

# FEDERAL RESERVE BULLETIN

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APRIL, 1932

ISSUED BY THE  
FEDERAL RESERVE BOARD  
AT WASHINGTON

*Recent Banking Developments*  
*Comments and Recommendations on the*  
*Glass Bill*  
*Report of Reconstruction Finance Corpo-*  
*ration*  
*Annual Reports of Central Banks: Belgium,*  
*Germany, Switzerland*



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## TABLE OF CONTENTS

	Page
Review of the month—Recent banking developments.....	203
Changes in foreign central bank discount rates.....	205
Federal Reserve Board's comments and recommendations on the Glass bill.....	206
Statement of Federal Advisory Council on the Glass bill.....	222
First quarterly report of the Reconstruction Finance Corporation.....	225
Condition of all banks in the United States on Dec. 31, 1931.....	234, 270-273
Annual report of the National Bank of Belgium.....	242
Annual report of the German Reichsbank.....	244
Annual report of the National Bank of Switzerland.....	251
National summary of business conditions.....	227
<b>Financial, industrial, and commercial statistics:</b>	
Reserve bank credit, gold stock, money in circulation, etc.....	228-231
Member and nonmember bank credit—	
All banks in the United States.....	234, 270-273
All member banks.....	232-234, 274
Weekly reporting member banks in leading cities.....	235, 275
Brokers' loans.....	235
Acceptances and commercial paper.....	236
Discount rates and money rates.....	238, 276
Bank suspensions and banks reopened.....	237, 278-280
Member bank holdings of eligible assets (Government securities and eligible paper).....	237
Security prices, security issues, United States Government securities.....	239
Production, employment, car loadings, and commodity prices.....	240, 281-283
Merchandise exports and imports.....	241
Department stores—indexes of sales and stocks.....	241
Freight-car loadings, by classes.....	241
<b>Financial statistics for foreign countries:</b>	
Gold reserves of central banks and governments.....	255
Gold production.....	256
Gold movements.....	256-258
Government note issues and reserves.....	259
Bank for International Settlements.....	259
Central banks.....	260-262
Commercial banks.....	263
Discount rates of central banks.....	264
Money rates.....	264
Foreign exchange rates.....	265
Price movements—	
Security prices.....	266
Wholesale prices.....	266, 267
Retail food prices and cost of living.....	267
<b>Federal reserve statistics by districts, etc.:</b>	
Banking and financial statistics.....	268-280
Industrial and commercial statistics.....	281-284

# FEDERAL RESERVE BULLETIN

VOL. 18

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No. 4

## REVIEW OF THE MONTH

Banking conditions showed further improvement in March. Bank suspensions, which had numbered 342 in January and 122 in February, were 45 in March, and deposits of banks that reopened their doors in March were approximately as large as deposits in those that suspended during the month. Restoration of confidence, following upon the reduction in bank failures, was reflected in a continued and accelerated return flow of currency from the public to the banks. Liquidation of bank loans continued during the month, but was offset in part by an increase in investments, particularly in holdings of United States Government securities. Reserve balances of member banks with the reserve banks, which had declined practically continuously from the middle of last year to the end of February, showed an increase in March. As a consequence chiefly of the return flow of currency, together with an increase in the country's stock of monetary gold, the total volume of reserve bank credit declined in March by \$112,000,000. There was an increase of \$130,000,000 in the reserve banks' holdings of United States Government securities, accompanied by a decline in their holdings of acceptances and a reduction of \$200,000,000 in the indebtedness of member banks to the reserve banks. Although purchases of United States Government securities by the reserve banks were made largely in New York, the funds thus placed in the market were distributed to a considerable extent to other parts of the country through Treasury transfers of funds, in part to cover payments of loans made by the Reconstruction Finance Corporation and in part as ordinary Government ex-

penditures. As a consequence of the return flow of currency, the Treasury transfers, and other factors affecting the interdistrict movement of funds, discounts for member banks declined at all the Federal reserve banks, the largest declines being reported by the Federal Reserve Banks of New York, Philadelphia, and Cleveland. Conditions in the money market continued to be easy and there was some decline in short-term money rates.

On March 29 the Federal Reserve Board submitted to the Committee on Banking and Currency of the United States Senate its comments and recommendations on Senate Bill 4115, introduced by Senator Glass on March 17, 1932. This bill was drafted in accordance with a resolution adopted by the Senate in 1930, and proposes many fundamental changes in the country's banking laws. The board's report on the bill, which represented the unanimous recommendations of the Federal Reserve Board, was presented to the committee by Governor Eugene Meyer at a hearing on March 29, and has been printed in the record of the committee's hearings, together with Governor Meyer's oral testimony. The report was in the form of a memorandum in which the bill was discussed in detail, section by section, and was accompanied by a letter of transmittal summarizing the board's comments and recommendations regarding the bill. The full text of the report and of the accompanying letter will be found on pages 206-221 of this issue of the BULLETIN.

The Federal Advisory Council at a special meeting on March 29 issued a statement of its recommendations respecting the bill, which appears on pages 222-225.

Gold movements in Europe during the past month were similar in character to those of the month preceding. The **Gold reserves in Europe** Bank of France increased its gold stock by \$106,000,000, nearly two-thirds of which was taken from the United States. The remainder was drawn largely from the London bullion market, where Indian and South African shipments were disposed of in substantial volume.

The loss of \$13,000,000 of gold by Germany reflected the partial repayment by the Reichsbank of the \$100,000,000 emergency credit obtained last June and periodically renewed. The most recent renewal—that of March 4—provided for the repayment of 10 per cent of the principal; and the Reichsbank drew the required funds from its gold reserves.

#### GOLD RESERVES OF SELECTED CENTRAL BANKS

[In millions of dollars]

Central bank of -	Date 1932	Gold reserves	Change from—	
			Month before	Year before
England.....	Mar. 23	588		-118
France.....	Mar. 18	2,999	+106	+800
Germany.....	Mar. 23	209	-13	-336
Italy.....	Mar. 20	296		+17
Belgium.....	Mar. 23	349	-2	+149
Netherlands.....	Mar. 21	352	+3	+173
Switzerland.....	Mar. 23	471	-11	+347

" Preliminary.

The British Government on March 4 repaid \$150,000,000 and on March 29 an additional \$30,000,000 of the \$200,000,000 **Bank of England** 1-year credit extended on August 28, 1931, by a consortium of private banks in this country. Retirements of \$100,000,000 of a similar credit granted by private lenders in France were also announced during the month. In conjunction with these payments all restrictions on dealings in sterling exchange were removed.

Throughout most of January and February, the two months immediately preceding the first of these repayments, quotations on sterling ex-

change had fluctuated between \$3.40 and \$3.50. This level was considerably above that of last December; and its maintenance, at a time when the British Government was preparing to liquidate indebtedness abroad, was followed by increased confidence in the pound. The resulting high premium on forward transactions heightened the attractiveness of London as a market for the investment of short-term funds. Late in March the dollar rate on sterling was at the level of \$3.75.

Money rates on the open-market in London continued to ease. Bankers' balances at the Bank of England remained large throughout the month ending March 23, as indicated by the accompanying condition statement. In fact, heavy purchases of securities by the Bank of England increased these balances substantially, notwithstanding large withdrawals of

#### BANK OF ENGLAND

[In thousands of pounds sterling]

	Mar. 23, 1932	Change from—	
		Feb. 24, 1932	Mar. 25, 1931
Gold.....	120,807	+34	-22,807
Discounts and advances.....	11,273	-220	-89
Securities.....	357,450	+15,302	+49,423
Bankers' deposits.....	73,449	+5,525	+15,745
Other deposits.....	43,409	-2,914	+198
Notes in circulation.....	358,835	+12,432	+10,028

notes into circulation. In the latter part of March the rate on prime bankers' acceptances averaged below 3 per cent and that on treasury bills below 2 per cent. The Bank of England lowered its rate of discount on March 10 from 5 to 4 per cent and on March 17 to 3½ per cent.

Bank of France holdings of foreign exchange declined further during the four weeks ending **Bank of France** March 18, by about 3,800,000,000 francs. Only 2,700,000,000 francs of this decline was represented by direct conversions into gold. The remaining 1,100,000,000 francs was purchased from the bank with drafts on "other deposits," which include balances of the French commercial banks.

Until recently the flow of short-term funds into Paris, including the drawing by French private banks on their foreign balances, had been for some months a principal source not only of the gold acquired by the Bank of France outside of conversion operations, but also of foreign currencies used in paying for a net excess of merchandise imports into the country. The flow of short-term funds into France has lately

**BANK OF FRANCE**

[In millions of francs]

	Mar. 18, 1932	Change from—	
		Feb. 19, 1932	Mar. 20, 1931
Gold.....	76,509	+2,694	+20,406
Foreign exchange.....	12,728	-3,827	-13,548
Domestic discounts and advances.....	7,101	-607	-1,864
Government deposits.....	3,823	+349	-8,034
Other deposits.....	23,837	-1,339	+11,953
Notes in circulation.....	81,929	-650	+4,539

diminished, however, partly because the foreign balances of French banks, as evidenced by the reports of the four large Paris institutions, have been largely repatriated. An additional factor has been the increased flow of funds from Paris and elsewhere to London, consequent upon the improvement of financial conditions in England. At the same time French foreign trade has continued adverse, and it has therefore been necessary for the market to purchase exchange from the Bank of France.

The German Reichsbank lost 57,000,000 reichsmarks of gold and foreign exchange reserves in the month ended March 23. About 42,000,000 reichsmarks of this loss was attributable to the fact that on March 4 the bank repaid 10 per cent of the \$100,000,000 credit granted by a group of central banks last June. Deposits at the Reichsbank increased during the month to the largest figure reported since last November. This expansion is to be associated with the increase of 200,000,000 reichsmarks in security holdings consequent upon the reorganization

of the German commercial banks now in progress. This reorganization is discussed more

**REICHSBANK**

[In millions of reichsmarks]

	Mar. 23, 1932	Change from—	
		Feb. 23, 1932	Mar. 23, 1931
Gold.....	877	-53	-1,409
Foreign exchange reserves.....	142	-4	-81
Discounts and advances.....	3,354	+41	+1,793
Securities.....	362	+200	+260
Deposits.....	491	+159	+148
Notes in circulation.....	4,006	+3	+240

fully in the Reichsbank's annual report for 1931 printed elsewhere in this BULLETIN.

The increase in the security portfolio of the bank represents the purchase of 200,000,000 reichsmarks of new capital stock of the Gold Discount Bank to enable the latter to participate in the program of the German Government for reconstruction of the principal commercial banks. The Gold Discount Bank, with the funds thus placed at its disposal, purchased capital shares of the reorganized institutions, while the Government not only purchased capital shares in substantial volume but in addition advanced funds to be used in absorbing losses sustained by the commercial banks.

**Changes in Bill Rates**

At the Federal Reserve Bank of New York buying rates on bills having maturities up to 120 days were reduced March 25 as follows: Bills having maturities up to 45 days, from 2 $\frac{3}{8}$  to 2 $\frac{1}{2}$  per cent; 45 to 120 days from 2 $\frac{3}{4}$  to 2 $\frac{1}{2}$  per cent.

**Changes in Foreign Central Bank Discount Rates**

The following changes in discount rates during the period March 13-April 1 have been reported by central banks in foreign countries:

- Austrian National Bank—March 18, from 8 to 7 per cent.
- Bank of England—March 17, from 4 to 3 $\frac{1}{2}$  per cent.
- Bank of Italy—March 21, from 7 to 6 per cent.

**FEDERAL RESERVE BOARD'S COMMENTS AND RECOMMENDATIONS ON THE GLASS BILL (S. 4115)**

MARCH 29, 1932.

HON. PETER NORBECK,  
*Chairman Committee on  
Banking and Currency,  
United States Senate,  
Washington, D. C.*

DEAR SENATOR NORBECK: On March 17, 1932, I received a letter from Senator Glass inclosing copies of Senate bill 4115, and stating that the Banking and Currency Committee would be glad to have the Federal Reserve Board make any comments or suggestions that in its judgment would seem desirable. Accordingly, there is inclosed herewith for the consideration of your committee a memorandum containing the board's comments and recommendations.

The subjects dealt with in the bill may be classified under three general heads: (1) Those relating more directly to the Federal Reserve Board and the reserve banks; (2) those concerning primarily member banks, and (3) those dealing with affiliates of member banks.

The Federal Reserve Board is in sympathy with the purpose of the bill to strengthen the supervision of the Federal reserve system over general credit conditions and to invest the Federal reserve authorities with certain disciplinary powers in relation to banks that pursue unsafe and unsound policies or abuse the privileges of membership. The board's recommendations on this subject are incorporated in its proposed revision of sections 3 and 29 of the bill.

With respect to the section of the bill dealing with open-market operations, the board calls attention to the fact that there is already in existence an open-market committee on which each of the Federal reserve banks has representation. This has come about as the result of natural development. The board believes that it would be inadvisable to disturb this development by crystallizing into law any

particular procedure. The board believes that nothing further is necessary or advisable at this time than an amendment clarifying its power of supervision over open-market operations of the Federal reserve banks and their relationships with foreign banks, as set out in the memorandum attached.

The board is not in sympathy with the provisions of the bill discriminating against member-bank collateral notes. Experience shows that the particular instrument on which Federal reserve credit is obtained is not an adequate test of the use to be made by the member bank of the proceeds of the credit and that an attempt to control speculation through restrictions on member-bank collateral notes would not be effective in accomplishing the purpose of this section of the bill. Indeed, it probably would interfere seriously with the convenient and economical operation of the system. In this connection the Federal Reserve Board desires to renew the recommendation made in its annual reports for several years, that the maturity for which advances may be made to member banks on their promissory notes secured by paper which is eligible for discount be increased from 15 to 90 days. Such an amendment would be especially helpful to country banks.

The board is of the opinion that the adoption of a system of reserves based on velocity of accounts as well as on their volume, as recommended by the system's committee on reserves, would be an important step in strengthening the influence that the Federal reserve system could exert in the direction of sound credit conditions. The section of the bill dealing with reserves would accentuate rather than reduce the inequalities that have grown up in the distribution of reserves between different classes of member banks. The board also believes it should not be overlooked that this section of the bill would exert a tightening influence on



credit conditions at times when it would be contrary to the public interest.

The board is in favor of establishing a liquidating corporation, but proposes to limit the scope of its operations to member banks and suggests a different method of financing it, together with certain changes in the provisions for its administration.

If the section on branch banking is enacted in the form proposed in the bill, it is suggested that certain sections of existing law be modified so as to bring them into harmony with the purposes indicated in this section of the bill.

With respect to affiliates the board believes that important reforms to be accomplished at the present time are the granting of power to the supervisory authorities to obtain reports and to make examinations of all affiliates of member banks and the prescribing of limitations on the loans that a member bank may make to its affiliates. The board realizes that many evils have developed through the operation of affiliates connected with member banks, particularly affiliates dealing in securities. The attached memorandum contains a draft of a provision for the separation of such affiliates after a lapse of three years.

The board takes the view that legislation further materially restricting the character of member-bank loans and investments is not desirable at a time when the country's banking system is going through a period of severe readjustment. Some of the provisions of the proposed bill would have a tendency to bring about further contraction of credit and thus retard the recovery of business. It is for these reasons that changes in a number of sections of the bill are suggested.

It should be recognized that effective supervision of banking in this country has been seriously hampered by the competition between member and nonmember banks, and that the establishment of a unified system of banking under national supervision is essential to fundamental banking reform.

Copies of this letter and the inclosed memorandum are being sent to Senator Glass, and the board will be glad to supply you with copies

for the convenience of each member of your committee.

Very truly yours,  
EUGENE MEYER, *Governor.*

#### COMMENTS AND RECOMMENDATIONS <sup>1</sup>

##### SECTION 2

This section defines affiliates and upon its scope depends in a large measure the scope and effect of all provisions of the bill relating to affiliates.

While the definition contained in the bill mentions certain specific types of institutions which are frequently affiliated with member banks, the words "or a corporation" in line 4 on page 2 make it applicable to corporations of any character which are affiliated with member banks in any of the ways described in the succeeding paragraphs of the definition.

It is believed that the most satisfactory solution of this problem is to make the definition very broad, but in dealing with affiliates to observe the following principles: (1) To require them to make reports and to submit to examination at the discretion of the Federal Reserve Board or the Comptroller of the Currency; (2) to limit the loans that can be extended to an affiliate by a member bank; and (3) to prohibit the tying up of capital stock of an affiliate with the capital stock of a member bank. In favoring these limitations the board has in mind that it may not be desirable to abolish all the existing relationships between member banks and their affiliates, but that it is desirable to protect the operations of the member banks from being unduly influenced by their affiliates. Recent experience has demonstrated that operations of the affiliates at times have unfavorable effects on the condition of member banks.

With these principles in mind it is recommended that the definition of affiliates be broadened by eliminating from paragraph (b) in lines 1 to 4, page 2, all references to specific types of corporations, and by inserting other words which would make the definition applicable not only to corporations but to business trusts, associations, or other similar organizations, regardless of the type of business in which they are engaged. Certain other changes in the phraseology of the definition are also suggested for the purpose of clarifying them. The changes suggested are as follows:

<sup>1</sup> All references are to sections, pages, and lines of Senate bill 4115 in the form in which it was introduced on Mar. 14 (calendar day, Mar. 17), 1932.

1. On page 2 change lines 1 to 4, inclusive, to read as follows:

(b) The term "affiliate" includes any corporation, business trust, association, or other similar organization.

2. In lines 9, 11, and 22 on page 2, strike out the words "managing officers" and substitute in lieu thereof the words "persons exercising similar functions."

3. In lines 9 and 18 on page 2 and in line 3 on page 3 strike out the words "annual meeting" and substitute in lieu thereof the word "election."

#### SECTION 3

The Federal Reserve Board understands that the principles underlying section 3 of the bill are (1) that discounting at the Federal reserve banks is a privilege and not a right; (2) that the Federal reserve system has the responsibility of keeping itself informed about the use of bank credit; (3) that the power of Federal reserve banks to withhold credit accommodations should be used to discourage unsound banking practices; and (4) that the Federal Reserve Board should have power to suspend a member bank from the use of Federal reserve credit facilities. The board is in sympathy with these principles.

For the purpose of accomplishing these objectives a substitute for section 3 is suggested. This substitute includes a revision of the paragraph of section 4 of the Federal reserve act which now reads as follows:

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 and demands of other member banks.

In this revision [see below] the word "may" is substituted for "shall" and the remaining language of the section is made somewhat more general than in the bill.

Member banks as a rule do not borrow to relend, but to make up deficiencies in reserves arising from withdrawals of deposits or from other causes. It is therefore usually impossible to say that a loan to a member bank is granted for this or that specific purpose. However, it would be possible to determine whether the loan and investment policies of a bank are inconsistent with the purposes of the Federal reserve act, and, if so, to refuse accommodation to such bank or in aggravated cases to suspend

it from the privilege of using the system's credit facilities. In this connection attention is invited to the fact that section 4 of the Federal reserve act requires the chairman and Federal reserve agent at each Federal reserve bank to "make regular reports to the Federal Reserve Board" and to "act as its official representative for the performance of the functions conferred upon it by" the Federal reserve act.

It is recommended that section 3 of the bill be changed to read as follows:

SEC. 3. The paragraph of section 4 of the Federal reserve act, as amended, which begins with the words, "Said board shall administer the affairs of said bank fairly and impartially," is amended and reenacted to read as follows:

"Said board of directors shall administer the affairs of said bank fairly and impartially and without discrimination in favor of or against any member bank or banks and may, 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 and demands of other member banks, the maintenance of sound credit conditions and the accommodation of commerce, industry and agriculture. The Federal Reserve Board may prescribe regulations further defining within the limitations of this act the conditions under which discounts, advancements and accommodations may be extended to member banks. Each Federal reserve bank shall keep itself informed of the general character and amount of the loans and investments of its member banks with a view to ascertaining whether undue use is being made of bank credit for the speculative carrying of or trading in securities, real estate or commodities, or for any other purpose inconsistent with the maintenance of sound credit conditions; and, in determining whether to grant or refuse advances, rediscounts or other credit accommodations, the Federal reserve bank shall give consideration to such information. The chairman of the Federal reserve bank shall report to the Federal Reserve Board any such undue use of bank credit by any member bank, together with his recommendation. Whenever, in the judgment of the Federal Reserve Board, any member bank is making such undue use of bank credit, the board may, in its discretion, after reasonable notice and an opportunity for a hearing, suspend such bank from the use of the credit facilities of the Federal reserve system and may terminate such suspension or may renew it from time to time."

#### SECTION 4

It is recommended that this section be omitted. It prohibits banks that belong to a group or a chain from voting for Federal reserve bank directors. The wording of the section is such as not to confine the prohibition to group and chain banks, however, but to include all banks that are not controlled entirely by locally resident stockholders. Since the stock of many important banks is widely owned throughout the country, this might restrict the voting

privilege to smaller and less important banks that are owned by local stockholders. It is to be feared that this section would bar from participation in the selection of Federal reserve directors many of the better managed banks.

## SECTION 5

This section would amend the first paragraph of section 7 of the Federal reserve act so that, after the payment of expenses and dividends, all of the net earnings of a Federal reserve bank over and above any amounts necessary to restore its surplus to the amount on December 31, 1931, would be paid to the Federal Liquidating Corporation. The amendment is also worded in such a way as to prevent the payment of any dividends out of surplus and to prevent the payment of dividends whenever the surplus of a Federal reserve bank is less than it was on December 31, 1931.

A different method of financing the liquidating corporation is proposed and will be discussed under the appropriate section. For this reason a modification of section 5 is suggested which would not change the provisions of the present law in regard to the surplus of the Federal reserve banks, but would authorize the Secretary of the Treasury to use the franchise tax received from the Federal reserve banks for the purpose of supplementing the funds of the corporation.

As changed, section 5 of the bill would read as follows:

Sec. 5. The second paragraph of section 7 of the Federal reserve act, as amended, is amended to read as follows:

"The net earnings derived by the United States from Federal reserve banks shall, in the discretion of the Secretary of the Treasury (1) be used to supplement the gold reserve held against outstanding United States notes, or (2) be applied to the reduction of the outstanding bonded indebtedness of the United States under regulations to be prescribed by the Secretary of the Treasury, or (3) be invested in debentures or other such obligations of the Federal Liquidating Corporation. Should a Federal reserve bank be dissolved or go into liquidation, any surplus remaining, after the payment of all debts, dividend requirements as hereinbefore provided, and the par value of the stock, shall be paid to and become the property of the United States and shall be similarly applied."

## SECTION 6

In order that reports of affiliates of State member banks may be required only when deemed necessary by the Federal Reserve Board and also in order that suitable provision may be made for the examination of affiliates of State member banks when deemed necessary,

it is recommended that section 6 of the bill be changed to read as follows:

SEC. 6. Section 9 of the Federal reserve act, as amended, is further amended by adding at the end thereof two new paragraphs reading as follows:

"Whenever it shall be deemed necessary in order to obtain adequate information regarding the relations between any bank admitted to membership under the provisions of this section and its affiliates or the effect of such relations upon the management or condition of such bank, it may be required under rules and regulations prescribed by the Federal Reserve Board to obtain and furnish such reports as to any or all of its affiliates as may be called for. Each such report shall contain such information and shall be submitted at such time as may be specified in the call therefor. Any member bank which fails to furnish any report of an affiliate when and as required shall be subject to a penalty of \$100 for each day during which such failure continues. Such penalty may be assessed by the Federal Reserve Board, in its discretion, and, when assessed, may be collected by the Federal reserve bank by suit or otherwise.

"Any examiner selected or approved by the Federal Reserve Board may examine any affiliate of any bank admitted to membership under the provisions of this section when it shall be deemed necessary in order to inform the Federal Reserve Board or the Federal reserve bank of the relations of such affiliate with such member bank or of the effect of such relations upon the management or condition of such member bank. The examiner making the examination of any such affiliate shall have power to make a thorough examination of all the affairs of the affiliate, and in doing so he shall have power to administer oaths and to examine any of the officers, directors, employees, and agents thereof under oath, and to make a report of his findings to the Federal Reserve Board or to the Federal reserve bank. The expenses of any examination made under the provisions of this paragraph may, in the discretion of the Federal Reserve Board, be assessed against the affiliate examined and, when so assessed, shall be paid by the affiliate examined. If such affiliate shall refuse to pay such expenses or shall fail to do so within sixty days after the date of such assessment, then such expenses may be assessed against the affiliated member bank and, when so assessed, shall be paid by such member bank: *Provided, however,* That, if the affiliation is with two or more member banks, such expenses may be assessed against, and collected from, any or all of such member banks in such proportions as the Federal Reserve Board may prescribe. If any affiliate of a bank admitted to membership under the provisions of this section shall refuse to permit an examiner to make an examination of such affiliate or refuse to give any information required in the course of any such examination, the member bank with which it is affiliated shall be subject to a penalty of not more than \$100 for each day that any such refusal shall continue. Such penalty may be assessed by the Federal Reserve Board in its discretion, and, when so assessed, may be collected by the Federal reserve bank by suit or otherwise."

## SECTION 7

If this section is adopted in its present form, certain changes should be made in the text for the purpose of clarification and of providing for certain matters not now covered in the bill

which will be referred to at the appropriate places.

For the purposes of clarification, it is suggested that subsection (b) be amended as follows:

1. In lines 6, 11, and 12 on page 8 it is suggested that the word "appointive" be inserted before the word "member."

2. In line 13 on page 8 it is suggested that after the words "twelve years" there be inserted the words "from the expiration of the term of his predecessor."

In order that the domicile of the board may be fixed for legal reasons, and in order that provision may be made for a chairman of the board, it is suggested that the following be inserted at the beginning of line 23 on page 8:

The principal offices of the board shall be in the District of Columbia. At meetings of the board the governor shall preside as chairman, and, in his absence, the vice governor shall preside. In the absence of both the governor and the vice governor the board shall elect a member to act as chairman pro tem.

If the authority of the Secretary of the Treasury to assign quarters to the Federal Reserve Board is repealed, it would seem that the board should be authorized to purchase or construct a building for its own use and that, in the interest of convenience and efficiency, space should be provided in such building for the Comptroller of the Currency and his staff and for the proposed Federal Liquidating Corporation. For this purpose it is suggested that the following be added at the end of section 7 of the bill:

(d) Section 10 of the Federal reserve act, as amended, is further amended by adding at the end thereof a new paragraph reading as follows:

"The Federal Reserve Board is authorized and empowered to acquire by purchase, condemnation, or otherwise, a building located in the District of Columbia which will provide suitable and adequate offices wherein the functions of the board and the Comptroller of the Currency may be carried on, or to acquire by purchase, condemnation, or otherwise such site located in the District of Columbia as it may deem necessary and to cause to be constructed thereon a building which will provide suitable and adequate offices for the purposes of the Federal Reserve Board and the Comptroller of the Currency, and to maintain, repair, enlarge, or remodel any building so acquired or constructed. The Federal Reserve Board may assign offices in any such building for the use of the Comptroller of the Currency and the Federal Liquidating Corporation without making any charge for the use of such offices, and nothing contained in the act of June 3, 1864, or in section 331 of the Revised Statutes (title 12, section 13, U. S. C.), or in any other provision of law shall be construed as preventing the Comptroller of the Currency from making full use of any offices so assigned and from keeping therein the records and all other valuable things belonging to his department. The Federal Reserve Board may levy upon the Federal

reserve banks, in proportion to their capital stock and surplus, assessments sufficient to defray all costs and expenses incurred under the provisions of this paragraph."

#### SECTION 8

The purpose of this section is to prevent the undue use of bank loans for speculation in securities. It is believed that this is sufficiently covered in section 3, and therefore the omission of section 8 is recommended.

#### SECTION 9

In accordance with the principles indicated in the discussion of section 2 it is recommended that section 9 of the bill be changed to read as follows:

SEC. 9. The Federal reserve act, as amended, is amended by inserting between sections 23 and 24 thereof the following new section:

"Section 23(a). No national banking association and no State member bank shall (1) make any loan or any extension of credit to, or purchase securities under repurchase agreement from, any of its affiliates, or (2) invest any of its funds in the capital stock, bonds, or other obligation of any such affiliate, or (3) accept the capital stock, bonds, or other obligations of any such affiliate as collateral security for advances made to any individual, partnership, association, or corporation; if, in the case of any such affiliate, the aggregate amount of such loans or extensions of credit, repurchase agreements, investments, and advances against such collateral security will exceed 10 per centum of the capital stock and surplus of such national banking association or State member bank, or if, in the case of all such affiliates, the aggregate amount of such loans, extensions of credit, investments, and advances against such collateral security will exceed 20 per centum of the capital stock and surplus of such national banking association or State member bank: *Provided, however*, That nothing in this section, or in any section of the banking act of 1932, shall be construed as authorizing member banks to invest their funds in stock otherwise than as specifically authorized by existing law.

"Each loan or extension of credit to an affiliate within the foregoing limitations shall be secured by collateral having a market value at the time of making the loan or extension of credit of at least 20 per centum more than the amount of such loan: *Provided*, That this requirement shall not apply to loans or extensions of credit on the security of obligations of the United States Government, Reconstruction Finance Corporation, Federal intermediate credit banks, or Federal land banks, or on the security of notes, drafts, bills of exchange, or acceptances eligible for discount or purchase by Federal reserve banks: *And provided further*, That when any loan is made on the security of obligations of any State or political subdivision or agency thereof such obligations shall have a market value at the time of making the loan of at least 10 per centum more than the amount of such loan. A loan or extension of credit to a director, officer, clerk, or other employee or any representative of any such affiliate shall be deemed a loan to the affiliate to the extent that the proceeds of such loan are used for the benefit of, or transferred to, the affiliate.

"The provisions of this section shall not apply to any affiliate of such national banking association or State member bank, (1) the sole function of which is to hold its banking house or houses and the site or sites thereof, (2) the sole function of which is to conduct a safe deposit business, (3) in the capital stock of which such bank has been authorized to invest pursuant to section 25 of the Federal reserve act, (4) organized under section 25(a) of the Federal reserve act, or (5) transacting only the business of an agricultural credit corporation or livestock loan company; but as to such affiliates member banks shall continue subject to the provisions of existing law limiting the amounts which they may lend to, or invest in the stock or other obligations of, such corporations."

## SECTION 10

This section of the bill deals with two separate and distinct subjects—(1) open-market operations of the Federal reserve banks, and (2) the proposed Federal Liquidating Corporation. For convenience, these subjects will be discussed separately.

## OPEN-MARKET OPERATIONS

The first part of section 10 would establish a Federal open-market committee along the lines of the existing open-market policy conference, which functions as a piece of administrative machinery without specific legal status.

The statement in paragraph (b) of section 10 which says that "No Federal reserve bank shall engage in open-market operations, except after approval and authorization by the committee," appears to be too rigid. It deprives an individual reserve bank of all authority to make purchases in the open market except after obtaining the consent of both the board and the committee. The open-market committee would have no authority to act without approval of the board and the board would have no authority to act without approval of the committee. This would result in the possibility of obstruction of any system program and would tend to make the operation of the Federal reserve system less timely and less efficient.

Lines 19 to 23 in paragraph (c) on page 12 of this section would incorporate into law a principle which the Federal Reserve Board has adopted in practice.

The following substitute for the first part of section 10 of the bill is suggested:

SEC. 10. Section 14 of the Federal reserve act, as amended, is further amended by striking out the words "Every Federal reserve bank shall have power;" and inserting in lieu thereof the following:

"Subject to such regulations, limitations, restrictions, and procedure as the Federal Reserve Board may prescribe, every Federal reserve bank shall have power."

Section 14 of the Federal reserve act, as amended, is further amended by adding at the end thereof a new paragraph reading as follows:

"The time, character, and volume of all purchases and sales in the open market under this section shall be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country."

## FEDERAL LIQUIDATING CORPORATION

The other part of section 10 deals with the proposed Federal Liquidating Corporation, and there is submitted a proposed substitute for the section as drafted in the bill. The substitute would confine the benefits of the liquidating corporation to member banks. Provision is made for assistance to nonmember banks in the Reconstruction Finance Corporation act, and it would render membership in the system more attractive if the benefits of the corporation were confined to member banks. In the substitute it is proposed that \$100,000,000 of the capital of the liquidating corporation be subscribed by the Treasury. This subscription to capital may be considered as being derived from the franchise tax previously paid to the Treasury by the reserve banks. In addition, it is proposed that the corporation be authorized to issue debentures up to twice the amount of its subscribed capital and that the Federal reserve banks be given authority to purchase those debentures up to one-fourth of their surplus. This is not a propitious time to ask the member banks to contribute to the liquidating corporation. The banks are going through a very difficult period and to tax them for this purpose would be a considerable hardship on them.

In order to make the operations of the corporation more easily manageable, it is proposed that the directorate be comprised of 5 members instead of 14, as proposed in the bill.

For the reasons which have been stated the following separate section on the Federal Liquidating Corporation has been drafted:

SEC. 5A. The Federal reserve act, as amended, is further amended by inserting between sections 28 and 29 thereof the following new section:

"SEC. 28A. (a) There is hereby created a Federal Liquidating Corporation (hereafter referred to as the 'corporation') for the purpose of making loans on, or purchasing and liquidating as hereinafter provided, all or any part of the assets of any member bank for which a receiver has been appointed. The term 'receiver' as used in this section shall mean a receiver of a national bank, and a receiver, liquidating agent, commission, person, or other agency charged by State law with the responsibility and the duty of winding up the affairs of an insolvent State member bank.

"(b) The management of the corporation shall be vested in a board of directors consisting of five members, one of whom shall be the Comptroller of the Currency, one a member of the Federal Reserve Board designated by the board for the purpose, and three selected an-

nually by the governors of the twelve Federal reserve banks under such procedure as may be prescribed by the Federal Reserve Board.

"(c) The corporation shall have a capital stock of \$100,000,000, all of which shall be subscribed by the United States of America and payment for which shall be subject to call in whole or in part by the board of directors of the corporation.

"There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of \$100,000,000 for the purpose of making payments upon such subscription. Receipts for payments by the United States for or on account of such stock shall be issued by the corporation to the Secretary of the Treasury and shall be evidence of the stock ownership of the United States.

"Any Federal reserve bank may purchase and hold any debentures or other such obligations of the corporation in an amount not exceeding one-fourth of the amount of its surplus fund.

"(d) The corporation shall have power—

"First. To adopt, alter, and use a corporate seal;

"Second. To have perpetual succession from the date of enactment hereof, unless it is sooner dissolved by an act of Congress;

"Third. To make contracts; to purchase, lease, and hold or dispose of such real estate or personal property as may be necessary or convenient for the transaction of its business;

"Fourth. To sue and be sued, complain and defend in any court of competent jurisdiction;

"Fifth. To appoint, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the corporation, without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States, to define their authority and duties, to require bonds of them and fix the penalty thereof and to dismiss them at pleasure. Nothing in this or any other act shall be construed to prevent the appointment and compensation as a director, officer, or employee of the corporation of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof;

"Sixth. To prescribe, amend, and repeal by its board of directors by-laws and rules and regulations not inconsistent with law governing 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 such incidental powers as shall be reasonably necessary to carry out the powers so granted.

"(e) The board of directors of the corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The corporation with the consent of any Federal reserve bank or of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, and facilities thereof in carrying out the provisions of this act.

"(f) Upon the application of the receiver of any member bank, the corporation may in its discretion purchase the assets of such bank, in whole or in part, or make loans to the receiver on the security of such assets or any portion thereof, on such terms and conditions as shall be agreed upon between the corpora-

tion and the receiver, subject to the approval of (1) the Comptroller of the Currency in the case of any national bank, or (2) the person or agency designated by State law in the case of any State bank; except that, in no case shall the corporation make any loan or purchase any assets in an amount which in the opinion of the corporation shall not fully protect such corporation and no such loan or purchase shall be made in the case of State member banks unless expressly authorized by the law of the State in which the bank is located. Receivers of national banks are hereby authorized and empowered with the approval of the Comptroller of the Currency to borrow on, or sell, assets of banks of which they are receivers, and the proceeds of every such sale or loan shall be utilized for the same purposes and in the same manner as other funds realized from the liquidation of the assets of such banks. The Comptroller of the Currency may, in his discretion, pay dividends on proved claims at any time after the expiration of the period of advertisement made pursuant to section 5235 of the Revised Statutes, and no liability shall attach to the Comptroller of the Currency or to the receiver of any national bank by reason of any such payment for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment. If the amount realized from any assets acquired by the corporation under the provisions of this section exceeds the sum paid therefor or loaned thereon, the corporation shall make an additional payment to the receiver of the bank equal to the amount of such excess, if any, after deducting the expenses of liquidating such assets and an amount equal to interest at the rate of 6 per centum per annum. All loans made by the corporation to receivers shall bear interest at the rate of 6 per centum per annum.

"(g) Money of the corporation not otherwise employed shall be invested in securities of the Government of the United States, except that for temporary periods, in the discretion of the board of directors, funds of the corporation may be deposited subject to check in any Federal reserve bank or with the Treasurer of the United States. When designated for that purpose by the Secretary of the Treasury, the corporation shall be a depository of public moneys, except receipts from customs, under such regulations as may be prescribed by the said Secretary, and may also be employed as a financial agent of the Government. It shall perform all such reasonable duties a depository of public moneys and financial agent of the Government as may be required of it.

"(h) The corporation is authorized and empowered to issue and to have outstanding at any one time in an amount aggregating not more than twice the amount of its capital, notes, debentures, bonds, or other such obligations, to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations, to bear such rate or rates of interest, and to mature at such time or times as may be determined by the corporation: *Provided*, That the corporation may sell on a discount basis short-term obligations payable at maturity without interest. Obligations of the corporation may be secured by assets of the corporation in such manner as shall be prescribed by the board of directors. Such obligations may be offered for sale at such price or prices as the corporation may determine. The said obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof. In the event that the corporation shall be unable to pay upon demand, when due, the principal or interest on notes, debentures, bonds, or other such

obligations issued by it, the Secretary of the Treasury shall pay the amount thereof, which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes, debentures, bonds, or other such obligations.

"(i) All obligations issued by the corporation shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The corporation, including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the corporation shall be subject to State, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

"(j) In order that the corporation may be supplied with such forms of obligations as it may need for issuance under this act, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the corporation, to be held in the Treasury subject to delivery, upon order of the corporation. The engraved plates, dies, bed pieces, and other material executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The corporation shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such obligations.

"(k) The corporation shall annually make a report of its operations to the Congress as soon as practicable after the 1st day of January in each year.

"(l) Whoever, for the purpose of obtaining any loan from the corporation, or any extension or renewal thereof, or the acceptance, release, or substitution of security therefor, or for the purpose of inducing the corporation to purchase any assets, or for the purpose of influencing in any way the action of the corporation under this act, makes any statement, knowing it to be false, or willfully overvalues any security, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

"(m) Whoever (1) falsely makes, forges, or counterfeits any obligation or coupon, in imitation of or purporting to be an obligation or coupon, issued by the corporation, or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged or counterfeited obligation or coupon, purporting to have been issued by the corporation, knowing the same to be false, forged or counterfeited, or (3) falsely alters any obligation, or coupon, issued or purporting to have been issued by the corporation, or (4) passes, utters, or publishes, or attempts to pass, utter, or publish as true, any falsely altered or spurious obligation or coupon, 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.

"(n) Whoever, being connected in any capacity with the corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged, or otherwise entrusted to it, or (2) with intent to defraud the corporation or any other body, politic or corporate, or any individual, or to deceive any officer,

auditor, or examiner of the corporation, makes any false entry in any book, report, or statement of or to the corporation, or without being duly authorized draws any order or issues, puts forth or assigns any note, debenture, bond, or other such obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

"(o) No individual association, partnership, or corporation shall use the words 'Federal Liquidating Corporation,' or a combination of these three words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this subdivision shall be punished by a fine of not exceeding \$1,000, or by imprisonment not exceeding one year, or both.

"(p) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18 ch. 5, secs. 202 to 207, inclusive), in so far as applicable, are extended to apply to contracts or agreements with the corporation under this act, which for the purposes hereof shall be held to include loans, advances, extensions and renewals thereof, and acceptances, releases, and substitutions of security therefor, purchases or sales of assets, and all contracts and agreements pertaining to the same.

"(q) The Secret Service Division of the Treasury Department is authorized to detect, arrest, and deliver into the custody of the United States marshal having jurisdiction any person committing any of the offenses punishable under this section."

#### SECTION 11

Section 11 imposes a discriminatory rate against member-bank collateral notes. It also prescribes limitations on the use of such notes by banks that may be making loans on stock-exchange collateral. It is believed that the purposes of this section are accomplished by the proposed revision of section 3 and that no further limitations along this line are desirable. The theory underlying this section, namely, that there is a more direct connection between member-bank collateral notes and the use of reserve credit for speculative activity than between other borrowings and this activity, is unfounded. Member banks borrow on 15-day notes, because of the greater convenience both to them and to the Federal reserve bank; and if this form of borrowing were prohibited or made more expensive, they would merely substitute the procedure of rediscounting eligible paper without any change in the use of the proceeds. For these reasons it is believed that this section would make the operation of the Federal reserve banks less efficient and more expensive.

The recommendation has been made by the Federal Reserve Board in its annual reports for several years that the maturity for which advances may be made to member banks on their promissory notes secured by paper which

is eligible for discount be increased from 15 to 90 days. Such an amendment would be especially helpful to country banks, and it is recommended that the following be substituted for section 11 of the bill:

SEC. 11. The seventh paragraph of section 13 of the Federal reserve act, as amended, is amended and reenacted to read as follows:

"Any Federal reserve bank may make advances for periods not exceeding fifteen days to its member banks on their promissory notes secured by the deposit or pledge of bonds, notes, certificates of indebtedness or Treasury bills of the United States; and any Federal reserve bank may make advances for periods not exceeding ninety days to its member banks on their promissory notes 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. All such advances shall be made at rates to be established by such Federal reserve banks, subject to the review and determination of the Federal Reserve Board."

#### SECTION 12

Section 12 deals with relations of Federal reserve banks with foreign banks. It is recommended that the words "subject to the powers conveyed to and bestowed upon the Federal open market committee by section 12A of this act" be omitted. From the middle of line 18 on page 26 through the word "writing" in line 11 on page 27, the section is acceptable, but the omission of the words "and control" in line 19 on page 26 is suggested, in order to preserve the distinction between supervision and operation.

It is recommended, therefore, that section 12 of the bill be amended as follows:

1. Strike out the following language in lines 16, 17, and 18 on page 26:

(g) Subject to the powers conveyed to and bestowed upon the Federal open market committee by section 12A of this act;

2. Strike out the words "and control" in line 19 on page 26; and

3. On page 27, line 11, insert a period after the word "writing" and strike out everything in line 11 after that word and all of lines 12, 13, 14, and 15.

#### SECTION 13

The principal feature of this section is that it discontinues the distinction between time deposits and demand deposits in so far as reserve requirements are concerned. The distinction between these two types of deposits has led to many abuses and has been a factor in making possible a growth of bank credit without a corresponding growth in reserves. The proposal which would raise the require-

ments on time deposits to the level of those on demand deposits would increase reserve requirements by \$132,000,000 a year for five years with an ultimate increase of \$660,000,000. Unless there were a contraction in the amount of member-bank deposits, this increase would result in an addition of about \$230,000,000 to the gold requirements of the Federal reserve banks. It would be an influence in the direction of credit contraction without regard to the course of business and credit and would be particularly undesirable at this time. Furthermore, the increase would fall heaviest on banks outside of the principal financial centers, which have been discriminated against under the existing reserve requirements both because, owing to their distance from the cash facilities of the Federal reserve banks, they are required to carry relatively large amounts of cash in vault, which under existing law does not count as reserve, and because they are not in a position to take advantage of deductions in determining net deposits.

The proposal, therefore, would both increase the burden of reserves and increase the inequalities in their present distribution.

Any thorough-going revision of section 19 of the Federal reserve act should base required reserves, in so far as practicable, upon the activity of the business handled through each bank, rather than on an arbitrary classification of banks according to location. A proposal submitted in the Report of the Committee on Bank Reserves of the Federal Reserve System embodies a method of calculating required reserves which is believed to be sound in principle and which would make fluctuations in the volume of required reserves exert an influence in the direction of sound credit conditions and would also eliminate many inequitable and unfair features of the present law.

There is submitted a proposed substitute for section 13 of the bill which incorporates the proposals of the committee on bank reserves of the Federal reserve system with slight modifications.

Section 13 includes two subjects not directly related to bank reserves and not covered in the report of the reserve committee, namely, a prohibition against brokers' loans for the account of others and a provision subjecting the market for Federal funds to regulation by the Federal Reserve Board.

