	697,747	751,406	738,128	786,894	1,525,022	49.3
18	734,509	787,011	738,169	796,002	1,534,171	51.3
25	747,072	801,611	738,812	808,476	1,547,288	51.8
May 2	756,684	808,905	741,385	805,298	1,546,683	52.3
9	700,700	752,070	751,273	800,989	1,552,262	48.4
16	649,596	702,275	742,067	822,557	1,564,624	44.9
23	744,924	796,636	735,462	825,936	1,561,398	51.0
29	751,488	802,172	742,390	822,577	1,564,967	51.3
June 6	766,149	818,039	736,674	792,185	1,528,859	53.5
13	737,357	789,165	736,288	770,263	1,506,551	52.4
20	771,515	823,384	735,226	774,416	1,509,642	54.5
27	782,982	834,523	737,437	800,002	1,537,439	54.3
July 3	656,095	706,190	762,915	769,602	1,532,517	46.1
11	615,349	667,228	751,780	814,652	1,565,832	42.6
18	614,174	662,674	742,980	713,164	1,456,144	45.5
25	642,194	689,885	739,165	730,257	1,469,422	46.9
Aug. 1	696,744	745,301	745,918	770,844	1,516,762	49.1
8	645,930	693,519	745,723	807,338	1,553,061	44.7
15	582,503	631,071	748,166	643,504	1,391,670	45.3
22	557,162	606,270	749,975	598,747	1,348,722	45.0
29	527,446	577,759	752,283	590,729	1,343,012	43.0
Sept. 5	562,836	614,413	758,794	620,946	1,379,740	44.5
12	592,478	643,875	752,893	615,945	1,368,838	47.0
19	622,886	674,216	747,239	558,271	1,305,510	51.6
26	640,130	690,902	753,135	636,108	1,389,243	49.7
Oct. 3	633,955	686,215	761,705	720,991	1,482,696	46.3
10	556,746	610,291	759,830	694,069	1,453,839	42.0
17	552,497	605,871	758,191	714,130	1,472,321	41.2
24	613,244	663,929	750,809	754,133	1,504,942	44.1
31	575,979	625,606	750,715	754,631	1,505,346	41.6
Nov. 7	568,105	618,135	763,700	772,241	1,535,941	40.2
14	615,815	665,565	755,745	765,963	1,521,708	43.7
21	632,927	683,192	758,797	757,926	1,516,723	45.0
28	610,953	660,539	767,398	808,095	1,575,493	41.9
Dec. 5	590,905	641,012	774,971	738,430	1,513,401	42.4
12	577,407	626,910	778,170	740,880	1,519,050	41.3
19	608,107	654,376	806,615	660,213	1,466,828	44.6
26	570,438	616,040	824,944	714,874	1,539,818	40.0

<sup>1</sup> Ratio of cash reserves to net deposits Federal Reserve note liabilities combined.







The statement of condition of the Federal Reserve Bank of New York as of December 31, 1919, compared with that for December 31, 1918, is as follows:

EXHIBIT C.—Statement of condition.

	Dec. 31, 1919.	Dec. 31, 1918.
<b>RESOURCES.</b>		
<b>Reserves:</b>		
Gold with Federal Reserve agent.....	\$306,756,215.00	\$271,392,165.00
Gold redemption fund for Federal Reserve notes.....	25,000,000.00	25,000,000.00
Gold settlement fund.....	14,976,850.68	66,790,455.76
Gold bullion.....	91,597,931.24	79,101,340.83
Gold coin and certificates.....	62,635,827.49	179,674,646.70
Gold with foreign agencies.....	48,194,795.30	.....
Legal-tender notes.....	43,770,842.00	43,038,200.00
Silver certificates and coin.....	2,422,808.50	4,531,976.85
<b>Total reserves.....</b>	<b>595,355,279.21</b>	<b>672,528,785.14</b>
<b>Loans and discounts:</b>		
Bills discounted for member banks.....	790,803,288.24	697,341,455.69
Acceptances purchased.....	202,502,609.54	77,576,632.94
United States bonds.....	1,306,800.00	1,447,700.00
United States one-year Treasury notes.....	.....	521,006.00
United States certificates of indebtedness.....	8,445,500.00	93,374,500.00
United States securities held to secure Federal Reserve Bank notes.....	59,276,000.00	34,955,000.00
<b>Total investments.....</b>	<b>1,062,734,197.78</b>	<b>905,216,288.63</b>
<b>Other resources:</b>		
Federal Reserve notes and other cash.....	132,138,895.83	97,048,219.95
Federal Reserve Bank notes.....	3,527,000.00	751,000.00
Redemption fund Federal Reserve Bank notes.....	2,900,000.00	1,689,250.00
Items in process of collection.....	194,382,544.39	145,736,177.53
Exchanges for clearing house and sundry cash items.....	54,532,017.18	36,401,491.78
Due from foreign banks.....	1,141,226.31	6,770,374.11
Interest accrued on United States bonds.....	543,500.33	172,878.27
Deferred charges and prepaid expenses.....	164,525.49	150,194.29
Advances made for Treasury United States account expenses Liberty loan and war savings committee.....	977,835.29	3,023,724.56
Real estate.....	3,094,050.00	2,317,692.39
<b>Total other resources.....</b>	<b>393,401,694.82</b>	<b>294,061,002.88</b>
<b>Total resources.....</b>	<b>2,051,491,171.81</b>	<b>1,871,806,076.65</b>
<b>LIABILITIES.</b>		
<b>Capital:</b>		
Capital paid in.....	22,390,750.00	20,820,100.00
Surplus.....	45,081,982.63	8,322,040.00
<b>Total capital fund.....</b>	<b>67,472,682.63</b>	<b>29,142,140.00</b>
<b>Deposits:</b>		
Due to United States Government.....	5,849,025.28	5,705,629.16
Due to foreign Governments and banks.....	27,569,776.45	95,976,172.85
Due to member banks—reserve balances.....	755,951,452.59	705,062,061.27
Due to member banks—uncollected funds.....	88,568,032.65	72,173,899.90
Due to nonmember banks, deposit account.....	11,655,844.36	5,382,207.29
Due to other Federal Reserve Banks—collected funds.....	72,964,615.44	78,986,137.26
Due to other Federal Reserve Banks—uncollected funds.....	7,337,079.52	6,934,425.41
Officers' checks outstanding.....	6,170,350.28	4,998,919.04
<b>Gross deposits.....</b>	<b>976,066,176.57</b>	<b>975,219,452.18</b>
<b>Notes:</b>		
Federal Reserve notes outstanding.....	939,715,955.00	819,015,835.00
Federal Reserve Bank notes outstanding.....	58,200,000.00	33,785,000.00
<b>Total.....</b>	<b>997,915,955.00</b>	<b>852,800,835.00</b>
<b>Other liabilities:</b>		
Depreciation reserve account.....	526,621.35	205,880.00
General reserve account.....	822,682.42	299,375.00
Unearned discount and interest.....	2,737,510.26	1,308,769.90
Participation certificates Liberty loan bonds.....	20,130.00	34,410.00
Reserve franchise tax.....	.....	12,795,214.57
Due to United States Government as franchise tax.....	2,703,868.63	.....
All other liabilities.....	3,225,519.95	.....
<b>Total other liabilities.....</b>	<b>10,036,357.61</b>	<b>14,643,649.47</b>
<b>Total liabilities.....</b>	<b>2,051,491,171.81</b>	<b>1,871,806,076.65</b>

## DISTRICT NO. 3—PHILADELPHIA.

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R. L. AUSTIN, Chairman and Federal Reserve Agent.

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As was to be anticipated from the reports made from time to time as to the activity of business, the operations of the Federal Reserve Bank of Philadelphia during the year 1919 were very much larger than for the previous year.

### GENERAL BUSINESS CONDITIONS.

At the opening of the year the business outlook was uncertain and operations were still dominated by conditions incident to the ending of the World War. Cancellations of Government contracts and civilian orders also had a depressing effect. The inability of buyers and sellers to agree on prices resulted in a decrease in the volume of business and the appearance of some unemployment which lasted for three or four months, but at the end of the year the majority of the business concerns of the district report orders on hand far in excess of the capacity to fill them. Business conditions generally, as far as demand and supply are concerned, are good almost beyond precedent. Skilled workers are scarce, and the disinclination of operatives to do a full day's work is curtailing production. Prices of raw materials have kept pace with the extremely high prices demanded for manufactured goods, and the amount of capital required to conduct business has greatly increased, making necessary much larger lines of credit.

### EARNINGS AND EXPENSES.

Net earnings of the last fiscal year have been extraordinarily large. Total earnings show unusual increases, and total expenses have consumed only 21 per cent of them, as compared with 25 per cent in both 1918 and 1917.

Total earnings for 1919 were \$8,609,000 and current expenses were \$1,775,000, leaving net earnings of \$6,834,000. The net earnings were 89 per cent of the average capital stock for the year, as compared to 46 per cent in 1918 and 12 per cent in 1917.

After the deduction of the reserve for depreciation on United States securities and other sundry purposes, the net amount available for dividends and surplus was \$6,690,000. Dividends at the rate of 6 per cent were paid for the year, and \$6,196,000 was transferred to surplus fund, bringing the total of that fund up to \$8,800,000, or approximately 111 per cent of the paid-in capital stock at the end of the year. Exhibit C shows comparative statements of condition at the ends of the last three years.

In viewing the earnings for the year, it should be borne in mind that a large part of the lending power of the bank is derived from its note-issuing privilege, a function conferred by the Government. Had its

power to extend credit depended entirely upon its deposits and capital, the bank would have been of comparatively little aid to the business community, but through its note issues, which averaged \$212,000,000 for the year and were approximately twice the average deposits of member banks, it was able to serve the community as it did.

#### RESERVE POSITION.

The reserve ratio of this bank hovered between 40 and 45 per cent all the year, the higher percentages being prevalent early in the year. The cash reserve in 1919 averaged approximately \$130,000,000, as compared with \$150,000,000 in 1918. Federal reserve note liabilities held fairly steady at levels considerably in excess of the average figures for 1918, and deposit liabilities were also larger.

The demands on the bank for loans and discounts to carry the large amount of subscriptions to Government bonds, notes and certificates received from this district, so reduced its reserve that it was compelled to rediscount constantly throughout the year.

Exhibit B gives weekly figures showing items of interest in connection with the reserve position. An illustrative chart shows the reserve position during the past year.

#### DISCOUNT RATES.

The discount rates established early in 1918 were continued in force until November 6, 1919. In April of this year a rate was quoted on collateral notes of member banks and rediscounts secured by bonds of the War Finance Corporation. This rate was set at 1 per cent above the rate prevailing on commercial paper of the same maturity, as required by the act. On November 6 a schedule of rates was put into effect which, in the main, removed the differential in favor of collateral notes of member banks and paper of short maturities. Further advances were made on December 16, at which time the rates on loans secured by Government securities (with the exception of certificates of indebtedness) were advanced to the level of the rates on commercial paper.

#### DISCOUNT OPERATIONS.

The discount operations were influenced chiefly by the fiscal operations of the Treasury during the year. Including the Victory loan and the various issues of loan and tax certificates there was placed in the Third District more than \$1,000,000,000 of Government securities during the year. The banks not only bought extensively of the certificates themselves, but they encouraged other purchasers, and particularly so in the case of the Victory loan. They became well loaned up, and in order to meet commercial demands they made free use of the rediscounting privilege.

The applications for loans received were far larger than in 1918 and increased steadily as the year progressed. Note obligations made up the bulk of the investments. Very little commercial paper was offered for rediscount to maturity till the last months of the year, the banks preferring to make use of the so-called "rediscount under agreement to repurchase," whereby they could secure advances for

15 days at the 15-day rate. The extensive use that was made of the short-term borrowing served to swell the totals of discount operations.

The average daily earning assets of the bank show steady advances up to the end of the year. In December the average was \$243,809,000, as compared with \$197,818,000 in December, 1918. The following table shows the average daily holdings of the several classes of earning assets for each month and for the year 1919, while their movement by weeks during the year is shown in Exhibit A.

*Earning assets—Average daily amount.*

	Bills discounted.	Bills bought.	United States securities.	Total.	
				1919	1918
January.....	\$177,059,450	\$2,872,846	\$11,812,254	\$191,744,551	<sup>1</sup> \$56,592,574
February.....	185,697,841	2,232,553	12,631,828	200,562,223	53,576,334
March.....	187,159,834	1,919,778	15,524,916	204,604,528	58,196,659
April.....	188,689,151	1,403,379	18,347,500	208,440,030	63,680,782
May.....	192,374,941	907,967	20,312,496	213,595,405	69,155,715
June.....	192,524,439	940,800	23,215,560	216,680,799	77,315,535
July.....	188,583,796	702,571	25,307,774	214,600,141	88,626,133
August.....	193,261,631	689,749	27,337,016	221,288,397	102,304,319
September.....	196,612,073	843,225	29,304,400	226,759,699	114,640,100
October.....	204,075,940	632,484	30,431,803	235,140,228	138,135,408
November.....	205,069,357	1,394,053	31,663,083	238,126,494	189,486,768
December.....	206,825,891	4,442,339	32,541,238	243,809,469	197,818,495
Average, 1919.....	193,194,965	1,581,247	23,262,740	218,038,952	.....
Average, 1918.....	75,556,041	18,375,123	7,135,005	.....	101,067,237

<sup>1</sup> Small amount of municipal warrants included.

The earnings from discounted paper and open-market purchases, including United States securities, were \$8,550,000, as compared with \$4,230,000 in 1918, though the average rate of return was only 3.94 per cent as compared to 4.19 per cent in 1918. United States securities afforded an average rate of return of only 2.13 per cent as compared with 3.27 per cent in 1918, but this is accounted for by the large proportion of one-year notes of the United States, yielding 2 per cent, which were held to secure Federal Reserve bank notes. Last year United States bonds and certificates formed a considerable percentage of the total amount of United States securities held.

**BILLS DISCOUNTED.**

Total bills discounted during the year amounted to \$10,736,435,000; in 1918 this total was \$1,857,642,000. The number of banks accommodated this year was 494. Notes secured by United States Government obligations formed a very large proportion of the investments of the bank. On the last Friday of December the ratio of paper secured in this manner to total discounted paper was 86 per cent of the total paper under discount, as compared with 89 per cent on the corresponding Friday in 1918. The increase in discount rates on short-term paper early in November caused many of the banks to decrease their presentations of collateral notes and substitute in their stead their customers' paper secured in like manner. Notes secured by War Finance Corporation bonds were discounted in small amount.

Until the end of the year the commercial paper presented was inconsiderable, but the increased rates on Government secured paper instituted in December resulted in larger offerings. Bankers' and

trade acceptances played an unimportant part in the discount operations of the year and did not form a total at all comparable to that of 1918. Due to the industrial predominance of the district, agricultural paper was offered only in small amounts.

Total discounted paper held at the end of the year was \$209,854,000; at the end of 1918 the figure was \$178,819,000, thus indicating an increase of 17 per cent during the year.

#### OPEN-MARKET OPERATIONS.

The open-market operations of this bank during the past fiscal year were practically negligible. The demands on its resources through the discount of paper offered by member banks precluded the investment of large sums in paper to be purchased elsewhere. Bankers' acceptances in foreign transactions formed the major portion of such investments. Dollar exchange bills were bought only in the first month. Total operations under this heading for the year were \$14,048,000; in 1918 they were \$120,008,000.

#### FEDERAL RESERVE NOTES.

The circulation of Federal Reserve notes fell off very noticeably during the first few months of the year and attained a low point of \$200,498,000 on June 21. Exhibit B shows the general trend during the past year. The decrease in the beginning of 1919 can be traced to the falling off in business. The increased activity which began early in the year was reflected in larger circulation in August, and a steady increase in such issues continued until almost the end of the year.

The maximum amount of notes (\$241,348,000) was in circulation on December 24, as compared to the former high level of \$235,586,000 on December 26, 1918. Immediately after Christmas the notes began to return in large amounts.

Notes of the smaller denominations have been in greatest demand, with \$10 and \$20 notes forming the bulk of those issued to the Federal Reserve Bank. There has been very little call for notes of higher denominations than \$100, though a reserve supply is maintained to care for any need that may arise.

#### FEDERAL RESERVE BANK NOTES.

Demand for notes of small denominations continued throughout the year, and was especially urgent in the month of December, due to the great activity in retail trade. This demand was met by the issuance of Federal Reserve bank notes in place of silver certificates which were retired under the Pittman Act. The amount of notes in actual circulation increased from \$8,926,000 at the end of 1918 to \$28,791,000 at the end of 1919, or 223 per cent.

Melting of silver dollars authorized by the Pittman Act was discontinued in May.

#### COUPON DEPARTMENT.

The work of the coupon department has been more than triple that of 1918 in the number of items handled and their total amounts. Fourteen persons are now employed in this division. The number of items handled has run as high as 111,000 a day, and the amount has

been in excess of \$1,700,000. The distribution of the maturities of Government coupons over the various months of the year has created a steady demand on the services of this department.

The total number of items handled during 1919 was 8,258,108, as compared to 2,728,361 in 1918. The value of these coupons during the last fiscal year was \$47,063,622.79, in comparison to \$11,735,022.64 in 1918.

#### COLLECTION DEPARTMENT.

The work of the collection department was much larger than the previous year and increased during the year to a high point in December. No charges are made on items except the actual cost of postage, insurance, and registration on maturing coupons, bonds, and other securities attached to drafts sent for collection and 15 cents on items returned unpaid to member banks.

#### GOLD-SETTLEMENT FUND.

The operations through the gold-settlement fund were much larger than in 1918, record figures being reached in December of this year. Payments received through this fund totaled \$7,630,713,000 in comparison to \$5,440,137,000 in 1918, and the amounts paid to other Federal Reserve Banks were \$7,636,447,000 as compared to \$5,434,826,000 in the previous year.

#### TRANSIT AND CLEARINGS.

The transit department reports operations for the year on a much larger scale than in 1918. In dollars this increase is not so noticeable, the total value of all items handled this year being \$13,843,000,000, as compared with \$11,292,000,000 in 1918. In point of number of items handled, however, very large increases are reported, the number of items passing through the department being 34,886,768 as compared with 17,133,761 in 1918. This points to a considerable decline in the average amount of each item, and, as the tables which follow demonstrate, this is particularly true of such items as were drawn on Philadelphia banks. The department handled as many as 156,000 items in a day.

The campaign to extend the par system to all banks in the district was rewarded with complete success. At the beginning of the year items were received without exchange charges by all member banks and all nonmember banks with the exception of 115. Continual efforts were made to have these 115 institutions remit at par, and by July 1 the number had been reduced to 46. Shortly before this time it was decided that, beginning July 1, this bank would receive and collect all items at par, collections on institutions making exchange charges being handled through the express companies. Further efforts on the part of this bank resulted in the bringing of all institutions into the collection system.

## OFFICERS AND DIRECTORS.

Richard L. Austin, chairman and Federal Reserve agent; Henry B. Thompson, deputy chairman; E. Pusey Passmore, governor; Edwin S. Stuart, deputy governor; William H. Huff, deputy governor.]

Class.	Name.	Residence.	Term expires
A	Group 1..... Joseph Wayne, jr., president Girard National Bank, Philadelphia, Pa.	Philadelphia, Pa....	Dec. 31, 1920
	Group 2..... Francis Douglas, cashier First National Bank, Wilkes-Barre, Pa.	Wilkes-Barre, Pa....	Dec. 31, 1921
	Group 3..... M. J. Murphy, care of A. B. Leach & Co., bankers, New York City.	Clarks Green, Pa....	Dec. 31, 1919
B	Group 1..... Alba Johnson, vice president Southwark Foundry & Machine Co., Philadelphia, Pa.	Rosemont, Pa.....	Do.
	Group 2..... Edwin S. Stuart, merchant, Philadelphia, Pa.....	Philadelphia, Pa....	Dec. 31, 1920
	Group 3..... Charles K. Haddon, vice president Victor Talking Machine Co., Camden, N. J.	Camden, N. J.....	Dec. 31, 1921
C	Richard L. Austin.....	Philadelphia, Pa....	Dec. 31, 1920
	Henry B. Thompson, president U. S. Finishing Co., New York City.	Wilmington, Del....	Dec. 31, 1919
	Charles C. Harrison.....	Philadelphia, Pa....	Dec. 31, 1921

Mr. R. M. Miller, jr., cashier of the Farmers & Mechanics National Bank of Phoenixville, Pa., and Mr. Frank W. Labold, of this bank, were elected assistant cashiers on May 1, and Mr. Samuel Earle, paying teller of the bank, was elected an assistant cashier on December 18. Mr. R. D. Stockton was elected comptroller on January 2 and assumed office on February 1.

The resignation of Mr. Thomas Gamon, jr., an assistant cashier of the bank, was presented to the board of directors at the meeting of December 4.

At the meeting of the board of directors on December 31, the officers were confirmed in their appointments for the coming year and Mr. Levi Rue, president of the Philadelphia National Bank, was again selected to represent the Third Federal Reserve District on the Federal Advisory Council.

The terms of office of Mr. Michael J. Murphy, representing the group 3 banks as a class A director, and of Mr. Alba B. Johnson, representing the group 1 banks as a class B director, expired on December 31, and they were reelected for terms of three years from January 1, 1920.

The increase in the operations of the bank has necessitated many additions to the clerical force. At the end of this year there were 627 employees and 12 officers, as compared to 419 employees and 11 officers at the end of 1918.

The increased operations of the bank not only resulted in a larger personnel, but an increased need for space as well. About 75 per cent of the available room in its building is occupied by the bank. The contemplated construction of a new vault in the basement of the main banking building made necessary the rental of the first floor of an adjoining building.

The comfort and convenience of the clerical force has been considered as much as possible, and on July 8 a cafeteria was opened on the premises of the bank with complete equipment furnished by the bank. Meals are furnished at cost; its service has been satisfactory and has proved a physical and financial benefit to those connected with the institution.

In connection with the Federal Reserve Club, a monthly magazine has been issued, and educational courses are being prepared.



## THE THIRD FEDERAL RESERVE DISTRICT.

The boundaries of the district remain unchanged and include all of Delaware, that part of New Jersey south of the northern boundaries of Mercer, Burlington, and Ocean Counties, and that part of Pennsylvania east of the western boundaries of McKean, Elk, Clearfield, Cambria, and Bedford Counties. The total area is 36,844 square miles, making this the smallest of the Federal Reserve districts territorially. The population at the last census was 6,632,611, or 6.4 per cent of the total population of the country at that time.

At the end of the fiscal year our records show that there were 640 national banks and 453 State institutions, 38 of the latter class being members of this Federal Reserve Bank. The total net additions since January 1 to the list of national banks are 13, two of which are accounted for by the conversion of State banks into national banks. The total resources of all banks and trust companies in the district on November 15 were \$3,011,090,000, of which the national banks totaled \$1,741,542,000, or 58 per cent. Total resources in 1918 were \$2,702,193,000, indicating an increase of 11 per cent during 1919.

The table given below analyzes the figures compiled in greater detail by States:

*Banking resources—District No. 3.*

[000 omitted.]

	Capital.	Surplus.	Undivided profits.	Individual deposits.	Bank deposits.	Total resources.
<b>Pennsylvania:</b>						
National banks (546).....	\$72,202	\$104,433	\$28,625	\$966,054	\$112,398	\$1,583,773
State institutions (371).....	83,619	119,354	33,418	806,804	8,727	1,078,833
<b>Total (917).....</b>	<b>152,821</b>	<b>223,787</b>	<b>62,043</b>	<b>1,772,858</b>	<b>121,125</b>	<b>2,662,606</b>
<b>New Jersey:</b>						
National banks (73).....	6,970	7,419	3,706	109,738	1,640	137,256
State institutions (45).....	5,766	6,382	1,943	90,964	895	111,591
<b>Total (118).....</b>	<b>12,736</b>	<b>13,781</b>	<b>5,649</b>	<b>200,702</b>	<b>2,535</b>	<b>248,847</b>
<b>Delaware:</b>						
National banks (19).....	1,429	1,532	913	15,245	605	20,513
State institutions (33).....	4,721	5,302	2,447	68,750	1,058	79,124
<b>Total (52).....</b>	<b>6,150</b>	<b>6,834</b>	<b>3,360</b>	<b>83,995</b>	<b>1,663</b>	<b>99,637</b>
<b>Total:</b>						
National banks (638).....	80,601	113,384	33,244	1,091,037	114,643	1,741,542
State institutions (449).....	91,106	131,078	37,808	966,518	10,680	1,269,548
<b>Total (1,087).....</b>	<b>171,707</b>	<b>244,462</b>	<b>71,052</b>	<b>2,057,555</b>	<b>125,323</b>	<b>3,011,090</b>

The capital and surplus of the member banks increased somewhat during the year. This increase amounted to \$10,682,000 in the case of national banks in the district between the dates of August 31, 1918, and September 12, 1919. The borrowings of national banks on their bills payable increased very largely, and the percentage of these borrowings from the Federal Reserve Bank to total borrowings on such paper was 99 per cent in the fall of 1919, as compared to 95 per cent in the previous year.

Member banks in Philadelphia, Scranton, Camden, and Wilmington for the past two years have been reporting to this bank weekly, the principal resource and liability items appearing in their statements. The figures given are for the last Friday in each month of 1918 and 1919.

## Member banks in Philadelphia, Camden, Scranton, and Wilmington.

[000 omitted.]

	United States securities owned.	Loans secured by United States securities.	All other loans and investments.	Total loans and investments.	Reserve with Federal Reserve Bank.	Cash in vault.	Net demand deposits.	Time deposits.	Government deposits.	Number of banks reporting.
1918.										
January	\$34,882	\$25,560	\$615,270	\$875,712	\$59,446	\$22,490	\$567,847	\$15,506	\$28,585	46
February	53,890	22,527	613,004	679,421	58,607	21,974	559,913	15,876	40,099	47
March	74,820	21,488	600,504	696,812	52,562	19,771	566,712	15,578	34,863	47
April	96,634	21,213	611,090	728,937	57,349	20,419	587,163	14,965	43,756	49
May	77,459	35,849	633,752	747,060	54,591	20,469	575,703	13,796	70,885	49
June	66,427	38,543	630,130	735,100	53,300	19,841	564,865	14,427	76,313	49
July	77,633	42,571	601,371	721,575	50,060	18,974	553,158	15,246	17,359	49
August	89,504	44,245	609,794	743,543	55,311	18,617	584,633	14,311	32,066	50
September	114,169	45,796	620,941	789,906	65,596	19,479	628,748	16,391	25,742	52
October	153,014	160,091	621,928	935,033	68,969	20,867	606,679	15,987	30,179	53
November	114,415	170,278	620,611	905,304	66,412	21,053	615,753	15,801	27,910	54
December	106,426	157,618	619,529	883,573	58,120	25,612	629,478	18,972	31,235	56
1919.										
January	153,235	147,639	622,872	923,746	64,774	19,012	632,839	20,086	55,088	56
February	177,735	145,429	599,381	922,545	67,036	19,705	638,823	21,354	45,747	56
March	176,870	142,292	623,256	945,413	61,527	19,515	653,426	22,300	38,963	56
April	177,769	144,911	614,232	934,912	67,363	19,293	654,734	22,016	27,276	56
May	189,440	165,047	642,082	996,569	65,490	18,278	651,349	20,634	62,338	56
June	125,065	176,968	649,120	951,153	63,113	18,411	635,929	20,627	48,818	56
July	105,101	172,910	645,401	923,816	65,187	17,184	646,191	21,313	26,564	56
August	119,014	165,804	665,248	950,066	69,615	16,062	664,273	21,783	32,213	56
September	123,018	161,534	675,988	960,630	74,574	16,550	663,812	22,122	54,732	56
October	103,182	153,211	685,688	945,081	69,658	17,108	675,267	22,453	27,484	56
November	94,018	123,930	698,868	919,816	60,354	18,333	666,231	22,440	11,366	56

An analysis of the table discloses that the movements of the various classes of loans and investments reflect clearly the issuing of Government securities of various kinds. The peak of the United States securities owned was reached in May, 1919, while the high point in the loans secured by United States securities was reached in June. The reserves held with the Federal Reserve Bank averaged higher in 1919 than in 1918, but the amount of cash in vault was smaller. Deposits show a natural increase in keeping with the larger amounts of loans and investments. This table includes a larger number of banks in the year 1919 than in 1918, but the figures of the banks added to the list do not obscure the trends to any considerable extent.

Toward the end of the period covered the banks reported their loans and investments in greater detail and these figures for December 26, 1919, are given below:

	Amount.	Percent.
United States bonds to secure circulation	\$11,097,000	1.2
Other United States bonds, including Liberty bonds	29,426,000	3.2
United States Victory notes	12,283,000	1.3
United States certificates of indebtedness	55,836,000	6.1
Total United States securities owned	108,642,000	11.8
Loans secured by United States war obligations:		
(a) Liberty bonds	74,561,000	8.1
(b) Victory notes	26,992,000	3.0
(c) Certificates of indebtedness	858,000	.1
Loans secured by stocks and bonds other than United States securities	207,032,000	22.6
All other loans and investments	498,123,000	54.4
Total loans and investments	915,351,000	100.0

Christmas savings funds have been conducted by many of the banks of the district. In response to a questionnaire sent out by this bank, returns were received from 75 to 80 per cent of the banking institutions, and their reports indicate Christmas savings fund deposits of \$9,789,000 in 1919, as compared to \$8,174,000 in 1918. Increases in regular savings accounts were reported also.

#### FIDUCIARY POWERS.

Some of the national banks of the district appreciate the advantages of exercising fiduciary powers. The applications of 48 banks, permitting them to exercise full fiduciary powers, were approved during the year. The total number of banks in the district exercising full powers is now 59, and in addition, 38 others had been granted partial powers under the act as originally passed. National banks possessing such powers are located in 72 cities and towns of the district. The following table shows their distribution by States:

	Full powers.	Partial powers.	Total.
Delaware.....	2	2	4
New Jersey.....	10	5	15
Pennsylvania.....	47	31	78
Total.....	59	38	97

#### POWER TO ACCEPT UP TO 100 PER CENT.

No additions were made to the list of banks authorized to accept up to 100 per cent of capital and surplus during the past fiscal year. The following banks, all of which are located in Philadelphia, possess this power: Bank of North America, First National Bank, Girard National Bank, Philadelphia National Bank, Corn Exchange National Bank, Fourth Street National Bank, Market Street National Bank, Tradesmens National Bank.

#### STATE BANK MEMBERS.

The pressure of other business has precluded the possibility of conducting an active campaign for the membership of State banks and trust companies during the last year. However, no opportunity has been neglected to bring to the attention of eligible nonmember banks the advantages of membership in the system. The number of institutions which were admitted during the year was 11, the names and resources being as follows:

Bank name.	Location.	Admitted.	Total resources.
Riverside Trust Co.....	Riverside, N. J.....	Jan. 3, 1919	\$2,039,880
Peoples Savings & Trust Co.....	Hazleton, Pa.....	Jan. 13, 1919	2,933,058
Milford Trust Co.....	Milford, Del.....	Mar. 27, 1919	1,077,830
Union Banking & Trust Co.....	Du Rois, Pa.....	Mar. 28, 1919	2,173,668
Berks County Trust Co.....	Reading, Pa.....	May 1, 1919	3,917,503
Equitable Trust Co.....	Atlantic City, N. J.....	June 20, 1919	3,166,688
Burlington City Loan & Trust Co.....	Burlington, N. J.....	June 25, 1919	1,748,441
Bankers Trust Co.....	Atlantic City, N. J.....	July 11, 1919	576,035
Lewistown Trust Co.....	Lewistown, Pa.....	Sept. 27, 1919	752,153
Grange Trust Co.....	Huntington, Pa.....	Oct. 7, 1919	706,752
Schuylkill Haven Trust Co.....	Schuylkill Haven, Pa.....	Oct. 17, 1919	1,307,027

This list brings the number of State institutions which have entered the Federal Reserve System in this district up to 40, but, due to the conversion of the Bank of Commerce and the Drovers & Merchants Bank, both of Philadelphia, into national banks, the number now stands at 38.

There are 270 eligible nonmember State institutions in the district, having total resources of approximately \$668,000,000. The member State institutions represent 41 per cent of the total resources of all eligible member and nonmember State banks and trust companies. The table below furnishes pertinent data relative to member State institutions as of November 17, 1919:

*Member State institutions.*

Number.....	38
Capital.....	\$23, 225, 000
Surplus.....	47, 102, 000
Undivided profits.....	8, 997, 877
Individual deposits.....	241, 650, 071
Bank deposits.....	7, 699, 936
Total resources.....	460, 980, 948

DEPARTMENT OF EXAMINATION.

Examinations have been made in Delaware, New Jersey, and Pennsylvania in cooperation with the State banking departments, which have resulted in more efficient results being obtained to the consequent benefit of all interested.

The examinations of State institutions by their own banking departments are recognized and accepted in applications for membership, but it frequently happens that the applicant State bank or trust company has not recently been examined. The reports received from the State banking department would not, therefore, reflect the institution's true conditions at the date of application. For this reason an independent examination has often been made by examiners of the Federal Reserve Bank.

Every effort has been made to keep in close touch with the condition of all member banks and reports of examinations are very carefully analyzed and valuable statistical records are compiled.

FISCAL AGENCY OPERATIONS.

As fiscal agent for the United States the activities of the Federal Reserve Bank were again brought conspicuously to the public attention. The year saw the sale of the last popular loan, and with it a dissolution of the great army of loan workers through whose energetic efforts the five Liberty loans were so successfully distributed.

With the war over and the necessity for great popular campaigns ended, the function of conducting the sales of Government securities is again in sole charge of officers of the reserve bank. At the beginning of the year the activities of the Liberty loan committee, the war savings organization, and the certificate of indebtedness division were consolidated within the district into the war loan organization. This organization had at its head a director with associate directors. In this way the fiscal operations were coordinated and made more effective. At the close of the Victory loan this organization automatically dissolved, and sales of certificates of indebtedness were handled directly by officers of this bank.

## FINAL PAYMENTS ON FOURTH LIBERTY LOAN.

Final payments on the fourth Liberty loan were completed in January. According to the schedule of payments arranged by the Secretary of the Treasury two installments, aggregating 50 per cent, were due in that month. So many investors paid for their bonds in full during 1918, however, that at the end of that year payments approximated 88 per cent of the \$598,763,650 allotted to this district. The remaining 12 per cent was paid in January without disturbance to the money market.

## VICTORY LIBERTY LOAN.

The Victory Liberty loan was a complete success, though it was floated at a time when the country was relaxing from the strain of war. Subscriptions in this district amounted to \$422,756,100 on a quota given the district by the Secretary of the Treasury of \$375,000,000. The allotment to the district was \$376,290,100.

The banking institutions cooperated with the Federal Reserve Bank in every way, not only to insure the success of the loan, but also to secure the widest possible distribution of the notes. At the outset of the campaign the financial institutions of Philadelphia as a unit agreed to lend Victory loan subscribers 95 per cent of the face value of their subscriptions for 90 days at 4½ per cent, being the coupon rate, with the privilege of renewing the loan for a similar period of 90 days at 4¾ per cent interest. This offer of the banks was widely accepted. Details of the Victory Liberty loan follow:

	Popula- tion.	Total banking resources.	Apportion- ment.	Subscription.
Delaware.....	237,973	\$90,769,857	\$12,889,200	\$13,807,650
New Jersey.....	666,775	210,214,658	29,850,400	33,368,850
Pennsylvania.....	3,793,211	1,023,308,193	145,309,800	167,097,400
Philadelphia.....	1,800,000	1,074,488,676	186,209,450	208,482,200
Total.....	6,497,959	2,398,781,384	374,258,850	422,756,100

	Allotment.	Number of subscribers.	Per cent of population subscribing.	Per capita subscrip- tion.
Delaware.....	\$12,784,450	25,979	10.91	\$58.00
New Jersey.....	30,479,200	93,096	13.96	50.00
Pennsylvania.....	158,435,100	512,683	13.52	44.00
Philadelphia.....	174,591,350	350,903	19.49	116.00
Total.....	376,290,100	982,661	15.12	65.00

## SUMMARY OF LIBERTY LOANS.

The results achieved in the Third Federal Reserve District in the five great war loans deserve recognition. The quotas assigned to this district on the five loans aggregated \$1,515,060,000, against which total subscriptions were received of \$1,996,142,750, or 132 per cent of the aggregate quota. Allotments to this district were \$1,782,348,950.

The relation of subscriptions to quotas in each of the loans is given herewith.

	Quota.	Subscription.	Per cent of subscription to quota
First loan.....	\$140,000,000	\$232,309,250	165.9
Second loan.....	250,000,000	380,350,250	152.1
Third loan.....	250,000,000	361,963,500	144.7
Fourth loan.....	500,000,000	598,763,650	119.7
Victory loan.....	375,000,000	422,756,100	112.7
Total.....	1,515,000,000	1,998,142,750	131.7

#### CERTIFICATES OF INDEBTEDNESS.

Sales of Treasury certificates of indebtedness continued at intervals throughout the year. Every issue was oversubscribed where a quota was assigned. Sales of all issues during the year aggregated \$681,511,500.

The first issue of certificates in anticipation of the Victory loan was dated December 5, 1918, and series of certificates were issued at fortnightly intervals until near the end of the campaign. After the Victory loan, due to the stronger financial position of the Treasury, flotations were made at less frequent intervals. No loan certificates were issued between May 1 and August 1, and no certificates of any kind were issued between September 15 and December 1.

An analysis of the subscriptions of the 10 issues of certificates in anticipation of the Victory loan follows:

	Number subscribing.	Per cent of total in district.	Amount subscribed.
National banks.....	598	92.71	\$272,140,000
Trust companies.....	200	86.58	115,377,500
State banks.....	133	78.70	20,016,000
Savings banks.....	24	100.00	12,155,000
Total banks.....	955	89.34	419,688,500
Individuals.....	38		646,000

Total sales of tax certificates with maturities extending into 1920 were \$133,223,500. The amount of each maturity sold was as follows: March 15, \$28,414,500; June 15, \$50,222,500; September 15, \$54,586,500.

#### GOVERNMENT DEPOSITS.

At the close of 1919 the total number of banks designated as United States depositories was 666, as compared to 647 at the end of 1918. Of the \$1,080,000,000 in securities handled during the year in connection with the securing of Government deposits municipal bonds formed 10 per cent of the total, foreign Government bonds 10 per cent, railroad and utility bonds 20 per cent, commercial paper 30 per cent, and war-time obligations of the United States 30 per cent.

The Government deposits averaged about \$66,000,000 during the year, with an average amount of collateral held to secure the same of \$118,000,000. Custodians of collateral numbered 115 at the end of the year.

## WAR SAVINGS DIVISION.

Sales of stamps and Treasury savings certificates fell off markedly after the armistice was signed and the stimulus of war was removed. There was a smaller percentage of redemption, however. In 1918, a year of intensified selling, the sum of \$73,000,000 worth of stamps was sold in this district and approximately 10 per cent of this total was redeemed at post offices during the year. In 1919, when sales were only \$8,000,000, it is estimated that less than 2 per cent of the total sales were redeemed.

Stamps have been sold to 1,000,000 persons, and it is estimated that there are now 2,000,000 stamp owners in this district. The average cost during 1919 was approximately 1.5 cents per dollar raised.

Following the Victory loan and the dissolution of the war loan organization the direction of the savings movement was taken over by the Federal Reserve Bank and the work is now conducted as a departmental operation of the bank.

Sales of war savings and thrift stamps by this bank during 1919 totaled \$988,561 and of Treasury savings certificates \$438,100.

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of Philadelphia during the calendar year 1919.*

[In thousands of dollars.]

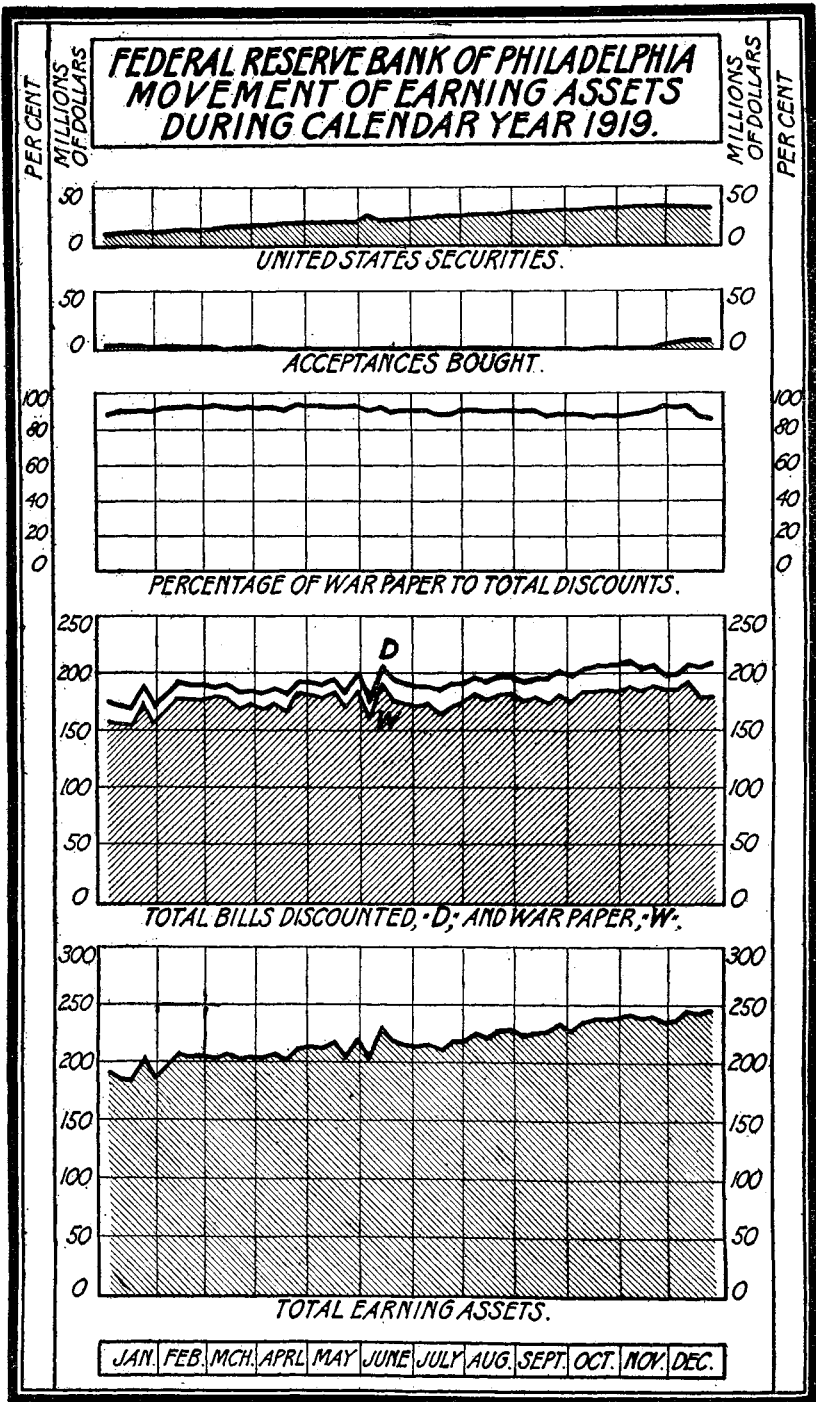
Date.	1 Dis- counted paper secured by United States war ob- ligations.	2 Other dis- counted paper.	3 (1+2.)	4 Per cent (1+3).	5 Bills bought in open market.	6 Total bills dis- counted and bought.	7 United States securi- ties.	8 Total earning assets.
Jan. 3.	158,254	19,065	177,319	89.2	3,401	180,720	11,418	192,138
10.	156,377	15,613	171,990	90.9	3,072	175,062	11,243	186,305
17.	153,550	15,518	169,068	90.8	2,770	171,838	11,243	183,081
24.	172,210	15,673	187,883	91.6	2,571	190,454	12,211	202,665
31.	156,352	15,036	171,388	91.2	2,133	173,521	12,185	185,706
Feb. 7.	168,186	13,175	181,361	92.7	2,153	183,514	12,165	195,679
14.	177,622	14,291	191,913	92.6	2,274	194,187	12,665	206,852
20.	177,360	12,168	189,528	93.6	2,116	191,644	12,665	204,309
28.	176,990	13,081	190,071	93.1	1,987	192,058	13,166	205,224
Mar. 7.	178,463	9,331	187,794	95.0	1,658	189,452	13,666	203,118
14.	178,171	11,536	189,707	93.9	1,332	191,039	15,165	206,204
21.	169,255	13,620	182,875	92.5	2,291	185,166	16,665	201,831
28.	172,914	12,375	185,289	93.3	2,270	187,559	16,715	204,274
Apr. 4.	169,249	13,182	182,431	92.7	3,192	185,623	17,741	203,364
11.	174,204	13,186	187,390	93.0	1,021	188,411	17,666	206,077
18.	166,448	14,688	181,136	91.9	914	182,050	18,665	200,715
25.	182,169	9,501	191,670	95.0	826	192,496	18,661	211,157
May 2.	180,939	11,759	192,698	93.9	691	193,389	19,645	213,034
9.	178,113	12,240	190,353	93.6	930	191,283	20,075	211,358
16.	182,468	13,408	195,876	93.2	922	196,798	20,075	216,873
23.	170,315	12,378	182,693	93.2	918	183,611	21,075	204,686
29.	183,577	13,012	196,589	93.4	1,113	197,702	21,075	218,777
June 6.	160,810	13,900	174,710	92.0	972	175,682	27,065	202,747
13.	191,277	14,389	205,666	93.0	969	206,635	22,070	228,705
20.	176,588	18,254	194,842	90.6	864	195,706	23,066	218,772
27.	173,957	17,229	191,186	91.5	860	192,046	23,248	215,294
July 3.	170,753	17,852	188,605	91.0	711	189,316	24,236	213,552
11.	173,697	15,679	189,376	91.7	631	190,037	25,231	215,238
18.	165,015	19,557	184,572	89.4	759	185,331	25,178	210,509
25.	170,366	19,881	190,247	89.5	719	190,966	26,198	217,164
Aug. 1.	175,349	15,830	191,179	92.3	660	191,839	26,198	218,037
8.	180,934	14,715	195,649	92.5	623	196,272	27,248	223,520
15.	176,779	16,044	192,823	91.6	673	193,496	27,190	220,686
22.	180,285	17,192	197,477	91.3	812	198,289	27,287	225,576
29.	180,872	16,486	197,358	91.7	762	198,120	28,625	226,745
Sept. 5.	175,974	16,830	192,804	91.3	843	193,647	28,566	222,213
12.	179,199	15,985	195,184	91.8	1,061	196,245	28,616	224,861
19.	173,229	21,528	194,757	88.9	811	195,568	30,054	225,622
26.	180,151	21,705	201,856	89.2	735	202,591	29,567	232,158
Oct. 3.	175,243	21,290	196,533	89.2	645	197,178	30,067	227,245
10.	182,038	21,418	203,456	89.5	645	204,101	30,178	234,279
17.	181,508	25,061	206,569	87.9	618	207,187	30,567	237,754
24.	182,789	23,252	206,041	88.7	601	206,642	30,573	237,215
31.	181,590	25,580	207,170	87.6	656	207,826	30,687	238,513
Nov. 7.	186,560	23,415	209,975	88.8	887	210,862	30,600	241,462
14.	182,962	20,894	203,856	89.7	1,297	205,153	32,431	237,584
21.	188,259	18,399	206,658	91.5	1,444	208,102	31,746	239,848
28.	185,583	12,684	198,267	93.6	3,135	201,402	32,856	234,258
Dec. 5.	184,407	15,028	199,435	92.5	3,649	203,084	33,145	236,229
12.	193,337	14,673	208,010	92.9	4,705	212,715	32,303	245,018
19.	177,655	27,154	204,809	86.7	4,704	209,513	32,519	242,032
26.	178,648	29,492	208,140	85.8	4,698	212,838	31,914	244,752

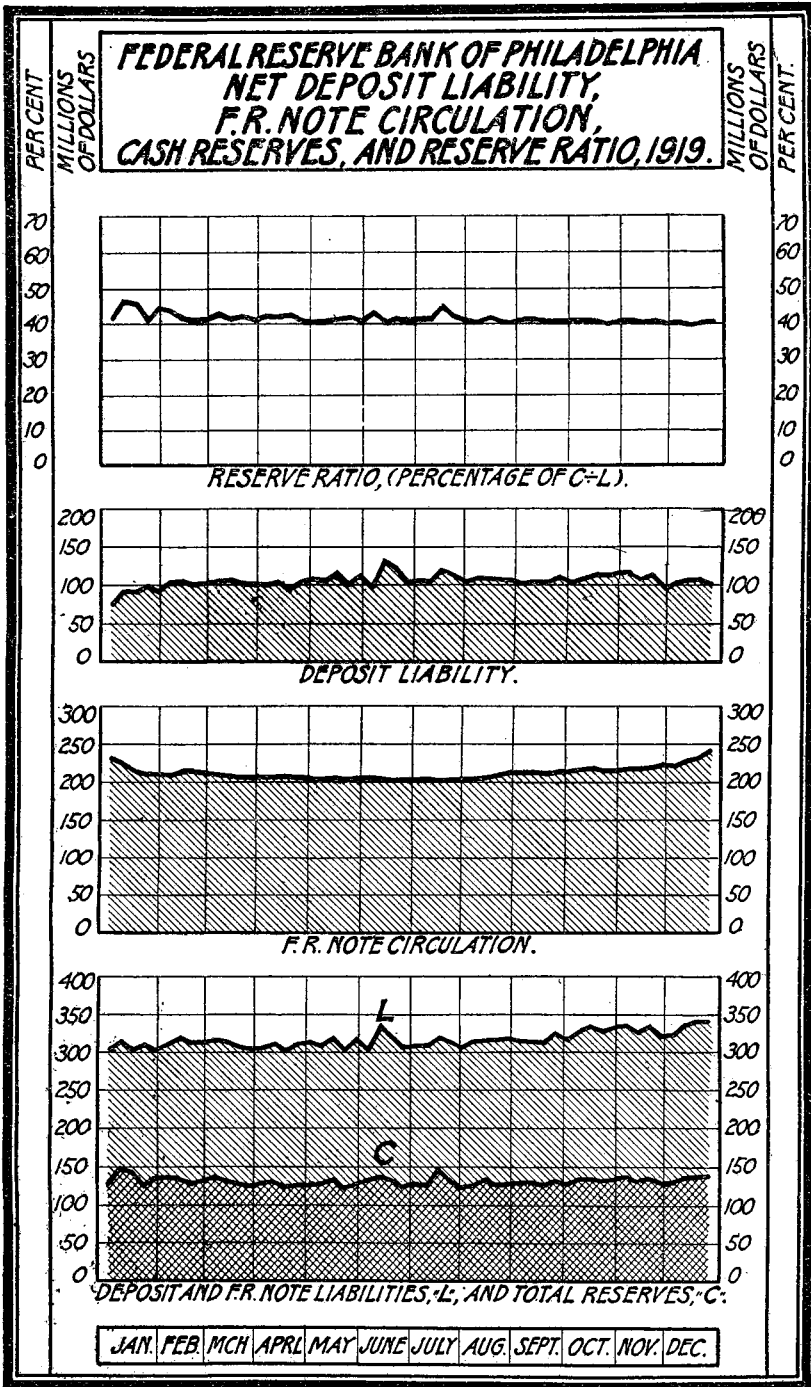


## EXHIBIT B.—Reserve position.

[In thousands of dollars.]

Date.		1. Cash reserves.	2. Net de- posits.	3. Federal Reserve note cir- culation.	4. Net de- posit and note lia- bilities com- bined (2+3).	5. Reserve ratio. (1+4).
Jan.	3	127,889	72,661	231,372	304,033	42.1
	10	146,513	91,171	224,109	315,280	46.5
	17	141,128	89,604	216,301	305,905	46.1
	24	127,138	99,205	211,250	310,455	41.0
	31	135,252	91,818	209,920	301,738	44.8
Feb.	7	135,695	102,530	208,865	311,395	43.6
	14	132,670	105,315	214,301	319,616	41.5
	20	128,979	99,441	213,258	312,699	41.2
	27	129,751	103,283	210,768	314,051	41.3
Mar.	7	134,872	106,296	210,099	316,395	42.6
	14	130,665	107,540	206,956	314,496	41.5
	21	128,476	101,717	205,885	307,602	41.8
	28	125,893	99,609	206,086	305,695	41.2
Apr.	4	128,930	100,383	206,696	307,079	42.0
	11	130,253	104,593	206,336	310,929	41.9
	18	126,331	92,683	208,296	300,979	42.0
	25	128,595	104,601	206,594	311,195	40.7
May	2	126,521	108,078	204,468	312,456	40.5
	9	126,907	106,401	203,709	310,110	40.9
	16	130,967	114,441	204,912	319,353	41.0
	23	124,402	99,165	201,362	300,527	41.4
	29	127,643	111,132	205,734	316,866	40.3
June	6	131,514	96,831	207,352	304,183	43.2
	13	136,051	130,457	203,710	334,167	40.7
	20	132,887	120,262	200,619	320,881	41.4
	27	124,873	104,414	203,703	308,117	40.5
July	3	127,740	105,339	203,310	308,649	41.4
	11	127,813	105,259	204,046	309,305	41.3
	18	144,755	118,872	201,957	320,829	45.1
	25	131,461	111,864	201,693	313,557	41.9
Aug.	1	125,192	103,994	203,665	307,659	40.7
	8	126,357	109,575	204,697	314,272	40.2
	15	131,620	107,905	208,136	316,041	41.6
	22	127,987	107,897	208,527	316,424	40.4
	29	128,463	105,542	212,752	318,294	40.4
Sept.	5	130,006	101,764	212,863	314,627	41.3
	12	128,542	102,378	213,103	315,481	40.7
	19	126,861	102,690	211,378	314,068	40.4
	26	130,007	110,400	212,579	322,979	40.3
Oct.	3	128,731	103,339	213,801	317,140	40.6
	10	132,118	109,087	216,987	326,074	40.5
	17	133,958	112,779	219,271	332,050	40.3
	24	131,122	111,283	216,396	327,679	40.0
	31	135,026	115,902	216,293	332,195	40.6
Nov.	7	136,342	116,139	219,870	336,009	40.6
	14	132,150	107,846	220,593	328,439	40.2
	21	134,055	112,384	219,689	332,073	40.4
	28	128,699	97,128	223,051	320,179	40.2
Dec.	5	131,487	101,747	222,612	324,359	40.5
	12	134,734	107,674	229,076	336,750	40.0
	19	137,637	107,906	233,241	341,147	40.3
	26	138,880	99,840	240,273	340,113	40.8





## EXHIBIT C.—Comparative statement of condition.

	Dec. 31, 1919.	Dec. 31, 1918.	Dec. 31, 1917.
<b>RESOURCES.</b>			
Gold with Federal Reserve agent.....	\$38,948,165.00	\$85,583,245.00	\$63,945,755.00
Gold redemption fund.....	8,448,480.00	7,900,000.00	1,500,000.00
Gold settlement fund.....	31,678,751.93	37,412,406.54	32,101,000.00
Gold coin and certificates.....	194,040.00	1,459,351.21	18,064,687.50
Gold with foreign agencies.....	10,505,616.91		3,675,000.00
Other lawful money.....	589,111.05	1,667,646.00	1,189,996.10
<b>Total reserve.....</b>	<b>141,364,144.89</b>	<b>134,022,648.75</b>	<b>121,476,418.60</b>
Collateral notes—members.....	87,908,591.66	135,032,810.41	4,008,400.00
Bills discounted—members.....	121,946,370.40	43,787,151.29	31,903,896.94
Bills bought in open market.....	5,177,538.86	3,011,280.08	18,390,067.91
United States securities.....	32,071,900.00	11,417,900.00	9,649,950.00
Municipal warrants.....			10,000.00
<b>Total earning assets.....</b>	<b>247,104,400.92</b>	<b>193,249,141.78</b>	<b>63,962,254.85</b>
Federal Reserve notes on hand.....	9,677,915.00	11,739,400.00	4,348,590.00
Federal Reserve Bank notes on hand.....	260,249.00	332,037.00	
Mutilated Federal Reserve notes.....	1,167,100.00	1,019,340.00	209.09
Redemption fund—Federal Reserve Bank notes.....	1,475,000.00	475,000.00	
Due from depository banks—war-loan account.....	43,175,744.75		
Uncollected items.....	92,970,730.85	90,852,687.70	22,620,777.40
All other resources.....	1,191,987.61	1,378,783.08	265,919.66
<b>Total resources.....</b>	<b>538,387,273.02</b>	<b>433,069,038.29</b>	<b>212,674,169.60</b>
<b>LIABILITIES.</b>			
Capital.....	7,884,150.00	7,562,450.00	6,142,150.00
Surplus.....	8,805,132.41	1,304,171.92	
Undivided profits.....			220,238.27
Government deposits.....	5,188,851.06	5,039,128.17	5,387,488.53
Due to member banks, reserve account.....	110,541,160.68	99,720,124.95	103,000,930.13
Collection items, etc.....	79,115,484.23	66,740,374.64	435,026.60
<b>Total gross deposits.....</b>	<b>194,845,495.97</b>	<b>171,499,627.76</b>	<b>108,823,445.26</b>
Federal Reserve notes outstanding.....	247,895,665.00	241,870,745.00	97,325,755.00
Federal Reserve Bank notes outstanding.....	29,052,000.00	9,258,200.00	
Government deposits, special account.....	49,051,497.75		
All other liabilities.....	853,331.89	1,573,843.61	162,581.01
<b>Total liabilities.....</b>	<b>538,387,273.02</b>	<b>433,069,038.29</b>	<b>212,674,169.60</b>

## DISTRICT NO. 4—CLEVELAND.

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D. C. WILLS, Chairman and Federal Reserve Agent.

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### DISCOUNT OPERATIONS.

With the exception of the last two months of the year, we maintained a very good reserve position despite the fact that we were called upon for loans and rediscounts to a greater amount than ever before. The total volume of loans and rediscounts far surpassed the volume for the year 1918. This is accounted for partly by the flotation of the Victory Liberty loan in the early part of the year. We are now lending on five issues of bonds as well as the certificates of indebtedness periodically issued. It was necessary for the banks to make loans to building and real estate interests whose operations had been strenuously curtailed during the war. Other demands from commerce and industry also arose in the course of transition from a war to a peace basis.

The number of approved applications was 12,182 as against 5,714 the previous year. The number of banks accommodated was 409 as against 320 for 1918. The total of loans and rediscounts was \$3,125,856,369.10 as against \$1,386,000,000 in 1918. Of this amount \$2,774,571,475 were member bank collateral notes secured by United States Government securities; and \$98,868,639.20 were rediscounts of notes to member banks, secured by United States Government securities—a total of \$2,873,440,114.20 in comparison with \$252,416,254.90 loans on, and rediscounts of, commercial, industrial, and agricultural paper. Up to November 10, 1919, when a change in rates went into effect, it was more advantageous for banks to get their accommodation on paper secured by United States Government securities, and the increase in commercial paper rediscounts from November 10 to the close of the year was accordingly very marked.

Approximately \$14,100,000 of trade acceptances was rediscounted for our member banks during the year and the amount, without doubt, would have far surpassed this figure but for the preferential rates that obtained on war loan paper during the first 10 months of the year. The trade acceptance is gaining great headway throughout the country and especially in this district. Every day brings new users to our attention. The organization in Cleveland of a local council of the American Acceptance Council has just been announced, and other councils are in process of development in other large centers, which should do much for the better development of the trade acceptance system.

A comparison of various classes of rediscounts and loans made during the years 1918 and 1919 shows that rediscounts of commercial, industrial, and agricultural paper and trade acceptances fell off, while the volume of paper secured by United States Government securities increased tremendously, largely because of the preferential rates that were in effect on paper secured by United States Government obligations, during the first 10 months of 1919.

Owing to our splendid reserve position in the first 10 months of 1919, other Federal Reserve Banks, whose reserve positions made it necessary, availed themselves of the rediscount facilities permitted between Federal Reserve Banks by rediscounting paper with us to a greater extent than ever before.

The volume of bankers' acceptances purchased during 1919 shows a very large increase over the transactions of a similar character during the previous year, and fully demonstrates that the banker's acceptance is being used to a greater extent than ever before.

It is interesting to note that during the year six additional banks have been granted authority to accept up to 100 per cent of their capital and surplus.

Purchases of United States Government securities during the year 1919 aggregated \$284,617,250, of which \$262,341,000 consisted of 2 per cent certificates of indebtedness, representing loans to the United States Government for one and two day periods at times when the various issues of certificates were passing through the process of redemption and the special 2 per cent certificates securing Federal Reserve bank notes in lieu of silver certificates which were withdrawn from circulation.

#### RESERVE POSITION.

During the first 10 months of 1919 the reserve position of this bank was strong and constant, running between the 55 per cent and 65 per cent levels, and with a total showing of \$229,017,300 in rediscounted paper for other Federal Reserve Banks.

This stabilized position was due to the absence of seasonal demands by reason of diversified manufacturing and agricultural interests. This condition eliminates the peaks and dips to which some districts are subjected for crop moving purposes, such as cotton and wheat. While it is not generally known, the agricultural wealth of this district will compare well with that of other parts of the country.

Commencing November 1 the reserve ratio started downward. It was quite natural that the year-end demands should greatly increase credit requirements, and it would be a pleasing premise to believe that this legitimate demand was the only cause for the downward course of the reserve. A careful analysis, however, would show that the cause was greatly aggravated by needless speculation and credit inflation.

#### RESULTS OF OPERATION.

Gross earnings of the Federal Reserve Bank of Cleveland during the year 1919 have amounted to \$7,801,000, or slightly in excess of \$150,000 a week, and approximately 49 per cent in excess of gross earnings for the previous year. The expense of operation, including expense of branches, this district's proportion of Federal Reserve Board expense, cost of Federal Reserve currency, and all items of equipment (which have been charged uniformly to current expenses) have been \$1,351,000, or approximately 36 per cent greater than last year. The regular dividends were declared and paid during the year, and after setting aside a reserve sufficient to cover all depreciation of assets, the sum of \$5,537,000 was transferred to surplus account, as provided in the act. The addition of this sum to surplus account makes a total of \$9,089,000, or 47 per cent of our subscribed capital.

The following table shows the principal charges and credits to profit and loss account for 1919 as compared with 1918:

*Comparative statement, profit and loss account, 1919 and 1918.*

	1919	1918
Balance profit and loss, Dec. 30, 1917.....		\$132,311.58
Earnings:		
Discount on bills discounted.....	\$5,341,785.14	3,130,600.29
Discount on bills purchased.....	1,882,984.84	1,135,680.37
Income from United States securities.....	450,303.07	779,133.53
Penalties on deficient reserves.....	66,441.90	66,462.03
Transfers bought and sold, net.....	45,606.92	51,213.53
Miscellaneous.....	4,569.03	63,773.86
Rents received, net.....	9,133.18	
Total.....	7,800,829.08	5,359,175.19
Expenses:		
Cost of Federal Reserve currency (including taxes on bank-note circulation).....	246,983.25	188,661.12
Furniture and equipment (main office and branches).....	53,414.55	85,784.13
Depreciation of property purchased for bank premises (charged off).....	254,833.73	
Premium on United States bonds and securities (charged off).....	5,044.06	98,882.79
Coupon shipment lost (charged off).....	4,199.85	
Operating expenses—		
Main office.....	728,899.24	525,652.24
Cincinnati branch.....	141,735.87	89,237.91
Pittsburgh branch.....	179,941.98	102,829.78
Difference account.....	530.00	
Dividends paid.....	556,785.69	716,107.22
Transferred to reserve for franchise tax <sup>1</sup> .....		1,776,000.00
Transferred to surplus account.....	5,337,000.00	1,776,000.00
Transferred to reserve for taxes Federal Reserve Bank notes.....	45,055.98	
Transferred to reserve for Federal Reserve Board expenses 1920.....	46,554.88	
Total.....	7,800,829.08	5,359,175.19

<sup>1</sup> This amount was transferred to surplus account Mar. 3, 1919, in accordance with an amendment to Federal Reserve Act approved Mar. 3, 1919.

#### MOVEMENT OF MEMBERSHIP.

Eight national banks were organized during the year and 10 withdrawn from the system. Of these latter three were merged with other national banks; two were merged with State institutions; two were consolidated, forming another national bank; one liquidated to form a State bank; one went into the hands of a receiver and another into voluntary liquidation. Of the new national banks organized, one was the result of the consolidation of two other banks as above mentioned.

Thirty-three State banks and trust companies became members of the system during the year. There were two withdrawals of State bank members—one, a trust company, was merged with another State institution, and the other surrendered its membership. The final result in membership was a loss of two national banks and a gain of 31 State bank members, or a net gain of 29. The total number of members on December 31 was 843.

A law passed at the last session of the West Virginia Legislature, by means of which eligible banks in that State may enjoy the benefits and privileges of membership, became operative last July, and as a result we have added to our member bank list three West Virginia banks having aggregate resources of \$9,552,000.

With the signing of the peace treaty the patriotic call to eligible State institutions to join the Federal Reserve System was seemingly at an end, but the great burden placed on the United States in the

readjustment and reconstruction of the world's finances has impressed these institutions with a further patriotic duty which many readily see can be best fulfilled through membership, as it is evident to them that if the Federal Reserve System is to be further strengthened it must be done through the accession of State bank members.

The Federal Reserve Bank of Cleveland has always felt that the best means of creating interest in membership is through personal contact. This was carried on during the fore part of the year by our force of field agents. After the flotation of the Victory Liberty loan this force was very considerably reduced, and, in a great number of cases, this contact was developed by inviting a number of officers of eligible institutions to visit the Federal Reserve Bank of Cleveland, at which times the requirements and benefits of membership were discussed. There has also been carried on through the mails an organized campaign for the purpose of placing before eligible institutions the salient points in favor of membership.

#### RELATIONS WITH NATIONAL BANK MEMBERS.

On account of the carrying of Government securities for customers and the great need for extended credit by reason of high prices and increased business activity, rediscount transactions have greatly increased over all former records. Naturally, the large part of these transactions has been for the account of national banks whose number exceeds that of State bank members. Of the total volume of rediscounts about 69 per cent was for the use of national banks.

The full effect of the additional powers granted in the amendment to section 11-k of the Federal Reserve Act approved September 26, 1918, was not immediately appreciated by the national banks, and as a result few applications were received during the latter part of last year. However, during this year an increased number have realized the opportunity for increased business. In the State of Ohio applications were further stimulated by the enactment of the new State banking law which gave to trust companies the right to exercise general fiduciary powers as in other States. As the Federal Reserve Act grants only such powers as are not in contravention of State or local law the enactment of the above law made it much more desirable for Ohio national banks to apply for fiduciary powers. In this district there were 51 national banks granted fiduciary powers, distributed by States as follows: Kentucky 3, Pennsylvania 16, Ohio 31, and West Virginia 1.

As a result of war financing the national banks of the district were brought into much closer contact with the Federal Reserve Bank. The sales of certificates, the placing of the Liberty loan, and other matters incident to the war financing all tended to cement and strengthen this relationship.

The Federal Reserve Bank of Cleveland has always felt that it owed to member banks the best possible service. Advantage has been taken of opportunities created in our dealings with members to show our desire to be of real assistance, and as a consequence a more cordial feeling has resulted.

Recognizing the high value placed upon membership by our member banks, a series of advertisements concerning association with the Federal Reserve System was prepared for publication and distributed to member banks on request. In the preparation of these



advertisements, local conditions were kept in mind and each series made to fit individual needs so far as possible. Careful records were kept of all advertisements sent out, so that duplications were avoided in any given community. That this service is much appreciated by our members is demonstrated by the numerous requests received and by testimonials to its value from banks which have made use of it.

A semimonthly bulletin issued by our library also aims to give service to our member banks by listing leading articles in current periodicals on banking and financial topics. The librarian is also ready to make any special investigations that may be asked for, and several banks have already availed themselves of this service since the bulletin was first issued in September of this year.

#### RELATIONS WITH STATE BANKS AND TRUST COMPANIES.

As in the case of national banks, the Government financing, high prices, and increased business activity made necessary additional rediscounting and, as a result, the discount operations of State banks and trust companies amounted to \$957,000,000, or approximately 31 per cent of the total. While a large percentage of Government securities was used for these loans, yet it is believed, in these latter months of the year, that a large part of the rediscounts was for business requirements, and commercial paper would have been used in their stead if these securities were not more readily available.

