

# FEDERAL RESERVE BULLETIN

JULY, 1930



ISSUED BY THE  
FEDERAL RESERVE BOARD  
AT WASHINGTON

*Mid-year Review of Banking Developments*  
*Paper Eligible for Rediscount at Federal*  
*Reserve Banks*  
*Condition of All Banks in the United States*  
*Earnings and Expenses of Member Banks*  
*State Laws: Bank Ownership of Stocks*



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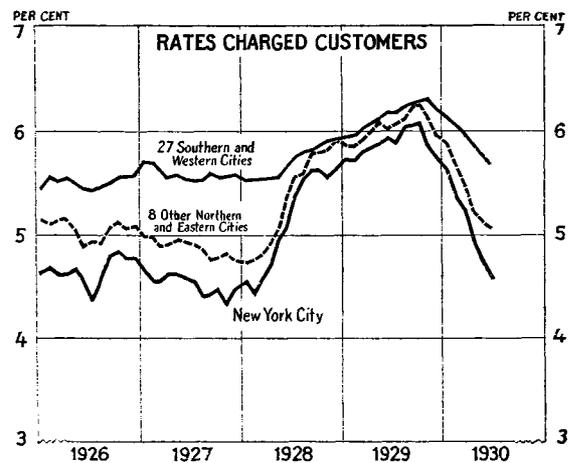
## REVIEW OF THE MONTH

Money rates in the United States have declined further during recent weeks, open-market rates to the lowest level in more than five years and rates charged customers to the lowest levels in about two years.

The principal factor in the decline, in the absence of important gold movements or change in the demand for currency, was a continued policy of ease on the part of the Federal reserve banks, represented during June by the purchase of \$50,000,000 of Government securities in the open market, further reductions in reserve bank buying rates for bankers' acceptances, and further reduction of discount rates at Cleveland, New York, and Chicago. The discount rate at the Federal Reserve Bank of New York, as reduced on June 20 from 3 to 2½ per cent, is now the lowest that has ever been established at any Federal reserve bank. Reserve bank credit outstanding decreased in June by about \$22,000,000 and at \$977,000,000 for the week ending June 28 was \$344,000,000 lower than a year ago, with discounts for member banks, at \$257,000,000, nearly \$750,000,000 lower than a year ago. Member bank credit outstanding, which has been increasing since February, increased further in June to a level higher than at any other time except at the end of 1929 and during the October-November break in the security market. From the middle of May to June 25 the increase in the loans and investments of reporting member banks in leading cities amounted to about \$525,000,000, including for the last half of June an increase in "all other" loans and for the period as a whole a further substantial growth in loans on securities and in investments.

In the open market the course of short-term rates has been downward ever since last

October, and toward the end of June commercial paper at 3¼-3½ per cent and 90-day bankers' acceptances at 1⅞ per cent were at the lowest levels since 1924. Rates for call loans in the New York market at 2 per cent and for time loans against mixed collateral at 2¾ per cent were also relatively low, close to the lowest levels of 1924. Rates charged cus-



Weighted averages of prevailing rates on commercial loans and security loans

tomers by leading banks in leading cities—for loans over-the-counter—also declined further in June, as shown by the chart illustrating the course of these rates during recent years at New York City, in other cities of the North and East, and in southern and western cities. These rates generally move more slowly than open-market rates and over a considerably narrower range, and although they have declined since last autumn more rapidly than in any other period of equal length in recent years, they were in June still somewhat above their lowest points in either 1927 or 1924. Loans of the general type to which these rates relate represent about 90 per cent of all the loans made by banks, and more than half of the combined total of bank loans and investments,

and the fact that such loans have become available during recent months at progressively lower rates indicates the persistent influence of those factors which have been making for easier credit conditions.

As measured by the general level of rates in the several money markets, the cost of short-term credit in the United States has now been declining rapidly for about eight months. While the decline began at about the time of the sharp decrease in the aggregate demand for loans on securities that followed the October-November break in security prices, and while decrease in this demand provided under the existing circumstances one of the essential conditions of an easier credit situation, the actual development of pronounced ease during the past eight months has been more directly and in larger part a reflection of other changes in the credit situation. The more important of these changes have been accession of funds to the money market during the period through (1) purchase by the reserve banks of \$440,000,000 in United States Government securities, (2) inflow of money from circulation, partly seasonal, in the amount of \$325,000,000, and (3) an increase of \$145,000,000, through gold imports from abroad, in the monetary gold stock of the country. Funds coming available from these sources have not only enabled the member banks to reduce substantially the volume of their indebtedness at the Federal reserve banks but also to absorb or liquidate a considerable volume of acceptances from the portfolios of the reserve banks. As may be seen from the complete analysis of changes given in tables at the end of this review, member bank borrowings at the reserve banks decreased by \$585,000,000 from the week ending October 26, 1929, to the week ending June 28, 1930, without any decrease in member bank reserve balances. Member bank borrowings at \$257,000,000 were accordingly \$750,000,000 lower than a year earlier and at the lowest level since early in 1925, while their reserve balances were \$67,000,000 higher than a year ago.

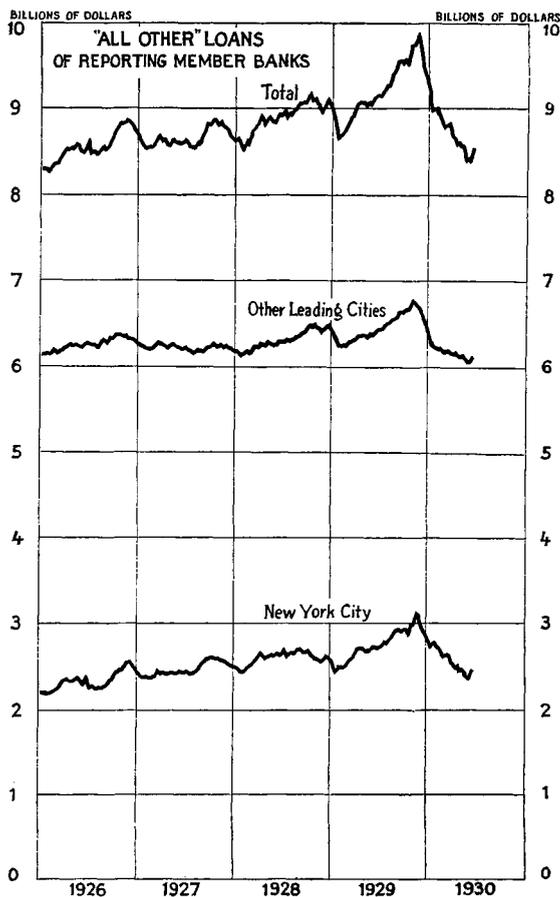
While liquidation of member bank credit proceeded rapidly from November to the end of February, member banks in leading cities have increased their loans and investments since February 26 by more than \$1,100,000,000, covering for this latter period a growth of \$845,000,000 in their loans on securities and \$505,000,000 in their investments and a decrease of \$215,000,000 in "all other" loans. In this period of about four months the growth in their loans on securities has represented a large increase in their loans to brokers and dealers in securities, chiefly on the part of banks in New York City, accompanied by further decrease in their security loans to other borrowers. During this same period security loans made by nonbanking lenders to brokers in New York City declined by about \$700,000,000 largely in consequence of the fact that the yield to the lender on these loans after paying commissions became less favorable, in comparison with rates obtainable on deposits or alternative types of short-term open-market loans. In consequence of this continuous and large decrease in security loans by corporations and other nonbank lenders, and also in the security loans of banks to borrowers other than brokers, the total volume of all loans outstanding on securities appears to have been slightly lower at the end of June than it was in February and at the lowest level in more than a year.

Until the middle of June, as in earlier months, there was no increase, but a continued decrease, in "all other" loans of member banks in leading cities. This class of loans embraces all the loans of the banks except those secured by stocks and bonds, and includes not only their line-of-credit advances to customers, including municipalities, and their loans secured by real estate, but also any loans they may have made in the open market through the purchase of acceptances or of commercial paper, as well as unsecured loans to domestic banks and to foreign borrowers. The decline in "all other" loans from the peak in November, 1929, to June, 1930, as illustrated on the chart,

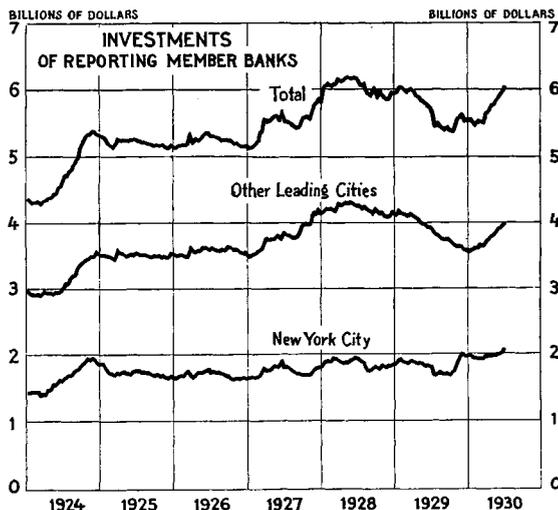
amounted to \$1,500,000,000, reflecting in part the recession in business, but in considerable part also the effect of other factors, including (1) outright liquidation of loans contracted last

and industry were still relatively inactive and commodity prices were still moving downward, appears to have been connected, as in the case of the increase in these loans at the end of last October, with coincident weakness in the security markets. At the end of June "all other" loans at \$8,570,000,000 were \$570,000,000 lower than a year ago and \$350,000,000 lower than two years ago.

Easier conditions in the open market, evidenced in particular by low rates for call loans, acceptances, and commercial paper, at a time when the effective demand from customers for over-the-counter loans has been lessened by business depression, have influenced member banks to increase their holdings of investments. The increase for member banks in leading cities has been almost continuous since the middle of March, when the money market was for a few days exceptionally easy, and amounted in the period from March 12 to June 25 to \$550,000,000. The increase since last October, when the investment portfolio of these banks was at the lowest level since early in 1927, has approximated \$690,000,000, bringing the total to the highest level in more than a year. The volume of investment holdings of the reporting member



autumn in this form, as in other forms, for the purpose of carrying securities at the time of the collapse in stock prices, (2) the use in repayment of these loans of funds borrowed through brokers in February, March, and April when brokers' loans and security prices were increasing rapidly, and (3) the liquidation of short-term loans contracted at banks last year—when prevailing conditions were unfavorable for the issue of bonds by municipal and other long-term borrowers—from the proceeds of bonds issued in large volume on the more favorable bond market of the current year. The upturn of \$170,000,000 in "all other" loans from June 11 to June 25, coming at a time when commerce



banks during recent years is shown on the chart, with separate curves for banks in New York City and outside New York City. The chart shows that the periods of rapid increase of

investments for these banks have been 1924' 1927, and since last October, all periods of business recession and easy credit conditions, and that the amount of increase during recent months has been substantial. The chart also indicates that in such periods it is usually the banks in New York City, where low rates for money first appear, that are the first to expand their investment portfolios, being followed by the banks in other leading cities. In the case of the recent movement it appears that banks in New York City increased their investments substantially at the end of last October and in the earlier part of November, while banks in other leading cities did not begin to do so until after the end of the year. From December until March, however, the New York banks were sellers of investments, and it is only since the middle of March that both groups of banks have been expanding their holdings. In June the investments of the New York banks were at the highest level on record, while those of the reporting member banks outside New York City, although higher than a year ago, were still about \$300,000,000 below their peak early in 1928.

Available information for member banks outside leading cities indicates that the position of these banks in June was easier than at the same season of any other recent year excepting 1927. Their indebtedness at the reserve banks, after declining to a low point in April, increased seasonally by \$30,000,000 to the end of June. Balances of these banks held with their city correspondents increased rapidly in June. The latest date for which information is available regarding the loans and investments of so-called country banks is March 27, as summarized in the accompanying table, which shows that during the first quarter of 1930 the country banks increased their investments by \$36,000,000 and their open-market loans—in the form of

street loans, acceptances purchased, and commercial paper purchased—by about \$90,000,000. Their loans to customers, however, decreased substantially for the quarter,

## COUNTRY MEMBER BANKS

[In millions of dollars]

	Mar. 27, 1930	Change from—	
		Dec. 31, 1929	Mar. 27, 1929
Open-market loans—total.....	496	+89	-102
Acceptances purchased.....	31	-6	-22
Commercial paper purchased.....	207	+45	+16
Street loans <sup>1</sup> .....	258	+50	-96
Loans to customers <sup>2</sup> —total.....	8,206	-275	-158
Secured by stocks and bonds.....	2,190	-123	+135
Otherwise secured and unsecured.....	6,016	-152	-293
Investments—total.....	4,475	+36	-265
U. S. Government securities.....	1,273	+7	-150
Other securities.....	3,202	+29	-115
Borrowings at Federal reserve banks.....	170	-85	-98
Due from banks in the United States.....	817	-91	+37

<sup>1</sup> Loans to brokers and dealers in securities in New York City.<sup>2</sup> Exclusive of loans to banks.

in the amount of \$125,000,000 for loans on securities and \$150,000,000 for "all other" loans. On this date their customer loans on securities were still \$135,000,000 higher than a year ago, while "all other" loans to customers showed a decrease of \$290,000,000 for the year.

## RESERVE BANK CREDIT AND FACTORS IN CHANGES

[In millions of dollars;]

	Week ending—		Change during 8 months
	June 28, 1930	Oct. 26, 1929	
Bills discounted.....	257	843	-586
Bills bought.....	110	355	-245
United States securities.....	578	140	+438
Other reserve bank credit.....	31	71	-40
Total reserve bank credit.....	976	1,409	-433
Monetary gold stock.....	4,533	4,386	+147
Treasury currency—adjusted.....	1,764	1,793	-29
Money in circulation.....	4,468	4,791	-323
Member bank reserve balances.....	2,381	2,378	+3
Nonmember deposits, etc.....	28	25	+3
Unexpended capital funds.....	396	394	+2

**ANALYSIS OF CHANGES IN THE CREDIT SITUATION BETWEEN WEEK ENDING OCT. 26, 1929, AND WEEK ENDING JUNE 28, 1930**

[Amounts in millions of dollars; figures from preceding table]

Funds became available to the money market from—	
1. Increase in reserve bank holdings of United States securities.....	438
2. Decrease in demand for money in circulation.....	323
3. Increase in monetary gold stock.....	147
Gross gains to market.....	908
Funds were withdrawn from the money market through—	
1. Decrease in "other" reserve bank credit (includes reserve bank float)...	40
2. Decrease in Treasury currency adjusted.....	29
3. Increase in nonmember deposits, etc., at reserve banks.....	3
4. Increase in unexpended capital funds of reserve banks.....	2
Gross withdrawals from market.....	74
Net gains to market.....	834
Funds gained by the money market were used—	
1. To decrease member-bank borrowings at reserve banks (bills discounted)...	586
2. To decrease reserve-bank holdings of acceptances (bills bought).....	245
3. To increase member-bank reserve balances.....	3
Total.....	834

**Changes in Discount Rates and Bill Rates**

The discount rate on all classes and maturities of paper was reduced from 4 to 3½ per cent at the Federal Reserve Bank of Cleveland, effective June 7, at the Federal Reserve Bank of Chicago, effective June 21, and at the Federal Reserve Bank of Philadelphia, effective July 3. The discount rate at the Federal Reserve Bank of New York was reduced from 3 to 2½ per cent, effective June 20, and at the Federal Reserve Bank of Boston from 3½ to 3 per cent, effective July 3.

At the Federal Reserve Bank of New York buying rates on bills of all maturities were suc-

cessively reduced during June, as shown in the following table:

Date effective	1 to 45 days	46 to 90 days	91 to 120 days	121 to 180 days
In effect May 31.....	2½	2½	2¾	3
June 3.....	2¾	2½	2½	3
June 5.....	2¾	2½	2¾	2¾
June 16.....	2¾	2½	2½	2¾
June 20.....	2	2	2½	2¾
June 30.....	1¾	2	2½	2¾

**Changes in Foreign Central Bank Discount Rates**

The following changes have been made since the 1st of June in the discount rates of central banks in foreign countries:

- June 2.—Bank of Portugal, from 8 to 7½ per cent.
- June 13.—Bank of Poland, from 7 to 6½ per cent.
- June 21.—German Reichsbank, from 4½ to 4 per cent.
- June 24.—Bank of Danzig, from 5 to 4½ per cent.
- June 25.—Czechoslovak National Bank, from 4½ to 4 per cent.

**New Corporation Under the Edge Act**

On May 22, 1930, the Federal Reserve Board issued a final permit to commence business to "The Chase Bank," a corporation which has been organized under section 25 (a) of the Federal reserve act.

**Condition of All Banks in the United States on March 27, 1930**

Loans and investments of all banks in the United States aggregated \$57,386,000,000 on March 27, 1930, according to figures recently made available and given in detail, by districts and by States, on pages 473-476 of this BULLETIN. The decline of \$1,065,000,000 since the first of the year reflects a decrease in loans of \$1,240,000,000, offset in part by an increase of \$174,000,000 in investments. These figures, compiled by the Federal Reserve Board, consolidate the figures of 24,223 member and non-member banks, including national banks, State commercial banks, trust companies, mutual and stock savings banks, and private banks under State supervision.

## PAPER ELIGIBLE FOR REDISCOUNT AT FEDERAL RESERVE BANKS

For several years the Federal Reserve Board has collected statistical data on the amount of paper carried by member banks which is eligible for rediscount at Federal reserve banks and which measures, when combined with member bank holdings of United States obligations, the maximum amount that the member banks can borrow from the reserve banks.

At the end of 1929 member banks reported \$4,400,000,000 of eligible paper and in addition held \$3,200,000,000 of United States Government obligations, not including about \$650,000,000 pledged to secure national-bank notes outstanding. The sum of these two items, amounting to \$7,600,000,000, represents the borrowing power of member banks at the reserve banks on that date, when the member banks were actually borrowing from Federal reserve banks less than one-tenth of this amount. The present borrowing power of member banks, furthermore—at \$7,600,000,000—is nearly three times as large as the maximum of bills discounted for member banks by the reserve banks at any one time and more than twice as large as the maximum total of reserve bank credit in all forms outstanding at any one time, reached in the autumn of 1920. These figures give precision to the well-known fact that under present conditions the maximum borrowing power of the member banks exceeds by a wide margin the requirements of any emergency which has heretofore arisen or which might possibly arise.

**Distribution of eligible paper and Government securities.**—An analysis of the distribution of eligible paper among individual member banks shows that on December 31, 1929, the majority both of country and of city banks had as part of their portfolios a not inconsiderable proportion in eligible paper and Government securities. Among country banks about one-fifth had more than 40 per cent of their loans and investments in eligible paper and Government securities, and among city banks about one-tenth had such ratios. In more than one-half of the banks the ratio of eligibility amounted to between 10 and 40 per cent of their portfolios. However, 99 member banks—94 of them country banks—held no eligible paper and no Government securities. These facts are brought out in the following table:

NUMBER OF MEMBER BANKS, DISTRIBUTED BY COUNTRY AND RESERVE CITY BANKS AND BY PERCENTAGE RATIO OF ELIGIBLE PAPER AND UNITED STATES GOVERNMENT OBLIGATIONS<sup>1</sup> TO LOANS AND INVESTMENTS: DECEMBER 31, 1929

Class of bank	Total	Percentage ratio			
		0.0 <sup>2</sup>	0.1-9.9	10-39.9	40+
Total.....	8,522	99	1,749	4,813	1,861
Central reserve and reserve city banks.....	531	5	85	386	55
Country banks.....	7,991	94	1,664	4,427	1,806

<sup>1</sup> Exclusive of securities pledged against national-bank notes outstanding.

<sup>2</sup> No eligible paper or United States Government obligations.

It appears that in the group of the smallest banks, those with less than \$200,000 of loans and investments, one out of 46 reported no eligible paper or United States Government obligations, while of the largest banks, those with more than \$10,000,000 of loans and investments, only one out of the more than 400 was in this condition. The larger the banks are, the greater the tendency appears to be to maintain an eligibility position in the middle class with the ratio of eligible paper and United States Government securities to total loans and investments at from 10 to 40 per cent. Details in this respect appear in the following table:

NUMBER OF MEMBER BANKS, DISTRIBUTED BY LOANS AND INVESTMENTS AND BY PERCENTAGE RATIO OF ELIGIBLE PAPER AND UNITED STATES GOVERNMENT OBLIGATIONS<sup>1</sup> TO LOANS AND INVESTMENTS: DECEMBER 31, 1929

Loans and investments	Total	Percentage ratio			
		0.0 <sup>2</sup>	0.1-9.9	10-39.9	40+
Total.....	8,522	99	1,749	4,813	1,861
Under \$200,000.....	785	17	39	326	403
\$200,000 to \$1,000,000.....	4,123	60	634	2,255	1,174
\$1,000,000 to \$10,000,000.....	3,182	21	987	1,910	264
\$10,000,000 and over.....	432	1	89	322	20

<sup>1</sup> Exclusive of securities pledged against national-bank notes outstanding.

<sup>2</sup> No eligible paper or United States Government obligations.

Comparison by Federal reserve districts brings out the fact that in districts that are primarily agricultural a large number of banks

have a high eligibility portfolio. In fact, in one such district the majority of banks have a ratio of eligibility to total loans and investments of more than 40 per cent. On the other hand, the industrialized districts, such as Boston, New York, Philadelphia, Cleveland, and Chicago, show a majority of their banks in the middle classification with a ratio of eligible paper and United States Government obligations to total loans and investments below 40 per cent. A summary of the data, by Federal reserve districts, is shown below:

NUMBER OF MEMBER BANKS, DISTRIBUTED BY DISTRICT AND BY PERCENTAGE RATIO OF ELIGIBLE PAPER AND UNITED STATES GOVERNMENT OBLIGATIONS<sup>1</sup> TO LOANS AND INVESTMENTS: DECEMBER 31, 1929

Federal reserve district	Total	Percentage ratio			
		0.0 <sup>2</sup>	0.1-9.9	10-39.9	40+
Total.....	8,522	99	1,749	4,813	1,861
Boston.....	404	3	164	229	8
New York.....	931	12	338	544	37
Philadelphia.....	764	25	333	388	18
Cleveland.....	795	22	348	402	23
Richmond.....	514	12	99	327	76
Atlanta.....	428	4	24	264	136
Chicago.....	1,186	8	156	768	254
St. Louis.....	571	4	118	357	92
Minneapolis.....	683	3	59	416	205
Kansas City.....	893	-----	10	442	441
Dallas.....	746	4	14	265	463
San Francisco.....	607	2	86	411	108

<sup>1</sup> Exclusive of securities pledged against national-bank notes outstanding.

<sup>2</sup> No eligible paper or United States Government obligations.

More detailed statistics of the distribution of member banks according to the percentage ratio of eligible paper and United States Government obligations to loans and investments, as well as the percentage ratio of eligible paper to loans, are presented on pages 408-410 of this issue of the BULLETIN.

A factor contributing to the uneven distribution of eligible paper between member banks may be the difficulty experienced by some banks in determining precisely what paper is eligible and what paper is not. To further a better understanding of this matter, and because of interest in the subject matter expressed in various quarters from time to time, a summary of eligibility requirements has been prepared and is presented herewith.

#### CHARACTERISTICS OF ELIGIBLE PAPER

**Definition.**—Eligible paper is a term applied to credit instruments that are eligible for discount at the Federal reserve banks under the terms of the Federal reserve act and the rulings of the Federal Reserve Board. The general principles of eligibility are clearly defined by the act and the rulings, but their application in particular cases is not always a simple matter.

The Federal Reserve Board's rulings and regulations relating to eligibility have been published currently in the FEDERAL RESERVE BULLETIN and have been brought together for ready reference, together with rulings and regulations on other subjects, in the so-called Digest of Rulings.<sup>1</sup> The summary presented herewith undertakes to indicate, in language as free as possible from technical terms, the characteristics which paper must possess in order to be eligible for rediscount. In the interests of simplicity the text of this summary in some cases does not follow the precise language of the underlying documents, but it should be definitely understood that such departures in language do not in any way qualify the rulings and regulations as officially promulgated.

**Tests of eligibility.**—In view of the fact that the Federal reserve system was established for the purpose, among others, of creating an agency from which member banks can obtain credit for seasonal or emergency needs, the Federal reserve act provides in a general way that so-called commercial paper be eligible for discount with the reserve banks. This is a class of paper that a typical member bank would acquire in considerable volume in the course of its ordinary operations, and at the same time one that is so liquid that it can be safely held by the banks of issue. Paper created in the process of financing the flow of commodities in production and trade arises out of loans that are ordinarily liquidated by the borrower with funds received in the natural course of events from the sale of goods underlying the transaction. In the majority of cases the rules and regulations relating to eligibility are consequently devoted to defining eligible paper by reference to the nature of the

<sup>1</sup> Digest of Rulings of the Federal Reserve Board (1914-1927, inclusive) with appendices containing text of Federal Reserve Act, Regulations of Federal Reserve Board, National Bank Act, Instructions of Comptroller of the Currency, and related matters, 1928; price \$2.

underlying transactions. The first question to ask, therefore, in the process of testing any piece of paper for eligibility, is: Did it arise from, or are the proceeds to be used for, the proper sort of transaction? Other questions, which are equally essential but comparatively easy to determine, are as follows: Is the maturity within the law and regulations? Does the paper meet the physical formalities prescribed? Has the legal limit of the aggregate of paper rediscountable for the particular obligor been reached?

In order to be eligible, paper must arise out of a transaction related to an agricultural, industrial, or commercial purpose; the paper must have been drawn or the proceeds used for producing, purchasing, carrying, or marketing goods. Paper is not eligible if the proceeds are used to finance fixed investments of any kind; or any investments of a purely speculative character; or carrying or trading in stocks and bonds except obligations of the United States; or to finance relending operations except relending by cooperative marketing associations and factors.

Because of the longer maturities for which agricultural paper may be rediscounted, it needs to be distinguished from other eligible paper. Agricultural paper arises out of activities of growers in connection with production, marketing, and carrying of agricultural products, including the breeding, raising, fattening, or marketing of livestock. In classifying paper, the purpose of original negotiation is determining throughout its life.

Some special points should be kept in mind with relation to bankers' acceptances. In respect to this type of paper the law and regulations are somewhat more specific as to the purpose of negotiation or nature of transaction

(see p. 405). Purposes specifically enumerated are shipment of goods, including export and import, storage of readily marketable staples, and the creation of dollar exchange.

**Eligibility vs. acceptability.**—The Federal reserve act, the regulations of the Federal Reserve Board, and the rulings of the board define the tests that paper must meet in order to be eligible for rediscount. The Federal reserve banks must observe these tests when taking paper, but to them is left the matter of passing on the desirability of paper from a credit standpoint. Paper may meet the technical tests of eligibility and yet fail to meet the credit requirements of any particular Federal reserve bank. Moreover, each Federal reserve bank is charged by the act in extending accommodation to any particular member bank to have "due regard for the claims and demands of other member banks."

**Member bank collateral notes.**—Member banks, in addition to raising funds from Federal reserve banks by rediscounting, may borrow for 15 days on their own notes secured by obligations of the United States or by paper eligible for rediscount. Indeed, more use has been made in recent years of this method of borrowing than of rediscounting; on December 31, 1929, for example, member banks were borrowing at the reserve banks \$454,000,000 on their collateral notes, and their rediscounts at the reserve banks amounted to \$193,000,000.

**Summary tabulation.**—The following pages give a tabular array of the chief points that need to be taken into consideration in testing any particular piece of paper as to its eligibility for rediscount. There are also included, by way of illustration, digests of rulings in connection with the eligibility of paper arising out of specific transactions.

**What nature of transactions give rise to notes, drafts, and bills of exchange eligible for rediscount at a Federal reserve bank?**

Eligible paper arises if drawn for or proceeds used for—

Producing, purchasing, carrying, marketing goods in agriculture, industry, or commerce.<sup>1</sup>

Ineligible paper arises if drawn for or proceeds used for—

Fixed investments or capital purposes of any kind.<sup>2</sup>

Relending<sup>3</sup> except for agricultural purposes by a cooperative association<sup>4</sup> or by a factor exclusively to producers of agricultural products in their raw state.<sup>5</sup>

Investments of a purely speculative character.<sup>6</sup>

Carrying or trading in stocks and bonds except obligations of the United States.<sup>7</sup>

For footnotes see page 406.

**Specific transactions giving rise to eligible and ineligible paper according to published rulings of the Federal Reserve Board:**

**ELIGIBLE PAPER**

Given by owner to contractor in actual payment for material and services.<sup>3</sup>

Given by motor transport corporation to the seller of trucks.<sup>9</sup>

Given by farmer for tractor—agricultural paper on the ground that a tractor is used for a current agricultural purpose.<sup>10</sup>

Given by farmer—proceeds to be used for draining farm lands when drainage is incidental to cultivation.<sup>11</sup>

Given by water works company—the proceeds of which to be used for pay roll, purchases of coal, etc., if statement of borrower shows excess of quick assets over current liabilities.<sup>13</sup>

Drawn by factor the proceeds used for making advances exclusively to producers of staple agricultural products in their raw state (maturities up to 90 days).<sup>15</sup>

Given by agricultural cooperative marketing associations (with maturities up to 9 months), when the proceeds are to be advanced by the association to any of its members for an agricultural purpose.<sup>17</sup>

Made by a manufacturer of pig iron secured by pig iron already manufactured, held waiting delivery under contract of sale. The sale has been made and the carrying of the material is not for speculative purposes.<sup>19</sup>

**AGRICULTURAL OR COMMERCIAL PAPER**

*Agricultural or livestock and eligible*

Given by a farmer for purchase of agricultural implements (replaceable in a comparatively short time).<sup>21</sup>

Drawn by a dealer on farmer in payment for agricultural implements.<sup>21</sup>

Given by farmer to an irrigation company for water used for crops.<sup>24</sup>

Given by a farmer to raise funds for fattening cattle.<sup>25</sup>

Made by farmer in payment for mules.<sup>27</sup>

Made by agricultural cooperative marketing associations for the purpose of obtaining funds with which to make payments to members, or to finance marketing of agricultural products.<sup>28</sup>

**INELIGIBLE PAPER**

*Investment paper*

Made by owner—proceeds of which to be used by owner to pay for work of developing or building.<sup>8</sup>

Made by motor transport corporation—proceeds to be used for purchase of trucks.<sup>9</sup>

Given by farmer for purchase of silo.<sup>12</sup>

Given by public service corporation, if can not be liquidated within a short time out of current earnings.<sup>14</sup>

*Relending or finance paper*

Drawn by a finance company to finance another.<sup>16</sup>

Given by Federal land bank or joint-stock land bank, secured by farm loan bonds—proceeds used for relending.<sup>18</sup>

*Paper drawn for investments of a purely speculative character*

Note, proceeds of which are used for holding grain for a higher price.<sup>20</sup>

*Commercial and eligible*

Given by a dealer for agricultural implements to resell to a farmer.<sup>22</sup>

Given to a farmer in payment for agricultural products grown by him.<sup>23</sup>

Given by an irrigation company, in its business of furnishing water to farmers.<sup>24</sup>

Given by a packing company—the proceeds used to purchase livestock.<sup>26</sup>

Made by mule and cattle dealer.<sup>27</sup>

Covering such food products as butter, cheese, eggs, poultry, frozen fish in cold storage under negotiable warehouse receipts.<sup>29</sup>

**What maturity may rediscountable paper have?**

Ninety days in general, including factors' paper created to make advances to certain agricultural producers.<sup>30</sup>

Nine months in case of agricultural paper including livestock paper.<sup>31</sup>

Indefinite maturities are ineligible except for sight bills which grow out of the domestic shipment or exportation of nonperishable, readily marketable agricultural or other staples and secured by shipping documents. Such bills may not be held for the account of a Federal reserve bank for more than 90 days.<sup>32</sup>

**How much paper of one borrower may be rediscounted by a member bank with a reserve bank?**

An amount not in excess of that which may be loaned by a national bank to one person; i. e., 10 per cent of such bank's capital and surplus subject to a number of important exceptions.<sup>33</sup> (See Comptroller's summary, p. 407 of this BULLETIN.)

**What technical formalities must the paper meet?**

Must be promissory note, draft, or bill of exchange, including bankers' and trade acceptances.<sup>34</sup>

Must be negotiable.<sup>35</sup>

Must be indorsed by a member bank.<sup>36</sup>

The name of one of the parties to underlying transaction must appear upon it as maker, drawer, acceptor, or indorser.<sup>37</sup>

May be secured by the pledge of goods or collateral of any nature, provided the paper is otherwise eligible.<sup>38</sup>

**What physical evidence of eligibility must be supplied by discounting member bank?**

Application for discount must certify—

Member bank's belief in eligibility.<sup>39</sup>

Paper, not acquired from nonmember bank, unless member has permission to rediscount for nonmember banks.<sup>39</sup>

If offering bank is a State bank, that borrower is not obligated for more than he could be to a similar national bank.<sup>40</sup>

If paper is a promissory note, whether a financial statement of borrower is on file. A Federal reserve bank may in any case require the financial statement of the borrower to be filed with it. Such statement must be on file if the note was discounted for a nonmember bank or a nondepositor, and in all other cases unless—

Secured by warehouse receipt, prior lien on livestock, or obligations of the United States; or

The aggregate obligations of borrower offered for discount is less than 10 per cent of capital of bank and is less than \$5,000.<sup>41</sup>

A draft, bill of exchange, or acceptance should be drawn so as to evidence the character of the underlying transaction. A stamp or certificate may accomplish this.<sup>42</sup>

## BANKERS' ACCEPTANCES

(Certain respects in which the law and the regulations governing eligibility are more specific with reference to bankers' acceptances than with reference to other types of paper are detailed below.)