The purpose sought to be accomplished by paragraph (d) is desirable, but it is believed that the language used is too far-reaching. It is suggested that the paragraph be changed



so as to prohibit a member bank from acting as a medium or agent of a nonbanking corporation or individual in making loans on the security of stocks, bonds, and other investment securities to brokers or dealers in such securities. This suggestion is incorporated in paragraph (n) of the proposed revision of section 13 of the bill. It is not thought that a provision prohibiting a member bank from making loans to any corporation or individual, if the proceeds of such transaction are to be used directly or indirectly for the purpose of making loans protected by collateral security in favor of any investment banker, broker, or member of any stock exchange or any dealer in securities, would be enforceable, as it is impossible to follow the proceeds of loans once they have been granted.

Paragraphs (f) and (g) of the bill seek to control the market for Federal funds by placing limitations on the use of balances standing to the credit of member banks upon the books of the Federal reserve banks. It is not believed that regulation of the market for Federal funds by law is desirable. It is better to have these liquid funds move freely where they are most needed than to have them thrown on the call market. The Federal reserve banks keep in close touch with transactions in Federal funds and a ruling of the Federal Reserve Board now requires member banks to report purchases of Federal funds as borrowed money.

The proposed substitute for section 13 of the bill is as follows:

SEC. 13. Section 19 of the Federal reserve act (United States Code, title 12, sections 461 to 466, inclusive, and section 374), as amended, is further amended and reenacted to read as follows:

“RESERVES OF MEMBER BANKS

“SEC. 19. (a) Each member bank shall establish and maintain reserves equal to five per centum of the amount of its net deposits, plus fifty per centum of the amount of its average daily debits to deposit accounts: *Provided*, That any member bank, at its option, for any period not less than 90 days, may omit any specific deposit account or accounts from such computation of its reserve requirements if such account or accounts are reported separately to the Federal reserve bank and if a reserve of 50 per cent is maintained against such account or accounts: *Provided, however*, That, in no event, shall the aggregate reserves required to be maintained by any member bank exceed fifteen per centum of its gross deposits.

“(b) Each member bank located in the vicinity of a Federal reserve bank or branch thereof shall maintain not less than four-fifths of its total required reserves in the form of a reserve balance on deposit with the Federal reserve bank, and every other member bank shall maintain not less than two-fifths of its total required reserves in the form of a reserve balance on deposit with the Federal reserve bank. The remainder of the total required reserves of each member bank, over and above the amount required to be maintained

in the form of a reserve balance on deposit with the Federal reserve bank, may, at the option of such member bank, consist of a reserve balance on deposit with the Federal reserve bank, or of cash owned by such member bank either in its actual possession or in transit between such member bank and the Federal reserve bank: *Provided*, That when, in its judgment the public interest so requires, the Federal Reserve Board may limit to an amount less than that permitted hereunder the amount of cash which any member bank or banks may count as reserve: *Provided, however*, That, in prescribing such limitations, the Federal Reserve Board shall be guided by the general principle that member banks should be permitted to count as reserve, within the limitations of this section, as much cash as they reasonably need in view of the character of their business and their degree of accessibility to the currency facilities of the Federal reserve banks.

“(c) The term ‘gross deposits,’ within the meaning of this section, shall include all deposit liabilities of any member bank whether or not immediately available for withdrawal by the depositor, all liabilities for certified checks, cashiers’, treasurers’, and other officers’ checks, cash letters of credit, travelers’ checks, and all other similar liabilities, as further defined and specified by the Federal Reserve Board: *Provided, however*, That, in computing the amount of ‘gross deposits,’ (1) amounts shown on the books of any member bank as liabilities of such bank payable to a branch of such bank located in a foreign country or in a dependency or possession of the United States, and (2) liabilities payable only at such a branch, shall be treated as though said liabilities were due to or payable at a nonmember bank.

“(d) The term ‘net deposits,’ as used in this section, shall mean the amount of the gross deposits of any member bank, as above defined and as further defined by the Federal Reserve Board, minus the sum of (1) all balances due to such member bank from other member banks and their branches in the United States, and (2) checks and other cash items in process of collection which are payable immediately upon presentation in the United States, within the meaning of these terms as further defined by the Federal Reserve Board.

“(e) The term ‘average daily debits to deposit accounts,’ as used in this section, shall mean the average daily amount of checks, drafts, and other items debited or charged by any member bank to any and all accounts included in gross deposits as above defined and as further defined by the Federal Reserve Board, except charges resulting from the payment of certified checks and cashiers’, treasurers’, and other officers’ checks.

“(f) The term ‘cash,’ within the meaning of this section, shall include all kind of currency and coin issued or coined under authority of the laws of the United States.

“(g) The term ‘reserve balances,’ as used in this section, shall mean a member bank’s actual net balance on the books of the Federal reserve bank representing funds available for reserve purposes under regulations prescribed by the Federal Reserve Board.

“(h) The term ‘vicinity of a Federal reserve bank or branch thereof,’ as used in this section, shall mean the city in which a Federal reserve bank or branch thereof is located, until such term is otherwise defined by the Federal Reserve Board: *Provided*, That, with respect to each Federal reserve bank and each branch thereof, the Federal Reserve Board, from time to time, in its discretion, may either (1) define a specific geographic area as comprising the vicinity of such Federal reserve bank or branch thereof, within the meaning of

this section, or (2) compile a list of member banks which shall be deemed to be located in the vicinity of such Federal reserve bank or branch thereof, within the meaning of this section, and add banks to, or remove banks from, such list, from time to time: *Provided, however,* That, in defining such areas and compiling such lists, the Federal Reserve Board shall be guided by the general principle indicated in subsection (b) hereof.

"(i) With respect to each member bank, the term 'Federal reserve bank,' as used in this section, shall mean the Federal reserve bank of the district in which such member bank is located.

"(j) The Federal Reserve Board is authorized and empowered to prescribe regulations defining further the various terms used in this act, fixing periods over which reserve requirements and actual reserves may be averaged, determining the methods by which reserve requirements and actual reserves shall be computed, and prescribing penalties for deficiencies in reserves. Such regulations and all other regulations of the Federal Reserve Board shall have the force and effect of law and the courts shall take judicial notice of them.

"(k) Subject to such regulations and penalties as may be prescribed by the Federal Reserve Board, any member bank may draw against or otherwise utilize its reserves for the purpose of meeting existing liabilities: *Provided, however,* That, whenever the reserves of any member bank have been continuously deficient for fourteen consecutive calendar days, the Federal reserve agent or assistant Federal reserve agent of the district in which such member bank is located shall send to each director of such bank, by registered mail, a letter advising him of such deficiency and calling attention to the provisions of this subsection; and each director of such bank who after receipt of such a letter, assents to or acquiesces in the making of additional loans or investments by such bank before the reserves of such bank shall have been restored to the amount required by this section, shall be held liable in his personal or individual capacity for any and all losses sustained by such bank on any such loans or investments.

"(l) All penalties for deficiencies in reserves incurred under regulations prescribed by the Federal Reserve Board pursuant to the provisions of this act shall be paid to the Federal reserve bank by the member bank against which they are assessed.

"(m) No member bank shall keep on deposit with any State bank or trust company which is not a member bank a sum in excess of ten per centum of its own paid-up capital and surplus. No member bank shall act as the medium or agent of a nonmember bank in applying for or receiving discounts from a Federal reserve bank under the provisions of this act, except by permission of the Federal Reserve Board.

"(n) No member bank shall act as the medium or agent of any nonbanking corporation, partnership, association, business trust, or individual in making loans on the security of stocks, bonds, and other investment securities to brokers or dealers in stocks, bonds, and other investment securities. Every violation of this provision by any member bank shall be punishable by a fine of not more than \$100 per day during the continuance of such violation; and such fine may be collected, by suit or otherwise, by the Federal reserve bank of the district in which such member bank is located.

"(o) National banks or banks organized under local laws, located in Alaska or in a dependency or insular possession or any part of the United States outside the continental United States, may remain nonmember banks, and shall in that event maintain reserves and

comply with all the conditions now provided by law regulating them; or said banks may, with the consent of the Federal Reserve Board, become member banks of any one of the Federal reserve districts, and shall in that event take stock, maintain reserves, and be subject to all the other provisions of this act.

"(p) All acts or parts of acts in conflict with this section are hereby repealed only in so far as they are in conflict with the provisions of this section."

There are hereby repealed the provisions of section 7 of the first Liberty bond act, approved April 24, 1917, section 8 of the second Liberty bond act, approved September 24, 1917, and section 8 of the third Liberty bond act, approved April 4, 1918 (U. S. Code, title 31, section 771), which read as follows:

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

This section shall become effective on the first day of the seventh calendar month following the enactment of this act.

#### SECTION 14

The first portion of this section down to line 4 on page 33 is existing law. The sentence in lines 4 to 8, inclusive, is new and would interfere greatly with the financing of real-estate transactions. When a time loan has been made, there appears to be no warrant, in the absence of default, for revising the valuations on which the loan is based; and this provision, together with that in lines 4 to 9 on page 34, would require the real estate on which each such loan is based to be revalued at least five times each year. It could not reasonably be expected that real-estate loans would be made or applied for under such conditions.

The sentence in lines 17 to 20 on page 33 would classify as real-estate loans all unsecured loans whose eventual safety depends upon the value of real estate, thereby subjecting all such loans to all the limitations or restrictions in this section. This would produce confusion and uncertainty in a large volume of loans and would interfere with the extension of adequate credit, particularly in the agricultural sections of the country.

The remaining amendments in this section make what appear to be unnecessary changes in the proportion of the real-estate loans permitted and propose, without segregation, to give time depositors a preferred claim on all real-estate loans and other assets of the bank acquired under this section. Such a provision would be difficult to administer and would be unfair to the other depositors.

The sentence in lines 15 to 22 on page 34 is existing law and is inconsistent with section 24 of the bill, which will be discussed later.

It would seem desirable to limit the amount which banks may invest in bank premises, but it is suggested that this be accomplished directly instead of indirectly.

It is recommended, therefore, that section 14 of the bill be stricken out and that the following new section be substituted:

SEC. 14. The Federal reserve act, as amended, is amended by inserting between section 24 and section 25 thereof the following new section:

"Sec. 24(a). Except with the permission of the Comptroller of the Currency, no national bank, and except with the permission of the Federal Reserve Board, no State member bank, shall hereafter invest in bank premises or in the stock or obligations of, or in loans to, any corporation owning or holding its bank premises a sum exceeding the amount of the capital stock of such bank."

## SECTION 15

This section would make it necessary for member banks to dispose of a large amount of securities at this time which would be very unfortunate. Since it is aimed generally at investments in securities, it is believed that its purpose is covered sufficiently by the proposed substitute for section 3 of the bill.

The clause commencing in line 19 on page 35 apparently is intended to enable national banks to compete more effectively with State banks. Its tendency would be to lower the standards of banking in the national banking system to the standard of the State banks, where more liberal powers are granted to State banks by State law.

The definition of investment securities which is contained in the law, as amended by the act of February 25, 1927, would be stricken out and apparently the comptroller would be given unlimited power to prescribe his own definition except that stocks could not be included. This modification is undesirable.

For the reasons stated it is recommended that this section be omitted entirely.

## SECTION 16

This amendment is believed to be desirable; but it is recommended that it be strengthened and that a means of evasion be eliminated by striking out the exception in lines 17 to 21, inclusive, on page 37, which would permit the organization of national banks with a capital of \$25,000 in certain circumstances.

## SECTION 17

The modification of the units in which bank stocks can be issued would create unnecessary complications; and it is recommended that all of section 17 be omitted, with the exception of the sentence in lines 17 to 23 on page 38, which should be made effective not less than three years after enactment.

As modified, section 17 would read as follows:

SEC. 17. Section 5139 of the Revised Statutes, as amended, is amended by adding at the end thereof a new paragraph reading as follows:

"After three years from the date of the enactment of this act, no certificate representing the stock of any such association shall represent the stock of any other corporation, nor shall the ownership, sale, or transfer of any certificate representing the stock of any such association be conditioned in any manner whatsoever upon the ownership, sale, or transfer of a certificate representing the stock of any other corporation."

## SECTION 18

The first part of this section would prohibit any director, officer, or employee of any member bank from acting as a director, officer, or employee of certain other specified classes of business enterprises. It would be capable of easy evasion and would become ineffective in many cases. The latter part of the section would prohibit any member bank from clearing checks or doing the ordinary banking business of a correspondent for any of the types of business enterprises mentioned in this section. The language of the section is so broad that it would include banks within the classes of business enterprises to which the prohibitions of the section would apply. For example, all interlocking bank directorates now expressly authorized by law or permitted under certain conditions would be prohibited, and one bank would be prohibited from acting as a correspondent of another bank. It is therefore recommended that this entire section be omitted.

It has been clearly demonstrated that affiliations between member banks and security companies have contributed to undesirable banking developments. There are, however, difficulties in the way of accomplishing a complete divorce of member banks from their affiliates arising from the fact that a law intended for that purpose is likely to be susceptible of evasion or else to apply to many cases to which it is not intended to apply. Therefore the board is not prepared at this time to make a definite recommendation, but

submits, for the consideration of the Committee on Banking and Currency, a substitute for section 18 which is designed to provide for the divorce of security affiliates from member banks after three years:

SEC. 18. From and after three years from the date of the enactment of this act, no member bank shall be affiliated in any manner described in section 2 (b) hereof with any corporation, association, business trust, or other similar organization engaged principally in the issue, flotation, underwriting, public sale, or distribution at wholesale or retail, of stocks, bonds, debentures, notes, or other securities.

For every violation of this section the member bank involved shall be subject to a penalty not exceeding \$1,000 per day for each day during which such violation continues. Such penalty may be assessed by the Federal Reserve Board, in its discretion, and, when so assessed, may be collected by the Federal reserve bank by suit or otherwise.

If any such violation shall continue for six calendar months after the member bank shall have been warned by the Federal Reserve Board to discontinue the same (a) in the case of a national bank, all the rights, privileges, and franchises granted to it under the national bank act may be forfeited in the manner prescribed in section 5239 of the Revised Statutes, or, (b) in the case of a State member bank, all of its rights and privileges of membership in the Federal reserve system may be forfeited in the manner prescribed in section 9 of the Federal reserve act.

#### SECTIONS 19 AND 20

It is recommended that section 19 of the bill be combined with section 20 in the manner hereinafter proposed; that the combined section be known as section 19; and that a new section applicable to holding companies which own or control State member banks be substituted for section 20.

Under the definition of "affiliate" contained in section 2 and under the provisions of sections 6, 27, and 28 of the bill, if amended in accordance with the recommendations contained in this report, all holding companies which control member banks and all banks owned or controlled by such holding companies will be affiliates of such member banks and will be required to make reports and submit to examinations whenever deemed necessary or advisable by the Comptroller of the Currency, the Federal Reserve Board or examiners appointed by them; and therefore it is suggested that the provisions regarding examinations and condition reports of holding companies be omitted from this section and from the corresponding sections regarding holding companies which own or control State member banks.

It is also suggested that there be inserted in section 19 and in the proposed new section 20 certain additional provisions providing for the regulation and supervision of holding com-

panies and requiring all eligible State banks controlled by them to be members of the Federal reserve system.

It is therefore recommended that section 19 of the bill be changed to read as follows:

SEC. 19. Section 5144 of the Revised Statutes, as amended, is amended, to read as follows:

"SEC. 5144. In all elections of directors and in deciding all questions at meetings of shareholders each shareholder shall be entitled to one vote on each share of stock held by him, except that shares of its own stock held by any national bank as trustee shall not be voted, and shares owned or controlled by any affiliate, as defined by the banking act of 1932, or by any officer, director, employee, proxy, nominee, or representative or agent thereof, shall not be voted unless such affiliate shall have filed with the Comptroller of the Currency an agreement in such form as may be prescribed by him accepting, and agreeing to submit to and comply with, all of the provisions of this section, and such agreement shall not have been terminated. Shareholders may vote by proxies duly authorized in writing; but no officer, clerk, teller, or bookkeeper of such association shall act as proxy; and no shareholder whose liability is past due and unpaid shall be allowed to vote.

"Within a period of one year from the date of any such agreement, each nonmember State bank owned or controlled by such affiliate which is eligible for membership in the Federal reserve system shall apply for membership therein in the manner prescribed by, and subject to the terms of, section 9 of the Federal reserve act. If such application is approved by the Federal Reserve Board, such bank shall become a member of the Federal reserve system and shall comply with all of the provisions of law applicable to member banks. If such application is not approved by the Federal Reserve Board, or if any such bank shall fail to become, or shall cease to be, a member of the Federal reserve system at any time while such agreement remains in effect, such affiliate shall divest itself of all stock ownership or other interest in, or control of, such bank.

"Except as otherwise provided herein, every such affiliate, (1) on January 1, 1934, and at all times thereafter while such agreement remains in effect, shall possess, free and clear of any lien, pledge, or hypothecation of any nature, readily marketable assets other than bank stock, which shall not amount to less than 15 per centum of the aggregate par value of bank stocks held or owned by such affiliate, and (2) shall reinvest in readily marketable assets other than bank stock all net earnings over and above 6 per centum per annum on the book value of its own shares outstanding, until its readily marketable assets other than bank stocks shall amount to 25 per centum of the aggregate par value of bank shares held or owned by it: *Provided, however,* That, in computing the amount of readily marketable assets, other than bank stock, which any such affiliate is required to possess at any given time, credit shall be given to such affiliate for all contributions which it has made during the preceding three years to banks owned or controlled by it at the time such computation is made. The term 'contribution,' as herein used, shall include all such gifts of money, assets or other things of value to any such bank, all such amounts paid for worthless or doubtful assets purchased from any such bank, and all such other similar amounts as the Comptroller of the Currency, in his discretion, may permit to be treated as contributions.

"If any such affiliate shall fail to comply with the provisions of this section or with the provisions of any agreement with the Comptroller of the Currency made pursuant thereto, the comptroller, in his discretion, may terminate such agreement.

"Any officer, director, agent, or employee of any such affiliate, which has entered into an agreement with the Comptroller of the Currency in accordance with the provisions of this section, who shall make any false entry in any book, report or statement of such affiliate with intent in any case to injure or defraud such affiliate, any member bank or any other company, body politic or corporate, or any individual person, or with intent to deceive any officer of such affiliate or of any member bank, or the Comptroller of the Currency, or any agent or examiner appointed to examine the affairs of such affiliate, shall be deemed guilty of a misdemeanor and upon conviction thereof in any district court of the United States shall be fined not more than \$5,000 or shall be imprisoned for not more than five years, or both, in the discretion of the court.

"No national bank shall (1) make any loan on the stock of any affiliate which owns or controls such national bank directly or indirectly, (2) make any loan to any affiliate which owns or controls such national bank, directly or indirectly, on the security of any shares of stock of any corporation owned or controlled by such affiliate, or (3) be the purchaser or holder of the stock of such affiliate; unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and any stock so purchased or acquired shall be sold or disposed of at public or private sale within two years from the date of its acquisition.

"Unless there is an effect at the time an agreement filed with the Comptroller of the Currency pursuant to the terms of this section, any person, firm, corporation, association, business trust, or other organization, which shall vote, or cause, direct, authorize, or permit to be voted, the stock of any national bank owned or controlled by any affiliate, or by any officer, director, employee, proxy, nominee or representative or agent thereof, shall be deemed guilty of a misdemeanor and, upon conviction thereof in any district court of the United States, shall be fined not more than \$5,000 for each such offense. Each vote cast shall constitute a separate offense within the meaning of this paragraph."

It is recommended that, in lieu of section 20, there be inserted a new section 20 making similar requirements regarding holding companies which own or control State member banks of the Federal reserve system; and it is recommended that such new section 20 read as follows:

SEC. 20. The Federal reserve act, as amended, is further amended by inserting therein immediately after section 9 thereof a new section reading as follows:

"Sec. 9A. No State bank shall be permitted to become a member of the Federal reserve system unless any affiliate of such State bank or trust company, as defined in the banking act of 1932, which owns or controls such member bank directly or indirectly shall have filed with the Federal Reserve Board an agreement in such form as may be prescribed by such board accepting, and agreeing to submit to and comply with, all of the provisions of this section; and no State bank shall remain a member of the Federal reserve system after one year from the date of the enactment of this act unless any affiliate of such State bank which owns

or controls such member bank directly or indirectly shall have filed such an agreement with the Federal Reserve Board.

"Within a period of one year from the date of any such agreement, each nonmember State bank owned or controlled by such affiliate which is eligible for membership in the Federal reserve system shall apply for membership therein in the manner prescribed by, and subject to the terms of, section 9 of this act. If such application is approved by the Federal Reserve Board, such bank shall become a member of the Federal reserve system and shall comply with all of the provisions of law applicable to member banks. If such application is not approved by the Federal Reserve Board, or if any such bank shall fail to become, or cease to be, a member of the Federal reserve system at any time while such agreement remains in effect, such affiliate shall divest itself of all of the stock ownership or other interest in, or control of, such bank.

"Except as provided herein, every such affiliate (1) on January 1, 1934, and at all times thereafter during the membership in the Federal reserve system of any State bank owned or controlled by it, shall possess, free and clear of any lien, pledge or hypothecation of any nature, readily marketable assets other than bank stock, which shall not amount to less than 15 per cent of the aggregate par value of bank stocks held or owned by such affiliate; and (2) shall reinvest in readily marketable assets other than bank stock all net earnings over and above 6 per centum per annum on the book value of its own shares outstanding, until its readily marketable assets, other than bank stocks, shall amount to 25 per centum of the aggregate par value of bank shares held or owned by it: *Provided, however,* That, in computing the amount of readily marketable assets, other than bank stock, which any such affiliate is required to possess at any given time, credit shall be given to such affiliate for all contributions which it has made during the preceding three years to banks owned or controlled by it at the time such computation is made. The term 'contribution,' as herein used, shall include all such gifts of money, assets or other things of value to any such bank, all such amounts paid for worthless or doubtful assets purchased from any such bank, and all such other similar amounts as the Federal Reserve Board, in its discretion, may permit to be treated as contributions.

"If any such affiliate shall fail to comply with the provisions of this section or with the provisions of any agreement with the Federal Reserve Board made pursuant thereto, the said board, in its discretion, may require any State member bank owned or controlled by such affiliate to surrender its stock in the Federal reserve bank and to forfeit all rights and privileges of membership in the Federal reserve system as provided in section 9 of this act.

"Any officer, director, agent, or employee of any such affiliate which has filed an agreement with the Federal Reserve Board, as provided in this section, who shall make any false entry in any book, report, or statement of such affiliate with intent in any case to injure or defraud such affiliate, any member bank or any other company, body politic or corporate, or any individual person, or with intent to deceive any officer of such affiliate or of any member bank, or the Federal Reserve Board, or any agent or examiner appointed to examine the affairs of such affiliate, shall be deemed guilty of a misdemeanor, and upon conviction thereof in any district court of the United States, shall be fined not more than \$5,000 or shall be imprisoned for not more than five years, or both, in the discretion of the court.

"No State member bank shall (1) make any loan on the stock of any affiliate which owns or controls such State member bank directly or indirectly, (2) make any loan to any affiliate which owns or controls such State member bank, directly or indirectly, on the security of any shares of stock of any corporation owned or controlled by such affiliate, or (3) be the purchaser or holder of the stock of such affiliate; unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and any stock so purchased or acquired shall be sold or disposed of at public or private sale within two years from the date of its acquisition."

## SECTION 21

If the Committee on Banking and Currency decides to recommend the enactment of section 21 of the bill in substantially its present form, it is suggested that paragraph (d) of section 5155 of the Revised Statutes (which forbids the establishment of any branch in a place with a population of less than 25,000), be amended in order that small communities may not be denied the banking facilities which otherwise might be provided under this section. It is also suggested that the second paragraph of section 9 of the Federal reserve act be amended so as to place State member banks on the same basis as national banks with respect to branches either in this country or in foreign countries.

The sentence commencing in line 7 on page 46 of the bill might be substituted for paragraph (d) of section 5155 of the Revised Statutes; and the following might be added at the end of the second paragraph of section 9 of the Federal reserve act:

*Provided, however,* That nothing herein contained shall prevent any State member bank from establishing and operating branches in the United States or any dependency or insular possession thereof or in any foreign country, on the same terms and conditions and subject to the same limitations and restrictions as are applicable to the establishment of branches by national banks.

## SECTION 23

This section is desirable; but, in view of the fact that the Federal reserve act authorizes different rates of discount for different classes of paper, it is recommended that this section be amended by striking out the word "of" in line 2 on page 47 and inserting in lieu thereof the words "on 90-day commercial paper in effect at."

## SECTION 24

While it is recognized that certain evils arise from the competitive bidding for deposits through the payment of unduly high rates, it is believed that it is undesirable to further regulate by law the rates of interest which may be paid on deposits, especially since to do so

would place member banks at a disadvantage in competition with nonmember banks. It is therefore recommended that this section be omitted.

## SECTION 25

In the interests of clarity it is recommended that subsection (a) of section 25 of the bill be amended by striking out the period at the end thereof (i. e., at the end of line 8 on page 48) and inserting the following: "in which such corporation owns or controls a majority interest."

It is recommended that the remainder of section 25 of the bill (p. 48, lines 9 to 25, and p. 49, lines 1 to 21) be omitted entirely.

The first part of paragraph (b) (lines 9 to 18, inclusive, on p. 48) would seem to be unnecessary because the exceptions in section 5200 are not applicable to borrowers of the kind described, except the eighth exception, which applies only to loans secured by Government securities.

In so far as the remainder of paragraph (b) and the provisions of paragraph (c) relate to affiliates of national banking associations, the exact meaning of the restrictions is not clear; but these provisions appear to be in conflict with those of section 9 of the bill, and the limitations on loans which may be made by national banking associations to their affiliates are covered adequately by the proposed substitute for section 9. This substitute contains a limitation on loans that may be made to one affiliate and a separate limitation on the aggregate amount of loans that may be made to all affiliates of the same member bank.

In the comments upon the definition of the term "affiliate" in section 2 of the bill certain principles were indicated which have been applied in the recommendations with respect to various sections of the bill relating to affiliates; and it is believed that these recommendations are sufficient.

## SECTION 26

It is recommended that this section be omitted entirely.

It would apply to all loans on "collateral security" regardless of the nature of the security, and would nullify certain provisions of section 5200 of the Revised Statutes, including those permitting national banks to make loans (1) in amounts not exceeding 25 per cent of their capital and surplus on the security of shipping documents or chattel mortgages on livestock, and (2) in amounts not exceeding 50

per cent of their capital and surplus on the security of shipping documents, warehouse receipts, or other such documents covering readily marketable nonperishable staples. It would greatly curtail the amount of credit which could be extended by banks in agricultural communities to farmers, cattlemen, and dealers in cotton, grain, and other agricultural commodities.

## SECTION 27

In order that reports of affiliates of national banks may be required only when deemed necessary and to clarify the provisions of the bill with respect to such reports, it is recommended that section 27 of the bill be amended to read as follows:

SEC. 27. Section 5211 of the Revised Statutes of the United States, as amended, is further amended by adding at the end thereof the following new paragraph:

"Whenever it shall be deemed necessary in order to obtain adequate information regarding the relations between any national bank and its affiliates, or the effect of such relations upon the management or condition of such bank, it may be required under rules and regulations prescribed by the Comptroller of the Currency to obtain and furnish such reports as to any or all of its affiliates as may be called for. Each such report shall contain such information and shall be submitted at such time as may be specified in the call therefor."

## SECTION 28

Section 28 of the bill purports to authorize examinations of affiliates of both national banks and State member banks; but it is doubtful whether it would accomplish this purpose as to State member banks, because it amends the first paragraph of Section 5240 of the Revised Statutes so as to provide for such examinations to be made by examiners acting under the jurisdiction of the Comptroller of the Currency, whereas section 9 of the Federal reserve act, as amended by the act of June 21, 1917, exempts State member banks from examination by the Comptroller of the Currency under the provisions of the first two paragraphs of section 5240 of the Revised Statutes. It has been recommended above that section 6 of the bill be amended so as to provide for examinations of affiliates of State member banks; and it is recommended that section 28 of the bill be amended to read as follows:

SEC. 28. Section 5240 of the Revised Statutes of the United States, as amended, is further amended by adding at the end thereof a new paragraph reading as follows:

"Examiners appointed under the provisions of the first paragraph of this section may examine any affiliate of a national bank whenever it shall be deemed necessary in order to obtain adequate information concerning the relations of such affiliate with such national bank

or the effect of such relations upon the management or condition of such national bank. The examiner making the examination of any affiliate of a national bank shall have power to make a thorough examination of all the affairs of the affiliate, and in doing so he shall have power to administer oaths and to examine any of the officers and agents thereof under oath and to make a report of his findings to the Comptroller of the Currency. The expense of examinations provided for in this paragraph may be assessed by the Comptroller of the Currency upon the affiliates examined in proportion to assets or resources held by the affiliates upon the dates of examination of the various affiliates. If any such affiliate shall refuse to pay such expenses or shall fail to do so within sixty days after the date of such assessment, then such expenses may be assessed against the affiliated national bank and, when so assessed, shall be paid by such national bank: *Provided, however,* That, if the affiliation is with two or more national banks, such expenses may be assessed against, and collected from, any or all of such national banks in such proportions as the Comptroller of the Currency may prescribe. If any affiliate of a national bank shall refuse to permit an examiner to make an examination of the affiliate or shall refuse to give any information required in the course of any such examination, the national bank with which it is affiliated shall be subject to a penalty of not more than \$100 for each day that any such refusal shall continue. Such penalty may be assessed by the Federal Reserve Board, in its discretion, and, when assessed, may be collected by the Federal reserve bank by suit or otherwise."

## SECTION 29

Section 29 provides for the removal of officers or directors of national banks under certain circumstances. It is believed that there should be some means by which in extreme cases unsatisfactory management could be corrected through the removal of officers and directors responsible therefor.

It is believed however that the power of removal should be vested in the Federal Reserve Board as a whole rather than in a special committee consisting of three officials, one of whom is the person bringing the charges against the accused officer or director; and in order to afford adequate additional protection to the interests of the banks and their officers and directors, certain other changes in this section should be made. It is therefore recommended that section 29 be amended to read as follows:

SEC. 29. Whenever, in the opinion of the Comptroller of the Currency, any director or officer of a national bank, or of a bank or trust company doing business in the District of Columbia, or whenever, in the opinion of a Federal reserve agent, any director or officer of a State member bank in his district, shall have continued to violate any law relating to such bank or shall have continued unsafe or unsound practices in conducting the business of such bank after having been warned by the Comptroller of the Currency or the Federal reserve agent, as the case may be, to discontinue such violations of law or such unsafe or unsound practices, the Comptroller of the Currency or the Federal reserve

agent, as the case may be, may certify the facts to the Federal Reserve Board. In any such case the Federal Reserve Board may cause notice to be served upon such director or officer to appear before such board to show cause why he should not be removed from office. A copy of such order shall be sent to each director of the bank affected by registered mail. If, after granting the accused director or officer a reasonable opportunity to be heard, the Federal Reserve Board finds that he has continued to violate any law relating to such bank or has continued unsafe or unsound practices in conducting the business of such bank after having been warned by the Comptroller of the Currency or the Federal reserve agent to discontinue such violation of law or such unsafe or unsound practices, the Federal Reserve Board, in its discretion, may order that he be removed from office. A copy of such order shall be served upon

such director or officer. A copy of such order shall also be served upon the bank of which he is a director or officer, whereupon such director or officer shall cease to be an officer or director of such bank: *Provided, however,* That such order and the findings of fact upon which it is based shall not be made public or disclosed to anyone except to the officer or director involved and the directors of the bank involved, and no such finding or order nor the evidence upon which it is based shall be produced in any court of law except as evidence to punish violations of law under this section. Any such director or officer upon whom any such order has been served as herein provided and who thereafter participates in any manner in the management of such bank shall be fined not more than \$5,000 or imprisoned for not more than 5 years, or both, in the discretion of the court.

### STATEMENT OF FEDERAL ADVISORY COUNCIL ON THE GLASS BILL (S. 4115)

MARCH 29, 1932.

The Federal Advisory Council has given careful consideration to Senate bill 4115. It is of the opinion that the present is an inopportune time to raise many of the issues presented in this proposed legislative measure. Reforms in our banking system may be desirable, but such should be made at a time when the country has passed through the present crisis and when there is no danger that legislative enactments will retard recovery and add to the existing difficulties with which banks are confronted.

The council feels that the effect of this proposed measure is likely to destroy the benefits of the Glass-Steagall Act, the Reconstruction Finance Corporation act, and similar measures. If the bill should be enacted into law it would necessitate a wholesale liquidation of securities, which would most certainly cause a further decline in the prices of all securities. Such deflation would work extreme hardship not merely upon banks but upon all holders of securities in this country, and especially upon those who have borrowed from banks and who are finding difficulties even at present in meeting their obligations.

It must also be pointed out that, in the opinion of the council, the thesis apparently underlying this measure that loans upon securities are in general undesirable and should be drastically limited would undermine the customary system of capital financing which has been an inherent part of the present industrial and financial system almost from its beginning. Without the flotation of securities which have been financed directly or indirectly by banks, it would have been impossible to build up the large enterprises which have contributed so much to the progress of industrial development in this country.

In addition to the above general expression of opinion, the Federal Advisory Council desires to point out, in some detail, its specific objections to certain features of the bill.

1. **Control of affiliates.**—The Federal Advisory Council is in accord with the purpose sought to be achieved in section 20 and believes that a control of affiliates is desirable.

The definition of affiliates in section 2, however, is much too broad and comprehensive. It brings within the provisions of the act any corporation, regardless of its business, which may happen to have a majority of its executive committee, directors, or managing officers directors of a member bank.

Section 9 limits the sum which a parent member bank may lend to an affiliate to 10 per cent of the capital and surplus of the parent bank, and such loans must be secured by 120 per cent of listed exchange securities or 100 per cent of either eligible paper or savings banks' securities, neither of which would be for the most part in the possession of an affiliate, unless it happened to be a bank. Furthermore, this provision would seem to bar the acceptance of real-estate mortgages as collateral from an affiliate upon the part of those banks located in States where there are no laws regulating the investments of savings banks. Likewise, commodity or livestock paper, unless its maturity is such as to make it eligible, could not be used as collateral for a loan made to an affiliate.

The Federal Advisory Council also believes that the provision in section 25, page 49, paragraph 2, which refers to the sale for cash of the stock of an affiliate within a 3-year period is not at all clear. If this means that the stock of the affiliate held by the parent institution must be sold for cash away from the bank, in other words divorcing the affiliate from control



by the bank, it will create a distinct hardship, as there are large numbers of such affiliates in existence to-day whose compulsory liquidation would cause serious financial losses. Apparently this section is in conflict with some of the provisions of section 20.

2. **Centralization of power.**—It was the original intention of the Federal reserve act to decentralize the banking power in this country by establishing 12 autonomous regional Federal reserve banks. The Federal Reserve Board itself was planned originally to be largely a supervising and coordinating body. The proposed act, however, tends to increase radically the power of the Federal Reserve Board at the expense of the individual Federal reserve banks and to make of the Federal reserve system in effect a centralized banking institution. In support of this statement attention is called to the following sections.

Section 3 delegates the power of direct action to the Federal Reserve Board, which even if practical would result in so embarrassing the operations of member banks as to lead to the elimination of important and necessary activities or to the virtual surrender of individual bank management to the Federal Reserve Board.

Section 8 gives power to the Federal Reserve Board to fix the percentage of the capital and surplus which any member bank may lend in the form of collateral loans, and it is within the power of the Federal Reserve Board to change this percentage at any time upon 10 days' notice and to direct any member bank to refrain from an increase of its security loans for any period up to one year. This would be a tremendous increase in the powers of the Federal Reserve Board and would introduce an element of uncertainty in the minds of those directing any given member bank as to when the bank in question might be subjected to the direct action authorized in this section.

The power of control by the Federal Reserve Board over the actions of the Federal open-market committee, as authorized in section 10, might possibly tend to slow up open-market operations at times when quickness of action might be absolutely essential in order to bring about desired results.

In section 11 the Federal Reserve Board is empowered to cancel the right of any member bank to borrow on so-called 15-day paper and to declare existing loans due if such a member bank has failed to heed a notice instructing it not to increase loans on collateral security. It would appear to the Federal Advisory Council that this endows the Federal Reserve Board with an arbitrary power which is highly

undesirable, entirely aside from other features in this section to which reference will be made hereafter.

The Federal Advisory Council believes that subdivisions F and G of section 13 give power to the Federal Reserve Board to regulate what is a purely routine loan operation of a member bank. The ability of member banks to trade in Federal reserve funds tends to maintain a greater degree of liquidity in the general banking situation than would otherwise be the case. In this connection attention is called to the ever increasing restrictions upon, and to the diminishing scope of, loaning operations of banks. This results in increasing unnecessary balances on the part of member banks and makes it more difficult for them to employ funds profitably.

3. **Liquidating corporation.**—In general the council indorses the idea of a liquidating corporation. It is, however, not in harmony with the provisions as set forth under section 10 (sec. 12B) of the proposed act. The council is of the opinion that such a corporation as is proposed should be financed entirely by Government money, as is intended to be done in the case of nonmember banks. Furthermore, the council believes that it might be well to consider the possibility of creating 12 agencies, one in each of the Federal reserve districts, rather than seeking to create a single body for the whole country. Such 12 agencies might then be placed under the control and guidance of the Federal Reserve Board or some other coordinating group. In no event does the council believe it proper to require member banks to furnish the funds needed for such a corporation without at the same time giving the member banks control of such a corporation for which they are to furnish the capital from out of their own resources. The council furthermore suggests the possibility of having the activities of a Federal Liquidating Corporation taken over by the Reconstruction Finance Corporation.

4. **Increase of reserves.**—The Federal Advisory Council presumes that the requirement of larger reserves as set forth in section 13 of the proposed act is intended to provide for greater liquidity on the part of banks. The council believes, however, that the experience of the last 10 years has clearly indicated that there is little or no relation between reserves and liquidity. In the opinion of the council liquidity is the result of careful and prudent bank management and is measured by the character of the assets held by the bank. Furthermore, the imposition of additional reserves

will reduce available resources in the member banks at a time when these are largely needed, while at the same time they will bring no advantage to the system, the resources of which have been and are ample to take care of changing financial situations. The effect of this requirement would also be to tie up an additional volume of gold as a reserve against increased member-bank deposits in the Federal reserve banks without any apparent justification.

**5. Segregation of time deposits.**—The Federal Advisory Council regards the provisions in section 14 of the proposed act, intended to segregate the assets behind time deposits from those against other deposits, as likely to lead to undesirable results. In the opinion of the council this provision will lead either to the withdrawal of demand deposits or the diversion of demand deposits into time deposits. It believes that the increase of investment in real estate foreseen in this section will tend to reduce the liquidity of banks. There is also imposed upon the Comptroller of the Currency a duty which burdens him with tremendous responsibility, in so far as he is required to specify the type of property and the securities in which one-half of the time deposits of the member bank may be invested in the absence of State laws governing the investment of such funds. It has been the experience of a number of members of the council that the absence of restriction in respect to the investment of time deposits has produced a greater degree of liquidity in banks than can possibly be accomplished under the permissions granted in this section.

The council feels that the views here set forth in regard to section 14 might be much amplified. In its opinion the most important effect of this section would be to bring about a disruption of the present credit structure of the country. Many banks in this country having a large percentage of time deposits use these funds for the purpose of aiding commerce, industry, and agriculture in their respective communities. These would be compelled under the provisions of section 14 to liquidate a large proportion of these loans and invest the funds so obtained in real estate or specified securities.

**6. Fifteen-day paper.**—Section 11 penalizes borrowers on so-called 15-day paper. In the opinion of the Federal Advisory Council such a provision would make Government bonds a much less desirable form of investment for member banks. It would handicap the United States Treasury in its necessary financing, increasing the rate on Government securities

and thereby the interest rate on all other classes of securities, and thus depreciate the market price of securities generally. It should also be pointed out that the ability of member banks to borrow on their promissory notes for a period of not exceeding 15 days is essential in periods of depression when sufficient eligible paper is not available for rediscount.

**7. Limitation of interest on deposits.**—The limitation of interest which member banks may pay upon deposit balances, provided for in section 24 of the proposed act, places such banks in unfair competition with nonmember banks not so restricted. It should be remembered that money is a commodity like any other and that member banks should be free to pay the rates necessary to hold their deposits.

**8. Branch and group banking.**—In reference to section 21 and other sections of the proposed act referring to branch or group banking, the council begs leave to refer to the recommendations which it made on September 15, 1931, a copy of which is appended hereto [see below].

**9. Collateral loans and securities.**—In the general statement the Federal Advisory Council has already expressed its views regarding the desire to limit collateral loans. It wishes here, however, to discuss somewhat more in detail the provisions in sections 8, 11, 13, 15, etc., all of which deal in whole or in part with the control of the volume of collateral loans and the volume of securities held by member banks. These sections give arbitrary powers of control and the right to impose penalties to the Federal Reserve Board. These sections deal with control of volume of collateral loans and volume of securities held by member banks and place arbitrary powers of control and penalties in the Federal Reserve Board. The enforcement of the mandatory provisions of these sections will result in the enforced liquidation and to the detriment of general business. The council believes that such liquidation will retard if it does not entirely defeat the beneficent effects that may be expected to be realized as a result of the Glass-Steagall bill and the Reconstruction Finance Corporation act. The council does not share the view of the proponents of the bill that the underlying cause of either bank disasters or depression is directly related to the volume of collateral loans or the volume of securities held by banks. These did not, and do not now, impair the ability of member banks properly to care for those types of loans the proceeds of which go more directly into commerce, industry, and agriculture.

In conclusion the council calls attention to the fact that the bill, if enacted into law, would

in effect place an undeserved stigma upon the flotation and selling of securities and make it almost impossible for banks to do business with dealers in securities. There would seem to be no justification whatsoever for such drastic action.

Finally, the council believes that it is not possible to promote activity in commerce, industry, and agriculture under an easy-money and credit policy and at the same time prevent people by admonition or restriction from buying securities which are being made attractive by this very activity.

#### STATEMENT OF SEPTEMBER 15, 1931

**I. Group and chain banking.**—No national bank should be permitted to become a part of a group banking system except on the condition that all other banks in the group are members of the Federal reserve system to the end that the Federal Government have visitorial powers over the entire group. More specifically:

(a) No corporation should be permitted to own in excess of 20 per cent of the stock of a national bank if it owns at the same time in excess of 20 per cent of the stock of a State bank unless said State bank is a member of the Federal reserve system.

(b) The Comptroller of the Currency should be given visitorial power over any corporation

owning in excess of 20 per cent of the stock of a national bank.

(c) No national bank should be permitted to make a loan on the security of the stock of a corporation owning in excess of 20 per cent of the stock of the lending bank.

**II. Branch banking.**—A. The McFadden Act should be amended to permit national banks in important commercial and financial centers to establish branches in the area that is economically and financially tributary to such centers without regard to State boundaries or to State banking laws. The privilege should be limited to banks in cities serving a territory sufficient to provide economic diversification. The area within which banks located in such cities may extend their branches should be defined by a committee consisting of the Comptroller of the Currency, the Secretary of the Treasury, and the Governor of the Federal Reserve Board. Banks permitted to have branches in an area should have capital adequate to their deposit liabilities, the minimum not to be less than \$1,000,000. The extension of branches should be subject to the approval of the Comptroller of the Currency.

B. The national bank consolidation act should be amended to permit any bank within the branch-bank area to consolidate under national charter with the approval of the Comptroller of the Currency.

### FIRST QUARTERLY REPORT OF RECONSTRUCTION FINANCE CORPORATION

The Reconstruction Finance Corporation made its first quarterly report to Congress on April 1, 1932. The text of the report, together with a table showing aggregate loans to each class of borrower, is given herewith:<sup>1</sup>

Pursuant to the provisions of section 15 of the Reconstruction Finance Corporation Act, we have the honor to submit the first quarterly report of the corporation covering its operations to and including March 31, 1932.

As the act was approved by the President on January 22, 1932, and the board of directors of the corporation was organized on February 2, the operations reported herein cover a period of only two months. During this time the board has set up its central organization in Washington and established 33 separate agencies in various sections of the country. These agencies are located at Atlanta, Ga.; Birmingham, Ala.; Boston, Mass.; Charlotte, N. C.; Chicago, Ill.; Cleveland, Ohio; Dallas, Tex.; Denver, Colo.;

Detroit, Mich.; El Paso, Tex.; Helena, Mont.; Houston, Tex.; Jacksonville, Fla.; Kansas City, Mo.; Little Rock, Ark.; Los Angeles, Calif.; Louisville, Ky.; Memphis, Tenn.; Minneapolis, Minn.; Nashville, Tenn.; New Orleans, La.; New York, N. Y.; Oklahoma City, Okla.; Omaha, Nebr.; Philadelphia, Pa.; Portland, Ore.; Richmond, Va.; St. Louis, Mo.; Salt Lake City, Utah; San Antonio, Tex.; San Francisco, Calif.; Seattle, Wash.; Spokane, Wash.