Ninety-seven State banks are now members of the Federal Reserve System in this district. These institutions represent resources of \$784,636,000. As a result of their membership, many of them have extended the scope of their business and are actively engaged in commercial banking.

It is worthy of note that, as a class, State bank members make more use of the service which the Federal Reserve Bank offers than do national bank members. This is accounted for by the close study of the system which the officers make before joining, with a consequent greater knowledge of the facilities it affords. An encouraging feature is the appreciation evinced by those who have been members long enough to have made a trial of the merits of the system, and their expressed view that membership has been of value to them in many ways that were not anticipated on joining. It is also noted that the more progressive nonmember eligible banks are much more favorably disposed toward the system and generally express themselves to the effect that, eventually, they intend to join, applications being withheld until a convenient season.

During the year arrangements have been completed with the banking departments of all States covered by this district to cooperate in the examination of State bank members. In anticipation of this a staff of examiners was secured, with Mr. William H. Fletcher as manager of the department of examination. The advantage in joining in these examinations was primarily to instruct the member banks in a fuller use of the services offered by the system. It was not the intention to conflict in any way with or to interfere with the State departments' examinations which, in this district, are of a high grade and very satisfactory. Undoubtedly this contact through the examiner will be of mutual benefit to the bank examined and the Federal Reserve Bank of Cleveland and also be of assistance to the State

department. The department now consists of the manager of examinations and three assistants. These will be added to as the work develops.

#### FISCAL AGENCY OPERATIONS.

The successful flotation of the Victory Liberty loan and the sale of Treasury certificates were the outstanding features of the year's work. It is of interest to note, in connection with certificate sales, that for all certificates for which this bank was assigned a quota, the subscriptions were 110 per cent of the total of quotas. Member national banks alone subscribed for an average of about 55 per cent of all certificate issues and Victory notes. Subscriptions to the Victory loan were received from over 99 per cent of all incorporated banks in the district, while over 70 per cent of such banks subscribed to the various issues of Treasury loan certificates.

The report of operations of the depositories department shows interest collected in the sum of \$1,276,000, or approximately 88 per cent of all fiscal agency expense. The largest aggregate deposit in depository banks during the year was \$180,000,000 on June 9, and the smallest was \$18,301,000 on December 1.

A decided reduction has been made in the force of the fiscal agency department as the result of the completion of a successful flotation of all Liberty and Victory bond issues.

#### FEDERAL RESERVE NOTES.

There was little demand for Federal Reserve notes during the period following the signing of the armistice until the industrial skies cleared in the spring of 1919 and the resumption of commercial activity necessitated additional issues of currency. From December, 1918, to June, 1919, there were issued here no new notes of the \$20 denomination. As business conditions returned more nearly to normal, the demand for notes has increased, although the amount outstanding is but \$17,000,000 in excess of note liability one year ago.

#### FEDERAL RESERVE BANK NOTES.

The circulation of Federal Reserve bank notes has been continued and more than doubled in volume during the current year.

This increase is represented entirely by bills of \$1 and \$2 denominations, a reduction of over 50 per cent having taken place during the year in the volume of \$5 notes in actual circulation.

This is accounted for by the continued and insistent demand in this district for small bills, which could not be fully supplied by governmental issues.

#### POSITION OF COMMERCIAL BANKS AS A RESULT OF WAR FINANCING.

A comparison of resources and liabilities of member banks on November 17, 1919, and December 31, 1918, follows:

Comparative statement of aggregate resources and liabilities of member banks, Nov. 17, 1919, and Dec. 31, 1918.

[000 omitted.]

	Nov. 17, 1919.	Dec. 31, 1918.
<b>RESOURCES.</b>		
Loans and discounts.....	\$1,370,216	\$1,162,712
Overdrafts.....	1,291	790
Acceptances and letters of credit.....	26,817	22,466
United States securities.....	356,921	195,450
Liberty loan bonds.....		168,393
All other bonds, securities, etc.....	453,041	404,623
Banking house, furniture, and fixtures.....	60,737	57,385
Other real estate.....	10,883	10,631
Reserve with Federal Reserve Bank.....	129,506	126,320
Cash and due from banks.....	318,749	358,125
5 per cent redemption fund.....	5,421	7,455
Other assets.....	20,296	19,272
<b>Total resources.....</b>	<b>2,753,878</b>	<b>2,533,627</b>
<b>LIABILITIES.</b>		
Capital.....	158,363	155,250
Surplus.....	158,013	150,440
Undivided profits.....	58,993	43,869
Circulation.....	90,028	89,687
Due to banks and bankers.....	237,942	266,312
Demand deposits.....	1,180,444	1,083,077
Time deposits.....	653,496	551,708
United States deposits.....	27,265	31,950
Bonds borrowed.....	20,325	21,237
Bills payable.....	116,827	81,852
Acceptances and letters of credit.....	27,132	22,740
Other liabilities.....	25,110	35,505
<b>Total liabilities.....</b>	<b>2,753,878</b>	<b>2,533,627</b>

Liberty loan bonds included in United States securities.

While the increase in total resources, as shown in the table, is due in part to the admission of new banks to membership, a comparison of figures for a like number of banks on the date mentioned shows that the member banks generally have enjoyed unusual prosperity during the past year as a result of operations incident to war financing and the subsequent transition to a peace basis.

The increase in member banks' obligations is the result of heavy demands for funds in the resumption of various industries curtailed during the war.

#### POLICY TO BE PURSUED IN RESTORING LIQUIDITY OF BANKS.

To enable the member banks to carry loans made to subscribers to the fourth Liberty loan and to subscribers to the Victory loan, the liberal loaning policy which prevailed through 1918 was continued without an increase in rates for Government-secured paper until November 10, 1919.

It was the judgment of our board that as the Government's requirements had been substantially provided for the time had arrived when the differential rate between Government-secured paper and commercial loans should be removed.

Higher rates at the Federal Reserve Bank would naturally mean naming of higher rates to the customers by member banks, which should bring about a gradual liquidation of loans secured by Government paper, and thereby gradually correct the inflated credit situation brought about by the exigencies of the war.

It is appreciated that the industrial activity, which has prevailed and is prevailing throughout the fourth Federal Reserve district,

coupled with high costs of materials and commodities, makes for heavy demands for credit upon our member banks.

It will be the policy of this bank to assist the demand of legitimate business in every way consistent with conservative banking methods. It is, however, incumbent upon the member banks to use discrimination in extending credit. While legitimate industry should be helped and encouraged, loans for speculative purposes should be discouraged to the point of being refused.

#### OPERATIONS OF FEDERAL RESERVE BANK BRANCHES IN CINCINNATI AND PITTSBURGH.

Facilities afforded through the operations of our branches in Cincinnati and Pittsburgh have been taken advantage of to a very large extent by member banks located within their respective branch territories, and have been the means of improving markedly the feeling of member banks in those sections toward the Federal Reserve System.

The check-collection system has been used to an increasing extent, especially in the Pittsburgh territory, where the number of items handled has shown a very marked increase over 1918. Cincinnati has also shown a very large increase in the number of items handled during 1919.

Money transactions have been very heavy at our branches, and the banks have repeatedly expressed their gratification over the facilities afforded by the branch banks.

The books covering the accounts of the banks in the branch territories are, of course, carried at the main office, all entries being made by means of daily transcripts and private telegraph connections.

Discount operations in the branch cities have been very large during the past year.

While the books covering fiscal agency operations are located at the main office, our branches are permitted to handle all fiscal agency operations with the exception of transactions by mail. There would not be any particular advantage to our member banks in permitting our branches to handle mail fiscal agency matters, as our district is so compact that mail addressed to the main office would reach it in as quick a time as mail addressed to either of the branch cities.

#### OPERATIONS OF MONEY DEPARTMENT.

During the year there has been delivered or shipped to members in this district currency amounting to \$358,737,280.41 and to non-member banks \$3,386,069.48, or total shipments amounting to \$362,123,349.89.

The receipts of currency from member banks during 1919 totaled \$377,635,253.70 and from nonmember banks \$5,660,757.79, total receipts from the above sources amounting to \$383,296,011.49.

The above figures represent only a part of the tellers' activities, while disbursements of all kinds for the three offices for the year 1919 amounted to \$628,531,886.97, and receipts of all kinds amounted to \$605,560,435.57.

#### CLEARING AND COLLECTION OPERATIONS.

*Par list.*—On January 1, 1919, there were 422 banks out of a total of 1,928 in the district whose checks we were unable to collect at par. During the year substantial progress was made in adding

banks to the par list until on December 1 there remained only 7 banks, all located in our part of Kentucky, whose names did not appear on the par list. With the close of the year arrangements were made for the collection of checks on these banks so that we are now able to collect checks drawn on every bank in the Fourth Federal Reserve District at par. In a very few cases it has been necessary to collect for a time through the American Railway Express Co. or through private agents established in towns where banks could not be persuaded to remit at par voluntarily. Usually a very short experience with this method of collection has resulted in a voluntary agreement to remit without exchange. The addition of 422 banks to the par list during the year was very gratifying. Our member banks are now able to collect checks on all banks in the first, second, third, and fourth Federal Reserve districts. Out of a total of almost 30,000 banks in the United States less than 4,000 do not appear in the par list issued by the Federal Reserve Board and this number is rapidly decreasing.

*Check collections and clearings.*—With a steady increase in the par list the check-collection system has become more useful to member banks, and there has been a steady increase in the average number of items handled daily. This average has increased from 75,202 in January, 1919, to 123,983 in December. The total average value of the items handled daily has increased from approximately \$39,000,000 in January to approximately \$49,000,000 in December.

*Collections—city and foreign.*—Departments for the handling of purely collection items which had been operating in a rather modest way increased rapidly during the year, owing to improvement in the facilities for handling collections payable throughout the United States. Because of direct communication with all other Federal Reserve Banks and branches, we are able to offer our member banks quicker service than they have been accustomed to receiving, at less expense. That our member banks appreciate this service is indicated by the steadily growing volume of collection items handled by our three offices during the year.

#### PERSONNEL.

Because of the rapid expansion of the bank's operations during 1919 there were many additions to our official staff. These appointments necessitated a reorganization in our banking and fiscal agency departments. In January Mr. M. J. Fleming and Mr. F. J. Zurlinden, formerly assistant cashiers, were appointed assistants to the governor, and Mr. H. G. Davis, formerly an assistant cashier, was appointed cashier to fill the vacancy caused by the resignation of Mr. Edwin C. Baxter, and Mr. C. W. Arnold was appointed an assistant cashier. In August Mr. P. A. Brown was appointed assistant cashier of our Pittsburgh branch. During December Mr. C. H. Wagner, formerly auditor, and Messrs. G. A. Stephenson and D. B. Couser were appointed assistant cashiers. Mr. F. V. Grayson, formerly assistant auditor, was appointed auditor.

The retiring members of the board of directors for the year were Mr. Lyman H. Treadway, class C director; Mr. W. B. Wright, class B director; and Mr. W. S. Rowe, class A director.

It is with sincere regret that we announce the untimely death of our esteemed vice chairman, Mr. Lyman H. Treadway, which

occurred in December. Mr. L. B. Williams, of the firm of Hayden, Miller & Co., investment bankers, of Cleveland, Ohio, has been appointed his successor by the Federal Reserve Board. Mr. R. P. Wright was reelected as a class B director.

Mr. Chess Lamberton, of the Lamberton National Bank of Franklin, Pa., is our newly elected class A director to succeed Mr. Rowe. Mr. Rowe was ineligible for reelection, because of the provision in the Federal Reserve Act that a director can only be elected by the banks which are members of the same group as the member bank of which he is an officer or director. The regrouping of Mr. Rowe's institution has placed that bank in a different group from the one which voted.

#### NEW BUILDING.

Following an exhaustive study of available building sites, the board of directors, acting on the recommendation of the committee appointed at the December, 1918, meeting, authorized the purchase of the Masonic Temple property, at the northeast corner of Superior Avenue and East Sixth Street. The area of the site purchased is approximately 30,000 square feet, and the purchase price was \$865,000.

On November 12, 1919, a contract was entered into with local architects to assume charge of the erection of a new building on the site above mentioned. While no definite conclusion has been reached as to detailed plans, it is expected that a program will be prepared early in the coming year. It is probable that the new building will be six or eight stories, which should provide the room to meet our additional space requirements due to expansion of our present work, and the possibility of taking on additional functions within the next 10 or 15 years. The type of building will be thoroughly in keeping with the dignity of the institution.

We are at present occupying 31,250 square feet of space scattered through the Williamson and the Thompson Buildings. The available room is inadequate to meet even our present requirements, and the erection of a building designed for our special needs must result in greater convenience and, as a result, increased efficiency.

#### MISCELLANEOUS.

The increased activities during the past year have compelled us to establish an accounting and planning department for the purpose of centralizing all the accounting work and the preparing of all necessary forms into one department. It has also been found necessary to organize a new statistical department, together with an editorial department.

The continued increase in operations has made necessary the enlargement of the departments of loans and discounts, money, foreign collections, analysis, and bookkeeping, and the installation of a battery of five additional chests in our main vault.

Operations at our Pittsburgh and Cincinnati branches have had a proportional increase, and expansion and remodeling have been necessary.

An especially built armored truck has been purchased to facilitate transportation of and give better protection to our money and security shipments to and from the post office and express offices.

There is no large financial library in this district, such as those belonging to some of the larger New York banks. Realizing the need of a good reference library for the use of our own bank staff as well as of our member banks, a librarian was engaged in October, 1918, to make a beginning in this direction.

The library now contains about 400 volumes of works on banking and finance and other books for general reference, in addition to a large file of pamphlets, circulars, and clippings. Ten daily newspapers are received and clipped. About 70 periodicals are subscribed for or received by gift. The periodicals are indexed for all subjects which may have value for reference later. It has not been possible as yet to lend the books and periodicals from the library to other banks except in special cases, but many reference questions have been answered and lists of books and references to periodicals have been compiled. As the library increases in size and scope there is no doubt it will prove of much value to the banks of this district.

#### GENERAL BUSINESS AND BANKING CONDITIONS.

The uncertainty regarding the immediate future of business following the signing of the armistice gave way early in 1919 to a feeling of confidence, and the resumption of activity in practically all industries was limited only by the ability to secure the necessary labor and material. The district, as a whole, has enjoyed a fairly satisfactory degree of production, although a disposition to restrict the output of the more essential articles, in favor of those which may properly be classed as luxuries, is evident. In many lines in which production was curtailed, or entirely suspended during the war period, energetic action on the part of manufacturers has succeeded in bringing about a partial, if not quite complete, return to the prewar status.

The two outstanding features in the industrial life of the district were the strikes of the steel workers and the coal miners. Both of these disturbances struck at basic industries in this section. Certain lines have been affected by the shortage of some forms of steel, but a practical return to normal conditions is found in the steel trade to-day. The strike of the mine workers caused some inconvenience; in a number of communities coal allotment restrictions were again brought into force and some manufacturers were forced to limit or suspend operations. Fortunately a settlement was reached in time to prevent what might have been a serious blow to business. Local strikes are handicapping the efforts of some producers, but the effect on general business is negligible. Wages continue high, and there is employment for all who wish to work.

Farmers are enjoying unusual prosperity, the result of highly satisfactory crops and a large money return. This is particularly true of the Kentucky tobacco section, and expressions of appreciation are heard of the ease with which the funds required to move the crop were secured from the Federal Reserve Banks.

The demand for funds throughout the year has been unusually strong, especially during the last two months. Banks throughout the district enjoy unparalleled prosperity, and are amply able to meet the legitimate requirements of business.

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of Cleveland during the calendar year 1919.*

[In thousands of dollars.]

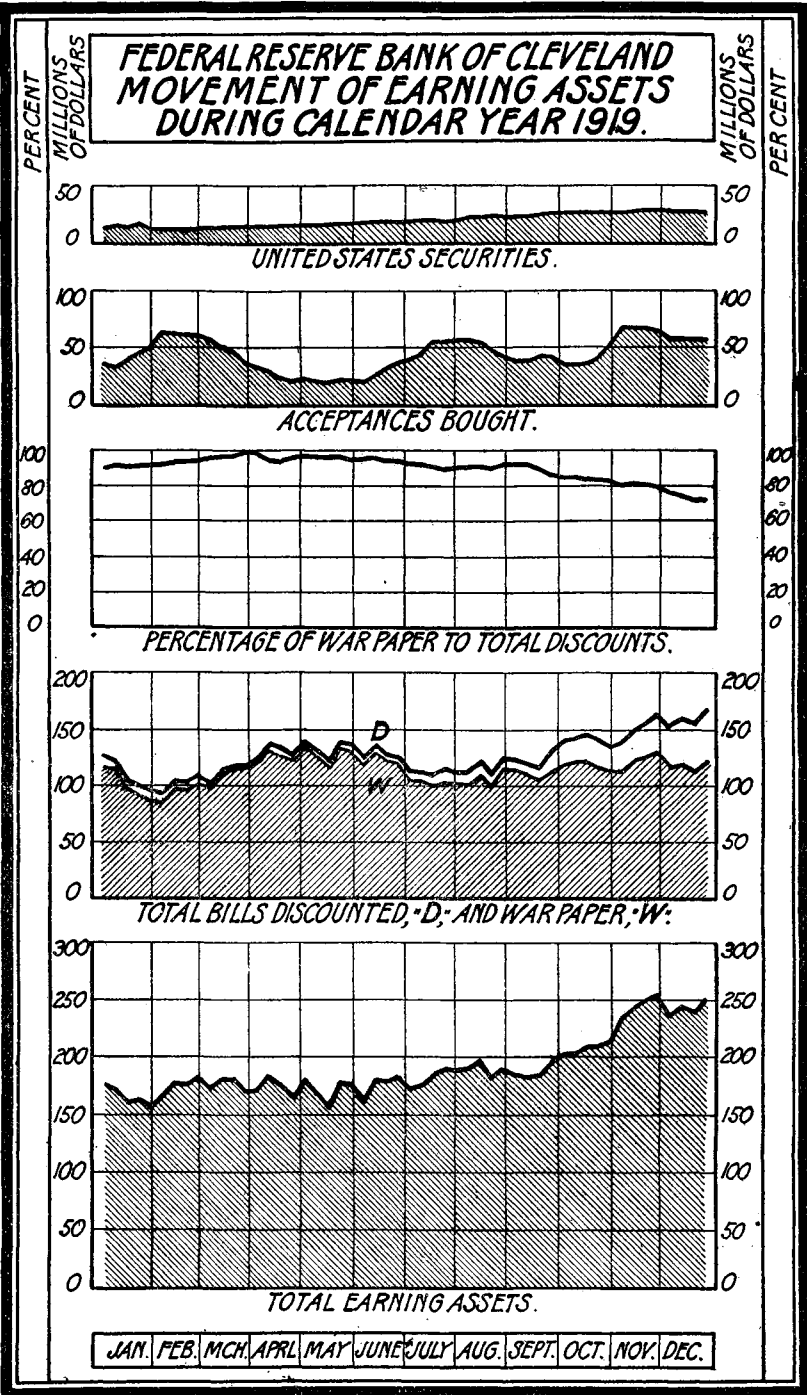
Date.	1 Dis- counted paper secured by United States war obli- gations.	2 Other dis- counted paper.	3 1+2	4 Per cent 1+3	5 Bills bought in open market.	6 Total bills dis- counted and bought.	7 United States securities.	8 Total earning assets.
Jan. 3	115,099	12,074	127,173	90.5	36,478	163,651	12,810	176,461
10	113,381	9,177	122,558	92.5	32,100	154,658	16,203	170,861
17	96,398	9,355	105,753	91.2	40,362	146,115	14,222	160,337
24	91,049	8,754	99,803	91.2	44,749	144,552	18,186	162,738
31	87,593	8,086	95,679	91.5	48,510	144,189	13,143	157,332
Feb. 7	84,325	7,282	91,607	92.0	63,235	154,842	12,270	167,112
14	97,060	6,745	103,805	93.4	61,750	165,555	12,150	177,705
20	95,522	7,316	102,838	92.8	61,359	164,197	12,424	176,621
28	101,209	6,320	107,529	94.1	60,797	168,326	12,425	180,751
Mar. 7	96,969	4,934	101,903	95.2	57,648	159,551	13,425	172,976
14	110,674	4,503	115,177	96.1	51,183	166,360	13,925	180,285
21	114,661	3,654	118,315	96.8	47,231	165,546	14,540	180,086
28	114,559	2,332	116,891	98.0	37,452	154,343	15,159	169,502
Apr. 4	120,577	3,022	123,599	97.6	32,694	156,293	15,131	171,424
11	131,219	7,269	138,488	94.7	29,719	168,207	15,499	183,706
18	126,582	8,469	135,051	93.7	24,017	159,068	17,114	176,182
25	122,102	5,935	128,037	95.3	21,254	149,291	16,581	165,872
May 2	135,096	5,229	140,325	96.3	22,652	162,977	17,131	180,108
9	126,460	5,223	131,683	96.0	20,881	152,564	17,131	169,695
16	115,743	4,923	120,666	95.9	20,464	141,130	17,057	158,217
23	134,152	5,206	139,358	96.3	21,362	160,920	17,525	178,445
29	131,404	6,785	138,189	95.1	21,564	159,553	17,550	177,103
June 6	118,393	6,114	124,507	95.0	20,132	144,639	18,059	162,698
13	128,601	6,045	134,646	95.5	26,914	161,560	18,110	179,670
20	121,593	6,623	128,216	94.8	31,969	160,185	18,595	178,780
27	119,768	7,201	126,969	94.3	36,972	163,941	18,580	182,521
July 3	105,432	8,554	113,986	92.5	40,316	154,302	18,629	172,931
11	104,473	8,443	112,916	92.5	44,025	156,941	20,396	177,337
18	100,469	9,661	110,130	91.2	55,649	165,779	19,658	185,437
25	103,063	11,463	114,526	89.9	56,139	170,665	19,441	190,106
Aug. 1	101,826	10,517	112,343	90.6	56,916	169,259	19,968	189,227
8	100,989	10,710	111,699	90.4	57,047	168,746	21,568	190,314
15	110,082	10,810	120,892	91.1	54,573	175,465	21,053	196,518
22	100,181	11,110	111,291	90.0	46,660	157,951	23,017	180,968
29	116,329	9,656	125,985	92.3	42,133	168,118	21,610	189,728
Sept. 5	114,897	9,601	124,498	92.3	37,853	162,351	22,495	184,846
12	110,435	9,549	119,984	92.0	39,242	159,226	22,495	181,721
19	104,907	11,888	116,795	89.8	41,768	158,563	24,688	183,251
26	111,635	18,475	130,110	85.8	40,510	170,620	25,872	196,492
Oct. 3	119,263	21,464	140,727	84.7	35,588	176,315	25,798	202,113
10	120,582	21,526	142,108	84.8	34,814	176,922	25,698	202,620
17	122,463	24,960	147,423	83.0	36,240	183,663	25,808	209,471
24	116,920	23,793	140,713	83.0	39,779	180,492	25,827	206,319
31	113,502	23,438	136,940	82.9	50,757	187,697	25,727	213,424
Nov. 7	111,733	27,473	139,206	80.3	68,402	207,608	24,969	232,577
14	122,339	26,744	149,083	82.1	67,811	216,894	25,828	242,722
21	125,938	30,194	156,132	80.6	67,971	224,103	26,862	250,965
28	130,272	32,966	163,238	79.8	64,694	227,932	26,727	254,659
Dec. 5	116,672	35,463	152,135	76.7	57,900	210,035	25,990	236,025
12	118,469	41,245	159,714	74.2	58,118	217,832	25,980	243,812
19	112,254	43,951	156,205	71.8	56,867	213,072	25,975	239,047
26	120,536	47,041	167,577	71.9	56,923	224,500	25,660	250,167

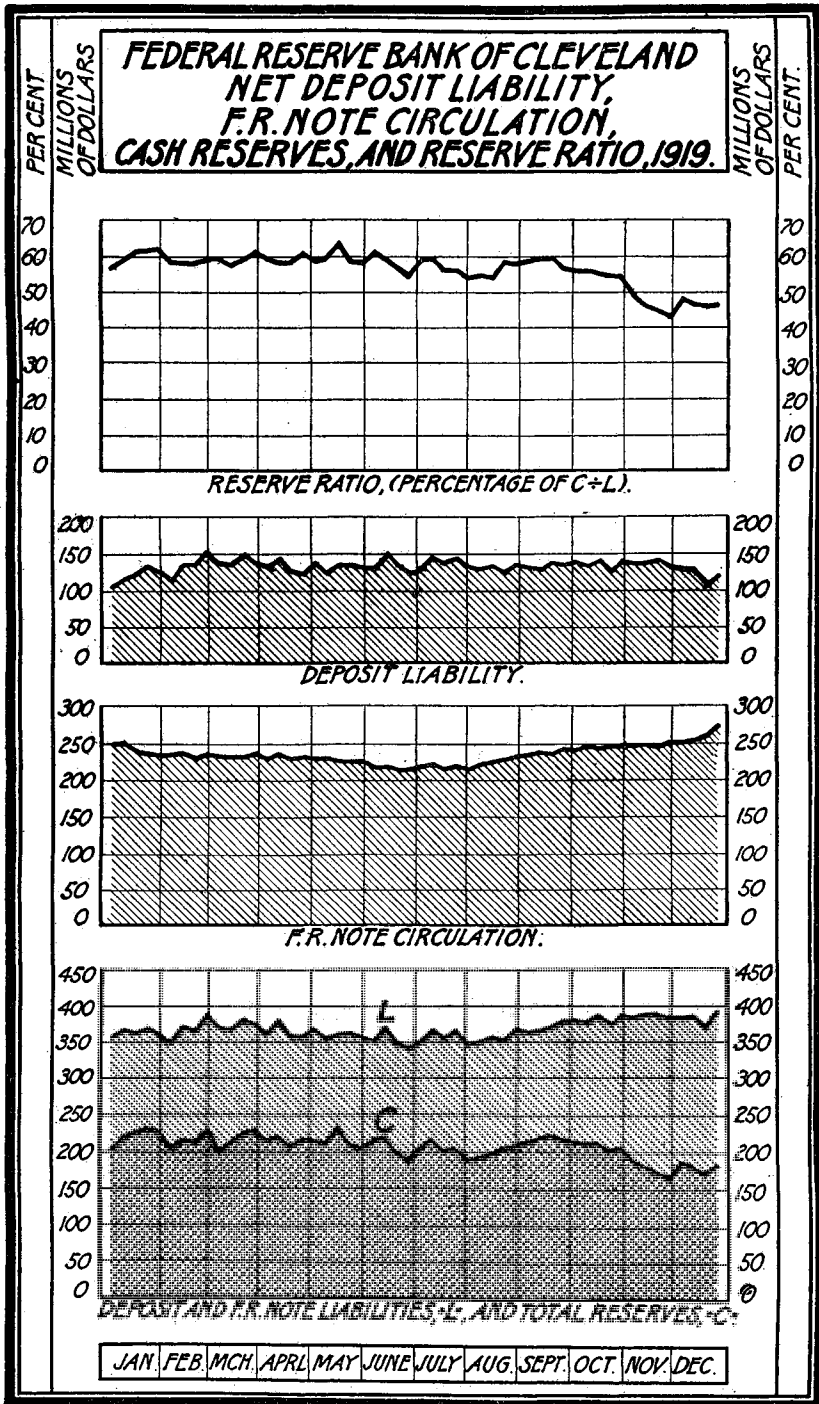


EXHIBIT B.—*Movement of gold and cash reserves, Federal Reserve note and net deposit liabilities, and the reserve percentage of the Federal Reserve Bank of Cleveland during the calendar year 1919.*

[In thousands of dollars.]

Date.	1 Gold reserves.	2 Cash reserves.	3 Federal Reserve notes in actual circulation.	4 Net deposits.	5 (3+4.)	6 Ratio of cash re- serves to net deposit and Federal Reserve note liabilities combined.
Jan. 3	199,626	200,855	248,670	107,343	356,013	56.4
10	216,445	217,690	249,933	117,076	367,009	59.3
17	221,407	222,875	239,606	121,756	361,362	61.7
24	225,986	227,658	235,564	132,742	368,306	61.8
31	222,857	224,466	231,153	128,746	359,899	62.4
Feb. 7	200,756	202,819	232,992	115,066	348,058	58.3
14	213,276	214,627	233,874	136,428	370,362	58.0
20	210,315	211,323	228,815	136,245	365,060	57.9
28	224,920	226,002	233,069	150,467	383,536	58.9
Mar. 7	218,791	220,054	230,950	138,410	369,360	59.6
14	208,602	219,685	229,761	135,963	365,724	57.3
21	222,308	223,409	229,590	149,040	378,630	59.0
28	226,911	228,000	232,642	139,307	371,949	61.3
Apr. 4	212,843	213,959	229,221	130,296	359,517	59.5
11	218,281	219,349	233,042	144,522	377,564	58.1
18	204,863	206,044	227,698	127,644	355,342	58.0
25	214,971	216,273	230,595	124,327	354,922	60.9
May 2	212,801	213,992	228,202	138,325	366,527	58.4
9	210,216	211,331	227,838	125,435	353,273	59.8
16	228,947	230,134	225,171	135,238	360,409	63.9
23	208,321	209,391	224,788	135,000	359,788	58.2
29	204,821	205,826	223,599	131,300	354,899	58.0
June 6	213,014	214,118	218,094	130,530	348,624	61.4
13	215,832	216,771	217,934	150,693	368,627	58.8
20	197,361	198,229	213,454	134,872	348,326	56.9
27	183,462	184,400	214,663	123,163	337,826	54.6
July 3	202,564	203,363	217,567	129,461	347,028	58.6
11	216,305	217,179	220,142	144,485	364,627	59.6
18	197,947	198,857	215,948	138,189	354,137	56.2
25	201,873	202,771	218,794	143,402	362,196	56.0
Aug. 1	186,879	187,906	215,039	131,031	346,070	54.3
8	189,150	190,155	220,064	128,989	349,053	54.5
15	192,026	192,991	222,903	134,577	357,480	54.0
22	201,491	202,349	225,448	125,210	350,658	57.7
29	208,558	209,440	231,136	134,978	366,114	57.2
Sept. 5	209,787	210,543	231,449	130,292	361,741	58.2
12	216,704	217,556	237,017	128,134	365,151	59.6
19	220,264	221,142	233,862	136,101	369,963	59.8
26	214,671	215,583	242,280	134,374	376,654	57.2
Oct. 3	211,942	212,835	241,221	137,628	378,849	56.2
10	210,480	211,395	245,900	131,296	377,196	56.0
17	210,320	211,223	243,718	139,857	383,575	55.1
24	202,224	203,130	246,295	126,384	372,679	54.5
31	205,923	206,864	243,740	139,675	383,415	54.0
Nov. 7	185,120	185,991	246,549	134,558	381,107	48.8
14	178,356	179,181	248,089	135,384	384,464	46.6
21	171,100	171,978	245,484	139,921	385,405	44.6
28	163,953	164,790	251,011	130,744	381,755	43.2
Dec. 5	181,572	182,485	250,384	130,282	380,666	47.9
12	178,324	179,030	255,337	126,736	384,073	46.6
19	169,118	169,786	260,188	109,795	369,983	43.9
26	181,253	181,786	272,884	119,706	392,590	46.3





## EXHIBIT C.—Statement of condition of the Federal Reserve Bank of Cleveland.

	Dec. 31, 1919.	Dec. 31, 1918.
<b>RESOURCES.</b>		
Gold redemption fund, Federal Reserve notes.....	\$1, 872, 462. 24	\$1, 368, 280. 00
Gold with Federal Reserve agent.....	128, 794, 225. 00	138, 277, 370. 00
Gold settlement fund.....	43, 848, 018. 81	52, 125, 485. 35
Gold coin and certificates.....	4, 870, 097. 50	12, 865, 862. 50
Gold with foreign agencies.....	10, 768, 257. 35	524, 598. 71
Gold in transit for redemption.....	475, 500. 00	391, 322. 50
Total gold reserve.....	190, 628, 560. 90	205, 552, 919. 06
Legal tender notes and silver certificates and coin.....	635, 770. 45	850, 959. 55
Legals and silver in transit for redemption.....	77, 100. 00	276, 004. 00
Total cash reserve.....	191, 341, 431. 35	206, 679, 882. 61
Federal Reserve notes on hand.....	17, 355, 115. 00	14, 147, 660. 00
Federal Reserve Bank notes on hand.....	460, 010. 00	869, 385. 00
Nickels and cents.....	1, 376. 15	695. 38
Our mutilated Federal Reserve notes forwarded for redemption.....	1, 732, 565. 00	589, 720. 00
Due from Treasurer United States 5 per cent fund (Federal Reserve Bank notes).....	1, 122, 000. 00	531, 800. 00
Overdrafts.....	39, 976. 71	1, 725. 73
Total.....	20, 711, 042. 36	16, 140, 986. 11
National bank notes and notes of other Federal Reserve Banks.....	3, 456, 640. 00	4, 275, 119. 00
Unassorted currency.....	3, 185, 787. 00	.....
Uncollected transit items.....	77, 055, 466. 83	58, 554, 835. 47
Total deductions from gross deposits.....	83, 697, 893. 83	62, 829, 954. 47
Bills discounted.....	63, 043, 012. 89	28, 412, 284. 55
Member banks' collateral notes.....	101, 474, 120. 00	77, 339, 400. 00
Rediscounts for other Federal Reserve Banks.....	.....	21, 583, 497. 09
Acceptances purchased.....	48, 606, 679. 40	37, 445, 215. 53
United States bonds and securities:		
2 per cent Treasury special certificates of indebtedness to secure circulation.....	23, 299, 000. 00	9, 458, 000. 00
3 per cent 1-year Treasury notes.....	.....	1, 202, 000. 00
3 per cent conversion bonds.....	414, 800. 00	414, 800. 00
3½ per cent Liberty loan bonds.....	16, 200. 00	266, 200. 00
4½ per cent Liberty loan bonds.....	402, 400. 00	403, 550. 00
3½ per cent Victory loan bonds.....	10, 100. 00	.....
4½ per cent Victory loan bonds.....	150. 00	.....
4½ per cent certificates of indebtedness.....	284, 000. 00	1, 065, 500. 00
Total earning assets.....	237, 550, 462. 29	177, 590, 447. 17
Interest accrued on United States securities.....	226, 732. 80	58, 514. 53
War loan expenses advanced.....	330, 385. 98	766, 785. 38
Liberty loan bonds sold on installment plan to employees.....	.....	24, 300. 00
Other deferred charges.....	2, 362. 28	17, 646. 11
Difference account.....	193. 76	.....
Real estate owned.....	640, 000. 00	.....
Total resources.....	534, 500, 505. 15	464, 108, 516. 38
<b>LIABILITIES.</b>		
Federal Reserve notes outstanding.....	283, 801, 770. 00	266, 519, 915. 00
Federal Reserve Bank notes outstanding.....	22, 491, 000. 00	10, 600, 000. 00
Total currency outstanding.....	306, 292, 770. 00	277, 119, 915. 00
United States Government deposits.....	1, 675, 111. 23	749, 987. 69
Member banks' reserve accounts.....	129, 415, 061. 66	123, 423, 976. 31
Contracts to deliver Liberty bonds sold employees.....	.....	13, 128. 00
Official checks and drafts outstanding.....	200, 015. 64	196, 072. 59
Foreign Government credits.....	5, 928, 112. 60	.....
Collected funds on deposit.....	137, 218, 301. 13	124, 383, 164. 59
Deferred availability items.....	71, 603, 531. 00	49, 581, 406. 40
Gross deposits.....	208, 821, 832. 13	173, 964, 570. 99
Reserved for taxes on Federal Reserve Bank notes.....	45, 055. 98	.....
Reserved for depreciation on United States bonds.....	89, 450. 85	84, 406. 79
Reserved for Federal Reserve Board expenses, 1920.....	46, 554. 88	.....
Reserved for franchise tax <sup>1</sup> .....	.....	<sup>1</sup> 1, 776, 000. 00
Capital paid in.....	9, 532, 950. 00	9, 072, 700. 00
Surplus fund.....	9, 089, 000. 00	1, 776, 000. 00
Unearned discount and interest.....	582, 891. 31	314, 121. 08
Other liabilities (difference account).....	.....	802. 52
Total liabilities.....	534, 500, 505. 15	464, 108, 516. 38

<sup>1</sup>This amount was transferred to surplus account Mar. 3, 1919, as provided by an amendment to the Federal Reserve Act approved that day.

## DISTRICT NO. 5.—RICHMOND.

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CALDWELL HARDY, Chairman and Federal Reserve Agent.

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### INTRODUCTION.

The past year has been one of high prices, marked business activity and prosperity, the transactions of the Federal Reserve Bank reflecting these conditions and reaching unprecedented proportions. This increase is the natural sequence of high prices and the corresponding growth of business among its member banks. It evidences also the value of the service rendered to the member banks. Such irregularities and uncertainties as have existed have had no apparent effect in lowering prices or even checking advances in many cases. The progress of readjustment to normal prices and conditions has been disappointing.

The decline in Government financing has not led to the liquidation of bank loans which should have been incident thereto. The year closes with banking and commercial credits expanded to such unprecedented proportions as to call forth repeated warnings from the Federal Reserve Board and banks. These have been followed by the raising of discount rates, with the view to checking further expansion, encouraging liquidation, and strengthening reserves.

### GENERAL REVIEW OF THE SERVICES AND ACTIVITIES DURING 1919.

The discounting of paper is the most important service rendered to member banks, and the discount operations of the Federal Reserve Bank of Richmond during 1919 have therefore constituted the most important part of its activities and show a very large increase over the preceding year. At the beginning of the year 1919 there were 565 member banks. During the year there was an addition to membership of 19, making 584 members at the close. During the year, 415, or 72 per cent of the average number of member banks, were accommodated through the discount or purchase of paper, which aggregated in amount \$4,184,000,000. In addition to this, \$5,000,000 of paper was purchased from other Federal Reserve Banks, making the total volume of discount operations \$4,189,000,000, as compared with \$2,231,000,000 for the year 1918, an increase of 88 per cent. Of the total volume of paper discounted and bought during the current year, \$3,983,000,000, or 95 per cent, was secured by Government war obligations. This high percentage is due to the fact that bills secured by Government war obligations are discounted for not exceeding 15 days and renewals are therefore more frequent. In evidence of this, the balance of bills secured by Government war obligations held at the close of business December 31, 1919, were 67 per cent of our total bill holdings. It indicates that Government

bonds have not been fully absorbed by the subscribers, loans on them being largely responsible for the continued expansion of credits, so much in evidence. The daily average amount of bills discounted and bought during 1919 was \$13,871,000, compared with \$7,339,000 for the year 1918.

The clearing facilities offered its members by the bank are doubtless next in importance to the discounting privilege in point of service to them. Total clearings during 1919 almost doubled those of the year 1918. The transit department during 1919 handled 20,934,355 items, amounting to a total of \$9,304,179,945, as compared with 12,020,068 items, amounting to \$7,113,475,300 in 1918. The average amount per item during 1919 was \$445, as compared with \$591 during 1918. This is no doubt accounted for by collecting for a number of small new member banks and collecting on a considerably increased number of small banks which have been added to our par collection list. It may also be pointed out in this connection that the above clearing figures for 1919 do not include 79,627 cash letters containing approximately 5,000,000 items, amounting to \$1,596,000,000, which were sent direct by our member banks to other Federal Reserve Banks and branches. As the direct routing of letters was not as much practiced during 1918 by our member banks, the clearing operations have in reality increased during 1919 to a larger extent than the above comparative figures would indicate. During 1919, we actually handled in our transit department a daily average of 69,319 items, amounting to \$30,808,543, as compared with the daily average during 1918 of 39,540 items, amounting to \$23,399,589. The largest number handled on any one day during 1919 was 122,529.

In addition to the two foregoing functions, there are other very important services which have been rendered to the member banks in the fifth district in 1919, to a proportionately increased extent, viz:

(a) Receipts and shipments of currency from and to banks in the fifth district.

(b) The use of our private leased wires for the transaction of business wherever possible to do so.

(c) Wire transfers of funds.

(d) Payment of interest coupons from United States bonds.

(e) The cutting and crediting of interest coupons from bonds pledged with the Federal Reserve Bank as collateral or for safe-keeping.

(a) During the year 1919, the bank received \$169,276,368 of currency from banks in the fifth district, and during the same period, shipped to banks in the fifth district \$177,320,587. Of the above figures, \$1,002,962 was received from nonmember banks and \$344,679 was shipped to nonmember banks. It is apparent from these figures that practically all of this service was rendered to member banks and that nonmember banks were benefited to a negligible extent.

(b) Our private leased wires were used freely for the benefit of our member banks, and wherever it has been possible to transact business for them over these wires the service has been rendered without cost to them. This system of leased wires between all Federal Reserve Banks and branches has made possible the collection of checks all over the United States for our member banks in approximately half the time necessary to collect items under the

old mail system. Checks on other Federal Reserve districts are cleared through the gold settlement fund, which is held by the Federal Reserve Board at Washington, in which each Federal Reserve Bank participates, and items on Federal Reserve Bank and branch cities are credited through this fund upon the day of receipt by the other Federal Reserve Bank or branch. During the year 1919 we received from other Federal Reserve Banks, through daily clearings, \$5,575,000,000, and paid to other Federal Reserve Banks for items on the fifth district, through daily clearings, \$5,472,000,000. It is also interesting to note that during the year 1918, we cleared through the gold settlement fund checks on other Federal Reserve Banks amounting to \$2,401,000,000 and paid through this fund checks on the fifth district amounting to \$2,328,000,000. The amount cleared in 1919 more than doubled the amount cleared in 1918 and evidences the increasing extent to which the facilities of the Federal Reserve Banks are being used by members.

(c) During the year 1919 the Federal Reserve Bank of Richmond sent 21,935 messages to other Federal Reserve Banks and branches and to Government headquarters at Washington over its private leased wires, and, during the same period, received from the same points 23,103 messages, making a total of 45,038 messages thus handled during the year. Of this total number of messages, 15,105, or 34 per cent, were messages transferring funds for account of our member banks, comprising 6,502 transfers for our member banks to banks in other Federal Reserve districts, amounting to \$456,000,000, and 8,603 transfers to banks in the fifth district from banks in other Federal Reserve districts, amounting to \$653,000,000. These amounts were transferred without delay and without cost to our members.

(d) During the year 1919 the bank received and paid in number 1,913,883 interest coupons from United States securities aggregating \$9,194,218.

(e) During the same period our custodian of securities clipped 306,747 coupons amounting to \$3,010,712 from securities in his possession, pledged by banks as collateral or for safe-keeping, and the amounts were credited to banks owning the securities without trouble or expense to them.

#### FINANCIAL RESULTS OF OPERATION.

The financial operations during 1919 exceeded expectations, resulting in a very large increase in earnings. The total resources at the close of business December 31, 1919, were \$312,867,517, while at the close of 1918 the total resources were \$241,967,082, the increase during the following year being 29.3 per cent. Productive assets at the close of business 1919 were \$134,901,780, and at the close of 1918 they were \$97,724,639, an increase of 38.1 per cent. The increase in productive assets is reflected in gross earnings, which were \$4,775,324 for 1919, as compared with \$2,979,048 for 1918, an increase of 60.3 per cent. Expenses during 1919 were \$911,927 and during 1918 expenses were \$653,820, an increase of 39.5 per cent. It is noted that the ratio of increase in expenses has not kept pace with the ratio of increase in gross earnings. It is also interesting to note that while gross earnings increased 60.3 per cent, the avera

annual rate of earning on productive assets was less for 1919 than for 1918, being 0.0416 for 1919 and 0.0429 for 1918. Likewise the average rate of discount charged on notes discounted for members was reduced from 0.044 in 1918 to 0.043 in 1919. Surplus was increased from \$1,156,270 at the close of 1918 to \$5,820,463 at the close of 1919. While this is an actual increase in surplus of \$4,664,193, a part of the increase consists of \$1,039,799 reserved for franchise tax at the close of business 1918, which was credited to surplus account during 1919 because of a revision of the Federal Reserve Act. The balance of the increase consisted of profits for the year 1919. Surplus at the close of 1919 is approximately a million and a half dollars in excess of paid-in capital stock. Total investment operations during the year 1919 were \$4,229,440,665, compared with \$2,264,563,936 during 1918, an increase of 87 per cent.

The following is a condensed statement of earnings and expenses for 1919:

	Daily holdings.	Daily earnings.	Total earnings.	Annual rate of earning.
Bills discounted.....	\$94,545,750	\$11,233	\$4,099,953	0.0434
Bills purchased.....	7,686,825	963	351,418	.0457
United States securities.....	9,206,479	508	185,293	.0201
Penalties and sundry profits.....		379	138,660	
Total.....	111,439,054	13,083	4,775,324	
Expenses.....			911,927	
Net earnings.....			3,863,397	

#### DISCOUNT OPERATIONS.

Discount operations during 1919 aggregated \$4,130,942,910, of which \$3,982,600,640, or 96.4 per cent, consisted of paper secured by Government war obligations.

Four hundred and fifteen member banks were accommodated during 1919 through the discount or purchase of paper, which number is 72 per cent of the average number of member banks in the district during the year. During 1918, 373, or 66 per cent of member banks, were accommodated. Ninety-five per cent of paper handled during 1919 was discounted for a period of 15 days or less.

Demands for credit by banks in this district during 1919 were probably heavier than in any other Federal Reserve district in proportion to the resources of the banks, and consequently the Federal Reserve Bank of Richmond drew upon the reserves of other districts to a larger extent than any other Reserve Bank. During the year it rediscounted with other Federal Reserve Banks \$842,945,500 of members' notes, the maximum amount under discount at any one time reaching \$55,000,000.

Member banks' liability for paper discounted reached the high-water mark the first part of August. At the close of business, August 4, members' paper discounted by or sold to the Federal Reserve Bank of Richmond amounted to \$156,000,000, of which the bank had rediscounted \$55,000,000 with other Federal Reserve Banks. On the



same date our members' reserves were \$54,000,000, or less than one-third of their total discounts with us, and actually less than the amount we had rediscounted with other Federal Reserve Banks. The fact is that when the Federal Reserve Bank of Richmond had discounted for its member banks to its full limit, without impairing its required reserve, it was able to continue meeting the demands of its member banks by drawing upon the reserves of other districts, where demands were not proportionately as heavy, to the extent of \$55,000,000.

The continuous increase of Federal Reserve notes outstanding from the low point of \$104,000,000 on August 21 to the peak of \$149,000,000 on December 23 and some liquidation during September and October in bills discounted enabled the bank to retire by October 27 all of its rediscounts with other Federal Reserve Banks. Further demands from members necessitated rediscounting on December 29 with other Federal Reserve Banks, and on December 31 the amount of such rediscounts was \$10,000,000.

#### ACCEPTANCES.

During 1919 the bank rediscounted \$9,082,378 of trade acceptances, a daily average for the year of \$30,074. On December 31, 1919, the balance held was \$2,320,376.

Open-market purchases of bankers' acceptances amounted to \$58,057,255, \$5,079,873 of which were purchased from the other Federal Reserve Banks. The total amount is classified as follows: Foreign, \$34,454,158; domestic, \$23,603,097.

#### RESERVE POSITION.

Exhibit B gives an analysis by weeks of net deposits, Federal Reserve notes, reserves, and reserve percentages for the year 1919. Net deposits were highest in the month of November, while Federal Reserve note circulation was highest during the month of December. Our reserve position was highest during November, an average percentage of 0.5036.

The following is a table of averages for the entire year of 1919:

Net deposits . . . . .	\$50, 852, 609
Federal Reserve notes, net . . . . .	124, 318, 643
Combined deposit and note liability . . . . .	175, 171, 252
Actual reserves held . . . . .	77, 911, 590
Percentage of reserve against combined liability . . . . .	0.4448
Percentage of reserve against Federal Reserve notes after fixing 35 per cent against deposits . . . . .	.4835

#### MOVEMENT OF MEMBERSHIP.

The number of national banks has increased in the year from 528 to 538, and State bank membership from 37 to 46. Total stock subscriptions have increased during the year from 81,244 (50 per cent paid—\$4,062,200) to 87,840 shares (50 per cent paid—\$4,392,000). State institutions have been admitted to membership as follows: Overlea Bank, Overlea, Md.; The Citizens Bank, Blackstone, Va.; Commerce Bank & Trust Co., Charlottesville, Va.; Merchants & Farmers Bank, Emporia, Va.; Bank of Commerce & Trusts, Rich-

mond, Va.; Independence Trust Co., Charlotte, N. C.; The Peoples Bank, New Bern, N. C.; Citizens Bank & Trust Co., Rock Hill, S. C.; The Home Bank, St. Matthews, S. C. The capital and surplus of the nine new members is \$1,928,000 and their total resources about \$12,000,000.

The number of nonmember banks in the district on December 31, 1919, is 1,480, of which about 600 have sufficient capital and surplus to make them eligible for membership.

#### RELATIONS WITH MEMBER BANKS.

The pressure for accommodation from some members has made the application of some restraint necessary, but all needs of the district have been liberally taken care of.

During the year we have organized an efficient examination department, have established cordial relations with the various State bank examiners of the district and also with the banks examined, and have made the following examinations:

State bank members examined (joint with State authorities).....	24
State bank members examined (by Federal Reserve examiners).....	4
National banks examined (joint by national bank examiners and Federal Reserve examiners).....	4
	4
Total examinations by Federal Reserve examiners.....	32

(This number does not include four branches of member banks which have been examined by Federal Reserve examiners.)

We have also given special attention to visiting members, and these visits have effected a better understanding of the Federal Reserve System. Three hundred and twenty-seven visits to 278 banks have been made by representatives of the Richmond bank (127 members and 151 nonmembers). Representatives of this bank also visited 16 of the principal cities in the district and explained to the representatives of 60 member banks the use of the immediate credit symbol. The immediate credit symbol is a copyrighted device, the use of which is granted to member banks under special contract. Customers' checks bearing the symbol are accepted for immediate credit and charged at once to the member bank's reserve account in accordance with the terms of the special contract. Authority to use the immediate credit symbol has been granted to 27 banks.

During the year two State bank members filed notices of withdrawal from the Federal Reserve System and a third announced its intention of withdrawing and asked for instructions as to the procedure to be followed. In all three cases our representatives promptly called on the officers of the banks for the purpose of discussing the situation with them. A number of suggestions were made and a few small difficulties smoothed out. In all three cases the banks decided that it was to their interest to remain in the system.

During the year representatives of this bank have appeared before the directors of five nonmember banks for the purpose of discussing State bank membership in the Federal Reserve System. Applications were received from all five banks.

## NOTE ISSUES.

The high-water mark with respect to Federal Reserve notes in circulation was reached on December 23 of both the years 1918 and 1919, and declined to a slightly smaller volume by December 31 of each year, as shown in the following table:

	1918	1919
In circulation Dec. 23.....	\$139,589,740	\$149,396,320
Balance Dec. 31.....	137,478,030	145,765,320

These notes declined from \$139,589,740 on December 23, 1918, to \$137,478,030 on December 31, and continued to decline in volume until August 21, 1919, when they reached \$104,071,515, which was low-water mark for the year. In 1919 they duplicated the previous year's movement by declining from \$149,396,320 on December 23 to \$145,765,320 on December 31, and it may be safely predicted that they will continue to decline during 1920, as they did during 1919, and reach low-water mark some time during the summer of 1920.

Federal Reserve bank notes outstanding on December 31, 1919, amounted to \$12,216,000, of which \$158,050 were held by the bank, leaving a balance of \$12,057,950 in actual circulation. These were secured by \$12,260,000 United States 1-year certificates of indebtedness.

## INTERNAL ORGANIZATION.

At the close of the year 1919 the number of employees of the bank was 401, which includes 103 at the Baltimore branch and 23 in the war loan organization.<sup>1</sup> This number (401 employees) is composed of 179 men and 222 women. The continued growth of the bank has necessitated a corresponding expansion in its official and clerical force. The transit department alone has doubled its force from 79 to 157, and, in addition to other details, handled about 21,000,000 items, compared with about 12,000,000 in 1918. At the close of 1918, there were 254 employees, including 64 at the Baltimore branch. The increase in employees at the close of business, compared with the opening of the year, is 58 per cent.

During the year the following additions were made to the official force: Edward Waller, jr., assistant cashier, and J. S. Walden, jr., auditor, vice W. E. Cadwallader, comptroller, retired.

John F. Bruton, of Wilson, N. C., was reelected a class A director for a period of three years, to succeed himself, and James F. Oyster of Washington, D. C., was reelected a class B director for a period of three years, to succeed himself.

The bank has continued to occupy the two store buildings, Nos. 1107 and 1109 East Main Street, with its bond delivery department at No. 1016 East Main Street and its war loan organization at No. 809 East Main Street. These quarters, which were referred to in the 1918 report as being inadequate, have become increasingly so,

<sup>1</sup> The war loan organization was materially reduced at the end of the year 1919. In July of that year, there were approximately 100 employees engaged in the work.

and necessarily hamper efficiency in the handling and dispatch of business, to say nothing of comfort and hygienic conditions.

Plans for the erection of an adequate building at the corner of Franklin and Ninth Streets, referred to in the last annual report, were adopted in the spring, and the necessary expenditure of about \$1,500,000, including vaults, mechanical equipment, furniture, and fixtures, was authorized by the Federal Reserve Board. A contract for the work was entered into and work commenced early in June.

#### BALTIMORE BRANCH.

The volume of business transacted by the Baltimore branch during the past year, which is included in the total transactions of the bank, shows a large increase, corresponding in proportion to the general business throughout the district. This increase has necessitated corresponding additions to the force, which has been increased from 64 on January 1 to 101 at the close of the year, 51 of whom are men and 50 women.

During the year 58 banks in West Virginia, chiefly along the line of the Baltimore & Ohio Railroad, have been authorized to transact their business with the branch, and the facilities offered these banks and the banks in Maryland have apparently been very satisfactory to them.

#### GOLD SETTLEMENT FUND.

The operations in the gold settlement fund during the year 1919 have shown an immense increase. During the year 1919 we received through this fund \$6,521,746,000 and disbursed \$6,510,799,000. These figures compare with \$2,530,904,000 of receipts and \$2,538,751,000 of disbursements during the year 1918. It will be seen that the amounts for 1919 are more than two and a half times those for 1918. The Federal Reserve Bank clearings through this fund amounted to \$11,046,630,000, as compared with \$4,729,196,000 for the year 1918.

#### CAMPAIGN FOR PAR POINTS.

While progress in the direction of universal par collection has been rapid in all parts of the district, there are still a considerable number of banks in the Virginias and Carolinas that have not yet signified their willingness to do their part in bringing about the universal par collection of checks. The District of Columbia has been all par since shortly after the inauguration of the Federal Reserve System, and the State of Maryland (with 264 banks) became all par during July, 1919.

The following statement clearly shows the present situation for the whole country, and the progress that is being made:

Of the 29,586 banks and bankers in the country, 25,571 are on the par list. Checks drawn on all banks and bankers situated in 31 States are now collectible at par, as compared with 17 States a year ago. Six Federal Reserve districts out of 12 are now all par. This means that items drawn on over 86 per cent of the total number of banks and bankers throughout the entire country can be received for collection and credit by the Federal Reserve Banks. During the calendar year 1919 6,581 banks were added to the par list, leaving only 4,015, or 14 per cent of the whole, whose checks can not yet be collected at par.

*Summary of activities.*

	1919	1918
Paper discounted and bought.....	\$4,189,000,165	\$2,230,942,037
Banks accommodated (number).....	415	373
Investments in United States securities.....	\$40,440,000	\$33,621,900
Clearings with other Federal Reserve Banks through gold settlement fund.....	\$11,046,620,000	\$1,729,196,000
Transit operations:		
Number of checks.....	20,934,355	12,020,068
Amount.....	\$9,304,179,945	\$7,113,475,300
Currency receipts:		
From banks in fifth district.....	\$169,276,368	
From other Federal Reserve Banks.....	\$70,805,815	\$31,113,635
Currency shipments:		
To banks in fifth district.....	\$177,370,587	
To other Federal Reserve Banks.....	\$72,911,000	\$26,603,050
Telegraphic transfers of money for member banks:		
Number.....	15,105	
Amount.....	\$1,108,348,803	
Total number of telegrams sent and received over private wire.....	45,038	
Bond coupons clipped for customer banks:		
Number.....	306,747	
Amount.....	\$3,010,712	
Interest coupons from United States securities received and paid:		
Number.....	1,913,888	
Amount.....	\$9,194,218	

## FISCAL AGENCY OPERATIONS.

The scheme of organization for the Victory Liberty loan differed from that followed in previous campaigns in being under the active direction of a volunteer chairman, appointed by the governor of the Federal Reserve Bank, and in having a much larger executive staff of paid workers at district headquarters than in any previous campaign.

This paid organization numbered at one time approximately 100 people, including some 25 traveling representatives, together with branch offices in Washington, Baltimore, and Huntington. After the Victory loan was over and the war savings movement was better organized, this paid staff was gradually reduced to 24 people, beginning with January 1, 1920.

As was the case in the fourth loan, the county was made the unit of organization during the Victory loan, the chairmen for the counties being appointed by the State chairmen subject to the approval of the district chairman. Each of the county chairmen appointed committees to look after the publicity, the securing of subscriptions, and the handling of all work in connection with the loans in their respective counties. District chairmen were appointed by several of the State chairmen to supervise the work in groups of counties.

Before the beginning of the Victory Liberty loan campaign each State in the district held a conference of its Liberty loan workers and plans of organization were thoroughly worked out and definitely decided upon. All the State and local chairmen were volunteers, quite a number of whom not only contributed liberally of their time but also paid considerable portions of the expenses incident to their work.

Apportionments to the Victory Liberty loan were assigned to all individual banking institutions and trust companies of the district based on total banking resources as of December 31, 1918, the latest

figures available. The county apportionments were based on the total banking resources of the counties and on population.

The fifth district's quota for the Victory loan was \$210,000,000; the district's subscriptions aggregated \$225,146,850, an oversubscription of 7.2 per cent. The number of subscribers totaled 574,967. The following table gives the record of the fifth district as a whole in each of the five Liberty loans:

	Quota.	Subscribed.	Per cent of quota subscribed.
First loan.....	\$88,000,000	\$109,737,100	124.6
Second loan.....	120,000,000	201,212,500	167.6
Third loan.....	130,000,000	186,259,050	143.3
Fourth loan.....	280,000,000	352,685,200	125.9
Victory loan.....	210,000,000	225,146,850	107.2
Total.....	828,000,000	1,075,040,700	129.8

During 1919, United States Treasury certificates of indebtedness issued in anticipation of the Victory Liberty loan, of 1919 taxes, of 1920 taxes, and of 1920 loans were sold in an aggregate total of \$306,575,000, while subscriptions to Victory notes allotted aggregated \$210,889,300. War savings stamps, thrift stamps, and Treasury savings certificates were sold through the Federal Reserve Bank (exclusive of post office sales) in an aggregate amount of \$499,383.69. This makes a total aggregate subscription to Government securities during the year of \$517,963,683.69, exclusive of War Finance bonds sold totaling \$3,545,000.

#### GENERAL BUSINESS AND BANKING CONDITIONS.

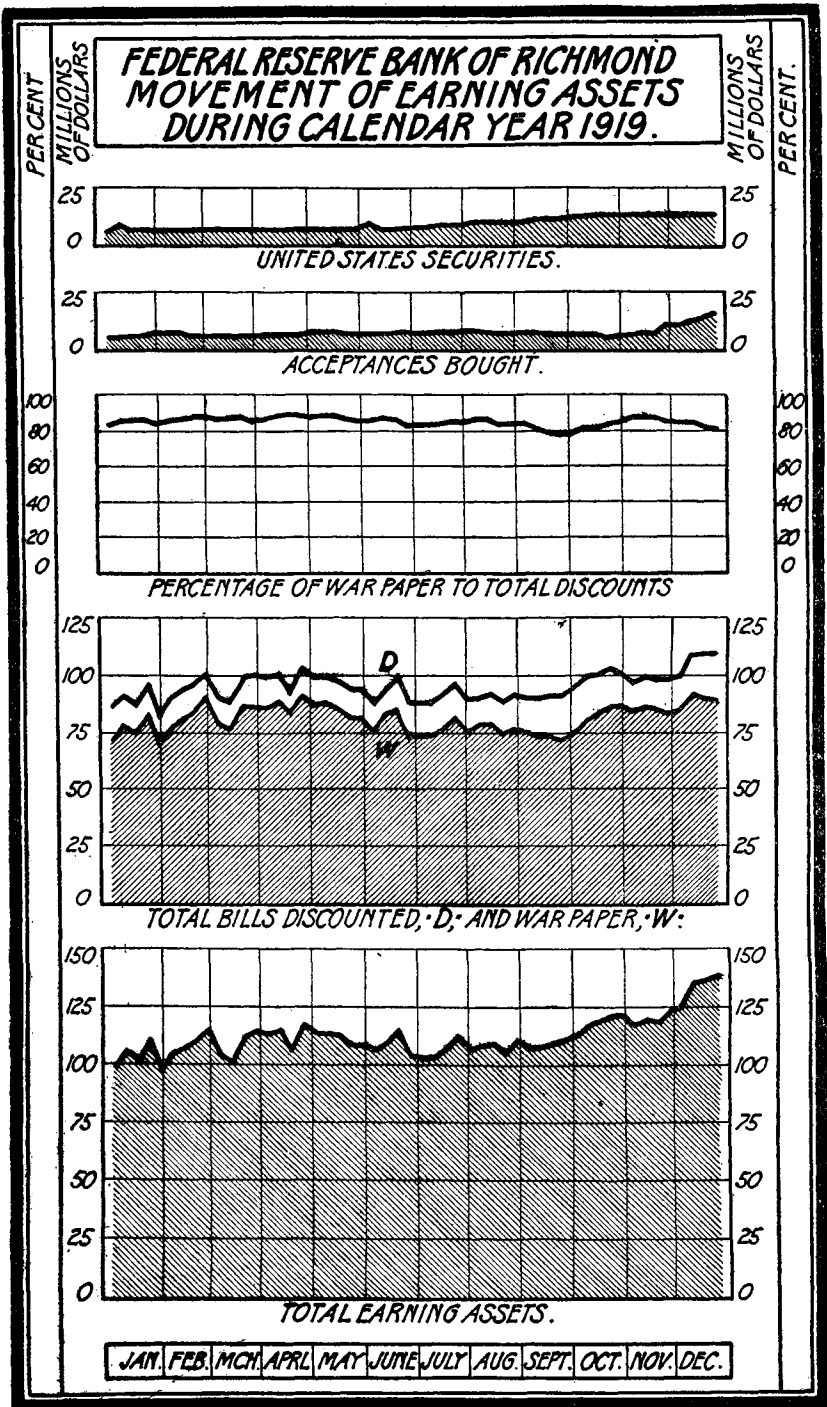
Unprecedented prosperity has been the outstanding characteristic of business—agricultural, commercial, and manufacturing—throughout the district during the past year. In the agricultural portion of the district this has resulted primarily from the high prices realized from cotton at 35 to 40 cents per pound, high grades and long staples selling for double these prices, and tobacco at 30 to 50 cents per pound, high grades selling up to \$1 and more per pound. Cotton products have sold at proportionately even higher prices, yielding enormous profits to manufacturers, and mill properties and shares have changed hands at dangerously speculative prices. Sales of farm lands have been active at an advance over normal prices, based on the inflated value of crop returns for the year. These operations have created a large volume of farm paper, and more of this than is desirable has probably found its way into the banks.

The year closes with a realization of the necessity for the curtailing of credits, but with confidence in the fundamental soundness of general business and the belief that conservatism in the direction of our affairs will insure satisfactory results for the coming year.

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of Richmond during the calendar year 1919.*

[In thousands of dollars.]