Nature of transactions giving rise to eligible acceptances:

Shipment of goods in foreign trade, including shipments between two foreign countries.

Shipment of goods within the United States—shipping documents must be attached at time of acceptance.

Storage in the United States or in any foreign country of readily marketable staples, must be secured at time of acceptance by warehouse receipt and acceptor must be secured through life of acceptance.

Creation of dollar exchange.<sup>43</sup>

Maturity of eligible acceptances:

90 days in general.<sup>44</sup>

6 months, if drawn for agricultural purposes and if secured at time of acceptance by warehouse receipts covering readily marketable staples.<sup>44</sup>

3 months, if arising from the creation of dollar exchange.<sup>45</sup>

Aggregate of acceptances of one customer rediscountable for a particular member bank:

10 per cent of capital and surplus of accepting bank, unless acceptance is secured throughout life by documents growing out of same transaction.<sup>46</sup>

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For footnotes see p. 406.

## DEFINITIONS

Note: Unconditional promise, in writing, signed by the maker, to pay in the United States, at a fixed or determinable future time, a sum certain in dollars to order or to bearer.<sup>47</sup>

Draft or bill of exchange: Unconditional order, in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay in the United States, at a fixed or determinable future time, a sum certain in dollars to the order of a specified person.<sup>48</sup>

Trade acceptance: A draft or bill of exchange, drawn by the seller on the purchaser of goods sold, and accepted by such purchaser.<sup>48</sup>

Banker's acceptance: A draft or bill of exchange, whether payable in the United States or abroad and whether payable in dollars or some other money, of which the acceptor is a bank or trust company, or a firm, person, company, or corporation engaged generally in the business of granting bankers' acceptance credits.<sup>49</sup>

Agricultural paper: Note, draft, or bill of exchange issued or drawn, or the proceeds of which have been or are to be used for agricultural purposes, including the production of agricultural products, the marketing of agricultural products by the growers thereof, or the carrying of agricultural products by the growers thereof pending orderly marketing, and the breeding, raising, fattening, or marketing of livestock.<sup>50</sup>

Goods: Include goods, wares, merchandise, or agricultural products, including livestock.<sup>51</sup>

Readily marketable staple: An article of commerce, agriculture, or industry of such uses as to make it the subject of constant dealings in ready markets with such frequent quotations of price as to make (a) the price easily and definitely ascertainable and (b) the staple itself easy to realize upon by sale at any time.<sup>52</sup>

Rulings have held these to be readily marketable staples: Cotton yarns, flour, cotton, potatoes, cattle, sugar in bond, wool, coal, cottonseed. These have been held not to be such marketable staples: Automobiles, automobile tires, whisky, or sacramental wine in bond.<sup>53</sup>

## NOTES

The foregoing article is based on the Federal reserve act and on the rulings and regulations of the Federal Reserve Board as published from time to time in the FEDERAL RESERVE BULLETIN and summarized in the so-called Digest of Rulings (described on p. 401). The numbered citations refer, except as indicated below, to pages of the digest, with parenthetical reference to the act (by sections), to the regulations (by letter and section), and to the rulings (by number, all numbers cited being those of rulings given in the digest under the general heading XIII-C).

- <sup>1</sup> P. 226 (Act, Sec. 13); p. 129 (Reg. A, Sec. I (b)); p. 130 (Reg. A, Sec. II (a)).
- <sup>2</sup> P. 227 (Act, Sec. 13); p. 130 (Reg. A, Sec. II (c)).
- <sup>3</sup> P. 130 (Reg. A, Sec. II (b)).
- <sup>4</sup> P. 232 (Act, Sec. 13a); p. 133 (Reg. A, Sec. VI (b)).
- <sup>5</sup> P. 226 (Act, Sec. 13); p. 129 (Reg. A, Sec. I (b)); p. 134 (Reg. A, Sec. VIII).
- <sup>6</sup> P. 130 (Reg. A, Sec. II (d)).
- <sup>7</sup> P. 227 (Act, Sec. 13)—see also Act of June 17, 1929; p. 129 (Reg. A, Sec. I (c)).
- <sup>8</sup> P. 40 (Ruling No. 331).
- <sup>9</sup> P. 44 (Ruling No. 501).
- <sup>10</sup> P. 32 (Ruling No. 211).
- <sup>11</sup> P. 35 (Ruling No. 214).
- <sup>12</sup> P. 44 (Ruling No. 500).
- <sup>13</sup> P. 37 (Ruling No. 314).
- <sup>14</sup> P. 37 (Ruling No. 318).
- <sup>15</sup> P. 226 (Act, Sec. 13); p. 129 (Reg. A, Sec. I (b)); p. 134 (Reg. A, Sec. VIII).
- <sup>16</sup> P. 38 (Ruling No. 324).
- <sup>17</sup> P. 232 (Act, Sec. 13a); p. 133 (Reg. A, Sec. VI (b)).
- <sup>18</sup> P. 39 (Ruling No. 330).
- <sup>19</sup> P. 35 (Ruling No. 302).
- <sup>20</sup> P. 36 (Ruling No. 312).
- <sup>21</sup> P. 31 (Ruling No. 204).
- <sup>22</sup> P. 33 (Ruling No. 215).
- <sup>23</sup> P. 27 (Ruling No. 100).
- <sup>24</sup> P. 40 (Ruling No. 333).
- <sup>25</sup> P. 32 (Ruling No. 208).
- <sup>26</sup> P. 32 (Ruling No. 209).
- <sup>27</sup> P. 31 (Ruling No. 203).
- <sup>28</sup> P. 232 (Act, Sec. 13a); p. 133 (Reg. A, Sec. VI (b)); p. 38 (Ruling No. 321).
- <sup>29</sup> P. 227 (Act, Sec. 13); p. 129 (Reg. A, Sec. I (a)).
- <sup>30</sup> P. 231 (Act, Sec. 13a); p. 129 (Reg. A, Sec. I (a)).
- <sup>31</sup> P. 227 (Act, Sec. 13); p. 129 (Reg. A, Sec. I (a)); p. 134 (Reg. A, Sec. VII); see also amendment of May 29, 1928.
- <sup>32</sup> P. 227 (Act, Sec. 13)—see also amendment of Sec. 13 by act of April 12, 1930; p. 352 (Sec. 5200 of U. S. R. S.).
- <sup>33</sup> P. 226 (Act, Sec. 13); p. 228 (Act, Sec. 13).
- <sup>34</sup> P. 130 (Reg. A, Sec. II (a)).
- <sup>35</sup> P. 226 (Act, Sec. 13); p. 231 (Act, Sec. 13a); p. 129 (Reg. A, Sec. (e)).
- <sup>36</sup> P. 130 (Reg. A, Sec. II (a)).
- <sup>37</sup> P. 130 (Reg. A, Sec. II (e)).
- <sup>38</sup> P. 131 (Reg. A, Sec. III).
- <sup>39</sup> P. 217 (Act, Sec. 9); p. 131 (Reg. A, Sec. III).
- <sup>40</sup> P. 131 (Reg. A, Sec. IV (b)).
- <sup>41</sup> P. 132 (Reg. A, Sec. V (b)); p. 137 (Reg. A, Sec. XIII).
- <sup>42</sup> P. 135 (Reg. A, Sec. XI).
- <sup>43</sup> P. 228 (Act, Sec. 13); p. 137 (Reg. A, Sec. XII).
- <sup>44</sup> P. 230 (Act, Sec. 13); p. 137 (Reg. A, Sec. XI).
- <sup>45</sup> P. 136 (Reg. A, Sec. XI).
- <sup>46</sup> P. 131 (Reg. A, Sec. IV (a)).
- <sup>47</sup> P. 132 (Reg. A, Sec. V (a)).
- <sup>48</sup> P. 135 (Reg. A, Sec. X).
- <sup>49</sup> P. 132 (Reg. A, Sec. VI (a)).
- <sup>50</sup> P. 150 (Reg. A, Sec. II (a), footnote).
- <sup>51</sup> P. 136 (Reg. A, Sec. XI, footnote).
- <sup>52</sup> P. 74 (Ruling XIII-E, No. 460).

LOANING POWERS OF NATIONAL BANKS UNDER SECTION 5,200, U. S. R. S.

[Treasury Department—Comptroller of the Currency—Examining Division—Form 1416-B]

Obligations <sup>1</sup>	Amounts loanable
(A) Accommodation or straight loans, whether or not single name, including liability as indorser or guarantor (where indorser or guarantor receives the proceeds from bank) of paper not coming within exceptions 2 and 4. Loans secured by stocks, bonds, and authorized real estate mortgages.	Maximum limit, 10 per cent of bank's paid-up and unimpaired capital and surplus.
(1) Drafts or "bills of exchange drawn in good faith against actually existing values."	No limit imposed by law.
(2) Commercial or business paper (of other makers) actually owned by the person, copartnership, association, or corporation negotiating the same.	No limit imposed by law.
(3) Obligations secured by goods or commodities in process of shipment.	No limit imposed by law.
(4) Obligations as indorser or guarantor of notes (other than commercial or business paper) maturing within six months, owned by indorser.	15 per cent in addition to 10 per cent (A).
(5) Bankers' acceptances of the kinds described in section 13 of the Federal reserve act.	No limit imposed by law.
(6) Obligations secured by shipping documents, warehouse receipts, or other such documents, transferring or securing title covering readily marketable nonperishable staples— (a) When the actual market value of the property is not at any time less than shown in table herewith. (b) When the property is fully covered by insurance (if customary to insure such commodity), and in no event shall this exception apply to obligations of any one customer arising from the same transactions and/or secured upon the identical staples for more than 10 months.	15 per cent, secured by 115 per cent. 5 per cent, secured by 120 per cent. 5 per cent, secured by 125 per cent. 5 per cent, secured by 130 per cent. 5 per cent, secured by 135 per cent. 5 per cent, secured by 140 per cent. — 40 per cent in addition to regular 10 per cent loan (A).
(7) Obligations secured by shipping documents or instruments covering livestock or giving a lien thereon having a market value of not less than 115 per cent of the amount of the loan.	15 per cent in addition to regular 10 per cent loan (A).
(8) Notes secured by not less than a <i>like face amount</i> of bonds or notes of the United States issued since April 24, 1917, or by certificates of indebtedness of the United States.	15 per cent of bank's capital and surplus <i>in addition</i> to the amount allowed under (A), or if the full amount allowed under (A) is not loaned, then the amount which may be loaned in the manner described under (8) is increased by the loanable amount not used under (A). In other words, the amount loaned under (A) must never be more than 10 per cent, but the aggregate of (A) and (8) may equal, but not exceed, 25 per cent.

<sup>1</sup> The term "obligations" shall mean the direct liability of the maker or acceptor of paper discounted with or sold to such association and the liability of the indorser, drawer, or guarantor who obtains a loan from or discounts paper with or sells paper under his guaranty to such association and shall include in the case of obligations of a copartnership or association the obligations of the several members thereof.

TABLE I.—CENTRAL RESERVE CITY, RESERVE CITY, AND COUNTRY MEMBER BANKS CLASSIFIED BY (A) RATIO OF ELIGIBLE PAPER PLUS GOVERNMENT SECURITIES<sup>1</sup> TO LOANS AND INVESTMENTS AND (B) RATIO OF ELIGIBLE PAPER TO LOANS: DECEMBER 31, 1929

[Amounts in millions of dollars]

Ratio (per cent)	Classification by ratio of eligible paper plus Government securities <sup>1</sup> to loans and investments			Classification by ratio of eligible paper to loans			Ratio (per cent)	Classification by ratio of eligible paper plus Government securities <sup>1</sup> to loans and investments			Classification by ratio of eligible paper to loans		
	Number of banks	Loans and investments	Eligible paper plus Government securities	Number of banks	Loans	Eligible paper		Number of banks	Loans and investments	Eligible paper plus Government securities	Number of banks	Loans	Eligible paper
	<b>ALL MEMBER BANKS</b>							<b>RESERVE CITY MEMBER BANKS</b>					
Total.....	8,522	35,922	7,637	8,522	26,134	4,429	Total.....	458	12,022	2,625	458	9,077	1,409
0.0.....	99	101	-----	324	255	-----	0.0.....	3	10	-----	12	52	-----
Less than 5.....	666	1,547	51	678	2,721	81	Less than 5.....	23	227	10	39	1,089	38
5 to 9.9.....	1,083	4,035	312	875	4,430	335	5 to 9.9.....	53	1,346	110	73	2,465	189
10 to 19.9.....	2,065	12,952	2,013	1,702	10,841	1,565	10 to 19.9.....	153	4,742	738	155	3,075	445
20 to 29.9.....	1,529	10,747	2,738	1,371	5,089	1,201	20 to 29.9.....	110	3,293	838	97	1,573	396
30 to 39.9.....	1,219	4,341	1,462	1,071	1,284	444	30 to 39.9.....	66	1,563	546	41	451	156
40 to 49.9.....	846	1,543	667	923	709	313	40 to 49.9.....	33	732	315	20	175	76
50 to 59.9.....	526	378	206	673	425	226	50 to 59.9.....	10	70	40	11	144	73
60 to 79.9.....	425	259	173	744	337	227	60 to 79.9.....	6	39	28	10	53	35
80 and over.....	64	19	16	161	44	38	80 and over.....	1	-----	-----	-----	-----	-----
	<b>CENTRAL RESERVE CITY MEMBER BANKS</b>							<b>COUNTRY MEMBER BANKS</b>					
Total.....	73	10,529	2,504	73	8,130	1,323	Total.....	7,991	13,371	2,508	7,991	8,926	1,697
0.0.....	2	23	-----	3	8	-----	0.0.....	94	68	-----	309	196	-----
Less than 5.....	3	95	2	7	335	8	Less than 5.....	640	1,226	38	632	1,297	34
5 to 9.9.....	6	88	6	7	305	24	5 to 9.9.....	1,024	2,601	196	795	1,660	122
10 to 19.9.....	23	3,424	581	29	5,015	723	10 to 19.9.....	1,889	4,787	694	1,518	2,751	396
20 to 29.9.....	25	5,260	1,369	13	2,361	523	20 to 29.9.....	1,394	2,195	531	1,261	1,155	282
30 to 39.9.....	9	1,392	443	6	45	16	30 to 39.9.....	1,144	1,386	473	1,024	787	272
40 to 49.9.....	3	229	93	6	44	19	40 to 49.9.....	810	581	259	897	490	218
50 to 59.9.....	2	19	10	2	18	10	50 to 59.9.....	514	288	156	660	263	143
60 to 79.9.....	-----	-----	-----	-----	-----	-----	60 to 79.9.....	419	220	146	734	284	192
80 and over.....	-----	-----	-----	-----	-----	-----	80 and over.....	63	18	15	161	44	38

<sup>1</sup> Exclusive of securities pledged against national bank note circulation.

TABLE II.—MEMBER BANKS OF SPECIFIED SIZE, CLASSIFIED BY (A) RATIO OF ELIGIBLE PAPER PLUS GOVERNMENT SECURITIES<sup>1</sup> TO TOTAL LOANS AND INVESTMENTS AND (B) RATIO OF ELIGIBLE PAPER TO LOANS: DECEMBER 31, 1929

[Amounts in millions of dollars]

Ratio (per cent)	Classification by ratio of eligible paper plus Government securities <sup>1</sup> to loans and investments			Classification by ratio of eligible paper to loans			Ratio (per cent)	Classification by ratio of eligible paper plus Government securities <sup>1</sup> to loans and investments			Classification by ratio of eligible paper to loans		
	Number of banks	Loans and investments	Eligible paper plus Government securities	Number of banks	Loans	Eligible paper		Number of banks	Loans and investments	Eligible paper plus Government securities	Number of banks	Loans	Eligible paper
<b>BANKS WITH LOANS AND INVESTMENTS OF LESS THAN \$200,000</b>							<b>BANKS WITH LOANS AND INVESTMENTS OF \$1,000,000 TO \$5,000,000—Continued</b>						
Total.....	785	111.5	44.1	785	83.2	38.4	20 to 29.9.....	508	1,064.7	259.5	455	594.0	146.7
0.0.....	17	2.0	.....	30	2.0	.....	30 to 39.9.....	307	610.0	210.7	304	391.3	136.1
Less than 5.....	13	2.1	.1	6	.6	.02	40 to 49.9.....	148	302.4	135.3	212	269.1	119.4
5 to 9.9.....	26	4.2	.3	14	1.6	.1	50 to 59.9.....	58	125.2	66.8	87	106.9	58.1
10 to 19.9.....	88	12.7	2.0	65	6.9	1.1	60 to 79.9.....	33	59.6	39.6	80	96.3	64.5
20 to 29.9.....	108	15.9	3.9	94	9.7	2.5	80 and over.....	2	2.2	1.8	11	9.8	8.8
30 to 39.9.....	130	19.4	6.8	102	11.2	4.0	<b>BANKS WITH LOANS AND INVESTMENTS OF \$5,000,000 TO \$10,000,000</b>						
40 to 49.9.....	148	22.0	9.8	122	13.8	6.2	Total.....	415	2,880.5	521.3	415	1,965.8	333.1
50 to 59.9.....	114	15.1	8.2	135	14.6	8.0	0.0.....	2	13.7	.....	8	32.5	.....
60 to 79.9.....	109	14.3	9.8	165	16.9	11.7	Less than 5.....	31	214.2	8.9	54	251.8	6.6
80 and over.....	32	3.8	3.3	52	5.7	4.9	5 to 9.9.....	90	609.9	46.0	100	441.5	33.6
<b>BANKS WITH LOANS AND INVESTMENTS OF \$200,000 TO \$500,000</b>							<b>BANKS WITH LOANS AND INVESTMENTS OF \$10,000,000 TO \$50,000,000</b>						
Total.....	2,136	725.8	233.4	2,136	494.1	190.0	10 to 19.9.....	164	1,134.0	168.6	130	651.8	94.4
0.0.....	40	13.8	.....	89	17.1	.....	20 to 29.9.....	67	486.4	122.9	68	318.6	78.1
Less than 5.....	115	40.9	1.2	63	12.9	.3	30 to 39.9.....	38	262.7	90.2	25	126.6	44.1
5 to 9.9.....	122	43.9	3.4	99	22.0	1.6	40 to 49.9.....	12	78.2	34.8	15	68.0	29.2
10 to 19.9.....	343	121.7	18.1	238	56.2	8.5	50 to 59.9.....	5	35.3	20.0	6	24.8	13.3
20 to 29.9.....	383	132.0	33.0	344	82.8	20.7	60 to 79.9.....	6	46.2	30.0	9	50.3	33.9
30 to 39.9.....	390	131.9	45.8	327	76.3	26.6	80 and over.....	.....	.....	.....	.....	.....	
40 to 49.9.....	303	101.5	45.4	321	75.0	33.7	<b>BANKS WITH LOANS AND INVESTMENTS OF \$50,000,000 AND OVER</b>						
50 to 59.9.....	226	71.1	38.6	267	61.1	33.5	Total.....	341	6,857.3	1,271.9	341	5,168.2	798.3
60 to 79.9.....	192	61.9	41.9	317	73.8	50.8	0.0.....	1	20.8	.....	3	37.8	.....
80 and over.....	22	7.0	5.9	71	16.9	14.4	Less than 5.....	17	307.2	10.9	46	698.2	18.0
<b>BANKS WITH LOANS AND INVESTMENTS OF \$500,000 TO \$1,000,000</b>							<b>BANKS WITH LOANS AND INVESTMENTS OF \$500,000,000 AND OVER</b>						
Total.....	1,987	1,426.7	360.1	1,987	907.2	275.4	5 to 9.9.....	64	1,321.8	102.1	69	1,063.3	78.6
0.0.....	20	13.7	.....	90	34.9	.....	10 to 19.9.....	133	2,593.0	386.1	131	2,013.1	300.7
Less than 5.....	173	127.9	3.8	130	58.0	1.6	20 to 29.9.....	73	1,575.1	384.0	53	821.1	199.1
5 to 9.9.....	224	162.0	12.5	155	69.1	5.5	30 to 39.9.....	38	730.2	246.3	30	424.3	145.5
10 to 19.9.....	475	346.2	30.0	374	171.4	25.9	40 to 49.9.....	10	239.7	100.2	5	63.1	29.2
20 to 29.9.....	362	267.0	65.7	333	155.4	38.9	50 to 59.9.....	3	48.6	27.6	2	26.0	13.6
30 to 39.9.....	302	213.5	73.7	281	134.5	46.5	60 to 79.9.....	2	20.9	14.7	2	21.4	13.6
40 to 49.9.....	220	152.1	67.8	246	113.9	50.8	80 and over.....	.....	.....	.....	.....	.....	
50 to 59.9.....	120	82.4	44.9	175	80.5	44.2	<b>BANKS WITH LOANS AND INVESTMENTS OF \$1,000,000 TO \$5,000,000</b>						
60 to 79.9.....	83	56.4	37.2	171	77.8	52.4	Total.....	91	17,963.9	4,110.6	91	13,717.6	2,043.8
80 and over.....	8	5.6	4.6	27	11.7	9.7	0.0.....	2	175.1	5.6	11	1,178.4	40.5
<b>BANKS WITH LOANS AND INVESTMENTS OF \$1,000,000 TO \$5,000,000</b>							<b>BANKS WITH LOANS AND INVESTMENTS OF \$1,000,000 TO \$5,000,000</b>						
Total.....	2,767	5,956.6	1,095.5	2,767	3,797.8	749.6	5 to 9.9.....	6	699.6	57.2	15	2,220.9	169.1
0.0.....	19	36.7	.....	104	131.0	.....	10 to 19.9.....	36	6,862.7	1,116.8	41	6,874.5	978.8
Less than 5.....	315	679.8	20.3	368	521.1	13.9	20 to 29.9.....	28	7,206.4	1,868.8	19	3,107.3	714.8
5 to 9.9.....	551	1,193.9	90.3	423	611.4	46.4	30 to 39.9.....	14	2,373.3	788.7	2	119.4	40.7
10 to 19.9.....	826	1,882.2	271.2	723	1,066.9	155.7	40 to 49.9.....	5	646.8	273.4	2	106.1	44.4
							50 to 59.9.....						
							60 to 79.9.....						
							80 and over.....						

<sup>1</sup> Exclusive of securities pledged against national bank note circulation.

TABLE III.—MEMBER BANKS IN EACH FEDERAL RESERVE DISTRICT CLASSIFIED BY (A) RATIO OF ELIGIBLE PAPER PLUS GOVERNMENT SECURITIES<sup>1</sup> TO LOANS AND INVESTMENTS: DECEMBER 31, 1929

Ratio (per cent)	All districts	Federal Reserve District											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
NUMBER OF BANKS													
Total.....	8,522	404	931	764	795	514	528	1,186	571	683	893	746	607
0.0.....	99	3	12	25	22	12	4	8	4	3	-----	4	2
Less than 5.....	666	57	135	133	151	35	5	46	45	17	1	3	38
5 to 9.9.....	1,083	107	203	200	197	64	19	110	73	42	9	11	48
10 to 19.9.....	2,065	153	313	235	239	148	82	329	149	129	59	55	174
20 to 29.9.....	1,529	55	170	102	102	103	90	206	133	146	151	87	124
30 to 39.9.....	1,219	21	61	51	61	76	92	173	75	141	232	123	113
40 to 49.9.....	846	5	27	10	16	44	64	128	45	105	190	143	69
50 to 59.9.....	526	3	6	4	4	17	36	80	25	58	140	125	28
60 to 79.9.....	425	-----	4	4	3	12	31	41	18	40	101	161	10
80 and over.....	64	-----	-----	-----	-----	3	5	5	4	2	10	34	1
CUMULATIVE PERCENTAGES													
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0.0.....	1.2	.7	1.3	3.3	2.8	2.3	.9	.7	.7	.4	0.0	.5	.3
Total, holding paper and Government securities.....	98.8	99.3	98.7	96.7	97.2	97.7	99.1	99.3	99.3	99.6	100.0	99.5	99.7
5 and over.....	91.0	85.1	84.2	79.3	78.2	90.9	97.9	95.4	91.4	97.1	99.9	99.1	93.4
10 and over.....	78.3	58.7	62.4	53.1	53.5	78.4	93.5	86.2	78.6	90.9	98.9	97.6	85.5
20 and over.....	54.1	20.8	28.8	22.4	23.4	49.6	74.3	58.4	52.5	72.0	92.3	90.2	56.8
30 and over.....	36.1	7.2	10.5	9.0	10.6	29.6	53.3	36.0	29.2	50.7	75.4	78.6	36.4
40 and over.....	21.8	2.0	4.0	2.4	2.9	14.8	31.8	21.4	16.1	30.0	49.4	62.1	17.8
50 and over.....	11.9	.7	1.1	1.0	.9	6.2	16.8	10.6	8.2	14.6	28.1	42.9	6.4
60 and over.....	5.7	-----	.4	.5	.4	2.9	8.4	3.9	3.9	6.1	12.4	26.1	1.8
80 and over.....	.8	-----	-----	-----	-----	.6	1.2	.4	.7	.3	1.1	4.6	.2

<sup>1</sup> Exclusive of securities pledged against national-bank note circulation.

TABLE IV.—MEMBER BANKS IN EACH FEDERAL RESERVE DISTRICT CLASSIFIED BY (B) RATIO OF ELIGIBLE PAPER TO LOANS: DECEMBER 31, 1929

Ratio (per cent)	All districts	Federal Reserve District											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
NUMBER OF BANKS													
Total.....	8,522	404	931	764	795	514	428	1,186	571	683	893	746	607
0.0.....	324	15	34	87	84	25	8	27	12	7	-----	6	19
Less than 5.....	678	59	128	135	177	31	4	45	50	12	2	2	33
5 to 9.9.....	875	76	160	121	155	53	18	122	67	27	8	11	57
10 to 19.9.....	1,702	142	233	189	191	128	79	237	151	103	56	60	133
20 to 29.9.....	1,371	63	146	99	79	102	71	215	105	141	132	85	133
30 to 39.9.....	1,071	24	94	57	57	69	72	173	74	117	168	81	85
40 to 49.9.....	923	17	60	40	28	51	70	142	52	98	171	125	69
50 to 59.9.....	673	5	37	15	11	29	47	96	29	85	147	126	46
60 to 79.9.....	744	3	30	20	12	22	51	110	25	76	183	185	27
80 and over.....	161	-----	9	1	1	4	8	19	6	17	26	65	5
CUMULATIVE PERCENTAGES													
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0.0.....	3.8	3.7	3.7	11.4	10.6	4.9	1.9	2.3	2.1	1.0	0.0	9.8	3.1
Total, holding paper.....	96.2	96.3	96.3	88.6	89.4	95.1	98.1	97.7	97.9	99.0	100.0	99.2	96.9
5 and over.....	88.2	81.7	82.6	70.9	67.2	89.1	97.2	93.9	89.1	97.2	99.8	98.9	91.4
10 and over.....	78.0	62.9	65.4	55.1	47.7	78.8	93.0	83.6	77.4	93.3	98.9	97.5	82.0
20 and over.....	58.0	27.7	40.4	30.4	23.6	53.9	74.5	63.7	51.0	78.2	92.6	89.4	60.1
30 and over.....	41.9	12.1	24.7	17.4	13.7	34.0	57.9	45.5	32.6	57.5	77.8	78.0	38.2
40 and over.....	29.3	6.2	14.6	9.9	6.5	20.6	41.1	30.9	19.6	40.4	59.0	67.2	24.2
50 and over.....	18.5	2.0	8.2	4.7	3.0	10.7	24.8	19.0	10.5	26.1	39.9	50.4	12.9
60 and over.....	10.6	.7	4.2	2.7	1.6	5.1	13.8	10.9	5.4	13.6	23.4	33.5	5.3
80 and over.....	1.9	-----	1.0	.1	.1	.8	1.9	1.6	1.1	2.5	2.9	8.7	.8

**EARNINGS AND EXPENSES OF MEMBER BANKS**

The combined net profits of all member banks in the Federal reserve system, at \$260,664,000 for the last 6 months of 1929, were about \$35,186,000 smaller than for the first half of the year but larger than any earlier half-year period on record. The net return was at the rate of 8 per cent per annum on the banks' capital funds,<sup>1</sup> as against a rate of 9.3 per cent for the first half of 1929 and 8.6 per cent for the last half of 1928.

Earnings and expenses of all member banks are summarized for 6-month periods since July 1, 1928, in the accompanying table. The figures are based upon required semiannual reports—submitted, in the case of national banks, to the Comptroller of the Currency and, in the case of State bank members, to the Federal Reserve Board.

**EARNINGS AND EXPENSES OF ALL MEMBER BANKS  
JULY 1, 1928, TO DECEMBER 31, 1929**

[In thousands of dollars]

	Last 6 months of 1929			First 6 months of 1929	Last 6 months of 1928
	Amount	Increase or decrease, compared with—			
		First 6 months of 1929	Last 6 months of 1928		
Gross earnings.....	1,276,136	+78,173	+102,453	1,197,963	1,173,683
Expenses.....	869,087	+54,454	+41,946	814,633	827,141
Net earnings.....	407,049	+23,719	+60,507	383,330	346,542
Losses on loans.....	79,985	+20,382	+14,397	59,603	65,588
Losses on investments.....	56,463	+17,461	+32,690	39,002	23,773
All other losses.....	35,620	+10,820	+2,306	24,800	33,314
Total losses.....	172,068	+48,663	+49,393	123,405	122,675
Recoveries on loans.....	12,122	-960	-1,073	13,082	13,195
Recoveries on investments.....	6,179	-7,598	-419	13,777	6,598
All other recoveries.....	7,382	-1,684	+1,510	9,066	5,872
Total recoveries.....	25,683	-10,242	+18	35,925	25,665
Net losses <sup>1</sup> .....	146,385	+58,905	+49,375	87,480	97,010
Net profits.....	260,664	-35,186	+11,132	295,850	249,532

<sup>1</sup> Total losses charged off, less recoveries on assets previously charged off.

The decline in profits during the last half of 1929 reflects increase in expenses and losses, which more than offset a considerable increase in gross earnings. At \$1,276,000,000, gross earnings were the largest on record—more than \$78,000,000 larger than in the preceding

<sup>1</sup> Capital, surplus, and undivided profits, including reserves for dividends and contingencies and excluding reserves for interest, taxes, and other expenses accrued.

six months. This increase in earnings was only partially absorbed by growth in expenses, and net earnings before charge-offs and recoveries were \$24,000,000 larger than in the first half of the year. As has been the case in recent years, losses charged off during the last half of the year were considerably larger than for the previous six months.

**Summary for the year 1929.**—Member bank profits for the entire year 1929 amounted to \$557,000,000—an increase of more than \$50,000,000 over 1928. These profits represented a return of 8.75 per cent on the banks' capital funds, which averaged about \$6,360,000,000 during the year. The rate of return was somewhat lower than in 1928, comparing with 8.96 for that year. Earnings and expenses of member banks, by classes of banks, are summarized in the following table and are presented on page 476 of this issue of the BULLETIN.

**EARNINGS AND EXPENSES OF MEMBER BANKS DURING 1929**

[In thousands of dollars]

	All member banks	National member banks	State member banks
Gross earnings:			
Interest earned.....	2,068,901	1,247,125	821,776
All other earnings.....	463,198	196,178	266,020
Total.....	2,474,099	1,443,303	1,030,796
Expenses.....	1,683,720	987,140	696,580
Net earnings.....	790,379	456,163	334,216
Losses.....	295,473	200,633	94,840
Recoveries.....	61,608	35,854	25,754
Net losses.....	233,865	164,779	69,086
Net profits.....	556,514	291,384	265,130
Loans and investments <sup>1</sup> .....	35,727,128	21,751,748	13,975,380
Capital funds <sup>1 2</sup> .....	6,360,306	3,750,521	2,609,785
	Increase or decrease in 1929 as compared with 1928		
Gross earnings:			
Interest earned.....	+163,173	+35,866	+127,307
All other earnings.....	+26,028	+5,966	+20,062
Total.....	+190,101	+41,832	+148,269
Expenses.....	+69,909	-599	+70,508
Net earnings.....	+120,192	+42,431	+77,761
Losses.....	+78,279	+42,379	+35,900
Recoveries.....	+10,733	+572	+10,161
Net losses.....	+67,546	+41,807	+25,739
Net profits.....	+52,646	+624	+52,022
Loans and investments.....	+1,005,249	-106,502	+1,111,751
Capital funds.....	+737,994	+206,912	+531,082

<sup>1</sup> Averages of amounts from reports of condition for 5 call dates, Dec. 31, 1928, to Dec. 31, 1929; loans and investments exclusive of bills sold with indorsement.