Each of these agencies is in charge of a manager, selected by the board, who receives applications for loans and transmits them to Washington with his recommendations. Competent local advisory committees, the members of which serve without compensation, also have been appointed by the board to assist the managers. The membership of these advisory committees totals 363.

The Reconstruction Finance Corporation functions solely through the medium of loans. These loans, exclusive of acceptances referred to in section 5 (a) of the act and of the direct loans or advances to farmers which, under

<sup>1</sup> The report contains, in addition, the following tables: Number of borrowers, by States and classes; statement of condition as of Mar. 31, 1932; names and compensation of directors, officers, and employees receiving from the corporation more than \$400 per month.

section 2, are to be negotiated by the Secretary of Agriculture, are authorized to be made to banks, savings banks, trust companies, building and loan associations, railroads and railroad receivers, insurance companies, mortgage-loan companies, credit unions, Federal land banks, joint-stock land banks, Federal intermediate credit banks, agricultural credit corporations, livestock credit corporations, and to aid in the reorganization or liquidation of closed banks. It is provided by law that the loans shall be fully and adequately secured.

Realizing that it was essential and in the public interest that its work should be expedited as much as possible, the active loaning operations of the corporation were commenced and carried on while it was in the process of building up its executive and administrative staffs. This threw an immense amount of work on that portion of the staff which was first assembled. The board expresses its appreciation of their accomplishment, which necessitated incessant and continuing work on their part, night and day.

The board is endeavoring to give prompt consideration to the many applications which come to it each day and to make its decisions without undue delay.

Altogether, at the close of March 31, 1932, the corporation had authorized 974 separate loans in the aggregate sum of \$238,739,939.06 to 935 institutions, as follows: \$158,182,242.06

to 858 banks and trust companies (including \$2,173,000 to aid in the reorganization or liquidation of 7 closed banks); \$4,879,750 to 30 building and loan associations; \$7,080,000 to 18 insurance companies; \$775,000 to 2 joint-stock land banks; \$496,990 to 1 livestock credit corporation; \$21,200 to 2 agricultural credit corporations; \$6,517,000 to 8 mortgage-loan companies; and \$60,787,757 to 16 railroads (including \$7,335,800 to 2 railroad receivers). In addition, the corporation had outstanding on March 31, 1932, as indicated in the attached table, agreements to make loans totaling \$6,817,500 upon the performance of specified conditions. The corporation also allocated \$50,000,000 to the Secretary of Agriculture in accordance with the provisions of section 2 of the Reconstruction Finance Corporation act, and agreed to take all or any part of the February 15 and March 15 issues of Federal intermediate credit bank debentures, aggregating \$47,345,000, which might remain unsold on the dates indicated. As all the Federal intermediate credit bank debentures were sold in the open market, it was unnecessary for the corporation to take any part of the issues in question.

Of the total loans authorized, the corporation at the close of March 31, 1932, had advanced \$192,346,308.01, and repayments amounted to \$7,471,894.36, leaving \$184,874,413.65 outstanding on the books of the corporation.

AGGREGATE LOANS TO EACH CLASS OF BORROWER, FEBRUARY 2 TO MARCH 31, 1932, INCLUSIVE

	Authorized <sup>1</sup>	Advanced	Repaid	Outstanding
Banks and trust companies <sup>2</sup> .....	\$158,182,242.06	\$125,417,141.01	\$6,249,542.36	\$119,167,598.65
Building and loan associations.....	4,879,750.00	2,430,500.00		2,430,500.00
Insurance companies.....	7,080,000.00	6,635,920.00	74,400.00	6,561,520.00
Mortgage loan companies.....	6,517,000.00	1,277,000.00		1,277,000.00
Joint-stock land banks.....	775,000.00			
Livestock credit corporations.....	496,990.00	470,990.00		470,990.00
Agricultural credit corporations.....	21,200.00	1,000.00		1,000.00
Railroads (including receivers).....	60,787,757.00	56,113,757.00	1,147,952.00	54,965,805.00
Total.....	238,739,939.06	192,346,308.01	7,471,894.36	184,874,413.65

<sup>1</sup> The corporation agreed to take all or any part of the Feb. 15 and Mar. 15 issues of Federal intermediate credit bank debentures, aggregating \$47,345,000, which might remain unsold on the dates indicated. As all the Federal intermediate credit bank debentures were sold in the market, it was unnecessary for the corporation to take any part of the issues in question. These agreements are not included in the above figures.

In addition, the corporation had outstanding on Mar. 31, 1932, agreements to make loans (not included in the above figures) upon the performance of specified conditions, as follows: Banks and trust companies, \$6,202,500; joint-stock land banks, \$615,000.

<sup>2</sup> Loans to banks and trust companies include \$2,173,000 to aid in reorganization or liquidation of closed banks.

## NATIONAL SUMMARY OF BUSINESS CONDITIONS

[Compiled March 25 and released for publication March 28]

Volume of industrial production and factory employment increased from January to February by an amount smaller than is usual at this season. Improvement in the banking situation during February and the first three weeks of March was reflected in a decline in bank suspensions and a return flow of currency from the public to the banks.

**Production and employment.**--Output of industrial products increased less than seasonally in February, and the Federal Reserve Board's index, which makes allowance for the usual seasonal variations, declined from 71 per cent of the 1923-1925 average to 70 per cent. Activity in the steel industry during February and the first three weeks of March showed little change from the January rate, although ordinarily substantial increases are reported at this time of year. Automobile production continued in small volume, showing none of the usual seasonal expansion, and the number of cars produced in the 3-month period ending in February was about 35 per cent less than in the corresponding period a year ago. In the lumber industry output declined further, contrary to seasonal tendency. Activity at cotton mills and shoe factories increased by more than the seasonal amount and was at about the same level as in the corresponding month last year.

Volume of employment at factories increased in February by somewhat less than the usual seasonal amount. In the iron and steel, automobile, and machinery industries the number employed showed an increase smaller than is usual in this month, and at lumber mills a continued decline in employment was reported. At establishments producing fabrics, wearing apparel, and shoes volume of employment increased by more than the seasonal amount.

Daily average value of total building contracts awarded, as reported by the F. W. Dodge Corporation, showed little change in February and the first half of March, and for the period between the 1st of January and the middle of March the value of contracts was 65 per cent less than a year ago, reflecting continued declines in residential building as well as in other types of construction; part of the

decrease in the value of awards reflects reductions in building costs.

**Distribution.**--Carloadings of merchandise and of miscellaneous freight showed none of the usual seasonal increase in February, while sales at department stores remained unchanged, as is usual at this season.

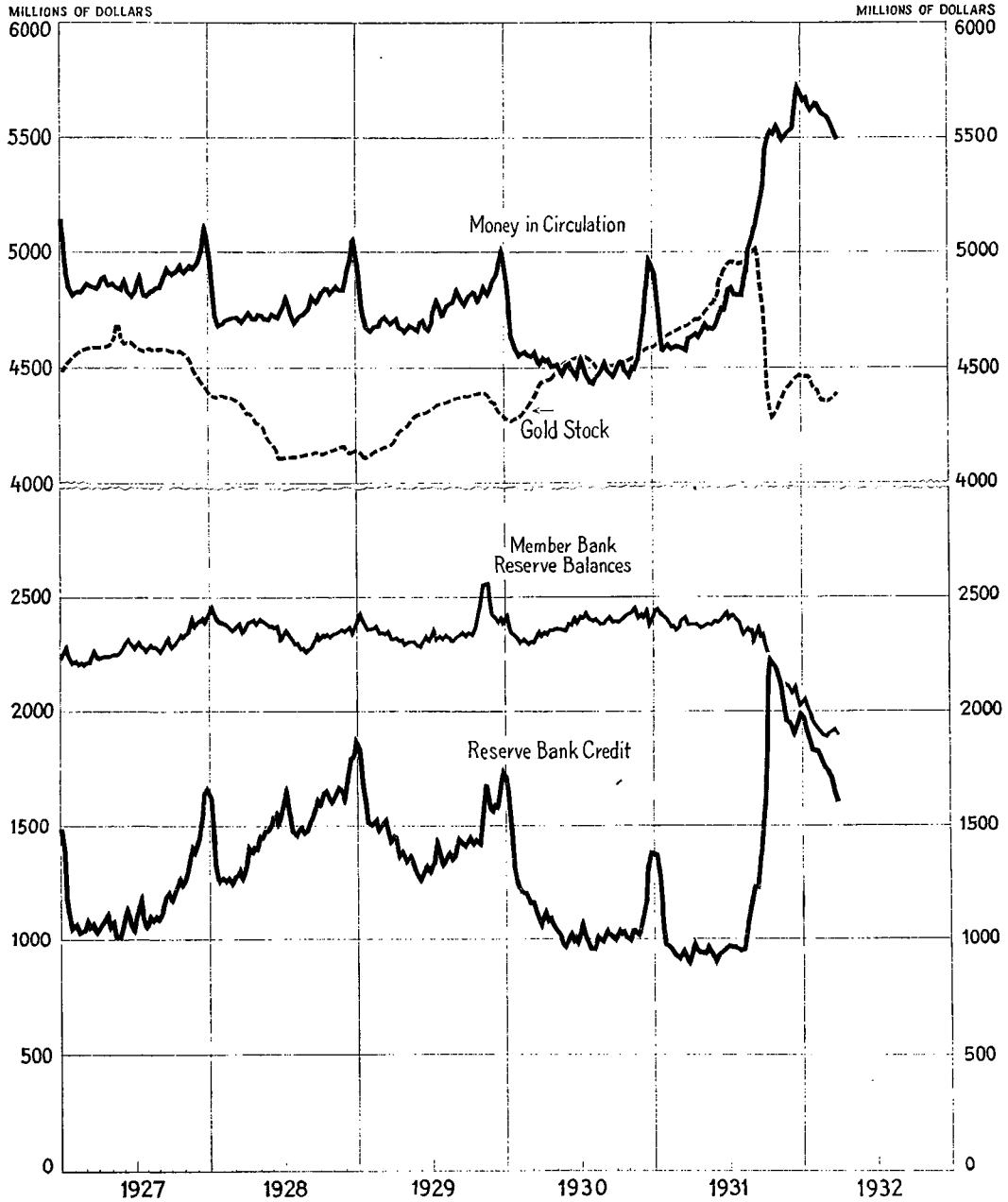
**Wholesale prices.**--Wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, declined further from 67 per cent of the 1926 average for January to 66 per cent for February. Between the first week of February and the third week of March there were increases in the prices of cotton, livestock, and meats, while prices of grains, nonferrous metals, and imported raw materials, including silk, sugar, and rubber, declined considerably.

**Bank credit.**--In the banking situation the important developments in February and the first half of March were a considerable reduction in the number of bank suspensions and a return flow of currency from the public to the banks. The country's stock of monetary gold declined in February but increased somewhat in the first half of March. Member bank reserve balances, after decreasing almost continuously since last summer, showed a slight increase for the first two weeks in March. Purchases of United States Government obligations by the Federal reserve banks, beginning in March, were accompanied by a considerable decline in member bank indebtedness to the reserve banks.

Loans and investments of member banks in leading cities continued to decline until the middle of March, when there was a substantial increase, owing largely to the banks' purchases of United States Government securities issued on March 15. Demand and time deposits of these banks decreased further during February but showed little change in the first half of March.

Open-market rates on acceptances and commercial paper declined during February and the first half of March. During this period yields on Treasury and other high grade bonds decreased to the lowest point since early December, but after the middle of the month yields on high-grade corporate bonds increased somewhat.

RESERVE BANK CREDIT OUTSTANDING AND PRINCIPAL FACTORS IN CHANGES



Based on weekly averages of daily figures; latest figures are for week ending March 26

**FEDERAL RESERVE BANK CREDIT**  
**RESERVE BANK CREDIT OUTSTANDING AND FACTORS IN CHANGES**

[In millions of dollars]

Month or week	Averages of daily figures										
	Reserve bank credit outstanding					Factors of decrease		Factors of increase			
	Bills discounted	Bills bought	United States securities	Other reserve bank credit	Total	Monetary gold stock	Treasury currency adjusted	Money in circulation	Member bank reserve balances	Non-member deposits, etc.	Unexpended capital funds
1931—January.....	253	206	647	23	1,129	4,622	1,784	4,695	2,433	28	379
February.....	216	102	603	15	936	4,656	1,780	4,308	2,370	25	379
March.....	176	123	604	18	921	4,682	1,778	4,330	2,386	24	381
April.....	153	173	600	24	952	4,711	1,770	4,617	2,376	27	382
May.....	163	144	599	20	926	4,767	1,783	4,679	2,387	28	382
June.....	188	121	610	25	945	4,865	1,759	4,750	2,404	35	380
July.....	169	79	674	32	954	4,858	1,784	4,830	2,407	83	370
August.....	222	135	712	38	1,107	4,975	1,764	4,947	2,345	187	367
September.....	280	259	736	38	1,313	4,948	1,768	5,133	2,333	199	364
October.....	613	692	733	50	2,098	4,447	1,708	5,478	2,256	208	361
November.....	695	560	727	53	2,035	4,363	1,766	5,318	2,118	171	357
December.....	774	340	777	59	1,950	4,450	1,782	5,611	2,069	144	358
1932—January.....	828	221	759	57	1,865	4,452	1,773	5,645	1,979	113	353
February.....	848	151	743	43	1,785	4,384	1,787	5,627	1,907	73	349
March.....	714	105	809	24	1,652	4,372	1,792	5,531	1,899	37	349
Week ending (Saturday)—											
Dec. 26.....	842	281	796	72	1,991	4,467	1,786	5,727	2,013	145	359
Jan. 2.....	803	315	791	58	1,967	4,459	1,767	5,666	2,053	118	356
Jan. 9.....	815	288	771	60	1,934	4,464	1,766	5,680	2,020	111	353
Jan. 16.....	826	222	752	55	1,855	4,464	1,774	5,646	1,987	108	352
Jan. 23.....	831	187	752	53	1,823	4,454	1,780	5,632	1,956	119	350
Jan. 30.....	850	162	749	52	1,822	4,429	1,773	5,617	1,941	117	349
Feb. 6.....	862	157	749	54	1,822	4,410	1,777	5,645	1,925	91	348
Feb. 13.....	843	166	742	52	1,803	4,405	1,777	5,642	1,917	78	348
Feb. 20.....	856	130	741	43	1,790	4,379	1,794	5,627	1,906	82	348
Feb. 27.....	842	139	740	31	1,752	4,356	1,795	5,605	1,895	55	348
Mar. 5.....	828	125	754	24	1,731	4,352	1,783	5,594	1,885	41	346
Mar. 12.....	757	136	786	26	1,705	4,363	1,778	5,563	1,901	34	348
Mar. 19.....	684	107	820	23	1,634	4,374	1,825	5,537	1,909	37	350
Mar. 26.....	667	84	825	23	1,599	4,382	1,791	5,498	1,890	33	351
Apr. 2.....	651	68	854	22	1,595	4,390	1,789	5,469	1,909	45	351

End of month series

Wednesday series

	1931						1932					
	1931			1932			1932					
	Oct. 31	Nov. 30	Dec. 31	Jan. 31	Feb. 29	Mar. 31	Feb. 24	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30
Bills discounted.....	728	718	638	899	828	639	835	828	748	661	666	633
Bills bought.....	681	452	339	153	109	68	133	116	138	109	82	66
United States securities.....	727	717	817	743	740	872	741	710	785	810	835	872
Other reserve bank credit.....	48	44	59	58	32	18	25	25	27	25	15	16
<b>Total reserve bank credit.....</b>	<b>2,184</b>	<b>1,931</b>	<b>1,853</b>	<b>1,856</b>	<b>1,709</b>	<b>1,597</b>	<b>1,734</b>	<b>1,729</b>	<b>1,698</b>	<b>1,631</b>	<b>1,597</b>	<b>1,587</b>
Monetary gold stock.....	4,292	4,414	4,400	4,415	4,353	4,388	4,350	4,350	4,362	4,374	4,381	4,388
Treasury currency adjusted.....	1,757	1,759	1,759	1,775	1,791	1,806	1,780	1,791	1,775	1,838	1,792	1,780
Money in circulation.....	5,540	5,535	5,647	5,642	5,603	5,459	5,592	5,583	5,544	5,522	5,480	5,439
Member bank reserve balances.....	2,167	2,051	1,961	1,947	1,849	1,921	1,878	1,902	1,910	1,919	1,911	1,911
Nonmember deposits, etc.....	181	170	110	107	53	59	395	385	382	405	380	405
Unexpended capital funds.....	355	357	354	350	347	349						

<sup>p</sup> Preliminary.

NOTE

For explanation of relations between movements of reserve bank credit, factors of decrease, and factors of increase see BULLETIN for July, 1929, pp. 432-438.

Back figures.—See (for averages of daily figures) Annual Report for 1930 (Tables 1, 2, and 3).

## RESOURCES AND LIABILITIES OF FEDERAL RESERVE BANKS IN DETAIL; ALSO FEDERAL RESERVE NOTE STATEMENT

[In thousands of dollars]

	Mar. 31, 1932	Feb. 29, 1932	Mar. 31, 1931
<b>RESOURCES</b>			
Gold with Federal reserve agents.....	2,211,147	2,068,907	1,733,124
Gold redemption fund with United States Treasury.....	44,565	55,743	32,647
Gold held exclusively against Federal reserve notes.....	2,255,712	2,124,650	1,765,771
Gold settlement fund with Federal Reserve Board.....	276,289	263,663	499,976
Gold and gold certificates held by banks.....	487,702	549,796	848,804
Total gold reserves.....	3,019,703	2,938,109	3,114,641
Reserves other than gold.....	215,461	201,645	181,637
Total reserves.....	3,235,164	3,139,754	3,296,278
Nonreserve cash.....	77,805	71,548	73,124
Bills discounted:			
For member banks.....	632,366	817,489	250,027
For intermediate credit banks.....	5,916	10,573	121
For nonmember banks (secured by adjusted service certificates).....	268	415	77
Total bills discounted.....	638,550	828,477	250,225
Bills bought:			
Payable in dollars—			
Bought outright.....	31,843	68,819	113,380
Under resale agreement.....	4,936	6,852	9,860
Payable in foreign currencies.....	30,778	33,478	1,063
Total bills bought.....	67,557	109,149	124,303
United States securities:			
Bought outright.....	860,070	740,032	598,431
Under resale agreement.....	11,562	—	100
Total United States securities.....	871,632	740,032	598,531
Other reserve bank credit:			
Federal intermediate credit bank debentures.....	200	10,000	—
Federal land bank bonds.....	—	—	—
Municipal warrants.....	7,646	4,603	—
Due from foreign banks.....	6,645	8,607	707
Reserve bank float (uncollected items in excess of deferred availability items).....	4,611	8,019	16,553
<b>Total reserve bank credit outstanding.....</b>	<b>1,596,841</b>	<b>1,708,887</b>	<b>990,319</b>
Federal reserve notes of other reserve banks.....	15,792	15,916	14,278
Uncollected items not included in float.....	349,448	340,627	463,183
Bank promises.....	57,853	57,821	58,322
All other resources.....	36,199	39,577	17,601
<b>Total resources.....</b>	<b>5,369,102</b>	<b>5,374,130</b>	<b>4,913,105</b>
<b>LIABILITIES</b>			
Federal reserve notes:			
Held by other Federal reserve banks.....	2,547,694	15,916	14,278
Outside Federal reserve banks.....	15,792	2,635,253	1,472,080
Total notes in circulation.....	2,563,486	2,651,169	1,486,358
Deposits:			
Member bank—reserve account.....	1,923,533	1,848,887	2,428,061
Government.....	29,546	35,825	55,916
Foreign bank.....	30,360	16,583	5,145
Other deposits.....	28,397	36,023	16,515
Total deposits.....	2,012,106	1,937,318	2,505,657
Deferred availability items.....	349,448	340,627	463,183
Capital paid in.....	155,623	157,492	168,828
Surplus.....	259,421	259,421	274,636
All other liabilities.....	29,018	28,103	14,443
Total liabilities.....	5,369,102	5,374,130	4,913,105
Contingent liability on bills purchased for foreign correspondents.....	335,432	311,870	490,779
<b>FEDERAL RESERVE NOTE STATEMENT</b>			
Federal reserve notes:			
Issued to Federal reserve banks by Federal reserve agents.....	2,816,584	2,911,743	1,875,642
Held by Federal reserve banks <sup>1</sup> .....	253,098	260,574	389,284
In actual circulation.....	2,563,486	2,651,169	1,486,358
Collateral held by agents as security for notes issued to banks:			
Gold.....	2,211,147	2,068,907	1,733,124
Eligible paper.....	667,000	892,153	351,122
Total collateral.....	2,878,147	2,961,060	2,084,246

<sup>1</sup> Excludes "Federal reserve notes of other Federal reserve banks" which are consequently included in actual circulation.



**ANALYSIS OF CHANGES IN MONETARY GOLD STOCK**

[In millions of dollars]

Month	Gold stock at end of month	Analysis of changes			
		Increase in stock during month	Net gold import	Net re-lease from earmark <sup>1</sup>	Domestic production, etc. <sup>2</sup>
1929—January	4,127	-14.4	47.2	-65.0	3.4
February	4,153	26.4	25.5		0.9
March	4,188	34.4	24.8	7.5	2.1
April	4,200	72.4	23.1	48.6	0.7
May	4,301	40.6	23.6	16.1	0.9
June	4,324	23.4	30.2	-7.5	0.7
July	4,341	16.3	34.7	-22.0	3.6
August	4,360	18.0	18.4	-1.0	1.5
September	4,372	12.1	17.6	-6.6	1.1
October	4,386	14.4	17.5	-4.5	1.4
November	4,367	-19.2	-23.2	1.0	2.3
December	4,284	-82.9	-64.4	-22.0	3.5
Total (12 mos.)		142.4	175.1	-55.4	22.7
1930—January	4,291	6.8	4.0	0.5	2.3
February	4,353	59.9	60.0	0.0	1.9
March	4,423	68.2	55.5	13.0	-0.3
April	4,491	68.5	63.7	0.5	2.3
May	4,517	25.9	23.5	2.0	0.5
June	4,535	17.6	13.9	2.0	1.7
July	4,517	-18.4	-19.6	-3.0	4.3
August	4,501	-15.5	-19.6	0.0	4.2
September	4,511	10.2	2.5	4.0	3.7
October	4,535	23.3	26.4	-6.1	3.1
November	4,571	36.8	35.2	-2.1	3.8
December	4,593	22.1	32.7	-15.2	4.5
Total (12 mos.)		305.4	280.2	-4.4	32.0
1931—January	4,643	49.4	34.4	11.9	3.1
February	4,665	22.0	16.1	2.5	3.3
March	4,697	32.0	25.6	3.0	3.3
April	4,726	28.7	49.5	-7.5	-13.3
May	4,798	72.4	49.6	4.0	18.8
June	4,956	158.0	63.8	92.3	1.9
July	4,949	-6.6	19.5	-29.7	3.6
August	4,995	45.7	57.5	-16.0	4.2
September	4,741	-254.3	20.6	-279.1	4.2
October	4,292	-448.4	-337.7	-107.6	-3.1
November	4,414	122.0	89.4	28.3	4.2
December	4,460	45.8	56.9	-22.9	11.9
Total (12 mos.)		-133.4	145.3	-320.8	42.1
1932—January	4,416	-44.2	-75.0	25.4	5.4
February	4,354	-62.3	-90.6	26.4	1.9
March <sup>2</sup>	4,389	+34.9	-26.7	58.3	3.3
Total (3 mos.) <sup>2</sup>		-71.6	-192.3	110.1	10.6

<sup>1</sup> Gold released from earmark at Federal reserve banks less gold placed under earmark.

<sup>2</sup> This figure, derived from preceding columns, represents the excess of domestic production over nonmonetary consumption of gold—chiefly consumption in the arts. In any given month, however, it may be predominantly affected by the fact that on the final day of the month (a) gold bullion or foreign gold coin recently imported may not yet have reached a reserve bank or the Treasury, and (b) gold bullion recently withdrawn from stock for export may not yet have been actually exported. The figures are subject to certain unavoidable inaccuracies in official reports of gold imports and exports.

<sup>2</sup> Preliminary figures.

**GOLD MOVEMENTS TO AND FROM UNITED STATES**

[In thousands of dollars]

From or to—	1932					
	March (preliminary)		February		January-February	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
Belgium		6,341		17,850		30,412
England				235	171	3,604
France		37,533		98,203		181,087
Germany				495		566
Italy						
Netherlands				8,672		14,929
Portugal				2,386		2,386
Sweden						
Switzerland		6		254		2,013
Canada	7,002		8,417	11	10,579	27
Central America			69		191	
Mexico	2,375		965	15	2,073	20
Argentina	2,683		1,157		10,267	
Colombia			7		2,956	
Ecuador			205		312	
Peru				57	166	57
Uruguay			1,000		1,000	
Venezuela			133		254	
British India			2,575		7,252	
China and Hong Kong						
Kong	2,903		819		987	
Dutch East Indies					278	
Japan			19,441		29,410	
Philippine Islands			289		551	
All other countries <sup>1</sup>	2,208	33	2,288	24	3,656	74
Total	<sup>2</sup> 17,171	<sup>2</sup> 43,913	37,644	128,211	70,550	236,075

<sup>1</sup> Includes all movements of unreported origin or destination.  
<sup>2</sup> At New York—imports, \$6,585,000; exports, \$43,913,000. Elsewhere imports, \$10,586,000.

**KINDS OF MONEY IN CIRCULATION**

[In millions of dollars]

Kind of money	1932		1931
	Mar. 31 <sup>2</sup>	Feb. 29	Mar. 31
Gold coin	404	406	354
Gold certificates	779	820	1,047
Federal reserve notes	2,546	2,634	1,471
Treasury currency: <sup>1</sup>			
Standard silver dollars	31	31	35
Silver certificates	355	363	372
Treasury notes of 1890	1	1	1
Subsidiary silver	259	260	271
Minor coin	114	114	116
United States notes	274	280	289
Federal reserve bank notes	3	3	3
National bank notes	693	691	648
Total Treasury currency	1,730	1,743	1,735
Total money in circulation	5,459	5,603	4,608

<sup>2</sup> Figures preliminary.

<sup>1</sup> For explanation of the term "Treasury currency" see BULLETIN for July, 1929, p. 432.

## MEMBER BANK RESERVE BALANCES

[In millions of dollars]

Month or week	Averages of daily figures							
	Reserves held				Excess reserves			
	Total—all member banks	New York City <sup>1</sup>	Other reserve cities	"Country" banks	Total—all member banks	New York City <sup>1</sup>	Other reserve cities	"Country" banks
1931—January.....	2,433	891	955	587	104.7	51.5	22.5	30.7
February.....	2,370	847	945	578	56.6	11.6	18.2	26.7
March.....	2,386	860	945	580	66.5	19.4	18.7	28.4
April.....	2,376	829	962	585	55.6	7.2	20.2	28.2
May.....	2,387	848	961	578	66.8	15.5	23.6	27.7
June.....	2,404	882	949	573	128.9	71.4	27.0	30.5
July.....	2,407	887	950	570	124.4	60.6	32.8	30.9
August.....	2,345	843	943	559	100.6	34.3	35.7	30.6
September.....	2,333	864	918	551	120.3	53.8	36.7	29.8
October.....	2,256	848	872	536	129.1	52.5	39.7	37.0
November.....	2,118	774	832	512	57.0	10.7	19.4	26.9
December.....	2,076	766	807	503	66.3	18.5	16.9	30.9
1932—January.....	1,979	724	767	488	35.4	4.5	1.8	29.2
February.....	1,907	681	733	473	43.8	7.2	11.3	25.3
Week ending (Friday)—								
Dec. 25.....	2,020	748	782	489	( <sup>2</sup> )	8.4	4.9	( <sup>2</sup> )
Jan. 1.....	2,041	752	800	489	( <sup>2</sup> )	17.5	22.5	( <sup>2</sup> )
Jan. 8.....	2,035	748	780	507	( <sup>2</sup> )	9.1	1.1	( <sup>2</sup> )
Jan. 15.....	1,990	727	773	490	( <sup>2</sup> )	7.6	3.2	( <sup>2</sup> )
Jan. 22.....	1,963	717	759	487	( <sup>2</sup> )	6.0	-2.1	( <sup>2</sup> )
Jan. 29.....	1,941	712	755	474	( <sup>2</sup> )	6.8	1.9	( <sup>2</sup> )
Feb. 5.....	1,930	699	753	478	( <sup>2</sup> )	4.5	5.8	( <sup>2</sup> )
Feb. 12.....	1,917	686	754	477	( <sup>2</sup> )	10.5	11.7	( <sup>2</sup> )
Feb. 19.....	1,906	680	754	473	( <sup>2</sup> )	7.8	10.2	( <sup>2</sup> )
Feb. 26.....	1,895	673	752	469	( <sup>2</sup> )	8.7	13.4	( <sup>2</sup> )
Mar. 4.....	1,890	675	746	468	( <sup>2</sup> )	3.9	11.1	( <sup>2</sup> )
Mar. 11.....	1,894	670	753	470	( <sup>2</sup> )	7.2	19.9	( <sup>2</sup> )
Mar. 18.....	1,913	689	759	465	( <sup>2</sup> )	14.4	24.3	( <sup>2</sup> )

<sup>1</sup> Central reserve city banks only.<sup>2</sup> Figures not available by weeks.

Back figures.—See (for monthly data) BULLETIN for June, 1931, p. 347.

## MEMBER BANK DEPOSITS

[In millions of dollars]

Month	Averages of daily figures											
	Net demand and time deposits				Net demand deposits				Time deposits			
	Total—all member banks	New York City <sup>1</sup>	Other reserve cities	"Country" banks	Total—all member banks	New York City <sup>1</sup>	Other reserve cities	"Country" banks	Total—all member banks	New York City <sup>1</sup>	Other reserve cities	"Country" banks
1931—January.....	32,048	7,445	12,042	11,662	18,572	6,163	7,243	5,165	13,477	1,282	5,698	6,496
February.....	31,968	7,453	12,032	11,583	18,389	6,120	7,170	5,099	13,580	1,334	5,761	6,485
March.....	32,069	7,472	13,003	11,594	18,431	6,169	7,159	5,103	13,637	1,303	5,843	6,491
April.....	32,179	7,386	13,181	11,662	18,401	6,019	7,309	5,163	13,688	1,317	5,872	6,498
May.....	32,168	7,439	13,157	11,573	18,419	6,094	7,236	5,090	13,749	1,345	5,921	6,488
June.....	31,602	7,232	12,939	11,432	18,055	5,934	7,132	4,988	13,548	1,297	5,807	6,444
July.....	31,526	7,325	12,831	11,371	18,122	6,064	7,102	4,956	13,404	1,260	5,728	6,415
August.....	31,041	7,147	12,702	11,192	17,783	5,946	7,012	4,825	13,259	1,201	5,691	6,367
September.....	30,500	7,126	12,356	11,018	17,525	5,962	6,805	4,758	12,974	1,163	5,552	6,259
October.....	29,138	6,937	11,057	10,544	16,859	5,872	6,421	4,507	12,279	1,065	5,236	5,977
November.....	28,218	6,612	11,350	10,256	16,358	5,653	6,273	4,432	11,860	959	5,076	5,825
December.....	27,438	6,414	11,048	9,970	15,985	5,546	6,106	4,333	11,452	868	4,942	5,643
1932—January.....	26,592	6,165	10,796	9,720	15,447	5,343	5,921	4,183	11,145	822	4,786	5,537
February.....	25,715	5,797	10,413	9,505	14,789	5,001	5,723	4,064	10,926	796	4,690	5,440

<sup>1</sup> Central reserve city banks only.

Back figures.—See BULLETIN for June, 1931, p. 347.



## ALL BANKS IN THE UNITED STATES—TOTAL LOANS AND INVESTMENTS, DEPOSITS

[In millions of dollars. Includes national banks, State commercial banks and trust companies, mutual and stock savings banks, and all private banks under State supervision. For back figures see BULLETIN for May, 1931 (p. 253), and Annual Report for 1930 (Tables 42-43)]

Date	Total loans and investments									Deposits (exclusive of interbank deposits)		
	All banks			Member banks			Nonmember banks			All banks	Member banks	Non-member banks
	Total	Loans	Investments	Total	Loans	Investments	Total	Loans	Investments			
1928—June 30.....	57,265	39,464	17,801	35,061	24,303	10,758	22,204	15,161	7,043	53,398	32,133	21,265
Oct. 3.....	57,219	39,671	17,549	34,929	24,325	10,604	22,291	15,346	6,945	53,720	32,138	21,582
Dec. 31.....	58,266	40,763	17,504	35,684	25,155	10,529	22,582	15,607	6,975	56,766	34,826	21,940
1929—Mar. 27.....	58,019	40,557	17,462	35,393	24,945	10,448	22,626	15,612	7,013	54,545	33,215	21,330
June 29.....	58,474	41,512	16,962	35,711	25,658	10,052	22,763	15,853	6,910	53,852	32,284	21,567
Oct. 4.....	58,835	42,201	16,634	35,914	26,165	9,749	22,922	16,036	6,885	55,180	33,004	22,176
Dec. 31.....	58,417	41,898	16,519	35,934	26,150	9,784	22,483	15,748	6,735	55,289	33,865	21,424
1930—Mar. 27.....	57,386	40,686	16,700	35,056	25,119	9,937	22,331	15,568	6,763	53,185	32,082	21,103
June 30.....	58,108	40,618	17,490	35,656	25,214	10,442	22,453	15,404	7,048	54,954	33,690	21,264
Sept. 24.....	57,590	39,715	17,875	35,472	24,738	10,734	22,118	14,977	7,141	52,784	31,839	20,945
Dec. 31.....	56,209	38,135	18,074	34,860	23,870	10,989	21,349	14,264	7,085	53,039	32,560	20,479
1931—Mar. 25.....	55,924	36,813	19,111	34,729	22,840	11,889	21,195	13,974	7,222	51,427	31,153	20,274
June 30.....	55,021	35,384	19,637	33,923	21,816	12,106	21,099	13,568	7,531	51,782	31,566	20,216
Sept. 29.....	53,365	33,750	19,615	33,073	20,874	12,199	20,292	12,876	7,416	49,152	29,469	19,683
Dec. 31.....	50,097	31,616	18,481	30,575	19,261	11,314	19,522	12,355	7,166	46,261	27,432	18,829

## NUMBER OF BANKS

Date	Total <sup>1</sup>	Member banks			Non-member banks
		Total	National	State	
1925—Dec. 31.....	28,257	9,489	8,048	1,441	18,768
1926—Dec. 31.....	27,367	9,260	7,906	1,354	18,107
1927—June 30.....	26,765	9,099	7,790	1,309	17,666
Dec. 31.....	26,416	9,034	7,759	1,275	17,382
1928—June 30.....	25,941	8,929	7,685	1,244	17,012
Dec. 31.....	25,576	8,837	7,629	1,208	16,739
1929—June 29.....	25,110	8,707	7,530	1,177	16,403
Dec. 29.....	24,630	8,522	7,403	1,119	16,108
1930—June 30.....	23,852	8,315	7,247	1,068	15,537
Dec. 31.....	22,769	8,052	7,033	1,019	14,717
1931—June 30.....	21,903	7,782	6,800	982	14,121
Sept. 29.....	21,294	7,599	6,653	946	13,695
Dec. 31.....	19,968	7,246	6,368	878	12,722

<sup>1</sup> All banks in the United States; includes national banks, State commercial banks and trust companies, mutual and stock savings banks, and all private banks under State supervision.

\* Revised.

## BANK LOANS AND INVESTMENTS, PERCENT AGE DISTRIBUTION

[Figures for December 31, 1931]

	Number of banks	Total loans and investments	
		Amount (millions of dollars)	Percentage distribution
All banks in the United States.....	19,968	50,097	100
Member banks—total.....	7,246	30,575	61
Reserve city banks (62 cities).....	403	19,576	39
Central reserve city banks—			
New York City.....	39	7,460	15
Chicago.....	12	1,517	3
Other reserve city banks—			
New York City.....	9	31	
Chicago.....	23	69	
Other Federal reserve bank cities (10 cities).....	97	5,200	10
Federal reserve branch cities (25 cities).....	133	4,099	8
Other reserve cities (25 cities).....	90	1,200	2
“Country” banks <sup>1</sup> .....	6,843	10,999	22
Nonmember banks.....	12,722	19,522	39

<sup>1</sup> Includes certain outlying banks in reserve cities.

REPORTING MEMBER BANKS

[In millions of dollars. Monthly data are averages of weekly figures]

Month or date	Total—all weekly reporting member banks						New York City					Other leading cities		
	Loans and investments					Bor- row- ings at F. R. banks	Loans and investment				Bor- row- ings at F. R. banks	Total loans and in- vest- ments	Bor- row- ings at F. R. banks	
	Total	Loans on se- curities	All other loans	Investments			Total	Loans on se- curities	All other loans	Investments				
Total				U. S. se- curities	Total	U. S. se- curities								
1931														
January.....	22,660	7,495	8,399	6,766	3,163	82	7,906	3,111	2,472	2,323	1,254	5	14,754	77
February.....	22,659	7,315	8,242	7,102	3,385	57	7,965	3,079	2,410	2,476	1,353	2	14,694	55
March.....	22,839	7,302	8,150	7,387	3,638	35	7,975	3,176	2,295	2,504	1,391	-----	14,864	35
April.....	22,942	7,157	8,040	7,745	3,913	26	7,889	3,080	2,242	2,567	1,414	-----	15,053	26
May.....	22,713	6,998	7,893	7,822	3,957	28	7,875	3,039	2,194	2,642	1,460	-----	14,838	28
June.....	22,439	6,770	7,853	7,816	4,048	56	7,694	2,846	2,204	2,644	1,523	-----	14,745	56
July.....	22,393	6,631	7,964	7,798	4,121	44	7,780	2,764	2,365	2,651	1,608	-----	14,613	44
August.....	22,093	6,480	7,900	7,713	4,074	75	7,633	2,640	2,370	2,623	1,600	3	14,460	72
September.....	22,078	6,413	7,870	7,795	4,154	127	7,744	2,657	2,375	2,712	1,652	3	14,334	124
October.....	21,425	5,971	7,679	7,775	4,171	398	7,466	2,369	2,272	2,825	1,750	74	13,959	324
November.....	21,023	5,859	7,586	7,578	4,072	404	7,258	2,277	2,243	2,738	1,705	16	13,705	388
December.....	20,749	5,763	7,441	7,545	4,127	499	7,165	2,237	2,218	2,710	1,732	83	13,584	416
1932														
January.....	20,178	5,644	7,331	7,203	3,943	469	6,921	2,209	2,220	2,492	1,631	34	13,257	435
February.....	19,775	5,497	7,214	7,064	3,856	484	6,645	2,127	2,171	2,347	1,521	23	13,130	461
March.....	19,434	5,388	6,987	7,059	3,866	368	6,521	2,065	2,078	2,378	1,547	3	12,913	365
Jan. 6.....	20,379	5,687	7,390	7,302	4,057	483	7,039	2,223	2,249	2,567	1,722	60	13,340	423
Jan. 13.....	20,287	5,660	7,371	7,256	3,996	469	6,988	2,216	2,249	2,523	1,676	45	13,299	424
Jan. 20.....	20,052	5,632	7,303	7,117	3,880	457	6,838	2,205	2,211	2,422	1,578	15	13,214	442
Jan. 27.....	19,992	5,596	7,259	7,137	3,841	467	6,819	2,194	2,171	2,454	1,547	15	13,173	452
Feb. 3.....	19,979	5,574	7,256	7,149	3,925	492	6,794	2,178	2,181	2,435	1,593	35	13,185	457
Feb. 10.....	19,785	5,504	7,212	7,069	3,853	472	6,638	2,124	2,168	2,346	1,520	15	13,147	457
Feb. 17.....	19,731	5,474	7,217	7,040	3,840	493	6,603	2,112	2,177	2,314	1,496	20	13,128	473
Feb. 24.....	19,606	5,438	7,171	6,997	3,806	478	6,544	2,092	2,158	2,294	1,477	20	13,062	458
Mar. 2.....	19,523	5,440	7,148	6,935	3,742	474	6,540	2,109	2,160	2,271	1,445	15	12,983	459
Mar. 9.....	19,305	5,426	7,010	6,869	3,704	397	6,421	2,097	2,077	2,247	1,437	-----	12,884	397
Mar. 16.....	19,588	5,413	6,975	7,200	4,016	328	6,617	2,066	2,082	2,469	1,643	-----	12,971	328
Mar. 23.....	19,403	5,337	6,917	7,149	3,951	334	6,486	2,009	2,039	2,438	1,601	-----	12,917	334
Mar. 30.....	19,354	5,328	6,883	7,143	3,920	305	6,541	2,043	2,031	2,467	1,610	-----	12,813	305

BROKERS' LOANS

REPORTED BY THE NEW YORK STOCK EXCHANGE

[Net borrowings on demand and on time. In millions of dollars]

End of month	Total		From New York banks and trust companies		From private banks, brokers, foreign banking agencies, etc.	
	1931	1932	1931	1932	1931	1932
January.....	1,720	512	1,557	374	163	138
February.....	1,840	525	1,646	385	194	140
March.....	1,909	533	1,692	391	217	142
April.....	1,651	-----	1,466	-----	185	-----
May.....	1,435	-----	1,293	-----	141	-----
June.....	1,391	-----	1,221	-----	170	-----
July.....	1,344	-----	1,171	-----	173	-----
August.....	1,354	-----	1,160	-----	194	-----
September.....	1,044	-----	932	-----	112	-----
October.....	796	-----	688	-----	108	-----
November.....	730	-----	582	-----	148	-----
December.....	587	-----	455	-----	132	-----

Back figures.—See Annual Report for 1930 (Table 57).

MADE BY REPORTING MEMBER BANKS IN N. Y. CITY

[In millions of dollars. Monthly data are averages of weekly figures]

Month or date	Total	For own account	For account of out-of-town banks <sup>1</sup>	For account of others
1931—January.....	1,798	1,132	329	337
February.....	1,759	1,186	290	283
March.....	1,858	1,335	264	259
April.....	1,824	1,322	271	231
May.....	1,644	1,279	191	174
June.....	1,464	1,110	181	173
July.....	1,434	1,062	204	163
August.....	1,342	951	226	165
September.....	1,268	943	174	151
October.....	921	674	90	157
November.....	802	588	124	90
December.....	655	554	88	13
1932—January.....	544	473	65	6
February.....	495	417	72	6
March.....	531	432	94	5
Mar. 2.....	495	429	61	5
Mar. 9.....	552	464	84	4
Mar. 16.....	561	431	125	5
Mar. 23.....	524	399	120	5
Mar. 30.....	525	438	82	5

<sup>1</sup> Member and nonmember banks outside New York City (domestic banks only).

Back figures.—See Annual Report for 1930 (Table 56).

ACCEPTANCES AND COMMERCIAL PAPER

BANKERS' ACCEPTANCES OUTSTANDING (DOLLAR ACCEPTANCES)

[In millions of dollars]

End of month	Total outstanding	Held by Federal reserve banks		Held by group of accepting banks			Held by others
		For own account	For account of foreign correspondents	Total	Own bills	Bills bought	
1930—January	1,693	293	526	220	63	157	653
February	1,624	269	503	183	71	112	669
March	1,539	277	482	167	72	95	613
April	1,414	209	465	158	55	103	582
May	1,382	184	463	166	63	103	579
June	1,305	127	470	205	64	141	503
July	1,350	129	479	279	63	216	463
August	1,339	167	471	267	95	172	434
September	1,367	208	432	317	131	186	411
October	1,508	141	433	384	172	212	550
November	1,571	143	429	493	180	313	507
December	1,556	328	439	371	90	282	417
1931—January	1,520	89	447	571	134	437	412
February	1,520	85	456	550	151	398	429
March	1,467	123	431	472	131	341	441
April	1,422	162	409	410	125	285	441
May	1,413	124	380	464	171	293	444
June	1,368	95	341	554	196	357	379
July	1,228	39	243	668	232	436	273
August	1,090	70	228	606	165	438	186
September	996	420	100	410	162	248	66
October	1,040	647	99	230	112	118	63
November	1,002	418	126	296	125	171	162
December	974	305	251	262	131	131	156
1932—January	961	119	314	332	159	174	195
February	919	76	312	343	175	168	189
March		37	335				

Figures for acceptances outstanding (and held by accepting banks) from American Acceptance Council.

