

FEDERAL RESERVE BULLETIN

FEBRUARY 1938



Recent Business and Credit Developments
Group Banking in the United States
Trends in Bank Earnings and Expenses



**BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM**
CONSTITUTION AVENUE AT 20TH STREET
WASHINGTON

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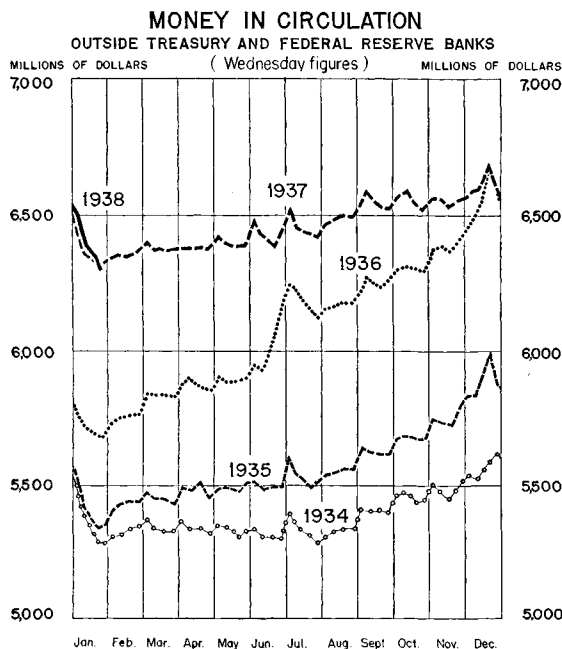
VOL. 24

FEBRUARY, 1938

No. 2

REVIEW OF THE MONTH

Inflow of currency to the Reserve banks from circulation carried excess reserves of member banks to a level of **Member bank reserves** \$1,400,000,000 at the end of January. In the five weeks ending January 26, as shown in the accompanying chart, the post-holiday decline in currency amounted to about \$390,000,000, compared with an increase of \$260,000,000 between the end of July and Christmas.



All classes of banks shared in the increase in excess reserves during January. More than one-half of the increase occurred at central reserve city banks in New York City, reflecting in part an increase in correspondent balances held for outside banks. The fol-

lowing table shows excess reserves by classes of banks during January, 1938, compared with those in September, when the Treasury released \$300,000,000 of inactive gold, and also in April and May, of last year.

EXCESS RESERVES OF MEMBER BANKS, BY CLASSES OF BANKS

Averages of daily figures

(In millions of dollars)

	All member banks	Central reserve city banks		Re-reserve city banks	Country banks
		New York	Chicago		
1937					
April.....	1,552	530	101	490	431
May.....	927	203	51	316	357
September 1-15.....	786	112	39	295	340
September 16-30.....	1,014	358	47	284	326
December.....	1,071	305	80	366	319
1938					
January 1-7.....	\$1,259	400	77	425	\$357
January 8-14.....	\$1,342	455	83	455	\$349
January 15-21.....	\$1,370	470	91	459	\$350
January 22-28.....	\$1,409	494	95	\$460	\$360

^p Preliminary.

During the latter half of 1937 total loans and investments of member banks declined by \$1,000,000,000, according to preliminary figures from call reports as of December 31, 1937. Investments declined by \$700,000,000 and security loans by \$660,000,000, while other loans increased by \$350,000,000. Decreases in loans and investments were reported for central reserve and reserve city banks, while at country banks a decrease in investments was approximately offset by a further growth in loans. Detailed figures, with those for earlier dates, are given in the regular table on page 138 of this Bulletin.

As shown in the following table, the reduction in security loans at member banks during the latter half of 1937 was almost entirely in loans made to brokers and dealers in securities by New York City banks, which declined by about \$530,000,000. At the end of the year loans to brokers and dealers had been reduced to the 1935 level. Loans to others on securities also decreased somewhat, principally at New York City banks. Real estate loans and so-called "other" loans, which include loans for commercial, industrial, and agricultural purposes, increased further, while holdings of open-market acceptances and commercial paper showed little change. Since the early part of 1935 real estate loans at member banks, which were reduced sharply in 1932 and 1933, have been slowly increasing. The growth during the latter half of 1937 amounted to about \$40,000,000 and, like the increase during the previous two years, occurred almost entirely at country banks.

CHANGES IN LOANS AND INVESTMENTS AT MEMBER BANKS, LAST HALF OF 1937

(In millions of dollars; figures preliminary)

	All member banks	Central reserve city banks		Re-reserve city banks	Country banks
		New York	Chicago		
Total loans and investments	-1,006	-690	-68	-225	-22
Total loans	-311	-581	-39	+203	+107
Open-market paper	-11	+20	-1	-23	-6
Loans to security brokers and dealers	-585	-534	-9	-35	-7
Loans to others on securities	-76	-91	-16	+34	-4
Real estate loans	+44	-7	-2	+12	+40
Loans to banks	-44	-33	-1	-7	-2
All other loans	+363	+65	-11	+224	+84
Total investments	-695	-109	-29	-428	-129
U. S. Government obligations	-313	-35	+9	-302	+15
Other securities	-382	-74	-39	-126	-144

The growth in "other" loans at member banks amounted to \$360,000,000 in the latter half of 1937. This growth was smaller than during either the first half of 1937 or the

latter half of 1936. The largest increase in these loans was at reserve city banks. According to weekly reports of member banks in 101 leading cities, commercial loans at city banks increased in the third quarter and declined in the last quarter of the year. Country banks showed an increase of \$80,000,000 in "other" loans in the latter half of 1937, compared with a growth of \$180,000,000 in the first half of the year and with small decreases in the latter half of 1936 and of 1935.

All classes of member banks reduced their holdings of securities during the latter half of 1937. Of the total reduction of \$695,000,000, about \$315,000,000 was in United States Government obligations, mostly direct obligations, and about \$380,000,000 in other securities. Holdings of Government securities showed a decline of \$300,000,000 at reserve city banks, and little change at country banks and at central reserve city banks. New York City banks, according to weekly reports, have been steadily increasing their portfolio of Government securities since the end of last September, following large declines in the first three quarters of 1937. Of the \$380,000,000 decrease in other securities in the last half of the year, \$110,000,000 was at central reserve city banks, \$125,000,000 at reserve city banks, and \$145,000,000 at country banks. Thus country banks in the latter half of 1937 participated in the general selling of securities by banks, whereas in the first half of the year these banks had increased their holdings of securities at a time when city banks were selling heavily. The sales by city banks were largely of United States Government securities, while liquidation at country banks was principally of other securities.

The substantial reduction during the last six months of 1937 in United States Government securities at member banks was chiefly in Treasury notes and bills. In this period the total amount of Treasury bills outstanding was reduced by \$350,000,000 and that of

Treasury notes by \$70,000,000, while Treasury bonds were increased by \$540,000,000. New York City banks increased their holdings of Treasury notes, while reducing holdings of other types of obligations. Reserve city banks reduced principally their holdings of notes and bills, at country banks there was a moderate increase in guaranteed obligations partly counterbalanced by reductions in Treasury bills. Holdings of bonds that are direct obligations of the Government showed no significant change at any class of member banks in the last half of 1937, declining in the aggregate by \$50,000,000. In the first half of 1937 holdings of such bonds had shown a decrease of \$370,000,000.

UNITED STATES GOVERNMENT OBLIGATIONS HELD BY MEMBER BANKS

(In millions of dollars; figures preliminary)

	Amounts held on Dec. 31, 1937	Changes since June 30, 1937				
		Total	Direct obligations			Fully guaranteed obligations
			Bonds	Notes	Bills	
Central reserve city banks:						
New York	3,595	-35	-32	+111	-49	-66
Chicago	1,011	+10	+8	+1	+2	¹
Reserve city banks.....	4,600	-303	-26	-189	-89	+2
Country banks.....	3,170	+15	+3	-8	-23	+43
All member banks...	12,376	-313	-48	-85	-159	-20

¹ Increase of less than \$500,000.

In the first three weeks of January, total loans and investments at reporting member banks in 101 leading cities declined, reflecting a reduction of loans in excess of purchases of additional securities. The decline in loans was principally in commercial accommodations both in New York City and in leading cities outside New York, amounting to about \$160,000,000, and there was also a further liquidation of loans to security brokers and dealers in New York City, amounting to about \$70,000,000. Commercial loans of weekly reporting banks have declined by \$430,000,000 since the middle of

October, but are still approximately \$600,000,000 larger than a year ago. Holdings of United States Government securities increased during the first three weeks of January, almost entirely at New York City banks. These banks added \$120,000,000 to their holdings, making a total increase of \$340,000,000 since September 29, 1937, following a decline of \$860,000,000 in the first three quarters of 1937. At banks in leading cities outside New York, holdings of Government securities have shown little change in recent months.

Interbank balances increased during the first three weeks of January to the largest amount since last April. In the early months of 1937 there was a substantial decrease in connection with the raising of reserve requirements and the growth in loans and investments at country banks. Adjusted demand deposits at reporting banks showed little net change in January, the effect of the seasonal return flow of currency from circulation being offset by the decline in bank loans. During most of the last seven months of 1937 these deposits had decreased.

Prices of United States Government securities and of the highest-grade corporate and municipal bonds rose further in the first three weeks of January with the result that yields were lower than at any previous time except in the latter part of 1936 and at the beginning of 1937. Toward the end of January there was some decline in prices of the highest-grade bonds, accompanying marked declines in prices of lower-grade railroad bonds and of common stocks.

The rate on new issues of 91-day Treasury bills continued during the month of January at the exceptionally low level of less than 1/8 of 1 percent, and the average yield on Treasury notes maturing in 3 to 5 years declined to below 1 1/8 percent. This compares with a low of slightly less than 1 percent in December 1936 and a high of almost 1 3/4 percent in

Security markets

April 1937. The average yield on long-term Treasury bonds declined to a little more than $2\frac{3}{8}$ percent, compared with a low of less than $2\frac{1}{4}$ percent in December 1936 and a high of over $2\frac{3}{4}$ in April 1937.

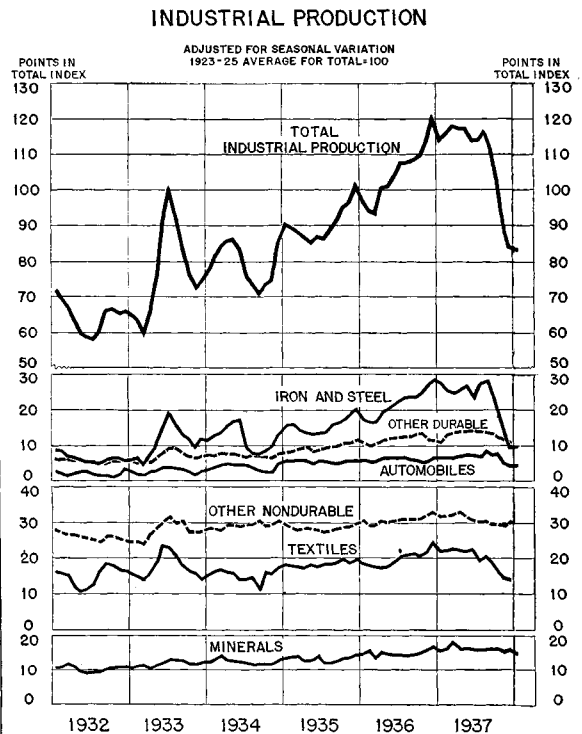
Prices of stocks and of the lower-grade industrial and public utility bonds, which in the first three weeks of January remained generally somewhat above their low levels reached in the last quarter of 1937, declined in the last week of the month. Lower-grade railroad bonds declined sharply after the middle of January, and prices of these issues at the end of the month were at the lowest level since early in 1933.

Preliminary estimates for January indicate that the volume of industrial output, as measured by the Board's seasonally adjusted index, was about the same as in December, when the index stood at 84 percent of the 1923-1925 average. Production of steel and automobiles increased somewhat from the low levels reached in the latter part of December and the output for January showed about the usual seasonal change from December. Trade reports indicate that output of shoes increased somewhat and that textile production showed little change from recent low levels, while mineral production, which had been maintained at a high level throughout 1937, declined.

The accompanying chart reviews the course of industrial production and of output in certain industries and groups of industries since January 1932. The data shown are expressed in terms of points in the total index of industrial production, so that movements in any group, as indicated on the chart, measure the effect of these changes on the total index.

The sharp drop in the index after August 1937 reflected to a considerable extent the rapid curtailment of activity in the iron and steel industry. Figures on man-hours worked show that activity in the industries that use

steel as a material decreased sharply, but that this decline was not so great as at steel mills themselves. Inventories of steel, which



Figures shown for January 1938 are estimates made January 26.

earlier had been accumulating, were being reduced toward the end of the year. In the automobile industry, where output had been maintained at a high level during the first ten months of 1937, assemblies increased less than seasonally in November and declined in December. Activity in the machinery industries and at railroad repair shops was curtailed each month after August. The decline shown in the chart for other durable manufactures reflected principally a sharp reduction in output of plate glass and a decline in activity at lumber mills, but man-hours figures show that there were declines also in industries producing furniture, non-ferrous metal products, and other durable goods.

In the textile and leather industries, where activity had declined moderately by early summer, there was a sharp further decline in the last half of the year. Man-hour data indicate that curtailment in the clothing industries began in April, somewhat earlier than the decline at mills producing fabrics, and continued to the end of the year. After the middle of the year the decline in the manufacture of textile fabrics was more rapid than that in clothing production.

Mineral output was in large volume throughout 1937, and, with consumption reduced, stocks of most fuels and metals had increased considerably by the end of December.

Accompanying the decline in industrial activity in the autumn of 1937, there was a sharp reduction in the amount of contracts awarded for privately-financed construction. Residential building had shown some decline during the summer, reflecting in part the earlier rapid advance in construction costs. In the fourth quarter, although construction costs were somewhat lower, the decline in residential building became more marked as uncertainties arose regarding income prospects during 1938. The number of new dwelling units built in 1937 was somewhat less than 300,000, about the same as in 1936 and one-third of the peak number erected in 1925.

Contracts for other private construction likewise declined sharply in the autumn of 1937, with the most marked decrease in awards for factory building, which had been in large volume during the first eight months of the year, particularly in the summer. Substantial reductions were reported also in commercial building and in construction by public utilities and the railroads. During 1937 the volume of construction of this general type, though small in relation to the high level of the 1920's, was considerably larger than in other recent years.

Awards for publicly-financed construction showed a moderate decline between the third and fourth quarters of 1937, but toward the end of the year some increase was reported.

Reports for the first half of January 1938 show a continuation of the decline in residential building and a further increase in public projects. Quarterly figures on contract awards in 1936 and 1937 are given in the following table.

CONSTRUCTION CONTRACTS AWARDED
(In millions of dollars)

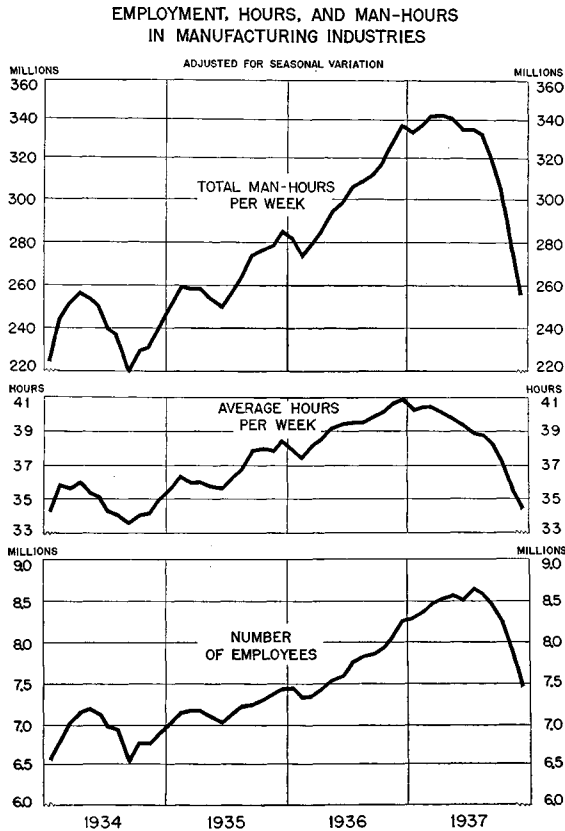
Quarters	Total	Public	Private		
			Total	Residential	Other
1936					
First.....	554	324	230	114	116
Second.....	683	315	368	206	162
Third.....	804	422	382	202	180
Fourth.....	634	273	361	199	162
1937					
First.....	662	248	414	207	207
Second.....	831	304	527	269	258
Third.....	810	314	496	212	284
Fourth.....	610	286	324	158	166

Source: F. W. Dodge Corporation data for 37 Eastern States.

Employment and payrolls showed a sharp decline during the latter part of 1937, particularly in November and December. The largest decline in employment was at factories, where the number of wage earners decreased from a level of 102 percent of the 1923-1925 average in the summer to 89 percent at the end of the year. There were considerable declines also in construction, mining and transportation. In trade, however, employment increased by about the usual seasonal amount. In the aggregate the number employed in nonagricultural industries decreased by about 1,500,000 persons after August and there was also a seasonal decrease in employment in agriculture. The number employed on work relief and other such governmental projects increased somewhat.

At factories, there was a decrease in the average number of hours worked in addition

to the decline in the number of employees. Changes in the number employed, in average hours, and in total man-hours worked during the past four years are shown monthly on the accompanying chart. By December 1937



Based on data of the Bureau of Labor Statistics. December 1937 figures estimated for total man-hours and average hours per week.

total man-hours had declined to the level of early 1935, with the number employed somewhat larger than at that time and average hours somewhat smaller. The recent decline in average hours worked began considerably earlier than the reduction in employment, owing in part to agreements shortening the work week.

During recent months average hourly earnings at factories have continued near the levels reached last summer and the sharp decline in man-hours worked has been reflected

in a corresponding decrease in payrolls. At the end of the year factory payrolls were at about the same level as in the middle of 1936.

Volume of department store sales was substantially maintained in the latter part of 1937, although industrial production and employment declined sharply, and in December the Board's adjusted index of these sales stood at 89, as compared with a level of 93 during the earlier months of the year. Preliminary reports indicate that sales in the first three weeks of January were at about the same level as a year ago. Although department store sales have been maintained at a fairly high level, many retailers have restricted their purchases from wholesalers and manufacturers, and inventories at department stores have declined in recent months. The Board's adjusted index of department store stocks was 72 percent of the 1923-1925 average at the end of December 1937, compared with 78 last August and a low level of 65 in the first half of 1936.

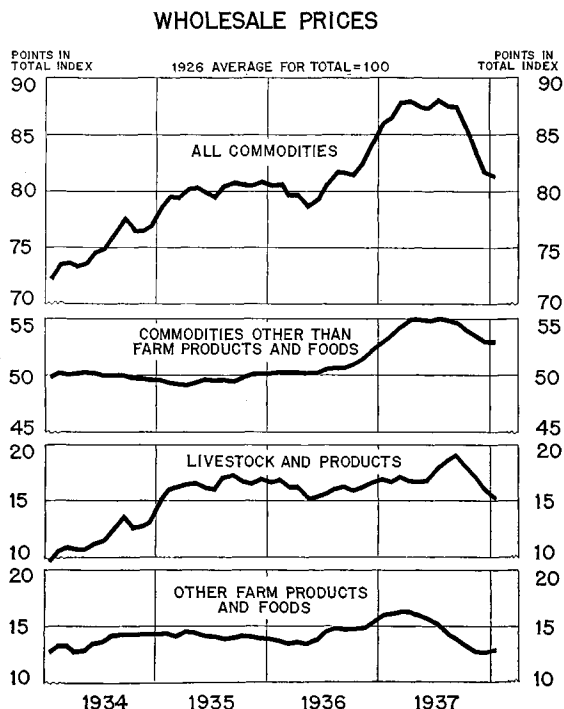
Sales at variety stores and by mail-order houses have increased by approximately the usual seasonal amount during recent months, while sales of automobiles, which had been at a high level, declined toward the end of the year.

Wholesale commodity prices, which had declined sharply in October and November, were firmer in December and

the first three weeks of January. Prices of basic commodities, both agricultural and industrial, were maintained, while prices of livestock products and of finished industrial products continued downward.

The general level of wholesale commodity prices, as shown in the accompanying chart, declined by about 6 points from September to January and is currently at the level prevailing before the sharp advance last winter and spring. The extent to which changes in the general level of prices since 1934 have

reflected changes in each of three groups of commodities is shown in the chart.



Monthly figures; Bureau of Labor Statistics' data, with Federal Reserve classification of livestock and products and other farm products and foods. January 1938 estimated.

Price declines in wholesale markets have been reflected to some extent in retail prices, with the largest decreases occurring in foods and clothing. Retail food prices, according to the index of the Bureau of Labor Statistics, declined from 85.8 percent of the 1923-1925 average in September to 82.6 in December, reflecting chiefly a decrease in meat prices. In January retail food prices declined further.

The decline in prices of livestock and livestock products, which accounted for more than half of the sharp drop in the general level of wholesale prices from September to January, reflected chiefly a much larger than seasonal increase in slaughter supplies and a reduction in consumer income. Prices of

dairy products at the beginning of this winter were at the highest level for any similar period since 1929, but, with a marked increase in milk production and declining consumer demand, prices of these products declined sharply in the latter part of December and in January. Wool prices decreased considerably last autumn, owing in part to declines in other textile prices and to a sharp curtailment in woolen mill activity. Stocks of raw wool in this country were much larger on January 1 than a year ago, when mill consumption was at a high level, but about the same as the average for the preceding 10 years.

Early last year prices of farm products and foods other than livestock and products began to reflect the prospect of large yields following the short crops of recent years. As the abundant supplies of grains, fruits, and vegetables were harvested in the summer and autumn of 1937, their prices declined further. With the forecasts of record cotton crops in both the United States and in foreign countries, cotton prices fell from above 12 cents per pound in the middle of July to a level below 8 cents in November. Cotton consumption by domestic mills was reduced considerably in the latter part of the year and, with cotton exports only moderately larger so far this season, large quantities of the new crop have gone into Government financed stocks. About 4,820,000 bales of the estimated 18,746,000 bale crop were reported in the loan stock on January 27, including loans made by private lenders against the Government guarantee as well as advances of Commodity Credit Corporation funds. In addition the Commodity Credit Corporation still holds 1,670,000 bales of cotton from previous crops.

Domestic wheat prices declined from about \$1.10 per bushel in September to below 95 cents in November, reflecting chiefly the general declines in the commodity and security markets and the failure of exports to

meet expectations. On the basis of exports of 90,000,000 bushels, the Department of Agriculture expects the domestic carryover on July 1, 1938, to be about 200,000,000 bushels, which would be larger than during the recent years of small crops but considerably smaller than during the 1930-1934 period. In December and January foreign demand for cotton, wheat, and corn increased, and prices of these commodities advanced above the November levels.

Prices of all farm products as a group remained in December and January at the lowest level in three years. Food prices continued to show a marked decline in this period, reflecting the sharp drop in dairy products and a further decrease in meat prices.

Prices of commodities other than farm products and foods showed little change last year from April to September, as declines in prices of raw and semi-finished materials were offset in the total by further increases in finished products. In the autumn of the year raw materials declined considerably further and there were also reductions in prices of finished products. In December and the first three weeks of January prices of raw and semi-finished industrial materials were generally maintained at about the same level as in October 1936. Finished industrial products continued to decline but were still somewhat higher than in October 1936.

The decline in raw material prices last autumn reflected chiefly sharply reduced buying by manufacturers and the accumulation of stocks in the hands of producers. Decreasing business activity and uncertainties regarding future consumption of materials accentuated the decline in prices. The supply of hides increased as a result of larger cattle slaughter and of reduced activity in the leather industry, and prices declined considerably. Reductions in output of some other raw and semifinished materials, such

as rayon, lumber, and nonferrous metals, though considerable, were nevertheless smaller than the decrease in sales and shipments, with the consequence that stocks held by producers increased and prices fell. Lower quotas for such commodities as rubber, tin, and copper were announced by control agencies in foreign countries, but visible supplies were not immediately brought into line with changes in demand, and prices of these commodities dropped abruptly.

Output of fuels was maintained at high levels in the latter part of the year. Stocks of petroleum products increased and their prices declined, but prices of crude petroleum remained unchanged except for reductions in Pennsylvania oil. In the case of bituminous coal, industrial users maintained stocks at a high level partly in anticipation of an advance in prices through governmental action. The increase in prices became effective in the middle of December.

Prices of finished industrial products, which as a group began to decline in September, have continued downward in recent months. This decline has reflected for the most part sharply lower material prices, particularly in textile products, reduced consumer demand for some commodities, and efforts by manufacturers and distributors in certain lines to liquidate inventories accumulated earlier in the year.

Appointment of Class C Directors at Federal Reserve Banks

On January 19, 1938, Edmund E. Day, President of Cornell University, Ithaca, New York, was appointed a Class C director of the Federal Reserve Bank of New York for the unexpired portion of the term ending December 31, 1939.

On January 25, 1938, W. D. Cochran, President of the W. D. Cochran Freight Lines, Iron Mountain, Michigan, was appointed a Class C director of the Federal Reserve Bank

of Minneapolis for the unexpired portion of the term ending December 31, 1940.

On January 28, 1938, Rufus C. Harris, President of Tulane University, New Orleans, Louisiana, was appointed a Class C director of the Federal Reserve Bank of Atlanta for the unexpired portion of the term ending December 31, 1940.

Effective February 1, 1938, Walter C. Coffey, Dean of the Department of Agriculture of the University of Minnesota, St. Paul, Minnesota, was appointed a Class C director of the Federal Reserve Bank of Minneapolis for the unexpired portion of the term ending

December 31, 1939, to succeed F. W. Peck, resigned.

Designation of Chairman and Federal Reserve Agent and Appointment of Deputy Chairman

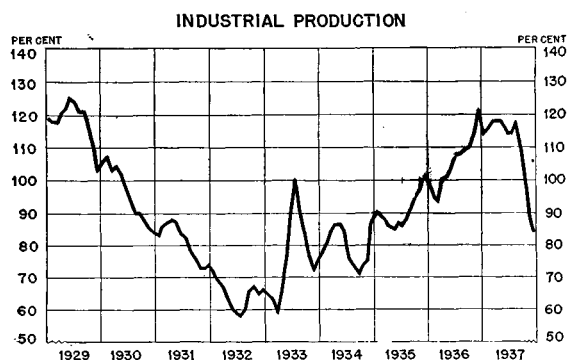
Owen D. Young, Chairman of General Electric Company, New York, New York, has been designated as Chairman and Federal Reserve Agent at the Federal Reserve Bank of New York, and Beardsley Ruml, Treasurer of R. H. Macy & Company, Inc., New York, New York, has been appointed as Deputy Chairman of the bank to succeed Mr. Young, both for the remainder of the current year.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

[Compiled January 25 and released for publication January 27]

Industrial output declined further in December and, according to preliminary reports, showed little change in the first three weeks of January. Prices of raw materials, which had declined sharply in October and November, have been maintained since that time.

Production.—Volume of industrial production declined further in December and the Board's seasonally adjusted index was at 84 percent of the 1923-1925 average as compared with 89 in November. The decline reflected chiefly a continued sharp curtailment of activity in the durable goods industries. Steel ingot production averaged about 26 percent of capacity, output of automobiles and plate glass was reduced considerably, and production of



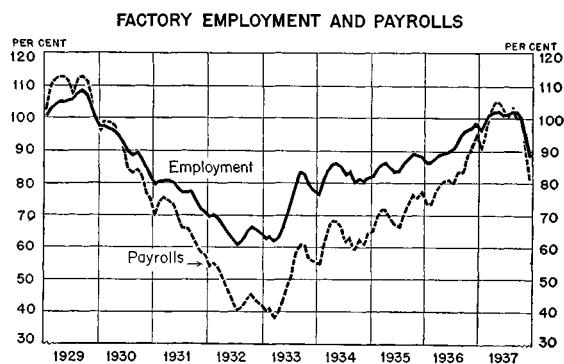
Monthly index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100.

lumber and cement also declined. Total output of nondurable goods declined seasonally. There was a sharp decrease in output at silk mills, and cotton consumption declined further. At woolen mills and shoe factories, however, output was maintained, following a considerable period of sharp decline. Activity at sugar refineries increased further. Mineral production in December, as in other recent months, was at a high level. Output of crude petroleum and bituminous coal declined seasonally, while anthracite production increased somewhat.

In the first three weeks of January output of steel and automobiles increased somewhat from the extreme low levels reached in the latter part of December.

Value of construction contracts awarded in December continued in about the same volume as in the preceding three months. During this period there was a decline in awards for privately-financed projects, reflecting in large part further reductions in residential building, while publicly-financed work increased.

Employment.—Factory employment and payrolls showed further declines between the middle of November and the middle of December, and employment at mines, on the railroads, and in the construction industry also continued to decrease. The decline in the number employed at factories was larger than in earlier months in industries producing durable goods, and was particularly marked in the steel, machinery, and automobile indus-



Monthly indexes of number employed and payrolls at factories, unadjusted for seasonal variation, 1923-1925 average = 100.

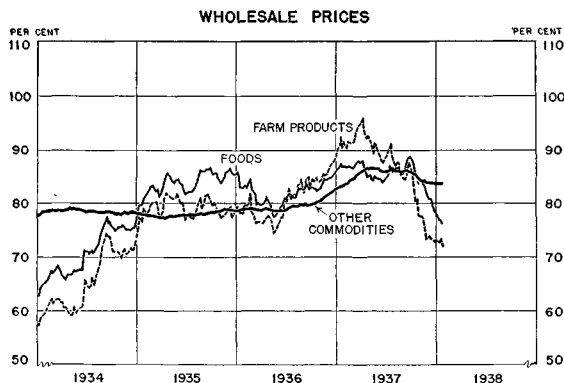
tries. For the nondurable goods industries as a group, the decline in December was about the same as in each of the previous three months, after allowance for seasonal changes. There was some increase in employment at shoe factories and little change at plants producing tobacco products, while most other

industries in this group showed further decreases.

Distribution.—Department store sales increased in December by about the usual seasonal amount, and the Board's adjusted index was 90 percent of the 1923-1925 average as compared with 91 percent in November and an average of 93 percent in the first ten months of the year. Mail-order business and sales at variety stores showed somewhat more than the seasonal increase, while sales of automobiles declined substantially. Preliminary reports indicate that in the first half of January sales at department stores were at about the same level as a year ago.

Railroad freight-car loadings continued to decline in December, and in that month were 18 percent lower than the average for the first half of the year, making allowance for usual seasonal change.

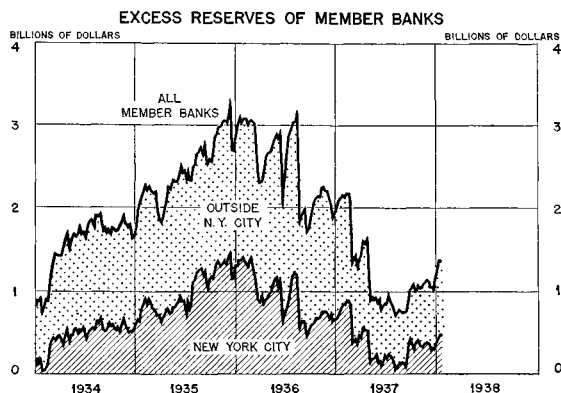
Commodity prices.—Wholesale prices of basic commodities, after declining sharply in the autumn, showed little change in December and the first three weeks of January. Grains, cotton, print cloths, steel scrap, and bituminous coal increased somewhat, while



Indexes compiled by United States Bureau of Labor Statistics, 1926 = 100. By weeks, January 6, 1934, to January 22, 1938.

leather, rayon, and woodpulp prices were reduced. Prices of a wide variety of finished industrial products showed further declines, and livestock products continued to decrease sharply.

Bank credit.—Excess reserves of member banks increased in the four weeks ending January 19 from \$1,010,000,000 to \$1,370,000,000 and were larger than at any time since May 1. The post-holiday decline in money in circulation, which accounted for this growth of excess reserves, was larger than the increase that occurred before Christmas.

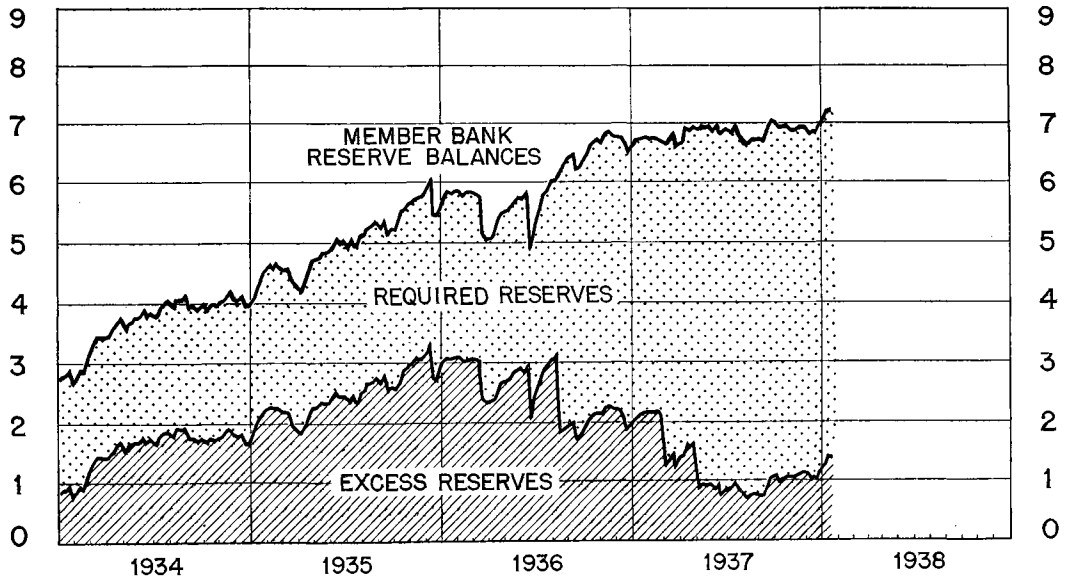
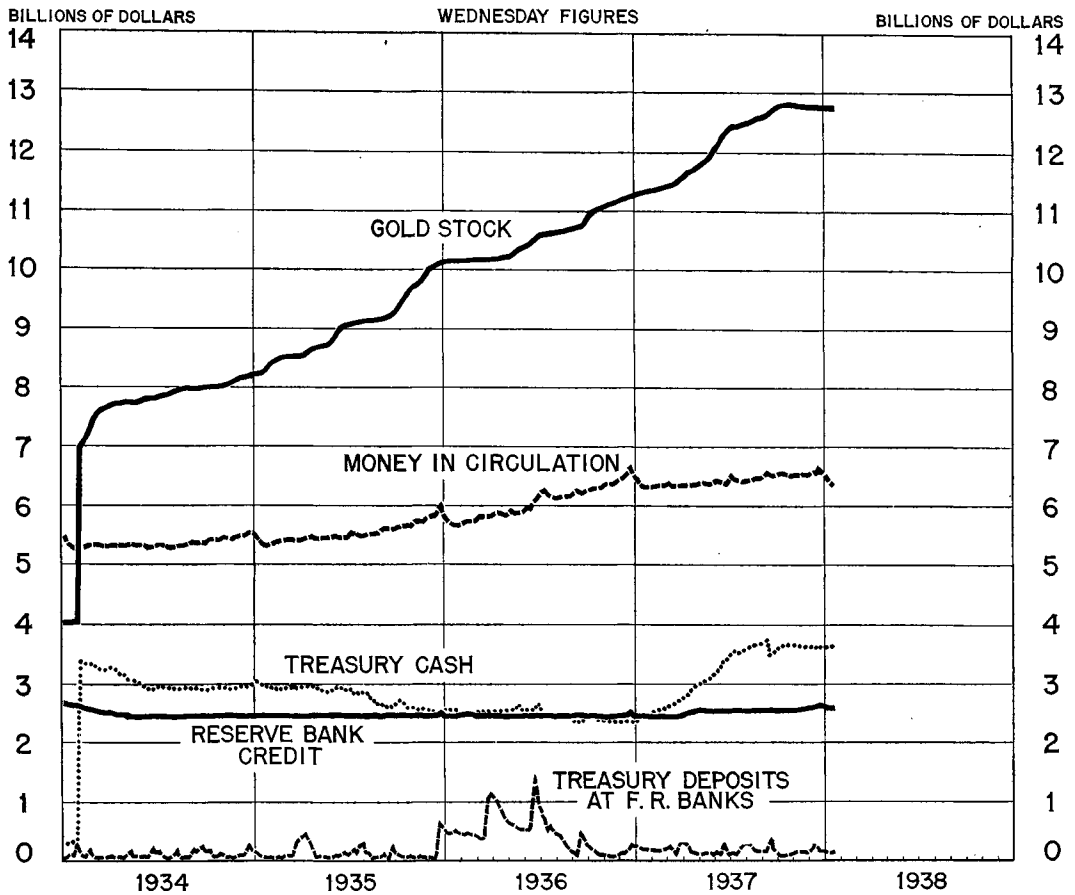


Wednesday figures of estimated excess reserves for all member banks and for selected New York City banks, January 3, 1934, to January 19, 1938.

The volume of loans at reporting member banks in 101 leading cities declined sharply in the five weeks ending January 19, while their holdings of investments showed little net change. Declines occurred in loans to security brokers and dealers and in commercial loans, which decreased both in New York City and in other leading cities. Interbank balances were built up during the period, while other deposits decreased somewhat, reflecting largely the repayment of bank loans, partly offset by a return flow of currency from circulation.

Money rates and bond yields.—The average rate on new issues of 91-day Treasury bills continued in January at less than 1/8 of 1 percent, and yields on Treasury notes and bonds declined to new low levels for recent months. Yields on the highest-grade corporate bonds also declined somewhat, while those on the lower-grade railroad issues rose.

MEMBER BANK RESERVES AND RELATED ITEMS



Latest figures for January 19. See table on page 128.

SUMMARY OF FINANCIAL AND BUSINESS STATISTICS

	1937			1936			Annual averages					
	Dec.	Nov.	Oct.	Dec.	Nov.	Oct.	1937	1936	1935	1934	1933	1929
<i>Averages of daily figures; in millions of dollars</i>												
RESERVE BANK CREDIT, MEMBER BANK RESERVES, AND RELATED ITEMS												
Reserve bank credit outstanding—total	2,628	2,592	2,583	2,498	2,472	2,480	2,554	2,481	2,475	2,502	2,429	1,459
Bills discounted	16	19	22	7	6	7	14	6	7	36	283	952
Bills bought	3	3	3	3	3	3	3	4	5	25	83	241
U. S. Government securities	2,565	2,545	2,527	2,434	2,430	2,430	2,504	2,430	2,431	2,432	2,052	2,08
Monetary gold stock	12,765	12,788	12,782	11,220	11,116	10,983	12,162	10,578	9,059	7,512	4,059	3,996
Treasury currency outstanding	2,627	2,613	2,603	2,528	2,517	2,512	2,567	2,503	2,478	2,381	2,271	2,015
Currency in circulation	6,618	6,558	6,566	6,563	6,401	6,321	6,475	6,101	5,585	5,403	5,576	4,476
Treasury cash holdings	3,622	3,642	3,636	2,357	2,373	2,413	3,225	2,474	2,791	2,798	288	207
Treasury deposits with F. R. banks	188	125	95	155	86	146	158	446	128	81	55	22
Nonmember deposits and other accounts	713	750	717	506	461	502	595	551	507	438	497	406
Member bank reserve balances:												
Total	6,879	6,919	6,954	6,665	6,785	6,594	6,830	5,989	5,001	3,676	2,343	2,358
Excess	1,071	1,104	1,043	2,046	2,219	2,043	1,220	2,512	2,469	1,564	528	43
<i>Averages of Wednesday figures; in millions of dollars</i>												
REPORTING MEMBER BANKS												
Total loans and investments	21,484	21,556	21,889	22,760	22,444	22,566	22,198	22,064	19,997	18,672	17,505	22,599
Loans to brokers and dealers in securities	903	881	1,103	1,248	1,156	1,163	1,226	1,181	990	981	777	*2,208
Loans on securities to others (except banks) ¹	1,959	1,976	1,996	2,034	2,024	2,025	2,006	2,055	2,131	2,545	3,157	*5,448
All other loans	6,589	6,702	6,791	5,748	5,575	5,530	6,314	5,226	4,907	4,965	5,222	9,231
U. S. Government obligations:												
Direct	8,046	7,970	7,914	9,241	9,232	9,310	8,394	9,080	7,989	6,856	5,228	2,865
Fully guaranteed	1,113	1,127	1,132	1,242	1,255	1,255	1,164	1,250	928	*325		
Other securities	2,874	2,900	2,953	3,247	3,202	3,283	3,094	3,272	3,052	*3,000	3,121	2,847
Reserve with Federal Reserve banks	5,358	5,348	5,384	5,264	5,422	5,276	5,307	4,799	4,024	2,875	1,822	1,725
Cash in vault	341	320	326	427	404	399	337	383	326	271	240	248
Balances with domestic banks	1,850	1,804	1,781	2,439	2,463	2,385	1,884	2,358	2,112	1,688	1,322	1,142
Demand deposits—adjusted	14,570	14,636	14,756	15,544	15,362	15,152	15,097	14,619	12,729	(?)	(?)	(?)
Time deposits (excluding interbank) ²	5,203	5,287	5,278	5,045	5,032	5,070	5,202	4,999	4,883	4,937	4,946	6,788
Deposits of domestic banks ³	5,053	5,039	5,088	6,155	6,236	6,080	5,298	5,810	4,938	3,814	2,822	2,787
Borrowings	10	6	5	11	1	1	12	5	6	8	115	674
<i>Averages of weekly figures; percent per annum</i>												
MONEY RATES AND BOND YIELDS												
Commercial paper	1.00	1.00	1.00	.75	.75	.75	.95	.75	.76	1.02	1.72	5.85
Stock exchange call loans	1.00	1.00	1.00	1.00	1.00	1.00	1.00	.91	.56	1.00	1.16	7.61
U. S. Treasury bills (91 days)	.15	.15	.26	.12	.11	.13	.34	.17	.17	.28	.52	
U. S. Treasury bonds, long term	2.54	2.60	2.65	2.27	2.29	2.42	2.57	2.47	2.70	3.10	3.31	3.60
Corporate high grade bonds (Moody's Aaa)	3.23	3.26	3.29	3.10	3.15	3.18	3.27	3.24	3.60	4.00	4.49	4.73
<i>Amounts per month; in millions of dollars</i>												
CAPITAL ISSUES												
All issues—total	164	134	196	726	372	464	324	518	392	180	89	959
New	122	93	89	266	158	186	174	164	121	116	60	841
Refunding	42	41	107	459	214	278	151	354	270	64	29	118
Domestic corporate issues—total	57	36	129	626	264	366	198	382	189	41	32	781
New	43	26	59	218	109	95	90	99	34	15	13	667
Refunding	14	10	70	408	155	272	99	282	155	26	18	115
<i>Index numbers</i>												
PRICES												
Common stocks (1926=100)	81	83	91	123	124	119	112	111	78	72	63	190
Wholesale commodity prices (1926=100):												
All commodities	82	83	85	84	82	82	86	81	80	75	66	95
Farm products	73	76	80	89	85	84	86	81	79	65	51	105
Foods	80	83	86	86	84	83	86	82	84	71	61	100
Other commodities	84	84	85	82	81	80	85	80	78	78	71	92
Retail food prices (1923-25=100)	83	84	85	83	83	83	85	82	80	74	66	105
<i>Index numbers, adjusted for seasonal variation, 1923-25=100</i>												
BUSINESS INDEXES												
Industrial production	P84	89	102	121	114	110	P110	105	90	79	76	119
Manufactures	P80	85	100	121	115	111	P109	105	90	78	75	119
Minerals	P114	109	113	117	112	105	P115	104	91	86	82	115
Construction—total	P66	56	52	66	58	57	P59	55	37	32	25	117
Residential	P30	32	36	45	40	43	P41	37	21	12	11	87
All other	P95	76	65	83	72	69	P74	70	50	48	37	142
Factory employment	P89	94	98	99	96	94	P99	92	86	83	72	105
Factory payrolls (unadjusted)	P81	90	100	95	91	89	P98	82	71	63	49	109
Freight-car loadings	67	71	76	83	82	77	78	75	64	62	58	107
Department store sales	89	91	93	92	94	90	93	88	79	75	67	111
<i>Amounts per month; in millions of dollars</i>												
MERCHANDISE EXPORTS AND IMPORTS												
Exports, including re-exports	P320	315	333	230	226	265	P279	205	190	178	140	437
General imports	P209	223	224	245	196	213	P257	202	171	138	121	367

* Preliminary. * Partly estimated.
 1 Includes loans on securities to banks, 1929-1934.
 2 Figures not available.
 3 Includes time deposits of banks, domestic and foreign, 1929-1934.
 4 Does not include time deposits 1929-1934.

LAW DEPARTMENT

Eligibility for Discount of Note Given for Purchase of Machinery

In view of the ruling regarding the discount of consumers' paper by Federal Reserve banks, which was published in the December 1937 issue of the Federal Reserve Bulletin at page 1190, the question was recently presented as to whether a note given for the purchase of machinery for use by an individual, firm or corporation engaged in manufacturing or some other enterprise might be considered as given for an eligible purpose. The Board of Governors stated that, under the ruling referred to, paper whose proceeds are used by the maker to purchase goods for consumption may be considered as arising out of an actual commercial transaction, but in order to be eligible for discount the paper must meet the other applicable provisions of the law and Regulation A, including the requirement that the proceeds shall not be used for "permanent or fixed investments of any kind, such as land, buildings or machinery, or for any other fixed capital purpose."

The Board has held in past years that agricultural implements which wear out rapidly and in most cases have to be replaced within a comparatively short time are not permanent or fixed investments, and likewise that tractors, although their use is extended over several seasons, are not fixed investments but, like horses and mules, are considered as being for current agricultural purposes. On the other hand, it has been held that motor trucks of a corporation furnishing motor transportation and silos constitute permanent or fixed investments within the Board's regulation.

It is believed that no general rule can be laid down in answer to the question whether the purchase of machinery constitutes a permanent or fixed investment or is for any other fixed capital purpose. Generally speaking, the purchase of machinery by a manufacturing concern, which is expected to last over a

period of a number of years or indefinitely, would seem to constitute a permanent or fixed investment and, accordingly, a note given for this purpose would not be eligible for discount. However, there may be machinery of certain types which wears out rapidly and must be replaced within a comparatively short time, and the purchase of such machinery might be regarded as an eligible purpose. The Board stated the question is one which appears to depend upon the type of machinery in question as well as the other facts and circumstances of the particular case and upon which no definite answer can be given in advance.

Eligibility of Finance Company Paper for Discount by Federal Reserve Banks

Under the provisions of the recent revision of Regulation A, a note of a finance company the proceeds of which are loaned to other borrowers for commercial purposes is eligible for discount by a Federal Reserve bank if the note complies with the applicable requirements of the regulation regarding maturity and other matters. In a case recently presented to the Board of Governors, it appeared that the proceeds of a note of a finance company had been used in discounting for dealers paper evidencing the sale of goods on an installment basis and that the note of the finance company at the time of discount had a maturity of ninety days or less. In view of these circumstances, the Board expressed the opinion that, unless it failed to comply with the requirements as to eligibility in some other respect, the note would appear to be eligible for discount.

The letter of inquiry indicated that the difficulty in considering the question of eligibility of finance company paper for discount arose out of the fact that under section 2(d) of Regulation A obligations of businesses principally engaged in extending credit on an installment basis and in substantial accord-

ance with the recommendations contained in the appendix to the regulation are included among the preferred classes of collateral which may be used as security for advances under section 10(b) of the Federal Reserve Act. The Board pointed out in this connection, however, that not all paper of finance companies is eligible for discount under section 1 of the regulation. For example, if the proceeds of the note of a finance company are not used for a commercial purpose or if it has a maturity at the time it is offered for discount in excess of that prescribed by the regulation, it may not be discounted. On the other hand, such paper may in any event be utilized as security for an advance under section 10(b) if satisfactory to the Federal Reserve bank.

Inactive Officers of a Member Bank Subject to the Provisions of Section 22(g) of the Federal Reserve Act and the Board's Regulation O

The Board recently received a request that reconsideration be given to the matter of excluding inactive officers from the provisions of Regulation O, relating to loans to executive officers of member banks. In reply, the Board stated that careful consideration was given to this question at the time Regulation O was promulgated, and on several occasions since then the Board has reconsidered this particular matter. It has been the Board's position, however, that inactive officers should not be excluded from the provisions of Regulation O for the following reasons:

(1) It appears that the principal purpose underlying the enactment of section 22(g) of the Federal Reserve Act was to prevent the exercise of undue influence by executive officers of member banks in obtaining credit from the banks they serve and it is the Board's view that the exercise of such undue influence may be present in the case of inactive or honorary officers;

(2) Congress did not make a distinction in section 22(g) between active and inactive officers and the legislative history of the section indicates that the chairman of the board of directors and the president of a member bank should appropriately be regarded as executive officers for the purposes of the law in question even though they may be inactive;

(3) From the standpoint of the public, persons having the usual titles of executive officers in member banks are considered as executive officers whether or not they are active, and the

Board does not feel that it should give encouragement to the employment in an inactive capacity of persons who are given the titles of executive officers and held out to the public as such.

After careful reconsideration of the matter, the Board expressed the view that, for the reasons stated above, it would not be justified in excluding inactive officers from the provisions of Regulation O.

Status of Rulings Published Regarding Regulation T Prior to Revision of January 1, 1938

In the preparation of the revision of Regulation T which became effective on January 1, 1938, careful consideration was given to the rulings published by the Board under the old regulation. Many of these rulings had already become obsolete. With reference to the others it was decided that, so far as practicable, the questions involved should be covered appropriately by the text of the revised regulation so that there would no longer be any need to refer to the rulings themselves.