Date.	1 Dis- counted paper se- cured by United States war obli- gations.	2 Other dis- counted paper.	3 1+2.	4 Per cent 1+3.	5 Bills bought in open market.	6 Total bills dis- counted and bought.	7 United States securities.	8 Total earning assets.
Jan. 3 . . . . .	71,989	14,088	86,077	83.6	5,943	92,020	6,033	98,053
Jan. 10 . . . . .	77,936	12,732	90,668	86.0	6,470	97,138	8,533	105,671
Jan. 17 . . . . .	75,206	11,877	78,073	86.4	7,134	94,217	6,533	100,750
Jan. 24 . . . . .	83,296	12,500	95,896	86.9	7,433	103,289	6,533	109,822
Jan. 31 . . . . .	70,034	13,040	83,074	84.3	7,614	90,688	6,533	97,221
Feb. 7 . . . . .	77,286	12,563	89,849	86.0	7,714	97,563	6,533	104,096
Feb. 14 . . . . .	81,019	12,008	93,027	87.1	7,619	100,646	6,533	107,179
Feb. 20 . . . . .	84,477	11,480	95,957	88.0	7,085	103,042	6,609	109,651
Feb. 28 . . . . .	89,656	10,913	100,549	89.1	7,134	107,683	6,609	114,292
Mar. 7 . . . . .	78,761	11,671	90,432	87.1	6,568	97,000	6,609	103,609
Mar. 14 . . . . .	77,648	10,649	87,997	87.8	6,610	94,607	6,609	101,216
Mar. 21 . . . . .	86,789	11,888	98,697	87.9	6,932	105,629	6,609	112,238
Mar. 28 . . . . .	86,556	13,798	100,354	86.2	7,155	107,509	6,609	114,118
Apr. 4 . . . . .	86,182	12,902	99,084	87.0	7,420	106,504	6,609	113,113
Apr. 11 . . . . .	89,157	11,112	100,269	88.9	7,170	107,439	6,584	114,023
Apr. 18 . . . . .	83,680	9,472	93,152	89.8	6,705	99,857	6,584	106,451
Apr. 25 . . . . .	91,138	11,692	102,830	88.6	7,474	110,304	6,584	116,888
May 2 . . . . .	86,677	12,010	98,687	87.8	7,578	106,265	6,584	112,859
May 9 . . . . .	87,626	11,237	98,863	88.4	7,655	106,418	6,694	113,112
May 16 . . . . .	85,677	11,547	97,224	88.1	7,740	104,964	6,694	111,658
May 23 . . . . .	81,413	12,190	93,603	87.0	7,083	100,686	7,094	107,780
May 29 . . . . .	81,594	12,503	94,097	86.7	6,780	100,857	7,094	107,951
June 6 . . . . .	76,132	12,138	88,270	86.2	7,393	95,663	10,394	106,057
June 13 . . . . .	82,852	11,587	94,439	87.7	6,961	101,400	7,494	108,894
June 20 . . . . .	84,764	13,956	98,720	85.9	6,661	105,381	7,494	112,875
June 27 . . . . .	73,349	14,826	88,175	83.2	7,744	95,919	7,594	103,513
July 3 . . . . .	72,741	15,060	87,801	82.8	7,194	94,995	7,894	102,889
July 11 . . . . .	73,121	14,847	87,968	83.1	6,987	94,955	8,094	103,049
July 18 . . . . .	76,725	15,106	91,831	83.5	6,711	98,542	8,594	107,136
July 25 . . . . .	82,053	13,916	95,969	85.5	7,868	103,837	8,644	112,481
Aug. 1 . . . . .	76,296	13,595	89,891	84.9	8,290	98,181	9,129	107,310
Aug. 8 . . . . .	77,448	12,353	89,801	86.2	7,978	97,779	9,729	107,508
Aug. 15 . . . . .	78,939	12,585	91,524	86.2	7,473	98,997	9,729	108,726
Aug. 22 . . . . .	73,373	14,272	87,645	83.7	7,425	95,070	9,729	104,799
Aug. 29 . . . . .	77,422	14,888	92,310	83.9	7,002	99,312	10,229	109,541
Sept. 5 . . . . .	75,143	14,841	89,984	83.5	7,254	97,238	10,229	107,467
Sept. 12 . . . . .	73,246	16,647	89,893	81.5	7,212	97,105	10,229	108,334
Sept. 19 . . . . .	72,097	20,191	92,288	78.1	5,982	97,503	11,294	108,797
Sept. 26 . . . . .	75,099	20,312	95,411	78.7	6,329	98,617	11,294	109,911
Oct. 3 . . . . .	80,471	18,641	99,112	81.2	6,022	101,433	11,794	113,227
Oct. 10 . . . . .	83,178	18,013	101,191	82.1	5,663	104,775	12,394	117,169
Oct. 17 . . . . .	85,780	17,125	102,905	83.4	5,577	106,768	12,594	119,362
Oct. 24 . . . . .	87,627	17,787	102,414	85.5	5,357	108,262	12,894	121,156
Oct. 31 . . . . .	84,580	12,666	97,246	87.0	5,889	108,297	12,894	121,191
Nov. 7 . . . . .	86,531	12,571	99,102	87.3	6,469	108,715	12,894	116,609
Nov. 14 . . . . .	84,986	12,598	97,584	87.1	7,175	104,759	13,094	117,853
Nov. 21 . . . . .	83,560	14,340	97,900	85.4	11,810	109,710	13,095	122,805
Nov. 28 . . . . .	84,478	16,324	99,802	84.6	12,004	111,806	13,405	125,211
Dec. 5 . . . . .	91,548	15,280	107,828	84.8	13,241	121,069	13,495	134,564
Dec. 12 . . . . .	89,406	18,179	108,585	82.3	14,394	122,979	13,495	136,474
Dec. 19 . . . . .	87,901	20,760	108,661	80.9	16,031	124,692	13,495	138,187





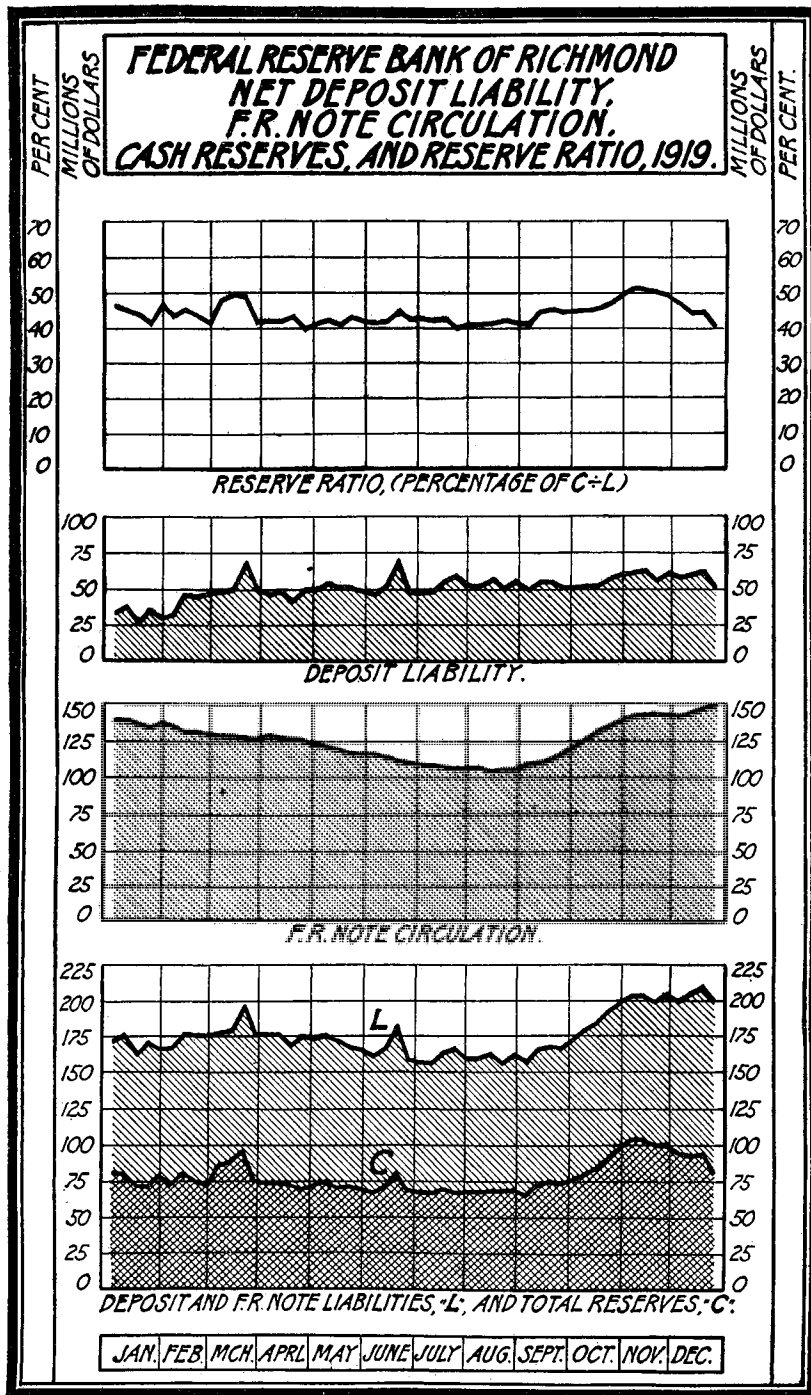


EXHIBIT B.—*Movement of gold and cash reserves, Federal Reserve note and net deposit liabilities, and the reserve percentage of the Federal Reserve Bank of Richmond during the calendar year 1919.*

[In thousands of dollars.]

Date.	1 Gold reserves.	2 Cash reserves.	3 Federal Reserve notes in actual circulation.	4 Net deposits.	5 3+4.	6 Ratio of cash reserves to net deposit and Federal Reserve note liabilities combined
Jan. 3.....	79,793	79,966	137,582	33,144	170,726	46.8
Jan. 10.....	78,960	79,166	137,822	37,461	175,283	45.2
Jan. 17.....	71,288	71,528	136,403	25,710	162,113	44.1
Jan. 24.....	70,886	71,074	133,727	36,718	170,445	41.7
Jan. 31.....	77,328	77,551	136,070	29,072	165,142	47.0
Feb. 7.....	72,926	73,130	133,892	32,530	166,422	43.9
Feb. 14.....	79,483	79,714	130,958	45,018	175,976	45.3
Feb. 20.....	76,140	76,404	130,661	44,189	174,850	43.7
Feb. 28.....	72,246	72,499	128,595	46,596	175,191	41.4
Mar. 7.....	84,455	84,691	128,544	48,415	176,959	47.0
Mar. 14.....	87,864	88,023	127,679	50,011	177,690	49.5
Mar. 21.....	94,779	95,212	127,441	68,467	195,908	48.6
Mar. 28.....	74,696	75,054	126,198	51,198	177,396	42.3
Apr. 4.....	73,833	74,317	128,946	47,327	176,273	42.2
Apr. 11.....	73,775	74,322	127,604	48,855	176,459	42.1
Apr. 18.....	72,392	72,979	125,792	42,474	168,266	43.4
Apr. 25.....	68,946	69,489	125,391	49,383	174,774	39.8
May 2.....	71,163	71,720	123,311	49,523	172,834	41.5
May 9.....	73,699	74,148	121,152	53,977	175,129	42.3
May 16.....	70,335	70,659	118,764	52,639	171,403	41.0
May 23.....	71,667	72,103	115,902	51,504	167,406	43.1
May 29.....	68,914	69,313	115,484	49,140	164,624	42.1
June 6.....	66,854	67,253	114,780	45,913	160,693	41.9
June 13.....	69,528	69,933	112,964	52,923	165,887	42.2
June 20.....	79,641	80,091	110,852	69,247	180,099	44.5
June 27.....	67,215	67,667	109,630	48,461	158,091	42.8
July 3.....	66,527	66,970	109,640	46,789	156,429	42.8
July 11.....	65,592	66,087	107,699	48,105	155,804	42.4
July 18.....	68,905	69,408	106,877	55,809	162,686	42.7
July 25.....	65,316	65,840	105,735	58,783	164,518	40.0
Aug. 1.....	65,291	65,814	105,425	53,096	158,521	41.5
Aug. 8.....	65,724	66,234	105,897	53,391	159,288	41.6
Aug. 15.....	66,933	67,417	104,489	56,608	161,097	41.8
Aug. 22.....	65,294	65,728	104,455	51,075	155,530	42.3
Aug. 29.....	67,017	67,466	104,673	56,566	161,239	41.8
Sept. 5.....	64,648	65,141	107,702	48,871	156,573	41.6
Sept. 12.....	72,841	73,315	108,646	56,277	164,923	44.5
Sept. 19.....	74,910	75,326	111,736	55,592	167,328	45.0
Sept. 26.....	73,153	73,521	115,100	50,976	166,076	44.3
Oct. 3.....	76,986	77,224	121,695	51,186	172,881	44.7
Oct. 10.....	80,210	80,435	126,448	52,748	179,196	44.9
Oct. 17.....	83,615	83,806	131,791	52,717	184,508	45.4
Oct. 24.....	90,267	90,490	135,114	57,543	192,657	47.0
Oct. 31.....	96,883	97,113	138,592	60,471	199,063	48.8
Nov. 7.....	104,976	105,171	141,365	61,426	202,791	51.9
Nov. 14.....	104,425	104,601	141,311	62,694	204,005	51.3
Nov. 21.....	99,500	99,698	142,403	56,251	198,654	50.2
Nov. 28.....	99,670	99,881	141,556	61,132	202,688	49.3
Dec. 5.....	93,621	93,830	142,206	57,996	200,292	46.8
Dec. 12.....	91,083	91,262	143,774	61,706	205,480	44.4
Dec. 19.....	93,235	93,421	147,427	61,639	209,066	44.7
Dec. 26.....	81,543	81,731	148,693	51,091	199,734	40.9

## EXHIBIT C.—Comparative statement of condition of Federal Reserve Bank of Richmond.

	Dec. 31, 1919.	Dec. 31, 1918.
<b>RESOURCES.</b>		
<b>Reserves:</b>		
Gold coin and certificates.....	\$2,419,725.00	\$2,358,470.00
Gold settlement fund—Federal Reserve Board.....	25,201,328.28	14,253,728.99
Gold with foreign agencies.....	6,434,690.37	204,010.61
Total gold held by bank.....	34,055,743.65	16,816,209.60
Gold with Federal Reserve agent.....	39,998,970.00	62,990,765.00
Gold redemption fund, Federal Reserve notes.....	7,196,777.49	5,368,300.00
Total gold reserves.....	81,251,491.14	85,175,274.60
Legal tender notes, silver, etc.....	190,339.55	223,543.45
Total reserves.....	81,441,830.69	85,398,818.05
<b>Earning assets:</b>		
Bills discounted—secured by Government war obligations.....	81,506,691.34	72,434,331.75
Bills discounted—all other.....	23,495,584.34	13,806,940.90
Bills purchased in open market.....	16,404,904.82	5,465,166.23
Total bills discounted and bought.....	121,407,180.50	91,706,438.88
United States Government bonds and Victory notes.....	1,234,600.00	1,234,200.00
United States certificates of indebtedness.....	12,260,000.00	3,885,000.00
United States 1-year Treasury notes.....		899,000.00
Total earning assets.....	134,901,780.50	97,724,638.88
<b>Uncollected items:</b>		
Currency of other banks and unassorted currency.....	4,742,114.00	5,918,780.00
Checks and other cash items.....	154,714.81	140,093.54
Exchanges for clearing house.....	5,113,094.03	5,435,763.87
Transit items.....	84,182,455.68	46,207,939.84
Total uncollected items.....	94,192,378.52	57,702,577.25
<b>Miscellaneous:</b>		
Interest accrued on United States securities.....	106,576.81	22,159.86
Advances to Government committees.....	514,860.47	345,436.19
Redemption fund—Federal Reserve bank notes.....	643,300.00	309,900.00
Bank premises.....	504,024.50	290,000.00
All other resources.....	562,765.66	173,551.58
Total miscellaneous assets.....	2,331,527.44	1,141,047.63
Total resources.....	312,867,517.15	241,967,081.81
<b>LIABILITIES.</b>		
<b>Capital:</b>		
Capital paid in.....	4,392,000.00	4,062,200.00
Surplus.....	5,820,462.63	1,156,270.50
Total capital and surplus.....	10,212,462.63	5,218,470.50
<b>Deposits:</b>		
United States Treasurer.....	2,839,730.49	2,795,094.97
Member banks—reserve accounts.....	62,712,122.52	54,161,937.72
Foreign Governments.....	3,542,408.75	
Due Federal Reserve banks—collected funds.....	33,800,592.08	12,512,777.25
Cashier's checks.....	72,560.32	111,319.95
Deferred availability—uncollected funds.....	41,522,428.74	24,390,387.26
Total gross deposits.....	144,489,842.90	93,971,517.15
<b>Note circulation:</b>		
Federal Reserve notes in actual circulation.....	145,765,320.00	137,478,030.00
Federal Reserve bank notes in circulation.....	12,057,950.00	4,005,500.00
Total notes outstanding.....	157,823,270.00	141,483,530.00
<b>Miscellaneous:</b>		
Reserve for Federal Reserve Board assessment.....	25,531.16	
Reserve for expenses accrued and unpaid.....	20,316.50	
Reserve for franchise tax.....		1,039,798.76
Reserve for other taxes.....	19,970.00	
Unearned discount.....	260,184.59	190,567.40
All other liabilities.....	15,939.37	63,198.00
Total miscellaneous liabilities.....	341,941.62	1,293,564.16
Total liabilities.....	312,867,517.15	241,967,081.81

## DISTRICT NO. 6—ATLANTA.

JOSEPH A. McCORD, Chairman and Federal Reserve Agent.

### INTRODUCTION.

The operations of the Federal Reserve Bank of Atlanta during the period of readjustment since the armistice and for the year 1919 have been more active than during the war period of 1918. Expansion in all lines had made heavy demands on the banking interests, which, in part, have been met by the increased deposits of banks, while it has been left for the Federal Reserve Bank of Atlanta to make up the deficiency. The result has been an increase in the loans to and rediscounts for member banks over the amounts held during the latter months of 1918 and the early months of 1919.

Increase in Government-secured obligations is due partially to the flotation of the Victory loan and partially to a general demand for commercial, industrial, and agricultural purposes, the banks using their Government collateral for these purposes in order to secure the lower rate of discount. Demand from the member banks for other classes of discounts is attributed to business expansion and higher prices rather than to a speculative demand, which so far as has been observed is negligible throughout the district. •

During the month of December there was considerable liquidation by the members of this district, resulting in increased reserves for the Federal Reserve Bank of Atlanta, and placing it in a position to rediscount for other Federal Reserve Banks.

The increase of nearly every item on the balance sheet for 1919 is an indication of the increasing use by member banks of the facilities offered by the Federal Reserve Bank of Atlanta. More detailed information will be given under appropriate heads and schedules.

### REVIEW OF SERVICE.

Member banks throughout the district are taking advantage of the facilities offered more than ever before. Member and nonmember banks were advised, effective March 17, that when their relations with this bank or its branches made it necessary to ship currency for credit or in payment of cash letters, charges would be absorbed by the Federal Reserve Bank of Atlanta, and also that charges would be absorbed for all shipments to member banks on currency shipped them by this bank or its branches.

On March 31, 1919, the member banks of the district were advised that the Federal Reserve Bank would absorb the cost of telegrams instructing charges to their accounts, viz., (a) shipments of currency; (b) credit to another member bank; (c) and the continuance of

transfer of funds for credit with any member bank of any other Federal Reserve Bank; and when certified to, charges would be absorbed for messages instructing any member bank in the United States to make transfer of funds through the Federal Reserve Bank of its district to us for credit of our member.

During the year there have been many other improvements of service to the member banks, and it is believed that the year just ended has shown the real value of the Federal Reserve System.

#### FINANCIAL RESULTS OF OPERATION.

A comparative statement of the condition of the Federal Reserve Bank of Atlanta as of December 31, 1918 and 1919, is shown in Exhibit C of this report. The total resources at the close of business December 31, 1919, show 37 per cent, or \$76,447,455.27 increase as compared with 1918. By referring to the exhibit mentioned it will be noted that practically all of the items on the statement of condition show increases.

Gross earnings for 1919 totaled \$4,416,001 and show an increase of 92 per cent, or \$2,122,942.71 over the preceding year, while total expenses, \$972,217, show an increase of \$331,946.07, or 52 per cent. After deducting all expenses, dividend payments, and amounts authorized by the Federal Reserve Board to be reserved, \$3,185,000 was carried to surplus fund. This amount is an increase of \$1,715,000, or 116 per cent, as compared with the previous year.

#### DISCOUNT OPERATIONS.

During the year 1919 the discount operations of this bank have been very active. Out of the 427 member banks in this district more than 200 have had paper under discount at all times. During the month of June the maximum number of banks were accommodated, being 265. The maximum number of items handled was reached in September, when 5,650 notes were discounted.

Exhibit A, "Movement of earning assets," shows a distribution of earning assets by weeks and also the ratio of assets secured by war obligations to the total holdings of discounted paper. Particular attention is called to this percentage. In January, 1919, the percentage was 64 and gradually increased to 87 per cent on August 8; from that date on a decrease is shown in the percentage, and at the end of December it was only 68 per cent. This reflects a gradual liquidation of loans secured by war obligations.

The rediscounts of commercial paper for the year, while not as heavy as that secured by war obligations, have been very active, particularly during September, October, and November. During the month of December there was a very decided liquidation in this class of paper, the total amount in November being \$34,000,000 and for December only \$9,000,000.

Discount holdings of this bank have been largely secured by Liberty bonds and Treasury certificates. This, however, does not indicate that the proceeds of the notes discounted were used entirely for Government financing. For a greater part of the year there has been a preferential rate of one-half to three-fourths per cent on notes secured by Government obligations, and it is, therefore, obvious

that member banks, when in need of funds to care for the commercial or agricultural requirements of their community, rediscounted paper secured by war obligations instead of commercial paper because of the differential rate.

#### ACCEPTANCES.

*Trade acceptances.*—Trade acceptances are now being generally used throughout the district and their use is becoming broader as the business interests recognize and appreciate the advantage of securing acceptances in settlement of shipments, instead of opening book accounts and giving future dating. In order to encourage the use of trade acceptances in this district, they have enjoyed when offered to this bank for discount a rate of one-fourth of 1 per cent less than the prevailing rate on commercial paper.

*Growth of open market for acceptances.*—The development of an open market for bankers' acceptances in this district has not progressed to any great extent, the only market for bankers' bills being the Federal Reserve Bank of Atlanta. Banks that extend acceptance credit also obligate themselves to sell the bills for the account of the drawer. It has been difficult to educate them to the idea of lending their credit in accepting drafts, charging the customary fee and requiring the drawer to sell the bill in the open market.

*Policy regarding acceptance purchases.*—The policy of this bank now is to purchase bankers' bills from the accepting bank, and on account of this policy it is required that banks offering their own acceptances for purchase must attach the documents when the amount of such bills of one drawer is in excess of 10 per cent of the capital and surplus of the offering bank. However, to discourage member banks from offering their own acceptances to this bank for purchase, a differential is made in the rate of acceptances of this kind; that is, acceptances purchased from the accepting bank are discounted at a rate higher than if they were offered and indorsed by a bank other than the accepting bank. It is hoped that the difference in rate will encourage the drawer to seek an open market for bankers' bills and thus create and establish a real open market for bankers' bills in this district.

#### RESERVE POSITION.

Due to discount accommodation required by member banks, because of the large amount of Government securities carried, as well as the large volume of cotton and other products awaiting ship bottoms for export, it was necessary during the first five weeks of 1919 that our reserve position be maintained through the rediscount of bills with other Federal Reserve Banks. Shipping then having become available, commodities began their movement to foreign ports, with accompanying liquidation of loans and increase in the deposits of member banks, which in turn enabled us to liquidate our rediscounts and to maintain our reserve position without assistance.

From the early part of February until the latter part of August our reserve position remained steady, fluctuating between 42 per cent and 49 per cent. After that time the discount demands of our member banks to replenish reserves depleted by withdrawals of deposits, together with the additional loan accommodation necessary

to aid in the movement of the new crops, again compelled us to rediscount with other Federal Reserve Banks to maintain our reserve position.

Toward the middle of October, a sufficient volume of the crops having been marketed, a period of liquidation set in, which enabled us to discharge our liability on account of rediscounts and materially improve our reserve position. Subsequent liquidation so strengthened our position that during the last two months of the year we were amply able to care for the abnormal demands of our member banks located in port cities, whose reserves were temporarily frozen by reason of loans that were necessary in order to carry cotton which was being received at the ports, but could not be shipped because of labor disturbances.


The close of the year found our reserve position strong, enabling us comfortably to care for the essential needs of our own member banks, as well as to give aid to other sections of the country if necessary.

#### MOVEMENT OF MEMBERSHIP.

*National banks.*—On December 31, 1918, the national bank membership was 372. During the year 13 new national banks were added to the membership and 22 national banks withdrew by liquidation, resulting in a net loss of national bank membership of 9. Of the 13 national bank additions, 8 were new banks and 5 were State banks converted into national banks. The decrease of 22 national bank members is accounted for as follows: One liquidation, 1 absorbed by a national bank, 8 absorbed by State banks, and 12 succeeded by State banks.

*State banks.*—On December 31, 1918, 54 State banks and trust companies were reported to be members. During the year 1919 there have been 16 additions to membership and 6 withdrawals, or a net increase of 10 State bank and trust company members for the year. Fifteen of the State bank admissions were new members and one was the result of two State bank members consolidating. Besides these two banks reported as a consolidation, one was absorbed by a national bank and three withdrew from membership. Practically all of the largest State banks and trust companies in the district are now members, there being only one bank in the district with a capital and surplus of \$1,000,000 or more that is not a member. There were no failures among the membership of the Federal Reserve Bank of Atlanta during 1919.

#### RELATIONS WITH NATIONAL BANK MEMBERS.

*Discount operations.*—Naturally the largest part of rediscount transactions has been for national bank members, and through rediscount privileges the member banks have been assisted in taking care of the increased volume of business, which almost all of them have had. 

*Trustee powers.*—Fiduciary or additional fiduciary powers authorized under section 11, subsection (k), of the Federal Reserve Act, have been granted to 22 national banks during the year. There is an apparent inclination on the part of the national banks to broaden their functions, although so far this has not been as marked under

the prevailing conditions of the past year as is anticipated it will be when conditions become more normal. Fiduciary powers have been granted to national banks in the States of the district as follows: Alabama, 14; Florida, 7; Georgia, 8; Louisiana, 3; Mississippi, 4; Tennessee, 10.

#### RELATIONS WITH STATE BANKS AND TRUST COMPANIES.

*Discount operations.*—In common with the national bank members, the State bank and trust company members have rediscounted throughout the year very freely.

*Examinations.*—All State banks and trust companies applying for membership have been examined, with the exception of newly organized banks which were admitted upon their organization certificate. The superintendents of banks have all expressed their willingness to cooperate and are allowing the Federal Reserve Bank's examiners to participate with their examiners in the examination of State bank and trust company members. This privilege has been exercised in the case of approximately 50 per cent of the State bank members. The arrangement with the superintendents of banks of the various States by which we are permitted to participate in the examinations enables the Federal Reserve Board and the Federal Reserve Bank to obtain information not incorporated in the reports of examination used by the State authorities. These joint examinations have been conducted in thorough accord and harmony with the State examiners and are appreciated by the banks, in that they are not subjected to an additional and independent examination by the Federal Reserve Bank. The various superintendents of banks are also furnishing copies of their independent examinations, one each for the Federal Reserve Board and the Federal Reserve Bank.

#### MEMBER BANKS' RESERVE ACCOUNTS.

The reserve balances of both State and national banks have gradually increased during the year, the gross amount being approximately \$10,000,000. The highest figure was reached during the month of December, with an average of \$58,378,256.45. The majority of the accounts have been very active, particularly for wire transfers. There were 7,933 charges, aggregating \$421,885,452.19, transferred to member banks of other districts and 10,936 credits, aggregating \$723,252,594.69, for transfers received for credit of our members. It will be seen that transfers received from other districts greatly exceed the transfers to other districts and the transferring of funds by wire is meeting with more favor and the volume is gradually increasing.

#### FISCAL AGENCY OPERATIONS.

*For Treasury Department.*—The fiscal agency operations of the Federal Reserve Bank of Atlanta, though somewhat reduced in total volume as compared with the year 1918, due primarily to the partial cessation of Government financing by the flotation of bonds, coincident with the demobilization of the Army and Navy, and the reduction of the strain on the Government's Treasury for funds for war purposes, were, nevertheless, large in total volume, and show most



unmistakably that the banks and the people of the Sixth Federal Reserve District stood squarely behind the Government in supporting its program for raising funds necessary to meet the obligations incurred in the prosecution of the war.

*Sales of Treasury certificates to banks.*—Ten series of Treasury certificates of indebtedness were issued in anticipation of the Victory Liberty loan, eight in anticipation of income and profit taxes payable in 1919, and four in anticipation of the same classes of taxes payable in 1920; and, in addition to these issues of certificates, four other series of loan certificates of indebtedness were issued, all of which were subscribed to very liberally by the banks, the total of their subscriptions being \$328,838,500.

*Flotation of the Victory loan.*—While the Victory Liberty loan lacked the impelling call upon the patriotism of the people that characterized previous Liberty loans issued during the period of actual hostilities when our armed forces were engaged in the terrific struggle with the enemy, this district subscribed practically its entire quota, the amount of the subscription being \$133,080,800.

*Deposits and withdrawals of Treasury funds.*—The Secretary of the Treasury continued the established practice of permitting qualified depository banks to pay for subscriptions for bonds and certificates of indebtedness by credit in special deposit accounts maintained with the Federal Reserve Bank, the purpose being to provide for the gradual withdrawal from the banks of the funds paid to them by subscribers for bonds and certificates of indebtedness, and the funds representing payment of their own subscriptions of the same character. This was accomplished by the balances thus created being withdrawn by order of the Secretary of the Treasury in relatively small installments at intervals of 15 to 30 days, until the balances in the special deposit accounts were completely withdrawn. The total amount held by qualified depository banks in these special deposit accounts during the year was \$224,879,046.36.

*Sale of war savings certificates.*—The organization and direct charge of all activities for the promotion of the sale of Treasury savings certificates were, during this year, known as the war loan organization. It previously consisted of six State organizations, but was this year consolidated into a single district organization with headquarters in Atlanta, and was placed under the supervision of the governor of the Federal Reserve Bank, with Mr. Silas W. Davis in direct charge as Government director.

About \$2,000,000 worth of Treasury savings certificates have been sold in this district, and the demand is increasing from month to month. The sales in the district will be approximately \$10,000,000 in war savings and thrift stamps for this year.

*Interchange and exchange of Government securities.*—In connection with the operations of the fiscal agency, growing out of the sale and delivery of bonds and certificates of indebtedness, it is interesting to note the extensive service rendered to the banks and other holders of those securities, in effecting the interchange and exchange of bonds and certificates of indebtedness, and the conversion of bonds. During the year a total of \$32,482,900 of coupon bonds of all issues were interchanged; that is, at the option and request of the holders they were given in exchange for bonds of any one issue, other bonds of

the same issue of different denominations. This enabled the holders of those securities to obtain bonds of larger or smaller denominations than those initially delivered to them, without any expense to such holders. A total of \$7,459,950 of bonds were converted during the year, in accordance with the provisions of law relating to conversion, and a total of \$7,527,150 of bonds were exchanged, coupon bonds for registered bonds, and registered bonds for coupon bonds, at the option and in accordance with the wishes of the holders of those securities.

*War Finance Corporation.*—Acting as fiscal agent for the War Finance Corporation in this district, this bank sold \$1,801,000 of 1-year 5 per cent gold bonds, issued by that corporation on April 1, 1919; and during the course of the year consummated other transactions for account of the corporation amounting to \$34,759,239.86.

*Capital Issues Committee.*—At the request of the Capital Issues Committee at Washington, the district capital issues committee suspended supervision of the issue and sale of stocks and bonds at the close of business last year, and there has been no jurisdiction exercised over the issue and sale of stocks and bonds during the year 1919.

#### NOTE ISSUES.

*Federal Reserve notes.*—During the year there has been a comparatively small amount of Federal Reserve notes issued in exchange for gold and gold certificates, the banks and public having patriotically responded to previous appeals for the exchange of Federal Reserve notes for gold or gold certificates; there is probably some gold still in the hands of the banks and the public throughout the district, though it is not believed that there is any great volume. The average circulation of Federal Reserve notes during the year has been greatly in excess of any previous year, which is due to the business expansion, high prices, high wages, and larger amounts of till and pocket money. The redemption of unfit Federal Reserve notes has been heavy throughout the year. A large volume of fit money was redeemed in the early months; however, with the issuance to the Treasurer of the United States of upward of \$50,000,000, there was comparatively little fluctuation in the bank's outstanding circulation. The demands for the crop movement from September 15 to December 25 resulted in an increase of outstanding Federal Reserve notes of a little more than \$40,000,000. The amount of fit money returned to the Federal Reserve agent by the bank for the year was \$82,038,000, or 136 per cent of the total of \$60,016,080 which had been returned from organization up to the close of business December 31, 1918. There was issued to the bank \$183,598,000 for 1919, as against \$211,334,180 from November 14, 1914, to December 31, 1918, or 86.8 per cent. The redemption of unfit money increased more than any other item. The amount redeemed was \$65,072,465 for 1919, being 233.4 per cent of the total of \$27,904,715 which had been returned from organization to December 31, 1918.

*Federal Reserve bank notes.*—Section 4 of the Federal Reserve Act, as approved December 23, 1913, provides that Federal Reserve Banks may issue bond secured currency in the same manner as it is issued by national banks, except that they are not restricted in the issue to the amount of capital stock of the issuing bank. However,

only a small amount of this currency was issued prior to June 1, 1918. On December 31, 1918, the Federal Reserve Bank of Atlanta had outstanding circulating bank notes amounting to \$6,085,600. During the year 1919 Federal Reserve bank notes of \$1 and \$2 denominations were freely issued by all Federal Reserve Banks in order to prevent contraction of currency caused by the redemption of silver certificates. The demand for currency of small denomination in the Sixth Federal Reserve District during the year was very heavy, and the amount of notes of these denominations outstanding increased from \$6,085,600, as shown by the last annual report, to \$15,777,600 at the close of business December 31, 1919. In addition to this amount we were forced, on account of our excessive demands, to obtain through the Federal Reserve Board notes of \$1 and \$2 denominations issued by other Federal Reserve Banks to the amount of \$3,324,000.

#### POSITION OF COMMERCIAL BANKS AS RESULT OF WAR FINANCING.

*Increase of their obligations.*—In view of the fact that the commercial banks were called upon to make up the full quota of the district in the sale of Liberty bonds, Victory notes, and United States Treasury certificates of indebtedness, it became necessary in many instances for the commercial banks to use the bonds, notes, and certificates issued by the Government and purchased by the banks to build up their available resources for the handling of their commercial business. This brought about the unavoidable result of the banks showing in their statements of condition more rediscounts and bills payable than would have otherwise existed. This situation was relieved by the sale of cotton and its by-products at increased prices, the higher prices being the result of decreased production caused by unfavorable weather, the boll weevil, and labor conditions. Deposits in the commercial banks have materially increased during the year. On the whole, the banks in this district are in a very strong financial position.

*Effect on commercial paper of district.*—Agricultural products have brought good prices, the commercial business of the district has been in excellent shape, and those engaged in farming have been enabled to liquidate their obligations, thus relieving the banks, the funds arising from this source being used in the commercial and industrial activities of the district. The sale of commercial paper in the district by leading brokerage houses has materially increased, and while we have no definite figures, we are of the opinion that there is a greater amount of commercial paper being sold in this district arising out of financing of large corporations throughout the United States. As this paper matures, the condition of the district will remain strong and in satisfactory shape for the future.

*Relation to and effect on general business.*—As a whole, we believe general business conditions are going to be materially improved by the purchase of commercial paper during the months when funds can not be used profitably in the district, as these mature at a season of the year when financing will be needed. This, in our opinion, places the banks in a very strong and satisfactory position for the immediate future.

## POLICY TO BE PURSUED IN RESTORING THE LIQUIDITY OF BANKS.

A great number of the member banks in our district are carrying large amounts of war paper for their customers, and it is not very likely that this class of paper will be totally cleared up for several years, unless there is a reaction in business and other investments. When "settling up" time comes, investors will turn to Government securities, and those who are now borrowing from their banks on Liberty bonds will very likely be able to dispose of a large amount of these bonds to general investors.

It would seem to be a wise policy for the Federal Reserve Bank to continue to raise discount rates, in order to force to some extent those who are borrowing from member banks on Government securities to curtail their borrowings and economize sufficiently to pay off their obligations.

## OPERATION OF FEDERAL RESERVE BANK BRANCHES.

In addition to the branches already in operation at New Orleans, Birmingham, and Jacksonville, an agency was established at Savannah, Ga., on February 5, 1919, and a branch was established at Nashville, Tenn., on October 21, 1919.

*Savannah agency.*—Mr. R. J. Taylor, formerly connected with banks in Savannah and afterwards cashier of a bank at Guyton, Ga., was appointed manager of the Savannah agency, and Mr. R. N. Groover, formerly connected with banks in Savannah, was appointed assistant manager. The functions of this agency are limited to the furnishing of currency to Savannah member banks, receipt of currency on deposit from Savannah member banks, and the holding of collateral pledged as security to bills offered to and under rediscount with the parent bank. A large percentage of the cotton and other products grown in this district pass through the port of Savannah, and, in order to facilitate their handling, large sums of currency and frequent discount accommodations are needed by Savannah member banks. It was, therefore, deemed advisable to establish an agency there, so that the currency requirements of the member banks in Savannah could be taken care of promptly.

*Nashville branch.*—Mr. Bradley Currey, who prior to his entrance in the United States Army was an officer of the Fourth & First National Bank of Nashville, was elected manager of the Nashville branch, and Mr. W. T. Tyler, formerly connected with Nashville banks, was elected assistant Federal Reserve agent. The board of directors is composed of the following: Messrs. W. H. Hartford, chairman; Paul M. Davis, Jas. E. Caldwell, and E. A. Lindsey, all of Nashville, and T. A. Embry of Winchester, Tenn. There are 23 employees in addition to the officers. The territory assigned to this branch is that part of the State of Tennessee which is located in the Sixth Federal Reserve District, with the exception of the city of Chattanooga. The plan of operation of this branch is identical with that existing at Birmingham and Jacksonville branches. The accounts of all member banks in its zone are carried on the books of the parent bank, and all entries relating to transactions consummated are handled promptly over private telegraph wires.

## INTERNAL ORGANIZATION.

At the January, 1919, meeting of the directors of the Federal Reserve Bank of Atlanta it was announced that Mr. M. B. Wellborn had been redesignated as chairman of the board and Federal Reserve agent for the year 1919, and that Mr. J. M. Slattery had been reappointed assistant Federal Reserve agent. At that meeting Mr. Jos. A. McCord was reelected governor of the bank, together with the following officers: M. W. Bell, cashier; W. B. Roper, J. L. Campbell, W. R. Patterson, R. A. Sims, and Creed Taylor, assistant cashiers, and Ward Albertson, general auditor.

At the February meeting of the board of directors Mr. Jos. A. McCord resigned his position as governor of the bank, and Mr. M. B. Wellborn resigned as class C director and chairman of the board and Federal Reserve agent. Mr. McCord was then appointed by the Federal Reserve Board as class C director for the term ending December 31, 1920, and was designated as chairman of the board and Federal Reserve agent for the year 1919. Mr. M. B. Wellborn was then elected governor of the bank, Mr. L. C. Adelson, deputy governor, Mr. J. M. Slattery, secretary, and Mr. H. F. Conniff, assistant cashier. Mr. Ward Albertson was appointed assistant Federal Reserve agent and Mr. Creed Taylor was elected auditor of the bank.

At the November, 1919, meeting of the directors, Mr. Jas. E. Zunts, of New Orleans, resigned as class B director of the Federal Reserve Bank of Atlanta, and Mr. Leon C. Simon, of New Orleans, was elected to fill the unexpired term caused by Mr. Zunts's resignation, said term expiring December 31, 1920. Mr. W. H. Hartford, of Nashville, Tenn., was reelected a class B director for the three-year term ending December 31, 1922, and Mr. F. W. Foote, of Hattiesburg, Miss., class A director, having declined to stand for reelection, Mr. Oscar Newton, of Jackson, Miss., was elected for the three-year term ending December 31, 1922. Mr. W. H. Rettig, of Birmingham, Ala., was reappointed by the Federal Reserve Board as class C director for the three-year term ending December 31, 1922.

At the meeting of the board of directors January 10, 1919, on petition of the banks in the city of Savannah, Ga., and upon approval of the Federal Reserve Board, the directors voted to establish an agency at Savannah, largely to meet the needs of that cotton port.

On petition of the banks in Tennessee, especially in the city of Nashville, the board of directors at their meeting on August 8, 1919, voted to establish a branch at Nashville, Tenn., which was approved by the Federal Reserve Board; and in compliance therewith the branch was opened at Nashville on October 21, 1919.

Owing largely to the establishment of the branch bank at Nashville, the number of employees was increased to 386, as compared with 317 in 1918. During the year the bank and branches have strengthened and improved their internal organization and have reached a much higher degree of efficiency.

## CLEARINGS AND COLLECTIONS.

Comparing 1919 figures with those in the 1918 annual report we show a gain in the number of items handled of 91.4 per cent, and in the amount of money of 54.2 per cent. The direct-sending member

banks have increased their volume of sendings to other Federal Reserve Banks and their branches 75 per cent. Cost per item for 1919 was \$0.0119 and per thousand dollars \$0.0307, against \$0.0097 per item and \$0.0228 per thousand dollars for 1918. This shows an increase in the cost per item over 1918 of \$0.0022 and per thousand dollars of \$0.0079.

There has been a marked improvement in the handling of transit operations during 1919, due to better organization and the adoption of better methods. During the year we added to our par list 106 banks. We now have in the Sixth District 783 banks remitting at par.

The number of items handled by the collection department has increased to a very considerable extent during the year 1919. We handle all items forwarded to us as collection items by other Federal Reserve Banks and their branches, and also items from member banks located within this district. The greater volume of items handled consists of notes, drafts, and bill-of-lading drafts. During the year 1919 the collection department handled 21,821 items, amounting to \$52,996,504.47.

#### GOLD SETTLEMENT FUND.

The year 1919 was the first full year's operation under the daily settlement basis. With the volume of transactions among Federal Reserve Banks now being handled, particularly in connection with special transfers of funds for member banks, for the Treasurer of the United States, and for rediscounts between Federal Reserve Banks, the account has been very active, and it would be well nigh impossible to conduct the business through the Federal Reserve Banks without this fund. The handling of this account is greatly facilitated by the private-wire system, connecting all Federal Reserve Banks, their branches, and the Federal Reserve Board. On April 1, 1919, the New Orleans branch was permitted to begin settling direct in common with a number of other branches of Federal Reserve Banks.

#### FOREIGN ACCOUNTS.

*Foreign Government credits.*—The account of foreign Government credits was opened July 17 under participation with other Federal Reserve Banks, through the Federal Reserve Bank of New York, and has been maintained with little fluctuation since that date. The daily average balance of this account has been \$2,761,701.19. The maximum balance was held when the account was opened on July 17, of \$3,333,408.37. The minimum balance was on October 31, when it stood at \$2,602,586.02. The average difference between the resource item of gold with foreign agencies and the liability item of foreign Government credits has been \$416,156.07. These resource amounts have been available as cash and part of the bank's cash reserve.

*Gold with foreign agencies.*—A balance in this account was continued from 1918, and was closed out on April 2. It was opened again in September and maintained throughout the balance of the year. The daily average balance during the period of activity was \$2,345,545.12; the minimum balance during the period of activity

was from January 1 daily until April 2, when it was closed. The maximum of \$5,270,626.78 was on November 13. The amount carried over from last year was dormant until it was closed on April 2, but since reopening the account in September it has been very active, increasing and decreasing in varying amounts almost weekly.

#### BANKING QUARTERS—NEW BUILDINGS.

The Federal Reserve Bank of Atlanta has under construction in Atlanta additions to the permanent quarters which will nearly treble the present floor space. The total estimated cost of the new building under construction amounts to \$205,000. These additions will be completed in May, 1920. The construction follows out the same line of architecture as the original building. The material used is also the same, viz, reinforced concrete, with granite exterior. The new building will be fireproof and thoroughly modern in every way.

In June, 1919, the board of directors authorized the purchase of a building known as the Commercial National Bank, New Orleans, La., for permanent quarters of the New Orleans branch. This building is situated in the block bounded by Carondelet, Common, Baronne, and Canal Streets. The price paid for the property was \$236,250. This property is centrally located and well adapted for the purpose intended, and it is thought that these quarters will be entirely adequate for the New Orleans branch for a number of years.

#### TREASURER'S GENERAL ACCOUNT.

This account has been very active. The number and amount of warrants and coupons redeemed have been large. The monthly average of warrants redeemed was 104,224 items, amounting to \$28,523,435.67, and the monthly average of coupons redeemed was 274,960 items, amounting to \$1,097,650.33. Since the earlier months of the year there has been a steady decline in the number and amount of warrants redeemed, except for the months of September and October, when there was a slight increase.

#### GENERAL BUSINESS AND BANKING CONDITIONS.

The month of December brings to a close a year of remarkable commercial activity and expansion in the district. The transition from a war footing to a peace basis, while it has been marked, has taken place with comparatively little disturbance. There was some uncertainty in the early months of the year, occasioned by the cancellation of Government contracts and orders, but the attention of business was at once turned to the general trade, and for several months now manufacturing plants and jobbers have experienced difficulty in filling orders as rapidly as received.

A slight decline in prices in the early months of the year almost immediately gave way to a steady and continuous advance, with the result that prices of practically all staples have for months been higher than at any time during the war. An investigation during the spring months developed the fact that sales by retail stores were for cash in a much larger percentage of instances than heretofore, and that the proportion of credit sales had decreased relatively.

While peace has not officially been declared, there has been a good foreign demand for our raw and manufactured products, as well as foodstuffs, until more recently when the decline in foreign exchange has had the effect of somewhat curtailing this demand. Nevertheless it has had the effect of reducing our supplies and correspondingly increasing prices, with the result that very few articles have escaped the general rise in prices.

The price of cotton, the principal staple product of the district, has increased during the year from around 27 or 28 cents to around 40 cents. A large proportion of the crop was held for 35 cents, and much cotton was held by the producer until the price reached 40 cents. Diversification in farming has continued to an encouraging extent, and a large increase is shown in the production of live stock in all the States comprising the district. A larger proportion of farmers are raising blooded cattle, hogs, and sheep, and the average character of the stock shows a steady improvement in quality.

The larger towns and cities of the district have experienced a serious shortage of houses, both for renting purposes and for sale to homeseekers, throughout the year. This has been relieved to some extent by extensive building operations exceeding those of any previous year. The lumber market has consequently been very active throughout the year, and prices have steadily advanced, production being reported as below normal. The year closes with the greatest demand for lumber and the highest prices ever known, and the outlook is for still higher prices next year.

All lines of business have had to cope with the problem of shortage and inefficiency of labor. Upon the cancellation by the Government of its war orders, a few manufacturing plants closed for a short time only, others operated on a part-time basis, pending resumption of business with the general trade. With this exception, however, there has been little or no unemployment, and a shortage has existed in practically all lines during the year. The shortage of farm labor has been a serious handicap, especially during the harvesting season, when, in some cases, fields of cotton and other crops were abandoned because of lack of farm help.

The steel and coal strikes, while serious in their effect, have not affected the district greatly from a standpoint of production, for the reason that in Alabama steel plants and coal mines there is a larger percentage of nonunion workers than union men. The production of pig iron has increased, and all industrial plants are operating to full capacity.

Bank clearings at the principal cities of the district have consistently shown increases from month to month over those for the same periods of 1918, and collection conditions have been reported as good throughout the year.

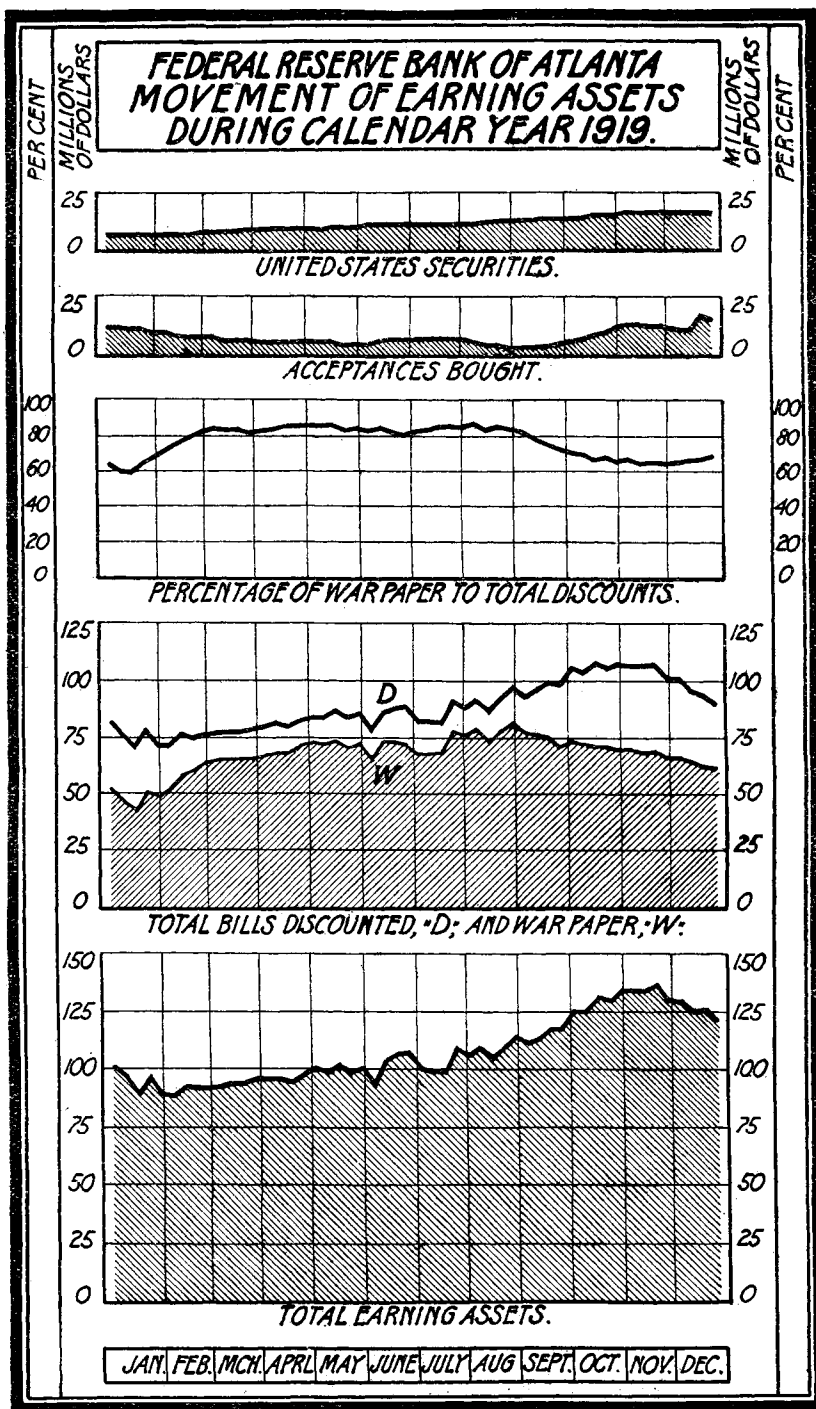
It is undoubtedly true that the average individual has had more money this year than ever before, and while savings deposits have been increased, the individual has spent money unrestrainedly, and for more expensive things, than ever before. The business in automobiles, jewelry, fine furs, and expensive clothing exceeds that of any previous year.



## EXHIBIT A.—Movement of earning assets.

Date.	Bills discounted.				Per cent secured by war obligations (1+2+1 to 4, incl.).	Bills purchased in open market.	United States bonds owned.	United States certificates of indebtedness.	Municipal warrants.	Total earning assets.
	Secured by Government war obligations.		Otherwise secured and unsecured.							
	Member banks' collateral notes.	All other.	Member banks' collateral notes.	All other.						
1	2	3	4	5	6	7	8	9	10	
Jan. 3	\$44,470,186	\$18,280,983	\$1,248,713	\$18,027,026	<i>Per cent.</i> 63.6	\$11,860,337	\$542,550	\$6,066,000	\$13,000	\$100,508,797
10	37,902,915	7,849,007	1,014,000	29,717,002	59.8	11,920,209	542,450	6,566,000	13,000	95,524,583
17	35,266,915	6,749,042	25,300	28,839,922	59.3	11,328,831	542,450	6,521,000	4,000	89,277,460
24	46,914,871	4,343,832	662,800	26,105,837	64.7	11,106,651	536,900	6,521,000	4,000	96,195,892
31	42,548,471	5,899,206	737,500	22,020,528	67.9	10,377,277	528,575	6,521,000	4,000	83,636,559
Feb. 7	45,531,650	5,971,178	160,000	19,270,209	72.6	9,619,390	528,250	6,964,000	4,000	88,048,678
14	52,263,150	6,279,095	160,000	17,768,724	76.6	8,550,318	378,450	6,964,000	4,000	92,367,737
21	53,758,550	6,172,001	5,000	14,489,677	80.0	8,008,552	377,900	6,964,000	4,000	89,779,682
28	56,923,550	5,884,934	5,000	12,746,658	83.1	7,603,362	377,800	7,464,000	4,000	91,009,305
Mar. 7	58,930,200	5,792,113		11,904,702	84.5	7,503,659	377,750	7,464,000	4,000	91,976,425
14	59,667,000	5,238,198	22,000	12,295,663	84.0	7,398,219	377,700	7,964,000	4,000	92,966,780
21	60,934,250	4,489,221	22,000	12,599,238	83.8	7,223,225	377,650	8,474,000	4,000	94,123,585
28	60,731,150	4,524,973	10,000	14,006,850	82.3	6,527,441	377,600	8,474,000	3,000	94,655,014
Apr. 4	62,114,400	4,721,127	10,000	13,506,178	83.2	6,166,338	377,350	8,474,000	3,000	95,372,394
11	63,293,900	4,658,309	20,000	12,785,306	84.1	5,740,591	377,250	8,474,000		95,349,357
18	65,047,800	3,927,511	40,000	10,935,856	86.3	5,576,642	377,150	8,474,000		94,378,961
25	67,792,950	2,889,561	20,000	11,453,669	86.0	5,713,021	377,000	8,974,000		97,220,202
May 2	69,038,400	3,734,103	20,000	11,415,847	86.4	6,033,768	376,950	8,974,000		99,593,069
9	68,503,850	3,737,598	20,000	11,660,643	86.1	6,104,098	376,850	9,024,000		99,427,040
16	70,046,400	3,970,854	20,000	11,615,590	86.4	5,640,676	384,050	9,634,000		101,311,572
23	66,390,600	4,518,078	625,060	12,854,523	84.0	5,151,063	383,900	9,509,000		99,432,225
30	66,034,325	4,214,740	672,560	12,710,221	84.7	5,296,276	383,900	9,584,000		98,896,023
June 6	60,198,625	4,447,502	934,288	12,240,267	83.1	5,382,340	383,350	10,549,000		94,135,374
13	69,019,100	4,103,286	283,727	12,841,368	84.8	6,344,887	383,150	10,599,000		103,574,520
20	68,193,250	4,212,012	470,384	14,825,716	82.6	7,059,036	383,050	10,599,000		105,742,450
27	67,313,409	4,505,625	860,384	15,910,526	81.1	7,173,370	382,950	10,599,000		106,745,266
July 3	63,145,179	5,049,251	692,884	13,471,933	82.8	6,588,860	382,650	10,575,000		99,905,759
11	63,349,574	4,640,991	6,146,346	12,930,923	83.4	6,725,674	382,650	10,575,000		99,221,159
18	64,641,618	4,438,278	1,024,102	10,882,631	85.3	6,885,339	382,650	10,479,000		98,733,621
25	74,700,118	4,215,447	1,104,366	11,475,124	86.3	6,991,798	382,650	10,479,000		109,348,504
Aug. 1	72,038,518	3,739,908	681,610	11,759,129	85.9	6,568,372	382,250	10,479,000		105,648,788
8	75,795,118	3,734,692	320,990	11,327,220	87.2	6,034,737	382,150	10,479,000		108,573,988
15	71,950,104	3,273,296	359,990	11,852,099	83.3	5,432,071	382,000	11,479,000		104,728,560
22	74,805,350	3,361,962	359,490	13,014,686	85.4	4,860,862	381,200	11,979,000		108,782,551
29	78,635,155	3,829,862	517,149	14,374,557	84.7	4,165,137	380,900	12,479,000		114,381,760

Sept. 5	73,675,055	3,960,088	537,149	15,228,513	83.1	3,923,463	380,800	12,979,000	110,684,079
12	71,502,305	4,443,877	320,000	19,888,226	79.0	3,903,329	380,750	12,964,000	113,402,489
19	69,589,705	5,281,942	368,500	24,144,477	75.3	3,736,392	380,450	13,464,000	116,965,468
26	66,087,555	5,220,206	1,713,500	25,215,191	72.6	5,099,537	390,400	13,464,000	117,180,391
Oct. 3	68,370,463	5,296,615	2,376,000	28,734,065	70.3	5,981,664	380,300	13,464,000	124,603,108
10	66,772,463	5,411,597	1,030,000	30,761,564	69.4	6,924,434	380,300	13,464,000	124,744,359
17	65,891,203	5,638,805	410,270	35,512,550	66.5	8,564,185	380,000	14,464,000	130,861,015
24	66,548,925	4,624,904	662,230	33,326,121	67.7	10,281,473	380,000	14,464,000	130,287,654
31	64,976,555	5,158,365	560,000	36,491,231	65.4	12,209,289	379,950	14,564,000	134,339,391
Nov. 7	64,582,616	4,964,856	415,000	35,955,361	65.7	12,871,524	379,700	15,164,000	134,333,059
14	63,016,150	5,149,932	940,000	36,750,783	64.4	12,519,876	379,700	15,665,000	134,421,442
21	64,573,725	4,320,803	900,000	37,272,017	64.3	12,428,328	379,700	15,665,000	135,539,574
28	61,593,680	4,036,237	390,000	36,151,102	64.2	11,911,998	379,700	15,665,000	130,127,718
Dec. 5	60,457,465	5,039,436	595,000	34,612,690	65.0	11,849,406	379,700	15,665,000	128,598,696
12	58,757,665	5,120,716	537,500	31,852,975	66.4	12,186,638	379,650	15,665,000	124,500,145
19	57,101,705	4,740,788	502,500	30,669,861	66.5	17,128,584	379,550	15,665,846	126,188,835
26	56,816,660	4,562,118	570,000	28,273,332	68.0	16,230,907	379,300	15,665,846	122,498,164



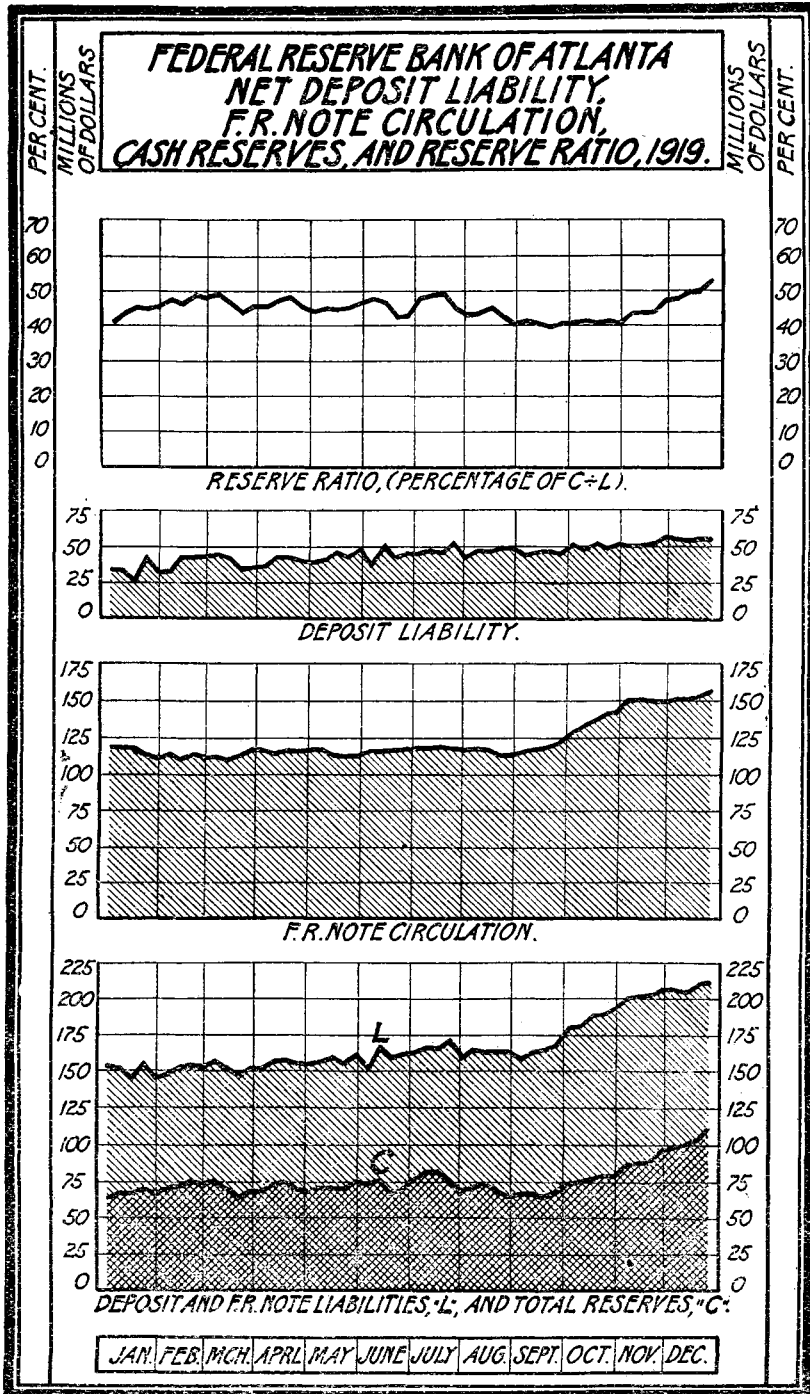


EXHIBIT B.—*Movement of cash reserves, net deposits, Federal Reserve note liabilities, and the reserve percentage.*

Date.	1 Total cash reserves.	2 Net deposits.	3 Federal re- serve notes in actual circulation.	4 (2+3).	5 Reserve per- centage (1÷4).
Jan. 3.....	\$62,890,697	\$33,826,754	\$119,640,310	\$153,467,064	40.9
10.....	65,575,788	33,193,465	118,136,519	151,329,984	43.3
17.....	64,944,812	26,809,435	117,122,615	143,932,050	45.1
24.....	68,847,419	41,971,460	112,741,260	154,712,720	44.5
31.....	66,179,618	33,117,510	111,891,190	144,508,700	45.7
Feb. 7.....	68,584,332	32,588,753	113,065,760	145,654,513	47.0
14.....	70,875,328	41,989,556	110,320,025	152,309,581	46.5
20.....	74,867,408	41,047,645	113,009,070	154,056,715	48.6
28.....	73,076,836	41,747,401	110,785,210	152,532,611	47.9
Mar. 7.....	76,388,642	44,673,031	111,822,670	156,495,701	48.8
14.....	71,077,919	41,879,477	110,087,015	151,966,492	46.8
21.....	63,976,906	33,646,524	112,269,070	145,915,594	43.8
28.....	68,065,223	34,667,854	115,974,805	150,642,659	45.1
Apr. 4.....	68,115,593	35,667,648	115,172,665	150,840,313	45.1
11.....	73,484,657	41,874,671	114,077,620	155,952,291	47.1
18.....	75,494,364	41,723,844	115,215,430	156,939,274	48.1
25.....	69,771,578	38,414,891	115,332,840	153,747,731	45.3
May 2.....	67,596,166	38,127,117	115,538,655	153,665,772	43.9
9.....	70,595,807	40,568,826	115,854,035	156,422,861	45.1
16.....	71,185,830	45,449,774	113,171,485	158,621,259	44.9
23.....	70,028,813	43,168,752	112,263,640	155,432,392	45.0
29.....	74,860,974	47,832,533	113,349,880	161,182,413	46.4
June 6.....	72,523,030	36,780,769	115,569,015	152,349,784	47.6
13.....	75,954,836	49,774,130	115,128,275	164,902,405	46.0
20.....	67,307,530	42,223,567	115,995,080	158,218,647	42.5
27.....	68,852,891	44,920,847	115,662,010	160,582,857	42.6
July 3.....	77,222,246	45,210,312	117,319,380	162,529,692	47.5
11.....	80,712,018	47,112,054	118,119,130	165,231,184	48.8
18.....	81,225,766	45,706,625	119,318,040	165,024,665	49.2
25.....	76,023,667	53,493,061	116,835,610	170,318,671	44.6
Aug. 1.....	68,493,745	43,042,585	115,933,485	158,976,070	43.0
8.....	71,035,926	47,324,558	116,613,295	163,937,853	43.3
15.....	73,547,547	46,489,517	115,742,490	162,232,007	45.3
22.....	69,427,630	48,512,942	112,991,050	161,503,992	42.6
29.....	65,085,570	48,652,592	113,631,550	162,284,142	40.1
Sept. 5.....	65,504,156	43,736,513	114,806,985	158,543,498	41.3
12.....	65,708,391	45,759,113	116,366,880	162,125,993	40.5
19.....	65,270,724	45,832,494	117,962,935	163,795,429	39.8
26.....	67,198,767	44,749,912	121,012,470	165,762,382	40.5
Oct. 3.....	73,786,993	51,147,445	128,383,830	179,531,275	41.0
10.....	74,505,921	46,925,737	133,448,505	180,374,242	41.3
17.....	77,010,222	51,881,110	137,215,255	189,096,365	40.6
24.....	78,720,356	48,116,251	140,943,075	189,059,326	41.6
31.....	78,521,267	50,923,165	141,976,333	192,899,498	40.7
Nov. 7.....	86,948,763	50,080,548	150,378,970	200,459,518	43.3
14.....	87,565,621	50,073,311	151,376,310	201,449,621	43.4
21.....	89,442,550	53,815,772	149,811,480	203,627,252	43.9
28.....	97,348,393	57,493,819	148,566,960	206,060,779	47.2
Dec. 5.....	98,629,187	55,016,339	150,749,279	205,765,618	47.9
12.....	101,017,764	53,152,806	150,830,590	203,983,396	49.5
19.....	104,430,441	54,720,409	153,919,980	208,640,389	50.1
26.....	111,675,788	54,924,004	156,599,055	211,523,149	52.8

## EXHIBIT C.—Comparative balance sheet of Federal Reserve Bank of Atlanta, including branches.

	Dec. 31, 1919.	Dec. 31, 1918.
<b>RESOURCES.</b>		
<b>Reserves:</b>		
Gold redemption fund—Federal Reserve notes	\$7,940,425.13	\$6,957,760.00
Gold with Federal Reserve agent	63,503,220.00	42,179,185.00
Gold settlement fund	19,333,518.51	6,302,193.45
Gold bullion and coin	1,930,767.62	1,900,488.42
Gold certificates (including clearing-house certificates)	6,482,040.00	6,086,890.00
Gold with foreign agencies	4,727,527.61	174,866.23
<b>Total gold reserves</b>	<b>103,917,498.87</b>	<b>63,601,383.10</b>
Legal-tender notes	163,325.00	165,009.00
Silver certificates	117,580.00	55,544.00
Silver coin	709,806.30	16,690.50
<b>Total cash reserves</b>	<b>104,908,210.17</b>	<b>63,838,626.60</b>
Nickels and cents	6,170.35	1,336.40
5 per cent fund against Federal Reserve notes	878,550.00	310,690.00
Overdrafts	10,049.31	
<b>Total</b>	<b>894,769.66</b>	<b>312,026.40</b>
<b>Deductions from gross deposits:</b>		
National-bank notes	367,700.00	4,119,829.00
Bank notes, other Federal Reserve Banks	449,700.00	
Federal reserve notes—Other Federal Reserve Banks	1,278,455.00	
Unassorted currency	7,181,806.00	
Transit items	36,319,680.10	16,399,909.62
Checks and other cash items	67,064.23	122,324.66
Exchanges for clearing house	2,602,513.91	2,876,114.04
Other items		9,981,436.18
Branches		2,518,975.61
<b>Total deductions</b>	<b>48,266,919.24</b>	<b>36,018,589.11</b>
<b>Earning assets:</b>		
Member banks' collateral notes, Government secured	61,832,680.00	47,626,800.00
All other, Government secured	4,558,955.09	
Member banks' collateral notes, otherwise secured	635,000.00	
All other, otherwise secured	26,025,232.73	36,408,710.93
Bills purchased	16,639,000.16	12,514,685.61
Victory notes	3,900.00	
United States bonds to secure circulation	261,600.00	261,600.00
Other United States bonds	113,700.00	292,150.00
Certificates of indebtedness to secure circulation	15,664,000.00	5,964,000.00
Other United States certificates of indebtedness	1,000.00	102,000.00
War-savings certificates	846.00	
Municipal warrants		13,000.00
<b>Par value of earning assets</b>	<b>125,735,913.98</b>	<b>103,182,946.54</b>
<b>Deduct—</b>		
Unearned discount	\$259,673.32	\$228,225.46
Dep. reserve United States bonds	4,686.85	830.70
<b>Total</b>	<b>264,360.17</b>	<b>229,056.16</b>
<b>Less: Interest accrued on United States securities</b>	<b>135,903.92</b>	<b>24,961.80</b>
<b>Liquid value earning assets</b>	<b>125,607,457.73</b>	<b>102,978,852.18</b>
<b>Miscellaneous assets:</b>		
War-loan expense	121,786.25	456,208.21
War Finance Corporation	.47	
Deferred charges	9,269.68	2,957.31
Bank premises	463,301.88	217,000.00
	594,358.28	676,165.52
<b>Total resources</b>	<b>280,271,715.08</b>	<b>203,824,259.81</b>

## EXHIBIT C.—Comparative balance sheet of Federal Reserve Bank of Atlanta, including branches—Continued.

	Dec. 31, 1919.	Dec. 31, 1918.
LIABILITIES.		
Federal Reserve notes:		
Outstanding .....	\$160,107,820.00	\$123,620,285.00
Less: Held by bank and branches.....	\$4,108,635	\$2,786,200
Forwarded for redemption .....	488,250	161,655
	4,596,885.00	2,947,855.00
In actual circulation .....	155,510,935.00	120,672,430.00
Federal Reserve bank notes secured by Govern- ment obligations:		
Outstanding .....	15,777,600.00	6,085,600.00
Less: Held by bank and branches.....	216,300.00	269,000.00
In circulation, net liability .....	15,561,300.00	5,816,600.00
Deposits:		
United States Treasurer—general account....	2,706,991.38	2,839,711.85
Members—reserve account.....	58,388,305.76	46,222,851.15
Foreign government credits .....	2,602,586.02	.....
Nonmembers clearing account.....	12,498.22	40,931.30
Cashier's checks.....	163,501.14	173,956.21
Deferred availability items—		
Gold settlement fund—suspense.....	5,862,338.16	6,973,458.15
Government transit items.....	998,183.13	.....
All other transit items.....	30,270,446.54	16,335,014.92
Gross deposits .....	101,004,850.35	72,585,923.58
Miscellaneous liabilities:		
Reserved for taxes .....	25,583.24	.....
Reserved for expense.....	45,846.49	47,572.19
Difference account .....	.....	384.04
	71,429.73	47,956.23
Capital, surplus, and net earnings:		
Capital—		
Paid in by members.....	3,425,650.00	3,191,350.00
Paid in by applicants for membership....	2,550.00	.....
Total capital.....	3,428,200.00	3,191,350.00
Surplus fund.....	4,695,000.00	1,510,000.00
Total liabilities .....	280,271,715.08	203,824,259.81

## DISTRICT NO. 7.—CHICAGO.

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W. A. HEATH, Chairman and Federal Reserve Agent.

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In the first year of readjustment from a war to a peace footing, the operations of the Federal Reserve Bank of Chicago made a remarkable showing when measured by service rendered to the financial community and the Government.