Back figures.—See Annual Reports for 1929 (Table 58) and 1928 (Table 61).

ACCEPTANCES PAYABLE IN FOREIGN CURRENCIES—HOLDINGS OF FEDERAL RESERVE BANKS

[In thousands of dollars]

End of month	1929	1930	1931	1932
January	1,019	1,035	36,119	33,444
February	1,029	1,038	23,958	33,478
March	1,036	1,040	1,063	30,778
April	1,036	1,054	1,074	
May	1,040	1,058	1,073	
June	1,043	1,064	10,551	
July	2,061	1,065	34,371	
August	12,346	1,071	145,215	
September	16,955	1,075	48,504	
October	17,064	21,583	33,501	
November	1,027	31,587	33,380	
December	1,030	35,983	33,429	

Back figures.—See Annual Report for 1928 (Table 12), 1927 (Table 12), 926 (Table 24), etc.

CLASSES OF BANKERS' ACCEPTANCES (DOLLAR ACCEPTANCES)

[In millions of dollars]

End of month	Total	Based on imports into U. S.	Based on exports from U. S.	Based on goods stored in United States (warehouse credits) or shipped between domestic points	Dollar exchange	Based on goods stored in foreign countries or shipped between foreign points
1931—January	1,520	214	400	292	65	549
February	1,520	212	398	295	71	544
March	1,467	212	390	282	62	520
April	1,422	211	360	271	73	507
May	1,413	207	361	264	75	505
June	1,368	202	349	254	69	494
July	1,228	186	330	238	52	423
August	1,090	178	276	202	43	391
September	996	174	257	190	37	338
October	1,040	173	261	238	38	330
November	1,002	158	254	258	34	298
December	974	159	222	267	31	296
1932—January	961	150	207	272	34	298
February	919	142	195	271	26	284
HELD BY F. R. BANKS (OWN ACCOUNT) <sup>1</sup>						
1931—January	89	10	13	23	3	39
February	85	13	11	17	2	42
March	123	17	23	27	3	52
April	162	24	25	37	8	60
May	124	20	18	19	6	59
June	95	15	16	17	5	39
July	39	7	6	8	2	16
August	70	10	9	8	3	38
September	420	68	55	88	17	185
October	647	105	93	129	24	285
November	418	61	66	99	16	170
December	305	43	55	84	14	104
1932—January	119	16	19	32	2	47
February	76	9	12	27	1	25

<sup>1</sup> Total holdings of Federal reserve banks include a small amount of unclassified acceptances.

Back figures.—See Annual Report for 1930 (Tables 61 and 14).

COMMERCIAL PAPER OUTSTANDING

[In millions of dollars]

End of month	1929	1930	1931	1932
January	407	404	327	108
February	411	487	315	108
March	387	529	311	30,778
April	351	553	307	
May	304	541	305	
June	274	527	292	
July	265	528	289	
August	267	526	271	
September	265	513	248	
October	285	485	210	
November	310	448	174	
December	334	358	118	

<sup>r</sup> Revised.

Figures for commercial paper as reported by about 20 dealers.

Back figures.—See Annual Report for 1930 (Table 60).

**BANK SUSPENSIONS AND BANKS REOPENED**

Year and month	Banks suspended							Banks reopened						
	Number			Deposits (in thousands of dollars)				Number			Deposits (in thousands of dollars)			
	All banks	Members		Non-members	All banks	Members		Non-members	All banks	Members	Non-members	All banks	Members	Non-members
		National	State			National	State							
1921	501	51	19	431	196,460	21,285	21,218	153,957	60	10	50	17,493	3,132	14,361
1922	354	45	12	297	110,721	19,092	5,151	86,478	65	24	41	35,565	11,618	23,947
1923	648	90	34	524	188,761	32,904	18,324	137,473	37	14	23	11,674	5,068	6,606
1924	776	122	37	617	213,338	60,889	13,580	138,869	94	20	74	22,462	7,190	15,272
1925	612	118	28	466	172,900	58,537	8,727	105,636	62	14	48	16,618	6,779	9,839
1926	956	125	35	796	272,488	47,866	20,946	203,676	149	14	135	60,610	8,179	52,431
1927	662	91	33	538	193,891	46,581	19,755	127,555	95	11	84	35,729	8,311	27,418
1928	491	57	16	418	138,642	31,619	10,621	96,402	39	5	34	15,727	6,610	9,117
1929	642	64	17	561	234,532	37,007	20,128	177,397	58	5	53	25,229	2,273	23,556
1930	1,345	161	26	1,158	864,715	173,290	207,150	484,275	147	7	140	61,599	3,538	58,061
1931	2,298	409	108	1,781	1,691,510	439,171	294,357	957,982	276	31	245	158,187	53,944	104,243
1930—September	66	7	2	57	23,666	1,769	171	21,726	4		4	1,688		1,688
October	72	10		62	24,599	3,336		21,263	11	1	10	12,323	351	11,972
November	254	26	7	221	186,306	62,373	35,742	88,191	23	1	22	6,978	208	6,770
December	344	49	7	288	367,119	44,884	163,993	158,242	43		43	16,340		16,340
1931—January	202	20	6	176	76,553	14,569	7,615	54,369	58	3	55	19,322	1,856	17,466
February	77	15	5	57	34,616	5,822	7,901	20,893	49	6	43	17,157	3,333	13,824
March	86	18	1	67	34,320	10,899	108	23,313	31	2	29	11,758	3,381	8,407
April	64	17	3	44	41,683	19,498	2,264	19,921	28	4	24	23,613	15,893	7,720
May	91	24	2	65	43,210	12,320	5,055	25,835	9	2	7	3,590	401	3,489
June	167	26	10	131	190,480	31,368	39,434	119,678	8	5	3	24,522	23,816	706
July	93	16	2	75	40,745	7,045	1,505	31,895	9		9	2,525		2,525
August	158	29	12	117	180,028	71,429	52,660	95,739	4		4	14,396		14,396
September	305	46	16	243	233,505	39,446	30,272	123,787	6		6	4,258		4,258
October	522	100	25	397	471,380	111,088	117,259	243,033	22	2	20	5,096	991	4,105
November	175	35	8	132	67,939	28,639	4,216	35,684	21	4	17	13,041	3,684	9,357
December	358	63	18	277	277,051	87,448	25,768	163,835	31	3	28	18,579	589	17,990
1932—January	342	74	13	255	219,300	63,686	10,873	144,741	19	3	16	10,952	3,293	7,659
February	122	26	5	91	64,677	22,628	7,998	34,051	46	6	40	18,893	4,236	14,657
March	45	7		38	15,936	4,484		11,452	28	10	18	15,499	9,714	5,785

‡ Preliminary.

\* Revised.

NOTES

*Banks suspended and banks reopened.*—The statistics of bank suspensions relate to banks closed to the public, on account of financial difficulties, by order of supervisory authorities or directors of the bank. Some banks reopen before the end of the calendar month in which they were closed; such banks are included in the record of suspensions for the month as given in the table. Reopenings are recorded as of the month in which they occur, and include for any given month reopenings both of banks closed during the month and of banks closed earlier.

*Deposits.*—Figures of deposits in banks suspended are as of date of suspension whenever data as of this date are available; otherwise they are as of the latest available call date prior to suspension. For banks reopened the figures of deposits are not as of date of reopening, which are seldom available, but are taken from the record of suspensions.

*Back figures.*—See annual report for 1930 (Tables 66 and 67).

**MEMBER BANK HOLDINGS OF ELIGIBLE ASSETS**

(In millions of dollars)

Date	Holdings of Government securities <sup>1</sup> and eligible paper (including paper under rediscount)									Member bank borrowings at Federal reserve banks
	By reserve city banks			By "country" banks			By all member banks			
	U. S. Government securities	Eligible paper	Total	U. S. Government securities	Eligible paper	Total	U. S. Government securities	Eligible paper	Total	
1928—Dec. 31	2,730	2,349	5,079	932	1,811	2,744	3,662	4,160	7,822	1,041
1929—Mar. 27	2,832	2,582	5,414	974	1,761	2,735	3,807	4,343	8,150	981
June 30	2,577	2,688	5,265	929	1,773	2,702	3,506	4,461	7,968	1,029
Oct. 4	2,469	2,865	5,334	912	1,733	2,645	3,331	4,598	7,979	899
Dec. 31	2,403	2,713	5,116	814	1,684	2,498	3,217	4,397	7,614	646
1930—Mar. 27	2,619	2,542	5,161	818	1,662	2,480	3,438	4,204	7,642	206
June 30	2,640	2,285	4,925	772	1,620	2,392	3,412	3,905	7,317	274
Sept. 24	2,682	2,271	4,953	764	1,541	2,305	3,446	3,812	7,258	173
Dec. 31	2,777	2,100	4,877	708	1,438	2,146	3,485	3,538	7,023	243
1931—Mar. 25	3,584	2,045	5,629	776	1,373	2,149	4,360	3,418	7,778	165
June 30	3,871	1,870	5,741	836	1,328	2,164	4,707	3,198	7,905	147
Sept. 29	3,942	1,787	5,729	994	1,209	2,203	4,936	2,996	7,932	323
Dec. 31	3,706	1,505	5,211	989	1,063	2,056	4,694	2,573	7,267	623

<sup>1</sup> Exclusive of approximately \$650,000,000 of Government securities pledged against national bank note circulation.

Back figures.—See BULLETIN for March, p. 156.

FEDERAL RESERVE BANK RATES

DISCOUNT RATES

[Rates on all classes and maturities of eligible paper]

Federal reserve bank	Rate in effect on Apr. 1	Date established	Previous rate
Boston	3½	Oct. 17, 1931	2½
New York	3	Feb. 26, 1932	3½
Philadelphia	3½	Oct. 22, 1931	3
Cleveland	3½	Oct. 24, 1931	3
Richmond	3½	Jan. 25, 1932	4
Atlanta	3½	Nov. 14, 1931	3
Chicago	3½	Oct. 17, 1931	2½
St. Louis	3½	Oct. 22, 1931	2½
Minneapolis	3½	Sept. 12, 1930	4
Kansas City	3½	Oct. 23, 1931	3
Dallas	3½	Jan. 28, 1932	4
San Francisco	3½	Oct. 21, 1931	2½

Back figures.—See Annual Report for 1930 (Table 33).

BUYING RATES ON ACCEPTANCES

[Buying rates at the Federal Reserve Bank of New York]

Maturity	Rate in effect on Apr. 1	Date established	Previous rate
1-15 days	2½	Mar. 25, 1932	2½
16-30 days	2½	do	2½
31-45 days	2½	do	2½
46-60 days	2½	do	2½
61-90 days	2½	do	2½
91-120 days	2½	do	2½
121-180 days	3	Feb. 26, 1932	3½

NOTE.—Rates on prime bankers' acceptances. Higher rates may be charged for other classes of bills.

OPEN-MARKET RATES

RATES IN NEW YORK CITY

Month or week	Prevailing rate on—			Average rate on—		Average yield on—	
	Prime commercial paper, 4 to 6 months	Prime bankers' acceptances, 90 days	Time loans, 90 days	Call loans <sup>1</sup>		U. S. Treasury notes and certificates, 3 to 6 months	Treasury bonds <sup>2</sup>
				New	Re-newal		
1931							
January	2¾-3	1¾-1¾	1¾-2½	1.50	1.57	1.24	3.33
February	2¾-2¾	1¾-1¾	1¾-2	1.50	1.50	1.06	3.40
March	2¾	1¾	2-2¼	1.56	1.55	1.38	3.39
April	2¾-2¾	1¾	1¾-2¼	1.57	1.52	1.49	3.38
May	2-2¼	¾-1¾	1½-2	1.45	1.45	.88	3.31
June	2	¾	1½-1¾	1.50	1.50	.55	3.30
July	2	¾	1½-1¾	1.50	1.50	.41	3.32
August	2	¾	1½-1¾	1.50	1.50	.42	3.34
September	2	¾-1¾	1½-2	1.50	1.50	.45	3.42
October	2-4¼	1¾-3¼	2½-4	2.10	2.10	1.70	3.71
November	3¾-4¼	2¾-3¼	3-4	2.50	2.50	1.77	3.69
December	3¾-4	3	3-4	2.73	2.70	* 2.41	3.92
1932							
January	3¾-4	2¾-3	3½-4	2.61	2.65	2.48	4.27
February	3¾-4	2¾-2¾	3½-3¾	2.50	2.50	2.42	* 4.11
March	3½-3¾	2¾-2¾	2¾-3½	2.50	2.50	* 2.25	3.92
Week ending—							
Feb. 27	3¾-4	2¾	3½-3¾	2.50	2.50	2.11	3.96
Mar. 5	3½-3¾	2¾	3½-3¾	2.50	2.50	2.00	3.95
Mar. 12	3½-3¾	2½	3-3½	2.50	2.50	1.97	3.89
Mar. 19	3½-3¾	2½	3-3½	2.50	2.50	* 2.62	3.91
Mar. 26	3½-3¾	2¾	2¾-3	2.50	2.50	2.39	3.91

<sup>1</sup> Stock exchange call loans; new and renewal rates.

<sup>2</sup> Stock exchange 90-day time loans.

<sup>3</sup> 3 issues—3½, 3¾, 4 per cent; yields calculated on basis of last redemption dates—1947, 1956, and 1954.

\* Change of issues on which yield is computed.

<sup>4</sup> Revised.

Back figures.—See Annual Report for 1930 (Tables 36 and 37).

RATES CHARGED CUSTOMERS BY BANKS IN PRINCIPAL CITIES

[Weighted averages of prevailing rates]

Month	New York City					8 other northern and eastern cities					27 southern and western cities				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
January	4.56	5.74	5.64	4.24	4.71	4.73	5.87	5.88	4.61	5.07	5.53	5.94	6.12	5.50	5.61
February	4.44	5.73	5.35	4.31	4.71	4.76	5.86	5.66	4.63	5.13	5.53	5.96	6.05	5.43	5.61
March	4.59	5.81	5.22	4.20	4.72	4.81	5.91	5.47	4.62	5.14	5.54	6.04	5.98	5.40	3.04
April	4.72	5.85	4.91	4.17	—	4.91	6.00	5.22	4.57	—	5.54	6.07	5.86	5.36	—
May	4.97	5.88	4.74	4.11	—	5.04	6.09	5.13	4.55	—	5.56	6.10	5.75	5.26	—
June	5.09	5.93	4.59	4.13	—	5.36	6.02	5.06	4.49	—	5.67	6.16	5.69	5.34	—
July	5.38	5.88	4.48	4.05	—	5.57	6.08	4.81	4.48	—	5.77	6.17	5.63	5.30	—
August	5.56	6.05	4.41	3.97	—	5.59	6.11	4.79	4.47	—	5.80	6.22	5.58	5.28	—
September	5.63	6.06	4.29	3.93	—	5.80	6.24	4.74	4.48	—	5.82	6.27	5.55	5.32	—
October	5.63	6.08	4.26	4.27	—	5.80	6.25	4.75	4.62	—	5.87	6.29	5.54	5.38	—
November	5.56	5.86	4.17	4.67	—	5.82	6.12	4.66	4.87	—	5.90	6.29	5.50	5.53	—
December	5.63	5.74	4.16	4.64	—	5.91	5.94	4.68	4.91	—	5.91	6.20	5.43	5.56	—

NOTE.—Figures relate to rates charged by reporting banks to their own customers as distinguished from open-market rates (which are given in preceding table). All averages are based on rates reported for 3 types of customer loans—commercial loans, and demand and time loans on securities. The method of computing the averages takes into account (a) the relative importance of each of these 3 types of loans and (b) the relative importance of each reporting bank, as measured by total loans. In the two group averages the average rate for each city included is weighted according to the importance of that city in the group, as measured by the loans of all banks in the city.

Back figures.—See Annual Report for 1930 (Table 39).



SECURITY PRICES AND SECURITY ISSUES

SECURITY PRICES

[Index numbers of Standard Statistics Co. Monthly data are averages of weekly figures]

Month or date	Bonds <sup>1</sup>			Selected groups of industrial issues												
	Preferred stocks <sup>2</sup>	Total	Industrial	Railroad	Public utility	Auto-mobile	Building equipment	Chain store	Chemical	Copper and brass	Electrical equipment	Machinery	Oil	Steel	Textile	
Number of issues.....	60	20	421	351	33	37	13	12	16	11	8	4	10	15	10	28
1931—January.....	99.6	123.6	112	103	100	163	106	74	78	162	82	176	120	89	124	53
February.....	99.4	124.8	120	110	105	178	120	78	86	174	91	194	126	91	132	55
March.....	100.0	126.4	122	112	97	189	129	81	90	173	96	201	125	85	133	58
April.....	99.6	125.3	109	100	87	170	117	70	86	148	79	172	109	74	116	52
May.....	99.7	122.6	98	89	77	156	110	59	89	127	67	159	89	63	94	47
June.....	99.4	119.7	95	87	74	153	101	58	89	128	62	157	83	63	85	45
July.....	99.4	121.1	98	90	75	158	105	60	89	131	66	161	88	67	88	46
August.....	98.5	120.7	96	89	66	154	103	58	92	127	61	155	84	70	81	45
September.....	95.6	116.1	82	76	56	132	85	47	80	110	50	132	72	60	72	40
October.....	89.4	109.4	70	65	48	112	70	38	70	90	43	113	59	53	59	36
November.....	89.0	108.5	72	68	46	115	75	39	69	96	45	114	61	57	59	36
December.....	81.6	99.1	58	54	33	96	65	31	57	79	35	94	46	44	41	31
1932—January.....	81.0	96.5	58	54	37	94	64	31	57	80	36	85	48	43	32	31
February.....	80.3	96.3	56	53	34	93	60	30	56	79	32	77	47	42	32	31
March.....	80.8	96.2	57	54	32	93	55	29	58	85	30	77	47	45	32	31
Mar. 2.....	81.3	96.3	60	56	36	99	61	31	60	89	31	82	49	45	36	31
Mar. 9.....	83.5	97.6	61	57	35	100	60	31	60	90	34	82	50	47	35	32
Mar. 16.....	81.8	96.9	56	53	31	92	53	29	57	82	30	76	47	44	31	31
Mar. 23.....	86.3	95.7	55	52	30	89	50	28	57	82	29	74	47	43	31	31
Mar. 30.....	77.3	94.3	53	51	29	87	49	27	56	79	21	71	44	45	29	30

<sup>1</sup> Average price of 60 high-grade bonds adjusted for differences in coupon rate and maturity.  
<sup>2</sup> 20 high-grade industrials; average price.

CAPITAL ISSUES

[Long-term; i. e., 1 year or more. In millions of dollars]

Year and month	Total (domestic and foreign)	New issues				Re-funding issues (domestic and foreign)	
		Domestic			Foreign		
		Total <sup>1</sup>	State and municipal	Corporate			
			Bonds and notes	Stocks			
1923.....	4,427	4,006	1,043	1,976	659	421	682
1924.....	5,557	4,588	1,380	2,200	829	969	759
1925.....	6,201	5,125	1,352	2,452	1,153	1,076	925
1926.....	6,314	5,189	1,344	2,667	1,087	1,125	1,046
1927.....	7,556	6,219	1,475	3,183	1,474	1,337	2,220
1928.....	8,040	6,789	1,379	2,385	2,961	1,251	1,858
1929.....	10,091	9,420	1,418	2,978	5,924	671	1,422
1930.....	6,909	6,004	1,434	2,980	1,503	905	711
1931.....	3,083	2,854	1,229	1,239	311	229	949
1931—February.....	207	202	119	48	27	5	18
March.....	557	550	276	250	9	7	142
April.....	412	369	101	166	102	43	203
May.....	348	333	172	132	29	15	123
June.....	259	224	118	100	6	35	144
July.....	228	226	96	113	2	2	45
August.....	120	120	74	34	12	0	6
September.....	241	217	111	94	12	24	44
October.....	44	44	15	14	4	0	1
November.....	111	109	52	26	24	2	20
December.....	119	119	40	28	39	0	21
1932—January.....	179	179	133	42	4	0	14
February.....	73	73	34	35	4	0	21

<sup>1</sup> Includes issues of Federal land banks and Federal intermediate credit banks, not shown separately.

Sources.—For domestic issues: Commercial and Financial Chronicle; for foreign issues (issues publicly offered) annual totals are as finally reported by Department of Commerce, while monthly figures are as compiled currently and are subject to revision.

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UNITED STATES GOVERNMENT SECURITIES

[In millions of dollars]

Month	Outstanding at end of month			Increase or decrease (-) during month		
	Total	Bonds and notes	Certificates and bills	Total	Bonds and notes	Certificates and bills
1930						
September.....	15,824	14,457	1,367	-109	-41	-68
October.....	15,927	14,457	1,470	103		103
November.....	15,933	14,456	1,477	6	-1	7
December.....	15,744	14,454	1,320	-159	-2	-157
Total (12 months).....				-255	-169	-86
1931						
January.....	15,913	14,504	1,319	139	139	
February.....	15,979	14,573	1,406	66	-21	87
March.....	16,280	13,838	2,442	301	-735	1,036
April.....	16,368	13,567	2,801	88	-271	359
May.....	16,245	13,323	2,922	-123	-244	121
June.....	16,520	14,152	2,368	275	820	-554
July.....	16,522	14,178	2,344	2	26	-24
August.....	16,585	14,179	2,406	63	1	62
September.....	17,048	14,980	2,068	463	801	-338
October.....	17,028	14,981	2,047	-20	1	-21
November.....	17,040	14,955	2,085	12	-26	38
December.....	17,528	15,092	2,436	488	137	351
Total (12 months).....				1,754	637	1,117
1932						
January.....	17,515	15,102	2,413	-13	10	-23
February.....	17,820	15,102	2,718	305		305

Note.—Figures relate to interest-bearing public debt; matured non-interest-bearing debt amounted to \$305,000,000 at the end of February, 1932. Figures include obligations held in Government trust funds amounting to \$362,000,000 at the end of February, 1932.

Bonds and notes long-term—i. e., 1 year or more (figuring from date of issue); certificates and bills, shorter term.



**MERCHANDISE EXPORTS AND IMPORTS**

[In millions of dollars]

Month	Merchandise exports					Merchandise imports					Excess of exports				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
January	411	488	411	250	150	338	369	311	183	136	73	119	100	66	14
February	371	442	349	224	155	351	369	282	175	131	20	72	67	49	24
March	421	490	370	236	155	380	384	300	210	106	40	106	69	26	
April	364	425	332	215	155	345	411	308	186	19	15	24	24	29	
May	423	385	320	204	155	354	400	285	180	69	15	35	24	24	
June	389	393	295	187	155	317	353	250	173	71	40	44	14	14	
July	379	403	267	181	155	318	353	221	174	61	50	46	6	6	
August	379	381	298	165	155	347	369	218	167	32	11	79	2	2	
September	422	437	312	180	155	320	351	226	170	102	86	86	10	10	
October	550	529	327	205	155	355	391	247	169	195	137	80	36	36	
November	545	442	289	194	155	327	338	204	149	218	104	85	44	44	
December	476	427	275	184	155	339	310	209	153	136	117	66	31	31	
Year	5,128	5,241	3,843	2,424	1,550	4,091	4,399	3,061	2,090	1,037	842	782	334	334	

• Preliminary.

**DEPARTMENT STORES—SALES, STOCKS**

[1923-1925 average=100. For back figures see BULLETIN for November, 1930, p. 686]

Month	Index of sales <sup>1</sup>				Index of stocks (end of month)			
	Adjusted for seasonal variation		Without seasonal adjustment		Adjusted for seasonal variation		Without seasonal adjustment	
	1931	1932	1931	1932	1931	1932	1931	1932
January	97	78	79	64	88	75	78	67
February	98	78	80	64	86	73	81	69
March	97	92	92	84	84	87	87	87
April	106	101	101	83	83	87	87	87
May	97	97	97	83	83	85	85	85
June	95	90	90	82	82	80	80	80
July	91	65	65	81	81	75	75	75
August	88	67	67	79	79	76	76	76
September	84	87	87	81	81	84	84	84
October	86	93	93	80	80	88	88	88
November	83	95	95	79	79	89	89	89
December	81	142	142	78	78	73	73	73
Year			91				82	

<sup>1</sup> Based throughout on figures of daily average sales—with allowance for changes from month to month in number of Saturdays and for 6 national holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas. Adjustment for seasonal variation makes allowance in March and April for the effects upon sales of changes in the date of Easter.

• Revised.

**FREIGHT-CAR LOADINGS, BY CLASSES**

[Index numbers; <sup>1</sup> 1923-1925 average=100. Source of basic data: American Railway Association]

	1931					1932	
	October	November	December	January	February	January	February
	Adjusted for seasonal variation					January	February
Total	69	68	69	64	62	62	62
Coal	72	65	65	58	61	61	61
Coke	44	44	47	43	46	46	46
Grain and grain products	74	76	63	69	78	78	78
Livestock	64	69	66	62	60	60	60
Forest products	33	33	30	28	27	27	27
Ore	36	23	40	31	29	29	29
Miscellaneous	69	72	73	67	62	62	62
Merchandise <sup>2</sup>	83	83	83	81	78	78	78
	Without seasonal adjustment					January	February
Total	78	70	61	58	59	59	59
Coal	83	72	70	66	66	66	66
Coke	45	46	50	47	52	52	52
Grain and grain products	82	80	62	66	74	74	74
Livestock	86	80	66	65	57	57	57
Forest products	33	31	25	25	27	27	27
Ore	50	16	10	7	7	7	7
Miscellaneous	81	70	57	54	53	53	53
Merchandise <sup>1</sup>	87	85	77	75	75	75	75

<sup>1</sup> Based throughout on daily average loadings.

<sup>2</sup> In less-than-carload lots.

## FOREIGN BANKING AND BUSINESS CONDITIONS

### ANNUAL REPORT OF THE NATIONAL BANK OF BELGIUM

The annual report of the National Bank of Belgium for 1931 was presented to the general meeting of shareholders on February 29, 1932. Sections of the report are given herewith:<sup>1</sup>

**Gold policy.**—The suspension of convertibility of the pound sterling demonstrates that the gold policy followed by the National Bank of Belgium during recent years has been in the best interests of this country.

On September 22, 1931, the bank, utilizing the rights of conversion which it had maintained in respect to its accounts with foreign correspondents, increased the gold reserve from 8,129,000,000 to 12,460,504,000 francs, and thus built up for the note circulation a reserve consisting exclusively of gold and of so large a volume that, even in the midst of the present difficulties, the belga is one of the most adequately secured currencies in the world.

In addition to the foreign exchange converted into gold, the central bank continued to hold balances in the London market, amounting to £12,643,079.

In view of the part which English currency plays in international trade, and especially in our export business, this amount is by no means excessive. Our procedure in this matter has been based on the convention of October 18, 1926, which allocated to Government account such profits as might accrue from the investment abroad of foreign currencies arising from the stabilization loan and entering into our reserves. Moreover, inspired by a justifiable sense of international monetary solidarity and acting in complete accord with the Minister of Finance, we have avoided any measure which might react unfavorably on the position of the London market.

On the day following the British currency crisis, the sterling balances were made the subject of a convention with the Government, under date of September 23, 1931. By virtue of this convention and in accord with existing agreements, the bank kept its sterling balances, in its accounts, at the purchase price, while the Government gave security for the loss on exchange—this security to be amortized out of

the income from the sterling balances. The Government recently introduced a bill approving a new convention which included the adoption of measures providing, on the one hand, for the cover of the loss on exchange by short-term Government securities,<sup>2</sup> and authorizing, on the other hand, the more profitable investment of the sterling balances.<sup>3</sup> The bank has agreed to contribute to the amortization of the exchange loss an amount of 60,000,000 francs, to be paid in successive annual installments of at least 10,000,000 francs, beginning with 1933.

The provisions thus made give complete assurance, in spite of serious and unexpected events, of the soundness of the assets guaranteeing our currency.

**Discount policy.**—The credit policy of the bank, in the present situation, was governed by a determination to maintain the liquidity of the institution, in order that it might continue able to meet with ease the special needs of a period of intense crisis, as well as the transfer of funds which will become necessary whenever the solution of international difficulties revives the investment of capital abroad.

In the existing situation nothing could be more dangerous than a policy—such as is often recommended—of systematically granting credits in proportion to the increase of frozen assets. Excessive and ill-considered manipulation of credit distorts the banking mechanism and, instead of mitigating crises, aggravates and prolongs them.

Throughout the past year the bank maintained its discount rate at the very low level of 2½ per cent, which had been established on August 1, 1930. In spite of the facilities thus put at the disposal of business, the bill portfolio declined gradually during the first half of the year, owing to business recession; but shortly afterwards the financial crisis, which broke out first in Germany and then in England, brought about a reverse movement, increasing the volume of rediscounts. This development led the bank to follow the example of most other banks of issue and to raise its discount rate (on January 13, 1932) to 3½ per cent.

<sup>1</sup> The report, available in French, contains in addition tables showing the operations of the bank in detail and sections dealing with the general situation, currency and exchange, Government debt, security market, industry, commerce, and agriculture, unemployment, etc. For earlier reports see BULLETIN for April, 1931; May, 1930; April, 1929, 1928, 1927, etc.

<sup>2</sup> The proposed term of these securities is 6 months, subject to renewal.  
<sup>3</sup> It is proposed that sterling balances equivalent to not more than 550,000,000 Belgian francs may be invested in obligations of the Belgian Government issued in foreign currencies previous to Jan. 1, 1930.

## BALANCE SHEET OF THE NATIONAL BANK OF BELGIUM AS OF DECEMBER 25, 1931

Resources	Francs (in thousands)	Dollars <sup>1</sup> (in thousands)	Liabilities	Francs (in thousands)	Dollars <sup>1</sup> (in thousands)
Gold reserve.....	12,751,477	354,491	Bank notes:		
Subsidiary coin.....	201,008	5,588	Issued.....	19,455,757	540,870
Belgian and foreign bills.....	4,558,393	126,723	Held by the bank.....	1,440,402	40,043
Advances on Belgian public securities.....	297,748	8,277	In circulation.....	18,015,354	500,827
Belgian treasury bills and other public securities (royal decree of Oct. 25, 1926).....	1,440,000	40,032	Current accounts:		
Public securities.....	198,645	5,522	Treasury.....	103,956	2,890
Public securities in the surplus account of the bank.....	85,607	2,380	Individual.....	1,189,934	33,080
Public securities in amortization account of real estate in use, furniture, and fixtures.....	59,084	1,659		1,293,890	35,970
Insurance-fund assets.....	99,863	2,776	Bills deposited for collection in current account.....	84,190	2,340
Bills deposited for collection in current account.....	84,190	2,340	Capital.....	200,000	5,560
Real estate in use.....	95,492	2,655	Surplus.....	87,674	2,437
Furniture and fixtures.....	4,700	131	Amortization account of real estate in use, furniture, and fixtures.....	59,702	1,660
Provision for the manufacture of bank notes, and labor involved.....	2,582	72	Insurance fund.....	100,066	2,782
Interest earned or receivable.....	6,693	186	Interest and rediscount.....	6,127	170
Assets held in pledge or to be liquidated (art. 34 of the statutes).....	2,826	79	Taxes payable to the Government:		
			Tax on fiduciary circulation.....	10,421	290
			Share of the Government in profits on foreign exchange.....	8,431	234
			Share of the Government in profits (art. 38 of the statutes).....	10,231	284
			Unpaid dividend for second half year of 1931.....	12,821	356
Total resources.....	19,888,907	552,912	Total liabilities.....	19,888,907	552,912

<sup>1</sup> Conversion at par of exchange: 1 franc=\$0.0278.

## ANNUAL REPORT OF THE GERMAN REICHSBANK

The annual report of the German Reichsbank for 1931 was presented to the general meeting of shareholders on March 16, 1932. The main text of the report is given herewith:<sup>1</sup>

The world is in the midst of an unparalleled crisis. The severe economic depression which has prevailed for some years in almost all countries was aggravated during the past year by a devastating breakdown of confidence; this upset credit relations both national and international and set back the process of reconstruction. Currencies recently reestablished on a gold basis with great difficulty have again become inconvertible; international trade has been thrown into confusion and greatly curtailed by the further raising of tariff barriers, by the rationing of imports, and by measures of foreign-exchange control. The continuing decline of prices and further growth of unemployment have interacted to increase the gravity of the situation. In the face of a great world surplus of commodities and productive power, consumption declines further and further. No country in the world seems to have been left untouched by the prevailing distress. The nations are becoming impoverished, and are sweeping together toward ruin. Governments have been unable as yet to halt the disastrous course of these consequences of the World War, though the action taken by the President of the United States showed a disposition to be of international service, and knowledge of the true causes of the international economic crisis is coming to be more widely diffused. In particular, the two committees of experts which met in August and December at Basel to examine the situation of Germany, and the "standstill" committee which met in Berlin toward the end of the year, have explained these causes to the world fully and clearly. They are to be found chiefly in the complicated mass of political debts, which tower up in direct opposition to the natural laws of international trade, bringing in the long run more detriment than benefit even to the creditors themselves. These debts, 13 years after the close of the war, still stand in the way of any normal functioning of world trade and any genuine state of peace and confidence.

In the system of war debts the reparation burden imposed upon Germany has a very special significance. The Dawes experts stated as early as 1924 that Germany could pay repa-

rations only out of a surplus arising from a favorable balance of trade and of payments, and that reparation transfers effected by means of foreign loans and credits would merely confuse and postpone the issue. Notwithstanding this fact, however, Germany reparations in the following period were effected out of loans and credits, because Germany had not achieved and could not achieve an economic surplus. This became quite evident when foreign loans and credits to Germany were to be suspended as a result of the world crisis. Leading German authorities have called attention repeatedly to the economic insanity and general futility of the reparations system, especially in view of the fact that the sharp decline of world prices has increased the burden of Germany—contrary to the intentions of the Young plan—by not less than one-third. In the meantime the granting of credit to Germany, which in spite of all the warnings of the Reichsbank had been most extravagant, was succeeded by withdrawals, and the reason for this was not only the need of foreign countries for their capital, together with a fear of radicalism in Germany as a result of increasing distress, but also and in particular a growing realization that Germany, under the continued pressure of reparation burdens, was being driven into bankruptcy. Events at the time when the Hoover moratorium was accepted, the German banking crisis, the "standstill" negotiations, and the findings of the Basel experts strengthened this realization. The decisive point has now been reached. The system of reparations and other political debts has finally proved futile in view of the international interdependence that characterizes modern economic relations. There is no other solution except to renounce at once *de jure* this system which is *de facto* dead. Only thus can the world be saved from new economic and social disasters whose consequences no one can foresee, but which might well surpass all the damages of the World War. The experts' committees have agreed unanimously that a final political settlement on these matters is of immediate and vital importance for all countries. Only such a settlement can reestablish confidence at home and abroad in German economy and in German politics—the first essential of recovery from the present industrial and financial crisis. The frank admission by responsible statesmen that they are willing to accept the practical conclusions of the experts' recommendations is therefore not only good political strategy but also inescapable economic necessity.

<sup>1</sup> The report, available in German, contains in addition tables and charts showing the operations of the bank in detail. For earlier reports see BULLETIN for August, 1931; May, 1930; March, 1929; May, 1928, 1927, etc.

**Development of the crisis.**—The credit situation in Germany during 1931 was largely dominated by loss of confidence. Ever since the autumn of 1930 the German money market, owing to political factors at home and abroad, has been depressed by withdrawal of foreign credits. The failure in May of the largest Austrian bank led to greatly increased withdrawals which, aggravated still further by other developments, gave rise within a few weeks to the worst crisis ever experienced. Withdrawals by foreign creditors assumed the proportions of a run on Germany, which spread throughout the country and in July led to a complete suspension of credit and clearing transactions. The Reichsbank was confronted with a twofold duty—to maintain currency stability and protect the liquidity of the German banking system. To this end the Reichsbank had to be prepared to grant credits on a large scale, as well as to part with gold and foreign exchange. The Reichsbank performed both duties until it became evident that the claims of foreign creditors could not be checked, and that continued demands on the German banks would exhaust the resources of the banks and in addition the supporting resources of the Reichsbank as well.

The assistance of the Reichsbank was limited by the fact that the methods of fighting a run through readiness on the part of the central bank to extend credit and deliver currency are not applicable in unlimited degree to a run originating abroad, because the central bank can not use its notes for foreign payments but must deliver gold and foreign exchange. It became especially clear that—as a result of the large short-term foreign indebtedness of Germany, which the Reichsbank had opposed without much success since 1925—the gold and foreign exchange holdings of the Reichsbank, even when they were at their maximum, were in fact only nominal, and failed to reflect the German exchange position. But the steadily growing domestic run—owing to its close connection with the foreign run on one hand, and on the other, to the flight of capital reported from abroad—could not be isolated and stopped by further deliveries on the part of the Reichsbank. Thus the bank was forced to defend its position by applying credit restrictions in increasing degree. The restrictive measures were closely bound up with the attempt made by the Reichsbank, in the hope of preventing bank suspensions, to obtain some sort of “standstill” agreement. The Reichsbank received support from a wide circle of the business community, in

a letter under date of July 7 from industrial firms and banks to the president of the Reichsbank, offering to create a guarantee fund with the Gold Discount Bank. This expedient did not, however, obviate the necessity of credit restrictions as well, for every discussion with foreign central banks regarding a “standstill” agreement proceeded on the assumption that the Reichsbank would first defend its own position by accepted methods.

After the meeting of the directors of the Bank for International Settlements on July 13, it was evident that adequate assistance was not available from the bank, and the closing of the German banks on that same day was imperative owing to increasing panic in Germany. Nothing less than actually closing the banks could have created a situation in which payments could be resumed with considerably less risk than before, by effecting a distinction between payments at home and payments abroad through legal exchange regulations and temporary “standstill” agreements. At the same time, the establishment of the Acceptance and Guaranty Bank strengthened the liquid position of German credit institutions to such an extent that deliveries of currency and withdrawals of deposits—greatly augmented as a result of the widespread lack of confidence—could be effected without embarrassment. Within these newly established limits something like normal credit and payment operations were possible.

The Reichsbank then decided, after the period of greatest danger was past, not to increase the discount rate automatically as provided for in the bank law whenever the reserves fall below the legal minimum; rather, it extended its credits not only in adequate measure but also as cheaply as circumstances permitted. The credit crisis itself, conditioned by international causes, and the consequent severe business depression, were beyond the power of the Reichsbank to remedy.

An important contribution to restoration of confidence within the country was the fact that the Reichsbank, in complete accord with the Government of the Reich, refrained strictly from experimenting with the currency. In future, as in the past, the bank will consider it its highest duty to insure the stability of the reichsmark by the use of all available means.

**Banking and credit measures.**—Even before the crisis the situation of the German money and credit market had been unsatisfactory, because the increasing stringency in foreign markets that began in the autumn of 1930

prevented the improvement which might otherwise have taken place at the beginning of the year. With demands on the Reichsbank increasing over the previous year in spite of the decline in the volume of business, and with the state of the exchanges uncertain, it was impossible for the Reichsbank—in contrast to many foreign central banks—to make even a temporary reduction in its discount rate. It was only by the sternest self-denial on the part of communal and other public bodies that the market for mortgage bonds—and, to a lesser extent, that for municipal obligations—was supported; and then only temporarily, for the increasing withdrawal of foreign funds soon put an end to all prospects of improvement.

Within a few weeks' time the steadily growing severity of the financial crisis destroyed all German credit operations with foreign countries and seriously injured banking and credit operations within the country. Interest rates rose rapidly. The money market was unable to function and the Reichsbank became the only source of credit. The large withdrawals of foreign exchange in the first half of June compelled the bank on June 13 to raise its discount rate by an extraordinary amount—from 5 to 7 per cent. The action of the President of the United States of America caused short-lived hopes which were frustrated by opposition to the immediate and complete operation of the plan. Distrust, both at home and abroad, continued to grow. In spite of some credit assistance from abroad, the note reserve fell below the legal minimum. To protect its rapidly diminishing gold and foreign exchange reserve the Reichsbank, in view of the isolated position of Germany, was forced to put into effect the severe measures of credit restriction previously prepared.

The closing of the Darmstädter und Nationalbank on July 13, and the declaration of a bank holiday on July 14 and 15 for the protection of the other banks, caused an almost complete suspension of payments both within the country and to foreign countries. Reichsbank policy had to deal with new and extraordinary problems. After the Reich had come to the aid of the two most seriously endangered institutions—of the Darmstädter und Nationalbank by announcing, while the bank was still closed, that the Reich would undertake to guaranty its liabilities, and of the Dresdner Bank through a large-scale capital participation—the Reichsbank was able to maintain the stability of the reichsmark. By its readiness to grant credit to an unprecedented extent, it quickly restored

the free flow of payments within Germany. It was necessary first to introduce compulsory sales of foreign exchange, and then to relax the previous measures of credit restriction, a step which could be safely taken only after further increasing the cost of credit. The discount rate was raised to 10 per cent on July 16 and, with the complete abolition of restrictions on the withdrawal of bank deposits, to 15 per cent on August 1. The lombard rate, as a result of the undesirable increase of lombard accounts, was raised by two stages up to 20 per cent. In order to preserve a certain flexibility in the credit measures of the Reichsbank, customers' acceptances, made eligible for discount during the emergency, and offered in substantial volume by the commercial banks after their regular stock of bills had been exhausted, were temporarily discounted on a 10-day basis. By this means the heavy burden on business of interest payments arising out of emergency discounting was limited to a short period. Within a month the careful preparations made for restoring normal payment operations enabled the Reichsbank to lower the bank rate by stages to 8 per cent and the lombard rate to 10 per cent.

The disturbances in the German credit structure had further effects abroad, and led to a series of discount advances in other countries which narrowed the margin between German and foreign rates. Nevertheless the Reichsbank, in connection with the anticipated measures of the Government for reduction of prices, wages, and interest rates by emergency decree of December 8, favored a reduction of the bank rate in spite of the seriousness of the exchange situation, the greatly reduced ability of the money market to function, and the strong demand for central bank credit. On December 10 the discount rate was reduced to 7 per cent and the lombard rate to 8 per cent, as a measure of cooperation on the part of the financial agencies in the reduction of the cost of business operation. Developments in the first months of the new year have justified this policy.

The checking of the run and, later, the resumption of payments, compelled the Reichsbank to grant exceptionally large credits. Business was assisted by the increased circulation, which expanded by about 2,000,000 reichsmarks—an emergency measure supported by the Reichsbank. The portfolio of domestic bills, which at the end of May had amounted to 1,500,000,000 reichsmarks, increased rapidly and at the close of the year stood at 4,500,000,000 reichsmarks, including amounts specially



allocated to cover the central bank credit of \$100,000,000 mentioned elsewhere. This increased offer of bills was due chiefly to the financing of the demands made on the Reichsbank for foreign exchange as a result of the withdrawal of foreign funds. The struggle against the abnormal demands for payment necessitated further assistance for the commercial banks including temporary mobilization of frozen commercial credits. The Acceptance and Guaranty Bank, founded by a banking consortium with cooperation of the Reichsbank and official participation by the Reich, was entrusted with the task of providing support for endangered credit institutions, and of maintaining or securing for them a credit status with the Reichsbank, by jointly assuming their bill liabilities. It was especially important for the Acceptance and Guaranty Bank to assist savings banks and clearing houses, which had become heavily involved as a result of the crisis, to remain solvent and to function as provided by law. Through restoration of solvency to the savings banks, their depositors were gradually reassured, and withdrawals caused by unfounded distrust were presently checked and finally brought to an end.

A series of further remedial measures was intended to mitigate the severity of the crisis in special cases. One of these measures was promotion of German export trade. The serious situation of German agriculture also required the provision of credits for crop financing; these were provided in part on the basis of warehouse receipts. In spite of serious protests, in which the Reichsbank joined, a special guaranty system for agriculturists in the eastern districts, amounting almost to a moratorium, was established, and resulted in a heavy demand on the Reichsbank for agricultural credit. So far as possible the Reichsbank tried to prevent any damage to credit. In many other cases also the Reichsbank had to render assistance.

In order gradually to create facilities for future relief, the restoration of the private discount market was initiated by the foundation in December—with substantial participation by the Gold Discount Bank—of the Joint Stock Discount Co.

In the emergency decree of October the Reichsbank was appointed joint administrator of the liquid reserves of the Organization of Savings Banks. The provisions of this decree are now being carried out. Bills of the savings banks discounted by the Reichsbank during the critical period of 1931 have been repurchased in fair volume since the turn of the year.