<sup>2</sup> Capital, surplus, and undivided profits, including reserves for dividends and contingencies, and excluding reserves for taxes, interest, and other expenses accrued.

Reflecting higher rates of interest prevailing in 1929, as well as increase in the volume of member bank loans, gross earnings for the year showed a gain of \$190,000,000 over 1928. An increase of \$190,000,000 in interest earned on loans and discounts over the previous year, offset in part by a decrease of \$25,000,000 in interest earned and dividends on investments, accounts for the largest part of the increase in gross earnings. Other forms of earnings showed an increase of \$27,000,000 in the aggregate; commissions received, trust department earnings, and sundry earnings were substantially larger than during the previous year, while profits on securities sold were \$15,000,000 smaller. These figures are given in detailed tables published elsewhere in this issue of the BULLETIN.

While the growth in the volume of member bank loans was reflected in larger gross earnings, the attendant increase in the volume of their deposits and borrowings involved larger interest payments, which account for \$25,000,000 of an increase of \$70,000,000 during 1929 in total expenses. Member bank deposits were on the average \$625,000,000 larger in volume during 1929 than in 1928, a large part of the increase being in time deposits, which bear higher rates of interest than other forms of deposits. As a result, interest paid to depositors, including correspondent banks, increased from \$750,000,000 to \$759,000,000. Comparison of aggregate figures indicates that rates at which deposit interest was paid remained at the level prevailing in 1928. Interest paid on borrowed money showed an increase of about \$16,000,000. This was due to an increase in the volume of member bank borrowing at both the Federal reserve and other banks, and to increase in the prevailing rate of discount; the rate charged by reserve banks on discounts for member banks averaged 5 per cent in 1929 as against 4.56 in 1928. Expenditures for salaries and wages and sundry expenses also increased substantially during the year, reflecting in part the larger volume of bank operations.

Losses were \$78,000,000 larger in 1929 than in the preceding year, the larger part of the increase occurring in losses on investments. Recoveries on assets previously charged off were somewhat larger in 1929 than in 1928, and net losses (losses less recoveries) showed an increase of \$68,000,000. This comparison does not take into account profits on securities sold, which are reported among the banks' earnings

and which, as already noted, declined in 1929. In 1929 there was an excess of losses on investments over the profits on securities sold and recoveries on investments of \$403,000 as compared with an excess of profits and recoveries of about \$55,000,000 in 1928.

**Operating ratios.**—As has already been indicated, changes in the actual amounts of member bank earnings and expenses are affected, to a considerable degree, by change in the volume of the banks' operations. In the following table items of earnings and expenses are stated as percentages of the banks' principal earning assets—their loans and investments—in order to eliminate the effect of change in the volume of operations (as measured, approximately, by the volume of earning assets) from comparisons between the two years. The ratios show, in effect, the earning power of a unit of \$100 of active bank assets.

OPERATING RATIOS FOR THE YEARS ENDING DECEMBER 31, 1928 AND 1929

(Owing to revision of the loan and investment figures underlying these ratios to exclude bills sold with indorsement, the ratios are not comparable with those published for years prior to 1927—the latter as republished in August, 1929, BULLETIN)

	All member banks		National member banks		State member banks	
	1929	1928	1929	1928	1929	1928
Per \$100 of earning assets <sup>1</sup>						
Gross earnings:						
Interest earned.....	\$5.79	\$5.49	\$5.73	\$5.54	\$5.88	\$5.40
All other earnings.....	1.13	1.09	.90	.87	1.50	1.46
Total.....	6.92	6.58	6.64	6.41	7.38	6.86
Expenses.....	4.71	4.65	4.54	4.52	4.98	4.87
Net earnings.....	2.21	1.93	2.10	1.89	2.39	1.99
Losses.....	.83	.63	.92	.72	.68	.46
Recoveries.....	.17	.15	.16	.16	.18	.12
Net losses.....	.65	.48	.76	.56	.49	.34
Net profits.....	1.56	1.45	1.34	1.33	1.90	1.65
Per \$1 of capital funds						
Earning assets.....	\$5.62	\$6.18	\$5.80	\$6.17	\$5.35	\$6.19
Per \$100 of capital funds						
Net profits <sup>2</sup> .....	\$8.75	\$8.96	\$7.77	\$8.21	\$10.16	\$10.25

<sup>1</sup> Total loans and investments, excluding bills sold with indorsement.  
<sup>2</sup> Equivalent to the product of the 2 preceding ratios, i. e., of the ratios shown for net profits per \$100 of earning assets and earning assets per \$1 of capital funds.

The fact that improvement in gross earnings resulted in part from higher rates of interest prevailing in 1929 as compared with 1928 is brought out by the table, which shows an increase in the amount of interest earned per \$100 of earning assets for both national and State member banks; the increase for all member banks taken together was from \$5.49 to \$5.79. Other earnings show an increase, and gross earnings at \$6.92 per \$100 of earning assets in 1929 compare with \$6.58 in 1928. Out of gross earnings larger expenses were paid and losses written off, while net profits increased from \$1.45 to \$1.56. This increase in the margin of profits was not fully reflected in a proportional increase in profits on capital funds, owing to the fact that capital funds increased much more rapidly during the year than did earning assets. In 1929 the banks had \$5.62 of earning assets per \$1 of capital funds as against \$6.18 in 1928. Profits of \$1.56 per \$100 of earning assets in 1929 represented a return of 8.75 per cent on the banks' capital funds, while profits of \$1.45 per \$100 of earning assets in 1928 represented a return of 8.96 per cent on capital funds. The table shows little change from the previous year in the margin of profits on earning assets for national banks, while the profit margin for State member banks was somewhat wider. Both groups of banks showed a lower rate of return on capital funds than in 1928.

**Interest earned and deposit interest paid.**—Banks continued in 1929 to report interest earned classified as between amounts earned on loans, investments, and balances with other banks, also interest paid on deposits classified as between interest paid on time, demand, and bank deposits. Comparison of amounts of interest earned and paid with the assets and deposits to which in general they relate indicates approximately the average rates that were effective during the year period. Such rates are presented in the following table. It should be noted that these rates are derived by comparisons of aggregates, and that loans, invest-

ments, and deposits with which amounts of interest are compared are averages of figures for five call dates, and thus will be only approximations of the amount upon which interest was earned and paid.

**INTEREST EARNED AND DEPOSIT INTEREST PAID BY MEMBER BANKS DURING THE YEARS ENDING DECEMBER 31, 1928, AND 1929**

	Amounts (in thousands of dollars) <sup>1</sup>		Approximate rates (per cent) <sup>2</sup>	
	1929	1928	1929	1928
<b>Interest and discount earned:</b>				
On loans <sup>3</sup> .....	1,562,769	1,374,130	6.1	5.7
On investments.....	472,868	498,420	4.7	4.7
<b>Total</b> .....	<b>2,035,637</b>	<b>1,872,550</b>	<b>5.7</b>	<b>5.4</b>
On balances with other banks.....	33,264	33,178	1.7	1.4
<b>Interest paid on deposits:</b>				
Time.....	444,636	439,384	3.3	3.3
Demand.....	246,493	234,926	1.3	1.3
Bank <sup>4</sup> .....	68,181	75,352	1.8	1.8
<b>Total</b> .....	<b>759,260</b>	<b>749,662</b>	<b>2.1</b>	<b>2.1</b>

<sup>1</sup> Figures for interest earned and interest paid include small amounts which were unclassified in the reports of some State banks in 1928, and which have been apportioned, by Federal reserve districts, on the basis of the distribution of the classified amounts.

<sup>2</sup> Obtained by dividing amounts of interest (adjusted) by averages of the amounts of related assets and deposits for 5 call dates.

<sup>3</sup> Owing to revision of figures for loans the approximate rates of interest received on loans and on loans and investments are not comparable with those published previous to 1927, as republished in August, 1929, BULLETIN.

<sup>4</sup> Owing to revision of figures for bank deposits to include amounts due to foreign banks approximate rates of interest paid are not comparable with those published previous to 1927, as republished in August, 1929, BULLETIN.

More detailed statistics of earnings and expenses of member banks for 1928 and 1929 are presented on pages 476-481 of this issue of the BULLETIN.<sup>2</sup>

<sup>2</sup> Statistics of member bank earnings and expenses, together with some analytical material, have been published in previous issues of the BULLETIN. (See pp. 402-405 of the issue for June, 1925; pp. 869-873 of the issue for December, 1925; pp. 409-414 of the issue for June, 1926; pp. 22-28 of the issue for January, 1927; pp. 460-463 and 549-553 of the issue for July, 1927; pp. 830-832 and 882-885 of the issue for December, 1927; pp. 450-452 and 536-539 of the issue for July, 1928; and pp. 826-828 and 877-881 of the issue for December, 1928; pp. 530-532 and 587-592 of the issue for August, 1929; and pp. 49-50 of the issue for January, 1930.) Statistics for calendar years 1923-1928 were published in the annual report of the Federal Reserve Board for 1929, pp. 127 and 128; for years ending June 30, 1925-1929, on pp. 201-203. Detailed figures for national banks are published in the annual reports of the Comptroller of the Currency.

**BALANCE OF INTERNATIONAL PAYMENTS OF THE UNITED STATES**

The Department of Commerce has recently published its compilation of the balance of international payments of the United States in 1929 (Trade Information Bulletin, No. 698, by Ray Hall, 66 pages). It includes, in addition to a full discussion of the data and methods used in making the estimates, revised figures for previous years, as shown by the accompanying table. The study is introduced with a foreword by the Secretary of Commerce, R. P. Lamont, which is as follows:

Changes in our foreign trade in commodities during 1929 were not very significant as regards aggregate values for the year as a whole. The excess of exports declined by \$196,000,000 from the extremely high figure for 1928. In terms of quantity, both exports and imports made new high records for all time. In terms of value, merchandise exports increased by \$113,000,000. Merchandise imports increased considerably more, by \$309,000,000—a movement which may reflect the unusual excess of the yield of foreign investments over the net export of capital.

The most interesting developments in the cash dealings of the United States with foreigners in 1929 had to do with the invisible items. The big current invisibles are getting bigger. American tourist expenditures abroad established a new high record—as did the yields of investments, both the credit item and the debit item. The annual yield of American investments abroad is now estimated at only slightly less than a billion; and the yield of foreign investments in the United States seems to have risen in 1929 to something like \$414,000,000, partly due to the high interest rates of the year on the three billions of foreign short-term funds deposited or “put out” in our market.

The private debts of United States citizens to foreigners, approximately \$7,500,000,000 are now greater than at any other time in American history. That means, of course, that in absolute amount we are now the greatest debtor nation (on private account) in the world's history, although on the net balance we are one of the most important creditor nations. The increase of foreign funds in the United States during 1929 was apparently slightly above \$400,000,000. One looks forward to the possibility of increases of the same order in the years to come, for foreigners can always find among American stocks and bonds a great

many unexcelled for security and a great many others unexcelled in their prospects for capital appreciation. Each year sees a growth in the number of them listed on foreign stock exchanges. Foreign trading on American stock exchanges—purchases and sales—during the year totaled well over \$4,000,000,000.

The most important event in our foreign dealings during 1929 was the reduction of \$561,000,000 in our net capital export. For the third time in seven years the year's fluctuation in the United States net export of capital was above half a billion dollars. The change of \$550,000,000 in 1924 and that of \$514,000,000 in 1927 were both increases, and the effect was, of course, very different from the effect of the decrease of 1929. That decrease was no doubt in part responsible for some of the fiscal and foreign exchange difficulties of certain foreign nations, for some of the world-wide recession of business, and for some of the reduction in our merchandise exports during the latter part of the year and early in 1930; it may also have contributed to the world decline in commodity prices.

The gold inflow during the 15 months ended with last October was one major result of this marked decline in our capital exports. The net inflow of gold during that period was \$307,000,000, equal to about 3 per cent of the total gold stock of the world. Delivered in this country, after it had reduced the credit bases and purchasing power of the outside world, the gold apparently served no useful purpose; it merely enhanced our already large stock of “free gold.” Certainly any practicable means to lessen the fluctuations in the capital exports of our Nation should receive earnest attention.

Despite the diligence of the department staff in preparing these annual surveys, the resulting picture shows only a general perspective. It is well to repeat the compiler's warning that some of the results are expressed in precise figures “partly for identification.” Range estimates—maximum and minimum—would be preferred, were they less clumsy to handle. One can best appreciate the magnitudes involved by comparing them one with another. Thus, we find that in 1929 the trade balance could have been financed by the gross expenditures of American tourists abroad; that the net yield of investments could have been financed by our underwriting of new foreign securities; that

the war-debt payments could have been financed by immigrant remittances, or by our payments for ocean freights; and so on.

It is no longer necessary to justify these investigations of our international economy. They have gone far toward developing what is

really a new branch of economic science. If the leading countries of the world, including the United States, had all begun similarly painstaking statements 20 years ago, some of the controversies on international finance in late years might never have arisen.

BALANCES OF INTERNATIONAL PAYMENTS OF THE UNITED STATES, CALENDAR YEARS 1923-1929

[In millions of dollars]

Class of transactions (gross or net)	1923	1924	1925	1926	1927	1928	1929 (unre- vised)
<b>COMMODITIES (ADJUSTED)</b>							
Exports.....	4,368	4,834	5,177	5,044	5,091	5,333	5,490
Imports.....	4,162	3,952	4,544	4,766	4,508	4,483	4,756
Balance of trade (adjusted).....	+206	+882	+633	+278	+583	+850	+734
<b>MISCELLANEOUS INVISIBLE ITEMS</b>							
Freights: Ocean, Great Lakes, and railway (net).....	-83	-64	-84	-95	-66	-80	-115
Expenditures by American tourists:							
Canada and Mexican frontier.....	-131	-159	-185	-201	-231	-288	-322
Overseas.....	-313	-374	-400	-422	-465	-516	-517
Expenditures by foreign tourists in United States.....	+104	+107	+112	+148	+173	+163	+180
Ocean-borne passenger traffic <sup>1</sup> .....	+60	+53	+63	+69	+89	+89	+94
Interest on American private funds abroad (long and short term).....	+594	+635	+689	+740	+800	+893	+976
Interest on foreign funds in United States (long and short term).....	-180	-192	-229	-268	-281	-339	-414
War-debt receipts (principal).....	+92	+23	+26	+35	+46	+50	+62
War-debt receipts (interest).....	+167	+160	+160	+160	+160	+157	+145
Other governmental transactions (net).....	-66	-53	-61	-49	-29	-57	-92
Immigrant remittances (net).....	-229	-229	-235	-218	-206	-225	-223
Charitable and missionary contributions.....	-70	-55	-50	-46	-49	-51	-49
Other items (net) <sup>2</sup> .....	+57	+68	+74	+74	+74	+24	+25
Total, commodity and miscellaneous (net).....	+208	+802	+513	+205	+588	+650	+484
<b>NEW PRIVATE LOANS, INVESTMENTS, AND DEPOSITS</b>							
Net increase in American long-term investments abroad (par value).....	-258	-869	-872	-808	-972	-1,318	-808
Deduct bond discounts and underwriters' commissions on above.....	+48	+125	+119	+121	+119	+122	+26
Net cash payments for above.....	-210	-744	-753	-687	-833	-1,196	-782
Net increase in long-term foreign investments in United States.....	+240	+11	+193	+147	+158	+488	+396
Change in net debt of American banks to foreigners.....	+3	+216	-61	+359		-226	+13
Net capital movement (long and short term).....	+33	-517	-621	-181	-695	-934	-373
<b>OTHER BALANCING ITEMS</b>							
Gold shipped or earmarked (net).....	-295	-216	+102	-72	+154	+272	-120
Shipments of American paper money (net).....	+50	-20	-30				
Add for net discrepancy due to inaccurate figures <sup>3</sup> .....	+4	-49	+36	+48	-47	+12	+9

<sup>1</sup> Largely a deduction from American tourist expenditures overseas.

<sup>2</sup> Includes insurance, motion-picture royalties, cable charges, Canadian electric power, press subscriptions, patents and copyrights, and advertising.

<sup>3</sup> Each of these net discrepancies was two and one-half times as large in the preliminary revision. Thus there was a change from -119 in 1926 to +118 in the next year—a total range of error of 237. Such a range of error being hardly admissible in the "current" items, it was presumed that most of the original net discrepancies, in those two years at least, resulted from errors in the four "capital" items known to be least reliable. Therefore, the revised estimates of those four items were all altered according to uniform ratios which would eliminate 60 per cent of each year's preliminary net discrepancy. This is a partial acceptance of the British method of deriving capital-movement estimates from estimates of the current items.

## NATIONAL SUMMARY OF BUSINESS CONDITIONS

[Compiled June 21 and released for publication June 25]

The volume of industrial production declined in May by about the same amount as it increased in April. Factory employment decreased more than is usual at this season, and the downward movement of prices continued. Money rates eased further, to the lowest level in more than five years.

**Industrial production and employment.**—The board's index of industrial production, adjusted for usual seasonal variations, declined about 2 per cent in May. In 1930 industrial production has fluctuated between 4 and 7 per cent above the 1923-1925 average, and the preliminary estimate for May is 4 per cent above the average for those years. Production at steel and automobile plants declined, cotton mills curtailed output, and activity at woolen and silk mills continued at low levels. Cement production increased sharply, while output of petroleum and of copper showed little change. In the first half of June output at steel plants declined further.

The decrease in factory employment in May was larger than usual, and there was also a decline in factory pay rolls. The number employed in the cotton and silk goods industries decreased further, while in the woolen-goods industry there was an increase from the extreme low point of April. Employment in the agricultural implement and electrical machinery industries decreased from April but remained large relative to earlier years. Employment in the cement industry increased, but in the lumber industry continued at an unusually low level.

Building contract awards in May, as reported by the F. W. Dodge Corporation, continued to be in substantially smaller volume than in any other year since 1924.

**Distribution.**—Freight-car loadings increased by less than the usual seasonal amount during May and continued to be in somewhat smaller volume than in the corresponding period of 1928 and substantially below the unusually active period of 1929. Department-store sales in May were approximately the same as those of a year ago.

**Wholesale prices.**—A further decline in the wholesale prices of commodities occurred in May and the first half of June. The downward movement was interrupted in the last half of

May by substantial increases in the prices of grains, meats, and livestock, but became pronounced about the middle of June when the prices of cotton, silk, rubber, copper, and silver reached exceptionally low levels. Wheat, meats, livestock, and cotton textiles also declined in price at that time, while prices of wool and woolen goods, pig iron, and steel showed little change.

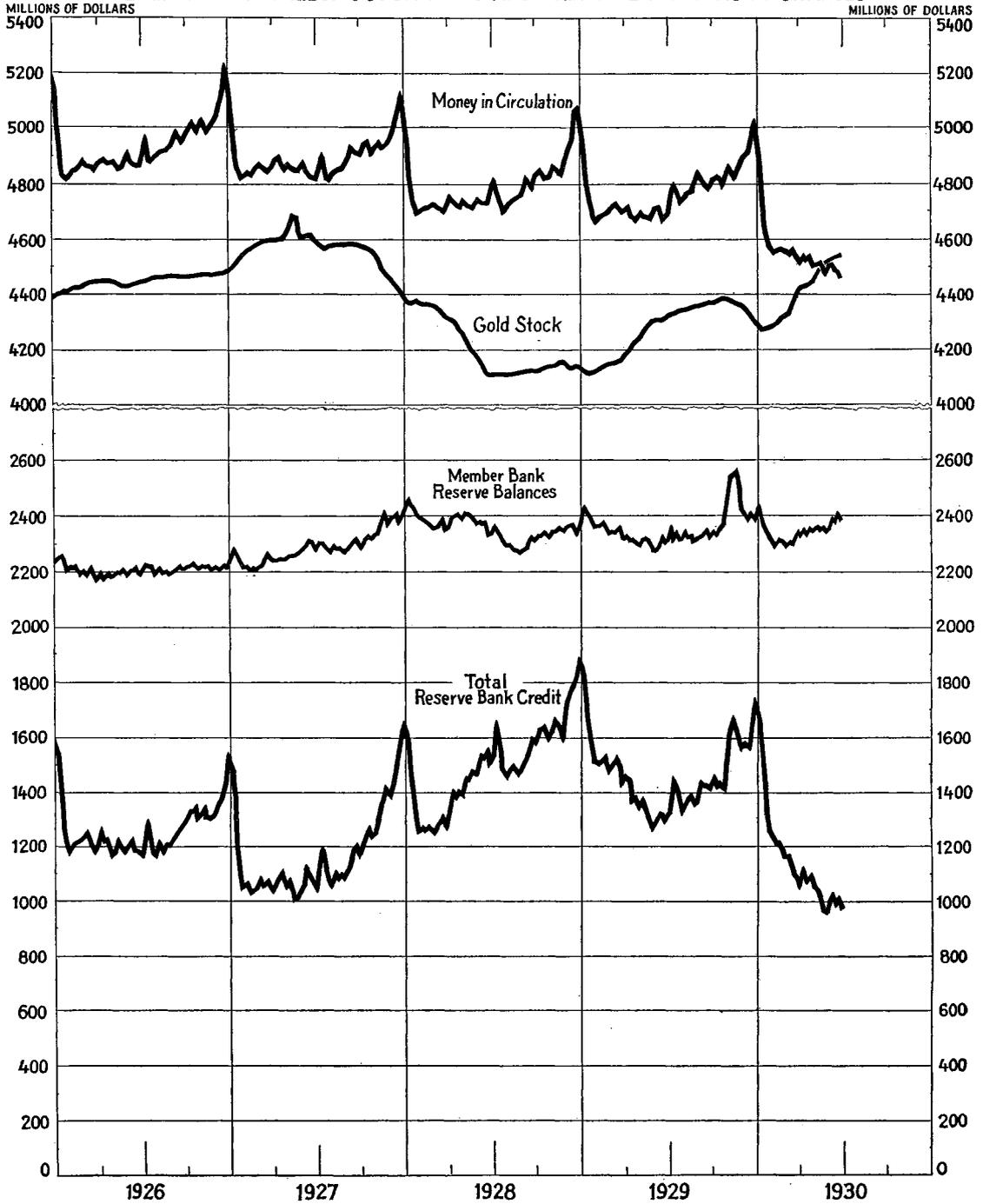
**Bank credit.**—Loans and investments of reporting member banks increased further by \$265,000,000 in the four weeks ending June 11, to a level considerably higher than a year ago. The increase was entirely in investments and in loans on securities, of which a large part represented loans made by New York City banks to brokers and dealers in securities in replacement of loans withdrawn by other lenders. "All other" loans continued to decline, and at \$8,400,000,000 on June 11 were the smallest since 1926.

Expansion of member bank credit during this period was reflected in larger demand deposits and an increase of \$30,000,000 in member bank reserves at the reserve banks. The volume of money in circulation showed a net increase of \$13,000,000. Funds for these uses were obtained largely from further additions of \$24,000,000 to the stock of monetary gold and from an increase of \$22,000,000 in the volume of reserve-bank credit outstanding. Reserve-bank holdings of United States securities increased by about \$50,000,000, and their holdings of acceptances declined by about one-half this amount. For the week ending June 18 the total volume of reserve-bank credit declined somewhat, and there was a decline in the volume of money in circulation.

Money rates in the open market continued to decline during the latter half of May and the first half of June, and at the middle of the month commercial paper at  $3\frac{1}{2}$ - $3\frac{3}{4}$  per cent and acceptances at  $2\frac{1}{2}$  per cent were at the lowest levels since 1924 and early 1925. Bond yields moved slightly lower in June. In the first week of June the rediscount rate at Cleveland was reduced from 4 to  $3\frac{1}{2}$  per cent, in the third week the rate at New York was reduced from 3 to  $2\frac{1}{2}$  per cent, and the rate at Chicago from 4 to  $3\frac{1}{2}$  per cent.

### FEDERAL RESERVE BANK CREDIT

#### RESERVE BANK CREDIT OUTSTANDING AND PRINCIPAL FACTORS IN CHANGES



Based on weekly averages of daily figures; latest figures are for week end'ng June 28

## RESERVE BANK CREDIT OUTSTANDING AND FACTORS IN CHANGES

[Averages of daily figures. In millions of dollars]

Month or week	Reserve bank credit outstanding				Factors of decrease <sup>1</sup>			Factors of increase <sup>1</sup>			
	Bills discounted	Bills bought	United States securities	Other reserve bank credit <sup>2</sup>	Total	Monetary gold stock	Treasury currency (adjusted)	Money in circulation	Member bank reserve balances	Non-member deposits, etc.	Unexpended capital funds
1929—January.....	859	473	229	52	1,613	4,115	1,789	4,748	2,387	31	351
February.....	889	385	184	44	1,502	4,143	1,784	4,686	2,357	29	357
March.....	969	265	197	50	1,481	4,166	1,791	4,709	2,337	31	361
April.....	1,004	156	165	52	1,377	4,226	1,785	4,679	2,308	35	366
May.....	956	145	153	49	1,303	4,292	1,787	4,684	2,296	32	370
June.....	978	99	179	61	1,317	4,311	1,779	4,687	2,314	30	376
July.....	1,096	75	147	62	1,380	4,335	1,790	4,764	2,334	31	376
August.....	1,043	124	155	54	1,427	4,351	1,781	4,777	2,322	27	382
September.....	969	229	165	64	1,427	4,368	1,766	4,811	2,355	28	387
October.....	885	337	154	74	1,450	4,381	1,785	4,810	2,356	28	392
November.....	953	296	315	67	1,631	4,374	1,789	4,845	2,521	33	395
December.....	803	320	446	74	1,643	4,324	1,797	4,943	2,395	27	399
1930—January.....	601	314	485	57	1,367	4,268	1,784	4,652	2,349	29	394
February.....	378	285	490	38	1,181	4,319	1,781	4,556	2,305	27	393
March.....	274	246	540	35	1,095	4,395	1,797	4,583	2,330	27	397
April.....	231	266	530	45	1,072	4,443	1,781	4,518	2,350	22	400
May.....	247	182	529	38	996	4,505	1,779	4,497	2,356	29	398
June.....	251	141	571	37	1,000	4,528	1,775	4,489	2,392	27	395
Week ending (Saturday)—											
June 7.....	262	185	540	34	1,021	4,522	1,781	4,509	2,393	27	395
June 14.....	231	149	567	37	984	4,526	1,782	4,489	2,382	26	395
June 21.....	244	127	596	43	1,010	4,529	1,774	4,482	2,408	27	396
June 28.....	257	110	578	31	976	4,533	1,764	4,468	2,381	28	396

<sup>1</sup> For explanation see BULLETIN for July, 1929, pp. 432-438.<sup>2</sup> Includes "other securities," amounts due from foreign banks, and reserve bank float; for explanation see BULLETIN for July, 1929.

Back figures.—See Annual Report for 1929 (Tables 1, 2, and 3).

## ANALYSIS OF CHANGES IN MONETARY GOLD STOCK

[End of month basis. In millions of dollars]

Month	Gold stock at end of month	Increase or decrease (—) during month			
		Total	Through net gold import or export	Through ear-marking operations	Through domestic production, etc. <sup>1</sup>
1928—September.....	4,125	2.1	0.5	-1.2	2.8
October.....	4,142	17.3	13.3	1.2	2.8
November.....	4,128	-14.0	6.7	-25.0	4.3
December.....	4,141	13.2	23.3	-15.7	5.6
Total (12 mos.).....		-237.9	-392.0	119.6	34.5
1929—January.....	4,127	-14.4	47.2	-65.0	3.4
February.....	4,153	26.4	25.5	—	.9
March.....	4,188	34.4	24.8	7.5	2.1
April.....	4,260	72.4	23.1	48.6	0.7
May.....	4,301	40.6	23.6	16.1	0.9
June.....	4,324	23.4	30.2	-7.5	0.7
July.....	4,341	16.3	34.7	-22.0	3.6
August.....	4,360	18.9	18.4	-1.0	1.5
September.....	4,372	12.1	17.6	-6.6	1.1
October.....	4,386	14.4	17.5	-4.5	1.4
November.....	4,366	-19.8	-23.2	1.0	2.4
December.....	4,284	-82.3	-64.4	-22.0	4.1
Total (12 mos.).....		142.4	175.1	-55.4	22.7
1930—January.....	4,293	8.8	4.0	2.5	2.3
February.....	4,355	61.9	60.0	0.0	1.9
March.....	4,423	68.2	55.5	13.0	-0.3
April.....	4,491	68.5	65.7	0.5	2.3
May.....	4,517	25.9	23.5	2.0	0.5
June <sup>2</sup> .....	4,534	16.9	8.2	2.0	6.7

<sup>1</sup> For explanation of this figure, which is derived from preceding columns, see BULLETIN for December, 1928, p. 831.<sup>2</sup> Preliminary

## GOLD MOVEMENTS TO AND FROM UNITED STATES

[In thousands of dollars]

From or to—	1930					
	June (preliminary)		May		January-May	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
England.....					7	285
France.....			2		30	8,497
Germany.....					26	156
Italy.....			1		1	—
Netherlands.....			9		9	—
Canada.....			2,306	25	13,463	109
Central America.....			140		765	—
Mexico.....			2,526		10,010	415
Argentina.....				50	391	—
Brazil.....					59,411	—
Chile.....			21		136	—
Colombia.....			118		2,631	—
Ecuador.....					592	—
Peru.....			2,542		5,728	—
Venezuela.....			48		235	—
British India.....						—
China and Hong Kong.....						—
Dutch East Indies.....			1,874	8	12,480	34
Japan.....	7,483		119		601	50
Philippine Islands.....			13,509		107,017	—
—			284		1,311	—
New Zealand.....			15		87	—
All other countries.....	1,697		39		3,331	91
Total.....	8,180		23,552	82	218,261	9,637

<sup>1</sup> Includes all movements of unreported origin or destination.<sup>2</sup> At New York—imports, \$697,000. Elsewhere—imports, \$7,483.

**MEMBER BANK BORROWINGS AT FEDERAL RESERVE BANKS**

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

Month or date	Total <sup>1</sup>		Reporting member banks in leading cities								Member banks outside leading cities <sup>1</sup>	
			Total		New York City		Other leading cities					
	1929	1930	1929	1930	1929	1930	Total		Chicago		1929	1930
January.....	891	462	663	247	190	39	473	208	69	7	228	215
February.....	893	371	659	174	131	21	528	153	93	1	234	197
March.....	978	247	740	81	166	1	574	80	121	-----	235	166
April.....	991	225	725	71	162	17	563	54	46	2	266	154
May.....	951	226	661	59	145	11	516	48	36	-----	290	167
June.....	972	-----	670	-----	165	-----	505	-----	64	-----	302	-----
July.....	1,100	-----	801	-----	319	-----	482	-----	47	-----	299	-----
August.....	1,013	-----	717	-----	196	-----	521	-----	32	-----	296	-----
September.....	974	-----	706	-----	166	-----	540	-----	18	-----	268	-----
October.....	885	-----	634	-----	74	-----	560	-----	38	-----	251	-----
November.....	944	-----	655	-----	60	-----	595	-----	28	-----	289	-----
December.....	755	-----	490	-----	80	-----	410	-----	37	-----	265	-----

<sup>1</sup> Includes (in small amounts) discounts by Federal reserve banks for nonmembers: (1) bills discounted for intermediate credit banks and (2) notes secured by adjusted service certificates discounted for nonmember banks.

**FEDERAL RESERVE BANK RATES**

**DISCOUNT RATES**

[Rates on all classes and maturities of eligible paper]

Federal reserve bank	Rate in effect on July 3	Date established	Previous rate
Boston.....	3	July 3	3½
New York.....	2½	June 20	3
Philadelphia.....	3½	July 3	4
Cleveland.....	3½	June 7	4
Richmond.....	4	Apr. 11	4½
Atlanta.....	4	Apr. 12	4½
Chicago.....	3½	June 21	4
St. Louis.....	4	Apr. 12	4½
Minneapolis.....	4	Apr. 15	4½
Kansas City.....	4	Feb. 15	4½
Dallas.....	4	Apr. 8	4½
San Francisco.....	4	Mar. 21	4½

**BUYING RATES ON ACCEPTANCES**

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

Maturity	Rate in effect on July 3	Date established	Previous rate
1-15 days.....	1½	June 30	1 2
16-30 days.....	1½	do	1 2
31-45 days.....	1½	do	1 2
46-60 days.....	2	June 20	2 2¼
61-90 days.....	2	do	2 2¼
91-120 days.....	2½	do	2 2¼
121-180 days.....	2½	do	2 2¼

<sup>1</sup> Reduced from 2½ to 2¼ per cent on June 5, to 2½ per cent on June 16, and to 2 per cent on June 20.

<sup>2</sup> Reduced from 2½ to 2¼ per cent on June 5.