Features of operation, however, clearly indicate that such readjustment is a slow and hesitating process, especially in a district largely agricultural. While world-wide conditions are closely related with those of the Middle West, it is not easy to discover any direct reflection of them in the attitude of the people of this section as indicated by their disposition to indulge in extravagant living, to disregard the necessity of thrift, the imperative need for increased production, and the conservation of credit.

The Middle West is a great producing section, largely agricultural but with manufacturing centers scattered all through it, all contributing to feed and clothe Europe and to supply her with raw materials and finished products. Necessarily the problems of production, distribution, and credit present themselves, and these involve as factors seasons of growth as well as harvest and transportation. The record of the Federal Reserve Bank of Chicago for 1919 indicates in some measure the manner in which these various problems have been or are being met and solved.

In reviewing the operations of the Federal Reserve Bank of Chicago, attention is called to the grand total of the balance sheet at the close of 1919, showing total resources of \$974,270,255, or more than \$197,000,000 greater than the total resources at the close of 1918, \$573,364,510 greater than at the close of 1917, and 8.2 times the total resources at the end of December just preceding our participation in the war. No other single total so well expresses the magnitude of the service carried through the most critical year which has been lived (possibly excepting the period of actual warfare) in longer than a half century.

It has been the endeavor to render the greatest possible service to the business community, to the end that the liquidating process necessary to bring the country back from a war footing to a peace basis may be accomplished with the least possible disturbance to business interests and to the country at large.

With this in mind, loans to and rediscounts for member banks have been carefully watched and the effort has been made to keep in touch with the general credit situation throughout the district as indicated by loans and discounts as shown in the reports of condition by the commercial banks.

The Federal Reserve Bank of Chicago, in 1919, was able not only to supply the legitimate needs of its own district but to make large advances to other Federal Reserve Banks not so fortunately situated.



It also assisted materially in financing the Treasury, through the flotation of more than its full quota of Victory bonds, the banks of the district subscribing 18 per cent of the Victory loan, purchasing 14 per cent of the total loan anticipation certificates of indebtedness, and absorbing 13 per cent of the total tax anticipation certificates subscribed in the country.

The transition from a war toward a peace footing has been attended so far with little business disturbance. In the early part of the year the sudden lessening of the demand for war materials and the cancellation of war contracts by the Government, together with the slowness of payment on these contracts, in consequence of the magnitude of the task, involved the use of such a considerable amount of credit as to offset, in a measure, the steady liquidation of war obligations. All through the year, however, there has been in evidence resistance to attempts to readjust prices and wages from a war-time level to a prewar normal, which necessarily finds its reflection to some extent in the loan account at the banks. Higher wages and high prices of materials call for the use of more money and credit in the conduct of business. The statistical record of operations of the Federal Reserve Bank of Chicago reflects the effect of high prices, low production, speculation, and extravagance existing in the Seventh Federal Reserve District.

The strain upon the banking system, due to conditions which to some extent were controlled during the war, has been increased with the relaxation from war-time economies and conservation. There is little in the figures of the year 1919 which gives hope for an immediate return to normal conditions until production begins to overtake consumption and savings are accumulated to take the place of wealth lost by waste and extravagance, and to increase the available supply of capital of which the world is so greatly in need.

#### FINANCIAL RESULTS OF OPERATION.

The earnings of the Federal Reserve Bank of Chicago for the year 1919 aggregated \$12,012,077, while the total expenses of the bank for the year 1919 aggregated \$2,548,324 compared with \$1,495,002 the previous year. From the net earnings of 1919, there was charged off \$820,000 as the estimated value of buildings to be razed on the property purchased at the end of 1918 as the site for the future home of the Federal Reserve Bank of Chicago.

The balance sheet as of December 31, 1919, shows \$423,823,509 total earning assets, compared with \$247,091,416 at the close of the previous year, \$125,490,000 in 1917, and \$26,475,000 at the end of 1916. Total resources shown were \$974,270,255 on December 31 last, compared with \$777,187,612 at the end of 1918, \$401,905,000 in 1917, and \$118,790,000 at the close of 1916.

The capital account at the close of 1919 showed \$12,347,150 paid in, compared with \$11,185,050 paid in at the end of 1918. The average capital paid in for the year was \$11,685,000, compared with \$10,087,800 for 1918. The surplus account at the close of 1919 was \$14,291,642.

Total Government deposits on December 31, 1919, were \$350,003 compared with \$6,566,290 at the close of the previous year, \$3,052,000 at the close of 1917, and \$2,045,000 at the close of 1916. The "total

due to member banks—reserve” at the close of 1919 was \$257,978,903, against \$230,604,383 at the end of the previous year, \$169,174,000 at the close of 1917, and \$95,390,000 at the close of 1916.

The balance sheet also showed \$500,138,675 Federal Reserve notes in actual circulation at the end of 1919, against \$428,820,115 at the close of the previous year.

#### DISCOUNT OPERATIONS IN 1919.

The total earning assets standing at \$259,000,000 at the beginning of 1919 was composed of \$133,000,000 notes collateralized by United States Government securities, \$48,000,000 other discounted paper, \$58,000,000 open market bills, and \$20,000,000 United States securities owned. On December 26 the total earning assets stood at \$427,000,000, composed of \$147,000,000 notes collateralized by United States Government securities, \$128,000,000 other discounted paper, \$108,000,000 open market bills, and \$44,000,000 United States securities owned. In the early figures Government securities appeared as collateral in 51 per cent of total earning assets, while on December 26, the high point reached by “total earning assets,” this percentage was 34 per cent.

Leaving out of consideration investments, which show a steady increase from \$20,000,000 at the beginning of the year to \$44,000,000 at the end, the total bills discounted and bought consisted principally of notes secured by Government obligations in the early months, the percentages showing 55 per cent at the low and 84 per cent on May 16, the high point. From this date on this proportion diminished and at the end of the year had declined to 38 per cent.

The removal of the preferential that had hitherto existed upon Government obligations as collateral, accounts for the failure of notes thus secured to play an important part in the tremendous advance sustained in loans during the last half of the year, particularly in October, November, and December. On July 3, the total bills discounted and bought amounted to \$284,000,000, partly made up of \$208,000,000 paper secured by United States war obligations. On December 26, total bills discounted and bought amounted to \$383,000,000, of which \$147,000,000 was paper secured by United States war obligations. This involved a decline in percentage of from 73 to 38 during the last half of 1919.

During the year 1919 there were approved 28,944 applications for rediscount for 951 banks, which compares with 22,864 applications approved for 850 banks in 1918.

Bankers' acceptances aggregating \$387,489,767 were purchased in the open market and from other Federal Reserve Banks at rates running from 4 to 5½ per cent. The number of acceptors represented in these acceptances was 214.

The total amount of advances to other Federal Reserve Banks through the rediscount of their bills during the year 1919 aggregated \$1,323,338,000. This was distributed as follows:

Atlanta.....	\$72,190,000
Boston.....	10,028,000
Dallas.....	370,975,000
Philadelphia.....	575,008,000
Richmond.....	300,137,000
Total.....	1,328,338,000

## DEVELOPMENT OF THE TRADE ACCEPTANCE MARKET.

During the year 1919 the Federal Reserve Bank of Chicago made an extensive canvass through its member banks to determine the development of the trade acceptance movement in the Seventh District. The banks reported the volume of trade acceptances offered for discount, as follows: Many bills offered, 28 banks; few bills offered, 230 banks; no bills offered, 581 banks.

As to the rate of discount accorded trade acceptances, 36 banks granted a preferential rate and 221 banks took the bills at their ordinary rate of discount. Among the replies received as to the progress of the movement, 75 banks reported gains, while 713 banks reported no progress.

From another point of view the trade acceptance movement has a more favorable appearance, namely, the trade acceptances unpaid at maturity appear to be remarkably few, and the banks generally throughout the district express a preference for trade acceptances over the commercial notes in ordinary use.

During 1919 the Federal Reserve Bank of Chicago rediscounted approximately \$6,580,000 of trade acceptances, or about \$2,450,000 less than during the previous year.

## OPEN MARKET FOR BANKERS' ACCEPTANCES.

The open market for acceptances is gradually developing in the Seventh District. A number of large banks in the reserve cities and some of the small banks outside of reserve cities are purchasing bankers' acceptances. The Federal Reserve Bank is assisting in the development of an open market for bankers' acceptances by purchasing such acceptances with a 15-day option to the broker to repurchase. The attitude, however, has been to discourage direct offerings by member banks.

## LIQUIDATION OF WAR PAPER.

It is problematical, of course, as to how long a time will be required to enable the banks of this district to clear up their war paper, but this is being urged and encouraged wherever possible without harassing business.

## RESTRICTIONS TO CHECK SPECULATION.

The policy has been to give assistance to member banks to care for their legitimate and seasonal requirements and Government financing. In cases where banks have shown a disposition to borrow continuously and heavily, efforts have been made to obtain information as to current conditions and the reasons for this unusual demand. If it is found that a bank is borrowing from the Federal Reserve Bank in order to secure additional working capital, or for profit, the borrowing bank is requested to liquidate its obligations.

## TREND OF DEPOSITS.

Net deposits opened the year at \$211,000,000, gaining an advance of \$85,000,000 to the high point of the year, \$296,000,000 (July 18), before a recession set in which brought the figures back to practically the place at which the upward movement had started. The trend of deposits during the entire year was irregular and unusual, due to the artificial conditions produced by the consistently large borrowings of other Federal Reserve Banks. Commercial banking experience, that deposits grow with loans, was not followed in the Federal Reserve Bank of Chicago, due to the fact that the proceeds of these advances to other Federal Reserve Banks were not left on deposit as is the case when members borrow, but were transferred through the gold settlement fund to other Federal Reserve Banks.

## RESERVE POSITION CAREFULLY SAFEGUARDED.

Demands upon the Federal Reserve Bank of Chicago, both from member banks and from other Federal Reserve Banks, were tremendous during 1919. From the highest point reached in the total net deposit and Federal Reserve note liability in 1918, which was \$644,000,000 on Friday, December 6, this item steadily increased to \$738,000,000 on December 26, using the weekly figures exclusively. On the date of this high record, cash reserves against net deposits and net circulation liability, stood at 50.6 per cent. Cash reserves against these two net liabilities for the entire year averaged 63.5 per cent, while the average for the first ten months of the year was 65.4. On three occasions during the first ten months the reserve percentage against net deposit and note liability fell below 60 per cent, namely, June 20—59.7 per cent, June 21—59.9 per cent, and June 30—58.5 per cent.

The transfer of gold to other Federal Reserve Banks as proceeds of advances made to them for acceptances bought and notes and acceptances discounted in unusually large volume, resulted in a rather sharp and steady decline in reserve percentage beginning with the first week in November. The low point in the reserve percentage against net deposits and Federal Reserve note liability was reached December 29, when it touched 49.2 per cent. The low weekly reserve computed on Friday was 50.6 per cent. The percentage against this combined liability at the end of the year was 51.4 per cent. The average reserve by months in 1919 was:

January.....	68.3	May.....	64.8	September.....	64.9
February.....	71.1	June.....	62.2	October.....	64.4
March.....	67.3	July.....	63.2	November.....	55.6
April.....	64.4	August.....	63.5	December.....	52.4

## GROWTH OF MEMBERSHIP.

There were 44 State banks added to the membership roll of the Federal Reserve Bank of Chicago in 1919, while 6 State banks retired from membership, making a net increase for the year of 38 State banks. This class of membership stood at 326 banks on December 31, 1919. Of the 6 retiring banks, 3 became national banks. The

division of new members by States is Illinois, 5; Indiana, 3; Iowa, 6; Michigan, 28; and Wisconsin, 2. There were 1,048 national bank members in the Seventh District December 31, 1919.

The following tabulation gives the total State bank membership, according to States, in the Federal Reserve Bank of Chicago at the close of the year 1919:

	Dec. 31, 1919.			Dec. 31, 1918.		
	National.	State.	Total.	National.	State.	Total.
Illinois.....	319	61	380	316	57	373
Indiana.....	194	22	216	194	19	213
Iowa.....	354	80	434	354	77	431
Michigan.....	76	139	215	74	113	187
Wisconsin.....	105	24	129	107	22	129
Total.....	1,048	326	1,374	1,045	288	1,333

#### FIDUCIARY POWERS.

Applications of 41 national banks in this district for authority to exercise fiduciary powers under section 11 (k) of the Federal Reserve Act were approved by the Federal Reserve Board during 1919. There were 54 such applications divided among the States as follows: Illinois, 15; Indiana, 15; Iowa, 15; Michigan, 4; and Wisconsin, 5. Of these, 10 were applications for additional fiduciary powers. Banks having these powers now number 146.

#### DEPARTMENT OF BANK EXAMINATIONS.

Owing to the fact that national banks are under the jurisdiction of the Comptroller of the Currency and that State banks are now and will remain under the jurisdiction of the various State banking departments, growth of the department of examinations must of necessity be slow. While the department has made direct examinations of both national and State member banks, the field work has been confined largely to cooperative examinations in connection with representatives of State banking departments, and credit examinations of State banks in connection with their applications for membership.

During the year meetings were held separately with each of the five State banking departments, with practically a full attendance of every member connected with each department. These meetings resulted in a better understanding of the various matters of mutual interest, and the visitors gained a better knowledge of the Federal Reserve System and the operations of the Federal Reserve Bank of Chicago. At the same time the officers of the Federal Reserve Bank gained a much better idea of the conditions which confront the operation of the various State banking departments. The relations existing between the banking departments represented in the Seventh District and our examining department are pleasant and cordial and promise cooperation to the fullest extent in increasing the efficiency of the work in which there is mutual interest. The plan has been to

lay the foundation of the examining department along correct lines, which may be extended as demands are made upon it.

#### STATE BANK RESERVES.

The discrepancy existing between reserve percentage against deposits required by State banking laws and those obligatory under the Federal Reserve Act has been removed in the State of Iowa for Iowa State banks which become members of the Federal Reserve System. Thus two States in this district, Michigan and Iowa, have given recognition through their law-making bodies of the safety of smaller reserves for a bank which has the resources of a Federal Reserve Bank to draw upon in case of need. The attitude of banking departments in the three remaining States continues liberal toward the reserve percentages carried by banks under their jurisdiction which have become allied with the Federal Reserve System, but actual incorporation in their State laws of sections covering this point has not yet been accomplished.

#### PART PLAYED IN GOVERNMENT FINANCING IN 1919.

The Seventh Federal Reserve District was assigned a quota of \$652,500,000 of the Victory loan, or more than 14 per cent of the total amount offered, \$4,500,000,000. Total subscriptions were \$772,046,550, 118 per cent of quota. Allotments made aggregated \$694,330,000. There were 2,267,411 individual subscribers, with an average subscription of \$340. To the fourth Liberty loan there were 4,300,312 subscribers, averaging \$227 for each as compared with an average of \$172 for 3,479,315 subscribers to the third loan.

Payment on the fourth Liberty loan was completed in January. By the end of the year payments on the Victory loan had all been completed excepting three individual accounts totaling under \$1,000, and deliveries of all notes had been made except approximately \$5,000,000 registered notes which had yet to be received from the Treasury Department. Payments on the Victory Liberty loan were effected as follows: By cash, \$212,516,011.45; by credit in war loan deposit account established by approved depositaries, \$241,024,313.55; and by certificates of indebtedness, \$240,789,000.

The Liberty loan organization for the Seventh District functioned satisfactorily, and the result is a fitting tribute to those tireless workers who gave freely of their time and energy.

During the year 1919 the banks of the Seventh Federal Reserve District purchased \$1,001,727,000 "loan anticipation" certificates of indebtedness, 14 per cent of the total amount purchased by the banks of the entire country, and \$605,818,500 tax anticipation certificates of indebtedness, 13 per cent of the total amount of tax anticipation certificates sold in the entire country. All of these certificates have matured or have been retired except \$180,623,000 loan anticipation and \$246,390,500 tax anticipation certificates. At the present time, therefore, 7½ per cent of the total banking resources of this district are invested in United States Treasury certificates of indebtedness. The organization by which these certificates have been distributed was built upon the county unit. Each of the 338 counties in the district is in charge of two prominent resident bankers, who work closely with the director of Treasury certificate sales.

## DEPOSITS OF TREASURY FUNDS WITH BANKS IN 1919.

The number of depository banks increased during 1919 from 1,060 to 1,177. The maximum payment by credit to the war loan deposit account during the year was \$143,062,704 on the occasion of the initial payment of the Victory Liberty loan. Total payments by credit upon the Victory Liberty loan were \$242,055,211, more than one-third of the money required on this account. Payments for certificates of indebtedness purchased by banks during the year were made by credit to the amount of \$1,021,000,000, which is 64 per cent of the certificates sold.

Approved collateral held by custodians as security for deposits of Treasury funds reached a maximum on June 11, when the five custodians, one in each State, held a total of \$231,061,870. On December 1 the minimum for the year was reached—\$70,399,395.

## WAR SAVINGS—1919.

The work of the Federal Reserve Bank of Chicago in the sale of war savings certificates and stamps during the year 1919 has been chiefly concerned with education. Until August 1 the war savings campaign was conducted on the State unit plan. Thereafter the five State organizations were molded into one district organization with headquarters in Chicago.

Sales during the first nine months showed a steady decrease, but from October 1 sales showed a decided increase. During the months of October and November sales showed approximately 100 per cent increase over September sales. This increase is attributed to the sale of the new Treasury savings certificates.

## FEDERAL RESERVE NOTE ISSUE.

The volume of the Federal Reserve notes of the Federal Reserve Bank of Chicago in circulation at the first of the year was \$426,000,000, a figure reached after an expansion during 1918 of over \$250,000,000. During the first half of 1919 this figure never exceeded \$426,000,000. In fact, there were two rather substantial downward trends during this period. However, when pent-up buying power and the desire to employ it resulted in a tremendous advance in consumption, a great rise in commodity prices, and an increase in speculative operations, there was a correspondingly heavy demand for circulation media. From the end of July, during which month there was a reaction from the upward trend that developed at the end of June, the rise in the Federal Reserve note item was sharp and continuous until the end of the year. The net expansion for the year was \$84,000,000, with Federal Reserve notes in actual circulation standing at \$510,000,000 on December 26, 1919. (See Exhibit B and chart.)

## FEDERAL RESERVE BANK-NOTE ISSUE.

On December 31, 1918, there were outstanding \$18,525,800 in Federal Reserve bank notes. At the close of the year 1919 this item stood at \$41,289,800. This expansion of more than \$20,000,000 in

denominations of principally \$1 and \$2 can be traced to the Pittman Act, to the increased demand for small bills, and to the policy of the Treasury in withholding silver certificates from circulation in order to use for minor coin the bullion resulting from the breaking up of standard silver dollars back of the silver certificates.

At the close of the year there was \$43,609,800 in United States securities on deposit with the United States Treasurer as security for outstanding Federal Reserve bank notes.

#### POSITION OF COMMERCIAL BANKS.

Condition of the commercial banks is fairly well reflected in the summary of the reports of 107 selected banks in this district as of December 26, 1919, which indicates that they were borrowing approximately 78 per cent of their reserves. They have borrowed \$208,000,000, whereas their reserves both with Federal Reserve Bank and in vault were \$265,000,000. Considering that vault cash is not legal reserve and that almost \$78,000,000 of the above figure was represented by vault cash, it may be seen how heavily the banks are leaning on the Federal Reserve Bank of Chicago at this time.

The interest rate on money for business bears a close relationship to the discount rate of the Federal Reserve Bank of Chicago and, with a 4½ per cent rate on certificates of indebtedness, it is not thought that commercial paper will become any cheaper than 5½ per cent, at least for several months of the new year. Other factors which no doubt will keep money firm for the next few months are the continued strength of commercial and agricultural demand; the stagnation of agricultural credits that would have been liquidated with better shipping facilities; the large land settlements to be made in March—the aftermath of tremendous speculation in land; and, finally, the completion of the readjustment of war-time industries to a peace-time basis, though the past year has seen considerable progress in this direction.

Meantime, there is a good market for commodities of all kinds and the danger of excessive stocks is reduced, owing to the rapidity of the turnover of merchandise, and the average merchant's belief that prices may commence to recede at any time.

#### FEDERAL RESERVE CLEARING SYSTEM.

The operations of the clearing system of the Federal Reserve Bank of Chicago continue to show a remarkable increase in volume. During the year 1919 the daily average of items handled by the transit department compared to the number handled in the same period of the previous year, showed an increase of 106 per cent. The number of items drawn on banks in Chicago increased 112 per cent, while the daily average of items drawn on banks outside of Chicago increased 121 per cent.

There was an increase of 38 per cent in Government checks handled. The turnover in December averaged daily 29,462 Chicago items and 121,663 outside items, or a total of 151,125 which, with 7,223 Government checks, made a total average of 158,348. The



largest volume in the history of the transit department was handled on December 15, 1919, when the business comprised 240,132 items, composed of 41,712 Chicago items, 191,405 items on banks outside of Chicago and 7,015 Government checks.

There has been a marked increase in the number of banks on the par list of the Federal Reserve Bank of Chicago. At the close of business December 31, 1919, 5,271 banks out of a total of 5,564 in the Seventh District were on the par list. Illinois, Iowa, Indiana, and Michigan were 100 per cent par, all banks in Illinois and Iowa going on the par list November 1 and all in Indiana December 1, while Michigan reached the 100 per cent status December 31.

The transit department inaugurated a merit system recently for the purpose of increasing the efficiency of the clerical force and this has brought gratifying results in reducing the number of errors in the sorting and listing of checks.

#### LEASED WIRE SYSTEM.

Owing to the volume of telegrams handled over the leased wire system during the past year, additional facilities have been acquired to the extent of approximately 2,500 miles, which makes the total mileage of the system 12,500.

The Chicago-New York circuit was converted from a single wire to a full duplex, or two-way wire (doubling its capacity); branch banks were opened at Little Rock, Buffalo, Houston and Nashville, all being connected with their parent banks by leased wires; new wires were established between Chicago and Kansas City, also Richmond and Baltimore, to provide for increased business, which is being handled with great facility.

#### TRANSFER OPERATIONS.

The policy happily adopted in 1918 of promoting mail and telegraphic transfers of credit for the better mobilization of reserves, was continued throughout 1919. Uniform rates were maintained of 15 cents discount per day per thousand—say 5½ per cent per annum—for mail purchases and 7½ cents discount per day per thousand for mail sales. Telegraphic transfers were made without charge and member banks have been encouraged to avail themselves of this great privilege for the conservation of their reserves and the effective utilization of their cash resources in all positions.

The year 1919 showed a gain of 31.8 per cent in the total of transfers purchased by mail and by wire, the total being \$4,205,247,000, against \$3,188,602,000. Sales of transfers by mail and wire made a total of \$1,115,010,000 against \$498,329,000, an increase of 123 per cent for the year 1919. Total transfer operations, buying and selling by wire and by mail, amounted to \$5,320,257,000, against \$3,686,931,000, an increase of 44.3 per cent.

#### COLLECTION DEPARTMENT.

The collection department of the Federal Reserve Bank of Chicago was established on July 1, 1917, and for the balance of the year, as well as 1918, member banks did not use the service which it provided

to any considerable extent. Prior to July 1, 1918, a service charge of 10 cents per item was assessed, but, in order to add to services made available to member banks, this charge was waived thereafter. At the present time about 10 per cent of the member banks use our collection facilities, though country banks thus far have not shown much interest in the service.

The following table will afford an idea of the volume of business handled in the department for the year 1919:

Received from—	Items.	Amounts.
Federal Reserve Banks.....	31,209	\$81,846,903
Chicago banks.....	4,789	20,313,164
Member banks, district No. 7, outside Chicago.....	13,245	12,462,949
Discount department.....	9,117	201,459,117
<b>Total.....</b>	<b>58,360</b>	<b>316,082,133</b>

Figures for 1918 are not available in a form which would make a fair comparison, but with the daily increase in volume, future reports should be very interesting. Returns at par can be made for collections on points where there is a Federal Reserve Bank or branch and there are in the neighborhood of 300 banks in this district which remit at par for collections. These par points, together with the par points available through country banks in other districts, afford a saving in collection costs that can not be ignored by the member bank which is interested in using to the fullest extent the privilege to which membership entitles it.

#### COLLATERAL DEPARTMENT.

The heavy volume of business in the discount department of this bank made clear the necessity for the establishment of a collateral department which would work closely in harmony with the discount department, but maintain a strict individuality, this to enable the members of the department to concentrate exclusively upon the careful handling of securities used or to be used as collateral to loans to member banks. This department was therefore separated from the discount department almost a year ago, and since that time the collateral pledged to our member banks' bills payable, together with that unpledged, has been held in the custody of the collateral department.

During the past year certificates of indebtedness having exceeded other forms of collateral, it has been necessary to release for redemption and credit an average of \$10,000,000 for each maturing issue. For certain periods these maturities have occurred every fifteen days. The average shipments of securities for a weekly period total \$25,000,000, made to 250 member banks.

The largest total amount of securities held in this department during the year was reached on May 3, \$195,300,000. The total securities held at the close of business December 31, 1919, was \$120,627,000.

## GOLD SETTLEMENT FUND.

Daily settlements through the gold settlement fund continue to be advantageous to the Federal Reserve Banks in settling accounts among themselves, and the Federal Bank of Chicago has participated in these benefits.

The summary of the year's transactions in all accounts results in a net gain through settlements of \$988,841,000 and a net loss through transfers to other Federal Reserve Banks of \$1,062,205,000, or a net loss for the year of \$73,364,000. Balance in the gold settlement fund standing to the credit of the Federal Reserve Bank of Chicago on December 31, 1919, was \$76,478,000.

## FOREIGN ACCOUNTS.

Until after the middle of the year 1919 no new foreign accounts were established by the Federal Reserve Bank of Chicago, the so-called Bank of England sterling gold account being still on our books at \$816,042.43. This account was closed out on April 2, 1919, and for three months no transactions in this direction were consummated. On July 17, by arrangement with the Federal Reserve Bank of New York, this bank participated to the extent of \$11,018,766.56 in a credit to the Argentine Republic, and on September 17 the Bank of England sterling gold account was reopened with a balance of \$5,412,154.05. The Bank of England account reached the high point of \$17,422,349.63 on November 12 and closed the year at \$15,627,105.15. The Argentine Republic account was gradually reduced from the initial amount to the figure \$8,602,992.69 on October 31, which was maintained up to and including the end of the year.

## BANKING QUARTERS.

During the year considerable attention has been given to the making of plans for the allotment of space to the different departments of the bank in the new building, the site for which was purchased during 1918, located at La Salle, Quincy, and Jackson Streets. The tremendous expansion in the volume of business, however, in the meantime has made it necessary to acquire temporary quarters, which provide an additional floor space of 25,000 square feet. When it is noted that more than 300 employees were added to the clerical force during the year the necessity for this unusual increase in floor space is evident.

At the beginning of 1919 the floor space occupied by the bank proper, as well as its fiscal agency department, covered 60,000 square feet. The expansion in required floor space was made necessary chiefly by the growth of the transit department and, as a matter of fact, due to the falling off in the volume of fiscal agency operations, considerable floor space formerly occupied by this department has been given over to other departments of the bank.

## INTERNAL ORGANIZATIONS.

The personnel of the board of directors of the Federal Reserve Bank of Chicago for the year 1919 was as follows: Class A—James B. Forgan, E. L. Johnson, and George M. Reynolds; Class B—John

W. Blodgett, A. R. Erskine and A. H. Vogel; Class C—William A. Heath, E. T. Meredith, and James Simpson. For the year 1920 the board will remain the same with the exception of James B. Forgan, whose term expired December 31, 1919, and who has been succeeded by C. H. McNider, of Mason City, Iowa. The chairman of the board and Federal Reserve agent remains the same as in 1918. The board held its usual regular monthly meetings during the year.

The executive committee for the year 1919 was composed of James B. McDougal, governor; James B. Forgan, George M. Reynolds, James Simpson, and the Federal Reserve agent. This committee will serve during the year 1920, with the exception of James B. Forgan, who has retired from the board and whose successor has not as yet been appointed. The committee held two regular meetings each week during the year. The membership committee is composed of the Federal Reserve agent, James B. McDougal, and A. H. Vogel, a director.

There were no changes in the official staff until the December meeting of the board, at which time three new official positions were created. E. L. Harris, formerly in charge of sales of certificates of indebtedness, was elected an official with the title, manager of bank relations and membership; W. K. Lyle, formerly chief clerk, and W. C. Bachman, formerly transit manager, were elected assistant cashiers, continuing in their former capacities; W. F. McLallen, assistant Federal Reserve agent, was reelected secretary of the board of directors.

The Detroit branch had for its directors for the year 1919, John Ballantyne, Emory W. Clark, Julius H. Haass, Charles H. Hodges, and R. B. Locke. The officers are: R. B. Locke, manager and chairman of the board; W. R. Cation, cashier; and J. B. Dew, assistant cashier. The Federal Reserve agent is represented at the Detroit branch by John G. Baskin as assistant Federal Reserve agent, and H. N. Baxendale, acting assistant Federal Reserve agent.

The following new departments were created and put into operation during the year: Bank relations and membership, planning, educational, and welfare. The first-named department will greatly facilitate the handling of bank relations and further promote a better understanding between the banks of the Seventh District and the Federal Reserve Bank, in addition to being of added service to banks considering membership. The planning department is an internal department, having supervision over all systems in use, and in addition thereto it will act in an advisory capacity to all other departments in changing or installing systems. The educational department will have control of all educational matters pertaining to the personnel of the bank, and when functioning to its fullest extent it will school all new employees in the work to which they have been designated. The welfare department cares for the physical and mental well-being of the employees and it is generally responsible for the proper morale of the organization. The statistical and analytical department, started in 1918, was expanded and took over the work of compiling statistical information other than departmental, both for the Board at Washington and for our own officers and members. This department is designed to function with the division of analysis and research and the statistical division of the Federal Reserve Board.

There were added to the staff of the department of examinations early in 1919, through appointment by the Federal Reserve Board, Mark A. Wilson, formerly an examiner for the State of Indiana, and Joseph M. Conway, formerly an examiner for the State of Michigan.

At the beginning of the year 1919 there was a total of 833 employees on the pay roll, and at the close of business December 31, 1919, our records show 1,193 employees, including officers—an increase of 43 per cent.

#### DETROIT BRANCH.

During the year the Detroit branch of the Federal Reserve Bank of Chicago has fulfilled with satisfaction the functions assigned to it by the board of directors on November 27, 1917. The first full calendar year of its operation, 1919, has justified in every way its creation.

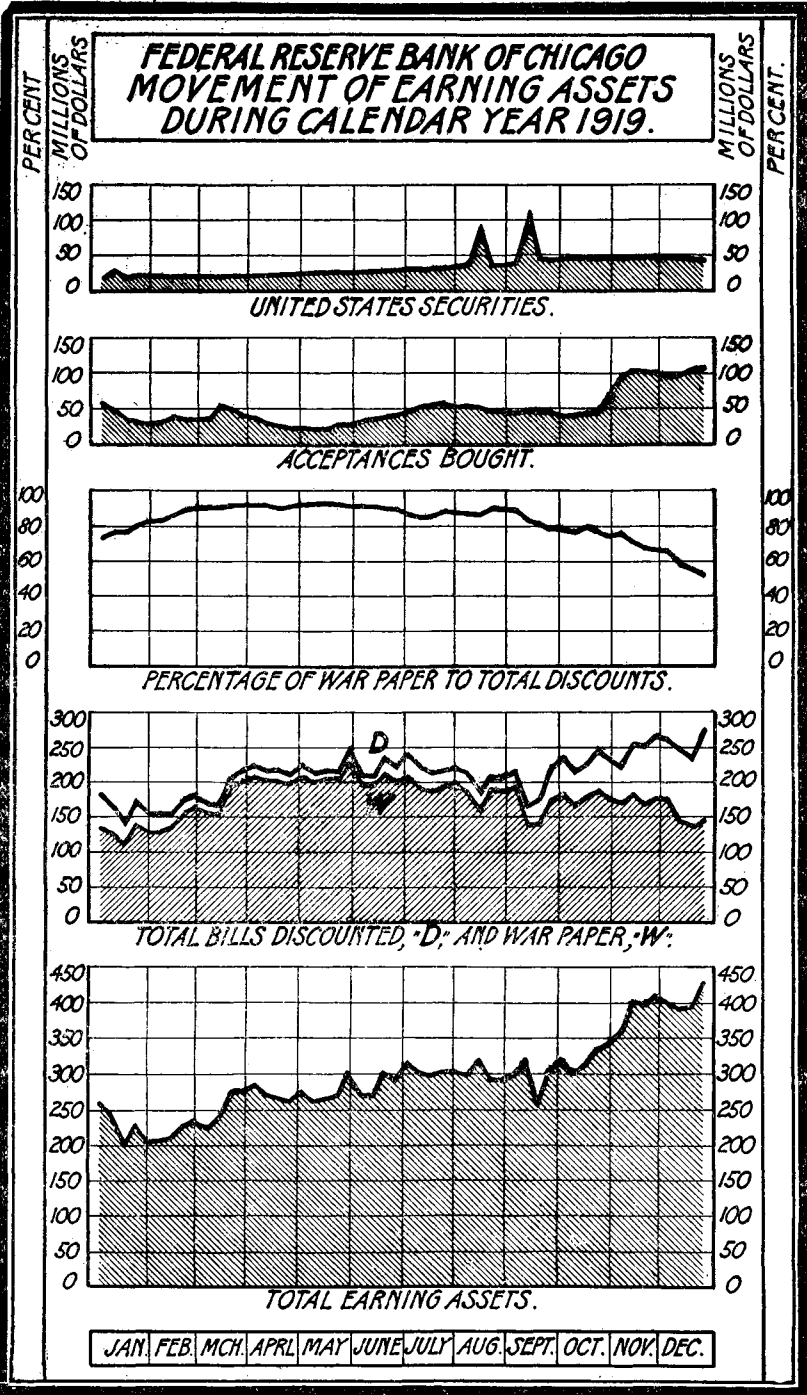
On February 1, 1920, the Detroit branch will begin to exercise all the functions of a Federal Reserve Bank, except that of note issue and a few minor functions. Control will be vested in the board of directors of the Federal Reserve Bank of Chicago, who will appoint directors and officers of the branch, to serve at the pleasure of the board. Supervision of the accounts of the branch will be assigned to the auditor of the Federal Reserve Bank of Chicago.

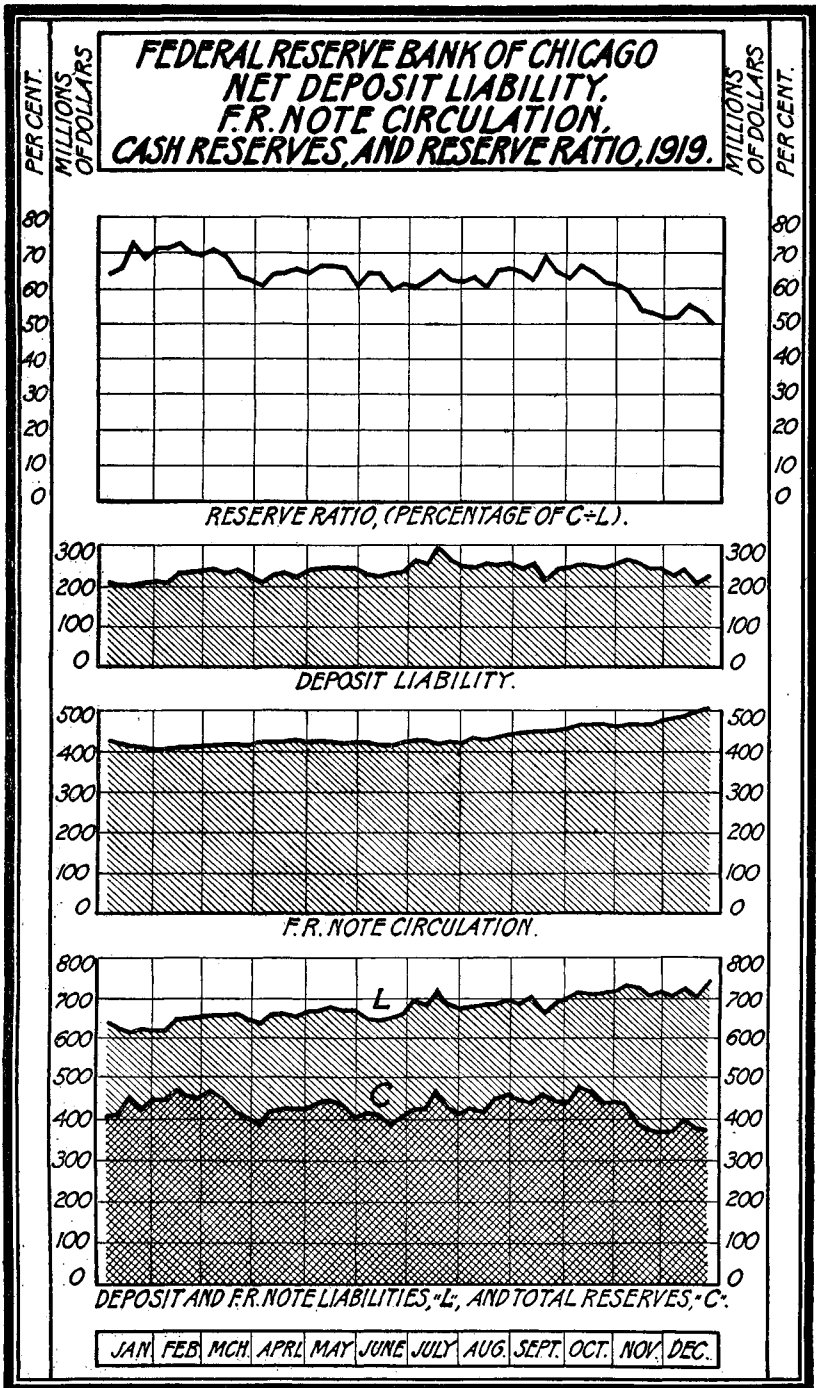
The territory in which the branch will operate consists of the following Michigan counties: Bay, Genesee, Hillsdale, Huron, Ingham, Jackson, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, Saginaw, Sanilac, Shiawassee, St. Clair, Tuscola, Washtenaw, Wayne.

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of Chicago during the calendar year 1919.*

[In thousands of dollars.]

Date.	1 Discounted paper se- cured by United States war obli- gations.	2 Other dis- counted paper.	3 (1+2.)	4 Per- cent 1+3.	5 Bills bought in open market.	6 Total bills dis- counted and bought.	7 United States securi- ties.	8 Total earn- ing as- sets.
Jan. 3	132,963	48,851	181,814	73.1	57,880	239,694	20,122	259,816
10	125,924	38,653	164,577	76.5	47,941	212,518	30,131	242,649
17	108,632	33,355	141,987	76.5	34,693	176,680	21,123	197,803
24	138,253	34,221	172,474	80.1	31,749	204,223	25,123	229,346
31	128,125	25,740	153,865	83.3	30,421	184,286	22,122	206,408
Feb. 7	128,253	25,749	154,002	83.2	31,458	185,460	22,122	207,582
14	131,878	20,812	152,690	86.4	34,709	187,399	21,122	208,521
20	154,870	17,952	172,822	89.6	33,249	206,071	21,122	227,193
28	162,708	15,861	178,569	91.1	32,676	211,245	21,122	232,367
Mar. 7	155,544	15,219	170,763	91.1	32,586	203,349	21,088	224,437
14	152,165	13,336	165,501	91.9	51,802	217,303	21,089	238,392
21	191,704	14,903	206,607	92.7	49,253	255,860	21,088	276,948
28	199,278	15,367	214,645	92.8	41,214	255,859	21,089	276,948
Apr. 4	206,595	16,545	223,140	92.6	39,291	262,431	21,088	283,519
11	202,040	16,134	218,174	92.6	31,173	249,347	22,088	271,435
18	200,298	17,701	217,999	91.0	27,548	245,547	23,089	268,636
25	195,872	16,510	212,382	92.2	24,556	236,938	24,088	261,026
May 2	209,305	14,473	223,778	93.5	26,306	250,084	24,088	274,172
9	200,037	14,266	214,303	93.3	23,952	238,255	25,088	263,343
16	202,391	13,184	215,576	93.9	24,412	239,987	25,088	265,075
23	201,723	14,882	216,606	93.1	28,332	244,937	25,088	270,025
29	228,140	18,604	246,744	92.4	27,640	274,384	26,119	300,503
June 6	195,120	16,197	211,317	92.3	32,776	244,093	27,088	271,181
13	192,979	16,574	209,553	92.1	34,236	243,789	27,088	270,877
20	213,504	21,980	235,484	90.7	37,722	273,206	28,088	301,294
27	200,427	21,824	222,251	90.2	40,463	262,714	29,088	291,802
July 3	208,412	30,199	238,611	87.3	45,802	284,413	30,089	314,502
11	188,205	32,323	220,528	85.3	50,887	271,415	30,089	301,504
18	183,427	29,228	212,655	86.2	53,524	266,179	31,088	297,267
25	191,632	24,313	215,945	83.7	56,016	271,961	31,089	303,050
Aug. 1	193,391	26,223	219,614	88.1	50,800	270,414	33,088	303,502
8	186,386	26,477	212,863	87.5	52,452	265,315	34,088	299,403
15	158,584	24,576	183,160	86.6	49,943	233,103	36,089	319,192
22	188,450	20,025	208,475	90.4	45,722	254,197	37,089	291,286
29	185,258	20,528	205,786	90.0	46,169	251,955	38,283	290,238
Sept. 5	192,490	21,965	214,455	89.7	43,067	257,522	39,312	296,834
12	137,833	27,925	165,758	83.1	44,097	209,855	108,119	317,974
19	139,657	32,371	172,028	81.1	42,967	214,995	46,119	261,114
26	172,455	46,091	218,546	78.9	42,771	261,317	42,304	303,621
Oct. 3	181,605	52,749	234,354	77.5	38,557	272,911	45,317	318,228
10	165,002	48,903	213,905	77.1	40,826	254,731	46,693	301,424
17	179,599	46,155	225,754	79.5	42,006	267,760	44,349	312,109
24	186,790	57,022	243,812	78.6	43,358	287,170	44,999	332,169
31	173,740	57,917	231,657	75.0	64,241	295,898	44,510	340,408
Nov. 7	170,269	51,825	222,094	76.7	92,402	314,496	44,182	358,678
14	180,944	72,097	253,041	71.5	103,674	356,715	44,258	400,973
21	169,345	81,449	250,794	67.5	102,054	352,848	44,962	397,810
28	176,508	88,956	265,464	66.5	99,923	365,382	44,713	410,095
Dec. 5	173,759	87,854	261,613	66.4	95,063	356,676	44,380	401,056
12	143,316	105,052	248,368	57.7	97,736	346,104	44,318	390,422
19	135,715	107,984	243,699	55.7	109,917	349,616	44,362	393,978
26	146,840	128,429	275,269	53.3	108,352	383,621	44,230	427,851







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EXHIBIT B.—*Movement of gold and cash reserves, Federal Reserve note and net deposit liabilities, and the reserve percentage of the Federal Reserve Bank of Chicago during the calendar year 1919.*

[In thousands of dollars.]

Date.	1 Gold reserves.	2 Cash reserves.	3 Federal Reserve notes in actual circulation.	4 Net deposits.	5 (3+4.)	6 Ratio of cash reserves to net deposit and Federal Reserve note liabilities combined.
Jan. 3.....	406,609	408,554	426,129	211,366	637,495	64.1
10.....	409,906	411,988	420,457	203,429	623,886	66.0
17.....	447,742	450,180	412,859	204,345	617,204	72.9
24.....	419,898	422,196	410,265	210,913	621,178	68.0
31.....	441,678	443,740	405,026	213,979	619,005	71.7
Feb. 7.....	441,046	442,781	407,665	211,470	619,135	71.5
14.....	467,762	469,158	409,884	236,348	646,232	72.6
20.....	450,016	451,291	410,057	236,584	646,641	69.8
28.....	448,346	449,722	410,806	239,160	649,966	69.2
Mar. 7.....	464,602	465,715	415,139	242,123	657,262	70.9
14.....	447,052	448,266	417,611	235,518	659,120	68.6
21.....	416,088	417,509	418,932	240,926	659,558	63.3
28.....	403,588	404,794	417,546	229,188	646,734	62.6
Apr. 4.....	386,249	387,230	425,120	209,953	635,073	61.0
11.....	417,065	418,435	425,279	228,146	653,425	64.0
18.....	422,944	424,297	423,145	234,042	657,187	64.6
25.....	424,901	426,222	426,455	224,317	650,772	65.5
May 2.....	425,978	427,105	422,296	241,781	664,077	64.3
9.....	441,452	442,598	424,024	243,985	668,009	66.3
16.....	443,837	445,123	422,396	249,702	672,098	66.2
23.....	434,686	435,738	419,554	247,358	666,912	65.3
29.....	404,006	404,934	422,327	244,420	666,747	60.7
June 6.....	415,315	416,640	421,046	227,786	648,832	64.2
13.....	411,499	412,646	418,271	225,630	643,901	64.1
20.....	386,522	387,524	417,700	230,995	648,695	59.7
27.....	404,093	405,202	421,672	235,131	656,803	61.7
July 3.....	421,900	422,755	429,248	266,269	695,517	60.8
11.....	422,788	423,552	427,211	255,196	682,407	62.1
18.....	462,999	463,974	420,685	296,723	717,408	64.7
25.....	426,828	427,781	423,393	262,599	685,992	62.4
Aug. 1.....	415,409	416,305	420,314	252,503	672,817	61.9
8.....	426,568	427,442	431,735	246,972	678,707	63.0
15.....	415,588	417,217	429,140	258,131	687,271	60.7
22.....	446,999	448,154	434,786	253,866	688,652	65.1
29.....	457,835	458,735	439,744	257,221	696,965	65.8
Sept. 5.....	445,048	445,891	444,845	244,540	689,385	64.7
12.....	439,153	440,252	447,265	256,355	703,620	62.6
19.....	458,965	460,007	447,173	218,172	665,345	69.1
26.....	443,185	444,280	450,048	241,036	691,084	64.3
Oct. 3.....	439,557	440,617	457,059	243,411	700,470	62.9
10.....	474,873	475,963	462,546	255,781	718,327	66.3
17.....	459,308	460,562	462,597	249,808	712,405	64.6
24.....	437,639	439,076	463,729	247,002	710,731	61.8
31.....	438,644	440,571	460,397	259,099	719,496	61.2
Nov. 7.....	433,040	435,407	467,103	265,320	732,423	59.4
14.....	381,397	383,816	464,896	258,298	723,194	53.1
21.....	373,567	375,971	468,708	243,234	711,942	52.8
28.....	367,482	369,871	475,062	243,466	718,528	51.5
Dec. 5.....	364,461	367,176	480,334	225,506	705,840	52.0
12.....	395,255	398,140	485,203	241,553	726,756	54.8
19.....	373,251	375,391	498,174	207,654	705,828	53.2
26.....	372,355	374,184	510,018	228,842	738,860	50.6

**EXHIBIT C.—Balance sheet—Comparative statement of condition of the Federal Reserve Bank of Chicago.**

	Dec. 31, 1919.	Dec. 31, 1918.	Dec. 31, 1917.	Dec. 31, 1916.
<b>ASSETS.</b>				
Bills discounted, members.....	\$286,908,175	\$164,088,997	\$105,923,175	\$4,437,460
Bills discounted, bought.....	92,650,234	62,880,918	9,182,429	10,337,161
United States bonds and notes.....	44,265,100	20,121,500	10,384,600	10,375,100
Investments.....				1,325,760
<b>Total earning assets.....</b>	<b>423,823,509</b>	<b>247,091,416</b>	<b>125,490,205</b>	<b>26,475,482</b>
Real estate (site for new building).....	2,116,149	2,036,149		
Interest accrued on United States bonds and notes.....	380,865	86,001	63,695	50,896
Premium on United States bonds.....				193,311
5 per cent redemption fund against Federal Reserve bank notes.....	1,888,150	829,390		
Liberty loan bonds, \$10 participation certificates.....	2,850	9,450	163,100	
Furniture and fixtures.....				28,304
Cost of unissued Federal Reserve notes.....				67,957
Due from member banks, overdrafts.....	6,648	30,941	330,615	1,723
Due from Federal Reserve Banks.....	66,882,527	26,784,494	5,992,720	29,913,819
Federal Reserve Banks, transfers bought.....	3,570,000	6,565,000	8,178,412	
Transit and exchanges for clearing house.....	51,350,405	41,060,921	19,868,657	4,692,553
Federal Reserve and national bank notes.....	42,358,644	26,819,995	10,635,500	2,986,185
Gold coin and gold certificates.....	24,181,000	23,234,185	32,189,305	27,600,625
Bank of England sterling gold account.....	15,627,105	816,042	7,350,000	
Other lawful money.....	1,920,443	1,797,544	963,872	396,102
Gold settlement fund.....	76,478,739	106,772,373	58,960,460	26,183,000
Gold with Federal Reserve agent.....	243,604,230	275,803,010	130,723,530	
Gold redemption fund Federal Reserve notes.....	19,533,109	15,151,205	646,490	200,000
<b>Total cash reserve.....</b>	<b>381,344,627</b>	<b>423,574,360</b>	<b>230,833,457</b>	<b>54,379,727</b>
Other assets.....	545,878	1,399,491	349,181	
<b>Total assets.....</b>	<b>974,270,255</b>	<b>777,187,612</b>	<b>401,905,745</b>	<b>118,789,962</b>
<b>LIABILITIES.</b>				
Capital paid in.....	12,347,150	11,185,050	9,091,700	6,683,550
Surplus.....	14,291,642	3,316,022	215,799	
Profit and loss.....				61,978
Reserve for franchise tax.....		3,100,223		
Discount on United States bonds.....	97,571	89,248	77,603	
Unearned discount.....	1,417,073	514,586	318,087	46,451
Unearned interest, investments.....				6,051
Reserved for sundry expenses.....	196,644	19,612	4,833	5,391
Difference account.....	40,429	1,784	254	
Federal Reserve notes outstanding.....	535,459,230	450,938,010	190,788,530	
Federal Reserve bank notes outstanding.....	41,289,800	18,525,800		
Federal Reserve bank transfers sold.....	200,000	3,700,116	1,471,347	
Liberty loan \$10 participation certificates sold.....	2,850	9,450	163,100	
Uncollected funds.....	58,211,397	32,545,315	18,183,306	
United States Government deposits.....	350,003	6,566,290	3,052,436	2,045,784
Due to Federal Reserve Banks.....	43,258,856	14,743,259	6,165,983	14,550,742
Due to member banks, reserves.....	257,978,903	230,604,383	169,174,348	95,390,012
Due to nonmember clearing banks.....	525,711	1,328,460	3,198,413	
Due to foreign agencies.....	8,602,992			
<b>Total liabilities.....</b>	<b>974,270,255</b>	<b>777,187,612</b>	<b>401,905,745</b>	<b>118,789,962</b>

## DISTRICT NO. 8.—ST. LOUIS.

WILLIAM McC. MARTIN, Chairman and Federal Reserve Agent.

### INTRODUCTION.

A marked change in financial and commercial activities took place during the year 1919. Attention was turned from winning the war to restoring conditions to a peace basis, and the banks in this district were called upon to finance a larger volume of commercial, industrial, and agricultural business than ever before.

The usefulness of the Federal Reserve Bank was further demonstrated during 1919. It rendered valuable assistance in the flotation of the Victory loan and the various issues of certificates of indebtedness during the year, and also greatly aided member banks in taking care of increased commercial demands. Its rediscounting, clearing, collection, and other facilities were used to a greater extent than in any previous year.

Measured both by the service rendered and the financial results of operation, the year 1919 was a most successful one for this bank.

### FINANCIAL RESULTS OF OPERATION.

The gross earnings during the year 1919 amounted to \$3,884,478.29 and the current expenses were \$1,174,793.26, leaving net earnings of \$2,709,685.03. This was an increase of \$758,877.79 over the net earnings for 1918. After charging off \$335,000 of the cost of bank premises, paying the dividends for 1919 amounting to \$234,659.91, and setting aside a reserve of \$19,519.44 to pay the Federal Reserve Board's assessment for the first six months of 1920, net profits of \$2,120,494 were left for the year. These net profits were transferred to surplus account, making \$3,723,805.22 in that account on December 31, 1919. The principal source of revenue during 1919 was bills discounted for member banks. Of the \$3,884,478.29 of gross earnings, \$2,918,462.08 was derived from this source.

From the balance sheets of December 31, 1918 and 1919, it will be seen that the total resources of the Federal Reserve Bank of St. Louis increased from \$220,189,394.05 on December 31, 1918, to \$301,094,164.75 on December 31, 1919. Between those dates, its gross deposits increased from \$88,203,789.46 to \$131,963,641.07 and its earning assets increased from \$85,717,141.81 to \$128,874,552.62. The reserve deposits of member banks increased from \$52,830,678.16 to \$72,282,788.29 within that time, due in great measure to the admission of State banks and trust companies into the system.

### DISCOUNT OPERATIONS.

The total amount of paper discounted for member banks during 1919 was \$2,100,630,595.51, exclusive of rediscounts for other Federal Reserve Banks and bankers' acceptances purchased. Of this amount \$226,478,442.35 was commercial or single-name paper, \$7,946,180 consisted of trade acceptances, or two-name paper, and \$1,866,205,974.16 consisted of member banks' 15-day collateral notes. Of the

\$226,478,442.35 of commercial paper discounted, \$33,082,706 was secured by Liberty bonds and certificates of indebtedness, and of the \$1,866,205,974.16 of member banks' collateral notes, \$1,862,163,474 was secured by such Government obligations. The total paper discounted for member banks during 1919 shows an increase of \$1,015,-493.341.29 over the amount discounted in 1918.

The total number of bills handled during 1919 was 33,866, as follows: Rediscounts, 20,177; member banks' collateral notes, 9,104; and bills bought, 4,585.

Of the 540 member banks, 305 different member banks rediscounted with this bank during 1919, which is an increase of 27 over the number accommodated in 1918.

During the year the Federal Reserve Bank of St. Louis rediscounted for the Federal Reserve Bank of Philadelphia \$53,500,000, and for the Federal Reserve Bank of Richmond \$86,709,000 of paper. This bank did not rediscount with any other Federal Reserve Bank, nor did it sell any of its bankers' acceptances to other Federal Reserve Banks during 1919.

#### TRADE ACCEPTANCES.

During 1919 this bank discounted a total of \$7,946,180 of trade acceptances for member banks, which is a decrease of \$7,735,021 as compared to 1918. However, this does not necessarily indicate that the use of the trade acceptance is declining in this district. On the contrary, it is our belief that the volume of trade acceptances materially increased during the year, but they were not rediscounted. Every effort has been made to encourage the use of trade acceptances, and throughout the year the Federal Reserve Bank maintained a preferential rate of discount for such paper ranging from one-quarter to one-half of 1 per cent lower than the rates for other commercial paper of similar maturity.

#### BANKERS' ACCEPTANCES.

During the past year this bank purchased a total of \$127,822,917.32 of bankers' acceptances, of which \$81,783,085.52 were purchased from banks and dealers in the district and \$46,039,831.80 from or through other Federal Reserve Banks. This is an increase of \$97,175,284.14 over the amount purchased during 1918. The rates on these acceptances ranged from 4 to 5 per cent.

During 1919 this bank continued its policy of encouraging the legitimate use of bankers' acceptances, and it is believed that substantial progress was made. It is estimated that approximately \$80,000,000 bankers' acceptances were created in this district in 1919, and while many of these found their way into this bank, a substantial amount was sold by dealers to banks in other districts. The interdistrict distribution of bills has seemed desirable and we have largely confined our open market purchases to bills bearing the name of one bank in district No. 8 and of one name in another Federal Reserve district. When member banks in this district have offered their own acceptances, the rate of discount for commercial paper has been charged instead of the rate for indorsed bank bills, in an effort to discourage such practice. The rate on open market purchases has been subject to contract at time of offering, thus affording a measure of control over the improper use of bank bills.

The following member banks were authorized by the Federal Reserve Board during 1919 to accept up to 100 per cent of their capital and surplus, drafts and bills of exchange growing out of transactions involving the importation or exportation of goods, as provided in section 13 of the Federal Reserve Act:

Liberty Bank, St. Louis, Mo., authorized April 18, 1919.

First National Bank, St. Louis, Mo., authorized October 23, 1919.

The addition of these two makes seven member banks in this district which have been granted permission to accept up to 100 per cent.

#### RESERVE POSITION.

The reserve position of the Federal Reserve Bank of St. Louis was well maintained throughout the year, and it was not necessary to rediscount with any other Federal Reserve Bank to build up the reserve. On December 31, 1919, the reserve of this bank against all liabilities was 47.7 per cent.

#### MOVEMENT OF MEMBERSHIP.

On January 1, 1919, the Federal Reserve Bank of St. Louis had a total of 513 member banks, consisting of 469 national banks and 44 State banks and trust companies. Its authorized capital was \$7,599,200, of which one-half, or \$3,799,600, was paid in.

During the year 14 new national banks became members, 6 liquidated, and 5 consolidated with other national banks. Twenty-seven State banks and trust companies were admitted to membership, 1 consolidated with another member State bank, 1 converted into a national bank, and 1 withdrew from the system.

On December 31, 1919, this bank had a total of 540 member banks, consisting of 472 national banks and 68 State banks and trust companies. Its authorized capital stock was \$8,130,900, of which \$4,064,450 was paid in. This shows a net increase in the paid-up capital stock of \$264,850 over December 31, 1918.

#### RELATIONS WITH NATIONAL BANK MEMBERS.

Continued progress has been made during the past year in developing a closer relationship between the Federal Reserve Bank and its members. In addition to paying the charges on shipments of currency, assuming the cost of telegrams regarding money shipments or deposit transactions, making transfers of funds by wire, furnishing forms of financial statements for use by customers, and accepting United States bonds for safe-keeping, as previously inaugurated, the Federal Reserve Bank in March, 1919, began to assort currency for its members without charge and to furnish them with drafts for use in drawing on it or its branches.

Thirty-three national banks in this district were granted permission by the Federal Reserve Board during 1919 to act as trustee, executor, etc., under the provisions of section 11 (k) of the Federal Reserve Act as amended by the act of September 26, 1918. Seven national banks which had been granted the fiduciary powers as originally provided by the Federal Reserve Act were authorized to exercise the additional powers conferred by the amendment of September 26, 1918. On December 31, 1919, there were 71 national banks in this district authorized to exercise fiduciary powers, of which

10 were located in Arkansas, 15 in Illinois, 13 in Indiana, 18 in Kentucky, 1 in Mississippi, 13 in Missouri, and 1 in Tennessee.

The Federal Reserve Bank of St. Louis has continued the practice started in April, 1918, of making deposits for national banks to their 5 per cent redemption account with the Treasurer of the United States at Washington, through the medium of the Federal Reserve Board and the gold settlement fund.

#### RELATIONS WITH STATE BANKS AND TRUST COMPANIES.

The solicitation of par points and the activities in connection with subscriptions to the Victory loan and the various issues of certificates of indebtedness during the year have brought the State banks and trust companies of the district into still closer touch with the Federal Reserve Bank. Also, many nonmember banks have borrowed through members from the Federal Reserve Bank on their Government securities, as authorized by the Federal Reserve Board, and this has caused them to appreciate more fully the service rendered by this bank.

Increased interest has been manifested in membership by State banks and trust companies. Twenty-seven State banks and trust companies were admitted to membership during the year, making a total of 68 member State banks. A number of banks have expressed an intention to file application in the near future. Some are increasing their capital in order to be eligible to join. On December 31, 1919, there were 937 eligible nonmember State banks and trust companies in this district with total resources aggregating approximately \$505,000,000. The total resources of the 68 member State banks and trust companies amounted to \$413,412,927.91, which is over 45 per cent of the total resources of all the eligible State institutions in the district.

Of the \$72,282,788.29 of reserve deposits of all member banks in the Federal Reserve Bank of St. Louis on December 31, 1919, the reserves of the 68 member State banks and trust companies amounted to \$21,971,031.71, or over 30 per cent of the total reserve deposits.

The State banks and trust companies that are members have availed themselves freely of the facilities offered by the Federal Reserve Bank.

Under arrangements with the banking departments of the States in this district, examiners for the Federal Reserve Bank participated jointly with State examiners in 48 examinations of 37 member State banks during 1919. The following table shows the work done, by States:

State.	Number of member State banks.	Number of State examinations.	Participations by Federal Reserve examiners.
Arkansas.....	23	20	14
Illinois.....	12	12	2
Indiana.....	2	2	2
Kentucky.....	5	9	9
Mississippi.....			
Missouri.....	19	18	11
Tennessee.....	7	13	10
	68	74	48

## FEDERAL RESERVE NOTES.

During the year the Federal Reserve agent received from the Comptroller of the Currency Federal Reserve notes aggregating \$138,220,000 in the following denominations: Fives \$33,860,000, tens \$41,440,000, twenties \$42,320,000, fifties \$7,200,000, hundreds \$4,400,000, five hundreds \$1,000,000, thousands \$2,000,000, five thousands \$2,000,000, ten thousands \$4,000,000.

The Federal Reserve agent issued and reissued to the Federal Reserve Bank of St. Louis during 1919 against the pledge of gold and eligible paper a total of \$134,025,000 of Federal Reserve notes, which is an increase of \$31,420,000 over the amount issued the previous year. The greatest demand for notes was during the months of September, October, and November.

The bank returned to the Federal Reserve agent a total of \$14,315,000 fit Federal Reserve notes during the year.

The Treasurer of the United States during 1919 redeemed out of the redemption fund maintained with him by the Federal Reserve agent \$84,110,920 of unfit notes of the Federal Reserve Bank of St. Louis, which were turned over to the Comptroller of the Currency for destruction.

The amount of Federal Reserve notes outstanding at the close of 1918 was \$129,119,875. Adding the \$134,025,000 of notes issued during 1919, and subtracting the \$14,315,000 of fit notes returned by the bank to the Federal Reserve agent and the \$84,110,920 of unfit notes redeemed, left a total of \$164,718,955 Federal Reserve notes outstanding on December 31, 1919. To secure these outstanding notes there was \$61,624,715 of gold deposited with the Federal Reserve agent and \$110,358,070.82 of eligible paper hypothecated with him. Of the \$164,718,955 Federal Reserve notes outstanding, \$17,589,880 was held by the Federal Reserve Bank and its branches and \$1,830,745 was in transit to Washington for redemption, leaving \$145,298,330 in actual circulation on December 31, 1919.

Out of the redemption fund maintained by the Federal Reserve Bank of St. Louis with the United States Treasurer, \$2,031,550 of fit Federal Reserve notes were redeemed during the year, which were returned to the bank for reissuance.

During 1919 the Federal Reserve Bank of St. Louis received from other Federal Reserve Banks for redemption or credit \$50,469,925 of its own Federal Reserve notes and returned to other Federal Reserve Banks for redemption or credit \$75,559,285 of their Federal Reserve notes. In other words, this bank returned \$25,089,360 more notes of other banks than it received of its own. As was the case in 1918, the Federal Reserve Bank of Chicago returned to this bank more notes of the Federal Reserve Bank of St. Louis than did any other district. This bank also returned more notes of the Federal Reserve Bank of Chicago than of any other district.

## FEDERAL RESERVE BANK NOTES.

During the year 1919, \$16,304,000 of Federal Reserve bank notes were issued, consisting of \$10,596,000 new circulation and \$5,708,000 new notes to replace unfit ones. A total of \$6,136,000 unfit Federal Reserve bank notes were redeemed during the year.

The total Federal Reserve bank note circulation on December 31, 1919, was \$17,068,000. These bank notes were secured by \$17,068,000 of United States special certificates of indebtedness, deposited with the Treasurer of the United States.

Of the \$17,068,000 total circulation on December 31, 1919, there was with the Comptroller of the Currency \$460,000 of unfit bank notes redeemed but not yet replaced by new notes, leaving a net circulation of \$16,608,000. The Federal Reserve Bank and its branches also held \$1,109,676 of bank notes, making the Federal Reserve bank notes in actual circulation at the end of the year \$15,498,324.

#### CLEARINGS.

The check-clearing facilities of the Federal Reserve Bank were availed of both by member banks and nonmember banks to a greater extent during the year 1919 than in any previous year.

The total number of clearing items handled by this bank and its branches during 1919 was 19,107,635, and the total amount was \$6,008,535,869.76. This is an increase of 10,521,169 in number and \$1,458,645,126 in amount over the year 1918.

On December 31, 1918, the Federal Reserve Bank of St. Louis was collecting at par checks on 1,558 of the banks and trust companies in this district. During the year 1919, as a result of a campaign by correspondence and personal interviews, the number of banks on which checks were collectible at par through the Federal Reserve Bank was increased to 2,845, which is almost 90 per cent of the total banks in the district. Of the remaining 355 nonmember banks in this district with which arrangements have not yet been made to collect checks at par, 129 are located in Arkansas, 74 in Kentucky, and 152 in Mississippi.

#### COLLECTIONS.

Member banks during the year 1919 also made greater use of the facilities of the Federal Reserve Bank for the collection of such items as drafts, notes, coupons, acceptances, etc., than ever before.

During the year this bank and its branches handled a total of 34,372 collection items, amounting to \$87,257,166.92, not including coupons. This is an increase of 23,010 in number and \$53,787,560.37 in amount over those handled in 1918.

The number of Government coupons handled in 1919 was 5,653,395, and they amounted to \$21,422,555.56. This shows an increase of 3,945,270 in number and \$15,500,229.79 in amount over 1918.

#### GOLD SETTLEMENT FUND.

The gold settlement fund has continued to be an admirable medium for quick settlement of accounts between this bank and other Federal Reserve Banks. The totals of such settlements during the year show a steady increase.

The balance to the credit of this bank in the gold settlement fund at the beginning of the year was \$26,996,785.30. The total receipts through the gold settlement fund amounted to \$5,364,011,300.60 and the total disbursements were \$5,377,634,303.12 to December 26, 1919. The balance to the credit of this bank in said fund on the date mentioned was \$13,373,782.78.



## INTERNAL ORGANIZATION.

At the close of 1919 the bank with its branches had 541 employees, including the officers, of whom 104 were engaged in fiscal agency work. At the close of 1918 the bank had 385 employees, of whom 126 were employed on fiscal agency work.

## BANKING QUARTERS.

During 1919 the Federal Reserve Bank continued to occupy its quarters in the Federal Reserve Bank Building, at the northeast corner of Broadway and Pine Street, St. Louis, though it was necessary to take additional space in the building and to rent additional vault space in one of the local banks.

As stated in the last annual report, this bank purchased for permanent quarters the premises formerly occupied by the St. Louis Union Trust Co. and the St. Louis Union Bank, on the northwest corner of Fourth and Locust Streets, and three pieces of property on Fourth Street contiguous to and immediately north of this property, making a frontage of 161 feet 4 inches on Fourth Street and a frontage of 87 feet on Locust Street.

On November 19, 1919, the directors authorized the purchase of an additional area at the northeast corner of Broadway and Locust Street, fronting 65 feet on Broadway and 127 feet 3½ inches on Locust Street, provided that an alley 15 feet ½ inch wide could be vacated. The purchase of this additional property has been approved by the Federal Reserve Board and the deal is being consummated.

When this matter is closed, this bank will own all of the property on the north side of Locust Street between Broadway and Fourth Street. It is proposed to have on this property a building extending from Broadway to Fourth Street, which will be sufficiently large to take care of the future as well as the present requirements of this bank.

## OPERATIONS OF FEDERAL RESERVE BANK BRANCHES.

*Louisville branch.*—The total earnings of the Louisville branch for the year 1919 amounted to \$352,694.28 and its expenses amounted to \$134,241.76, leaving net earnings of \$218,452.52. Of the total earnings, \$343,919.06 was derived from bills discounted for member banks. During the year the Louisville branch discounted for member banks a total of \$466,485,985.02 of paper and purchased a total of \$1,073,899.76 of bankers' acceptances.

At the close of the year the Louisville branch had 53 employees, including the officers, as compared to 23 at the close of 1918. The number of member banks assigned to it was 95.

*Memphis branch.*—The total earnings of the Memphis branch for the year 1919 amounted to \$571,591.51 and its expenses were \$196,851.32, leaving net earnings of \$374,740.19. Of the total earnings, \$558,409.49 was derived from bills discounted for member banks. During the year the Memphis branch discounted for member banks a total of \$286,295,260.25 of paper and purchased a total of \$274,503.90 of bankers' acceptances.