**Gold and foreign exchange.**—As already stated, the Reichsbank resolutely applied its gold and foreign exchange reserve to maintaining the solvency of German banks which were hard hit by the withdrawal of funds by foreign holders. At the end of the half year it availed itself of the opportunity presented to obtain credit assistance from abroad. The credit placed at its disposal jointly by the Bank of England, the Federal Reserve Bank of New York, the Bank of France, and the Bank for International Settlements amounted to \$100,000,000. It was first granted for only 20 days for quarterly settlement purposes. Later there were several extensions, the most recent being that of March 4, 1932, for a period of three months with a capital amortization of 10 per cent. Because of the continued withdrawal of foreign balances, and, in addition, a flight of domestic capital—probably greatly overestimated at the time—this credit brought the Reichsbank only temporary relief. In order to procure further amounts of foreign exchange, it had to draw upon an American contingent credit of \$50,000,000 which had been available to the Gold Discount Bank for a number of years. Nevertheless the decline of the reserve ratio below 40 per cent—to which the general council of the Reichsbank first gave its consent on July 7—could no longer be averted. From the end of May to the middle of July the Reichsbank paid out gold and foreign exchange to the amount of almost 2,000,000,000 reichsmarks, while sales of gold during this period aggregated more than 1,000,000,000 reichsmarks. Nearly half this gold was lost to New York, almost one-fourth to London and Paris, and smaller sums to Amsterdam and Switzerland.

**Exchange control.**—The threatened exhaustion of available foreign exchange reserves compelled the establishment of a decisive control in order to confine the use of exchange to legitimate commercial transactions, while refusing unnecessary or postponable payments. In the emergency decree of July 15, the Government of the Reich ordered the centralization of all exchange transactions in the Reichsbank; and on July 18 it required the delivery to the Reichsbank of foreign currencies and of claims in foreign currencies. The emergency decree of August 1 made the previous regulations more severe and transferred the technical management of exchange operations to special "offices of foreign exchange control" in connection with the provincial revenue offices.

Negotiations with foreign creditors were begun, looking to the continuation of the

existing short-term foreign credits. These measures enabled the Reichsbank to acquire more foreign exchange, which, however, soon had to be paid out again. The "standstill" agreement between German and foreign banks, which became effective on September 17, imposed heavy burdens on account of the release, in instalments, of the reichsmark credits of foreign banks. In this release was included the liquidation of pending forward exchange contracts. It was necessary also to repay maturing seasonal and stock exchange credits. On the other hand, notwithstanding the efforts of the Reichsbank, full use of the credit lines held open under the agreement could not be achieved because of excessive interest rates, the exchange risks attaching to various foreign currencies, and other obstacles. Moreover, the contraction in the volume of foreign credits continued, so that by the end of the year the Reichsbank had lost a further 600,000,000 reichsmarks in gold and foreign exchange.

Under these circumstances it was necessary to continue to make foreign-exchange regulations more severe. Beginning early in October the Reichsbank found it necessary to impose various credit restrictions upon firms which disregarded the foreign-exchange regulations. The emergency decree of November 17 made possible a more complete control of foreign-exchange receipts from exports. Statistics compiled by the Reichsbank showed that foreign exchange arising from German export trade is, for the most part, acquired by the bank. In spite of this, the Reichsbank's stock of foreign exchange declined steadily owing largely to capital withdrawals by foreign countries, which amounted to about 1,000,000,000 reichsmarks in the period from September 1 to December 1.

The serious foreign-exchange situation made it impossible for the Reichsbank to comply with the wishes of business groups for the introduction of a regular forward exchange market; but the bank offered to arrange direct forward exchange contracts between trading and industrial concerns without charge.

The "German Credit Agreement of 1932," which was signed on January 23, 1932, and became effective on March 1, contains certain provisions for consolidating the German short-term foreign debt. It arranges for a year's extension of foreign credits amounting to more than 5,000,000,000 reichsmarks; provides for a limited conversion of obligations maturing within that period into 10-year, 6 per cent bonds, or into German securities, mortgages, or real estate in the form of investments to be

retained for five years; and stipulates that repayments of principal in foreign currencies shall be effected only by mutual agreement between the Reichsbank and a committee of the foreign creditor banks which is to meet periodically. A "committee on foreign debts" was appointed by decree of January 26, 1932, to advise on all German payments abroad on account of interest or amortization, both within and without the credit agreement.

**Capital market.**—There has been almost no activity in the capital market, especially since the middle of the year, as a result of the serious maladjustment between supply and demand and the sharp decline in quotations of every type of security. On July 13 the German stock exchanges were closed. They were reopened in September for a short interval; but the increasingly heavy selling pressure for both foreign and domestic account, induced by fear and necessity, led to a second closing of the exchanges on September 21 following the suspension of the gold standard by the Bank of England. Official stock exchange dealings have not yet been resumed, and the publication of unofficial security quotations is still forbidden under the decree of July 15. In order to prevent the balance of payments from being burdened through the sale of German securities by foreigners, it was made obligatory under the decree of November 10 to obtain official sanction to convert the proceeds of the sale of securities into foreign exchange.

The German Railways 4½ per cent loan, issued at par in October in the domestic capital market under most unfavorable conditions, is tax exempt and grants amnesty for past tax evasions. It should, even with its relatively low interest rate, offer an inducement to those who sent their funds abroad to repatriate them for the purpose of creating work at home in this time of need. The loan, of which about 250,000,000 gold marks has been subscribed, placed little immediate pressure on the German market, since the first installment of the subscription price was not due until January, 1932.

**Bank supervision.**—To cope with the crisis in the German credit situation an official supervision of banks, similar to that in other countries, was established by the decree of September 19. While preserving in principle the complete private responsibility of the banks for their management, this decree makes it the duty of the newly established banking board, of which the commissioner of the Reich is a member, to supervise general banking policy from the standpoint of public interest and under certain circumstances to exert an influence on

general policy—within the limits prescribed by law and in accord with the regulations adopted by the board. The Reichsbank is represented among the five members of the board by the president of the Reichsbank, as chairman, and by one other member, the vice president of the Reichsbank's board of directors, who was appointed by the chairman.

**Bank reorganization.**—After the beginning of the banking crisis the restoration of the complete operation of the German banking system was one of the most immediate duties of the responsible authorities. Thanks to the good sense of the population, the resumption of banking activities was accomplished with surprising ease, yet it became increasingly evident that a new and secure basis of confidence must be created through application of very exceptional measures. To this end a plan of general banking reorganization was drawn up by the Government and the Reichsbank, and made effective in February, 1932. The plan provided for a comprehensive reform which was designed to restore liquidity by writing off losses, and also to indicate plainly in the balance sheet the amount of the losses. This necessitated not only a final settlement of the affairs of the Darmstädter und Nationalbank and of the Dresdner Bank, but also a thorough reorganization and strengthening of the banking system, especially at the head offices. The fundamentals of the plan are as follows:

Complete reconstruction of the assets by the application of reserves and, so far as necessary, by the Government's taking over the balance of the loss, which was sometimes very considerable.

Creation of new reserves through resources obtained from the Government in the form of Treasury bills of various kinds and maturities, which will be gradually repaid out of earnings and from premiums on the issue of new shares.

Rebuilding of capital and restoration of a suitable proportion between permanent resources and the volume of business.

The preliminary conditions for this reform were met by cancelling a portion of the shares already in possession of the banks, writing down other shares outstanding, and at the same time rebuilding capital funds through the sale of new shares or of shares remaining in the banks' portfolios and not written off.

Only a small part of the new shares was taken by the public. The Reich had already taken over a part; for the rest the Reichsbank decided—relying on its reserves which had been further augmented from the profits of the year 1931—to participate in considerable vol-

ume on its own account. This decision, taken by the directors at the beginning of January, 1932, laid the foundation for the bank reform now in progress, and provided inducements for this type of reform. The Reichsbank will place these assets at the disposal of the Gold Discount Bank; the latter will increase its capital by 200,000,000 reichsmarks through the issue of new shares which the Reichsbank, under authority conferred upon it by the banking law, will take over for cash payment. At the Gold Discount Bank the new class C shares issued for this purpose will be kept entirely separate—and this applies to dividends also—so that the other operations of the Gold Discount Bank will continue to be unaffected by and independent of the new business. This separation will be so complete that the actual investment and management of the assets originating with the Reichsbank will not be conducted by the Gold Discount Bank directly but by a special board of trustees. Since the independence of the bank and the board of trustees is thoroughly safeguarded, any confusion of central bank functions with private banking interests seems to have been eliminated.

The participation of the Reichsbank and the Gold Discount Bank in private banking business is regarded as a temporary measure. As soon as opportunity offers, the shares which they have taken over will again be offered for sale in the capital market.

The reform reveals the heavy sacrifices which the crisis has demanded of the banks and their shareholders. Open and hidden reserves, and almost the entire capital, had to be applied to the necessary reconstruction of the balance sheets. In addition, bank mergers were undertaken to increase profits (the Dresdner Bank with the Darmstädter und Nationalbank, and the Commerz-und Privatbank with the Barmer Bankverein); and with the same object arrangements were made to avoid duplication of bank branches and deposit offices.

The Reichsbank is aware of the extraordinary character of the measures undertaken. It believes, however, that any improvement in the liquid position of the great deposit banks resulting from this plan will sooner or later work to the advantage of the status of the Reichsbank through credit repayments by these banks. The immediate and more important purpose, however, is to restore a banking system which can really function—which can give business the help which it so urgently requires. If the Reichsbank—after the distribution of its previous customary dividend—had

not used these funds in the manner described in this report, corresponding sums would have had to be applied to reserves or writing down assets. The Reichsbank preferred to create a sound economic position by strengthening the German banking system rather than merely to correct its balance sheet items.

It is to be hoped that all these efforts of the Reich and of the Reichsbank may not fail of their effect, so that the reorganization of German banking will not only restore confidence within the country, but in its broader aspects may help to restore credit operations with foreign countries.

## BALANCE SHEET OF THE GERMAN REICHSBANK AS OF DECEMBER 31, 1931

Resources	Reichs- marks (in thousands)	Dollars <sup>1</sup> (in thou- sands)	Liabilities	Reichs- marks (in thousands)	Dollars <sup>1</sup> (in thou- sands)
Gold, not under lien (gold bars, domestic and foreign coins):			Total bank-note issue.....	9,001,612	2,144,184
In the cash offices of the bank.....	872,039	207,720	Credit balances of giro and current accounts.....	754,772	179,787
With foreign banks of issue.....	111,916	26,658	Noninterest bearing deposits.....	98	23
	983,955	234,378	Original capital.....	150,900	35,730
Cash balances:			Legal reserve fund (including transfer from net profits of the year 1931).....	59,254	14,114
Reichsbank notes.....	4,224,687	1,006,320	Reserve for pensions, etc.....	80,000	19,056
Subsidiary coin.....	81,515	19,417	Reserve for probable losses.....	183,945	43,816
Rentenbank notes.....	5,305	1,264	Reserves for:		
Notes of German private banks of issue.....	2,068	493	Printing of new notes.....	26,968	6,424
	4,313,576	1,027,494	New buildings.....	27,024	6,437
Credit balances in foreign currencies (of which the equivalent of 160,187,000 reichsmarks was assigned as cover for the notes in circulation).....	189,821	45,215		53,992	12,861
Foreign notes.....	12,111	2,885	Special reserve fund for future payments of dividends.....	46,235	11,013
Foreign bills and checks.....	106,072	25,266	Miscellaneous:		
Domestic bills and checks:			Interest on bills due in 1932.....	37,122	8,842
Treasury bills of the Reich.....	97,910	23,322	Dividends due but not yet paid.....	180	43
Other domestic bills and checks.....	4,030,839	960,146	Dollar treasury notes of the Reich to be redeemed by the Reichsbank.....	190	45
Silver.....	80	19	Liabilities in foreign currencies.....	428,225	102,003
Loans against collateral (lombards), viz:			Other book debts.....	199,414	47,500
Loans against securities (sec. 21, 3b, c, d, of the bank law).....	172,448	41,077	Net profits for the year 1931, less 10 per cent assigned to the legal reserve fund.....	665,132	158,434
Loans against bills (sec. 21, 3e, of the bank law).....	60,095	14,315		12,000	2,858
Loans against goods (sec. 21, 3f, of the bank law).....	3,491	832			
Loans against treasury bills of the Reich (sec. 21, 3g, of the bank law).....	8,599	2,048			
	244,633	58,272			
Securities owned.....	161,898	38,564			
Doubtful assets.....	19,377	4,616			
Land and buildings.....	30,000	7,146			
Claims resulting from the settlement with the Reich.....	100,024	23,826			
Miscellaneous:					
Bank notes no longer fit for circulation.....	1,148	273			
Postponed claim on the German Government in virtue of sec. 11, 4 of the law of Aug. 30, 1924, for the liquidation of Rentenbank notes in circulation.....	70,083	16,694			
Credit balances with postal check offices.....	12,103	2,883			
Bills held as security for the \$100,000,000 credit.....	419,314	99,881			
Other claims.....	214,096	50,998			
	716,743	170,728			
<b>Total resources.....</b>	<b>11,007,039</b>	<b>2,621,877</b>	<b>Total liabilities.....</b>	<b>11,007,039</b>	<b>2,621,877</b>

<sup>1</sup> Conversion at par: 1 reichsmark = \$0.23x2.

## ANNUAL REPORT OF THE NATIONAL BANK OF SWITZERLAND

The annual report of the National Bank of Switzerland for 1931 was presented to the general meeting of shareholders on February 16, 1932. Sections of the report are given herewith:<sup>1</sup>

**The money market.**—The Swiss money market was influenced by two movements which operated in the same direction and at times simultaneously—the inflow into Switzerland of foreign funds and the repatriation of Swiss foreign balances. Events in Germany and Austria accentuated the flight of capital to Switzerland, and the fear of a breakdown of international payments led our banks to repatriate foreign balances in large amount. The Layton report gives some idea of the extent of these withdrawals, although the figures need to be corrected in the light of more complete information made available since its publication. The situation abroad and the banking difficulties experienced in Switzerland made it necessary for our banks to increase their cash reserves against possible calls for payment. This insistence on a liquid position was the outstanding characteristic of the money market.

The private discount rate, which advanced from 1 to 1½ per cent at the end of 1930, weakened again under the pressure of abundant money; it declined to 1 per cent in January, and even to a fraction below that in March. The feeling of confidence created by the international situation in the spring brought the rate up to 1½ per cent in April, a level which prevailed until mid-July. On July 16, when international credit conditions suddenly stiffened, the rate rose to 1¾ per cent, and the following day to 2 per cent, the level of the official rate; after some weeks it declined again to 1½ per cent and later to 1¼ per cent. In the spring the demand for funds, and in the summer the attitude of reserve on the part of lenders, produced the same effect.

The extremely low discount rates and the dearth of bills offered for discount made it impossible for the banks to maintain their discount business; and it was for the most part only the larger institutions, with their cheap correspondent accounts and day-to-day money, which continued this type of transaction.

<sup>1</sup> The report, available in French and German, contains in addition tables showing the operations of the bank in detail, and sections dealing with the international crisis, the suspension of the gold standard by Great Britain, central bank cooperation, commercial treaties, unemployment, industry and agriculture, prices, the Swiss stock exchange, public finance, the Swiss railways, capital market, etc. For earlier reports see BULLETIN for April, 1931; May, 1930; April, 1929, and 1928; March, 1927; April, 1926, etc.

The rate on foreign bills declined from 2½ to 1½ per cent during the period from the end of 1930 to the middle of February, 1931, and for several months remained below the official rate. Although the National Bank did not discount these bills except conditionally—that is, when their maturity did not exceed 30 days—they were eagerly sought by the banks during the first half-year. After a slight upward movement during the period April to June, the rate rose sharply from 1½ to 4½ per cent in July upon the announcement of the difficulties of the Darmstädter und Nationalbank and other suspensions of payments in Germany; in October it was raised to 5 per cent and remained unchanged throughout the rest of the year.

**Discount policy.**—The discount policy of the bank was based on the same principles as in the previous year. The conditions imposed on the discount of foreign bills proved to be fully justified. As suspensions of payment increased, the directors of the bank were faced with the question to what extent they could furnish credit through their note-issuing authority in aid of foreign bills coming into Switzerland, payment of which was suspended by a moratorium. The directors could not, however, undertake as part of their normal discount operations the liquidation—that is to say, the rediscount—of frozen foreign obligations. The directors preferred to safeguard their full liberty of action for those cases where Swiss business applied to the bank for accommodation. On the other hand through normal discount operations the bank put its credit, as hitherto, at the disposal of the national economy whenever the liquidity of the bills and the signatures by which they were secured offered adequate guaranties. But the central bank did even more; in addition to its ordinary operations it agreed to rediscount bills in situations where the need of assistance was urgent. If the commercial banks seemed at times unwilling to extend credit, they were undoubtedly hampered by the anxiety to insure the liquidity of their position and by their concern to avoid losses and to guard the security of their capital; but on the whole it may be said that they met all reasonable demands for credit.

On January 22, 1931, the bank lowered its official rate to 2 per cent from 2½ per cent, which had been in effect since July 10, 1930. The bank hoped that this reduction would

revive trade, check the inflow of foreign funds, and thereby have a favorable effect on the money market. Above all this reduction of the rate was intended to correct the unduly high exchange level of the Swiss franc; and this was in fact accomplished, although for only a short time. When in May the Federal Reserve Bank of New York reduced its official rate to  $1\frac{1}{2}$  per cent, the National Bank did not follow the example, being of opinion that a further reduction of the rate could neither bring about any lowering of interest rates nor reduce the premium of the Swiss franc. On the other hand, the bank maintained its rate at 2 per cent in September, when the Federal Reserve Bank of New York, the Bank of France, and a number of other central banks advanced their rates. A similar measure could not have been justified in the case of Switzerland, either from the point of view of credit demands upon the bank or the exchange position. The yearly average of the official discount rate was 2.03 per cent, compared with 2.89 per cent in 1930. As the greater part of the bills presented for discount originated with trade and commerce rather than with the banks, the average currency of discounted paper was somewhat longer.

**Gold and foreign exchange policy.**—The gold and foreign exchange policy of the National Bank had to adapt itself to the most diverse conditions. In December, 1930, the Swiss franc averaged one-half of 1 per cent above its dollar parity; the reduction of the discount rate in January, 1931, had the effect of bringing the rate down to par and even below par in the following months. The dearth of opportunities for investment within the country led to a strong demand for foreign exchange, and, accordingly, the central bank made the desired funds available to the market. The crisis of confidence abroad, however, and the consequent steady inflow of funds forced the Swiss franc up again in May to a level above parity, so that the question of correcting the constant premium of the Swiss franc had again to be met by the board of directors. A further reduction of the discount rate for the purpose of stopping the inflow of funds into Switzerland had little chance of success, because this flight of capital would still have been directed into Switzerland, regardless of the discount rate. The only means at the disposition of the bank to prevent a new advance of the franc consisted in acquiring foreign exchange. In view of the very large offers of foreign exchange, it was no longer possible to allow the gold standard free play.

The National Bank did, in fact, accept the gold which the banks offered to it, but made an agreement with them that they should furnish a much larger proportion of foreign exchange which the central bank itself would convert into gold. During the year the volume of foreign exchange bought by the National Bank (chiefly dollars, English pounds, and French francs) amounted to about 15,400,000,000 francs. These large acquisitions caused an increase in reserves; from the beginning of May to mid-September, when the inflow of exchange ceased for a time, the aggregate gold and foreign exchange reserves of the bank rose from 953,000,000 francs to 1,782,000,000 francs. Owing to the continued conversion of foreign exchange into gold, the stock of gold exchange at the end of the year amounted to 103,000,000 francs, while the gold reserve had risen to 2,346,900,000 francs.

The suspension of the gold standard by England on September 21 came as a great surprise to the National Bank. Before that date, however, it had already begun to liquidate a great part of its sterling balances. During the summer, especially, when sterling showed a steady depreciation, the board of directors began to question whether this exchange should be held in any large amount as note cover of the National Bank. The solution was to adopt the measures already described, so that the bank was protected against any very considerable loss.

Doubts have been expressed from time to time concerning the maintenance of the gold standard by Switzerland and the stability of the franc; it has sometimes been asked whether the suspension of the gold standard might not be helpful to industry. Such a measure, however, would not only depreciate the savings of the Swiss people and our foreign balances denominated in Swiss francs; it would also, sooner or later, lead to a rise in prices and an increase in the cost of living, and would create difficulties for our exporting industries which would have to pay higher prices for the raw materials purchased abroad. The case of England shows clearly how an unstable exchange handicaps trade and payments. It proves also that suspension of the gold standard is by no means a guaranty of stable prices; during the last four months of the year, indeed, the Swiss index of wholesale prices declined from 106 to 103, whereas in England the wholesale price index rose from 92.2 to 106.4 during the same period; and the cost of living index from 145 to 148 in November.

It is unnecessary to explain at length why there could be no thought of putting gold coin into circulation during 1931. Both foreigners and Swiss nationals hoarded notes, and it was obvious that gold coins would be greatly preferred to notes for hoarding purposes. On the other hand, when the metal is concentrated in the central bank, it can be used at any moment to protect the exchange. The figures given above show that the bank made use largely of its authority to import gold. As the Federal mint, however, was fully occupied with other tasks, it was able to execute only two small orders for private account. The minting of gold coin for account of the National Bank was likewise in inconsiderable amount.

Total imports of gold amounted to 1,173,000,000 francs, of which 33,000,000 francs represented gold for use in the arts and 1,140,000,000 francs gold arising out of banking transactions. Of the latter amount, 474,000,000 francs were imported by the National Bank, and the remainder, 666,000,000 francs, by third parties. Whenever gold was offered for purchase by the banks, the National Bank reserved the right to examine each case separately, on its own merits, as it had previously done. Under these conditions the National Bank purchased gold in the amount of 77,000,000 francs and withdrew from deposit with a foreign central bank 333,000,000 francs; the remaining balance of gold imported, or 256,000,000 francs, was acquired for account of Swiss or foreign banks. Exports of gold amounted to about 19,000,000 francs.

**Note circulation.**—From the end of October to the end of December the fiduciary circulation rose from 1,498,000,000 francs to 1,609,000,000 francs. It is clear from the explanations already given that the increase did not result from the needs of Swiss business, but that other factors operated to raise the note circulation by half a billion francs above the level of the preceding year. The difficulties of the Austrian Credit-Anstalt and the German great banks, and, later on, the emergency decrees promulgated in Germany and the consequent general uncertainty created a strong demand for Swiss bank notes in foreign countries. Short-term deposits were withdrawn, but instead of converting them into foreign exchange, people more often asked for bank notes, which disappeared into hoards. When the crisis broke out in Austria and Germany, the demands for Swiss bank notes increased greatly, and the National Bank at first considered it advisable to satisfy these demands in the hope of thereby mitigating the crisis. The export

of notes assumed such proportions, however, that the directors of the bank finally requested the banks to exercise restraint in delivering Swiss notes to foreigners. The banks complied with the request of the National Bank, so that further measures, such as an embargo on the export of notes, were unnecessary.

Both banks and private firms felt the need of increasing their liquidity and strengthening their cash position; even gilt-edged securities were sold at sacrifice prices for the sole purpose of obtaining cash assets; and these forced sales, impelled by panic fear, gave a further impulse to hoarding.

Although this fever for hoarding showed how great was the confidence inspired by the central bank, it was prejudicial to the economic situation in general and to business enterprises in particular. The items of the balance sheet of the bank increased out of all reason and exceeded the normal requirements of business, since the only means of guarding against the consequences of an excessive demand for notes was to create an adequate gold reserve. But the printing of notes and the accumulation of a corresponding reserve imposed considerable expense upon the National Bank. Moreover, the excessive hoarding forced the bank to restrict its credit operations. The public naturally wishes to put its savings in a safe place, but it ought to realize the consequences which the withdrawal of deposits involves for the economic position of the country as a whole.

The considerable proportion of notes of large denominations proves clearly that the notes were not issued in response to the needs of business but were absorbed by hoarding; in 1931 notes of 1,000 and 500 francs made up almost one-third of the total circulation, whereas in 1930 they represented less than one-fifth. During recent months hoarding has more or less come to an end, and there has been some reflux of notes from abroad.

**Reserves.**—The reserve against the note circulation is the largest ever known. On the average for the year, notes in circulation were covered in the proportion of 102 per cent by gold, whereas the legal minimum is only 40 per cent. If the holdings of foreign gold exchange are added to the metallic reserve, the reserve percentage amounted to 132 per cent. It should not be forgotten, however, that gold accruing from the flight of capital into this country can not be regarded as belonging wholly to Switzerland. Sooner or later, when foreign countries repatriate their funds, part of this gold will leave the country. Considered

in this light, it constitutes a reserve with which the bank of issue can meet withdrawals of foreign exchange, or, in other words, can protect Swiss exchange. If this growth of gold stock is regarded to-day with a certain amount of satisfaction, its eventual withdrawal must also be looked upon as a normal proceeding. The National Bank is not specifically obligated under the law to maintain a reserve against its deposit liabilities, as it is required to do in the case of notes in circulation. In practice, however, it must take into consideration the present abnormal situation and must be prepared at any time to pay a large proportion of

its demand deposits, the volume of which at present is very high. In order to be able to do so, it must have the necessary cover at its disposal. On the average for the year, notes in circulation and demand deposits were covered in the proportion of 90 per cent by gold or its equivalent. The composition of the items of the reserve have undergone some change, owing to the fact that in September a large part of the foreign exchange was converted into gold. The only gold exchange which the bank holds at present is in dollars and French francs.

## BALANCE SHEET OF THE SWISS NATIONAL BANK AS OF DECEMBER 31, 1931

Resources	Francs (in thousands)	Dollars <sup>1</sup> (in thousands)	Liabilities	Francs (in thousands)	Dollars <sup>1</sup> (in thousands)
Swiss gold coin.....	235,461	45,444	Notes in circulation.....	1,609,353	310,605
Foreign gold coin.....	232,617	44,895	Giro accounts.....	883,158	170,449
Gold bars.....	1,057,970	204,188	Federal accounts.....	40,084	7,736
Total gold in vault.....	1,526,048	294,527	Other deposits.....	44,917	8,669
Gold earmarked abroad.....	820,845	158,423	Drafts and checks in circulation.....	1,165	225
Total gold.....	2,346,893	452,950	Rediscounts.....	281	54
Other cash items.....	3,502	676	Capital.....	50,000	9,650
Foreign exchange on gold standard countries.....	103,032	19,885	Surplus.....	10,000	1,930
Foreign exchange other than gold exchange.....	4,007	773	Net profits.....	5,704	1,101
Swiss portfolio:			Dividends unpaid.....	10	2
Swiss bills.....	27,729	5,352	Reserve for uninsured risks.....	1,000	193
Rescriptions.....	350	68	Reserve for printing bank notes.....	1,000	193
Other discounts.....	6,493	1,253	Miscellaneous liabilities.....	12,850	2,480
	34,572	6,672			
Advances on security:					
Eligible as cover for bank notes.....	64,499	12,448			
Other.....	152	29			
	64,651	12,478			
Government securities.....	37,863	7,308			
Due from postal check offices.....	1,345	260			
Due from Swiss correspondents.....	25,605	4,942			
Items for collection.....	3,161	610			
Coupons.....	971	187			
Interest accrued on securities.....	454	88			
Unpaid capital.....	25,000	4,825			
Bank premises.....	3,000	579			
Furniture and fixtures.....	( <sup>2</sup> )	( <sup>2</sup> )			
Miscellaneous assets.....	5,467	1,055			
Total resources.....	2,650,522	513,288	Total liabilities.....	2,650,522	513,288

<sup>1</sup> Conversion at par: 1 franc=\$0.193.<sup>2</sup> Carried at 1 franc.



# FINANCIAL STATISTICS FOR FOREIGN COUNTRIES

## GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

[In millions of dollars]

End of month	Total (45 countries)	United States	Canada	Europe								
				Total (26 countries)	Austria	Belgium	Bulgaria	Czechoslovakia	Denmark	England	France	Germany
1930—December	10,907	4,225	110	5,281	30	191	10	46	46	718	2,100	528
1931—January	10,953	4,285	92	5,313	30	191	10	46	46	679	2,176	535
February	11,008	4,309	94	5,350	30	197	11	46	46	685	2,192	544
March	11,071	4,343	96	5,388	30	200	11	46	46	690	2,200	553
April	11,107	4,373	99	5,395	30	201	11	46	46	712	2,180	564
May	11,217	4,445	102	5,428	30	201	11	46	46	735	2,181	569
June	11,264	4,593	87	5,351	30	199	11	46	46	793	2,212	389
July	11,210	4,587	87	5,353	30	214	11	45	46	643	2,290	325
August	11,283	4,632	89	5,413	30	221	11	45	46	649	2,296	325
September	11,262	4,364	83	5,686	27	346	11	45	44	656	2,326	310
October	11,111	3,905	86	6,062	27	357	11	46	44	660	2,534	273
November	11,208	4,031	82	6,109	27	356	11	46	39	587	2,659	299
December	11,242	4,051	78	6,184	27	354	11	49	39	588	2,699	234
1932—January	11,289	4,009	80	6,296	25	352	11	49	39	588	2,808	226
February	11,364	3,947	78	6,440	25	351	11	49	39	588	2,942	221
March		3,985			25					588	3,002	209

End of month	Europe—Continued													5 other countries
	Greece	Hungary	Italy	Netherlands	Norway	Poland	Portugal	Rumania	Spain	Sweden	Switzerland	U. S. S. R.	Yugoslavia	
1930—December	7	28	279	171	39	63	9	56	471	65	138	249	19	18
1931—January	7	28	279	175	39	63	9	56	466	64	126	249	19	18
February	7	26	279	179	39	63	9	56	466	64	124	249	19	18
March	6	22	279	179	39	63	9	53	467	64	124	250	19	18
April	6	20	279	181	39	64	11	53	467	64	124	250	19	18
May	6	20	280	181	39	64	11	53	468	64	124	262	19	18
June	6	20	282	200	39	64	11	53	468	64	162	262	27	18
July	6	20	283	236	39	64	10	53	439	64	225	267	27	18
August	6	18	283	260	39	64	10	53	439	62	229	280	27	19
September	6	18	283	262	39	64	10	54	439	53	328	293	29	19
October	11	18	293	336	46	67	12	54	434	57	422	300	31	21
November	11	18	296	362	42	67	12	54	434	55	425	315	31	21
December	11	18	296	357	41	67	13	58	434	55	453	328	31	21
1932—January	11	18	296	351	42	67	13	58	434	55	472	329	31	22
February	11	17	296	353	42	68	15	57	434	55	482	330	31	22
March		17	296	354							471	320		

End of month	Latin America							Far East					Africa		
	Total (10 countries)	Argentina	Brazil	Colombia	Peru	Uruguay	5 other countries	Total (5 countries)	Australia	India	Japan	Java	New Zealand	Egypt	South Africa
1930—December	534	412	11	17	18	60	17	704	75	128	412	56	33	20	33
1931—January	506	397	0	14	18	59	17	704	76	128	415	52	34	20	34
February	497	390	0	15	18	58	17	703	76	128	417	48	34	20	35
March	483	378	0	12	18	58	16	709	77	135	415	48	34	20	31
April	475	370	0	12	18	58	16	714	74	141	419	46	34	21	31
May	465	362	0	10	18	58	17	724	74	147	422	46	34	21	32
June	451	360	0	10	16	58	17	730	75	151	425	46	34	21	31
July	416	322	0	10	14	57	12	714	66	158	412	44	34	21	33
August	400	309	0	10	11	57	12	698	52	162	406	44	34	21	31
September	370	281	0	8	13	56	13	706	52	162	408	51	34	21	32
October	363	270	0	11	17	53	13	644	53	162	342	53	34	21	30
November	358	265	0	10	17	53	13	570	51	162	271	53	33	21	37
December	344	253	0	9	17	53	13	525	52	162	234	45	32	21	39
1932—January	338	252	0	6	15	52	13	505	51	162	215	45	32	21	40
February	336	249	0	7	15	52	13	505	52	162	215	45	32	21	37

† Preliminary.

NOTES

Figures for 30 countries are as of final day of month; for the other 15 countries—including England, France, and Netherlands—they are as of last report date of month. See BULLETIN for July, 1931, p. 399.

The 5 European countries and 5 Latin American countries for which figures are not shown separately are Albania, Estonia, Finland, Latvia, and Lithuania; Bolivia, Chile, Ecuador, Guatemala, and Mexico. None of these countries has had gold reserves in recent years in excess of \$10,000,000.

For back figures—and for additional details relating to this table—see BULLETIN for July, 1931.

**GOLD PRODUCTION**

[In thousands of dollars]

Month	Estimated world production	Production reported monthly									
		Total	Africa				Canada	Mexico	Australia	Japan	India
			South Africa	Rhodesia	West Africa	Belgian Congo					
1930											
October	35,891	28,008	19,142	944	410	284	3,862	1,109	895	716	637
November	35,312	27,429	18,337	935	430	302	4,087	1,172	782	709	675
December	36,300	28,417	18,519	973	441	243	4,082	1,196	963	700	700
Total (12 months)	416,752	322,151	221,526	11,476	5,000	2,999	43,454	13,827	9,553	7,531	6,785
1931											
January	36,408	28,248	19,151	960	443	282	4,192	1,282	633	657	648
February	34,451	26,201	17,427	898	438	271	4,035	1,012	868	764	580
March	35,916	27,756	18,791	886	453	285	4,213	969	862	683	594
April	36,129	27,969	18,194	917	447	277	4,612	1,331	936	694	561
May	39,501	28,341	18,901	918	452	260	4,448	1,209	920	716	521
June	36,568	28,408	18,594	926	448	268	4,823	1,104	1,092	663	490
July	36,333	28,173	18,959	947	453	272	4,625	815	934	668	500
August	34,977	28,817	18,859	918	466	282	4,664	1,229	1,229	654	516
September	37,068	28,908	18,981	905	488	323	4,966	1,075	916	692	562
October	38,008	29,848	19,525	936	476	349	4,928	1,042	1,240	679	673
November	36,908	28,748	18,673	941	480	324	4,837	915	1,321	667	590
December	37,113	28,953	18,809	1,041	501	327	4,974	877	1,181	604	579
Total (12 months)	438,382	340,461	224,863	11,193	5,546	3,516	55,316	12,879	12,132	8,201	6,815
1932											
January	₪ 37,505	₪ 29,345	19,587	921	460	486	4,834	₪ 877	₪ 1,181	628	534
February			₪ 18,894		453						

₪ Preliminary.

NOTE.—The figure for total world production in 1930 is that published in the annual report of the Director of the Mint for 1931. The difference between this figure and the total production reported monthly in 1930 is \$94,601,000, or \$7,883,000 on a monthly average basis. The monthly estimates of world production in 1930 represent the sum of this average difference and the figures actually reported monthly. For 1931–32 this average difference, of which about half represents United States production, is increased by 3.5 per cent—the ratio of increase of United States production in 1931.

The figures reported monthly are not in every instance complete for the area indicated. Those for West Africa represent the output of the Gold Coast and Sierra Leone; those for the Belgian Congo, the output of the Kilo-Moto mines; those for Australia, total output with the exception of Tasmania and Northern Territory; those for Japan, the output of the leading mines; and those for India, the output of the Mysore district.

For annual figures of world production of gold extending back to 1873 see the annual report of the Director of the Mint for 1931, p. 241.

**GOLD MOVEMENTS**

[In thousands of dollars]

Month	Total net imports	United States													
		Net imports from—													
		England	France	Belgium	Netherlands	Switzerland	Canada	Mexico	Argentina	Brazil	Colombia	British India	China and Hong Kong	Japan	All other countries
1930															
October	26,369						-8,181	1,281	575	15,405	1,124	732	13,750	1,683	
November	35,151	1	11				-4,208	557	14,384	5,000	1,742	699	16,250	716	
December	32,742		10			-1	22,885	395	4,922		1,107	249		3,174	
Total (12 mos.)	280,087	-275	-73,675	6	16		6,872	20,390	20,222	87,776	9,097	22,211	156,609	30,838	
1931															
January	34,372		3				22,556	536	5,441		3,022	801	748	1,264	
February	16,142	9	1				1,272	309	9,280		116	2,739	1	2,412	
March	25,645		50		-2		924	4,032	11,691	10	2,996	1,597	1,586	2,845	
April	49,516		19,161	16			1,057	1,563	14,782		86	7,796	2,741	2,266	
May	49,650		5				1,052	774	40,029		3,359	900	847	2,604	
June	63,847		21			-17	20,725	468	4,923		155	6,361	390	130,842	
July	19,503	-4	8				4,871	466	8,305		87	1,544	1,246	2,980	
August	57,500	1,501	-16		-5		2,208	8,802	5,383		142	1,046	25,000	13,435	
September	20,561	23	-24,087	2	-4,172	-349	8,887	4,260	25,770		3,095	3,596		3,586	
October	-337,085	685	-324,500	-9,678	-35,904	-17,617	5,666	-1,239	15,473		16	5,533	22,501	1,378	
November	89,436	333	-10	-37	-394	-515	7,408	959	297		4,895	1,644	75,932	-1,056	
December	56,858	4,249	-15,150	-5,861	-9,857	-1,270	4,513	1,344			2,042	3,165	68,285	4,775	
Total (12 mos.)	145,325	6,797	-344,514	-15,583	-50,327	-19,768	81,136	22,267	141,263	16	15,116	8,064	31,240	190,286	67,332
1932															
January	-74,958	-3,199	-83,788	-12,553	-6,257	-1,759	2,146	1,103	9,110		2,948	4,677	167	9,069	2,471
February	-90,567	-235	-98,203	-17,859	-8,672	-254	8,406	950	1,155	300	7	2,575	819	19,441	940
March	-26,742		-37,533	-6,341		6	7,002	2,375	2,683	949			2,903		1,226

<sup>1</sup> \$25,990,000 imported from Germany.

<sup>2</sup> \$11,000,000 imported from Germany.

<sup>3</sup> Preliminary figures.

GOLD MOVEMENTS—Continued

[In thousands of dollars]

Month	Great Britain												
	Total net imports	Net imports from—											
		United States	France	Germany	Belgium	Netherlands	Switzerland	South America	British India	Straits Settlements	Australia	South Africa, Rhodesia, West Africa	All other countries
1930													
October	10,662		-26,827	-2,681	-10	-142	-4,251	2,856	-240	426	19,967	22,138	-574
November	-1,965		-39,682	-940	-4	-101	-614	12,395	-377	619	5,371	17,932	3,436
December	-35,383		-65,750	-9,963	-1,218	-19	-655	16,501	-124	231	464	20,997	4,183
Total (12 mos.)	23,685	283	-268,831	-78,835	-9,090	-981	-23,190	57,896	-8,177	1,526	116,415	213,774	122,893
1931													
January	-43,470		-72,616	-1,483	-2,661	-279	-992	7,823	198	1,421	380	20,373	4,363
February	2,443		-18,178	-1,772	-7,796	-14	-153	8,485	529	620	375	17,489	2,858
March	6,452		-7,793	-1,017	-6,317	18	-194	112	-249	879	365	21,382	-704
April	24,084		-344	-92		65	-126	310	365	967	3,407	23,090	-3,528
May	19,122		-296	-420		146	-133	2,753	-258	1,003	398	16,185	-256
June	54,300		-232	37,511	-19	-82	-3,338	389	-25	1,205	511	21,021	-2,647
July	-130,808	-1,506	-110,144	1,765	-10,751	-50,133	-1,658	6,028	3,132	1,703	10,096	21,042	-382
August	-24,150	11	-13,333	7	-9,145	-24,373	-13,218	602	984	1,504	15,549	17,861	-599
September	-9,251	-827	-774	-72	-35	-18,419	-10,168	695	823	650	12	19,359	-494
October	13,040	970	-6,800	-119	-7	-8,591	-2,458	1,003	7,462	400	419	21,017	-256
November	-44,977	-4,144	-61,412	-2	-66	-12,370	-10,003	692	23,930	214	1,107	15,426	1,649
December	-15,602	-7,086	-24,939	-515	-155	-4,290	-18,564		19,527	417	64	19,499	442
Total (12 mos.)	-148,817	-12,582	-316,861	33,764	-36,952	-118,319	-61,005	28,922	56,358	10,983	32,683	233,747	446
1932													
January	-7,320	-4,129	-64,953	-76	-134	-3,584	-247	105	45,986	746	1,555	17,062	-352
February	-6,182	2,256	-52,712	-58	-756	-7,537	-3,723	2,226	30,661	781	371	20,884	1,425
March	-6,330	-169	-40,317	-6	-59	-4,895	-11,507	1,007	25,129	977	1,808	20,506	1,109

Month	France							Germany*						
	Total net imports	Net imports from—						Total net imports	Net imports from—					
		United States	England	Germany	Netherlands	Switzerland	All other countries		United States	England	France	Netherlands	Switzerland	U. S. S. R.
1930														
October	121,147		37,142	83,493	-38	-35	585	-93,515	48	1,833	-83,909	-12,348	156	711
November	38,172		37,472	-2	77	-3	628	1,185		1,046	141	31	60	-63
December	65,035		63,998		-29		1,066	9,250	4	7,693	91	69	45	1,349
Total (12 mos.)	400,268	90,038	274,514	65,352	25,183	-1,127	5,403	-14,006	263	67,948	-84,406	-11,908	1,325	12,849
1931														
January	67,819		67,031	-1	-15	-1	805	11,966	-1	1,321	172	75	31	10,338
February	36,205		35,992		-38		251	12,098		2,008	63	163	22	9,826
March	10,558		9,643		-18	-1	934	10,598	12	1,247	895	177	79	7,718
April	2,736		2,218		-13	-7	538	11,383	1	563	41	309	47	10,327
May	-12,000	-12,749	257		-20	-3	425	6,371	12	218	45	424	42	5,169
June	-9,558	-6,326	316	4,114	-21	-8,262	621	-205,543	-25,927	-40,029	-97,630	-24,159	-6,113	5,154
July	149,150		29,520	80,786	-19	-9	29,872	-6,243	-10,963	-1,949	754	151	18	5,218
August	72,952		78,866		-29	-5,996	611	934		112	216	548	-23	80
September	418	209	902	-2	-10	-1,818	1,137	-16,947		547	2	-5,558	-11,859	-80
October	273,734	243,956	21,738	6,060	-3,553	-153	5,685	-31,473	681	120	-5,951	-10,965	-20,620	5,183
November	122,372	99,876	40,417	91	22,741	-42,572	1,789	-41,968	18	49	18	-16,455	-25,504	-4
December	13,881	3,164	26,132	1	-232	-22,386	7,203	875	7	542	56	150	103	17
Total (12 mos.)	728,176	328,130	312,561	100,050	18,775	-81,207	49,867	-247,950	-36,160	-35,221	-102,019	-55,142	-63,866	58,932
1932														
January	74,007	65,062	40,735	-46	6,755	-9,899	1,401	328	3	37	16	-564	671	164
February	184,229	82,580	90,947	2	9,601	-1,592	2,691	-5,262	1	67	4	-884	-3,501	1,653

\* \$29,229,000 imported by Great Britain from Spain.  
 † \$29,233,000 imported by France from Spain.

\* \$17,555,000 exported by Germany to Belgium.  
 † Preliminary figures. ‡ Revised.

\* Since German figures for individual countries are subject to semiannual revision, those given for months in 1932 are preliminary in character. Figures for total net imports are final.