It is believed that the text of the new regulation covers all the questions involved in the old rulings, either by altering the previous position or covering the point more specifically, except that a few rulings stated principles which, although still applicable, did not seem to merit more specific treatment in the text of the revised regulation. For convenient reference the more important of these principles are summarized below.

Accordingly, there should be no further need to refer to the old rulings, and if any question relating to the revised regulation cannot be answered by reference to the text thereof, the summaries set forth below, and published rulings regarding the revised regulation, it is suggested that inquiry be made through an appropriate national securities exchange or Federal Reserve bank as indicated in the foreword to the printed copies of the regulation.

The summaries are arranged in approximately the same order as the provisions of the revised regulation to which the summaries relate.

Effect of failure to obtain required margin.—Where a creditor allows a customer to effect a transaction in an account which would create an excess of the adjusted debit balance of the account over the maximum loan value of the securities in the account and fails to obtain, within the specified 3-day period, the margin required for such transaction, such failure will constitute a violation of Regulation T unless within such 3-day period the liquidation specified by section 3(e) of the revised regulation is effected or within such period an extension of time is obtained as provided in section 3(f).—(Summarized from ruling No. 5, 1934 BULLETIN 687.)

Granting of extensions of time by business conduct committee.—The jurisdiction of the business conduct committee or other suitable committee of a national securities exchange to grant extensions of time in connection with "cash transactions" is not confined to members of that exchange or to transactions on that exchange. If the circumstances warrant an extension of time, the committee may grant an extension to any member of its exchange or to any broker or dealer who transacts a business in securities through the medium of a member of that exchange and it may grant such an extension of time to these persons not only in connection with transactions effected on the exchange but also in connection with transactions not effected on the exchange, including transactions in unregistered securities.—(Summarized from ruling No. 40, 1934 BULLETIN 815.)

Transfer after extension of time.—A business conduct committee of a national securities exchange, having, on proper application, granted a creditor an extension of time in which to receive payment from a customer who has purchased registered securities in a *bona fide* cash transaction, may, in appropriate circumstances on further application and before the expiration of the extension, authorize the creditor to transfer the trans-

action from the customer's special cash account to his general account or special omnibus account and to complete the transaction pursuant to the provisions of the regulation applicable to such accounts.—(Summarized from ruling No. 46, 1935 BULLETIN 536.)

Provisions of law applicable to member banks and relating to use of credit to finance transactions in securities.—The question as to what provisions of law are applicable to member banks and relate to the use of credit to finance transactions in securities within the meaning of section 8(a) of the Securities Exchange Act of 1934 and of the Board's Forms T-1 and T-2 is a question which requires the interpretation of a criminal statute rather than the interpretation of the Board's regulation and accordingly the Board does not feel that it would be appropriate for it to express an opinion upon this question. However, the Board advises nonmember banks contemplating the execution of Form T-1 or Form T-2 to consider the possibility that it may be held that the above-mentioned language of section 8(a) refers to the following provisions, among others: Section 11(m) of the Federal Reserve Act, the seventh paragraph of section 19 of the Federal Reserve Act, the fourth paragraph after paragraph "Eighth" of section 4 of the Federal Reserve Act, and those provisions of the Securities Exchange Act which are contained in the appendix to Regulation T.—(Summarized from ruling No. 10, 1934 BULLETIN 688.)

Effect of section 8(a) of Securities Exchange Act on existing loans.—The restrictions of section 8(a) of the Securities Exchange Act and of section 5(a) of revised Regulation T apply only to borrowings on registered nonexempted securities on or after October 1, 1934, the effective date of this section of the Act, and do not require the paying off of money borrowed before that date or prohibit the renewal or extension of a loan obtained before that date, provided that such renewal or extension involves no increase

in the amount of the loan.—(Summarized from ruling No. 9, 1934 BULLETIN 688.)

Combination of individual's participation in joint account with his personal account.—An individual's proportionate share of the excess loan value in a joint account carried for such individual and certain other persons jointly may not be combined with the individual's personal account carried simultaneously with the same broker except, of course, in a case in which the parties to the joint account acting jointly have appropriately guaranteed the individual's personal account in accordance with the provisions of the regulation regarding guarantees.—(Summarized from ruling No. 31, 1934 BULLETIN 751.)

Accounts transferred from banks.—The first paragraph of section 6(d) of the revised regulation refers to transfers from one "creditor" to another "creditor," and the term "creditor," as defined in section 2(b) of the regulation does not include a bank which is not a member of a national securities exchange.—(Summarized from ruling No. 7, 1934 BULLETIN 688.)

Deduction of withdrawable dividends from amount of demand for margin.—Where cash dividends have been received in a general account within the preceding 35 days and have not served to permit any transaction in the account, the broker may deduct the amount of such dividends from the amount of a demand for margin instead of demanding the full amount of margin without deduction of the dividends. However, in order to make it clear that the dividends are not thereafter available for other purposes and in order to comply with the requirements of the regulation, the notation that the dividends are no longer withdrawable should be made on the date of the transaction in question rather than on the later date on which margin is deposited in response to the demand.—(Summarized from 1937 BULLETIN 294.)

Transactions within United States for customers of foreign branches.—When a cred-

itor having a foreign branch office which is carrying securities for a foreign customer executes within the United States an order for the purchase of a registered security for such foreign customer, such transaction is subject to the provisions of Regulation T. A creditor borrowing in the United States on any registered security in the ordinary course of business as a broker or dealer must comply with the provisions of Regulation T and of the Act with respect to such borrowing, regardless of whether or not the security is held for the account of a foreign customer.—(Summarized from ruling No. 24, 1934 BULLETIN 692.)

Special Miscellaneous Account Under Revised Regulation T

Section 4(f)(4) of revised Regulation T provides for a special miscellaneous account in which, subject to certain conditions, money or securities may be received from or for any customer and paid out or delivered to or for the customer without regard to his general account. Section 4(a) of the regulation provides that if a customer has with a creditor both a general account and one or more special accounts, the creditor shall treat each special account as if the customer had with the creditor no general account.

The Board recently considered a case in which a member of a national securities exchange demanded additional margin of a customer, the additional margin being demanded because of declines in the market value of the securities in the customer's general account and not because of any transaction in the account. In other words, the margin was demanded merely for the broker's own protection and not because of any requirement of the regulation. The question presented was whether cash deposited by the customer in response to such a demand for margin may, without violation of the regulation, be placed in a special miscellaneous account. The Board expressed the view that such a deposit of

cash in the special miscellaneous account would not constitute a violation of Regulation T.

Debiting of Transfer Tax Incident to Reborrowing of Securities Sold Short Under Regulation T

The first paragraph of section 6(g) of Regulation T, as revised effective January 1, 1938, provides:

"Interest on credit maintained in a general account, communication charges with respect to transactions in the account, shipping charges, premiums on securities borrowed in connection with short sales or to effect delivery, dividends or other distributions due on borrowed securities, and any service charges (other than commissions) which the creditor may impose, may be debited to the account in accordance with the usual practice and without regard to the other provisions of this regulation, but such items so debited shall be taken into consideration in calculating the net credit or net debit balance of the account."

The Board recently considered a case in which it was necessary for a broker to reborrow securities which had been sold short in a customer's account, and to pay the amount of the Federal stock transfer tax which is incident to such borrowing. The adjusted debit balance of the customer's account exceeded the maximum loan value of the securities in the account, and the question presented was whether in such circumstances the amount of this tax could be debited to the customer's account pursuant to section 6(g) without obtaining additional margin in the amount of the tax. The Board expressed the opinion that this would be permissible.

Guarantees of Accounts Under Revised Regulation T

The Board has recently considered several questions regarding the provisions of section 6(c) of revised Regulation T which relate to guaranteed accounts.

Section 6(c) provides that in order for a guarantee to be given effect pursuant to that provision a duplicate original of the guaran-

tee must have been filed with the secretary of a national securities exchange of which the creditor is a member or through which his transactions are effected. In response to a question as to whether this requirement would be satisfied if the creditor filed the original guarantee with the secretary of an appropriate exchange and merely kept a facsimile for his own records, the Board expressed the opinion that such procedure would comply with the filing requirements of section 6(c).

The Board also stated that if a guarantee was outstanding under the old regulation the adjustments made for such a guarantee pursuant to the old regulation need not be carried over to the new regulation. In effect, all adjustments for guarantees under the old regulation may be considered as having been automatically eliminated so far as the new regulation is concerned, and transactions effected under the old regulation pursuant to such an old guarantee need no longer be reflected in the guarantor's account.

A guarantee may not be given effect under section 6(c) if the guarantor is a creditor. The term "creditor" as defined in section 2(b) of the regulation includes, among other persons, every member of a national securities exchange, and the term "member" as defined in section 3(a)(3) of the Securities Exchange Act of 1934 includes, among other persons, "any firm transacting a business as broker or dealer of which a member is a partner, and any partner of any such firm." Accordingly, a partner of a member firm is a creditor within the meaning of this provision regardless of whether or not he holds an exchange membership, and a guarantee executed by such a partner may not be given effect under section 6(c) of the regulation.

Effect of Stock Becoming Unregistered After Loan Is Made Under Regulation U

The Board recently considered the question whether a loan is subject to Regulation U if

made to purchase a stock and the stock was registered on a national securities exchange at the time the loan was made but has since become unregistered.

The ruling published at page 995 of the October 1937 Federal Reserve Bulletin dealt with the converse situation in which a stock had become registered after the loan was made. That ruling stated that the question whether the loan there involved was a loan for the purpose of purchasing or carrying a stock "registered on a national securities ex-

change" should be determined on the basis of the present status of the stock.

The Board expressed the view that, at least under the existing regulation, the instant question should also be determined on the basis of the present status of the stock. Accordingly, in the circumstances described, the loan would not be subject to the regulation, although it was subject to the regulation at the time it was made and withdrawals and substitutions of collateral were also subject to the regulation until the stock became unregistered.

GROUP BANKING IN THE UNITED STATES

A group system comprises separately incorporated banks,¹ with or without branches, which are owned or controlled, directly or indirectly, by a corporation, business trust, association, or other similar organization. Chain banking is similar to group banking except that control is held or exercised by an individual or a group of individuals.

Some of the characteristics and features of group banking were described in the following statement at a Congressional hearing:

"Group banking is the name that has come into common usage for this step in the evolution of the American banking system, which has developed extensively in the Northwest, prompted by a need to meet a definite change in economic conditions. Group banking is not simply chain banking under another name. Chains of banks under common ownership or common control, usually of a single individual, have existed for generations, the majority stockholder or stockholders simply exercising that natural right to supervise the operations of all the corporations in which their holdings represented controlling interests. Chain management generally reflected a single dominant individual. Group banking, on the other hand, is the association of a number of corporately independent institutions within a single holding company for mutual advantages, the group being built around one or more large banks of a territorial nature and its management resting in the hands of the banking interests of the territory served."²

The banking groups which have developed in the United States have followed no standard pattern. Some groups have been developed within the framework of a corporation or business trust formed for the purpose of owning bank stock. Many of such groups have been organized by interests identified with some large banking institution which came to be known as the "key" bank of the group. In other cases, and in States in which banks may own stock, the groups have developed around State banks which themselves owned the other banks in the groups. Not all of the groups, however, include any one bank which may be termed a "key" bank.

Scope of survey.—Tabulations and compilations used in this survey are limited to groups each of which had three or more banks as of December 31, 1936. They include groups of three or more banks controlled by (1) a "holding company affiliate" as defined in section 2(c) of the Banking Act of 1933

as amended;³ (2) a holding company which would be a "holding company affiliate" if the Reconstruction Finance Corporation did not own preferred stock in the subsidiary banks; and (3) what is regarded generally as a bank group even though there is technically no "holding company affiliate" as defined in section 2(c) of the Banking Act of 1933.

Systems classified as banking chains are not included in the tabulations since satisfactory data relating to them are not available. The distinction between a chain and a group is not always clear and in specific instances the decision as to whether a number of banks operating under joint ownership or control should be classified as a group rather than a chain was a close one.

A large amount of the data relating to group banks was obtained from information compiled in connection with applications for voting permits filed by holding company affiliates with the Board of Governors of the Federal Reserve System.

EXTENT OF GROUP BANKING

Group banking includes banks of all classes and sizes and has developed in practically every section of the country. It varies, however, in the extent of its development in different areas and in the pattern of organization and development of individual groups. On the basis of statistics as of December 31, 1936, there were 52 groups comprehending 479 banks and 1,326 banking offices with loans and investments of \$5,460,000,000 and deposits of \$6,840,000,000.⁴ These groups

TABLE 1.—BANKS IN GROUPS AND ALL INCORPORATED COMMERCIAL BANKS, DECEMBER 31, 1936

	Number of banks	Number of banking offices	Loans and investments (in thousands of dollars)	Deposits (in thousands of dollars)
All incorporated commercial banks in the United States	14,929	18,157	\$38,904,029	\$49,869,319
Banks in 52 groups.....	479	1,326	5,468,413	6,841,027
Percentage of banks in groups to total banks.....	3.2	7.3	14.0	13.7

¹ This figure includes only incorporated commercial banks and excludes such institutions among others as trust companies without deposits, industrial and Morris Plan banks, etc.

³ See p. 98.

⁴ Included in the group figures are a few comparatively large banks which dominate the group rather than being subsidiary banks. If the deposits of these banks were eliminated, the aggregate amount of deposits involved would be decreased by approximately \$2,100,000,000.

¹ Official statistics on group banking have been confined to groups comprising 3 or more banks.

² Statement of Lyman E. Wakefield, Vice President, First Bank Stock Corporation of Minneapolis, Minn., U. S. Congress, 71st, 2nd Session, Hearings before the Banking and Currency Committee, House of Representatives, April 1930, p. 904.

embraced 3.2 percent of all commercial banks and 7.3 percent of the banking offices, which held 14 percent of the loans and investments and nearly 14 percent of the deposits of all banks in the United States. Table 1 shows these figures in detail.

Table 2 shows that national banks constituted a larger proportion of the banks in groups than all of the other classes of banks combined.

TABLE 2.—CLASSES OF BANKS IN 52 GROUPS, DECEMBER 31, 1936

Class of bank	Number of banks	Loans and investments (in thousands of dollars)	Deposits (in thousands of dollars)
National.....	285	\$3,936,429	\$5,062,937
State member.....	43	1,134,139	1,321,674
Nonmember insured.....	138	335,646	404,523
Nonmember non-insured.....	13	52,199	51,893
Total.....	479	5,458,413	6,841,027

Size of banks in groups.—Banks in groups vary in size from those with less than \$100,000 of loans and investments to some of the largest in the country. Table 3 shows that 41 percent of the group banks had between \$500,000 and \$2,000,000 of loans and investments and 39 percent of them had \$2,000,000 or more. Loans and investments, and deposits, however, were concentrated in the larger banks in the groups, 70 percent being in the 22 largest banks.

Only 6 percent of the group banks had loans and investments of less than \$250,000 each, while 13 percent had loans and investments in excess of \$10,000,000 each. This is

TABLE 3.—NUMBER OF BANKS IN GROUPS AND THE AMOUNT OF THEIR LOANS AND INVESTMENTS, AND DEPOSITS, CLASSIFIED BY SIZE OF BANK, DECEMBER 31, 1936

Size group—loans and investments (in thousands of dollars)	Number of banks	Percent of total	Loans and investments (in thousands of dollars)	Percent of total	Deposits (in thousands of dollars)	Percent of total
Under \$100.....	3	.6	\$181	-----	\$268	-----
100-149.....	9	1.9	1,211	-----	1,737	-----
150-249.....	17	3.6	3,476	.1	4,844	.1
250-499.....	70	14.6	26,120	.5	35,038	.5
500-999.....	102	21.3	75,317	1.4	93,807	1.4
1,000-1,999.....	93	19.4	134,129	2.5	168,577	2.5
2,000-4,999.....	83	17.3	251,916	4.6	324,412	4.7
5,000-9,999.....	38	7.9	257,991	4.7	331,027	4.8
10,000-49,999.....	42	8.8	874,673	16.0	1,121,695	16.4
50,000 and over.....	22	4.6	3,833,399	70.2	4,759,622	69.6
Total.....	479	100.0	5,458,413	100.0	6,841,027	100.0

in contrast with the distribution of all commercial banks as of December 31, 1935, which indicated that about 40 percent of all such banks had loans and investments of less than \$250,000 and less than 3 percent had loans and investments of more than \$10,000,000.

Size of groups.—From the point of view of the number of banks controlled the groups vary in size considerably, as is shown in table 4. Of the 52 groups covered in this study, each consisting of 3 or more banks, 33 groups each had from 3 to 5 banks, 8 each had from 6 to 9 banks, and 11 each had 10 or more banks.

TABLE 4.—GROUP SYSTEMS CLASSIFIED BY NUMBER OF BANKS IN SYSTEM, DECEMBER 31, 1936

Size classification—number of banks in each group	Number of groups	Number of banks controlled	Loans and investments (in thousands of dollars)	Deposits (in thousands of dollars)
3.....	19	57	\$523,150	\$681,496
4.....	5	20	187,326	280,097
5.....	9	45	894,214	1,007,990
6.....	3	18	111,535	149,005
7.....	4	28	245,047	381,458
8.....	1	9	29,935	63,083
10.....	1	10	171,505	221,769
11.....	1	11	1,313,541	1,488,462
12.....	1	12	54,961	61,199
13.....	1	13	500,201	687,854
14.....	1	14	84,252	102,644
16.....	1	16	206,830	275,432
18.....	2	36	442,283	518,223
20.....	1	20	79,946	100,886
78.....	1	78	301,105	411,660
92.....	1	92	312,582	409,769
Total.....	52	479	5,458,413	6,841,027

BRANCH BANKING AMONG GROUPS

A considerable amount of branch banking exists among banking groups. As shown in table 5, 69 of the banks in groups operated 847 branches; 580 of these branches were outside of the head office cities of the parent banks of which 441 were in noncontiguous counties.

TABLE 5.—NUMBER OF BANKS AND BRANCHES OR ADDITIONAL OFFICES IN GROUPS, AND LOCATION OF BRANCHES OR ADDITIONAL OFFICES, DECEMBER 31, 1936

Group banks operating branches.....	69
Branches or additional offices operated by group banks.....	847
In head office city.....	267
Outside head office city.....	580
Head office county.....	43
Contiguous counties.....	96
Noncontiguous counties....	441
Group banks not operating branches.....	410
Total banking offices operated by groups..	1,326

TABLE 7.—NUMBER, LOANS AND INVESTMENTS, AND DEPOSITS OF BANKS IN GROUPS AND ALL INCORPORATED COMMERCIAL BANKS BY STATES AND BY GEOGRAPHIC DIVISIONS, DECEMBER 31, 1936

State and geographic division	Number				Loans and investments			Deposits		
	All banks	Banks in groups	Ratio of banks in groups to all banks	Groups with head office in State	All banks (in thousands)	Banks in groups (of dollars)	Ratio of banks in groups to all banks	All banks (in thousands)	Banks in groups (of dollars)	Ratio of banks in groups to all banks
New England:			(percent)				(percent)			(percent)
Maine.....	70	3	4.3	1	180,954	8,646	4.8	203,710	11,229	5.5
New Hampshire.....	65	4	6.2	1	75,181	8,262	11.0	84,889	8,685	10.2
Vermont.....	77				106,246			105,518		
Massachusetts.....	202	21	10.4	2	1,440,476	625,180	43.4	1,875,367	883,797	47.1
Rhode Island.....	26	3	11.5	1	272,510	107,444	39.4	307,130	128,598	41.9
Connecticut.....	120	3	2.5	1	436,458	29,567	6.8	548,393	36,178	6.6
Total.....	560	34	6.1	6	2,511,825	779,099	31.0	3,125,007	1,068,487	34.2
Middle Atlantic:										
New York.....	752	40	5.3	5	11,651,684	471,445	4.0	14,308,513	533,481	3.7
New Jersey.....	393	9	2.3	3	1,411,172	60,366	4.3	1,736,292	77,773	4.5
Pennsylvania.....	1,103	40	3.6	6	4,012,266	988,942	24.6	4,702,310	1,118,860	23.8
Total.....	2,248	89	4.0	14	17,075,122	1,520,753	8.9	20,747,115	1,730,114	8.3
East North Central:										
Ohio.....	698	14	2.0	1	1,711,536	84,252	4.9	2,218,409	102,644	4.6
Indiana.....	502				597,444			803,031		
Illinois.....	882				2,962,468			4,033,028		
Michigan.....	471	1	.2		1,046,074	6,262	.6	1,430,468	7,662	.5
Wisconsin.....	603	22	3.6	1	693,874	214,206	30.9	863,966	284,117	32.9
Total.....	3,156	37	1.2	2	7,011,396	304,720	4.3	9,348,902	394,423	4.2
West North Central:										
Minnesota.....	688	86	12.5	3	679,563	419,815	61.8	890,519	564,842	63.4
Iowa.....	657	5	.8		458,137	43,550	9.5	613,589	54,570	8.9
Missouri.....	673	7	1.0	2	1,005,527	119,401	11.9	1,441,406	196,165	13.6
North Dakota.....	196	27	13.8		57,766	25,691	44.5	71,639	32,709	45.7
South Dakota.....	191	15	7.9		67,263	28,303	42.1	91,486	35,686	39.0
Nebraska.....	435	10	2.3	1	236,510	54,615	23.1	336,998	81,556	24.2
Kansas.....	707				267,055			420,245		
Total.....	3,547	150	4.2	6	2,771,821	691,375	24.9	3,865,882	965,528	25.0
South Atlantic:										
Delaware.....	46				141,959			166,819		
Maryland.....	187				477,623			622,390		
District of Columbia.....	22				229,767			334,044		
Virginia.....	323				442,205			573,311		
West Virginia.....	187				214,359			281,749		
North Carolina.....	211				291,138			410,742		
South Carolina.....	149	1	.7		97,305	9,347	9.6	155,215	16,682	10.7
Georgia.....	282	17	6.0	2	302,433	99,830	33.0	424,444	145,702	34.3
Florida.....	158	24	15.2	4	220,396	116,180	52.7	334,490	182,455	54.5
Total.....	1,565	42	2.7	6	2,417,185	225,357	9.3	3,303,204	344,839	10.4
East South Central:										
Kentucky.....	434	6	1.4	1	369,541	40,787	11.0	470,253	50,091	10.7
Tennessee.....	315	22	7.0	3	350,092	111,688	31.9	504,630	160,304	31.8
Alabama.....	218				199,471			287,351		
Mississippi.....	208				129,799			205,403		
Total.....	1,175	28	2.4	4	1,048,903	152,475	14.5	1,467,637	210,395	14.3
West South Central:										
Arkansas.....	222				107,993			179,871		
Louisiana.....	146				310,201			463,100		
Oklahoma.....	403				282,733			424,709		
Texas.....	882	10	1.1	2	871,446	94,116	10.8	1,347,357	123,616	9.2
Total.....	1,653	10	.6	2	1,572,373	94,116	6.0	2,415,037	123,616	5.1
Mountain:										
Montana.....	119	26	21.8		91,630	52,095	56.9	138,210	74,475	53.9
Idaho.....	53	7	13.2	1	65,110	24,864	38.2	96,692	38,538	39.9
Wyoming.....	58	3	5.2		38,364	2,195	5.7	64,443	3,817	5.9
Colorado.....	151				203,808			337,483		
New Mexico.....	41				32,763			53,709		
Arizona.....	14				52,096			76,383		
Utah.....	59	7	11.9	3	104,416	54,883	52.6	145,060	81,590	56.2
Nevada.....	10	1	10.0		22,464	15,112	67.3	32,011	22,607	70.6
Total.....	505	44	8.7	4	610,651	149,149	24.4	943,991	221,027	23.4
Pacific:										
Washington.....	183	24	13.1	5	335,203	82,773	24.7	452,328	111,109	24.6
Oregon.....	92	4	4.3		215,166	74,355	34.6	285,841	91,906	32.2
California.....	245	17	6.9	3	3,334,384	1,384,241	41.5	3,914,375	1,579,583	40.4
Total.....	520	45	8.7	8	3,884,753	1,541,369	39.7	4,652,544	1,782,598	38.3
Total United States.....	14,929	479	3.2	52	38,904,029	5,458,413	14.0	49,869,319	6,841,027	13.7

Of the 847 branches among groups 607 were in States permitting branches on a State-wide basis and 227 were in States restricting branches as to location, as is shown in table 6. A few years ago most of the branches among groups were in States restricting branches as to location. Recent changes in laws relating to the operation of branches have increased the number of States permitting branches on a State-wide basis.

TABLE 6.—BANKING OFFICES OF BANKS IN GROUPS, BY GROUPS OF STATES, DECEMBER 31, 1936

States classified according to law (June 1, 1936) regarding branch banking	Number			Total banking offices
	Banks	Banks operating branches	Branch offices	
State-wide branch banking permitted.....	86	26	607	693
Branches limited as to location.....	216	40	227	443
Establishment of branches prohibited.....	137	2	6	143
No provision in law regarding branch banking.....	40	1	7	47
Total—All States.....	479	69	847	1,326

GEOGRAPHIC DISTRIBUTION OF GROUP BANKING

Banks belonging to groups are located in many sections of the country. Only sixteen States—Vermont in New England; Delaware, Maryland, District of Columbia, Virginia, West Virginia, and North Carolina in the South Atlantic division; Alabama, Mississippi, Arkansas, Louisiana, and Oklahoma in the South Central division; Kansas in the West North Central division; Colorado, New Mexico, and Arizona in the Mountain division—were without any reported banks in groups of 3 or more. States with the largest number of banks (20 or more) in groups were Massachusetts, New York, Pennsylvania, Wisconsin, Minnesota, North Dakota, Florida, Tennessee, Montana, and Washington.

The 15 States where the proportion (more than 25 percent) of loans and investments controlled by banks in groups was largest were Massachusetts, Rhode Island, Wisconsin, Minnesota, North Dakota, South Dakota, Georgia, Florida, Tennessee, Montana, Idaho, Utah, Nevada, Oregon, and California. Table 7 shows in detail the number, loans and investments, and deposits of banks in groups and all commercial banks by States.

Extent of areas of operation.—Banking groups may be divided into State and regional systems. Forty-two groups operated banks within the limits of a single State and 10 operated in more than one State. Forty-five operated within the confines of a single Federal Reserve district, 5 operated in two districts, and 2 operated in three districts. Table 8 shows the groups classified by the number of States and the number of Federal Reserve districts in which they operated and the number of banks and banking offices operated by them.

TABLE 8.—GROUP SYSTEMS CLASSIFIED BY THE NUMBER OF STATES AND FEDERAL RESERVE DISTRICTS IN WHICH THEIR BANKS OPERATED, DECEMBER 31, 1936

Number of States in which group operated banks	Number of groups	Number of banks	Number of banking offices
1.....	42	245	491
2.....	4	38	76
3.....	3	15	43
4.....	1	11	522
5.....	1	78	84
7.....	1	92	110
Total.....	52	479	1,326

Number of Federal Reserve districts in which group operated banks	Number of groups	Number of banks	Number of banking offices
1.....	45	343	1,113
2.....	5	41	95
3.....	2	95	118
Total.....	52	479	1,326

Intrastate group systems—number of towns and counties served.—Table 9, giving the 42 intrastate groups classified according to the number of towns and counties in which banking offices were operated by them, shows that 7 of the groups served only 1 town each and that 35 others served from 2 to 29 towns each. It shows also that the operations of 16 groups were each limited to 1 county and that the others served from 2 to 20 counties each.

TABLE 9.—INTRASTATE GROUP SYSTEMS CLASSIFIED BY THE NUMBER OF TOWNS AND COUNTIES IN WHICH THEIR BANKING OFFICES OPERATED, DECEMBER 31, 1936

Number of towns in which banking offices operated	Number of groups	Number of banks	Number of banking offices
1.....	7	24	25
2.....	6	18	28
3.....	4	16	17
4.....	3	13	14
5.....	7	33	53
6.....	3	16	19
7.....	1	7	24
8.....	1	6	17
9.....	1	9	9
10.....	1	3	17
11.....	1	3	14
12.....	2	16	37
13.....	1	16	28
14.....	1	14	26
19.....	1	13	58
21.....	1	20	24
29.....	1	18	81
Total.....	42	245	491

Number of counties in which banking offices operated	Number of groups	Number of banks	Number of banking offices
1.....	16	56	78
2.....	7	26	30
3.....	3	14	17
4.....	2	9	34
5.....	5	43	123
6.....	2	13	13
7.....	1	4	14
8.....	2	29	33
11.....	1	3	14
12.....	1	16	28
13.....	1	14	26
20.....	1	18	81
Total.....	42	245	491

Interstate group systems—number of towns and counties served.—Table 10, classifying the 10 interstate group systems according to the number of towns and counties in which banking offices were operated by them, shows that 6 groups each had banking offices in from 3 to 19 towns, 1 in 25, 1 in 73, 1 in 97, and 1 in 311 towns. It also shows that 6 of these 10 groups operated in from 3 to 16 counties each; that 1 operated in 22 counties, 1 in 67, 1 in 83, and 1 in 86 counties.

TABLE 10.—INTERSTATE GROUP SYSTEMS CLASSIFIED BY THE NUMBER OF TOWNS AND COUNTIES IN WHICH THEIR BANKING OFFICES OPERATED, DECEMBER 31, 1936

Number of towns in which banking offices operated	Number of groups	Number of banks	Number of banking offices
3.....	1	3	8
6.....	1	3	6
8.....	1	7	8
13.....	1	7	19
18.....	1	10	28
19.....	1	18	23
25.....	1	5	27
73.....	1	78	84
97.....	1	92	110
311.....	1	11	522
Total.....	10	234	835

Number of counties in which banking offices operated	Number of groups	Number of banks	Number of banking offices
3.....	1	3	8
5.....	1	3	6
7.....	1	7	8
13.....	1	7	19
14.....	1	10	28
16.....	1	18	23
22.....	1	5	27
67.....	1	78	84
83.....	1	11	522
86.....	1	92	110
Total.....	10	234	835

Size of towns in which banking groups operated.—Table 11 shows that 90 percent of the banks and 90 percent of the branches operated by group systems were located in towns of 1,000 or over. Branches operated by banks in groups were concentrated in large towns to a greater extent than the banks, 44 percent of the branches being in towns of 100,000 population and over.

TABLE 11.—NUMBER OF BANKS AND BRANCHES IN GROUPS BY SIZE OF TOWN OF LOCATION, DECEMBER 31, 1936

Population of town	Number of banks	Number of branches	Percent of total	
			Banks	Branches
Under 250.....	1	10	.2	1.2
250-499.....	8	22	1.7	2.6
500-999.....	37	51	7.7	6.0
1,000-2,499.....	62	113	12.9	13.3
2,500-2,999.....	24	22	5.0	2.6
3,000-4,999.....	44	58	9.2	6.8
5,000-5,999.....	25	16	5.2	1.9
6,000-9,999.....	40	55	8.4	6.5
10,000-24,999.....	79	56	16.5	6.6
25,000-49,999.....	37	27	7.7	3.2
50,000-99,999.....	19	45	4.0	5.3
100,000-499,999.....	79	131	16.5	15.5
500,000 and over.....	24	241	5.0	28.5
Total.....	479	847	100.0	100.0

ORIGIN AND DEVELOPMENT OF GROUP BANKING

The early development of group banking is obscured because of the failure of early records to distinguish between group and chain banking. Banking literature indicates that group banking was discussed to some extent as early as 1892-1902 as a form of banking but there is no record of the organization of group systems during that period. Chain banking, however, developed considerably in the two decades prior to 1920 and in some respects may be considered as the antecedent of group banking. A few examples of group banking appear to have existed prior to 1920 but extensive development was a product of the late 1920's (1927 to 1930). In this period financial companies were developed on a broad scale in the field of banking to acquire control through stock ownership of corporately independent banking institutions. Many of the principal groups now in existence were established during this period.

As of December 31, 1931, there were 97 groups of 3 or more banks each operating a total of 978 banks with loans and investments of \$8,716,000,000. Of these 97 groups, 34 were described as leading examples of the group movement, each having 6 or more banks and loans and investments of \$25,000,000 or more. A total of 674 banks with \$6,301,000,000 of loans and investments was included in these 34 groups.¹

FEDERAL REGULATION OF GROUP BANKING

In 1926 the Federal Reserve Board "addressed a letter to Congressman McFadden recommending that there be incorporated in the pending McFadden bill certain provisions designed to secure adequate information regarding national and State member banks which are closely related in management, operations, or interests to other banking institutions and, in particular, to afford some check upon the abuses frequently occurring from chain banking."² These suggestions, however, were not adopted by Congress.

Prior to 1930, the Comptroller of the Currency made but little comment concerning group banking in his annual reports. In his

report for 1930, however, he pointed out that it was his view "that group banking should be brought under the visitorial powers of the Federal Government in those cases where membership in the group is composed in whole or in part of national or State member banks of the Federal Reserve System" and said that legislation to this effect seemed to be necessary in the public interest.

Four bills dealing with group banking were introduced in the House in January 1930.³ On February 10, 1930, the Committee on Banking and Currency of the House of Representatives was empowered "to make a study and investigate group, chain, and branch banking during the present session of Congress."⁴ Hearings were held by the House Committee from February to June 1930. In the latter month Senator Glass introduced in the Senate the first of a long series of bills which led up to the Banking Act of 1933 and which included provisions relating to bank holding companies.

The Banking Act of 1933 recognized group banking and provided for its partial regulation. The Banking Act of 1935 contained certain minor amendments but made no fundamental change in the legislation on this subject. To provide a means to regulate group banking, section 5144 of the Revised Statutes was amended to provide that stock of a national bank controlled by a holding company affiliate shall not be voted unless such organization first obtains a voting permit from the Board of Governors of the Federal Reserve System.⁵ Section 9 of the Federal Reserve Act was amended to require a State member bank affiliated with a holding company affiliate to obtain and file with the Board an agreement that such organization shall be subject to the same conditions and limitations as are applicable in the case of holding company affiliates of national banks under section 5144.

Section 5144 provides that the Board may grant or withhold a voting permit as the public interest may require. It further provides that in acting upon an application for a permit—

" . . . the Board shall consider the financial condition of the applicant, the general character of its management, and the probable effect of the granting

¹ As of December 31, 1931, there were 176 chain banking systems with 3 or more banks operating a total of 908 banks with total loans and investments of \$926,733,000.

² Statement of Governor Roy A. Young of the Federal Reserve Board before the Banking and Currency Committee of the House of Representatives, U. S. Congress, 71st, 2nd Session, Hearings under H. Res. 141, March 18, 1930, Vol. 1, Part 4, pp. 442-43.

³ U. S. Congress, 71st, 2nd Session, H. R. 7966, H. R. 8005, H. R. 8366, and H. R. 8367.

⁴ U. S. Congress, 71st, 2nd Session, Hearings under H. Res. 141, Vol. 1, Part 1, p. 1.

⁵ Under an amendment contained in the Banking Act of 1935, no voting permit is necessary to vote in favor of placing a bank in liquidation or action pertaining to liquidation.

of such permit upon the affairs of such bank, but no such permit shall be granted except upon the following conditions. . . ."

The conditions prescribed by the law are designed (1) to authorize the examination of the holding company affiliate, simultaneously with banks affiliated with it, by examiners authorized to examine such banks; (2) to authorize the examination of any bank controlled by the holding company affiliate, both individually and in conjunction with other such banks; (3) to authorize a requirement that individual or consolidated statements of condition of such banks be published; (4) to require that after June 16, 1938, the holding company affiliate possess and/or acquire out of earnings a "reserve" of readily marketable assets and maintain such "reserve"; (5) to make officers, directors, agents, and employees of the holding company affiliate subject to the same criminal penalties for false entries as officers, directors, agents, and employees of member banks; (6) to require the complete divorcement of the holding company affiliate from "securities companies" within five years from the date of its application; and (7) to require the holding company affiliate to declare dividends only out of actual net earnings. As to most of these matters, the law requires that the holding company affiliate execute agreements when it applies for a voting permit.

The law further provides that, after affording the holding company affiliate an opportunity to be heard, the Board may revoke a voting permit if it shall appear that the holding company affiliate has violated any of the provisions of the Banking Act of 1933 or of any agreement pursuant to section 5144. Revocation of its voting permit subjects the holding company affiliate to certain penalties.

Entirely apart from the provisions relating to voting permits, section 23A of the Federal Reserve Act places certain restrictions upon extensions of credit by a member bank to its holding company affiliate and upon the bank's investments in, or advances against, stock or obligations of the holding company affiliate. Also, other provisions of law¹ require national banks and State member banks to obtain and file with the Comptroller of the Currency and the Board, respectively, reports of their holding company affiliates as of the same call dates as condition reports are rendered by the banks. Such

reports must be published by the banks in the same manner as their condition reports.

It will be noted that the law deals only with "holding company affiliates." That term is defined² as including

" . . . any corporation, business trust, association, or other similar organization—

"(1) Which owns or controls, directly or indirectly, either a majority of the shares of capital stock of a member bank or more than 50 per centum of the number of shares voted for the election of directors of any one bank at the preceding election, or controls in any manner the election of a majority of the directors of any one bank; or

"(2) For the benefit of whose shareholders or members all or substantially all the capital stock of a member bank is held by trustees.

"Notwithstanding the foregoing, the term 'holding company affiliate' shall not include (except for the purposes of section 23A of the Federal Reserve Act, as amended) any corporation all of the stock of which is owned by the United States, or any organization which is determined by the Board of Governors of the Federal Reserve System not to be engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies."

The last paragraph of the definition was added by section 301 of the Banking Act of 1935, in the light of experience in administering the law. It made it clear that an organization such as the Reconstruction Finance Corporation need not obtain a voting permit. However, its principal purpose was to provide a means by which the voting permit requirements might be made inapplicable to "accidental" holding company affiliates, organizations which came within the terms of the definition but not within its intent and purposes. As of December 31, 1936, the Board had made the prescribed determination with respect to 91 organizations, most of which had previously applied for voting permits. While the facts have varied greatly, it may be said that the basic consideration throughout has been whether the organizations were engaged in group banking such as the law was intended to regulate. Thus, in the great majority of the cases the organization in question has controlled only one bank.

Procedure on voting permit applications.—Following the enactment of the Banking Act of 1933, the Board received applications for voting permits from a large number of holding company affiliates. In handling such applications the Board found it necessary to adopt the practice of issuing limited voting permits from time to time in many cases, de-

¹ Section 5211, Revised Statutes; section 9, Federal Reserve Act.

² Section 2(c), Banking Act of 1933.

ferring action concerning general voting permits pending the development and analysis of information, the completion of reorganization plans, or the correction of unsatisfactory conditions.¹ A large percentage of the applications was disposed of without the granting of general voting permits. While some general voting permits were granted earlier, it was not until December 1935 that the issuance of such permits to a substantial number of major holding company affiliates was authorized. Since the initial rush in 1933 and 1934, relatively few applications have been received.

It has been a common practice for the Board to authorize the issuance of voting permits, both limited and general, subject to conditions. It is now the Board's policy to require, as a condition to the issuance of any general voting permit, that the holding company affiliate execute a comprehensive standard agreement designed to require the maintenance of a sound financial condition and proper policies and practices by the holding company affiliate and its affiliated banks during the life of the permit. The agreement was prescribed in substantially its present form in December 1935, prior to the issuance of general voting permits to the major holding company affiliates.

CHANGES AND SUSPENSIONS IN BANKING GROUPS

During the past decade changes have taken place in the number of active groups and within the groups themselves. Among the important changes has been the dissolution of many group systems because of suspensions of constituent banks, because of conversions of the constituent banks into branches of other banks in the groups, or for other reasons. There also have been important changes within the groups which are still in operation because of conversions of some banks into branches, because of mergers between and among banks within groups, because of disposition of group banks to outsiders, and occasionally because of suspensions.

Data showing changes and suspensions for the entire period 1927 to 1936 are not available. Information for groups, as distinct from chains, was compiled for December 31, 1931 and for December 31, 1936. Statistics of

¹ A limited voting permit authorizes the voting of stock of a bank only at a designated meeting or at a meeting or meetings held within a designated period of time and only for purposes stated in the permit, whereas a general voting permit authorizes the voting of stock of a bank at all meetings and for all purposes.

group bank suspensions are available by years for the seven years 1930 to 1936. Information as to suspensions prior to 1930 is not available separately for banks in groups as distinct from those in chains.

Decrease in groups, 1931-1936.—Between December 31, 1931 and December 31, 1936, the number of banking groups which was reported decreased from 97 to 52. The character of this change is shown in table 12.

TABLE 12.—CHANGES IN THE NUMBER OF BANKING GROUPS BETWEEN DECEMBER 31, 1931 AND DECEMBER 31, 1936

	<i>Num- ber</i>
Banking groups, December 31, 1931.....	97
Banking groups as of December 31, 1931, dissolved, decreased below defined size, or not considered group for other reasons, 1932-1936...	55
Banking groups operating both on December 31, 1931 and December 31, 1936.....	42
Banking group counted as one December 31, 1931 and counted as two groups December 31, 1936	1
Banking groups organized, increased to defined size, or now considered group on basis of new information, 1932-1936.....	9
Banking groups December 31, 1936.....	52

Of the 52 groups which appeared in the statistics for December 31, 1936, 42 were listed on December 31, 1931, one was added by dividing a group into two, and 9 other new ones were added. These 9 new groups are included in the current list because of information not previously available, because the number of associated banks was increased to 3 or more since December 31, 1931, or because groups were newly organized by conversion from chains or otherwise since December 31, 1931.

The 55 groups disappeared from the statistical records of groups between December 31, 1931 and December 31, 1936 for a variety of reasons. The dissolution of some resulted from the insolvency of the holding company because of suspensions, or from the fact that the group banks were consolidated with a key bank and operated as branches. Others have been omitted from the current compilation because they consist of less than three banks, or because the systems are no longer considered groups on the basis of information now available. Combination of a number of factors has operated in some cases. A classification of reasons which were compiled from the

best information available is presented below:

Insolvency of holding company because of suspensions	24
Conversions of banks into branches.....	17
Reclassified as being not a group on the basis of additional information.....	7
Dissolution of group and sale of banks.....	7
Total	55

Changes in banks in active groups.—The 42 groups which were in operation both on December 31, 1931 and on December 31, 1936 were operating 611 banks on the first date and 443 banks on the second date. The change in the number of banks between the two dates is accounted for in table 13 below.

TABLE 13.—CHANGES IN THE NUMBER OF BANKS BETWEEN DECEMBER 31, 1931 AND DECEMBER 31, 1936 IN 42 GROUPS OPERATING BOTH ON DECEMBER 31, 1931 AND ON DECEMBER 31, 1936

Number of active banks, December 31, 1931....	611
Decreases:	
Suspensions	3
Conversions to branches.....	88
Mergers, absorptions, consolidations, and voluntary liquidations.....	55
Affiliation with groups terminated.....	43
Reclassifications	6
Total decreases.....	195
Increases:	
Banks acquired by groups and suspended banks reopened.....	27
Number of active banks, December 31, 1936....	443

Forty-five percent of the gross decrease of banks in these groups was accounted for by the conversion of banks into branches. Such conversions were concentrated in States which changed their laws since 1931 so as to allow the operation of banking branches or so as to extend the areas in which branches could be organized. Six groups which were still in operation in 1936 accounted for 69 of the 88 banks converted into branches.

Disposition of banks in dissolved groups.—Of the 367 banks controlled by the 55 groups which disappeared from the group statistics between December 31, 1931 and December 31, 1936, 190 were eliminated directly or indirectly by suspensions, 100 converted to branches, and 34 were merged, absorbed, consolidated, or voluntarily liquidated.

Some of the banks are in independent operation with the same or new names; others are in an affiliation of only two banks which for statistical purposes does not constitute a group. Some of the affiliations were reduced to two banks or were eliminated by the suspension of banks in the group or their conversion into branches.

SUSPENSIONS OF BANKS IN GROUPS, 1930-1936

In the period 1930-1933 there were 200 suspensions of banks belonging to 39 groups. There was one suspension of a bank belonging to a group in 1934 and none in 1935 or 1936. These 201 suspensions of group banks during the seven years accounted for \$1,115,916,000 of loans and investments and \$1,011,360,000 of deposits.

By geographic area.—Over one-half of the suspended group banks were located in the East North Central and West South Central States. Suspensions in the East North Central States accounted for almost two-thirds of the loans and investments of all group banks which suspended. This concentration was the result of two very large bank suspensions in Detroit, Michigan. These two banks accounted for nearly one-half of the loans and investments, and deposits of all group banks suspended 1930-1936. Table 14 shows group bank suspensions by geographic areas.

TABLE 14.—SUSPENSIONS OF GROUP BANKS BY GEOGRAPHIC REGIONS, 1930-1936¹

Region	Suspended banks			Percent of total			Number of groups involved
	Number	Loans and investments (In thousands of dollars)	Deposits	Number	Loans and investments	Deposits	
New England.....	21	\$152,654	\$125,950	10.4	13.7	12.5	5
Middle Atlantic...	17	44,205	38,609	8.5	4.0	3.8	9
East No. Central...	55	695,219	657,859	27.3	62.3	65.0	10
West No. Central...	10	28,611	25,654	5.0	2.6	2.5	2
South Atlantic...	3	20,499	14,040	1.5	1.8	1.4	1
East So. Central...	10	88,275	78,994	5.0	7.9	7.8	4
West So. Central...	50	48,164	37,935	24.9	4.3	3.8	5
Mountain.....	11	9,903	9,839	5.5	.9	1.0	2
Pacific.....	24	28,386	22,480	11.9	2.5	2.2	6
Total.....	201	1,115,916	1,011,360	100.0	100.0	100.0	240

¹ No group banks suspended in 1935 or 1936.

² Suspensions occurred in the same group in two or more geographical areas in some cases. The total eliminates the duplications.

The States with the largest number of group bank suspensions 1930-1936 were Arkansas, Michigan, Illinois, Washington,

Massachusetts, and Idaho. These six States accounted for 64 percent of all group bank suspensions during this period. Michigan accounted for about 60 percent of the loans and investments and of deposits of group banks involved in suspensions during the same period, owing to two large suspensions in Detroit.

By years.—Table 15 shows the 201 suspensions of group banks by years. There were 91 suspensions in 1933 compared with 109 in the three preceding years, one in 1934, and none in 1935 or 1936. The group bank suspensions during the seven years involved \$1,011,360,000 of deposits, over three-quarters of which were accounted for in the year 1933.

TABLE 15.—SUSPENSIONS OF GROUP BANKS BY YEARS, 1930-1936¹

Year	Suspended banks			Percent of total			Number of groups involved
	Number	Loans and investments (In thousands of dollars)	Deposits	Number	Loans and investments	Deposits	
1930.....	53	\$117,332	\$104,007	26.4	10.5	10.3	6
1931.....	21	76,830	70,646	10.4	6.9	7.0	7
1932.....	35	52,127	39,562	17.4	4.7	3.9	9
1933 ²	91	861,847	788,538	45.3	77.2	78.0	29
1934.....	1	7,780	8,607	.5	.7	.8	1
1935-36.....							
Total.....	201	1,115,916	1,011,360	100.0	100.0	100.0	340

¹ No group banks suspended in 1935 or 1936.

² Includes 8 banks with \$13,610,000 of loans and investments and \$9,141,000 of deposits which suspended between January 1, 1933 and March 15, 1933; 6 licensed banks with \$26,870,000 of loans and investments and \$22,342,000 of deposits which suspended between March 16, 1933 and December 31, 1933; 44 banks with \$700,760,000 of loans and investments and \$650,300,000 of deposits not licensed following the holiday and subsequently placed in liquidation or receivership; and 33 banks with \$120,607,000 of loans and investments and \$106,755,000 of deposits not licensed by June 30, 1933 but licensed at one time or another after that date.

³ Suspensions occurred in the same group in two or more years in several cases. The total eliminates the duplications.

By class of bank.—Of the 201 group banks which suspended during 1930-1936, 132 were nonmember banks, as shown in table 16. About two-thirds of the suspensions of national banks in groups occurred in 1933 among banks which were not licensed following the banking holiday. National banks

accounted for almost 70 percent of the deposits of all group banks which suspended 1930-1936, as a result of the two large national bank suspensions in Detroit.

TABLE 16.—SUSPENSIONS OF GROUP BANKS BY CLASSES, 1930-1936¹

Class of bank	Number	Loans and investments (in thousands of dollars)	Deposits (in thousands of dollars)
National.....	57	\$735,692	\$694,787
State member.....	12	125,150	100,472
Nonmember.....	132	255,074	216,101
Total.....	201	1,115,916	1,011,360

¹ No group banks suspended in 1935 or 1936.

By size of bank.—For the group banks which suspended in 1930-1936 deposits averaged \$5,030,000. Of the 201 banks, 85, or 42 percent, had loans and investments of \$1,000,000 or more. The suspensions in 1930, however, included many small banks so that only 19 percent of the suspended group banks in that year had loans and investments of \$1,000,000 or more. Table 17 presents details of group bank suspensions by size of loans and investments.

TABLE 17.—SUSPENSIONS OF GROUP BANKS, BY SIZE OF LOANS AND INVESTMENTS, 1930-1936¹

Size group—loans and investments (in thousands of dollars)	Suspended banks		Percent of total	
	Number	Loans and investments (in thousands of dollars)	Number	Loans and investments
Under \$100.....	20	\$1,271	10.0	.1
100-149.....	15	1,820	7.5	.2
150-249.....	23	4,524	11.4	.4
250-499.....	24	8,308	11.9	.7
500-999.....	34	23,977	16.9	2.2
1,000-1,999.....	27	39,314	13.4	3.5
2,000-4,999.....	25	76,941	12.4	6.9
5,000-9,999.....	12	83,646	6.0	7.5
10,000-49,999.....	19	386,471	9.5	34.6
50,000 and over.....	2	489,644	1.0	43.9
Total.....	201	1,115,916	100.0	100.0

¹ No group banks suspended during 1935 or 1936.