At the end of the year the Memphis branch had 68 employees, including the officers, as compared to 29 employees at the close of 1918. Forty-two member banks were assigned to it.

*Little Rock branch.*—The Little Rock branch was opened for business on January 6, 1919. The total earnings of the branch during the year amounted to \$230,895.01 and its expenses amounted to \$126,660.06, leaving net earnings of \$104,234.95. Of the total earnings, \$221,922.07 was derived from bills discounted for members. During the year the Little Rock branch discounted for member banks a total of \$96,326,751.12 of paper and purchased a total of \$3,331.12 of bankers' acceptances.

At the close of the year the Little Rock branch had 38 employees, including the officers. The number of member banks assigned to it was 57.

#### BRANCH BANK CONFERENCES.

In order to foster a closer relationship between this bank and its branches, an invitation was extended to the officers and directors of the respective branches to meet with the officers and directors of this bank in St. Louis on April 16, 1919. The managers of the respective branches and a large number of the directors were present. Mr. J. A. Broderick, secretary of the Federal Reserve Board, also attended. A definite program was carried out. Mr. Broderick delivered a message from the Federal Reserve Board, reports were made by the managers of the branches, and important topics discussed by different directors and officers. This was the first conference not only of its kind in the history of this district but in the history of the system, and it proved highly beneficial.

On December 29 and 30 a conference of the officers and field workers of the parent bank and its branches was held in St. Louis to discuss work in connection with increasing State bank membership.

#### FISCAL AGENCY OPERATIONS.

As fiscal agent of the United States Government, during the past year the Federal Reserve Bank of St. Louis continued to receive and disburse funds for its account. Acting in this capacity, it also handled the sale and delivery of certificates of indebtedness, Victory Liberty loan notes, and war savings stamps in this district for the Treasury Department, and assisted in the work of the War Finance Corporation. It also attended to the exchange and conversion of Liberty bonds for the banks and the public.

*Treasury certificates of indebtedness.*—As in the case of the previous Liberty loans, United States Treasury certificates of indebtedness were issued in anticipation of the Victory Liberty loan, and were used to a great extent by purchasers in making payment for the Victory notes. In anticipation of this loan, there were ten offerings of certificates of indebtedness, two of which were offered in December, 1918. The aggregate quota assigned to this district for the eight issues offered in 1919 amounted to \$182,000,000, and the total subscriptions received aggregated \$199,737,000. Of the 3,092 banking institutions in this district, 2,403, or 77.71 per cent, subscribed to these issues.

*Flotation of Victory Liberty loan notes.*—The campaign for the Victory Liberty loan opened on April 21, 1919. The amount of the loan was \$4,500,000,000, and the quota assigned to this district was \$202,393,500. This was the first district to meet its quota. The total subscriptions received amounted to \$210,418,700, over-subscribing the quota by \$8,025,200. Of these subscriptions, \$201,787,600 were allotted by the Treasury Department. The number of subscribers was 505,001. Of the 3,098 banking institutions in this district 3,027, or 97.71 per cent, sent in subscriptions for themselves and their customers. Of the \$210,418,700 subscriptions, \$41,408,829.09 was paid in cash, \$59,468,500 in Treasury certificates of indebtedness, and \$100,910,270.91 by credit on the books of special Government depositaries.

*Deposits of Treasury funds with banks and their withdrawal.*—During the year 52 banks in this district qualified for deposits arising out of the sale of Victory Liberty loan notes and Treasury certificates of indebtedness. Adding those qualified prior to January 1, 1919, and deducting those not assenting to Treasury Department Circular No. 92, as amended and supplemented April 21, 1919, made a total of 480 Government depositaries at the end of the year.

This bank had custody of all collateral offered as security for these deposits and performed all duties incident to the deposit and withdrawal of funds, collection of interest, etc. The largest amount of collateral in its custody at any one time was held on June 4, 1919, when the securities totaled \$100,638,055.31. The largest amount of deposits outstanding with depositaries at any one time was \$79,235,236.51 on June 5, 1919. The total amount of deposits made with depositaries during the year amounted to \$411,370,232.36, of which at close of business December 31 about \$28,058,201.36 was still outstanding. The interest collected by the Federal Reserve Bank for account of the United States Government on such deposits during the year amounted to about \$631,668.

*War savings stamps, thrift stamps, and Treasury savings certificates.*—During the 1919 savings campaign, 118,200 war savings stamps, with a maturity value of \$591,000, and 44,905 thrift stamps, maturity value \$11,226.25, were reported sold by agents in the Eighth Federal Reserve District. These sales show a material decrease as compared with the results obtained in 1918.

*War Finance Corporation.*—The transactions on account of the War Finance Corporation greatly increased during 1919.

In April the War Finance Corporation offered \$200,000,000 series "A," 1-year 5 per cent gold bonds, dated April 1, 1919, and due April 1, 1920. The Federal Reserve Bank handled the subscriptions to this issue for this district. The subscriptions received amounted to \$4,247,000. Only 187 of the 3,098 banking institutions in the district sent in subscriptions for themselves and their customers. Of the \$4,247,000 subscriptions, \$4,071,000 were paid in cash and \$176,000 in Treasury certificates of indebtedness. The Federal Reserve Bank has also attended to the redemption and cancellation of the maturing coupons from the War Finance Corporation bonds.

## POSITION OF COMMERCIAL BANKS AS A RESULT OF WAR FINANCING.

A total of \$201,787,600 of Victory Liberty loan bonds were allotted to the banks in district No. 8, which with the \$710,804,500 bonds of the four previous issues, makes a total of \$912,592,100 of Liberty bonds sold in this district. The total amount of certificates of indebtedness taken by this district to December 31, 1919, was \$832,883,000, but of these certificates all had matured and been paid by the Government except \$134,902,000.

While the banks were urged to purchase the short-term certificates of indebtedness as issued, they have been discouraged from tying up their commercial deposits in long-term Government bonds, and the statistics available show that by far the greater portion of the bonds sold in this district have been absorbed by the general public.

The 35 reporting banks in the five centers, St. Louis, Louisville, Memphis, Little Rock, and Evansville, which are the largest banks in the district, on December 26, 1919, held \$5,501,000 of Victory notes, \$14,782,000 of other Liberty bonds, and \$22,247,000 of certificates of indebtedness, making a total of \$42,530,000 war obligations, which is \$29,014,000 less than the amount held by them at the end of 1918.

On December 26, 1919, the total investments and loans of these 35 reporting banks, including the paper they had rediscounted with the Federal Reserve Bank, amounted to \$591,306,000. Of this amount only \$79,079,000, or 13 per cent, consisted of Government war obligations and loans secured by war obligations.

## BUSINESS CONDITIONS DURING 1919.

The year 1919 began with business readjusting itself to peace conditions and feeling its way cautiously toward an uncertain future. There was a tendency in some quarters to buy only for immediate needs, but a tone of optimism prevailed which led most dealers to anticipate greater activity later in the year. The public at large cherished the belief that the end of the war would bring lower prices, and deferred making purchases in expectation of them.

It soon became apparent that there was a scarcity of goods. Wholesalers and jobbers were unable to fill the orders of the retailers. Manufacturers were not prepared to meet the unexpected demands of the middlemen; they could not secure sufficient raw materials and production was further hampered by labor difficulties. The advancing market caused many buyers to order more than they needed so as to avoid rising prices, and this kited prices still higher.

The prosperity of the district was due in large measure to the high prices received for its farm products. While the cotton crop was short, the fifth short crop in succession, yet the exceptionally high prices made up to producers in value whatever they might have lost in quantity. The winter wheat crop, which was expected to be unusually large, was disappointing, as the quality of the grain was inferior to last year's. The yield of tobacco was larger than usual, but the quality was variable. As with cotton, however, prices were higher than ordinary. The corn crop was somewhat larger than last

year's and also beyond the five-year average. The apple yield was very satisfactory.

One of the outstanding features of the past year was the general labor unrest. At the beginning of the year it appeared as though the demobilization of the soldiers would cause a serious labor surplus, but the various agencies created to help find positions for the men and the fine spirit displayed by many concerns in taking back their former employees soon eliminated any possible danger from that source.

With the rapid development of business, the labor surplus was converted at the beginning of summer into a shortage. This, together with numerous small strikes and other labor difficulties, interfered with business considerably. While the labor unrest was, to a considerable extent, the reflection of unsettled conditions elsewhere, it no doubt was also a natural consequence of the reaction to the constraint and routine of war discipline. However, the district was particularly fortunate in that it had no serious labor troubles. The strikes of the steelworkers and of the soft-coal miners caused no grievous injury to industry as a whole. Concerns were functioning normally again soon after the strikes ended.

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EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of St. Louis during the calendar year 1919.*

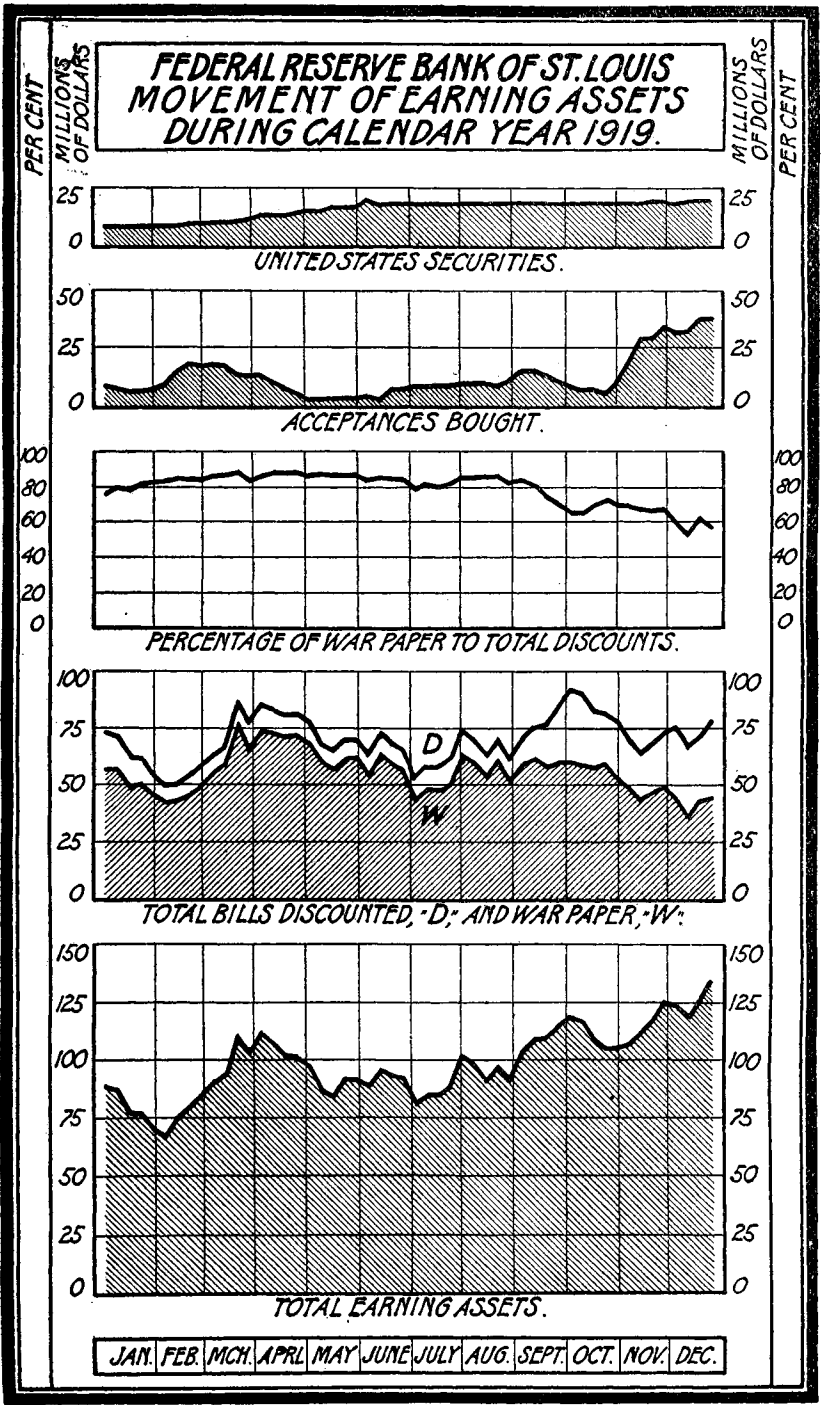
[In thousands of dollars.]

Date.	1 Discounted paper secured by United States war obligations.	2 Other discounted paper.	3 1 and 2.	4 Per cent, 1+3.	5 Bills bought in open market.	6 Total bills discounted and bought.	7 United States securities.	8 Total earning assets.
Jan. 3.....	55,585	17,258	72,843	76.3	8,743	81,586	7,721	89,307
10.....	56,196	14,492	70,688	79.5	8,334	79,022	8,221	87,243
17.....	48,587	13,165	61,752	78.7	7,493	69,245	8,221	77,466
24.....	50,088	10,883	60,971	82.2	6,820	67,791	8,221	76,012
31.....	44,445	9,149	53,594	82.9	8,298	61,892	8,221	70,113
Feb. 7.....	41,737	8,454	50,191	83.2	8,649	58,840	8,221	67,061
14.....	43,025	7,279	50,304	85.5	15,268	65,572	8,222	73,794
20.....	45,248	8,355	53,603	84.4	17,991	71,594	8,721	80,315
28.....	49,282	9,215	58,497	84.2	17,455	75,952	9,222	85,174
Mar. 7.....	54,968	8,343	63,311	86.8	17,943	81,254	9,222	90,476
14.....	57,931	8,197	66,128	87.6	17,366	83,494	9,221	92,715
21.....	77,274	8,627	85,901	89.9	14,278	100,179	10,221	110,400
28.....	66,536	11,820	78,356	84.9	13,453	91,809	11,221	103,030
Apr. 4.....	73,806	10,896	84,702	87.1	13,334	98,036	12,721	110,757
11.....	73,068	9,620	82,688	88.4	11,052	93,740	13,221	106,961
18.....	71,320	9,325	80,645	88.4	8,476	89,121	13,221	102,342
25.....	71,774	9,074	80,848	88.8	8,868	86,824	14,221	101,045
May 2.....	68,052	9,680	77,732	87.5	4,263	81,995	14,721	96,716
9.....	59,592	8,003	67,595	88.2	3,806	71,401	15,343	86,744
16.....	56,384	8,241	64,625	87.2	3,668	68,293	15,835	84,128
23.....	61,625	8,726	70,351	87.6	4,443	74,794	15,835	90,629
29.....	61,623	8,350	69,973	88.1	4,264	74,237	16,335	90,572
June 6.....	53,956	9,567	63,523	84.9	5,360	68,883	20,335	89,218
13.....	62,903	10,436	73,339	85.8	4,108	77,447	17,335	94,782
20.....	58,579	10,070	68,649	85.3	6,893	75,542	17,830	93,372
27.....	56,405	9,693	66,098	85.3	7,396	73,494	18,221	91,715
July 3.....	42,634	11,159	53,793	79.3	8,505	62,298	18,221	80,519
11.....	47,711	10,490	58,201	82.0	8,973	67,174	18,221	85,395
18.....	46,636	11,602	58,238	80.1	8,823	67,061	18,221	85,282
25.....	49,858	10,950	60,808	82.0	8,873	69,681	18,221	87,902
Aug. 1.....	63,507	10,732	74,239	85.6	9,842	84,081	18,221	102,302
8.....	59,490	10,271	69,761	85.3	9,612	79,373	18,221	97,594
15.....	53,513	9,224	62,737	85.3	9,817	72,554	18,221	90,775
22.....	60,095	9,458	69,553	86.4	8,500	78,053	18,221	96,274
29.....	51,496	10,162	61,658	83.5	11,101	72,759	18,221	90,980
Sept. 5.....	59,552	10,768	70,320	84.7	15,274	85,594	18,221	103,815
12.....	60,400	14,230	74,630	80.9	14,918	89,548	18,221	107,769
19.....	57,715	19,228	76,943	75.0	14,017	90,960	18,222	109,182
26.....	60,181	24,357	84,538	71.2	11,077	95,615	18,221	113,836
Oct. 3.....	59,685	32,473	92,158	64.8	9,106	101,264	18,221	119,485
10.....	58,095	32,189	90,284	64.3	7,343	97,627	18,221	115,848
17.....	56,966	26,059	83,025	68.6	7,444	90,469	18,252	108,721
24.....	58,424	22,231	80,655	72.4	6,213	86,868	18,252	105,120
31.....	53,748	23,826	77,574	69.3	9,634	87,208	18,221	105,429
Nov. 7.....	48,297	21,977	70,274	68.7	18,544	88,818	18,237	107,055
14.....	43,055	21,192	64,247	67.0	28,581	92,828	18,229	111,057
21.....	45,614	23,273	68,887	66.2	29,077	97,964	18,622	116,586
28.....	49,151	24,150	73,301	67.1	33,638	106,939	18,510	125,458
Dec. 5.....	43,519	31,328	74,847	58.1	31,149	105,996	18,453	124,449
12.....	36,126	31,270	67,396	53.6	31,971	99,367	18,291	117,658
19.....	43,501	27,621	71,122	61.2	37,112	108,234	18,462	126,696
26.....	44,142	34,093	78,235	56.4	36,936	115,171	18,369	133,540

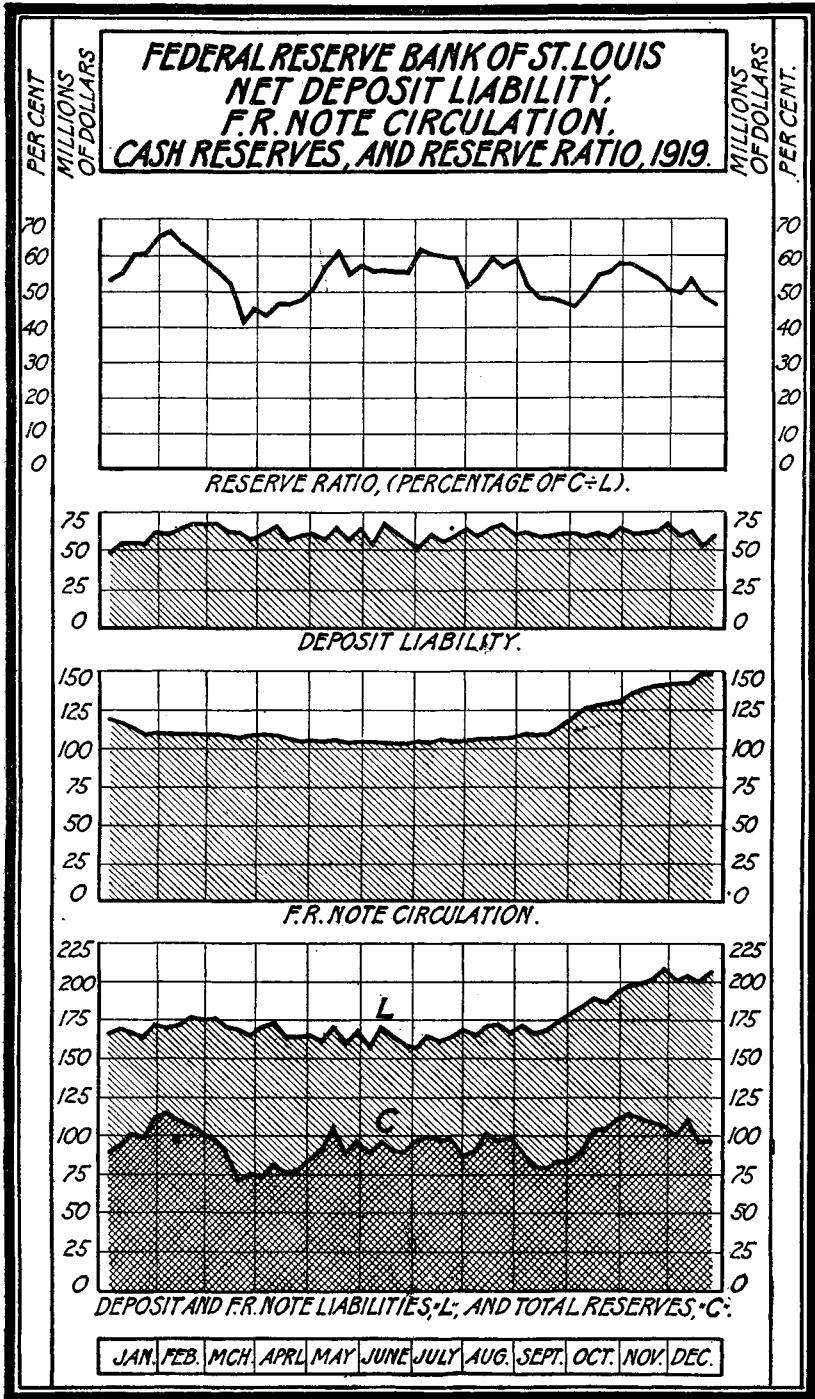
EXHIBIT B.—*Movement of gold and cash reserves, Federal Reserve note and net deposit liabilities, and the reserve percentage of the Federal Reserve Bank of St. Louis during the calendar year 1919.*

[In thousands of dollars.]

Date.	1 Gold reserves.	2 Cash reserves.	3 Federal Reserve notes in actual circulation.	4 Net deposits.	5 (3+4)	6 Ratio of cash reserves to net deposit and Federal Reserve note liabilities combined.
Jan. 3	86,587	88,971	119,139	48,120	167,259	53.2
10	90,562	92,863	116,141	52,795	168,936	55.0
17	98,642	100,907	112,949	54,267	167,216	60.3
24	96,452	98,862	109,126	54,427	163,553	60.4
31	109,928	112,486	109,367	62,314	171,681	65.5
Feb. 7	111,103	113,567	109,442	59,987	169,429	67.0
14	107,557	109,868	109,282	63,064	172,346	63.7
20	104,882	107,114	108,979	66,926	175,905	60.9
28	99,782	101,987	108,838	66,597	175,435	58.1
Mar. 7	95,017	97,322	108,431	67,200	175,631	55.4
14	86,908	89,218	107,708	61,850	169,558	52.6
21	68,374	70,572	107,025	61,251	168,276	41.9
28	72,925	75,080	108,015	56,568	164,583	45.6
Apr. 4	71,349	73,527	109,222	60,637	169,859	43.3
11	78,638	80,866	107,763	65,107	172,870	46.8
18	73,762	76,010	106,357	56,350	162,707	46.7
25	75,438	77,717	104,095	58,481	162,676	47.8
May 2	82,351	84,719	105,020	59,557	164,577	51.5
9	89,236	91,672	104,081	56,920	161,001	56.9
16	101,684	103,911	105,491	64,369	169,860	61.2
23	85,851	88,059	103,365	56,959	160,324	54.9
29	93,173	95,482	104,180	62,933	167,113	57.1
June 6	85,148	87,505	103,909	53,535	157,444	55.6
13	92,546	95,193	103,159	67,221	170,380	55.9
20	88,019	90,908	102,740	61,722	164,462	55.3
27	84,856	87,906	102,860	56,313	159,173	55.2
July 3	92,970	96,233	104,350	52,179	156,529	61.5
11	95,877	99,438	103,883	60,281	164,164	60.6
18	92,401	96,223	105,629	54,995	160,624	59.9
25	93,299	97,517	104,729	59,693	164,422	59.3
Aug. 1	82,340	86,834	105,109	62,682	167,791	51.8
8	84,769	89,305	106,004	59,223	165,227	54.0
15	96,787	101,329	106,387	64,159	170,546	59.4
22	92,494	97,014	106,260	65,324	171,584	56.5
29	93,299	98,102	107,152	60,040	167,192	58.7
Sept. 5	83,696	88,777	108,532	62,205	170,737	52.0
12	74,967	80,239	108,039	58,025	166,064	48.3
19	74,803	80,465	109,030	58,615	167,645	48.0
26	76,415	82,517	113,392	60,704	174,096	47.4
Oct. 3	76,741	82,729	120,420	59,494	179,914	46.0
10	84,820	90,774	126,438	57,725	184,163	49.3
17	97,295	103,029	128,315	61,018	189,333	54.4
24	98,362	103,896	128,611	58,052	186,663	55.7
31	106,060	111,227	130,760	62,908	193,668	57.4
Nov. 7	108,059	112,893	135,580	61,324	196,904	57.3
14	105,937	110,781	138,282	62,495	198,777	55.7
21	103,510	108,462	139,634	62,421	202,055	53.7
28	100,948	105,748	141,009	67,077	208,086	50.8
Dec. 5	95,206	99,950	142,049	59,343	201,392	49.6
12	106,099	109,466	142,710	61,712	204,422	53.5
19	93,109	95,668	147,704	52,278	199,982	47.8
26	94,267	96,507	148,452	59,038	207,490	46.5







## EXHIBIT C.—Comparative balance sheets of Federal Reserve Bank of St. Louis, including branches, as of Dec. 31, 1918 and 1919.

	Dec. 31, 1919.	Dec. 31, 1918.
<b>RESOURCES.</b>		
<b>Reserve cash:</b>		
Gold deposited with Federal Reserve agent.....	\$61,624,715.00	\$66,673,935.00
Gold settlement fund.....	17,887,751.75	12,474,094.52
Gold redemption fund (United States Treasury) Federal Reserve notes.....	6,132,620.00	3,369,850.00
Gold coin and gold certificates.....	2,757,127.50	3,056,010.00
Sterling gold account.....	6,172,049.99	233,154.97
Other lawful money.....	2,353,895.50	2,449,950.40
	96,928,159.74	89,256,994.89
<b>Deductions from gross deposits:</b>		
Exchange for clearing house.....	3,460,255.75	1,735,820.86
Collection items.....	61,717,611.15	38,731,733.06
National bank notes and bank notes of other Federal Reserve Banks.....	818,502.00	3,921,420.00
Federal Reserve notes of other Federal Reserve Banks.....	1,957,805.00	.....
Unassorted currency.....	5,888,621.00	.....
	73,842,794.90	44,388,973.92
<b>Earning assets:</b>		
Bills discounted—members.....	77,679,473.26	70,702,653.85
Acceptances bought.....	32,803,679.36	7,293,087.96
United States bonds owned.....	1,153,400.00	1,153,400.00
United States certificates of indebtedness securing circulation		
Federal Reserve Bank notes.....	17,068,000.00	6,568,000.00
United States certificates of indebtedness (other).....	170,000.00	.....
	128,874,552.62	85,717,141.81
<b>Other assets:</b>		
Interest accrued United States bonds and Treasury notes.....	181,755.28	33,499.35
Deferred charges.....	17,263.35	8,551.80
Fiscal agent expenses due from United States Treasurer.....	105,203.98	448,223.89
Real estate owned.....	355,736.50	.....
Due from War Finance Corporation.....	1,252.95	.....
Unmatured Government coupons.....	111.81	.....
Five per cent fund against Federal Reserve Bank notes.....	672,800.00	317,400.00
Overdrafts.....	1,046.64	.....
Nicks and cents.....	113,486.98	18,608.39
	1,448,657.49	826,283.43
<b>Total resources.....</b>	<b>301,094,164.75</b>	<b>220,189,394.05</b>
<b>LIABILITIES.</b>		
<b>Federal Reserve notes—actual circulation.....</b>	<b>145,298,330.00</b>	<b>120,037,040.00</b>
<b>Gross deposits:</b>		
United States Government deposits.....	2,352,383.96	3,333,007.84
Due to branches (net).....	.....	2,178,523.27
Due to member banks, reserve account.....	72,282,788.29	52,830,678.16
Due to nonmember banks—clearing account.....	348,498.56	201,070.66
Cashiers' checks.....	199,436.62	1,750,667.31
Collection items.....	30,981,102.37	20,425,347.21
Gold settlement fund, suspense account.....	22,401,610.62	7,484,495.01
Foreign Government credits.....	3,397,820.65	.....
	131,963,641.07	88,203,789.46
<b>Federal Reserve bank note circulation (secured by certificates of indebtedness).....</b>	<b>15,498,324.00</b>	<b>6,216,000.00</b>
<b>Reserves:</b>		
Sundry expenses.....	56,180.04	5,898.75
Federal Reserve Board assessments.....	19,519.44	.....
Depreciation on United States bonds.....	172,997.00	172,997.00
	248,696.48	178,895.75
<b>Unearned discount and interest.....</b>	<b>296,691.41</b>	<b>149,980.73</b>
<b>Difference account.....</b>	<b>226.57</b>	<b>776.89</b>
	296,917.98	150,757.62
<b>Capital paid in.....</b>	<b>4,064,450.00</b>	<b>3,799,600.00</b>
<b>Surplus.....</b>	<b>3,723,805.22</b>	<b>1,603,311.22</b>
	7,788,255.22	5,402,911.22
<b>Total liabilities.....</b>	<b>301,094,164.75</b>	<b>220,189,394.05</b>

## DISTRICT NO. 9—MINNEAPOLIS.

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JOHN H. RICH, Chairman and Federal Reserve Agent.

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The problems confronting the Federal Reserve Bank of Minneapolis during the year 1919 were largely those incident to the readjustments following the close of the war. The rapid expansion of its departments and growth of its staff during the period of the war terminated, but was followed by a considerable reorganization, and many changes and improvements in its methods of operation. The business and agricultural conditions confronting the institution were peculiar. The year opened with a period of decided hesitation, which lasted until after the spring planting season. A very favorable early crop outlook was followed by adverse conditions, which by midsummer had severely impaired the crop prospects in the western half of the district. This was followed in the fall by poor harvests.

Business and industry were sluggish during the early part of the year, but gradually acquired greater momentum, and during the closing months of the year showed an activity limited only by the available labor supply and the ability to obtain goods and raw materials.

The bank was able during the year to devote greater attention to the improvement of the service afforded its members, and with the termination of the successive war loan campaigns, had opportunity to give closer study than before to its own problems of organization and methods. The year was marked by a substantial increase of efficiency in all departments, and the results, from both the administrative and operating standpoints, were very satisfactory.

### RESULTS OF OPERATION.

Earnings during 1919 were very satisfactory due to a considerably increased volume of business. The rediscounts for members within the district increased from an aggregate of \$433,791,800 in 1918 to a total of \$661,520,378, or more than eight times the volume of business for the year 1917. Gross earnings aggregated \$3,007,040.72, from which were deducted the usual assessment for the expenses of the Federal Reserve Board, cost of Federal Reserve notes and Federal Reserve Bank notes during the year, and operating expenses aggregating \$438,094.97. Under the authority of the Federal Reserve Board the bank was permitted to charge off against the purchase price of a site for a new building acquired late in the year, the sum of \$100,000. A reserve for Federal Reserve Board expense was created, and dividends for the year, amounting to \$180,186.21 were paid. The balance of earnings, amounting to \$2,153,756.44, was transferred to surplus account, which was increased from \$726,371.82 at the close of business in 1918 to \$3,569,000.08. The capital and

surplus of the bank at the close of business in 1918 was \$3,657,571.82. The capital and surplus December 31, 1919, was \$6,642,950.08

Reference to the statement of condition at the close of the year will indicate a satisfactory increase in the "due to member banks account" representing reserves carried with this institution, and shows a reduction in the total of Federal Reserve notes and Federal Reserve Bank notes outstanding, during a year of a pronounced trend toward inflation.

The satisfactory earnings of the year are fortunate in view of developments in the business of the bank which prompted the board of directors, in addition to acquiring the building site previously referred to, to proceed actively with arrangements for the construction of a reserve bank building, for which preliminary plans are now being drawn. These developments also made it necessary to authorize the establishment of a Montana branch, which will be located at Helena, and which will be opened during 1920. This involves the purchase of property, and the reconstruction of a building to provide a permanent home for the branch, and the building of satisfactory vaults.

#### BUSINESS AND BANKING CONDITIONS DURING 1919.

Business was slow during the first three months of the year. No improvement of consequence occurred until after the annual crop planting period. The acreages of the new crop were satisfactory, and conditions during the early growing season were favorable. In June, the adverse effects of the dry weather began to appear in the western half of North Dakota and in Montana, followed by serious damage to North Dakota crops by grasshoppers. Montana suffered from an almost total lack of rain during the growing season, and the crops were a failure, followed by very poor range conditions, which in the fall necessitated large shipments of stock out of the State on account of a shortage of feed. Much the same conditions existed in western North Dakota, which also sent out a considerable amount of live stock. Early winter weather conditions throughout the entire western half of the district were unusually severe. There were unseasonable low temperatures and heavy falls of snow, which continued until after the middle of December, causing losses to stock and seriously interfering with transportation. Weather conditions, plus the delayed movement of coal due to a strike of coal handlers at Duluth and Superior, and the nation-wide coal strike compelled the railroads, at the termination of the labor troubles, to devote practically their entire attention to the distribution of coal to inland points. This created a serious car shortage and interfered with the movement of grain, farm produce, and commodities. During the last quarter of the year the transportation situation was such as to prevent the annual seasonal liquidation, which at the close of the year was three months delayed. As a consequence, commercial banks and the Federal Reserve Bank were subjected to severe strain, due to the unusual financing requirements.

The sluggish business conditions during the early part of the year entirely disappeared by midsummer, and gave way to a large volume of retail business, accompanied by a period of land speculation and extravagance which had not subsided at the close of the year, although

there were some signs of a reaction during the closing month of that period. These conditions were met by fractional advances in interest rates at the Federal Reserve Bank and at commercial banks.

The increase in the volume of merchandising business was accompanied by a rapid restoration of normal activities in industrial lines. Plants that had been engaged in the output of war materials quickly converted to a normal production basis with steadily increasing orders, which before the end of the year gave them a volume of business limited only by their ability to accept new orders.

The problem of the return of large numbers of men from military service, which it was believed earlier in the year might create a surplus of labor, was readily solved by the rapid increase in business and industrial activities. No conditions of unemployment resulted. Returning men were quickly absorbed by the farms and factories, and during the last half of the year labor was in keen demand with a very short supply.

#### DISCOUNT POLICY.

The discount policy of the bank remained unaltered, and the existing rate schedules were not revised until delayed liquidation necessitated a change in early November, except that the rate on member banks' 15-day collateral notes secured by War Finance Corporation bonds was established at 5½ per cent on April 4. On November 7, the 15-day rate on member banks' collateral notes secured by Government obligations was advanced one-fourth of 1 per cent, and on December 13 a second advance of one-fourth of 1 per cent on the same classification occurred, coupled with the same fractional advance upon commercial, agricultural, and live-stock paper maturing within 15 days.

The volume of paper discounted for members showed some small increase in March, and ran up rapidly in April and May, due to crop planting operations and agricultural activity. During the mid-summer months of June, July, and August bills discounted fell off, advancing rapidly in September, and reaching the high point in October, from which there was a slight recession during November, but an advance during December, which again carried the total close to the October high point.

The service afforded by the rediscount facilities of the bank was extended to 475 member institutions during the year, and covered 18,737 separate items, aggregating \$661,520,378.37, as against \$433,791,800.07 during the previous year.

The importance assumed by collateral loans secured by eligible paper or Government obligations during 1918 became much more pronounced, this form of paper during 1919 aggregating \$539,192,550, out of the total rediscounted for members. This may be accounted for in large part by the war loans prior to 1919, and the Victory loan coming just before the midyear.

The close interrelations of the Federal Reserve Banks is well illustrated by the sharp rise in rediscounts for other Federal Reserve Banks during the year, the amount of accommodation thus extended aggregating \$428,613,000 as against \$73,551,455 during the previous year.

## TRADE ACCEPTANCES.

Trade acceptances were discounted in varying amounts during each month of the year, but the volume fluctuated considerably. The rise and fall is a very uncertain guide as to the progress made in establishing the common use of this form of paper. The rediscount of acceptances was largely a matter of judgment and convenience on the part of rediscounting member banks. The total discounted during the year amounted to \$565,114, but can hardly be accepted as an accurate indication of the usefulness of acceptances in the field of business, or of the progress they have made toward general adoption. The subject is one which has had active attention by credit men and business executives in many lines of trade, and evidence reaching this bank indicates that the advantages of the trade-acceptance form of settlement are better known than they were a year ago, and that progress is being made, although slowly, due to the difficulty of changing well-established trade customs and of altering methods that have become thoroughly established because of many years of use.

## DOMESTIC AND FOREIGN ACCEPTANCES.

Until toward the close of the year the bank maintained its participation in open-market purchases of both domestic and foreign acceptances, acquiring a total amount of \$128,000,000, of which \$46,000,000 were acceptances based on domestic transactions. In late November, due to delay in liquidation in the district, the bank withdrew from the market and allowed the amount of acceptances to run down to moderate figures at the close of the year.

## GOLD POSITION OF THE BANK.

The usefulness of the gold settlement fund was never better demonstrated than during 1919. The aggregate payments to other Federal Reserve Banks in the daily settlement aggregated \$1,320,379,540, and payments to this bank aggregated \$1,599,348,281. Due to the demand during the last quarter of the year, and the fact that at the close of the period the rediscounts for member banks were still very heavy, there was a net reduction in the combined gold holdings of the bank and the Federal Reserve agent of approximately \$41,000,000, the reduction in both cases being due to adverse balances in the gold settlement fund. The holdings of the Federal Reserve agent of gold coin and gold certificates remained unchanged throughout the year. The foreign gold account of the bank increased \$3,312,000.

The reduction in gold holdings is of a temporary nature, and the figures will change with the liquidation of the rediscounts held at the close of the year.

The reserve position of the bank was strong during the greater part of the year. The ratio of reserves to net deposit and Federal Reserve note liabilities fell during the last quarter in consequence of the heavy demand of members, but the reduction was not sufficient to cause the discount of rediscounted paper with other Federal Reserve Banks. The bank closed the year without borrowing from other Federal Reserve institutions.

## MEMBERSHIP.

The membership of the Federal Reserve Bank of Minneapolis consisted at the beginning of the year of 886 banks. During the period 21 new national banks were chartered, acquiring membership upon organization. Sixteen additional State banks acquired membership by application to the Federal Reserve Board and 19 State banks acquired membership by conversion into national banks, a total gain of 56 members. Several member banks were succeeded by new institutions, absorbed by existing banks or consolidated with existing banks during the year. The loss from these cases included seven banks. There was a net gain, therefore, of 49 members during the year, and membership upon December 31, 1919, consisted of 915 banks.

Since the date of organization, the Federal Reserve Bank of Minneapolis has acquired 88 State banks as members, while 98 additional State institutions have acquired membership by conversion, making a total of 181 State institutions which have taken membership. There were in the hands of the Federal Reserve Board at the close of 1919 a number of State bank membership applications upon which final action had not been taken, while there were in the hands of the bank additional applications in process of completion.

The movement of State banks into membership has been satisfactory, and inquiry among those which are now members indicates that they fully appreciate the advantages afforded by affiliation with the Federal Reserve System. They have found no disadvantages of consequence and are warm supporters of the Federal Reserve System and firm believers in its value to State as well as national institutions.

The volume of inquiry and correspondence from State banks interested in affiliating with the Federal Reserve System reached such proportions during the closing months of the year as to necessitate especial attention. Early in December, Mr. Harry Yaeger, vice president of the Great Falls National Bank, Great Falls, Mont., and secretary of the Montana Bankers' Association, was called to Minneapolis and appointed as field representative of the Federal Reserve Bank. Shortly thereafter he entered upon his active work as representative of this institution, reporting to the chairman of the board of directors.

## RELATIONS WITH MEMBER AND NONMEMBER BANKS.

Until after the midyear period, the activities of the bank in connection with Government financing overshadowed all other operations and were given precedence in accord with their importance. With a reduced burden of war work, the Federal Reserve Bank had an improved opportunity during the latter half of the year to study in detail its relation with its members and work out further methods of improving its service, eliminating possibilities of friction, and further cementing its cooperative relationship.

Relations during the period of the war with all nonmember banks in the district were particularly satisfactory. The State institutions worked in closest cooperation with the Federal Reserve Bank and contributed greatly to the efficiency with which Government financing

in this district was handled. The bank had the advantage throughout the year of close and friendly relations with various State banking departments, and their active assistance in encouraging the movement of nonmember banks into membership.

The check collection system showed a steady gain in importance throughout the year, and the volume of operations was substantially increased as compared with 1918.

#### FIDUCIARY POWERS.

National-bank members have shown much interest in the authority granted to the Federal Reserve Board under section 11 (*k*) of the Federal Reserve Act to authorize the exercise of trust powers subject to certain limitations. In Michigan the Federal Reserve Board has found it possible to extend these powers to approved banks in cities of 100,000 population having \$150,000 capital or more, and in larger cities to banks having a capital of \$300,000 or more. In Wisconsin banks in cities with less than 100,000 population, having \$50,000 capital, are eligible, while in cities with more than 100,000 population the minimum capital requirement is \$100,000. In Minnesota \$50,000 capital is required in cities of less than 25,000 population, while in cities of from 25,000 to 100,000 population a capital of \$75,000 is required. In cities of more than 100,000 and less than 200,000 population, the capital requirement is \$100,000, while in cities with more than 200,000 population \$200,000 is the capital required. In South Dakota the capital required in cities with less than 5,000 population is \$50,000, while in cities with more than 5,000 population \$100,000 capital is required. The requirement in North Dakota is \$100,000 capital irrespective of population. The law in Montana is the same. These limitations have somewhat restricted the number of banks privileged to make application to the Federal Reserve Board, but permit many active and well-managed institutions to broaden their functions considerably.

#### AUTHORIZATION TO ACCEPT TO 100 PER CENT.

During 1919 two banks in the ninth district were authorized by the Federal Reserve Board to accept up to 100 per cent.

#### FISCAL AGENCY OPERATIONS.

The usefulness of investments in United States certificates of indebtedness, which had a practical demonstration to the banks in the district during the previous year, assisted the bank in handling the allotment during 1919 of 23 issues. These were widely distributed through the district among both member and nonmember banks. The aggregate allotment to all groups amounted to \$310,133,500, as compared with \$285,379,500 comprising 21 issues during 1918. The distribution of the 1919 allotment is well illustrated by the fact that there were 14,335 subscriptions under allotments of \$25,000 and less, aggregating \$114,868,500, in which the smaller banks at very numerous points were well represented.



## VICTORY LOAN.

With the fifth or Victory loan the series of great war loans was brought to an end. The quota for the Ninth Federal Reserve District was set at \$157,500,000, and was again heavily oversubscribed, the total subscription reaching \$172,226,750, apportioned among 846,953 different subscribers.

The closing campaign was handled by the same organization that had successfully conducted the previous campaigns, under the direction of the Federal Reserve Bank. In noting the close of this period of heavy Government financing, it is worth while to record that in the first war loan the Ninth Federal Reserve District subscribed \$75,926,250; in the second loan, \$132,942,350; in the third loan, \$180,920,450, and in the fourth, \$242,046,050, aggregating, including the Victory loan, \$804,061,850.

## CHECK CLEARING AND COLLECTION.

The volume of business handled by the transit department has shown a steady and substantial increase during the past year. At the beginning of the year the average daily number of items handled was about 28,000, while at the end of the year the average number of items handled each day was approximately 48,000. This is in addition to the items exchanged through the Twin City Clearing House for the Minneapolis and St. Paul banks. The greatest number of items handled by the transit department on a single day was on December 15, when 68,480 checks passed.

At the beginning of the year there were 2,035 banks on the par list out of a total of 3,713 banks in the district. On December 31 there were 3,825 banks in the Ninth Federal Reserve District, and the names of 2,800 of these appeared upon the par list. Of the latter number, 915 were member banks and 1,885 were nonmember banks. Many of these banks were added to the par list as a result of several vigorous campaigns and special correspondence. In accordance with an announcement recently made that all banking institutions in Montana, North Dakota, and Michigan (that part in the Ninth Federal Reserve District) not on the par list would be added to it on January 1, 1920, nearly 400 banks were added to the par list.

In view of the increased number of items drawn on banks in other Federal Reserve districts which were deposited by some of the larger member banks, several of these banks were granted the privilege of routing items of this nature direct to several of the other Federal Reserve Banks for credit with us, in order to facilitate the prompt handling of such items.

After careful consideration, and feeling that the remittance plan was a fairer method of handling cash letters to member banks, this plan was placed in effect on December 1. In doing so it was also found possible to reorganize to a considerable extent the work of the transit department, greatly simplifying it.

The Twin City Clearing House (Minneapolis and St. Paul banks), through which all of the banks in one city can promptly and expeditiously collect checks drawn on banks in the other city, showed a substantial gain in the amounts handled. The clearings for 1919

exceeded those of the previous year by nearly \$600,000,000 and were more than double those of 1917.

The volume of business handled through the transit department in 1919 aggregated \$2,770,008,637.46, represented by 10,747,657 items, both figures showing very large increases as compared with the previous year.

#### NOTE ISSUES.

The quiet conditions that prevailed during early summer accounts to some extent for the lessened volume of Federal Reserve notes issued by the Federal Reserve Bank of Minneapolis during the year. There were received from the Comptroller of the Currency in Washington new Federal Reserve notes amounting to \$27,600,000, in addition to which there were returned by the bank to the Federal Reserve agent fit for use notes aggregating \$13,500,000, or a total of notes received during the year of \$41,100,000. New Federal Reserve notes issued to the bank in response to the various demands of the year aggregated \$29,550,000, in addition to which the bank received from the Federal Reserve agent \$10,440,000 of fit-for-use notes. The total issue of \$39,990,000 was less than the issue of 1918 by \$17,150,000.

At the close of business for 1919, there was a reduction in the outstanding Federal Reserve notes of \$10,300,000, and an increase of \$3,700,000 in Federal Reserve bank notes, the issue of which in this district has been confined to denominations of \$1, \$2, and \$5, and the increase of which was largely brought about by the retirement of silver certificates. The net reduction in circulation of \$6,600,000 is, it is believed by the officers of this bank, indicative of progress in the right direction. They believe that the actual reduction in circulation in the Ninth Federal Reserve District is greater than this figure indicates. There were substantial shipments of currency from the larger centers to eastern banks or the Treasury Department, further reducing the currency in circulation. There is also evidence that as currency went out from the district other currency appeared in circulation that during the war period was in hiding, but it is probable that the amount of money returned to circulation was not equivalent to that withdrawn.

There was a variation during 1919 in the denomination of notes issued. The proportion of Federal Reserve notes of \$5 denomination during 1918 to the total issued was 20.5 per cent. During 1919 this figure increased to 36.2 per cent. The proportion of Federal Reserve notes of \$10 denomination issued during 1918 to the total issued was 43 per cent, but in 1919 the figure fell to 29.5 per cent. Federal Reserve notes of \$20 denomination in 1918 represented 32.5 per cent, but in 1919 represented 29.7 per cent. There was also a reduction in the proportion of Federal Reserve notes in denominations of \$50 and \$100 issued during 1919. Federal Reserve notes in \$500 and \$1,000 denominations were available during 1919 and were issued in rather limited volume.

The total amount of notes received by the Federal Reserve agent from the comptroller since the organization of the bank represented at the close of business in 1919 a total of \$152,080,000. There were returned to the comptroller for destruction during the same period

\$56,077,395. Federal Reserve notes outstanding on December 31, 1919, amounted to \$88,442,605, with unissued notes to the amount of \$7,560,000 in the hands of the Federal Reserve agent. There was outstanding on December 31, 1919, a total of \$8,288,000 of Federal Reserve bank notes in denominations of \$1, \$2, and \$5.

There was an active interchange of notes with other Federal Reserve Banks during the year, due to the provision of law requiring each Federal Reserve Bank to segregate and immediately return to the bank of issue all Federal Reserve notes issued by another Federal Reserve Bank. The receipts of notes from other banks under this provision of law amounted to \$39,606,635 in 1919, and there were returned to other Federal Reserve Banks \$29,703,500. The Federal Reserve Bank of Chicago, being the nearest of other Federal Reserve Banks, forwarded and received larger amounts than any of the other institutions. Notes issued by the Federal Reserve Bank of Minneapolis and returned by the Federal Reserve Bank of Chicago aggregated \$18,446,500, while notes returned to the Chicago institution by the Federal Reserve Bank of Minneapolis amounted to \$15,714,000. The amounts received from and returned to the Federal Reserve Bank of New York, the Federal Reserve Bank of Kansas City, and the Federal Reserve Bank of San Francisco were substantial.

The withdrawal and return of silver certificates to the Treasurer of the United States July 1, 1918, to December 31, 1919, aggregated \$2,274,000.

An interesting feature of the note operations during the year is the fact that there was a difference of only about \$3,200,000 in the total amount of Federal Reserve notes issued by the Federal Reserve agent to the Federal Reserve Bank of Minneapolis and used and mutilated notes of this bank destroyed at Washington as unfit for further use, the destroyed being slightly less than the issue, and amounting during the year to \$36,771,805.

#### DEPOSITS OF TREASURY FUNDS WITH BANKS.

There was some increase in the year in the number of depository banks in the Ninth Federal Reserve District. The account with the Treasurer of the United States showed aggregate deposits of \$1,053,859,390.43 and withdrawals of \$1,058,537,674.75. The balance of account at the end of December was \$513,187.11, or a considerable reduction as compared with the average end of the month balances during the year. The experience of the previous year was of value in conducting this branch of the bank's operations, and transactions with depository banks were handled smoothly and efficiently.

#### BANK EXAMINATION DEPARTMENT.

On March 1 there was established in the department of the Federal Reserve agent a bank examination division, of which Mr. O. A. Carlson was appointed manager. This division was charged with the duty of conducting examinations of State banks that have acquired membership and of handling such special examinations as may be required by the Federal Reserve Bank from time to time. From March 1 to December 31 this department conducted 53 examina-

tions, 50 of which were made jointly with the representatives of the different State departments. The banks examined represented total assets of \$66,235,000, located in the States of Michigan, Minnesota, Montana, North Dakota, South Dakota, and Wisconsin. In addition to examination work, 18 banks were interviewed with regard to membership, and the manager of the department devoted considerable time to other activities in the interest of the bank. The system of records developed by the department during the year shows an analysis of the reports of examination of State member banks and also of national banks placed upon the special list. The activities of the department involved travel during the year aggregating 25,673 miles.

#### BOND AND COUPON DEPARTMENT.

The transactions of the bond and coupon department were naturally small during 1917, and reached no very great volume during 1918. In 1919, however, the number of separate coupons handled increased to 5,192,950, representing a value of \$14,396,271.81. The aggregate number of coupons handled to the end of the year, including 1917 and 1918, was 6,907,636 and the value \$18,853,830.46.

#### RESULTS OF WAR FINANCING.

Deferred payments made during the early part of 1919 on previous subscriptions to the fourth Liberty loan were met in full in an amount aggregating \$45,011,924.13. The Victory loan following immediately thereafter, and the successive issues of Treasury certificates, the number of which was increased by two as compared with 1918, carried war financing in its various forms well through the year. This unavoidably increased the obligations of all commercial banks during the greater part of the year, and constituted an element, which taken in connection with increased business and industrial activity, the very much higher costs incident to agricultural production, and the wave of extravagance and careless spending, which was especially noticeable during the latter part of the year, created peculiar burdens and produced an unusual strain upon credit.

The district held at the close of the year grain, farm products, and commodities obviously sufficient to liquidate its obligations, but when confronted by serious transportation conditions, found great difficulty in moving the commodities to the markets and realizing upon them. During the last quarter it was found necessary to warn the public against extravagance because of the necessity of relieving the burden upon credit. Efforts were made to assist a return to normal through the encouragement of economy, thrift, and increased production of goods. No new financing of any consequence was noticeable during the early part of the year, and only in a comparatively limited amount during the latter part of 1919. At the end of the year the district was far short of its normal volume of construction, this situation being especially apparent at the larger centers, where housing conditions have become acute. There is every indication of a large volume of activities ahead, whenever the labor and material markets show a satisfactory condition.

## RESTORATION OF LIQUIDITY.

The banks of the district have avoided large holdings of long-time obligations on their own account, although they participated freely in the various certificate issues. The amount of Liberty bonds and Victory notes taken on through failure of subscribers to complete deferred payments was insignificant as compared with the total. At the end of the year commercial banks were not holders of Government obligations to any large extent. There was a noticeable liquidation of Liberty bonds and Victory notes during the last quarter of the year, the volume of securities sold reaching substantial proportions, giving evidence that to some extent, and very possibly to a serious extent, the wave of free spending has impaired the savings that were represented by the bond investments of the people during the five war loan campaigns.

Liquidation should have occurred in the Ninth Federal Reserve District beginning in September. The delay of more than three months which had occurred at the end of the year resulted in keen pressure but gave no evidence of creating a situation of more than temporary seriousness. It was noticeable that while the seasonal liquidation might not proceed at as rapid a rate as during 1918, it would be thorough and complete, with more favorable weather and transportation conditions.

There were therefore no elements to cause apprehension as to the business or financial outlook. Moisture conditions in the western half of the district, which have been previously referred to, gave some encouragement to look forward to more than a satisfactory year from the standpoint of farm production.

In endeavoring to curb the drift toward extravagance and to exercise such reasonable corrective influences as it is plainly obligated to do under the law and the regulations of the Federal Reserve Board, the Federal Reserve Bank, through fractional advances in its discount rates, sought to further these purposes and stood prepared to make further advances should occasion demand.

A noticeable development of the year was the largely increased use of Government securities by member banks as collateral for short-time notes. In proportion to their volume, they altered the former disposition to borrow for longer periods. The people as a whole in asking accommodation at their banks likewise made free use of their Government securities and borrowed upon that collateral.

## RETIREMENT OF GOVERNOR THEODORE WOLD.

It was with great regret that the board of directors of the Federal Reserve Bank of Minneapolis accepted the resignation of Theodore Wold as governor, effective October 1, after a period of service extending from the opening of this institution to that date.

After his retirement, which followed the resignation of Mr. E. W. Decker as director, he was nominated and elected as director of class A for a three-year term beginning with the close of the year. Following his election Mr. Wold was asked to replace Mr. Decker on the executive committee, from which place the latter retired in consequence of his resignation as director.

## CHANGES DURING THE YEAR.

Coincident with the election of Mr. Theodore Wold as class A director, the banks of group 1 in the annual fall election reelected Mr. F. R. Bigelow, of St. Paul, as director of class B for a three-year term beginning at the close of the year.

After careful consideration the board of directors selected Mr. R. A. Young, who had served efficiently and with marked success as deputy governor of this institution, to succeed Mr. Wold as governor, effective October 1. Mr. Curtis L. Mosher was elected secretary of the board of directors to succeed Mr. Young.

Mr. John W. Black, of Houghton, Mich., who had served as class C director since the founding of the bank, resigned in August in consequence of a change of residence, and was succeeded by Mr. C. H. Benedict, of Lake Linden, Mich., who was appointed by the Federal Reserve Board for the unexpired term. Mr. Benedict was reappointed by the Federal Reserve Board prior to the close of the year to serve a full term beginning January 1.

During the latter part of December the Federal Reserve Board announced the appointment of Mr. John H. Rich as chairman and Federal Reserve agent for the year 1920, the redesignation of Mr. William H. Lightner, of St. Paul, as deputy chairman, and the redesignation of Mr. Curtis L. Mosher as assistant Federal Reserve agent.

In anticipation of the early opening of the Montana branch of the Federal Reserve Bank at Helena, for which provision was made by the board of directors in November, and approved by the Federal Reserve Board, Mr. O. A. Carlson, manager of the bank examination department in the office of the Federal Reserve agent, was elected manager of the new Montana branch. In view of the probability that a period of six months would be required before the branch could be opened, the board approved no further appointments, and the selection of other officers and staff for the branch was deferred.

## FEDERAL RESERVE CLUB.

The sharp increase in the various departments of the bank during 1918 was followed by a more moderate rate of increase in 1919. The organization consisted of 264 officers and employees at the beginning of the year, and embraced 280 officers and employees at the close of the period. In addition to the various problems of accommodation, and the proper handling of the work, which again necessitated during 1919 the acquisition of additional space, it became apparent to the officers and department heads that the working forces had grown to a point where some method of providing for better contact and acquaintanceship was desirable. Upon the initiative of the employees, the Federal Reserve club was formed in March. During the fall months it conducted valuable educational work, involving the study and discussion of the functions and activities of the Federal Reserve Bank and the study of the detail work of the various departments. This was supplemented by social activities, valuable and beneficial to the officers and employees alike, creating better acquaintance between the employees of the

different departments and augmenting the common interest and fellowship.

Upon recommendation of the Federal Reserve club, and indorsed by the officers of the bank, the board of directors in November authorized the refunding of the cost of a correspondence course in modern business to employees, approved by the officers, who complete their studies with passing marks. Earlier in the year the directors recognized the educational value of the club's activities by making an appropriation in support of its work, which is supplemented by its own funds derived from memberships.

#### CONCLUDING REMARKS.

The spirit of cooperation which has animated all the departments during the year is recognized and can not be too strongly commended. While the bank has grown in usefulness and in efficiency with respect to its relations with its members, it has also grown in efficiency in the handling and expediting of its own intricate business. The departments have functioned well and have operated to the satisfaction of the officers and directors. The spirit which prevails in the bank is recognized by its officers and is considered by them as being a substantial guaranty of its future success.

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of Minneapolis during the calendar year 1919.*

[In thousands of dollars.]

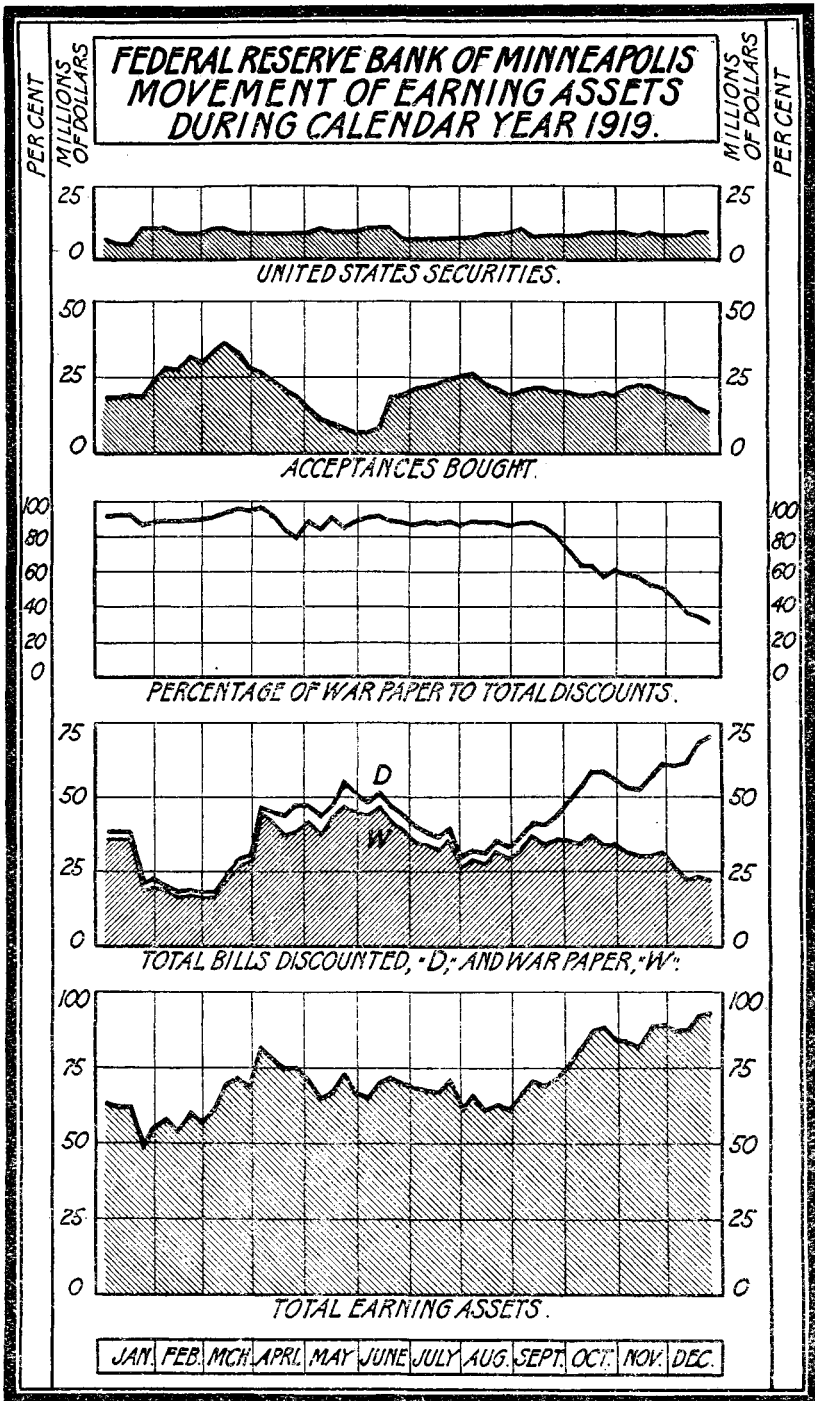
Date.	1 Dis- counted paper se- cured by United States war obli- gations.	2 Other dis- counted paper.	3 1+2.	4 Per cent 1+3.	5 Bills bought in open market.	6 Total bills dis- counted and bought.	7 United States securities	8 Total earning assets.
Jan. 3	34,991	3,090	38,081	91.8	18,257	56,338	6,559	62,897
10	34,874	3,087	37,961	91.9	18,364	56,325	5,245	61,570
17	34,963	3,175	38,138	91.7	18,808	56,946	5,250	62,196
24	18,458	2,906	21,364	86.4	18,396	39,760	9,629	49,389
31	19,211	2,522	21,733	88.4	23,552	45,285	9,587	54,872
Feb. 7	18,110	2,214	20,324	89.1	28,374	48,698	9,514	58,212
14	15,999	1,937	17,936	89.2	26,570	44,506	9,419	53,925
20	17,420	1,992	19,412	89.7	31,604	51,016	9,317	60,333
28	15,724	1,776	17,500	89.9	30,361	47,861	9,256	57,117
Mar. 7	16,285	1,486	17,771	91.6	33,711	51,482	9,826	61,308
14	21,144	1,400	22,544	93.8	36,332	58,876	9,712	68,588
21	27,356	1,404	28,760	95.3	33,611	62,371	9,455	71,826
28	28,593	1,480	30,073	95.1	29,466	59,539	9,352	68,891
Apr. 4	44,707	1,459	46,166	96.8	26,594	72,760	9,194	81,954
11	42,040	3,431	45,471	92.4	23,841	69,312	8,925	78,237
18	37,069	7,294	44,363	83.5	21,229	65,592	8,935	74,527
25	37,705	9,552	47,257	79.8	18,781	66,038	8,940	74,978
May 2	41,835	5,059	46,894	89.2	15,066	61,960	8,998	70,958
9	36,688	6,795	43,483	84.4	12,278	55,761	9,463	65,224
16	43,191	4,088	47,279	91.4	10,417	57,696	9,406	67,102
23	47,345	8,094	55,439	85.4	8,469	63,908	9,154	73,062
29	45,184	5,361	50,545	89.9	7,088	57,633	9,297	66,930
June 6	44,030	3,859	47,889	91.4	7,142	55,031	10,072	65,103
13	47,038	3,947	50,985	92.3	8,753	59,738	9,882	69,620
20	41,617	4,913	46,530	89.4	17,823	64,353	7,276	71,629
27	39,110	4,908	44,018	88.8	18,786	62,804	7,286	70,090
July 3	35,144	4,819	39,963	87.9	21,254	61,217	7,320	68,537
11	34,012	4,223	38,235	89.0	22,473	60,708	7,323	68,031
18	32,087	4,261	36,348	88.3	23,280	59,628	7,359	66,987
25	35,168	4,095	39,263	89.6	24,058	63,321	7,296	70,617
Aug. 1	25,617	3,927	29,544	86.7	24,748	54,292	7,213	61,505
8	29,031	3,317	32,348	89.7	26,177	58,525	7,348	65,873
15	27,496	3,548	31,044	88.6	22,644	53,688	7,765	61,453
22	30,664	3,836	34,500	88.9	21,195	55,695	7,706	63,401
29	28,355	4,193	32,548	87.1	19,474	52,022	9,244	61,266
Sept. 5	31,390	4,233	35,623	88.1	20,283	55,906	9,751	65,657
12	36,463	4,576	41,039	88.8	22,110	63,149	8,257	71,406
19	34,303	5,526	39,829	86.1	21,138	60,967	8,497	69,464
26	34,586	8,272	42,858	80.7	19,622	62,480	8,411	70,891
Oct. 3	35,042	12,572	47,614	73.6	19,944	67,558	8,454	76,012
10	33,528	19,373	52,901	63.4	19,156	72,057	8,497	80,554
17	37,203	21,823	59,026	63.0	19,270	78,296	9,057	87,353
24	33,204	25,645	58,849	56.4	19,622	78,471	9,237	87,708
31	33,766	22,033	55,799	60.5	19,190	74,989	8,561	83,550
Nov. 7	31,909	21,757	53,666	59.0	21,137	74,203	8,530	82,733
14	29,569	22,073	51,642	57.3	22,018	73,660	8,591	82,251
21	30,128	27,259	57,387	52.5	21,692	79,079	8,499	87,578
28	30,999	29,455	60,454	51.3	20,183	80,637	8,499	89,136
Dec. 5	26,167	33,544	59,711	43.8	19,040	78,751	8,496	87,247
12	22,600	38,752	61,352	36.8	17,363	78,715	8,496	87,211
19	23,204	44,465	67,669	35.0	15,384	83,053	8,691	91,744
26	22,465	47,592	70,057	32.1	14,401	84,458	8,596	93,054

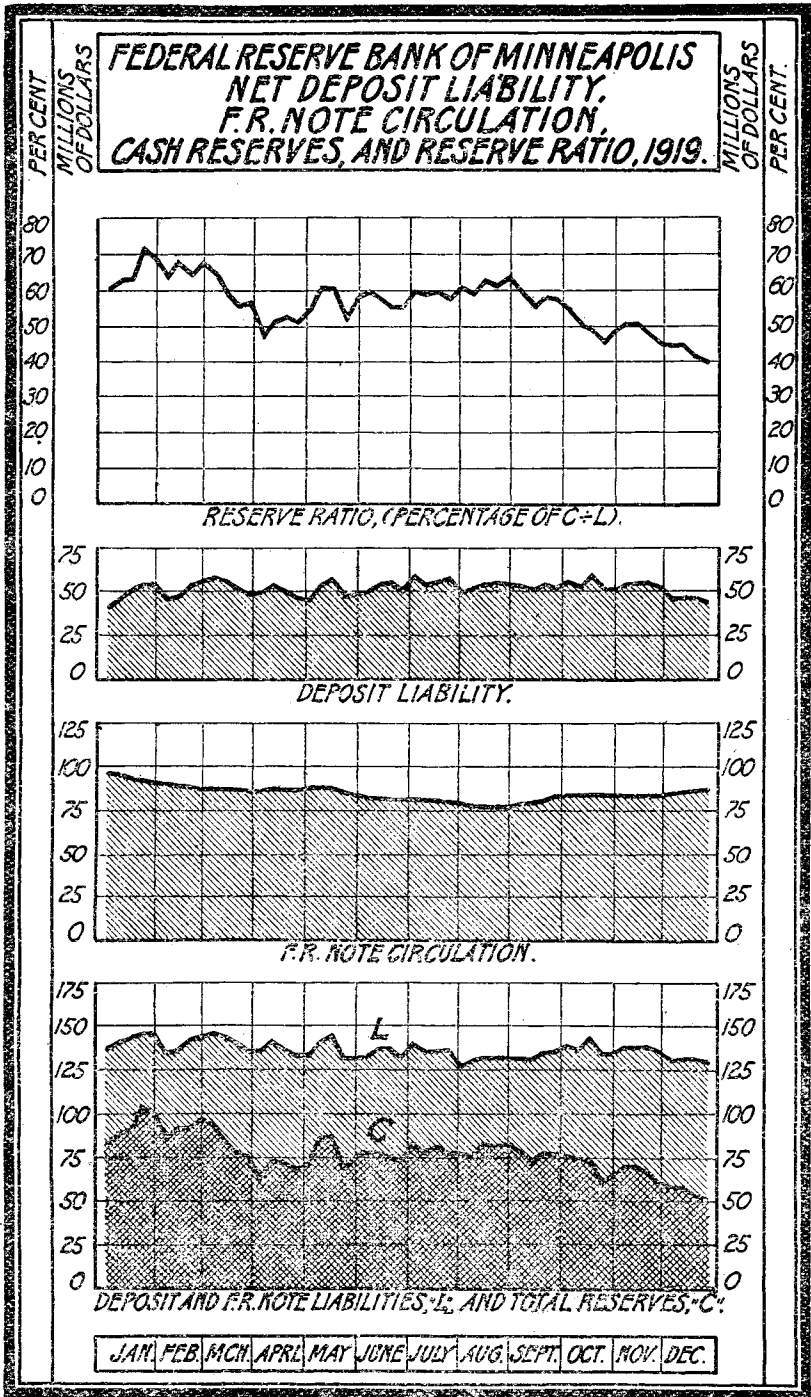


EXHIBIT B.—*Movement of gold and cash reserves, Federal Reserve notes, and net deposit liabilities and the reserve percentage of the Federal Reserve Bank of Minneapolis during the calendar year 1919.*

[In thousands of dollars.]