## GOLD MOVEMENTS—Continued

[In thousands of dollars]

Month	Netherlands						Switzerland						
	Total net imports	Net imports from—					Total net imports	Net imports from—					
		United States	England	France	Germany	All other countries		United States	England	France	Germany	South Africa	All other countries
1930													
October	12,139		229	-60	12,063	-92	3,775		4,350	-8	-330		-237
November	35		115	35	-30	-76	99		568	-17	-173		-279
December	3		10	31	-21	-18	267		684	1	-112		-306
Total (12 mos.)	-7,724		1,018	-20,528	11,932	-158	22,204		24,205	1,911	-1,643		-2,270
1931													
January	249		276	26	-43	-8	671		972	-16	-63		-223
February	-118		19	30	-164	6	-54		201		-70		-185
March	-156		-14	31	-142	-20	-111		143	-42	-58		-153
April	-433		-65	25	-392	-2	-10		100	-32	-39		-38
May	-519		-145	23	-382	-13	-18		123	-6	-11		-123
June	24,384		-21	23	24,176	207	17,475		3,269	8,220	6,110		-146
July	9,397		9,820	37	-229	-232	3,597		23	2,300	-36	332	-69
August	60,076		60,722	39	-556	-128	18,096		186	66	50	11,044	6,751
September	19,020		15,387	-86	-113	3,831	25,505		1,722	23	1	16,577	7,181
October	30,598	16,413	14,781	-17,572	17,455	-479	94,339	32,919	5,346	3,398	8,270	44,196	209
November	36,551	21,551	7,982	-1,113	4,717	3,413	43,572	3,224	9,805	4,519	25,604	408	11
December	19,567	1,449	8,849	-2,325	11,672	-78	19,687	254	18,364	886	-75	203	55
Total (12 mos.)	198,619	39,413	117,591	-21,024	56,059	6,580	222,751	36,422	41,301	19,317	39,684	72,760	13,267
1932													
January	7,130	7,747	3,100	-3,521	-304	109	5,653	2,067	1,300	1,972	10		304
February	2,608	8,810	5,446	9,900	320	-2,069	17,658	1,411	5,725	5,423	5,731		-630

## British India \*

Month	Total net imports	Net imports from—						Gold production in India <sup>3</sup>	Increase in Government reserves in India	Increase in private holdings in India <sup>4</sup>
		United States	England	Australia and New Zealand	Iraq	South Africa	All other countries			
1930										
October	967		296	10	152	400	109	639		1,606
November	1,323		360	433	259	24	248	677	-36	2,036
December	682		-8	261	154	123	152	702	17	1,367
Total (12 months)	57,672		8,681	8,053	2,402	26,513	12,023	6,806	200	64,278
1931										
January	-286		-1,024	94	138	247	260	649	1	362
February	880		323	211	113	49	184	582	9	1,453
March	943		-26	418	144	113	294	596	6,942	-5,403
April	600		102	199	118	74	107	563	6,168	-5,005
May	696		295	99	167	24	111	523	5,866	-4,647
June	-1,752		-4	-2,254	170	146	25	165	491	-4,658
July	-803		-1,530	404	79		253	502	7,362	-7,603
August	-270		-10	-979	224	202	70	517	3,760	-3,513
September	175		-2,196	-291	993	460	738	564	21	718
October	-26,058		-8,273	-10,179	23	279	479	7	-8,388	-25,030
November	-24,217		-3,307	-17,610		372		8	-3,673	-23,984
December	-45,596		-5,294	-39,539		152	6	-921	581	-45,015
Total (12 months)	-95,688		-19,085	-72,721	2,835	2,371	1,824	-10,911	6,835	33,532
1932										
January	-24,020		-2,863	-21,419		28		225	536	18
February	-27,364							536	-2	-26,826

<sup>1</sup> \$4,020,000 imported by Netherlands from Dutch East Indies.<sup>2</sup> \$3,824,000 imported by Netherlands from British India.<sup>3</sup> \$6,733,000 imported by Switzerland from Australia.<sup>4</sup> \$7,293,000 imported by Switzerland from Norway.<sup>5</sup> Reported monthly production of the Mysore district plus \$32,000 representing the average monthly production of the rest of India in 1930.<sup>6</sup> Figures derived from preceding columns. Net imports plus production minus increase in Government reserves in India.<sup>7</sup> \$7,575,000 was exported from India to Netherlands.<sup>8</sup> \$1,891,000 was exported from India to Netherlands; \$2,173,000 to France.<sup>9</sup> Preliminary.

\* Beginning with September, 1931, figures for net imports from individual countries are preliminary and subject to revision. Figures for total net imports, gold production, and increase in Government and private holdings are final unless otherwise indicated.

**GOVERNMENT NOTE ISSUES AND RESERVES**

[Figures are for last report date of month]

	1932		1931			1932		1931	
	Feb.	Jan.	Dec.	Feb.		Feb.	Jan.	Dec.	Feb.
Argentine Conversion Office (millions of gold pesos):					Canadian Minister of Finance (millions of Canadian dollars):				
Gold.....	₪ 257	260	261	403	Gold reserve against Dominion notes.....	65	67	65	78
Notes issued.....	₪ 543	547	548	531	Advances to banks under finance act.....	37	45	49	9
Irish Currency Commission (thousands of pounds sterling):					Dominion notes—				
Legal tender note fund—					Issued.....	162	170	174	143
British legal tender and bank balances.....	154	70	426	127	Outside chartered bank holdings.....	29	28	30	28
British securities.....	6,617	6,725	7,119	6,843	Indian Government (millions of rupees):				
Notes issued.....	6,771	6,795	7,546	6,970	Gold standard reserve—				
Consolidated bank notes <sup>1</sup> —					Gold.....	394	395	398	114
Issued.....	4,367	4,350	4,333	3,985	Foreign exchange.....	139	138	136	420
Deemed such under sec. 60 (4) of currency act, 1927.....	1,603	1,631	1,649	1,906	Paper currency reserve—				
					Gold.....	49	48	46	238
					Silver coin and bullion.....	1,122	1,158	1,230	1,227
					Other assets.....	624	585	518	101
					Notes issued.....	1,795	1,792	1,793	1,565

<sup>1</sup> Includes a small quantity of subsidiary coin, amounting on Jan. 31, 1932, to 15,000,000 pesos.

<sup>2</sup> The figures of consolidated bank notes issued represent daily averages for the 4 weeks ended Feb. 6 and Jan. 9, 1932, and Dec. 12 and Feb. 7, 1931. The figures for notes deemed to be consolidated bank notes are as of the close of business on these dates.

<sup>3</sup> Preliminary.

**BANK FOR INTERNATIONAL SETTLEMENTS**

[In thousands of dollars converted from Swiss francs at par: 1 Swiss franc=\$0.1930]

Resources	1932		1931	Liabilities	1932		1931
	Feb. 29	Jan. 31	Feb. 28		Feb. 29	Jan. 31	Feb. 28
Cash on hand and on current account with banks.....	1,238	3,343	1,311	Short-term deposits:			
Demand funds at interest.....	15,887	30,295	10,892	Central banks for own account—			
Rediscountable bills and acceptances (at cost):				Demand.....	62,063	60,897	61,002
Commercial bills and bankers' acceptances.....	84,588	78,458	82,866	Time—			
Treasury bills.....	27,510	19,370	33,708	Not exceeding 3 months.....	30,567	30,768	107,150
Total.....	112,099	97,828	116,575	Between 3 and 6 months.....			1,099
Time funds at interest:				Total.....	92,630	91,665	169,251
Not exceeding 3 months.....	42,680	45,057	139,062	Central banks for account of others—			
Between 3 and 6 months.....			50,261	Demand.....	11,878	14,995	36,761
Total.....	42,680	45,057	189,923	Time—			
Sundry bills and investments:				Not exceeding 3 months.....	4,114	6,854	29,041
Maturing within 6 months.....	21,229	21,265	30,867	Between 3 and 6 months.....			41,477
Between 6 months and 1 year.....			7,173	Total.....	15,992	21,849	107,278
Over 1 year.....	160	161		Other depositors—			
Total.....	21,389	21,425	38,041	Demand.....	1,146	1,144	44
Other resources.....	1,827	2,011	2,440	Time—not exceeding 3 months.....			1,688
Total resources.....	195,120	199,960	359,181	Long-term deposits:			
				Annuity trust account.....	29,677	29,677	29,770
				German Government deposit.....	14,839	14,839	14,885
				French Government guaranty fund.....	13,249	13,249	13,273
				Total.....	57,765	57,765	57,928
				Capital paid in.....	29,941	29,941	10,855
				Reserves:			
				Legal reserve fund.....	108	108	
				Dividend reserve fund.....	211	211	
				General reserve fund.....	422	422	
				Other liabilities.....	5,905	5,854	3,138
				Total liabilities.....	195,120	199,960	359,181

## CENTRAL BANKS

[For explanation of these tables see BULLETIN for February, 1931, pp. 81-83]

Bank of England	Gold (in issue department) <sup>1</sup>	Resources of banking department				Note circulation	Liabilities of banking department			
		Cash reserves		Discounts and advances	Securities		Deposits			Other liabilities
		Coin	Notes				Bankers'	Public	Other	
Millions of pounds sterling:										
1931—Jan. 28.....	139.5	.7	52.7	9.7	62.9	346.8	55.2	19.4	33.4	18.1
Feb. 25.....	140.8	.8	53.2	8.5	64.4	347.7	59.1	16.2	33.3	18.2
Mar. 25.....	143.6	.9	54.8	11.4	52.1	348.8	57.7	9.5	33.7	18.3
Apr. 29.....	146.3	.9	56.5	7.2	56.7	349.8	48.9	17.7	37.0	17.7
May 27.....	151.0	1.1	56.2	6.8	59.8	354.9	54.8	17.4	33.8	17.8
June 24.....	162.9	1.1	70.1	9.6	57.5	352.8	61.6	25.2	33.5	17.9
July 29.....	132.0	1.3	32.7	9.7	79.2	359.4	55.8	15.2	33.7	18.1
Aug. 26.....	133.3	1.3	58.0	9.3	78.2	350.3	53.6	26.3	48.7	18.2
Sept. 30.....	134.8	1.3	52.6	14.8	94.9	357.2	62.6	30.1	52.6	18.3
Oct. 28.....	135.7	1.3	54.6	10.5	84.6	356.0	63.5	17.3	52.6	17.7
Nov. 25.....	120.7	1.0	41.3	12.7	87.8	354.4	59.8	27.0	38.1	17.8
Dec. 30.....	120.7	.6	31.6	27.3	133.0	364.2	126.4	7.7	40.3	18.0
1932—Jan. 27.....	120.8	.6	49.9	12.9	82.5	345.9	74.3	15.3	38.2	18.1
Feb. 24.....	120.8	.6	49.4	11.5	71.0	344.4	67.9	14.1	32.2	18.2
Mar. 30.....	120.8	.6	35.3	11.7	86.8	360.5	54.6	27.2	34.4	18.2

Bank of France	Resources						Liabilities			
	Gold	Foreign exchange	Domestic bills	Security loans	Negotiable securities <sup>2</sup>	Other assets	Note circulation	Deposits		Other liabilities
								Government	Other	
Millions of francs:										
1931—Jan. 30.....	55,510	26,323	9,463	2,866	5,199	6,898	78,559	13,844	11,659	2,198
Feb. 27.....	55,924	26,316	8,250	2,801	5,199	6,982	78,947	13,339	10,963	2,221
Mar. 27.....	56,116	26,307	7,084	2,858	5,082	7,026	77,864	11,773	12,577	2,260
Apr. 24.....	55,616	26,305	6,502	2,795	5,082	7,134	77,231	11,680	12,062	2,462
May 29.....	55,634	26,160	6,190	2,806	5,082	7,316	78,185	9,940	12,669	2,394
June 26.....	56,426	26,209	5,576	2,779	5,082	6,807	76,927	8,513	15,187	2,250
July 31.....	58,407	26,242	4,561	2,860	5,065	8,958	79,862	9,303	14,736	2,195
Aug. 28.....	58,563	27,611	5,820	2,729	5,065	8,193	78,635	9,470	17,649	2,227
Sept. 25.....	59,346	25,194	5,880	2,754	5,065	8,099	78,173	7,357	15,542	2,266
Oct. 30.....	64,648	27,600	8,509	2,712	5,065	8,423	83,639	8,227	22,954	2,441
Nov. 27.....	67,844	24,273	7,766	2,731	5,065	8,647	82,543	7,170	24,171	2,442
Dec. 30.....	68,863	21,111	7,889	2,730	7,167	8,545	85,725	5,898	22,183	1,989
1932—Jan. 29.....	71,625	18,805	6,555	2,744	6,899	8,278	84,723	4,722	23,552	1,910
Feb. 26.....	75,059	15,127	5,544	2,707	6,882	8,329	83,189	3,637	24,899	1,925
Mar. 25.....	76,832	12,632	4,820	2,716	6,881	8,371	81,782	3,526	24,962	1,980

Reichsbank	Resources						Liabilities			
	Gold	Reserves in foreign exchange	Treasury bills	Other bills (and checks)	Security loans	Securities	Other assets	Note circulation	Deposits	Other liabilities
Millions of reichsmarks:										
1931—Jan. 31.....	2,244	199	86	1,942	174	103	733	4,383	267	831
Feb. 28.....	2,285	166	76	1,979	301	102	676	4,428	325	832
Mar. 31.....	2,323	158	142	1,951	274	103	638	4,456	387	775
Apr. 30.....	2,368	157	45	1,816	287	103	668	4,340	355	749
May 30.....	2,390	186	25	1,791	167	103	721	4,299	353	731
June 30.....	1,421	300	74	2,579	355	103	936	4,295	398	1,074
July 31.....	1,363	246	249	3,273	347	103	958	4,454	834	1,251
Aug. 31.....	1,366	356	38	3,101	208	103	972	4,384	509	1,251
Sept. 30.....	1,301	139	121	3,545	301	103	1,016	4,609	613	1,306
Oct. 31.....	1,145	131		4,010	240	103	963	4,746	518	1,326
Nov. 30.....	1,005	170	56	3,901	254	103	880	4,611	506	1,323
Dec. 31.....	984	172	98	4,144	245	161	1,065	4,776	755	1,338
1932—Jan. 30.....	948	145	33	3,632	158	161	1,098	4,407	394	1,373
Feb. 29.....	928	149	44	3,324	303	162	1,100	4,268	423	1,318
Mar. 31.....	879	142	59	3,258	290	362	1,044	4,231	578	1,226

<sup>1</sup> In addition the issue department holds Government and other securities and silver coin as cover for the fiduciary issue, which is fixed by law at £260,000,000. Since Aug. 1, 1931, however, an increase of £15,000,000 in the fiduciary issue (and securities held as cover) has been authorized by the British Treasury under section 8 of the Currency and Bank Notes Act, 1928; the maximum period for which such authorization may be granted is two years.

<sup>2</sup> Issued by the independent office for retirement of public debt (caisse autonome d'amortissement).



## CENTRAL BANKS—Continued

[Figures are for last report date of month]

Central bank	1932		1931		Central bank	1932		1931	
	Feb.	Jan.	Dec.	Feb.		Feb.	Jan.	Dec.	Feb.
<b>Central Bank of Guatemala</b> (thousands of quetzales):					<b>Bank of Poland—Continued.</b>				
Gold coin.....	1,982	2,033	2,255	2,679	Note circulation.....	1,151	1,152	1,218	1,284
Balances abroad.....	615	697	490	1,253	Current account of the treasury.....	21	32	10	37
Loans and discounts.....	6,298	6,293	6,378	6,117	Other current accounts.....	171	201	204	132
Other assets.....	1,137	1,122	1,071	858	<b>Bank of Portugal</b> (millions of				
Note circulation.....	6,029	6,025	6,120	6,440	escudos):				
Demand deposits.....	1,123	1,115	1,067	1,777	Gold.....		290	286	209
Other deposits.....	40	55	67	204	Net foreign exchange and other				
Other liabilities.....	2,835	2,948	2,938	2,487	reserves.....		601	668	(1)
<b>National Bank of Hungary</b> (millions					Discounts and advances.....		346	345	413
of pengos):					Government obligations.....		1,058	1,058	1,531
Gold.....	100	100	102	148	Note circulation.....		1,975	2,062	1,871
Foreign bills, etc.....	15	16	16	27	Other sight liabilities.....		407	279	(1)
Loans and discounts.....	396	425	441	243	<b>National Bank of Rumania</b> (millions				
Advances to treasury.....	55	58	58	60	of lei):				
Other assets.....	16	13	27	22	Gold at home.....	5,969	5,931	5,903	5,356
Note circulation.....	393	416	423	400	Gold abroad.....	3,604	3,769	3,769	3,919
Deposits.....	90	97	126	38	Foreign exchange of the reserve.....	81	84	84	1,270
Miscellaneous liabilities.....	81	72	66	39	Other foreign exchange.....	22	6	17	65
<b>Bank of Italy</b> (millions of lire):					Loans and discounts.....	13,006	13,246	13,857	8,001
Gold at home.....	5,626	5,626	5,626	5,306	State debt.....	3,767	3,767	3,810	5,617
Credits and balances abroad.....	1,725	1,935	2,170	4,037	Note circulation.....	22,542	22,713	23,755	18,105
Loans and discounts.....	5,755	5,311	5,665	5,098	Demand deposits.....	4,260	4,446	4,417	5,654
Total note circulation.....	13,938	13,971	14,295	15,129	<b>South African Reserve Bank</b> (thous-				
Public deposits.....	300	300	300	300	sands of South African pounds):				
Other deposits.....	1,703	2,049	1,770	2,337	Gold.....	7,535	8,172	8,104	7,091
<b>Bank of Japan</b> (millions of yen):					Foreign bills.....	73	53	41	7,272
Gold.....	431	431	470	836	Domestic bills.....	2,492	2,949	3,688	323
Advances and discounts.....	940	1,004	1,051	743	Note circulation.....	7,710	8,116	8,799	8,190
Government bonds.....	110	143	218	136	Deposits.....				
Notes issued.....	1,094	1,187	1,286	1,188	Government.....	1,353	1,180	1,277	1,517
Total deposits.....	429	407	290	628	Bank.....	4,186	4,618	4,267	5,933
<b>Bank of Java</b> (millions of florins):					Other.....	353	59	533	167
Gold.....	112	113	113	119	<b>Bank of Spain</b> (millions of pesetas):				
Foreign bills.....	27	9	5	29	Gold.....	2,249	2,248	2,247	2,416
Loans and discounts.....	56	56	58	50	Silver.....	534	526	517	713
Note circulation.....	225	225	230	246	Balances abroad.....	286	284	281	113
Deposits.....	33	28	27	37	Loans and discounts.....	2,964	3,084	3,149	2,037
<b>Bank of Latvia</b> (millions of lats):					Note circulation.....	4,948	4,923	4,949	4,689
Gold.....	33	33	32	24	Deposits.....	1,013	1,083	1,068	795
Foreign exchange reserve.....	13	14	13	31	<b>Bank of Sweden</b> (millions of kronor):				
Bills.....	75	77	78	84	Gold.....	206	206	206	240
Loans.....	57	59	59	71	Foreign bills, etc.....	96	85	54	353
Note circulation.....	40	39	41	47	Loans and discounts.....	504	527	586	223
Government deposits.....	56	59	58	78	Note circulation.....	526	526	583	545
Other deposits.....	94	93	87	88	Deposits.....	191	214	177	187
<b>Bank of Lithuania</b> (millions of litas):					<b>Swiss National Bank</b> (millions of				
Gold.....	50	50	50	39	frances):				
Foreign currency.....	27	29	33	72	Gold.....	2,498	2,446	2,347	643
Loans and discounts.....	102	103	109	103	Foreign balances and bills.....	99	112	104	399
Note circulation.....	104	104	109	108	Loans and discounts.....	76	83	99	61
Deposits.....	70	73	78	98	Note circulation.....	1,505	1,519	1,609	961
<b>Netherlands Bank</b> (millions of					Demand deposits.....	1,170	1,128	962	246
florins):					<b>Bank of the Republic of Uruguay</b>				
Gold.....	879	873	887	446	(thousands of pesos):				
Foreign bills.....	84	84	86	227	Gold.....		50,544	50,924	56,299
Loans and discounts.....	168	175	188	130	Loans and discounts.....		101,786	102,923	107,998
Note circulation.....	1,008	984	1,023	803	Other assets.....		33,452	32,999	30,181
Deposits.....	164	190	180	54	Note circulation.....		80,395	81,031	73,575
<b>Bank of Norway</b> (millions of kroner):					Deposits—				
Gold.....	154	155	154	146	Demand.....		31,401	32,579	40,728
Foreign balances and bills.....	15	16	16	23	Time.....		38,461	38,905	44,398
Domestic credits.....	239	250	256	182	Judicial and administrative.....		3,098	3,141	3,447
Note circulation.....	303	311	334	287	Other liabilities.....		32,427	31,189	32,329
Foreign deposits.....	2	2	2	2	<b>State Bank of U. S. S. R.</b> (note-issu-				
Total deposits.....	71	68	67	62	ing department; thousands of				
<b>Central Reserve Bank of Peru</b>					chervontsi):				
(thousands of soles):					Gold.....		63,996	63,842	63,794
Gold.....			59,705	63,167	Other precious metals.....		2,227	2,184	2,280
Foreign exchange.....			484	7,546	Foreign exchange.....		4,618	4,590	4,647
Bills.....			12,014	19,613	Note circulation.....		263,518	266,966	278,441
Note circulation.....			54,620	62,716	<b>National Bank of the Kingdom of</b>				
Deposits.....			7,706	6,016	Yugoslavia (millions of dinars):				
<b>Bank of Poland</b> (millions of zlotys):					Gold.....	1,750	1,750	1,758	1,083
Gold at home.....	487	487	487	485	Foreign exchange.....	206	290	425	1,435
Gold abroad.....	120	114	114	77	Loans and discounts.....	2,190	2,216	2,253	2,997
Foreign exchange of the reserve.....	51	69	88	214	Advances to State.....	2,233	2,180	1,799	4,917
Other foreign exchange.....	124	119	125	127	Note circulation.....	4,776	4,945	5,172	939
Loans and discounts.....	764	789	796	684	Other sight liabilities.....	451	699	417	

<sup>1</sup> Figures published previous to reorganization of bank July 1, 1931, are not comparable with current figures.



## COMMERCIAL BANKS

Country	1931											1932	
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>Argentina</b> (millions of gold pesos):													
Bank of the Nation—													
Gold.....	1	2	1	1	1	1	1	1	1	1	1	1	1
Other cash.....	83	85	125	118	108	99	94	91	90	100	107	111	111
Loans and discounts.....	606	626	640	633	642	655	656	681	708	696	707	675	675
Deposits.....	706	695	712	690	706	680	662	663	661	652	641	639	639
Other banks in Buenos Aires—													
Gold.....	9	9	9	9	9	9	9	7	2	2	2	1	1
Other cash.....	209	173	172	180	202	194	199	190	186	194	203	200	200
Loans and discounts.....	910	912	910	885	871	857	843	852	847	830	817	821	821
Deposits.....	1,043	1,020	997	996	990	971	971	966	947	939	939	936	936
<b>Canada</b> (millions of Canadian dollars):													
Assets entirely in Canada—													
Cash in vault <sup>1</sup> .....	151	148	157	156	150	147	147	157	159	201	175	176	167
Cash in central gold reserves.....	25	27	26	29	28	26	28	24	27	25	26	22	20
Security loans.....	186	175	181	187	182	163	159	167	159	157	135	131	130
Other current loans.....	1,116	1,115	1,130	1,139	1,127	1,126	1,127	1,137	1,141	1,102	1,082	1,071	1,063
Security loans abroad.....	132	137	117	98	108	105	110	90	91	113	83	66	99
Securities.....	654	649	651	669	695	694	701	678	696	719	694	674	664
Liabilities entirely in Canada—													
Notes in circulation.....	131	153	124	129	128	126	126	128	140	131	129	123	122
Individual demand deposits.....	543	579	596	580	601	561	568	594	581	617	567	507	496
Individual time deposits.....	1,436	1,445	1,453	1,456	1,450	1,451	1,461	1,456	1,462	1,396	1,360	1,368	1,390
<b>England</b> (millions of pounds sterling):													
Cash in vault and at bank.....	187	181	175	176	184	181	177	171	173	170	181	177	170
Money at call and short notice.....	115	112	115	129	131	128	112	106	113	108	118	116	103
Advances and discounts.....	1,208	1,159	1,134	1,141	1,172	1,178	1,156	1,132	1,131	1,125	1,131	1,128	1,093
Investments.....	293	295	292	274	272	283	286	288	288	284	281	268	264
Deposits.....	1,782	1,726	1,698	1,700	1,744	1,750	1,708	1,675	1,688	1,670	1,700	1,677	1,621
<b>France</b> (millions of francs):													
Bills and national-defense bonds.....	21,068	21,363	21,869	22,930	22,507	20,919	21,153	20,242	19,006	17,851	18,441	18,454	18,454
Loans and advances.....	11,326	11,232	11,156	10,762	10,342	9,898	9,868	10,076	9,863	9,797	9,697	9,041	9,041
Demand deposits.....	35,456	36,106	36,971	37,861	37,938	36,642	36,991	36,137	36,972	37,019	37,023	36,196	36,196
Time deposits.....	1,656	1,669	1,623	1,601	1,564	1,539	1,545	1,429	1,370	1,332	1,222	1,179	1,179
<b>Germany</b> (millions of reichsmarks):													
Bills and treasury notes.....	2,497	2,532	2,529	2,548	1,914	1,280	1,500	1,509	1,405	1,431	-----	-----	1,503
Due from other banks.....	946	956	981	857	686	546	514	465	373	345	-----	-----	320
Miscellaneous loans.....	8,225	8,144	8,021	7,818	7,699	7,337	7,115	6,884	6,837	6,748	-----	-----	5,935
Deposits.....	10,729	10,778	10,683	10,395	9,277	8,167	8,060	7,873	7,500	7,390	-----	-----	7,276
Acceptances.....	657	630	600	582	816	874	840	818	891	910	-----	-----	903
<b>Japan</b> (millions of yen):													
Cash on hand.....	277	274	332	361	274	134	217	197	126	146	140	124	130
Loans.....	2,217	2,176	2,184	2,156	2,166	2,169	2,140	2,146	2,171	2,208	2,247	2,283	2,228
Deposits.....	2,142	2,150	2,161	2,181	2,233	2,151	2,122	2,102	2,066	2,059	2,051	2,008	1,954

<sup>1</sup> Gold, Dominion notes, and subsidiary coin.

\* Corrected.

NOTE.—Banks included are as follows: *Canada*—chartered banks; *England*—nine London clearing banks; *France*—four commercial banks; *Germany*—six Berlin banks previous to consolidation of Dresdner Bank and Darmstädter und Nationalbank in February, 1932; five Berlin banks thereafter; *Japan*—Tokyo banks.

DISCOUNT RATES OF CENTRAL BANKS

Date effective	Bank of England	Bank of France	German Reichsbank	Bank of Italy	Netherlands Bank	Swiss National Bank	Country	Rate Apr. 1	In effect since—	Country	Rate Apr. 1	In effect since—
In effect June 1, 1930	3	2½	4½	5½	3	3	Albania.....	8	July 1, 1931	Japan.....	5.84	Mar. 12, 1932
June 21			4				Austria.....	7	Mar. 18, 1932	Java.....	4½	Mar. 11, 1930
July 10						2½	Belgium.....	3½	Jan. 13, 1932	Latvia.....	6	Oct. 1, 1930
Oct. 9			5				Bolivia.....	7	Aug. 26, 1930	Lithuania.....	6	Apr. 1, 1930
Jan. 3, 1931		2					Bulgaria.....	9½	Sept. 29, 1931	Norway.....	5	Mar. 3, 1932
Jan. 22					2½	2	Chile.....	8	Oct. 25, 1931	Peru.....	7	Sept. 1, 1930
Jan. 24							Columbia.....	6	Jan. 22, 1932	Poland.....	7½	Oct. 3, 1930
May 14	2½				2		Czechoslovakia.....	6	Dec. 22, 1931	Portugal.....	7	Aug. 10, 1931
May 16							Danzig.....	5	Nov. 24, 1931	Rumania.....	7	Mar. 4, 1932
June 13			7				Denmark.....	5	Mar. 11, 1932	South Africa.....	6	Nov. 13, 1931
July 16			10				Ecuador.....	10	Mar. 13, 1931	Spain.....	6½	July 8, 1931
July 23	3½						Estonia.....	5½	Feb. 1, 1932	Sweden.....	5½	Feb. 19, 1932
July 30	4½						Finland.....	7	Feb. 13, 1932	U. S. S. R.....	8	Mar. 22, 1927
Aug. 1			15				Greece.....	11	Feb. 29, 1932	Yugoslavia.....	7½	July 20, 1931
Aug. 12			10				Hungary.....	7	Jan. 20, 1932			
Sept. 2			8				India.....	6	Feb. 25, 1932			
Sept. 21	6			7								
Sept. 28												
Sept. 29					3							
Oct. 10		2½										
Dec. 10			7									
Feb. 18, 1932	5											
Mar. 9			6									
Mar. 10	4											
Mar. 17	3½											
Mar. 21				6								
In effect Apr. 1, 1932	3½	2½	6	6	3	2						

Changes since Mar. 12: *Austria*—Mar. 18, down from 8 to 7 per cent; *England*—Mar. 17, down from 4 to 3½ per cent; *Italy*—Mar. 21, down from 7 to 6 per cent.

MONEY RATES IN FOREIGN COUNTRIES

Month	England (London)				Germany (Berlin)			Netherlands (Amsterdam)		Switzerland
	Bankers' acceptances, 3 months	Treasury bills, 3 months	Day-to-day money	Bankers' allowance on deposits	Private discount rate	Money for 1 month	Day-to-day money	Private discount rate	Money for 1 month	Private discount rate
1931—February	2.56	2.37	2.29	1	4.88	6.31	5.49	1.12	1.05	1.00
March	2.60	2.50	2.20	1	4.76	6.17	5.00	1.09	1.04	.99
April	2.58	2.57	2.17	1	4.65	5.87	5.67	1.50	1.01	1.06
May	2.24	2.21	1.87	1	4.65	5.83	5.38	1.39	1.55	1.12
June	2.09	2.10	1.64	1	6.05	7.05	6.74	1.05	1.07	1.12
July	2.58	2.44	2.05	1 - 2½	17.00	18.98	18.89	1.33	1.40	1.55
August	4.28	4.21	3.59	2½	18.92	19.18	19.15	1.30	1.22	1.08
September	4.74	4.57	4.04	2½-4	7.99	9.18	9.15	1.30	1.21	1.80
October	5.68	5.46	4.36	4	8.00	9.84	9.21	2.76	3.07	1.60
November	5.75	5.55	4.96	4	8.00	9.31	8.69	1.59	1.72	1.77
December	5.85	5.60	4.27	4	7.33	7.40	8.45	1.67	1.59	1.75
1932—January	5.52	4.94	4.20	4	6.94	7.58	7.86	2.24	2.37	1.68
February	4.63	4.08	3.84	4 - 3	6.67	7.98	7.81	1.87	1.69	1.52

Month	Belgium (Brussels)	France (Paris)	Italy (Milan)	Austria (Vienna)	Hungary		Sweden (Stockholm)	Japan (Tokyo)		
	Private discount rate	Private discount rate	Private discount rate	Private discount rate	Money for 1 month	Prime commercial paper	Day-to-day money	Loans up to 3 months	Discounted bills	Call money overnight
1931—February	2.31	1.77	5.50	3¾-4	5½-6	5¾-7¾	4¼-5	3 - 5	5.48	2.92
March	2.25	1.57	5.50	3¾-4½	5½-6	5¾-7½	4¼-5	3 - 5	5.29-5.48	2.74
April	2.25	1.47	5.48	3¾-4	5½-6	5¾-7	4 - 5	3 - 5	5.29-5.48	2.92
May	2.20	1.28	5.25	4	5½-6	5¾-7	4¼-5	3 - 5	5.29-5.48	2.19
June	2.13	1.06	5.25	4 - 0½	5½-6	5¾-8	4¼-0½	3 - 5	5.29-5.48	2.19
July	2.15	1.20	5.25		5½-6	7¼-10¼	1 5/8-6¼	4 - 6	4.93-5.48	2.74
August	2.41	1.50	5.25		8½-10½	8 - 10½	5 - 6	4 - 6	4.93-5.48	3.65
September	2.44	1.50	5.47		8 - 10½	7¾-10	5 - 6	8 - 9½	4.93-5.48	2.56
October	2.44	1.80	7.50		7¾-10	8 - 10	5 - 6	6 - 7½	4.93-5.06	5.48
November	2.44	1.90	7.50		7¾-10	7¾-10	5 - 6	6 - 7½	5.48-6.57	5.66
December	2.44	1.75	7.50					6 - 7½	5.84-6.57	6.57
1932—January	2.91	1.75	7.50					6 - 7½	5.84-6.57	6.02
February	3.31	1.75	6.92					5½-7		

1 Based on data for part of month, no quotations being available for remainder of month.

FOREIGN EXCHANGE RATES

[Monthly averages of daily quotations. In cents per unit of foreign currency]

Month	Argentina (gold peso =96.48)	Austria (schilling =11.07)	Belgium (belga =13.90)	Brazil (milreis =11.96)	Bulgaria (lev =0.72)	Canada (dollar =100.00)	Chile (peso =12.17)	China (and Hong Kong)				Colombia (peso =97.33)
								Mexican dollar <sup>1</sup>	Shanghai tael	Yuan dollar <sup>1</sup>	Hong Kong dollar <sup>1</sup>	
1931—March	73.0406	14.0552	13.9294	7.8897	0.7173	99.9789	12.0632	22.7936	31.5986	22.7948	24.5297	96.5700
April	76.4629	14.0568	13.9039	7.2068	.7174	99.9517	12.0628	22.5646	31.0951	22.4949	24.3312	96.5700
May	70.7121	14.0543	13.9119	6.6759	.7176	99.9449	12.0673	22.0118	30.2520	21.8950	24.0131	96.5700
June	70.2524	14.0457	13.9242	6.4981	.7180	99.7201	12.0868	21.4375	29.5980	21.4375	23.8226	96.5700
July	69.8940	14.0413	13.9453	7.1937	.7183	99.6607	12.0798	22.4315	31.0087	22.4247	24.7295	96.5700
August	64.3722	14.0406	13.9376	6.3693	.7154	99.6898	12.0549	21.4301	29.7255	21.3485	23.7830	96.5700
September	59.6948	14.0588	13.9091	5.9066	.7160	96.2476	12.0430	22.0696	30.6004	21.9196	24.1853	96.5700
October	51.9960	13.9158	13.9852	5.6202	.7127	89.1025	12.0690	22.8208	31.8314	22.7019	24.6765	96.5700
November	58.5403	13.9516	13.9070	6.1704	.7138	88.9914	12.0750	24.5833	34.0732	24.7246	26.0124	96.5700
December	58.5196	13.9460	13.9039	6.2010	.7148	82.7094	12.0669	23.6010	32.8054	23.7323	24.8704	96.5692
1932—January	58.2724	13.9518	13.9140	6.1579	.7151	85.1301	12.0500	23.5237	32.6357	23.6966	24.8396	95.6656
February	59.2294	13.9516	13.9384	6.1720	.7145	87.2936	12.0500	24.4696	33.1479	24.3587	25.3353	95.2400
March	58.2879	13.9601	13.9361	6.2121	.7176	89.4530	12.0606	23.9969	32.8061	23.9213	24.6858	95.2400
	Cuba (peso =100.00)	Czecho- slovakia (koruna =2.96)	Den- mark (krone =26.80)	England (pound =486.66)	Finland (markka =2.52)	France (franc =3.92)	Ger- many (reichs- mark =23.82)	Greece (drach- ma =1.30)	Hungary (pengő =17.49)	India (rupee =36.50)	Italy (lira =5.26)	Japan (yen =49.85)
1931—March	100.0238	2.9624	26.7458	485.8293	2.5177	3.9138	23.8072	1.2945	17.4411	36.0805	5.2383	49.3656
April	99.9248	2.9619	26.7503	485.9863	2.5172	3.9104	23.8165	1.2943	17.4365	36.1028	5.2360	49.3601
May	99.9187	2.9622	26.7738	486.4039	2.5172	3.9114	23.8036	1.2949	17.4376	36.1423	5.2353	49.3813
June	99.9157	2.9621	26.7795	486.4863	2.5167	3.9158	23.7327	1.2951	17.4450	35.9986	5.2348	49.3740
July	99.9124	2.9605	26.7340	485.6052	2.5156	3.9215	23.2782	1.2939	17.4433	35.9865	5.2300	49.3550
August	99.9703	2.9624	26.7292	485.7725	2.5148	3.9196	23.6575	1.2936	17.4515	35.9425	5.2304	49.3532
September	99.9678	2.9621	25.2836	453.1200	2.5133	3.9257	23.4212	1.2926	17.4460	33.9117	5.1699	49.3351
October	99.9444	2.9619	22.0209	388.0291	2.3082	3.9383	23.2395	1.2883	17.4406	28.6799	5.1645	49.2525
November	99.9913	2.9625	20.6700	371.9934	1.9839	3.9201	23.6777	1.2879	17.4670	27.9874	5.1548	49.2968
December	99.9170	2.9626	18.5875	337.3707	1.6938	3.9229	23.6192	1.2879	17.4500	25.3612	5.1094	43.4644
1932—January	99.9296	2.9627	18.8801	343.1210	1.5036	3.9294	23.6475	1.2877	17.4580	25.8179	5.0441	35.9866
February	99.9622	2.9627	19.0192	345.6316	1.5014	3.9379	23.7392	1.2875	17.4397	26.0329	5.1799	34.3233
March	100.0590	2.9628	20.0112	363.9304	1.6015	3.9325	23.7812	1.2875	17.4353	27.3121	5.1824	32.1562
	Mexico (peso =49.85)	Nether- lands (florin =40.20)	Norway (krone =26.80)	Poland (zloty =11.22)	Portugal (escudo =4.42)	Ru- mania (leu =0.60)	Spain (peseta =19.30)	Straits Settle- ments (dollar <sup>2</sup> )	Sweden (krona =26.80)	Switzer- land (franc =19.30)	Uruguay (peso =103.42)	Yugo- slavia (dinar =1.76)
1931—March	47.3546	40.0869	26.7501	11.1931	4.4823	0.5947	10.7298	56.0615	26.7775	19.2129	73.3617	1.7587
April	47.4843	40.1391	26.7530	11.1929	4.4782	.5942	10.4736	56.0462	26.7758	19.2559	67.4199	1.7585
May	48.0200	40.1847	26.7761	11.1950	4.4918	.5943	10.6001	56.0348	26.8070	19.2845	61.4301	1.7603
June	49.0305	40.2142	26.7801	11.1996	4.4234	.5949	9.6749	56.0432	26.8045	19.3059	58.5356	1.7685
July	49.0109	40.2775	26.7346	11.1991	4.4162	.5943	9.3139	56.0198	26.7558	19.4309	54.2652	1.7665
August	30.0269	40.3182	26.7328	11.1970	4.4216	.5936	8.7964	56.0044	26.7487	19.4862	46.0147	1.7694
September	33.4981	40.2677	25.3982	11.1978	4.4222	.5936	8.9839	53.5566	26.0857	19.5096	41.9254	1.7653
October	36.5878	40.4256	22.0737	11.1955	3.9271	.5953	8.9631	45.1250	23.1140	19.6009	34.8968	1.7734
November	39.1364	40.1916	20.5163	11.1903	3.6401	.5966	8.6137	43.1356	20.7378	19.4632	45.0027	1.7856
December	39.0086	40.2338	18.4831	11.1902	3.2302	.5959	8.3992	39.0313	18.7098	19.4805	44.5487	1.7706
1932—January	39.3204	40.1828	18.6969	11.1934	3.1642	.5951	8.3945	39.6000	19.1888	19.5074	44.9100	1.7784
February	37.8712	40.3479	18.7701	11.1896	3.1830	.5950	7.7671	39.7745	19.2922	19.4961	46.1521	1.7803
March	33.6841	40.2799	19.6003	11.1770	3.2832	.5958	7.5993	41.3333	19.8540	19.3405	47.0796	1.7753

<sup>1</sup> Silver currencies—March parities: Mexican dollar, 23.51 cents; Shanghai tael, 32.41 cents; Yuan dollar, 22.99 cents; Hong Kong dollar, 23.33 cents. Figures given for parity represent gold value of unit in March, 1932, computed by multiplying silver content of unit by New York average price of silver for March, 1932, which was \$0.29916 per fine ounce.

<sup>2</sup> Straits Settlements dollar is legally equivalent to seven-sixtieths of one English pound—March parity, 42.46. Figure given for parity represents seven-sixtieths of average quotation of pound in New York for March, 1932.

<sup>3</sup> Beginning with August, quotations are for silver peso.

NOTES

Figures given in parentheses for each country represent the par of exchange of the monetary unit.

Averages are based on noon buying rates for cable transfers in New York.

Back figures.—See BULLETIN for January, 1932, 1931, 1930, 1929, and 1928.

## PRICE MOVEMENTS IN PRINCIPAL COUNTRIES

## SECURITY PRICES

[Index numbers except as otherwise specified]

Month	Bonds				Common stocks (1926 average=100)			
	United States (average price)	England (December, 1921=100)	France (1913 average=100)	Germany (average price)	United States	England	France	Germany
Number of issues.....	60	87	35	177	421	278	300	329
1930—February.....	96.4	110.1	96.3	82.2	165.5	109.9	205.6	110.6
March.....	97.8	112.7	95.8	82.6	172.4	109.2	205.2	109.2
April.....	97.9	112.7	95.5	84.7	181.0	111.1	208.6	112.1
May.....	97.9	111.4	95.3	86.7	170.5	108.0	198.3	111.7
June.....	98.2	110.0	95.8	87.1	152.8	101.8	187.6	106.8
July.....	98.7	112.3	95.7	88.0	149.3	103.1	188.8	100.9
August.....	99.6	111.9	96.6	87.5	147.6	98.4	182.0	94.8
September.....	100.0	112.0	96.4	86.9	148.8	101.1	182.4	93.9
October.....	99.9	113.1	95.4	84.7	127.6	95.4	169.5	87.9
November.....	99.1	112.8	94.7	84.5	116.7	94.1	162.2	84.7
December.....	97.8	112.5	94.1	83.9	109.4	89.0	149.8	80.0
1931—January.....	99.6	112.8	95.7	84.0	112.3	89.6	156.7	75.0
February.....	99.4	109.7	97.1	84.3	119.8	89.3	160.1	78.5
March.....	100.0	111.6	97.9	85.9	121.6	89.4	155.4	83.6
April.....	99.6	111.3	99.0	87.4	109.2	85.1	148.5	84.8
May.....	99.7	110.8	98.4	86.4	98.0	76.8	138.2	76.1
June.....	99.4	111.1	98.8	83.9	95.1	77.8	141.2	69.6
July.....	99.4	111.2	98.9	(?)	98.2	79.2	132.6	(?)
August.....	98.5	107.2	99.5	(?)	95.5	73.8	130.5	(?)
September.....	95.6	103.5	97.7	(?)	81.7	67.2	115.5	(?)
October.....	89.4	104.2	94.8	(?)	69.7	75.6	108.9	(?)
November.....	89.0	104.8	94.4	(?)	71.7	74.7	104.3	(?)
December.....	81.6	102.2	90.8	(?)	57.7	68.1	94.8	(?)
1932—January.....	81.0	104.7	91.5	(?)	58.0	69.7	107.3	(?)
February.....	80.3	106.5	90.3	(?)	56.0	68.9	126.2	(?)

<sup>1</sup> Approximate number; series originally included 208 issues.

<sup>2</sup> Computation suspended because of closing of the exchange.

Stock price series for England, France, and Germany have been converted from original bases to a 1926 base. Back figures.—See BULLETIN for February, 1932, and sources there cited.

## WHOLESALE PRICES—ALL COMMODITIES

Month	United States (1926=100)	Canada (1926=100)	England (1913=100)	France (1913=100)	Germany (1913=100)	Italy (1913=100)	Japan (Oct., 1900=100)	Netherlands (1913=100)
1930—February.....	91	94	128	567	129	408	200	126
March.....	90	92	125	558	126	400	196	122
April.....	90	91	124	548	127	396	193	122
May.....	89	90	122	546	126	389	189	118
June.....	87	88	121	540	125	382	181	118
July.....	84	86	119	558	125	375	177	115
August.....	84	84	118	560	125	379	176	114
September.....	84	82	116	556	123	374	172	112
October.....	83	81	113	552	120	364	165	111
November.....	81	80	112	551	120	361	162	110
December.....	80	78	109	541	118	350	161	107
1931—January.....	78	77	107	541	115	342	158	105
February.....	77	76	106	538	114	338	158	104
March.....	76	75	106	539	114	339	158	103
April.....	75	74	106	540	114	337	158	102
May.....	73	73	104	520	113	332	154	102
June.....	72	72	103	518	112	327	151	100
July.....	72	72	102	500	112	324	153	97
August.....	72	71	100	488	110	322	152	94
September.....	71	70	99	473	109	319	150	91
October.....	70	70	104	457	107	322	147	89
November.....	70	71	106	447	107	320	147	89
December.....	69	70	106	442	104	319	151	85
1932—January.....	67	69	106	439	100	317	160	84
February.....	66	69	105	446	100	314	161	83

<sup>1</sup> Revised index of the Bureau of Labor Statistics (784 price series).