TRENDS IN RATES OF BANK EARNINGS AND EXPENSES

Net profits of banks in relation to the volume of earning assets have declined over the past half century. The rate of return upon capital invested in banks has, nevertheless, been well maintained except during the depression years following 1929, owing to an increasing amount of earning assets per unit of invested capital. During the recent depression, however, large deficits have occurred and during the years since 1920 enormous losses have been suffered by both stockholders and depositors in many banks.

From the point of view of continuous operation of the banks the most important question with respect to profits is whether they are sufficient to cover expenses and losses and leave a reasonable profit on invested capital. The rate of return on invested capital involves many interrelated factors such as the rate of return on earning assets, experience with respect to expenses and losses, and the relation of invested capital to earning assets.

Material for the analysis of trends in bank earnings over a long period is incomplete. The Comptroller of the Currency, however, has published certain basic figures in his annual reports by means of which it is possible to trace in broad outline the trend of earnings of national banks back into the previous century. There is no comparable series of figures for State banks as a whole. Kansas is the only State for which official earnings records for banks cover a period of decades. Earnings returns for such State banks as belong to the Federal Reserve System are available for recent years.

NATIONAL BANKS, 1890-1937

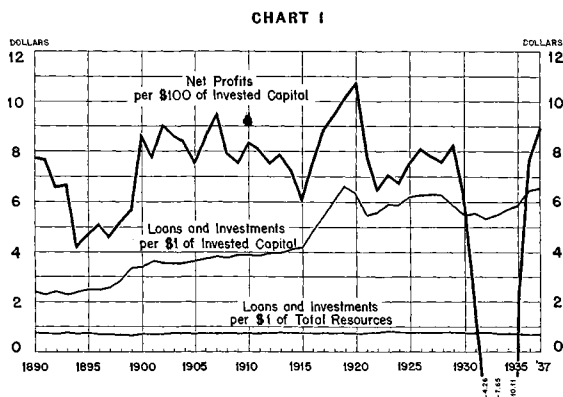
Net Profits.—Chart 1 shows among other things net profits of the national banking system per \$100 of invested capital in each fiscal year from 1890 through 1937.¹ During this

¹ For ratios shown in chart, see appendix tables I and II. Ratios are derived from dollar figures in tables III and IV.

Net profits represent the final results of the year's operations after all expenses have been deducted and after losses on bad assets have been charged off.

Invested capital includes capital stock (common and preferred), surplus, undivided profits, reserves for contingencies, and retirement funds for preferred stock.

period of 48 years there were only 11 years in which the rate of net profits fell below 6 percent. These years were during the great



NATIONAL BANKS—ANNUAL NET PROFITS PER \$100 OF INVESTED CAPITAL, AND LOANS AND INVESTMENTS PER \$1 OF INVESTED CAPITAL AND PER \$1 OF TOTAL RESOURCES, 1890-1937 (FISCAL YEAR BASIS)

depressions of the 1890's and the early 1930's. During the former the rate of profit did not fall below 4 percent, while there were deficits of considerable proportions in the 3 years 1932, 1933, and 1934. There were 15 years of this 48-year period when the rate exceeded 8 percent, while the average net profit on invested capital for the period is 6.9 percent.

This is a composite result, which averages profitable banks with those which had small earnings or which incurred deficits. Further comments upon this factor in connection with the discussion of banks by size and geographic groupings appear at a subsequent point.

For purposes of comparability it has been necessary to present the national bank figures on a fiscal year basis,² since figures on a calendar year basis are not available in the earlier decades. Other adjustments of methods of present-day accounting to earlier procedure have been necessary in places.³ While

² See footnote 1, appendix table II.

³ The most important adjustment of this character is the inclusion of recoveries on charged-off assets and profits on securities sold with gross earnings throughout the period. Total recoveries on charged-off assets are available 1918-1926, and recoveries on loans, recoveries on securities, and profits on securities sold are separately available 1927-1937 except for the years 1933-1935 when profits on securities sold were included with recoveries on securities. In current statistical presentations of earnings and expense data of member banks recoveries on loans and investments

the dollar figures of various items of earnings and expenses of national banks over the period are given in the appendix, ratios of income and expenditures to certain asset or liability items have been used instead in this text since they tend to eliminate the effects of changes in the number and size of banks with the result that significant trends and variations in the year-to-year comparisons become readily apparent. For example, in the depression year 1894 all national banks showed a net profit of \$42,000,000 on an invested capital of \$1,000,000,000, a rate of return of 4.2 percent. This is to be contrasted with the year 1930 when invested capital reached \$4,000,000,000 and net profits were approximately \$250,000,000, the rate being 6.2 percent.

Chart 2 shows that there has been a definite downward trend in the rate of net profits on earning assets, that is, on loans and investments. The rate was above 3 percent in 1890 and 1891; below 2 percent for a few years immediately preceding 1900; and subsequently it was above 2 percent until 1912 except for one year. After 1913 it was consistently below 2 percent and during the prosperous years of the middle 1920's it approximated 1.25 percent.

Relation of Loans and Investments to Invested Capital.—The maintenance of a relatively high rate of profits on invested capital during the period when the rate of profits on loans and investments was declining reflected a marked growth in the amount of loans and investments per dollar of invested capital. As is shown in chart 1, this amount grew

from \$2.40 to \$4.00 from 1890 to 1914, from \$4.00 to over \$6.00 between 1915 and 1918, and fluctuated irregularly about \$6.00 thereafter. The alteration in this ratio was associated with the large increase in deposits and loans and investments in relation to invested capital during the first three decades of this century.

Gross and Net Earnings.—Chart 2 shows gross earnings, net earnings (after expenses but before losses), and net profits of national banks per \$100 of loans and investments.¹ The chart brings out the fact that the rate of net earnings (before losses) has shown a downward trend similar to that of net profits.

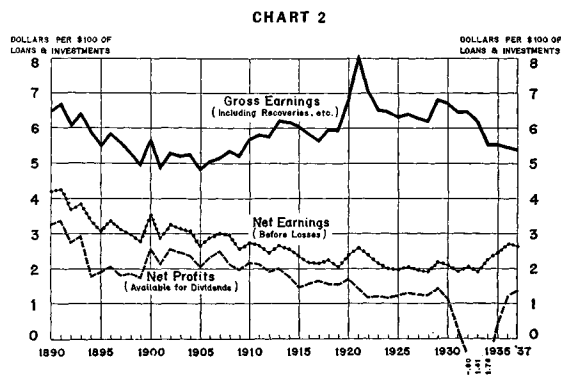


CHART 2
 NATIONAL BANKS—ANNUAL GROSS EARNINGS (INCLUDING RECOVERIES, ETC.), NET EARNINGS, (BEFORE LOSSES), AND NET PROFITS (AVAILABLE FOR DIVIDENDS) PER \$100 OF LOANS AND INVESTMENTS, 1890-1937 (FISCAL YEAR BASIS)

Net earnings (before losses) decreased from over \$4.00 per \$100 of loans and investments in 1890 and 1891 to about \$3.00 in 1895. In the following 15 years the rate fluctuated around \$3.00 although it was slowly

and profits on sales of securities are added to net earnings (before losses) to arrive at net profits, rather than being included with gross earnings.

No adjustments were made in the officially published figures of total resources, loans and investments, and invested capital, although the method of reporting these items has changed from time to time. For example, currently reported figures of loans and investments include rediscounts but exclude borrowed securities and acceptances of other banks and bills of exchange sold with indorsement. In 1920 and some other years, on the other hand, rediscounts were deducted from gross loans while borrowed securities were included in investments. Available information does not permit the figures for the entire period to be placed on a fully comparable basis. Tests indicate, however, that any conclusions based on ratios of earnings, expenses, invested capital, etc., to loans and investments, calculated by using these unadjusted figures, would not be affected if all of the data were placed on a more nearly comparable basis.

¹ For figures see appendix table II.

Gross earnings as shown in chart 2 and appendix table II include recoveries on charged-off assets and profits on securities sold, although these items have been separately available in most of the recent years. (See note 2, second column, p. 102.) Because of the form of the earlier reports, the figures could not be adjusted so as to be comparable with current material.

Net earnings represent gross earnings less expenses, which comprise current operating costs, including salaries and wages, interest on deposits and borrowed money, rent, supplies, taxes, and other expenses. Expenses do not include losses on depreciated assets or depreciation on bank building and furniture and fixtures.

Net profits represent net earnings (including recoveries and profits on securities sold) less gross losses.

Gross losses include total charge-offs or losses on loans and investments, allowances for depreciation on banking house and furniture and fixtures, and all other losses and depreciation.

decreasing, and 1907 was the last year in which it was as high as \$3.00. The rate rose in the post-war years but in 1923-1933 it approximated \$2.00. Due to recoveries on charged-off assets and profits on securities sold, which in the case of national banks have been included with earnings, there has been a substantial rise in recent years.

The difference between gross and net earnings as shown in chart 2 is the measure of expenses per \$100 of loans and investments in each year. The movement of gross earnings has been characterized by no clearly defined trend over the whole period although there have been decided short-term movements. Gross earnings amounted to about \$6.50 per \$100 of loans and investments in 1890, but this rate declined considerably from 1890 through 1899, reaching slightly less than \$5.00 in the latter year, while expenses fluctuated narrowly between \$2.50 and \$2.20 per \$100 of loans and investments. Thus, the spread between gross earnings and expenses narrowed gradually during this period. Somewhat irregular but moderate changes in gross earnings and expenses between 1900 and 1905 were followed by a period of considerable increase in both earnings and expenses per \$100 of loans and investments, culminating in record high figures in 1921. Expenses advanced more rapidly in these years than gross earnings, and that influence was reflected in further declines in net earnings per \$100 of loans and investments.

Gross earnings decreased to a level of around 6.5 percent on loans and investments in 1923. Expenses also declined sharply in relation to loans and investments but remained at a level substantially higher than in any year prior to 1920. From 1923 through 1933 gross earnings per \$100 of loans and investments fluctuated around \$6.25 and expenses around \$4.25, and in those years net earnings rates changed little.

During the years 1934-1936 the rate of gross earnings declined as a result of lower yields on earning assets, and expenses were

reduced by the prohibition of interest on demand deposits and the lowering of the rate paid on time deposits.

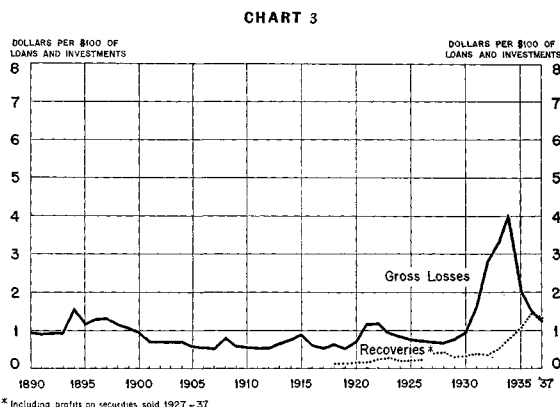
Gross Losses.—The rate of gross losses on loans and investments is shown in chart 3.¹ No distinct trend over the 48 years from 1890 through 1937 is apparent. The rate of loss usually increased in periods of business slackness such as 1894, 1908, 1915, 1921, and 1930-1933, and declined when conditions were more prosperous. Years when the rate of failure among business concerns was large were years in which bank losses were also great. Except in years of depression gross losses charged off annually were usually well below \$1 per \$100 of loans and investments.

The low ratio of losses between 1923 and 1930 relates only to active banks and does not reflect losses realized on assets of banks after they were closed, nor does it reflect additional losses which would have been charged off in some cases except for the fact that depositors waived some of their claims incident to reorganization of banks. The number of bank failures during these years was large and the loss realized on their assets in liquidation was substantial. Furthermore, bankers operating active banks may have been reluctant to charge off losses during those years when the rate of net earnings (before losses) on loans and investments was comparatively low. As a consequence, some banks no doubt entered the depression carrying assets at figures higher than were justified by the facts. After 1930 losses charged off rose to an unprecedented height and were the chief factor in the large deficits recorded by the national banking system in 1932, 1933, and 1934.

The gross losses recorded in the earnings and expense statements of 1935, 1936, and 1937 were also large but were to a great extent offset by substantial recoveries on loans and investments and profits on securities sold, as chart 3 shows. In 1936 profits on

¹For figures see appendix table II.

securities sold accounted for approximately 35 percent of net profits of all national banks and in 1937 this proportion was nearly 45



NATIONAL BANKS—ANNUAL GROSS LOSSES AND ANNUAL RECOVERIES (INCLUDING PROFITS ON SECURITIES SOLD, 1927-1937) PER \$100 OF LOANS AND INVESTMENTS, 1890-1937 (FISCAL YEAR BASIS)

percent. Similar figures are not available for 1933, 1934, and 1935, but on the basis of scattered evidence it is known that profits on securities sold were important in 1934 and 1935.

MEMBER BANKS, 1927-1936

Beginning in 1927 the official earnings and dividends reports of members of the Federal Reserve System were compiled in more detail with respect to the components of earnings, expenses, and losses than had been the case previously.¹ The data which have been collected and compiled in the Board's annual reports are on an approximately uniform basis from year to year, and are sufficiently comprehensive to justify further analysis even though the period covered is relatively short.

In the member bank figures there is somewhat more weight given to larger banks than in the case of the national bank data, because of the greater proportion of large banks included among State members. The net effect

¹ Members of the Federal Reserve System include all national banks in the continental United States and such State banks as join the System. In 1927 the net profits of all member banks aggregated \$447,009,000, of which \$257,283,000 was earned by national banks; in 1936 the similar figures were \$465,317,000 and \$313,570,000.

of this influence, however, is slight. Figures given with respect to member banks in this section are not wholly comparable with those given for national banks in preceding paragraphs. The member bank data are on a calendar year basis, as published in the Board's annual reports, while the national bank statistics are for fiscal years, since they were available in no other way in early decades.²

Net Profits on Invested Capital.—The rate of net profits (available for dividends) on invested capital showed about the same movement for member banks as for national banks over the period covered. Table 1 shows that from a level above \$8.50 per \$100 of invested capital in each of the years 1927-1929 the rate dropped rapidly, and in 1932, 1933, and 1934 sizable deficits were incurred. After 1934 improvement was marked, and in 1936 the rate of net return available for dividends was even higher than the 1927-1929 average. The improvement during the last two years can be attributed to three factors: a substantial reduction in the volume of losses currently charged off against depreciated assets, an important increase in recoveries and profits on securities sold, and to a lesser extent the increasing proportion of loans and investments to invested capital.

Net Profits on Loans and Investments.—The ratio of net profits to loans and investments evidenced much the same general tendencies as did that on invested capital. After reaching a peak of nearly \$1.60 per \$100 of loans and investments in 1929, it fell off substantially. Deficits were shown in 1932-1934, but in 1935 there were net profits (available for dividends) of about \$.70 per \$100 of loans and investments, and in 1936 this rate was more than doubled.

Loans and investments per \$1 of resources,

² The figures of loans and investments, total resources, and invested capital represent averages of call dates (December to December, inclusive, except 1933) in the case of member banks, while the corresponding figures in the case of national banks are for the call date nearest June 30. In the official publications of the Board of Governors earnings ratios have been related to balance sheet items averaged for the several calls of the year. For the long-term survey of national banks an averaging method did not appear to justify the cost involved.

TABLE 1.—OPERATING RATIOS OF MEMBER BANKS BY CALENDAR YEARS, 1927-1936

	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
<i>Per \$100 of loans and investments:</i>										
Gross earnings (excluding recoveries, etc.).....	\$6.15	\$6.32	\$6.71	\$6.10	\$5.51	\$5.45	\$4.95	\$4.62	\$4.17	\$4.05
Expenses.....	4.63	4.65	4.71	4.53	4.00	4.01	3.44	3.15	2.88	2.78
Net earnings (before losses).....	1.52	1.67	2.00	1.57	1.51	1.44	1.51	1.47	1.29	1.27
Gross losses.....	.63	.63	.82	1.03	1.85	2.73	3.43	3.24	1.86	1.41
Recoveries and profits on securities sold.....	.47	.41	.38	.33	.38	.40	.50	.94	1.30	1.62
Net losses.....	.16	.22	.44	.70	1.47	2.33	2.93	2.30	.56	¹ +.21
Net profits ² (available for dividends).....	1.36	1.45	1.56	.87	.04	-.89	-1.42	-.83	.73	1.48
<i>Other ratio items:</i>										
Net profits ² (available for dividends) per \$100 of invested capital.....	\$8.66	\$8.96	\$8.75	\$4.56	\$ 1.19	\$-4.50	\$-7.26	\$-4.45	\$4.14	\$8.93
Loans and investments per \$1 of invested capital.....	6.34	6.18	5.62	5.26	5.23	5.04	5.10	5.33	5.65	6.02
Loans and investments per \$1 of total resources.....	.77	.76	.75	.75	.76	.77	.75	.72	.69	.68

¹ Net recovery.² Minus figures represent net deficits.

NOTE.—For more detailed figures see appendix table VII; for dollar amounts see appendix table VIII.

as shown in table 1, decreased in recent years because banks were holding unusually large amounts of idle funds. Consequently, net profits as a percentage of total resources in recent years have compared less favorably with the period 1927-1929 than net profits as a percentage of loans and investments.

Loans and investments per dollar of invested capital at \$6 in 1936 were somewhat less than in 1927. However, there was a material reduction in the ratio during 1927-1932 to a low of about \$5.00, followed by an upturn which continued during 1933-1936. It will be observed that in the case of national banks¹ the decline (based on mid-year figures) during the former period was not as great, but the growth in the proportion of loans and investments after 1933 was of somewhat greater magnitude.

Gross Earnings on Loans and Investments.

—For the period under consideration in this section, 1927-1936, it is possible to segregate recoveries and profits on securities sold from gross and net earnings figures. Owing to the fact that profits on securities sold were not segregated from "other earnings" prior to 1927 and that recoveries were not so segregated prior to 1918, these items were included

with earnings in the national bank statistics for the entire period. Hence the trends shown in the two series of earnings data are not completely comparable. The discrepancy has been particularly significant in recent years, when recoveries and profits on securities sold have risen to such an extent that in 1936 they more than offset the substantial losses on bad assets which were charged off.

As shown in table 1, the gross earnings of member banks per \$100 of loans and investments increased from 1927 to 1929 but after the latter year they started on a steady and pronounced downward movement which continued through 1936. During the period 1929-1936 the reduction in the rate of gross earnings amounted to nearly 40 percent. This decrease reflected a corresponding shrinkage in the rate of gross return on loans and investments, only minor changes being shown in most other types of earnings. An analysis of changes during the period in the relative rates of return on loans as against investments appears in subsequent paragraphs.

Expenses in Relation to Loans and Investments.—The sharp decline in earnings on loans and investments during the 7 years subsequent to 1929 was to a considerable ex-

¹ See chart 1.

tent offset by a parallel reduction in interest paid on deposits. In fact the amount of interest paid on deposits per \$100 of loans and investments declined in every year of the 1927-1936 decade, and in the final year was only about \$.60 as against almost \$2.20 in the first year of the period.¹

Annual salary and wage payments expressed as a percentage of loans and investments also showed a downward tendency from 1929 to 1936 but the amount of decline was relatively small. Tax payments as a percentage of loans and investments were also reduced somewhat, although they turned upward in 1936.

Total expenses fluctuated between \$4.50 and \$4.70 per \$100 of loans and investments during 1927-1930, were at the \$4.00 level in the two subsequent years, and decreased steadily thereafter, amounting to about \$2.75 in 1936.

Net Earnings (Before Losses).—The net effect of the fluctuations in gross earnings (excluding recoveries, etc.) and expenses of member banks during the 10-year period was an increase in net earnings (before losses) from \$1.50 per \$100 of loans and investments in 1927 to \$2.00 in 1929, followed by an extended downward trend. By 1936 the rate had declined to about \$1.25. This movement is to be contrasted with the wider fluctuation registered by net profits.

Losses and Recoveries.—While gross losses rose to record high levels in the early 1930's, offset to only a small degree by recoveries and profits on securities sold, the annual rate reflected a sharp reduction in 1935 and 1936 coincident with a sharp expansion in the amount of recoveries (including profits on securities sold) per \$100 of loans and investments.

The growth in recoveries and profits on securities sold in recent years, accompanied by diminishing charge-offs of losses on bad assets, has been so large that it has much more than offset the declining tendency in net earnings from operations (i.e., before losses) and has been the prime factor in the recent improvement in the net profits ratios of member banks. Even in 1935 and 1936 gross losses charged off were larger than in any of the years 1927-1930, and if it had not been for the considerable volume of recoveries and profits on securities sold the banks would still have been operating at a deficit as they did in the 3 preceding years.

KANSAS STATE BANKS, 1902-1935

The analysis of earnings rates for a period of decades must of necessity be based upon national banks because similar data are not available for State banks generally. The only State for which earnings and expense figures are available over a long period is Kansas, and the record of banks in this State cannot be considered as typical of State banks as a whole, since Kansas is predominantly agricultural and changed from a frontier to a settled community during the period under review.

Chart 4² presents data for Kansas State banks similar to those for national banks used in charts 2 and 3. One of the principal points to be noted in this chart is the distinct downward trend in gross earnings of Kansas State banks per \$100 of loans and investments in contrast with the fluctuating rate for national banks. The unusually high rate of Kansas State banks in the earlier years, more than \$9 per \$100 of loans and investments for the first decade of this century, may be explained by the fact that Kansas at the beginning of the century was in an early stage of economic development, when risks were comparatively great but opportunities for profitable use of funds were such as to encourage borrowing even at high rates of

¹ Detailed figures for expenses appear in appendix table VII. Payment of interest on demand deposits by member banks was prohibited by the Banking Act of 1933, and the Board of Governors of the Federal Reserve System was authorized to limit the rates payable on time deposits. The decline in interest paid on deposits was somewhat offset by the provision in the Banking Act of 1933 for Federal deposit insurance. Assessments against member banks for deposit insurance in 1936 amounted to 1/12 of 1% of deposits.

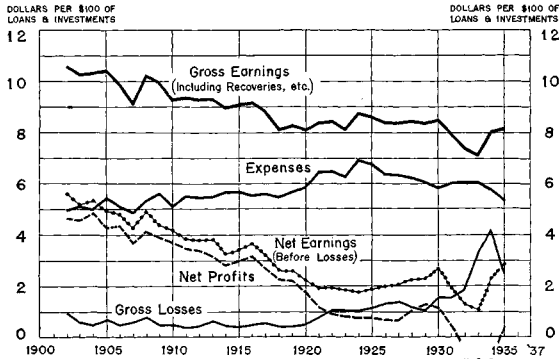
² For figures see appendix table X.

interest. The expenses of Kansas State banks, which in the earlier years were considerably more than twice as high per \$100 of loans and investments as those of national banks, showed little change between 1905 and 1918, while the expenses of national banks rose considerably. The higher level of ex-

records of others. One means of further analyzing the records is to examine the results of smaller groups of banks in order to determine whether certain classes of banks are more profitable than others.

A long-term comparison of net profits on capital and surplus of national banks by geo-

CHART 4



KANSAS STATE BANKS—ANNUAL GROSS EARNINGS (INCLUDING RECOVERIES, ETC.), EXPENSES, NET EARNINGS (BEFORE LOSSES), GROSS LOSSES, AND NET PROFITS PER \$100 OF LOANS AND INVESTMENTS, 1902-1935 (CALENDAR YEAR BASIS)

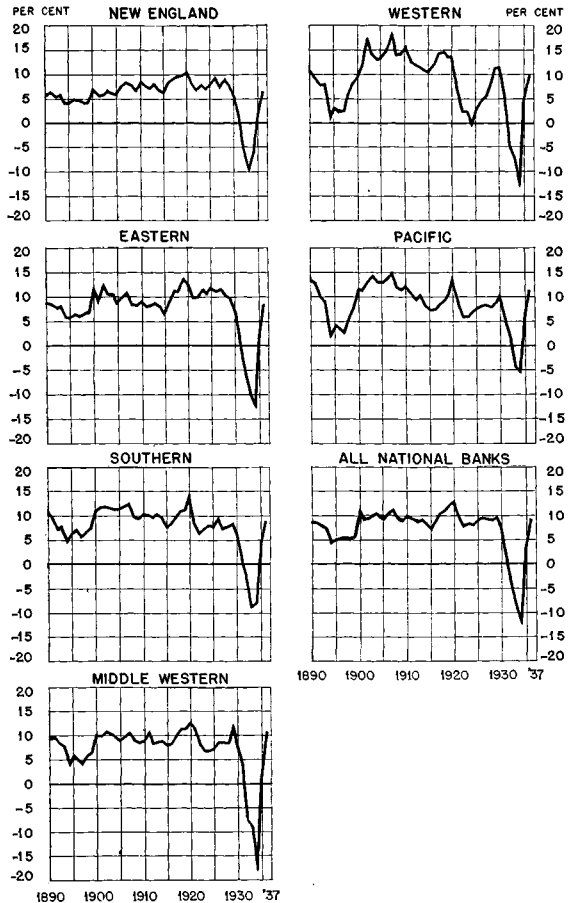
penses per \$100 of loans and investments probably reflects the fact that most of the Kansas State banks were small institutions which tend to have higher gross earnings and expenses per \$100 of loans and investments than do larger banks.

These variations in levels of gross earnings and expenses over a period of years resulted in a greater decline, proportionately, in net earnings (before losses) of Kansas State banks over the years than was shown by national banks. Net profits per \$100 of loans and investments also declined more for Kansas State banks than for national banks between 1902 and 1922.

RESULTS BY SPECIAL CLASSES OF BANKS

The foregoing sections have dealt with the profits experience of the banking system in general and are, therefore, a reflection of averages; the good records of profitable institutions have been averaged with the poor

CHART 5



NET PROFITS PER \$100 OF CAPITAL AND SURPLUS OF NATIONAL BANKS BY GEOGRAPHIC AREAS, 1890-1936 (FISCAL YEAR BASIS)

graphic regions is available from data contained in the annual reports of the Comptroller of the Currency. Data for 6 regions are presented in chart 5,¹ which shows that banks in the areas of more recent economic development, notably the Western and Pacific

¹ For figures see appendix table V.

States, often had much higher annual rates of profits than banks in the older sections where economic activities had become more diversified and stabilized. Equally important, the banks in the new regions had at times much lower profits rates than those in more settled areas. In New England, for example, during the 41 years from 1890 through 1930 national banks had profits of 4 percent or more on capital and surplus in every year, and the rate exceeded 8 percent in only 10 years. In the case of the Western States, on the other hand, net profits exceeded 12 percent on capital and surplus in 14 years while in 8 years they were less than 3 percent.

It is apparent that the degree of economic development and conditions of prosperity or depression are major factors in determining the profitability of banks as a whole in any given area. Unfortunately, there is not sufficient statistical material available to illustrate many other factors which are generally characteristic of unprofitable banks over the whole period since 1890. Some of these characteristics are suggested by records other than official earnings reports. For example, it is reasonable to assume that those types of banks whose failure experience has been worse than the average have also been characterized by unfavorable profits records. The record of bank suspensions during 1921-1936 shows that the rates of failure among the groups of banks with small amounts of resources compared unfavorably with the average experience.¹ For a bank to survive over a long period of time its earnings must be sufficient to cover its expenses, its losses on bad assets, and, in addition, some return on invested capital.

One limited study of all national banks for the period 1926-1930 showed that the typical rate of net profits on invested capital of banks with loans and investments of less than \$500,000 was less than 4 percent. For those with loans and investments of less than \$250,000 it was scarcely half as good. With respect

to what may be called medium-size banks the typical rate during these years was about 7.5 percent, while that for larger banks was moderately higher. Typically, the unfavorable experience of small banks was associated with relatively high operating expenses. Although these were offset by relatively high gross returns, net profits were unsatisfactory because of the necessity for writing off large proportions of depreciated assets. Since a large proportion of small banks were located in agricultural regions, the unfavorable experience of these banks during 1926-1930 reflected in part agricultural difficulties.

ECONOMIC CONDITIONS AND RATES OF EARNINGS AND EXPENSES

Business conditions influence the earnings positions of banks by affecting the level of interest rates and therefore the rate of gross earnings on earning assets; by affecting the costs or expenses of banking; and by affecting the losses and subsequent recoveries from such losses. While all of these elements in the earnings of national banks have been influenced by changes in business conditions during the period under review, there is no single factor which has shown wider year-to-year changes than losses. The following paragraphs present by periods some of the important influences of business conditions on the earnings of national banks.

1890-1900.—Several of the years between 1890 and 1900 were characterized by depressed conditions in the economic system generally, and banks suffered declines in gross earnings per dollar of loans and investments as well as increases in losses on assets. As a consequence, net profits on loans and investments and on invested capital of national banks were comparatively low from 1894 through 1899.

1900-1920.—The period from a little before 1900 until 1920 was marked by an almost continuous rise in commodity prices and farm land values. The upward tendency of prices and values was an important factor in the

¹ FEDERAL RESERVE BULLETIN for September and December 1937.

growth of national income which enabled borrowers generally to repay loans and helped maintain the value of bank investments. Its effect is reflected to some extent in the comparatively low level of bank losses during these years, and consequently in the small portion of net earnings used in writing off worthless assets. Reflecting in part the small losses, net profits on invested capital of national banks (see chart 1) ranged around 8 percent during much of this period, and in the war years were considerably above that rate.

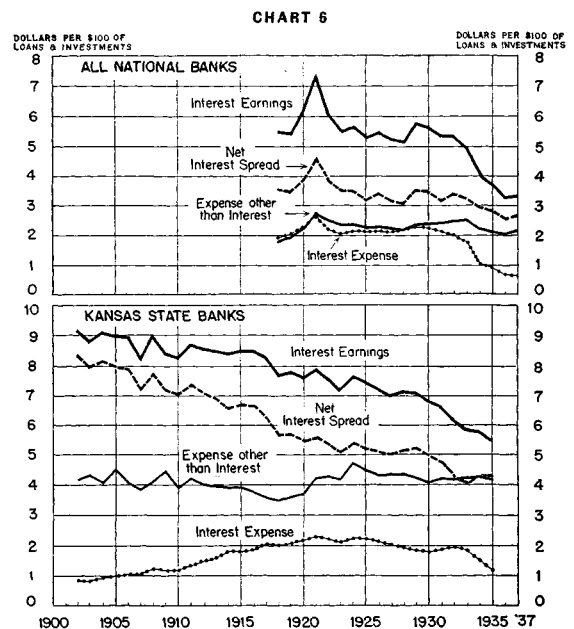
The relatively high level of bank profits after 1900 encouraged the opening of additional banks, charters for which were freely granted by supervisory authorities. Many of the new banks were located in small towns, often already served by banks, and consequently obtained relatively small amounts of deposits and assets. An effect of the marked increase in the number of small banks is seen in the fact that, despite considerable growth in the resources of the banking system, the average volume of loans and investments per bank was lower in 1915 than in 1900.

Increases that became evident in bank operating expenses per \$100 of loans and investments after 1907 may be ascribed in general terms to increased competition, partly growing out of the larger number of banks. It is impossible to analyze in detail the form of the increased costs since, with the exception of Kansas State banks, no segregated data of earnings and expenses are available for the period prior to 1918. Growth in the amount of interest paid by banks was an important factor, however, as is indicated by an analysis of deposits. At all commercial banks in the United States time accounts represented about 12 percent of total deposits, excluding interbank balances, in 1900. By 1915 time accounts included about 30 percent, and by 1930 about 40 percent of total deposits. At national banks alone, time deposits represented about 43 percent of total deposits in 1930. This growth in the relative volume of

time deposits points definitely to increased interest costs, whether or not the rate paid by banks was bid up. As a matter of fact, commercial banks did tend to raise their rates paid on both time and demand accounts in an effort to attract deposits.

One feature of the increase in time deposits was the tendency to look upon time accounts as less subject to withdrawal than demand accounts, and as justifying increases in loans and investments which rested on capital values rather than the turnover material of business. The almost continuous appreciation in prices and values up to the war and the marked rise from 1915 to 1920 in incomes and net worth helped to sustain the value of capital assets. The ratio of losses to loans and investments was low.

Not only did the total volume of loans and investments, both short-term and long-term, increase sharply, but rates of return on loans and investments were gradually tending up-



ANNUAL INTEREST EARNINGS, INTEREST EXPENSE, OTHER EXPENSE, AND NET SPREAD BETWEEN INTEREST EARNINGS AND INTEREST EXPENSE, PER \$100 OF LOANS AND INVESTMENTS OF ALL NATIONAL BANKS, 1918-1937 (FISCAL YEAR BASIS), AND OF KANSAS STATE BANKS, 1902-1935 (CALENDAR YEAR BASIS)

ward from 1900 until 1921. At the same time, however, the increase in interest paid by banks helped narrow the spread between gross earnings and expenses, resulting in the steady decline in net earnings (before losses) per \$100 of loans and investments.

Although no detailed classification of national bank income and expenses is available prior to 1918, the ratios of interest and other expenses to loans and investments for Kansas State banks since 1902 indicate what was happening in that State, and perhaps furnish a clue to the operating results of banks in general. As is shown by chart 6,¹ the amount of interest paid by Kansas State banks per \$100 of loans and investments rose almost continuously from 1902 until 1922. Expenses other than interest (mainly salaries, space, and supplies) declined slightly between 1909 and 1917. In 1921, however, the ratio of non-interest expenses to loans and investments at all national banks and at Kansas State banks advanced sharply. The absolute amount of such expenses increased only moderately in that year but the ratio increased considerably since large amounts of loans and investments were liquidated.

The Post-War Decade.—After 1920 bankers were confronted with economic conditions different from those that had prevailed between 1900 and 1920. Commodity prices declined precipitously after the middle of 1920 and in 1921; the volume of goods produced was sharply curtailed; and incomes of business concerns and individuals were consequently reduced. Losses of national banks per dollar of loans and investments rose sharply, as shown in the difference between the curves of net earnings (before losses) and net profits in chart 2, owing to increased charge-offs and the reduced volume of earning assets.

Farm real estate prices also started to decline in 1920. Unlike commodity prices, however, they continued downward without interruption over a period of 13 years, whereas

the more drastic 1920-1921 drop in commodity prices was followed by 8 years of comparative stability. In addition to the difference between changes from 1921 through 1929 in farm land prices and average prices of all commodities, the contrast between agricultural and non-agricultural conditions is sharpened by noting that prices of corporate equities advanced markedly in these years. Prices of urban real estate, especially in some large communities affected particularly by industrial conditions, also advanced considerably.

Gross earnings and expenses of national banks per \$100 of loans and investments did not change greatly between 1923 and 1929. Revenue from the operation of trust departments tended to increase, but it remained a very small portion of total income. Among the expense items interest paid on deposits continued to grow, both because banks were increasing their rates and because the proportion of time deposits in the banking system was growing rapidly. The increase in interest paid on deposits was partly offset by reductions in interest paid on borrowed money and by reductions in taxes.²

Since neither earnings nor expenses of national banks per \$100 of loans and investments changed materially between 1923 and 1929, the rate of net earnings (before losses) was comparatively steady. The rising volume of production at a stable commodity price level and the advancing prices of securities enabled most borrowers to repay bank loans with reasonable promptness. Reflecting a lower rate of charge-offs for losses, net profits per \$100 of loans and investments increased slightly. Loans and investments expanded proportionately more than capital funds after 1921, and the rate of net profits on invested capital tended to rise.

Although the banking system as a whole made high profits during the decade of the

¹ For figures see appendix tables VI and XII.

² Statistics of earnings for national banks are classified in less detail prior to 1927 than thereafter. Details of earnings and expense items of member banks in each year 1927-1936 appear in appendix tables VII and VIII.

1920's, some important portions did not prosper. An indication of this was given in earlier paragraphs dealing with the experience of banks by location and by size.

Depression and Post-Depression Years.—Following the collapse in security prices in 1929 there was a severe decline in commodity prices, both agricultural and non-agricultural, which extended over a period of more than 3 years. This decline was accompanied by an even greater proportionate contraction in national income. The net profits of national banks were also sharply reduced, and for some time during and after the reaching of the lower depression levels there were net deficits for the banking system in general. The outstanding factor responsible for the movement of net profits from the high level of the 1920's to a point below zero was the charging off of large amounts of depreciated assets.

With the progress of recovery following the banking crisis in 1933 values of bank assets appreciated. Charge-offs of losses continued heavy in 1933 and 1934, however, since many of the banks that did not fail had been unable to write off all their losses in previous years. As values continued to rise in 1934, 1935, and 1936, gross losses were reduced, and banks began to obtain substantial recoveries on assets previously charged off. Such losses as were written off in the fiscal years 1936 and 1937 were substantially offset by recoveries on previous charge-offs and profits on securities sold. Without these unusually large recoveries and profits on securities sold the banking system would have been earning a rate of net profit substantially under the levels of the pre-depression period.

Increased Proportion of Investments.—Decreases in gross earnings per \$100 of loans and investments of national banks between 1929 and 1936 resulted partly from a decline in the relative importance of loans which, on the whole, yield more than investments. The shift from loans to investments has been

underway for many years and has been part of a widespread movement on the part of corporate and other large-scale borrowers to reduce short-term commercial loans and replace them by longer-term securities. From 1931 through 1936 the increased importance of securities among bank assets was greatly accelerated. Commercial loan demand grew slowly, while borrowings of the Federal Government increased markedly. Banks acquired a considerable part of the new Government issues, thus increasing their earning assets and at the same time making funds available to the Government, the expenditure of which increased the amount of funds in the hands of business and made less necessary additional borrowing by business concerns. By the middle of 1936 investments represented 60 percent of the total loans and investments of all commercial banks in the United States, as compared with 27 percent in 1929 and 25 percent in 1921. There has been some decline in this proportion since the middle of 1936.

Aside from reducing rates of gross earnings, an increasing proportion of securities among bank assets has its bearing on bank profits in other ways. To the extent that banks hold long-term investments they are subject to considerable change in the value of those assets because of changes in the long-term interest rate. An advance in that rate may be reflected in losses on securities sold unless the securities have been written down previously. On the other hand, decreases in interest rates during recent years have given banks opportunities to realize profits from the sale of securities, and that source produced an important part of net profits of the banking system in 1935 and 1936, and to a lesser extent in the first half of 1937. Beginning in 1927 the reports of member bank earnings and expenses have shown separately the amounts of interest income on loans and discounts, and on investments. During the 10 years for which such information is available the gross interest re-

turns on loans have averaged more than 1 percent¹ above the gross interest returns on investments, the difference being greatest in the latter half of the period. This differential is shown by years in table 2. The decline in the gross interest return both on loans and on investments since 1929 may also be observed. The gross interest return on loans declined about 1.5 percent while that on investments was more than 2 percent lower in 1936 than in the years 1927-1929.

TABLE 2.—GROSS INTEREST RETURN, NET CHARGE-OFFS, AND NET RETURN ON LOANS PER \$100 OF LOANS, AND ON INVESTMENTS PER \$100 OF INVESTMENTS OF MEMBER BANKS, 1927-1936

Calendar year	Loans			Investments		
	Gross interest return ¹	Net charge-offs ²	Net return	Gross interest return ¹	Net charge-offs ²	Net return
1927.....	\$5.50	\$.40	\$5.10	\$4.70	³ \$+.80	\$5.50
1928.....	5.70	.40	5.30	4.70	³ +.50	5.20
1929.....	6.10	.40	5.70	4.70	-----	4.70
1930.....	5.40	.70	4.70	4.50	.20	4.30
1931.....	4.90	1.20	3.70	4.10	1.50	2.60
1932.....	5.10	2.30	2.80	3.90	2.10	1.80
1933.....	4.70	3.10	1.60	3.50	2.20	1.30
1934.....	4.30	3.30	1.00	3.30	.90	2.40
1935.....	4.20	1.50	2.70	2.80	³ +.40	3.20
1936.....	4.10	.90	3.20	2.60	³ +1.40	4.00

¹ Includes interest and discount in the case of loans, and interest and dividends in the case of investments.

² The amount of net charge-offs is obtained by deducting recoveries and profits on securities sold from gross losses.

³ A plus charge-off indicates an excess of recoveries and profits on securities sold over gross losses.

Source: Appendix table XIV.

The differences between the gross return on loans and that on investments do not carry over to net returns because of considerably different rates of charge-off. During the 10-year period, the net return on investments exceeded that on loans in 1927, 1934, 1935, and 1936. For the period as a whole, however, the average net rate of return on loans was somewhat higher than on investments,—about \$3.90 on loans and \$3.40 on investments. In three of these years recoveries and profits on securities sold exceeded gross charge-offs on securities so that the net return on securities exceeded the gross return. The net

charge-offs on loans exceeded those on investments in every year except 1931. The highest rate of net charge-offs per \$100 of loans during the period was \$3.30 in 1934 compared with \$.40 in each of the years 1927, 1928, and 1929. The highest rate on investments was \$2.20 in 1933.

The rates of net charge-off do not fully reflect the year-to-year changes. It would appear that the losses on investments are recognized and written off earlier than those on loans, and because of this lag the losses on loans did not increase as early in the depression years but persisted longer after the banking holiday than the losses on investments. The difference in the time required for recognizing and writing off such losses probably results from the availability of market quotations on investments which respond promptly to changes in the business outlook.

The proportion of investments in the portfolios of banks varies in different parts of the country as do rates charged on loans to customers. In general, the banks in the Northeastern part of the country have received about as high a rate of net return from investments as from loans and consequently have not been particularly sensitive to changes in the proportions between the two major types of earning assets. Banks in the Western and Southern areas have received in the past and continue to receive higher net returns on loans than on investments. Bank earnings in these areas, therefore, are sensitive to changes in the portfolio proportions of loans and of investments.²

Easy Money Conditions.—Table 2 reflects the decline in interest rates associated with easy money conditions which have obtained in recent years. In 1929 member banks realized a gross return of 6 percent on their loans and more than 4½ percent on their investments. For 1936 the comparable rates were 4 percent and 2½ percent, respectively.

The decline in interest rates was to a large

¹ Percentages referred to in this section are percentage points, not actual changes measured in percentages. That is, a decline from 5 to 4 is referred to as a decline of 1, not 20, percent.

² Gross interest return, net charge-offs, and net return for all member banks, by Federal Reserve districts and by years, 1927-1936, appear in appendix tables XV, XVI, and XVII.

degree an outgrowth of increasing amounts of idle bank reserves seeking employment, but that broad influence was supplemented by competitive factors in the form of low rates offered bank customers by various governmentally sponsored agencies. Banks found it necessary to lower their rates somewhat in order to retain loans, or, in the case of those paid off, to employ the funds by investing in lower-yield securities. At the end of 1937 banks continued to have a large volume of idle funds.

The rate of gross income on total assets of banks has, of course, been affected by the large volume of idle funds which banks have held. Loans and investments constituted about 75 percent of total assets of member banks during the pre-depression years but only 68 percent in 1936, as table 1 shows. From the standpoint of the rate of net profits this is of importance only in so far as the offsetting liabilities of the banks in the form of deposits cost something in interest and other out-of-pocket expenses.

Reduction of Interest on Deposits.—The decline in expenses of member banks per \$100 of loans and investments which occurred between 1929 and 1933 resulted mainly from decreased interest payments on deposits. The substantial reduction in expenses in 1933 and 1934 was largely a result of the prohibition of interest on demand deposits and decreased interest payments on time deposits. Before the easy reserve position of banks had become widespread in 1933, many banks had begun to reduce rates paid to depositors because they were having difficulty in employing their funds profitably, and because they were being pressed to reduce operating costs. The reduction of rates had often been postponed because of competitive situations under which some banks hesitated to initiate lower rates at the risk of losing deposits, even though they may not have been desirous of obtaining additional deposits at high cost.

Although the movement had begun by 1933, widespread and substantial declines in rates of interest paid on all deposits, and thus in total operating costs, followed the passage of the Banking Act of 1933. The act prohibited payment of interest on demand deposits and contained provisions under which the Board of Governors of the Federal Reserve System in November 1933 set a maximum rate of 3 percent that member banks could pay on time and savings deposits. This maximum was lowered to 2½ percent effective February 1, 1935, with even lower rates on some types of time deposits. The Banking Act of 1935 contained provisions under which the Federal Deposit Insurance Corporation issued similar regulations setting maximum rates which might be paid by insured nonmember banks at the same levels as those applying to member banks.

With the impetus of these measures and continued pressure of idle reserves, many banks carried their reductions further, lowering rates on ordinary savings deposits to 2 percent and 1½ percent or even less. Mainly because of these voluntary and mandatory decreases in interest rates, total operating costs of banks were reduced sufficiently in 1934, 1935, and 1936 to offset almost entirely the effects of lowered rates of return on loans and investments, and rates of net earnings (before losses) declined only slightly.

New Sources of Income.—The presence of ample reserves and the slow rise in commercial demand for loans have caused banks to seek new employment for funds. Although no statistics on the subject are included in bank condition reports, it is known that in the past few years instalment and personal loans have grown substantially. Since gross rates of earnings on these advances are higher than on other types of loans, continued growth of the business may tend to raise the average rate of return on loans.

Some addition to gross earnings of banks in recent years has resulted from extension of service charges in various forms. These

are primarily on deposit accounts, but some banks have installed such charges on small loans. While arguments for imposition of service charges on deposit accounts have been widespread among bankers' associations recently, such charges have not been of great importance as a source of gross earnings to banks generally. Figures for service charges on deposit accounts were not reported separately until 1933 and in that year they constituted somewhat less than 2 percent of gross returns of national banks. During the fiscal year ending June 30, 1937, they constituted about 3.6 percent of such returns.

APPENDIX

TABLE I.—LOANS AND INVESTMENTS OF NATIONAL BANKS PER \$1 OF TOTAL RESOURCES AND PER \$1 OF INVESTED CAPITAL, AND NET PROFITS PER \$100 OF INVESTED CAPITAL, 1890-1937¹

Year	Loans and investments per \$1 of:		Net profits ³ per \$100 of invested capital
	Total resources	Invested capital ²	
1890	.73	\$2.39	\$7.71
1891	.73	2.29	7.67
1892	.71	2.43	6.59
1893	.74	2.30	6.68
1894	.70	2.38	4.19
1895	.71	2.50	4.75
1896	.69	2.48	5.06
1897	.69	2.56	4.60
1898	.68	2.85	5.24
1899	.67	3.34	5.74
1900	.69	3.37	8.61
1901	.68	3.64	7.70
1902	.70	3.54	9.00
1903	.72	3.51	8.55
1904	.71	3.52	8.37
1905	.71	3.67	7.53
1906	.71	3.70	8.55
1907	.72	3.80	9.49
1908	.71	3.73	7.87
1909	.71	3.85	7.52
1910	.71	3.82	8.33
1911	.71	3.83	8.12
1912	.72	3.95	7.51
1913	.73	3.94	7.87
1914	.73	4.08	7.28
1915	.74	4.15	6.03
1916	.73	4.81	7.49
1917	.73	5.40	8.84
1918	.74	6.05	9.44
1919	.74	6.62	10.17
1920	.71	6.33	10.76
1921	.74	5.42	7.73
1922	.76	5.55	6.45
1923	.79	5.88	7.08
1924	.76	5.87	6.71
1925	.76	6.20	7.54
1926	.76	6.24	8.07
1927	.77	6.28	7.79
1928	.78	6.25	7.57
1929	.78	5.84	8.21
1930	.75	5.48	6.19
1931	.75	5.55	1.40
1932	.78	5.33	⁴ -4.26
1933	.74	5.42	⁴ -7.65
1934	.71	5.68	⁴ -10.11
1935	.69	5.86	2.31
1936	.68	6.40	7.64
1937	.69	6.52	8.93

TABLE II.—ANNUAL GROSS EARNINGS, EXPENSES, NET EARNINGS, GROSS LOSSES, AND NET PROFITS OF NATIONAL BANKS PER \$100 OF LOANS AND INVESTMENTS, 1890-1937¹

Year	Gross earnings (including recoveries, etc.)	Expenses	Net earnings (before losses)	Gross losses	Net profits (available for dividends)
1890	\$6.49	\$2.30	\$4.19	\$.95	\$3.23
1891	6.70	2.44	4.26	.91	3.35
1892	6.04	2.38	3.66	.94	2.71
1893	6.41	2.58	3.83	.93	2.91
1894	5.87	2.51	3.36	1.60	1.76
1895	5.50	2.43	3.07	1.16	1.90
1896	5.85	2.50	3.35	1.30	2.04
1897	5.59	2.48	3.11	1.31	1.80
1898	5.27	2.29	2.98	1.15	1.84
1899	4.95	2.17	2.78	1.07	1.72
1900	5.66	2.13	3.53	.98	2.55
1901	4.87	2.01	2.86	.74	2.12
1902	5.28	2.03	3.25	.70	2.54
1903	5.20	2.07	3.13	.70	2.44
1904	5.25	2.17	3.08	.70	2.38
1905	4.81	2.17	2.64	.59	2.05
1906	5.06	2.18	2.88	.57	2.31
1907	5.16	2.16	3.00	.51	2.50
1908	5.35	2.42	2.93	.81	2.11
1909	5.19	2.64	2.55	.60	1.96
1910	5.70	2.97	2.73	.55	2.18
1911	5.80	3.14	2.66	.54	2.12
1912	5.74	3.30	2.44	.54	1.90
1913	6.20	3.53	2.67	.67	2.00
1914	6.17	3.61	2.56	.78	1.79
1915	6.05	3.69	2.36	.90	1.45
1916	5.84	3.66	2.18	.61	1.56
1917	5.62	3.46	2.16	.53	1.64
1918	5.98	3.75	2.23	.67	1.56
1919	5.96	3.91	2.05	.52	1.54
1920	6.82	4.43	2.39	.69	1.70
1921	8.09	5.47	2.61	1.19	1.43
1922	7.02	4.63	2.38	1.22	1.16
1923	6.51	4.36	2.15	.95	1.20
1924	6.47	4.47	2.00	.86	1.14
1925	6.32	4.34	1.99	.77	1.22
1926	6.41	4.37	2.04	.75	1.29
1927	6.28	4.33	1.94	.70	1.24
1928	6.19	4.29	1.90	.69	1.21
1929	6.80	4.60	2.20	.80	1.41
1930	6.70	4.59	2.11	.98	1.13
1931	6.44	4.54	1.90	1.65	.25
1932	6.47	4.42	2.06	2.86	² -.80
1933	6.20	4.30	1.90	3.31	² -1.41
1934	5.53	3.27	2.26	4.04	² -1.78
1935	5.53	3.06	2.47	2.08	.39
1936	5.43	2.73	2.70	1.50	1.20
1937	5.38	2.76	2.62	1.25	1.37

¹ Loans and investments, invested capital, and total resources as of call nearest June 30 in each year. Net profits figures for fiscal years ending August 31, 1890-1906; 10 months September 1, 1906-June 30, 1907; and thereafter for fiscal years ending June 30. See note below table II.