<sup>3</sup> Reduced from 2½ to 2½ per cent on June 5 and to 2¼ per cent on June 16.

<sup>4</sup> Reduced from 3 to 2¾ per cent on June 5.

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

**OPEN-MARKET RATES**

**RATES IN NEW YORK CITY**

Month or week	Prevailing rate on—			Average rate on—		Average yield on—	
	Prime commercial paper, 4 to 6 months	Prime bankers' acceptances, 90 days	Time loans, 90 days <sup>2</sup>	Call loans <sup>1</sup>		U. S. Treasury notes and certificates, 3 to 6 months	Treasury bonds <sup>3</sup>
				New	Renewal		
1929							
June.....	6	5½	8 -8¼	7.83	7.70	4.80	3.71
July.....	6	5½	7½-8	9.41	9.23	4.55	3.68
August.....	6 -6¼	5½	8¼-9	8.15	8.23	4.70	3.72
September.....	6¼	5½	8¼-9	8.62	8.50	4.58	3.70
October.....	6¼	5½	7 -9	6.10	6.43	4.37	3.67
November.....	5¼-6¼	3¾-4½	4¾-6	5.40	5.44	3.47	3.45
December.....	5	3¾-4	4¾-5	4.88	4.83	3.03	3.46
1930							
January.....	4¾-5	3¾-4	4¾-5	4.31	4.64	3.39	3.51
February.....	4¼-5	3¾-3¾	4½-5	4.28	4.32	3.36	3.50
March.....	3¾-4¾	2½-3¾	3¾-4¾	3.56	3.69	2.95	3.40
April.....	3¾-4	2¾-3	4 -4¼	3.79	4.00	3.00	3.46
May.....	3½-4	2½-2½	3¼-3¾	3.05	3.12	2.41	3.41
June.....	3¾-3¾	1¾-2¾	2½-3¼	2.60	2.62	1.89	3.37
Week ending—							
June 7.....	3½-3¾	1¾-2¾	3¼	3.00	3.00	1.97	3.39
June 14.....	3½-3¾	2½	3 -3¼	2.81	2.90	1.78	3.37
June 21.....	3½-3¾	2½	2¾-3	2.56	2.50	1.98	3.37
June 28.....	3¼-3½	1½ -2	2½-2¾	2.02	2.20	1.83	3.37

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

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

<sup>3</sup> 3 issues—3¼, 4, and 4¾ per cent; yields calculated on basis of last redemption dates—1956, 1954, and 1952.

<sup>4</sup> Change of issues on which yield is computed.

**PREVAILING RATES CHARGED CUSTOMERS BY BANKS IN PRINCIPAL CITIES**  
**WEIGHTED AVERAGES**

Month	New York City				Eight other northern and eastern cities				Twenty-seven southern and western cities			
	1927	1928	1929	1930	1927	1928	1929	1930	1927	1928	1929	1930
January	4.66	4.56	5.74	5.64	4.99	4.73	5.87	5.88	5.72	5.53	5.94	6.12
February	4.56	4.44	5.73	5.35	4.98	4.76	5.86	5.66	5.71	5.53	5.96	6.04
March	4.56	4.59	5.81	5.22	4.88	4.81	5.91	5.47	5.65	5.54	6.04	5.98
April	4.63	4.72	5.85	4.91	4.90	4.91	6.00	5.22	5.57	5.54	6.07	5.86
May	4.63	4.97	5.88	4.74	4.95	5.04	6.09	5.13	5.59	5.56	6.10	5.75
June	4.60	5.09	5.93	4.59	4.93	5.36	6.02	5.06	5.54	5.67	6.16	5.69
July	4.56	5.38	5.88	-----	4.90	5.57	6.08	-----	5.62	5.77	6.17	-----
August	4.41	5.56	6.05	-----	4.87	5.59	6.11	-----	5.53	5.80	6.22	-----
September	4.44	5.63	6.06	-----	4.77	5.80	6.24	-----	5.61	5.82	6.27	-----
October	4.49	5.63	6.08	-----	4.79	5.80	6.25	-----	5.56	5.87	6.29	-----
November	4.35	5.56	5.86	-----	4.82	5.82	6.12	-----	5.56	5.90	6.29	-----
December	4.50	5.63	5.74	-----	4.76	5.91	5.94	-----	5.60	5.91	6.20	-----

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

\* Revised.

**PREVAILING QUOTATIONS**

Federal reserve bank or branch city	Prime commercial loans			Loans secured by prime stock-exchange collateral			Loans secured by warehouse receipts			Interbank loans		
	April, 1930	May, 1930	June, 1930	April, 1930	May, 1930	June, 1930	April, 1930	May, 1930	June, 1930	April, 1930	May, 1930	June, 1930
New York City	4½-4¾	4¼-4½	4 - 4½	5-5½	4½-5½	4½-5	5	4½-6	4½-5	4½-5	4½-5	4 - 5
<b>Northern and Eastern Cities</b>												
Boston	4½-5	4¼-4¾	4½-5	4½-5½	4½-5½	4¾-5	5½	5 - 6	5½-6	4½-4¾	4½-4¾	4 - 4½
Buffalo	5 - 6	5 - 6	5 - 6	5½-6	6	5½-6	6 - 6½	6 - 6½	5 - 6	5½	5½	5 - 5½
Philadelphia	4½-5½	4½-5½	4½-5	5½-6	4½-6	5 - 6	5½-6	5 - 6	5 - 6	4½-5½	4½-5½	4½-5
Pittsburgh	5 - 6	5 - 6	5 - 6	5½-6	5½-6	5½-6	6	6	6	5½-6	5½-6	5½-6
Cleveland	4½-6	4½-6	4 - 6	5 - 6	5 - 6	5 - 6	6	5 - 6	6	5 - 5½	5 - 6	5 - 5½
Cincinnati	5½-6½	5½-6	5 - 6	5½-6½	5½-6	5 - 6	6 - 7	6 - 7	6 - 7	5 - 6	5 - 6	5 - 6
Detroit	5 - 6	5 - 6½	5½-6	5½-6½	5½-6	5½-6½	6 - 6½	6 - 6	6	5½-6	5 - 6	5½-6½
Chicago	4½-5	4½-5	4½-5	5 - 5½	5 - 5½	5 - 5½	5 - 6	5 - 5½	4½-5½	5½	5 - 5½	5 - 5½
<b>Southern and Western Cities</b>												
Richmond	5½	4½-5½	4½-5½	5½-6	-----	5½	-----	-----	-----	5 - 6	5 - 5½	5 - 5½
Baltimore	5½-6	5 - 6	4¾-6	4¾-6	4¾-6	4½-6	6	6	6	5 - 6	5 - 6	5 - 6
Charlotte	5½-6	5½-6	4¾-6	6	6	6	6	6	6	6	6	6
Atlanta	5½-6	5½-6	4½-6	6 - 6½	6 - 7	5½-6	6	5 - 5½	5½-6	6	6	5 - 6
Birmingham	6 - 8	6 - 7	6 - 7	6 - 7	6 - 7	6 - 7	6 - 7	6 - 8	6 - 8	5½-6	6	6
Jacksonville	5 - 6	5 - 6	5 - 6	6 - 7	6 - 7	6 - 7	6 - 8	6 - 7	6 - 7	6	6	6
Nashville	6	6	6	6	6	6	5½-6	5½-6	5½-6	5½-6	5½-6	5½-6
New Orleans	5 - 6	5 - 6	5 - 6	6 - 7	6 - 6½	6 - 6½	5½-6½	5½-6½	5½-6½	5 - 6	5 - 6	5 - 6
St. Louis	4½-5½	4 - 5	4½-5	5½-6	5 - 6	5 - 6	5½-6	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6
Little Rock	6 - 6½	6 - 6½	6	6 - 7	6 - 7	6 - 7	6 - 8	6 - 8	6 - 7	6	6 - 7	6
Louisville	6	6	6	6	6	6	6	6	6	5 - 6	5 - 6	5½-6
Minneapolis	4½-5	4½-5	4 - 5	6	5½-6	5½-6	4½-5	4½-5	4 - 4½	5½-6	5½-6	5½-6
Helena	8	8	8	8	8	8	6 - 8	6 - 8	6 - 8	6 - 8	6 - 8	6 - 8
Kansas City	5½-5½	5½-5½	5 - 5½	5½-6	5½-6	5½-6	5½-6	5½-6	5½-6	5½-6	5½-6	5½-6
Denver	5½-6	5½-6	5½-6	6 - 6½	6	6	6 - 8	6 - 8	6 - 8	6 - 6½	6 - 6½	6
Oklahoma City	6	6	5½-6	8	8	8	6 - 8	6 - 8	6 - 8	6	6	6
Omaha	5 - 5½	5-5½	5 - 5½	6 - 6½	6 - 6½	6 - 6½	6	6	6	6	6	6
Dallas	5½-6	5 - 6	5 - 6	6 - 7	6 - 7	6 - 7	5½-6	5½-6	6	5½-6	5½-6	5½-6
El Paso	6 - 8	6 - 8	6 - 8	6 - 8	6 - 8	6 - 8	8	8	8	6	6	6
Houston	6	6	6	6	6	6	6	6	6 - 6½	5½-6	5 - 6	5 - 6
San Antonio	6 - 6½	6 - 6½	6	6 - 8	6 - 7	6 - 7	6 - 8	6 - 7	6 - 8	6	6	6
San Francisco	5 - 6	5 - 6	5 - 6	6 - 6½	6	6	6	6	6	5 - 5½	5 - 5½	5
Los Angeles	6 - 6½	6	5½-6	6 - 6½	6 - 6½	6 - 6½	6½-7	6½-7	6½-7	6	6	6
Portland	6	6	6 - 6½	6 - 6½	6	6	6 - 7	6 - 7	6 - 7	6	6	6
Salt Lake City	6	6	6	6 - 7	6	6	7	7	7	6	6	6
Seattle	6	6	6	6 - 6½	6 - 6½	6 - 6½	6½-7	6½-7	6½-7	6	6	6
Spokane	6	6	6	6½-7	6 - 6½	6½-7	7	7	7	6	6	6

NOTE.—Rates shown are those at which the bulk of the loans of each class were made by representative banks during week ending 15th of month. Rates from about 200 banks with loans exceeding \$3,000,000,000; reporting banks are usually the larger banks in their respective cities.

**MEMBER BANK CREDIT**

**REPORTING MEMBER BANKS**

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

	Loans and investments					Due to banks	Borrowings at F. R. banks
	Total	Loans		In-vestments			
		Total	On-securities				
<b>BY MONTHS</b>							
<b>Total:</b>							
1929—February	22,263	16,260	7,522	8,737	6,004	2,918	659
March	22,472	16,491	7,580	8,911	5,981	2,861	740
April	22,388	16,464	7,392	9,073	5,924	2,709	725
May	22,113	16,277	7,213	9,059	5,836	2,545	661
June	22,231	16,480	7,332	9,149	5,751	2,532	670
July	22,479	16,950	7,716	9,234	5,529	2,738	801
August	22,465	16,969	7,578	9,390	5,496	2,604	717
September	22,646	17,197	7,654	9,543	5,449	2,718	706
October	23,124	17,706	8,098	9,608	5,418	2,914	634
November	23,663	18,041	8,249	9,792	5,623	3,008	655
December	23,012	17,444	7,968	9,476	5,567	2,886	490
1930—January	22,368	16,821	7,794	9,027	5,548	2,828	247
February	22,083	16,542	7,671	8,871	5,541	2,818	174
March	22,352	16,746	7,964	8,781	5,607	2,898	81
April	22,657	16,901	8,270	8,631	5,756	2,940	71
May	22,662	16,825	8,312	8,513	5,837	2,870	59
June	23,024	17,048	8,568	8,480	5,977	3,063	53
<b>New York City:</b>							
1929—February	7,190	5,306	2,820	2,486	1,885	949	131
March	7,208	5,424	2,823	2,601	1,872	916	166
April	7,207	5,437	2,729	2,708	1,859	874	162
May	7,182	5,344	2,653	2,691	1,838	817	145
June	7,281	5,468	2,749	2,719	1,812	796	165
July	7,496	5,804	3,045	2,758	1,692	935	319
August	7,407	5,688	2,845	2,843	1,720	827	196
September	7,507	5,803	2,892	2,911	1,704	887	166
October	7,837	6,108	3,191	2,916	1,729	1,023	74
November	8,349	6,380	3,340	3,040	1,969	1,132	60
December	8,001	6,021	3,112	2,909	1,981	980	80
1930—January	7,664	5,705	2,945	2,760	1,959	931	39
February	7,493	5,584	2,909	2,675	1,909	902	21
March	7,649	5,720	3,115	2,605	1,929	952	17
April	7,829	5,868	3,383	2,485	1,961	982	11
May	7,852	5,878	3,459	2,418	1,974	951	17
June	8,117	6,099	3,701	2,398	2,019	1,069	5
<b>Other leading cities:</b>							
1929—February	15,073	10,954	4,703	6,251	4,119	1,969	528
March	15,176	11,067	4,756	6,310	4,109	1,945	574
April	15,092	11,027	4,663	6,364	4,065	1,835	563
May	14,931	10,933	4,665	6,368	3,998	1,728	516
June	14,950	11,012	4,582	6,430	3,938	1,736	505
July	14,983	11,146	4,670	6,476	3,837	1,803	482
August	15,058	11,281	4,734	6,547	3,776	1,777	521
September	15,139	11,394	4,762	6,632	3,745	1,830	540
October	15,288	11,598	4,906	6,692	3,690	1,891	561
November	15,314	11,661	4,909	6,752	3,654	1,875	594
December	15,011	11,424	4,856	6,568	3,587	1,906	410
1930—January	14,705	11,115	4,849	6,267	3,589	1,897	208
February	14,590	10,958	4,762	6,196	3,632	1,916	152
March	14,703	11,026	4,850	6,176	3,677	1,946	80
April	14,828	11,033	4,888	6,146	3,795	1,959	54
May	14,810	10,948	4,853	6,095	3,862	1,939	48
June	14,907	10,949	4,806	6,082	3,958	2,054	48
<b>BY WEEKS</b>							
<b>Total:</b>							
1930—May 28	22,726	16,837	8,421	8,416	5,889	2,798	67
June 4	22,957	17,038	8,605	8,434	5,919	3,064	67
June 11	22,882	16,966	8,564	8,402	5,917	2,975	48
June 18	23,118	17,128	8,615	8,513	5,989	3,117	44
June 25	23,140	17,059	8,487	8,572	6,081	3,098	54
<b>New York City:</b>							
1930—May 28	7,903	5,928	3,565	2,363	1,975	927	15
June 4	8,134	6,122	3,753	2,369	2,012	1,027	22
June 11	7,975	5,986	3,630	2,356	1,989	952	-----
June 18	8,131	6,130	3,726	2,404	2,001	1,010	-----
June 25	8,229	6,158	3,696	2,462	2,072	1,047	-----
<b>Other leading cities:</b>							
1930—May 28	14,823	10,909	4,856	6,053	3,914	1,871	52
June 4	14,823	10,916	4,852	6,065	3,907	2,036	45
June 11	14,907	10,979	4,934	6,045	3,928	2,023	48
June 18	14,986	10,999	4,889	6,109	3,988	2,108	44
June 25	14,911	10,901	4,791	6,110	4,010	2,051	54

**BROKERS' LOANS**

**REPORTED BY THE NEW YORK STOCK EXCHANGE**

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

End of month	Total		From New York banks and trust companies		From private banks, brokers, foreign banking agencies, etc.	
	1929	1930	1929	1930	1929	1930
January	6,735	3,985	5,664	3,368	1,071	616
February	6,679	4,168	5,619	3,529	1,060	639
March	6,804	4,656	5,713	4,026	1,091	631
April	6,775	5,063	5,580	4,409	1,194	654
May	6,665	4,748	5,482	4,139	1,183	609
June	7,071	3,728	5,797	3,201	1,275	527
July	7,474	-----	6,154	-----	1,320	-----
August	7,882	-----	6,492	-----	1,390	-----
September	8,549	-----	7,077	-----	1,472	-----
October	6,109	-----	5,313	-----	796	-----
November	4,017	-----	3,432	-----	585	-----
December	3,990	-----	3,370	-----	620	-----

1 Call loans, \$2,980,000,000; time loans, \$474,000,000.

**MADE BY REPORTING MEMBER BANKS IN N. Y. CITY**

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

Month or date	Total	For banks			For others
		Total	In New York City 1	Outside New York City 2	
1929—February	5,555	2,899	1,082	1,817	2,656
March	5,679	2,800	1,071	1,729	2,879
April	5,477	2,583	934	1,649	2,893
May	5,491	2,526	861	1,665	2,965
June	5,383	2,443	895	1,548	2,940
July	5,841	2,849	1,198	1,651	2,992
August	6,069	2,778	993	1,786	3,290
September	6,540	2,898	1,048	1,850	3,642
October	6,498	2,896	1,257	1,639	3,602
November	4,023	1,869	1,090	779	2,154
December	3,391	1,601	888	713	1,790
1930—January	3,351	1,706	844	862	1,644
February	3,459	1,913	942	971	1,546
March	3,741	2,310	1,210	1,100	1,430
April	4,115	2,740	1,557	1,183	1,376
May	4,030	2,727	1,665	1,062	1,302
June 4	4,101	2,906	1,911	995	1,195
June 11	3,998	2,852	1,799	1,053	1,146
June 18	3,787	2,756	1,850	906	1,031
June 25	3,416	2,477	1,764	713	939

1 Weekly reporting member banks in New York City.

2 Member and nonmember banks outside New York City (domestic banks only); includes unknown amount for customers of these banks.

\* Call loans, \$3,399,000,000; time loans, \$630,000,000.

**ACCEPTANCES AND COMMERCIAL PAPER**

[In millions of dollars]

End of month	Bankers' acceptances outstanding				Commercial paper outstanding			
	1927	1928	1929	1930	1927	1928	1929	1930
January	774	1,058	1,279	1,693	551	577	407	404
February	785	1,056	1,228	1,624	577	567	411	457
March	809	1,085	1,205	1,539	606	570	387	529
April	811	1,071	1,111	1,414	599	571	351	553
May	775	1,041	1,107	1,392	582	541	304	541
June	751	1,026	1,113	-----	579	503	274	-----
July	741	978	1,127	-----	569	483	265	-----
August	782	962	1,201	-----	591	458	267	-----
September	864	1,054	1,272	-----	600	430	265	-----
October	975	1,123	1,541	-----	611	427	285	-----
November	1,029	1,200	1,658	-----	603	421	316	-----
December	1,061	1,284	1,732	-----	555	383	334	-----

Figures for acceptances as compiled by American Acceptance Council; for commercial paper as reported by about 25 dealers.

**SECURITY PRICES, SECURITY ISSUES, AND BUILDING CONTRACTS**

**SECURITY PRICES**

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

Month or date	Common stocks (1926=100)															
	Bonds <sup>1</sup>	Preferred stocks <sup>2</sup>	Selected groups of industrial issues													
			Total	Industrial	Railroad	Public utility	Automobile	Building equipment	Chain store	Chemical	Copper and brass	Electrical equipment	Machinery	Oil	Steel	Textile
Number of issues.....	60	20	404	337	33	34	13	13	17	9	9	4	10	16	10	30
1929—February.....	96.3	128.8	187	192	142	202	277	163	153	231	286	258	174	133	179	138
March.....	95.8	128.7	189	196	140	204	284	160	150	232	329	257	167	141	187	136
April.....	95.8	128.6	187	193	138	201	278	157	149	235	294	255	163	148	191	132
May.....	95.7	128.6	188	193	139	212	261	158	148	248	280	282	161	146	185	127
June.....	95.3	127.7	191	191	145	233	242	158	145	270	271	308	159	144	188	122
July.....	95.2	127.0	207	203	160	273	241	169	148	315	281	360	172	149	212	120
August.....	95.0	126.3	218	210	165	304	241	165	149	320	289	405	177	158	238	118
September.....	94.8	126.8	225	216	168	321	241	172	155	338	294	399	191	167	244	114
October.....	95.1	126.4	202	194	157	277	196	152	139	305	259	345	172	161	217	103
November.....	95.7	123.9	151	145	135	195	134	114	104	214	204	227	135	131	169	78
December.....	96.5	126.4	154	147	136	201	134	113	106	228	196	241	143	132	170	77
1930—January.....	96.5	126.5	156	149	137	209	135	117	102	240	193	265	146	129	177	78
February.....	96.4	126.9	166	156	143	231	145	125	100	254	193	307	154	128	188	85
March.....	97.8	127.8	172	163	143	242	155	125	100	266	193	323	161	141	192	85
April.....	97.9	128.2	181	171	142	264	162	127	101	282	174	359	173	156	196	83
May.....	97.9	127.6	171	160	136	250	152	116	97	257	151	327	170	148	174	77
June.....	98.2	126.8	153	143	125	224	134	100	90	223	135	290	152	133	161	69
June 4.....	98.1	127.7	172	161	133	254	154	114	100	257	152	335	170	148	173	76
June 11.....	98.2	127.4	158	148	127	232	139	104	93	236	143	297	157	136	164	72
June 17.....	98.2	126.3	142	133	121	205	121	93	83	201	122	269	142	124	155	63
June 25.....	98.1	125.9	140	131	117	203	122	91	82	199	122	259	141	124	151	63

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

<sup>2</sup> 20 high-grade industrials; average price.

**DOMESTIC CAPITAL ISSUES**

[In millions of dollars. Source: Commercial and Financial Chronicle]

Class of issue	January-May					
	May, 1930		1930		1929	
	New	Re-fund-ing	New	Re-fund-ing	New	Re-fund-ing
Total.....	989.6	64.8	3,558.4	219.2	4,204.0	853.1
Corporate issues.....	847.1	63.3	2,943.4	208.8	3,702.1	846.3
Bonds and notes—						
Long term.....	375.4	25.8	1,654.2	143.2	1,083.0	374.3
Short term.....	64.5	28.0	221.7	49.8	91.6	21.1
Stocks.....	407.2	9.5	1,067.5	10.8	2,527.5	450.9
Farm-loan issues.....	1.0	—	23.0	—	—	—
Municipal issues.....	141.5	1.5	592.0	10.4	501.9	6.8
Total new and re-fund-ing.....	1,054.4	—	3,777.5	—	5,057.1	—

**FOREIGN CAPITAL ISSUES**

[In millions of dollars]

Class of issue	January-May					
	May, 1930		1930		1929	
	Gov-ern-ment	Cor-porate	Gov-ern-ment	Cor-porate	Gov-ern-ment	Cor-porate
Total.....	109.5	21.7	374.2	238.1	91.8	256.4
New issues.....	84.5	21.7	298.9	238.1	76.3	250.9
Europe.....	—	—	58.8	36.6	23.6	31.9
Canada and Newfound-land.....	31.2	2.0	53.4	24.0	30.8	44.6
Latin America.....	18.3	4.6	131.5	17.6	20.4	8.4
U. S. insular possessions.....	—	—	—	—	1.5	7.7
Miscellaneous.....	35.0	15.1	52.5	159.8	—	158.4
Refunding issues.....	25.0	—	75.3	—	15.6	5.5
Total Government and corporate.....	131.2	—	612.3	—	348.2	—

**BUILDING CONTRACTS AWARDED, BY TYPES OF BUILDING**

[Value of contracts in millions of dollars]

	Total		Residential		Industrial		Commercial		Public works and public utilities		Educational		All other	
	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930
	January.....	410.0	324.0	138.1	66.6	63.1	38.3	100.4	54.1	66.5	112.1	17.7	19.0	24.1
February.....	361.3	317.1	129.5	74.8	56.1	33.5	68.3	72.0	57.6	85.8	22.6	21.2	27.3	28.8
March.....	484.8	456.1	107.2	101.5	55.8	74.3	75.6	77.0	71.5	105.3	37.5	35.4	47.2	62.6
April.....	642.1	493.3	256.8	123.1	68.2	38.1	78.0	73.2	152.1	149.7	29.9	35.4	57.1	63.7
May.....	587.8	457.4	192.0	116.6	80.8	54.6	86.5	73.3	139.4	134.9	38.2	36.9	50.9	41.1
Year to date.....	2,485.9	2,037.8	913.5	482.6	324.0	238.8	408.7	350.5	487.1	587.8	145.9	147.9	206.6	230.2
June.....	545.9	—	189.8	—	70.0	—	80.9	—	120.8	—	43.4	—	40.9	—
July.....	652.4	—	199.9	—	66.6	—	91.3	—	194.5	—	48.0	—	52.0	—
August.....	488.9	—	146.1	—	75.3	—	72.0	—	119.3	—	32.3	—	43.9	—
September.....	445.4	—	118.4	—	52.6	—	76.9	—	117.2	—	29.8	—	50.4	—
October.....	445.6	—	137.7	—	60.9	—	67.7	—	85.1	—	36.9	—	57.3	—
November.....	391.0	—	113.5	—	39.7	—	101.8	—	72.4	—	25.7	—	38.0	—
December.....	316.4	—	114.0	—	67.4	—	33.4	—	51.8	—	19.8	—	29.9	—

Figures for building contracts awarded are for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation.

**PRODUCTION, EMPLOYMENT, CAR LOADINGS, AND PRICES**

[Index numbers; 1923-1925 average=100. The terms "adjusted" and "unadjusted" refer to adjustment for seasonal variations]

Year and month	Industrial production*						Building contracts awarded	Factory employment	Factory pay rolls	Freight car loadings*				Commodity prices†	
	Total		Manufactures		Minerals					Total		Merchandise in less-than-carload lots		All commodities	Farm products
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted				Unadjusted	Adjusted	Unadjusted	Adjusted		
1919	83		84		77		64	107	98	84				139	158
1920	87		87		89		63	108	118	91		72		154	151
1921	67		67		70		57	82	77	79		87		98	88
1922	85		87		74		81	90	81	86		93		97	94
1923	101		101		105		84	104	103	100		96		101	99
1924	95		94		96		95	96	96	98		99		98	100
1925	104		105		99		122	100	101	103		104		104	110
1926	108		108		108		130	101	104	107		107		100	100
1927	106		106		107		128	99	102	103		105		95	99
1928	111		111		106		135	97	102	103		104		98	106
1929	118		119		115		117	100	107	106		104		97	105
1926															
January	106	107	108	109	90	92	111	101	101	94	102	98	107	104	107
February	109	106	111	108	92	95	106	102	106	96	104	102	106	102	105
March	110	107	111	108	98	104	146	103	107	99	104	107	106	100	102
April	108	107	110	107	96	108	139	102	105	98	107	107	106	100	103
May	107	106	108	106	103	104	134	101	104	106	107	108	105	101	102
June	106	108	106	108	109	106	133	101	104	110	109	108	107	101	101
July	103	107	102	107	110	107	126	99	99	111	108	106	106	100	99
August	109	110	108	111	115	109	148	101	104	113	108	107	106	99	97
September	113	112	112	112	119	110	137	103	105	122	109	112	107	100	99
October	114	111	112	111	124	114	126	103	108	123	109	112	107	99	98
November	110	108	108	106	123	118	119	101	105	113	109	110	108	98	95
December	101	105	99	103	113	119	131	100	104	98	107	103	108	98	95
1927															
January	105	106	104	105	112	116	94	98	99	97	105	100	108	97	97
February	111	108	110	107	113	117	96	100	105	100	109	104	109	96	95
March	113	111	113	110	111	118	151	100	106	102	108	108	107	95	94
April	110	109	112	109	96	107	147	100	105	100	108	108	107	94	94
May	112	111	113	111	108	109	135	99	104	105	106	106	104	94	96
June	107	108	107	109	108	105	154	99	102	106	104	105	104	94	97
July	102	106	102	107	103	100	130	98	99	104	101	104	104	94	98
August	105	107	104	107	111	106	135	99	102	109	104	105	104	95	102
September	107	105	106	105	111	104	127	101	102	116	104	110	104	97	106
October	105	103	104	102	112	105	137	99	103	114	101	109	105	97	105
November	101	99	100	99	105	101	114	97	98	101	97	106	104	97	104
December	96	100	95	99	97	103	116	95	99	88	95	98	103	97	104
1928															
January	105	106	106	106	100	103	104	94	96	92	100	98	106	96	106
February	111	109	114	110	99	103	113	96	101	94	102	101	105	96	105
March	112	110	115	111	98	103	144	97	103	97	102	105	104	96	104
April	110	109	113	110	94	105	157	96	100	96	104	105	104	97	108
May	110	109	111	109	104	105	163	96	101	104	105	106	104	99	110
June	108	109	109	111	104	101	158	96	101	103	102	105	103	98	107
July	105	110	106	111	103	101	142	96	98	105	102	104	104	98	107
August	110	112	110	113	111	105	126	98	103	109	104	104	103	99	107
September	116	114	116	116	115	107	143	100	104	119	106	109	104	100	109
October	118	115	117	115	123	114	145	100	107	119	106	109	105	98	104
November	115	113	115	113	117	113	115	99	104	108	104	106	104	97	102
December	108	113	109	114	106	112	105	98	104	95	103	100	105	97	104
1929															
January	116	117	116	117	114	118	100	97	101	95	104	97	105	97	106
February	120	117	120	118	116	120	88	100	108	99	107	101	105	97	105
March	121	118	125	120	101	107	118	101	111	98	103	106	105	98	107
April	124	122	127	123	104	115	156	102	111	102	111	107	106	97	105
May	125	124	127	125	116	116	143	102	111	110	111	108	108	96	102
June	125	127	126	129	116	113	133	101	109	109	108	105	104	96	103
July	119	124	119	126	118	114	159	101	105	111	108	105	105	98	108
August	121	123	121	125	121	115	119	102	109	114	109	106	105	98	107
September	123	122	122	122	127	118	108	103	111	121	108	110	105	98	107
October	120	117	119	117	127	118	109	102	110	118	104	109	105	96	104
November	108	106	107	105	114	110	95	98	102	102	99	106	104	94	101
December	95	99	92	96	110	116	77	95	99	90	97	96	101	94	102
1930															
January	103	104	102	102	107	112	79	93	94	89	97	94	102	93	101
February	109	107	110	107	104	109	77	93	97	92	99	98	102	92	98
March	106	104	109	105	91	96	111	93	98	90	95	101	100	91	95
April	107	105	110	107	93	104	118	92	97	93	101	101	100	91	96
May	105	104	106	104	102	103	111	90	94	97	98	101	99	89	93

\* Average per working-day, except for annual indexes.

† Wholesale price index of Bureau of Labor Statistics; 1926=100. Index numbers for all major groups of commodities are given on p. 453.

‡ Preliminary.

§ Revised.