Date.	1 Gold reserves.	2 Cash reserves.	3 Federal Reserve notes in actual circulation.	4 Net deposits.	5 (3+4).	6 Ratio of cash reserves to net deposit and Federal Reserve note liabilities combined.
Jan. 3.	82,158	82,233	96,311	40,421	136,732	60.1
10.	87,958	88,094	95,272	45,870	141,142	62.4
17.	89,398	89,603	93,184	49,973	143,157	62.6
24.	104,062	104,175	91,969	52,592	144,561	72.1
31.	98,767	98,948	90,528	54,171	144,699	68.4
Feb. 7.	85,779	85,968	89,986	44,979	134,965	63.7
14.	91,144	91,304	89,051	46,899	135,950	67.2
20.	90,961	91,134	88,812	53,184	141,996	64.2
28.	96,630	96,801	88,159	56,208	144,367	67.1
Mar. 7.	94,073	94,266	88,106	57,819	145,925	64.6
14.	84,671	84,783	87,972	55,585	143,557	59.1
21.	77,910	78,012	87,662	52,292	139,954	55.7
28.	75,823	75,938	87,058	47,796	134,854	66.3
Apr. 4.	64,292	64,404	87,151	49,198	136,349	47.2
11.	73,307	73,426	87,692	53,819	141,511	51.9
18.	72,020	72,159	87,224	49,249	136,473	52.9
25.	67,899	67,971	86,481	46,131	132,612	51.3
May 2.	72,134	72,208	87,980	44,982	132,962	54.3
9.	85,778	85,862	87,791	52,970	140,761	61.0
16.	87,151	87,222	86,505	57,275	143,780	60.7
23.	68,940	69,056	85,906	46,622	131,628	52.5
29.	75,632	75,738	83,894	48,161	132,055	57.4
June 6.	78,738	78,832	82,629	50,494	133,123	59.2
13.	78,323	78,411	82,975	54,196	137,171	57.2
20.	76,288	76,375	82,417	54,502	136,919	55.8
27.	73,305	73,408	82,032	50,249	132,281	55.5
July 3.	82,822	82,914	82,203	57,934	140,137	59.2
11.	78,888	78,965	81,634	53,720	135,354	58.3
18.	80,793	80,880	80,759	55,343	136,102	59.4
25.	78,163	78,224	79,639	57,382	137,021	57.1
Aug. 1.	76,973	77,065	78,889	47,685	126,574	60.9
8.	76,231	76,315	77,972	52,006	129,978	58.7
15.	82,924	82,979	77,582	54,563	132,145	62.8
22.	81,384	84,456	77,231	55,130	132,361	61.5
29.	82,982	83,034	77,634	54,118	131,752	63.0
Sept. 5.	78,735	78,794	79,191	52,524	131,715	59.8
12.	72,109	72,170	79,742	51,075	130,817	55.2
19.	78,015	78,090	80,507	54,374	134,881	57.9
26.	77,038	77,086	82,399	52,336	134,735	57.2
Oct. 3.	76,161	76,227	83,406	55,479	138,885	54.9
10.	69,170	69,244	83,944	52,329	136,273	50.8
17.	68,795	68,858	83,979	58,554	142,533	48.3
24.	60,978	61,035	84,236	50,622	134,858	45.3
31.	65,330	65,417	83,848	51,299	135,147	48.4
Nov. 7.	69,462	69,542	83,969	54,289	138,258	50.3
14.	69,982	70,063	83,612	54,523	138,135	50.7
21.	65,849	65,939	83,786	55,969	139,155	47.4
28.	60,633	60,706	83,784	52,133	135,917	44.7
Dec. 5.	57,888	57,949	85,014	46,080	131,094	44.2
12.	58,308	58,367	85,169	46,357	131,526	44.4
19.	54,132	54,184	86,104	45,742	131,906	41.1
26.	51,173	51,245	87,475	42,643	130,118	39.4





## EXHIBIT C.—Balance sheet of the Federal Reserve Bank of Minneapolis.

	Dec. 31, 1919.	Dec. 31, 1918.
<b>RESOURCES.</b>		
Gold and gold certificates .....	\$8,275,000	\$8,323,000
Gold settlement fund, Federal Reserve Board.....	4,872,000	23,774,000
Gold with foreign agencies.....	3,546,000	233,000
Total gold held by banks.....	16,693,000	32,330,000
Gold with Federal Reserve agents.....	35,847,000	55,869,000
Gold redemption fund.....	205,000	4,949,000
Total gold reserves.....	52,745,000	93,148,000
Legal-tender notes, silver, etc.....	65,000	73,000
Total reserves.....	52,810,000	93,221,000
<b>Bills discounted:</b>		
Secured by Government war obligations.....	22,331,000	31,528,000
All other.....	51,526,000	5,144,000
<b>Bills bought in open market.....</b>	<b>12,600,000</b>	<b>17,994,000</b>
Total bills on hand.....	86,457,000	54,666,000
United States Government bonds.....	115,000	121,000
United States certificates of indebtedness.....	8,480,000	5,146,000
Total earning assets.....	95,052,000	59,933,000
Bank premises.....	500,000	.....
Uncollected items.....	24,406,000	13,124,000
5 per cent redemption fund against Federal Reserve bank notes.....	400,000	236,000
All other resources.....	145,000	179,000
Total resources.....	173,313,000	166,693,000
<b>LIABILITIES.</b>		
Capital paid in.....	3,074,000	2,931,000
Surplus.....	3,569,000	726,000
Government deposits.....	513,000	5,191,000
Due to members—reserve account.....	53,828,000	48,826,000
Deferred availability items.....	14,282,000	7,352,000
Other deposits, including foreign Government credits.....	2,282,000	15,000
Total gross deposits.....	70,865,000	61,384,000
Federal Reserve notes in circulation.....	87,187,000	96,571,000
Federal Reserve bank notes in circulation, net liability.....	8,200,000	4,169,000
All other liabilities.....	418,000	912,000
Total liabilities.....	173,313,000	166,693,000

## DISTRICT NO. 10—KANSAS CITY.

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ASA E. RAMSAY, Chairman and Federal Reserve Agent.

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### INTRODUCTION.

Notwithstanding the war activities of 1918, viewed from the volume of business transacted, service rendered to member banks, and the financial results of operation, the year just closed has been the most remarkable in the history of this bank. Reference is made to Exhibit C for detailed comparative statements of condition of the Federal Reserve Bank of Kansas City and branches at the close of business December 31, 1915, 1916, 1917, 1918, and 1919.

### FINANCIAL RESULTS OF OPERATION.

The gross earnings from operations for the year were \$4,961,481.91. The expenses were \$1,186,069.34, leaving net earnings of \$3,775,412.57, to which should be added \$147,949.58 withdrawn from the reserve account established in previous years to take care of depreciation in United States bonds. The total net profits were therefore \$3,923,362.15, or at the rate of 102.8 per cent per annum on the average capital. The revenues received from discounts were \$3,888,839.25; acceptances, \$340,875.06; interest on Government securities, \$405,399.83; bank transfers, \$198,748.86; penalties for deficient reserves, \$106,704.52. The large items making up the aggregate expenses were officers' salaries, \$91,604.11; clerical and other employees, \$497,379.52; rents, \$31,819.50; telephone and telegraph, \$15,967.63; postage and express, \$81,236.62; printing and stationery, \$49,781.97. The total actual operating expenses for the year were \$891,544.61. The cost of issuing and redeeming Federal Reserve currency was \$131,339.12; tax and expenses on note issues, \$81,820.72; currency shipments, \$27,075.04; while furniture, fixtures, and equipment for the year cost \$54,289.85.

A comparison of the net earnings of \$3,775,412.57 for 1919 with earnings of previous years indicates in a very impressive way the enormous changes which have taken place, both in the sentiment of the member banks and in the necessity for accommodations during the year. The business for the year 1915, including the six weeks of 1914, showed a loss of \$23,480.06; 1916 showed a net profit of \$158,202.97; 1917, a net profit of \$717,684.67; 1918, a net profit of \$2,762,708.02. The total gross earnings since organization have been \$9,840,046.68; total expenses, \$2,412,512.90, leaving a net profit from November 1, 1914, to the close of business December 1, 1919, of \$7,427,533.78.

Dividends were paid during the year 1919 aggregating \$228,755.50; the balance, \$3,694,606.65, was carried to surplus account, which increased that item to \$6,116,033.36. During the five years the total dividends accrued and paid have been \$969,694.44.

Reference is made to Exhibit C for the 1919 balance sheet as of December 31, 1919, as compared to those for December 31, 1918, 1917, 1916, and 1915.

#### DISCOUNT OPERATIONS.

The loan transactions of the Federal Reserve Bank of Kansas City for the year 1919 were practically double those of 1918 in number and amount. A total of 16,024 transactions were handled for an aggregate amount of \$1,555,596,621.30, compared with 9,240 transactions for an aggregate of \$833,520,562.37 for the previous year. The aggregate amount of discount transactions for either the entire year of 1915 or 1916 is now frequently exceeded in a single day, and the combined total of all discount transactions since the organization of the bank in 1914 to the close of business December 31, 1918, is nearly a half billion dollars less than the amount of transactions handled in 1919. The largest increase is shown for paper secured by Government obligations. The business activities of the district are to a very large extent reflected through this class of paper, since paper secured by Government war obligations has been used as the most convenient method of borrowing.

Notwithstanding the efforts of the Federal Reserve Board and this bank to check credit expansion, the demand for loans in this district has been heavier during the last half of the year than during the first six months. There was a steady growth in the volume of discount transactions, culminating in October, when the aggregate amount of loans handled was the highest for any month during the year, although the daily average earning assets of the bank were at their highest point during the month of December. There was no month during the year when any considerable amount of liquidation was apparent; in fact, the continuing heavy demand at the close of the year is rather disturbing when consideration is given to the seasonal demand with which we will undoubtedly be confronted early in the spring.

#### ACCEPTANCES.

The use of trade acceptances has not grown to any considerable extent in this district, being confined mainly to the distribution of oil. The educational program of credit men and of the large wholesale concerns has not resulted in any noticeable change in methods on the part of mercantile establishments.

The volume of bankers' acceptances originating within the Tenth District has been relatively small, and the number of transactions representing offerings of this class of paper by local member banks has increased but slightly. The management of this bank has continued its policy of participating from time to time in open market acceptance transactions, both foreign and domestic, with the Federal Reserve Bank of New York.

## RESERVE POSITION.

The average reserve maintained during the past year has been in excess of the legal requirement, although considerably below the average maintained during the preceding year, the average for 1919 being 45 per cent, as compared with 55 per cent for 1918. The reduction is the natural consequence of increased operations and unprecedented demand for accommodation on the part of member banks.

## MOVEMENT OF MEMBERSHIP.

During the past year there was a net increase of 42 member banks in this district, 21 of which were national banks and 21 State banks and trust companies. This makes the total membership in this district 1,036, of which 635 are served by the parent bank, 253 by the Omaha branch, and 148 by the Denver branch. Of the total membership 988 are national banks and 48 are State banks and trust companies.

The legislatures of Colorado and Wyoming during their 1919 sessions failed to amend their banking laws in accordance with a bill prepared by the Federal Reserve Board which would give State banks becoming members of the Federal Reserve System all the privileges enjoyed by national banks, passing only that part which removed the restrictions as to the amount of indebtedness a State bank might create with the Federal Reserve Bank upon becoming a member of the Federal Reserve System, and rejecting that part which reduced the reserves to the amount required by the Federal Reserve Act. By reason of the failure of this part of the bill to pass the Colorado Legislature a great many State banks in Colorado are taking out national charters.

In Nebraska the legislature passed a bill which includes all the provisions embodied in the bill prepared by the Federal Reserve Board. This has resulted in nine additional memberships in that State, and several applications which are now pending.

The bill was not considered by the Kansas Legislature, as there was an effort made by some of the leaders of the body to pass a bill patterned very much after the Federal Reserve Act, which its sponsors claimed would do for the State banks of Kansas what the Federal Reserve Act was doing for its members. The bill failed to pass, but so much interest was centered on it as to render any other banking legislation impossible.

Since the Federal Reserve Board directed that a branch of the Federal Reserve Bank of Kansas City be established at Oklahoma City, more than 40 State banks in Oklahoma have signified their willingness to become members of the Federal Reserve System. Many of these banks have already filed their applications, and it is anticipated that in a very short while the greater number will be members.

## FIDUCIARY POWERS.

Following the approval on September 26, 1918, of the Phelan amendment to the Federal Reserve Act, a great deal of interest was manifested by national banks in this district regarding the exercise

of fiduciary powers. Under the amended act permission has been granted 54 national banks to act in the various capacities, and in most instances the banks have applied and permits have been issued for all of the powers, as authorized under this amendment.

#### BANK EXAMINATIONS.

The policy of this bank to accept examinations from the State authorities, in lieu of examinations made by Federal Reserve Bank examiners, has been continued throughout the year for the reason that the States of this district have well organized banking departments and competent examiners. The bank commissioners of Oklahoma, Nebraska, and Wyoming are requiring the State examiners to use the forms prepared by the Federal Reserve Board in the examination of State bank members.

On account of the increasing number of State bank members we have organized a staff of examiners who will, with the permission of State bank commissioners, join the State examiners in examining State bank members, and it is believed this concurrent examination will create a closer relationship with the State bank members and give them an opportunity to learn more of the operations of the Federal Reserve Bank. We are receiving effective cooperation from the banking departments of all the States of this district.

#### FISCAL AGENCY OPERATIONS.

In this year's activities, the fiscal agency department of this bank and the Government loan and savings organization continued under the direct supervision of the governor's office and successfully handled the Victory Liberty loan, numerous issues of loan and tax Treasury certificates of indebtedness, the sale of war savings and thrift stamps and Treasury savings certificates; in addition to which the fiscal agency department operations have included exchanges and conversions in constantly increasing volume and the handling of millions of coupons and Government checks.

Treasury certificates of indebtedness in anticipation of the Victory loan were sold in this district in the amount of \$187,745,000. Treasury certificates of indebtedness, series of 1920, were sold in the amount of \$66,238,500, and certificates of the tax series were sold in the aggregate amount of \$71,838,000. The total sales of Treasury certificates of indebtedness, including certificates issued in anticipation of the Victory Liberty loan, aggregated \$325,821,500.

At the close of the year 727 banks in this district were qualified war loan depositories. These banks during the year had war loan deposits aggregating \$306,450,555.54. The fact that withdrawals had been made less frequently during the last half of the year, encouraged many banks which had not heretofore qualified to take advantage of the privilege of becoming war loan depositories.

In the Victory Liberty loan, the campaign was conducted through a central organization under the direction of the governor's office of the Federal Reserve Bank. State campaign organizations were formed, each State being subdivided into districts containing a number of counties varying as to conditions and transportation



facilities. Subscriptions to Victory notes aggregated \$197,453,850 against a quota assigned by the Treasury Department of \$196,928,250. There were 621,522 subscribers in this district.

In addition to the accounting work and delivery of Victory loan notes aggregating \$192,429,300, conversion transactions numbering 1,887,795 for an aggregate amount of \$141,800,700 were handled in the fiscal agency department; 966,730 transactions were handled in denominational exchanges aggregating \$124,831,000, and 195,424 transfers and exchanges of registered for coupon bonds or coupon for registered bonds were made for an aggregate total of \$111,183,100. There were also handled during the year in the fiscal agency department 6,790,539 Government warrants, Government bond coupons, and income-tax checks for a total of \$209,591,783.61.

The selling campaign for war savings and thrift stamps and Treasury savings certificates was conducted through the Government savings organization under direction of the governor's office. The maturity value of such securities sold in this district during the year aggregates \$10,100,000. While this amount is less than the value of such securities sold during 1918, there was no active campaign conducted during the first half of the year, due to the fact that the savings campaign was subordinated to the campaign for the sale of Victory Liberty loan notes.

War Finance Corporation transactions were handled during the year in the aggregate amount of \$40,153,259.85, such transactions consisting principally of the sale of War Finance Corporation bonds and the purchase of Treasury certificates of indebtedness for account of the War Finance Corporation.

#### NOTE ISSUES.

The circulation of Federal Reserve notes at the end of 1919 was \$104,089,255, a decrease of \$8,356,035 from the amount outstanding at the end of 1918.

However, during this period Federal Reserve bank notes increased from \$11,448,481 to \$19,532,700. Therefore the total outstanding note issues at the close of the last two years remained practically unchanged.

The low tide of the year, as to outstanding Federal Reserve notes, was reached on August 7, 1919, at which time the circulation had been reduced to \$91,353,820. During the year arrangements were completed for the issuance of Federal Reserve notes in \$500 and \$1,000 denominations.

#### POSITION OF COMMERCIAL BANKS AS A RESULT OF WAR FINANCING.

Comparative statements at the close of this year and last, as shown in Exhibit C accompanying this report, reflect a showing of member banks' obligations which may be taken as a general index to extension of credits throughout the district incidental to war financing and accentuated by the increasing high prices of commodities. It is impracticable to obtain accurate information as to the amount of credits directly attributable to war financing.

The amount of loans carried by the banks of this district is far in excess of the amount of loans carried by them at the close of 1918; in turn the member banks have leaned heavily on the Federal Reserve Bank, as evidenced by the fact that on December 31, 1919, they had discounted bills and borrowed on their own notes the sum of \$93,380,730.66, as compared, with \$57,453,637.39 at the close of 1918.

#### POLICY TO BE PURSUED IN RESTORING LIQUIDITY OF BANKS.

The steady distribution to actual investors of Government securities carried by the banks for their own account and the liquidation of indebtedness incurred by patrons with which to purchase Liberty bonds, together with the marketing of the enormous quantity of agricultural products of district No. 10, retarded by lack of transportation facilities, will, within the next few months, enable the banks of this district to greatly contract the loans carried by them. This liquidation and permanent contraction of loans will be much encouraged by the adoption of a policy by the Federal Reserve Bank of gradually increasing discount rates to a point where profit will be eliminated on discount transactions with the Federal Reserve Bank.

#### OPERATION OF FEDERAL RESERVE BANK BRANCHES.

The volume of business transacted at the branches of the Federal Reserve Bank of Kansas City at Omaha, Nebr., and Denver, Colo., indicates that the service provided for member banks in the territory tributary to each has been of considerable value. During the year the general operations of the branches have been considerably extended, and as members have become more familiar with the service rendered they have been making correspondingly increased use of such service. The operation of the branches is under the direct control and supervision of the head office and the policies formulated by the management of the Federal Reserve Bank of Kansas City are closely followed at these branches, which have direct relations with the member banks in their respective territories in all ordinary transactions, with the exception of membership and fiscal agency operations.

*Omaha branch.*—The extension of the service rendered in the general operations of the Omaha branch, together with the very greatly increased number of par points, has required that the number of employees be nearly doubled and that additional floor space be obtained. Discount transactions were at the maximum during the month of December. The volume remained fairly steady the first four months of the year, increased slightly over the period of floating the Victory Liberty loan, diminished to the low point in August, then steadily rose to the high point in December.

In the clearing operations the average number of items handled daily has increased from approximately 10,000 at the beginning of the year to 22,000 at the close of the year.

The total membership tributary to the Omaha branch, comprising the States of Nebraska and Wyoming, at the close of the year is 253, including 10 new State bank members. The fact that 199 out of the 253 member banks have had discount transactions with the branch is evidence of the increasing use of its facilities.

There has been no change in either officers or directors during the year, the following having served the entire period: O. T. Eastman, manager; E. D. McAllister, cashier; Luther Drake, P. L. Hall, J. C. McNish, and R. O. Marnell, directors. The directors of the branch meet monthly; the executive committee, having supervision of operations in the interim, meets daily.

*Denver branch.*—The territory served by the Denver branch is unchanged, being the State of Colorado and that part of New Mexico within the Tenth District. The total number of member banks at the close of the year in the Denver zone is 146, including five State bank members. While the increase in State bank membership has been small, there have been additions to the system through the nationalizing of State banks, which course appears to be the more popular one in this section.

The member banks in the Denver territory have not used the facilities at the branch to as large an extent as have the banks in the zone served by the Omaha branch. The discount department has accommodated, however, during the year 1919, 86 of the 148 members, and the other facilities of the branch have been used in some degree by practically all members. The banks in the territory of this branch have had a successful year; deposits have increased and profits have shown corresponding gains. The demand for accommodations from member banks, as compared with the year 1918, was heavier during the first five months, but lighter during the next five months. The demand during November was approximately the same both years, but decidedly stronger during December, 1919, with the result that the amount of loans carried by the Denver branch reached its peak on December 31, 1919.

Clearing operations have continuously increased, and at the close of the year the Denver branch handled an average of approximately 20,000 items per day, as compared with a daily average of little more than 9,000 items during the latter part of December, 1918.

The number of employees at the close of 1919 is 56, as compared with 38 in December, 1918. There has been no change in the directorate or the official staff, the members thereof being as follows: C. A. Burkhardt, manager; P. R. Fredman, acting cashier; Alva Adams, John Evans, A. C. Foster, and C. C. Parks, directors. The regular meetings of the board of directors are held monthly, the executive committee meeting daily to pass upon offerings for discount and other important matters, its findings being reviewed by the board.

*Oklahoma City branch.*—In December, 1919, the Federal Reserve Board authorized the establishment of a branch office at Oklahoma City, to be operated along the lines governing the operations of the branch banks at Cincinnati, Pittsburgh, and Buffalo. This branch will receive deposits from member banks, but will carry no deposit accounts; all amounts received on deposit will be transmitted daily to the Federal Reserve Bank of Kansas City for credit to the accounts of the depositing banks. The branch will carry no earning assets; applications for loans or discounts from member banks will be transmitted to the head office for final action. The principal functions to be exercised by the branch will be the clearing and collection of checks and the handling of shipments of currency to and from banks in its territory.

The Oklahoma City branch will commence operations as soon as suitable quarters and equipment can be obtained.

#### MISCELLANEOUS.

The personnel of the directorate is the same as in 1918. Messrs. Bailey and McClure, classes A and B directors, respectively, were reelected to succeed themselves. Mr. E. F. Swinney was reappointed as member of Advisory Council for this district. There were several changes in the official staff during the year. March 1, 1919, J. L. Cross, deputy governor, resigned to become connected with an eastern banking institution, and C. A. Worthington, formerly assistant cashier, was elected assistant to the governor. May 1, 1919, Arch W. Anderson, secretary-cashier, resigned to engage in commercial business, and J. W. Helm, formerly assistant cashier, was elected acting cashier. C. K. Boardman, in addition to serving as assistant Federal Reserve agent, was elected secretary. For the balance of the year the official staff was constituted as follows:

*Operating department.*—J. Z. Miller, jr., governor; C. A. Worthington, assistant to governor; J. W. Helm, acting cashier; John Philips, jr., assistant cashier, manager fiscal agency department; E. P. Tyner, assistant cashier, manager transit department; L. H. Earhart, assistant cashier, accounting and analysis departments; G. E. Barley, assistant cashier, manager certificates of indebtedness division; C. E. Daniel, assistant cashier, discount department; M. W. E. Park, assistant cashier, currency department.

*Federal Reserve agent department.*—Asa E. Ramsay, Federal Reserve agent, chairman board of directors; C. K. Boardman, assistant Federal Reserve agent, secretary board of directors.

*Auditing department.*—S. A. Wardell, auditor; Alfred E. Bolt, assistant auditor.

Although there has been a decrease in the number of employees in the fiscal agency department since the activities connected with the Victory Liberty loan have terminated, the increased activities of the discount and transit departments, as well as other departments of the bank, have necessitated increases in the number of employees, the total number at the close of the year being 571, of whom 433 are at the head office in Kansas City, 82 at the Omaha branch, and 56 at the Denver branch.

A continuance of the practice of holding daily officers' conferences for the discussion of points of general interest, has resulted in a closer cooperation between departments and a broader general knowledge of the transactions of the bank by all of its officials. Notwithstanding the increase of operations, it is felt that the work of the bank has been conducted satisfactorily and an increasing degree of efficiency is noticeable.

#### CLEARINGS.

Clearing operations of the bank have been conducted on an ever-increasing scale during the year. An active campaign for par points was inaugurated in September, which has resulted in the addition to the par list of all the nonpar banks in the district, effective with the beginning of the year 1920. Approximately 1,000 banks have been

added to the par list during the year. From an average of less than 50,000 items daily at the beginning of the year, during the latter part of December the number of items handled in the transit department has grown to an average of approximately 120,000 items daily. These figures do not include Government checks and coupons which are handled in the fiscal agency department, nor items handled at the branches. The increase in the volume of clearing business has been proportionate at the Omaha and Denver branches, and including the two branches this bank is now handling transit items aggregating approximately 155,000 items per day.

The collection facilities provided for maturing notes and bills and items of like character have been used by member banks to a considerably greater extent during the last few months of the year, and approximately 100 of such items are now being handled daily. Member banks which have availed themselves of this privilege are enthusiastic over the service, but like all other extensions in our facilities, many member banks do not promptly realize their benefits.

The daily settling of balances between Federal Reserve districts through the gold settlement fund has continued to benefit the banking and business interests of this district. The private-wire system connecting all Federal Reserve Banks, their branches, and the Federal Reserve Board, is of great value in this connection and in addition affords facilities for the telegraphic transfer of funds for member banks. All expense connected with telegraphic transfers of funds is absorbed by the Federal Reserve Bank.

#### BANKING QUARTERS—NEW BUILDING.

The building program of the Kansas City bank has progressed to the point of completion of plans for the construction of a building adequate for the estimated requirements of the bank for at least the next 10 years. While the plans are finished to the last detail, the bank has refrained from letting contracts on the suggestion of the Federal Reserve Board because of the continued increasing prices of building material and the present high cost of labor. At the very earliest time, with the sanction of the Board, contracts will be let. At the present time the bank is operating at considerable inconvenience, and with resulting loss of efficiency, occupying as it does space on eleven floors in five buildings widely separated in the city.

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of Kansas City during the calendar year 1919.*

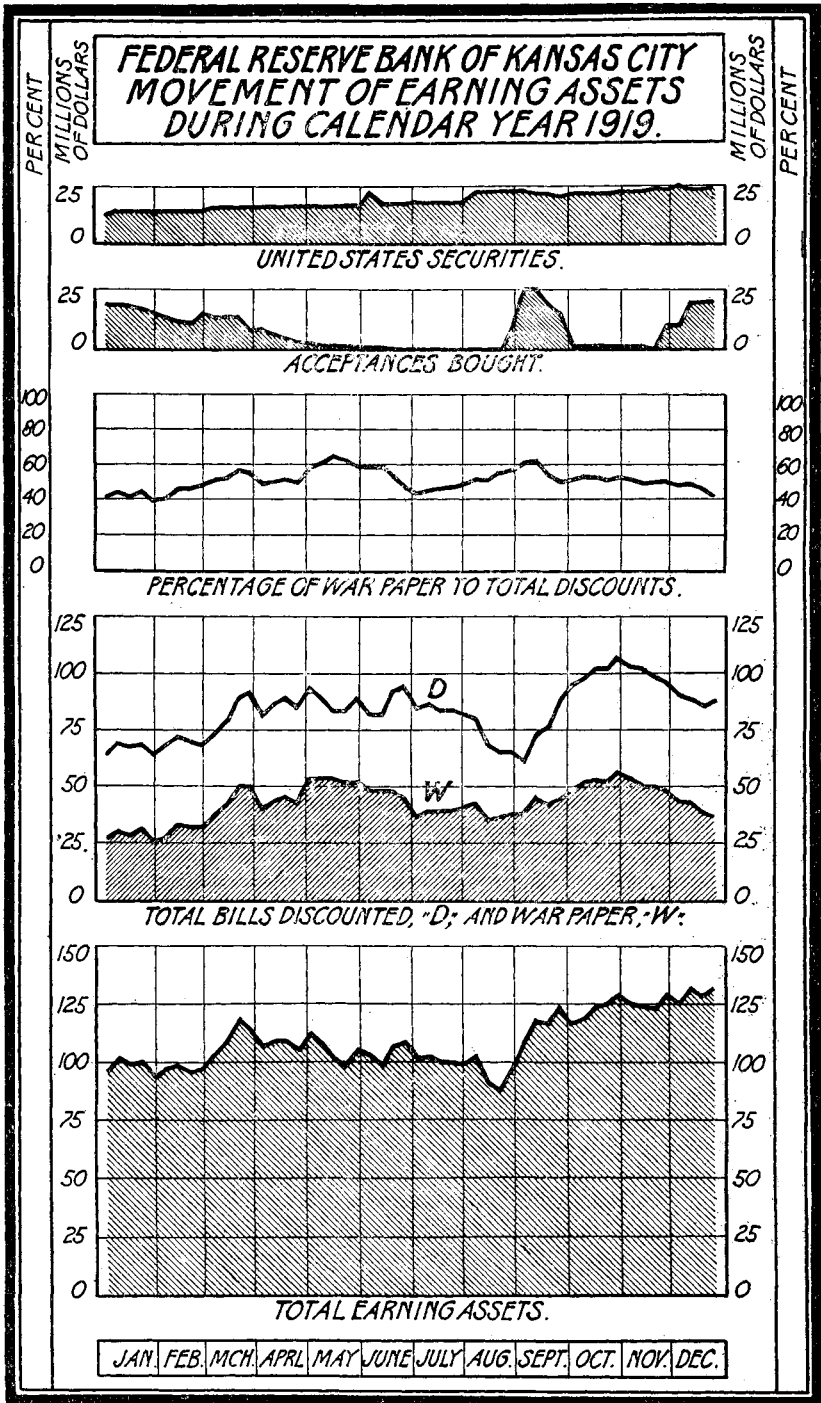
[In thousands of dollars.]

Date.	1 Dis- counted paper se- cured by United States war obli- gations.	2 Other dis- counted paper.	3 1+2.	4 Per cent 1+3.	5 Bills bought in open market.	6 Total bills dis- counted and bought.	7 United States securities	8 Total earning assets.
Jan. 3	26,472	37,361	63,833	41.5	18,966	82,799	13,302	96,101
10	30,025	38,509	68,534	43.8	18,721	87,255	14,409	101,664
17	27,582	39,357	66,939	41.2	18,122	85,061	14,299	99,360
24	30,351	38,248	68,599	44.2	16,685	85,284	14,319	99,603
31	24,907	38,629	63,536	39.2	15,079	78,615	14,284	92,899
Feb. 7	27,313	40,795	68,108	40.1	14,197	82,305	14,350	96,655
14	33,000	39,363	72,363	45.6	12,242	84,605	14,284	98,889
20	32,324	37,990	70,314	46.0	10,864	81,178	14,284	95,462
28	32,421	35,851	68,272	47.5	14,741	83,013	14,384	97,397
Mar. 7	37,445	36,018	73,463	51.0	14,136	87,599	14,904	102,503
14	40,886	38,348	79,234	51.6	14,143	93,377	14,988	108,365
21	50,589	38,688	89,277	56.7	13,751	103,028	14,936	117,964
28	50,173	41,050	91,223	55.0	8,366	99,589	14,882	114,471
Apr. 4	40,559	41,812	82,371	49.2	8,846	91,217	14,801	106,018
11	43,405	42,643	86,048	50.4	7,394	93,442	15,137	108,579
18	45,370	43,471	88,841	51.1	5,479	94,320	14,880	109,200
25	42,369	42,855	85,224	49.7	4,273	89,497	15,346	104,843
May 2	53,836	39,363	93,199	57.8	3,153	96,352	15,311	111,663
9	54,083	34,700	88,783	60.9	2,327	91,110	15,399	106,509
16	54,572	29,588	84,160	64.8	1,762	85,922	15,363	101,285
23	51,720	31,339	83,059	62.3	1,061	84,120	15,321	99,441
29	53,028	36,312	89,340	59.4	577	89,917	15,322	105,240
June 6	47,704	34,343	82,047	58.1	169	82,216	20,750	102,966
13	48,116	34,142	82,258	58.5	10	82,268	15,750	98,018
20	48,132	42,444	90,576	53.1	12	90,588	15,753	106,341
27	44,662	48,985	93,647	47.7	8	93,655	15,748	109,403
July 3	36,126	48,698	84,824	42.6	8	84,832	15,763	100,595
11	38,604	46,994	85,598	45.1	2	85,600	16,263	101,863
18	38,770	44,958	83,728	46.3	2	83,730	16,212	99,942
25	38,893	44,930	83,823	46.4	2	83,825	16,209	100,034
Aug. 1	40,707	41,730	82,437	49.4	2	82,439	16,210	98,649
8	41,725	38,565	80,290	52.0	2	80,292	21,356	101,648
15	35,326	33,719	69,045	51.1	23	69,068	21,682	90,750
22	35,704	29,253	64,957	55.0	23	64,980	21,640	86,620
29	36,537	28,194	64,731	56.4	10,036	74,767	21,594	96,361
Sept. 5	36,917	23,784	60,701	60.8	25,046	85,747	22,136	107,883
12	44,960	27,595	72,555	62.0	25,244	97,799	20,670	118,469
19	41,456	34,530	75,986	54.6	18,591	94,577	21,476	116,053
26	44,485	43,686	88,171	50.4	15,346	103,517	20,029	123,546
Oct. 3	48,838	45,480	94,318	51.8	621	94,939	20,991	115,930
10	51,814	45,307	97,121	53.3	621	97,742	20,771	118,513
17	53,524	48,645	102,169	52.4	521	102,690	20,234	123,924
24	52,280	49,998	102,278	51.1	471	102,749	21,212	123,961
31	56,917	50,313	107,230	53.0	471	107,701	21,702	129,403
Nov. 7	53,482	49,370	102,852	52.0	471	103,323	21,690	125,022
14	49,743	52,250	102,263	48.6	450	102,718	21,696	124,409
21	49,535	49,027	98,562	50.3	450	99,012	23,688	122,700
28	47,750	47,531	95,281	50.1	10,395	105,586	23,688	129,274
Dec. 5	43,330	46,669	89,999	48.1	10,205	100,204	24,679	124,883
12	43,204	45,623	88,827	48.6	19,993	108,820	22,784	131,604
19	39,321	45,998	85,319	46.1	20,297	105,616	22,766	128,382
26	36,897	50,536	87,433	42.2	19,981	107,414	24,116	131,530

EXHIBIT B.—*Movement of gold and cash reserves, Federal Reserve notes, and net deposit liabilities, and the reserve percentage of the Federal Reserve Bank of Kansas City during the calendar year 1919.*

[In thousands of dollars.]

Date.	1	2	3	4	5	6
	Gold reserves.	Cash reserves.	Federal Reserve notes in actual circulation.	Net deposits.	(3+4).	Ratio of cash reserves to net deposit and Federal Reserve note liabilities combined.
Jan. 3.	78,197	78,319	112,047	45,699	157,746	49.6
10.	77,319	77,522	110,035	51,785	161,820	47.9
17.	82,037	82,314	107,882	56,214	164,096	50.2
24.	87,651	87,919	107,467	62,343	169,810	51.8
31.	90,387	90,717	105,533	60,246	165,839	54.7
Feb. 7.	79,064	79,357	104,569	53,376	157,945	50.2
14.	86,950	87,227	103,467	64,511	167,978	51.9
20.	91,766	92,032	102,908	66,339	169,247	54.4
28.	91,891	92,079	101,609	69,451	171,060	53.8
Mar. 7.	81,719	81,867	101,269	64,608	165,877	49.4
14.	78,172	78,404	100,856	67,350	168,206	46.6
21.	68,496	68,620	100,435	67,281	167,716	40.9
28.	68,737	68,849	99,615	64,731	164,346	41.9
April 4.	73,077	73,191	99,520	60,509	160,029	45.7
11.	73,970	74,094	98,740	64,692	163,432	45.3
18.	72,528	72,608	98,063	64,401	162,464	44.7
25.	75,976	76,113	98,420	63,118	161,538	47.1
May 2.	70,266	70,393	97,668	64,741	162,409	43.3
9.	76,585	76,716	97,037	66,369	163,406	46.9
16.	81,991	82,134	95,835	67,633	163,468	50.2
23.	80,878	81,011	94,767	66,000	160,767	50.4
29.	81,827	82,019	95,585	72,103	167,688	48.9
June 6.	79,991	80,140	97,102	66,171	163,273	49.1
13.	78,577	78,783	95,993	61,486	157,479	50.0
20.	68,582	68,770	94,623	61,132	155,755	44.2
27.	71,069	71,306	93,677	67,639	161,316	44.2
July 3.	81,460	81,780	94,044	68,604	162,648	50.3
11.	78,054	78,350	93,081	67,059	160,140	48.9
18.	76,576	76,805	94,086	62,303	156,389	49.1
25.	80,113	80,417	92,148	67,378	159,526	50.4
Aug. 1.	76,896	77,067	91,498	62,792	154,290	49.9
8.	84,872	85,086	91,646	73,073	164,719	51.7
15.	101,356	101,540	92,356	77,399	169,755	59.8
22.	98,859	98,983	92,966	69,412	162,378	61.0
29.	90,816	91,024	92,533	70,905	163,438	55.7
Sept. 5.	83,964	84,114	93,724	74,017	167,741	50.1
12.	61,685	61,905	93,486	62,220	155,706	39.8
19.	69,428	69,748	94,683	66,270	160,953	43.3
26.	68,429	68,819	95,262	72,704	167,966	41.0
Oct. 3.	71,136	71,572	96,927	65,966	162,893	43.9
10.	78,472	78,744	97,085	75,058	172,143	45.7
17.	76,800	77,180	96,490	79,206	175,696	43.9
24.	71,155	71,415	96,275	73,412	169,687	42.1
31.	73,801	74,192	95,571	81,894	177,465	41.8
Nov. 7.	74,036	74,364	97,369	75,316	172,685	43.1
14.	85,478	85,772	98,959	83,999	182,958	46.9
21.	93,531	93,781	93,114	89,908	189,022	49.6
28.	95,192	95,503	101,749	95,850	197,599	48.3
Dec. 5.	87,945	88,222	102,342	83,240	185,782	47.5
12.	70,775	71,063	101,884	72,947	174,831	40.6
19.	71,144	71,492	102,807	69,061	171,868	41.6
26.	77,688	78,031	105,100	76,104	181,204	43.1





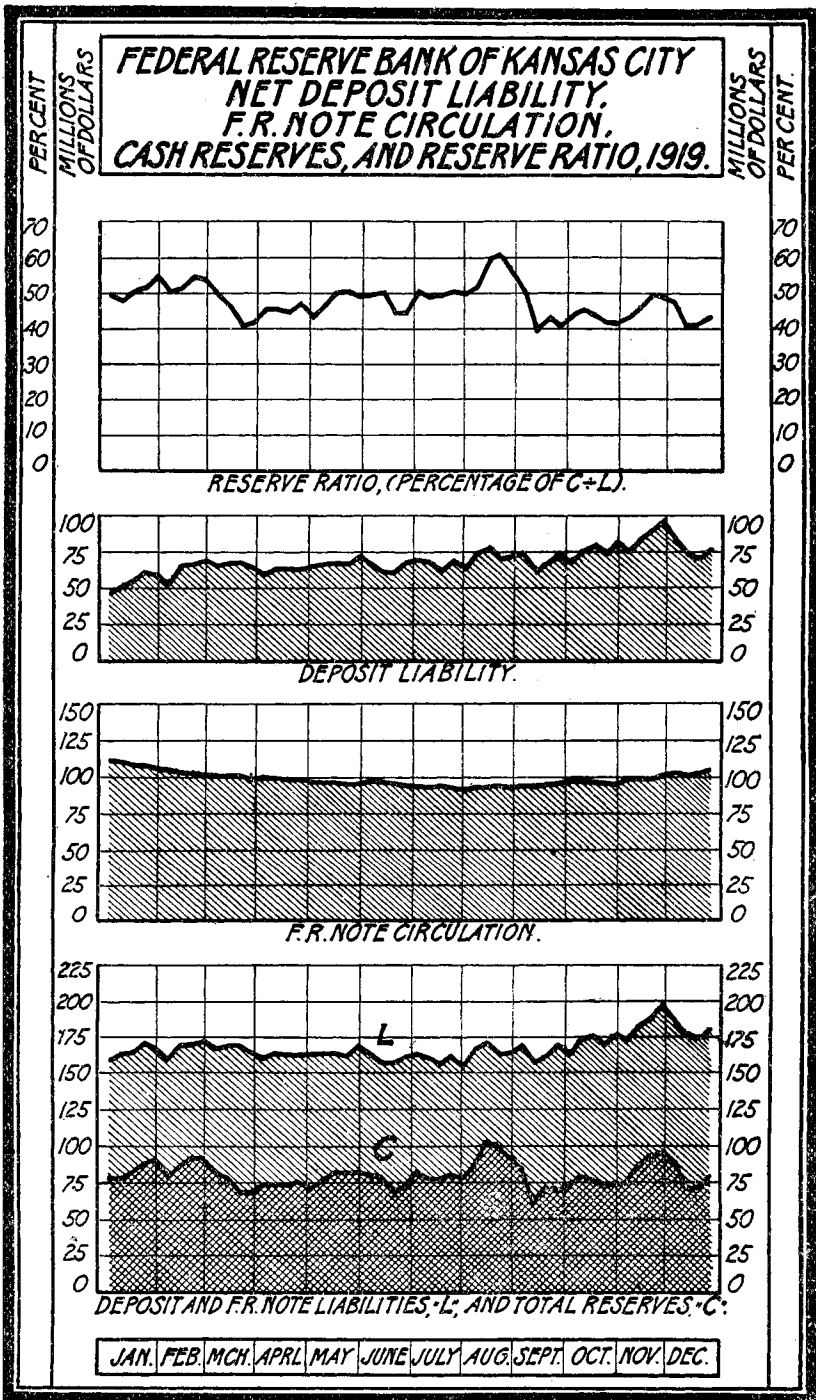


EXHIBIT C.—Statement of condition of Federal Reserve Bank of Kansas City and branches at close of business Dec. 31, 1915, 1916, 1917, 1918, and 1919.

	Dec. 31, 1919.	Dec. 31, 1918.	Dec. 31, 1917.	Dec. 30, 1916.	Dec. 31, 1915.
ASSETS.					
1. Cash					
Federal Reserve Bank (gold).....	\$32,427,577.16	\$23,683,147.78	\$41,598,900.00	\$27,400,285.00	\$10,933,010.00
Federal Reserve agent (gold).....	43,783,832.20	58,073,732.20	42,532,215.00	150,095.00	107,000.00
Silver coin, certificates, and legal tender.....	364,699.60	101,461.00	58,000.00	145,280.00	119,570.00
Nickels and cents.....	40,143.08	514.43	3.63	9.75	1.07
	<u>76,616,252.04</u>	<u>81,858,855.41</u>	<u>84,189,118.63</u>	<u>27,695,669.75</u>	<u>11,159,581.07</u>
2. Other currency:					
Due from United States Treasurer, 5 per cent fund.....	957,460.00	565,600.00	400,000.00	300,000.00	.....
National bank notes and notes of other Federal Reserve Banks.....	1,136,100.00	1,839,565.00	216,300.00	107,645.00	348,318.00
Unassorted currency.....	2,739,301.00	.....	.....	.....	.....
	<u>4,832,861.00</u>	<u>2,405,165.00</u>	<u>616,300.00</u>	<u>407,645.00</u>	<u>348,318.00</u>
3. Loans and discounts:					
Rediscunts and loans, member bank.....	93,380,730.66	57,453,637.39	30,051,150.34	514,888.46	428,872.29
Rediscunts for other Federal Reserve Banks.....	.....	.....	5,003,293.86	.....	.....
Acceptances bought in open market.....	18,691,464.20	14,203,695.36	1,337,928.75	3,945,180.94	3,580,463.35
	<u>112,072,194.86</u>	<u>71,657,332.75</u>	<u>36,392,372.95</u>	<u>4,460,069.40</u>	<u>4,009,335.64</u>
4. Investments:					
United States bonds and certificates of indebtedness.....	23,934,750.00	13,245,450.00	10,633,090.00	9,455,850.00	2,151,650.00
Municipal warrants.....	.....	.....	.....	163,813.65	288,015.84
	<u>23,934,750.00</u>	<u>13,245,450.00</u>	<u>10,633,090.00</u>	<u>9,619,663.65</u>	<u>2,439,665.84</u>
5. Due from banks and bankers:					
Federal Reserve Banks—transfers bought.....	.....	22,262,948.23	15,969,937.00	.....	.....
Transit items.....	77,800,762.51	38,956,172.95	11,431,493.33	17,534,498.46	1,849,365.44
Exchange for clearing house and other cash items.....	1,753,203.02	1,826,049.50	233,681.16	17,315.52	5,363.85
Overdrafts.....	42,856.28	119,854.93	.....	17,688.57	11,783.74
	<u>79,596,821.81</u>	<u>63,165,025.61</u>	<u>27,635,111.49</u>	<u>17,619,502.55</u>	<u>1,866,513.03</u>
6. Sundries:					
Furniture and fixtures recoverable.....	.....	6,875.00	13,750.00	25,978.29	15,000.00
Bank premises.....	461,686.76	400,000.00	.....	.....	.....
War loan expense reimbursable.....	407,176.18	449,452.85	86,449.96	.....	.....
Accrued interest receivable—United States securities.....	164,385.32	62,257.78	60,504.90	53,978.18	8,862.18
Due from employees—Liberty loan subscriptions.....	5,772.50	16,749.50	13,071.00	.....	.....
Deferred charges.....	.....	.....	.....	46,643.91	52,960.85
Expense—organization.....	.....	.....	.....	.....	52,984.44
Premium and discount—United States bonds.....	.....	.....	.....	85,887.20	.....
	<u>1,039,020.76</u>	<u>935,335.13</u>	<u>173,775.86</u>	<u>212,487.58</u>	<u>129,807.47</u>
Total assets.....	<u>298,091,900.47</u>	<u>233,267,163.90</u>	<u>159,639,768.93</u>	<u>60,015,037.93</u>	<u>19,953,221.05</u>

## EXHIBIT C.—Statement of condition of Federal Reserve Bank of Kansas City and branches at close of business Dec. 31, 1915, 1916, 1917, 1918, and 1919—Continued.

	Dec. 31, 1919.	Dec. 31, 1918.	Dec. 31, 1917.	Dec. 30, 1916.	Dec. 31, 1915.
<b>LIABILITIES.</b>					
1. Capital.....	\$4,015,550.00	\$3,659,450.00	\$3,396,750.00	\$3,073,950.00	\$3,037,800.00
2. Surplus.....	6,116,033.36	2,421,426.71			
Profit and loss.....			293,407.40	91,506.02	
	6,116,033.36	2,421,426.71	293,407.40	91,506.02	
3. Deposit:					
Reserve balances.....	90,406,431.51	67,317,512.25	72,976,491.13	44,191,246.07	14,930,086.68
Deferred credits—members and nonmembers.....	40,017,982.37	17,434,374.47	4,751,489.87		
Cashier's checks, etc.....	253,701.00	691,028.79	970,542.14	2,137.68	2,767.76
Foreign Government credits.....	3,470,114.70				
	134,148,229.58	85,442,915.51	78,698,523.14	44,193,383.75	14,932,854.44
4. Government deposits.....	1,789,829.90	5,450,293.54	7,860,957.17	275,778.80	
5. Due to other Federal Reserve Banks:					
Gold settlement suspense.....	11,249,008.19				
Other items.....	16,490,713.98	11,786,394.31	5,897,622.17	10,336,961.54	492,750.72
	27,739,722.17	11,786,394.31	5,897,622.17	10,336,961.54	492,750.72
6. Federal Reserve bank notes:					
Outstanding.....	19,980,000.00	12,172,000.00	8,000,000.00	6,000,000.00	
Less: On hand.....	447,300.00	723,519.00		6,000,000.00	
In circulation.....	19,532,700.00	11,448,481.00	8,000,000.00	None.	
7. Federal Reserve notes:					
Outstanding.....	110,555,755.00	120,317,330.00	58,023,420.00	2,540,000.00	2,000,000.00
Less: On hand.....	6,466,500.00	7,872,040.00	2,650,710.00	517,120.00	564,850.00
In circulation.....	104,089,255.00	112,445,290.00	55,372,710.00	2,022,880.00	1,435,150.00
8. Discount and interest, unearned.....	549,091.77	612,912.83	119,799.05	20,577.82	54,665.89
9. Reserve for depreciation,—United States securities.....	72,887.40				
10. Sundries.....	38,601.25				
Total liabilities.....	298,091,900.47	233,267,163.96	159,639,768.93	60,015,037.93	19,953,221.05

## DISTRICT NO. 11—DALLAS.

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W. F. RAMSEY, Chairman and Federal Reserve Agent.

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### INTRODUCTION.

The past year has been a period of rapid developments and interesting changes in matters financial. The outstanding feature in banking has unquestionably been the phenomenal growth in resources and the abnormal expansion of credits with most of our banks. The end of the war and the necessary transition to a peace basis presented many economic problems which, for a time, seemed as difficult of solution as those which arose during the momentous days of the actual conflict. The heavy financial demands and sacrifices, not only upon individuals but upon banking and business institutions generally, did not terminate on November 11, 1918, but have continued in a large measure to be as essential and probably as important during the 12 months which have followed the signing of the armistice. The expansion of credits throughout this district and the consequent demands on us have severely taxed the resources of this institution. Believing that the creation of the Federal Reserve Banks was primarily to assist in financing the trade and commerce of the country generally, the executives of this institution have continued the policy, long since established, of rendering its member banks every facility consistent with law, the regulations of the Federal Reserve Board, and sound banking principles.

### FINANCIAL RESULTS OF OPERATION.

*Earnings, expenses, dividends, etc.*—Gross earnings for the year amounted to \$3,062,250.84, as compared with \$2,089,526.08 in 1918, or an increase of 46.5 per cent. Net earnings amounted to \$2,081,415.01, as compared with \$1,554,101.64 in 1918, an increase of \$527,313.37, or 33.9 per cent. Liberal depreciation has been allowed on various assets, and write-offs have been based on what were considered conservative valuations. The ratio of net earnings for 1919 to average paid-in capital was 63.6 per cent.

The expansion of operations and the absorption by the bank of various items of expense, previously charged member banks, are reflected in the increased expense account for the year. The cost of Federal Reserve notes, operation of the private wire, and, as previously stated, the payment of transportation charges on currency, together with the increased cost of equipment, stationery, etc., are items of extraordinary character which have made for increased expenses. The advance in wages is also an item which has contributed to the increase.

Expenses for 1919 amounted to \$980,835.83, as compared with \$535,424.44 in 1918, an increase of \$445,311.39, or 82.6 per cent.

On December 31, 1918, a surplus fund of \$592,204 was created out of undistributed earnings of 1918. A like amount was set aside as Government franchise tax. Following the amendment to the Federal Reserve Act, passed March 3, 1919, which permitted the banks to create a surplus equal to 100 per cent of their subscribed capital, the surplus account was increased to \$1,184,408 by crediting the same with the amount set up for franchise tax. On June 30 the net profits for the six months ending that date, of \$844,459.84, were added to surplus and on December 31 \$1,001,068.90 was added, making the present surplus \$3,029,937.23.

Dividend requirements have been promptly met and all dividends up to December 31, 1919, paid. On June 30, 1919, a dividend at the rate of 6 per cent per annum, covering the operating period from January 1 to June 30, 1919, amounting to \$96,142.49, was distributed.

On December 31, 1919, another dividend at the rate of 6 per cent per annum, covering the operating period July 1 to December 31, amounting to \$100,192.88, was distributed. After paying the latter dividend and providing for other expenses there remained in the profit and loss account \$1,001,068.90, covering net profits for the last half of the year, which, as previously stated, was carried to surplus.

*Comparative balance sheets, December 31, 1917, 1918, 1919.*—Exhibit C shows comparative balance sheets as of the above dates. The comparison proves very interesting and shows the phenomenal growth of the bank during the year. Total resources show an increase of \$77,237,536 over 1918, earning assets an increase of \$21,428,031 in the same period.

#### DISCOUNT OPERATIONS.

*Rediscounts—Commercial paper.*—The function of discounting is unquestionably the most important service performed by this bank. The increase over previous years is phenomenal. The response of member banks to the Government's financial requirements during the year created very heavy demands upon this institution. A total of 607 banks was accommodated in 1919 as against 548 in 1918. Of this number 71 were banks which had not previously used our facilities. The heavy demands upon the bank necessitated rediscounting with other Federal Reserve Banks in order to maintain required reserves as mentioned in another section of this report and it was only after the fall liquidation season started that this condition was reversed. The expansion of the discount operations is the best evidence of appreciation of the service by member banks.

*Rediscounts—Government obligations.*—The use of our rediscount facilities for paper secured by Liberty and Victory bonds and Treasury certificates has constituted a large percentage of the total volume of paper handled, as disclosed by the chart showing the movement of the bank's earning assets. The service afforded by the discount of this class of paper has been very popular with member banks and enabled them to secure funds on very short notice. By the use of these advances banks were able to subscribe more freely to the various issues of Government war obligations.

## ACCEPTANCES.

*Trade acceptances.*—The use of this class of paper continues negligible in this district, and we regret to say that the progress and increased use of this form of settlement of purchases instead of the old system of bank accounts, with date of liquidation very uncertain, is rather slow. There is no question as to the merits of the trade acceptance. It provides a negotiable form of paper, acceptable by commercial banks for discount as necessity requires, and is a very attractive method of financing. The increased number of inquiries concerning this form of paper is indicative of growing interest on the subject, and yet the amount of trade acceptances offered us for rediscount is so small as to suggest little headway on the part of merchants and others. We believe the trade acceptance will become more popular in this district, but it will require much time and a program of education along systematic lines.

*Growth of open market for acceptances.*—Very little has been accomplished in the way of creating an open market for acceptances in this district. Open-market transactions of this bank during the year have consisted largely of the purchase, through the Federal Reserve Banks of the East, of acceptances of the larger member banks in this district. The demands upon this institution from its member banks have been so active that our entrance into the open market has been at infrequent intervals. Acceptances as a desirable form of credit are becoming more popular with the larger commercial banks, and the increasing demand upon them for the financing of cotton, grain, and other important commodities has caused a greater number of the institutions to engage in acceptance credits. Such paper will become more popular and its use further extended with the diminution of war paper and the consequent release of funds now used for that purpose.

## RESERVE POSITION.

Exhibit B shows the reserve position of the bank during 1919. Fluctuations have been wide. Heavy demands for loans necessitated rediscounting paper in substantial amounts with other Federal Reserve Banks in order to maintain the required reserves. Our activities to increase gold holdings were very successful and met with a hearty response on the part of most member and many nonmember banks. This cooperation added to our reserve position, and requirements during the early part of the year were fairly well maintained. As the borrowing season advanced, however, and the normal expansion of credits was augmented by demands for advances against Government obligations, our resources became severely taxed, and reserves gradually declined. It was thereupon necessary to rediscount with other reserve banks. These rediscounts, aggregating at times as much as \$35,000,000, continued throughout a large part of the year. As cotton and other crops were marketed and fall liquidations realized, the bank's position was greatly strengthened, and during the closing weeks of the year our reserves were very strong; in fact the highest of the 12 reserve banks. Happily the tide has turned, and instead of this bank seeking the assistance of other Federal

Reserve Banks to build up depleted reserves, rediscounts in large amounts have been taken from other districts.

#### MOVEMENT OF MEMBERSHIP.

*National banks.*—On January 1, 1919, the total number of national banks in this district was 630, with capital and surplus of \$96,879,000. During the year 25 national banks were granted charters; 12 have withdrawn from the system through liquidation or merger with other banks, making a net increase of 13, or a total on December 31, 1919, of 643.

*State banks.*—On January 1, 1919, our total State bank membership was 97, with combined capital and surplus of \$8,548,645. During the year 22 State banks were admitted; 3 consolidated with other institutions; 1 withdrew from the system, making total withdrawals of 4; a net increase during the year of 18, or a total on December 31, 1919, of 115.

*Changes in capital of the Federal Reserve Bank.*—On December 31, 1918, the subscribed capital stock of this bank was \$6,308,600, of which \$3,154,300 had been paid in. On December 31, the subscribed capital of the bank was \$6,841,400 and the amount paid in \$3,420,700.

#### RELATIONS WITH NATIONAL-BANK MEMBERS.

*Discount operations.*—A total of 4,504 offerings for rediscount were received from our national banks during the year 1919, containing 41,211 items aggregating \$99,155,311.08. There continues to be a steady increase in the volume of paper handled, many members having availed themselves of our rediscount facilities during the past year who had not previously done so. A very marked improvement has been shown in the compliance with statutory regulations on the part of all member banks, resulting in our ability to accept approximately 93 per cent of the paper offered to us as being eligible for rediscount under the terms of the Federal Reserve Act and the regulations of the Federal Reserve Board. Member bank promissory notes, variously collateralized, were discounted for our national-bank members in the number of 11,541, aggregating \$1,034,120,675.76.

Total discount operations for national banks during the year, including rediscount of customers' paper and discount of collateral notes, present an aggregate of \$1,123,342,715.88.

*Trustee powers.*—In 1919, 13 national banks were granted permission to act in fiduciary capacities. On December 31, 1919, a total of 54 banks had received such authority. After the amendment to the Federal Reserve Act of September 26, 1918, the number of applications for permission to act in fiduciary capacities has increased and renewed interest has been manifested in securing the privileges. The development of the oil fields, and the consequent growth of banking business, has made the performance of trustee powers especially attractive to banks in that vicinity. During the year several banks applied for permission to act in fiduciary capacities, but were not approved on account of criticisms as the result of examination.

*Banks authorized to accept up to 100 per cent.*—During the year 11 national banks received the approval of the Federal Reserve Board to accept up to 100 per cent of their capital and surplus, making a total of 26 so authorized on December 31. The necessity for financing cotton and other important crops in this district makes the granting of this authority of especial advantage to the larger banks in this district, and they are better able to meet the increased credit needs of their customers.

#### RELATIONS WITH STATE-BANK MEMBERS.

*Discount operations.*—While it is perhaps true that the unfavorable conditions existing during the greater part of 1918 caused many State banks to join the system for the sole purpose of obtaining the benefit of the rediscount facilities, the same conditions have not prevailed during the year just closed. However, our State-bank members have continued to use this facility freely to meet their legitimate and warranted needs. Seven hundred and eighty-seven offerings were received from them, containing 14,400 items, aggregating \$13,167,137.90. Member bank promissory notes, variously collateralized, were discounted for our member State banks in the number of 2,009, amounting to \$78,505,220.02.

Total discount operations for our State member banks, including rediscount of customers' paper and discount of member bank promissory notes, present an aggregate of \$101,603,428.90.

*Examinations.*—During the past year this bank has continued its practice of making an independent examination of State banks applying for membership. Twenty-eight examinations of this character have been made during 1919. It has been the custom, where practicable, to have our examiner participate in at least one examination of State-bank members made by the State banking department. This plan has not been altogether successful through inability to obtain and conform to the routing of the State-bank examiners. Quite frequently, after advice had been furnished our examination department, conditions made it necessary for the State-bank examiner to change his route, and we, therefore, missed the joint visitation. Fifty examinations of this character have been made this year. It is hoped that in 1920 better results will be obtained, and our examiners enabled to make more headway than has heretofore been the case. The banking commissioners of the States in this district have, without exception, cooperated with our examination department and two copies of reports of examinations made by their examiners are furnished us for the purpose of analysis and record. Our examination department has conducted two independent examinations of State-bank members.

*Reserves.*—One distinct advantage to State banks becoming members of the Federal Reserve System is the acceptance by the banking departments of the States in this district of the required balances with the Federal Reserve Bank as meeting their full reserve requirements. This, of course, enables the banks to reduce their reserves, thus increasing their working capital and earnings to the extent of the difference in interest on balances, and current lending rate, maintaining in vault only such cash as might be necessary to meet their counter requirements. The use of our rediscount facilities



assures them of funds on short notice and to meet unusual demands. This has especially appealed to banks in the remote sections of the west and northwest, where distances between towns are great and the risk from burglaries and holdups is hazardous.

#### FISCAL AGENCY OPERATIONS.

*Publicity and sales organization.*—The war loan publicity and sales organization for the first half of the calendar year of 1919 consisted of a central Liberty loan organization and war savings organization, under the general supervision of the governor and Federal Reserve agent and directly controlled by a Federal district director, and a separate publicity and sales organization for Treasury certificates of indebtedness, also under the general supervision of the governor and Federal Reserve agent and directly controlled by a director of Treasury certificates sales.

At the close of the Victory Liberty loan campaign the central Liberty loan organization was disbanded, but the same Federal district director remained in control of the war-savings organization, and the Treasury certificates of indebtedness sales organization was merged into the permanent fiscal agency organization of the Federal Reserve Bank, and wherever possible the county chairman of the Liberty loan committees has been retained, in a volunteer capacity, of course, as county chairman for the certificates sales organization.

*Permanent fiscal agency organization.*—It became evident in 1918 that the continuance of the Federal Reserve Banks as fiscal agents of the United States would make imperative the creation and maintenance of a fixed and permanent fiscal agency department, and the Federal Reserve Bank of Dallas entered the year 1919 with a well-established permanent fiscal agency organization, which had been gradually developed from the more or less temporary organization hastily formed during the first and second Liberty loan campaigns. The several activities of the Federal Reserve Bank of Dallas, as fiscal agent of the United States, are managed by separate divisions which handle the different undertakings independently, but are correlated into one general operation under the designation of the "war loan department" and in direct control of an assistant cashier.

*Certificates of indebtedness.*—The Treasury certificates of indebtedness division of the fiscal agency organization of the Federal Reserve Bank of Dallas, in addition to handling the details incident to receiving subscriptions and payments and the issuance of the certificates, also conducts the sales campaign for Treasury certificates of indebtedness along definitely conceived lines, and, by following a practice of acting as a clearing house for the purchase and resale of all outstanding issues of certificates, has succeeded in giving all of the recent issues a wide distribution among actual investors.

It is significant that the sales for new offerings of Treasury certificates of indebtedness increase in relative proportions to the amount of certificates of previous issues which have been purchased from original subscribers and resold to banks or individuals, who can hold them to maturity without using the discount facilities of the Federal Reserve Bank. Of the total amount of \$262,019,500 Treasury certificates subscribed for in the Eleventh Federal Reserve District during 1919, more than \$70,000,000 were repurchased from the original subscribers

and resold, the Federal Reserve Bank of Dallas acting merely as a clearing house between the seller and the buyer. This does not take into account the sales of Treasury certificates of indebtedness made by banks out of their original subscriptions to their own customers, as the Federal Reserve Bank has no record of these transactions, but inquiry among a number of the large banking institutions indicates that the amount of such transactions will run into large figures.

*War-savings securities.*—The sales of war-savings securities through the Federal Reserve Bank of Dallas during the calendar year 1919 were comparatively light, and the gross amount of sales will not compare favorably with the record of the Eleventh Federal Reserve District for 1918.

#### NOTE ISSUES.

*Federal Reserve notes.*—The elasticity of the Federal Reserve note as circulating currency has been clearly demonstrated in this district during the past 12 months. Exhibit B shows the amount of notes in circulation as at close of business on each Friday during 1919.

Due to the high cost of commodities, especially the advanced prices of farm products and the increased wage scale, it has been necessary to issue Federal Reserve notes in large amounts beginning early in the year and continuing into the winter months. This was partly due to the late marketing of cotton, much of the crop of 1918 not moving until the early months of 1919. The highest point reached was on December 31, 1919, when the total outstanding was \$78,644,065, an increase of \$15,109,455 over the maximum in 1918. Notes of the larger denominations have been in heavy demand throughout the year. We attribute this to the abnormal increase of currency in circulation, on account of high prices, and the necessity of providing banks in oil centers with funds in large amounts for financing customers engaged in that industry. The shipment of currency to the State tax department at Austin, against withdrawals from State depositaries, has also contributed to the large issue of notes.

*Federal Reserve bank notes.*—During 1919, this bank increased its Federal Reserve bank-note circulation \$4,921,450, making the total Federal Reserve bank-note circulation of this bank \$10,461,350. Practically all of the increased circulation consisted of notes in denominations of \$1 and \$2, which amount, together with approximately \$1,200,000 in new currency, received on account of notes unfit for further circulation redeemed and destroyed by the Treasury Department, was shipped to member banks in this district.

In May, 1918, all banks in this district were circularized and requested to ship their supply of silver certificates to this bank. The banks responded most admirably to this call, resulting in the withdrawal from circulation of practically all silver certificates in this district at that time. Therefore, a large percentage of circulating notes, in denominations of \$1 and \$2, now consist of the Federal Reserve bank-note issue.

The Federal Reserve Banks are not now permitted to increase their Federal Reserve bank-note circulation in notes of \$1 and \$2, by reason of the fact that the amount now issued is equal to the amount of standard silver dollars broken up and melted and sold as bullion.

## POSITION OF COMMERCIAL BANKS AS A RESULT OF WAR FINANCING.

*Increase of their obligations.*—The opening of 1919 found commercial banks in this district with a considerable investment in Government war obligations, either for their own account or in the form of advances to customers against notes secured by bonds and certificates. With a good percentage of their assets so invested, the banks were compelled to increase their obligations to care for the demands of their customers in ordinary channels of trade. Costs of conducting all lines of business and industrial and agricultural activity gradually mounted to such heights that the banks as a rule were forced to revise and increase credit lines and seek accommodations in unusual amounts. The successful flotation of the Victory loan made for further demands on commercial banks. They responded generously, as in the previous issues, but were forced to seek the facilities of this bank to do their full part.

*Effect on commercial paper of district.*—As in 1918, the purchase of commercial paper by the banks of this district in the past year has not been heavy until within recent months, which was due to the abnormal demands from regular customers and the necessity of using surplus funds in the purchase of Government obligations. The yield from the latter, while not as attractive as that from commercial paper, is a more convenient investment and in case of necessity is immediately available for rediscount. As the fall season approached, the market for commercial paper became better and there was considerable demand for the same. In normal periods, banks in this section buy outside paper in large amounts, finding it a convenient form of investment for surplus funds. For the past two or three years, however, commercial paper has been subordinated to Government obligations and purchases of the former have been lighter than in ordinary periods.

## OPERATIONS OF BRANCHES.

*El Paso.*—The activities of the El Paso branch for the year ending December 31, 1919, show that its facilities are being used more extensively from month to month, and, consequently, that its field of usefulness and service is much larger than at the beginning of the year. The volume of transactions handled in all departments has steadily increased, and its facilities are thoroughly appreciated by the banks which it serves.

*Houston.*—The opening of the Houston branch on August 4 came as the fulfillment of a need that had long been experienced by the banks of south Texas. Because of the loss of time by transportation, both difficulty and inconvenience had attended their borrowing and clearing operations, also currency shipments.

## MISCELLANEOUS.

*Internal organization.*—During the year there have been 11 meetings of our board of directors. Each session was well attended and the affairs of the bank have received the closest attention of the board.

The executive committee meets daily to consider offerings for rediscount and other important matters. In accordance with the by-

laws the third member of the committee, in addition to the governor and chairman of the board, has been chosen from the board of directors to serve for 90-day periods. It has not been possible for the member of the committee selected from the board regularly to attend the meetings.

Following the action of the board of directors, at its December meeting, the by-laws were amended to provide for an executive committee of five, consisting of the governor, chairman, and three members selected by the board. The committee will meet regularly on the second and fourth Thursdays of the month.

The officers of the bank hold informal meetings daily from 9.30 to 10 a. m., to discuss matters of policy, interchange views on operation, and in general consider important matters which develop.