² Invested capital includes common and preferred stock, surplus, undivided profits, reserves for contingencies, and funds for the retirement of preferred stock.

³ Available for dividends.

⁴ Deficit.

NOTE.—The data in this table and others relating to national banks include the figures of nonmember national banks located in U. S. possessions except for the year 1937, which covers only the member national banks.

Source: Ratios computed from dollar figures shown in tables III and IV.

¹ For fiscal years ending August 31, 1890-1906; 10 months September 1, 1906-June 30, 1907; and thereafter for fiscal years ending June 30.

² Deficit.

³ Member national banks.

NOTE.—In computing the above ratios for the years 1918-1937 the figures of gross earnings and net earnings before losses were changed from the form in which they were officially reported in order to establish a comparability with the period prior to 1918. This change consisted of the addition to reported figures of earnings of (1) amounts of recoveries on charged-off assets for the years 1918-1937 and (2) the amounts of profits on securities sold during 1927-1937. In current compilations these recoveries and profits are added to net earnings (before losses) to arrive at net profits. Because of the form of the earlier reports the figures could not be adjusted so as to be comparable with current material.

No adjustments were made in the officially published figures of total resources, loans and investments, and invested capital, although the method of reporting these items has changed from time to time. For example, currently reported figures of loans and investments include rediscounts but exclude borrowed securities and acceptances of other banks and bills of exchange sold with indorsement. In 1920 and some other years, on the other hand, rediscounts were deducted from gross loans while borrowed securities were included in investments. Available information does not permit the figures for the entire period to be placed on a fully comparable basis. Tests indicate, however, that any conclusions based on ratios of earnings, expenses, invested capital, etc., to loans and investments, calculated by using these unadjusted figures,

TABLE III—TOTAL RESOURCES, LOANS AND INVESTMENTS, AND INVESTED CAPITAL OF NATIONAL BANKS, 1890-1937¹

[In thousands of dollars]

Year	Total resources	Loans and investments	Invested capital ²
1890	3,661,771	2,229,891	934,543
1891	3,113,415	2,258,753	987,551
1892	3,493,795	2,461,124	1,011,145
1893	3,213,262	2,365,096	1,028,870
1894	3,422,096	2,379,646	1,001,388
1895	3,470,553	2,463,811	987,228
1896	3,535,797	2,435,462	982,996
1897	3,563,408	2,461,823	962,420
1898	3,977,675	2,718,675	954,988
1899	4,708,834	3,159,498	947,187
1900	4,944,166	3,418,788	1,013,084
1901	5,675,910	3,866,624	1,062,459
1902	6,008,755	4,191,446	1,184,368
1903	6,286,935	4,507,077	1,285,690
1904	6,655,989	4,753,173	1,349,017
1905	7,327,806	5,169,000	1,406,858
1906	7,784,228	5,520,289	1,491,293
1907	8,476,501	6,099,632	1,604,104
1908	8,714,064	6,213,095	1,667,802
1909	9,471,733	6,709,539	1,744,075
1910	9,896,625	7,067,863	1,850,970
1911	10,383,049	7,396,624	1,933,134
1912	10,861,764	7,835,034	1,984,398
1913	11,036,920	8,051,723	2,045,667
1914	11,482,191	8,360,443	2,049,715
1915	11,795,685	8,733,514	2,105,364
1916	13,926,868	10,121,056	2,193,288
1917	16,290,406	11,865,511	2,198,553
1918	18,354,942	13,606,455	2,249,793
1919	21,234,918	15,639,433	2,363,478
1920	23,411,253	16,609,064	2,622,075
1921	20,517,862	15,160,150	2,796,291
1922	20,706,010	15,820,737	2,848,456
1923	21,511,766	16,897,804	2,875,712
1924	22,565,919	17,131,131	2,916,245
1925	24,350,863	18,413,863	2,970,074
1926	25,315,624	19,269,646	3,089,358
1927	26,581,943	20,358,702	3,239,539
1928	28,508,239	22,302,581	3,570,988
1929	27,440,228	21,467,858	3,674,763
1930	29,116,539	21,785,375	3,976,148
1931	27,642,698	20,860,112	3,755,730
1932	22,367,711	17,483,029	3,279,848
1933	20,860,491	15,491,403	2,856,554
1934	23,901,592	17,046,296	3,001,033
1935	26,061,065	18,085,103	3,086,418
1936	29,702,839	20,245,967	3,165,728
1937 ³	30,280,025	20,893,471	3,205,577

¹ As of call nearest June 30 in each year. See note below table II.
² Invested capital includes common and preferred stock, surplus, undivided profits, reserves for contingencies, and funds for the retirement of preferred stock.
³ Member national banks.

Source: Annual Reports of the Comptroller of the Currency. Figures for 1937 are from the FEDERAL RESERVE BULLETIN for September 1937.

would not be affected if all of the data were placed on a more nearly comparable basis.

The ratios for the items of recoveries and profits on securities sold per \$100 of loans and investments are as follows:

Year	Recoveries	Year	Recoveries	Profits on securities sold
1918	\$.12	1927	\$.16	\$.26
1919	.13	1928	.16	.27
1920	.14	1929	.17	.16
1921	.16	1930	.15	.19
1922	.26	1931	.17	.24
1923	.30	1932	.24	.14
1924	.30	1933	*.51	*
1925	.22	1934	*.79	*
1926	.23	1935	*1.10	*
		1936	1.09	.39
		1937	.74	.60

* Profits on securities sold included in recoveries for the years 1933-1935.

Source: Ratios computed from dollar figures shown in tables III and IV.

TABLE IV—ANNUAL GROSS EARNINGS, EXPENSES, NET EARNINGS, GROSS LOSSES, AND NET PROFITS OF NATIONAL BANKS, 1890-1937¹

[In thousands of dollars]

Year	Gross earnings (including recoveries, etc.)	Expenses	Net earnings (before losses)	Gross losses	Net profits (available for dividends)
1890	144,614	51,266	93,348	21,292	72,056
1891	151,335	55,036	96,299	20,535	75,764
1892	148,589	58,682	89,877	23,219	66,658
1893	151,695	60,909	90,786	22,035	68,751
1894	139,725	59,683	80,042	38,087	41,955
1895	135,459	59,990	75,468	28,602	46,866
1896	142,443	61,006	81,437	31,695	49,742
1897	137,728	61,153	76,574	32,301	44,273
1898	143,394	62,182	81,212	31,179	50,033
1899	156,520	68,498	88,022	33,675	54,347
1900	193,649	72,714	120,936	33,659	87,277
1901	188,266	77,667	110,598	28,745	81,853
1902	221,278	85,235	136,044	29,462	106,582
1903	234,583	93,121	141,462	31,580	109,882
1904	249,412	103,050	146,362	33,425	112,937
1905	248,584	112,206	136,379	30,470	105,909
1906	279,312	120,448	158,863	31,337	127,526
1907	314,702	131,544	183,158	30,922	152,236
1908	332,454	150,551	181,903	50,568	131,335
1909	348,674	177,035	171,640	40,454	131,186
1910	402,665	209,785	192,882	38,714	154,168
1911	428,973	232,062	196,912	39,926	156,986
1912	450,043	258,731	191,313	42,256	149,057
1913	499,252	284,516	214,736	53,756	160,980
1914	515,624	301,425	214,200	64,930	149,270
1915	527,985	322,451	205,535	78,482	127,053
1916	590,642	370,903	219,740	62,196	157,544
1917	667,406	410,753	256,653	62,332	194,321
1918	813,997	510,185	303,812	91,480	212,332
1919	931,826	610,780	321,046	80,680	240,366
1920	1,133,028	736,390	396,638	114,555	282,083
1921	1,225,897	829,906	395,991	179,885	216,106
1922	1,109,050	732,990	376,060	192,390	183,670
1923	1,100,508	736,582	363,926	160,438	203,488
1924	1,109,054	766,044	343,010	147,304	195,706
1925	1,163,783	798,714	365,069	141,134	223,935
1926	1,236,223	841,666	394,557	145,399	249,167
1927	1,276,382	882,374	394,008	141,689	252,319
1928	1,380,875	957,661	423,214	153,056	270,158
1929	1,460,128	986,882	473,246	171,442	301,804
1930	1,458,962	999,066	459,896	213,635	246,261
1931	1,344,077	948,024	396,053	343,512	52,541
1932	1,132,366	771,598	360,768	500,548	² -139,780
1933	960,921	666,010	294,911	513,295	² -218,384
1934	941,877	557,043	384,834	688,380	² -303,546
1935	1,001,366	553,203	448,163	376,791	71,372
1936	1,098,331	552,428	545,903	303,932	241,971
1937 ³	1,124,588	576,497	548,091	261,971	286,120

¹ For fiscal years ending August 31, 1890-1906; 10 months September 1, 1906-June 30, 1907; and thereafter for fiscal years ending June 30.
² Deficit. ³ Member national banks.

NOTE.—The above figures for the years 1918-1937 have been changed from the form in which they are officially reported in order to establish a comparability with the period prior to 1918. Recoveries on charged-off assets for the years 1918-1937 and profits on securities sold 1927-1937 have been included with gross earnings rather than added to net earnings before the deduction of gross losses to arrive at net profits (available for dividends). The figures for these items (in thousands of dollars) are as follows:

Year	Recoveries	Year	Recoveries	Profits on securities sold
1918	16,107	1927	33,339	52,660
1919	21,066	1928	36,469	59,328
1920	23,912	1929	35,643	35,985
1921	23,978	1930	31,621	41,783
1922	41,782	1931	35,310	50,342
1923	51,100	1932	42,325	24,869
1924	34,495	1933	*73,559	*
1925	39,686	1934	*135,351	*
1926	41,065	1935	*198,232	*
		1936	220,379	78,956
		1937	154,676	124,765

* Profits on securities sold included in recoveries for the years 1933-1935.

Source: Annual Reports of the Comptroller of the Currency. Figures for 1937 are from the FEDERAL RESERVE BULLETIN for November 1937.

TABLE V—NET PROFITS PER \$100 OF CAPITAL AND SURPLUS OF NATIONAL BANKS, BY GEOGRAPHIC AREAS, 1890-1936¹

Year	All national banks	New England	Eastern	South-ern	Middle West-ern	West-ern	Pacific
1890	\$8.51	\$5.59	\$8.75	\$10.35	\$9.53	\$10.48	\$12.86
1891	8.48	6.46	8.43	9.27	9.63	9.02	12.00
1892	7.27	5.12	7.59	7.12	8.58	7.64	9.72
1893	7.40	5.71	8.00	7.46	7.87	7.80	8.94
1894	4.61	4.01	5.91	4.83	4.19	1.00	1.72
1895	5.18	4.04	5.62	6.29	5.83	2.74	4.22
1896	5.54	4.95	6.35	6.90	5.17	2.38	3.69
1897	4.99	4.79	5.83	5.74	4.33	2.55	2.47
1898	5.82	4.30	6.52	6.85	5.84	5.98	5.89
1899	6.35	4.42	6.79	7.58	6.52	8.32	7.88
1900	10.14	6.86	11.82	10.88	10.10	9.32	11.68
1901	9.06	5.73	9.05	11.63	9.97	11.91	11.54
1902	10.92	5.73	12.46	11.64	10.69	16.89	13.19
1903	10.21	6.72	10.50	11.57	10.25	14.24	14.22
1904	9.81	5.96	10.34	11.22	9.62	12.93	12.95
1905	8.95	5.70	8.61	11.30	8.81	13.33	12.84
1906	10.27	7.59	10.06	11.69	9.73	14.52	13.69
1907	11.16	8.43	10.59	12.40	10.54	18.23	14.93
1908	9.11	7.84	8.35	9.77	9.11	13.97	11.84
1909	8.72	6.43	8.18	9.50	8.31	14.22	11.33
1910	9.67	8.68	9.05	10.10	8.89	15.55	12.19
1911	9.36	7.79	7.94	10.09	10.82	12.52	10.54
1912	8.59	7.02	8.18	9.62	8.19	11.95	9.38
1913	9.06	7.94	8.64	10.10	8.55	11.57	10.22
1914	8.39	6.50	7.80	9.55	8.79	10.72	8.22
1915	7.08	5.91	5.99	7.59	7.98	10.24	7.23
1916	8.76	8.13	9.15	8.31	8.29	11.89	7.49
1917	10.52	9.04	11.13	9.97	10.10	14.26	8.56
1918	11.09	9.62	11.12	10.96	11.30	14.49	9.25
1919	12.11	9.93	13.65	11.14	11.21	13.57	10.63
1920	12.78	10.33	12.61	14.24	12.59	13.51	13.62
1921	9.40	8.38	9.60	8.12	11.29	7.14	8.86
1922	7.79	6.64	9.84	6.20	7.93	2.39	5.98
1923	8.48	7.86	11.58	7.34	6.75	2.23	6.05
1924 ²	8.11	6.95	10.59	8.04	6.82	-1.19	6.86
1925	9.00	7.61	11.76	7.90	7.23	2.69	7.68
1926	9.54	9.38	10.91	9.47	8.50	4.41	8.39
1927	9.24	7.38	11.25	7.32	8.50	5.41	8.40
1928	8.96	8.92	9.90	7.73	8.47	8.07	7.99
1929	9.72	7.57	9.76	8.32	11.68	11.15	8.85
1930	7.38	5.38	6.93	6.36	7.87	11.29	10.24
1931 ²	1.65	.90	-1.13	.94	3.95	5.36	6.16
1932 ²	-4.94	-6.01	-5.74	-2.45	-7.69	-5.28	1.29
1933 ²	-9.08	-9.95	-10.37	-8.76	-9.24	-7.26	-4.39
1934 ²	-11.71	-6.41	-12.61	-8.05	-17.56	-12.63	-5.44
1935	2.70	1.97	1.92	4.40	1.57	4.60	5.62
1936	9.06	6.35	8.37	8.65	10.64	9.99	11.08

¹ For fiscal years ending August 31, 1890-1906; 10 months September 1, 1906-June 30, 1907; and thereafter for fiscal years ending June 30.

² Minus figures represent net deficits.

³ The capital as of June 30, 1933, used in computing ratios for that year, did not include the small amount of preferred stock outstanding because most of it had been recently issued.

Source: *Annual Reports of the Comptroller of the Currency*. In some years, particularly those prior to 1912, when the ratios were not shown or were not on a fiscal year basis, they were derived from other data reported by the Comptroller.

TABLE VI—INTEREST RECEIVED, INTEREST PAID, EXPENSE OTHER THAN INTEREST, AND THE DIFFERENCE BETWEEN INTEREST RECEIVED AND INTEREST PAID PER \$100 OF LOANS AND INVESTMENTS OF NATIONAL BANKS, 1918-1937¹

Year	Interest received	Interest paid	Expense other than interest	Difference between interest received and interest paid
1918	\$5.47	\$1.93	\$1.82	\$3.54
1919	5.41	2.01	1.88	3.40
1920	6.09	2.23	2.20	3.86
1921	7.30	2.71	2.76	4.59
1922	6.04	2.16	2.59	3.88
1923	5.56	2.04	2.31	3.52
1924	5.64	2.13	2.33	3.51
1925	5.30	2.11	2.23	3.19
1926	5.43	2.11	2.26	3.32
1927	5.24	2.09	2.23	3.15
1928	5.17	2.11	2.18	3.06
1929	5.76	2.28	2.32	3.48
1930	5.63	2.23	2.35	3.40
1931	5.31	2.15	2.39	3.16
1932	5.30	1.97	2.44	3.33
1933	4.96	1.75	2.55	3.21
1934	4.00	1.07	2.20	2.93
1935	3.72	.92	2.14	2.80
1936	3.25	.60	2.04	2.56
1937 ²	3.29	.63	2.13	2.66

¹ Fiscal years ending June 30.

² Member national banks.

Source: Computed from dollar figures shown in the *Annual Reports of the Comptroller of the Currency*.

TABLE VII—AMOUNTS OF EARNINGS, EXPENSES, LOSSES, RECOVERIES, AND NET PROFITS OF MEMBER BANKS PER \$100 OF LOANS AND INVESTMENTS, BY CALENDAR YEARS, 1927-1936

	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
<i>Earnings:</i>										
Interest and discount on loans.....	\$3.83	\$3.96	\$4.37	\$3.81	\$3.21	\$2.98	\$2.42	\$2.00	\$1.72	\$1.64
Interest and dividends on investments.....	1.40	1.44	1.32	1.33	1.44	1.60	1.71	1.76	1.62	1.55
Interest on balances with other banks.....	.11	.09	.09	.10	.08	.06	.03	.01	.01
Total interest earned.....	5.34	5.49	5.79	5.25	4.73	4.64	4.16	3.77	3.35	3.19
Collection charges, commissions, fees, etc.....	.13	.13	.17	.14	.11	.10	.10	.11	.10	.10
Foreign department.....	.10	.06	.07	.07	.08	.08	.08	.07	.04	.04
Trust department.....	.16	.19	.22	.23	.23	.23	.24	.26	.27	.28
Service charges on deposit accounts.....	(1)	(1)	(1)	(1)	(1)	(1)	.08	.10	.12	.13
Other current earnings.....	.42	.45	.46	.41	.36	.40	.29	.31	.29	.31
Gross earnings (excluding recoveries, etc.).....	6.15	6.32	6.71	6.10	5.51	5.45	4.95	4.62	4.17	4.05
<i>Expenses:</i>										
Interest on time deposits.....	1.24	1.27	1.25	1.27	1.16	1.06	.93	.84	.68	.56
Interest on demand deposits.....	.69	.68	.69	.64	.42	.34	.17	.05	.03	.02
Interest on bank deposits.....	.25	.22	.19	.21	.16	.12	.05	.01	.01	.01
Total interest on deposits.....	2.18	2.17	2.13	2.12	1.74	1.52	1.15	.90	.72	.59
Interest and discount on borrowed money.....	.07	.14	.18	.06	.06	.14	.06	.01
Salaries and wages.....	1.28	1.27	1.30	1.28	1.23	1.25	1.23	1.22	1.16	1.12
Fees paid to directors and members of executive, discount, and advisory committees.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	.02
Taxes.....	.34	.32	.31	.32	.26	.24	.23	.23	.22	.26
Other expenses.....	.76	.75	.79	.76	.71	.86	.77	.79	.78	.79
Total expenses.....	4.63	4.65	4.71	4.53	4.00	4.01	3.44	3.15	2.88	2.78
Net earnings (before losses).....	1.52	1.67	2.00	1.57	1.51	1.44	1.51	1.47	1.29	1.27
<i>Losses and depreciation:</i>										
On loans.....	.38	.34	.39	.55	.88	1.41	1.70	1.68	.87	.66
On investments.....	.11	.13	.27	.31	.79	1.07	1.38	1.19	.69	.42
On banking house, furniture, and fixtures.....	.08	.09	.09	.10	.09	.08	.14	.15	.12	.12
All other.....	.06	.06	.07	.07	.09	.17	.21	.23	.18	.21
Total losses and depreciation.....	.63	.63	.82	1.03	1.85	2.73	3.43	3.24	1.86	1.41
<i>Recoveries, profits on securities, etc.:</i>										
Recoveries on loans.....	.08	.08	.07	.07	.08	.09	.12	.16	.25	.30
Recoveries on investments.....	.03	.03	.05	.03	.04	.21	.32	.69	.96	.51
Profits on securities sold.....	.32	.26	.21	.20	.21	.10	.06	.09	.09	.74
All other.....	.04	.04	.05	.03	.05	.10	.06	.09	.09	.07
Total recoveries, etc.....	.47	.41	.38	.33	.38	.40	.50	.94	1.30	1.62
Net profits ³	1.36	1.45	1.56	.87	.04	-.89	-1.42	-.83	.73	1.48

¹ Included in "other current earnings."² Included partly in "salaries and wages" and partly in "other expenses."³ Minus figures represent net deficits.

Source: FEDERAL RESERVE BULLETIN and Annual Reports of the Board of Governors of the Federal Reserve System. For dollar amounts see appendix table VIII.

TABLE VIII—ANNUAL EARNINGS, EXPENSES, LOSSES, RECOVERIES, AND NET PROFITS OF MEMBER BANKS, AND AMOUNTS OF LOANS AND INVESTMENTS, TOTAL RESOURCES, AND INVESTED CAPITAL, BY CALENDAR YEARS, 1927-1936

[In thousands of dollars]

	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
<i>Earnings:</i>										
Interest and discount on loans.....	1,254,289	1,374,130	1,562,769	1,349,364	1,072,927	851,007	604,297	540,014	498,419	513,399
Interest and dividends on investments.....	458,401	498,420	472,868	472,351	480,296	457,712	426,391	473,791	467,217	487,101
Interest on balances with other banks.....	36,318	33,178	33,264	35,799	28,682	16,759	7,705	2,425	1,681	1,207
Total interest earned.....	1,749,008	1,905,728	2,068,901	1,857,514	1,581,905	1,325,478	1,038,393	1,016,230	967,317	1,001,707
Collection charges, commissions, fees, etc.....	41,127	44,662	61,299	50,328	38,389	27,943	24,487	27,810	28,825	31,397
Foreign department.....	32,352	22,913	26,209	25,011	25,727	22,531	21,791	17,975	12,282	12,165
Trust department.....	52,971	65,956	77,589	80,280	75,041	64,822	59,658	70,994	77,703	88,297
Service charges on deposit accounts.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other current earnings.....	138,112	154,765	164,995	144,789	120,302	112,844	71,961	83,245	84,888	97,927
Gross earnings.....	2,013,570	2,194,024	2,398,993	2,157,922	1,841,424	1,553,618	1,236,864	1,243,873	1,206,649	1,270,908
<i>Expenses:</i>										
Interest on time deposits.....	405,711	439,384	444,636	450,865	387,284	301,863	231,765	227,371	196,490	175,164
Interest on demand deposits.....	225,685	234,926	246,493	225,280	140,691	97,862	42,802	12,494	9,298	7,137
Interest on bank deposits.....	81,642	75,352	68,131	72,847	52,935	34,599	13,424	3,498	2,695	2,175
Total interest on deposits.....	713,038	749,662	759,260	748,992	580,910	434,324	287,991	243,363	208,483	184,476
Interest and discount on borrowed money.....	24,514	48,443	64,265	22,001	19,136	38,814	15,178	3,637	1,230	613
Salaries and wages.....	420,128	440,000	463,847	451,776	412,531	356,557	306,021	327,424	334,468	351,714
Fees paid to directors and members of executive, discount, and advisory committees.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	6,269
Taxes.....	190,778	113,759	112,476	113,418	86,367	67,077	58,028	62,278	63,680	81,145
Other expenses.....	248,246	261,947	283,872	268,148	236,435	246,612	192,082	212,687	224,654	247,897
Total expenses.....	1,515,704	1,613,811	1,683,720	1,604,335	1,335,379	1,143,384	859,300	849,389	832,515	872,114
Net earnings (before losses).....	497,866	580,213	715,273	553,587	506,045	410,234	377,564	394,484	374,134	398,794
<i>Losses and depreciation:</i>										
On loans.....	123,745	119,290	139,588	194,725	295,241	403,272	425,442	451,782	252,374	206,548
On investments.....	37,284	45,293	95,465	109,028	264,170	304,961	344,053	320,496	198,765	131,406
On banking house, furniture, and fixtures.....	27,172	31,832	33,171	36,601	29,061	21,370	35,758	39,422	33,586	38,721
All other.....	20,492	20,779	27,249	24,960	31,984	48,627	53,026	61,244	53,537	64,873
Total losses and depreciation.....	208,693	217,194	295,473	365,314	620,456	778,230	858,279	872,944	538,262	441,548
<i>Recoveries, profits on securities, etc.:</i>										
Recoveries on loans.....	26,010	26,502	25,204	23,402	28,000	24,584	28,815	44,388	71,901	94,247
Recoveries on investments.....	10,830	11,475	19,956	12,334	13,541	60,191	80,072	185,591	277,027	160,318
Profits on securities sold.....	106,707	89,974	75,106	70,852	70,078	28,334	15,998	23,979	27,078	230,698
All other.....	14,289	12,898	16,448	11,641	15,053					22,808
Total recoveries, etc.....	157,836	140,849	136,714	118,229	126,672	113,109	124,885	253,959	376,006	508,071
Net profits ³	447,009	503,868	556,514	306,502	12,261	-254,887	-355,830	-224,501	211,878	465,317
Loans and investments ⁴	32,755,970	34,721,879	35,727,128	35,395,412	33,431,791	28,522,520	24,986,279	26,930,457	28,898,458	31,382,839
Total resources ⁴	42,806,432	45,596,198	47,533,082	47,164,240	43,991,171	37,042,289	33,366,549	37,176,100	41,613,260	45,903,758
Invested capital ⁴	5,162,702	5,622,312	6,360,306	6,722,782	6,395,866	5,660,145	4,902,319	5,049,525	5,118,478	5,209,486

¹ Included in "other current earnings."

² Included partly in "salaries and wages" and partly in "other expenses."

³ Minus figures represent net deficits.

⁴ For 1933, figures of loans, investments, total resources, and invested capital are averages of amounts from reports of condition for 3 call dates (June 30, October 25, and December 30, 1933); for other years they are averages of amounts for all call dates during the year and the last call date in the previous year.

Source: FEDERAL RESERVE BULLETIN and Annual Reports of the Board of Governors of the Federal Reserve System.

TABLE IX—INTEREST ON DEPOSITS, SALARIES AND WAGES, AND OTHER EXPENSES PER \$100 OF LOANS AND INVESTMENTS OF KANSAS STATE BANKS¹ 1902-1935² AND OF ALL NATIONAL BANKS, 1918-1937²

Year	Interest on deposits		Salaries and wages		Other expenses	
	Kansas	National	Kansas	National	Kansas	National
1902	\$.76		\$2.37		\$1.84	
1903	.75		2.28		2.09	
1904	.88		2.31		1.79	
1905	.92		2.35		2.20	
1906	.99		2.31		1.80	
1907	.98		2.16		1.71	
1908	1.16		2.40		1.77	
1909	1.05		2.19		2.36	
1910	1.07		2.20		1.81	
1911	1.21		2.39		1.91	
1912	1.34		2.31		1.80	
1913	1.47		2.27		1.75	
1914	1.58		2.29		1.81	
1915	1.60		2.20		1.87	
1916	1.67		2.07		1.79	
1917	1.95		1.92		1.73	
1918	1.81	\$1.79	1.81	\$.84	1.86	\$1.12
1919	1.75	1.66	1.86	.89	2.07	1.36
1920	1.72	1.73	1.98	1.06	2.14	1.64
1921	1.81	1.92	2.23	1.34	2.46	2.21
1922	1.92	1.86	2.32	1.25	2.25	1.52
1923	1.85	1.89	2.29	1.20	2.13	1.27
1924	2.05	1.97	2.54	1.23	2.38	1.27
1925	2.06	2.03	2.39	1.18	2.29	1.13
1926	1.92	2.02	2.33	1.19	2.13	1.16
1927	1.86	2.00	2.38	1.19	2.08	1.14
1928	1.80	2.02	2.39	1.18	2.06	1.09
1929	1.72	2.12	2.39	1.27	1.96	1.21
1930	1.65	2.10	2.40	1.27	1.78	1.22
1931	1.68	2.11	2.62	1.32	1.75	1.11
1932	1.69	1.85	2.62	1.37	1.77	1.20
1933	1.65	1.64	2.59	1.32	1.79	1.34
1934	1.39	1.04	2.51	1.19	1.85	1.04
1935	1.10	.91	2.42	1.16	1.80	.99
1936		.69		1.06		.98
1937 ²		.63		1.09		1.04

TABLE X—GROSS EARNINGS, EXPENSES, NET EARNINGS, GROSS LOSSES, AND NET PROFITS PER \$100 OF LOANS AND INVESTMENTS OF KANSAS STATE BANKS,¹ 1902-1935

Calendar year	Gross earnings	Ex-penses	Net earnings	Gross losses	Net profits
1902	\$10.57	\$4.97	\$5.60	\$.94	\$4.66
1903	10.26	5.12	5.14	.57	4.57
1904	10.30	4.98	5.32	.46	4.86
1905	10.40	5.47	4.93	.71	4.22
1906	9.89	5.10	4.79	.46	4.33
1907	9.10	4.85	4.25	.60	3.65
1908	10.22	5.33	4.89	.78	4.11
1909	9.98	5.60	4.38	.48	3.90
1910	9.26	5.08	4.18	.49	3.69
1911	9.35	5.51	3.84	.39	3.45
1912	9.27	5.45	3.82	.43	3.39
1913	9.31	5.49	3.82	.65	3.17
1914	8.95	5.67	3.28	.47	2.81
1915	9.09	5.67	3.42	.43	2.99
1916	9.18	5.53	3.65	.48	3.17
1917	8.81	5.60	3.21	.52	2.69
1918	8.11	5.48	2.63	.40	2.23
1919	8.29	5.68	2.61	.40	2.21
1920	8.10	5.84	2.26	.50	1.76
1921	8.41	6.50	1.91	.78	1.13
1922	8.44	6.49	1.95	1.05	.90
1923	8.13	6.27	1.86	1.05	.81
1924	8.75	6.97	1.78	1.03	.75
1925	8.61	6.74	1.87	1.12	.75
1926	8.38	6.38	2.00	1.32	.68
1927	8.38	6.32	2.06	1.39	.67
1928	8.47	6.25	2.22	1.17	1.05
1929	8.37	6.07	2.30	1.02	1.28
1930	8.51	5.83	2.68	1.52	1.16
1931	7.99	6.05	1.94	1.52	.42
1932	7.39	6.08	1.31	1.83	² - .52
1933	7.10	6.03	1.07	3.27	² -2.20
1934	8.04	5.75	2.29	4.18	² -1.89
1935	8.16	5.32	2.84	2.46	.38

¹ Includes State and private banks and trust companies.
² Deficit.

Dollar amounts shown in table XI.

¹ Includes State and private banks and trust companies.
² Kansas figures for calendar years; national bank figures for fiscal years ending June 30.

³ Member national banks.

Dollar amounts for Kansas State banks in table XI; for national banks computed from dollar figures shown in the *Annual Reports of the Comptroller of the Currency*.

TABLE XI—LOANS AND INVESTMENTS, ANNUAL GROSS EARNINGS, ANALYSIS OF EXPENSES, GROSS LOSSES, AND NET PROFITS OF KANSAS STATE BANKS,¹ 1902-1935²

[In thousands of dollars]

Year	Loans and investments	Gross earnings	Expenses				Gross losses	Net profits
			Total	Salaries and wages	Interest on deposits	Other expenses		
1902	32,483	3,433	1,616	769	248	599	306	1,511
1903	37,677	3,866	1,929	859	282	788	216	1,721
1904	40,510	4,172	2,019	935	359	725	187	1,966
1905	44,657	4,644	2,442	1,051	412	979	319	1,883
1906	50,985	5,042	2,602	1,179	503	920	232	2,208
1907	61,514	5,597	2,982	1,325	604	1,053	371	2,244
1908	60,854	6,217	3,241	1,458	708	1,075	472	2,504
1909	75,593	7,542	4,236	1,653	797	1,786	361	2,945
1910	84,878	7,856	4,308	1,863	910	1,535	417	3,131
1911	83,510	7,806	4,605	2,000	1,007	1,598	322	2,879
1912	92,200	8,550	5,026	2,131	1,239	1,656	398	3,126
1913	99,155	9,230	5,445	2,255	1,456	1,734	642	3,143
1914	102,929	9,209	5,837	2,354	1,623	1,860	480	2,892
1915	115,170	10,464	6,527	2,529	1,847	2,151	493	3,444
1916	132,705	12,183	7,344	2,747	2,223	2,374	635	4,204
1917	162,615	14,332	9,112	3,115	3,178	2,819	849	4,371
1918	208,155	16,872	11,399	3,766	3,772	3,861	830	4,643
1919	245,510	20,349	13,949	4,584	4,291	5,074	978	5,422
1920	287,313	23,264	16,773	5,696	4,937	6,140	1,437	5,054
1921	266,724	22,423	17,346	5,960	4,820	6,566	2,093	2,984
1922	244,192	20,616	15,851	5,660	4,702	5,489	2,575	2,190
1923	240,024	19,517	15,040	5,490	4,437	5,113	2,514	1,963
1924	219,649	19,210	15,311	5,568	4,508	5,235	2,262	1,637
1925	224,299	19,316	15,122	5,352	4,625	5,145	2,519	1,675
1926	223,201	18,703	14,235	5,199	4,293	4,743	2,955	1,513
1927	210,113	17,604	13,286	5,011	3,909	4,366	2,923	1,395
1928	207,265	17,564	12,947	4,950	3,725	4,272	2,430	2,187
1929	207,693	17,385	12,600	4,960	3,566	4,074	2,117	2,068
1930	193,590	16,484	11,296	4,737	3,200	3,359	2,934	2,254
1931	155,967	12,460	9,430	4,094	2,617	2,719	2,371	659
1932	129,842	9,597	7,893	3,406	2,195	2,292	2,376	* -672
1933	105,737	7,508	6,375	2,737	1,744	1,894	3,457	3 -2,324
1934	104,351	8,394	6,004	2,622	1,453	1,929	4,362	3 -1,972
1935	108,828	8,882	5,794	2,640	1,195	1,959	2,682	406

¹ Includes State and private banks and trust companies.

² Loans and investments as of June 30 each year; other data on calendar year basis.

* Deficit.

Source: Biennial reports of the Bank Commissioner of the State of Kansas.

TABLE XII—INTEREST RECEIVED, INTEREST PAID, EXPENSE OTHER THAN INTEREST, AND THE DIFFERENCE BETWEEN INTEREST RECEIVED AND INTEREST PAID PER \$100 OF LOANS AND INVESTMENTS OF KANSAS STATE BANKS,¹ 1902-1935

Calendar year	Interest received	Interest paid	Expense other than interest	Difference between interest received and interest paid
1902	\$9.16	\$.81	\$4.17	\$8.35
1903	8.80	.81	4.31	7.99
1904	9.07	.93	4.05	8.14
1905	8.97	.98	4.49	7.99
1906	8.92	1.04	4.06	7.88
1907	8.20	1.03	3.82	7.17
1908	8.97	1.21	4.11	7.76
1909	8.38	1.18	4.43	7.20
1910	8.23	1.19	3.88	7.04
1911	8.66	1.32	4.20	7.34
1912	8.51	1.48	3.98	7.03
1913	8.46	1.57	3.92	6.89
1914	8.34	1.78	3.89	6.56
1915	8.44	1.78	3.89	6.66
1916	8.44	1.82	3.72	6.62
1917	8.25	2.05	3.56	6.20
1918	7.63	2.00	3.48	5.63
1919	7.75	2.09	3.59	5.66
1920	7.58	2.16	3.68	5.42
1921	7.84	2.29	4.22	5.55
1922	7.53	2.22	4.27	5.31
1923	7.15	2.10	4.17	5.05
1924	7.66	2.27	4.70	5.39
1925	7.43	2.24	4.50	5.19
1926	7.17	2.10	4.28	5.07
1927	7.01	2.02	4.31	4.99
1928	7.09	1.92	4.33	5.17
1929	7.06	1.85	4.22	5.21
1930	6.73	1.75	4.08	4.98
1931	6.60	1.85	4.20	4.75
1932	6.16	1.94	4.14	4.22
1933	5.84	1.81	4.22	4.03
1934	5.77	1.50	4.25	4.27
1935	5.45	1.17	4.15	4.28

¹ Includes State and private banks and trust companies. Dollar amounts shown in table XIII.

TABLE XIII—INTEREST RECEIVED, INTEREST PAID, AND EXPENSE OTHER THAN INTEREST OF KANSAS STATE BANKS,¹ 1902-1935

[In thousands of dollars]

Calendar year	Interest received	Interest paid			Expense other than interest	Calendar year	Interest received	Interest paid			Expense other than interest
		On deposits	Other	Total				On deposits	Other	Total	
1902	2,975	248	15	263	1,353	1919	19,020	4,291	833	5,124	8,825
1903	3,314	282	24	306	1,623	1920	21,775	4,937	1,258	6,195	10,578
1904	3,673	359	18	377	1,642	1921	20,912	4,820	1,278	6,098	11,248
1905	4,007	412	26	438	2,004	1922	18,398	4,702	723	5,425	10,426
1906	4,549	503	27	530	2,072	1923	17,164	4,437	606	5,043	9,997
1907	5,043	604	27	631	2,351	1924	16,815	4,508	473	4,981	10,330
1908	5,460	708	31	739	2,592	1925	16,662	4,625	407	5,032	10,090
1909	6,331	797	94	891	3,345	1926	16,006	4,293	390	4,683	9,552
1910	6,989	910	103	1,013	3,295	1927	14,733	3,909	329	4,238	9,048
1911	7,228	1,007	94	1,101	3,594	1928	14,701	3,725	247	3,972	8,975
1912	7,849	1,239	122	1,361	3,665	1929	14,659	3,566	269	3,835	8,765
1913	8,393	1,456	102	1,558	3,887	1930	13,029	3,200	196	3,396	7,900
1914	8,577	1,623	208	1,831	4,006	1931	10,298	2,617	271	2,888	6,543
1915	9,719	1,847	198	2,045	4,482	1932	8,003	2,195	321	2,516	5,377
1916	11,199	2,223	187	2,410	4,934	1933	6,174	1,744	166	1,910	4,465
1917	13,409	3,178	149	3,327	5,785	1934	6,019	1,453	112	1,565	4,439
1918	15,890	3,772	384	4,156	7,243	1935	5,927	1,195	83	1,278	4,516

¹ Includes State and private banks and trust companies.

Source: Biennial reports of the Bank Commissioner of the State of Kansas.

TABLE XIV—AVERAGE LOANS,¹ AVERAGE INVESTMENTS,¹ AND GROSS RETURN, GROSS LOSSES, RECOVERIES, NET LOSSES, AND NET RETURN ON LOANS AND ON INVESTMENTS OF ALL MEMBER BANKS, ANNUALLY, 1927-1936

[In millions of dollars]

Calendar year	Average		Gross return ² on		Gross losses on		Recoveries on		Net losses on		Net return on	
	Loans	Investments	Loans	Investments	Loans	Investments	Loans	Investments ³	Loans	Investments ⁴	Loans	Investments
1927.....	23,006	9,750	1,254	458	124	37	26	118	98	+80	1,157	539
1928.....	24,154	10,568	1,374	498	119	45	27	101	93	+56	1,281	555
1929.....	25,615	10,112	1,563	473	140	95	25	95	114	-----	1,448	472
1930.....	25,018	10,377	1,349	472	195	109	23	83	171	26	1,178	447
1931.....	21,732	11,700	1,073	480	295	264	28	84	267	181	806	300
1932.....	16,744	11,779	851	458	403	305	25	60	379	245	472	213
1933.....	12,917	12,070	604	426	425	344	29	80	397	264	208	162
1934.....	12,477	14,454	540	474	452	320	44	186	407	135	133	339
1935.....	11,985	16,913	498	467	252	199	72	277	180	+78	318	545
1936.....	12,544	18,839	513	487	207	131	94	391	112	+260	401	747

¹ Average of amounts reported on call dates, December through December, except in 1933.

² Gross return is comprised of interest and discount on loans, and interest and dividends on investments.

³ Profits on securities sold are included in recoveries on investments.

⁴ A plus sign indicates an excess of recoveries and profits on securities sold over gross losses.

Source: FEDERAL RESERVE BULLETIN and Annual Reports of the Board of Governors of the Federal Reserve System.

TABLE XV—GROSS ANNUAL RATES OF RETURN ON LOANS AND ON INVESTMENTS OF MEMBER BANKS, BY FEDERAL RESERVE DISTRICTS, 1927-1936

[Figures in percentages]

Calendar year	All member banks	Federal Reserve districts											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Gross return ¹ on loans													
1927.....	5.5	5.0	4.7	5.4	5.8	6.0	6.3	5.4	5.8	6.3	6.7	7.1	6.0
1928.....	5.7	5.4	5.2	5.5	5.9	6.1	6.4	5.5	5.9	6.4	6.8	7.0	6.2
1929.....	6.1	6.1	5.9	5.8	6.1	6.1	6.6	6.0	6.2	6.8	7.0	7.4	6.3
1930.....	5.4	5.2	4.6	5.4	5.8	5.8	6.1	5.6	5.6	6.5	6.8	7.0	6.1
1931.....	4.9	4.8	4.1	5.2	5.4	5.6	5.8	4.6	5.3	6.0	6.5	6.6	5.9
1932.....	5.1	5.0	4.4	5.1	5.5	5.5	5.7	4.9	5.6	5.9	6.5	6.6	5.7
1933.....	4.7	4.6	3.8	4.9	5.5	5.5	5.3	4.3	5.2	5.5	6.3	6.4	5.6
1934.....	4.3	4.3	3.3	4.6	5.2	5.3	5.1	4.2	4.9	5.0	6.0	6.3	5.2
1935.....	4.2	4.1	3.0	4.5	5.0	5.2	5.0	4.2	4.7	4.7	5.8	6.4	5.0
1936.....	4.1	4.0	2.9	4.5	4.9	5.2	5.1	4.0	4.7	4.7	5.8	6.5	5.1
Gross return ² on investments													
1927.....	4.7	5.1	5.1	5.0	4.9	4.0	4.1	4.3	4.6	3.9	4.3	3.4	4.1
1928.....	4.7	4.9	5.0	5.0	5.0	4.1	4.2	4.6	4.6	4.2	4.3	3.5	4.3
1929.....	4.7	4.8	4.9	5.2	5.0	4.1	4.0	4.4	4.7	4.4	4.4	3.9	4.2
1930.....	4.5	4.8	4.5	5.1	4.8	4.1	4.0	4.4	4.6	4.4	4.4	3.7	4.4
1931.....	4.1	4.3	3.9	4.7	4.6	3.8	3.8	3.8	4.3	4.3	4.2	3.4	4.0
1932.....	3.9	4.0	3.7	4.4	4.3	3.6	3.7	3.7	3.9	4.4	4.0	3.5	3.8
1933.....	3.5	3.6	3.5	4.0	3.8	3.5	3.2	3.0	3.5	4.0	3.4	3.3	3.6
1934.....	3.3	3.6	3.0	3.9	3.7	3.4	3.4	2.9	3.3	3.8	3.4	3.3	3.5
1935.....	2.8	3.0	2.3	3.7	3.3	3.1	3.0	2.4	3.1	3.1	3.0	2.9	3.1
1936.....	2.6	3.0	2.2	3.5	3.1	2.8	2.9	2.3	2.7	2.9	2.6	2.9	2.8

¹ Interest and discount.

² Interest and dividends.

Source of basic figures from which percentages were computed: FEDERAL RESERVE BULLETIN.

TABLE XVI—NET ANNUAL RATES OF LOSS ON LOANS AND ON INVESTMENTS OF MEMBER BANKS, BY FEDERAL RESERVE DISTRICTS, 1927-1936

[Figures in percentages]

Calendar year	All member banks	Federal Reserve districts											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Net loss ¹ on loans													
1927	.4	.5	.3	.3	.4	.6	.7	.4	.4	.8	1.0	.9	.5
1928	.4	.6	.2	.4	.3	.5	.8	.3	.4	.8	.7	.8	.4
1929	.4	.5	.4	.3	.3	.6	.9	.5	.4	.7	.6	.8	.3
1930	.7	.7	.8	.6	.5	.6	1.3	.5	.5	.6	.8	1.3	.5
1931	1.2	1.0	1.5	1.2	.7	1.3	1.7	1.1	.9	.9	1.5	2.1	.6
1932	2.3	1.8	3.1	2.3	1.5	1.6	1.3	2.2	1.3	1.8	2.5	2.8	1.3
1933	3.1	3.4	2.7	2.6	2.5	3.1	3.1	6.2	3.2	2.8	3.3	4.2	1.9
1934	3.3	2.8	3.7	3.2	3.5	3.1	3.2	3.4	2.7	4.3	3.1	3.3	2.3
1935	1.5	1.0	1.7	2.2	1.3	1.5	1.4	1.6	1.1	4.3	1.6	1.3	1.2
1936	.9	1.0	.8	1.4	1.2	.6	.9	1.0	.3	.2	.2	.4	1.2
Net loss ² on investments													
1927 ³	+ .8	+ .6	+1.1	+1.0	+ .7	+ .6	+ .4	+ .8	+ .7	+ .2	+ .3	+ .3	+ .7
1928 ³	+ .5	+ .6	+ .6	+ .8	+ .6	+ .3	+ .4	+ .6	+ .5	+ .1	-----	+ .1	+ .6
1929 ³	-----	1.8	+ .2	+ .3	+ .2	.2	.1	+ .1	+ .1	.2	-----	+ .1	+ .2
1930 ³	.2	.2	.7	.3	-----	.2	.3	+ .3	.3	.1	.2	+ .2	-----
1931 ³	1.5	1.8	1.8	2.5	1.7	1.8	1.3	1.0	1.7	1.0	1.0	.7	.4
1932	2.1	2.8	2.0	4.2	1.9	2.4	1.0	2.3	1.6	2.6	1.0	.8	.6
1933	2.2	2.4	2.8	2.2	1.3	3.0	1.5	2.6	2.4	3.1	1.0	.5	.6
1934 ³	.9	.7	1.3	1.4	1.0	+ .1	1	.4	1.1	1.9	.4	+ .2	.5
1935 ³	+ .4	+ .4	+ .5	+ .1	.1	+ .3	+ .7	+ .4	+ .5	+ .4	+ .6	+1.0	+1.0
1936 ³	+1.4	+1.1	+1.9	+1.0	+ .9	+ .8	+ .9	+1.3	+1.1	+ .5	+ .6	+ .9	+1.2

¹ Gross losses on loans less recoveries on loans.² Gross losses on investments less recoveries on investments and profits on securities sold.³ A plus sign indicates an excess of recoveries and profits on securities sold over gross losses.

Source of basic figures from which percentages were computed: FEDERAL RESERVE BULLETIN.

TABLE XVII—NET ANNUAL RATES OF RETURN ON LOANS AND ON INVESTMENTS OF MEMBER BANKS, BY FEDERAL RESERVE DISTRICTS, 1927-1936

[Figures in percentages]

Calendar year	All member banks	Federal Reserve districts											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Net return ¹ on loans													
1927	5.1	4.5	4.4	5.1	5.4	5.4	5.6	5.0	5.4	5.5	5.7	6.2	5.5
1928	5.3	4.8	5.0	5.1	5.6	5.6	5.6	5.2	5.5	5.6	6.1	6.2	5.8
1929	5.7	5.6	5.5	5.5	5.8	5.5	5.7	5.5	5.8	6.1	6.4	6.6	6.0
1930	4.7	4.5	3.8	4.8	5.3	5.2	4.8	5.1	5.1	5.9	6.0	5.7	5.6
1931	3.7	3.8	2.6	4.0	4.7	4.3	4.1	3.5	4.4	5.1	5.0	4.5	5.3
1932	2.8	3.2	1.3	2.8	4.0	3.9	4.4	2.7	4.3	4.1	4.0	3.8	4.4
1933	1.6	1.2	1.1	2.3	3.0	2.4	2.2	² -1.9	2.0	2.7	3.0	2.2	3.7
1934	1.0	1.5	² - .4	1.4	1.7	2.2	1.9	.8	2.2	.7	2.9	3.0	2.9
1935	2.7	3.1	1.3	2.3	3.7	3.7	3.6	2.6	3.6	3.4	4.2	5.1	3.8
1936	3.2	3.0	2.1	3.1	3.7	4.6	4.2	3.0	4.4	4.5	5.6	6.1	3.9
Net return ³ on investments													
1927	5.5	5.7	6.2	6.0	5.6	4.6	4.5	5.1	5.3	4.1	4.6	3.7	4.8
1928	5.2	5.5	5.6	5.8	5.6	4.4	4.6	5.2	5.1	4.3	4.3	3.4	4.9
1929	4.7	3.0	5.1	5.5	5.2	3.9	3.9	4.5	4.8	4.3	4.2	3.8	4.4
1930	4.3	4.6	3.8	4.8	4.8	3.9	3.7	4.7	4.3	4.5	4.2	3.9	4.4
1931	2.6	2.5	2.1	2.2	2.9	2.0	2.5	2.8	2.6	3.3	3.2	2.7	3.6
1932	1.8	1.2	1.7	.2	2.4	1.2	2.7	1.4	2.3	1.8	3.0	2.7	3.2
1933	1.3	1.2	.7	1.8	2.5	.5	1.7	.4	1.1	.9	2.4	2.8	3.0
1934	2.4	2.9	1.7	2.5	2.7	3.3	3.5	2.5	2.2	1.9	3.0	3.5	3.0
1935	3.2	3.4	2.8	3.8	3.2	3.4	3.7	2.8	3.6	3.5	3.6	3.9	4.1
1936	4.0	4.1	4.1	4.5	4.0	3.6	3.8	3.6	3.8	3.4	3.2	3.8	4.0

¹ Interest and discount, less net losses or plus net recoveries.² Deficit.³ Interest and dividends, less net losses or plus net recoveries.

Source of basic figures from which percentages were computed: FEDERAL RESERVE BULLETIN.

EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS DURING 1937

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
CURRENT EARNINGS													
Discounted bills.....	\$212,410	\$17,578	\$85,780	\$26,307	\$8,083	\$9,054	\$23,720	\$6,870	\$5,075	\$4,759	\$6,655	\$9,967	\$8,562
Purchased bills.....	24,031	1,602	8,724	2,348	2,167	885	785	2,801	662	464	641	642	2,310
U. S. Government securities.....	39,025,450	2,838,673	11,035,951	3,257,295	3,848,643	2,074,526	1,726,139	4,330,806	1,752,810	1,292,462	1,943,299	1,527,738	3,397,108
Industrial advances.....	1,091,417	136,260	261,114	222,940	46,056	122,824	13,778	51,554	15,801	43,381	31,787	69,611	76,311
Commitments to make industrial advances.....	189,897	17,818	67,704	1,766	11,288	17,640	1,620	196	11,514	636	2,129	3,465	54,121
All other.....	689,930	4,771	89,233	48,438	70,382	25,056	25,355	183,356	16,872	8,657	149,847	12,070	55,893
Total current earnings.....	41,233,135	3,016,702	11,548,506	3,559,094	3,986,619	2,249,985	1,791,397	4,575,583	1,802,734	1,350,359	2,134,358	1,623,493	3,594,305
CURRENT EXPENSES													
Operating expenses:													
Salaries:													
Officers.....	\$2,294,321	\$114,125	\$525,819	\$117,806	\$185,809	\$158,620	\$157,029	\$244,705	\$173,677	\$106,835	\$165,122	\$131,800	\$212,974
Employees.....	16,223,573	1,088,402	4,320,000	1,286,729	1,404,381	935,458	804,054	1,905,387	874,574	549,152	896,692	739,515	1,359,229
Retirement System contributions for current service.....	894,142	55,514	233,907	69,004	77,519	53,897	42,035	104,784	51,633	33,255	57,439	38,857	76,298
Legal fees.....	63,504	3,616	7,058	6,071	5,462	1,932	531	16	9,196	10,256	9,006	10,300	10,300
Directors' fees and expenses.....	138,483	6,334	10,445	8,131	7,958	6,502	14,130	6,577	12,623	12,104	29,595	8,265	15,819
Federal Advisory Council fees and expenses.....	14,399	1,157	549	750	676	832	1,021	992	1,350	995	1,239	1,488	3,350
Traveling expenses (other than of directors and members of Federal Advisory Council).....	272,761	15,644	48,415	27,801	22,427	22,827	17,725	23,870	18,077	22,630	12,917	12,784	27,644
Postage and expressage.....	3,287,856	361,891	555,155	299,718	294,961	261,133	219,563	375,500	151,251	123,536	215,021	162,382	267,745
Telephone and telegraph.....	536,424	24,841	110,661	33,365	50,201	33,620	50,960	34,533	38,742	19,930	46,574	37,179	55,818
Printing, stationery and supplies.....	770,002	72,020	155,437	75,936	58,184	44,388	49,403	86,126	42,251	31,070	45,150	44,281	65,756
Insurance on currency and security shipments.....	281,419	40,235	54,269	31,873	29,572	19,961	15,663	29,895	6,203	8,728	10,054	9,167	25,799
Other insurance.....	236,095	15,620	30,045	18,859	18,754	15,554	17,364	20,807	19,171	19,792	22,843	16,256	21,030
Taxes on bank premises.....	1,391,665	146,541	413,865	69,767	129,615	68,274	58,897	163,820	53,277	72,103	87,606	31,095	96,805
Depreciation on bank building.....	1,297,858	55,832	297,378	126,532	156,770	109,233	43,076	130,837	48,898	28,809	127,877	69,492	103,124
Light, heat, power, and water.....	379,870	27,547	73,470	35,312	41,998	20,871	18,029	42,920	23,110	17,161	34,172	19,849	25,431
Repairs and alterations to bank building.....	152,688	4,373	22,039	15,586	11,691	5,853	18,189	13,458	11,179	15,150	10,497	12,801	11,872
Rent.....	176,823	240	1,284	82,908	29,217	4,513	3,093	3,100	90	-----	-----	1,605	50,773
Furniture and equipment.....	290,187	13,193	55,883	29,531	29,195	5,891	15,007	33,696	40,462	19,778	16,614	18,141	12,796
All other.....	540,465	28,417	63,886	66,012	51,704	29,908	40,205	68,529	25,549	36,008	36,008	28,430	64,653
Total operating expenses.....	29,242,535	2,075,542	6,978,281	2,320,067	2,719,785	1,822,039	1,588,795	3,290,060	1,606,758	1,115,863	1,825,676	1,392,453	2,507,216
Less reimbursements for certain fiscal agency and other expenses.....	3,947,700	203,000	690,443	220,719	260,018	262,149	484,835	549,087	360,893	153,449	219,096	305,025	238,986
Net operating expenses.....	25,294,835	1,872,542	6,287,838	2,099,348	2,459,767	1,559,890	1,103,960	2,740,973	1,245,865	962,414	1,606,580	1,087,428	2,268,230
Assessment for expenses of Board of Governors.....	1,748,380	126,619	631,679	171,565	161,223	75,054	61,248	203,408	51,615	40,347	50,120	51,390	124,112
Federal Reserve currency:													
Original cost.....	1,530,802	143,830	380,620	122,380	132,281	81,218	67,393	222,781	62,215	43,740	55,361	60,056	158,927
Cost of redemption.....	226,597	17,765	50,811	18,541	16,974	13,611	19,926	32,396	11,398	6,359	8,492	9,984	20,340
Total current expenses.....	28,800,614	2,160,756	7,350,948	2,411,834	2,770,245	1,729,773	1,252,527	3,199,558	1,371,093	1,052,860	1,720,553	1,208,858	2,571,609

EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS DURING 1937—Continued

	Total	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Francisco
PROFIT AND LOSS ACCOUNT													
Current earnings.....	\$41,233,135	\$3,016,702	\$11,548,506	\$3,559,094	\$3,986,619	\$2,249,985	\$1,791,397	\$4,575,583	\$1,802,734	\$1,350,359	\$2,134,358	\$1,623,493	\$3,594,305
Current expenses.....	28,800,614	2,160,756	7,350,948	2,411,834	2,770,245	1,729,773	1,252,527	3,199,558	1,371,093	1,052,860	1,720,553	1,208,858	2,571,609
Current net earnings.....	12,432,521	855,946	4,197,558	1,147,260	1,216,374	520,212	538,870	1,376,025	431,641	297,499	413,805	414,635	1,022,696
Additions to current net earnings:													
Profits on sales of U. S. Govern- ment securities.....	2,413,428	172,173	664,580	200,909	239,359	127,633	104,366	276,470	116,946	82,119	122,583	94,275	212,015
All other.....	945,261	461	54,622	84	138	56,577	139,772	534,718	1,802	85,478	7,387	18,273	45,949
Total.....	3,358,689	172,634	719,202	200,993	239,497	184,210	244,138	811,188	118,748	167,597	129,970	112,548	257,964
Deductions from current net earnings:													
Losses and reserves for losses.....	516,906	102,000	206,500	17		113,543	24,868			15,000			54,978
Special reserves and charge-offs on bank premises.....	186,841						75,000			41,837		70,004	
Prior service contributions to Retirement System.....	2,520,365	178,800	638,544	193,476	219,906	157,044	93,840	332,999	144,900	83,040	170,760	109,308	197,748
Assessment for building for Board of Governors.....	1,423,695	103,465	514,457	140,073	131,155	60,953	49,859	165,119	42,080	33,088	40,840	41,878	100,728
All other.....	342,156	1,229	12,893	5,546	23,749	849	292,678	1,489	452	723	530	445	1,573
Total.....	4,989,963	385,494	1,372,394	339,112	374,810	332,389	536,245	499,607	187,432	173,688	212,130	221,635	355,027
Net deductions from current net earnings.....	1,631,274	212,860	653,192	138,119	135,313	148,179	292,107	+311,581	68,684	6,091	82,160	109,087	97,063
Net earnings.....	10,801,247	643,086	3,544,366	1,009,141	1,081,061	372,033	246,763	1,687,606	362,957	291,408	331,645	305,548	925,633
Paid U. S. Treasury (sec. 13b).....	176,625	6,648	4,997	83,968	13,476			28,354	4,152		9,994	25,036	
Dividends paid.....	7,940,966	562,652	3,070,594	734,768	773,118	291,235	260,851	763,115	229,420	174,057	241,360	231,988	607,808
Transferred to surplus (sec. 13b).....	67,304			86,283		-13,420	-24,263	12,767		-1,751		7,688	
Transferred to surplus (sec. 7).....	2,616,352	73,786	468,775	104,122	294,467	94,218	10,175	883,370	129,385	119,102	80,291	40,836	317,825

FINANCIAL, INDUSTRIAL, AND COMMERCIAL STATISTICS
UNITED STATES

PRINCIPAL ASSETS AND LIABILITIES OF ALL FEDERAL RESERVE BANKS

[In thousands of dollars]

	Wednesday figures							End of month		
	1938			1937				1937		1936
	Jan. 19	Jan. 12	Jan. 5	Dec. 29	Dec. 22	Dec. 15	Dec. 8	Dec.	Nov.	Dec.
ASSETS										
Gold certificates on hand and due from U. S. Treasury	9, 118, 394	9, 119, 891	9, 119, 892	9, 120, 391	9, 120, 390	9, 121, 907	9, 121, 907	9, 119, 891	9, 122, 408	8, 851, 880
Redemption fund—F. R. notes	9, 393	8, 324	9, 436	9, 913	9, 912	8, 920	9, 688	9, 436	9, 940	12, 741
Other cash	426, 665	403, 894	362, 631	330, 544	283, 366	313, 180	311, 282	351, 688	318, 036	256, 534
Total reserves	9, 554, 452	9, 532, 109	9, 491, 959	9, 460, 848	9, 413, 668	9, 444, 007	9, 442, 877	9, 481, 015	9, 450, 384	9, 121, 155
Bills discounted:										
For member banks	10, 710	11, 115	11, 080	12, 847	16, 121	15, 771	17, 388	9, 866	16, 584	2, 612
For nonmember banks, etc.	80					1	2		2	301
Total bills discounted	10, 790	11, 115	11, 080	12, 847	16, 121	15, 772	17, 390	9, 866	16, 586	2, 913
Bills bought:										
Payable in foreign currencies	548	540	540	2, 827	2, 825	2, 825	2, 825	540	2, 828	3, 089
Industrial advances	17, 829	17, 883	17, 894	18, 291	18, 380	18, 432	18, 450	18, 049	18, 557	24, 650
U. S. Government securities:										
Bonds	728, 073	747, 039	751, 539	751, 539	751, 539	771, 539	738, 073	751, 539	738, 073	490, 643
Treasury notes	1, 171, 713	1, 159, 497	1, 154, 997	1, 154, 997	1, 154, 997	1, 134, 997	1, 168, 463	1, 154, 997	1, 168, 463	1, 340, 983
Treasury bills	664, 229	657, 479	637, 479	657, 479	657, 479	657, 479	657, 479	657, 479	657, 479	598, 621
Total Government securities	2, 564, 015	2, 564, 015	2, 564, 015	2, 564, 015	2, 564, 015	2, 564, 015	2, 564, 015	2, 564, 015	2, 564, 015	2, 430, 227
Other Reserve bank credit	16, 600	5, 726	9, 282	3, 577	56, 533	29, 533	9, 008	19, 666	4, 488	39, 284
Total Reserve bank credit outstanding	2, 609, 782	2, 599, 279	2, 602, 811	2, 601, 557	2, 657, 874	2, 630, 577	2, 611, 688	2, 612, 136	2, 606, 444	2, 500, 163
LIABILITIES										
F. R. notes in actual circulation	4, 155, 272	4, 190, 134	4, 257, 846	4, 283, 385	4, 346, 383	4, 293, 307	4, 294, 885	4, 283, 611	4, 273, 526	4, 283, 537
Deposits:										
Member bank—reserve account	7, 218, 937	7, 193, 380	7, 071, 249	6, 982, 752	6, 854, 904	6, 884, 407	6, 836, 282	7, 026, 809	6, 961, 735	6, 606, 430
U. S. Treasurer—general account	135, 018	115, 321	126, 896	139, 604	152, 593	231, 540	241, 843	142, 390	121, 300	243, 662
Foreign bank	107, 934	174, 704	175, 313	172, 634	188, 837	216, 438	225, 938	171, 750	271, 662	98, 620
Other deposits	250, 047	226, 333	228, 428	239, 983	280, 868	202, 563	219, 700	235, 743	193, 101	160, 207
Total deposits	7, 771, 936	7, 709, 738	7, 601, 886	7, 534, 973	7, 477, 202	7, 534, 968	7, 523, 763	7, 576, 692	7, 547, 858	7, 108, 919
Ratio of total reserves to deposit and F. R. note liabilities combined (percent)	80.1	80.1	80.0	80.1	79.6	79.8	79.9	79.9	79.9	80.1

MATURITY DISTRIBUTION OF BILLS AND U. S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

[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	6 months to 1 year	1 year to 2 years	2 years to 5 years	Over 5 years
Bills discounted:										
Dec. 29	12, 847	10, 697	395	582	414	728	31			
Jan. 5	11, 080	8, 966	314	681	437	661	21			
Jan. 12	11, 115	8, 701	430	742	636	586	20			
Jan. 19	10, 790	8, 215	714	578	774	492	17			
Bills bought in open market:										
Dec. 29	2, 827		438	400	1, 989					
Jan. 5	540		138	262	140					
Jan. 12	540		185	215	140					
Jan. 19	548	91	259	198						
Industrial advances:										
Dec. 29	18, 291	1, 334	302	577	438	1, 431	3, 490	5, 502	5, 217	
Jan. 5	17, 894	1, 201	538	319	624	1, 261	3, 606	5, 293	5, 052	
Jan. 12	17, 883	1, 156	467	324	803	1, 098	3, 625	5, 332	5, 078	
Jan. 19	17, 829	1, 415	87	415	742	1, 175	3, 762	5, 315	4, 918	
U. S. Government securities:										
Dec. 29	2, 564, 015	24, 385	33, 296	68, 350	265, 085	381, 170	213, 895	283, 389	593, 739	700, 706
Jan. 5	2, 564, 015	27, 720	32, 746	72, 582	259, 626	379, 612	213, 895	283, 389	593, 739	700, 706
Jan. 12	2, 564, 015	33, 296	30, 630	78, 087	260, 101	390, 961	193, 106	285, 889	595, 739	696, 206
Jan. 19	2, 564, 015	32, 746	33, 725	217, 424	121, 791	413, 111	164, 134	303, 105	603, 239	674, 740

ASSETS AND LIABILITIES OF THE FEDERAL RESERVE BANKS, BY WEEKS—Continued

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
LIABILITIES—Continued													
Surplus (section 13b):													
Dec. 29.....	27,615	2,874	7,744	4,325	1,007	3,422	754	1,416	545	1,003	1,142	1,262	2,121
Jan. 5.....	27,683	2,874	7,744	4,411	1,007	3,409	730	1,429	545	1,001	1,142	1,270	2,121
Jan. 12.....	27,683	2,874	7,744	4,411	1,007	3,409	730	1,429	545	1,001	1,142	1,270	2,121
Jan. 19.....	27,683	2,874	7,744	4,411	1,007	3,409	730	1,429	545	1,001	1,142	1,270	2,121
Reserve for contingencies:													
Dec. 29.....	35,673	1,570	9,117	2,999	3,121	1,497	1,715	7,666	1,174	2,013	941	1,847	2,013
Jan. 5.....	33,052	1,448	8,210	2,000	3,176	1,401	1,603	7,340	1,215	1,949	934	1,776	2,000
Jan. 12.....	33,052	1,448	8,210	2,000	3,176	1,401	1,603	7,340	1,215	1,949	934	1,776	2,000
Jan. 19.....	33,019	1,448	8,210	2,000	3,177	1,401	1,603	7,312	1,215	1,943	934	1,776	2,000
All other liabilities:													
Dec. 29.....	10,945	728	3,100	1,236	947	400	432	1,656	391	461	374	373	847
Jan. 5.....	3,460	364	655	376	267	195	374	318	117	280	136	129	249
Jan. 12.....	3,962	376	783	453	338	162	395	402	139	326	168	130	290
Jan. 19.....	7,462	492	1,614	2,877	357	159	389	445	131	302	202	220	274
Total liabilities:													
Dec. 29.....	12,853,021	810,118	4,590,371	807,371	1,035,703	516,637	390,761	2,184,935	447,439	301,237	457,465	327,969	983,015
Jan. 5.....	12,832,932	794,054	4,606,177	810,442	1,011,282	513,412	385,500	2,189,659	447,228	299,883	463,048	334,701	977,546
Jan. 12.....	12,813,959	781,863	4,629,651	792,064	999,467	505,180	384,732	2,189,481	454,823	296,441	464,076	326,210	989,971
Jan. 19.....	12,874,036	788,372	4,701,370	791,977	1,002,335	503,090	384,717	2,192,370	448,638	291,802	463,113	326,653	979,599
Contingent liability on bills purchased for foreign correspondents:													
Dec. 29.....	1,696	123	623	165	154	72	59	195	50	38	49	49	119
Jan. 5.....	1,466	124	382	166	156	73	59	197	51	39	49	49	121
Jan. 12.....	1,836	96	995	129	121	57	46	153	40	30	38	38	93
Jan. 19.....	1,784	128	691	175	164	57	46	212	53	41	52	38	127
Commitments to make industrial advances:													
Dec. 29.....	12,780	1,706	4,555	173	753	1,634	345	-----	176	51	111	269	3,007
Jan. 5.....	12,792	1,670	4,703	173	727	1,612	345	-----	176	51	109	269	2,957
Jan. 12.....	12,895	1,699	4,655	173	896	1,609	332	-----	176	52	101	269	2,933
Jan. 19.....	12,723	1,534	4,620	143	833	1,603	332	-----	326	43	101	269	2,919

INDUSTRIAL ADVANCES AND COMMITMENTS UNDER SECTION 13b OF THE FEDERAL RESERVE ACT, JUNE 19, 1934, TO JANUARY 19, 1938

[Amounts in thousands of dollars]

Date (last Wednesday of each month)	Applications received to date, net-		Applications recommended for approval by Industrial Advisory Committees to date (with and without conditions)		Applications approved to date by Federal Reserve banks (with and without conditions)						
					Total		Federal Reserve bank advances outstanding	Federal Reserve bank commitments outstanding	Approved but not completed ¹	Expired, repaid, or withdrawn by applicant, etc.	Financing institution participations outstanding ²
	Number	Amount	Number	Amount	Number	Amount					
1936—July 29	8,197	331,659	2,413	143,978	2,198	134,233	30,217	23,711	8,429	64,342	7,534
Aug. 26	8,240	333,980	2,437	145,939	2,218	135,421	29,265	23,355	9,168	66,304	7,329
Sept. 30	8,284	336,119	2,463	147,191	2,243	137,251	28,885	23,307	8,566	69,217	7,276
Oct. 28	8,308	336,763	2,477	148,237	2,259	138,731	27,038	22,760	8,544	72,915	7,444
Nov. 25	8,339	339,903	2,483	148,317	2,266	138,938	26,720	22,040	7,719	75,045	7,414
Dec. 30	8,379	342,699	2,500	149,204	2,280	139,829	25,533	20,959	8,226	77,903	7,208
1937—Jan. 27	8,398	342,999	2,506	149,527	2,287	140,213	24,781	20,238	7,697	80,500	6,997
Feb. 24	8,427	343,904	2,517	149,711	2,297	140,515	24,208	19,523	7,709	82,163	6,912
Mar. 31	8,483	346,911	2,543	150,561	2,323	141,545	23,054	18,611	7,898	85,215	6,787
Apr. 28	8,510	348,342	2,563	152,724	2,336	144,564	23,904	17,528	9,045	86,806	7,281
May 26	8,524	349,288	2,577	153,720	2,353	145,228	23,196	17,188	8,462	89,268	7,114
June 30	8,546	351,420	2,587	154,960	2,361	145,758	23,014	16,331	1,470	97,668	7,275
July 28	8,554	352,024	2,590	155,023	2,367	145,887	22,462	15,726	1,098	99,271	7,330
Aug. 25	8,572	352,666	2,598	155,514	2,373	146,457	21,752	15,179	1,151	101,139	7,236
Sept. 29	8,593	354,426	2,610	155,902	2,381	146,724	21,395	14,880	534	102,611	7,304
Oct. 27	8,606	354,872	2,618	156,413	2,386	147,295	20,875	14,488	899	103,806	7,227
Nov. 24	8,633	359,706	2,624	156,533	2,392	148,208	20,616	13,816	1,382	105,749	7,145
Dec. 29	8,677	363,292	2,640	158,743	2,406	150,987	20,200	12,780	3,369	109,400	7,238
1938—Jan. 19 ³	8,704	364,312	2,652	159,003	2,411	151,194	19,761	12,723	2,667	108,858	7,185

¹ Includes applications approved conditionally by the Federal Reserve banks and under consideration by applicant.

² Does not include financing institution guaranties of advances and commitments made by Federal Reserve banks, which amounted to \$11,223,404 on January 19, 1938.

³ Jan. 26, not yet available.

NOTE.—On January 19, 1938, there were 39 applications amounting to \$3,238,200 under consideration by the Industrial Advisory Committees and the Federal Reserve banks.

FEDERAL RESERVE NOTES—FEDERAL RESERVE AGENTS' ACCOUNTS, BY WEEKS

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Federal Reserve notes:													
Issued to F. R. bank by F. R. agent:													
Dec. 29	4,683,094	328,956	1,091,838	341,969	467,997	227,487	184,486	1,030,395	197,474	143,595	179,153	97,489	392,255
Jan. 5	4,623,282	320,351	1,069,532	338,610	461,749	222,593	182,040	1,024,284	196,261	142,746	178,424	96,268	390,424
Jan. 12	4,587,496	314,074	1,065,498	341,412	457,170	218,587	179,910	1,014,446	195,511	141,757	176,012	95,365	387,754
Jan. 19	4,516,887	312,438	1,027,614	338,727	452,096	214,550	178,306	1,003,886	194,395	139,251	174,832	94,515	386,277
Held by Federal Reserve bank:													
Dec. 29	399,709	43,124	138,232	21,594	31,078	15,654	22,470	35,733	14,709	5,630	10,729	10,450	50,306
Jan. 5	365,436	37,126	117,760	22,219	30,185	15,308	20,489	35,712	15,065	5,094	10,513	9,950	46,015
Jan. 12	397,862	35,886	139,593	27,144	29,520	14,736	21,595	37,602	16,458	5,867	9,717	11,332	48,412
Jan. 19	361,615	37,356	107,455	27,548	31,318	12,369	20,392	33,424	16,044	4,215	9,524	11,512	50,458
In actual circulation: ¹													
Dec. 29	4,283,385	285,832	953,606	320,375	436,919	211,833	162,016	994,662	182,765	137,965	168,424	87,039	341,949
Jan. 5	4,257,846	283,225	951,772	316,391	431,564	207,285	161,551	988,572	181,196	137,652	167,911	86,318	344,409
Jan. 12	4,190,134	278,688	925,905	314,268	427,650	203,851	158,315	976,844	179,053	135,890	166,295	84,033	339,342
Jan. 19	4,155,272	275,082	920,159	311,179	420,778	202,181	157,914	970,462	178,351	135,036	165,308	83,003	335,819
Collateral held by agent as security for notes issued to bank:													
Gold certificates on hand and due from U. S. Treasury:													
Dec. 29	4,735,132	341,000	1,100,000	347,000	471,500	228,000	166,000	1,055,000	200,632	140,500	182,000	99,500	404,000
Jan. 5	4,685,632	341,000	1,080,000	347,000	467,000	223,000	166,000	1,035,000	200,632	140,500	182,000	99,500	404,000
Jan. 12	4,671,132	341,000	1,080,000	347,000	459,500	219,000	166,000	1,035,000	200,632	140,500	182,000	96,500	404,000
Jan. 19	4,606,632	341,000	1,050,000	347,000	455,000	208,000	166,000	1,020,000	200,632	136,500	182,000	96,500	404,000
Eligible paper:													
Dec. 29	11,950	784	3,812	2,161	804	648	1,046	232	735	102	1,233	98	295
Jan. 5	9,538	520	3,146	1,876	512	505	1,245	226	72	106	1,029	43	258
Jan. 12	9,998	710	3,667	1,846	652	467	832	225	69	104	1,059	99	268
Jan. 19	9,472	470	3,598	1,710	514	510	801	214	55	221	964	132	283
U. S. Government securities:													
Dec. 29	25,000						20,000			5,000			
Jan. 5	25,000						20,000			5,000			
Jan. 12	25,000						20,000			5,000			
Jan. 19	33,000					8,000	20,000			5,000			
Total collateral:													
Dec. 29	4,772,082	341,784	1,103,812	349,161	472,304	228,648	187,046	1,055,232	201,367	145,602	183,233	99,598	404,295
Jan. 5	4,720,170	341,520	1,083,146	348,876	467,512	223,505	187,245	1,035,226	200,704	145,606	183,029	99,543	404,258
Jan. 12	4,706,130	341,710	1,083,667	348,846	460,152	219,467	186,832	1,035,225	200,701	145,604	183,059	96,599	404,268
Jan. 19	4,649,104	341,470	1,053,598	348,710	455,514	216,510	186,801	1,020,214	200,687	141,721	182,964	96,632	404,283

¹ Includes Federal Reserve notes held by the United States Treasury or by a Federal Reserve bank other than the issuing bank.

**RESERVE POSITION OF MEMBER BANKS,
DECEMBER, 1937**

[Averages of daily figures. In millions of dollars]

Classes of banks and districts	Gross demand deposits	Net demand deposits ¹	Time deposits	Reserves with Federal Reserve banks		
				Re-quired	Held	Ex-cess
All member banks	28,720	23,860	11,441	5,808	6,879	1,071
Central reserve city banks:						
New York	9,609	8,866	770	2,351	2,657	305
Chicago	2,154	1,893	446	519	599	80
Reserve city banks:						
Boston district	944	844	110	175	255	79
New York district	173	145	154	38	39	1
Philadelphia district	1,012	852	240	185	212	27
Cleveland district	1,379	1,138	723	271	324	53
Richmond district	611	481	198	108	135	27
Atlanta district	556	425	173	95	105	10
Chicago district	1,114	858	509	202	238	36
St. Louis district	693	550	171	120	144	23
Minneapolis district	340	258	92	57	65	8
Kansas City district	917	651	157	140	168	28
Dallas district	608	427	117	92	108	15
San Francisco district	1,911	1,539	1,884	421	480	59
Total	10,257	8,169	4,528	1,906	2,272	366
Country banks:						
Boston district	765	613	565	120	141	21
New York district	1,188	943	1,403	216	284	67
Philadelphia district	584	453	864	115	143	28
Cleveland district	566	426	657	99	130	31
Richmond district	493	345	331	68	85	17
Atlanta district	422	298	209	54	67	13
Chicago district	768	564	650	118	168	51
St. Louis district	327	235	230	47	60	13
Minneapolis district	295	200	275	44	62	17
Kansas City district	441	283	156	49	71	22
Dallas district	510	334	95	53	82	30
San Francisco district	341	238	261	49	60	11
Total	6,700	4,932	5,696	1,032	1,352	319

¹ Gross demand deposits minus demand balances with domestic banks (except private banks and American branches of foreign banks) and cash items in process of collection.
NOTE.—See table at foot of page 145, for percentages of deposits required to be held as reserves.

**MEMBER BANK RESERVE BALANCES,
BY CLASSES OF BANKS**

[Averages of daily figures. In millions of dollars]

	All member banks ¹	Central reserve city banks		Re-serve city banks	Country banks ¹
		New York	Chi-ago		
Total reserves held:					
1936—November	6,785	2,695	651	2,185	1,254
December	6,665	2,662	605	2,157	1,241
1937—January	6,716	2,719	568	2,158	1,271
February	6,747	2,812	546	2,128	1,261
March ²	6,704	2,652	533	2,203	1,315
April	6,824	2,739	563	2,201	1,321
May ²	6,932	2,684	589	2,272	1,386
June	6,878	2,669	603	2,230	1,377
July	6,845	2,652	581	2,252	1,360
August	6,701	2,522	578	2,248	1,362
September	6,854	2,672	566	2,232	1,375
October	6,954	2,767	581	2,240	1,366
November	6,919	2,720	588	2,246	1,365
December	6,879	2,657	599	2,272	1,352
Week ending (Friday):					
Dec. 3	6,926	2,711	605	2,260	1,350
Dec. 10	6,851	2,621	606	2,263	1,361
Dec. 17	6,887	2,660	611	2,270	1,346
Dec. 24	6,838	2,657	585	2,260	1,336
Dec. 31	6,945	2,689	593	2,297	1,366
1938—Jan. 7	7,055	2,761	589	2,321	1,384
Jan. 14	7,162	2,828	603	2,355	1,376
Excess reserves:					
1936—November	2,219	751	221	724	523
December	2,046	697	175	675	498
1937—January	2,093	767	147	662	518
February	2,152	868	128	651	505
March ²	1,371	401	54	488	428
April	1,552	530	101	490	431
May ²	927	203	51	316	357
June	876	176	70	289	341
July	876	199	52	301	324
August	750	108	34	287	321
September	900	235	43	289	333
October	1,043	354	59	307	323
November	1,104	373	69	333	328
December	1,071	305	80	306	319
Week ending (Friday):					
Dec. 3	1,133	374	85	358	317
Dec. 10	1,067	285	89	363	329
Dec. 17	1,052	291	89	359	314
Dec. 24	1,019	298	66	351	304
Dec. 31	1,141	340	76	392	333
1938—Jan. 7	¹ 1,254	400	77	425	¹ 352
Jan. 14	¹ 1,337	455	83	455	¹ 344

¹ Weekly figures of excess reserves of all member banks and of country banks are estimates.
² Reserve requirements increased March 1, 1937, and May 1, 1937; see table at foot of page 145 for amount of changes.
³ Preliminary.

DEPOSITS OF MEMBER BANKS IN LARGER AND SMALLER CENTERS

[Averages of daily figures. In millions of dollars]

Federal Reserve district	All member banks				Member banks in larger centers (places over 15,000)				Member banks in smaller centers (places under 15,000)			
	Gross demand		Time		Gross demand		Time		Gross demand		Time	
	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.
Boston	1,709	1,725	676	688	1,590	1,602	552	558	119	123	124	128
New York	10,970	10,904	2,327	2,417	1,097	1,101	1,068	1,075	263	271	489	492
Philadelphia	1,595	1,602	1,104	1,123	1,380	1,381	657	672	215	221	447	450
Cleveland	1,945	1,956	1,380	1,395	1,727	1,736	1,089	1,103	218	221	292	292
Richmond	1,104	1,120	529	535	921	934	343	349	184	186	186	186
Atlanta	978	974	382	383	856	835	300	302	142	139	82	81
Chicago	4,036	4,037	1,605	1,606	1,590	1,584	1,888	1,890	292	299	271	271
St. Louis	1,020	1,021	401	404	830	827	290	292	191	194	111	112
Minneapolis	635	650	367	369	458	470	179	180	177	180	188	188
Kansas City	1,358	1,365	313	316	1,033	1,039	198	200	325	326	115	116
Dallas	1,118	1,106	212	211	830	819	168	168	288	287	44	43
San Francisco	2,252	2,258	2,144	2,110	2,123	2,126	2,047	2,013	129	132	97	96
Total	28,720	28,717	11,441	11,555	14,415	14,462	7,780	7,804	2,542	2,578	2,444	2,456

¹ Excluding central reserve city banks, for which figures for latest month are shown in table above.

KINDS OF CURRENCY IN CIRCULATION

[Outside Treasury and Federal Reserve banks. In millions of dollars]

End of month	Total	Gold certificates	Silver dollars	Silver certificates	Treasury notes of 1890	Subsidiary silver	Minor coin	United States notes	Federal Reserve notes	Federal Reserve bank notes	National bank notes
1936—October.....	6,351	97	37	1,020	1	329	139	282	4,076	46	324
November.....	6,466	96	37	1,051	1	334	141	289	4,156	45	316
December.....	6,543	95	38	1,057	1	337	142	289	4,233	44	307
1937—January.....	6,349	94	37	1,012	1	329	140	276	4,118	42	300
February.....	6,399	92	37	1,022	1	329	140	288	4,155	41	294
March.....	6,377	91	37	1,022	1	333	141	287	4,139	40	287
April.....	6,426	90	37	1,039	1	335	142	291	4,171	40	281
May.....	6,462	89	38	1,062	1	338	143	289	4,189	38	275
June.....	6,447	88	38	1,078	1	341	144	281	4,169	38	269
July.....	6,460	87	38	1,088	1	341	144	286	4,175	37	263
August.....	6,524	86	39	1,115	1	345	146	286	4,213	36	258
September.....	6,542	86	39	1,127	1	348	147	284	4,222	35	253
October.....	6,555	85	39	1,129	1	349	147	285	4,238	35	248
November.....	6,561	84	40	1,144	1	352	148	284	4,232	34	243
December.....	6,550	83	40	1,137	1	350	148	283	4,237	33	239

Back figures.—See Annual Report for 1936 (table 36).

PAPER CURRENCY, BY DENOMINATIONS, AND COIN IN CIRCULATION

[Outside Treasury and Federal Reserve banks. In millions of dollars]

End of month	Total in circulation ¹	Coin	Paper currency ²										Unassorted ²		
			\$1	\$2	\$5	\$10	\$20	\$50 and over							
								Total	\$50	\$100	\$500	\$1,000		\$5,000	\$10,000
1936—October.....	6,351	505	484	33	882	1,516	1,460	1,478	385	679	132	255	7	19	7
November.....	6,466	513	492	33	900	1,548	1,486	1,501	390	690	132	258	7	23	7
December.....	6,543	517	499	35	906	1,563	1,501	1,530	399	707	135	265	7	18	8
1937—January.....	6,349	506	472	33	864	1,500	1,458	1,525	393	702	135	269	8	18	9
February.....	6,399	506	475	33	874	1,519	1,464	1,538	395	706	135	273	9	19	10
March.....	6,377	511	476	33	869	1,519	1,451	1,520	386	696	136	275	9	18	2
April.....	6,426	514	482	33	883	1,542	1,468	1,507	381	687	137	277	9	17	3
May.....	6,462	518	489	33	893	1,558	1,466	1,507	380	689	136	278	8	17	4
June.....	6,447	523	487	34	885	1,539	1,458	1,526	384	699	138	283	8	14	5
July.....	6,460	523	488	33	894	1,550	1,454	1,520	381	697	137	283	7	15	2
August.....	6,524	529	498	33	907	1,574	1,466	1,520	382	698	137	283	7	14	4
September.....	6,542	534	503	33	908	1,574	1,467	1,527	382	702	138	285	7	14	4
October.....	6,555	535	502	33	909	1,576	1,474	1,531	384	704	138	286	6	13	5
November.....	6,561	540	504	33	912	1,574	1,480	1,525	381	701	136	287	5	14	6
December.....	6,550	537	505	33	905	1,560	1,475	1,542	387	710	139	288	6	12	7

¹ Total of amounts of coin and paper currency shown by denominations less unassorted currency in Treasury and Federal Reserve banks.

² Includes unassorted currency held in Treasury and Federal Reserve banks and \$1,000,000 of currency of unknown denominations reported by the Treasury as destroyed.

Back figures.—See Annual Report for 1936 (table 37).

TREASURY CURRENCY OUTSTANDING

[Held by Treasury and Federal Reserve banks and in circulation. In millions of dollars]

End of month	Total	Silver dollars and silver bullion ¹	Subsidiary silver	Minor coin	United States notes	Federal Reserve bank notes	National bank notes
1936—October.....	2,515	1,303	346	145	347	47	329
November.....	2,521	1,310	351	146	347	46	322
December.....	2,532	1,323	356	147	347	45	314
1937—January.....	2,532	1,332	356	148	347	44	305
February.....	2,536	1,343	356	149	347	42	298
March.....	2,541	1,355	357	149	347	42	291
April.....	2,543	1,365	357	150	347	40	284
May.....	2,547	1,375	358	150	347	39	278
June.....	2,550	1,382	359	151	347	38	272
July.....	2,572	1,409	361	151	347	37	266
August.....	2,585	1,424	363	152	347	37	262
September.....	2,599	1,441	364	153	347	36	257
October.....	2,609	1,455	367	154	347	36	251
November.....	2,621	1,468	370	155	347	35	247
December.....	2,637	1,486	372	156	347	34	242

¹ Includes silver held against silver certificates amounting to \$1,400,000 on Dec. 31, 1937 and \$1,234,000,000 on Dec. 31, 1936.

SHIPMENTS AND RECEIPTS OF UNITED STATES PAPER CURRENCY

[By selected banks in New York City. In thousands of dollars]

Year or month	Shipments to Europe	Receipts from Europe	Net shipments	Net receipts
1932.....	567	83,838	-----	83,271
1933.....	554	91,059	-----	90,505
1934.....	545	40,587	-----	40,242
1935.....	10,628	19,966	-----	9,338
1936.....	34,774	26,216	8,558	-----
1937.....	21,500	47,550	-----	26,050
1936—December.....	8,469	745	7,724	-----
1937—January.....	2,092	2,197	-----	105
February.....	4,279	3,265	1,014	-----
March.....	968	3,728	-----	2,760
April.....	1,434	3,023	-----	1,589
May.....	909	1,865	-----	956
June.....	7,000	1,972	5,028	-----
July.....	809	2,586	-----	1,777
August.....	877	2,839	-----	1,962
September.....	1,946	2,271	-----	325
October.....	781	4,531	-----	3,750
November.....	336	13,326	-----	12,990
December.....	69	5,947	-----	5,878

Back figures.—See Annual Report for 1936 (table 39).

Description.—See BULLETIN for January 1932, pp. 7-8.

ANALYSIS OF CHANGES IN MONETARY GOLD STOCK

[In millions of dollars]

Year or month	Gold stock at end of year or month		Increase in total gold stock	Net gold import	Net release from earmark	Domestic gold production
	Total	Inactive account				
1934	8,238		4202.5	1,133.9	82.6	96.3
1935—November	9,920		226.7	210.6	.6	9.6
December	10,125		205.2	190.0	1.3	11.5
Year	10,125		1,887.2	1,739.0	.2	110.7
1936—January	10,182		57.2	45.6	-1.7	9.2
February	10,167		-15.5	-16.6	-9.5	8.4
March	10,184		17.2	5.5	1.0	9.6
April	10,225		41.0	28.1	-2	9.6
May	10,402		176.7	170.0	-3.2	10.4
June	10,608		206.6	277.8	-24.8	10.0
July	10,648		39.2	15.4	2.3	12.8
August	10,716		68.4	67.5	-11.9	13.1
September	10,845		129.0	171.8	-28.8	12.1
October	11,045		199.7	218.8	-11.3	13.8
November	11,184		139.6	75.8	3.0	11.8
December	11,258	26.5	73.3	57.0	-7	10.9
Year	11,258	26.5	1,132.5	1,116.6	-85.9	131.6
1937—January	11,358	126.5	100.1	121.3	-48.3	9.4
February	11,436	204.7	78.2	120.3	-8.0	8.1
March	11,574	342.5	137.9	154.3	-4	10.6
April	11,799	568.0	225.6	215.8	7.2	8.9
May	11,990	759.1	191.1	155.4	26.2	12.1
June	12,318	1,086.8	327.8	262.0	-15.9	11.0
July	12,446	1,214.1	127.3	175.4	-35.5	12.5
August	12,567	1,335.7	121.6	104.8	-5.3	16.6
September	12,741	1,210.0	174.3	145.5	9.3	12.0
October	12,803	1,271.9	62.0	90.5	-8.0	14.6
November	12,774	1,242.5	-29.3	22.1	-20.1	13.6
December	12,760	1,227.9	-14.0	18.0	-101.6	^p 13.6
Year	12,760	1,227.9	1,502.5	1,585.5	-200.4	^p 143.1

^p Preliminary.

NOTE.—Figures for domestic production of gold are those published in table, p. 165, adjusted to exclude production in Philippines. Adjustment based on annual figures reported by Director of Mint and monthly imports of gold to U. S. from Philippines. For back figures, other than those of domestic gold production, see Annual Report for 1936 (table 30.)

BANK SUSPENSIONS¹

	Total, all banks	Member banks		Non-member banks	
		National	State	Insured ²	Not insured
Number of banks suspended:					
1934	57	1		8	48
1935	34	4		22	8
1936	44	1		40	3
1937	59	4	2	47	6
Deposits of suspended banks (in thousands of dollars):³					
1934	36,937	40		1,912	34,985
1935	10,015	5,313		3,763	939
1936	11,306	507		10,207	592
1937	19,545	7,158	1,707	10,200	480

¹ Represents licensed banks suspended; does not include non-licensed banks placed in liquidation or receivership.

² Federal deposit insurance became operative January 1, 1934.

³ Deposits of member banks and insured non-member banks suspended are as of dates of suspension, and deposits of non-insured non-member banks are based on the latest data available at the time the suspensions were reported.

Back figures.—See Annual Report for 1936 (table 71).

MOVEMENT OF GOLD TO AND FROM UNITED STATES¹

[In thousands of dollars]

From or to—	1937					
	December		November		Jan.-Dec.	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
Belgium					90,870	12
France	14	15,000	33	25,001	26,291	40,001
Germany						
Netherlands					6,461	
Switzerland					54,452	
Union of Soviet Socialist Republics					504	
United Kingdom		40	15	5,060	896,713	5,183
Canada	2,767		816	1	111,528	47
Central America	310		331		3,755	
Mexico	3,415	11	2,308	23	39,250	767
Argentina	3				14	
Chile	473		487		9,370	
Colombia	16		4,323		18,397	
Ecuador	418		126		2,031	
Peru	234		178		3,116	
Uruguay						
Venezuela	13		104		544	
Australia	3,786		3,173		34,713	
British India	107		767		50,762	
China and Hong Kong					1,556	
Dutch East Indies						
Japan	18,774		37,148		246,470	6
Philippine Islands	2,292		2,286		25,428	1
All other countries ²	411		100		9,296	2
Total	33,033	15,052	52,194	30,084	1,631,523	46,020

¹ Figures represent customs valuations which, with some exceptions, are at rate of \$35 a fine ounce.

² Includes all movements of unreported origin or destination.

Back figures.—See table p. 165, and Annual Report for 1936 (tables 32 and 33).

BANK DEBITS

[Debits to individual accounts. Amounts in millions of dollars]

	Number of centers	1937		1936
		Dec.	Nov.	Dec.
New York City	1	18,277	13,432	22,658
Outside New York City	140	20,825	18,160	23,238
Federal Reserve districts:				
Boston	11	2,040	1,966	2,476
New York	7	18,999	14,119	23,464
Philadelphia	10	1,844	1,458	2,062
Cleveland	13	2,289	1,841	2,503
Richmond	7	797	708	844
Atlanta	15	1,029	846	1,019
Chicago	21	5,381	4,694	6,383
St. Louis	5	1,024	925	1,130
Minneapolis	9	652	633	739
Kansas City	15	1,211	1,086	1,252
Dallas	10	817	694	786
San Francisco	18	3,020	2,623	3,238
Total	141	39,103	31,593	45,896

Back figures.—See Annual Report for 1936 (table 67).

ALL BANKS IN THE UNITED STATES

Comprises all national banks in the continental United States and all State commercial banks, trust companies, mutual and stock savings banks and such private and industrial banks as are included in abstracts issued by State banking departments. Also includes, during the period June 1934-June 1935, private banks which, pursuant to the provisions of sec. 21 (a) of the Banking Act of 1933, submitted condition reports to the Comptroller of the Currency. Under the amended provisions of Sec. 21 (a) private banks no longer report to the Comptroller of the Currency. For comparative figures of private banks included in the figures from June 1934 to December 1935, see Federal Reserve Bulletin for December 1935, p. 883, and July 1936, p. 635. Figures for nonmember banks are for dates indicated or nearest thereto for which figures are available.

NUMBER OF BANKS

Call date	Total	Member banks			Nonmember banks	
		Total	National	State	Mutual savings banks	Other nonmember banks
1933—June 30	14,519	5,606	4,897	709	576	8,337
Oct. 25 ¹	5,818	5,052	766			
Dec. 30	15,011	6,011	5,154	857	579	8,421
1934—Mar. 5 ¹	6,206	5,288	918			
June 30	15,835	6,375	5,417	958	578	8,882
Oct. 17 ¹	6,433	5,461	972			
Dec. 31	16,039	6,442	5,462	980	579	9,018
1935—Mar. 4	16,024	6,422	5,446	976	579	9,023
June 29	15,994	6,410	5,425	985	571	9,013
Nov. 1	15,904	6,400	5,403	997	571	8,933
Dec. 31	15,837	6,387	5,386	1,001	570	8,880
1936—Mar. 4	15,808	6,377	5,375	1,002	569	8,862
June 30	15,752	6,400	5,368	1,032	566	8,786
Dec. 31	15,628	6,376	5,325	1,051	565	8,687
1937—Mar. 31	15,569	6,367	5,305	1,062	565	8,637
June 30 ²	15,527	6,357	5,293	1,064	564	8,606

For footnotes see table below.

DEPOSITS, EXCLUSIVE OF INTERBANK DEPOSITS³

[In millions of dollars]

Call date	All banks	Member banks			Nonmember banks	
		Total	National	State	Mutual savings banks	Other nonmember banks
1933—June 30	37,998	23,338	14,772	8,566	9,713	4,946
Oct. 25 ¹	23,453	15,070	8,383			
Dec. 30	38,505	23,771	15,386	8,385	9,708	5,026
1934—Mar. 5 ¹	25,293	16,203	9,090			
June 30	41,870	26,615	17,097	9,518	9,780	5,475
Oct. 17 ¹	27,484	17,693	9,791			
Dec. 31	44,770	28,943	18,519	10,424	9,828	6,000
1935—Mar. 4	44,455	28,589	18,502	10,087	9,837	6,029
June 29	45,766	29,496	19,031	10,465	9,920	6,350
Nov. 1	47,522	31,072	20,128	10,944	9,936	6,513
Dec. 31	48,964	32,159	20,886	11,273	9,963	6,842
1936—Mar. 4	48,716	31,774	20,605	11,169	9,972	6,970
June 30	51,335	34,098	21,986	12,112	10,060	7,176
Dec. 31	53,701	35,893	23,107	12,786	10,143	7,666
1937—Mar. 31	52,577	34,746	22,355	12,390	10,157	7,674
June 30 ²	53,287	35,440	22,926	12,514	10,213	7,635

For footnotes see table below.

LOANS AND INVESTMENTS

[In millions of dollars]

Call date	All banks			Member banks			Nonmember banks					
	Total	Loans	Investments	Total	Loans	Investments	Mutual savings banks			Other nonmember banks		
							Total	Loans	Investments	Total	Loans	Investments
1933—June 30	40,076	22,203	17,872	24,786	12,858	11,928	10,044	5,941	4,103	5,246	3,404	1,841
Oct. 25 ¹	24,953	13,059	11,894	24,953	13,059	11,894						
Dec. 30	40,319	21,977	18,342	25,220	12,833	12,386	9,985	5,906	4,079	5,115	3,238	1,877
1934—Mar. 5 ¹	26,548	12,706	13,842	26,548	12,706	13,842						
June 30	42,502	21,278	21,224	27,175	12,523	14,652	9,904	5,648	4,256	5,423	3,108	2,315
Oct. 17 ¹	27,559	12,293	15,267	27,559	12,293	15,267						
Dec. 31	43,458	20,473	22,984	28,150	12,028	16,122	9,782	5,491	4,291	5,526	2,955	2,571
1935—Mar. 4	43,747	20,394	23,353	28,271	11,953	16,318	9,775	5,478	4,297	5,701	2,963	2,738
June 29	44,416	20,272	24,145	28,785	11,928	16,857	9,852	5,341	4,511	5,779	3,003	2,777
Nov. 1	45,008	20,140	24,868	29,301	11,841	17,460	9,854	5,302	4,552	5,853	2,997	2,856
Dec. 31	45,717	20,329	25,388	29,985	12,175	17,810	9,804	5,210	4,594	5,927	2,944	2,983
1936—Mar. 4	46,115	20,267	25,847	30,288	12,099	18,189	9,795	5,202	4,592	6,032	2,966	3,066
June 30	48,458	20,679	27,778	32,259	12,542	19,717	9,961	5,105	4,856	6,238	3,032	3,206
Dec. 31	49,524	21,449	28,075	33,000	13,360	19,640	10,060	5,027	5,034	6,464	3,062	3,402
1937—Mar. 31	49,138	21,790	27,348	32,525	13,699	18,826	10,096	5,026	5,070	6,518	3,065	3,453
June 30 ²	49,696	22,514	27,182	32,739	14,285	18,454	10,180	5,002	5,178	6,778	3,227	3,550

¹ Nonmember bank figures not available.

² Prior to Dec. 30, 1933, member-bank figures include interbank deposits not subject to immediate withdrawal, which aggregated \$103,000,000 on that date. The nonmember bank figures on all call dates include interbank deposits to the extent (estimated as \$150,000,000 on June 30, 1937) that they were not shown separately in a few State bank abstracts.

³ Beginning with this date (1) the figures exclude private banks in Georgia which no longer report to the State banking department (43 such banks reported deposits of \$2,491,000 and loans and investments of \$1,087,000 on December 31, 1936); and (2) the figures include Morris Plan and industrial banks in New York and North Carolina, of which there were 45 on June 30, 1937 with deposits of \$50,287,000 and total loans and investments of \$61,165,000. The figures already include such Morris Plan and industrial banks in other States as are covered by State banking department reports.

Back figures.—See Annual Report for 1936 (tables 48-49).

REPORTING MEMBER BANKS IN 101 LEADING CITIES
ASSETS AND LIABILITIES BY DISTRICTS AND FOR NEW YORK CITY AND CHICAGO

[In millions of dollars]

Table with columns for Federal Reserve District (Total, Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco) and City (New York, Chicago). Rows are categorized under ASSETS, including Loans and investments, Loans, Commercial, industrial, and agricultural loans, Open market paper, Loans to brokers and dealers, Other loans for purchasing or carrying securities, Real estate loans, Loans to banks, Other loans, U. S. Government direct obligations, and Obligations fully guaranteed by U. S. Government. Each row provides values in millions of dollars for the specified districts and cities.