## INDUSTRIAL PRODUCTION, BY INDUSTRIES

[Index numbers of the Federal Reserve Board. Adjusted for seasonal variations. 1923-1925 average=100]

Industry	1929										1930				
	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May
<b>MANUFACTURES</b>															
<b>IRON AND STEEL</b> .....	133	136	145	155	152	143	140	124	100	90	99	119	113	114	111
Pig iron.....	116	117	126	127	131	128	122	118	107	95	94	101	102	102	104
Steel ingots.....	134	137	147	158	154	144	142	125	100	90	100	120	114	115	112
<b>TEXTILES</b> .....	116	120	121	121	118	120	116	118	108	96	103	99	98	96	91
Cotton consumption.....	116	119	125	122	119	119	115	117	104	90	102	94	94	100	91
Wool.....	97	101	102	101	97	101	98	101	89	77	78	76	71	72	70
Consumption.....	100	106	109	107	109	114	106	109	94	80	85	81	77	80	74
Machinery activity <sup>1</sup> .....	92	96	92	93	85	86	89	91	82	74	72	73	65	62	69
Carpet, rugloom activity <sup>1</sup> .....	94	95	98	95	83	90	90	96	88	75	69	70	66	66	60
<b>Silk</b> .....	144	149	138	149	146	150	148	148	145	140	141	145	160	125	-----
Deliveries.....	152	159	142	160	156	161	158	158	153	148	145	149	155	123	121
Loom activity <sup>1</sup> .....	128	129	130	128	127	130	128	130	128	124	133	138	140	128	-----
<b>FOOD PRODUCTS</b> .....	96	103	97	96	96	100	98	96	96	95	96	94	90	97	100
Slaughtering, meat packing.....	88	99	92	90	94	93	101	97	95	91	89	92	85	94	94
Hogs.....	86	100	94	90	96	94	108	104	101	96	89	93	80	93	94
Cattle.....	90	93	86	87	88	88	91	86	82	81	87	86	88	89	88
Calves.....	97	102	91	83	90	85	99	88	88	91	97	92	92	100	89
Sheep.....	105	119	125	117	124	126	126	125	125	113	116	132	141	147	142
Flour.....	104	107	113	109	101	107	99	91	92	94	92	97	101	105	111
Sugar meltings.....	111	111	90	103	94	113	84	99	106	111	127	94	90	96	105
<b>PAPER AND PRINTING</b> .....	125	124	127	128	124	125	129	126	123	118	121	126	121	120	119
Wood pulp and paper.....	119	119	122	120	120	119	120	120	118	113	117	120	115	113	113
Newsprint.....	92	93	93	92	91	95	94	94	92	93	95	97	91	86	89
Book paper.....	132	135	134	133	138	134	143	145	139	139	140	137	128	-----	-----
Fine paper.....	118	118	119	120	122	118	119	119	120	116	118	121	121	116	111
Wrapping paper.....	102	103	109	107	101	101	101	96	97	95	93	92	99	98	99
Paper board.....	139	135	143	136	131	129	125	128	129	107	123	137	125	-----	-----
Wood pulp, mechanical.....	96	91	92	100	103	101	100	91	85	91	96	111	106	89	90
Wood pulp, chemical.....	114	115	120	118	117	120	120	118	113	116	115	119	117	114	115
Paper boxes.....	157	151	150	180	152	169	178	156	144	125	147	151	153	154	151
Newsprint consumption.....	138	132	137	142	131	135	148	139	133	134	131	137	130	132	132
<b>TRANSPORTATION EQUIPMENT:</b>															
Automobiles.....	159	153	148	162	142	143	133	113	81	49	103	110	109	109	104
Locomotives.....	28	53	55	46	59	55	49	57	45	32	39	40	48	51	43
Shipbuilding.....	49	62	93	130	156	175	101	75	69	97	170	102	80	128	-----
<b>LEATHER AND PRODUCTS</b> .....	99	98	101	113	114	117	116	113	106	93	96	96	98	99	94
Tanning.....	89	95	93	106	105	103	105	108	103	99	93	93	98	99	99
Sole leather <sup>1</sup> .....	85	89	84	98	86	93	94	94	95	94	99	101	97	99	100
Upper leather.....	73	76	78	74	75	80	87	98	88	83	76	66	80	79	72
Cattle.....	86	93	96	104	111	108	102	100	88	70	68	76	80	85	95
Calf and kip.....	112	123	116	153	158	136	144	147	145	151	129	127	136	131	128
Goat and kid.....	105	100	106	118	120	125	123	117	108	90	98	97	97	99	91
Boots and shoes.....															
<b>CEMENT AND GLASS:</b>															
Cement.....	99	110	111	116	118	122	118	113	109	110	108	110	111	108	119
Glass, plate.....	148	144	146	154	164	168	174	172	149	117	124	122	117	131	143
<b>NONFERROUS METALS<sup>1</sup>:</b>															
Copper (smelter).....	129	138	137	126	127	122	125	122	119	113	105	101	104	105	101
Copper (refiner).....	140	147	145	130	133	126	127	125	126	122	110	103	103	103	101
Tin (deliveries) <sup>1</sup> .....	128	142	145	137	123	120	131	125	112	106	99	92	117	132	107
<b>FUELS, MANUFACTURED:</b>															
Petroleum refining.....	160	165	168	170	171	176	173	178	171	166	163	168	168	174	173
Gasoline <sup>1</sup> .....	187	194	196	199	205	209	208	215	209	201	199	204	204	214	213
Kerosene.....	94	93	103	110	95	108	95	103	93	90	89	96	99	93	90
Fuel oil <sup>1</sup> .....	136	141	140	140	138	142	141	142	136	132	121	125	117	121	123
Lubricating oil <sup>1</sup> .....	123	125	126	126	123	131	123	121	110	115	120	126	130	138	133
Coke (by-product).....	142	144	149	151	151	152	147	146	139	131	132	136	135	138	137
<b>RUBBER TIRES AND TUBES</b> .....	152	161	158	162	141	119	116	114	94	80	106	107	105	123	121
Tires, pneumatic.....	157	166	163	167	146	123	120	117	97	82	109	110	108	127	125
Inner tubes.....	118	126	121	125	105	87	90	87	74	70	85	85	84	97	94
<b>TOBACCO PRODUCTS</b> .....	126	142	142	139	131	133	136	135	130	133	131	133	128	136	134
Cigars.....	93	109	101	100	97	99	100	99	96	83	84	92	87	92	94
Cigarettes.....	153	173	178	172	160	163	168	168	160	172	167	166	161	172	167
<b>MINERALS</b>															
<b>COAL:</b>															
Bituminous.....	90	102	104	102	102	99	103	103	98	104	100	92	81	97	92
Anthracite.....	77	95	86	76	72	81	106	116	92	121	106	101	69	73	81
Petroleum, crude.....	133	132	134	135	143	145	140	140	131	132	132	135	125	128	127
Iron ore shipments.....	-----	-----	143	126	119	121	121	107	98	-----	-----	-----	-----	-----	104
Copper (mined).....	135	142	139	124	122	119	125	123	118	115	101	95	88	90	90
Zinc.....	110	116	121	120	124	127	120	119	106	98	104	98	96	94	94
Lead.....	112	125	122	112	114	107	119	115	114	105	92	106	107	104	105
Silver.....	93	103	93	94	88	91	89	94	114	87	88	98	89	88	81

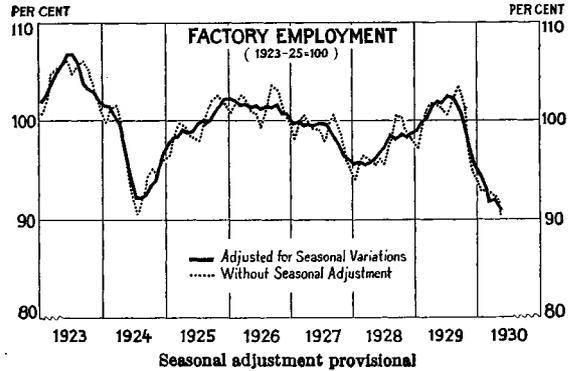
<sup>1</sup> Without seasonal adjustment.<sup>2</sup> Includes also lead and zinc; see "Minerals."<sup>3</sup> Corrected.<sup>4</sup> Preliminary.<sup>5</sup> Revised.

NOTE.—The combined index of industrial production is computed from figures for 53 statistical series, 50 of manufactures, and 8 of minerals, most of which are shown in this table. Adjustments have been made in the different industries for the varying number of working days in each month and for customary seasonal variations, and the individual products and industries have been weighted in accordance with their relative importance. The sources of data and methods of construction were described in the BULLETIN for February and March, 1927.

**FACTORY EMPLOYMENT AND PAY ROLLS**

**INDEXES OF FACTORY EMPLOYMENT AND PAY ROLLS**  
[Without seasonal adjustment. Monthly average 1923-1925=100]

Month	Factory employment				Factory pay rolls			
	1927	1928	1929	1930	1927	1928	1929	1930
January.....	98.1	94.2	97.4	92.9	98.6	95.7	100.7	94.2
February.....	99.7	95.7	99.7	92.9	104.8	101.1	108.0	97.4
March.....	100.4	96.6	101.3	92.7	106.3	102.5	110.8	98.0
April.....	99.8	96.0	101.8	92.1	105.0	100.3	111.3	96.7
May.....	99.1	95.7	101.6	90.4	104.3	100.8	111.2	94.1
June.....	99.0	96.2	101.2	-----	102.5	100.9	109.2	-----
July.....	98.0	95.7	100.7	-----	98.6	98.3	104.8	-----
August.....	99.2	98.3	102.0	-----	102.2	102.5	109.4	-----
September.....	100.6	100.3	103.4	-----	101.9	104.2	110.5	-----
October.....	99.3	100.2	102.1	-----	102.5	107.5	110.0	-----
November.....	96.9	98.8	98.2	-----	98.5	103.6	102.0	-----
December.....	95.5	98.1	94.8	-----	99.4	104.2	98.7	-----
Annual index.....	98.8	97.2	100.4	-----	102.0	101.8	107.2	-----



**FACTORY EMPLOYMENT: INDEXES BY GROUPS**

Month	Iron and steel	Ma-chinery	Textiles	Food products	Paper and printing	Lumber and products	Transportation equipment		Leather and products	Cement, clay, and glass	Nonferrous metals	Chemicals		Rubber products	Tobacco products
							Group	Automobiles				Group	Petroleum refining		
1929-January.....	97.1	106.7	95.9	98.6	102.5	85.5	94.0	118.3	91.9	84.3	102.4	107.6	104.0	112.2	84.1
February.....	98.3	110.4	98.0	98.8	103.4	85.8	99.0	129.5	94.1	84.5	106.1	110.9	106.7	112.3	92.0
March.....	99.3	113.8	101.1	97.6	103.1	86.6	100.5	131.1	92.7	86.8	107.9	115.5	109.2	113.3	92.0
April.....	99.7	116.7	99.3	96.2	102.5	88.2	101.7	131.4	90.6	90.5	107.7	119.0	111.9	114.3	91.3
May.....	100.7	119.1	97.3	97.3	102.8	89.2	101.5	130.0	90.3	93.1	105.3	110.3	114.4	115.3	90.3
June.....	100.8	120.8	96.3	99.2	103.2	90.0	97.6	120.6	89.4	93.8	102.9	107.9	116.4	115.0	91.4
July.....	99.8	121.5	91.5	99.8	103.6	90.5	96.4	117.8	94.6	91.6	100.5	108.9	120.0	114.2	90.5
August.....	101.0	119.4	94.2	99.7	104.1	92.2	95.5	115.0	98.1	93.8	99.8	111.2	121.9	111.5	93.0
September.....	101.0	119.5	98.4	102.4	106.0	91.8	94.8	113.1	99.5	93.6	98.6	114.5	124.0	108.3	93.7
October.....	99.4	118.7	99.8	104.2	106.1	90.1	90.2	101.3	99.3	91.9	98.5	116.1	124.6	102.7	95.0
November.....	97.0	115.0	97.1	101.6	106.7	86.7	82.9	85.7	94.4	88.9	93.6	113.8	123.7	91.2	96.1
December.....	92.2	112.1	94.3	100.5	106.9	81.6	81.3	79.6	90.0	82.3	89.9	111.8	120.9	89.2	89.2
1930-January.....	91.7	109.9	92.8	97.4	105.1	76.8	83.2	85.7	91.4	74.7	85.9	110.6	120.8	89.7	84.2
February.....	93.5	109.3	92.9	96.7	104.0	75.0	83.9	89.7	92.4	75.3	84.6	110.2	120.9	87.9	88.9
March.....	92.8	108.5	92.9	95.0	103.7	75.0	83.2	91.0	91.5	78.4	84.3	112.5	118.5	87.2	89.6
April.....	93.0	106.9	90.3	94.0	102.6	74.2	84.0	93.9	89.8	81.2	82.9	111.7	116.1	88.6	88.0
May.....	92.7	103.6	86.8	94.5	102.4	73.4	84.0	95.3	86.8	81.7	81.2	104.6	114.1	88.3	89.4

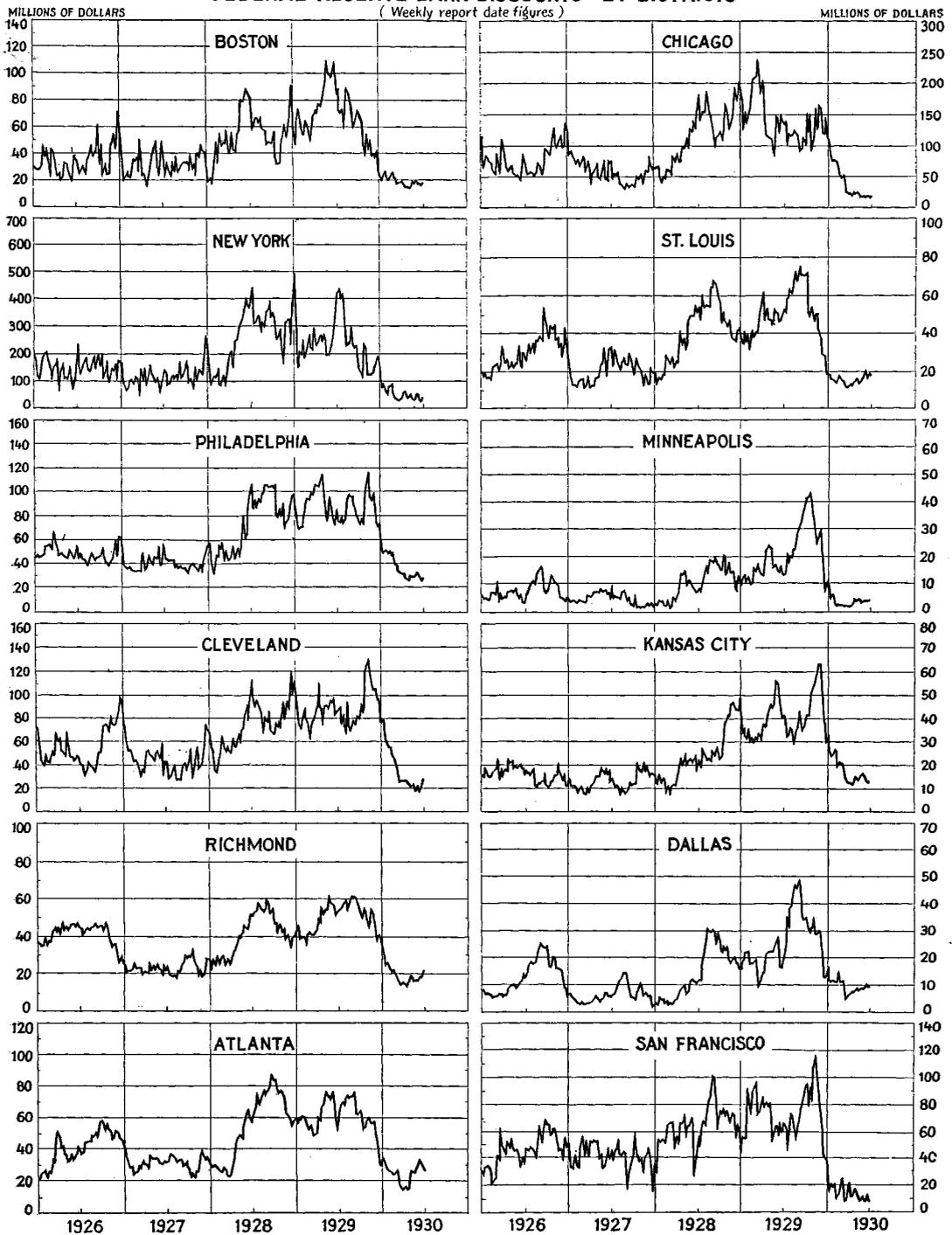
**FACTORY PAY ROLLS: INDEXES BY GROUPS**

Month	Iron and steel	Ma-chinery	Textiles	Food products	Paper and printing	Lumber and products	Transportation equipment		Leather and products	Cement, clay, and glass	Nonferrous metals	Chemicals		Rubber products	Tobacco products
							Group	Automobiles				Group	Petroleum refining		
1929-January.....	101.3	112.3	97.0	102.2	111.4	83.4	93.6	114.5	90.2	79.0	117.4	106.3	105.3	111.7	76.3
February.....	107.2	120.7	103.6	102.5	113.0	86.5	111.4	147.4	94.5	81.0	124.1	111.3	110.2	123.3	82.3
March.....	108.5	126.5	108.8	101.2	114.9	88.4	113.9	148.2	91.4	84.8	127.6	113.6	112.1	123.6	84.4
April.....	110.5	129.5	103.2	100.4	113.3	90.9	117.0	152.0	87.9	89.3	127.0	117.8	117.1	124.4	86.1
May.....	111.6	131.9	99.3	103.1	114.3	92.8	116.0	147.1	88.1	91.8	123.1	113.1	118.9	125.7	86.1
June.....	109.9	131.6	97.8	105.6	113.6	92.2	107.9	130.9	89.8	92.5	117.0	111.2	120.0	120.6	88.5
July.....	103.5	128.2	90.4	105.6	111.4	93.5	97.1	110.2	97.8	86.1	112.6	111.2	123.3	115.1	87.9
August.....	109.3	127.5	97.4	105.0	112.8	94.7	106.8	128.0	105.0	91.2	113.2	113.0	125.1	110.9	90.6
September.....	108.9	127.9	103.0	108.1	116.3	96.6	103.3	120.3	104.3	91.3	112.1	116.0	129.3	104.9	93.4
October.....	107.9	129.0	104.8	108.8	117.8	96.8	99.8	108.0	100.0	90.6	112.5	118.2	129.4	100.9	94.2
November.....	100.0	121.6	96.2	105.5	117.2	89.2	89.4	84.3	83.9	86.4	99.6	115.6	126.3	85.9	94.3
December.....	93.5	119.9	93.8	105.5	118.2	82.7	85.6	72.9	84.1	80.2	96.1	114.0	124.8	85.0	88.8
1930-January.....	90.5	113.8	92.2	102.5	114.9	72.8	80.9	74.0	85.4	67.3	91.5	109.3	121.1	88.9	77.0
February.....	98.1	115.2	94.1	101.6	114.9	72.6	89.8	92.7	86.2	70.2	91.7	110.0	125.0	92.1	80.0
March.....	97.1	115.1	96.6	99.7	115.0	74.6	80.6	97.3	85.2	73.4	91.0	111.6	123.1	90.0	81.0
April.....	97.7	113.4	89.3	99.7	113.5	73.8	82.0	100.8	81.6	77.1	88.3	110.9	122.1	94.5	77.1
May.....	95.5	108.3	82.7	100.7	113.3	73.2	91.1	101.7	75.6	76.9	84.4	106.6	120.5	95.4	82.1

NOTE.—These tables contain index numbers of factory employment and factory pay rolls for certain months, together with group indexes for important industrial components. The nature and sources of basic data and the method of construction were described and the indexes for the period January, 1919, to November, 1929, were published in the BULLETIN for November, 1929, pp. 706-716.

### BANKING AND BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICTS

#### FEDERAL RESERVE BANK DISCOUNTS - BY DISTRICTS



Latest figures are for June 25; see table on following page

**FEDERAL RESERVE BANKS—RESERVES, DEPOSITS, NOTE CIRCULATION, AND RESERVE PERCENTAGES**

[Average daily figures. Amounts in thousands of dollars]

Federal reserve bank	Total cash reserves			Total deposits			Federal reserve notes in circulation <sup>1</sup>			Reserve percentages		
	1930		1929	1930		1929	1930		1929	1930		1929
	June	May	June	June	May	June	June	May	June	June	May	June
Boston	244,110	254,110	182,048	149,559	148,612	145,982	150,669	158,819	141,464	81.3	82.7	63.3
New York	1,000,724	977,444	980,765	1,010,955	987,162	949,587	181,080	176,748	281,017	84.0	84.0	79.7
Philadelphia	224,669	227,216	202,043	141,639	137,279	136,947	131,364	139,184	146,575	82.3	82.2	71.3
Cleveland	331,297	323,241	293,180	200,902	193,764	188,304	187,036	183,612	205,217	85.4	85.7	74.5
Richmond	102,630	105,712	82,021	67,952	67,016	69,485	66,513	68,556	66,105	76.3	78.0	60.5
Atlanta	148,344	146,177	125,038	64,149	65,866	65,572	127,120	126,765	129,479	77.6	75.9	64.1
Chicago	491,505	518,746	518,195	354,982	351,107	347,621	210,289	238,232	309,665	87.0	88.0	78.8
St. Louis	116,227	120,994	82,663	78,992	79,528	79,575	73,213	76,521	57,504	76.4	77.5	60.3
Minneapolis	77,680	82,370	89,408	53,457	52,367	52,664	54,699	57,538	62,455	71.8	74.9	77.7
Kansas City	124,274	126,643	105,563	89,660	88,877	90,295	70,877	73,299	67,447	77.4	78.1	66.9
Dallas	60,458	61,216	68,082	61,919	63,078	65,369	31,961	31,771	37,982	64.4	64.5	65.9
San Francisco	290,921	282,498	282,009	183,523	183,774	183,037	156,482	154,464	162,041	85.6	83.5	81.7
Total	3,212,839	3,226,367	3,011,015	2,457,689	2,418,430	2,374,439	1,441,303	1,485,509	1,667,011	82.4	82.6	74.5

<sup>1</sup> Includes "Federal reserve notes of other Federal reserve banks" as follows: Latest month, \$20,208,000; month ago, \$19,475,000; year ago, \$18,862,600.

**ALL MEMBER BANKS—DEPOSITS SUBJECT TO RESERVE, RESERVES HELD, AND INDEBTEDNESS AT FEDERAL RESERVE BANKS**

[Average daily figures. In millions of dollars]

Federal reserve district	Net demand deposits		Time deposits		Reserves held				Indebtedness at Federal Reserve banks	
					Total		Excess			
	April	March	April	March	April	March	April	March	April	March
Boston	1,363	1,334	970	961	147.1	144.6	1.4	1.6	15.6	21.1
New York	7,067	6,912	3,355	3,300	952.8	944.0	9.8	20.9	53.7	54.3
Philadelphia	1,147	1,136	1,112	1,106	135.5	134.7	2.1	2.6	28.3	35.6
Cleveland	1,509	1,486	1,666	1,656	188.0	185.2	3.4	3.1	26.4	31.1
Richmond	543	546	554	550	63.9	64.2	1.6	1.8	15.9	17.0
Atlanta	564	570	440	443	65.0	65.0	3.2	2.9	18.7	21.6
Chicago	2,604	2,553	2,076	2,065	345.8	340.1	7.5	7.8	22.7	35.2
St. Louis	685	681	535	536	78.6	77.7	2.1	1.6	13.9	14.0
Minneapolis	428	434	455	455	51.3	51.8	2.7	2.8	3.1	2.3
Kansas City	831	842	362	361	87.8	88.3	4.1	3.8	12.2	15.9
Dallas	630	640	237	229	61.5	63.2	2.1	3.5	7.9	8.3
San Francisco	1,283	1,257	1,744	1,740	172.3	171.0	2.3	3.6	12.8	15.5
Total	18,653	18,390	13,506	13,401	2,349.5	2,330.0	42.4	55.7	231.1	271.8

**DISCOUNTS OF FEDERAL RESERVE BANKS, BY WEEKS**

[In thousands of dollars]

Federal reserve bank	June 4	June 11	June 18	June 25
Boston	16,586	17,171	15,322	17,307
New York	48,570	28,141	24,078	38,153
Philadelphia	28,203	26,292	25,477	28,204
Cleveland	17,924	20,258	20,276	29,341
Richmond	18,707	18,382	19,146	21,417
Atlanta	32,788	30,189	28,639	26,335
Chicago	18,391	16,492	15,622	19,034
St. Louis	21,127	15,478	18,941	16,863
Minneapolis	3,622	3,434	3,750	3,946
Kansas City	15,279	15,771	13,488	12,591
Dallas	9,643	10,358	9,896	9,986
San Francisco	8,888	8,518	12,159	8,328
Total	239,728	210,484	206,794	231,505

**DISCOUNTS OF FEDERAL RESERVE BANKS, BY MONTHS**

[Average daily figures. In millions of dollars]

Federal reserve bank	1930		1929
	June	May	June
Boston	17.3	17.7	99.4
New York	57.1	58.0	251.2
Philadelphia	28.1	29.8	84.7
Cleveland	23.6	21.0	90.9
Richmond	19.7	17.2	56.6
Atlanta	30.4	27.6	65.9
Chicago	18.1	20.6	135.9
St. Louis	18.1	15.5	49.9
Minneapolis	3.8	3.8	15.2
Kansas City	14.2	15.2	48.3
Dallas	10.2	8.7	22.3
San Francisco	10.6	11.8	57.7
Total	251.2	246.9	978.0

WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

PRINCIPAL RESOURCES AND LIABILITIES BY WEEKS

[In millions of dollars]

	Total	Federal Reserve District											City			
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco	New York	Chicago	
<b>Loans and investments:</b>																
June 4.....	22,957	1,500	9,440	1,220	2,194	643	600	3,268	666	362	655	449	1,959	8,134	1,904	
June 11.....	22,882	1,513	9,287	1,233	2,208	645	597	3,298	657	365	661	446	1,970	7,975	1,918	
June 18.....	23,118	1,514	9,437	1,250	2,218	655	602	3,346	658	363	653	449	1,972	8,131	1,959	
June 25.....	23,140	1,522	9,516	1,247	2,231	651	602	3,296	660	361	651	445	1,958	8,229	1,940	
<b>Loans:</b>																
June 4.....	17,038	1,146	7,067	915	1,529	479	468	2,588	489	239	435	341	1,343	6,122	1,518	
June 11.....	16,966	1,156	6,933	926	1,520	483	466	2,609	496	243	442	338	1,354	5,986	1,522	
June 18.....	17,128	1,148	7,069	928	1,525	479	465	2,649	501	242	435	335	1,351	6,130	1,558	
June 25.....	17,059	1,153	7,078	926	1,529	473	466	2,588	504	239	434	331	1,337	6,158	1,527	
<b>On securities—</b>																
June 4.....	8,605	519	4,232	475	743	195	151	1,296	213	88	138	114	441	3,753	926	
June 11.....	8,564	523	4,109	485	752	202	150	1,314	224	90	147	112	457	3,630	918	
June 18.....	8,615	510	4,196	487	742	196	148	1,322	228	89	136	108	453	3,726	918	
June 25.....	8,487	513	4,149	480	747	185	144	1,279	232	87	132	102	436	3,696	903	
<b>All other—</b>																
June 4.....	8,434	627	2,835	440	786	283	317	1,292	276	151	297	227	902	2,369	593	
June 11.....	8,402	633	2,824	441	768	281	316	1,295	272	153	295	225	898	2,356	604	
June 18.....	8,513	638	2,874	440	783	283	317	1,327	274	152	300	227	898	2,404	640	
June 25.....	8,672	641	2,929	446	782	288	322	1,308	272	153	302	228	901	2,462	624	
<b>Investments:</b>																
June 4.....	5,919	354	2,373	305	665	164	132	680	177	123	220	109	616	2,012	386	
June 11.....	5,917	357	2,355	308	688	162	131	689	161	122	219	109	616	1,989	397	
June 18.....	5,989	365	2,368	322	693	176	136	697	157	122	218	114	621	2,001	401	
June 25.....	6,081	369	2,438	321	701	177	136	709	155	122	217	115	621	2,072	413	
<b>U. S. Govt. securities—</b>																
June 4.....	2,799	157	1,187	77	309	74	64	307	51	72	95	65	342	1,066	156	
June 11.....	2,776	154	1,173	78	314	73	63	317	38	70	95	64	338	1,049	168	
June 18.....	2,849	160	1,198	90	324	84	66	317	38	70	92	69	341	1,074	167	
June 25.....	2,877	159	1,229	86	328	86	64	320	39	70	92	69	337	1,113	170	
<b>All other—</b>																
June 4.....	3,120	198	1,187	228	356	90	69	374	125	52	125	44	274	946	229	
June 11.....	3,140	203	1,182	230	374	89	68	373	123	51	124	44	278	939	229	
June 18.....	3,140	205	1,170	232	369	91	17	380	119	52	126	45	280	927	234	
June 25.....	3,204	210	1,210	235	373	92	72	389	117	53	125	46	284	958	242	
<b>Reserve with F. R. banks:</b>																
June 4.....	1,775	95	845	83	138	42	40	264	45	27	57	33	106	784	182	
June 11.....	1,783	96	859	82	136	40	39	266	44	26	55	32	108	793	182	
June 18.....	1,788	99	851	83	141	39	40	267	47	27	60	31	104	784	179	
June 25.....	1,779	94	857	81	142	40	39	261	47	25	56	33	104	789	176	
<b>Cash in vault:</b>																
June 4.....	221	16	59	13	28	13	10	35	6	5	10	7	17	46	13	
June 11.....	223	15	61	13	27	14	9	35	6	5	11	8	18	49	13	
June 18.....	215	16	59	13	28	11	9	34	6	5	10	7	17	47	13	
June 25.....	216	16	60	12	28	11	9	34	5	5	11	7	18	48	13	
<b>Net demand deposits:</b>																
June 4.....	13,633	879	6,263	729	1,093	349	316	1,920	366	227	483	285	722	5,641	1,271	
June 11.....	13,686	894	6,201	744	1,112	348	317	1,955	376	229	488	280	741	5,574	1,274	
June 18.....	13,638	877	6,221	740	1,098	339	308	1,955	375	226	489	274	738	5,602	1,281	
June 25.....	13,566	874	6,262	726	1,104	340	308	1,873	374	225	477	274	729	5,661	1,244	
<b>Time deposits:</b>																
June 4.....	7,161	500	1,951	307	971	249	244	1,219	227	128	180	152	1,033	1,377	554	
June 11.....	7,182	501	1,974	309	969	253	244	1,219	226	128	182	152	1,024	1,399	554	
June 18.....	7,228	506	2,033	309	969	250	245	1,214	226	129	185	153	1,011	1,457	547	
June 25.....	7,273	506	2,035	310	969	251	245	1,242	227	128	193	151	1,016	1,459	572	
<b>Government deposits:</b>																
June 4.....	28	2	11	2	2	3	2	1				2	3	10	1	
June 11.....	20	1	7	1	2	2	2	1				1	2	7	1	
June 18.....	213	17	77	18	19	17	17	11	3	1	3	12	17	71	9	
June 25.....	212	17	77	18	19	17	17	11	3	1	3	12	17	71	9	
<b>Due from banks:</b>																
June 4.....	1,250	66	143	75	119	69	72	216	58	59	124	76	174	101	126	
June 11.....	1,243	59	156	74	115	68	70	201	57	59	130	78	176	109	107	
June 18.....	1,375	72	167	81	120	75	80	214	70	63	156	87	189	118	118	
June 25.....	1,358	47	170	71	112	81	73	228	65	65	165	86	194	113	132	
<b>Due to banks:</b>																
June 4.....	3,064	127	1,103	174	269	99	100	481	118	82	191	89	232	1,027	343	
June 11.....	2,975	125	1,025	176	273	96	98	473	117	81	189	85	236	952	339	
June 18.....	3,117	132	1,086	184	286	101	96	491	129	79	200	88	246	1,010	347	
June 25.....	3,098	118	1,119	172	279	95	93	482	120	79	199	84	258	1,047	347	
<b>Borrowings from F. R. banks:</b>																
June 4.....	67	3	23	3	4	5	14	5	5		3	1	1	22		
June 11.....	48	4	6	3	7	4	11	3	3		4	2	1			
June 18.....	44	4	1	2	7	4	9	2	6		2	1	5			
June 25.....	54	4	8	3	14	6	7	4	4		2	2	1			

**BUILDING CONTRACTS AWARDED**

[Value of contracts in thousands of dollars]

Federal reserve district	1930		1929
	May	April	May
Boston.....	34,247	39,690	41,095
New York.....	122,954	123,494	125,125
Philadelphia.....	23,254	42,034	37,809
Cleveland.....	51,214	46,918	64,736
Richmond.....	29,943	40,972	37,072
Atlanta.....	37,923	21,745	33,578
Chicago.....	79,187	81,424	141,450
St. Louis.....	32,876	28,331	41,020
Minneapolis.....	12,405	13,822	17,309
Kansas City.....	17,218	20,754	23,955
Dallas.....	16,196	24,068	24,616
Total (11 districts).....	457,416	483,252	587,766

Figures for building contracts awarded are for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation.

**INDEX OF DEPARTMENT STORE SALES**

[Monthly average 1923-1925=100]

Federal reserve district	Number of stores	Without seasonal adjustment			With seasonal adjustment		
		1930		1929	1930		1929
		May	Apr.	May	May	Apr.	May
Boston.....	36	108	107	108	104	99	105
New York.....	59	119	120	113	117	115	110
Philadelphia.....	57	91	95	93	89	90	90
Cleveland.....	55	104	112	108	99	103	103
Richmond.....	28	112	113	109	111	108	107
Atlanta.....	41	101	104	107	95	99	100
Chicago.....	94	113	119	121	108	111	116
St. Louis.....	19	96	109	105	95	102	104
Minneapolis.....	18	90	99	88	86	88	84
Kansas City <sup>1</sup> .....	27	94	97	96	-----	-----	-----
Dallas.....	22	106	106	115	98	104	107
San Francisco.....	34	114	114	120	109	113	114
Total.....	490	108	112	110	104	106	106

<sup>1</sup> Monthly average 1925=100.

<sup>\*</sup> Revised.

**COMMERCIAL FAILURES<sup>1</sup>**

[Amounts in thousands of dollars]

Federal reserve district	Number			Liabilities		
	1930		1929	1930		1929
	May	Apr.	May	May	Apr.	May
Boston.....	254	226	207	9,078	5,100	5,338
New York.....	475	436	392	14,195	8,483	8,632
Philadelphia.....	113	114	87	1,498	2,315	1,903
Cleveland.....	189	136	148	3,023	2,573	3,227
Richmond.....	124	130	117	3,068	7,244	2,053
Atlanta.....	58	96	82	2,338	1,956	1,823
Chicago.....	362	357	255	8,389	8,214	8,174
St. Louis.....	133	128	107	4,959	4,114	1,215
Minneapolis.....	51	67	52	514	936	446
Kansas City.....	107	118	127	2,263	2,369	1,532
Dallas.....	51	58	50	982	1,551	1,084
San Francisco.....	262	332	273	5,234	4,203	5,789
Total.....	2,179	2,198	1,897	55,541	49,059	41,216

<sup>1</sup> Figures reported by R. G. Dun Co.