#### CLEARINGS AND COLLECTIONS.

*Clearings.*—During 1919 the bank continued the operations of its collection system along the lines of a clearing house, receiving from all of its member banks checks on all member banks in the entire Federal Reserve System and those nonmembers appearing upon the par list. Immediate credit was thus given to the member bank in the district clearing house for all such items received from it, but this credit was only immediately available against items sent to such member banks on the same day, the resultant debit or credit balance being entered into the reserve account of that member bank only when sufficient time had elapsed for advice of payment.

*Effect upon reserves.*—In allowing member banks sufficient time to make a deposit to their reserve account before charges covering letters to them are made, their reserve accounts have been materially affected. The banks of this district have become thoroughly familiar with this system. Delays in mails cause quite a number of reserve deficiencies, but where it is found that the deficiency is due to mail delay and not to lack of diligence on the part of the member bank, an adjustment in their reserve account offsetting such delay is made.

During the year a number of penalties have been assessed for reserve deficiencies, and there have been occasional overdrafts, yet the aggregate reserve has been well maintained.

*Immediate credit entry.*—It would be very inconvenient for the majority of the member banks to make settlement of their district clearing house debit balances were it not for the facility afforded for immediate credit on checks and drafts other than those drawn on banks in the Federal Reserve city. In addition to drafts on Dallas, member banks may remit for immediate credit account drafts on banks of other Federal Reserve cities and points on which other Federal Reserve Banks allow us immediate credit.

The reserve city clearing house also provides a convenient facility for country banks and has proven of much assistance to them in making quick settlement of their district clearing house balances.

It was evident that before the adoption of the reserve city clearing house a member bank which carried its account with a Dallas bank would be able to restore its reserve more quickly by giving the Federal Reserve Bank a draft on a Dallas correspondent, which could be collected the same day that it was received, than by giving a draft on its Fort Worth, San Antonio, Waco, or Shreveport correspondent, which

could not be collected the same day as received, and for which, therefore, a deferred credit had to be given. With the establishment of the reserve city clearing house, when the member bank obtains permission from its reserve city correspondent which participates in the clearings to stamp across the face of its draft "Charge (name of bank) in reserve city clearing house," its draft is then subject to immediate credit upon receipt by the Federal Reserve Bank of Dallas or its Houston branch before clearing hours.

These drafts when properly stamped and drawn on a member of the reserve city clearing house are cleared daily against the same class of items that are received from that member of the reserve city clearing house, and the resultant balance entered against its reserve account, with advice by wire of the amount of the balance.

In this manner immediate collection of the check is effected, and the member banks receive the advantage of immediate credit to their reserve account. All members of the reserve city clearing house are so situated that mail dispatched for Dallas will be received by the Federal Reserve Bank in time for clearings at 11.30 a. m. This permits advice of balances by 12 m., and gives the members three hours to prepare their reserves to meet the charges.

The operations of the reserve city clearing house, in addition to saving its members one day's time in the collection of checks received drawn on other members, obviates the necessity of handling a great number of miscellaneous items by this bank.

*Collections.*—On January 1, 1918, under the authority of the Federal Reserve Board, the Federal Reserve Bank of Dallas established a collection department for handling all forms of collections, and during that year handled for member banks and other Federal Reserve Banks a total of 4,962 collection items, or a monthly average of 413.

During 1919 we show an increase to 8,200, or a monthly average of 687. All items handled through this department are sent to banks in the city where payable, and the collecting banks are requested to remit in Dallas exchange, except in cases where the items are payable in other Federal Reserve districts, as then the collections are forwarded to the Federal Reserve Bank in that particular district for presentation and credit to our account under advice. Banks of this district have not availed themselves of this facility to the fullest extent. The majority of the present collections are received from other Federal Reserve Banks or their branches, but the growth above indicated would seem to presage a more extensive use of this service.

#### BANKING QUARTERS—NEW BUILDING.

The building now occupied as banking quarters is inadequate for the proper handling of the bank's business. Every department of the institution has outgrown its space, and working conditions throughout the year have not been conducive to efficiency. It has been necessary to procure additional room for various departments, principally the cash, trust, and purchasing divisions, which was accomplished by leasing the building adjoining the bank proper. This has afforded some relief.

Early in the year the executive committee, with the approval of the Federal Reserve Board, began to put in more definite shape the

plans for a new building on the lot purchased by the bank in 1918. After drawings and preliminary specifications for the structure had been submitted by the firm of architects, and equipment engineers employed in 1918, much remained to be done in the way of revision of specifications to meet the exigencies of the situation. The plans were approved by the Federal Reserve Board early in 1919 and in May proposals for the work were invited through advertisement. Bids were received, opened, and tabulated on June 7 and the contract was awarded. Work was immediately begun, and, while retarded by various influences, such as strikes and other hindrances affecting construction throughout the year, it is gratifying to report that considerable progress has been made, the foundations have been completed and structural steel is being placed.

#### CAMPAIGN FOR STATE BANK MEMBERS.

The results of our efforts to increase the number of State bank members in 1919 have proven fairly satisfactory, but were less successful than in 1918. Twenty-two State banks were added in the year, as compared with 87 in 1918. We think the decreased number is partly due to the end of the war and the feeling among State bankers that the reasons which prompted membership, from patriotism and as a response to the Government's especial request, no longer exist. In 1918 many State banks joined the system solely from those motives. The number admitted in 1919 is really not a true index of the interest which has been evidenced by eligible banks.

#### GENERAL BUSINESS AND BANKING CONDITIONS.

Measured in dollars, it is certain that when the financial statements for 1919 are made they will show a business of unprecedented volume. The past year has been an extraordinary one in many respects, and many new records have been established. For a few months following the signing of the armistice, business and industry proceeded with considerable caution, and, for a time, there seemed a disposition toward conservatism and hesitancy in entering upon new commitments.

As usual in this district, the first few weeks which followed the holidays were dull, and the lethargy caused by the influenza epidemic was quite apparent. Spring business opened up well and agricultural prospects began to improve after a very excellent winter season. The wheat and oat crops were probably the heaviest in the history of the district, but much of the grain was lost through inability to harvest. Heavy rains during the harvesting season prevented thrashing, and several millions of bushels of grain were left in the fields to rot. The rains continued throughout the fall months and seriously interfered with planting grain. In many counties very little farm work has been undertaken on account of excessive moisture.

The corn crop in 1919 was the heaviest in recent years and the yield in Texas was estimated at 240,000,000 bushels. Other feed crops were also satisfactory and the yields much larger than in 1918.

A comparison of the yields of principal food crops and other commodities in Texas is shown below:

*Comparison of annual yields of Texas's principal products for 1918 and 1919.*

[Figures for 1919 are based on reliable estimates.]

	1918	1919	Per cent increase.
Cotton.....bales.....	2,610,327	2,700,000	14
Wheat.....bushels.....	15,000,000	40,000,000	166
Oats.....do.....	18,000,000	75,000,000	316
Corn.....do.....	75,000,000	240,000,000	220
Petroleum.....barrels.....	40,000,000	90,600,000	126

The year has developed a "come back" for the live-stock industry, and the effects of the drought of 1917 and 1918 have been largely overcome. Seasonal rainfall provided a plentiful water supply and greatly improved the ranges. Cattle have had ample pasturage in practically every section throughout the year. There was a complaint during the late summer months of the inability of stockmen to secure necessary financial assistance to carry their herds. This problem was greatly remedied as the year closed. The receipts of cattle at Fort Worth, the principal market in this district, as will be noted from the table following, were less than in 1918 when, on account of poor ranges, great numbers were marketed in an unfinished condition. The present outlook in the live-stock industry is very encouraging.

	1918	1919	Increase or decrease.
Cattle.....	1,384,594	1,030,932	<i>Per cent.</i> -26
Hogs.....	762,486	588,101	-24
Sheep.....	334,596	453,249	+36

Decrease in number of cattle and hogs marketed in 1919 is attributed principally to depletions resulting from continued droughts and slaughter of breeding stock in 1918.

Building operations, long held in check by the war, have been very active, especially during the closing months of the year. Several factors have contributed to deter activities, principally the high wage scale, scarcity of labor, unsatisfactory character of that available, and inability to secure suitable building materials. During the war building was at a standstill, which accentuated the need for business locations and housing facilities after the armistice was signed, and without exception every quarter of the district is badly in need of business houses and residences. In those towns adjacent to the oil fields the problem of housing has been especially acute throughout the year. The table following shows the permits issued at the principal cities in 1918 and 1919:

*Building permits.*

Valuations at—	1918		1919		Increase or decrease.
	Number.	Amount.	Number.	Amount.	
Austin.....	102	\$252, 615	145	\$250, 317	— 0.9
Beaumont.....	865	1, 304, 421	968	1, 057, 074	— 18.9
Dallas.....	555	1, 667, 729	1, 599	13, 921, 565	+734.7
El Paso.....	1, 030	646, 149	1, 242	2, 245, 587	+247.5
Fort Worth.....	630	2, 067, 887	2, 000	19, 053, 157	+821.3
Galveston.....	3, 957	175, 614	5, 720	666, 272	+279.3
Houston.....	2, 227	2, 222, 151	4, 066	6, 874, 380	+209.3
San Antonio.....	2, 612	3, 756, 344	2, 710	3, 973, 330	+ 5.7
Shreveport.....	593	552, 257	1, 637	3, 538, 386	+540.7
Total.....	12, 571	12, 645, 179	20, 087	51, 580, 068	+307.1

The oil industry, which became very active early in 1919 by the production of large wells in the Ranger and Burkburnett fields, has contributed to the prosperity of the district throughout the year. Much outside capital has been attracted to central and northwestern Texas, and business of all kinds has been in unprecedented volume. New towns have been established almost overnight. The Louisiana oil field has also come into prominence during recent months, and authorities believe that that territory will develop into one of the largest fields of the country. It has attracted oil men from all over the country and shares with the Texas field in production. Production of crude petroleum in Texas in 1919 is estimated at 90,600,000 barrels, an increase of 50,600,000 over 1918, or 126 per cent.

The high cost of goods and heavy exchanges have made clearings run to new totals. Interest rates have not greatly fluctuated in the past 12 months. Commercial banks have not made any material advances. As a matter of fact, rates are not subject to such wide or sudden fluctuations as in the money centers of the North and East.

As in other sections, but probably less pronounced or aggravated, this district has not been free of employment problems, and it has been rather serious throughout the year. The wage scale has been increased from 25 to 75 per cent on account of the increased cost of living. Even with this advance it has been impossible to maintain efficient staffs. Competition has been very keen, and the acute shortage of skilled and unskilled workmen has made for a heavy turnover. The situation has been a troublesome one during the past 12 months. As the Army was demobilized a surplus of men was expected, but this source of supply was soon absorbed and scarcity seriously felt. We enter the new year with no immediate improvement in prospect.

In wholesale and retail lines activities have been restricted only by inability to secure goods. As prices advanced early in the year there was a feeling of uncertainty among the trade. The buying public was fearful of the future and hopeful for an early reduction in living costs. As the year advanced prices continued upward and merchandise became scarcer, but in face of a rising market buyers rushed to the markets and bought heavily.



The record of commercial failures in the district during the year is an excellent one and reflects the general healthy business conditions which have obtained.

Post-office receipts at the principal cities during the year have continued in heavy volume, and while the total shows only a slight increase over 1918, this is attributable to the reduction in postal rates and the abandonment of military camps.

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of Dallas during the calendar year 1919.*

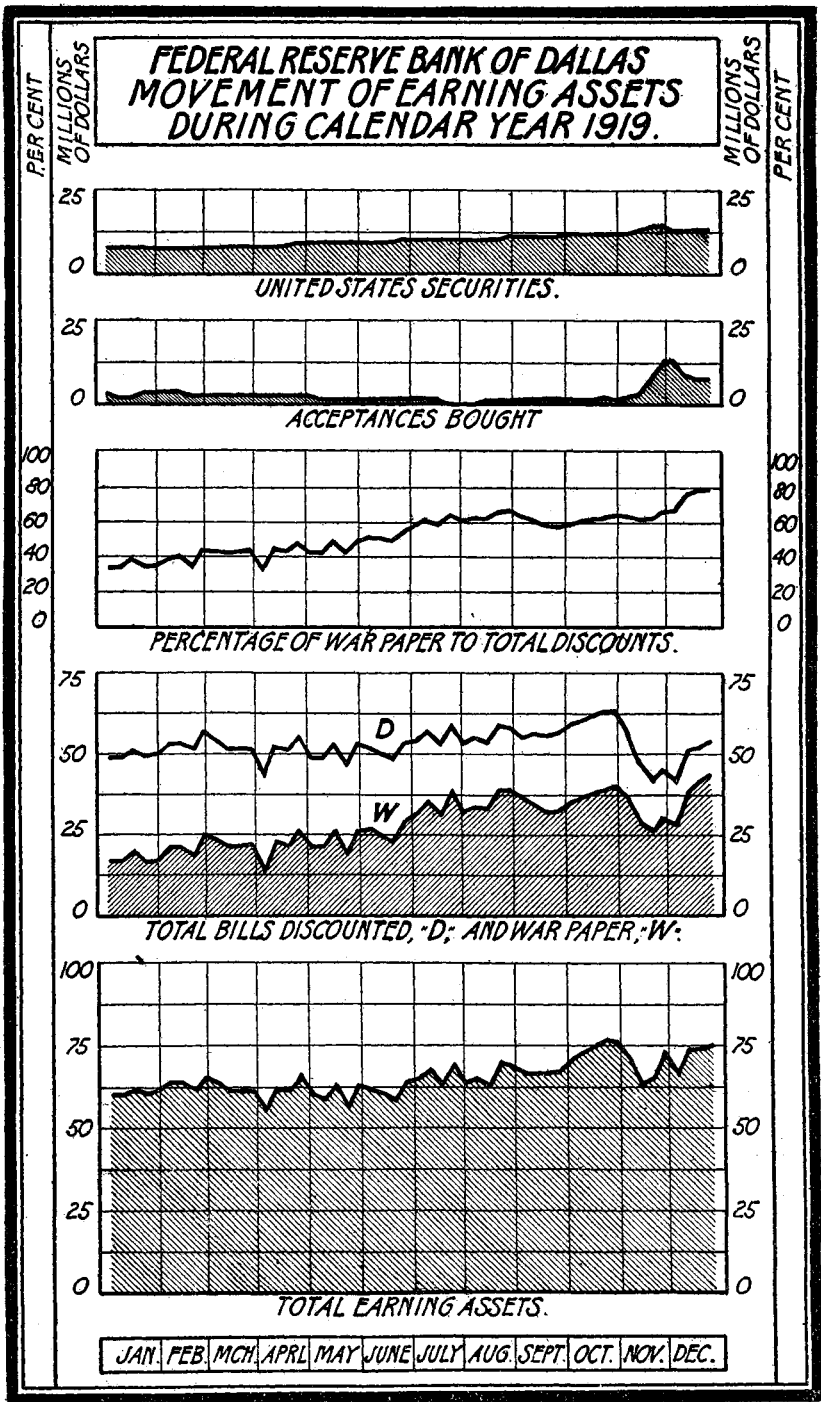
[In thousands of dollars.]

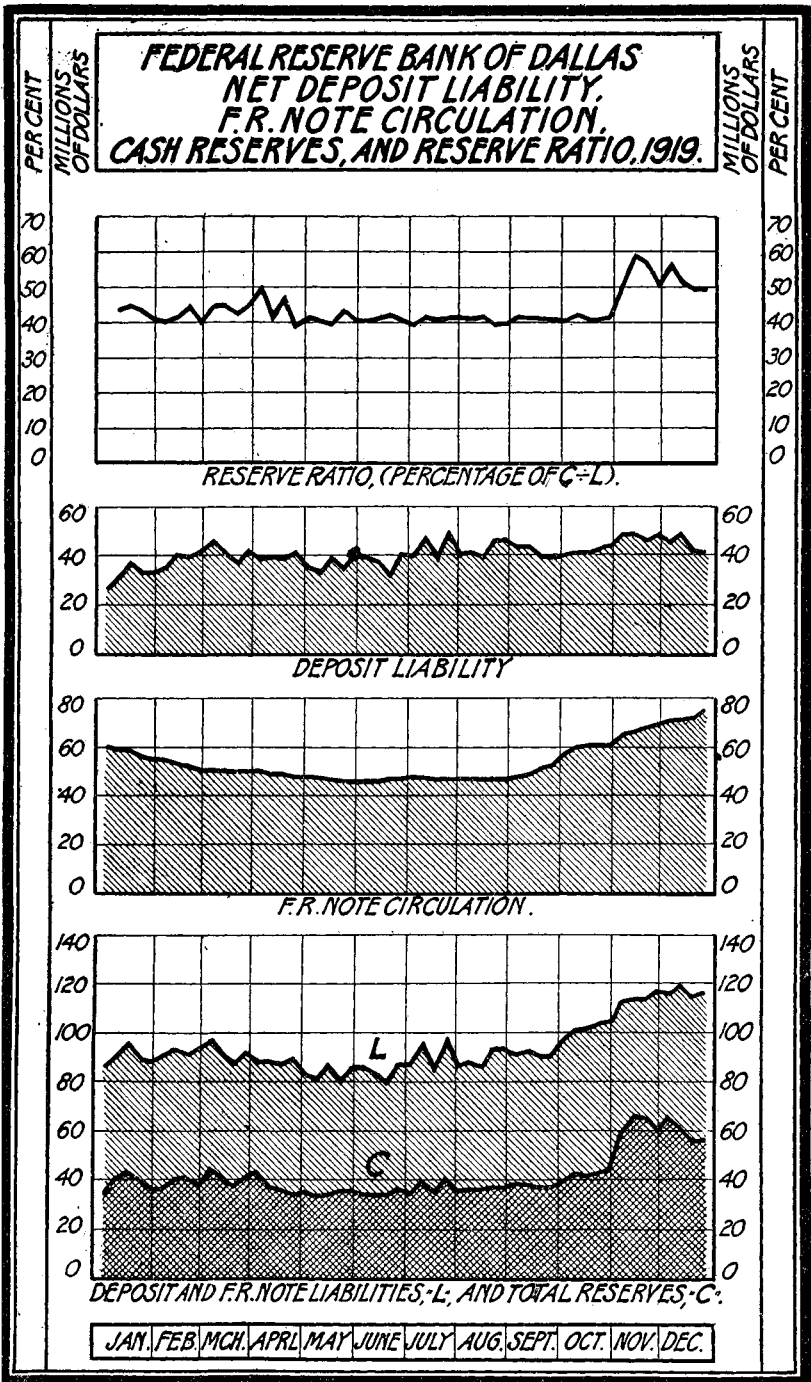
Date.	1 Dis- counted paper se- cured by United States war obli- gations.	2 Other dis- counted paper.	3 1+2	4 Per cent 1+3.	5 Bills bought in open market.	6 Total bills dis- counted and bought.	7 United States securi- ties.	8 Total earning assets.
Jan. 3	16,644	32,341	48,985	34.0	2,558	51,543	8,366	59,909
10	16,603	32,560	49,143	33.8	2,408	51,551	8,366	59,917
17	20,039	30,860	50,999	39.3	2,168	53,167	8,366	61,533
24	16,623	32,079	48,702	34.1	2,625	51,327	8,373	59,700
31	17,549	32,799	50,348	34.9	2,845	53,193	8,371	61,564
Feb. 7	20,594	32,024	52,618	39.1	2,963	55,581	8,370	63,951
14	21,393	32,099	53,492	40.0	2,595	56,087	8,369	64,456
20	17,653	33,265	50,918	34.7	1,800	52,718	7,867	60,585
28	24,382	32,206	56,588	43.1	1,758	58,346	7,867	66,213
Mar. 7	23,058	30,738	53,796	42.9	1,958	55,754	8,367	64,121
14	20,921	29,798	50,719	41.2	1,558	52,277	8,367	60,644
21	21,158	29,386	50,544	41.9	1,803	52,347	8,367	60,714
28	21,918	29,393	51,311	43.6	1,783	53,094	8,367	61,461
Apr. 4	14,594	29,747	44,341	32.9	2,173	46,514	8,367	54,881
11	23,240	28,848	52,088	44.6	1,923	54,011	8,367	62,378
18	21,910	29,283	51,193	42.8	1,888	53,081	8,367	61,448
25	26,350	28,591	54,941	48.0	1,813	56,754	8,867	65,621
May 2	20,923	28,198	49,121	42.6	1,688	50,809	8,866	59,675
9	20,478	28,128	48,606	42.1	1,498	50,104	8,866	58,970
16	26,135	26,951	53,086	49.2	1,073	54,159	8,866	63,025
23	19,354	26,986	46,340	41.8	1,063	47,403	8,866	56,269
29	25,887	26,927	52,814	49.0	838	53,652	8,866	62,518
June 6	27,074	25,353	52,427	51.6	615	53,040	8,866	61,906
13	25,547	24,837	50,384	50.7	649	51,033	9,366	60,399
20	23,277	24,375	47,652	48.8	649	48,301	9,377	57,678
27	28,494	24,360	52,854	53.9	1,020	53,874	9,654	63,528
July 3	31,208	22,947	54,155	57.6	895	55,050	9,866	64,916
11	34,774	22,482	57,256	60.7	701	57,957	9,866	67,823
18	30,831	22,038	52,869	58.3	594	53,463	9,866	63,329
25	37,595	20,978	58,573	64.2	382	58,955	9,866	68,821
Aug. 1	32,110	21,007	53,117	60.4	332	53,449	10,266	63,715
8	34,088	20,445	54,533	62.5	332	54,865	10,266	65,131
15	32,362	20,150	52,512	61.6	671	53,183	10,266	63,449
22	38,712	20,348	59,060	65.5	811	59,871	10,266	70,137
29	38,727	19,296	58,023	66.7	796	58,819	10,666	69,485
Sept. 5	35,687	19,556	55,243	64.6	742	55,985	10,666	66,651
12	34,312	21,496	55,808	61.5	494	56,302	11,166	67,468
19	32,303	22,851	55,154	58.6	379	55,533	11,166	66,699
26	32,030	23,672	55,702	57.5	507	56,209	11,166	67,375
Oct. 3	34,924	24,118	59,042	59.2	766	59,808	11,660	71,474
10	36,480	23,711	60,191	60.6	659	60,850	11,660	72,516
17	38,129	23,677	61,806	61.7	1,100	62,906	12,166	75,072
24	39,263	23,465	62,728	62.6	1,640	64,368	12,166	76,534
31	40,184	22,441	62,625	64.0	1,475	64,100	12,166	76,266
Nov. 7	36,389	20,482	56,871	64.2	1,505	58,376	12,166	70,542
14	29,227	17,830	47,057	62.1	2,870	49,927	12,991	62,918
21	26,054	15,923	41,977	62.1	7,830	49,807	15,276	65,083
28	29,681	15,507	45,188	65.7	12,803	57,991	15,191	73,182
Dec. 5	27,630	13,920	41,550	66.5	12,663	54,213	12,611	66,824
12	38,483	12,653	51,136	75.3	9,279	60,415	13,180	73,601
19	41,107	11,308	52,415	78.4	8,277	60,692	13,111	73,803
26	42,634	11,427	54,061	78.8	7,734	61,795	13,056	74,851

EXHIBIT B.—*Movement of gold and cash reserves, Federal Reserve notes, and net deposit liabilities, and the reserve percentage of the Federal Reserve Bank of Dallas during the calendar year 1919.*

[In thousands of dollars.]

Date.	1 Gold reserves.	2 Cash reserves.	3 Federal Reserve notes in actual cir- culation.	4 Net deposits.	5 (3+4)	6 Ratio of cash reserves to net deposit and Federal Reserve note lia- bilities combined.
Jan. 3.....	33,079	34,456	59,758	26,017	85,775	40.2
10.....	38,243	39,654	59,150	31,080	90,230	43.9
17.....	40,984	42,545	57,528	37,157	94,685	44.9
24.....	37,144	38,889	55,981	33,054	89,035	43.7
31.....	34,201	35,968	55,376	32,409	87,785	41.0
Feb. 7.....	34,447	36,264	54,832	35,539	90,371	40.1
14.....	36,891	38,713	53,239	40,020	93,259	41.5
20.....	39,029	40,916	52,309	39,179	91,488	44.7
28.....	35,326	37,306	51,167	42,224	93,391	39.9
Mar. 7.....	41,647	43,595	51,200	46,270	97,470	44.7
14.....	38,950	41,006	50,551	40,803	91,354	44.9
21.....	34,643	36,770	50,279	36,737	87,016	42.3
28.....	38,641	40,836	50,107	41,606	91,713	44.5
Apr. 4.....	41,184	43,421	49,565	38,159	87,724	49.5
11.....	34,287	36,506	49,011	39,063	88,074	41.4
18.....	33,828	36,101	48,523	38,271	86,794	46.6
25.....	32,072	34,347	47,728	41,229	88,957	38.6
May 2.....	32,508	34,831	47,935	35,434	83,369	41.8
9.....	30,632	32,843	47,605	33,439	81,044	40.5
16.....	31,516	33,761	46,841	38,760	85,601	39.4
23.....	32,802	34,967	46,066	33,901	79,967	43.7
29.....	33,055	35,191	46,268	39,966	86,234	40.8
June 6.....	32,437	34,480	46,122	38,770	84,892	40.6
13.....	32,185	34,191	45,517	37,305	82,822	41.3
20.....	31,684	33,655	46,688	32,572	79,260	42.5
27.....	33,573	35,570	46,937	39,871	86,808	41.0
July 3.....	32,334	34,271	47,908	39,052	86,960	39.4
11.....	37,511	39,417	47,683	46,945	94,628	41.7
18.....	32,990	34,873	47,112	38,273	85,385	40.8
25.....	37,858	39,750	46,557	49,018	95,575	41.6
Aug. 1.....	34,394	36,314	46,742	40,009	86,751	41.9
8.....	34,240	36,289	46,929	41,072	88,001	41.2
15.....	33,715	35,969	46,585	39,295	85,880	41.9
22.....	34,360	36,505	46,807	46,119	92,926	39.3
29.....	35,019	37,118	46,603	46,274	84,277	40.0
Sept. 5.....	36,197	38,240	48,417	42,825	91,242	41.9
12.....	36,523	38,479	48,982	43,142	92,124	41.8
19.....	35,613	37,472	51,223	39,406	90,329	41.5
26.....	35,099	36,926	51,992	38,014	90,006	41.0
Oct. 3.....	37,431	39,233	56,798	39,820	96,618	40.6
10.....	41,425	43,129	60,260	40,716	100,976	42.7
17.....	39,789	41,540	61,143	40,638	101,781	40.8
24.....	41,054	42,876	60,930	43,531	104,461	41.0
31.....	41,665	43,519	61,152	43,412	104,564	41.6
Nov. 7.....	56,300	58,048	64,921	48,529	113,450	51.2
14.....	64,672	66,306	66,270	47,523	113,793	58.3
21.....	63,298	64,882	67,780	46,547	114,327	56.8
28.....	58,155	59,530	69,176	47,992	117,168	50.8
Dec. 5.....	63,743	65,057	71,006	45,252	116,258	56.0
12.....	59,622	60,892	71,036	47,542	118,578	51.4
19.....	54,989	56,231	72,402	41,736	114,138	49.3
26.....	56,181	57,347	74,886	41,237	116,123	49.4





## EXHIBIT C.—Comparative statement of Federal Reserve Bank of Dallas, including its branches.

	Dec. 31, 1919.	Dec. 31, 1918.	Dec. 31, 1917.
<b>RESOURCES.</b>			
Bills discounted and bought	\$64,736,567.87	\$47,973,536.64	\$23,562,604.73
United States bonds and certificates to secure circulation	11,032,400.00	6,632,400.00	2,732,400.00
Other United States bonds and Treasury notes	1,998,600.00	1,733,600.00	3,188,600.00
Investment—municipal warrants			150,458.74
Bank premises	399,398.65	220,783.39	147,736.31
Cash and due from banks (not reserve)	2,515,386.00	1,008,720.00	3,780,011.00
Federal Reserve bank notes on hand	511,050.00	696,500.00	2,732,400.00
Federal Reserve notes on hand	3,713,740.00	1,256,570.00	929,500.00
Actual balance in gold settlement fund	17,073,569.26	6,923,261.30	24,520,700.00
Gold with agent for retirement Federal Reserve notes	27,544,580.00	22,352,295.00	25,036,675.00
Gold and lawful money	11,378,603.40	9,289,035.50	13,896,493.91
Gold held with foreign agencies	3,414,325.49	204,010.61	1,837,500.00
Deferred debits—checks and drafts in process of collection	33,789,922.14	8,676,378.98	6,881,975.95
Federal Reserve Banks—transfers bought, net	8,515,395.13	4,455,917.04	3,619,774.36
War loan expenses (collectible)	213,594.00	511,736.79	65,005.99
Due from other Federal Reserve Banks	4,222,390.29	2,295,468.51	
Other resources	2,920,836.92	2,512,608.92	233,739.65
<b>Total</b>	<b>193,980,359.15</b>	<b>116,742,822.68</b>	<b>113,315,575.64</b>
<b>LIABILITIES.</b>			
Capital stock	3,420,700.00	3,154,300.00	2,794,900.00
Surplus, profit and loss	3,029,937.23	592,204.25	205,353.08
Federal Reserve notes issued	78,644,065.00	60,495,080.00	47,716,950.00
Reserve deposits (net)	63,371,988.44	32,453,086.72	44,155,240.99
Government deposits	2,900,346.93	2,493,217.68	6,608,640.55
Due to other Federal Reserve Banks (net)			1,515,970.49
Reserve for tax on circulation	19,481.36		
Deferred credits—checks and drafts in process of collection	29,179,103.72	9,857,765.46	7,389,439.58
Federal Reserve bank notes (secured by United States securities)	10,972,400.00	6,236,400.00	2,732,400.00
Reserve for depreciation	240,662.50	240,662.50	
Foreign Government credits	1,879,645.46		
Reserve for franchise tax		592,204.24	
All other liabilities	322,028.51	627,901.83	196,680.95
<b>Total</b>	<b>193,980,359.15</b>	<b>116,742,822.68</b>	<b>113,315,575.64</b>

## DISTRICT NO. 12—SAN FRANCISCO.

JOHN PERRIN, Chairman and Federal Reserve Agent.

### FINANCIAL RESULTS OF OPERATION.

The growth of the Federal Reserve Bank of San Francisco during the past two years is shown in Exhibit C.

During the year 1919 net deposits increased from \$50,694,869 to \$108,172,722, an increase of \$57,477,853, or 113 per cent, the Federal Reserve Bank of San Francisco now holding fifth place among Federal Reserve Banks in net deposits as compared with sixth place a year ago.<sup>1</sup> Gold reserves increased \$33,221,000, or 22 per cent during the year, this bank now being in third place among the Federal Reserve Banks as compared with fourth on December 31, 1918. Federal Reserve notes in circulation increased \$30,217,000, or 15 per cent, during the year, this bank retaining fifth place in amount of Federal Reserve notes in circulation. Although throughout the year this bank stood sixth among the Federal Reserve Banks in discounted bills held, the fact that it has been third in bills bought in the open market, eighth in bills secured by Government obligations, and has dropped from fifth to tenth in all other bills held, indicates both that the banks in this district had less proportionate need for Federal Reserve discount facilities and that liquidation and return to more normal conditions is progressing more rapidly in this district than in other parts of the country.

This bank showed a decrease in holdings of bills secured by Government obligations from \$45,024,583, on December 31, 1918, to \$43,551,373, on December 31, 1919, and in all other bills discounted for member banks from \$33,734,845 to \$30,344,585, holdings of all bills discounted for member banks decreasing \$4,863,470 during the year.

Paid-in capital increased \$1,113,200, or 24 per cent, and total resources \$109,448,913, or 37 per cent, during the year.

While the decrease in discounts with the Federal Reserve Bank reflects clearly the prosperity of the Twelfth Federal Reserve District, increases in the other items in the balance sheet are a reflection both of this prosperity and of the increase in State bank membership during the year, resources of State bank members increasing from \$161,580,000 on December 31, 1918 to \$664,782,000 on December 31, 1919.

*Earnings, expenses, and dividends.*—Net earnings of \$547,043.86 in 1917 rose to \$2,869,164.14 in 1918, and \$5,589,469.17 in 1919. Dividends at the rate of 6 per cent per annum for the period January 1 to December 31, 1919, amounting to \$296,161.65, were paid,

<sup>1</sup> Figures of Dec. 26, 1919, taken for comparison with other Federal Reserve Banks.

\$5,091,198.57 was credited to surplus account, surplus now amounting to 65.5 per cent of subscribed and 131.1 per cent of paid-in capital; and property and buildings were depreciated \$168,625.

#### DISCOUNT OPERATIONS.

*Discounts secured by United States Government war obligations.*—The extent to which the Federal Reserve Bank of San Francisco assisted the banks in this district in carrying their proportion of Government loans is illustrated by the fact that bills discounted, secured by Government obligations, varied during the year in proportion to the offerings and redemptions of Treasury certificates of indebtedness. During the period between December 31, 1918 and May 2, 1919, when 8 of the 12 issues of Treasury certificates of indebtedness in anticipation of the Victory Liberty loan were issued, discounts secured by Government obligations increased from \$45,025,000 to \$81,029,000, the record for the year. During the week May 2 to 9, when the first of these certificates matured, member banks' borrowings secured by Government obligations decreased \$8,000,000, and between May 9 and July 18, when 5 more of these issues matured, liquidation continued, so that the holdings amounted to only \$38,066,000 on July 18. Between this date and September 1, when no certificates were issued and only one issue matured, the amount of such bills held fluctuated between \$45,000,000 and \$50,000,000. In September, when there were two issues of Treasury certificates of indebtedness in anticipation of Federal taxes and one issue in anticipation of payments on Government loans, holdings of paper secured by Government obligations increased to \$54,206,000 and then fluctuated between this amount and \$57,000,000 until December 1, upon which date there were two additional issues of certificates of indebtedness. Coincident with these issues the amount of such bills discounted held by this bank increased to \$64,474,000 on December 5, decreased to \$41,586,000 on December 19 following the redemption of two issues of certificates of indebtedness on December 15, and amounted to \$43,551,000 on December 31, 1919, a net decrease for the year of \$1,474,000. During the year 361 out of 731 member banks discounted paper secured by Government obligations.

During the war and the year following the signing of the armistice, when the Government of the United States was issuing bonds and certificates of indebtedness in large amounts, this bank followed a liberal policy of granting advances at preferential rates on notes secured by Government obligations. With the diminution of Treasury needs toward the end of 1919, the necessity for such preferential rates ceased, and they were eliminated, except as to paper based on certificates of indebtedness, by the change in discount rates on November 17 and December 26 of the year under review.

*Bills discounted—All others.*—Preferential rates in favor of notes secured by Government obligations resulted in a smaller volume of rediscounts of customers' paper than of Government-secured paper during 1919. Paper discounted for member banks, exclusive of that secured by Government obligations, decreased from \$33,735,000 on December 31, 1918, to \$14,904,000 on May 2, during the period when bills secured by Government obligations were constantly in-

creasing. Coincident with the decrease in Government-secured paper during the succeeding month, other bills discounted for member banks continued to decline, reaching \$11,544,000 on June 6. The amount held fluctuated between this amount and \$17,000,000 until the latter part of September, when, simultaneously with the increase in bills secured by Government obligations, they began increasing and continued to increase until November 21, when they amounted to \$32,835,000, the largest amount held at any one time during the year. The amount held on December 31 was \$30,345,000, a decrease for the year of \$3,390,000. Out of 731 member banks, 278 rediscounted customers' notes during 1919.

Total bills discounted for member banks increased from \$78,757,000 on December 31, 1918, to \$95,931,000 on May 2, during which period member banks borrowed heavily from the Federal Reserve Bank in order to carry their quota of certificates of indebtedness. With the less frequent issues of certificates of indebtedness and the normal slackening of business during the summer months, total bills discounted for member banks decreased to \$49,410,000 on July 18, and fluctuated between \$57,000,000 and \$67,000,000 until the latter part of September, when with additional offerings of certificates of indebtedness, movement of crops and the normal increase in business, total bills discounted for member banks increased to \$95,719,000 on December 5 and declined to \$73,896,000 on December 31, 422 member banks discounting with the Federal Reserve Bank during the year.

*Open-market purchases.*—This bank has bid consistently for all offerings of prime bankers' acceptances originating in this district, whether offered locally or from other districts, thereby maintaining a market for them in this district as constant and stable as that of New York for acceptances originating there. The rates paid have been, as nearly as ascertainable, identical with those prevailing in New York. The principal market being in New York and the obligation resting upon the whole Federal Reserve System to maintain an open market under all conditions for bankers' acceptances, this bank has regularly participated pro rata in the purchase by the Federal Reserve Bank of New York of acceptances and on occasions has also made purchases from other Federal Reserve Banks needing to replenish their reserves.

Bills bought in the open market have shown an almost constant increase throughout the year, the amount held increasing from \$36,279,727 on December 31, 1918, to \$102,558,191 on December 31, 1919.

#### RESERVE POSITION.

The strength of this bank's reserve position is indicated by the fact that at practically all times throughout the year the reserve percentage of the Federal Reserve Bank of San Francisco was slightly in excess of the average of the Federal Reserve System as a whole, and that at all times this bank had excess funds to the extent of from \$35,000,000 to \$100,000,000 invested in open-market purchases, which, when collected, could if desired be used to increase this bank's reserves. The maximum reserve attained during the year was 61 per cent on July 5 and the minimum was 46.5 per cent on August 5.

Gold reserves amounted to \$184,193,000 on December 31, 1919, as compared with \$150,972,000 on December 31, 1918, and the liability



of this bank for Federal Reserve notes in circulation and deposits, after deducting uncollected items, amounted to \$350,637,000 on December 31, 1919, as compared with \$262,930,000 on December 31, 1918, the reserves being 52.6 per cent of combined Federal Reserve note and net deposit liability on December 31, 1919, as compared with 56 per cent on December 31, 1918.

Exhibit B shows the reserve position of this bank throughout the year.

#### RELATIONS WITH NATIONAL BANKS.

*Movement of membership.*—A greater number of new national banks have been organized in this district during the past year than in any previous year since the opening of the Federal Reserve Bank. Thirty new national banks, with capital of \$1,465,000, were organized during the year, as compared with 14 banks, with capital of \$598,000, during 1918; 14 State banks, with capital of \$1,380,000 converted into national banks, as compared with 15, with capital of \$880,000, in 1918; and 4 national banks, with capital of \$475,000, liquidated or consolidated with other banks, as compared with 5, with capital of \$705,000, in 1918, making a net increase during the year of 42 national banks. In addition to this, national banks have increased their capital by \$2,887,000, the net increase in capital amounting to \$4,257,000.

*Discount operations.*—The major portion of the discounts of the Federal Reserve Bank have naturally been for national-bank members. Out of a total of 594 national banks, 331 have discounted with the Federal Reserve Bank during the year, as compared with 357 out of 554 in 1918, and 156 out of a total of 530 in 1917. Discounts for national banks totaled approximately \$1,690,000,000, as compared with \$887,000,000 in 1918, and \$69,000,000 in 1917.

*Fiduciary powers.*—The amendment to the Federal Reserve Act permitting national banks to exercise all fiduciary powers permitted State banks or trust companies located in the same State as the national bank, has greatly stimulated interest in the organization of trust departments by national banks. Between the passage of this amendment on September 26, 1918, and December 31, 1918, 15 national banks, with capital and surplus of \$24,103,000 and resources of \$186,907,000, applied for permission to exercise fiduciary powers, all of these applications being granted. During 1919, 32 banks, with capital and surplus of \$16,774,000 and resources of \$278,930,000, applied for permission to exercise trust powers. Number of applying banks with capital, surplus, and resources, by States, is as follows:

State.	Number.	Capital.	Surplus.	Resources.
Alaska.....	1	\$50,000	\$25,000	\$1,074,000
Arizona.....				
California.....	7	3,200,000	1,950,000	62,153,000
Idaho.....	5	530,000	367,000	10,030,000
Nevada.....				
Oregon.....	6	1,975,000	1,095,000	46,730,000
Utah.....				
Washington.....	12	5,226,000	2,356,000	117,933,000
Total.....	31	10,981,000	5,793,000	238,930,000

Of the applications received, 28 were granted, 1 was refused, and, on December 31, 2 are pending.

RELATIONS WITH STATE BANKS AND TRUST COMPANIES.

*Movement of membership.*—The number of State bank members in this district increased from 87, with capital and surplus of \$16,182,000 and resources of \$164,133,000 on December 31, 1918, to 137, with capital and surplus of \$47,295,000 and resources of \$664,808,000, on December 31, 1919. In addition, applications for membership from 31 State banks with resources of \$45,545,000 are now pending. This bank now stands second among the Federal Reserve Banks in number of State bank members as compared with fourth on December 31, 1918, although standing eighth in number of State banks in the district.

Amendments to the banking laws of the several States in this district which removed obstacles to membership in the Federal Reserve System were passed by the various State legislatures during the early part of the year. During the last six months of the year applications for membership in constantly increasing number have been received from State banks throughout the district. In that period more applications have been received from State banks in California than from those in any other State in the district. Resources of California State bank members amounted to 41 per cent of the resources of eligible State banks in the State on December 31, as compared with approximately 1 per cent of the resources of all eligible California State banks on July 1, 1919. The percentage of resources of State bank members and of State bank members plus State banks with applications pending, to total eligible banks in each State of the district are as follows:

State.	Member.	Applica- tions.	Total member and applying.
Arizona.....	15.6	.....	15.6
California.....	41.0	3.7	44.7
Idaho.....	55.9	19.0	74.9
Nevada.....	.....	.....	.....
Oregon.....	49.5	1.9	51.4
Utah.....	58.7	1.9	60.6
Washington.....	51.2	3.5	54.7
District.....	42.8	3.8	46.6

*Discount operations.*—During the year 91 of the 137 State member banks discounted bills aggregating approximately \$260,000,000, as compared with \$60,000,000 in 1918.

*Examinations.*—The rapid growth in the number of State bank members during the year necessitated a corresponding increase in the examining staff and a reorganization of the department of examination to conform with the organization plan of the Federal Reserve agent's department, put into effect on July 1.

The present staff consists of a chief examiner, who, in addition to his duties as assistant Federal Reserve agent, has general supervision of the examinations; an assistant chief examiner, who has immediate

supervision; four field examiners, with headquarters at Spokane, Portland, Salt Lake City, and Los Angeles, respectively, and at the head office two assistant examiners, who also assist in the general office work.

During the year the examiners and their assistants traveled 60,507 miles and conducted 129 examinations, as follows:

State banks for admission, jointly with State authorities .....	3
State banks for admission, independently .....	58
State bank members, jointly with State authorities .....	36
State bank members, independently .....	23
National banks, jointly with national examiners .....	7
National banks, independently .....	2
Total number of examinations .....	129

The State bank supervisors of the several States in the Twelfth Federal Reserve District have shown a willingness to cooperate with the Federal Reserve Bank of San Francisco and its examiners in every way possible. Two of the State banking departments have adopted forms of this bank for reporting their own examinations, and all have unhesitatingly furnished us with any information desired concerning State bank members. In five of the seven States of this district the superintendent of banks or bank commissioner is now permitted to accept, at his discretion, the examinations of this bank in lieu of those required by his own department and arrangements have been made with the State departments for an exchange of all reports in connection with examinations made of State bank members.

Of the 56 State banks which were admitted to membership during the year, 44 were examined by examiners of this bank, 3 were accepted upon the reports of examinations by State banking departments, and 9, being newly organized institutions, were approved after the investigation as to the character of the proposed management of each and upon certificates from the State authorities of compliance with State laws.

With the development of an adequate examining staff, the Federal Reserve Bank of San Francisco is now in a position to examine all State banks and trust companies applying for membership.

*Reserves.*—The reserves which State bank members are required to carry with the Federal Reserve Bank against their deposits increased from \$7,418,000 on December 31, 1918, to \$22,139,000 on November 17, 1919, and approximately \$28,000,000 on December 31, 1919, an increase of approximately 400 per cent during the year. Total required reserves of State bank members and State banks with applications pending will be approximately \$30,500,000, or approximately 28 per cent of total reserves which all member banks, national and State, carry with the Federal Reserve Bank.

#### FISCAL AGENCY OPERATIONS FOR TREASURY DEPARTMENT.

*Allotment of Treasury certificates.*—As fiscal agent of the United States Government, the Federal Reserve Bank of San Francisco has issued during the year 11 series of Treasury certificates of indebtedness, which were issued in anticipation of Federal taxes, and 12 series which were issued in anticipation of payments for Government

bonds. During the same period it has redeemed 8 series of certificates issued in anticipation of taxes and 12 series issued in anticipation of payments for Government loans. On December 31, 1919, there are 9 series outstanding, 5 of which were issued in anticipation of tax payments.

Total subscriptions in this district during the year amounted to \$750,313,500, divided as follows:

[Includes Series 5-A and 5-B, issued in December, 1918, in anticipation of Victory loan.]

Subscribed by—	Amount.	Number of subscriptions.
National banks.....	\$462,828,500	4,693
State banks.....	190,011,500	5,751
Trust companies.....	87,053,500	716
Individuals, firms, and corporations.....	10,420,000	307
Total.....	750,313,500	11,469

*Deposits of Treasury funds with banks.*—Of the 1,768 banks in this district, 439 have qualified as Government depositaries for war-loan deposit accounts, making payment by credit on their books for subscriptions to Treasury certificates and Liberty loans, deposits being gradually withdrawn as needed. Out of the total subscriptions of \$247,101,500 to certificates of indebtedness issued in anticipation of taxes, \$67,269,500 was paid by credit through war-loan deposit accounts; out of a total of other certificates of indebtedness of \$440,800,000, payments of \$321,553,000 were made in this manner, and out of allotted subscriptions of \$294,905,050 to the Victory Liberty loan, payments of \$99,683,548.57 were made through such redeposits. During the year the total redeposits amounted to \$488,506,048.57, the balance on December 15 being \$11,725,161.27.

*Flotation of Liberty loans.*—The Victory Liberty loan was the only Liberty loan floated during the year. Subscriptions received in this district amounted to \$318,675,150 and allotments to \$294,905,050. It is interesting to note that out of 945,222 subscribers in this district, 943,136 subscribed for bonds to the amount of \$10,000 or less, and only 2,086 for bonds in larger amounts than \$10,000. Of the total allotments \$212,289,550 went to those subscribing for bonds in the amount of \$10,000 or less and \$72,715,500 to those subscribing for larger amounts.

It is anticipated that one of the chief functions of the fiscal agent department during the year 1920 will be the exchange of permanent Liberty loan bonds for temporary bonds. Plans have already been completed for the handling of these exchanges and a force of 75 employees is being trained for the work.

*Sale of war-savings certificates.*—During 1919 the Federal Reserve Bank has continued to act as agent of the Government in selling war-savings stamps and certificates to banks and trust companies, and to individuals who have qualified as collateral agents by the deposit of Liberty bonds as security against the withdrawal of stamps. The publicity work in connection with the war-savings campaign has been combined with the other war-loan activities under a so-called "war-loan organization," under the direct supervision of the governor of the Federal Reserve Bank.

## NOTE ISSUES.

*Federal Reserve notes.*—Prior to 1919 there was an almost constant increase in the volume in circulation of Federal Reserve notes of this bank, because of the issues of Federal Reserve notes in exchange for gold and the substitution of paper for gold as the ordinary currency of the district. By 1919 this process had been practically completed, with the result that the volume in circulation of Federal Reserve notes of this bank followed with automatic expansion and contraction the needs of the commerce and industry of the district. On December 31, 1918, the amount in circulation of Federal Reserve notes of this bank was \$212,244,625, a large amount having gone into circulation during the fall months as a result of the demand for currency in connection with fall business and crop movement. After the first of the year the volume in circulation gradually decreased, reaching a minimum for the year of \$188,500,000 on March 28. With the normal increase in business during the spring months increased amounts of Federal Reserve notes were called for, those in circulation increasing to \$200,361,000 on May 9, after which they gradually decreased to \$194,694,000 on June 13, and again increased to \$201,000,000 at the end of the month, following the normal demand for money at payment time on June 30. There was a gradual reduction during July, the amount in circulation on August 1 being \$194,744,000. With the fall crop movement and general increase in business activity the volume of Federal Reserve notes in circulation showed a constant upward movement each week during the fall, reaching a maximum for the year of \$244,863,000 on December 27, the amount in the hands of the public on December 31 amounting to \$242,462,000, a net increase for the year of \$30,217,000. Inasmuch as the gold reserves of the Federal Reserve Bank of San Francisco increased \$33,221,000 during the year, \$17,895,405 having been shipped to it from within the district, the remainder coming from settlements with other districts, the total net increase during the year in Federal Reserve note circulation in the district was less by \$3,004,000 than the increase in gold reserve. It is interesting to note that the expansion and contraction in the amount of Federal Reserve notes of this bank in circulation has practically paralleled the movement in Federal Reserve note circulation throughout the United States.

Prior to 1919 there were no Federal Reserve notes in larger denominations than \$100, but this year notes in denominations of \$500, \$1,000, \$5,000, and \$10,000 have been issued.

Statement of movement of Federal Reserve notes is given in Exhibit B.

*Federal Reserve bank notes.*—The volume of Federal Reserve bank notes in circulation increased from \$1,720,034 on December 31, 1918, to \$11,844,905 on December 31, 1919. The major portion of these Federal Reserve bank notes, which are issued against the security of United States Government bonds and special certificates of indebtedness, are in bills of \$1 and \$2 denomination and are issued for the purpose of providing currency to take the place of silver withdrawn from circulation.

## OPERATION OF FEDERAL RESERVE BANK BRANCHES.

During 1917 and 1918 branches of the Federal Reserve Bank of San Francisco were established at Spokane, Seattle, Wash.; Portland, Oreg., and Salt Lake City, Utah, in the order named. On January 2, 1920, a branch will be opened in Los Angeles, Calif., the territory assigned to it being southern California and that part of Arizona located in the Twelfth Federal Reserve District.

Number, capital, and resources of member banks in branch territory, and average monthly operations of each branch are as follows:

Branch.	Total number of dis-counting banks (first 11 months).	Average monthly, 1919.			
		Total redis-counts (first 11 months).	Currency shipped to banks.	Transit items handled (Jan. 1-Dec. 15).	
				Number.	Amount.
Spokane.....	67	\$11,213,771	\$708,635	169,009	\$38,899,102
Seattle.....	18	19,453,412	2,335,677	202,796	84,538,871
Portland.....	50	5,548,021	2,043,175	157,383	65,845,451
Salt Lake City.....	123	39,148,181	848,700	377,276	98,448,665

NOV. 17, 1919.

Branch.	Number of member banks.	Capital of member banks.	Resources of member banks.
Spokane.....	86	\$7,913,000	\$145,304,000
Seattle.....	50	10,300,000	214,465,000
Portland.....	102	11,521,000	178,745,000
Salt Lake City.....	147	12,772,000	214,780,000

## INTERNAL ORGANIZATION.

Increasing volume of business has resulted in an increase in number of employees from 531 on December 31, 1918, to 567 on December 31, 1919, in spite of a decrease from 207 to 142 in the number of employees in the fiscal agent department, which has acted as fiscal agent of the United States Government in selling, redeeming, and exchanging Government securities. The banking department, including all operating departments except the transit department, showed an increase of 39 employees from 157 to 196; the transit department 36, from 64 to 100; and other departments, including the Federal Reserve agent's department, etc., 9, from 93 to 102. The number of officers increased from 20 to 27 as a result of the appointment of assistant cashiers at branches and of two assistant Federal Reserve agents.

On May 2, 1919, John U. Calkins, formerly deputy governor, was appointed governor to succeed the late James K. Lynch, who had filled the position from August 7, 1917, until his death on April 26, 1919. Subsequently Messrs. William A. Day, formerly assistant deputy governor, and Ira Clerk, formerly cashier, were appointed deputy governor and assistant deputy governor, respectively. Mr. W. N. Ambrose, formerly assistant cashier, has been appointed cashier, effective January 1, 1920.

On July 1 four divisions were established in the Federal Reserve agent's department, all under the general supervision of the Federal Reserve agent and under the immediate supervision of S. G. Sargent, assistant Federal Reserve agent and chief examiner. These divisions are as follows: Division of examinations, in charge of R. B. Motherwell, assistant chief examiner; division of auditing, in charge of H. S. House, auditor; division of general operations, in charge of E. H. Tucker, assistant Federal Reserve agent; division of analysis and research, in charge of B. F. Wright.

In addition to this general organization, Mr. Edward Elliott, class C director of this bank, is manager of the department of State bank membership.

#### CLEARINGS AND COLLECTIONS.

Between January and December the daily average number of checks handled by this bank increased from 44,987 for an amount averaging \$29,542,497 to 66,660 for an amount averaging \$25,912,238. This decrease in value of items handled is a result of the decrease of approximately \$8,000,000 per day in value of Government checks handled. All banks in the States of California, Idaho, Nevada, and Utah now remit at par for items drawn on them sent by the Federal Reserve Bank, and on December 15 only 114 nonmember banks out of a total of 1,055 in the district were not so remitting at par.

#### GOLD SETTLEMENT FUND.

A system of leased wires is now in operation between all Federal Reserve Banks and branches, enabling Federal Reserve Banks to make speedy telegraphic transfers to all parts of the country. Federal Reserve Banks make no charge to their member banks for the service rendered in making the transfers or for the telegraphic service. Daily settlements in the gold settlement fund are made over these wires. During the year transfers involving \$5,209,398,000 were made by this bank in the gold settlement fund, transfers to this bank exceeding transfers from it by only \$7,552,000, or 0.14 per cent of the transactions during the year.

#### BANKING QUARTERS.

This bank owns as a building site the ground bounded by Sacramento, Sansome, Commercial, and Battery Streets, and is temporarily housed in a six-story loft building on the northeast corner of the property. Plans for a new building which, when finished, will occupy the entire premises, are now being completed. The western portion of the new building will be first constructed and occupied, the buildings on the eastern half of the block then being razed and the building completed. "It is impossible to say when building operations will be begun, as this is a matter which must be determined by developments in building conditions."<sup>1</sup>

The branches of this bank are all housed in rented quarters.

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<sup>1</sup> Quotation from press statement issued by Federal Reserve Board.

## GENERAL BUSINESS CONDITIONS.

Steady progress toward readjustment to a peace basis has been made during the past year. Unprecedented agricultural, commercial, and industrial activity has prevailed, and labor troubles, which have been very serious at times, appear to be at a minimum as the year closes.

During the war the largest industrial development in this district was in shipbuilding. During 1918 the yards on the Pacific coast delivered to the United States Shipping Board 138 steel vessels of 1,182,025 tons, and 74 wooden vessels of 265,500 tons. In spite of strikes and reduced speed in construction, deliveries on this coast during the first 11 months of the year aggregated 189 steel vessels of approximately 1,558,500 tons, and there were in the course of construction on December 1, 68 steel vessels of approximately 610,000 tons. During the same period 118 wooden vessels of 435,120 gross tons were delivered.

The largest crops in the history of the district have been harvested and sold at record prices.

Arizona and California (including that part of the Imperial Valley situated in Mexico) have grown 176,000 bales of cotton during 1919, an increase of 53,000 bales over 1918, with average yields of 305 pounds and 333 pounds per acre, respectively. These yields, which are the highest per acre in the United States, exceed the average by 147 and 175 pounds, respectively.

The 1919 California citrus and deciduous fruit crop was the largest on record. Shipments for the year ending October 31, 1919, totaled 77,559 carloads.

The California raisin crop of 200,000 tons, valued at \$33,000,000, exceeded that of 1918 by 33,000 tons.

Of the 10 leading wool-producing States, 5 are located in the Twelfth Federal Reserve District, which produced approximately 30 per cent of the 1919 wool clip.

A large decrease in the higher grades of salmon has resulted in a 1919 salmon pack on the Pacific coast of approximately 7,500,000 cases, compared with 9,000,000 cases in 1918 and 10,000,000 in 1917.

The stimulus of high prices, which increased mining output during the war, has now been offset by declining prices for minerals, accompanied by increasing price of materials and high cost of labor. As a consequence all States producing copper, lead, and zinc report decreased production in 1919, the reduction in some cases reaching 50 per cent, and it is predicted that the gold output will be less in all States in the district, except possibly in Nevada.

Lumber production and consumption have been at a maximum throughout the year, labor troubles not having seriously affected production.

Cessation of building during the war, demands for increased housing facilities and new industrial development throughout the district, and the large increase in the cost of materials and labor account for building permits of \$100,234,000 in 19 principal cities of this district, during the first 11 months of the year, as compared with \$57,310,000 during 1918 and \$67,499,000 during 1917.



The increase in business activity and increasing prices have resulted in bank clearings which have ranged each month during the year from 18 to 40 per cent larger than the corresponding month during 1918.

Import and export trade has been materially hampered by the lack of ships and by the stevedore strike at San Francisco. A comparative statement of imports and exports during the calendar years 1919, 1918, and 1917 is found in the following table:

*Imports and exports, Twelfth District.*

[000 omitted.]

	Exports.			Imports.		
	1917	1918	First 9 months, 1919.	1917	1918	First 9 months, 1919.
San Francisco district.....	\$175,136	\$214,695	\$240,532	\$231,979	\$245,519	\$238,027
Los Angeles district.....	7,179	6,789	15,923	8,063	9,417	15,610
Oregon.....	6,416	15,076	44,458	2,439	3,799	3,152
Washington.....	196,932	296,166	292,274	289,078	300,954	195,919
Total.....	387,663	532,726	593,187	531,559	559,689	452,708

During the first 11 months of the year, production of petroleum in California aggregated 92,367,338 barrels, shipments 99,616,039 barrels, stored stocks decreasing from 37,907,731 barrels on December 31, 1918, to 31,159,000 barrels on November 31, 1919.

Money rates have been stable throughout the year, averaging from 5½ to 6 per cent in industrial centers and 8 per cent in agricultural sections. As the year closes there is a tendency toward somewhat higher rates.

As is natural during a period of great industrial and commercial activity, bank resources have steadily increased during the year. Comparative statement of resources of member banks on December 31, 1918, and on November 17, 1919, is shown in the following table:

*Comparative statement of the banking resources of member banks of the Twelfth Federal Reserve District, Dec. 31, 1918, to Nov. 17, 1919.*

[000 omitted.]

	National banks.		State member banks.		Combined.	
	Dec. 31, 1918 (559 banks).	Nov. 17, 1919 (588 banks).	Dec. 31, 1918 (86 banks).	Nov. 17, 1919 (133 banks).	Dec. 31, 1918 (645 banks).	Nov. 17, 1919 (721 banks).
<b>RESOURCES.</b>						
Loans and discounts.....	\$671,936	\$874,377	\$92,605	\$287,948	\$764,541	\$1,162,325
Stocks, bonds, and other securities.....	321,810	352,424	31,929	121,033	353,739	453,457
Banking house, furniture and fixtures, other real estate.....	33,372	37,056	5,243	12,132	38,615	49,188
Cash and exchange.....	330,545	442,014	32,985	84,731	363,530	526,745
Other resources.....	43,197	40,171	1,371	7,527	44,568	47,693
<b>Total resources.....</b>	<b>1,400,860</b>	<b>1,726,042</b>	<b>164,133</b>	<b>513,371</b>	<b>1,564,993</b>	<b>2,239,413</b>
<b>LIABILITIES.</b>						
Capital.....	94,090	97,346	11,674	25,781	105,764	123,127
Surplus and undivided profits.....	70,395	82,578	7,036	21,034	77,441	103,612
Due to banks.....	188,887	262,874	14,244	32,351	203,131	295,225
Deposits—demand.....	694,675	882,938	66,485	157,743	761,160	1,040,681
Deposits—time.....	196,795	252,905	57,227	262,735	254,022	515,640
Rediscounts <sup>1</sup> .....	32,683	38,447	1,842	3,275	34,525	41,722
Money and bonds borrowed.....	56,988	53,076	5,315	11,013	62,303	64,089
Circulation outstanding.....	61,480	62,971	.....	.....	61,480	62,971
Other liabilities.....	37,550	31,354	2,152	2,714	39,692	34,068
<b>Total liabilities.....</b>	<b>1,400,860</b>	<b>1,726,042</b>	<b>164,133</b>	<b>513,371</b>	<b>1,564,993</b>	<b>2,239,413</b>

<sup>1</sup> Not included in total liabilities.

Retail trade has been exceptionally active, sales, by value, exceeding sales during 1918 by approximately 45 per cent. Statistics of retail sales by department stores in the largest cities of this district have been accumulated by this bank since July 1 of this year, and comparative statements of sales and stocks on hand from that date until November 30 are given below.

Unemployment was a serious factor in the labor situation during the first four months of the year, but by the middle of May the surplus labor had been absorbed, and from that time until November there was full employment throughout the district and a shortage of labor in some sections. With the decrease in number of men employed in the shipyards, the release of labor from the farms, and the winter shutdown of lumber camps, there is, at the close of the year, a small amount of unemployment reported in the Pacific Northwest. Labor unrest has been evidenced by strikes in practically every line where skilled labor is employed, but conditions now appear to be more settled than at any other time during the year.

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of San Francisco during the calendar year 1919.*

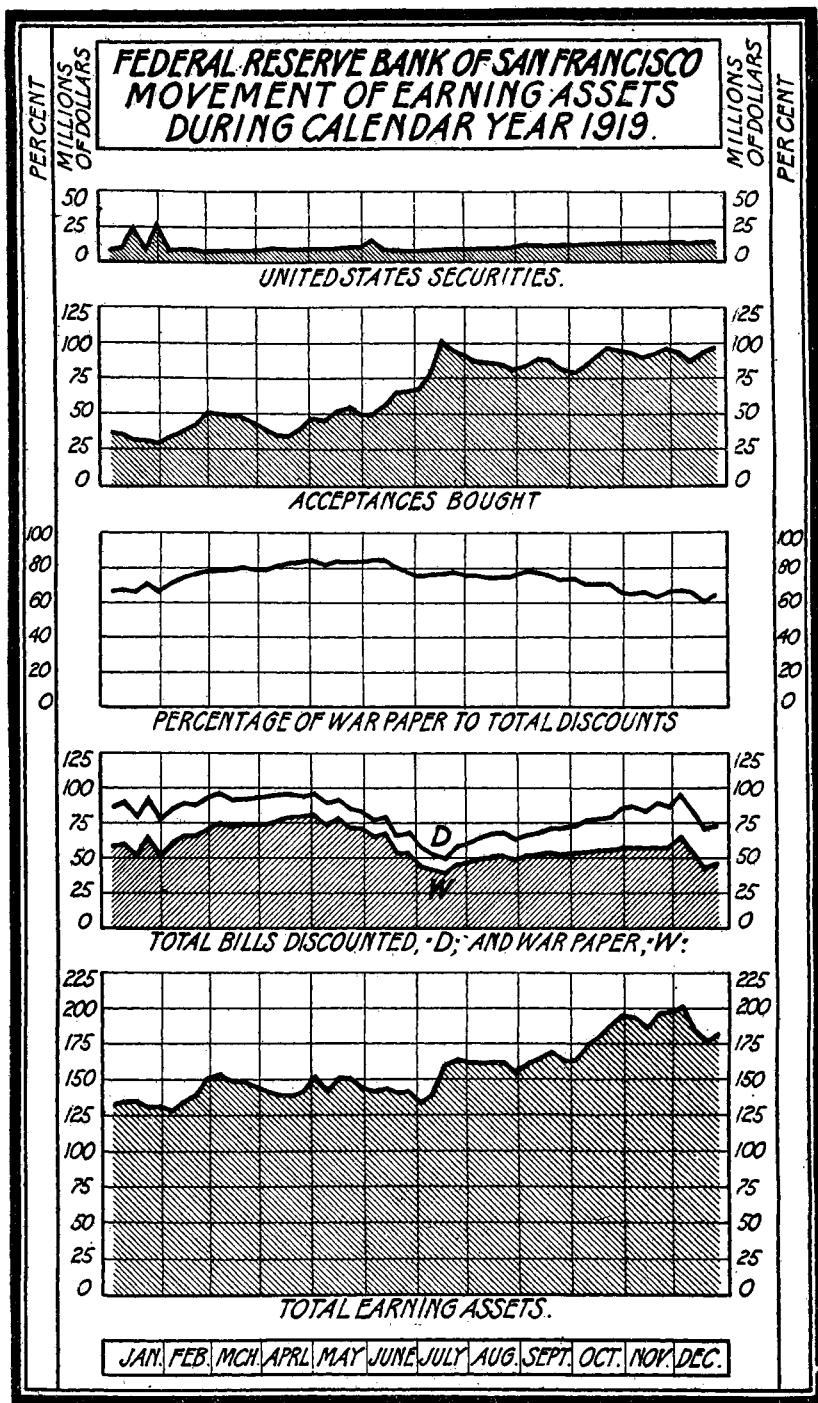
[000 omitted.]