REPORTING MEMBER BANKS IN 101 LEADING CITIES—Continued
ASSETS AND LIABILITIES BY DISTRICTS AND FOR NEW YORK 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
ASSETS—continued															
Reserve with Federal Reserve bank:															
Dec. 29.....	5,427	314	2,678	239	345	130	107	807	141	73	161	113	319	2,553	595
Jan. 5.....	5,473	306	2,728	252	341	135	103	796	142	73	162	116	319	2,586	582
Jan. 12.....	5,600	304	2,792	250	334	137	105	832	155	73	169	117	332	2,660	618
Jan. 19.....	5,647	309	2,850	245	337	135	104	837	145	71	168	113	333	2,718	610
Cash in vault:															
Dec. 29.....	355	40	80	20	43	20	13	73	12	6	13	12	23	61	34
Jan. 5.....	322	39	73	18	39	18	11	63	11	6	12	11	21	56	28
Jan. 12.....	330	39	73	19	41	19	12	64	11	6	13	11	22	56	28
Jan. 19.....	302	37	67	17	38	18	11	57	10	5	12	10	20	51	25
Balances with domestic banks:															
Dec. 29.....	1,886	115	154	146	188	103	98	324	105	80	222	158	193	73	169
Jan. 5.....	1,918	131	153	150	186	109	103	338	111	78	200	160	199	73	169
Jan. 12.....	1,957	122	148	146	189	114	110	329	116	76	218	170	219	71	149
Jan. 19.....	2,023	117	158	145	199	137	111	339	117	75	224	185	216	73	156
Other assets:															
Dec. 29.....	1,267	80	539	89	105	36	37	90	23	16	23	28	201	467	59
Jan. 5.....	1,255	76	539	85	102	37	37	88	23	16	22	28	202	463	58
Jan. 12.....	1,275	78	553	84	103	36	37	89	23	16	22	27	207	475	58
Jan. 19.....	1,268	78	549	84	103	33	37	90	23	16	22	27	206	470	60
LIABILITIES															
Demand deposits—adjusted:															
Dec. 29.....	14,431	966	6,267	792	1,070	404	321	2,182	408	261	488	391	881	5,731	1,457
Jan. 5.....	14,219	970	6,201	783	1,052	403	316	2,132	401	256	460	382	863	5,664	1,417
Jan. 12.....	14,463	982	6,320	785	1,044	415	322	2,163	408	256	486	396	886	5,785	1,430
Jan. 19.....	14,487	986	6,363	782	1,045	414	320	2,155	400	252	481	399	890	5,822	1,416
Time deposits:															
Dec. 29.....	5,205	268	1,069	272	733	193	183	872	183	121	145	128	1,088	660	455
Jan. 5.....	5,225	268	1,063	276	736	196	183	883	184	122	145	128	1,041	652	465
Jan. 12.....	5,203	266	1,052	275	733	196	182	883	184	122	145	128	1,037	641	465
Jan. 19.....	5,199	267	1,049	274	735	196	182	882	184	122	145	128	1,035	641	465
U. S. Government deposits:															
Dec. 29.....	691	40	375	25	20	14	18	89	10	2	14	22	62	364	65
Jan. 5.....	679	28	376	25	19	14	18	90	10	2	14	22	61	365	65
Jan. 12.....	675	28	375	25	20	13	18	89	8	2	14	22	61	364	65
Jan. 19.....	654	27	363	25	19	13	17	87	8	2	13	21	59	352	63
Interbank deposits:															
Domestic banks:															
Dec. 29.....	5,090	198	2,068	259	316	203	190	723	240	113	349	191	240	2,005	532
Jan. 5.....	5,224	213	2,102	276	318	211	195	755	251	113	349	198	243	2,034	557
Jan. 12.....	5,264	212	2,150	273	317	207	194	760	257	114	347	188	245	2,083	564
Jan. 19.....	5,333	209	2,200	279	318	208	199	758	260	112	353	190	247	2,131	566
Foreign banks:															
Dec. 29.....	442	10	405	3	1	2	7	1	1	1	1	1	13	403	6
Jan. 5.....	441	9	405	3	1	2	6	1	1	1	1	1	13	404	5
Jan. 12.....	432	9	394	3	1	2	7	1	1	1	1	1	14	392	6
Jan. 19.....	421	9	385	3	1	1	6	1	1	1	1	1	14	384	6
Borrowings:															
Dec. 29.....	9	1	4	2	2	2	2	2	2	2	2	2	2	4	7
Jan. 5.....	8	1	4	2	2	2	2	2	2	2	2	2	2	4	7
Jan. 12.....	6	1	4	2	2	2	2	2	2	2	2	2	2	4	6
Jan. 19.....	6	1	4	2	2	2	2	2	2	2	2	2	2	4	6
Other liabilities:															
Dec. 29.....	843	26	373	26	20	25	6	23	8	8	3	6	319	360	19
Jan. 5.....	801	23	358	20	16	25	5	19	7	7	3	6	312	347	15
Jan. 12.....	826	23	372	20	17	24	5	19	7	7	3	6	323	361	15
Jan. 19.....	807	24	362	19	16	22	5	20	7	7	3	6	316	351	16
Capital account:															
Dec. 29.....	3,626	238	1,615	227	349	93	89	371	90	56	92	82	324	1,484	248
Jan. 5.....	3,620	238	1,611	226	349	90	88	372	89	56	92	81	328	1,481	250
Jan. 12.....	3,626	239	1,611	226	350	91	89	372	90	56	92	81	329	1,482	249
Jan. 16.....	3,624	239	1,612	226	349	92	88	371	89	56	92	81	329	1,483	248

COMMERCIAL PAPER, ACCEPTANCES, AND BROKERS' BALANCES

COMMERCIAL PAPER AND BANKERS' ACCEPTANCES OUTSTANDING

[In millions of dollars]

End of month	Com- mer- cial paper out- stand- ing ¹	Dollar acceptances outstanding											
		Total out- stand- ing	By holders					By classes					
			Held by accepting banks			Held by Federal Reserve banks		Held by others	Based on im- ports into U. S.	Based on ex- ports from U. S.	Dollar ex- change	Based on goods stored in or shipped between points in	
			Total	Own bills	Bills bought	For own ac- count	For ac- count of foreign corre- spond- ents					U. S.	Foreign coun- tries
1936—October.....	199	330	296	150	147	—	34	110	67	2	75	77	
November.....	191	349	309	157	152	—	40	112	77	1	83	76	
December.....	215	373	315	151	164	—	57	126	86	2	83	76	
1937—January.....	244	387	325	154	171	—	62	141	83	2	84	77	
February.....	268	401	341	160	180	—	61	158	85	2	79	77	
March.....	290	396	317	150	166	(?)	80	160	84	2	76	76	
April.....	285	395	318	147	171	1	76	167	83	1	68	76	
May.....	287	386	295	137	159	3	86	168	81	1	62	75	
June.....	285	364	273	130	143	1	87	157	77	1	55	74	
July.....	325	352	265	144	121	(?)	83	143	71	2	65	71	
August.....	329	344	263	143	120	—	79	133	71	2	68	69	
September.....	331	344	274	148	127	—	1	69	127	1	73	66	
October.....	323	346	282	153	129	—	2	62	127	1	75	62	
November.....	311	348	279	148	131	—	2	67	122	1	79	61	
December.....	279	343	278	147	131	—	2	63	117	2	78	59	

¹ As reported by dealers; includes some finance company paper sold in open market.² Less than \$500,000.

Back figures.—See Annual Report for 1936 (table 66).

CUSTOMERS' DEBIT BALANCES, MONEY BORROWED, AND PRINCIPAL RELATED ITEMS OF STOCK EXCHANGE FIRMS CARRYING MARGIN ACCOUNTS

[Member firms of New York Stock Exchange. Ledger balances in millions of dollars]

End of month	Debit balances				Credit balances					
	Customers' debit balances (net) ¹	Debit balances in partners' investment and trading accounts	Debit balances in firm investment and trading accounts	Cash on hand and in banks	Money bor- rowed ²	Customers' credit balances ¹		Other credit balances		
						Free	Other (net)	In partners' invest- ment and trading accounts	In firm invest- ment and trading accounts	In capital accounts (net)
1935—September.....	1,098	65	119	182	771	257	89	23	12	398
December.....	1,258	75	135	179	930	286	79	24	10	410
1936—March.....	1,351	67	168	181	995	303	89	23	15	429
June.....	1,267	67	164	219	985	276	86	24	14	420
September.....	1,317	72	141	227	995	289	99	24	14	423
December.....	1,395	64	164	249	1,048	342	103	30	12	424
1937—January.....	1,433	62	162	243	1,028	372	118	32	19	428
February.....	1,482	61	188	230	1,084	366	116	32	25	418
March.....	1,540	61	175	223	1,172	346	115	29	18	419
April.....	1,559	58	163	227	1,215	314	111	29	18	417
May.....	1,503	56	149	209	1,188	284	101	24	12	408
June.....	1,489	55	161	214	1,217	266	92	25	18	397
July.....	1,493	56	157	206	1,213	265	96	25	13	397
August.....	1,509	54	149	202	1,233	252	92	26	13	391
September.....	1,363	48	128	239	1,088	256	96	26	12	385
October.....	1,053	40	135	263	781	272	107	24	12	383
November.....	1,034	38	120	225	723	270	95	24	11	376
December.....	985	34	108	232	688	278	85	26	10	355

¹ Excluding balances with reporting firms (1) of member firms of New York Stock Exchange and other national securities exchanges and (2) of firms' own partners.² Includes both money borrowed from banks and trust companies in New York City and elsewhere in the United States and also money borrowed from other lenders (not including member firms of national securities exchanges).

NOTE.—For explanation of these figures see "Statistics on Margin Accounts" in BULLETIN for September 1936. The article describes the methods by which the figures are derived and reported, distinguishes the table from a "statement of financial condition," and explains that the last column is not to be taken as representing the actual net capital of the reporting firms.

FEDERAL RESERVE BANK DISCOUNT RATES

[Percent per annum]

Federal Reserve Bank	Rediscounts and advances under secs. 13 and 13a of the Federal Reserve Act ¹			Advances under sec. 10(b) of the Federal Reserve Act		Advances secured by direct obligations of the United States (last paragraph of sec. 13 of the Federal Reserve Act)	
	Rate Jan. 31	In effect beginning—	Previous rate	Rate Jan. 31	In effect beginning—	Rate Jan. 31	In effect beginning—
Boston.....	1½	Sept. 2, 1937	2	2	Sept. 2, 1937	4	Oct. 20, 1933
New York.....	1	Aug. 27, 1937	1½	2	Oct. 10, 1935	3½	Feb. 8, 1934
Philadelphia.....	1½	Sept. 4, 1937	2	2	Sept. 4, 1937	4	Oct. 20, 1933
Cleveland.....	1½	May 11, 1935	2	2	Oct. 19, 1935	3½	May 11, 1935
Richmond.....	1½	Aug. 27, 1937	2	2	Sept. 10, 1937	4	Feb. 19, 1934
Atlanta.....	1½	Aug. 21, 1937	2	2	Aug. 21, 1937	4	Mar. 17, 1934
Chicago.....	1½	Aug. 21, 1937	2	2	Aug. 21, 1937	4	Oct. 16, 1933
St. Louis.....	1½	Sept. 2, 1937	2	2	Sept. 2, 1937	4	Feb. 23, 1935
Minneapolis.....	1½	Aug. 24, 1937	2	2	Aug. 24, 1937	4½	Apr. 15, 1933
Kansas City.....	1½	Sept. 3, 1937	2	2	Sept. 3, 1937	3½	May 10, 1935
Dallas.....	1½	Aug. 31, 1937	2	2	Aug. 31, 1937	4	Mar. 12, 1934
San Francisco.....	1½	Sept. 3, 1937	2	2	Sept. 17, 1937	4	Oct. 19, 1933

¹ Rates indicated also apply to United States Government securities bought under repurchase agreement.

Back figures.—See Annual Report for 1936 (table 40).

FEDERAL RESERVE BANK BUYING RATES ON ACCEPTANCES

[Percent per annum]

Maturity	Rate in effect on Jan. 31	In effect beginning—	Previous rate
1-15 days ¹	1½	Oct. 20, 1933	1
16-30 days.....	1½	do.....	1
31-45 days.....	1½	do.....	1
46-60 days.....	1½	do.....	1
61-90 days.....	1½	do.....	1
91-120 days.....	¾	do.....	1
121-180 days.....	1	do.....	1½

¹ This rate also applies to acceptances bought under repurchase agreements, which agreements are always for a period of 15 days or less.

NOTE.—Minimum buying rates at the Federal Reserve Bank of New York on prime bankers' acceptances payable in dollars; higher rates may be charged for other classes of bills. The same minimum rates apply to purchases, if any, made by other Federal Reserve banks.

Back figures.—See Annual Report for 1936 (table 41).

MAXIMUM RATES ON TIME DEPOSITS

Maximum rates that may be paid by member banks as established by the Board of Governors under provisions of Regulation Q.

[Percent per annum]

	Nov. 1, 1933 to Jan. 31, 1935	Feb. 1, 1935 to Dec. 31, 1935	In effect beginning Jan. 1, 1936
Savings deposits.....	3	2½	2½
Postal Savings deposits.....	3	2½	2½
Other time deposits payable in:			
6 months or more.....	3	2½	2½
90 days to 6 months.....	3	2½	2
Less than 90 days.....	3	2½	1

NOTE.—Maximum rates that may be paid by insured nonmember banks as established by the Federal Deposit Insurance Corporation, effective February 1, 1936, are the same as those in effect for member banks. In some States the maximum rates established by the Board and the Federal Deposit Insurance Corporation are superseded by lower maximum rates established by State authority.

FEDERAL RESERVE BANK RATES ON INDUSTRIAL ADVANCES

Rates in effect Jan. 31, 1938, on advances and commitments under Sec. 13(b) of the Federal Reserve Act as amended June 19, 1934.

[Percent per annum except as otherwise specified]

Federal Reserve Bank	Advances direct to industrial or commercial organizations	Advances to financing institutions—		Commitments to make advances
		On portion for which institution is obligated	On remaining portion	
Boston.....	3½-6	3	3½	½-1
New York.....	4-6	3	4-5	1-2
Philadelphia.....	4-6	1 2½	(2)	½-2
Cleveland.....	4½-6	3½	4	1
Richmond.....	6	4-6	4-6	1-2
Atlanta.....	6	5	5	½
Chicago.....	5-6	1 2½	5-6	1-2
St. Louis.....	4-5½	3½	4	½
Minneapolis.....	6	4½-5	4½-5	1
Kansas City.....	4-6	4	4	½-2
Dallas.....	5-6	4	5-6	1
San Francisco.....	5-6	3-4	4-5	½-2

¹ Authorized rate 1 percent above prevailing discount rate.

² Same as to borrower but not less than 4 percent.

³ Flat charge.

Back figures.—See Annual Report for 1936 (table 40).

MEMBER BANK RESERVE REQUIREMENTS

[Percent of deposits]

Classes of deposits and banks	June 21, 1917- Aug. 15, 1936	Aug. 16, 1936- Feb. 28, 1937	Mar. 1, 1937- Apr. 30, 1937	May 1, 1937, and after
On net demand deposits: ¹				
Central reserve city.....	13	19½	22¾	26
Reserve city.....	10	15	17½	20
Country.....	7	10½	12¾	14
On time deposits:				
All member banks.....	3	4½	5¼	6

¹ See footnote to table on page 134 for explanation of method of computing net demand deposits.

BOND PRICES ¹

STOCK MARKET

Year, month, or date	U. S. Treasury ²	Municipal ³	Corporate ³			
			Total	Industrial	Railroad	Utility
Number of issues.....	7-12	15	60	20	20	20
1935 average.....	106.1	105.3	88.6	88.2	79.4	98.2
1936 average.....	107.0	110.8	97.5	92.2	94.7	105.4
1937 average.....	104.4	110.3	93.4	90.1	89.6	100.4
1936—December.....	107.9	116.3	99.9	94.5	99.6	105.6
1937—January.....	107.3	115.8	100.3	94.8	100.6	105.7
February.....	107.2	112.7	100.0	94.7	100.2	105.1
March.....	105.2	108.9	98.5	93.5	98.3	103.6
April.....	102.6	108.0	96.6	92.0	95.3	102.4
May.....	103.3	109.6	96.2	91.9	95.0	101.8
June.....	103.5	110.1	95.0	91.2	93.2	100.6
July.....	104.0	110.8	95.3	91.4	93.2	101.2
August.....	104.0	111.8	94.8	91.9	91.0	101.4
September.....	103.3	109.0	91.3	90.0	85.6	98.4
October.....	103.5	108.1	86.4	85.5	78.4	95.2
November.....	104.0	109.1	83.3	82.7	72.1	95.0
December.....	104.7	109.5	82.7	81.4	72.5	94.3
Dec. 29.....	104.9	110.0	81.3	80.2	70.2	93.5
Jan. 5.....	105.1	110.6	81.5	81.5	68.7	94.3
Jan. 12.....	105.2	111.3	82.5	83.0	69.3	95.2
Jan. 19.....	105.7	112.0	80.3	82.1	64.7	94.1

¹ Revised.
² Monthly data are averages of daily figures except for municipal bonds, which are averages of Wednesday figures.
³ Average prices of all outstanding bonds due or callable after 8 years, based on quotations from Treasury Department.
⁴ Prices derived from average yields, as computed by Standard Statistics Co.
Back figures.—See Annual Report for 1936 (table 73); for U. S. Treasury bonds, see BULLETIN for May 1936, p. 317

Year, month, or date	Preferred ²	Common (index, 1926=100)				Volume of trading ³
		Total	Industrial	Railroad	Utility	
Number of issues.....	20	420	348	32	40	-----
1935 average.....	133.8	78	91	34	71	1,411
1936 average.....	138.9	111	127	51	104	1,824
1937 average.....	136.2	112	131	49	95	1,519
1936—December.....	140.2	123	143	54	111	2,095
1937—January.....	141.8	126	147	56	114	2,667
February.....	141.2	130	152	58	111	2,564
March.....	138.0	130	153	63	106	2,133
April.....	136.0	125	147	60	101	1,466
May.....	135.4	116	137	57	94	859
June.....	135.2	114	134	54	91	697
July.....	135.7	118	139	52	96	917
August.....	137.2	121	144	51	97	729
September.....	136.4	106	126	43	89	1,498
October.....	133.5	91	107	35	81	2,324
November.....	132.3	83	96	31	80	1,420
December.....	132.1	81	94	31	78	1,174
Dec. 29.....	131.6	77	90	28	74	1,795
Jan. 5.....	132.8	81	94	28	77	1,120
Jan. 12.....	133.6	86	102	31	79	1,315
Jan. 19.....	133.7	84	99	30	76	876

¹ Standard Statistics Co. Monthly data are averages of Wednesday figures.
² Average prices of industrial high-grade, derived from yields.
³ Average daily volume of trading in stocks on the New York Stock Exchange, in thousands of shares. Weekly figures are averages for the week ending Saturday.
Back figures.—For stock prices, see Annual Report for 1936 (table 73).

CAPITAL ISSUES

[In millions of dollars]

Year or month	Total (new and re-funding)	For new capital							Total (domestic and foreign)	For refunding							Total (domestic and foreign)
		Domestic								Domestic							
		Total	State and municipal	Federal agencies ³	Corporate			Foreign ¹		Total	State and municipal	Federal agencies ³	Corporate			Foreign ¹	
					Total	Bonds and notes	Stocks						Total	Bonds and notes	Stocks		
1928.....	9,898	8,040	6,789	1,379	64	5,346	2,385	2,961	1,251	1,858	1,620	36	0	1,584	1,054	530	238
1929.....	11,513	10,091	9,420	1,418	0	8,002	2,078	5,924	671	1,422	1,387	13	0	1,374	542	833	35
1930.....	7,619	6,909	6,004	1,434	87	4,483	2,980	1,503	905	709	527	53	0	474	451	23	182
1931.....	4,038	3,089	2,860	1,235	75	1,551	1,239	311	229	949	893	21	51	821	789	32	56
1932.....	1,751	1,194	1,165	762	77	325	305	20	29	557	498	87	93	319	315	4	59
1933.....	1,063	720	708	483	64	161	40	120	12	343	283	37	28	219	187	32	60
1934.....	2,160	1,386	1,386	803	405	178	144	35	0	774	765	136	317	312	312	0	9
1935.....	4,699	1,457	1,409	855	150	404	334	69	48	3,242	3,216	365	987	1,864	1,782	81	26
1936.....	6,214	1,972	1,949	735	22	1,192	839	352	23	4,242	4,123	382	353	3,387	3,187	200	119
1937.....	3,891	2,083	2,076	727	157	1,192	789	403	7	1,808	1,639	175	280	1,184	833	351	168
1936—Dec.....	726	266	266	48	0	218	100	118	0	459	459	49	3	408	395	13	0
1937—Jan.....	603	241	241	146	0	95	64	31	0	362	289	59	26	204	87	116	73
Feb.....	497	168	168	34	4	130	74	56	0	329	255	9	21	225	140	84	74
Mar.....	382	185	185	47	0	138	99	39	0	197	197	12	4	181	162	19	0
Apr.....	272	152	152	67	0	85	45	40	0	121	101	13	1	87	69	18	20
May.....	261	150	150	43	29	78	47	31	0	111	111	8	16	87	66	21	0
June.....	560	359	359	90	0	269	187	82	0	200	200	21	30	149	139	11	0
July.....	344	250	250	79	89	82	39	43	0	93	93	8	29	57	20	37	0
Aug.....	184	76	76	26	0	49	33	16	0	108	108	25	27	56	51	6	0
Sept.....	223	156	153	41	0	112	87	25	3	67	67	7	20	39	(?)	39	0
Oct.....	196	89	86	26	0	59	39	21	3	107	105	2	34	70	70	0	2
Nov.....	134	93	93	42	25	26	22	4	0	41	41	4	27	10	10	0	0
Dec.....	164	122	122	79	0	43	27	16	1	42	42	5	23	14	14	(?)	(?)

¹ Includes issues of noncontiguous U. S. Territories and Possessions.
² Includes publicly offered issues of Federal credit agencies, but excludes direct obligations of U. S. Treasury.
³ Less than \$500,000.
Source.—For domestic issues, Commercial and Financial Chronicle; for foreign issues, U. S. Department of Commerce. Monthly figures subject to revision.
Back figures.—See Annual Report for 1936 (table 72).

TREASURY FINANCE
UNITED STATES GOVERNMENT DEBT
VOLUME AND KIND OF DIRECT OBLIGATIONS

[On basis of daily statements of United States Treasury. In millions of dollars]

End of month	Total gross debt	Interest-bearing									Noninterest-bearing		
		Total interest bearing	Publicly offered ¹						Ad-justed service issues ³	Social security issues ⁴	All other ⁵	Ma-tured debt	Other
			Total	Bonds			Notes	Bills					
				Pre-war	Treas-ury ²	U. S. Savings							
1932—June.....	19,487	19,161	*18,816	753	13,460	-----	1,261	616	105	-----	240	60	266
1933—June.....	22,539	22,158	*21,782	753	13,417	-----	4,548	954	92	-----	284	66	315
1934—June.....	27,053	26,480	*26,006	753	15,679	-----	6,653	1,404	118	-----	356	54	518
1935—June.....	28,701	27,645	26,910	753	14,019	62	10,023	2,053	156	-----	580	231	825
1936—June.....	33,779	32,989	31,297	79	17,168	316	11,381	2,354	1,071	19	601	169	620
1936—December.....	34,407	33,700	32,497	79	19,452	475	10,289	2,203	504	64	635	153	554
1937—January.....	34,502	33,821	32,582	79	19,452	509	10,289	2,253	489	119	632	137	544
February.....	34,601	33,926	32,617	79	19,452	567	10,267	2,253	475	204	630	139	536
March.....	34,728	34,064	32,722	79	19,936	722	9,783	2,203	461	322	559	136	528
April.....	34,941	34,295	32,884	79	19,936	752	9,764	2,353	451	407	552	126	520
May.....	35,213	34,591	33,107	79	19,936	775	9,764	2,553	445	489	550	110	512
June.....	36,425	35,800	33,734	79	19,936	800	10,617	2,303	926	579	560	119	506
July.....	36,716	36,113	33,918	79	19,936	833	10,617	2,453	915	649	632	103	499
August.....	37,045	36,450	34,146	79	19,936	862	10,617	2,653	905	769	630	100	494
September.....	36,875	36,264	33,877	79	19,936	885	10,575	2,403	896	868	623	122	489
October.....	36,956	36,366	33,900	79	19,936	908	10,575	2,403	888	957	620	109	482
November.....	37,094	36,511	33,924	79	19,936	932	10,575	2,403	883	1,086	619	106	477
December.....	37,279	36,708	34,018	79	20,476	964	10,547	1,952	876	1,188	626	99	472

¹ Excludes postal savings bonds, formerly sold to depositors in the Postal Savings System.
² Includes Liberty bonds.
³ Includes adjusted service bonds of 1945 and special issues of adjusted service bonds to Government Life Insurance Fund series and of certificates to the adjusted service fund.
⁴ Includes special issues to old-age reserve account, unemployment trust fund, and railroad retirement account.
⁵ Includes postal savings bonds and special issues to retirement funds, to Postal Savings System and to Federal Deposit Insurance Corporation.
⁶ Includes certificates of indebtedness not shown separately: 1932—\$2,726,000,000; 1933—\$2,108,000,000; 1934—\$1,517,000,000.

MATURITIES OF PUBLICLY OFFERED DIRECT OBLIGATIONS, DECEMBER 31, 1937

[In millions of dollars]

Date maturing	Total	Bonds ¹	Notes	Bills
1938—Before Apr. 1.....	1,623	-----	471	1,152
Apr. 1-June 30.....	1,268	-----	618	650
July 1-Sept. 30.....	747	-----	596	150
Oct. 1-Dec. 31.....	433	-----	433	-----
1939—Jan. 1-Mar. 31.....	942	-----	942	-----
Apr. 1-Dec. 31.....	2,247	-----	2,247	-----
1940.....	2,854	-----	2,854	-----
1941.....	2,219	834	1,385	-----
1942.....	1,001	-----	1,001	-----
1943.....	898	898	-----	-----
1944.....	2,126	2,126	-----	-----
1945.....	1,861	1,861	-----	-----
1946.....	*2,135	*2,135	-----	-----
1947.....	1,036	1,036	-----	-----
1948.....	819	819	-----	-----
1949.....	1,223	1,223	-----	-----
1950.....	1,250	1,250	-----	-----
1951.....	1,786	1,786	-----	-----
1952.....	2,663	2,663	-----	-----
1953.....	755	755	-----	-----
1954.....	489	489	-----	-----
1955.....	982	982	-----	-----
1956.....	2,611	2,611	-----	-----
1957.....	50	50	-----	-----
Total.....	34,018	21,519	10,547	1,952

¹ Issues classified as of date of final maturity; most issues callable at earlier dates; most of the U. S. Savings bonds are redeemable at option of holder.
² Includes unclassified U. S. Savings bonds.

FULLY GUARANTEED OBLIGATIONS, BY AGENCIES¹

[In millions of dollars]

End of month	Total	Federal Farm Mortgage Corporation	Home Owners' Loan Corporation ²	Reconstruction Finance Corporation
1933—December.....	180	-----	-----	*180
1934—June.....	681	312	134	235
December.....	3,063	980	1,834	249
1935—June.....	4,123	1,226	2,647	250
December.....	4,494	1,387	2,855	252
1936—June.....	4,718	1,422	3,044	252
1936—December.....	4,662	1,422	2,988	252
1937—January.....	4,662	1,422	2,988	252
February.....	4,662	1,422	2,988	252
March.....	4,662	1,422	2,988	251
April.....	4,660	1,422	2,987	250
May.....	4,660	1,422	2,987	250
June.....	4,665	1,422	2,987	255
July.....	4,703	1,420	2,987	295
August.....	4,633	1,400	2,937	296
September.....	4,633	1,400	2,937	296
October.....	4,634	1,400	2,937	297
November.....	4,644	1,410	2,937	297
December.....	4,645	1,410	2,937	297

¹ Principal amount of obligations guaranteed as to interest and principal. Excludes obligations held by U. S. Treasury and reflected in the public debt. The total includes guaranteed debentures of the Federal Housing Administrator, amounting to \$186,000 on December 31, 1937.
² Excludes obligations guaranteed as to interest only.
³ Includes notes given in purchase of gold which were retired in February 1934.

SUMMARY OF TREASURY OPERATIONS

[On basis of daily statements of United States Treasury. In millions of dollars]

Period	General and special accounts											Trust accounts, etc. ⁷ excess of receipts (+) or expenditures (-)	Increase or decrease during period					
	Receipts					Expenditures ¹							Excess of receipts (+) or expenditures (-)	General fund balance	Gross debt			
	Total	In- come taxes	Social secur- ity taxes	Other inter- nal revenue ²	All other ³	Total	General			Re- covery and relief	Re- volving funds (net) ⁵					Trans- fers to trust acct. ⁶ etc. ⁴		
							Inter- est on debt	National de- fense and Vet- erans' Adm. ⁴	All other									
Fiscal year ending:																		
June 1935	3,800	1,099		2,179	523	6,802	821	1,089	1,315	3,366	141	71	-3,002	+613	-741	+1,648		
June 1936	4,116	1,427	(*)	2,086	603	8,477	749	1,340	1,310	3,341	78	1,814	-4,361	+123	+840	+5,078		
June 1937	5,294	2,158	253	2,187	697	8,001	866	1,436	1,994	3,079	244	868	-2,707	-67	-128	+2,646		
6 months ending:																		
Dec. 1935	1,902	555		1,040	308	3,446	358	614	717	1,550	67	141	-1,544	+55	+367	+1,856		
Dec. 1936	2,158	706	(*)	1,133	319	3,503	403	711	858	1,698	270	103	-1,345	-59	-776	+628		
Dec. 1937	3,176	1,157	414	1,270	335	3,783	432	769	1,009	1,032	126	414	-607	+171	+419	+855		
1936—December	517	286	(*)	175	57	656	140	118	150	294	47	1	-138	+26	+500	+613		
1937—January	284	43	3	168	70	631	14	116	159	230	67	45	-348	+72	-180	+95		
February	275	58	10	148	58	553	20	112	176	214	13	45	-279	-7	-187	+99		
March	1,012	700	50	190	71	754	159	121	225	252	46	45	+257	-98	+287	+127		
April	363	57	78	166	62	708	68	129	230	243	7	45	-345	+8	-124	+212		
May	335	47	59	170	60	552	9	119	169	211	2	45	-217	-3	+52	+272		
June	868	547	53	212	56	1,300	194	128	179	232	27	540	-432	+20	+800	+1,212		
July	409	57	53	221	77	659	12	128	197	198	2	125	-249	+44	+85	+291		
August	453	35	60	301	56	556	21	127	162	175	10	61	-103	+37	+263	+329		
September	788	501	50	186	51	690	159	125	161	159	20	55	+108	+20	-43	-170		
October	333	40	52	189	52	616	67	126	183	168	16	55	-283	+18	-184	+81		
November	327	37	60	182	49	542	9	128	165	159	25	55	-215	+10	-68	+137		
December	866	487	138	192	49	730	163	134	141	173	56	63	+136	+43	+365	+186		

¹ Excludes debt retirement.

² Includes miscellaneous internal revenue, unjust enrichment tax, and processing taxes.

³ Includes customs and miscellaneous receipts.

⁴ Excludes expenditures for adjusted service which are included under "Transfers to Trust Accounts, etc."

⁵ Includes revolving funds of Reconstruction Finance Corporation, Commodity Credit Corporation, Public Works Administration, Farm Credit Administration, and Export-Import Banks.

⁶ Includes expenditures for retirement funds, adjusted service certificate fund, old-age reserve account, and railroad retirement account.

⁷ Includes, also, increment resulting from reduction in weight of the gold dollar, and expenditures chargeable against increment on gold (other than retirement of national bank notes), receipts from seigniorage, transactions in checking accounts of Governmental agencies, unemployment trust fund, old-age reserve account, and railroad retirement account.

* Less than \$500,000.

† Excess of credits.

GENERAL FUND BALANCE

[On basis of daily statements of United States Treasury. In millions of dollars]

End of month	Total	In- active gold	Incre- ment on gold	Seign- iorage	Work- ing balance
1932—June	417				417
1933—June	862				862
1934—June	2,582		811		1,771
1935—June	1,841		700	140	1,001
1936—June	2,682		140	316	2,225
1936—July	2,230		141	319	1,771
August	1,904		140	323	1,441
September	2,188		140	329	1,719
October	1,764		141	332	1,291
November	1,406		141	333	931
December	1,906	26	141	337	1,401
1937—January	1,726	127	141	340	1,118
February	1,539	205	141	344	849
March	1,826	343	141	348	995
April	1,702	568	141	350	642
May	1,754	758	141	354	501
June	2,553	1,087	141	356	970
July	2,639	1,213	141	369	915
August	2,902	1,335	141	375	1,051
September	2,860	1,209	141	382	1,128
October	2,676	1,271	141	388	875
November	2,608	1,243	141	394	831
December	2,973	1,228	142	401	1,202

GOVERNMENTAL CORPORATIONS AND CREDIT AGENCIES, NOVEMBER 30, 1937

[Based on compilation by U. S. Treasury Department from reports received from organizations concerned. In millions of dollars]

	Financed wholly from Government funds					Financed partly from Government funds				Total		
	Recon- struction Finance Corporation	Com- modity Credit Corporation	Public Works Admin- istration	Agricul- tural credit institu- tions	Other	Farm mort- gage institu- tions	Other farm credit institu- tions	Home mort- gage institu- tions	Other	Nov. 30, 1937	Oct. 31, 1937	Nov. 30, 1936
ASSETS												
Loans and preferred stock:												
Loans to financial institutions.....	288				1			187	11	487	492	522
Preferred stock, etc.....	560				(1)			³ 205		764	767	772
Home mortgage loans.....								2,422		2,422	2,446	2,802
Farm mortgage loans.....						2,886				2,886	2,887	2,938
Other agricultural loans.....	1	151		16	101		260		(1)	529	¹ 552	604
All other loans.....	863		109		323					1,296	¹ 1,279	1,203
Total loans and preferred stock.....	1,712	151	109	16	425	2,886	260	2,814	11	8,385	8,422	8,842
Cash.....	2	(1)		7	88	73	23	70	8	271	265	247
United States direct obligations.....	28			5	34	51	108	18	361	604	600	503
Obligations of Government credit agencies:												
Fully guaranteed by U. S.....				14	(1)	(1)	50	14	102	180	170	197
Other ²				26	2	(2)	4			31	37	29
Production credit association class A stock.....				77						77	77	75
Accounts and other receivables.....	35	(1)		1	45	164	4	25	4	279	282	288
All other assets.....	12	(1)	22	(1)	436	157	1	³ 476	23	1,127	996	620
Total assets other than interagency ²	1,789	151	131	146	1,030	3,331	449	3,416	508	10,953	10,849	10,800
LIABILITIES												
Bonds, notes, and debentures:												
Guaranteed by United States.....	297				(1)	1,410		2,937		4,644	4,634	4,667
Other ²		60			4	² 1,050	172	53	(1)	1,340	1,413	1,438
Other liabilities (including reserves).....	52	(1)		4	47	203	7	149	109	572	547	403
Total liabilities other than interagency ²	349	60		4	51	2,663	180	3,140	109	6,556	6,594	6,509
Excess of assets over liabilities, excluding interagency transactions... Privately owned interests.....	1,441	91	131	141	979	668	269	276	400	4,397	4,255	4,292
U. S. Government interests.....	1,441	91	131	141	979	492	266	236	260	4,038	3,898	3,943

^r Revised.

¹ Less than \$500,000.

² Excludes \$761,000,000 of Federal land bank bonds held by Federal Farm Mortgage Corporation.

³ Shares of Federal savings and loan associations subscribed by HOLC are classified in "Preferred stock, etc." Shares held by U. S. Treasury amounting to \$48,000,000 are classified under "All other assets."

NOTE.—For explanation of table and back figures see BULLETIN for April 1936, p. 220.

RECONSTRUCTION FINANCE CORPORATION LOANS AND INVESTMENTS

[Amounts outstanding. In thousands of dollars]

	Dec. 31, 1936	June 30, 1937	July 31, 1937	Aug. 31, 1937	Sept. 30, 1937	Oct. 31, 1937	Nov. 30, 1937	Dec. 31, 1937
Loans to financial institutions.....	325,620	271,858	271,009	266,283	261,104	256,965	249,594	¹ 251,368
Loans on preferred stock of banks and insurance companies.....	43,509	40,483	40,027	39,414	39,167	38,949	38,800	38,550
Preferred stock, capital notes, and debentures.....	650,777	581,900	576,672	567,879	566,090	563,465	559,623	555,312
Loans to railroads (including receivers).....	345,980	354,320	351,936	351,855	356,279	355,932	355,923	355,894
Loans for self-liquidating projects.....	195,044	221,907	225,407	227,108	231,171	232,414	234,113	237,637
Loans to industrial and commercial businesses.....	63,592	70,549	71,181	72,833	73,101	73,283	72,686	74,794
Loans to drainage, levee, and irrigation districts.....	64,343	72,424	74,605	75,038	77,180	77,160	77,179	77,522
Other loans ²	3,297	3,882	3,798	3,867	3,870	3,946	3,970	3,920
Securities purchased from Public Works Administration.....	118,822	119,585	87,320	86,843	85,621	88,999	117,504	132,564
Total loans and investments, other than interagency... ¹	1,810,984	1,736,909	1,701,954	1,691,120	1,693,584	1,691,114	1,709,392	1,727,661
Loans to Federal land banks.....	24,750	13,757	13,586	13,275	13,212	13,042	12,308	11,617
Loans to Commodity Credit Corporation.....	98,721	47,393	61,238	1,876	3,361	10,165	31,298	63,120
Capital stock of Commodity Credit Corporation.....	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000
Capital stock of, and loans to R. F. C. Mortgage Co.....	37,406	48,286	51,302	53,073	57,487	60,150	62,779	66,408
Preferred stock of Export-Import banks.....	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Capital stock of Disaster Loan Corporation.....		6,000	7,000	7,000	8,000	8,000	8,000	10,000
Loans to Rural Electrification Administration.....	100	4,000	4,898	5,948	8,423	11,698	16,849	21,598
Total loans and investments.....	2,088,961	1,973,345	1,956,977	1,889,291	1,901,067	1,911,168	1,957,624	2,017,403

¹ Includes \$86,000,000 of loans for distribution to depositors of closed banks.

² Includes agricultural loans formerly shown separately.

NOTE.—For explanation of table and back figures, see BULLETIN for April 1936, p. 220.

FARM CREDIT ADMINISTRATION
LOANS AND DISCOUNTS OUTSTANDING, BY INSTITUTIONS

[In thousands of dollars]

End of month	Farm mortgage loans by—		Federal intermediate credit bank loans to and discounts for—		Production credit associations	Regional agricultural credit corporations	Emergency crop and drought loans	Loans to cooperatives by—		
	Federal land banks	Land Bank Commissioner	Regional agricultural credit corporations, production credit associations, and banks for cooperatives ¹	Other financing institutions, except cooperatives				Federal intermediate credit banks	Banks for cooperatives, including Central Bank	Agricultural Marketing Act revolving fund
1933—December	1,232,707	70,738	73,263	60,989	27	144,636	91,090	15,211	18,697	157,752
1934—December	1,915,792	616,825	99,675	55,672	60,852	87,102	111,165	33,969	27,851	54,863
1935—December	2,071,925	794,726	104,706	47,162	94,096	43,400	172,489	2,731	50,013	44,433
1936—December	2,064,158	836,779	129,872	41,017	105,212	25,288	164,887	1,641	69,647	53,754
1937—January	2,061,472	836,062	125,825	40,080	106,081	24,454	163,868	1,486	64,411	54,322
February	2,060,233	835,509	130,139	41,061	114,551	24,249	163,250	1,359	60,356	52,359
March	2,057,930	833,821	144,250	42,367	131,905	23,892	174,709	1,305	56,736	51,810
April	2,055,397	832,831	153,795	44,042	143,902	23,588	187,185	1,249	49,314	48,522
May	2,053,558	831,705	159,073	45,131	152,466	23,453	189,686	1,070	45,000	47,732
June	2,052,319	830,577	164,977	47,337	160,051	22,914	189,141	635	45,032	46,854
July	2,050,822	828,771	170,110	48,167	163,553	22,069	187,353	1,126	52,405	45,664
August	2,047,650	826,317	171,270	48,386	162,515	21,126	185,802	1,047	56,341	44,281
September	2,045,276	823,257	167,477	46,573	153,977	19,434	182,331	1,157	66,897	47,236
October	2,042,637	820,103	159,898	42,414	142,652	17,491	177,362	1,229	73,450	45,296
November	2,039,005	816,653	160,627	40,857	137,473	16,208	173,701	1,509	82,026	45,284
December	2,035,307	812,749	165,194	40,464	138,169	15,592	172,130	1,813	87,633	0,982

¹ Some of the loans made by the regional agricultural credit corporations and the banks for cooperatives and most of the loans made by the production credit associations are discounted with the Federal intermediate credit banks. The amounts in this column are thus included in the three columns under those headings. Such loans are not always discounted in the same month in which the original credit is extended.

FEDERAL HOME LOAN BANK BOARD

LOANS OUTSTANDING, BY INSTITUTIONS

[Loans in thousands of dollars]

End of month	Home mortgage loans by—				Federal home loan bank loans to member institutions ²
	Home Owners' Loan Corporation ¹	Federal savings and loan associations		Federal home loan bank	
		Number of associations	Loans reported		
1933—December	132,386	59	85,442	85,442	
1934—December	2,379,491	639	86,658	86,658	
1935—December	2,897,162	1,023	315,683	102,796	
1936—December	2,765,098	1,212	544,107	145,401	
1937—January	2,729,274	1,228	576,299	143,745	
February	2,698,611	1,240	611,212	141,205	
March	2,661,542	1,249	630,680	142,720	
April	2,625,493	1,257	652,557	146,149	
May	2,591,115	1,270	679,949	153,491	
June	2,556,401	1,286	703,906	167,057	
July	2,524,129	1,293	722,442	160,571	
August	2,497,224	1,296	746,958	175,607	
September	2,472,421	1,307	769,117	179,511	
October	2,446,002	1,311	782,846	184,041	
November	2,422,149	1,318	782,495	187,336	
December	2,397,647	1,328	783,063	200,095	

¹ In addition to loans the HOLC held on Dec. 31, 1937, \$768,000,000 in other assets, consisting principally of investments in the Federal Savings and Loan Insurance Corporation and in various savings and loan associations, real estate and other property, and accrued interest receivable.
² Includes loans to Federal savings and loan associations, all of which are members, and a negligible amount to others than member institutions.

POSTAL SAVINGS SYSTEM

[In millions of dollars]

End of month	Depositors' balances ¹	Total	Assets				Cash, reserve funds, etc. ²
			Cash in depository banks	U. S. Government securities			
				Total	Direct obligations	Guaranteed obligations	
1933—June	1,187	1,207	977	131	131	99	
1934—June	1,198	1,225	695	453	418	35	
1935—June	1,205	1,236	385	777	630	147	
1936—June	1,232	1,265	203	967	800	167	
1936—October	1,255	1,290	158	1,011	844	167	
November	1,257	1,293	145	1,029	862	167	
December	1,260	1,296	145	1,058	891	167	
1937—January	1,266	1,303	136	1,060	893	167	
February	1,270	1,307	133	1,061	894	167	
March	1,272	1,310	132	1,097	930	167	
April	1,270	1,307	134	1,100	933	167	
May	1,268	1,306	134	1,100	933	167	
June	1,268	1,307	136	1,100	933	167	
July	1,271	1,309	134	1,100	933	167	
August	1,273	1,312	133	1,100	933	167	
September	1,270	1,307	133	1,100	933	167	
October	1,269	1,308	130	1,100	933	167	
November	^p 1,270						
December	^p 1,269						

^p Preliminary.

¹ Outstanding principal, represented by certificates of deposit. Does not include accrued interest nor outstanding savings stamps.

² Includes working cash with postmasters, 5-percent reserve fund and miscellaneous working funds with the Treasurer of the United States, accrued interest on bond investments, and accounts due from late postmasters.

Back figures.—See BULLETIN for August 1935, p. 502.

PRODUCTION, EMPLOYMENT, AND TRADE

[Index numbers; 1923-25 average=100 The terms "adjusted" and "unadjusted" refer to adjustment for seasonal variation]

Year and month	Industrial production ¹ *						Construction contracts awarded (value) ²						Factory employment ³		Factory pay-rolls ³	Freight-car loadings ⁴		Department store sales ⁵ (value)	
	Total		Manufactures		Minerals		Total		Residential		All other		Ad-justed	Unad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed
	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed
1919	83	87	84	87	77	63	63	44	79	107	98	84	78						
1920	87	87	87	87	89	63	63	30	90	108	118	91	94						
1921	67	67	67	67	70	56	56	44	65	82	77	85	87						
1922	85	85	86	86	74	79	79	68	88	90	82	86	88						
1923	101	101	101	101	105	84	84	81	86	104	103	100	98						
1924	95	94	94	94	96	94	94	95	94	96	96	98	99						
1925	104	105	105	105	99	122	122	124	120	100	101	103	103						
1926	108	108	108	108	108	129	129	121	135	101	104	107	106						
1927	106	106	106	106	107	129	129	117	139	99	102	104	107						
1928	111	112	112	112	106	135	135	126	142	99	102	104	108						
1929	119	119	119	119	115	117	117	87	142	105	109	107	111						
1930	96	96	95	95	99	92	92	50	125	91	89	92	102						
1931	81	81	80	80	84	63	63	37	84	77	67	74	92						
1932	64	64	63	63	71	28	28	13	40	66	46	55	69						
1933	76	76	75	75	82	25	25	11	37	72	49	58	67						
1934	79	79	78	78	86	32	32	12	48	83	63	62	75						
1935	90	90	90	90	91	37	37	21	50	86	71	75	79						
1936	105	105	105	105	104	55	55	31	70	92	82	64	88						
1937	P110	P110	P109	P109	P115	P59	P59	P41	P74	P99	P98	78	93						
1934																			
Nov.	75	74	74	73	81	31	28	11	48	81	61	60	83						
Dec.	86	78	85	76	90	31	25	12	47	82	64	57	135						
1935																			
Jan.	90	88	90	87	95	27	22	12	39	84	63	59	59						
Feb.	90	91	88	91	97	28	24	14	39	85	70	66	61						
Mar.	88	91	87	91	97	26	26	16	35	86	72	65	71						
April	86	89	86	91	88	27	30	18	22	86	72	62	79						
May	85	87	84	87	90	27	32	21	32	85	69	61	76						
June	87	86	85	84	99	30	35	24	26	84	67	64	76						
July	86	83	87	83	85	35	39	25	25	85	67	59	55						
Aug.	88	87	89	87	83	38	40	24	24	86	71	63	61						
Sept.	91	90	92	89	87	43	44	25	25	88	74	64	86						
Oct.	95	97	95	96	93	48	45	25	25	87	76	68	86						
Nov.	96	98	97	98	93	60	53	26	25	88	76	68	91						
Dec.	101	96	101	95	102	68	54	26	22	89	78	64	145						
1936																			
Jan.	97	95	96	95	104	62	50	25	92	89	87	65	63						
Feb.	94	95	92	93	111	52	45	25	75	87	74	71	66						
Mar.	93	96	93	97	97	47	47	26	28	88	78	66	77						
April	101	104	100	105	106	47	53	30	35	89	79	71	84						
May	101	105	101	105	102	46	56	32	38	90	81	72	85						
June	104	104	105	105	100	52	60	36	39	90	81	73	83						
July	108	105	109	105	101	59	65	44	45	91	80	76	84						
Aug.	108	106	110	106	99	62	65	46	46	93	84	76	86						
Sept.	109	107	110	107	102	59	60	47	47	96	84	75	88						
Oct.	110	111	111	110	105	57	54	43	41	97	89	77	100						
Nov.	114	115	115	115	112	58	51	40	39	97	91	82	105						
Dec.	121	114	121	114	117	66	53	45	38	98	95	77	161						
1937																			
Jan.	114	112	115	113	110	63	51	45	77	99	80	73	72						
Feb.	116	117	116	118	115	62	54	47	75	100	96	76	76						
Mar.	118	122	117	122	128	56	56	45	64	101	101	83	90						
April	118	122	118	125	115	53	61	44	51	102	105	84	89						
May	118	122	118	123	116	56	68	44	52	102	105	80	95						
June	114	115	114	114	114	61	72	42	47	101	103	78	93						
July	114	111	114	110	112	67	75	44	45	103	101	80	94						
Aug.	117	115	118	114	112	62	66	40	40	102	104	79	92						
Sept.	111	109	110	106	115	56	56	37	37	101	100	78	100						
Oct.	102	102	100	99	113	52	49	36	35	98	100	76	103						
Nov.	89	90	85	86	109	56	50	32	31	95	90	71	101						
Dec.	P84	P80	P80	P76	P114	P107	P66	P52	P30	P89	P81	67	156						

* Revised.
¹ Preliminary.
² Average per working day.
³ For indexes of groups and separate industries see pp. 153-154; for description see BULLETIN for February and March 1927.
⁴ 3-month moving average of F. W. Dodge Corporation data centered at second month; for description see page 358 of BULLETIN for July 1931.
⁵ The indexes for factory employment and payrolls unadjusted for seasonal variation are compiled by the Bureau of Labor Statistics. For description and back figures for the seasonally adjusted index of factory employment compiled by F. R. Board of Governors see pages 950-978 of BULLETIN for December 1936. For current indexes of groups and separate industries see pp. 155-158. Underlying figures are for payroll period ending nearest middle of month.
⁶ For indexes of groups see p. 160.
 Back figures.—See Annual Report for 1936 (table 75). For department store sales see p. 631 of BULLETIN for August 1936, and for freight-car loadings, see pp. 522-529 of BULLETIN for June 1937.