**BUILDING PERMITS ISSUED**

[Value of permits in thousands of dollars]

Federal reserve district	Number of cities	1930		1929
		May	April	May
Boston.....	14	5,677	5,827	13,762
New York.....	22	48,712	53,840	62,035
Philadelphia.....	14	7,473	14,229	15,920
Cleveland.....	12	13,226	13,508	17,588
Richmond.....	15	8,402	12,351	8,903
Atlanta.....	15	4,158	3,740	7,373
Chicago.....	19	25,684	18,349	59,322
St. Louis.....	5	5,917	6,605	5,183
Minneapolis.....	9	3,832	3,707	3,709
Kansas City.....	14	8,268	7,768	13,757
Dallas.....	9	5,127	6,158	7,122
San Francisco.....	20	19,866	18,491	24,838
Total.....	168	156,433	164,572	239,511

**INDEX OF DEPARTMENT STORE STOCKS**

[Monthly average 1923-1925=100]

Federal reserve district	Number of stores	Without seasonal adjustment			With seasonal adjustment		
		1930		1929	1930		1929
		May	Apr.	May	May	Apr.	May
Boston.....	34	94	94	102	93	91	101
New York.....	34	109	112	107	109	108	107
Philadelphia.....	45	80	85	87	80	81	87
Cleveland.....	49	92	92	98	88	86	94
Richmond.....	28	95	99	99	94	94	98
Atlanta.....	29	91	95	100	91	91	99
Chicago.....	79	111	114	112	110	109	111
St. Louis.....	19	91	90	91	89	85	90
Minneapolis.....	14	69	72	75	67	70	72
Kansas City <sup>1</sup> .....	21	110	115	120	-----	-----	-----
Dallas.....	21	79	82	81	77	78	80
San Francisco.....	32	105	110	103	104	104	102
Total.....	413	98	101	101	96	97	99

<sup>1</sup> Monthly average 1925=100.

<sup>\*</sup> Revised.

**BANK SUSPENSIONS<sup>1</sup> IN MAY, 1930**

[Amounts in thousands of dollars]

Federal reserve district	All banks		Member banks <sup>2</sup>		Nonmember banks	
	Number	Deposits <sup>3</sup>	Number	Deposits <sup>3</sup>	Number	Deposits <sup>3</sup>
Boston.....	1	852	1	852	-----	-----
New York.....	-----	-----	-----	-----	-----	-----
Philadelphia.....	-----	-----	-----	-----	-----	-----
Cleveland.....	4	5,964	-----	-----	4	5,964
Richmond.....	3	1,527	2	1,368	1	159
Atlanta.....	4	2,071	-----	-----	4	2,071
Chicago.....	14	3,449	-----	-----	14	3,449
St. Louis.....	12	2,157	-----	-----	12	2,157
Minneapolis.....	3	636	-----	-----	3	636
Kansas City.....	9	1,888	-----	-----	9	1,888
Dallas.....	2	64	-----	-----	2	64
San Francisco.....	-----	-----	-----	-----	-----	-----
Total.....	52	18,608	3	2,220	49	16,388

<sup>1</sup> Banks closed to the public on account of financial difficulties by order of supervisory authorities or directors of the bank.

<sup>2</sup> Includes 3 national banks with deposits of \$2,220,000.

<sup>3</sup> Subject to revision.

## FOREIGN BANKING AND BUSINESS CONDITIONS

### ANNUAL REPORT OF THE BANK OF ITALY

The annual report of the Bank of Italy for 1929 was submitted to the meeting of shareholders on March 31, 1930. Sections of the report are given herewith:<sup>1</sup>

**The international market.**—The situation in the international market throughout 1929 developed under the influence of conditions and events referred to at our last meeting. We recall that abnormal conditions of credit and speculation were already prevailing in the United States of America—conditions which compelled the central banks of Europe, beginning with the Bank of England, to protect their gold. Subsequently, attention was more particularly directed to the New York market, where the steady flow of foreign capital seeking a high return on short-term investments forced stock prices to ever higher record levels. A further contributing factor in the boom was the large volume of domestic capital held outside the control of the Federal reserve system and applied to speculative purposes in spite of warnings issued by the Federal reserve authorities. When, in the spring, the seasonal difficulties of the German market culminated in the advance of the discount rate of the Reichsbank to 7½ per cent, the already large movement of gold from London to North America was supplemented by gold shipments to Berlin. Later on, owing partly to the increased needs of industry and trade in France, and partly to French tax restrictions on foreign investments, large movements of capital took place from London to Paris, until in September the heavy loss of gold led the Bank of England to adopt the drastic remedy of raising the bank rate to 6½ per cent. By mid-autumn the speculative excesses in New York were followed by a slump which, in addition to its other far-reaching effects, brought about relief from the monetary tension in Europe together with a return to easier money rates and to calmer and more normal conditions in the foreign exchange market.

**Government finance.**—For Italy the past year has registered a further step on the difficult path of economic restoration, although that progress was limited by conditions in

foreign markets and by long-continued negotiations concerning international problems; their solution, however, is expected to benefit all the nations which were involved in the war.

Considering the difficulties in the way of an economic revival in countries better situated than our own, it is no small satisfaction to record the steady development in Italy of the process of adjustment made necessary by the currency reform which was introduced two years ago.

First, we find that budget equilibrium has been well maintained. The financial year ending on June 30, 1929, closed with actual receipts totaling 20,200,800,000 lire (\$1,062,562,000), against expenditures of 19,645,700,000 lire (\$1,033,364,000)—a surplus of 555,100,000 lire (\$29,198,000). Estimates for the present financial year 1929–30 originally contemplated receipts of 18,571,000,000 lire (\$976,835,000), against expenditures of 18,313,000,000 lire (\$963,264,000), with a surplus of 258,000,000 lire (\$13,571,000). Owing, however, to changes brought about by supplementary estimates during the first eight months, it is estimated that for the full year receipts will be reduced to 18,347,000,000 lire (\$965,052,000) and expenditures increased to 19,396,400,000 lire (\$1,020,250,000), thus anticipating a deficit of 1,049,400,000 lire (\$55,198,000). The actual results for the first eight months, however, show receipts at 12,638,700,000 lire (\$664,796,000) and expenditures at 12,925,600,000 lire (\$679,887,000), or a deficit of only 286,900,000 lire (\$15,091,000).

For the year 1930–31 it is estimated that revenues will total 19,348,800,000 lire (\$1,017,747,000) and expenditures 19,085,900,000 lire (\$1,003,918,000), resulting in a surplus of 262,900,000 lire (\$13,829,000).

The public debt, which at the end of 1929 amounted to 87,689,000,000 lire (\$4,612,441,000), increased altogether during the past year by 683,000,000 lire (\$35,926,000)—which is less than 0.8 per cent—as the result of an increase of 828,000,000 lire (\$43,553,000) in the floating debt, against a reduction of 145,000,000 lire (\$7,627,000) in the funded and redeemable debt. The proportion of the floating to the total debt has risen from 2.7 at the end of 1928 to 3.6 per cent at the end of 1929. It should be remembered that the sum of 80,000,000 lire (\$4,208,000) is included in the floating debt in

<sup>1</sup> Taken with some textual revision from the abridged English translation published by the bank. The report contains additional sections dealing with the Young plan, the general international situation, industry, agriculture, savings, the Italian colonies, etc., and tables showing detailed operations of the bank. For earlier reports, see Federal Reserve Bulletin for June, 1929, July, 1928, and August, 1927.

respect of old currency notes which have been written off; and that the debtor current accounts—which constitute by far the largest part of the floating debt—are the source of funds required by the Treasury. In other countries such funds are provided through Treasury bills, whereas in Italy issues of such bills have been discontinued for a considerable time. The Italian State, accordingly, has refrained from availing itself of its authority to obtain short-term advances from the central bank to meet temporary cash requirements, thus conforming to the policy governing the circulation of notes.

**Stability of the lira.**—In view of the events affecting the foreign money markets and their inevitable influence on our rates of exchange, the lira maintained a satisfactory degree of stability during the past year. This no doubt was partly due to the improvement in the position of our trade balance which, in its turn, influenced the balance of international payments and the demand for foreign currencies with which to meet payments abroad. Another factor was the development of the note issue; for in spite of an increase in the bank's normal transactions, the note circulation was further reduced from 17,300,000,000 lire (\$909,980,000) to 16,800,000,000 lire (\$883,680,000).

**Italian National Institute of Exchange.**—A Royal decree of March 12, 1930, has restored the freedom of the foreign exchange market by repealing the provisions contained in the Royal decree of June 10, 1926, and the ministerial orders which were subsequently issued for its execution. The decree finally removes all the remaining exchange restrictions, which were inaugurated by decree law No. 1508 of August 29, 1925, authorizing the Government to issue regulations having force of law with regard to foreign exchange transactions. Owing to special circumstances, these regulations were continued even after the legal stabilization of the lira, although their application had been gradually relaxed in preparation for a return to normal conditions. The repeal enacted by the decree of March 12 is evidence that under present monetary conditions these restrictions—always regarded as temporary—have become superfluous. The repeal is supplemented by two further decrees, issued on the following day, the first of which removes the embargo on the export of coin and Italian securities payable abroad in gold or gold currencies, and the second extending until the end of 1933 the period

during which exemption from fiscal duties may be granted on foreign loans or bonds placed abroad.

In the conduct of its normal activities during the past year the institute provided the necessary foreign currencies for Treasury payments outside Italy, for the ordinary requirements of Government departments, for the service of the war debts to Great Britain and the United States of America, and of the Morgan loan.

During the past year, moreover, in accordance with the terms of the convention made with the Finance Ministry of January 31, 1927, the institute provided some of the foreign currencies required by certain public bodies for the service of their foreign loans, the proceeds of which had been originally transferred to the Treasury under guarantee of the rate of exchange.

The Bank of Italy, as in the preceding year, assisted the institute by supplying the foreign currencies required whenever conditions were unfavorable for purchases in the open market.

**Reserve position.**—The ratio of gold held as security against notes outstanding has risen from 29.21 per cent at the end of 1928 to 30.94 per cent at the end of 1929, while the cover in foreign currencies has declined from 28.92 to 25.98 per cent; accordingly the ratio of the total gold and foreign exchange reserve declined during the past year from 58.13 to 56.92 per cent.

During the year 1929 the aggregate reserve was reduced by 729,500,000 lire (\$38,372,000), as a result of an increase in gold of 138,200,000 lire (\$7,269,000) and a reduction in foreign currencies of 867,700,000 lire (\$45,641,000).

The increase of gold is due, in respect to 115,100,000 lire (\$6,054,000), to the conversion into gold of foreign balances, and, in respect to the remaining 23,100,000 lire (\$1,215,000), to two half-yearly installments of £125,000 each, repaid in the course of the year by the British Treasury to the Italian Treasury, and then refunded to the Bank of Italy as part of the gold which had been deposited in London when the war loans were originally concluded. Thus the amount of gold deposited abroad, due from the State to the bank, has been reduced from 1,836,187,265 lire (\$96,583,450) to 1,813,136,661 lire (\$95,370,988).

The reduction of the reserve by a net amount of 729,500,000 lire (\$38,372,000), recorded during the past year, compares with a reduction of 1,035,100,000 lire (\$54,446,000) during 1928, which marks a considerable improvement in the

relative position. Moreover, not only was the decline in the reserve during 1929 considerably less than in the preceding year, but its influence on the percentage of reserve against demand liabilities was almost negligible; the ratio was maintained throughout the year between 55.81 and 55.13 per cent, as compared with the legal minimum of 40 per cent.

BALANCE SHEET OF THE BANK OF ITALY AS OF DECEMBER 31, 1929

	Lire (in thousands)	Dollars <sup>1</sup> (in thousands)
<b>RESOURCES</b>		
Reserve:		
Gold at home.....	5,190,138	273,001
Other gold assets—		
Balances abroad.....	3,614,252	190,110
Foreign Treasury bills.....	1,536,887	80,840
	5,151,140	270,950
Total reserve.....	10,341,278	543,951
State debt to the bank on account of gold deposited as collateral abroad.....	1,813,137	95,371
Other cash.....	197,550	10,391
Domestic bills.....	4,318,674	227,162
Bills for collection.....	33,087	1,740
Advances to customers.....	1,802,191	94,795
Government securities.....	1,053,026	55,389

<sup>1</sup> Conversion at par: 1 lira=\$0.0526.

BALANCE SHEET OF THE BANK OF ITALY AS OF DECEMBER 31, 1929—Continued

	Lire (in thousands)	Dollars (in thousands)
<b>RESOURCES—continued</b>		
Due from domestic banks:		
Clearing houses.....	112,972	5,942
Others.....	106,420	5,598
	219,391	11,540
Interest due from Treasury for account of "Istituto di Liquidazioni".....	455,876	23,979
Credit with "Istituto di Liquidazioni".....	851,380	44,783
Bank premises.....	149,106	7,843
Unpaid capital.....	200,000	10,520
Other resources.....	1,040,649	54,738
Total resources.....	22,475,343	1,182,203
<b>LIABILITIES</b>		
Notes in circulation.....	16,774,337	882,330
Demand drafts outstanding.....	602,761	31,705
Treasury current account.....	300,000	15,780
Current accounts.....	1,082,088	56,918
	18,759,186	986,733
Capital.....	500,000	26,300
Surplus.....	100,000	5,260
Extraordinary reserve.....	32,500	1,710
Undivided profits (net for the year).....	73,795	3,882
Special security accounts.....	41,645	2,190
Fixed Treasury deposits.....	1,488,634	78,321
Treasury deposit for account of "Istituto di Liquidazioni".....	300,000	15,780
Other liabilities.....	1,179,585	62,046
Total liabilities.....	22,475,343	1,182,203

## ANNUAL REPORT OF THE NATIONAL BANK OF HUNGARY

The annual report of the National Bank of Hungary for 1929 was submitted to the general assembly of shareholders on February 3, 1930. Selected sections of the report are given herewith:<sup>1</sup>

During the year under review a decisive influence was exercised upon the international money and capital markets by the speculative movement which forced up quotations on the American stock exchange almost without interruption until autumn, after which quotations fell sharply within a few weeks to the level recorded two years ago. The power of the New York boom to attract capital drove up rates of interest in almost every country in the world, caused a considerable influx of gold from other States, and in capital exporting countries—with the exception of Switzerland—led to a considerable fall in foreign issues. These conditions persisted until the end of October, when the collapse of speculation on the New

York exchange brought about an easing of the tension in the money markets; at the same time gold began to leave the United States in considerable volume, and some improvement in the capital markets became evident.

The unfavorable development of the international money and capital markets could not fail to exercise its effect upon the general economic situation, particularly in such countries as are dependent upon the import of foreign capital, where economic activity showed a general decline as compared with the previous year. The history of the year under review thus gave fresh evidence of the truth that the import of foreign capital is but an unreliable substitute for deficiencies in the accumulation of capital at home.

**General Survey of Hungary's economic situation.**—Hungary was one of the countries most affected by the unfavorable situation in the international markets. Whereas in each of the two years previous the proceeds of long-term foreign loans amounted to about 260,000,000 pengös (\$45,474,000), the amount of capital imported during 1929 in the form of long-term

<sup>1</sup> Taken with some textual revision from the English translation furnished by the bank. In addition the report contains some discussion of international affairs, agriculture, industry, commerce, and trade, and gives tables showing detailed operations of the bank. For earlier reports, see FEDERAL RESERVE BULLETIN, June, 1929, August, 1923, June, 1926, etc.

and medium-term loans aggregated altogether only about 230,000,000 pengös (\$40,227,000); of this amount 125,000,000 pengös (\$21,863,000) represented the proceeds of the first installment of the so-called "Match loan" and the funds obtained by discounting the second installment of the same loan. In previous years, moreover, there was a considerable influx of capital in the form of short-term foreign credit; the amount of Hungary's short-term foreign credits increased during 1927 by 230,000,000 pengös (\$40,230,000) and during 1928 by 90,000,000 pengös (\$15,741,000). During the year under review, so far as can be ascertained from the data at present available, the amount of short-term foreign credits showed a decline. Even though any further increase of the country's short-term indebtedness might not be desirable—in view of the danger of a sudden withdrawal of the foreign capital thus invested—nevertheless our economic situation last year was undoubtedly affected by the fact that the volume of funds made available through foreign loans was not increased but was actually decreased by the movement of short-term capital. The net amount of interest and dividends paid to foreign countries during the year was probably in excess of 150,000,000 pengös (\$26,235,000), which, together with the sinking-fund payments on previous loans, almost exhausted the amount of foreign capital imported. It became necessary, therefore, to draw upon the country's gold and foreign exchange reserves to cover the adverse foreign-trade balance and the other debit items in the balance of payments. According to data available, the gold and foreign-exchange reserves of the country declined during the year from 110,000,000 to 120,000,000 pengös (\$19,239,000 to \$20,988,000).

There can be doubt that Hungary should not continue to borrow abroad to the same extent as was done in 1927 and 1928, and that the aim of a well-directed economic policy should be to create conditions under which economic progress may be secured without permanent assistance from foreign capital. On the other hand, a sudden large scale decline of capital imports will—temporarily at least—exercise a paralyzing effect upon the economic situation. This is particularly true when the decline reduces the volume of available capital below what is needed for the normal economic development of the country. During the past year this paralyzing effect, accompanied by a material advance in money rates, was keenly felt. It was impossible to meet the demand for credit

so fully as in previous years, particularly as the inland accumulation of deposits showed a considerable decline. On the other hand, the increased cost of production due to the advance in money rates, accompanied by a downward tendency in prices of both agricultural and industrial products, materially reduced the profits of undertakings working with borrowed capital.

An even more powerful influence on our economic situation was the fact that, as a result of the considerable price decline in world markets, our surplus stock of grain could be marketed only on extremely unfavorable terms. This was all the more seriously felt by our agriculture, because this year's wheat harvest was not even of average amount. The decline in the purchasing capacity of our farmer classes had, of course, an unfavorable effect upon other branches of production.

Statistics for the past year showed a decline in many branches of production, consumption, and trade, as compared with the previous year. The decline, however, does not seem to have been general, as certain other branches showed an advance. Consequently, despite some unfavorable symptoms, there is no reason for pessimism. Events of the past year focussed attention on certain serious problems which call for immediate solution—among others, on the fact that the scale of our public expenditures is entirely out of proportion to the national economy; and that the surpluses obtained by the Treasury in previous years were the result of capital imports rather than evidence of the country's tax-paying capacity.

According to the data at present available, the adverse balance of our foreign trade declined from about 370,000,000 pengös (\$64,713,000) for each of the two previous years to considerably below 100,000,000 pengös (\$17,490,000)—certainly a favorable phenomenon. The elimination of the deficit in our foreign trade balance must be one of the cardinal points in our economic policy. We must not, however, lose sight of the fact that the reduction during the past year is due partly to the decline in the volume of imports—a decline not always the result of economy, but often the reflection of lowered economic activity and purchasing power, arising out of curtailed capital imports. Even the increase of our exports is due in part to the fact that a considerable proportion of the surplus stocks remaining from the record wheat harvest of 1928 could not be exported until 1929. It is, however, also due in part to an improvement in our ability to compete with

foreign countries. During the first nine months of the year under review—excluding our agricultural industries altogether—the value of manufactured articles exported from Hungary was 15,000,000 pengös (\$2,624,000) in excess of that recorded for the corresponding period of the previous year. This growth in productive capacity is encouraging, for it shows the success of efforts to improve the foreign trade balance through development of exports.

**Credit conditions.**—During the early months of the year there was the usual seasonal decline in the demand for credit, and a slight recession in interest rates. During the second half of April, however, as a consequence of considerable demands for foreign exchange on the National Bank of Hungary, it was found necessary to raise the official bank rate by 1 per cent—from 7 to 8 per cent. During April the advance in open-market rates and in interest rates on loans was, generally speaking, less pronounced than that in the official discount rate. By autumn, however, some open-market rates were more than 1 per cent—in certain cases more than 1½ per cent—higher than in February and March. This firmness continued until the end of October, when the relaxation in the international money markets resulting from the collapse of the boom on the American stock exchange enabled the National Bank to lower the discount rate by one-half per cent at the beginning of November; that measure was followed by a general reduction in rates of interest.

The advance in interest rates during the late spring and summer was due—apart from the effect of higher rates for short-term foreign credits—to difficulties in meeting the demand for credit caused by the decline in capital imports and the retarded accumulation of domestic deposits. Owing to the fact that during the year the amount of mortgage bonds placed abroad represented a total value of only 39,000,000 pengös (\$6,821,000), as against 119,000,000 pengös (\$20,813,000) in the previous year, our banks had great difficulties in granting long-term mortgage loans.

Another obstacle to the satisfaction of credit demands, especially during the second half of the year, was the increase in the number of insolvencies and the increasing difficulties of collection as claims matured, which made creditors more cautious. The deterioration in respect to solvency is shown also by the considerable rise in the number of bills protested. The amount represented by protested bills during the first 11 months of the year (110,200,000 pengös) was

44 per cent in excess of that recorded during the same period of the preceding year. The essential soundness of our financial organization is shown, however, by the fact that the one or two outstanding bankruptcies among our banking companies and private banking houses involved no serious consequences.

Changes in the volume of deposits indicate that the development of our banking institutions was far slower than in previous years. Nevertheless, their turnover shows a further advance, and profits were maintained at the level of previous years.

**Stock exchange.**—On the stock exchange there was even less activity than during 1928; this was particularly true of the second half of the year. Apart from a few slight fluctuations, quotations showed a constant downward tendency, and at the end of December were from 20 to 30 per cent lower than those recorded a year earlier.

**Prices.**—All price indexes showed a decline during the course of the year—the result of the trade recession and the fall in prices of agricultural and industrial products. As agricultural prices declined more than those of industrial products, the divergence between the index figures of the two groups of commodities became more pronounced during the course of the year. Both the cost of living index and the index of retail prices declined by about 5 per cent.

**Public finances.**—The year under review marked a turning point in the development of our public finances. Whereas during the period from the beginning of the economic reconstruction until the end of the first half of the fiscal year 1928–29 Government receipts showed a considerable excess over expenditures, there was no surplus in 1929. During the first six months of the current fiscal year the receipts of the State administration were less by 41,700,000 pengös (\$7,293,000) than during the corresponding period a year ago. Inasmuch as budget equilibrium is one of the most important foundations of a country's economic life, we are deeply gratified by the efforts of the Government to reestablish equilibrium through reduction of public expenditure. Only in this way can stable results be obtained, for under existing economic conditions no further increase of the heavy tax burdens can be contemplated.

**Reserve position of the bank.**—The gold and foreign exchange reserve of the bank had declined during 1928 by 54,000,000 pengös (\$9,445,000), and at the beginning of 1929 amounted to 263,600,000 pengös (\$46,104,000).

It maintained a fairly constant level during January, and in the first week of February advanced to 270,800,000 pengös (\$47,363,000), the highest level of the year. A renewed downward movement brought it to 219,800,000 pengös (\$38,443,000) on April 23. In view of the considerable demand for foreign exchange, the executive committee of the board of directors decided at its meeting on April 23 to raise the discount rate as from April 24 by 1 per cent—from 7 to 8 per cent.

The raising of the bank rate had the effect of retarding the decline in the reserve, but failed to stop it. By the end of May the ratio of the legal reserve against notes in circulation had declined to 37.66 per cent; and by June 15 the gold and foreign exchange reserve had fallen below 200,000,000 pengös (\$34,980,000). In spite of the continued decline in the reserve, the bank authorities refrained from raising the official rate further. In taking this decision they were guided by the consideration that a further advance would constitute an additional burden on the economic life of the country, already in an extremely unfavorable situation; and by the expectation that after the harvest agricultural exports might enable the bank to replenish its gold and foreign exchange reserve. Realizing, however, that in all probability the demand for foreign exchanges was likely during the next few months to exceed the supply, the bank authorities—availing themselves of the right provided for in paragraph (a) of article 57 of the statutes—made an agreement with a group of foreign banks of issue, by the terms of which these banks undertook to grant the National Bank of Hungary a short-term gold credit in an amount not to exceed 10,000,000 United States dollars. Not more than \$5,000,000 were actually taken under the credit, and this amount only temporarily. From the second half of August there was a considerable influx of foreign exchanges to the bank, partly out of the proceeds of fresh foreign loans (principally the so-called "Match loan") and partly out of the excess of exports, so that the bank was able to repay the amounts which it had taken under this credit.

Since August the gold and foreign exchange reserve has stood at about 210,000,000 pengös (\$36,729,000). The position of the reserve was not prejudiced even by the lowering of the bank rate on November 4 from 8 per cent to 7½ per cent—a measure rendered possible by the material improvement of the situation in the international money markets at the end of October. On December 31 the metal reserve

amounted to 209,800,000 pengös (\$36,694,000), the net reduction for the year being 53,800,000 pengös (\$9,410,000); of this, 38,300,000 pengös (\$6,699,000) represent the decline in the stock of gold. As a result of the depletion of its stock of foreign exchange the bank was compelled to sell gold in London to the value of £1,000,000 in April and to the value of £500,000 in July in order to insure the necessary freedom of movement.

BALANCE SHEET OF THE NATIONAL BANK OF HUNGARY AS OF DECEMBER 31, 1929

	Pengös (in thou- sands)	Dollars <sup>1</sup> in (thou- sands)
<b>RESOURCES</b>		
Metallic reserve:		
Gold coin and bullion, foreign and commercial gold coin (1 kilogram of fine gold=3,794 pengös).....	162,749	28,465
Foreign bills of exchange and currencies included under art. 85 of the bank statutes.....	39,092	6,837
Token coin.....	7,911	1,383
Total metallic reserve.....	209,751	36,685
Domestic bills, warrants, securities.....	329,494	57,629
Advances on securities.....	56	10
State debt.....	87,543	15,311
Bank premises.....	6,139	1,074
Other resources.....	53,922	9,781
Total resources.....	688,905	120,489
<b>LIABILITIES</b>		
Note circulation:		
Pengö notes.....	498,607	87,206
Crown notes.....	1,993	349
Total note circulation.....	500,599	87,555
Current accounts, deposits, and other liabilities payable on demand:		
Public.....	69,912	12,228
Private.....	28,351	4,959
Total.....	98,263	17,186
Capital.....	34,756	6,079
Surplus.....	7,607	1,330
Profits brought forward from 1928 and net profits for 1929.....	10,242	1,791
Profits carried forward to 1930.....	1,777	311
Other liabilities.....	35,660	6,237
Total liabilities.....	688,905	120,489

<sup>1</sup> Conversion at par: 1 pengö=\$0.1749.

During the course of the year the volume of demand deposits decreased by 142,600,000 (\$24,941,000) to 98,300,000 pengös (\$17,193,000). This very considerable decline was due almost exclusively to the reduction in Government balances. As a result of this reduction, the volume of demand liabilities—notes in circulation plus demand deposits, minus the amount of the State debt due to the bank—against which the legal reserve ratio is calculated, was considerably less at the close of 1929 than it had been a year before. Conse-

quently the reserve ratio during the last four months of the year, notwithstanding the reduction in the gold and foreign exchange reserve, was higher than in the corresponding period of 1929. The yearly average of the reserve ratio in 1929 was 42.90 per cent as against 45.95 per cent in 1928. During the year the amount

of the State debt due to the bank was reduced by 9,700,000 pengös (\$1,697,000). The effect which this reduction might have exercised in lowering the reserve ratio was slight compared with the contrary effect produced by the far larger reduction in demand deposits and note circulation.

### ANNUAL REPORT OF THE BANK OF LATVIA

The Bank of Latvia has issued its annual report covering the year 1929. Sections of the report are given herewith:<sup>1</sup>

**The merchandise balance.**—In consequence of the subnormal harvest, it became necessary to import large quantities of grain from abroad, not only for food, but also for sowing. Thus, imports were stimulated to a high degree and, in the first half of 1929, goods were imported to the value of 176,000,000 lats (\$33,968,000), as against 130,000,000 lats (\$25,090,000) in the corresponding period of the preceding year. The situation was aggravated by the fact that exports, instead of showing a development parallel to that of imports, decreased considerably—from 120,000,000 lats (\$23,160,000) to 100,000,000 lats (\$19,300,000). This was due, first, to the suspension of export traffic through the obstruction of navigation caused by the abnormally cold winter, while the more expensive import of goods by rail was not affected; and, second, to the fact that, after unfavorable conditions in the flax market had led us to postpone the sale of our flax crop, we had to dispose of it later at such low prices that the revenue from flax was considerably diminished.

During the second half-year, after the new and comparatively good harvest had been gathered in, conditions became more favorable, partly because imports of grain for immediate consumption declined. At the same time, exports began to show a decidedly upward tendency, especially in the case of timber, flax, butter, and various manufactured goods. Trade returns for the second half of the year, therefore, were less adverse than those of the first half-year; but, owing to the enormous excess of imports during the first six months, the final results of our foreign trade in 1929 were very unsatisfactory.

**Balance of payments and reserves of the bank.**—As was to be expected, the adverse merchandise balance was reflected in the bal-

ance of payments. The adverse balance of payments was, of course, smaller because (1) the merchandise balance is always less adverse than is shown by official calculation; (2) the invisible items in the balance of payments are generally favorable, and these were augmented last year by the flotation of a foreign loan. Owing to the adverse balance of payments in the first half-year, the foreign currency reserves of the Bank of Latvia declined by 27,000,000 lats (\$5,211,000). These reserves had already declined by 14,000,000 lats (\$2,702,000) in the last quarter of 1928. With the improvement noted in the second half-year, and the practical restoration of equilibrium, there was no further reduction in the bank's stock of foreign currency, which actually increased by nearly 4,000,000 lats (\$772,000). The net decline in foreign currency reserves for the year was 23,000,000 lats (\$4,439,000), but the bank's permanent stable reserves always much more than covered the issue. The bank put into circulation only 45 per cent of the permissible issue; and on January 1, 1930, bank notes in circulation were covered to the extent of 121 per cent by gold and foreign currency.

**Credit policy of the bank.**—Various changes took place in the employment of resources last year, as shown by the altered proportion of the sums allocated to loans, reserves, and bonds. Whereas in the two preceding years the reserves increased constantly and the amount of credits remained practically unchanged, last year credits increased considerably, while reserves declined. The actual increase of credits was even larger than indicated by the figures, inasmuch as for several years the bank's loans transferred to the Latvian Mortgage Bank have been included among loans to manufacturers, and have only lately, since the receipt of debentures of the mortgage bank been shown in the figures of investments in bonds.

Although the bank's total credits increased considerably last year, the fundamental principles of its credit policy have not been altered. Every precaution was taken in the granting of new credits, and they were extended only for purposes of normal economic development.

<sup>1</sup> Taken with some textual revision from the English translation published by the bank. In addition, the report contains sections dealing with State finances and credits, private credit institutions, agriculture, industry, and commerce, and gives tables and charts showing detailed operations of the bank.

Compared with the large advance in credits extended by the State, as a result of the difficult agricultural situation in the past year, credits of the Bank of Latvia showed a very moderate increase. Larger credits were granted to agriculture through the State Land Bank, and the Bank of Latvia had to exercise great care in order to prevent their causing too great an expansion of the note issue and of the volume of imports. Economic requirements produced a considerable increase of exports as it was, which would have been still greater if the Bank of Latvia had adopted an easy credit policy. In that case, imports would have passed the limits of necessity, the demand for foreign currency with which to pay for the goods imported would have been much greater, and the stable reserves of the bank would have been reduced below the legal limit. The bank had, therefore, to restrict the demand for foreign currency so far as possible in order to keep the reserve ratio at the desired level. The result was that not only did the outflow of foreign currencies cease in the second half-year, but it even became possible to replenish them to some extent.

**Agricultural credit.**—At the close of the fiscal year 1928-29, after the difficulties resulting from the bad harvest had been overcome and the new harvest had been gathered in, it was found that imports showed no signs of decreasing and the balance of payments rendered no surplus. It became obvious, therefore, that steps should be taken to restrict imports and safeguard domestic producers against foreign competitors. The most powerful weapon for this purpose—namely, the customs tariff—was, of course, available to Parliament, but its machinery is not adapted to cases of urgent necessity. No changes have in fact been made in the customs tariff, though the need for certain modifications became obvious when, owing to the low prices of grain in the international market after the harvest was collected, the position of our farmers failed to improve according to expectations. In these circumstances the Bank of Latvia used the only means available—namely, its credit policy—for adjusting the situation. In order to restrict the imports, the bank council decided to grant no more credits against bills of any kind. In order to promote exports, it was decided not to restrict the discounting of export drafts and loans against goods made or produced in this country. Further, it decided not to allow the total sum of credits to farmers against mortgages on real property to exceed 10,000,000 lats (\$1,960,000), including the de-

bitures of the State Land Bank received in exchange for the loans previously granted to farmers by the Bank of Latvia and subsequently transferred to the Land Bank as long-term operations. The latter resolution effectively checks the granting of new credits to farmers, inasmuch as the 10,000,000 lat limit has been reached already.