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES—Continued

WHOLESALE PRICES—GROUPS OF COMMODITIES

[Groups are those comprised in indexes shown in preceding table]

Month	United States (1926=100) <sup>1</sup>			England (1913=100)		France (1913=100)		Germany (1913=100)			
	Farm products	Foods	Other commodities	Foods	Industrial products	Farm and food products	Industrial products	Agricultural products	Provisions	Industrial raw and semi-finished products	Industrial finished products
1930—February	98	96	89	135	124	503	622	116	115	127	155
March	95	94	88	129	122	495	612	110	118	126	153
April	96	95	88	129	121	481	606	112	118	125	152
May	93	92	87	127	119	483	601	111	117	124	152
June	89	91	86	127	117	488	587	110	115	122	151
July	83	87	85	127	115	540	573	115	114	119	151
August	85	88	84	126	113	550	568	117	111	118	149
September	85	90	83	124	111	562	551	114	108	116	148
October	83	89	82	121	109	562	543	109	108	114	147
November	79	86	81	121	107	570	535	112	108	113	145
December	75	82	80	116	105	570	516	110	105	110	143
1931—January	73	81	79	113	104	580	507	107	102	108	142
February	70	78	78	112	103	575	505	106	100	106	140
March	71	78	77	111	103	581	503	107	99	106	139
April	70	76	76	113	102	592	495	108	97	105	138
May	67	74	75	113	100	566	480	109	96	103	137
June	65	73	74	113	98	571	472	107	95	103	137
July	65	74	74	110	98	541	465	105	97	103	136
August	64	75	74	108	95	528	452	103	96	102	136
September	61	74	74	108	95	508	443	101	94	100	135
October	59	73	73	113	109	489	429	99	95	99	133
November	59	71	74	115	102	482	416	99	94	99	132
December	56	69	72	113	102	491	400	95	91	97	130
1932—January	53	65	72	114	101	496	390	92	90	92	125
February	51	63	71	114	101	511	389	95	91	91	122

RETAIL FOOD PRICES

COST OF LIVING

Month	United States (1913=100)		England (July, 1914=100)		France (July, 1914=100)		Germany (1913-14=100) <sup>2</sup>		Month	United States (1913=100)		England (July, 1914=100)		France (Jan.-June, 1914=100)		Germany (1913-14=100) <sup>2</sup>	
	1931	1932	1931	1932	1931	1932	1931	1932		1931	1932	1931	1932	1931	1932	1931	1932
January	133	109	138	131	132	114	134	116	January			153	147			140	125
February	127	105	136	131	132	115	131	114	February			152	147			139	122
March	126		134		131		130		March			150		120		138	
April	124		129		130		129		April			147				137	
May	121		129		129		130		May			147				137	
June	118		127		128		131		June	150		145		120		138	
July	119		130		125		130		July			147				137	
August	120		128		121		126		August			145				135	
September	119		128		119		125		September			145		115		134	
October	119		128		116		123		October			145				133	
November	117		130		113		122		November			146				132	
December	114		132		113		120		December	146		148		108		130	

<sup>1</sup> Revised index numbers of the Bureau of Labor Statistics.

<sup>2</sup> Average of October, 1913, January, April, and July, 1914=100.

SOURCES: Wholesale prices.—For original sources, see BULLETIN for March, 1931 (p. 159). Retail food prices and cost of living.—United States—Bureau of Labor Statistics, Department of Labor; England—Ministry of Labour; Germany—Statistisches Reichsam; France—for retail food prices, Statistique Générale, and for cost of living, Commission d'études relatives au coût de la vie à Paris.

## FEDERAL RESERVE STATISTICS BY DISTRICTS, ETC. EACH FEDERAL RESERVE BANK

DISCOUNTS, BY MONTHS <small>[In millions of dollars]</small>				DISCOUNTS, BY WEEKS <small>[In thousands of dollars]</small>					
Federal reserve bank	Averages of daily figures			Federal reserve bank	Wednesday series (1932)				
	1932		1931		Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30
	March	February	March						
Boston.....	35.5	39.9	9.9	Boston.....	37,289	34,071	32,012	35,938	37,223
New York.....	140.3	179.0	41.3	New York.....	161,632	137,476	129,675	132,856	138,178
Philadelphia.....	96.8	121.9	20.6	Philadelphia.....	125,736	102,029	87,217	89,814	77,257
Cleveland.....	108.8	121.7	16.4	Cleveland.....	121,755	117,580	103,275	103,708	84,794
Richmond.....	34.4	36.4	15.9	Richmond.....	38,294	36,054	31,166	32,585	32,076
Atlanta.....	37.9	48.9	13.4	Atlanta.....	47,803	42,646	32,463	32,274	31,981
Chicago.....	58.3	79.9	14.7	Chicago.....	72,180	65,511	54,684	48,864	45,156
St. Louis.....	19.1	22.0	8.2	St. Louis.....	20,045	18,364	19,348	18,824	18,465
Minneapolis.....	10.5	14.3	3.6	Minneapolis.....	13,192	10,630	9,015	9,032	9,287
Kansas City.....	35.3	38.6	10.5	Kansas City.....	39,939	38,207	33,524	31,638	32,217
Dallas.....	13.2	14.6	7.2	Dallas.....	15,348	15,097	12,955	10,600	10,243
San Francisco.....	124.1	130.5	14.8	San Francisco.....	135,189	130,314	115,458	119,441	116,378
Total.....	714.1	847.6	176.4	Total.....	823,402	747,979	600,792	665,583	633,255

## RESERVES, DEPOSITS, NOTE CIRCULATION, AND RESERVE PERCENTAGES

[Amount in thousands of dollars]

Federal reserve bank	Average of daily figures											
	Total cash reserves			Total deposits			Federal reserve notes in circulation <sup>1</sup>			Reserve percentages		
	1932		1931	1932		1931	1932		1931	1932		1932
	March	February	March	March	February	March	March	February	March	March	February	March
Boston.....	220,929	220,940	228,602	122,802	126,944	145,328	176,494	183,659	129,553	73.8	71.1	83.2
New York.....	987,828	992,212	1,134,108	844,854	848,019	1,042,095	569,920	576,725	259,383	69.8	69.6	87.1
Philadelphia.....	247,597	233,215	251,071	121,611	126,282	149,586	260,172	264,657	139,307	64.9	59.7	86.9
Cleveland.....	293,389	295,111	322,802	148,048	151,661	199,332	303,962	312,482	180,212	64.9	63.6	85.0
Richmond.....	102,540	108,613	117,697	54,888	57,364	63,721	100,922	105,595	80,966	65.8	66.7	81.3
Atlanta.....	121,241	107,917	167,064	50,859	51,964	60,413	120,578	120,671	130,686	70.7	62.5	87.4
Chicago.....	669,744	660,779	415,111	260,165	267,918	330,837	557,551	570,770	159,568	81.9	78.8	84.6
St. Louis.....	109,532	105,053	116,623	61,012	62,090	71,714	92,822	93,216	77,259	71.2	67.6	78.3
Minneapolis.....	75,979	70,948	70,490	43,143	43,987	49,815	69,201	68,693	48,205	67.6	63.0	71.9
Kansas City.....	94,437	92,954	103,284	69,493	71,544	83,655	83,165	83,130	66,004	61.9	60.1	69.0
Dallas.....	53,224	52,961	53,486	49,541	52,245	59,220	40,559	41,800	26,948	59.1	56.3	62.1
San Francisco.....	214,391	214,207	296,416	148,847	154,379	186,756	230,139	246,246	161,991	56.6	54.0	85.0
Total.....	3,190,831	3,154,910	3,276,754	1,975,263	2,014,397	2,442,522	2,605,485	2,663,844	1,460,052	69.7	67.4	84.0

<sup>1</sup> Includes "Federal reserve notes of other reserve banks" as follows: Latest month \$14,334,000; month ago, \$14,184,000; year ago, \$14,449,000.

**EACH FEDERAL RESERVE BANK—RESOURCES AND LIABILITIES, ALSO FEDERAL RESERVE NOTE STATEMENT, MARCH 31, 1932**

(In thousands of dollars)

	Total	Boston	New York	Phila- del- phia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Min- neap- olis	Kansas City	Dallas	San Fran- cisco
<b>RESOURCES</b>													
Gold with Federal reserve agents.....	2,211,147	159,627	513,217	193,300	230,970	73,170	100,775	554,920	77,120	60,945	64,080	33,260	140,763
Gold redemption fund with U. S. Treasury.....	44,565	2,214	9,673	6,288	5,678	1,797	2,130	4,595	2,103	495	2,719	967	5,906
Gold held exclusively against Federal reserve notes.....	2,255,712	161,841	522,890	199,588	236,648	74,967	102,905	559,515	79,223	61,440	66,799	34,227	155,669
Gold settlement fund with Federal Reserve Board.....	276,289	14,286	136,702	9,840	23,457	4,047	6,255	42,453	5,602	7,802	6,385	4,414	15,046
Gold and gold certificates held by banks.....	487,702	19,787	324,445	17,855	21,770	7,108	9,254	28,066	12,186	2,405	13,182	3,575	27,979
Total gold reserves.....	3,019,703	195,914	984,037	227,283	281,875	86,122	118,414	630,031	97,011	71,737	86,366	42,216	198,694
Reserves other than gold.....	215,461	21,105	55,580	28,864	17,126	12,555	5,929	26,961	11,070	5,454	7,486	10,721	12,610
Total reserves.....	3,235,164	217,019	1,039,617	256,147	299,001	98,677	124,343	656,995	108,081	77,191	93,852	52,937	211,304
Nonreserve cash.....	77,805	7,832	20,149	3,768	4,611	4,387	5,264	12,743	3,904	2,021	2,670	4,068	6,388
Bills discounted: Secured by U. S. Govern- ment obligations.....	315,837	21,733	89,391	30,508	45,857	6,278	5,995	24,300	11,047	1,080	6,505	482	72,661
Other bills discounted.....	322,713	14,558	44,247	43,305	42,726	25,619	26,222	22,968	8,204	8,242	26,095	10,120	45,347
Total bills discounted.....	638,550	36,291	133,638	78,813	88,583	31,897	32,217	47,268	19,311	9,322	32,600	10,602	118,008
Bills bought.....	67,557	2,672	21,538	3,572	3,185	3,132	4,168	10,215	2,675	1,356	3,058	2,665	9,321
U. S. Government securities: Bonds.....	327,744	23,399	109,414	27,998	29,864	7,772	5,230	53,939	11,674	15,926	7,695	16,989	17,844
Treasury notes.....	84,398	5,703	39,158	6,266	7,560	1,174	1,270	9,184	2,791	2,036	2,345	1,724	5,187
Certificates and bills.....	459,490	27,054	216,327	38,296	47,378	10,135	6,101	43,837	13,322	9,784	13,895	8,651	24,710
Total U. S. Government securities.....	871,632	56,156	364,899	72,560	84,802	19,081	12,601	106,960	27,787	27,746	23,935	27,364	47,741
Other securities.....	7,846	200	6,181	1,377	-----	-----	-----	-----	88	-----	-----	-----	-----
Total bills and securities.....	1,585,585	95,319	526,256	156,322	176,570	54,110	48,986	164,443	49,773	38,512	59,593	40,631	175,070
Due from foreign banks.....	6,645	536	2,362	727	678	268	248	946	21	13	195	188	463
Federal reserve notes of other banks.....	15,792	377	5,459	333	1,013	976	1,112	2,383	868	778	952	212	1,329
Uncollected items.....	354,059	40,858	107,107	29,943	32,025	26,843	9,428	44,428	13,618	6,182	16,969	10,506	16,654
Bank premises.....	57,853	3,536	14,817	2,651	7,962	3,609	2,489	7,827	3,461	1,834	3,649	1,785	4,453
All other resources.....	36,199	1,043	13,941	983	1,796	5,039	3,749	3,411	1,575	1,399	1,160	1,270	833
Total resources.....	5,309,102	366,320	1,729,708	450,874	523,654	193,409	195,619	893,176	181,301	127,930	179,040	111,597	416,474
<b>LIABILITIES</b>													
Federal reserve notes in actual circulation.....	2,563,486	173,203	575,343	256,579	296,758	97,225	118,032	544,993	91,365	68,572	81,429	38,531	221,456
Deposits: Member bank—reserve account.....	1,923,533	116,581	859,500	117,082	144,358	50,298	47,265	236,721	57,962	40,971	67,358	47,568	137,869
Government.....	29,546	2,161	6,695	1,770	1,987	2,447	1,701	5,836	416	743	913	751	4,126
Foreign bank.....	30,630	1,023	21,555	1,387	1,360	539	498	1,804	471	296	391	377	929
Other deposits.....	28,397	41	10,345	265	2,715	103	134	485	635	259	57	43	4,315
Total deposits.....	2,012,106	119,806	907,095	120,504	150,420	53,387	49,598	244,846	59,484	42,269	68,719	48,739	147,239
Deferred availability items.....	349,448	40,789	103,971	29,482	31,991	24,944	10,069	43,737	14,626	6,283	15,904	10,632	17,020
Capital paid in.....	155,623	11,531	59,190	16,251	14,275	5,291	4,940	17,449	4,483	2,941	4,102	4,024	11,146
Surplus.....	259,421	20,039	75,077	26,486	27,640	11,483	10,449	35,411	10,025	6,356	8,124	7,624	17,707
All other liabilities.....	29,018	952	9,032	1,572	2,570	1,079	2,531	3,740	1,318	1,509	762	2,047	1,906
Total liabilities.....	5,369,102	366,320	1,729,708	450,874	523,654	193,409	195,619	893,176	181,301	127,930	179,040	111,597	416,474
Reserve ratio (per cent).....	70.7	74.1	70.1	67.9	66.9	65.5	74.2	83.2	71.6	69.6	62.5	60.7	57.3
<b>FEDERAL RESERVE NOTE STATEMENT</b>													
Federal reserve notes: Issued to Federal reserve bank by Federal reserve agent.....	2,816,584	193,581	640,351	268,079	314,293	106,085	134,080	596,743	96,007	70,018	92,169	43,664	261,514
Held by Federal reserve bank.....	253,098	20,378	65,008	11,500	17,535	8,860	16,048	51,750	4,642	1,446	10,740	5,133	40,058
In actual circulation.....	2,563,486	173,203	575,343	256,579	296,758	97,225	118,032	544,993	91,365	68,572	81,429	38,531	221,456
Collateral held by agent as security for notes issued to banks: Gold.....	2,211,147	159,627	513,217	193,300	230,970	73,170	100,775	554,920	77,120	60,945	64,080	33,260	140,763
Eligible paper.....	667,000	36,600	144,307	79,110	88,584	33,508	33,892	52,886	19,847	9,193	33,464	11,009	124,600

## ALL BANKS IN THE UNITED STATES

ALL BANKS <sup>1</sup>—PRINCIPAL RESOURCES AND LIABILITIES ON CALL DATES, BY DISTRICTS

[In millions of dollars; figures for nonmember banks are for dates indicated or nearest thereto for which figures are available]

Federal reserve district	Loans and investments									Deposits, exclusive of interbank deposits			Rediscunts and bills payable		
	Total			Loans			Investments								
	1930		1931	1930		1931	1930		1931	1930		1931	1930	1931	
	Dec. 31	Sept. 29	Dec. 31	Dec. 31	Sept. 29	Dec. 31	Dec. 31	Sept. 29	Dec. 31	Dec. 31	Sept. 29	Dec. 31	Dec. 31	Sept. 29	Dec. 31
<b>ALL BANKS <sup>1</sup></b>															
Boston.....	6,758	6,754	6,385	4,319	4,065	3,835	2,440	2,690	2,550	6,312	6,269	5,897	37	43	-----
New York.....	19,288	18,953	17,826	13,174	11,856	11,281	6,115	7,097	6,545	17,894	17,028	16,298	103	114	-----
Philadelphia.....	4,321	4,137	3,784	2,633	2,313	2,114	1,688	1,824	1,670	3,755	3,520	3,171	97	106	-----
Cleveland.....	4,712	4,249	3,770	3,142	2,700	2,397	1,570	1,549	1,374	4,299	3,852	3,354	88	90	-----
Richmond.....	2,242	2,167	2,014	1,581	1,423	1,295	661	744	719	2,120	1,983	1,845	56	60	-----
Atlanta.....	1,394	1,328	1,243	1,045	916	845	340	412	398	1,347	1,223	1,153	46	50	-----
Chicago.....	7,374	6,236	6,036	5,370	4,366	4,160	2,005	1,871	1,875	7,131	6,016	5,856	73	71	-----
St. Louis.....	1,753	1,675	1,541	1,247	1,114	1,006	506	561	535	1,678	1,570	1,442	44	40	-----
Minneapolis.....	1,396	1,303	1,221	837	748	700	559	556	520	1,429	1,293	1,214	12	12	-----
Kansas City.....	1,662	1,520	1,410	1,114	958	860	548	563	549	1,736	1,549	1,408	30	27	-----
Dallas.....	1,037	970	895	766	676	602	271	294	293	1,055	928	866	10	26	-----
San Francisco.....	4,270	4,072	3,973	2,907	2,616	2,520	1,362	1,457	1,453	4,281	3,921	3,756	28	59	-----
<b>Total.....</b>	<b>56,209</b>	<b>53,365</b>	<b>50,097</b>	<b>38,135</b>	<b>33,750</b>	<b>31,616</b>	<b>18,074</b>	<b>19,615</b>	<b>18,481</b>	<b>53,039</b>	<b>49,152</b>	<b>46,261</b>	<b>624</b>	<b>697</b>	-----
<b>MEMBER BANKS</b>															
Boston.....	2,511	2,432	2,185	1,750	1,543	1,390	761	889	794	2,317	2,203	1,964	19	25	-----
New York.....	12,023	11,515	10,565	8,300	7,165	6,609	3,724	4,350	3,956	11,035	9,694	9,276	88	96	-----
Philadelphia.....	2,733	2,740	2,558	1,767	1,619	1,521	966	1,121	1,037	2,339	2,286	2,090	41	72	-----
Cleveland.....	3,419	3,203	2,865	2,262	2,012	1,807	1,156	1,191	1,058	3,114	2,884	2,500	51	67	-----
Richmond.....	1,154	1,137	1,050	842	772	693	312	365	358	1,074	1,027	944	32	36	-----
Atlanta.....	989	906	806	726	635	593	264	325	313	944	863	817	26	34	-----
Chicago.....	4,809	4,238	3,882	3,406	2,869	2,632	1,403	1,369	1,249	4,558	3,989	3,616	31	27	-----
St. Louis.....	1,154	1,109	1,031	787	683	623	366	426	407	1,072	1,000	932	21	19	-----
Minneapolis.....	851	821	789	495	456	441	357	365	349	863	800	773	5	5	-----
Kansas City.....	1,147	1,064	1,016	717	614	574	430	450	442	1,158	1,044	980	16	15	-----
Dallas.....	822	776	724	601	532	480	221	244	244	820	738	686	6	17	-----
San Francisco.....	3,246	3,077	3,005	2,218	1,973	1,898	1,028	1,104	1,107	3,265	2,941	2,854	19	52	-----
<b>Total.....</b>	<b>34,860</b>	<b>33,073</b>	<b>30,575</b>	<b>23,870</b>	<b>20,874</b>	<b>19,261</b>	<b>10,989</b>	<b>12,199</b>	<b>11,314</b>	<b>32,560</b>	<b>29,469</b>	<b>27,432</b>	<b>355</b>	<b>466</b>	-----
<b>NONMEMBER BANKS</b>															
Boston.....	4,248	4,322	4,201	2,569	2,522	2,445	1,679	1,801	1,756	3,995	4,066	3,934	17	18	-----
New York.....	7,265	7,438	7,261	4,874	4,691	4,672	2,391	2,748	2,589	6,859	7,334	7,022	15	18	-----
Philadelphia.....	1,588	1,396	1,226	866	694	593	722	703	633	1,416	1,234	1,081	56	33	-----
Cleveland.....	1,293	1,046	905	880	688	590	414	358	316	1,185	967	854	37	23	-----
Richmond.....	1,098	1,030	964	739	651	603	349	378	361	1,046	956	901	25	25	-----
Atlanta.....	405	368	337	319	281	252	86	87	85	403	361	337	20	15	-----
Chicago.....	2,565	1,998	2,154	1,964	1,496	1,528	601	502	626	2,574	2,027	2,240	42	44	-----
St. Louis.....	599	566	510	459	431	382	140	135	128	606	570	510	23	21	-----
Minneapolis.....	545	482	431	342	292	260	203	190	172	565	493	441	7	7	-----
Kansas City.....	515	456	394	397	314	287	117	112	107	578	505	428	13	12	-----
Dallas.....	214	194	171	165	144	123	49	50	49	235	190	180	4	9	-----
San Francisco.....	1,024	995	969	690	642	622	334	353	346	1,017	980	902	9	8	-----
<b>Total.....</b>	<b>21,349</b>	<b>20,292</b>	<b>19,522</b>	<b>14,264</b>	<b>12,876</b>	<b>12,355</b>	<b>7,085</b>	<b>7,416</b>	<b>7,156</b>	<b>20,479</b>	<b>19,683</b>	<b>18,829</b>	<b>289</b>	<b>231</b>	-----

<sup>1</sup> Includes all National and State banks (including stock and mutual savings banks) and all private banks under State supervision.

\* Revised.

Back figures.—See BULLETIN for July, 1930, and January and July, 1931; also Tables 42, 43, and 87-90, Annual Report of the Federal Reserve Board for 1930.



ALL BANKS IN THE UNITED STATES—Continued

ALL BANKS 1—PRINCIPAL RESOURCES AND LIABILITIES ON DECEMBER 31 AND SEPTEMBER 29, 1931, BY STATES

[Amounts in thousands of dollars]

State	Loans and investments						Deposits, exclusive of interbank deposits		Rediscounts and bills payable		Number of reporting banks	
	Total		Loans		Investments		December	September	December	September	December	September
	December	September	December	September	December	September						
<b>New England:</b>												
Maine	412,876	429,964	216,911	226,030	195,965	203,934	377,319	405,413	13,195	5,482	115	118
New Hampshire	294,951	297,719	141,438	143,867	153,513	153,852	266,666	271,179	4,045	1,937	117	119
Vermont	221,185	226,344	137,513	141,008	83,672	85,336	212,416	217,687	6,587	3,363	100	100
Massachusetts	3,938,927	4,219,371	2,489,203	2,676,730	1,449,724	1,542,641	3,647,507	3,911,569	57,255	23,233	425	444
Rhode Island	517,939	545,394	263,692	271,764	254,247	273,630	479,909	512,818	2,580	2,050	35	35
Connecticut	1,296,031	1,340,995	741,172	762,695	554,559	578,300	1,190,463	1,234,111	22,544	8,735	219	231
<b>Middle Atlantic:</b>												
New York	15,792,036	16,808,546	10,095,738	10,609,101	5,696,298	6,199,445	14,357,602	15,000,722	160,634	76,104	1,001	1,043
New Jersey	2,096,306	2,225,984	1,263,618	1,339,701	832,688	886,283	1,986,893	2,112,770	79,279	46,921	486	531
Pennsylvania	4,830,616	5,350,175	2,603,634	2,873,044	2,226,982	2,477,131	4,021,831	4,488,329	211,154	133,135	1,320	1,397
<b>East North Central:</b>												
Ohio	1,981,674	2,256,611	1,406,975	1,614,828	574,699	641,783	1,638,408	2,159,959	102,134	46,422	822	872
Indiana	598,729	654,569	402,615	454,193	196,114	200,376	599,443	657,937	14,901	10,561	742	803
Illinois	2,712,300	2,992,657	1,755,206	1,981,449	957,160	1,011,208	2,537,136	2,796,622	39,962	30,539	1,294	1,415
Michigan	1,882,439	1,624,527	1,389,218	1,136,060	493,221	488,467	1,885,049	1,602,081	96,931	21,522	590	628
Wisconsin	789,526	834,807	520,821	550,606	268,705	284,201	755,531	798,218	15,957	9,285	874	899
<b>West North Central:</b>												
Minnesota	772,829	824,971	447,607	471,058	325,222	353,913	765,901	806,511	6,059	4,529	868	913
Iowa	546,624	666,298	386,052	566,782	160,572	99,516	547,197	686,093	18,752	7,963	938	1,095
Missouri	996,174	1,070,181	595,601	653,975	400,573	416,266	968,445	1,040,231	22,848	12,066	962	1,064
North Dakota	74,182	82,198	48,175	54,884	26,007	27,314	75,828	84,540	1,053	1,059	246	272
South Dakota	88,803	97,969	53,853	61,928	34,950	36,041	89,137	97,825	2,499	2,031	264	283
Nebraska	245,403	287,555	165,506	202,987	79,987	84,568	236,788	293,550	10,991	6,290	630	726
Kansas	310,514	319,103	205,950	213,359	104,564	105,744	304,847	316,959	10,046	6,802	922	954
<b>South Atlantic:</b>												
Delaware	164,186	167,019	95,755	99,439	68,431	67,580	137,052	143,873	1,706	870	49	47
Maryland	769,053	792,506	399,117	416,417	369,936	376,089	710,521	707,434	16,608	17,977	202	201
District of Columbia	249,087	257,331	151,496	158,561	97,591	98,776	244,909	260,194	5,962	2,349	39	39
Virginia	454,731	481,652	350,668	378,524	104,063	103,128	389,279	426,543	17,132	11,337	402	423
West Virginia	254,111	289,494	193,118	220,976	60,993	68,518	230,724	262,649	12,949	11,426	215	251
North Carolina	240,429	285,383	178,083	216,058	62,346	69,325	214,614	260,969	19,406	14,522	284	317
South Carolina	113,793	133,210	74,832	87,984	38,961	45,226	114,041	131,556	6,844	4,662	113	136
Georgia	269,733	299,757	193,895	212,444	75,538	87,313	251,697	281,037	8,742	7,566	322	342
Florida	179,622	182,447	68,378	71,400	111,244	111,047	183,203	182,821	2,680	2,248	187	193
<b>East South Central:</b>												
Kentucky	403,775	412,748	310,700	317,574	93,075	95,174	349,531	355,942	8,047	7,989	511	513
Tennessee	326,577	345,481	259,006	280,910	67,571	64,571	297,065	327,180	20,424	14,758	400	430
Alabama	207,692	218,392	149,019	158,970	58,673	59,422	186,487	191,180	9,075	10,234	257	265
Mississippi	120,875	145,520	81,330	102,833	39,545	42,687	121,637	133,863	7,523	12,353	222	245
<b>West South Central:</b>												
Arkansas	106,670	127,019	75,130	91,065	31,540	32,954	101,007	117,904	6,194	7,668	275	312
Louisiana	355,416	375,588	258,844	275,949	96,572	99,609	324,172	338,260	26,398	17,845	200	206
Oklahoma	288,390	309,876	166,443	188,591	121,947	121,285	287,083	311,075	9,902	6,325	527	539
Texas	781,289	849,567	526,930	593,611	254,359	255,956	757,122	817,705	13,545	18,342	1,102	1,146
<b>Mountain:</b>												
Montana	109,415	115,854	55,325	60,530	54,090	55,324	113,932	119,574	1,270	1,577	156	162
Idaho	60,331	63,257	32,923	36,985	27,408	26,272	66,365	69,364	710	941	122	129
Wyoming	47,305	50,364	32,196	35,085	15,109	15,279	49,026	50,440	1,056	2,141	78	81
Colorado	226,110	239,960	117,562	127,290	108,548	112,670	239,026	255,847	2,385	2,978	237	249
New Mexico	30,950	32,907	17,843	19,651	13,107	13,256	32,503	33,526	1,018	1,095	50	50
Arizona	56,590	59,485	28,579	31,831	28,011	27,654	61,520	64,275	846	932	32	35
Utah	133,936	137,933	91,708	97,652	42,222	40,281	107,172	108,852	1,224	1,995	88	93
Nevada	33,885	34,232	25,143	25,209	8,742	9,023	34,468	35,111	832	832	32	32
<b>Pacific:</b>												
Washington	386,394	422,663	230,929	248,707	155,465	173,956	379,051	409,505	5,511	4,664	286	304
Oregon	211,137	226,547	93,073	104,225	118,064	122,322	206,106	231,463	3,348	1,938	197	208
California	3,115,123	3,153,158	2,027,458	2,082,366	1,087,665	1,070,792	2,927,215	3,028,732	55,020	49,352	363	404
<b>Total</b>	<b>50,096,819</b>	<b>53,365,258</b>	<b>31,615,975</b>	<b>33,749,886</b>	<b>18,480,844</b>	<b>19,615,372</b>	<b>46,260,854</b>	<b>49,152,222</b>	<b>31,159,763</b>	<b>697,193</b>	<b>19,968</b>	<b>21,294</b>

<sup>1</sup> Includes all National and State banks and all private banks under State supervision. Figures for State institutions are taken from page 81 and represent in some cases the condition of banks as of dates other than Dec. 31, and Sept. 29, 1931.

<sup>2</sup> Excess over figures shown on pages 272 and 273 is due chiefly to technical differences between reports to the board and reports to State banking authorities.

<sup>3</sup> Revised.

Back figures.—See Tables 91-93, Annual Report of Federal Reserve Board, 1930.

## ALL BANKS IN THE UNITED STATES—Continued

NATIONAL BANKS<sup>1</sup>—PRINCIPAL RESOURCES AND LIABILITIES ON DECEMBER 31 AND SEPTEMBER 29, 1931, BY STATES

[Amounts in thousands of dollars]

State	Loans and investments						Deposits, exclusive of interbank deposits		Rediscounts and bills payable		Number of reporting banks	
	Total		Loans		Investments		December	September	December	September	December	September
	December	September	December	September	December	September						
New England:												
Maine.....	122,508	129,205	64,777	68,523	57,731	60,682	111,214	122,019	4,355	1,709	43	44
New Hampshire.....	69,497	72,265	38,822	41,251	30,675	31,014	57,777	62,290	3,405	1,297	52	54
Vermont.....	62,468	63,950	33,688	35,087	28,780	28,863	53,045	56,445	2,527	792	45	45
Massachusetts.....	1,118,138	1,291,283	739,395	850,901	378,743	440,382	1,021,044	1,168,794	26,025	14,731	144	149
Rhode Island.....	50,881	53,389	29,012	30,948	21,869	22,441	38,285	41,318	2,265	1,075	10	10
Connecticut.....	241,543	251,961	163,486	171,687	78,057	80,274	217,314	225,189	7,974	3,985	61	61
Middle Atlantic:												
New York.....	4,373,865	4,822,871	2,747,593	2,955,533	1,626,272	1,867,338	3,749,144	4,015,677	87,784	43,807	509	526
New Jersey.....	768,072	816,075	437,796	475,032	330,276	341,043	721,842	787,437	41,897	20,011	272	289
Pennsylvania.....	2,296,428	2,521,924	1,281,091	1,387,860	1,015,337	1,134,064	1,919,955	2,089,173	101,400	63,252	774	803
East North Central:												
Ohio.....	569,706	660,758	389,518	434,115	210,188	226,643	541,032	604,950	26,128	13,885	268	279
Indiana.....	289,362	304,146	178,529	190,387	110,833	113,759	276,857	292,271	6,634	3,736	171	178
Illinois.....	873,519	955,298	544,077	600,485	329,442	354,813	797,842	918,323	15,251	9,327	382	410
Michigan.....	838,485	452,931	616,475	299,153	222,010	153,778	835,933	449,127	48,203	4,595	106	113
Wisconsin.....	379,982	403,889	249,767	262,553	130,215	141,336	356,945	376,150	4,135	1,755	138	145
West North Central:												
Minnesota.....	482,857	497,537	286,640	290,062	196,217	207,475	466,595	472,953	1,638	1,007	239	244
Iowa.....	198,941	217,649	116,946	130,984	81,995	86,665	189,314	211,166	6,048	2,018	188	202
Missouri.....	402,497	404,695	242,065	237,325	160,432	167,370	361,115	352,287	9,973	4,114	109	116
North Dakota.....	54,857	58,954	32,140	35,020	22,717	23,934	55,805	60,103	681	453	86	91
South Dakota.....	51,218	55,337	26,495	30,066	24,723	25,271	50,246	54,284	1,565	1,156	79	84
Nebraska.....	160,753	172,594	100,219	112,717	60,534	59,877	150,377	167,149	8,304	3,937	158	164
Kansas.....	165,427	168,456	94,800	96,947	70,627	71,509	160,747	163,702	4,065	2,249	232	233
South Atlantic:												
Delaware.....	20,603	20,963	10,872	11,029	9,731	9,934	16,108	17,339	890	308	16	16
Maryland.....	174,442	187,464	86,710	98,344	87,732	89,120	155,109	162,343	2,136	2,511	69	71
District of Columbia.....	134,519	139,376	76,908	81,364	57,611	58,012	132,960	143,646	4,657	1,750	12	12
Virginia.....	267,884	280,868	198,536	212,372	69,348	68,496	231,480	256,148	8,968	5,568	144	150
West Virginia.....	125,156	143,332	90,715	104,584	34,441	38,748	110,376	127,098	7,456	5,647	87	102
North Carolina.....	72,731	88,509	54,375	66,189	18,356	22,320	57,523	75,594	6,857	6,864	44	55
South Carolina.....	51,960	56,701	35,587	39,271	16,373	17,430	49,402	54,098	2,357	1,018	24	30
Georgia.....	175,498	196,773	114,043	125,569	61,455	71,204	167,471	193,370	2,546	2,380	65	67
Florida.....	129,487	129,207	44,184	44,902	85,303	84,305	130,040	128,142	1,143	962	50	51
East South Central:												
Kentucky.....	171,209	180,182	122,008	128,882	49,201	51,300	152,044	158,455	3,891	3,833	119	121
Tennessee.....	211,007	215,319	161,806	168,546	49,201	46,773	182,074	187,993	14,518	9,957	84	90
Alabama.....	152,969	161,154	102,984	110,449	49,985	50,705	133,746	137,176	5,688	6,052	84	88
Mississippi.....	44,615	51,424	28,534	34,384	16,081	17,040	44,531	47,897	1,856	2,515	26	28
West South Central:												
Arkansas.....	48,252	52,979	27,512	31,675	20,740	21,304	43,146	47,318	1,869	2,064	51	54
Louisiana.....	96,289	97,649	70,846	71,327	25,443	26,322	80,891	79,934	4,288	4,028	29	29
Oklahoma.....	240,383	257,795	138,485	156,141	101,898	101,654	237,040	257,637	8,625	4,135	250	257
Texas.....	622,738	670,265	412,974	459,055	209,764	211,210	592,520	641,859	10,248	13,102	508	528
Mountain:												
Montana.....	62,035	65,399	27,706	30,585	34,329	34,814	65,793	68,458	646	698	55	56
Idaho.....	26,400	29,030	15,444	17,657	10,956	11,373	27,765	30,449	375	651	35	38
Wyoming.....	28,803	30,196	18,079	19,331	10,724	10,865	29,426	30,050	461	1,079	25	25
Colorado.....	181,032	190,801	88,526	94,474	92,506	96,327	191,195	204,422	1,476	2,178	105	112
New Mexico.....	22,826	23,769	12,625	13,595	10,201	10,174	23,969	24,591	678	1,101	26	25
Arizona.....	21,191	20,954	8,921	10,270	12,270	10,684	22,266	22,482	345	258	11	12
Utah.....	40,427	39,940	22,162	23,294	18,265	16,646	35,174	34,304	147	214	16	17
Nevada.....	17,092	17,073	10,758	10,484	6,334	6,589	14,960	15,446	832	-----	10	10
Pacific:												
Washington.....	226,216	247,859	123,111	132,598	103,105	115,261	214,469	232,327	2,776	2,526	92	98
Oregon.....	166,234	170,467	65,807	70,013	100,427	100,454	159,560	171,816	2,611	1,014	84	86
California.....	1,960,613	1,981,354	1,321,230	1,362,536	639,383	618,818	1,837,632	1,884,871	46,768	42,894	181	185
Total.....	19,093,615	20,121,969	11,904,779	12,465,556	7,188,836	7,656,413	17,271,098	18,126,160	555,365	324,198	6,368	6,653

<sup>1</sup> Member banks only, i. e., exclusive of national banks in Alaska and Hawaii.

ALL BANKS IN THE UNITED STATES—Continued

STATE BANKS 1—PRINCIPAL RESOURCES AND LIABILITIES ON DECEMBER 31, AND SEPTEMBER 29, 1931, BY STATES

[Amounts in thousands of dollars]

State	Loans and investments						Deposits, exclusive of interbank deposits		Rediscounts and bills payable		Number of reporting banks	
	Total		Loans		Investments		December	September	December	September	December	September
	December	September	December	September	December	September						
New England:												
Maine.....	290,368	300,759	152,134	157,507	138,234	143,252	266,105	283,394	8,840	3,773	72	74
New Hampshire.....	225,454	225,454	102,616	102,616	122,838	122,838	208,889	208,889	640	640	65	65
Vermont.....	158,717	162,394	103,825	105,921	54,892	56,473	159,371	161,242	4,060	2,571	55	55
Massachusetts.....	2,820,789	2,928,083	1,749,808	1,825,829	1,070,981	1,102,259	2,626,463	2,742,775	31,230	8,502	281	295
Rhode Island.....	467,058	492,005	234,680	240,816	232,378	251,189	441,624	471,500	315	975	25	25
Connecticut.....	1,054,488	1,089,034	577,686	591,008	476,802	498,026	973,149	1,008,922	14,570	4,750	158	170
Middle Atlantic:												
New York.....	11,418,171	11,985,675	7,348,145	7,653,568	4,070,026	4,232,107	10,608,458	10,985,045	72,850	20,297	492	517
New Jersey.....	1,328,234	1,409,909	825,822	864,669	502,412	545,210	1,295,051	1,325,333	37,382	26,910	214	212
Pennsylvania.....	2,534,188	2,828,251	1,322,543	1,485,184	1,211,645	1,343,067	2,101,876	2,399,156	109,754	69,883	546	594
East North Central:												
Ohio.....	1,381,998	1,595,853	1,017,457	1,180,713	394,511	415,140	1,297,376	1,555,009	76,009	32,537	554	593
Indiana.....	309,367	350,423	224,086	263,306	85,281	86,617	322,586	365,666	8,267	7,125	571	625
Illinois.....	1,838,841	2,037,359	1,211,123	1,380,964	627,718	656,395	1,739,294	1,878,299	24,711	21,612	912	1,005
Michigan.....	1,013,954	1,171,396	772,743	836,907	271,211	334,689	1,049,116	1,152,954	42,728	16,927	484	515
Wisconsin.....	409,544	430,918	271,054	288,053	138,490	142,865	398,586	422,068	11,822	7,530	736	754
West North Central:												
Minnesota.....	289,972	327,434	160,967	180,996	129,005	146,438	299,306	333,858	4,421	3,522	629	669
Iowa.....	347,683	448,649	269,106	435,798	78,577	12,851	357,883	474,927	12,704	5,885	750	893
Missouri.....	593,677	665,486	353,536	416,650	240,141	248,836	607,330	687,944	12,875	7,852	873	948
North Dakota.....	19,325	23,244	16,035	19,364	3,290	3,380	20,023	24,437	372	606	160	181
South Dakota.....	37,545	42,632	27,358	31,862	10,227	10,770	38,891	43,541	934	875	185	199
Nebraska.....	84,740	114,961	65,287	90,270	19,453	24,691	86,421	126,401	2,687	2,353	472	562
Kansas.....	145,087	150,647	111,150	116,412	33,937	34,235	144,100	153,287	5,981	4,553	690	721
South Atlantic:												
Delaware.....	143,583	146,056	84,883	88,410	58,700	57,646	120,944	126,534	816	562	33	31
Maryland.....	594,611	605,042	312,407	318,073	282,204	286,969	555,412	545,091	14,472	15,166	133	130
District of Columbia.....	114,568	117,955	74,588	77,197	39,980	40,738	111,949	116,548	1,305	599	27	27
Virginia.....	186,847	200,784	152,132	166,152	34,715	34,632	157,799	170,395	8,164	5,769	258	273
West Virginia.....	128,955	146,162	102,403	116,392	26,552	29,770	120,348	135,551	5,493	5,779	128	149
North Carolina.....	167,698	196,871	123,708	149,869	43,990	47,005	157,091	185,275	12,549	7,658	240	262
South Carolina.....	61,833	76,500	39,245	48,713	22,598	27,796	64,639	77,458	4,487	3,644	89	106
Georgia.....	94,235	102,984	79,852	86,875	14,383	16,109	84,226	87,667	6,196	5,186	257	275
Florida.....	50,135	53,240	24,194	26,498	25,941	26,742	53,163	54,679	1,537	1,286	137	142
East South Central:												
Kentucky.....	232,566	232,566	188,692	188,692	43,874	43,874	197,487	197,487	4,156	4,156	392	392
Tennessee.....	115,570	130,167	97,200	112,364	18,370	17,798	114,991	139,187	5,906	4,801	316	340
Alabama.....	51,723	57,238	46,035	48,521	8,688	8,717	52,744	51,004	3,387	4,182	173	177
Mississippi.....	76,260	94,096	52,790	68,449	23,464	25,647	77,106	85,966	5,667	9,838	198	217
West South Central:												
Arkansas.....	58,418	74,010	47,618	62,390	10,800	11,650	57,861	70,586	4,325	5,604	224	258
Louisiana.....	259,127	277,909	187,998	204,622	71,129	73,287	243,281	258,326	22,110	13,817	171	177
Oklahoma.....	48,007	52,081	27,958	32,450	20,049	19,631	50,043	53,438	1,277	2,190	277	282
Texas.....	158,551	179,302	113,959	134,556	44,595	44,746	164,602	175,846	3,297	5,240	594	618
Mountain:												
Montana.....	47,380	50,455	27,619	29,945	19,761	20,510	48,139	51,116	624	879	101	106
Idaho.....	33,931	34,227	17,479	19,328	16,452	14,899	38,600	38,915	335	290	87	91
Wyoming.....	18,502	20,168	11,117	15,751	4,385	4,414	19,600	20,390	595	1,062	53	55
Colorado.....	45,078	49,159	29,036	32,816	16,042	16,343	47,831	51,425	909	800	132	137
New Mexico.....	8,124	9,138	5,218	6,056	2,906	3,032	8,534	8,935	340	591	24	25
Arizona.....	35,399	38,531	19,658	21,561	15,741	16,970	39,254	41,793	501	4674	21	23
Utah.....	93,509	97,993	69,546	74,358	23,635	23,635	71,998	74,458	1,077	1,781	72	76
Nevada.....	16,793	17,159	14,385	14,725	2,408	2,434	19,508	19,665			22	22
Pacific:												
Washington.....	160,178	174,804	107,818	116,109	52,360	58,695	164,582	177,178	2,735	2,138	194	206
Oregon.....	44,903	56,809	27,266	34,212	17,637	21,868	46,546	59,647	737	924	113	122
California.....	1,154,510	1,171,804	704,228	719,830	448,282	451,974	1,089,583	1,143,861	8,252	6,458	212	219
Total.....	31,003,204	33,243,289	19,711,196	21,284,330	11,292,008	11,958,959	28,989,756	31,026,068	604,398	360,995	13,608	14,641

1 Includes all State banks (including stock and mutual savings banks) and all private banks under State supervision. Figures relate to dates nearest thereto for which figures are available.

2 Includes bonds borrowed.

3 Includes due to banks.

4 Includes miscellaneous liabilities.

5 Revised.

NOTE.—All figures in the December columns are as of Dec. 31, except as follows: Maine, Dec. 26; New Hampshire, June 30; Massachusetts, savings banks, Oct. 31; Kentucky, June 30; Oklahoma, Dec. 26; Colorado, Dec. 5. All figures in the September columns are as of Sept. 29, except as follows: Maine, Sept. 26; New Hampshire, June 30; Massachusetts, savings banks, Oct. 31; Rhode Island, savings banks, June 30; Connecticut, savings banks, June 30; New York, State banks, Sept. 30; savings banks, June 30; Indiana, June 30; Iowa, June 30; Missouri, Sept. 18; Nebraska, June 30; Kansas, Oct. 10; Maryland, State banks, Nov. 14; savings banks, June 30; North Carolina, June 30; Kentucky, June 30; Tennessee, May 12; Alabama, Nov. 16; Louisiana, Sept. 28; Colorado, June 27; Utah, Sept. 30.