INDUSTRIAL PRODUCTION, BY INDUSTRIES (ADJUSTED INDEXES)

[Index numbers of the Board of Governors; adjusted for seasonal variation. 1923-25 average = 100]

Industry	1936		1937											
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Manufactures—Total	115	121	115	116	117	118	118	114	114	118	110	100	85	^p 80
IRON AND STEEL	137	143	139	129	126	130	134	119	140	142	125	100	68	49
Pig iron	99	104	107	107	108	109	114	107	121	123	119	95	67	50
Steel ingots	141	147	142	131	128	132	136	121	141	144	125	101	68	49
TEXTILES	121	139	124	126	128	124	123	126	111	115	108	91	80	^p 77
Cotton consumption	123	144	129	132	136	130	130	136	125	129	121	101	91	88
Wool	118	140	121	129	128	119	121	119	95	106	88	65	51	^p 55
Consumption	128	160	126	132	139	128	132	129	102	120	96	63	51	^p 53
Machinery activity ¹	118	134	130	137	125	118	120	118	96	96	80	74	58	^p 65
Carpet and rug loom activity ¹	92	94	92	104	101	96	93	94	71	83	80	59	41	^p 44
Silk deliveries	125	134	118	112	114	120	109	115	97	92	103	105	94	69
FOOD PRODUCTS:														
Slaughtering and meat packing	109	100	87	86	89	93	76	77	70	78	87	89	86	86
Hogs	100	85	65	66	69	75	54	49	44	50	67	76	74	72
Cattle	116	117	111	108	113	113	99	111	99	111	109	102	96	101
Calves	122	125	130	122	136	130	124	134	129	141	140	120	115	114
Sheep	169	160	175	151	139	142	145	145	139	148	150	139	139	143
Wheat flour	83	87	87	89	89	95	89	94	91	83	83	86	86	88
Sugar meltings	83	115	98	89	108	123	98	69	91	96	45	73	101	142
PAPER AND PRINTING:														
Newsprint production	67	64	63	62	64	62	62	61	64	65	65	63	64	63
Newsprint consumption	160	141	142	145	144	144	147	145	140	141	147	145	130	134
TRANSPORTATION EQUIPMENT:														
Automobiles	105	122	120	120	121	130	135	130	129	157	135	142	92	78
Locomotives	11	15	11	13	24	33	31	30	25	21	29	34	-----	-----
LEATHER AND PRODUCTS	116	134	136	134	132	131	133	118	115	109	98	88	80	^p 87
Tanning	104	108	108	106	103	107	109	102	94	93	86	79	77	-----
Cattle hide leathers	111	111	111	108	106	107	111	99	91	93	87	85	80	-----
Calf and kip leathers	79	98	90	92	85	94	82	83	68	63	60	52	63	-----
Goat and kid leathers	112	111	119	114	115	121	133	128	127	124	108	92	83	-----
Boots and shoes	124	151	164	152	150	146	148	129	129	120	105	94	83	^p 93
CEMENT AND GLASS:														
Cement	91	91	86	85	93	87	78	74	75	73	73	79	76	71
Glass, plate	164	89	77	244	229	241	223	260	206	216	199	179	151	108
NONFERROUS METALS:														
Tin deliveries ¹	97	105	125	131	144	138	115	112	100	108	136	141	115	88
Zinc	100	98	80	83	107	110	116	115	112	110	116	115	108	108
Lead	74	80	76	70	75	85	76	70	82	82	77	81	79	87
FUELS, MANUFACTURED:														
Petroleum refining	188	191	189	194	190	195	200	202	206	207	216	217	211	-----
Gasoline ¹	241	242	236	245	242	249	253	256	261	265	277	277	268	-----
Kerosene	92	102	117	106	108	103	112	114	119	121	109	110	113	-----
Fuel oil ¹	124	132	135	130	126	123	130	133	139	134	147	147	144	-----
Lubricating oil ¹	114	116	111	126	120	131	131	129	124	121	126	134	127	-----
Coke, byproduct	130	137	137	136	138	141	143	134	144	149	148	128	104	-----
Coke, beehive	20	20	21	22	25	25	31	29	32	28	25	20	14	^p 11
RUBBER TIRES AND TUBES¹	126	123	123	133	132	133	132	123	102	-----	-----	-----	-----	-----
Tires, pneumatic ¹	130	128	128	138	137	138	137	128	105	-----	-----	-----	-----	-----
Inner tubes ¹	92	91	91	99	99	100	94	84	73	-----	-----	-----	-----	-----
TOBACCO PRODUCTS	150	183	165	168	153	158	155	150	164	159	162	155	155	170
Cigars	75	83	83	78	83	82	74	73	78	73	77	73	73	74
Cigarettes	209	265	234	242	212	220	221	212	233	229	231	221	221	247
Manufactured tobacco	86	92	76	81	84	89	81	80	86	79	81	82	83	84
Minerals—Total	112	117	110	115	128	115	116	114	112	112	115	113	109	^p 114
Bituminous coal	95	97	86	98	112	72	80	80	79	78	86	83	78	^p 77
Anthracite	69	73	56	50	81	97	63	74	47	37	52	55	65	^p 70
Petroleum, crude	152	161	164	168	173	174	176	172	174	181	177	176	174	^p 74
Iron ore	110	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Zinc	100	98	80	83	107	110	116	115	112	110	116	115	108	108
Lead	74	80	76	70	75	85	76	70	82	82	77	81	79	87
Silver	99	113	99	94	93	103	101	107	148	139	116	91	119	-----

¹ Without seasonal adjustment.

^p Preliminary.

^r Revised.

NOTE.—For description see BULLETINS for February and March 1927. For latest revisions see BULLETINS for March 1932, pp. 194-196, September 1933, pp. 584-587, November 1936, p. 911, and March 1937, p. 255. Series on silk-loom activity and on production of book paper, wrapping paper, fine paper, box board, mechanical wood pulp, chemical wood pulp, paper boxes, and lumber, usually published in this table are in process of revision.

INDUSTRIAL PRODUCTION, BY INDUSTRIES (UNADJUSTED INDEXES)

[Index numbers of the Board of Governors; without seasonal adjustment. 1923-25 average = 100]

Industry	1936		1937											
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Manufactures—Total	115	114	113	118	122	125	123	114	110	114	106	99	86	^p 76
IRON AND STEEL	127	125	134	135	142	144	146	119	130	139	123	98	63	43
Pig iron	100	102	105	109	114	115	116	105	115	118	116	95	68	49
Steel ingots	130	128	136	138	145	146	149	121	132	141	124	98	62	42
TEXTILES	125	132	130	134	132	127	123	119	103	108	107	93	83	^p 72
Cotton consumption	128	133	136	141	143	140	134	130	114	116	118	104	95	81
Wool	125	141	123	135	129	117	116	113	89	102	91	69	54	^p 55
Consumption	140	161	130	144	141	124	122	116	91	111	101	69	55	^p 54
Machinery activity	118	134	130	137	125	118	120	118	96	96	80	74	58	^p 65
Carpet and rug loom activity	62	94	92	104	101	96	93	94	71	83	80	59	41	^p 44
Silk deliveries	129	119	135	120	110	119	108	102	92	96	109	105	97	62
FOOD PRODUCTS:														
Slaughtering and meat packing	121	117	100	85	84	83	74	76	67	70	83	89	95	101
Hogs	110	111	87	73	69	67	52	50	39	38	50	64	81	94
Cattle	133	122	112	95	99	99	96	104	98	109	121	119	110	107
Calves	124	119	121	114	137	141	140	139	125	123	134	126	117	109
Sheep	167	167	176	142	126	133	142	142	139	150	173	153	137	140
Wheat flour	90	84	85	86	83	87	83	83	85	88	98	96	93	85
Sugar meltings	65	66	64	88	127	143	109	82	111	108	48	69	79	81
PAPER AND PRINTING:														
Newsprint production	66	64	64	62	63	63	63	63	62	64	65	63	63	63
Newsprint consumption	160	145	137	143	149	154	151	144	124	126	144	154	139	138
TRANSPORTATION EQUIPMENT:														
Automobiles	127	147	120	120	140	158	163	147	132	116	53	100	111	94
Locomotives	12	15	10	13	24	30	30	29	25	23	30	34		
LEATHER AND PRODUCTS:														
Tanning	112	114	126	136	136	128	122	114	113	121	112	97	77	^p 74
Cattle hide leathers	102	105	104	110	103	105	103	100	93	94	91	84	76	
Calf and kip leathers	109	108	112	116	107	107	105	97	88	91	91	88	80	
Goat and kid leathers	75	84	75	85	76	85	78	80	79	76	70	62	59	
Boots and shoes	111	120	113	119	117	120	124	128	118	122	113	96	82	
Boots and shoes	118	119	140	153	157	143	134	123	127	138	126	105	78	^p 74
CEMENT AND GLASS:														
Cement	90	71	52	51	67	85	92	91	92	94	92	90	76	56
Glass, plate	164	89	77	244	241	265	234	234	185	216	199	179	151	108
NONFERROUS METALS:														
Tin deliveries	97	105	125	131	144	138	115	112	100	108	136	141	115	88
Zinc	100	100	85	89	113	114	117	111	104	103	110	112	108	110
Lead	77	81	77	72	77	84	75	72	79	79	73	84	82	88
FUELS, MANUFACTURED:														
Petroleum refining	189	192	189	194	190	195	200	201	206	207	216	218	212	
Gasoline	241	242	236	245	242	249	253	256	261	265	277	277	268	
Kerosene	100	111	119	108	104	102	108	106	110	115	112	115	122	
Fuel oil	124	132	135	130	126	123	130	133	139	134	147	147	144	
Lubricating oil	114	116	111	126	120	131	131	129	124	121	126	134	127	
Coke, byproduct	133	138	138	140	142	142	142	132	140	145	145	128	106	
Coke, beehive	21	21	24	28	30	27	28	24	25	23	22	20	15	^p 12
RUBBER TIRES AND TUBES	126	123	123	133	132	133	132	123	102					
Tires, pneumatic	130	128	128	138	137	138	137	128	105					
Inner tubes	92	91	91	99	99	100	94	84	73					
TOBACCO PRODUCTS	153	149	156	153	146	145	157	164	178	170	179	167	158	138
Cigars	90	82	84	67	76	77	76	80	82	76	88	89	86	55
Cigarettes	267	217	230	220	201	200	224	234	256	247	254	253	219	202
Manufactured tobacco	83	75	77	82	85	86	82	82	86	81	88	85	81	69
Minerals—Total	115	111	106	111	118	105	117	117	115	120	125	122	112	^p 107
Bituminous coal	106	103	96	103	112	61	70	72	72	77	92	92	87	^p 82
Anthracite	71	72	61	54	67	101	63	65	38	37	53	70	67	^p 69
Petroleum, crude	^p 151	156	158	165	171	174	177	175	177	184	182	177	172	^p 169
Iron ore	93						238	240	245	257	218	156	34	
Zinc	100	100	85	89	113	114	117	111	104	103	110	112	108	110
Lead	77	81	77	72	77	84	75	72	79	79	73	84	82	88
Silver	106	114	100	102	102	104	98	105	126	138	111	90	128	

^p Preliminary.^r Revised.

NOTE.—For description see BULLETINS for February and March 1927. For latest revisions see BULLETINS for March 1932, pp. 194-196, September 1933, pp. 584-587, and March 1937, p. 256. Series on silk-loom activity and on production of book paper, wrapping paper, fine paper, box board, mechanical wood pulp, chemical wood pulp, paper boxes, and lumber, usually published in this table, are in process of revision.

FACTORY EMPLOYMENT, BY INDUSTRIES (ADJUSTED FOR SEASONAL VARIATION)—Continued

[Index numbers of the Board of Governors; adjusted to Census of Manufactures through 1933. 1923-25 average = 100]

Industry and group	1936		1937											
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
LEATHER PRODUCTS	94.9	98.8	99.1	98.1	97.4	96.5	96.0	96.1	95.2	93.0	90.0	88.8	85.7	86.0
Boots, shoes.....	95	100	101	100	99	97	96	97	94	90	86	88	89	89
Leather.....	99	98	97	97	97	100	100	99	95	94	93	89	83	78
FOOD PRODUCTS	113.4	115.0	114.8	116.7	117.0	116.1	114.8	114.7	119.4	116.2	114.8	113.8	114.2	112.2
Baking.....	132	132	133	135	136	134	135	135	136	134	134	136	134	132
Beverages.....	197	197	203	202	205	199	203	206	209	210	209	199	209	204
Butter.....	82	84	86	88	88	86	88	90	91	88	87	86	84	85
Canning, preserving.....	135	147	148	157	152	154	144	143	169	155	161	138	141	139
Confectionery.....	80	81	83	81	80	79	78	77	81	82	76	80	80	77
Flour.....	73	74	75	75	75	77	76	75	78	77	74	75	75	75
Ice cream.....	70	72	71	73	73	73	76	77	76	75	76	72	74	75
Slaughtering, meat packing.....	96	95	93	91	93	91	90	89	91	88	88	89	90	87
Sugar, beet.....	114	93	44	89	95	98	90	90	91	89	108	110	105	79
Sugar refining, cane.....	67	70	64	78	77	84	78	75	79	75	66	67	69	76
TOBACCO MANUFACTURES	62.4	62.0	62.0	61.8	61.7	61.1	61.2	60.2	61.3	60.8	60.2	59.3	59.6	59.4
Tobacco, snuff.....	57	56	56	57	56	56	56	58	57	57	56	56	56	56
Cigars, cigarettes.....	63	63	63	62	62	62	62	61	62	61	61	60	60	60
PAPER, PRINTING	103.6	104.0	104.0	105.5	107.4	107.5	108.0	108.2	107.3	107.4	107.8	107.0	105.0	102.0
Boxes, paper.....	100	103	103	104	106	106	106	106	105	104	100	99	97	94
Paper, pulp.....	112	113	114	116	118	119	120	121	120	119	119	117	114	109
Book, job printing.....	95	94	94	96	98	97	98	98	98	98	99	99	98	94
Newspaper, periodical printing.....	104	104	103	104	105	105	106	106	105	105	107	107	106	105
CHEMICALS, PETROLEUM PRODUCTS	118.1	118.6	120.7	121.6	122.5	124.4	126.0	127.5	127.7	127.2	127.4	123.7	120.9	115.2
A. Other than petroleum	117.4	118.3	120.9	121.8	122.7	124.8	126.1	128.0	128.1	127.3	127.9	123.4	120.2	114.0
Chemicals.....	129	129	133	133	135	136	138	137	138	137	137	135	129	122
Cottonseed oil, cake, meal.....	77	75	85	80	67	77	77	72	62	62	97	87	90	84
Druggists' preparations.....	102	105	105	109	111	113	112	114	112	114	112	110	109	108
Explosives.....	93	91	94	92	90	95	93	97	97	97	97	94	93	93
Fertilizers.....	80	87	87	86	88	94	98	110	104	105	94	89	86	88
Paints, varnishes.....	127	130	131	133	135	136	134	134	136	136	134	132	129	123
Rayon, allied products.....	357	355	364	363	370	378	392	408	413	407	407	380	367	330
Soap.....	100	100	102	110	111	107	103	103	104	103	102	99	98	96
B. Petroleum refining	121	120	120	121	122	123	125	125	126	127	125	124	124	120
RUBBER PRODUCTS	99.4	102.2	102.3	101.7	96.0	95.8	101.7	100.0	96.6	99.8	99.5	98.1	90.4	85.0
Rubber boots, shoes.....	74	76	75	73	82	82	81	76	67	77	76	74	66	62
Rubber goods, other.....	133	138	140	140	142	144	145	144	140	140	137	135	126	121
Rubber tires, inner tubes.....	93	95	95	94	80	79	89	89	87	90	91	90	83	77

NOTE.—Figures for December 1937 are preliminary. For description and back data see pages 950-978 of the BULLETIN for December 1936 and page 259 of the BULLETIN for March 1937. Underlying figures are for payroll period ending nearest middle of month

FACTORY EMPLOYMENT AND PAYROLLS, BY INDUSTRIES (WITHOUT SEASONAL ADJUSTMENT)—Continued

[Index numbers of the Bureau of Labor Statistics; adjusted to Census of Manufactures through 1933. 1923-25 average=100]

Industry and group	Factory employment							Factory payrolls						
	1936		1937					1936		1937				
	Nov.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	Nov.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.
LEATHER PRODUCTS	89.0	94.0	96.6	92.7	89.5	80.3	81.7	67.3	78.3	83.7	71.6	66.3	53.8	58.4
Boots, shoes.....	88	94	99	94	91	81	84	58	71	79	65	59	46	53
Leather.....	98	98	94	93	90	83	79	101	105	104	99	95	83	78
FOOD PRODUCTS	114.1	110.6	132.5	137.8	125.0	114.6	107.8	108.3	105.7	131.2	133.2	125.0	115.9	110.6
Baking.....	133	132	135	137	138	135	132	120	120	132	136	137	130	128
Beverages.....	183	181	231	223	203	194	188	191	188	273	253	222	213	202
Butter.....	82	82	94	92	86	84	82	65	63	78	74	70	67	66
Canning, preserving.....	113	97	278	312	186	119	92	98	91	294	307	188	111	90
Confectionery.....	92	91	73	85	96	92	86	85	86	75	89	98	90	86
Flour.....	75	74	78	77	77	76	75	70	70	80	81	81	77	74
Ice cream.....	62	61	90	82	69	65	64	56	55	84	74	64	62	61
Slaughtering, meat packing.....	97	99	87	87	89	91	91	100	102	97	98	100	102	105
Sugar, beet.....	274	173	71	92	253	252	146	269	152	75	101	224	267	136
Sugar refining, cane.....	68	69	77	67	69	70	75	59	59	81	60	64	67	72
TOBACCO MANUFACTURES	65.9	63.3	61.8	62.1	62.6	62.9	60.6	54.8	55.4	57.2	56.5	57.9	57.2	54.9
Tobacco, snuff.....	57	56	56	56	56	57	57	62	65	66	70	68	64	65
Cigars, cigarettes.....	67	64	63	63	63	64	61	54	54	56	55	57	56	54
PAPER, PRINTING	105.0	106.0	106.3	107.7	107.9	106.4	104.0	98.6	102.6	102.6	103.7	105.1	101.5	100.6
Boxes, paper.....	106	106	103	103	105	103	97	109	108	103	103	109	103	93
Paper, pulp.....	112	113	119	119	117	114	109	105	109	124	118	117	105	99
Book, job printing.....	96	97	97	99	99	98	98	88	93	90	93	93	93	95
Newspaper, periodical printing.....	105	106	103	106	108	107	107	102	105	99	104	107	106	108
CHEMICALS, PETROLEUM PRODUCTS	119.7	119.3	124.9	128.6	126.5	122.7	116.0	114.7	118.3	140.7	139.0	137.5	132.1	124.4
A. Other than petroleum.....	119.4	119.3	124.1	128.9	126.7	122.4	115.1	113.3	118.0	137.7	137.7	136.1	129.6	120.4
Chemicals.....	130	129	137	137	135	130	122	128	133	156	151	151	142	131
Cottonseed oil, cake, meal.....	104	98	54	121	127	121	109	83	82	48	112	119	113	105
Druggists' preparations.....	106	107	112	114	115	113	111	113	113	123	127	129	126	124
Explosives.....	95	93	96	98	97	95	95	98	98	107	106	111	107	100
Fertilizers.....	70	80	73	85	81	75	81	63	72	79	97	83	77	82
Paints, varnishes.....	125	128	133	132	132	128	121	117	122	135	132	134	125	116
Rayon, allied products.....	364	362	403	407	388	374	337	298	321	401	394	375	360	314
Soap.....	103	99	102	103	103	100	95	102	104	118	122	121	117	111
B. Petroleum refining.....	121	120	128	127	126	124	120	119	120	151	143	142	140	138
RUBBER PRODUCTS	100.0	101.9	97.9	98.0	97.7	90.9	84.8	101.2	104.8	97.0	97.4	94.3	82.0	76.5
Rubber boots, shoes.....	80	83	77	79	78	72	67	69	77	73	76	70	62	52
Rubber goods, other.....	136	138	135	135	137	128	121	131	139	134	133	140	122	110
Rubber tires, inner tubes.....	91	93	88	88	87	81	75	99	100	90	90	84	73	71

NOTE.—Figures for December 1937 are preliminary. For description see pages 950-953 of the BULLETIN for December 1936. Back data may be obtained from the Bureau of Labor Statistics. Underlying figures are for payroll period ending nearest middle of month.

CONSTRUCTION CONTRACTS AWARDED, BY TYPES OF CONSTRUCTION

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

Month	Total		Residential		Factories		Commercial		Public works and public utilities		Educational		All other	
	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937
January.....	214.8	242.7	37.4	78.4	9.0	37.0	15.5	21.5	86.9	68.5	39.5	19.6	26.5	17.8
February.....	140.4	188.3	31.2	63.0	13.4	12.6	12.6	22.3	46.6	59.6	21.1	11.3	15.5	19.4
March.....	198.8	231.2	55.2	90.2	18.4	22.2	17.3	30.0	62.3	52.5	19.0	10.0	26.6	26.4
April.....	234.6	269.5	67.2	107.8	25.5	30.1	24.3	28.5	73.4	65.7	23.2	14.0	21.1	23.4
May.....	216.1	243.7	70.3	83.9	12.9	18.5	18.8	25.6	63.6	66.7	20.7	22.0	29.8	26.9
June.....	232.7	*317.7	73.6	*98.0	10.2	36.8	21.9	24.5	80.0	99.9	18.3	37.4	28.7	26.1
July.....	294.7	321.6	72.0	81.0	19.1	58.5	28.6	29.1	126.6	102.5	23.3	15.8	25.1	34.7
August.....	275.3	*281.2	100.5	73.4	15.0	37.9	22.0	29.6	94.4	*90.6	12.3	17.2	31.1	32.5
September.....	234.3	207.1	80.7	65.6	18.8	12.9	20.1	25.3	84.5	65.8	9.2	15.8	21.0	21.5
October.....	225.8	202.1	79.7	65.5	18.4	12.6	22.0	25.2	67.0	61.6	13.4	10.8	25.3	26.4
November.....	208.2	198.4	68.4	59.9	14.1	13.5	23.0	18.9	73.9	61.4	13.1	19.3	15.7	25.4
December.....	199.7	209.5	65.5	43.5	23.1	20.9	23.2	16.5	61.3	64.8	13.0	37.6	13.6	26.1
Year.....	2,675.3	2,913.1	801.6	905.3	198.0	313.7	249.1	297.0	920.4	859.6	226.1	230.7	280.0	306.7

* Revised.

CONSTRUCTION CONTRACTS AWARDED, BY TYPES OF FINANCING

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

Month	Total						Publicly financed ¹						Privately financed ¹					
	1932	1933	1934	1935	1936	1937	1932	1933	1934	1935	1936	1937	1932	1933	1934	1935	1936	1937
January.....	85	83	186	100	215	243	39	34	157	55	149	112	45	44	29	45	66	130
February.....	89	63	97	75	140	188	34	27	65	38	79	69	55	26	31	37	62	119
March.....	112	60	178	123	199	231	45	25	126	68	96	66	67	35	62	55	103	165
April.....	122	57	131	124	235	270	61	18	78	53	105	74	61	39	63	71	130	195
May.....	146	77	134	127	216	244	93	24	72	47	94	*93	54	53	63	80	122	*131
June.....	113	102	127	148	233	318	64	29	73	64	116	137	49	74	54	84	116	180
July.....	129	83	120	159	295	322	85	20	52	67	153	131	44	63	67	93	141	191
August.....	134	106	120	169	275	*281	81	47	69	92	153	*104	53	59	61	76	122	178
September.....	128	120	110	167	234	267	80	71	69	97	116	80	47	49	41	70	119	127
October.....	107	145	135	201	226	262	61	100	79	114	101	78	46	45	67	87	125	124
November.....	105	162	112	188	208	198	73	126	74	118	89	93	32	36	38	70	119	106
December.....	81	207	93	264	200	269	52	156	61	196	82	115	29	61	32	68	117	94
Year.....	1,351	1,256	1,543	1,845	2,675	2,913	768	683	975	1,007	1,334	1,152	583	573	568	837	1,341	1,761

* Revised.

¹ Data for years prior to 1932 not available.

CONSTRUCTION CONTRACTS AWARDED, BY DISTRICTS

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

Federal Reserve district	1937		1936
	Dec.	Nov.	Dec.
	Boston.....	15,842	13,890
New York.....	38,958	36,327	43,609
Philadelphia.....	13,579	16,391	14,475
Cleveland.....	26,992	25,325	20,638
Richmond.....	19,291	19,433	19,798
Atlanta.....	20,344	13,358	18,746
Chicago.....	25,938	28,147	34,457
St. Louis.....	12,676	13,194	11,268
Minneapolis.....	8,271	6,975	6,973
Kansas City.....	8,554	10,334	7,261
Dallas.....	19,007	15,027	7,369
Total (11 districts).....	209,451	198,402	199,696

COMMERCIAL FAILURES, BY DISTRICTS

[Figures reported by Dun & Bradstreet. Amounts in thousands of dollars.]

Federal Reserve district	Number			Liabilities		
	1937		1936	1937		1936
	Dec.	Nov.	Dec.	Dec.	Nov.	Dec.
Boston.....	96	66	78	942	745	1,148
New York.....	279	247	227	3,923	3,192	6,346
Philadelphia.....	52	28	35	794	338	368
Cleveland.....	62	59	40	1,176	705	757
Richmond.....	43	52	23	357	660	250
Atlanta.....	36	49	24	415	520	278
Chicago.....	140	94	82	2,438	1,700	1,210
St. Louis.....	28	25	32	483	381	225
Minneapolis.....	32	30	19	271	218	143
Kansas City.....	39	34	27	373	230	207
Dallas.....	19	21	13	168	380	171
San Francisco.....	106	91	92	1,951	1,009	1,185
Total.....	932	786	692	13,291	10,078	12,288

MERCHANDISE EXPORTS AND IMPORTS

[In millions of dollars]

Month	Merchandise exports ¹					Merchandise imports ²					Excess of exports				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
January.....	121	172	176	199	223	96	136	167	187	240	25	37	9	11	-18
February.....	102	163	163	182	233	84	133	152	183	278	18	30	11	-11	-45
March.....	108	191	185	195	257	95	158	177	199	307	13	33	8	-4	-51
April.....	105	179	164	193	269	88	147	171	203	287	17	33	-6	-10	-18
May.....	114	160	165	201	290	107	155	171	192	285	7	6	-6	9	5
June.....	120	171	170	186	265	122	136	157	191	286	-2	34	13	-5	-21
July.....	144	162	173	180	268	143	127	177	195	265	1	34	-3	-15	3
August.....	131	172	172	179	*277	155	120	169	193	246	-23	52	3	-14	*31
September.....	160	191	199	221	297	147	132	162	216	233	13	60	37	5	63
October.....	193	206	221	265	333	151	130	189	213	224	42	77	32	52	108
November.....	184	195	270	226	315	129	151	169	196	223	56	44	100	30	91
December.....	195	171	223	230	*320	134	132	187	245	*209	59	38	37	-15	*111
Year.....	1,675	2,133	2,283	2,456	*3,346	1,450	1,655	2,047	2,423	*3,084	225	478	235	*33	*262

¹ Preliminary. ² Revised.³ Including both domestic and foreign merchandise.⁴ General imports, including merchandise entered for immediate consumption and that entered for storage in bonded warehouses.

Source: Bureau of Foreign and Domestic Commerce.

Back figures.—See BULLETIN for January 1931, p. 18, and for July 1933, p. 431.

FREIGHT-CAR LOADINGS, BY CLASSES

[Index numbers; 1923-25 average=100]

	1936		1937			
	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.
	Adjusted for seasonal variation					
Total.....	83	79	78	76	71	67
Coal.....	82	77	81	81	72	70
Coke.....	88	98	93	74	50	46
Grain and grain products.....	83	77	71	82	92	88
Livestock.....	46	42	44	45	42	42
Forest products.....	54	53	49	46	41	40
Ore.....	92	103	104	79	73	86
Miscellaneous.....	92	88	86	81	76	69
Merchandise ¹	69	68	67	66	64	62
Without seasonal adjustment						
Total.....	77	81	87	84	72	62
Coal.....	92	68	84	89	78	78
Coke.....	97	80	88	74	59	51
Grain and grain products.....	71	93	79	82	86	75
Livestock.....	45	42	56	63	51	40
Forest products.....	46	55	54	48	40	34
Ore.....	23	190	182	117	40	21
Miscellaneous.....	84	89	96	92	78	63
Merchandise ¹	66	68	70	69	65	59

¹ In less-than-carload lots.

NOTE.—For description and back data see pages 522-529 of BULLETIN for June 1937. Based on daily average loadings. Basic data compiled by Association of American Railroads. Total index compiled by combining indexes for classes with weights derived from revenue data of the Interstate Commerce Commission.

DEPARTMENT STORES—SALES, STOCKS

[Index numbers based on value figures; 1923-25 average=100]

Month	Index of sales ¹				Index of stocks (end of month)			
	Adjusted for seasonal variation		Without seasonal adjustment		Adjusted for seasonal variation		Without seasonal adjustment	
	1936	1937	1936	1937	1936	1937	1936	1937
January.....	81	93	63	72	66	74	58	66
February.....	83	95	66	76	66	76	62	72
March.....	84	93	77	90	65	76	67	78
April.....	84	93	85	89	65	76	68	79
May.....	87	93	89	95	66	76	67	78
June.....	87	93	84	90	64	75	62	73
July.....	91	94	63	65	64	74	59	69
August.....	86	92	68	72	67	78	65	74
September.....	88	94	94	100	68	77	71	80
October.....	90	93	100	103	69	77	76	85
November.....	94	91	105	101	71	76	80	86
December.....	92	89	161	156	71	72	67	68
Year.....			88	93			67	76

¹ Based on daily average sales—with allowance for changes from month to month in number of Saturdays and in number of Sundays and holidays. Adjustment for seasonal variation makes allowance in March and April for the effects upon sales of changes in the date of Easter.

Back figures.—Department store sales, see p. 631 of BULLETIN for August 1936; department store stocks, see pp. 254-255 of BULLETIN for April 1935.

INTERNATIONAL FINANCIAL STATISTICS

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars)

End of month	Total ¹ (52 countries)	United States	Canada	Europe (26 countries)	Latin America (11 countries)	Asia and Oceania (8 countries)	Africa (5 countries)	Europe											
																		Switzerland	
								United Kingdom ²	France	Germany	Italy ³	Belgium	Netherlands	National Bank	B. I. S.				
1934—December	21,051	8,238	134	11,010	601	805	263	1,584	5,445	32	518	590	573	624	4				
1935—December	21,604	10,126	189	9,617	666	816	291	1,648	4,395	33	270	611	438	454	8				
1936—October	21,810	11,045	186	8,774	690	847	269	2,049	3,194	26	208	621	388	583	13				
November	22,010	11,184	188	8,829	686	852	270	2,049	3,194	27	208	630	388	624	13				
December	22,630	11,258	188	9,307	736	858	283	2,584	2,995	27	208	632	490	655	11				
1937—January	22,661	11,358	190	9,225	726	865	297	2,584	2,846	27	208	625	558	657	13				
February	22,806	11,436	191	9,268	732	870	310	2,584	2,846	27	208	626	598	657	12				
March	23,003	11,574	194	9,295	765	858	317	2,584	2,846	27	208	619	626	657	16				
April	23,246	11,799	199	9,302	773	879	295	2,584	2,846	28	208	607	670	635	11				
May	23,610	11,990	193	9,464	798	875	291	2,647	2,846	28	208	609	769	635	17				
June	23,929	12,318	187	9,466	815	863	281	2,689	2,722	28	208	625	848	635	8				
July	23,756	12,446	188	9,159	821	876	267	2,689	2,422	28	208	617	862	628	3				
August	23,710	12,567	188	9,141	821	725	267	2,689	2,424	28	208	607	862	615	4				
September	23,862	12,741	186	9,129	816	726	264	2,689	2,428	28	208	590	862	612	6				
October	23,986	12,803	187	9,191	814	726	266	2,689	2,428	28	208	572	906	646	4				
November	24,123	12,774	187	9,359	811	726	266	2,689	2,564	28	208	570	940	644	5				
December	12,760	1184	9,377	811	726	266	266	2,689	2,564	28	208	597	930	648	5				

End of month	Europe—Continued															Latin America	
	Austria	Bulgaria	Czechoslovakia	Denmark	Greece	Hungary	Norway	Poland	Portugal	Rumania	Spain ⁴	Sweden	Yugoslavia	6 other countries	Argentina	Brazil	
1934—December	45	19	112	60	40	23	81	96	68	104	740	159	53	60	403	8	
1935—December	46	19	112	54	34	23	84	84	68	109	735	185	43	63	444	17	
1936—October	46	20	91	54	26	23	98	71	68	113	718	239	47	79	455	23	
November	46	20	91	54	26	25	98	72	68	113	718	239	48	79	452	24	
December	46	20	91	54	26	25	98	75	68	114	718	240	48	82	501	25	
1937—January	46	21	91	54	26	25	98	75	68	114	718	240	49	82	487	25	
February	46	21	91	53	27	25	98	76	68	115	718	241	49	82	489	26	
March	46	21	91	53	27	25	98	77	68	115	718	241	49	82	519	26	
April	46	21	91	53	27	25	98	78	68	115	718	241	50	82	536	27	
May	46	22	90	53	26	25	88	78	68	116	718	242	50	82	565	28	
June	46	22	91	53	25	25	88	80	68	116	718	242	50	79	581	28	
July	46	22	90	53	24	25	86	81	69	117	718	243	50	78	587	29	
August	46	22	90	53	24	25	86	82	69	118	718	243	50	78	587	29	
September	46	22	90	53	24	25	86	82	69	118	718	243	51	78	587	30	
October	46	23	90	53	24	25	86	82	69	119	718	244	52	78	586	30	
November	46	23	91	53	24	25	86	82	69	119	718	244	52	78	586	31	
December	46	23	92	53	24	25	82	83	69	119	718	244	51	78	586	31	

End of month	Latin America—Continued						Asia and Oceania						Africa			
	Chile	Colombia	Mexico	Peru	Uruguay	4 other countries	British India	China	Japan	Java	New Zealand	Turkey	2 other countries	Egypt	South Africa	3 other countries
1934—December	29	19	23	19	82	18	275	7	394	77	25	22	6	55	184	24
1935—December	29	16	44	20	77	19	275	10	425	54	23	24	6	55	212	24
1936—October	29	17	49	20	77	19	275	6	456	60	23	24	3	55	189	25
November	29	18	47	20	77	19	275	7	459	60	23	24	3	55	191	25
December	29	19	46	20	77	19	275	8	463	60	23	26	4	55	203	25
1937—January	29	20	48	19	77	19	275	9	466	60	23	28	3	55	217	25
February	29	22	50	20	77	20	275	10	469	60	23	29	3	55	230	25
March	29	23	52	20	77	18	275	12	456	60	23	29	3	55	237	25
April	29	18	47	20	77	19	274	16	459	74	23	29	3	55	215	25
May	29	14	46	20	77	19	274	19	452	74	23	29	3	55	211	25
June	30	16	45	20	77	19	274	16	443	74	23	29	3	55	201	25
July	30	15	45	20	77	19	274	16	412	79	23	29	3	55	187	25
August	30	16	43	20	77	19	274	15	261	79	23	29	3	55	189	23
September	30	15	38	20	77	20	274	15	261	79	23	29	3	55	189	21
October	30	16	34	20	77	20	274	15	261	79	23	29	3	55	189	22
November	30	15	31	20	77	20	274	15	261	79	23	29	3	55	189	22

^p Preliminary.
¹ See notes under United Kingdom, Italy, Spain, and China.
² Bank of England only. In addition, according to official announcements, British Exchange Equalization Account held \$934,000,000 of gold on Mar. 31, 1937, and \$1,395,000,000 on Sept. 30, 1937.
³ Decline in gold holdings of Bank of Italy from official figure for December 1935 to that for December 1936 has been distributed monthly on basis of gold imports from Italy reported by other countries. December 1936 figure carried forward for January 1937; figures for February and March 1937 officially reported as of 20th of month; March figure carried forward for subsequent months.
⁴ No statements have been received from Bank of Spain since Aug. 1, 1936. Figure for that date has been carried forward.
⁵ No statements have been received from Central Bank of China since July 31, 1937. Figure for that date has been carried forward.
NOTE.—The countries for which figures are not shown separately are, in Europe: Albania, Danzig, Estonia, Finland, Latvia, and Lithuania; in Latin America: Bolivia, Ecuador, El Salvador, and Guatemala; in Asia and Oceania: Australia and Siam; and in Africa: Algeria, Belgian Congo, and Morocco.
For back figures and for full description of this table, see BULLETIN for May 32, pp. 311-318; June 1933, pp. 368-372; July 1936, pp. 544-547; August 1936, p. 667; and December 1937, p. 1262.

GOLD MOVEMENTS—Continued

(In thousands of dollars at approximately \$35 a fine ounce)

Year or month	United Kingdom												Germany	
	Total net imports or net exports (-)	Net imports from or net exports (-) to:										Total net imports or net exports (-)		
		United States	France	Germany	Belgium	Netherlands	U.S.S.R.	Australia	South Africa, Rhodesia, West Africa	British India	Other British countries			China
1934.....	716,269	-497,166	348,190	121,017	-13,585	32,575	-----	41,790	335,253	206,693	62,397	-----	¹ 79,105	-90,920
1935.....	369,747	-435,502	142,137	-4,726	-17,476	10,796	931	37,981	404,295	181,627	32,744	-----	² 17,458	42,969
1936.....	1,170,023	-276,813	756,204	23,295	-15,133	-21,130	-----	26,723	488,814	128,421	28,068	13,930	³ 17,644	1,868
1936—June.....	69,447	-26,802	27,060	3,903	-536	606	-----	1,610	45,147	10,860	1,378	-----	6,221	1,130
July.....	195,066	-4,384	142,535	1,913	-747	-2,421	-----	2,531	43,122	9,657	1,153	-----	1,708	3,248
Aug.....	281,401	-16,120	240,868	1,789	-804	-2,907	-----	2,089	34,552	15,011	1,407	3,502	2,013	1,580
Sept.....	151,814	-14,096	108,666	6,086	6,369	-1,029	-----	2,084	36,517	6,581	1,219	-----	-583	-3,514
Oct.....	7,615	-72,441	-383	3,964	-1,039	2,458	-----	1,984	45,323	7,583	1,199	2,710	15,986	-3,521
Nov.....	83,168	-49,224	72,506	-163	377	1,486	-----	2,304	36,230	14,896	1,610	4,727	-1,581	426
Dec.....	100,505	-63,914	118,655	-624	-1,130	1,836	-----	2,126	41,683	7,243	1,172	1,927	-8,467	4,763
1937—Jan.....	-25,523	-73,568	22,453	-220	414	1,021	5,628	2,504	16,903	3,953	694	-----	-5,305	17,426
Feb.....	122,296	-75,615	163,919	153	452	1,756	-----	1,968	24,113	8,705	786	-----	-3,942	27,024
Mar.....	78,484	-104,399	124,121	507	1,587	965	-22,520	2,727	26,593	5,760	592	-----	-2,489	588
Apr.....	12,036	-149,444	11,281	-1,055	104	927	98,510	2,122	44,198	2,848	1,220	-----	1,325	1,778
May.....	-48,319	-101,710	-274	-1,786	-1,545	452	8,430	2,353	37,106	8,368	873	-----	-586	2,956
June.....	22,957	-128,380	79,545	8,398	-7,915	997	14,027	1,552	46,933	2,782	1,251	-----	3,767	-22,222
July.....	127,953	-79,498	112,113	16,348	-9,207	-208	14,153	705	57,861	6,129	1,296	7,227	1,032	-11,355
Aug.....	122,643	-26,043	50,463	12,212	416	-662	16,914	1,981	54,463	7,178	1,171	8,454	-3,903	11,467
Sept.....	-29,775	-86,145	-2,034	8,245	573	-420	19,784	2,039	36,199	4,735	989	-----	⁴ -13,739	-8,182
Oct.....	-6,348	-16,236	-2,831	3,171	8,176	-10,047	-----	1,476	36,244	5,739	1,032	-----	⁵ -33,071	63
Nov.....	22,054	4,258	-2,488	84	-2,215	-5,663	-----	2,359	47,694	4,960	3,877	-----	⁶ -30,813	-79
Dec.....	17,572	1,319	-11,686	88	-10,006	-3,343	-----	2,321	33,618	1,319	7,139	-133	-3,065	-----

Year or month	Switzerland							British India							
	Total net imports or net exports (-)	Net imports from or net exports (-) to:						Total net imports or net exports (-)	Net imports from or net exports (-) to:			Gold production in India	Change in:		
		United States	United Kingdom	France	Belgium	Italy	Netherlands		All other countries	United States	United Kingdom		All other countries	Reserves in India ⁷	Private holdings in India ⁸
1934.....	-46,065	-12,784	-45,955	-29,235	18,397	19,431	2,580	1,500	-230,720	-82,183	-144,185	-4,352	11,222	173	-219,671
1935.....	-230,788	647	-54,858	-181,725	-13,940	25,542	342	-6,795	-161,872	-46,172	-113,953	-1,746	11,393	-6	-150,472
1936.....	122,279	-9,127	-1,714	39,305	14,531	51,299	4,600	23,378	-121,342	-47,711	-73,806	175	11,599	-----	-109,743
1936—June.....	5,188	-4	-1,704	2,057	-235	2,952	2,113	9	-10,355	-3,563	-6,641	-151	958	-----	-9,397
July.....	-321	-7	820	-249	1,160	-20	-121	-1,911	-15,032	-6,267	-8,329	-436	981	-----	-14,051
Aug.....	2,829	-----	-113	3,176	-254	-20	-21	59	-7,983	-6,273	-1,776	66	981	-----	-7,002
Sept.....	33,506	-575	-6,396	40,875	-286	-641	487	42	-8,273	-3,653	-4,823	203	966	-----	-7,307
Oct.....	14,848	19	5,988	656	8,177	62	57	-112	-11,576	-8,025	-3,769	218	982	-----	-10,594
Nov.....	2,210	-3,676	2,892	1,241	1,723	-65	97	-3	-9,347	-1,066	-8,420	139	966	-----	-8,381
Dec.....	-2,874	-4,916	2,291	-47	659	-33	20	-848	-5,506	-271	-5,359	124	953	-----	-4,523
1937—Jan.....	-135	-6,675	5,227	-612	732	-100	-575	1,866	-8,477	-596	-7,980	99	984	-----	-7,493
Feb.....	-17,034	-6,247	2,436	-1	852	-----	-566	-13,507	-3,161	-236	-3,052	127	890	-----	-2,262
Mar.....	575	-----	-463	-490	653	-----	55	819	-3,494	-620	-3,473	599	982	-----	-2,512
Apr.....	-1,506	-26	-1,966	-289	192	-----	96	594	-6,068	-863	-5,223	18	956	-38	-5,074
May.....	-4,479	-1,174	-1,987	-3,132	1,107	-----	96	611	-4,933	-1,101	-3,710	-122	982	-----	-3,951
June.....	-49,417	-36,242	-4,351	-8,740	521	-----	274	-879	-1,809	-----	-2,118	309	957	1	-853
July.....	-6,038	-1,243	-153	-1,831	-612	4	-2,278	-25	-8,089	-1,044	-7,253	208	979	-4	-7,706
Aug.....	-1,630	-----	-393	-1,242	8	-----	350	-354	-5,197	-424	-4,759	-14	975	-----	-4,222
Sept.....	-7,147	-8	-376	-6,995	-37	-----	1,186	1,456	-4,532	-----	-4,853	352	932	-----	-3,600
Oct.....	-1,138	8	3,286	-9,627	-109	-561	4,539	1,307	-4,655	-976	-3,752	73	901	-----	-3,694
Nov.....	4,113	-----	4,869	-6,276	-227	559	3,275	1,914	^p -4,180	-----	-----	^p 961	-----	^p -3,219	
Dec.....	26,758	-----	5,946	-6,404	24,700	-686	2,516	687	-----	-----	-----	-----	-----	-----	-----

^p Preliminary. ^r Revised.
¹ Includes \$17,465,000 exported to Rumania.
² Includes exports of \$50,661,000 to Sweden; \$12,571,000 to Norway; \$15,714,000 to Switzerland; and unspecified net imports of \$91,874,000.
³ Includes \$10,129,000 exported to Sweden.
⁴ Includes \$15,120,000 exported to Central and South America and \$4,007,000 imported from Japan.
⁵ Includes \$27,511,000 exported to Central and South America.
⁶ Includes \$24,996,000 exported to Central and South America.
⁷ Through March 1935 gold held by government; subsequently, gold held by Reserve Bank of India to which government gold was transferred.
⁸ Figures derived from preceding columns; net imports plus production minus increase in reserves in India.
⁹ Includes \$14,292,000 exported to Germany.

NOTE.—Germany, Switzerland, and United Kingdom.—In some cases annual aggregates of official monthly figures differ somewhat from revised official totals published for year as a whole. German gold movements by individual countries not available beginning July 1937.

CENTRAL BANKS

Bank of England (Figures in millions of pounds sterling)	Gold (in issue department) ¹	Assets of banking department				Note circulation	Liabilities of banking department			
		Cash reserves		Discounts and advances	Securities		Deposits			Other liabilities
		Coin	Notes				Bankers'	Public	Other	
1929—Dec. 25	145.8	.2	26.3	22.3	84.9	379.6	71.0	8.8	35.8	17.9
1930—Dec. 31	147.6	.6	38.8	49.0	104.7	368.8	132.4	6.6	36.2	18.0
1931—Dec. 30	120.7	.6	31.6	27.3	133.0	364.2	126.4	7.7	40.3	18.0
1932—Dec. 28	119.8	.8	23.6	18.5	120.1	371.2	102.4	8.9	33.8	18.0
1933—Dec. 27	190.7	1.0	58.7	16.8	101.4	392.0	101.2	22.2	36.5	18.0
1934—Dec. 26	192.3	.5	47.1	7.6	98.2	405.2	89.1	9.9	36.4	18.0
1935—Dec. 25	200.1	.6	35.5	8.5	94.7	424.5	72.1	12.1	37.1	18.0
1936—Aug. 26	244.8	1.1	61.3	9.2	102.6	443.4	100.9	17.2	37.8	18.2
Sept. 30	248.7	1.1	59.3	8.6	100.7	449.4	60.7	49.7	40.9	18.3
Oct. 28	248.7	1.0	65.9	6.6	99.7	442.7	86.5	27.6	41.4	17.7
Nov. 25	248.7	.7	63.1	6.8	98.6	445.6	97.6	12.1	41.7	17.8
Dec. 30	313.7	.6	46.3	17.5	155.6	467.4	150.6	12.1	39.2	18.0
1937—Jan. 27	313.7	.4	61.4	8.0	97.4	452.3	98.4	12.1	38.4	18.1
Feb. 24	313.7	.7	58.6	4.9	105.3	455.1	100.4	13.0	37.9	18.2
Mar. 31	313.7	1.0	39.8	7.1	123.4	473.8	62.3	52.2	38.5	18.3
Apr. 28	313.7	1.0	44.8	5.5	119.7	468.8	87.6	26.2	39.6	17.7
May 26	321.3	.9	46.0	4.9	119.7	475.2	91.4	24.9	37.5	17.8
June 30	326.4	.9	38.0	6.3	164.3	488.4	140.5	10.8	40.2	18.0
July 28	326.4	1.1	28.1	5.8	135.2	498.3	104.3	10.5	37.3	18.1
Aug. 25	326.4	1.5	38.1	4.3	128.5	488.3	92.8	25.4	36.0	18.2
Sept. 29	326.4	1.7	37.9	6.2	126.6	488.5	95.1	21.8	37.2	18.3
Oct. 27	326.4	1.6	43.3	8.1	121.1	483.1	87.7	32.2	36.6	17.7
Nov. 24	326.4	1.5	66.0	8.6	97.0	480.4	83.6	35.4	36.3	17.8
Dec. 29	326.4	.8	41.1	9.2	135.5	505.3	120.6	11.4	36.6	18.0
1938—Jan. 26 ²	326.4	.6	53.2	10.4	117.9	473.2	113.1	13.6	37.3	18.1

Bank of France (Figures in millions of francs)	Assets									Liabilities			
	Gold ¹	Foreign exchange	Domestic bills		Advances to Government	Loans on—		Negotiable securities	Other assets	Note circulation	Deposits		Other liabilities
			Special ³	Other		Short-term Government securities	Other securities				Government	Other	
1929—Dec. 27	41,668	25,942		8,624			2,521	5,612	5,603	68,571	11,737	7,850	1,812
1930—Dec. 26	53,578	26,179		8,429			2,901	5,304	6,609	76,436	12,624	11,698	2,241
1931—Dec. 30	68,863	21,111		7,389			2,730	7,157	8,545	85,725	5,898	22,183	1,989
1932—Dec. 30	83,017	4,484		3,438			2,515	6,802	9,196	85,028	2,311	20,072	2,041
1933—Dec. 29	77,098	1,158		4,739			2,921	6,122	8,251	82,613	2,322	13,414	1,940
1934—Dec. 28	82,124	963		3,971			3,211	5,837	8,288	83,412	3,718	15,359	1,907
1935—Dec. 27	66,296	1,328		9,712			3,253	5,800	8,344	81,150	2,862	8,716	2,113
1936—Aug. 28	54,511	1,250		7,063	14,333	809	3,454	5,640	8,125	84,324	1,523	7,037	2,301
Sept. 25	50,111	1,245	27	7,484	15,903	838	3,563	5,640	9,643	83,750	1,679	6,660	2,356
Oct. 30	64,359	1,471	547	7,332	12,303	668	3,447	5,640	8,204	87,198	3,973	9,247	3,553
Nov. 27	64,359	1,466	925	8,066	12,298	702	3,464	5,640	8,029	86,651	2,069	13,058	3,160
Dec. 30	60,359	1,460	1,379	8,465	17,698	715	3,583	5,640	8,344	89,342	2,089	13,655	2,557
1937—Jan. 29	57,359	1,435	1,620	8,553	19,772	1,168	3,701	5,640	8,209	87,688	1,955	15,280	2,534
Feb. 26	57,359	1,323	1,524	8,990	19,772	873	3,594	5,640	8,235	87,062	2,315	15,386	2,547
Mar. 26	57,359	1,194	1,514	8,440	20,066	225	3,698	5,640	8,543	85,746	1,977	16,404	2,552
Apr. 30	57,359	1,112	1,470	7,639	19,991	965	3,918	5,642	9,256	87,063	4,361	13,408	2,518
May 27	57,359	1,053	1,437	8,377	19,980	385	3,777	5,642	8,158	85,745	3,154	14,766	2,502
June 24	54,859	1,058	1,260	9,356	21,380	776	4,013	5,641	8,110	85,985	2,209	15,710	2,549
July 29	55,677	951	991	10,197	23,887	958	4,064	5,641	8,467	89,307	2,563	15,812	3,152
Aug. 26 ^c	55,718	911	833	8,655	25,218	476	3,763	5,637	8,417	88,255	2,251	15,927	3,196
Sept. 30	55,805	825	600	9,799	25,999	1,340	4,175	5,637	8,558	91,370	2,351	15,886	3,133
Oct. 28	55,805	829	562	10,620	26,918	483	3,710	5,637	7,218	91,336	2,648	14,679	3,121
Nov. 25	58,932	965	722	9,655	26,918	314	3,675	5,637	7,343	90,131	2,686	17,893	3,452
Dec. 30	58,933	911	652	10,066	31,909	675	3,781	5,580	7,277	93,837	3,461	19,326	3,160

^a Preliminary. ^c Corrected.