As in previous years, the Bank of Latvia endeavored to relieve the situation of farmers. For, although extensive credits have been distributed to farmers by the State banks, the problem of agricultural credits is by no means solved. In the first place, part of this credit has proved too expensive owing to the low returns from agriculture. Second, the form of credit is not always adapted to the needs of agriculture. This applies in particular to the 6-month bills which our farmers often make use of for seasonal requirements and for other purposes, owing to the very limited amount of official long-term credit available. Experience shows that short-term credits are not adapted to agricultural requirements, as farmers seem unable to accustom themselves to regular settlement of bills on fixed dates. This leads to complications and encourages the mistaken idea that protested bills are a normal feature of our economic life.

The Bank of Latvia is doing its utmost to make credits cheaper and to facilitate conditions of payment. In pursuance of this aim, credits to farmers have always been granted on easier terms than to other lines of economic activity, taking into consideration the low returns from agriculture. So far, farmers have had to pay only 5½ per cent for direct credits against mortgages on real property, and the rediscount rate to credit institutions in country districts was 5 per cent—that is, from 1 to 2 per cent lower than to urban credit institutions—with the stipulation that they may not charge their clients more than 8 per cent for the sums received from the Bank of Latvia—that is, from 3 to 4 per cent less than is charged for ordinary credits in towns.

After careful consideration, the council of the bank agreed that even these rates were too high under prevailing agricultural conditions, and decided, therefore, on new measures for facilitating agricultural credits, and for gradual liquidation of credits previously granted but extended from term to term. Briefly, the new measures are as follows:

The total volume of credit granted to credit institutions in the country up to January 1 of the current year shall be allocated as from this

date for agricultural credits, to be extended through the medium of the credit institutions. Consequently, about 30,000,000 lats (\$5,790,000) of the resources of the Bank of Latvia are to be used in this way, and so long as the State does not reduce its reserves in the bank, this sum will be available for agricultural credits through the mutual credit institutions in country districts, on easy terms and at lower rates of interest. The bank will charge the credit institutions 3 per cent for these loans, on which the latter shall not charge more than 5 per cent. Furthermore, in granting such credits, the bank will accept bills of a maturity up to nine months (instead of six months as heretofore), as also mortgages on real property in country districts, which is not overburdened. At the end of each year, one-twentieth of the aggregate credits granted on easy terms shall be converted to ordinary terms, that is, the bank will charge 5 per cent on these sums, and the mutual credit institutions will be authorized to employ them only for short-term credits to agriculture, repayable on terms fixed by the institutions, and not to be extended.

**Classification of loans.**—The bank's credits have been distributed among the different lines of economic activity as follows:

CLASSIFICATION OF LOANS ACCORDING TO LINES OF ECONOMIC ACTIVITY

[Lats, in millions]

Date	To manufacturers	To merchants	To farmers' organizations	To farmers	To credit institutions in the country	To credit institutions in towns
Jan. 1, 1924.....	15.6	9.2		1.1	2.7	10.1
Jan. 1, 1925.....	24.7	29.1		4.3	13.5	25.2
Jan. 1, 1926.....	29.6	28.0		4.7	17.8	34.2
Jan. 1, 1927.....	42.5	16.4	8.6	4.5	26.0	36.5
Jan. 1, 1928.....	37.1	18.4	9.6	3.0	27.3	38.5
Jan. 1, 1929.....	33.5	14.5	9.9	3.5	28.4	41.9
Jan. 1, 1930.....	36.2	19.3	9.6	5.3	30.8	46.6

**Interest rates.**—Notwithstanding the increased cost of credit in the international money market, the bank has not altered its rates on loans since April 1, 1928. The only change in

the bank's rates of interest, so far, has been the lowering of the cost of loans for agriculture, as explained above. The ordinary rates of interest of the Bank of Latvia are as follows:

(1) To credit institutions in the country—	Per cent
(a) For rediscount of bills, and	
(b) For special current accounts secured by bills of credit institutions which charge their clients 8 per cent or less.....	5
(c) For all other loans and special current accounts of credit institutions which charge their clients 9½ per cent or less.....	6½
(2) To farmers—	
(a) For loans against solo bills, secured by mortgages on real estate in the country.....	5½
(b) For special current accounts of a similar nature.....	6½
(3) To credit institutions in towns—	
(a) For rediscount of bills of credit institutions which charge their clients 11 per cent or less.....	6
(b) Which charge their clients 12 per cent.....	7
(c) For all other loans and special current accounts of credit institutions which charge their clients 11 per cent or less.....	6½
(d) Which charge their clients 12 per cent.....	7½
(4) To private persons and enterprises—	
(a) For discount of bills.....	7½
(b) For all other loans and special current accounts.....	8
(5) For discount of export drafts.....	6

**Gold and foreign currency.**—Gold and foreign currency form the stable reserves of the Bank of Latvia for the cover of issue. The stocks of gold have undergone practically no change in the past five years. Their slow increase—from 8,900,000 lats (\$1,718,000) to 9,200,000 lats (\$1,776,000)—is the result of buying and selling gold in small quantities, with the offer generally in excess of the demand. The bank does not deem it desirable to augment its gold reserve by buying more gold in the foreign market, as it is more profitable to deposit the reserves in first-class foreign banks which pay interest on them. This policy was justified by the large profit rendered to the bank in the past two years, when credits were dearer everywhere.

BALANCE SHEET OF THE BANK OF LATVIA AS OF  
JANUARY 1, 1930

	Lats (in thou- sands)	Dollars <sup>1</sup> (in thou- sands)
<b>RESOURCES</b>		
Stock of gold:		
Foreign gold coin.....	1,330	257
Gold bullion belonging to the bank, abroad.....	7,870	1,519
Gold bullion deposited by the exchequer.....	14,733	2,843
	23,933	4,619
Foreign currency:		
Foreign silver coin.....	38	7
Foreign currency.....	756	146
Due from foreign banks.....	48,697	9,399
	49,491	9,552
Latvian State money: Silver money, Treasury notes and small coin.....	18,446	3,560
Postal checks.....	677	131
Short-term bills:		
Discounted foreign drafts.....	6,738	1,300
Discounted bills.....	58,688	11,327
Discounted bills with branches and corre- spondents.....	1,463	282
Special currency account secured by bills.....	27,888	5,382
	94,777	18,292
Special current accounts and loans:		
Against obligations on real property and other values.....	31,614	6,102
Against agricultural and industrial plant.....	914	176
Against goods.....	20,408	3,939
	52,935	10,216
Bonds.....	8,068	1,557

<sup>1</sup> Converted at par: 1 lat=\$0.193.BALANCE SHEET OF THE BANK OF LATVIA AS OF  
JANUARY 1, 1930—Continued

	Lats (in thou- sands)	Dollars <sup>1</sup> (in thou- sands)
<b>RESOURCES—continued</b>		
Inventory and real property:		
Inventory.....	305	59
Real property.....	381	74
	686	132
Other resources.....	2,728	527
Total resources.....	251,742	48,586
<b>LIABILITIES</b>		
Bank notes issued.....	48,464	9,354
Deposits:		
Net demand deposits.....	11,207	2,163
Fixed deposits.....	4,187	808
	15,395	2,971
Current accounts:		
Current accounts.....	50,989	9,841
Current accounts not bearing interest.....	6,843	1,321
Current accounts in foreign currency.....	2,108	407
Due to banks.....	1,265	244
	61,205	11,813
Exchequer.....	93,718	18,088
Capital:		
Capital paid up.....	17,010	3,283
Surplus.....	3,662	707
Special reserve fund.....	3,500	676
	24,172	4,665
Profit and loss: Net profit for 1929.....	6,899	1,332
Other liabilities.....	1,888	364
Total liabilities.....	251,742	48,586

## ANNUAL REPORT OF THE CENTRAL BANK OF BOLIVIA

The first annual report of the Central Bank of Bolivia, covering the year 1929, was submitted to the superintendent of banks on March 27, 1930. Sections of the report are given herewith:<sup>1</sup>

**Organization of the Central Bank of Bolivia.**—

The Central Bank is not a complete innovation in the banking organization of Bolivia; many of the rights and duties—such as the exclusive privilege of note issue and of being sole depository of Government revenues, and the obligation to maintain the stability of the monetary system—usually conferred on banks of this character had been granted to the Banco de la Nación Boliviana.<sup>2</sup> Thus, it was the desire of the Government and of Congress in the years 1911 and 1913 to create a separate institution which should control Bolivian credit and economic policy.

The mixed character of the Banco de la Nación Boliviana—being both a bank of issue and an institution providing long-term credit—prevented it from fulfilling its original purpose. Although as a commercial bank it gave effective aid to the business interests and to the

growing industries of the country, in addition to its services to the State, it nevertheless lacked the specific and complete organization which is characteristic of central banks. Accordingly, with the advice of both local and foreign bankers, a new central bank law was proposed, together with other fiscal laws which had been prepared by the commission of financial advisers headed by Prof. Edwin W. Kemmerer. The recommendations offered by this mission were incorporated in our financial legislation and consist of the following: The general banking law, the monetary law, and the reorganization of the Banco de la Nación Boliviana as a central bank.

On July 1, 1929, the Banco Central de Bolivia began its functions. Prior to this, on June 25, the various contracts were signed between the bank and the Government in accordance with chapter 9 of the organic law

<sup>1</sup> Taken with some textual revision and rearrangement from the English translation published by the bank. In addition, the report contains a discussion of the general economic situation, relations of the Central Bank with the commercial banks, the exchanges, the budget and public debt, etc., and gives tables showing detailed operations of the bank.

<sup>2</sup> Established in 1911. (Ed.)

which specifies the obligations of the State to the Central Bank. This contract was supplemented by the contracts of September 2 and 10 of the same year, in which the Government and the associated banks agreed upon the amount of capital to be authorized, subscribed, and paid in, as well as upon the amount of the surplus.

The Central Bank of Bolivia, like other similar institutions organized since the World War, is based on the fundamental principles of the Federal reserve system of the United States, which, as is generally known, has adapted and put into practice some of the methods of banking and monetary control previously elaborated by the Bank of England. Experience has shown that the Central Bank, in order to perform its function of stabilizing the credit of the country, should have the right to determine the official discount rate; thus it can increase or decrease the demands for credit in accordance with the necessities of the country. The position of the bank is further strengthened by the fact that the commercial banks are no longer its competitors but are now its associates.

**Convertibility of notes.**—Convertibility of the paper currency is guaranteed by an ample and adequate gold reserve, part of which is held in Bolivia and part abroad. The new law provides that in its legal reserve the bank may include demand balances payable in gold in the principal banks of London and New York. At the close of 1927 the Banco de la Nación Boliviana had a legal gold reserve of 19,200,000 bolivianos (\$7,008,000), against a circulation of 38,700,000 bolivianos (\$14,126,000). It had also an additional liability to its depositors in the amount of 20,100,000 bolivianos (\$7,337,000). On December 31, 1929, after the reorganization, the Central Bank held gold, other reserves, and gold deposits aggregating 56,978,504 bolivianos (\$20,687,154), against combined circulation and deposits amounting to 60,413,106 bolivianos (\$22,050,784), or practically 100 per cent cover. Since July 1, 1929, the bank has redeemed its notes without any restrictions either in gold coin or bullion at a parity of 18d. to the boliviano, or in sight drafts on New York at an exchange rate no higher than this parity plus the costs of gold shipment. At the time of writing this report these costs are calculated at 1.385 per cent, establishing the gold export point at 13.52 bolivianos to the pound sterling.

**Bank portfolio.**—That part of the portfolio of the bank which consists of open accounts, long-term loans, and Government, depart-

mental, and municipal bonds is being slowly and prudently liquidated into short-term productive operations. For example, investments in the portfolio, which in 1927 amounted to 12,600,000 bolivianos (\$4,599,000), have been reduced to 4,400,000 bolivianos (\$1,606,000); current accounts and long-term loans have been reduced from 47,700,000 bolivianos (\$17,411,000) to 26,200,000 bolivianos (\$9,563,000). A payment of 16,137,470 bolivianos (\$5,890,177) made by the Government contributed materially toward this reduction. We make comparisons with the year 1927 because it was at that time that the directors of the Banco de la Nación Boliviana, foreseeing its reorganization, began to liquidate so successfully the long-term loans in its portfolio.

**Gold exchange standard.**—The change of the Bolivian monetary system from the full gold standard to the gold exchange standard does not signify any weakening in the reserve which guarantees the Bolivian currency. It means that the composition of the legal reserves is being modified through the transfer of gold to other countries, to be deposited there in the strongest banking institutions instead of remaining idle and useless in our own vaults, and thus to build up foreign balances for international payments. This method of utilizing gold gives the bank an efficient means through which to regulate the expansion or contraction of the circulation in accordance with the actual needs of commercial and industrial credit.

In pursuance of this policy the Central Bank, with the authorization of the Minister of Finance and in accordance with its organic law, has made a gold shipment to the United States of a value equivalent to \$3,570,000 in United States currency, for deposit in various American and English banks of the first rank.

**Balance of payments.**—The Central Bank possesses adequate resources and facilities for maintaining currency stability so far as this lies in the power of such an institution. The currency, however, must also be safeguarded against contingencies of a complex and fundamental character which affect the general economic situation of the country, in particular its international balance of payments. If this balance should be adverse for a period of years, the complete application of the monetary system might have to be temporarily suspended.

Thus far we have been unable to gather complete data on which to establish the annual balance of payments of the Republic. We only know that our merchandise balance has always shown a considerable export surplus.

In 1927 the balance in our favor was 60,000,000 bolivianos (\$19,000,000). The merchandise surplus, however, is almost extinguished by such invisible items as the service of the external debt, which for the year 1929 amounted to 16,500,000 bolivianos (\$6,023,000), profits of foreign mining companies and business enterprises, the cost of the Bolivian diplomatic service abroad, and the money taken out by Bolivian tourists. In the near future we hope to have more exact figures from reports and data which we are now analyzing.

We know, however, that the mining industry expends much more in the country than was originally supposed. Thirteen of the principal mining companies spent the large sum of 54,151,674 bolivianos (\$19,765,361) for wages and salaries, purchases of local products, compensation payments for industrial accidents, customs duties, taxes on profits, etc. This indicates that the net balance of payments is in our favor, although the business depression caused by the falling off in exports of tin, which is our principal export commodity, tends, of course, to reduce our national revenues.

Formerly the mining exporters were legally required to sell their drafts to the banks through the National Treasury up to 25 per cent of the value of the exports. This requirement has now been abolished, and the Central Bank maintains an exchange rate within the gold import and export points very close to the parity of 18d. The average rate of exchange on London at 90-days sight during the past six months has been 13.34 bolivianos, or 17<sup>63</sup>/<sub>100</sub>d.

**Rates of discount and interest.**—Recently a new schedule of discount and interest rates for loans has been put into effect, as the result of the policy of the bank to assist the economic progress of the country in every way possible. The directors consider it advisable in the present depressed situation that the bank should furnish cheap credit to local industries and to agriculture, without, however, facilitating importations which are not actually indispensable. These rates of discount and interest are as follows (per cent per annum):

RATES OF DISCOUNT

	30 days		60 days		90 days	
	Asso- ciated banks	Public	Asso- ciated banks	Public	Asso- ciated banks	Public
For industry.....	6¼	7	6¼	7½	7¼	8
For commerce:						
(a) Necessities...	7	8	7½	8½	8	9
(b) Other goods...	8	9	8½	9½	9	10
For agriculture.....	6¼	7	6¼	7½	7¼	8

INTEREST ON LOANS

	With guaran- tee of bonds, etc.	With guaran- tee of docu- ments or signa- tures
For associated banks.....	7	8
For the public:		
Industry.....	8	9
Agriculture.....	8	9
Commerce.....	9	10

**Subsidiary notes.**—The monetary law of July 11, 1928, provided for coinage of silver for account of the State. Subsequently, through the amendments of February 5 and December 3, 1929, it was agreed to retain the 1-boliviano notes in place of silver coins. In accordance with these measures, the bank made a contract with the Government providing for an issue of 7,000,000 bolivianos (\$2,555,000) in 1-boliviano notes, and obligated itself to pay the Government 2,500,000 bolivianos (\$912,500) as royalty for the 40-year privilege. This payment the bank has made. The contract also provides that in case the economic development of the country requires a larger note issue of this denomination, the bank in agreement with the Government will make new issues on payment of a corresponding additional royalty. The Central Bank at once put into effect the amendments to the monetary law of July 11, 1928, for the sake of the additional facilities thereby furnished to the country.

BALANCE SHEET OF THE CENTRAL BANK OF BOLIVIA AS OF DECEMBER 31, 1929

	Bolivianos (in thou- sands)	Dollars <sup>1</sup> (in thou- sands)
<b>RESOURCES</b>		
Legal reserve:		
Reserve held in Bolivia—		
Gold.....	9,241	3,373
Bolivian silver coin.....	27	9
	9,268	3,383
Deposits payable at sight or 3 days' sight held in banks in London and New York.....	27,015	9,860
Total.....	36,283	13,243
Cash assets not included in the legal reserve:		
Bolivian fiduciary coin in nickel.....	1,324	483
Notes of other Bolivian banks.....		
Deposits abroad.....	13,910	5,077
Foreign moneys.....	1	
Drafts and bills of exchange payable abroad.....	5,442	1,986
Gold bars.....	18	6
Total cash assets.....	56,979	20,797
Portfolio:		
Due from the public—		
Current accounts.....	7,265	2,652
Loans.....	6,057	2,211

<sup>1</sup> Converted at par: 1 boliviano=\$0.365.

BALANCE SHEET OF THE CENTRAL BANK OF BOLIVIA  
AS OF DECEMBER 31, 1929—Continued

	Bolivianos (in thou- sands)	Dollars (in thou- sands)
<b>RESOURCES—continued</b>		
Portfolio—Continued.		
Due from the public—Continued.		
Bills discounted.....	2,385	871
Due bills at sight.....	230	84
Bills overdue.....	414	151
Bills in liquidation.....	862	315
Bills written off.....	1	
Total.....	17,214	6,283
Obligations of central government, departments, and municipalities:		
Various obligations.....	4,384	1,600
Government bonds.....	3,782	1,380
Total.....	8,166	2,981
Investments: Mortgage bonds, stocks, etc.....		
	619	226
Associated banks: Due from banks from pur- chase of "B" class shares.....		
	3,505	1,279
Various accounts:		
Supplies.....	49	18
Land and buildings.....	2,933	1,071
Furniture and fixtures.....	435	159
Pending operations.....	104	38
Office supplies.....		
Credits abroad.....	59	22
Total.....	3,580	1,307
Cost of notes and royalty.....	2,988	1,091
Interest receivable.....	889	324
Total resources.....	93,938	34,287
<b>LIABILITIES</b>		
Total note issue.....	52,100	19,017
Less on hand in vaults of bank.....	9,574	3,495
Note issue in hands of public.....	42,526	15,522
Deposits:		
Associated banks.....	5,121	1,869
Accounts current.....	6,943	2,534
Sight deposits.....	1,245	454

BALANCE SHEET OF THE CENTRAL BANK OF BOLIVIA  
AS OF DECEMBER 31, 1929—Continued

	Bolivianos (in thou- sands)	Dollars (in thou- sands)
<b>LIABILITIES—continued</b>		
Deposits—Continued.		
Time deposits.....	1,138	415
Savings accounts.....	172	63
Workmen's savings.....	57	21
Employees' savings fund.....	63	23
Judicial deposits.....	1,138	415
Deposits in foreign moneys.....	103	38
Due to foreign bankers.....	8	3
Drafts payable.....	1,699	620
Other bills payable.....	46	17
Unpaid dividends.....	28	10
Acceptances.....	126	46
Total.....	17,887	6,529
Various accounts:		
Charity fund.....	1	1
Funds for employees.....	10	4
Operations pending between central office and agencies.....	233	85
Other operations pending.....	79	29
Reserve for collection expenses.....	12	4
Discount collected but not earned.....	23	8
Reserve for interest accrued.....	34	12
Total.....	392	143
Capital:		
Capital paid in.....	22,940	8,373
Class "B" shares subscribed for but not paid.....	2,870	1,048
Total.....	25,810	9,421
Reserve fund:		
Reserve paid in.....	5,070	1,851
Reserve due from associated banks not paid in.....	634	231
Total.....	5,704	2,082
Profit and loss.....		
	1,619	591
Total liabilities.....	93,938	34,287
Per cent		
Legal reserve (art. 71 of the law of July 20, 1928) 50 per cent.....		60.0377
Total reserve.....		94.3148

## ANNUAL REPORT OF THE BANK OF BRAZIL

The annual report of the Bank of Brazil for 1929 was presented to the general meeting of shareholders on April 28, 1930. Sections of the report are given herewith:<sup>1</sup>

The year 1929 was very difficult for Brazil, but the improvement created in the general situation by the monetary reform of December 18, 1926, enabled it to maintain a satisfactory level of economic activity.

Because of the economic interdependence of civilized nations, which is becoming closer year by year, any crisis, of whatever character, has repercussions throughout other countries,

<sup>1</sup> Taken with some textual revision from the official English translation furnished by the bank. The full text of the report, the original of which is in Portuguese, deals with the fluctuations in the price of coffee, work of the stabilization office, industrial, commercial, and agricultural activity, the visit to Brazil of the British Economic Mission headed by Lord d'Abernon, etc. The report also gives tables showing detailed operations of the bank. For earlier reports see FEDERAL RESERVE BULLETIN, August, 1929, and July, 1928.

and may seriously disturb the normal current of human activities. Thus the present world crisis is a continuation of that disorganization which the Great War produced in all the countries of the world.

**The break in the coffee market.**—Since 1923 gold has been drawn in large volume from all nations to the United States, as a result of the development of speculation on the New York stock exchange. This excessive speculation was the primary cause of the stock exchange crisis experienced in 1929 in New York.

In Brazil the effect of this crisis was to make it difficult for certain States and for the Sao Paulo Institute of Coffee to place loans in the London and New York markets. As a result, the impending break in coffee prices could no longer be averted; a violent drop in quotations took place in October, accompanied by a

general economic disturbance throughout the country, and a panic situation in the State of Sao Paulo and in the Santos market.

**Intervention of the bank.**—The Bank of Brazil, in obedience to the command of the President of the Republic, afforded prompt aid to all legitimate demands for credit throughout the country. At a time when no one would lend money at Santos, the bank undertook to furnish credit freely against guarantee of documents of title to coffee on the basis of 40 milreis (\$4.78) per bag. In Sao Paulo alone, from October, 1929, to March, 1930, the Bank of Brazil granted loans on this basis to the extent of 158,000,000 milreis (\$18,897,000). This attitude on the part of the bank reestablished confidence rapidly in the Santos market and encouraged other banks of the State of Sao Paulo to operate freely with their available funds.

During this critical period the Bank of Brazil not only intervened with financial assistance, but also used its influence to encourage the commercial centers throughout the country, and to harmonize a number of difficult situations; these efforts were received with a high degree of good will on the part of all banks, both national and foreign.

Toward the end of October the president of the Bank of Brazil, at the request of the President of the Republic, visited Sao Paulo for five days in order to study the situation at first hand; later on, he went to Santos in company with the Minister of Finance.

During his visit to Sao Paulo the president of the Bank of Brazil repeated his statement that the bank would continue to render all possible assistance to the economic welfare of the State; he assured the banks of unlimited rediscounts, declaring further that in the event of a run on the Sao Paulo branch, the entire cash reserves of the head office would be sent to that city, by order of the President of the Republic.

In November a marked improvement took place in the situation, and by December the Santos market had recovered its normal position in connection with its great volume of coffee operations. During the Santos coffee crisis there were only 2 failures and 10 cases of composition agreement, a fact which clearly demonstrates the essential soundness of this trade.

**Improvement in exports.**—Exports of coffee from the port of Santos from October, 1929, to February, 1930, increased by 501,680 bags, and from other ports by 450,932 bags, as compared with the same period in 1928–29.

During the first two months of 1930 exports from the port of Santos alone amounted to 2,054,624 bags, while during the same period in 1929 they amounted to 1,666,986 bags. These figures indicate to what a considerable extent the decline in the price of coffee was favorable to its export—an auspicious factor for the future economic situation of the country, inasmuch as the reduction in price is certain to encourage increased consumption in foreign markets.

The decline in the price of coffee could not fail to influence the economic situation throughout the country, and especially in Sao Paulo. It is safe to say, however, that the situation has now greatly improved.

**Effects of currency stabilization.**—The Bank of Brazil was able to perform the functions of a genuine central bank, even though it has not that essential characteristic of all central banks—the exclusive privilege of note issue.

The bank intervened for the purpose of controlling speculation, and by means of its credit policy endeavored to mitigate the extent and severity of the depression; it manipulated the discount and rediscount rates in order to check speculative activity, strove to assist all industries, and gave due consideration to all legitimate demands for credit, thus assisting the normal development of commerce, industry, trade, and agriculture.

It may be asked how the Bank of Brazil was able to fulfill so successfully the functions of a central bank. It was the stabilization of the currency that enabled the bank to put itself in a position to satisfy the requirements of Brazilian economy during the 1929 crisis.

The monetary reform inaugurated by President Washington Luis, establishing the soundness and stability of the currency, made possible the following results: Liquidation of a floating debt of nearly 1,000,000,000 milreis (\$119,600,000) without the issue of inconvertible paper money or of bonds of the public debt, or increase in taxes; budget equilibrium and favorable balances; deposit of £21,000,000 in the stabilization office; resumption of the payment in specie of the sinking fund services, which had been suspended on account of the funding loan; economic and social order; credit balances abroad; considerable credit balances with the Bank of Brazil.

The creditor position of the National Treasury in relation to the Bank of Brazil was the principal factor in its successful functioning in 1929. This position freed the Government from the necessity of borrowing in the market

to meet its obligations. Up to December, 1926, the National Treasury was constantly a large debtor to the Bank of Brazil. From then on, after the passage of the monetary law which created budget surpluses, the situation improved so that the Government came to hold credit balances in all its accounts with the bank and did not even utilize the advance in current accounts in anticipation of revenue; on the asset side of our balance sheets this item has appeared as a blank since June, 1929.

The stability of our currency was one of the principal causes for the country's rapid recovery from the crisis; moreover, it prevented the serious and deplorable losses which accompanied all previous coffee crises in Brazil.

Even during the most acute period, that is, in October, exchange was maintained at the stabilization level—a practical evidence of the efficacy of the monetary law of 1926. Not until November, when the situation had become less serious, was there any depression of the exchange rate.

BALANCE SHEET OF THE BANK OF BRAZIL AS OF  
DECEMBER 31, 1929

	Milreis (in thou- sands)	Dollars <sup>1</sup> (in thou- sands)
<b>RESOURCES</b>		
Gold (held in sinking-fund account) £10,000,025 11s. 8d.....	300,001	35,880
Currency.....	689,896	82,512
Gold bonds deposited abroad: Nominal value £2,595,030; latest quotation £1,757,863 6s. 8d.....	52,736	6,307
Correspondents abroad.....	305,425	36,529
Correspondents in Brazil.....	7,809	934
Agencies and branches in Brazil.....	453,579	54,248
Bills discounted.....	809,923	96,867
Loans in current account.....	585,448	70,020
Securities.....	56,746	6,787
Collateral taken in payment.....	4,697	562
Bills receivable for bank's own account.....	44,857	5,365

<sup>1</sup> Conversion at par: 1 milreis=\$0.1196.

BALANCE SHEET OF THE BANK OF BRAZIL AS OF  
DECEMBER 31, 1929—Continued

	Milreis (in thou- sands)	Dollars (in thou- sands)
<b>RESOURCES—continued</b>		
Bills receivable for outside account:		
Foreign.....	33,634	4,023
Domestic.....	373,920	44,721
Total.....	407,554	48,743
Other items for collection in Brazil.....	460,503	55,076
Bank premises.....	20,320	2,430
Other resources.....	144,771	17,315
Total resources, exclusive of contra accounts.....	4,344,266	519,574
Contra accounts:		
Securities held as collateral.....	875,718	104,736
Securities deposited with the bank.....	605,057	72,365
Total resources.....	5,825,041	696,675
<b>LIABILITIES</b>		
Notes in circulation.....	592,000	70,803
Deposits:		
In current accounts without interest.....	401,769	48,052
In current accounts with interest.....	590,345	70,605
In limited current accounts.....	127,239	15,218
In time accounts.....	505,340	60,439
In clearing accounts.....	54,801	6,554
Due to agencies and branches in Brazil.....	418,239	50,021
Due to correspondents in Brazil.....	3,097	370
Due to correspondents abroad.....	163,553	19,561
Due on account of items for collection.....	868,057	103,820
Capital.....	100,000	11,960
Surplus.....	157,966	18,893
Balance from previous year.....	1,279	153
Forty-seventh dividend to be distributed.....	10,000	1,196
Fund for redemption of paper money (388,695,000 milreis) less amount paid to the sinking-fund ac- count for burning (271,829,000 milreis).....	123,354	14,753
Other liabilities.....	227,227	27,176
Total liabilities, exclusive of contra accounts.....	4,344,266	519,574
Contra accounts: Securities held as collateral and deposited with the bank.....	1,480,775	177,101
Total liabilities.....	5,825,041	696,675

The essential object of a currency stabilization policy is not to impose a rigid exchange rate, but to avoid sharp fluctuation in exchange rates; oscillations between the "gold points" are regarded as normal. Stabilization also eliminates the influence of political factors and avoids the dangers of panics.

## FINANCIAL STATISTICS FOR FOREIGN COUNTRIES

### GOLD HOLDINGS OF CENTRAL BANKS AND GOVERNMENTS

[In millions of dollars. Figures for end of month or latest available preceding date; see BULLETIN for June, 1929, p. 396, and for June, 1930, p. 372]

Month	Total (44 countries)	United States	Argen- tina	Aus- tra- lia	Bel- gium	Bra- zil	Can- ada	Eng- land	France	Ger- many	Ind- ia	Italy	Ja- pan	Neth- er- lands	Rus- sia	Spain	Swit- zer- land	28 other coun- tries
1929—May.....	10, 116	3, 931	560	106	134	151	78	795	1, 435	420	123	270	542	176	93	494	96	708
June.....	10, 132	3, 956	524	108	139	151	76	780	1, 436	455	123	271	542	176	93	494	96	706
July.....	10, 150	3, 974	513	111	141	151	76	694	1, 462	512	123	271	541	181	103	495	98	699
August.....	10, 233	3, 995	507	113	141	151	77	670	1, 526	520	123	271	541	178	119	495	98	703
September.....	10, 260	4, 008	496	114	142	151	77	648	1, 545	527	123	272	541	178	132	495	103	704
October.....	10, 292	4, 023	476	109	143	151	77	643	1, 570	531	123	272	541	178	142	495	103	708
November.....	10, 296	4, 003	451	97	151	151	78	659	1, 600	534	123	273	542	180	142	495	105	708
December.....	10, 290	3, 900	434	89	163	150	78	711	1, 633	544	123	273	542	180	147	495	115	708
1930—January.....	10, 356	3, 921	445	88	164	139	78	732	1, 633	547	123	273	520	177	147	495	108	711
February.....	10, 431	3, 983	448	124	164	127	78	740	1, 680	582	123	273	477	176	150	476	108	* 712
March.....	10, 502	4, 061	445	126	164	127	79	759	1, 663	595	123	274	453	174	156	476	108	709
April.....	10, 566	4, 131	442	109	164	90	79	795	1, 659	611	123	274	443	174	167	477	112	* 710
May.....	10, 610	4, 159	* 441	91	167	90	80	765	1, 717	617	123	274	434	174	177	477	112	* 708
June.....	10, 177	* 4, 177			167			768	* 1, 725	* 623				174	203	477		

\* Preliminary, based on latest available figures.

\* Revised.

NOTE.—Table covers all countries for which satisfactory figures are available; see BULLETIN for April (p. 170), where separate figures for the 44 countries are given by years back to 1913. For the 18 countries here shown separately—all of which have held gold in recent years to the amount of \$90,000,000 or more—the figures are for central banks only except as follows: *United States*—Treasury and Federal reserve banks; *Argentina*—Government conversion fund and Bank of the Nation; *Brazil*—Bank of Brazil and Government stabilization fund; *Canada*—Government reserve against Dominion notes and savings-bank deposits, and gold deposits of chartered banks in the central reserve; *India*—currency and gold standard reserves of Government; *Japan*—domestic holdings of Bank of Japan and Government.