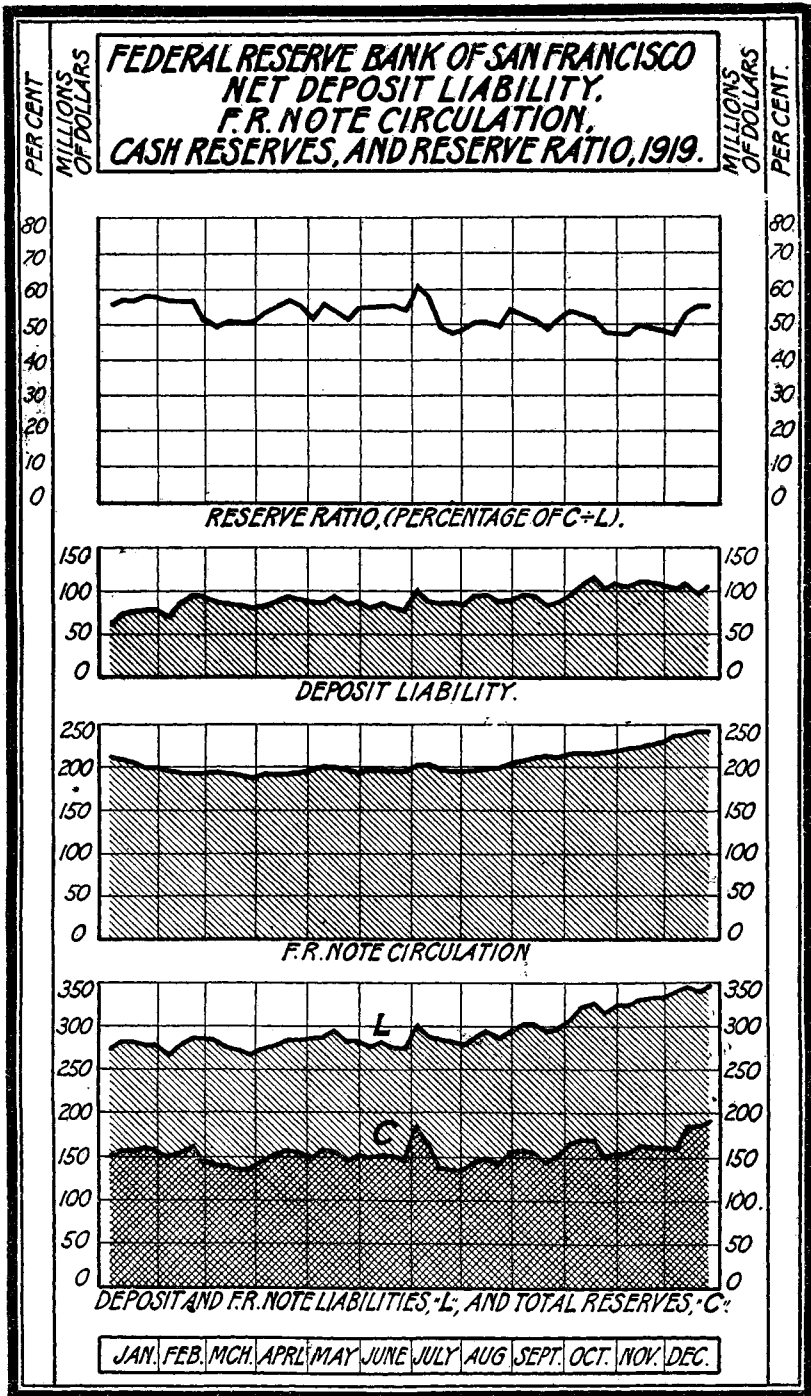
Date.	Discounted paper secured by United States war obligations.	Other dis-counted paper.	(1+2)	Per cent (1+3).	Bills bought in open market.	Total bills dis-counted and bought.	United States securities.	Total earning assets.
	1	2	3	4	5	6	7	8
Jan. 3.....	\$57,965	\$28,460	\$86,425	67.1	\$37,351	\$123,776	\$9,185	\$132,961
10.....	60,845	29,401	90,246	67.4	35,249	125,495	9,513	135,008
17.....	52,275	27,144	79,419	65.8	31,226	110,645	24,021	134,666
24.....	64,773	26,245	91,018	71.2	30,932	121,950	9,200	131,150
31.....	51,663	25,425	77,088	67.0	28,956	106,044	26,087	132,131
Feb. 7.....	60,745	24,498	85,243	71.3	34,228	119,471	8,864	128,335
14.....	66,040	22,819	88,859	74.5	37,351	126,010	8,819	134,829
21.....	65,865	21,722	87,587	75.2	42,440	130,027	8,794	138,821
28.....	70,985	22,460	93,445	76.0	49,841	143,286	7,797	151,083
Mar. 7.....	75,897	21,232	97,129	78.1	49,300	146,429	7,893	154,322
14.....	72,324	19,448	91,772	78.8	47,702	139,474	8,347	147,821
21.....	73,987	17,923	91,910	80.5	47,821	138,731	8,180	147,911
28.....	74,373	19,045	93,418	79.6	43,667	137,085	8,341	145,426
Apr. 4.....	74,483	19,564	94,047	79.2	38,316	132,363	9,144	141,507
11.....	76,719	18,346	95,065	80.7	34,507	129,572	9,715	139,287
18.....	78,995	16,027	95,022	83.1	33,920	128,942	8,677	137,619
25.....	78,421	15,135	93,556	83.8	38,559	132,115	8,606	140,721
May 2.....	81,029	14,904	95,933	84.5	47,362	143,295	8,576	151,871
9.....	73,038	15,622	88,660	82.4	45,036	133,696	8,566	142,262
16.....	77,795	14,314	92,109	84.5	50,723	142,832	8,632	151,464
23.....	70,855	14,478	85,333	83.0	54,822	140,155	9,952	150,107
29.....	70,815	13,469	84,284	84.0	49,197	133,481	10,082	143,563
June 6.....	65,270	11,544	76,814	85.0	49,156	125,970	15,478	141,448
13.....	67,824	12,003	79,827	85.0	54,758	134,585	8,678	143,263
20.....	53,399	12,664	66,063	80.8	65,080	131,143	8,583	139,726
27.....	53,140	14,821	67,961	78.2	65,134	133,095	8,430	141,525
July 3.....	43,955	13,686	57,641	76.2	67,118	124,759	8,431	133,190
11.....	40,781	12,452	53,233	76.6	76,547	129,780	9,263	139,043
18.....	38,066	11,344	49,410	77.0	101,118	150,528	9,272	159,800
25.....	45,518	12,971	58,489	77.8	96,039	154,528	9,273	163,801
Aug. 1.....	46,242	14,192	60,434	76.5	91,906	152,340	9,322	161,662
8.....	49,260	15,133	64,393	76.5	87,141	151,534	9,323	160,857
15.....	49,936	16,764	66,700	74.9	86,288	152,988	9,303	162,291
22.....	50,893	16,899	67,792	75.1	85,303	153,095	9,373	162,468
29.....	47,786	15,704	63,490	75.3	81,457	144,947	9,573	154,520
Sept. 5.....	51,404	14,609	66,013	77.9	82,875	148,888	12,152	161,040
12.....	51,614	14,906	66,520	77.6	87,817	154,337	11,047	165,384
19.....	54,206	16,890	71,096	76.2	86,628	157,724	10,856	168,580
26.....	51,887	19,244	71,131	72.9	81,130	152,261	10,806	163,067
Oct. 3.....	54,045	18,545	72,590	74.5	80,079	152,669	11,171	163,840
10.....	53,896	22,865	76,761	70.2	83,921	160,682	12,030	172,712
17.....	55,028	22,981	78,009	70.5	90,205	168,214	11,741	179,955
24.....	54,949	22,841	77,790	70.6	97,213	175,003	13,397	188,400
31.....	56,998	28,424	85,420	66.7	95,349	180,769	13,740	194,509
Nov. 7.....	56,085	30,438	86,523	64.8	93,953	180,476	13,314	193,790
14.....	56,502	27,914	84,416	66.9	89,632	174,048	13,312	187,360
21.....	56,102	32,835	88,937	63.1	92,988	181,925	13,592	195,517
28.....	58,878	29,742	88,620	65.7	96,823	183,443	13,513	196,956
Dec. 5.....	64,474	31,245	95,719	67.4	92,566	188,285	14,127	202,412
12.....	54,999	29,248	84,247	65.3	87,221	171,468	13,471	184,939
19.....	41,585	28,233	69,818	59.6	92,392	162,210	14,095	176,305
26.....	46,128	26,065	72,193	63.9	93,107	168,300	14,070	182,370

EXHIBIT B.—*Movement of gold and cash reserves, Federal Reserve notes, and net deposit liabilities and the reserve percentage of the Federal Reserve Bank of San Francisco during the calendar year of 1919.*

[000 omitted.]

Date.	Gold reserves.	Cash reserves.	Federal Reserve notes in actual circulation.	Net deposits.	(3+4.)	Ratio of cash reserves to net deposit and Federal Reserve note liabilities combined.
	1	2	3	4	5	6
Jan. 3	\$150,818	\$151,391	\$211,518	\$60,899	\$272,417	55.6
10	157,836	158,332	209,116	71,852	280,968	56.4
17	157,026	157,478	204,581	75,186	279,767	56.3
24	159,254	159,761	199,546	78,875	278,421	57.4
31	157,996	158,416	198,826	79,255	278,081	57.0
Feb. 7	149,564	150,070	196,332	69,447	265,779	56.5
14	155,962	156,302	193,515	84,344	278,359	56.2
20	160,835	161,021	192,393	94,567	286,960	56.1
28	145,275	145,594	191,340	92,173	283,518	51.4
Mar. 7	139,848	140,109	192,888	88,281	281,169	49.8
14	140,196	140,385	190,770	83,939	274,709	51.1
21	136,258	136,492	190,262	80,708	270,970	50.4
28	136,394	136,650	188,500	79,878	268,378	50.9
Apr. 4	144,969	145,175	191,014	81,888	272,902	53.2
11	152,075	152,307	189,650	88,020	277,670	54.9
18	158,863	159,152	191,129	91,707	282,836	56.3
25	154,955	155,282	191,912	90,176	282,088	55.0
May 2	147,246	147,668	198,304	87,071	285,375	51.7
9	158,974	159,224	200,361	86,635	286,996	55.5
16	156,064	156,433	199,291	94,026	293,317	53.3
23	145,064	145,279	196,070	84,570	280,640	51.8
29	151,558	151,800	194,310	86,344	280,654	54.1
June 6	149,437	149,818	195,989	80,159	276,148	54.3
13	151,830	152,034	194,604	85,171	279,865	54.3
20	150,143	150,411	195,182	79,414	274,596	54.8
27	146,749	146,974	194,748	78,091	272,839	53.9
July 3	183,664	183,962	201,212	100,032	301,244	61.1
11	164,769	165,074	201,062	86,942	288,004	57.3
18	139,029	139,373	197,736	85,314	283,050	49.2
25	133,166	133,512	195,328	85,360	280,688	47.6
Aug. 1	133,360	133,657	194,744	83,313	278,057	48.1
8	144,499	144,766	195,180	93,045	288,225	50.2
15	147,634	147,896	198,341	94,450	292,791	50.5
22	140,825	141,084	198,488	87,407	285,895	49.3
29	156,027	156,305	203,521	89,289	292,810	53.4
Sept. 5	158,664	158,945	207,387	94,551	301,938	52.6
12	155,158	155,394	210,372	92,243	302,615	51.4
19	142,546	142,760	210,729	82,186	292,915	48.7
26	151,927	152,101	210,326	86,004	296,330	51.3
Oct. 3	164,135	164,327	215,429	93,719	309,148	53.2
10	169,973	170,200	215,731	107,183	322,914	52.7
17	169,551	169,806	214,767	114,470	329,237	51.6
24	151,396	151,681	216,216	102,052	318,268	47.7
31	154,177	154,493	217,736	109,511	327,247	47.2
Nov. 7	153,375	153,667	220,356	104,605	324,961	47.3
14	164,123	164,423	220,974	109,629	330,603	49.7
21	161,840	162,033	225,052	109,666	334,718	48.4
28	162,480	162,679	229,086	107,482	336,568	48.3
Dec. 5	159,895	160,154	236,529	102,633	339,162	47.2
12	184,528	184,763	237,507	108,597	346,104	53.4
19	186,173	186,500	242,041	96,465	338,506	55.1
26	191,622	192,006	241,867	107,598	349,465	54.9





## EXHIBIT C.—Comparative statement.

	Dec. 31, 1919.	Dec. 31, 1918.	Dec. 31, 1917.
<b>RESOURCES.</b>			
Total gold reserve.....	\$184,192,700	\$150,972,012	\$94,018,470
Legal tender notes, silver, etc.....	345,882	518,639	408,823
<b>Total reserves</b> .....	<b>184,538,582</b>	<b>151,490,651</b>	<b>94,427,293</b>
<b>Bills discounted:</b>			
Secured by Government war obligations.....	43,551,373	45,024,583	2,316,688
All others.....	30,344,585	33,734,845	23,463,513
Bills bought in open market.....	102,558,191	36,279,727	17,082,456
<b>Total bills on hand</b> .....	<b>176,454,149</b>	<b>115,039,155</b>	<b>42,862,657</b>
United States Government bonds.....	2,632,450	2,460,950	2,455,000
United States Victory notes.....			
United States certificates of indebtedness.....	11,843,500	5,724,000	1,500,000
<b>Total earning assets</b> .....	<b>190,930,099</b>	<b>123,224,105</b>	<b>46,817,657</b>
Bank premises.....	231,375	405,705	
Uncollected items and other deductions from gross deposits	54,273,206	44,671,524	18,718,309
5 per cent redemption fund against Federal Reserve bank			
notes.....	665,000	356,400	
All other resources.....	254,396	1,295,360	583,807
<b>Total resources</b> .....	<b>430,892,658</b>	<b>321,443,745</b>	<b>160,547,066</b>
<b>LIABILITIES.</b>			
Capital paid in.....	5,749,750	4,636,550	4,162,450
Surplus.....	7,539,374	1,224,088	
Government deposits.....	3,672,894	410,992	12,353,939
Due to members—reserve account.....	117,929,882	73,235,715	63,779,910
Deferred availability items.....	34,771,861	19,076,038	9,885,477
Other deposits, including foreign Government credits.....	6,071,291	2,643,648	2,620,985
<b>Total gross deposits</b> .....	<b>162,445,928</b>	<b>95,366,393</b>	<b>88,640,311</b>
Federal Reserve notes in actual circulation.....	242,461,760	212,244,625	67,744,305
Federal Reserve bank notes in circulation, net liability...	11,844,905	6,252,055	
All other liabilities.....	850,941	1,720,034	
<b>Total liabilities</b> .....	<b>430,892,658</b>	<b>321,443,745</b>	<b>160,547,066</b>

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PART III.

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RECOMMENDATIONS OF THE FEDERAL ADVISORY  
COUNCIL TO THE FEDERAL RESERVE BOARD  
FOR THE YEAR 1919.

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# OFFICERS AND MEMBERS OF THE FEDERAL ADVISORY COUNCIL FOR THE YEAR 1919.

## OFFICERS.

President, JAMES B. FORGAN.  
Vice President, L. L. RUE.  
Secretary, MERRITT H. GRIM.

## EXECUTIVE COMMITTEE.

JAMES B. FORGAN.  
L. L. RUE.  
A. B. HEPBURN.

DANIEL G. WING.  
W. S. ROWE.  
F. O. WATTS.

## MEMBERS.

DANIEL G. WING, Federal Reserve District No. 1.  
A. B. HEPBURN, Federal Reserve District No. 2.  
L. L. RUE, Federal Reserve District No. 3.  
W. S. ROWE, Federal Reserve District No. 4.  
J. G. BROWN, Federal Reserve District No. 5.  
CHARLES A. LYERLY, Federal Reserve District No. 6.  
JAMES B. FORGAN, Federal Reserve District No. 7.  
F. O. WATTS, Federal Reserve District No. 8.  
C. T. JAFFRAY, Federal Reserve District No. 9.  
E. F. SWINNEY, Federal Reserve District No. 10.  
E. P. WILMOT, Federal Reserve District No. 11.  
A. L. MILLS, Federal Reserve District No. 12.

NOTE.—All recommendations received the unanimous approval of the members present unless otherwise specified.

## BY-LAWS OF THE FEDERAL ADVISORY COUNCIL.

### ARTICLE I.—OFFICERS.

Officers of this council shall be a president, vice president, and secretary.

### ARTICLE II.—PRESIDENT AND VICE PRESIDENT.

The duties of the president shall be such as usually pertain to the office, and in his absence the vice president shall serve.

### ARTICLE III.—SECRETARY.

The secretary shall be a salaried officer of the council, and his duties and compensation shall be fixed by the executive committee.

### ARTICLE IV.—EXECUTIVE COMMITTEE.

There shall be an executive committee of six (6) members of the council, of which the president and vice president of the council shall be ex officio members.

### ARTICLE V.—DUTIES OF EXECUTIVE COMMITTEE.

It shall be the duty of the executive committee to keep in close touch with the Federal Reserve Board and with their regulations and promulgations and communicate the same to the members of the council, and to suggest to the council from time to time special matters for consideration.

The executive committee shall have power to fix the time and place of holding their regular and special meetings and methods of giving notice thereof.

Minutes of all meetings of the executive committee shall be kept, and such minutes or digest thereof shall be immediately forwarded to each member of the council.

A majority of the executive committee shall constitute a quorum, and action of the committee shall be by a majority of those present at any meeting.

#### ARTICLE VI.—MEETINGS.

Regular meetings of the Federal Advisory Council shall be held in the city of Washington on the third Monday of the months of February, May, September, and November of each year.

Special meetings may be called at any time and place by the president or the executive committee, and shall be called by the president upon written request of any three members of the council.

#### ARTICLE VII.—AMENDMENTS.

These by-laws may be changed or amended at any regular meeting by a vote of a majority of the members of the Federal Advisory Council.

## RECOMMENDATIONS OF THE FEDERAL ADVISORY COUNCIL TO THE FEDERAL RESERVE BOARD.

WASHINGTON, D. C., *February 18, 1919.*

The FEDERAL RESERVE BOARD,  
*Washington, D. C.*

GENTLEMEN: As suggested when we last met in conference the members of this council have each made inquiry among the member banks to ascertain how they feel in regard to the administration of the Federal Reserve Banks of their respective districts and as to whether there now exist any criticisms or suggestions, the correction or adoption of which would improve the working of the Federal Reserve System.

We are pleased to report that we find no criticisms that in any way reflect on the policies of the Federal Reserve Board or on the management of the Federal Reserve Banks as they are now administered under the terms of the Federal Reserve Act. We believe there is a growing appreciation of the usefulness of the Federal Reserve system, a pride in what it has accomplished during the strain caused by the war and an increasing confidence that it will continue to function satisfactorily during the remainder of the Government war financing and the reconstruction period and that it will continue to be a bulwark of strength to its member banks when business is reestablished on a peace basis.

The few suggestions that have come to us are not of a vital nature. They are as follows:

TOPIC No. 1.—It is suggested that the present law should be so amended as to require all new national banks to have the approval of the Federal Reserve Board before they are permitted to begin business.

*Recommendation.*—The council is of the opinion that the Federal Reserve Board having facilities for investigation through the official staffs of the Federal Reserve Banks should have this authority placed upon it and that section 5169 should be so amended.

TOPIC No. 2.—It has been suggested that the Federal Reserve Banks should send all checks and other items for collection directly to the town or city in which they are payable even if such town or city is located in another Federal Reserve district rather than send them in the first place to the Federal Reserve Bank of the district as is now the practice with at least some of the banks.

*Recommendation.*—The council is of opinion that collections should be made in the most direct and expeditious way possible and would recommend that in the interest of increased and better service the Board should look into this matter with the view of seeing to it that due diligence is exercised by the transit departments of the Federal Reserve Banks in the matter of check collections.

**TOPIC No. 3.**—It has been suggested that the council should recommend that the Federal Reserve Act should be amended so as to permit member banks to borrow on their promissory notes secured by United States Government obligations for a period of 90 days instead of for the short period of 15 days, which is the time limitation now put upon them by section 13 of the Federal Reserve Act.

*Recommendation.*—This would prove a great convenience to both the Federal Reserve Banks and to the member banks. The council would recommend that the necessary legislation be asked to extend the period to not exceeding 90 days and to last until the Government war financing has been fully accomplished and its bonds have been better distributed among permanent investors

(Mr. Wing and Mr. Mills voted in the negative.)

**TOPIC No. 4.**—It has been suggested that the Federal Advisory Council should recommend that the contingent liability of Federal Reserve Banks on account of bills rediscounted with other Federal Reserve Banks should be shown in the published statements of the banks so rediscounting.

*Recommendation.*—It is most desirable that each of the Federal Reserve Banks should disclose its actual condition in all of its published statements and as this is not done if its contingent liability for bills rediscounted is not shown, the council would recommend that the Federal Reserve Board make a ruling requiring them to do so.

**TOPIC No. 5.**—It is suggested that the Federal Reserve Banks should receive on deposit national-bank notes and pay out in place of them clean Federal Reserve notes.

*Recommendation.*—The council recommends that the Federal Reserve Board as a matter of additional service to member banks request the Federal Reserve Banks to receive on deposit for immediate credit from member banks national-bank notes unfit for circulation.

**TOPIC No. 6.**—Should the council again call to the attention of the Federal Reserve Board its recommendation for a plan under which instant credit should be given to the members' reserve accounts for bank acceptances paid to any Federal Reserve Bank?

*Recommendation.*—The council at its last meeting recommended that this be done and would respectfully inquire what progress if any has been made to put the plan in operation?

**TOPIC No. 7.**—You have asked our opinion as to the terms under which the next Government bond issue should be offered to the public. Some suggestions have also come to us from member banks as to such terms, as follows:

- (a) The length of time the bonds should run to maturity.
- (b) The rate of interest they should bear.
- (c) The extent to which they should be exempt from taxation.
- (d) Should they be made acceptable at their face value by the Government in payment of inheritance taxes?

*Recommendation.*—After full discussion of this topic the council voted as follows:

- (a) That the life of the proposed Victory loan bonds should not exceed five years (unanimous).
- (b) and (c) That two classes of bonds should be offered, one free of all taxes and one subject to surtaxes. The following vote indicates the opinion of each member of the council as to the rate of interest on the two issues suggested:

	Tax free.	Surtax.		Tax free.	Surtax.
	<i>Per cent.</i>	<i>Per cent.</i>		<i>Per cent.</i>	<i>Per cent.</i>
Mr. Wing.....	4	5	Mr. Forgan.....	4	4½
Mr. Hepburn.....	3.65	4½	Mr. Watts.....	.....	4½
Mr. Rue.....	4	4½	Mr. Jaffray.....	4	5
Mr. Rowe.....	4	4½	Mr. Swinney.....	4	4½
Mr. Brown.....	4	5	Mr. Wilmot.....	4	4½
Mr. Lyerly.....	4	5	Mr. Mills.....	4	5

Mr. Watts' vote indicates his disapproval of the issue of any bonds exempt from surtaxes.

- (d) It was unanimously voted that both issues of bonds be made acceptable by the Government at par and accrued interest for inheritance taxes.

It is also the opinion of the council that both issues should be made convertible at the option of the holder during the term of the bonds into a 20 or 30 year 4½ per cent bond subject to surtax.

TOPIC NO. 8.—You have asked our advice as to the discount rates current at the Federal Reserve Banks particularly as they are affected by the amount of Government issues remaining undigested as evidenced by the fact that the larger part of the invested assets of the Federal Reserve Banks consists of member banks' 15-day notes secured by Liberty bonds and Treasury certificates and of customers' notes maturing within 90 days secured in like manner. The Board would like the opinion of the council as to the merits of differential rates. Assuming the differentials have been necessary to aid the Treasury in floating its securities, does the council feel that differentials with respect to the character of paper and not to time of maturity should be continued as a permanent policy.

*Recommendation.*—Until the Liberty bonds already issued and the Victory bonds to be issued are distributed among permanent investors and paid for by them and until the banks are relieved of the obligation they are under to carry such large lines of them for their patriotic customers who have gone in debt for them, and until our Government gets through with its temporary financing on short-time certificates, the discount rates at the Federal Reserve Banks should continue to show some preference on loans covered by Government securities. The rates might well be continued as they now are until after the next bond issue has been placed, but there will come a time when such preference should not be continued; otherwise loans on Government securities will continue to form too large a proportion of the Federal Reserve Bank loans to the disadvantage of commercial paper and therefore to the disadvantage of industrial and commercial enterprise. The financial necessities of the Government for

the payment of its war debts will, however, have to be met and provided for before such discrimination in favor of loans covered by Government securities as will induce people to borrow to pay for them in anticipation of their future earnings and incomes can be discontinued.

TOPIC No. 9.—You have asked for the views of the council, as to whether it will be necessary for some time to come in order to develop an acceptance market in this country to stimulate it by a low rate at the Federal Reserve Banks, and you have drawn our attention to the lower rates prevailing in London for bankers' acceptances than those current here.

*Recommendation.*—In the opinion of the council the acceptance market in this country is developing as well as could be expected. The market for bankers' acceptances is now and has been materially interfered with by our Government's financing on certificates of indebtedness. This interference will continue as long as the Government continues its short-time financing. In the meantime, the acceptance rates at the Federal Reserve Banks should be maintained just about as they have been. When conditions again settle down on a peace basis supply and demand combined with competition in foreign markets will govern such rates. In comparing discount rates for bankers' acceptances current here with those current in London, it should be remembered that during recent years much of Europe's foreign business, particularly that of England, has been financed through loans made by our Government. In this connection it is of interest to note that the acceptance business of the London banks and banks domiciled in London, on December 31, 1912, amounted to approximately £117,000,000 sterling, while on December 31, 1917, the same had fallen to approximately £82,000,000. On August 31, 1918, it had advanced to £86,000,000. This decrease of from 25 to 30 per cent in the volume of the London acceptance business, together with the fact that our loans to the British Government had the effect of largely relieving the London banks of responsibility for financing their Government on short-time obligations, while it threw exactly that burden on the banks of this country, largely account for the low discount rates for acceptances prevailing there and for the higher rates prevailing here. When England again resumes the financing of her imports and exports through the ordinary banking channels and the present artificial restrictions are withdrawn by both Governments in connection with their imports and exports, and our Government restrictions on all foreign exchange transactions are removed, a better equilibrium of the two discount markets is likely to be established. In other words, foreign exchange markets during the war have been in quite an abnormal condition and are likely to continue so until Government war debts between the nations are finally and permanently adjusted and international business transactions return to their normal and natural course free from the governmental restrictions and impediments placed on them during the war. Until then existing conditions do not afford an equitable basis on which a comparison of current rates existing in London and New York can be made.

TOPIC No. 10.—The Council would draw the attention of the Federal Reserve Board to the following: Under the provisions of section 5202 of the National Bank Act the liabilities incurred by a national bank directly and indirectly can not exceed the amount of its capital stock except for certain purposes named.

It would seem that the amount of bills of exchange which a national bank may discount in London and other foreign centers comes under the prohibition of this section.

The rate at which 60 or 90 day bills of exchange on London are sold in this country is based upon the Sterling cable rate less certain deductions, principally an interest charge at the open market rate in London for discounting bills. This rate, which to-day is  $3\frac{7}{16}$  per cent, rules much below market rates for money in this country.

In purchasing export Sterling bills a national bank must discount the bill in London immediately upon its arrival if it is to engage in a profitable transaction. If it does not discount the bill, it carries a  $3\frac{7}{16}$  per cent investment to maturity, when money in this country is worth more. This no bank will do.

But to engage in this class of business to the extent required by the demands of American exporters, and to discount the bills purchased upon their arrival in London, the contingent liability created by the bank by the indorsement of bills will quickly exceed the amount of its capital.

Again, while the rediscount of domestic acceptances with the Federal Reserve Bank does not come within the prohibitions of section 5202, it is probably true that the discount of such acceptances through channels other than the Federal Reserve Bank does come under such prohibition.

As it is the desire of the Federal Government and the Federal Reserve Board to encourage as far as possible the development of bankers' acceptances and the financing of foreign commerce by American banks to meet the competition of London banks, it is suggested that section 5202 be amended so as to exclude from its prohibitions the liability created by a national bank as an indorser on accepted bills of exchange actually owned by the bank and rediscounted at home or abroad, or if this object can be accomplished by a ruling of the Federal Reserve Board it would be more desirable than to attempt an amendment to the act.

There is no limit in the amount of bills drawn against actually existing values which a bank may purchase and hold, hence it would seem logical that there should be no limit upon the amount which a bank might negotiate by indorsement.

The following members of the Federal Advisory Council were present at this meeting: Messrs. James B. Forgan, president; L. L. Rue, vice president; D. G. Wing, A. B. Hepburn, W. S. Rowe, J. G. Brown, C. A. Lyerly, F. O. Watts, C. T. Jaffray, E. F. Swinney, E. P. Wilmot, A. L. Mills, and Merritt H. Grim, secretary.

**Recommendations of the Federal Advisory Council to the Federal Reserve Board May 19, 1919.**

## TOPIC No. 1.—Investment power of the United States.

- (a) Demands for capital at home and abroad.
- (b) Division of investment power between home and foreign needs.

*Recommendation.*—The investment power of the United States depends primarily upon the amount of the country's savings and the portion of such savings available for new investment, of both of which it is difficult to secure a reliable estimate. Since we entered the war the demand for capital at home for municipal and corporation needs has been restricted by Government mandates and surplus savings have been more than absorbed by Government issues, for war purposes, including large loans to our allies. Not only have current savings been thus absorbed but future accumulations have been largely drawn upon. The ordinary requirements of municipalities and corporations relieved from Government restrictions will doubtless, from now on, be largely increased, while the demands of the Federal Government, although likely to continue an important factor for some years to come, should gradually be diminished. The demands for capital at home will and should receive our first attention. The railroad requirements, especially when they are returned to their owners by the Government, will have to be met. Railroad securities will have to be protected and the market for them stabilized. This should have the effect of reestablishing a better market for all our domestic securities and of preparing the way for a market for foreign investments. It would seem that with the large international balances likely to continue in our favor we should have a large surplus of capital available for investment in the securities of our debtor countries. In the interest of our foreign trade it will be necessary that such investments should be made, otherwise the means of settling balances due us by foreign countries will not be available to them.

## TOPIC No. 2.—Maintenance of exports.

- (a) Intensity and duration of foreign demand.

*Recommendation.*—Undoubtedly the undeveloped portions of the world, such as South America, and the East, will continue to need our goods, especially our raw products and certain kinds of machinery. It is not likely, however, that many of the European countries will continue indefinitely to require our manufactured goods in large quantity. It is probably not even desirable that we should seek to control European markets indefinitely, otherwise our Allies, if prevented to any great extent from selling goods in their own territory might find it impossible to readjust their own finances. Moreover leaving out of account all question of wages and the like it is very doubtful if we could compete with the European countries in many lines of manufactured goods on an even basis in view of the cost of their transportation. The sale of agricultural implements will doubtless continue to Russia and similar countries when reliable governments are again established in them.



## (b) Best method of financing exports.

*Recommendation.*—The best method of financing exports is for the foreign purchaser to arrange through his bank open dollar credits with American institutions. In some countries such as Finland it is impossible to obtain dollar credits and it is still necessary to arbitrage through London. The burden and exchange risk in such transactions should be thrown upon the purchaser who in making his estimates must take into account the fluctuations that may take place in the relation of value of his currency to sterling and the relation of the value of sterling to the dollar. He is in a better position to do this, however, than the American exporter.

## (c) What would constitute satisfactory security for foreign credits?

*Recommendation.*—In countries whose financial condition has not been too seriously inflated or otherwise impaired their government, municipal, or public utility obligations deposited in this country would constitute satisfactory security for foreign credits. In the case of undeveloped countries such as some of the South American States it may be necessary for the country to mortgage its customs revenues or in some such way to secure the payment of its debts. This may be the only way in which such countries can get the credit they require and without which they would find it difficult to make progress.

The obligations of the foreign corporations, firms, or individuals, who purchase our raw materials or manufactured goods, endorsed or guaranteed by their banks or bankers and (or) by their governments, would probably in some cases form the best obtainable security.

## TOPIC No. 3.—Investment trusts.

*Recommendation.*—This seems to be a very feasible method of floating foreign bonds in this country. It has already been adopted by the organization in New York of the Foreign Bond and Share Corporation, with an authorized capital of \$10,000,000, the initial payment of which is being made to-day, and will doubtless be followed by other similar concerns as the necessity for them arises. The people of this country have not heretofore invested in foreign securities to any great extent and in order to accustom them to do so it will undoubtedly be necessary to have the foreign securities thoroughly investigated and held by corporations organized for that purpose in this country, which, in turn will issue their own stock, bonds, or debentures, based upon the foreign investments they make.

## TOPIC No. 4.—Foreign exchange situation.

(a) To what extent does depreciation tend to reduce buying power abroad?

(b) Adjustment of trade to new basis of supply and demand on altered level of quotations.

*Recommendation.*—It would seem that the depreciation of the currency in any given foreign country will tend to reduce the purchasing power of that country by practically the amount of such

existing depreciation on the aggregate amount it has to spend in other countries. If, for illustration, Great Britain has a certain amount of money wherewith to buy goods in this country and if sterling has depreciated, say, 10 per cent, in relation to the dollar, it is obvious Great Britain will be able by just that much less to purchase goods in this country. If, however, the sterling has depreciated 10 per cent in relation to our dollar and only, say, 5 per cent in its relation to the Argentine peso, then likely such raw materials as can be had from either country would be bought in the Argentine rather than here. This, however, does not change the fundamental fact that in every instance the depreciation will affect the purchasing power of sterling by just the amount of its depreciation in relation to the currency of other countries. If the depreciation of sterling becomes very great it may in time prevent Great Britain or other countries from purchasing anything in this country except such raw materials as can not be obtained elsewhere in sufficient quantity and which are essential for the maintenance of industry or life. It is therefore to our interest to see to it, that the depreciation of the currency of any country with which we have trade or financial relations does not become so heavy as to hamper the proper development of such relations. Depreciation of international exchange is a deterrent to actual purchasing and will reduce the total amount of a country's purchases considerably below its purchasing power.

TOPIC No. 5.—War Finance Corporation. How can it best cooperate with commercial banks in extending credit based on export transactions?

*Recommendation.*—By independently financing the longer time credits based on export transactions.

TOPIC No. 6.—Use of acceptances.

(a) Can trade acceptances payable at a member bank be remitted for upon collection without charge?

*Recommendation.*—In our opinion trade acceptances, provided they are payable at banks which are members of the Federal Reserve Bank clearing system, should be treated like checks. We understand that at least some of the Federal Reserve Banks are now treating them on the same basis as checks, but in some cases they meet with charges made by the collecting banks, which they of course in turn charge to the depositing bank. A uniform method in regard to the collection of such items would be desirable.

(b) Domestic acceptances—Definition of the words “readily marketable staples” which appear in that paragraph of section 13 of the act reading as follows: “Or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples.”

*Recommendation.*—“Readily marketable staples” should be construed to mean all raw products, such as cotton, grain and other food-stuffs, ores and common chemicals enjoying a broad market, thoroughly standardized and fairly nonperishable. There may be some lines of manufactured goods sufficiently standardized as to methods

of production, styles, uses, customs, and other factors and for which there exists a broad enough market to warrant their inclusion in a list of "readily marketable staples" and it would be desirable if the Federal Reserve Board after full investigation, were to issue a list of staples which it considers readily marketable at all times and under all conditions.

**TOPIC No. 7.**—Limitation of total volume of outstanding acceptances of foreign banking corporations organized under the provisions of section 25 of the Federal Reserve Act to a specified multiple of the foreign banking corporation's capital.

**NOTE.**—The practice of the Board has been to authorize new foreign banking corporations to accept up to six times their capital stock, but as this limit has been reached the proportion has been increased so that in one instance, at least, a foreign banking corporation was authorized to accept up to twelve times its capital stock.

A recommendation as to a final limitation is requested.

*Recommendation.*—We doubt if a specific multiple of the capital of a foreign banking corporation operating under the Federal Reserve Act forms the proper limitation of the total volume of its outstanding acceptances. It is self-evident that a much larger acceptance business may be safely done where the acceptances are satisfactorily secured by a great diversity of merchandise shipped to many different firms in different parts of the world, than where such acceptances are secured by relatively large shipments of one line of merchandise to a comparatively few consignees in more or less the same part of the world. The strength of the acceptance business lies in the wide distribution and the diversity of the merchandise against which acceptances are made, the staple quality of the merchandise drawn against and the strength of the shippers and consignees. We are therefore inclined to advise that the Federal Reserve Board should not lay down very specific rules, but should leave the foreign banking corporations some latitude in doing this business, always making careful investigation as to the nature and quality of the business done and the risks assumed by such corporations in granting too large individual lines of credit against any single kind of merchandise.

#### ADDITIONAL TOPICS SUGGESTED BY GOV. HARDING.

**TOPIC No. 8.**—What should be done when a Federal Reserve Bank's reserve is practically exhausted or is maintained by borrowing from other Federal Reserve Banks?

*Recommendation.*—Where any Federal Reserve Bank is in an over-loaned condition resulting in a too prolonged deficiency in reserve, the corrective measure to be applied in our opinion would be an increase in the rate on loans whether secured by Government securities or otherwise.

**TOPIC No. 9.**—Amendment to Federal Reserve Act to provide for increasing the boards of directors of Federal Reserve Banks to 11 members, 4 of whom should be class C directors appointed by the Federal Reserve Board, and the governors to be elected by the boards to be also ex officio members of the boards.

*Recommendation.*—The council approves of the suggestion of Governor Harding that the boards of directors of the Federal Reserve

Banks should be increased to 11 members, 4 of whom should be class C directors appointed by the Federal Reserve Board, and that the governors elected by the boards of directors should also be ex officio directors.

TOPIC No. 10.—Embargo on gold exports.

*Recommendation.*—In the opinion of the council the time has arrived when the embargo on the export of gold can safely be lifted.

#### TOPICS SUGGESTED BY MEMBERS OF THE COUNCIL.

(Mr. Mills.)

TOPIC No. 11.—Have 5 per cent redemption fund transferred to Federal Reserve Bank of district so national bank notes may be redeemed without sending them to Washington.

*Recommendation.*—In view of the fact that the gold formerly carried by the national banks in their vaults is now concentrated in the Federal Reserve Banks, we would suggest for the consideration of the Federal Reserve Board whether it would not be logical and at the same time improve the service to member banks if the 5 per cent redemption fund were transferred to the Federal Reserve Banks and have them redeem national bank notes without sending them to Washington.

TOPIC No. 12.—Have Federal Reserve Banks supply silver and fractional coin to member banks without cost.

*Recommendation.*—The council recommends to the Federal Reserve Board that they should consider the advisability of having Federal Reserve Banks, as an additional service to member banks, supply them with silver and fractional coin without cost.

TOPIC No. 13.—It is desirable in each Federal Reserve district to appoint an alternate or proxy who may represent the district member at meetings of the Federal Advisory Council.

*Recommendation.*—The council refers this matter to the Federal Reserve Board with the request that they submit it for the opinion of their legal counsel and report his finding as to the legality of such procedure to the president of this council before its next statutory meeting.

The following members of the Federal Advisory Council were present at this meeting: James B. Forgan, president. L. L. Rue, vice president. D. G. Wing, A. B. Hepburn, W. S. Rowe, J. G. Brown, C. A. Lysterly, E. F. Swinney, E. P. Wimot, A. L. Mills, and Merritt H. Grim, secretary.

## Recommendations of the Federal Advisory Council to the Federal Reserve Board September 16, 1919.

### TOPIC No. 1.—Senate bills 2582 and 2590.

[S. 2582. 66th Cong., 1st sess. In the Senate of the United States. July 22, 1919.]

Mr. Owen introduced the following bill; which was read twice and referred to the Committee on Banking and Currency.

A Bill To amend the act approved December 23, 1913, known as the Federal Reserve Act, as amended by the acts of August 4, 1914, August 15, 1914, March 3, 1915, September 7, 1916, and June 21, 1917.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 14 of the Act known as the Federal Reserve Act be, and is hereby, amended as follows:

Strike out all in paragraph (e) of section 14 and insert in lieu thereof:

“(e) To establish accounts with other Federal Reserve Banks and with the Federal Reserve Foreign Bank.”

After section 25 insert a new section, as follows:

“SEC. 25a. There is hereby created a Federal Reserve Foreign Bank of the United States, to be under the supervision of the Federal Reserve Board, and to be located in the city of New York, State of New York.

“The Federal Reserve Foreign Bank of the United States, hereinafter referred to as the foreign bank, shall have an authorized capital of \$100,000,000, and shall begin business with a paid-up capital stock of \$20,000,000. The stock of such bank shall be offered at par to the banks of the United States and to the public by the Secretary of the Treasury, any stock not subscribed for to be taken by the Treasury of the United States subject to sale at the option of the Secretary of the Treasury.

“The capital stock of the foreign bank shall pay 5 per centum annual dividends if earned and shall not be taxable by any State or municipality or by the United States. The 5 per centum dividend if not earned in any one year shall be cumulative. Any surplus shall be distributed as follows: One-half to surplus and one-half to the United States, until 50 per centum surplus on the then outstanding capital shall have been accumulated, and thereafter such surplus dividends shall be paid into the Treasury of the United States.

“The Federal Reserve Board shall prepare an organization certificate and file the same with the Comptroller of the Currency.

“Upon the filing of such certificate with the Comptroller of the Currency, as aforesaid, the said foreign bank shall become a body corporate, and as such shall have the power—

“First. To adopt and use a corporate seal.

“Second. To have succession for a period of twenty years from its organization unless it is sooner dissolved by an act of Congress.

“Third. To make contracts.

“Fourth. To sue and be sued, complain and defend, in any court of law or equity.

“Fifth. To appoint by its board of directors such officers and employees as are not otherwise provided for in this act, to define their duties, require bonds of them and fix the penalty thereof, and to dismiss at pleasure such officers or employees.

“Sixth. To prescribe by its board of directors by-laws, not inconsistent with law, regulating the manner in which its general business may be conducted, and the privileges granted to it by law may be exercised and enjoyed.

“Seventh. To exercise by its board of directors, or duly authorized officers or agents, all powers specifically granted by the provisions of this act and such incidental powers as shall be necessary to carry on the business of banking within the limitations prescribed by this act.

“The foreign bank shall be conducted under the supervision and control of a board of directors, consisting of nine members appointed by the President upon the advice and consent of the Senate.

“One of the directors appointed by the President shall be known as the governor, one as vice governor, and one as the Federal Reserve agent. The directors shall name a committee of five as an executive board to actually manage the affairs of the bank. The members of the board shall be citizens of the United States over thirty-five years of age, and be men of tested mercantile experience, and be fairly representative of the various parts of the United States.

“The directors shall be designated by the President to serve for from one to nine years, respectively, and thereafter each member so appointed shall serve for a term of nine years, unless sooner removed for cause by the President.

"After the first year the directors shall annually elect the governor and vice governor from among the directors appointed by the President of the United States.

"The salaries of the directors and officers shall be fixed by the Federal Reserve Board and be paid from the earnings of the foreign bank: *Provided*, That the governor of the foreign bank shall receive \$25,000, the vice governor \$15,000, and the reserve agent \$10,000.

"The directors of the foreign bank shall receive in addition to their salary a reasonable allowance for necessary expenses in attending meetings of the board.

"The board of directors shall perform the duties usually appertaining to the office of directors of banking associations and perform all such duties as are prescribed by law.

"Said board shall administer the affairs of the foreign bank fairly and impartially and without discrimination, and shall, subject to the provisions of law and the orders of the Federal Reserve Board, extend to Federal Reserve banks and to member banks, and to all other banks and bankers throughout the country, and to foreign banks and bankers such accommodations as may be safely and reasonably made in relation to foreign banking business.

"The powers of the foreign banks shall be as follows:

"To receive deposits from American and foreign banks and bankers, from the United States or foreign Governments, in current funds in lawful money, national-bank notes, Federal Reserve notes or checks and drafts, payable upon presentation, and also for the collection of maturing notes and bills.

"The foreign bank may discount notes, drafts, and bill of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used or which are to be used for such purposes. The Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount within the meaning of this act.

"The aggregate of such notes, drafts, and bills, bearing the signature or indorsement of any one borrower, whether a person, company, firm, or corporation, rediscounted for any one bank, shall at no time exceed 5 per centum of the net unimpaired capital and surplus of said foreign bank, but this restriction shall not apply to the discounting of bills of exchange drawn in good faith against actual existing values. The foreign bank may discount acceptances of the kinds permitted under the authority of this act.

"The foreign bank shall not at any time be indebted or in any way liable to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the following nature:

"First. Notes of circulation.

"Second. Moneys deposited with or collected by the foreign bank.

"Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the foreign bank or due thereto.

"Fourth. Liabilities to the stockholders of the foreign bank for dividends and reserve profits.

"Fifth. Liabilities incurred under the provisions of the Federal Reserve Act. The discounting and rediscounting and the purchase or sale by the foreign bank of any bills receivable and of domestic and foreign bills of exchange and of acceptances shall be subject to such limitations, restrictions, and regulations as may be imposed by the Federal Reserve Board.

"The foreign bank shall have power—

"(a) To deal in gold and silver coin and bullion at home or abroad, to make loans thereon, exchange Federal Reserve notes for gold, gold coin, or gold certificates, and to contract for loans of gold coin or bullion, giving therefor, when necessary, acceptable security, including the hypothecation of United States bonds or other securities which Federal Reserve banks are authorized to hold:

"(b) To buy and sell, at home or abroad, bonds and notes of the United States, bonds and notes of foreign Governments, and bills, notes, revenue bonds, and warrants, with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage, and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Federal Reserve Board;

"(c) To purchase and to sell, with or without its indorsement, bills of exchange arising out of commercial transactions as hereinbefore defined;

"(d) To establish from time to time, subject to review and determination of the Federal Reserve Board, rates of discount and exchange and commissions for the opening of credits at home or abroad, to be charged by the foreign bank for each

class of paper which shall be fixed with a view to accommodating commerce and business.

"(e) To issue bank notes and receive Federal Reserve notes upon like terms and conditions as now provided for the Federal Reserve Banks.

"(f) To open credits at home and abroad for account of domestic and foreign banks or bankers, to facilitate exports and imports to and from the United States, and exports and imports to and from one foreign country to another foreign country.

"(g) Upon the direction and under rules and regulations prescribed by the Federal Reserve Board to establish branches and agencies in foreign countries for the purpose of facilitating commerce with the United States.

"(h) No bank, banker, corporation, or individual, other than the foreign bank, shall sell dollar balances at less than gold par except as payment for merchandise imported into the United States without the express authority of the Federal Reserve Board."

[S. 2590. 66th Cong., 1st sess. In the Senate of the United States. July 22, 1919.]

Mr. Owen introduced the following bill; which was read twice and referred to the Committee on Banking and Currency.

A Bill to incorporate a Foreign Finance Corporation to provide means of acquiring and selling public and private foreign securities, extending credits against the same, and assisting in the development of the foreign trade of the United States, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That a Foreign Finance Corporation shall be established with a capital of \$1,000,000,000, divided into ten million shares of \$100 each. Two million five hundred thousand shares shall be subscribed and paid for by the War Finance Corporation, two million five hundred thousand shares may be subscribed and paid for by banks and trust companies incorporated under the laws of the United States or of any State thereof in the manner hereinafter specified, and five million shares shall be subscribed and paid for by individuals, firms, companies, or corporations other than banks and trust companies hereinbefore mentioned in the manner hereinafter specified.

Sec. 2. That the subscribers to the said Foreign Finance Corporation, their successors and assigns, shall be, and are hereby, created a corporation and body politic by the name, style, and title of "The Foreign Finance Corporation" (herein called "the corporation"), and shall have succession for a period of twenty years.

Sec. 3. That the Secretary of Commerce is authorized and hereby directed, under rules and regulations to be prescribed by him, to receive, approve, and allot subscriptions for the capital stock of the corporation from banks, trust companies, individuals, firms, companies, and other corporations in the aggregate sums heretofore specified. The War Finance Corporation, through its board of directors, is hereby directed and instructed to subscribe to two million five hundred thousand shares of the Foreign Finance Corporation.

Sec. 4. That the principal office of the corporation shall be located in New York City, New York, but the corporation shall be authorized to establish branches or agencies in any city or cities of the United States or any foreign country, under rules and regulations to be prescribed by the board of directors.

Sec. 5. That the management of the corporation shall be vested in a board of directors, consisting of nine members, three of whom shall be annually appointed by the Secretary of Commerce, three of whom shall be elected annually by the stockholding banks and trust companies, and three of whom shall be elected by the stockholding individuals, firms, companies, or corporations other than banks or trust companies.

Sec. 6. That the corporation shall be empowered and authorized to adopt, alter, and use a corporate seal; to make contracts; to purchase or lease and hold or dispose of such real estate as may be necessary for the prosecution of its business; to sue and be sued; to complain and defend in any court of competent jurisdiction, State, Federal, or foreign; to appoint by its board of directors and fix the compensation of such officers, employees, attorneys, and agents as are necessary for the transaction of the business of the corporation, to define their duties, require bonds of them, and fix the penalties thereof; and to prescribe, amend, and repeal by its board of directors by-laws regulating the manner in which its general business may be conducted and the privileges granted to it by law may be exercised and enjoyed, and prescribing the powers and duties of its officers and agents.

Sec. 7. That the corporation shall be empowered and authorized (1) to make advances upon such terms not inconsistent herewith as it may prescribe to any foreign Government, with or without security, or to any bank, banking institution, or trust

company, or other corporation organized or operating under the laws of any foreign country or to any individual or firm located in or doing business in a foreign country for the purpose of importing goods from the United States into such foreign country or into other foreign countries: *Provided, however,* That the corporation shall not make any advances for the purpose of directly financing individual short-term transactions which are in their nature self-liquidating; (2) (a) to buy and sell, at home or abroad, the obligations evidencing the advances made under paragraph (1) of this section, and to sell any securities pledged as collateral to such obligations, (b) to buy and sell, at home or abroad, foreign securities, whether public or private; that is, securities of any foreign Government, municipality, or political subdivision, or securities of any individual, firm, or corporation of the kind described in subparagraph (1) of this section: *Provided, however,* That the corporation shall not engage in the business of buying and selling notes, drafts, bills of exchange, or other short-term obligations arising out of transactions which in their nature are commercial or self-liquidating, and shall not engage in any other business or exercise any other powers except those that are expressly defined or conferred by this act and except those that are necessarily incidental to the exercise of such express business or express powers; (3) That the corporation shall be empowered and authorized to issue and to have outstanding at any one time its bonds in an amount aggregating not more than ten times its paid-in capital, such bonds to mature not less than one year and not more than twenty years from the respective dates of issue and to bear such rate or rates of interest as the corporation may determine. Such bonds shall have a first and paramount floating charge on all the assets of the corporation which shall not at any time be mortgaged or pledged by the corporation; such bonds may be offered for sale publicly or to any individual, firm, corporation, or association at such price or prices as the corporation may determine; such bonds shall not be eligible for purchase or discount by any Federal Reserve Bank, and no note, draft, or bill drawn for the purpose of buying or carrying such bonds, whether or not secured by such bonds, shall be eligible for purchase or rediscount by a Federal Reserve Bank.

Sec. 8. That the corporation shall not exercise any of the powers granted by this act, or perform any business except such as is incidental and necessarily preliminary to its organization, until it has been authorized by the Secretary of Commerce to commence business under the provisions of this act. The corporation shall be authorized to begin its business whenever five million shares shall have been subscribed.

Sec. 9. That neither the War Finance Corporation nor any other shareholder in the corporation shall be liable beyond the amount of its subscription to the capital stock of the corporation for the payment of any bond or other obligation issued or incurred by the corporation, nor shall any such shareholder as such incur any liability in respect to any act or omission of the corporation.

Sec. 10. That whoever makes or authorizes to be made any statement in writing, knowing it to be false, for the purpose of obtaining for himself or for any other person, firm, corporation, or association any advance under this title, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

Whoever (1) falsely makes, forges, or counterfeits any bond, coupon, or paper in imitation of or purporting to be an imitation of a bond or coupon issued by the corporation; or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited bond, coupon, or paper purporting to be issued by the corporation, knowing the same to be falsely made, forged, or counterfeited; or (3) falsely alters any such bond, coupon, or paper; or (4) passes, utters, or publishes as true any falsely altered or spurious bond, coupon, or paper issued or purporting to have been issued by the corporation, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

Whoever, being connected in any capacity with the corporation, (1) embezzles, abstracts, or willfully misapplies any moneys, funds, or credits thereof, or (2) with intent to defraud the corporation or any other company, body politic, or corporate, or any individual, or to deceive any officer of the corporation (a) makes any false entry in any book, report, or statement of the corporation, or (b) without authority from the directors draws any order or assigns any note, bond, draft, mortgage, judgment, or decree thereof, shall be punishable by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

The Secretary of the Treasury is hereby authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into custody of the United States marshal having jurisdiction over any person committing any of the offenses punishable under this section.



SEC. 11. The corporation shall file quarterly with the Secretary of Commerce a report of its business in such manner and form as may be directed by the Secretary of Commerce, who shall make an annual report to Congress of the operation of such corporation.

SEC. 12. That the term "securities" as used in this act shall include bonds, debentures, notes, certificates of indebtedness, and other such obligations (not stocks).

*Recommendation.*—In the opinion of the Federal Advisory Council the same general objections obtain against both Senate bills (Nos. 2582 and 2590). Sufficient governmental machinery now exists in our judgment and any further necessity should be met through private enterprise.

TOPIC No. 2.—The Board would ask for an expression of the views of the council as to the desirability of any legislation at this time looking to the retirement of the United States notes or legal tenders. (The Board itself has already gone on record against any legislation on this subject at the present time, but it has been requested to ascertain the views of the council.)

*Recommendation.*—Concurring in the statements made, the views expressed, and the advice given on this topic in the Board's letter of August 8, 1919, addressed to Hon. George P. McLean, chairman Committee on Banking and Currency, United States Senate, we regard any legislation at this time looking to the retirement of the United States notes or legal tenders as inadvisable and unnecessary. So long as no part of the circulating medium of the country in the possession of the member banks can be counted in their legal reserve requirements, which causes them to turn over daily to the Federal Reserve banks such of it as they have not actual use for, there can not be any serious redundancy of currency in actual circulation. The daily redemption of Federal Reserve notes by the Federal Reserve Banks and the daily depositing with them of all other kinds of circulating notes not actually needed by the public or by the member banks for supplying the public keeps the money in circulation down to the actual requirements of the public in trade and commerce.

TOPIC No. 3.—The suggestion has been made that the law should be amended so as to permit Federal Reserve Banks to lend money both on call and short time, without restriction against renewal, to any person, firm, corporation, or institution, member or nonmember, on the collateral security of any of the things which the banks might acquire by purchase under the provisions of section 14 of the Federal Reserve Act, the argument of the proponents being that the banks should have a relation to the money market giving them the power to make money easy, if not plentiful, upon occasion, and thus influence rates downward; that lacking contact with the market, except through member banks, such power may not be exerted effectively without the cooperation of the member banks, and that as the law now stands, the banks may make advances in rates effective at times when large accommodation to member banks exists or when greater accommodation is desired, and if accommodation is sought by members, by loaning freely, may ease money rates, but in the absence of the member banks' willingness or desire to borrow or rediscount, the reserve banks' effective power is very limited.

*Recommendation.*—In our opinion the law now furnishes ample channels through which the resources of the Federal Reserve Banks

are made available to the public through the member banks for all legitimate purposes. We do not therefore approve the suggestion that the law should be amended so as to permit Federal Reserve Banks to lend money both on call and short time without restriction against renewal to any person, firm, corporation or institution, member or nonmember, on the collateral security of any of the things which the banks might acquire by purchase under the provisions of section 14 of the Federal Reserve Act.

TOPIC No. 4.—Section 11 (e) of the act gives the Federal Reserve Board the power to add to the number of cities classified as reserve and central reserve cities under existing law, and to reclassify existing reserve and central reserve cities or terminate their designation as such. The Board has received applications from banks in several cities for reclassification to a lower level in order that their reserve requirements may be reduced, but has taken no action, feeling that the whole subject should be given careful study in order that some principle may be deduced, if possible, to govern the classification. The suggestion has been made that legislation should be asked to provide for the fixing of reserves with reference to the character of deposits applicable to all places alike regardless of population. The Board is having tables prepared by its statistical division showing the effect upon the reserves of the various cities and of the Federal Reserve Banks of a uniform law fixing reserves on time deposits at 3 per cent on demand, individual, firm, and corporate accounts at 7, 8, and 10 per cent, respectively, and on balances due to other banks at 13, 14, and 15 per cent, respectively. It will not be practicable to distribute these tables in advance of the meeting of the council, but the Board would like to have an opportunity of presenting them to the council for the consideration of its members at the time of the meeting.

*Recommendation.*—It is the opinion of the council that the reserve requirements of all member banks should be based on the character of deposits and not on their classification as central reserve cities and reserve cities and further the council recommends that the Federal Reserve Board endeavor to secure such legislation as may be necessary to authorize them to make such reclassification.

TOPIC No. 5.—Senate bill No. 170.

[S. 170. 66th Cong., 1st Sess. In the House of Representatives, Aug. 5, 1919.]

Referred to the Committee on Banking and Currency.

An Act To amend section 25 of the act of December 23, 1913, known as the Federal Reserve Act, as amended by the act of September 7, 1916.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 25 of the act approved December 23, 1913, known as the Federal Reserve Act, as amended by the act of September 7, 1916, be amended by adding a subsection (a) to read as follows:

“SEC. 25a. That any member bank located in a city or incorporated town of more than five hundred thousand inhabitants and possessing a capital and surplus of \$1,000,000 or more may, under such rules and regulations as the Federal Reserve Board may prescribe, establish branches, not to exceed ten in number, within the corporate limits of the city or town in which it is located: *Provided,* That no such branch shall be established in any State in which neither State banks nor trust companies may lawfully establish branches.”

Passed the Senate August 2, 1919.

Attest:

GEORGE A. SANDERSON,  
*Secretary.*

*Recommendation.*—We urge the Federal Reserve Board to use every effort to secure the passage of Senate bill No. 170 in the interest of sound banking and the granting of equal banking facilities to all people in the same business community.

THREE AMENDMENTS PROPOSED BY THE ADMINISTRATIVE COMMITTEE  
OF THE AMERICAN BANKERS ASSOCIATION.

TOPIC No. 6.—(a) Proposed amendment to section 9 of the Federal Reserve Act authorizing the Federal Reserve Board to admit to membership incorporated savings banks with insufficient capital stock to entitle them to become member banks under existing law, provided the combined capital and surplus of the incorporated savings banks is equal to the amount of capital stock required of national banks in the places in which such incorporated savings banks are located.

(b) Proposed amendment to section 19 of the Federal Reserve Act adding at the end of subdivision C thereof a new paragraph to read as follows:

“Two-thirds of the three per centum of time deposits required to be maintained as reserve by subdivision A, B, and C hereof may consist, in the case of savings accounts only, as defined by the Federal Reserve Board, of bonds of the United States issued since April twenty-fourth, nineteen hundred and seventeen, or certificates of indebtedness of the United States deposited with the Federal Reserve Bank.

(c) Proposed amendment to section 5154, United States Revised Statutes, adding thereto the following:

“Any savings bank incorporated by special law of any State or of the United States, or organized under the general laws of any State or of the United States, which has been converted into a national banking association according to the provisions herein, is permitted to maintain a separate savings department and to continue to discharge the same functions as it exercised before the conversion, such savings department to be operated under rules and regulations to be promulgated by the Federal Reserve Board.”

*Recommendation.*—The council is opposed to all three of the above proposed amendments.

TOPIC No. 7.—Differential discount rates on loans secured by United States Government obligations.

*Recommendation.*—In view of the uncertainty existing as to the continuance of the policy of a differential rate of discount in favor of loans secured by the United States Government obligations, the council recommends to the Federal Reserve Board that existing rates on loans of this character be maintained during the balance of this year.

TOPIC No. 8.—Check collections.

*Recommendation.*—Referring to Governor Harding's remarks respecting a proposed order of the Federal Reserve Board for a uniform plan for handling of checks on member banks, the council respectfully requests that the Federal Reserve Board mail to each member of the council such information regarding the plan as may be available, and, further, that the Federal Reserve Board take no definite action on this subject, pending the next meeting of the council with the Federal Reserve Board.

The following members of the Federal Advisory Council were present at this meeting: Messrs. L. L. Rue, vice president; D. G. Wing, A. B. Hepburn, W. S. Rowe, J. G. Brown, Charles A. Lyerly, F. O. Watts, C. T. Jaffray, E. F. Swinney, E. P. Wilmot, A. L. Mills, and Merritt H. Grim, secretary.

### Recommendations of the Federal Advisory Council to the Federal Reserve Board November 17, 1919.

TOPIC No. 1.—Policy in regard to discount rates of the Federal Reserve Banks for the remainder of the year 1919.

*Recommendation.*—It is desirable that the expansion of credit through the discount facilities of the Federal Reserve Banks should be held in check. The council therefore approves the recent advance in rates made by the Federal Reserve Banks. The Federal Reserve Banks should be instructed by the Federal Reserve Board to use all their influence and authority to prevent an excessive use of credits by member banks.

Increases in the discount rates would, in the opinion of the council, tend to correct the present situation, but as such action might seriously affect present Government bond values and the successful refunding of the outstanding certificates of indebtedness, and as the Treasury officials are firmly of the opinion that at an early date the needs of the Treasury will cease to be an important factor in the money market, the council recommends that no further change be made in discount rates at present.

TOPIC No. 2.—Suggested changes in the basis for computing the reserves of member banks.

*Recommendation.*—The council member for New York has furnished the council with a copy of a report on this subject made by a special committee of the New York Clearing House Association, a copy of which is herewith submitted for the information of the Federal Reserve Board.

The council agrees with this committee "that the present time is not opportune for the inaugurating of a revision of reserves in any manner that would add another item of unrest to the present disturbed situation throughout the country, and would recommend that it would be much better to await a period when bankers, bank clerks, and the public are in a more tranquil state of mind."

NOVEMBER 8, 1919.

Mr. JAMES STILLMAN, *Chairman,*  
*New York Clearing House Committee,*  
*National City Bank, New York City.*

DEAR MR. STILLMAN: Acting under instructions of last year's clearing house committee, the undersigned have considered the advisability of changes in the present system of figuring reserves of the bank members of the Federal Reserve System. The present method is based upon the classification of the national bank system as applied to central reserve cities, reserve cities, and country banks—and we agree that this method could well be superseded by a new classification based on two divisions—the first to apply only to member banks in cities wherein there is located either a Federal Reserve Bank or a branch of a Federal Reserve Bank, and, the second, to the rest of the country.

As to the further question of the percentage of reserves, should the classification be changed, as above—we feel that it would be unwise to reduce the total amount of

reserves of all banks with the Federal Reserve Banks, but in order to permit of an intensive study of percentage changes—Mr. Hepburn has suggested that there be prepared a tabulation which would show for all cities of the United States of 15,000 population and over the following figures:

- (1) Capital, surplus and undivided profits.,
- (2) Deposits.
- (3) Average daily exchanges—

the figures to be brought into two totals—first, applying to banks wherein there is located a Federal Reserve Bank or a branch of a Federal Reserve Bank, and, second, totals for the rest of the country.

These figures, if desired by the clearing house committee, we believe, could perhaps be best secured by the clearing house examiner, and could supplement certain figures prepared for the advisory committee to the Federal Reserve Board, copy attached herewith, which shows amounts of reserves which national banks are required to carry with Federal Reserve Banks under the present method, and reserves which they would be required to carry under certain proposed amendments.

We feel very strongly, however, that the present time is not opportune for the inaugurating of a revision of reserves in any manner that would add another item of unrest to the present disturbed situation throughout the country, and would recommend that it would be much better to await a period when bankers, bank clerks, and the public are in a more tranquil state of mind.

Since the inauguration of the Federal Reserve System, we have gone along very well under the present method—which it seems could well continue for a while longer without change.

The more immediate situation, it seems to us, however, is the desirability for the accumulation of a higher percentage of reserves for the Federal Reserve Banks.

Yours, sincerely,

LEWIS E. PIERSON.  
CHARLES H. SABIN.  
WALTER E. FREW.

TOPIC No. 3.—Federal Reserve Board's rulings, as they appear in the Federal Reserve Bulletin of October 1, 1919, in regard to the computation of reserves with reference to—

1. In figuring reciprocal balances should the dollar balances due to foreign banks be offset by foreign currency balances due from same banks?

2. For the purpose of figuring reserve requirements, should foreign currency balances due from foreign banks be used as a deduction from "due to" bank balances the same as due from banks in this country?

*Recommendation.*—The banks principally affected by these rulings are those located in the central reserve cities and the reserve cities, especially the former. Banks in these cities are now required to carry reserves of 13 per cent and 10 per cent, respectively, against their demand deposits, while banks in other localities are only required to carry 7 per cent against such deposits. The effect of the rulings is therefore to still further penalize the banks located in central reserve cities and reserve cities in regard to the amount of reserves they are required to carry. Funds on deposit with a foreign correspondent may be converted into reserve funds through sales of checks or of cable transfers just as quickly as the funds on deposit with a domestic bank may be realized upon through drafts or telegraphic transfers. Foreign banks should be encouraged to keep balances with their correspondent banks in this country and if banks doing a foreign exchange business are not allowed to deduct balances due them by foreign banks from the amount of their balances "due to banks," the volume of their foreign exchange business might have to be undesirably and unnecessarily curtailed.

We hand you herewith legal opinions of the following bank attorneys: Messrs. Shearman & Sterling, and White and Case, of New York; and Messrs. Mayer, Meyer, Austrian & Platt, and Mr. Edward Eagle Brown, of Chicago.

These opinions being at variance with your rulings, we would respectfully recommend that you give the subject your further consideration.

The following members of the Federal Advisory Council were present at this meeting: Messrs. James B. Forgan, president; L. L. Rue, vice president; D. G. Wing, A. B. Hepburn, W. S. Rowe, J. G. Brown, Charles A. Lyerly, F. O. Watts, C. T. Jaffray, E. P. Wilmot, and Merritt H. Grim, secretary.

## DESCRIPTION OF FEDERAL RESERVE DISTRICTS.

Below are descriptions of the 12 Federal Reserve districts, accompanied by estimates of the population of each district recently furnished by the Bureau of the Census as of December 31, 1919. A map showing outline of the districts is also appended.

### DISTRICT NO. 1—BOSTON (7,191,716).

Connecticut (except Fairfield County) (1,012,197).  
Maine (789,467).  
Massachusetts (3,918,015).  
New Hampshire (449,236).  
Rhode Island (654,740).  
Vermont (368,061).

### DISTRICT NO. 2—NEW YORK (13,730,006).

Connecticut (county of Fairfield) (305,414).  
New Jersey (counties of Monmouth, Middlesex, Hunterdon, Somerset, Union, Essex, Passaic, Hudson, Bergen, Morris, Sussex, and Warren) (2,497,388).  
New York (10,927,204).

### DISTRICT NO. 3—PHILADELPHIA (6,865,314).

Delaware (219,613).  
New Jersey (except counties enumerated under District No. 2) (682,247).  
Pennsylvania (eastern part) (5,963,454). Counties:

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

### DISTRICT NO. 4—CLEVELAND (9,643,255).

Kentucky (eastern part) (1,061,900). Counties:

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

Ohio (5,366,407).

Pennsylvania (western part) (3,041,653). Counties:

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

West Virginia (northern part) (173,295). Counties:

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

## DISTRICT NO. 5—RICHMOND (9,610,524).

District of Columbia (437,414).  
 Maryland (1,400,838).  
 North Carolina (2,513,491).  
 South Carolina (1,687,528).  
 Virginia (2,265,538).  
 West Virginia (all counties except Brooke, Hancock, Marshall, Ohio, Tyler, and Wetzell) (1,305,715).

## DISTRICT NO. 6—ATLANTA (10,462,775).

Alabama (2,442,267).  
 Florida (972,915).  
 Georgia (2,995,281).  
 Louisiana (southern part) (1,367,850). Parishes:

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

Mississippi (southern part) (1,032,417). Counties:

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

Tennessee (eastern part) (1,652,045). Counties:

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

## DISTRICT NO. 7—CHICAGO (14,504,447).

Illinois (northern part) (5,155,927). Counties:

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



## Indiana (northern part) (2,272,950). Counties:

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

## Iowa (2,217,812).

## Michigan (southern part) (2,803,990). Counties:

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

## Wisconsin (southern part) (2,053,768). Counties:

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

## DISTRICT NO. 8—ST. LOUIS (9,478,863).

## Arkansas (1,832,898).

## Illinois (southern part) (1,285,914). Counties:

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

## Indiana (southern part) (609,229). Counties:

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

## Kentucky (western part) (1,368,328). Counties:

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

Mississippi (northern part) (1,006,391). Counties:

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

Missouri (eastern part) (2,681,957). Counties: All except those included in district No. 10.

Tennessee (western part) (694,146). Counties:

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

### DISTRICT NO. 9—MINNEAPOLIS (5,424,070).

Michigan (northern part) (388,805). Counties:

Alger.	Delta.	Houghton.	Lucas.	Menominee.
Baraga.	Dickinson.	Iron.	Mackinac.	Ononagon.
Chippewa.	Gogebic.	Keweenaw.	Marquette.	Schoolcraft.

Minnesota (2,394,548).

Montana (506,537).

North Dakota (830,614).

South Dakota (763,127).

Wisconsin (northern part) (540,439). Counties:

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

### DISTRICT NO. 10—KANSAS CITY (7,802,112).

Colorado (1,053,973).

Kansas (1,907,632).

Missouri (western part) (794,895). Counties:

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

Nebraska (1,316,003).

New Mexico (northern part) (211,935). Counties:

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

Oklahoma (all except southeastern part) (2,319,129). Counties:

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

Wyoming (198,495).

**DISTRICT NO. 11—DALLAS (5,856,170).**

Arizona (southeastern part) (132,153). Counties:

Cochise.	Pima.	Graham.	Santa Cruz.	Greenlee.
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Louisiana (northern part) (558,664). Parishes:

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

New Mexico (southern part) (245,129). Counties:

Bernalillo.	Dona Ana.	Hidalgo.	Otero.	Socorro.
Chaves.	Eddy.	Lea.	Quay.	Torrence.
Curry.	Grant.	Lincoln.	Roosevelt.	Valencia.
De Baca.	Guadalupe.	Luna.	Sierra.	

Oklahoma (southeastern part) (190,161). Counties:

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

Texas (4,730,063.)

**DISTRICT NO. 12—SAN FRANCISCO (7,165,916).**

Arizona (northwestern part) (152,250). Counties:

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

California (3,254,982).

Idaho (486,651).

Nevada (120,748).

Oregon (927,619).

Utah (468,321).

Washington (1,755,345).

**RECAPITULATION.***Estimated population Dec. 31, 1918.*

Federal Reserve district:

No. 1—Boston.....	7,191,716
No. 2—New York.....	13,730,006
No. 3—Philadelphia.....	6,865,314
No. 4—Cleveland.....	9,643,255
No. 5—Richmond.....	9,610,524
No. 6—Atlanta.....	10,462,775
No. 7—Chicago.....	14,504,447
No. 8—St. Louis.....	9,478,863
No. 9—Minneapolis.....	5,424,070
No. 10—Kansas City.....	7,802,112
No. 11—Dallas.....	5,856,170
No. 12—San Francisco.....	7,165,916

Total.....	107,735,168
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