¹ Issue department also holds securities and silver coin as cover for fiduciary issue, which is fixed by law at £260,000,000. However, by direction of British Treasury under Section 2, paragraph (2), of Currency and Bank Notes Act, 1928 (see BULLETIN for August 1928, pp. 567-569), reductions in amount of fiduciary issue (and securities held as cover) have been in effect as follows: Dec. 16, 1936, to Nov. 10, 1937, £60,000,000; Nov. 17, 1937, to Jan. 12, 1938, £40,000,000; since Jan. 19, 1938, £60,000,000. From August 1, 1931, to March 31, 1933, increase of £15,000,000 in fiduciary issue (and securities held as cover) was authorized by British Treasury under Section 8 of Currency and Bank Notes Act.

² By law of October 1, 1936, gold provisionally revalued at rate of 49 milligrams gold 0.900 fine per franc (see BULLETIN for November 1936, pp. 878-880). Of total gold increment of about 17,000,000,000 francs, 10,000,000,000 francs was initially turned over to Stabilization Fund established by law of October 1. By decree of July 22, 1937, gold was again revalued on basis of 43 milligrams of gold 0.900 fine per franc, and resulting increment of about 6,800,000,000 francs was allocated to fund for regulating market for Government securities (see BULLETIN for September 1937, p. 853).

³ Bills and warrants endorsed by National Wheat Board (law of Aug. 15, 1936—see BULLETIN for October 1936, pp. 735-736), and bills rediscounted for account of Banques Populaires (law of Aug. 19, 1936—see BULLETIN for October 1936, p. 788).

NOTE.—For explanation of table see BULLETIN for February 1931, pp. 81-83, July 1935, p. 463, July 1936, p. 603, and September 1937, p. 951.

CENTRAL BANKS—Continued

Reichsbank (Figures in millions of reichsmarks)	Assets							Liabilities			
	Reserves		Treasury bills	Other bills (and checks)	Security loans	Securities		Other assets	Note circulation	Deposits	Other liabilities
	Gold	Foreign exchange				Eligible as note cover	Other				
1929—Dec. 31	2,283	404	241	2,608	251		92	656	5,044	755	736
1930—Dec. 31	2,216	469	206	2,366	256		102	638	4,778	652	822
1931—Dec. 31	984	172	98	4,144	245		161	1,065	4,776	755	1,338
1932—Dec. 31	806	114	1	2,806	176		398	1,114	3,560	540	1,313
1933—Dec. 30	386	9	49	3,177	183	259	322	735	3,645	640	836
1934—Dec. 31	79	5	45	4,021	146	445	319	827	3,901	984	1,001
1935—Dec. 31	82	5	53	4,498	84	349	315	853	4,285	1,022	923
1936—May 30	70	5	37	4,606	60	219	319	648	4,430	729	807
June 30	72	5	98	4,699	56	220	311	704	4,389	960	815
July 31	72	5	90	4,623	67	220	310	711	4,471	787	840
Aug. 31	69	6	74	4,693	65	220	309	686	4,540	729	853
Sept. 30	63	6	51	4,875	59	219	308	695	4,657	744	876
Oct. 31	65	5	55	4,888	79	219	305	685	4,713	689	897
Nov. 30	66	5	57	4,852	67	219	303	770	4,674	753	911
Dec. 31	66	6	62	5,448	74	221	303	765	4,980	1,012	953
1937—Jan. 30	67	6	23	4,835	65	223	302	959	4,799	707	973
Feb. 27	67	6	35	4,777	102	222	302	1,059	4,816	785	968
Mar. 31	68	6	10	5,101	51	167	312	1,021	4,938	970	826
Apr. 30	68	6	29	5,124	52	106	310	896	4,979	794	816
May 31	69	6	54	5,001	50	104	310	947	4,902	804	835
June 30	69	6	61	5,262	55	104	300	878	4,992	880	862
July 31	69	6	29	5,316	52	104	299	860	5,112	732	892
Aug. 31	70	6	33	5,283	52	104	299	905	5,116	736	901
Sept. 30	70	6	53	5,538	51	105	293	905	5,256	838	927
Oct. 30	70	6	7	5,578	44	105	293	844	5,275	711	959
Nov. 30	70	6	27	5,520	46	105	286	870	5,196	766	967
Dec. 31	71	6	119	6,013	60	106	286	861	5,493	1,059	970

NOTE—For explanation of above table see BULLETIN for February 1931, pp. 81-83, and July 1935, p. 463.

Central bank [Figures as of last report date of month]	1937			1936	Central bank [Figures as of last report date of month]	1937			1936
	Dec.	Nov.	Oct.	Dec.		Dec.	Nov.	Oct.	Dec.
National Bank of Albania (thousands of francs):									
Gold			7,553	7,556					
Foreign assets			21,717	24,560					
Loans and discounts			4,353	3,818					
Other assets			4,823	4,457					
Note circulation			11,053	10,653					
Other sight liabilities			14,780	17,352					
Other liabilities			12,614	12,385					
Central Bank of the Argentine Republic (millions of pesos):									
Gold at home		1,353	1,314	1,224					
Gold abroad and foreign exchange		81	147	303					
Negotiable Government bonds		65	41						
Other assets		175	194	147					
Note circulation		1,112	1,119	1,094					
Deposits—Member bank		371	405	426					
Government		136	115	121					
Other		6	6	5					
Other liabilities		51	51	30					
Commonwealth Bank of Australia (thousands of pounds):									
Issue department:									
Gold and English sterling		16,008	16,008	16,002					
Securities		40,551	40,304	42,046					
Banking department:									
Coin, bullion, and cash		1,165	1,232	1,132					
London balances		35,099	35,904	22,838					
Loans and discounts		10,963	13,853	15,852					
Securities		42,838	37,719	35,319					
Deposits		86,507	84,879	68,956					
Note circulation		49,284	48,784	50,539					
Austrian National Bank (millions of schillings):									
Gold	243	243	243	243					
Foreign exchange (non-reserve)	161	157	154	99					
Loans and discounts	189	187	188	209					
Government debts	612	620	620	620					
Other assets	177	183	186	166					
Note circulation	944	907	922	944					
Deposits	253	299	279	204					
Other liabilities	185	185	191	189					
National Bank of Belgium (millions of belgas):									
Gold	3,525	3,362	3,377	3,728					
Discounts, domestic and foreign	1,296	1,266	1,256	1,390					
Loans	32	35	37	68					
Other assets	309	309	305	316					
National Bank of Belgium—Cont.									
Note circulation	4,308	4,271	4,349	4,540					
Demand deposits—Treasury	96	27	16	120					
Other	685	602	538	769					
Other liabilities	72	72	72	72					
Central Bank of Bolivia (thousands of bolivianos):									
Gold at home and abroad		54,209	53,569	64,203					
Foreign exchange		138,758	133,870	41,432					
Loans and discounts		29,192	28,065	10,762					
Securities—Government		397,851	394,120	413,406					
Other		4,587	4,667	4,726					
Other assets		17,699	15,847	12,452					
Note circulation		250,055	253,862	210,296					
Deposits		331,077	319,672	232,672					
Other liabilities		61,165	56,603	104,013					
Bank of Brazil (millions of milreis):									
Cash		409	277	211					
Correspondents abroad		137	178	328					
Loans and discounts		1,985	2,396	2,471					
Deposits		2,383	2,635	3,174					
National Bank of Bulgaria (millions of leva):									
Gold		1,900	1,871	1,652					
Foreign exchange		637	587	772					
Loans and discounts		1,384	1,570	1,441					
Government debt		3,523	3,523	2,551					
Other assets		1,110	957	955					
Note circulation		2,744	2,968	2,571					
Deposits		3,475	3,216	2,382					
Other liabilities		2,334	2,323	2,420					
Bank of Canada (thousands of Canadian dollars):									
Gold	179,764	179,561	179,579	179,377					
Sterling and United States exchange	14,885	22,187	26,743	9,125					
Canadian Gov't. securities:									
2 years or less	82,344	94,790	82,487	61,299					
Over 2 years	91,565	97,433	96,792	99,016					
Other securities	12,212	12,189	12,193						
Other assets	9,496	9,818	7,236	8,168					
Note circulation	165,330	156,319	160,356	135,735					
Deposits—Chartered banks	196,040	216,130	198,372	186,974					
Dominion Government	11,083	28,376	31,581	18,776					
Other	3,457	577	976	2,060					
Other liabilities	14,355	14,575	13,544	13,441					

CENTRAL BANKS—Continued

[Figures as of last report date of month]

Central bank	1937			1936	Central bank	1937			1936
	Dec.	Nov.	Oct.	Dec.		Dec.	Nov.	Oct.	Dec.
Central Bank of Chile (millions of pesos):					Central Reserve Bank of El Salvador—Cont.				
Gold and foreign exchange in reserve			144	143	Note circulation	16,104	16,352	15,656	
Loans and discounts			119	168	Deposits	5,228	6,002	4,556	
Government debt			795	699	Other liabilities	4,624	4,732	3,498	
Note circulation			674	653	Bank of Estonia (thousands of krooni):				
Deposits			308	288	Gold	34,214	34,213	34,214	34,179
Bank of the Republic of Colombia (thousands of pesos):					Foreign exchange (net)	17,007	15,334	16,229	8,775
Gold	27,110	28,892	33,232		Loans and discounts	26,697	27,052	26,221	25,936
Foreign exchange	10,498	5,242	8,746		Other assets	28,888	27,561	26,284	19,809
Loans and discounts	28,717	23,232	13,055		Note circulation	49,081	49,806	50,327	44,452
Government loans and securities	47,156	46,318	45,379		Demand deposits	37,690	34,973	34,446	31,574
Other assets	27,088	28,173	25,796		Other liabilities	20,035	19,379	18,175	12,673
Note circulation	49,564	50,735	57,229		Bank of Finland (millions of markkaa):				
Deposits	49,065	40,375	33,135		Gold	635	635	635	815
Other liabilities	41,941	40,748	35,843		Foreign assets	2,261	2,264	2,260	1,668
National Bank of Czechoslovakia (millions of koruny):					Loans and discounts	1,080	1,020	1,016	950
Gold	2,626	2,582	2,569	2,592	Domestic securities	351	341	351	348
Foreign exchange	479	474	447	439	Other assets	457	437	381	358
Discounts	1,351	1,125	1,263	1,253	Note circulation	2,052	1,996	2,020	1,630
Loans	1,284	1,030	1,184	1,086	Deposits—Treasury	136	33	89	376
Government debt	2,010	2,012	2,013	2,022	Other	972	980	842	571
Other assets	1,239	1,164	1,067	1,100	Other liabilities	1,623	1,687	1,693	1,561
Note circulation	6,902	6,441	6,516	6,478	Bank of Greece (millions of drachmas):				
Demand deposits	292	217	304	410	Gold and foreign exchange (net)	3,436	3,446	3,446	3,173
Other liabilities	1,795	1,729	1,722	1,605	Loans and discounts	5,359	5,462	4,914	4,914
Bank of Danzig (thousands of gulden):					Government obligations	4,377	4,377	4,162	
Gold	28,355	28,115	28,113	29,661	Other assets	2,019	2,043	1,500	
Foreign exchange of the reserve	3,088	2,912	1,499	121	Note circulation	6,510	6,839	6,203	
Other foreign exchange	387	343	320	1,343	Deposits	5,909	5,921	5,715	
Loans and discounts	17,179	16,116	16,451	18,263	Other liabilities	2,770	2,567	1,831	
Other assets	3,195	3,693	3,859	3,830	National Bank of Hungary (millions of pengos):				
Note circulation	36,245	34,447	34,786	32,045	Gold	84	84	84	84
Demand deposits	11,647	13,171	12,832	8,292	Foreign exchange reserve	59	56	55	42
Other liabilities	19,012	19,012	19,012	19,329	Discounts	450	422	425	535
National Bank of Denmark (millions of kroner):					Loans—To Treasury	115	114	114	98
Gold	118	118	118	118	Other	17	17	17	14
Foreign exchange	72	59	38	15	Other assets	275	281	270	177
Discounts	23	25	25	35	Note circulation	466	431	468	436
Loans—To Government agencies	212	222	196	239	Demand deposits	246	236	191	213
Other	140	89	138	170	Certificates of indebtedness	70	89	89	93
Securities	73	64	58	50	Other liabilities	218	219	216	209
Other assets	67	71	70	68	Reserve Bank of India (millions of rupees):				
Note circulation	417	392	413	399	Issue department:				
Deposits	125	97	70	139	Gold at home and abroad	444	444	444	444
Other liabilities	162	159	160	156	Sterling securities	803	803	673	
Central Bank of Ecuador (thousands of sucres):					Indian Gov't. securities	274	274	234	
Gold		38,742	32,586		Rupee coin	628	624	640	
Foreign exchange		25,477	24,330		Note circulation	1,799	1,816	1,899	
Loans and discounts		49,402	39,138		Banking department:				
Note circulation		70,823	56,599		Notes of issue department	350	328	93	
Deposits		39,332	34,363		Balances abroad	56	96	166	
National Bank of Egypt ¹ (thousands of pounds):					Loans to Gov't.	10	10	10	
Gold	6,545	6,545	6,545		Investments	68	64	63	
Foreign exchange	1,665	2,387	4,064		Other assets	12	11	14	
Loans and discounts	6,535	6,495	6,902		Deposits	382	388	226	
British, Egyptian, and other Government securities	35,948	36,608	37,719		Other liabilities	113	112	120	
Other assets	6,816	7,153	4,978		Bank of Japan (millions of yen):				
Note circulation	21,278	21,783	23,138		Gold ²	801	801	548	
Deposits—Government	8,126	7,989	7,712		Discounts	496	550	634	
Other	19,186	20,393	21,449		Loans—Government	3	3	186	
Other liabilities	8,920	9,024	7,911		Other	165	207	200	
Central Reserve Bank of El Salvador (thousands of colones):					Government bonds	1,126	677	765	
Gold	13,161	13,161	13,054		Other assets	181	205	177	
Foreign exchange	3,402	5,001	1,450		Note circulation	2,155	1,787	1,787	1,790
Loans and discounts	1,362	635	1,695		Deposits—Government	219	283	335	
Government debt and securities	5,938	5,962	6,626		Other	112	84	88	
Other assets	2,094	2,327	884		Other liabilities	286	288	279	
					Bank of Java (millions of guilders):				
					Gold	117	117	89	
					Foreign bills	3	4	2	
					Loans and discounts	65	85	63	

¹ Items for issue and banking departments consolidated.

² By law of August 10, 1937, gold revalued on August 25 at rate of 290 milligrams fine gold per yen.

CENTRAL BANKS—Continued

[Figures as of last report date of month]

Central bank	1937			1936	Central bank	1937			1936
	Dec.	Nov.	Oct.	Dec.		Dec.	Nov.	Oct.	Dec.
Bank of Java—Cont.					Bank of Portugal—Cont.				
Other assets		121	107	68	Loans and discounts		335	328	350
Note circulation		186	191	162	Government debt		1,042	1,042	1,044
Deposits		92	96	34	Other assets		1,422	1,435	1,238
Other liabilities		27	26	25	Note circulation		2,161	2,121	2,257
Bank of Latvia (millions of lats):					Other sight liabilities		1,088	1,143	926
Gold	77	77	77	77	Other liabilities		1,190	1,197	1,071
Foreign exchange reserve	43	46	45	26	National Bank of Rumania (mil-				
Loans and discounts	137	133	131	118	lions of lei):				
Other assets	39	41	42	50	Gold		16,343	16,258	15,568
Note circulation	65	62	57	44	Special exchange accounts		5,942	6,455	4,479
Deposits	197	201	205	193	Loans and discounts		6,109	6,395	6,474
Other liabilities	35	34	34	34	Special loans ²		2,014	2,027	2,430
Bank of Lithuania (millions of litu):					Government debt		10,695	12,115	9,442
Gold		77	77	73	Other assets		8,690	8,582	9,291
Foreign exchange		4	7	10	Note circulation		28,111	27,896	25,663
Loans and discounts		111	106	100	Demand deposits		12,190	12,234	10,300
Other assets		36	42	27	Other liabilities		9,493	11,702	11,722
Note circulation		121	123	110	South African Reserve Bank				
Deposits		83	85	78	(thousands of pounds):				
Other liabilities		24	24	21	Gold		22,937	22,938	24,635
Netherlands Bank (millions of guild-					Foreign bills		6,126	6,186	10,794
ders):					Other bills and loans		1,330	1,829	831
Gold	1,366	1,382	1,331	720	Other assets		12,889	12,661	13,705
Silver (including subsidiary coin)	17	17	18	18	Note circulation		16,401	17,356	16,416
Foreign bills	5	5	5	2	Deposits		23,602	22,980	28,035
Discounts	23	26	10	23	Other liabilities		3,279	3,279	5,514
Loans	195	194	212	320	Bank of Sweden (millions of				
Other assets	63	62	61	62	kronor):				
Note circulation	868	887	856	792	Gold		539	538	529
Deposits—Government	100			94	Foreign assets		1,045	1,089	1,095
Other	656	754	736	216	Discounts		13	14	12
Other liabilities	45	46	45	43	Loans		25	27	24
Reserve Bank of New Zealand					Domestic securities		10	7	6
(thousands of pounds):					Other assets		291	300	297
Gold		2,802	2,802	2,802	Note circulation		980	893	893
Sterling exchange reserve		16,587	17,595	16,534	Demand deposits		813	976	925
Advances to State or State und-					Other liabilities		131	105	117
ertakings		5,291	4,266	7,860	Swiss National Bank (millions of				
Investments		2,658	2,658	2,700	frances):				
Other assets		230	304	212	Gold		2,679	2,663	2,709
Note circulation		13,319	13,274	13,641	Foreign exchange		513	508	495
Demand deposits		12,529	12,591	14,832	Discounts		19	21	22
Other liabilities		1,719	1,761	1,634	Loans		35	32	27
Bank of Norway (millions of					Other assets		636	626	610
kroner):					Note circulation		1,531	1,453	1,482
Gold	180	189	189	215	Other sight liabilities		1,716	1,756	1,737
Foreign assets	194	213	201	106	Other liabilities		637	640	642
Total domestic credits and					Central Bank of the Republic of				
securities	190	185	183	265	Turkey (thousands of pounds):				
Discounts	(1)	93	91	196	Gold		36,723	36,720	36,716
Loans	(1)	29	28	21	Foreign exchange—Free		16	2	30
Securities	(1)	63	65	48	In clearing accounts		23,658	26,773	25,327
Other assets	(1)	6	6	7	Loans and discounts		60,469	50,220	51,181
Note circulation	449	422	425	429	Securities		189,028	186,290	186,937
Demand deposits—Government	41	62	47	49	Other assets		28,014	35,070	30,933
Other	62	45	43	55	Note circulation		176,677	177,171	176,171
Other liabilities	(1)	64	65	59	Deposits		42,259	46,123	47,621
Central Reserve Bank of Peru					Other liabilities		118,973	111,781	107,330
(thousands of soles):					Bank of the Republic of Uruguay				
Gold and foreign exchange		58,488	58,689	48,544	(thousands of pesos):				
Discounts		41,463	39,389	38,074	Issue department:				
Government loans		45,484	45,246	45,635	Gold and silver		42,087	42,087	41,601
Other assets		11,245	12,545	7,336	Note circulation		84,960	86,427	88,579
Note circulation		95,423	96,215	95,858	Banking department:				
Deposits		40,343	37,901	31,803	Cash reserves		28,541	32,531	28,474
Other liabilities		20,945	21,753	11,927	Loans and discounts		90,790	88,571	86,753
Bank of Poland (millions of zlotys):					Other assets		60,022	58,480	65,983
Gold	435	434	433	393	Deposits		83,636	84,614	101,082
Foreign exchange	36	35	36	30	Other liabilities		95,716	94,969	80,128
Loans and discounts	709	650	635	856	National Bank of the Kingdom of				
Securities	129	135	136	136	Yugoslavia (millions of dinars):				
Other assets	490	490	459	441	Gold		1,709	1,758	1,749
Note circulation	1,059	1,034	1,094	1,034	Foreign exchange		440	472	537
Other sight liabilities	360	324	215	292	Loans and discounts		1,705	1,614	1,612
Other liabilities	369	388	390	530	Government debt		2,238	2,253	2,252
Bank of Portugal (millions of					Other assets		2,948	2,923	2,863
escudos):					Note circulation		5,834	5,753	5,857
Gold		917	916	912	Other sight liabilities		2,459	2,515	2,423
Other reserves (net)		573	595	570	Other liabilities		747	751	698
Non-reserve exchange		151	146	141					

¹ Figures not yet available.² Agricultural and urban loans in process of liquidation.

BANK FOR INTERNATIONAL SETTLEMENTS

[In thousands of Swiss gold francs¹]

Assets	1937		1936	Liabilities	1937		1936
	Dec. 31	Nov. 30	Dec. 31		Dec. 31	Nov. 30	Dec. 31
Gold in bars.....	13, 775	13, 775	33, 135	Demand deposits (gold).....	8, 371	8, 391	27, 263
Cash on hand and on current account with banks.....	52, 325	25, 886	23, 356	Short-term deposits (various currencies):			
Demand funds at interest.....	17, 155	18, 643	5, 253	Central banks for own account:			
Rediscountable bills and acceptances (at cost):				Demand.....	46, 826	41, 120	20, 577
Commercial bills and bankers' acceptances.....	122, 146	123, 337	134, 022	Time—Not exceeding 3 months.....	125, 765	134, 423	98, 669
Treasury bills.....	110, 572	146, 124	147, 671	Time—Between 3 and 6 months.....	6, 261	6, 253	
Total.....	232, 718	269, 461	281, 693	Total.....	178, 852	181, 796	119, 246
Time funds at interest—Not exceeding 3 months.....	32, 138	39, 822	25, 642	Central banks for account of others:			
Between 3 and 6 months.....	6, 272	7, 754		Demand.....	2, 336	2, 551	6, 242
Sundry bills and investments:				Other depositors:			
Maturing within 3 months:				Demand.....	5, 670	5, 822	52
Treasury bills.....	29, 972	18, 958	21, 370	Time—Not exceeding 3 months.....	646	1, 025	38
Sundry investments.....	83, 464	74, 839	33, 317	Long-term deposits:			
Between 3 and 6 months:				Annuity trust account.....	153, 528	153, 713	153, 280
Treasury bills.....	27, 300	33, 994	28, 069	German Government deposit.....	76, 764	76, 856	76, 640
Sundry investments.....	64, 954	55, 636	63, 074	French Government guaranty fund.....	31, 598	31, 622	43, 490
Over 6 months:				French Government deposit (Saar).....	1, 036	1, 037	1, 426
Treasury bills.....	35, 094	39, 257	64, 653	Total.....	262, 925	263, 228	274, 836
Sundry investments.....	53, 792	53, 052	35, 247	Capital paid in.....	125, 000	125, 000	125, 000
Total.....	294, 576	275, 736	245, 730	Reserves:			
Other assets:				Legal reserve fund.....	4, 238	4, 238	3, 784
Guaranty of central banks on bills sold.....	1, 027	1, 007	1, 383	Dividend reserve fund.....	6, 315	6, 315	6, 092
Sundry items.....	38	1, 177	91	General reserve fund.....	12, 631	12, 631	12, 183
Total assets.....	650, 026	653, 262	616, 284	Other liabilities:			
				Guaranty on commercial bills sold.....	1, 418	2, 421	1, 385
				Sundry items.....	41, 626	39, 844	40, 164
				Total liabilities.....	650, 026	653, 262	616, 284

¹ See BULLETIN for December 1936, p. 1025.

COMMERCIAL BANKS

[Figures are as of end of month, except those for United Kingdom, which are averages of weekly figures]

United Kingdom (Figures in millions of pounds sterling)	Assets						Liabilities			
	Cash reserves	Money at call and short notice	Bills discounted	Securities	Loans to customers	Other assets	Deposits			Other liabilities
							Total	Demand ¹	Time ¹	
10 London clearing banks										
1930—December.....	208	144	322	285	933	240	1, 876	992	847	254
1931—December.....	184	119	246	297	905	222	1, 737	868	846	237
1932—December.....	207	127	408	472	778	208	1, 983	991	963	216
1933—December.....	213	119	311	565	740	237	1, 941	1, 015	900	244
1934—December.....	216	151	255	594	759	247	1, 971	1, 044	910	251
1935—December.....	221	159	322	605	784	231	2, 091	1, 140	924	231
1936—December.....	236	187	316	630	864	238	2, 238	(²)	(²)	232
11 London clearing banks ³										
1936—September.....	229	166	344	648	882	226	2, 257	1, 228	1, 000	238
October.....	227	164	351	655	892	231	2, 280	1, 238	999	239
November.....	233	181	329	656	895	238	2, 287	1, 241	1, 006	243
December.....	244	195	322	660	890	249	2, 315	1, 288	1, 012	245
1937—January.....	238	179	345	669	885	239	2, 307	1, 254	1, 005	247
February.....	230	167	307	671	909	243	2, 274	1, 217	997	252
March.....	226	170	248	667	939	254	2, 244	1, 200	1, 003	259
April.....	230	177	241	661	951	256	2, 252	1, 194	1, 008	263
May.....	233	168	244	657	957	259	2, 255	1, 203	1, 006	263
June.....	241	171	259	654	969	261	2, 293	1, 253	1, 022	261
July.....	235	163	282	647	975	251	2, 293	1, 239	1, 010	259
August.....	234	162	277	645	973	244	2, 283	1, 235	1, 001	253
September.....	233	162	281	641	978	240	2, 287	1, 242	1, 009	251
October.....	234	165	296	639	988	244	2, 312	1, 244	1, 019	253
November.....	235	161	298	634	991	245	2, 311	1, 238	1, 025	252

² Corrected. Figures for 10 banks not available in 1936.

¹ Excluding deposits of National Bank relating to offices outside United Kingdom, which are included in total.

³ District Bank included beginning in 1936.

NOTE.—For other back figures and explanation of table see BULLETIN for October 1933, pages 639-640.

COMMERCIAL BANKS—Continued

[Figures as of end of month]

France (4 large banks. Figures in millions of francs)	Assets					Liabilities				
	Cash reserves	Due from banks	Bills discounted	Loans	Other assets	Deposits			Own acceptances	Other liabilities
						Total	Demand	Time		
1930—December	2,419	4,675	20,448	10,743	2,361	36,681	35,284	1,397	921	4,357
1931—December	11,311	2,168	18,441	9,274	2,130	38,245	37,023	1,222	576	4,503
1932—December	9,007	1,766	22,014	7,850	1,749	37,759	36,491	1,268	295	4,331
1933—December	5,870	1,416	19,848	8,309	1,827	32,635	31,773	862	273	4,362
1934—December	5,836	1,421	18,304	8,159	1,717	30,943	30,039	904	193	4,301
1935—December	3,739	2,484	16,141	8,025	1,900	27,553	26,859	694	337	4,399
1936—September	3,083	2,757	14,876	7,301	1,554	25,137	24,613	524	368	4,066
October	3,186	2,766	17,070	7,452	1,727	27,549	27,028	521	408	4,244
November	3,173	2,839	17,298	7,625	1,824	28,015	27,467	548	454	4,290
December	3,100	2,975	17,582	7,631	1,957	28,484	27,955	529	473	4,289
1937—January	2,852	3,589	18,289	7,949	1,340	29,831	29,304	527	561	3,626
February	2,798	3,770	17,825	8,056	1,397	29,644	29,061	583	602	3,600
March	5,237	3,596	16,701	8,357	1,448	31,008	30,465	543	600	3,732
April	2,891	3,579	16,043	8,116	1,481	27,703	27,164	539	583	3,825
May	3,014	3,666	16,479	7,996	1,446	28,242	27,682	560	542	3,817
June	2,761	3,933	15,869	8,514	1,595	28,128	27,568	560	591	3,954
July	2,764	4,176	16,954	8,276	1,602	29,069	28,523	546	570	4,133
August	2,925	4,258	16,842	8,008	1,689	28,988	28,438	550	583	4,152
September	2,790	4,552	16,802	8,723	1,832	29,838	29,288	550	644	4,216
October	2,698	4,434	19,079	8,172	1,952	31,277	30,708	569	695	4,364

Germany ¹ (5 large Berlin banks. Figures in millions of reichsmarks)	Assets						Liabilities				
	Cash reserves	Due from banks	Bills discounted	Loans	Securities	Other assets	Deposits			Credits obtained from banks	Other liabilities
							Total	Demand	Time		
1930—November	191	1,483	2,453	7,416	482	880	9,091	3,857	5,233	1,986	1,828
1931—November	173	817	1,431	5,377	807	1,127	6,062	3,252	2,810	1,328	2,341
1932—November	143	583	1,631	4,570	938	991	6,161	2,958	3,203	1,146	1,550
1933—November	131	471	1,702	3,731	860	1,005	5,754	2,624	3,130	661	1,481
1934—November	115	393	2,037	3,331	874	983	5,816	2,731	3,085	485	1,432
1935—November	139	316	2,162	2,884	1,027	983	5,376	2,435	2,941	686	1,449
1936—October	130	273	2,569	2,735	1,076	858	5,712	2,644	3,068	586	1,342
November	137	269	2,567	2,729	1,112	851	5,751	2,661	3,090	579	1,334
1937—January	154	303	2,895	2,679	1,020	837	5,973	2,923	3,050	557	1,357
February	130	301	2,966	2,673	1,022	822	6,029	2,760	3,270	578	1,307
March	201	315	2,908	2,732	1,014	813	6,135	2,942	3,194	559	1,288
April	132	297	3,204	2,665	949	805	6,213	2,926	3,287	551	1,289
May	139	288	3,171	2,637	1,039	807	6,246	2,979	3,267	543	1,291
June	180	296	3,091	2,636	1,037	778	6,204	2,969	3,236	563	1,251
July	145	298	3,099	2,676	981	760	6,164	2,918	3,245	533	1,261
August	153	282	2,995	2,701	1,083	758	6,175	2,892	3,283	533	1,265
September	116	322	2,860	2,754	1,070	781	6,172	2,916	3,256	539	1,292
October	238	277	3,041	2,667	1,050	806	6,141	2,862	3,279	510	1,327
November	148	299	3,205	2,628	1,020	812	6,264	2,912	3,352	513	1,335

Canada (10 chartered banks. Figures in millions of Canadian dollars)	Assets						Liabilities				
	Cash reserves	Entirely in Canada		Security loans abroad and net due from foreign banks	Securities	Other assets	Note circulation	Deposits payable in Canada excluding interbank deposits			Other liabilities
		Security loans	Other loans and discounts					Total	Demand	Time	
1930—December	207	205	1,275	171	604	602	133	2,115	689	1,426	816
1931—December	201	135	1,253	146	694	510	129	2,058	698	1,360	752
1932—December	211	103	1,104	155	778	439	115	1,916	538	1,378	760
1933—December	197	106	1,036	134	861	432	121	1,920	563	1,357	725
1934—December	228	103	977	155	967	449	124	2,035	628	1,407	718
1935—December	228	83	945	141	1,155	485	111	2,180	694	1,486	745
1936—October	232	109	816	146	1,363	491	112	2,261	751	1,510	784
November	264	116	800	179	1,316	485	109	2,269	722	1,547	783
December	240	114	791	161	1,384	507	103	2,303	755	1,548	790
1937—January	247	119	796	173	1,412	468	103	2,330	782	1,549	781
February	239	119	805	214	1,422	483	108	2,369	805	1,564	804
March	242	124	814	161	1,427	516	105	2,370	786	1,584	810
April	246	121	835	141	1,440	511	106	2,383	799	1,583	805
May	240	117	852	139	1,438	491	103	2,372	799	1,574	802
June	238	116	853	128	1,442	520	107	2,379	809	1,570	811
July	231	114	852	139	1,431	472	107	2,322	750	1,572	810
August	241	114	863	119	1,446	483	105	2,345	767	1,578	816
September	238	100	883	110	1,446	507	103	2,371	797	1,575	809
October	252	82	890	114	1,411	496	106	2,333	749	1,584	806
November	273	87	884	121	1,391	486	101	2,351	781	1,570	789

¹ Combined monthly balance sheets not published for December. Prior to merger of two of the banks in February 1932 figures refer to six large Berlin banks. Beginning in 1935 figures are not entirely comparable with those shown for previous years due to changes in reporting practices. (See BULLETIN for June 1935, p. 389).

NOTE.—For other back figures and explanation of table see BULLETIN for October 1933, pp. 641-646, and June 1935, pp. 388-390.

DISCOUNT RATES OF CENTRAL BANKS

[Percent per annum]

Date effective	Central bank of—						Central bank of—	Rate Jan. 26	Date effective	Central bank of—	Rate Jan. 26	Date effective		
	United Kingdom	France	Germany	Italy	Netherlands	Switzerland								
In effect Jan. 1, 1936	2	6	4	5	3½	2½								
Jan. 2, 1936		5							Albania	6	April 1, 1937	Japan	3.29	Apr. 7, 1936
Jan. 10		4							Argentina	3½	Mar. 1, 1936	Java	3	Jan. 14, 1937
Jan. 16					3				Austria	3½	July 10, 1935	Latvia	5	Nov. 1, 1936
Feb. 4					2½				Belgium	2	May 16, 1935	Lithuania	5½	July 1, 1936
Feb. 7		3½							Bolivia	6	July 5, 1932	Mexico	3	Mar. 1, 1937
Mar. 28		5							British India	3	Nov. 28, 1935	Netherlands	2	Dec. 3, 1936
May 7		6							Bulgaria	6	Aug. 15, 1935	New Zealand		
May 18				4½					Canada	2½	Mar. 11, 1935	Portugal	2	June 29, 1936
May 30					3½				Chile	3-4½	Dec. 16, 1936	Norway	3½	Jan. 5, 1938
June 4					4½				Colombia	4	July 18, 1933	Peru	6	May 20, 1932
June 24		5							Czechoslovakia			Poland	4½	Dec. 18, 1937
June 25					4				Danzig	3	Jan. 1, 1936	Rumania	4-4½	Aug. 11, 1937
June 26		4							Denmark	4	Jan. 2, 1937	South Africa	4½	Dec. 15, 1934
June 30					3½				Ecuador	4	Nov. 19, 1936	Spain	3½	May 15, 1933
July 7					3				El Salvador	4	Nov. 30, 1932	Sweden	2½	July 15, 1935
July 10		3							Estonia	4½	Aug. 23, 1935	Switzerland	1½	Dec. 1, 1933
Sept. 9						2			Finland	4	Oct. 1, 1935	Turkey	6½	Nov. 26, 1936
Sept. 25		5							France	4	Dec. 3, 1934	United Kingdom	2	June 30, 1932
Oct. 2		3							Germany	3	Nov. 13, 1937	U. S. S. R.	4	July 1, 1936
Oct. 9		2½							Greece	4	Sept. 22, 1932	Yugoslavia	5	Feb. 1, 1935
Oct. 16		2							Hungary	6	Jan. 4, 1937			
Oct. 20					2½				Italy	4	Aug. 29, 1935			
Nov. 26						1½				4½	May 18, 1936			
Dec. 3					2									
Jan. 28, 1937		4												
June 15		6												
July 7		5												
Aug. 4		4												
Sept. 3		3½												
Nov. 13		3												
In effect Jan. 26, 1938	2	3	4	4½	2	1½								

Changes since Dec. 31: Norway—Jan. 5, down from 4 to 3½ percent.

MONEY RATES IN FOREIGN COUNTRIES

[Percent per annum]

Month	United Kingdom (London)				Germany (Berlin)			Netherlands (Amsterdam)	
	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
1936—December	.83	.84	.78	½	3.00	2.88	3.05	.82	1.48
1937—January	.56	.54	.75	½	3.00	2.88	2.54	.63	1.01
February	.55	.53	.75	½	3.00	2.86	2.47	.39	1.60
March	.55	.51	.75	½	3.00	2.86	3.10	.38	1.00
April	.55	.53	.75	½	2.90	2.71	2.55	.38	1.00
May	.55	.51	.75	½	2.88	2.63	2.69	.31	1.00
June	.68	.68	.79	½	2.88	2.63	2.78	.25	1.00
July	.56	.53	.79	½	2.88	2.65	2.64	.19	.92
August	.55	.52	.75	½	2.88	2.69	2.85	.19	.53
September	.55	.50	.75	½	2.88	2.73	3.07	.20	.50
October	.55	.53	.75	½	2.88	2.91	2.81	.21	.50
November	.59	.58	.75	½	2.88	2.81	2.65	.25	.50
December	.75	.71	.75	½					

Month	Switzerland	Belgium (Brussels)	France (Paris)	Italy (Milan)	Hungary		Sweden (Stockholm)	Japan (Tokyo)	
	Private discount rate	Private discount rate	Private discount rate	Private discount rate	Prime commercial paper	Day-to-day money	Loans up to 3 months	Discounted bills	Call money overnight
1936—November	1.46	1.00	1.96	4.50	4-6½	2½	2½-4½	4.75	2.86
December	1.25	1.00	1.99	4.50	4-6½	2¾	2½-4½	4.75	2.74
1937—January	1.25	1.00	2.22	4.50	4-6½	2¾	2½-4½	4.75	2.63
February	1.18	1.00	4.01	4.50	4-6½	2¾	2½-4½	4.75	2.67
March	1.00	1.00	4.06	4.50	4-6½	2¾	2½-4½	4.75	2.83
April	1.00	1.00	4.00	4.50	4-6½	2¾	2½-4½	4.75	2.86
May	1.00	1.00	3.93	4.50	4-6½	2¾	2½-4½	4.75	2.69
June	1.00	1.00	5.02	5.00	4-6½	2¾	2½-4½	4.75	2.80
July	1.00	1.00	5.20	5.00	4-6½	2¾	2½-4½	4.75	2.70
August	1.00	1.00	4.11	5.00	4-6½	2¾	2½-4½	4.75	2.85
September	1.00	1.00	3.54	5.00	4-6½	2¾	2½-4½	4.75	2.46
October	1.00	1.39	3.62	5.00	4-6½	2¾	2½-4½	4.75	2.65
November	1.00	1.78	3.26	5.00			2½-4½	4.75	2.63

NOTE.—For explanation of table see BULLETIN for November 1926, pp. 794-796; April 1927, p. 289; July 1929, p. 503; November 1929, p. 736, and May 1930, p. 318.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES
WHOLESALE PRICES—ALL COMMODITIES

[Index numbers]

Year or month	United States (1926=100)	Canada (1926=100)	United Kingdom (1930=100)	France (1913=100)	Germany (1913=100)	Italy (1928=100)	Japan (October 1900=100)	Netherlands (1926-30=100)	Switzerland (July 1914=100)
1926.....	100	100	-----	695	134	-----	237	106	144
1927.....	95	98	-----	642	138	-----	225	103	142
1928.....	97	96	-----	645	140	100	226	102	145
1929.....	95	96	-----	627	137	95	220	100	141
1930.....	86	87	100	554	125	85	181	90	126
1931.....	73	72	88	502	111	75	153	76	110
1932.....	65	67	86	427	97	70	161	65	96
1933.....	66	67	86	398	93	63	180	63	91
1934.....	75	72	88	376	98	62	178	63	90
1935.....	80	72	89	338	102	68	186	62	90
1936.....	81	75	94	411	104	76	197	64	96
1936—November.....	82	77	98	492	104	78	204	70	105
December.....	84	80	101	519	105	79	215	71	107
1937—January.....	86	81	103	538	105	82	233	73	108
February.....	86	83	104	533	106	83	230	74	111
March.....	88	86	107	550	106	85	240	76	113
April.....	88	86	109	552	106	86	248	77	113
May.....	87	85	111	550	106	88	241	77	113
June.....	87	85	111	557	106	90	238	76	112
July.....	88	88	112	582	106	90	239	78	112
August.....	88	86	111	603	107	91	235	78	111
September.....	87	85	111	630	106	92	239	77	111
October.....	85	85	111	628	106	93	237	77	111
November.....	83	83	109	621	106	95	238	76	110
December.....	82	83	108	631	106	-----	-----	76	-----

r Revised.

WHOLESALE PRICES—GROUPS OF COMMODITIES

[Indexes for groups included in total index above]

Year or month	United States (1926=100)			United Kingdom (1930=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
1926.....	100	100	100	-----	-----	581	793	129	132	130	150
1927.....	99	97	94	-----	-----	599	678	138	129	132	147
1928.....	106	101	93	-----	-----	584	697	134	133	134	159
1929.....	105	100	92	-----	-----	579	669	130	125	132	157
1930.....	88	91	85	100	100	526	579	113	113	120	150
1931.....	65	75	75	89	87	542	464	104	96	103	136
1932.....	48	61	70	88	85	482	380	91	86	89	118
1933.....	51	61	71	83	87	420	380	87	75	88	113
1934.....	65	71	78	85	90	393	361	96	76	91	116
1935.....	79	84	78	87	90	327	348	102	84	92	119
1936.....	81	82	80	92	96	426	397	105	86	94	121
1936—November.....	85	84	81	97	99	500	484	103	86	95	123
December.....	89	86	82	99	102	522	516	104	91	96	123
1937—January.....	91	87	83	99	105	532	543	103	93	97	123
February.....	91	87	84	99	107	516	548	103	94	97	123
March.....	94	88	86	101	111	528	570	104	95	98	124
April.....	92	86	87	102	113	522	577	104	95	97	124
May.....	90	84	86	102	115	520	576	104	98	97	124
June.....	89	85	86	102	115	532	579	105	98	97	124
July.....	89	86	86	103	116	549	610	106	98	96	125
August.....	86	87	86	103	116	572	629	106	98	96	125
September.....	86	88	86	104	115	612	645	105	97	96	126
October.....	80	86	85	105	113	607	646	105	97	95	126
November.....	76	83	84	105	110	613	628	105	96	94	126
December.....	73	80	84	104	109	636	626	105	94	94	126

r Revised.

Sources.—See BULLETIN for March 1931, p. 159, March 1935, p. 180, October 1935, p. 678, March 1937, p. 276, and April 1937, p. 372.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES—Continued

RETAIL FOOD PRICES

[Index numbers]

Year or month	United States	England	France	Germany	Netherlands	Switzerland
	1923-1925=100	1914=100	1914=100	1914=100	1913=100	1914=100
1926	109	161	554	146	161	160
1927	105	156	557	153	163	158
1928	103	157	549	153	166	157
1929	105	154	611	156	162	156
1930	100	145	614	146	150	152
1931	82	131	611	131	136	141
1932	68	126	536	116	119	125
1933	66	120	491	113	120	117
1934	74	122	481	118	124	115
1935	80	125	423	120	118	114
1936	82	130	470	122	120	120
1936—Nov.	83	136	520	121	124	123
1936—Dec.	83	136	534	121	122	123
1937—Jan.	85	136	562	121	124	126
1937—Feb.	85	135	577	122	122	129
1937—Mar.	85	135	577	122	123	129
1937—Apr.	86	135	580	122	125	129
1937—May	87	136	584	122	126	129
1937—June	86	136	576	123	129	131
1937—July	86	140	580	125	130	131
1937—Aug.	86	140	594	124	130	130
1937—Sept.	86	140	627	122	129	130
1937—Oct.	85	143	644	121	130	130
1937—Nov.	84	146	645	121	131	130
1937—Dec.	83	146	659	121		

COST OF LIVING

[Index numbers]

Year or month	United States	England	France	Germany	Netherlands	Switzerland
	1923-1925=100	1914=100	Jan.-June 1914=100	1913-1914=100	1911-1913=100	July 1914=100
1926	103	170	505	142	168	162
1927	101	164	514	148	168	160
1928	100	166	519	152	169	161
1929	100	164	556	154	168	161
1930	97	158	581	148	161	158
1931	89	148	569	136	151	150
1932	80	144	526	121	141	138
1933	76	140	520	118	139	131
1934	79	141	516	121	140	129
1935	81	143	483	123	136	128
1936	82	147	507	125	132	130
1936—Nov.		151		124	134	132
1936—Dec.	82	151	540	124	133	132
1937—Jan.		151		125	134	133
1937—Feb.		151		125	134	136
1937—Mar.	84	151	581	125	134	136
1937—Apr.		151		125	136	137
1937—May		152		125	136	136
1937—June	85	152	606	125	138	137
1937—July		155		126	139	137
1937—Aug.		155		126	139	137
1937—Sept.	85	155	630	125	139	137
1937—Oct.		158		125	140	138
1937—Nov.		160		125	140	138
1937—Dec.		160		125		

¹ Revised index as from March 1936 (see BULLETIN for April 1937, p. 373).
Sources.—See BULLETIN for April 1937, p. 373.

SECURITY PRICES

[Index numbers except as otherwise specified]

Year or month	Bonds					Common stocks				
	United States (average price) ¹	England (December 1921=100)	France (1913=100)	Germany (average price)	Netherlands ²	(1926=100)				Netherlands (1930=100)
						United States	England	France	Germany	
Number of issues..	60	87	36	139	8	420	278	300	329	100
1926	97.6	110.0	57.4			100.0	100.0	100.0	100.0	
1927	100.7	110.7	71.7			118.3	107.0	123.2	145.0	
1928	100.8	112.3	80.8	85.5		149.9	115.9	178.1	136.1	
1929	98.0	110.2	85.1	81.4	100.0	190.3	119.5	217.6	122.8	
1930	99.3	111.8	95.8	83.3	104.3	149.8	102.6	187.6	100.2	100.
1931	99.9	108.4	96.9	83.4	104.1	94.7	78.9	132.2	78.0	70.
1932	69.5	113.2	88.6	67.1	94.8	48.6	67.9	105.2	50.3	46.
1933	73.4	119.7	81.3	82.5	105.3	63.0	78.6	99.6	61.7	52.
1934	84.5	127.5	82.1	90.7	113.4	72.4	85.7	83.3	71.1	55.
1935	88.6	129.9	83.5	95.3	107.8	78.3	86.3	79.7	82.9	55.
1936	97.5	131.2	76.3	95.8	109.1	111.1	97.0	77.2	91.6	66.
1937	93.4	124.6	75.1	98.7		111.7	96.3	97.4	102.6	104.
1936—November	99.8	132.0	78.8	96.3	120.0	124.2	103.2	89.7	97.8	88.6
1936—December	99.9	130.9	78.4	96.4	120.3	123.1	103.5	94.8	96.7	91.2
1937—January	100.3	129.7	77.5	96.7	100.9	126.4	104.2	114.6	97.8	100.9
1937—February	100.0	125.5	75.1	97.4	100.3	129.5	103.8	113.3	99.2	108.5
1937—March	98.5	124.3	74.6	97.7	98.8	129.9	102.7	112.0	100.3	113.1
1937—April	96.6	125.3	72.6	98.5	100.0	124.5	101.0	96.6	101.5	109.6
1937—May	96.2	125.0	72.3	98.8	100.3	116.3	99.3	94.8	102.6	105.0
1937—June	95.0	123.9	74.6	98.9	101.5	113.6	97.0	94.0	103.5	102.9
1937—July	95.3	123.3	75.0	99.0	102.4	117.8	96.8	90.6	105.1	107.2
1937—August	94.8	123.2	77.2	99.4	103.7	120.5	96.8	93.6	106.1	114.7
1937—September	91.3	122.8	74.8	99.3	103.7	106.4	92.7	90.1	105.3	108.1
1937—October	86.4	123.6	75.6	99.4	102.4	91.4	88.2	91.8	103.9	94.8
1937—November	83.3	124.1	76.4	99.6	104.3	82.9	85.8	90.1	102.7	92.0
1937—December	82.7	123.9	75.5	99.7		81.2	86.8	87.6	102.1	93.7

² Preliminary. ³ Revised.

¹ Prices derived from average yields for 60 corporate bonds as published by Standard Statistics Co.

² Exchange closed from July 13 to Sept. 2, 1931, and from Sept. 19, 1931, to Apr. 11, 1932. Index for 1931 represents average of months January-June; index for 1932 represents average of months May-December.

³ Indexes of reciprocals of average yields. For old index, 1929-1936, 1929=100; average yield in base year was 4.57 percent. For new index beginning January 1937, January-March 1937=100; average yield in base period was 3.39 percent.

⁴ New index. See note 3.

Sources.—See BULLETIN for February 1932, p. 121, June 1935, p. 394, April 1937, p. 373, July 1937, p. 698, and November 1937, p. 1172.

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