## ALL MEMBER BANKS IN EACH DISTRICT

## RESERVES HELD, EXCESS RESERVES, AND BORROWINGS AT FEDERAL RESERVE BANKS

[In millions of dollars]

Federal reserve district	Averages of daily figures								
	Reserves held						Borrowings at Federal reserve banks		
	Total			Excess			1932		1931
	1932		1931	1932		1931	1932		1931
	Feb.	Jan.	Feb.	Feb.	Jan.	Feb.	Feb.	Jan.	Feb.
Boston.....	119.6	126.2	142.6	1.6	5.5	2.0	39.9	47.0	10.7
New York.....	811.5	856.8	1,005.1	12.9	10.6	18.7	178.8	188.2	47.8
Philadelphia.....	118.4	121.9	141.3	1.4	1.5	2.9	121.9	119.2	24.2
Cleveland.....	141.0	145.4	192.7	1.1	2.2	3.5	121.7	123.8	23.1
Richmond.....	51.8	52.2	60.6	1.3	.9	1.3	36.4	43.1	18.3
Atlanta.....	47.6	48.8	58.8	2.3	2.1	3.3	45.0	45.6	21.6
Chicago.....	257.7	269.0	332.9	8.9	9.8	6.6	79.8	84.5	20.5
St. Louis.....	57.5	60.0	69.6	2.4	3.0	4.3	22.0	24.5	9.4
Minneapolis.....	41.4	42.9	47.5	1.9	2.3	2.1	12.2	9.5	4.0
Kansas City.....	68.1	71.0	82.2	4.7	5.4	4.5	35.4	30.6	13.6
Dallas.....	49.2	48.9	57.7	3.8	3.5	2.3	14.6	15.3	6.2
San Francisco.....	143.6	136.1	179.4	1.6	-11.4	5.0	128.5	85.3	16.3
Total.....	1,907.5	1,979.1	2,370.3	43.8	35.4	56.6	836.2	816.6	215.8

## NET DEMAND AND TIME DEPOSITS OF BANKS IN LARGER AND SMALLER CENTERS

[In millions of dollars]

Federal reserve district	Averages of daily figures											
	Member banks in larger centers (places over 15,000)						Member banks in smaller centers (places under 15,000)					
	Net demand			Time			Net demand			Time		
	1932		1931	1932		1931	1932		1931	1932		1931
	Feb.	Jan.	Feb.	Feb.	Jan.	Feb.	Feb.	Jan.	Feb.	Feb.	Jan.	Feb.
Boston.....	990	1,018	1,188	711	712	847	85	88	100	146	147	165
New York.....	5,818	6,179	7,123	1,892	1,937	2,610	226	226	274	500	510	591
Philadelphia.....	836	866	976	604	611	738	153	157	187	409	412	463
Cleveland.....	908	998	1,342	1,024	1,038	1,329	148	148	193	270	273	336
Richmond.....	345	350	396	291	295	336	86	87	113	166	170	204
Atlanta.....	331	343	413	291	298	304	67	70	90	70	72	84
Chicago.....	1,693	1,773	2,200	1,304	1,338	1,774	162	169	228	266	277	368
St. Louis.....	389	405	463	308	316	355	91	94	114	100	102	120
Minneapolis.....	206	213	240	207	211	214	116	121	143	211	215	245
Kansas City.....	414	429	511	217	219	234	191	198	246	124	125	142
Dallas.....	314	316	376	163	164	196	155	152	200	33	33	40
San Francisco.....	893	929	1,119	1,498	1,549	1,742	110	118	151	120	122	144
Total.....	13,198	13,818	16,350	8,510	8,687	10,678	1,591	1,628	2,039	2,416	2,458	2,901



**PRINCIPAL RESOURCES AND LIABILITIES, BY DISTRICTS AND FOR N. Y. CITY AND CHICAGO—**  
Continued

[In millions of dollars]

	Total	Federal Reserve District										City			
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco	New York	Chicago
<b>Due from banks:</b>															
Mar. 2	912	52	129	63	65	53	54	170	48	38	83	61	96	96	104
Mar. 9	872	44	106	60	65	51	51	158	47	42	86	68	94	77	95
Mar. 16	972	86	116	63	69	54	55	173	41	42	94	73	106	85	106
Mar. 23	917	63	104	60	64	54	53	177	41	44	88	71	98	73	112
Mar. 30	949	69	109	66	63	47	55	208	42	42	87	65	96	70	142
<b>Due to banks:</b>															
Mar. 2	2,386	120	932	145	181	82	80	342	88	58	138	79	141	876	239
Mar. 9	2,340	116	890	140	180	80	82	342	90	60	134	81	145	836	242
Mar. 16	2,444	120	863	143	184	80	80	359	90	62	134	80	149	909	256
Mar. 23	2,376	111	940	135	182	79	78	348	86	60	128	81	148	885	252
Mar. 30	2,400	112	957	143	186	78	77	357	82	60	125	79	144	902	260
<b>Borrowings from Federal reserve banks:</b>															
Mar. 2	474	8	70	62	99	20	27	37	3	4	21	6	117	15	1
Mar. 9	397	6	47	39	95	17	22	33	2	1	19	5	111		2
Mar. 16	328	6	40	27	81	13	14	24	4	1	17	3	98		2
Mar. 23	334	7	47	29	80	14	14	20	4	1	15	1	102		2
Mar. 30	305	7	48	20	63	14	14	19	3	1	16	1	99		2

**RATES CHARGED CUSTOMERS BY BANKS IN PRINCIPAL CITIES OF EACH DISTRICT**

Federal reserve bank or branch City	Prime commercial paper		Loans secured by prime stock exchange collateral		Loans secured by warehouse receipts		Interbank loans					
	1932		1931		1932		1931		1932		1931	
	March	February	March	February	March	February	March	February	March	February	March	
<b>Boston</b>	4 -5	4 -5	3½-4½	5 -5½	5 -5½	4½-5	5 -6	5 -6	5 -5½	5	4½-6	4
<b>New York</b>	4 -5	4 -5	3¼-4	4½-5	4½-5½	4½-5	4½	4½	3¾-4½	4½-5	4½-5	3½-5
<b>Buffalo</b>	5 -6	5 -6	5 -6	5½-6	5½-6	5½-6	6	6	6	6	5½-6	5
<b>Philadelphia</b>	5	4¾-5	3½-4½	5 -5½	5 -6	4½-6	5 -6	5 -5½	5 -5½	4 -5	4 -5	4 -5
<b>Cleveland</b>	4½-6	5 -6	3½-6	5 -6	5½-6	5 -6	6	6	3¼-6	5 -6	5 -6	4 -6
<b>Cincinnati</b>	5½-6	5½-6	5 -6	5 -7	5½-6	5 -6	6 -7	6 -7	5½-6	5 -6	5 -6	5 -6
<b>Pittsburgh</b>	6	6	5 -5½	5½-6	5½-6	5 -6	6	6	6	6	6	5 -6
<b>Richmond</b>	5 -5½	5 -5½	4½-5	6	6	5 -6	6	6	6	5½	5 -5½	5 -5½
<b>Baltimore</b>	5 -6	5 -6	5 -5½	5 -6	5 -6	4½-6	6	6	6	5 -6	5 -6	5 -6
<b>Charlotte</b>	5½-6	5½-6	5 -6	5½-6	5½-6	5½-6	5½-6	6	5 -6	6	6	5 -6
<b>Atlanta</b>	5 -5½	5 -6	4½-5	5 -6	5 -7	5 -5½	5	4½-6	4 -4½	5½-6	5 -5½	5
<b>Birmingham</b>	5 -6	5 -6	6 -6½	6½-7	6½-7	5 -8	6½-7	6½-7	6 -8	6	6	5 -6
<b>Jacksonville</b>	4½-8	5 -8	5 -7	6 -8	6 -8	6 -7	6 -8	6 -8	6½-8	6	6	6
<b>Nashville</b>	6	6	6 -8	6	6	6 -8	6	6	6 -8	6	6	6
<b>New Orleans</b>	5½-6	5½-6	4½-6	5½-7	5½-7	5 -6½	5½-7	5½-7	5½-6	5½-6	5½-6	5 -6
<b>Chicago</b>	4½-5½	4½-5½	3½-4½	4¾-5	4¾-5	4 -5	4½-5½	4½-5½	4½-5	4¾-5½	4¾-5½	5
<b>Detroit</b>	5 -6	5 -5½	4½-5½	5 -6	5 -6	4½-6	6	6	6	6	6	5½-6
<b>St. Louis</b>	4½-5½	4½-5½	3½-5	5½-6	5½-6	4½-6	5½-6	5 -6	5 -6	5 -6	5 -6	4½-6
<b>Little Rock</b>	6 -6½	6 -6½	6	6 -7	6 -6½	6	6 -7	6 -7	6 -6½	6	6	6
<b>Louisville</b>	6	6	6	6	6	6	6	6	6	5 -6	5 -6	5
<b>Minneapolis</b>	4 -4½	4 -4½	3 -4	5 -6	5 -6	5 -6	4 -4½	4 -4½	3½-4	5½-6	6	5½-6
<b>Helena</b>	7 -8	6 -8	8	7 -8	6 -8	8	6 -8	6 -8	6 -8	6 -7	6 -8	6 -8
<b>Kansas City</b>	5 -6	4½-6	4½-5	5½-6	5½-6	5½-6	5 -6	5 -6	5 -6	5½-6	5½-6	5½-6
<b>Denver</b>	4 -5	4 -6	4½-5½	6	6	6	5½-8	5½-8	6 -8	6	6	6
<b>Oklahoma City</b>	6	6	5½-6	8	8	8	6 -8	6 -8	6 -8	6	6	6
<b>Omaha</b>	5½-6	5 -6	5	5½-7	5½-7	5½-7	6 -6½	6 -6½	6	6	6	6
<b>Dallas</b>	5 -6	5 -6	4 -6	6 -7	5 -7	6 -6½	5½-6	6	5 -6	5 -5½	5	5 -5½
<b>El Paso</b>	7 -8	7 -8	7 -8	7 -8	7 -8	7 -8	8	8	8	5½-6	5½-6	5½-6
<b>Houston</b>	5½-6	5½-6	5½-6	5½-7	5 -7	5 -7	5½-6	5½-6	5 -5½	4½-5½	4½-5½	4½-5½
<b>San Antonio</b>	5½-7	6 -6½	6	6½-7	6 -7	6½-7	6 -6½	6 -6½	6 -6	6	6	6
<b>San Francisco</b>	4½-5½	4½-5½	4½-5	5 -6	5 -6	5 -6	5½-6	5½-6	5½-6	5	5	5
<b>Los Angeles</b>	5½-6	5½-6	5½-6	6 -6½	5 -7	5 -7	6 -6½	6 -6½	6 -7	6	6	6
<b>Portland</b>	5 -6	6 -6½	6 -6½	6 -6½	6 -6½	6 -6½	6 -6½	6 -6½	6 -7	6	6	6
<b>Salt Lake City</b>	6	6	6	6	6	5 -6	7	7	7	6	6	6
<b>Seattle</b>	6	6	6	6½-7	6½-7	6	6½-7	6½-7	6 -7	6	6	6
<b>Spokane</b>	6	6	6	6½-7	6½-7	6 -7	6½-7	6½-7	7	6	6	6

NOTE.—Rates at which the bulk of the loans of each class were made by representative banks during the week ending 15th of month. Rates from about 200 banks with loans exceeding \$8,000,000,000; reporting banks are usually the largest banks in their respective cities.

OTHER BANKING AND FINANCIAL STATISTICS

SHIPMENTS AND RECEIPTS OF AMERICAN CURRENCY TO AND FROM EUROPE

BY SELECTED BANKS IN NEW YORK CITY<sup>1</sup>

[Paper currency only. In thousands of dollars]

Month	1931			1932		
	Shipments to Europe	Receipts from Europe	Net shipments (-) or receipts (+)	Shipments to Europe	Receipts from Europe	Net shipments (-) or receipts (+)
January	470	4,051	+3,581	25	3,335	+3,310
February	130	969	+839	0	5,221	+5,221
March	1,390	863	-527	0	8,468	+8,468
April	915	1,469	+554			
May	2,570	2,103	-467			
June	8,811	779	-8,032			
July	10,256	394	-9,862			
August	3,226	3,723	+497			
September	8,433	3,290	-5,143			
October	3,088	11,588	+8,500			
November	52	7,039	+6,987			
December	1,523	3,749	+2,226			

<sup>1</sup> For explanation and back figures see BULLETIN for January, 1932, pp. 7-9.

MEMBERSHIP IN PAR-COLLECTION SYSTEM

[Number of banks at end of February]

Federal reserve district	Member banks		Nonmember banks			
			On par list		Not on par list	
	1932	1931	1932	1931	1932	1931
United States	7,094	7,968	8,839	10,718	3,127	3,441
Boston	371	395	225	260		
New York	833	910	335	395		
Philadelphia	706	751	332	443		
Cleveland	646	749	772	924	6	8
Richmond	394	467	439	509	363	443
Atlanta	340	381	146	173	765	848
Chicago	864	1,066	2,477	3,131	247	242
St. Louis	446	504	1,192	1,381	394	423
Minneapolis	575	636	379	483	870	1,006
Kansas City	810	863	1,582	1,862	213	198
Dallas	607	671	454	532	218	212
San Francisco	502	575	506	605	51	61

Figures cover all incorporated banks (other than mutual savings banks).

MATURITY DISTRIBUTION OF BILLS, ETC.

[In thousands of dollars]

	Total	Within 15 days	16 to 30 days	31 to 60 days	61 to 90 days	91 days to 6 months	Over 6 months
<b>Bills discounted:</b>							
Mar. 2	828,402	649,004	47,283	66,090	46,217	15,907	3,901
Mar. 9	747,979	570,718	49,994	65,815	42,467	14,699	4,286
Mar. 16	660,792	496,673	48,485	56,784	40,639	14,152	4,059
Mar. 23	663,583	512,343	38,787	61,352	35,321	13,548	4,232
Mar. 30	633,255	486,632	37,151	56,830	34,414	13,864	4,364
<b>Bills bought in open market:</b>							
Mar. 2	115,640	48,008	37,132	12,711	17,768		21
Mar. 9	137,584	64,075	27,862	11,409	33,987		251
Mar. 16	105,714	49,224	12,707	10,852	32,690		241
Mar. 23	81,696	33,172	8,554	11,048	28,678		244
Mar. 30	66,362	28,602	10,970	15,810	10,742		238
<b>Certificates and bills:</b>							
Mar. 2	361,768	67,546	4,250	6,300	54,816	95,204	133,652
Mar. 9	382,609	56,645	4,250	6,300	106,066	79,213	130,135
Mar. 16	439,909	36,250	3,500	24,625	101,591	211,824	62,119
Mar. 23	432,370	5,250	3,500	48,236	129,530	155,311	90,543
Mar. 30	459,554	6,143	3,800	66,916	89,550	183,538	109,607
<b>Municipal warrants:</b>							
Mar. 2	4,573	4,390	130				52
Mar. 9	8,247	8,065	130			20	32
Mar. 16	4,954	3,874	1,000			20	60
Mar. 23	5,791	4,521	1,190			52	28
Mar. 30	6,711	5,591	1,000			52	68

UNITED STATES POSTAL SAVINGS

[Balance to credit of depositors. In millions of dollars]

End of month	1927	1928	1929	1930	1931	1932
January	141.5	148.9	153.5	165.1	278.4	* 658.1
February	143.8	151.1	154.8	167.9	292.1	* 683.6
March	146.4	152.0	155.0	169.5	302.7	
April	147.1	152.2	154.3	170.2	313.8	
May	147.4	152.0	153.8	171.2	325.0	
June	147.4	152.1	153.6	175.3	347.4	
July	147.1	151.7	157.8	180.7	372.5	
August	147.9	152.2	160.1	186.5	422.7	
September	148.2	152.3	160.3	189.8	469.9	
October	148.7	153.1	161.6	192.5	538.1	
November	149.0	153.9	163.7	200.7	* 555.6	
December	148.5	153.9	164.3	245.4	* 595.6	

\* Preliminary.

• Corrected.

## BANK SUSPENSIONS AND BANKS REOPENED

## BANK SUSPENSIONS AND BANKS REOPENED, BY DISTRICTS

[Banks closed to public on account of financial difficulties by order of supervisory authorities or directors of the bank. Figures of suspensions during given period include any banks which may have been subsequently reopened. Figures for banks reopened during given period include reopenings both of banks closed during that period and of banks closed in prior periods. Deposits (including those of banks reopened) are as of date of suspension where available, otherwise as of the latest available call date preceding suspension]

[Figures for latest month are preliminary]

Federal reserve district	Banks suspended						Banks reopened						
	Number			Deposits (in thousands of dollars)			Number			Deposits (in thousands of dollars)			
	All banks	Members		Non-members	All banks	Members		All banks	Mem- bers <sup>1</sup>	Non-members	All banks	Mem- bers <sup>1</sup>	Non-members
		National	State			National	State						
<b>March, 1932:</b>													
Boston.....	1		1	3,893			3,893	1	1		1,869	1,869	
New York.....	1	1		664	664								
Philadelphia.....				622			622	2	2		3,208	3,208	
Cleveland.....	2		2	256			256	1		1	156		156
Richmond.....	2		2					2		1	1,119	680	439
Atlanta.....				3,974			3,974	13	3	10	5,471	2,344	3,127
Chicago.....	16		16	380			380	5	2	3	1,808	481	1,327
St. Louis.....	5		5	300			300	1	1		1,132	1,132	
Minneapolis.....	2		2	2,042	880		1,162	2		2	66		66
Kansas City.....	11	3	8	2,750	2,750			1		1	670		670
Dallas.....	1	1		995	190		805	1					
San Francisco.....	4	2	2										
<b>Total.....</b>	<b>45</b>	<b>7</b>	<b>38</b>	<b>15,936</b>	<b>4,484</b>		<b>11,452</b>	<b>28</b>	<b>10</b>	<b>18</b>	<b>15,499</b>	<b>9,714</b>	<b>5,785</b>
<b>January-March, 1932:</b>													
Boston.....	5		5	36,015			36,015	1	1		1,869	1,869	
New York.....	8	5	1	11,906	8,913	797	2,196	1		1	3,900		3,900
Philadelphia.....	14	5	9	21,733	2,589		19,144	2	2		3,208	3,208	
Cleveland.....	27	9	18	11,246	4,639		6,557	3	1	2	2,776	577	2,199
Richmond.....	37	9	28	41,134	12,326		28,808	14	2	12	5,647	794	4,853
Atlanta.....	25	8	2	9,527	4,391	1,227	3,909	6	1	5	2,373	680	1,693
Chicago.....	156	27	6	85,097	31,240	10,625	43,232	22	4	18	7,621	2,901	4,720
St. Louis.....	76	12	3	31,813	10,312	3,067	18,434	20	4	16	9,019	2,559	6,460
Minneapolis.....	20	4		4,235	1,530		2,705	8	1	7	3,160	1,132	2,028
Kansas City.....	68	13		12,678	4,405		8,275	7		7	812		812
Dallas.....	17	3	1	6,408	2,941		3,381	8	3	5	4,809	3,523	1,286
San Francisco.....	50	12	5	28,120	7,464	3,008	17,588	1		1	150		150
<b>Total.....</b>	<b>509</b>	<b>107</b>	<b>18</b>	<b>299,913</b>	<b>90,798</b>	<b>18,871</b>	<b>190,244</b>	<b>93</b>	<b>19</b>	<b>74</b>	<b>45,344</b>	<b>17,243</b>	<b>28,101</b>

<sup>1</sup> Represents national banks only, except as follows: March, 1 State member in Chicago district with deposits of \$623,000, and 1 in St. Louis district with deposits of \$339,000.

Back figures.—See BULLETIN for February, 1932; also Annual Reports for 1930 (Table 117), 1929 (Table 111), 1928 (Table 115), 1927 (Table 111), and 1926 (Table 93).



**BANK SUSPENSIONS AND BANKS REOPENED—Continued**

**BANK SUSPENSIONS AND BANKS REOPENED, BY STATES, DURING MARCH, 1932**

[Banks closed to public on account of financial difficulties by order of supervisory authorities or directors of the bank. Figures of suspensions during given period include any banks which may have been subsequently reopened. Figures for banks reopened during given period include reopenings both of banks closed during that period and of banks closed in prior periods. Deposits (including those of banks reopened) are as of date of suspension where available, otherwise as of the latest available call date preceding suspension]

[Figures are preliminary and subject to revision]

State	Banks suspended							Banks reopened					
	Number			Deposits (in thousands of dollars)				Number			Deposits (in thousands of dollars)		
	All banks	Members		Non-members	All banks	Members		All banks	Members <sup>1</sup>	Non-members	All banks	Members <sup>1</sup>	Non-members
		National	State			National	State						
<b>New England:</b>													
Maine.....													
New Hampshire.....													
Vermont.....													
Massachusetts.....	1		1	3,893			3,893	1	1		1,869	1,869	
Rhode Island.....													
Connecticut.....													
<b>Middle Atlantic:</b>													
New York.....													
New Jersey.....	1	1		664	664			1	1		2,686	2,686	
Pennsylvania.....													
<b>East North Central:</b>													
Ohio.....	2		2	622			622						
Indiana.....	5		5	1,843			1,843	1		1	432		432
Illinois.....	6		6	935			935	6	3	3	1,577	1,077	500
Michigan.....								3	1	2	1,956	1,132	824
Wisconsin.....								3		3	1,003		1,003
<b>West North Central:</b>													
Minnesota.....	2		2	360			360						
Iowa.....	5		5	1,196			1,196	3	1	2	2,209	1,409	800
Missouri.....	5		5	406			406						
North Dakota.....													
South Dakota.....													
Nebraska.....	3		3	483			483						
Kansas.....	5	1	4	897	296		601						
<b>South Atlantic:</b>													
Delaware.....													
Maryland.....													
District of Columbia.....													
Virginia.....													
West Virginia.....													
North Carolina.....	1		1	206			206	1		1	156		156
South Carolina.....	1		1	50			50						
Georgia.....													
Florida.....								1		1	439		439
<b>East South Central:</b>													
Kentucky.....	1		1	52			52	1		1	83		83
Tennessee.....													
Alabama.....													
Mississippi.....								1		1	812		812
<b>West South Central:</b>													
Arkansas.....								1	1		339	339	
Louisiana.....								1	1		680	680	
Oklahoma.....	2	2		584	584			2		2	66		66
Texas.....	1	1		2,750	2,750			1		1	670		670
<b>Mountain:</b>													
Montana.....													
Idaho.....	2	1	1	351	79		272						
Wyoming.....													
Colorado.....													
New Mexico.....													
Arizona.....													
Utah.....													
Nevada.....													
<b>Pacific:</b>													
Washington.....													
Oregon.....	1		1	533			533						
California.....	1	1		111	111								
<b>Total.....</b>	<b>45</b>	<b>7</b>	<b>38</b>	<b>15,936</b>	<b>4,484</b>		<b>11,452</b>	<b>28</b>	<b>10</b>	<b>18</b>	<b>15,490</b>	<b>9,714</b>	<b>5,785</b>

<sup>1</sup> Represents national banks only, except as follows: 1 State member in Illinois with deposits of \$628,000, and 1 in Arkansas with deposits of \$339,000.

## BANK SUSPENSIONS AND BANKS REOPENED—Continued

## BANK SUSPENSIONS AND BANKS REOPENED, BY STATES, JANUARY 1 TO MARCH 31, 1932

Banks closed to public on account of financial difficulties by order of supervisory authorities or directors of the bank. Figures of suspensions during given period include any banks which may have subsequently reopened. Figures for banks reopened during given period include reopenings both of banks closed during that period and of banks closed in prior periods. Deposits (including those of banks reopened) are as of date of suspension where available, otherwise as of the latest available call date preceding suspension]

[Figures included for latest month are preliminary and subject to revision]

State	Banks suspended							Banks reopened						
	Number			Deposits (in thousands of dollars)				Number			Deposits (in thousands of dollars)			
	All banks	Members		Non-members	All banks	Members		All banks	Members <sup>1</sup>	Non-members	All banks	Members <sup>1</sup>	Non-members	
		National	State			National	State							
<b>New England:</b>														
Maine.....														
New Hampshire.....														
Vermont.....														
Massachusetts.....	2			2	9,285			9,285	1	1		1,869	1,869	
Rhode Island.....														
Connecticut.....	3			3	26,730			26,730						
<b>Middle Atlantic:</b>														
New York.....	5	4		1	9,349	8,249		1,100	1		1	3,900	3,900	
New Jersey.....	6	3	1	2	4,779	1,090	797	2,892	1	1		2,686	2,686	
Pennsylvania.....	17	8			22,909	4,277		18,632	1	1		522	522	
<b>East North Central:</b>														
Ohio.....	12	1		11	4,531	657		3,874	3	1	2	2,776	577	2,199
Indiana.....	39	6		33	24,580	7,709		16,871	5		5	999		999
Illinois.....	86	17	6	63	42,056	18,163	5,599	18,294	11	3	8	2,826	1,077	1,749
Michigan.....	6	1		5	3,923	1,132		2,791	4	1	3	2,324	1,132	1,192
Wisconsin.....	1	1			637	637			8	1	7	3,286	557	2,729
<b>West North Central:</b>														
Minnesota.....	12			12	2,484			2,484	1		1	400		400
Iowa.....	42	5	1	36	25,485	5,084	5,291	15,110	3	1	2	2,209	1,409	800
Missouri.....	36	6	1	29	14,477	7,969	465	6,053	4	1	3	4,925	1,918	3,007
North Dakota.....	3			2	226	92		134	3		3	339		339
South Dakota.....	2			2	87			87						
Nebraska.....	13			13	1,780			1,780	4		4	621		621
Kansas.....	29	6		23	6,365	2,830		3,535						
<b>South Atlantic:</b>														
Delaware.....	1	1			792	792								
Maryland.....	3	1		2	1,736	839		897	3		3	1,484		1,484
District of Columbia.....														
Virginia.....	5	1		4	590	252		338	2	1	1	591	567	24
West Virginia.....	2			2	207			207	1		1	2,452		2,452
North Carolina.....	20	5		15	13,035	9,967		3,068	5	1	4	815	227	588
South Carolina.....	8	2		6	25,674	1,268		24,406	3		3	305		305
Georgia.....	6	2		4	1,487	162		1,325	1		1	309		309
Florida.....	2	1		1	871	432		439	1		1	439		439
<b>East South Central:</b>														
Kentucky.....	25	6	1	18	8,676	3,074	2,347	3,255	4	1	3	488	160	328
Tennessee.....	4	1		3	1,266	1,028		238						
Alabama.....	8	3	1	4	3,748	2,069	696	963						
Mississippi.....	5			5	607			607	6		6	2,255		2,255
<b>West South Central:</b>														
Arkansas.....	7	1		6	696	85		611	4	1	3	694	339	355
Louisiana.....	6	1	1	4	2,310	680	531	1,099	1	1		680	680	
Oklahoma.....	11	3		8	2,762	982		1,780	3		3	191		191
Texas.....	17	3	1	13	6,409	2,911	87	3,381	8	3	5	4,800	3,523	1,286
<b>Mountain:</b>														
Montana.....	2	2			306	306								
Idaho.....	5	1		4	639	79		560						
Wyoming.....														
Colorado.....	7	3		4	938	548		390						
<b>New Mexico:</b>														
Arizona.....														
Utah.....	13		2	11	9,919		863	9,086						
Nevada.....	3			3	981			981						
<b>Pacific:</b>														
Washington.....	12	4	1	7	6,932	3,873	1,185	1,874						
Oregon.....	7		2	5	1,939			910	1		1	150		150
California.....	16	7		9	7,680	3,512		4,168						
<b>Total.....</b>	<b>509</b>	<b>107</b>	<b>18</b>	<b>384</b>	<b>299,913</b>	<b>90,798</b>	<b>18,871</b>	<b>190,244</b>	<b>93</b>	<b>19</b>	<b>74</b>	<b>45,344</b>	<b>17,243</b>	<b>28,101</b>

<sup>1</sup> Represents national banks only, except as follows: 1 State member in Illinois with deposits of \$628,000, and 1 in Arkansas with deposits of \$339,000.

Back figures.—See BULLETIN for February, 1932; also Annual Reports for 1930 (Table 118), 1929 (Table 112), 1928 (Table 116), 1927 (Table 112), 1926 (Table 100), and 1925 (Tables 97 and 98).

## INDUSTRIAL PRODUCTION, BY INDUSTRIES

[Index numbers of the Federal Reserve Board.\* 1923-1925 average=100]

Industry	Without seasonal adjustment			Adjusted for seasonal variation		
	1932		1931	1932		1931
	February	January	February	February	January	February
MANUFACTURES						
IRON AND STEEL.....	43	41	77	41	43	73
Pig iron.....	34	32	62	33	32	61
Steel ingots.....	44	42	78	42	44	75
TEXTILES.....	92	94	100	86	89	95
Cotton consumption.....	91	87	92	85	83	86
Wool.....	69	65	79	66	64	75
Consumption.....	75	73	88	69	71	81
Machinery activity.....	74	67	77			
Carpet, rug-loom activity.....	41	38	54			
Silk.....	122	156	153	116	142	146
Deliveries.....	137	179	169	128	157	158
Loom activity.....	93	111	121			
FOOD PRODUCTS.....	91	98	92	90	*93	92
Slaughtering, meat packing.....	100	110	96	98	92	94
Hogs.....	113	124	106	102	93	96
Cattle.....	75	84	75	85	83	85
Calves.....	90	87	92	97	93	99
Sheep.....	149	174	132	159	173	141
Flour.....	79	*85	89	82	*86	92
Sugar meltings.....	72	71	81	73	108	87
PAPER AND PRINTING.....		99	112		101	109
Wood pulp and paper.....		92	105		93	102
Newsprint.....	72	75	77	72	74	77
Book paper.....		99	122		98	117
Wrapping paper.....		81	90		82	89
Fine paper.....		96	106		95	98
Box board.....		103	118		106	118
Wood pulp, mechanical.....		81	74		80	72
Wood pulp, chemical.....		89	99		91	96
Paper boxes.....	152	138	164	137	157	148
Newsprint consumption.....	113	112	123	114	116	124
LUMBER.....	23	24	43	23	27	44
TRANSPORTATION EQUIPMENT:						
Automobiles.....	37	38	73	35	45	68
Locomotives.....		1	7		2	7
Shipbuilding.....		17	110		24	154
LEATHER AND PRODUCTS.....	90	79	90	89	*85	89
Tanning.....	81	77	86	79	79	84
Sole leather.....	71	77	80			
Upper leather—						
Cattle.....	88	80	66	76	73	57
Calf and kip.....	65	54	73	71	65	81
Goat and kid.....	106	96	128	101	101	123
Boots and shoes.....	96	*81	93	96	*89	92
CEMENT AND GLASS:						
Cement.....	34	*40	52	56	65	86
Glass plate.....	81	66	116	75	75	107
NONFERROUS METALS: <sup>1</sup> —Tin deliveries.....	55	47	105			
FUELS, MANUFACTURE:						
Petroleum refining.....	141	140	147	141	140	147
Gasoline.....	181	179	185			
Kerosene.....	69	76	71	67	75	69
Fuel oil.....	92	93	104			
Lubricating oil.....	87	87	94			
Coke (by-product).....	68	67	102	66	66	99
RUBBER TIRES AND TUBES.....	93	85	100	85	92	92
Tires, pneumatic.....	96	88	103	83	95	95
Inner tubes.....	70	64	75	67	70	71
TOBACCO PRODUCTS.....	104	116	121	114	124	133
Cigars.....	63	63	69	74	82	80
Cigarettes.....	131	133	158	144	156	174
MINERALS						
Bituminous coal.....	66	65	77	63	58	73
Anthracite coal.....	62	59	86	58	54	81
Petroleum, crude.....	107	107	107	109	111	110
Zinc.....	49	48	69	46	45	65
Lead.....	56	*60	81	54	59	79
Silver.....	33	*35	65	31	*35	60

\* As recently revised; see BULLETIN for March, 1932, pp. 194-196. Backfigures available on request.

<sup>1</sup> Includes also lead and zinc; see "Minerals."c Corrected.  
r Revised.

For description of these indexes see BULLETIN for February and March, 1927.

## FACTORY EMPLOYMENT AND PAY ROLLS

[Index numbers of the Federal Reserve Board; adjusted to Census of Manufactures through 1927. 1923-1925 average=100]

Industry	Factory employment						Factory pay rolls		
	Without seasonal adjustment			Adjusted for seasonal variation			Without seasonal adjustment		
	1932		1931	1932		1931	1932		1931
	Feb.	Jan.	Feb.	Feb.	Jan.	Feb.	Feb.	Jan.	Feb.
<b>TOTAL—ALL MANUFACTURING INDUSTRIES</b> .....	67.3	66.3	77.3	67.8	68.1	77.8	53.6	52.4	73.2
<b>IRON AND STEEL AND PRODUCTS</b> .....	63.0	62.8	76.5	62.4	64.0	75.9	37.2	36.3	67.5
Steel works and rolling mills.....	66.1	65.8	79.1	65.2	66.6	78.0	37.3	35.7	70.5
Hardware.....	59.6	60.4	70.5	58.6	60.1	69.3	38.4	40.4	57.8
Structural iron work.....	63.7	67.4	86.9	65.3	69.4	88.9	43.0	47.3	75.9
Heating apparatus.....	51.8	47.9	65.0	52.6	52.1	65.9	33.0	29.8	54.2
Steam fittings.....	49.7	48.8	66.4	49.2	50.4	65.7	32.5	30.8	57.2
Stoves.....	53.7	47.1	63.7	55.6	53.6	66.0	33.4	23.8	51.3
Cast-iron pipe.....	47.9	51.9	64.7	49.8	54.3	67.2	31.9	34.9	57.9
<b>MACHINERY</b> .....	61.4	61.2	81.1	61.2	61.8	80.6	45.0	44.5	71.9
Foundry and machine-shop products.....	55.8	54.9	74.0	55.5	56.1	73.7	37.3	36.4	63.4
Machine tools.....	58.9	59.4	90.8	57.8	59.4	89.2	43.2	43.6	72.3
Agricultural implements.....	54.4	51.0	99.6	51.1	49.3	93.6	49.3	38.6	92.9
Electrical machinery.....	75.1	76.3	93.1	75.1	76.3	93.1	62.9	64.4	89.6
<b>TEXTILES AND PRODUCTS</b> .....	74.4	71.6	79.4	72.4	71.1	77.2	59.8	55.5	76.9
A. Fabrics.....	76.0	73.4	77.4	74.4	72.9	75.9	60.3	57.1	72.7
Cotton goods.....	75.6	73.0	73.3	73.7	72.0	71.4	56.9	53.7	63.9
Woolen and worsted manufactures.....	64.4	59.7	66.6	63.1	58.4	65.3	50.4	46.5	59.8
Woolen and worsted goods.....	65.8	60.0	66.6	64.4	58.7	65.3	53.4	48.0	60.6
Carpets and rugs.....	57.2	58.2	66.3	55.9	56.8	64.9	36.4	39.8	56.2
Hosiery and knit goods.....	85.9	84.3	83.4	84.9	85.2	82.4	73.2	68.3	83.2
Silk manufactures.....	71.3	71.5	86.7	70.3	72.0	85.4	55.8	57.6	85.5
Dyeing and finishing textiles.....	97.4	93.9	108.1	95.1	93.3	105.4	90.3	83.8	115.2
B. Wearing apparel.....	70.4	66.9	84.1	67.4	66.6	80.4	58.8	52.4	85.4
Clothing, men's.....	55.7	51.6	58.7	54.2	51.7	57.2	41.6	37.8	54.8
Shirts and collars.....	69.6	68.6	81.7	68.2	68.1	80.1	49.8	47.5	70.3
Clothing, women's.....	95.8	91.3	126.8	88.1	88.9	116.7	84.4	72.8	132.7
Millinery.....	61.6	59.4	72.8	62.9	62.9	74.3	53.9	50.2	72.1
<b>FOOD PRODUCTS</b> .....	82.9	84.2	80.4	83.7	85.3	90.3	76.3	75.6	91.6
Baking.....	87.6	88.8	95.3	89.2	90.9	97.1	81.2	82.8	95.2
Slaughtering and meat packing.....	85.1	86.8	89.1	82.6	83.8	86.4	78.7	82.4	95.6
Confectionery.....	77.3	73.5	87.0	78.9	80.1	88.8	66.7	70.3	83.9
Ice Cream.....	70.2	70.0	76.7	81.1	81.7	88.6	69.6	69.6	84.4
Flour.....	75.6	76.3	79.8	75.6	76.7	79.8	66.2	67.4	80.5
Sugar refining cane.....	73.6	77.0	77.6	76.9	82.7	81.1	61.5	62.3	75.2
<b>PAPER AND PRINTING</b> .....	87.3	89.0	95.1	87.2	88.3	94.9	83.5	85.5	100.7
Printing, book and job.....	88.6	92.3	101.9	87.7	90.2	100.9	53.0	88.8	104.9
Printing, newspapers and periodicals.....	98.4	99.8	102.6	98.2	99.4	102.4	100.8	103.5	112.6
Paper and pulp.....	80.7	80.4	85.6	80.8	80.5	85.6	66.7	63.1	84.9
Paper boxes.....	75.7	76.9	84.2	76.8	77.4	85.4	67.8	68.3	84.0
<b>LUMBER AND PRODUCTS</b> .....	42.0	42.4	54.6	43.3	43.9	56.3	25.9	26.6	45.6
Lumber, sawmills.....	34.0	35.3	47.7	35.4	36.9	49.9	19.7	20.3	38.8
Lumber, millwork.....	42.5	44.4	56.2	43.1	45.6	57.0	27.6	30.2	47.3
Furniture.....	64.4	61.0	73.0	65.3	62.3	74.1	38.2	37.9	59.1
<b>TRANSPORTATION EQUIPMENT</b> .....	55.4	53.9	65.2	55.1	55.6	64.9	45.6	44.3	62.2
Car building and repairing.....	44.8	43.9	58.9	45.4	44.4	59.7	37.0	38.0	59.5
Automobiles.....	65.7	63.4	69.8	64.7	67.1	68.8	52.0	47.7	61.1
Shipbuilding.....	84.2	84.3	93.9	79.8	81.9	88.0	79.2	81.2	98.0
<b>LEATHER AND PRODUCTS</b> .....	80.0	75.7	80.3	78.1	75.4	78.4	61.4	53.3	68.8
Boots and shoes.....	82.4	77.5	81.5	80.7	77.4	79.8	61.9	52.5	67.6
Leather.....	69.6	68.3	75.3	67.5	67.1	73.1	59.8	56.3	73.2
<b>CEMENT, CLAY, AND GLASS</b> .....	48.4	47.7	60.7	51.4	51.6	65.0	32.9	31.1	51.4
Clay products.....	42.4	42.6	57.2	45.7	46.3	62.1	24.3	24.1	43.4
Brick, tile, and terra cotta.....	31.5	33.1	47.6	36.3	37.6	54.7	15.3	16.4	35.2
Pottery.....	72.4	68.6	83.3	71.5	70.0	82.3	48.1	44.3	65.3
Glass.....	62.3	59.1	69.0	64.1	63.0	70.9	51.0	44.9	66.1
Cement.....	44.7	45.7	58.8	49.3	50.2	64.7	31.4	31.4	53.9
<b>NONFERROUS METALS AND PRODUCTS</b> .....	57.2	56.8	68.1	56.0	57.4	66.8	45.0	44.9	64.4
Stamped and enameled ware.....	33.2	31.4	48.0	32.3	32.7	46.8	26.8	26.2	44.4
Brass, bronze, and copper.....	65.3	65.4	75.0	64.1	63.4	73.6	50.3	50.4	70.2
<b>CHEMICALS AND PRODUCTS</b> .....	81.1	81.7	95.6	80.2	81.9	94.5	72.1	71.4	92.9
Chemicals and drugs.....	84.6	85.9	97.4	82.9	85.3	95.6	73.0	71.4	89.8
Petroleum refining.....	80.2	81.2	96.2	81.2	82.8	97.4	75.1	75.9	100.8
Fertilizers.....	62.2	56.3	81.6	59.0	57.7	77.4	45.3	45.4	74.4
<b>RUBBER PRODUCTS</b> .....	68.6	69.1	72.0	68.1	69.7	71.4	54.2	53.0	63.8
Automobile tires and tubes.....	70.3	69.7	72.7	70.0	71.2	72.4	56.7	54.3	67.2
Rubber boots and shoes.....	63.4	67.2	69.8	62.5	65.2	68.7	44.2	48.3	50.7
<b>TOBACCO PRODUCTS</b> .....	71.9	69.0	83.4	72.8	74.3	84.6	53.4	53.0	65.3
Cigars and cigarettes.....	71.6	68.4	84.5	73.1	74.7	86.3	51.8	51.0	64.3
Chewing and smoking tobacco, snuff.....	74.5	74.2	75.6	70.1	71.0	71.2	67.4	69.5	73.2

NOTE.—For description of these indexes see BULLETIN for November, 1929 (pp. 706-716), and November, 1930 (pp. 662-677).



## BUILDING CONTRACTS AWARDED, BY TYPES OF BUILDING

[Value of contracts in millions of dollars. Figures are for 37 States east of the Rocky Mountains, as reported by F. W. Dodge Corporation]

Month	Total		Residential		Factories		Commercial		Public works and public utilities		Educational		All other	
	1931	1932	1931	1932	1931	1932	1931	1932	1931	1932	1931	1932	1931	1932
January	228.0	84.8	54.4	27.5	10.1	3.4	26.9	9.1	96.8	24.1	19.4	4.4	20.5	16.3
February	235.4	89.0	77.9	24.4	7.3	4.4	27.1	10.1	79.0	28.3	16.7	10.8	27.3	11.0
March	370.0	100.9	100.9	20.6	20.6		36.2		152.2		24.3		35.7	
April	336.9	95.9		11.3			26.2		133.4		23.0		47.1	
May	306.1	88.9		16.3			25.7		109.6		23.8		41.8	
June	316.1	72.7		8.9			26.9		141.6		22.5		43.6	
July	286.0	63.9		10.4			28.4		117.4		26.1		39.8	
August	233.1	60.2		4.7			19.1		73.3		19.3		56.5	
September	251.1	54.6		11.0			28.6		86.5		21.2		49.3	
October	242.1	60.5		8.9			41.3		83.0		14.7		33.8	
November	151.2	45.3		4.2			14.1		48.0		11.8		27.8	
December	136.9	36.2		2.5			10.6		50.5		6.1		31.0	
Year	3,092.8		811.4		116.2		311.1		1,171.1		228.8		454.3	

## BUILDING CONTRACTS AWARDED, BY DISTRICTS

[Value of contracts in thousands of dollars; figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation]

Federal reserve district	1932		1931
	Feb.	Jan.	Feb.
	Boston	6,917	7,175
New York	14,315	24,863	70,060
Philadelphia	6,821	8,400	14,143
Cleveland	6,731	6,924	16,493
Richmond	7,341	5,615	19,666
Atlanta	5,603	5,711	20,354
Chicago	18,051	12,628	29,011
St. Louis	6,119	4,905	12,509
Minneapolis	4,654	1,371	5,507
Kansas City	5,016	4,059	10,174
Dallas	7,478	3,205	17,973
Total (11 districts)	89,046	84,798	235,405

## COMMERCIAL FAILURES, BY DISTRICTS

[Amounts in thousands of dollars; figures reported by R. G. Dun Co.]

Federal reserve district	Number		Liabilities				
	1932		1931		1932		1931
	Feb.	Jan.	Feb.	Jan.	Feb.	Jan.	
Boston	253	308	247	4,610	6,068	7,115	
New York	622	827	490	25,329	21,799	8,728	
Philadelphia	159	215	115	6,978	12,201	4,603	
Cleveland	256	322	202	8,783	9,628	7,123	
Richmond	198	159	160	7,970	2,404	2,382	
Atlanta	154	188	183	3,410	5,608	3,089	
Chicago	347	495	371	13,917	18,700	5,740	
St. Louis	148	158	181	2,805	3,918	5,158	
Minneapolis	66	74	69	870	671	3,446	
Kansas City	145	157	108	2,952	5,692	1,226	
Dallas	121	178	114	2,568	4,052	2,153	
San Francisco	263	377	323	4,707	6,119	8,645	
Total	2,732	3,458	2,563	84,900	96,860	59,608	

## BUILDING PERMITS ISSUED, BY DISTRICTS

[Value of permits in thousands of dollars]

Federal reserve district	Number of cities	1932		1931
		Feb.	Jan.	Feb.
		Boston	14	1,780
New York	22	9,548	17,371	31,606
Philadelphia	14	1,562	1,373	2,257
Cleveland	12	5,890	4,241	6,000
Richmond	15	3,042	2,638	8,463
Atlanta	15	1,277	895	1,891
Chicago	19	2,073	1,314	12,230
St. Louis	5	1,214	649	2,469
Minneapolis	9	574	742	1,410
Kansas City	14	867	841	4,552
Dallas	9	1,479	1,132	3,264
San Francisco	20	5,593	6,359	10,843
Total	168	34,929	39,544	88,326

## BANK DEBITS

[Debits to individual accounts. In millions of dollars]

Federal reserve district	Number of centers	1932		1931
		Feb.	Jan.	Feb.
		New York City	1	14,381
Outside New York City	140	12,870	15,893	17,084
Federal reserve district:				
Boston	11	1,420	1,812	1,760
New York	7	14,965	18,380	21,607
Philadelphia	10	1,261	1,472	1,710
Cleveland	13	1,282	1,723	1,932
Richmond	7	490	593	597
Atlanta	15	622	782	860
Chicago	21	3,155	3,941	4,266
St. Louis	5	637	819	809
Minneapolis	9	392	456	507
Kansas City	15	717	840	950
Dallas	10	406	484	511
San Francisco	18	1,904	2,267	2,524
Total	141	27,251	33,569	38,031

# FEDERAL RESERVE DISTRICTS