### GOLD MOVEMENTS

[In thousands of dollars]

Month	United States			Germany			Great Britain			Netherlands			South Africa	India
	Im-ports	Ex-ports	Net	Im-ports	Ex-ports	Net	Im-ports	Ex-ports	Net	Im-ports	Ex-ports	Net	Net	Net
1929—May.....	24, 098	467	23, 630	1, 946	781	1, 165	28, 284	4, 652	23, 632	4, 338	23	4, 315	-17, 975	6, 076
June.....	30, 762	550	30, 212	7, 493	681	6, 812	21, 085	40, 001	-18, 917	190	17	173	-22, 625	3, 596
July.....	35, 525	807	34, 718	48, 728	716	48, 012	22, 578	100, 479	-77, 901	129	8	121	-14, 816	4, 164
August.....	19, 271	881	18, 390	27, 728	879	26, 849	17, 226	59, 273	-42, 052	103	2, 522	-2, 419	-20, 981	2, 771
September.....	18, 781	1, 205	17, 576	9, 939	851	9, 088	18, 301	41, 283	-22, 982	116	17	99	-15, 375	3, 390
October.....	21, 321	3, 805	17, 516	4, 624	1, 002	3, 622	28, 591	26, 794	1, 796	177	12	166	-15, 812	3, 146
November.....	7, 123	30, 239	-23, 166	5, 093	919	4, 174	36, 249	27, 844	8, 405	107	15	92	-20, 922	4, 408
December.....	8, 121	72, 547	-64, 426	11, 096	806	10, 290	65, 343	16, 439	48, 903	297	17	280	-18, 220	4, 603
1930—January.....	12, 908	8, 948	3, 960	5, 052	629	4, 423	41, 702	16, 102	25, 600	248	3, 224	-2, 975	-17, 808	5, 370
February.....	60, 198	207	59, 991	38, 252	687	37, 565	38, 961	34, 074	4, 886	80	1, 026	-946	-20, 786	3, 844
March.....	55, 768	290	55, 478	15, 119	769	14, 350	38, 258	12, 826	25, 432	89	10	79	-13, 777	* 3, 447
April.....	65, 835	110	65, 725	18, 670	703	17, 967	42, 741	14, 828	27, 913	81	21	60	-18, 134	* 5, 850
May.....	23, 552	82	23, 470	7, 318	722	6, 596	45, 388	61, 134	-15, 746	75	19	56	-22, 798	

#### MOVEMENTS TO AND FROM GREAT BRITAIN

[In thousands of dollars]

From or to—	1930				1929	
	May		January-May		Calendar year	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
France.....	144	52, 777	1, 127	65, 162	2, 066	162, 527
Germany.....		5, 972	7	54, 489	3, 203	92, 991
Netherlands.....		16		318	14, 382	2, 006
Spain and Canaries.....		379	19, 466	146	4	359
Switzerland.....		50		3, 895		10, 781
United States.....		5	282	49	23, 090	61, 293
South America.....	251	5	13, 750		39, 129	
British India.....		1, 658		4, 784		10, 320
Australia.....	24, 576		83, 905	2	24, 603	
New Zealand.....	13		51		2, 433	
Egypt.....				11		3, 786
Rhodesia.....	505		2, 112		4, 641	
Transvaal.....	19, 203		83, 972		184, 954	
West Africa.....	641		2, 157	9	4, 216	8
All other countries.....	54	272	222	10, 099	1, 003	33, 434
<b>Total.....</b>	<b>45, 388</b>	<b>61, 134</b>	<b>207, 052</b>	<b>138, 965</b>	<b>303, 725</b>	<b>377, 505</b>

\* Preliminary.

\* Revised.

#### MOVEMENTS TO AND FROM BRITISH INDIA

[In thousands of dollars]

From or to—	1930				1929	
	March		January-March		Calendar year	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
England.....	415		2, 147		10, 461	22
United States.....						
Aden and dependen- cies.....					1, 045	
Arabia.....	52		213		1, 287	
British Oceania.....	855		4, 520		7, 701	
Bahrain Islands.....			26		119	
Ceylon.....	226		1, 149		4, 151	1
China.....	46		103		188	
Mesopotamia.....	344		730		2, 613	
Straits Settlements.....	54		167	4	19	28
Egypt.....	168		728		6, 867	
Natal.....	1, 175		2, 716		29, 595	
All other countries.....	4		4		206	19
<b>Total.....</b>	<b>3, 447</b>		<b>12, 664</b>	<b>4</b>	<b>64, 275</b>	<b>48</b>

## CONDITION OF CENTRAL BANKS

[Figures are for the last report date of month]

	1930			1929		1930			1929
	May	April	March	May		May	April	March	May
<b>Bank of England (millions of pounds sterling):</b>					<b>National Bank of Belgium (millions of belgas):</b>				
Issue department—					Gold.....	1,200	1,183	1,181	963
Gold coin and bullion.....	157.2	163.3	155.1	162.5	Foreign bills and balances in gold.....	672	615	545	491
Notes issued.....	417.2	423.3	415.1	422.5	Domestic and foreign bills.....	830	829	837	744
Banking department—					Loans to State.....	315	309	309	345
Gold and silver coin.....	9	9	9	8	Note circulation.....	2,909	2,877	2,790	2,498
Bank notes.....	61.1	64.5	62.8	62.4	Deposits.....	144	105	128	102
Government securities.....	45.6	59.2	44.8	40.0	<b>Bank of Brazil (millions of milreis):</b>				
Other securities.....	11.5	10.0	13.3	22.4	Gold.....	407	407	407	407
Discounts and advances.....	6.8	6.8	6.1	8.2	Currency.....	450	373	643	741
Public deposits.....	13.2	21.0	18.8	24.3	Correspondents abroad.....	360	306	303	284
Bankers' deposits.....	59.0	66.2	54.9	56.3	Loans and discounts.....	1,439	1,455	1,423	1,238
Other deposits.....	35.9	36.6	35.9	35.3	Securities.....	129	127	127	144
Reserve ratio <sup>1</sup> (per cent).....	57.3	52.9	58.1	54.5	Note circulation.....	592	592	592	592
Bank notes in circulation <sup>2</sup> .....	356.1	358.8	352.3	360.1	Deposits.....	1,361	1,297	1,521	1,530
<b>Bank of France (millions of francs):</b>					<b>National Bank of Bulgaria (millions of leva):</b>				
Gold.....	43,809	42,351	42,557	36,596	Gold.....	1,411	1,407	1,404	1,361
Sight balances abroad.....	6,873	6,902	6,920	7,805	Net foreign exchange.....	264	269	325	1,614
Foreign bills.....	18,690	18,736	18,746	18,407	Total foreign exchange.....	858	797	718	2,095
Loans and discounts.....	10,194	8,296	8,943	8,266	Loans and discounts.....	983	1,110	1,245	1,523
Negotiable bonds.....	5,395	5,395	5,396	5,769	Government obligations.....	3,339	3,339	3,339	3,645
Note circulation.....	73,078	70,770	70,826	64,316	Note circulation.....	3,364	3,302	3,350	3,977
Public deposits.....	5,363	6,554	6,802	11,431	Other sight liabilities.....	1,706	1,737	1,780	2,876
Other deposits.....	10,062	7,997	8,719	7,176	<b>Central Bank of Chile (millions of pesos):</b>				
<b>German Reichsbank (millions of reichsmarks):</b>					Gold at home.....	63	63	63	62
Gold reserve.....	2,441	2,416	2,346	1,705	Deposits abroad.....	337	332	340	441
Gold abroad.....	150	150	150	59	Loans and discounts.....	101	108	128	85
Reserves in foreign exchange.....	351	327	387	299	Note circulation.....	344	346	356	370
Loans and discounts.....	2,146	2,152	2,269	3,260	Deposits against which reserve is held.....	101	82	87	105
Deposits.....	401	537	457	628	<b>Bank of the Republic of Colombia (thousands of pesos):</b>				
Reichsmarks in circulation.....	4,812	4,664	4,806	4,605	Gold at home.....	21,311	20,886	20,553	25,745
Rentenmarks in circulation.....	379	380	382	498	Gold abroad.....	9,909	9,141	9,872	29,426
<b>Bank of Italy (millions of lire):</b>					Loans and discounts.....	17,031	16,768	17,016	14,509
Gold at home.....	5,206	5,204	5,202	5,125	Note circulation.....	30,719	30,095	31,573	47,810
Credits and balances abroad.....	5,037	5,026	4,858	4,911	Deposits.....	6,445	6,199	5,532	10,391
Loans and discounts.....	3,940	4,359	4,379	5,110	<b>Czechoslovak National Bank (millions of Czechoslovak crowns):</b>				
Total note circulation.....	15,944	16,062	16,322	16,251	Gold.....	1,313	1,262	1,262	1,158
Public deposits.....	300	300	300	300	Foreign balances and currency.....	2,052	1,872	1,907	1,703
Other deposits.....	1,546	1,514	1,436	1,753	Loans and advances.....	319	515	639	646
<b>Bank of Japan (millions of yen):</b>					Assets of banking office in liquidation.....	345	350	352	407
Gold.....	871	895	912	1,034	Note circulation.....	6,896	6,854	7,011	7,183
Advances and discounts.....	761	749	755	781	Deposits.....	491	401	417	404
Government bonds.....	90	85	131	189	<b>Danish National Bank (millions of kroner):</b>				
Notes issued.....	1,186	1,186	1,270	1,188	Gold.....	172	172	172	173
Total deposits.....	753	693	706	941	Foreign bills, etc.....	107	98	101	94
<b>Commonwealth Bank of Australia (thousands of pounds sterling):</b>					Loans and discounts.....	88	83	77	74
Issue department—					Note circulation.....	371	362	356	358
Gold coin and bullion.....	18,743	22,493	25,993	21,861	Deposits.....	30	31	31	29
Securities.....	4,941	5,190	6,191	20,482	<b>Bank of Danzig (thousands of Danzig gulden):</b>				
Banking department—					Balances with Bank of England.....	14,710	14,820	15,347	16,176
Coin, bullion, and cash.....	1,631	2,215	2,600	1,984	Foreign bills, etc.....	11,435	12,384	9,472	11,746
Money at short call in London.....	5,246	6,261	5,100	15,368	Loans and discounts.....	20,037	19,425	21,812	24,245
Loans and discounts.....	10,335	13,350	14,637	10,745	Note circulation.....	36,445	36,207	36,661	37,023
Securities.....	21,458	21,208	20,208	12,285	Deposits.....	1,530	2,071	1,622	2,294
Deposits.....	41,265	41,980	42,619	39,091	<b>Bank of Estonia (thousands of kroones):</b>				
Bank notes in circulation.....	38,185	39,797	37,727	38,343	Gold.....	6,500	6,477	6,461	6,295
<b>Austrian National Bank (millions of schillings):</b>					Net foreign exchange.....	16,917	18,169	19,800	19,296
Gold.....	169	169	169	169	Loans and discounts.....	26,628	28,268	28,336	27,970
Foreign exchange of the reserve.....	258	231	221	195	Note circulation.....	30,812	32,327	33,169	31,887
Other foreign exchange.....	394	365	336	343	Deposits—				
Domestic bills.....	133	146	166	225	Government.....	10,034	11,439	13,948	10,763
Government debt.....	102	102	108	110	Bankers.....	3,535	3,302	3,472	4,758
Note circulation.....	1,022	982	980	998	Other.....	1,934	1,584	1,549	2,719
Deposits.....	39	36	26	48					

<sup>1</sup> Ratio of gold and notes in banking department to deposit liabilities.<sup>2</sup> Notes issued, less amounts held in banking department and in currency note account.

\* Revised.

CONDITION OF CENTRAL BANKS—Continued

[Figures are for the last report date of month]

	1930			1929		1930			1929
	May	April	March	May		May	April	March	May
<b>Bank of Finland</b> (millions of Finnish marks):					<b>Bank of Poland</b> (millions of zlotys):				
Gold.....	303	304	304	301	Gold at home.....	483	483	483	429
Balances abroad and foreign credits.....	1,024	946	933	580	Gold abroad.....	219	219	219	195
Foreign bills.....	145	122	85	5	Foreign exchange of the reserve.....	270	298	325	456
Domestic bills.....	766	916	1,130	1,366	Other foreign exchange.....	110	112	110	83
Note circulation.....	1,392	1,440	1,447	1,481	Loans and discounts.....	672	669	697	831
Demand liabilities.....	260	237	395	228	Note circulation.....	1,333	1,326	1,324	1,244
					Current account of the treasury.....	108	127	162	351
					Other current accounts.....	144	174	175	181
<b>Bank of Greece</b> (millions of drachmas):					<b>Bank of Portugal</b> (millions of escudos):				
Gold.....	603	621	627	581	Gold.....	9	9	9	9
Net foreign exchange in reserve.....	2,667	2,716	2,768	3,209	Balances abroad.....	218	210	165	300
Total foreign exchange.....	3,786	3,424	3,749	5,528	Bills.....	323	329	336	280
Loans and discounts.....	241	233	295	117	Note circulation.....	1,861	1,886	1,879	1,813
Government obligations.....	3,489	3,489	3,513	3,656	Deposits.....	101	62	59	55
Note circulation.....	4,543	4,991	4,890	5,415	<b>National Bank of Rumania</b> (millions of lei):				
Other sight liabilities.....	1,460	1,525	1,950	1,802	Gold at home.....	5,356	5,346	5,331	5,068
					Gold abroad.....	3,919	3,919	3,919	3,592
<b>National Bank of Hungary</b> (millions of pengös):					Foreign exchange of the reserve.....	1,425	2,154	2,353	2,355
Gold.....	163	163	163	177	Other foreign exchange.....	36	41	18	362
Foreign bills, etc.....	19	10	8	19	Loans and discounts.....	9,687	10,398	10,605	9,468
Loans and discounts.....	274	248	225	381	State debt.....	3,797	3,797	3,797	7,672
Advances to treasury.....	83	83	83	92	Note circulation.....	18,521	19,254	19,708	19,343
Other assets.....	64	58	72	46	Deposits.....	7,345	7,944	8,210	8,488
Note circulation.....	441	464	431	446	<b>State Bank of Russia</b> (thousands of chevrontsi):				
Deposits.....	31	25	46	190	Loans and discounts.....			476,697	361,523
Miscellaneous liabilities.....	49	47	46	52	Deposits.....			198,530	206,072
					Issue department—				
<b>Bank of Java</b> (millions of florins):					Gold.....			30,348	18,098
Gold.....	139	139	139	162	Other precious metals.....			3,079	4,268
Foreign bills.....	38	37	31	26	Foreign exchange.....			5,717	9,406
Loans and discounts.....	63	64	63	90	Note circulation.....			155,598	112,905
Note circulation.....	273	269	270	300	<b>South African Reserve Bank</b> (thousands of pounds sterling):				
Deposits.....	48	51	37	32	Gold.....	7,252	7,529	7,315	8,257
					Foreign bills.....	7,372	6,170	6,633	8,198
<b>Bank of Latvia</b> (millions of lats):					Domestic bills.....	855	1,575	1,211	1,207
Gold.....	24	24	24	24	Note circulation.....	8,979	7,726	8,436	9,709
Foreign exchange reserve.....	49	53	48	53	Deposits—				
Bills.....	89	91	93	87	Government.....	1,565	2,462	2,450	2,050
Loans.....	56	56	55	58	Bankers.....	5,075	4,739	4,737	4,994
Note circulation.....	45	48	48	44	Others.....	417	129	393	596
Government deposits.....	101	107	91	111	<b>Bank of Spain</b> (millions of pesetas):				
Other deposits.....	77	71	77	66	Gold.....	2,471	2,469	2,468	2,560
					Silver.....	718	714	716	720
<b>Bank of Lithuania</b> (millions of litas):					Balances abroad.....	34	38	34	97
Gold.....	35	35	35	34	Loans and discounts.....	1,910	1,890	2,018	1,581
Foreign currency.....	73	74	81	39	Note circulation.....	4,391	4,395	4,365	4,272
Loans and discounts.....	96	94	90	84	Deposits.....	835	834	833	1,104
Note circulation.....	98	102	101	85	<b>Bank of Sweden</b> (millions of kronor):				
Deposits.....	99	94	98	09	Gold.....	243	243	244	234
					Foreign bills, etc.....	365	356	262	183
<b>Netherlands Bank</b> (millions of florins):					Loans and discounts.....	204	201	302	390
Gold.....	432	432	432	437	Note circulation.....	557	545	575	519
Foreign bills.....	236	213	204	161	Deposits.....	183	183	159	208
Loans and discounts.....	144	145	171	194	<b>Swiss National Bank</b> (millions of francs):				
Note circulation.....	804	829	837	797	Gold.....	579	579	561	496
Deposits.....	54	18	13	30	Foreign balances and bills.....	376	391	335	261
					Loans and discounts.....	80	83	119	181
<b>Bank of Norway</b> (millions of kroner):					Note circulation.....	908	916	918	872
Gold.....	147	147	147	147	Demand deposits.....	169	154	122	110
Foreign balances and bills.....	35	35	29	46	<b>National Bank of the Kingdom of Yugoslavia</b> (millions of dinars):				
Domestic credits.....	232	240	241	278	Gold.....	97	97	96	93
Note circulation.....	308	310	305	305	Foreign notes and credits.....	252	263	291	230
Foreign deposits.....	2	2	2	2	Loans and discounts.....	1,297	1,310	1,319	1,474
Total deposits.....	83	84	80	112	Advances to State.....	2,997	2,997	2,997	2,966
					Note circulation.....	5,281	5,221	5,363	5,092
<b>Reserve Bank of Peru</b> (thousands of soles): <sup>3</sup>					Deposits.....	1,441	1,555	1,397	747
Gold.....	39,492	44,596	49,340	51,634					
Gold against demand deposits.....	3,400	4,292	4,885	2,092					
Foreign exchange reserve.....	16,747	11,160	5,450	8,979					
Bills.....	15,791	18,466	19,841	19,161					
Note circulation.....	58,500	59,063	57,263	61,986					
Deposits.....	8,799	8,585	9,769	3,438					

<sup>3</sup> Figures previous to February, 1930, have been converted from libras (par \$4.8665) into soles (par \$0.4000). See Federal Reserve Bulletin for May, 1930. Revised.

## CONDITION OF COMMERCIAL BANKS

Country	Millions of national currency			Millions of dollars									
	1930			1929				1930					
	March	April	May	March	April	May	December	January	February	March	April	May	
<b>Canada:</b>	<i>Millions of dollars</i>												
Gold and subsidiary coin <sup>1</sup> .....	60	60	60	63	64	64	61	61	60	60	60	60	
Money at call and short notice.....	415	415	417	560	564	594	507	449	428	415	415	417	
Current loans and discounts.....	1,626	1,601	1,573	1,560	1,572	1,559	1,653	1,641	1,628	1,626	1,601	1,573	
Public and railway securities.....	418	428	431	524	516	523	448	431	423	418	428	431	
Note circulation.....	163	155	165	189	171	168	175	156	159	163	155	165	
Individual deposits.....	2,459	2,472	2,401	2,560	2,596	2,560	2,605	2,485	2,455	2,459	2,472	2,401	
Gold reserve against Dominion notes.....	63	64	65	68	59	59	60	63	63	63	64	65	
Dominion note circulation.....	174	174	170	205	205	197	204	173	169	174	174	170	
<b>Argentina:</b>	<i>Millions of pesos</i>												
Bank of the Nation—	7	7	7	120	102	98	29	1	1	1	1	1	
Gold.....	114	122	122	120	129	125	79	113	99	98	108	108	
Other cash.....	613	601	601	512	524	530	576	534	532	525	533	533	
Loans and discounts.....	736	729	729	745	745	742	681	668	649	631	646	646	
Deposits.....													
Other banks in Buenos Aires—	10	10	10	12	14	11	11	11	11	10	10	10	
Gold.....	194	187	187	184	164	173	146	155	156	166	166	166	
Other cash.....	880	880	880	830	850	846	831	829	789	754	780	780	
Loans and discounts.....	1,012	1,004	1,004	991	981	976	925	916	867	867	890	890	
Deposits.....													
<b>England:</b>	<i>sterling</i>												
Cash in vault and at banks.....	181	187	187	898	917	917	979	935	884	882	911	897	
Money at call and short notice.....	133	133	137	650	694	694	700	692	621	645	650	660	
Advances and discounts.....	1,157	1,177	1,204	5,815	5,734	5,701	5,829	5,903	5,799	5,631	5,729	5,857	
Investments.....	225	225	231	1,187	1,188	1,189	1,147	1,134	1,113	1,096	1,095	1,127	
Deposits.....	1,682	1,712	1,742	8,463	8,363	8,429	8,628	8,600	8,341	8,185	8,331	8,478	
<b>France:</b>	<i>Millions of francs</i>												
Bills and national-defense bonds.....	20,512	19,719	19,719	816	793	776	826	834	829	804	773	773	
Loans and advances.....	10,665	11,215	11,215	398	410	404	421	420	426	418	440	440	
Demand deposits.....	33,522	33,811	33,811	1,323	1,299	1,305	1,285	1,298	1,324	1,314	1,325	1,325	
Time deposits.....	1,479	1,444	1,444	37	38	38	42	44	50	58	57	57	
<b>Germany:</b>	<i>Millions of reichsmarks</i>												
Bill and treasury notes.....	3,234	3,168	3,169						750	770	755	755	
Due from other banks.....	1,182	1,139	1,154						276	282	271	275	
Miscellaneous loans.....	8,619	8,709	8,642						2,039	2,052	2,076	2,059	
Deposits.....	12,259	12,265	12,240						2,867	2,920	2,921	2,916	
Acceptances.....	510	491	487						125	122	117	116	
<b>Italy:</b>	<i>Millions of lire</i>												
Cash.....					62			66					
Bills discounted.....					454			443					
Due from correspondents.....					284			298					
Due to correspondents.....					721			723					
Deposits.....					160			166					
<b>Denmark:</b>	<i>Millions of kroner</i>												
Loans and discounts.....	1,822	1,831	1,831	462	466	467	479	479	485	488	491	491	
Due from foreign banks.....	124	114	114	45	41	38	38	34	31	33	30	30	
Due to foreign banks.....	88	82	82	24	21	19	19	20	23	24	22	22	
Deposits and current accounts.....	1,986	1,984	1,984	520	522	526	526	520	528	532	532	532	
<b>Norway:</b>	<i>Millions of kroner</i>												
Loans and discounts.....	1,228	1,241	1,235	347	339	335	335	332	330	329	333	331	
Due from foreign banks.....	106	110	112	31	27	25	32	35	31	28	30	30	
Due to foreign banks.....	76	80	75	23	23	22	21	20	20	21	20	20	
Rediscouunts.....	88	88	80	27	27	27	24	25	25	24	24	22	
Deposits.....	1,507	1,500	1,726	420	419	417	412	408	408	404	402	463	
<b>Sweden:</b>	<i>Millions of kronor</i>												
Loans and discounts.....	4,352	4,356	4,376	1,107	1,105	1,103	1,117	1,146	1,159	1,166	1,167	1,173	
Foreign bills and credits abroad.....	270	262	255	71	74	68	79	80	71	72	70	68	
Due to foreign banks.....	143	156	158	40	34	32	30	33	32	38	42	42	
Rediscouunts.....	157	91	56	62	56	62	67	42	41	42	24	15	
Deposits.....	3,656	3,692	3,661	949	945	930	933	965	970	980	989	981	
<b>Japan:</b>	<i>Millions of yen</i>												
Cash on hand.....	230	281	257	116	117	154	156	138	119	114	140	128	
Total loans.....	2,167	2,129	2,160	934	917	914	1,058	1,071	1,075	1,080	1,061	1,077	
Total deposits.....	2,050	2,040	2,049	953	941	938	1,023	1,033	1,028	1,022	1,017	1,021	

<sup>1</sup> Not including amounts held abroad.

NOTE.—Banks included are as follows: *Canada*—Chartered banks; *England*—nine London clearing banks; *France*—four commercial banks; *Germany*—six Berlin banks; *Italy*—four private banks; *Denmark, Norway, and Sweden*—joint-stock banks; *Japan*—Tokyo banks.

**DISCOUNT RATES OF CENTRAL BANKS**

[Rate prevailing July 1, 1930, with date of latest change]

Country	Rate	In effect since—	Country	Rate	In effect since—	Country	Rate	In effect since—	Country	Rate	In effect since—
Austria.....	5½	May 24, 1930	England...	3	May 1, 1930	Japan.....	5.48	Oct. 10, 1927	Portugal....	7½	June 2, 1930
Belgium.....	3	May 1, 1930	Estonia...	8	Oct. 3, 1929	Java.....	4½	Mar. 10, 1930	Rumania....	9	Nov. 26, 1929
Bulgaria.....	10	July 2, 1929	Finland...	6½	Apr. 28, 1930	Latvia.....	6-7	Apr. 1, 1928	Russia.....	8	Mar. 22, 1927
Chile.....	6	Oct. 22, 1928	France....	2½	May 2, 1930	Lithuania...	6	Apr. 1, 1930	South Africa.	6	Aug. 17, 1929
Colombia.....	8	May 21, 1930	Germany...	4	June 21, 1930	Netherlands.	3	Mar. 25, 1930	Spain.....	5½	Dec. 19, 1928
Czechoslovakia.	4	June 25, 1930	Greece....	9	Nov. 30, 1928	Norway.....	4½	Mar. 21, 1930	Sweden.....	3½	Apr. 3, 1930
Danzig.....	4½	June 25, 1930	Hungary...	5½	May. 30, 1930	Peru.....	7	Nov. 23, 1929	Switzerland..	3	Apr. 3, 1930
Denmark.....	4	May 3, 1930	India.....	6	Apr. 3, 1930	Poland.....	6½	June 13, 1930	Yugoslavia..	5½	May 28, 1930
Ecuador.....	9	Jan. 10, 1930	Italy.....	5½	May 19, 1930						

**Changes.**—Czechoslovakia—June 25, from 4½ to 4 per cent; Danzig—June 25, from 5 to 4½ per cent; Germany—June 21, from 4½ to 4 per cent; Poland—June 13, from 7 to 6½ per cent; Portugal—June 2, from 8 to 7½ per cent.

**MONEY RATES IN FOREIGN COUNTRIES**

Month	England (London)				Germany (Berlin)				Netherlands (Amsterdam)		Switzerland
	Bankers' acceptances, 3 months	Treasury bills, 3 months	Day-to-day money	Bankers' allowance on deposits	Private discount rate	Money for 1 month	Day-to-day money	Private discount rate	Money for 1 month	Private discount rate	
1929—January.....	4.32	4.29	3.41	2½	5.80	7.51	5.13	4.20	4.46	3.28	
February.....	5.05	4.96	4.33	2½-3½	5.80	7.07	6.33	4.39	4.78	3.31	
March.....	5.33	5.30	4.51	3½	6.31	7.30	6.97	4.64	5.05	3.39	
April.....	5.21	5.18	4.43	3½	6.63	7.57	6.85	5.36	5.81	3.45	
May.....	5.21	5.21	4.67	3½	7.49	9.65	9.32	5.37	5.88	3.34	
June.....	5.32	5.35	4.23	3½	7.60	9.89	7.90	5.30	5.30	3.26	
July.....	5.38	5.39	4.54	3½	7.39	9.35	8.21	5.20	4.90	3.19	
August.....	5.47	5.45	4.35	3½	7.18	9.43	7.42	5.06	4.68	3.33	
September.....	5.59	5.63	4.39	3½-4½	7.18	9.48	7.86	5.36	5.32	3.38	
October.....	6.13	6.19	5.45	4½-4	7.28	9.06	8.06	5.15	4.52	3.38	
November.....	5.35	5.30	5.15	4-3½	6.89	8.29	7.79	4.26	4.17	3.32	
December.....	4.76	4.75	4.23	3½-3	6.98	8.78	8.14	3.52	3.87	3.15	
1930—January.....	4.07	4.04	3.62	3	6.33	7.71	6.03	2.99	2.85	2.97	
February.....	3.82	3.72	3.76	3-2½	5.53	6.72	6.01	2.80	2.94	2.71	
March.....	2.78	2.55	3.20	2½-1½	5.12	6.35	5.57	2.50	2.61	2.60	
April.....	2.48	2.49	2.28	1½	4.46	5.57	4.40	2.52	3.08	2.61	
May.....	2.16	2.11	1.93	1	3.89	5.00	3.62	2.29	2.53	2.44	

Month	Belgium (Brussels)	France (Paris)	Italy (Milan)	Austria (Vienna)		Hungary		Sweden (Stockholm)	Japan (Tokyo)	
	Private discount rate	Private discount rate	Private discount rate	Private discount rate	Money for 1 month	Prime commercial paper	Day-to-day money	Loans up to 3 months	Discounted bills	Call money overnight
1929—January.....	3.97	3.50	5.83	6½-6¾	7¼-8¾	7¾-8¾	6¼-8¼	4½-6½	5.84-6.21	2.37
February.....	3.97	3.39	6.00	6¾-6¾	7¼-8¼	7¾-8½	6¼-8¼	4½-6½	5.66-5.84	2.92
March.....	3.97	3.37	6.31	6¼-6¾	7¼-8¼	7¾-8½	6½-8¼	4½-6½	5.66-5.84	3.10
April.....	3.97	3.44	6.75	6¾-7¼	7¾-8¾	8½-9	7-9	4½-6½	5.48-5.66	3.65
May.....	3.96	3.49	6.83	7½-7¼	8-9	8½-9½	7-9	4½-6½	5.48-5.66	3.29
June.....	3.97	3.50	6.75	7¾-7¼	8¼-9	8¾-9¾	7-9	4½-6½	5.48-5.66	3.29
July.....	4.04	3.50	6.75	7¼-7¾	8¼-9	8¾-10	7-8¼	4½-6½	5.48-5.66	3.10
August.....	4.93	3.50	6.85	7¼-7¾	8¼-9	8¾-10¼	7-8	4½-6½	5.48	3.10
September.....	4.94	3.50	7.01	7¾	8¼-9¼	8¾-10¼	6¾-8	5½-7	5.48	2.92
October.....	4.94	3.50	7.18	8-8½	9-10	9-10¼	7¼-8	5½-7	5.48	3.47
November.....	4.57	3.50	7.00	7¾-8¼	8¼-10	8½-9¾	6½-7¾	5½-7	5.48	3.47
December.....	4.40	3.50	7.00	7¼-7¾	8½-9¼	8¾-9¾	7-7½	5½-7	5.48	3.10
1930—January.....	3.40	3.38	7.00	6½-7¼	7¾-8¾	7½-10	6½-7½	4½-6	5.48	2.74
February.....	3.41	2.91	6.95	6¼-6¼	7-8	7-9¼	5½-6¾	4½-6	5.48	3.83
March.....	3.31	2.70	6.57	5¾-6	6¾-7¾	6¾-8½	5½-6½	4-6	5.48	3.83
April.....	3.33	2.57	6.43	5-5½	6½-7½	6½-8¼	5-6½	3½-5½	5.48	3.83
May.....	2.87	2.36	5.81	4¾-5	6½-7			3½-5½		

**NOTE.**—For sources used, methods of quotation, and back figures, see BULLETIN for November, 1926, April, 1927, July, 1929, November, 1929, and May, 1930.

## FOREIGN EXCHANGE RATES

[Monthly averages of daily quotations. <sup>1</sup> In cents per unit of foreign currency]

Country	Monetary unit	Par of exchange	1930			Country	Monetary unit	Par of exchange	1930		
			April	May	June				April	May	June
<b>EUROPE</b>											
Austria.....	Schilling.....	14.07	14.0801	14.0864	14.0898						
Belgium.....	Belga.....	13.90	13.9565	13.9541	13.9529						
Bulgaria.....	Lev.....	.72	.7221	.7219	.7208						
Czechoslovakia.....	Crown.....	2.96	2.9621	2.9634	2.9655						
Denmark.....	Krone.....	26.80	26.7745	26.7556	26.7556						
England.....	Pound.....	486.65	486.3104	485.9675	485.8667						
Finland.....	Markka.....	2.52	2.5171	2.5172	2.5172						
France.....	Franc.....	3.92	3.9185	3.9222	3.9241						
Germany.....	Reichsmark.....	23.82	23.8684	23.8627	23.8498						
Greece.....	Drachma.....	1.30	1.2967	1.2960	1.2955						
Hungary.....	Pengo.....	17.49	17.4718	17.4772	17.4820						
Italy.....	Lira.....	5.26	5.2415	5.2414	5.2380						
Netherlands.....	Florin.....	40.20	40.2013	40.2255	40.1991						
Norway.....	Krone.....	26.80	26.7719	26.7570	26.7634						
Poland.....	Zloty.....	11.22	11.2037	11.2020	11.2010						
Portugal.....	Escudo.....	108.05	4.4934	4.5013	4.4983						
Rumania.....	Leu.....	.60	.5957	.5953	.5947						
Russia <sup>2</sup> .....	Chervonetz.....	514.60	<sup>3</sup> 515.0000	<sup>3</sup> 515.0000	<sup>3</sup> 515.0000						
Spain.....	Peseta.....	19.30	12.4828	12.2283	11.7490						
Sweden.....	Krona.....	26.80	26.8796	26.8342	26.8480						
Switzerland.....	Franc.....	19.30	19.3790	19.3550	19.3669						
Yugoslavia.....	Dinar.....	19.30	1.7674	1.7669	1.7661						
<b>NORTH AMERICA</b>											
Canada.....	Dollar.....	100.00	99.9501	99.8360	99.9913						
Cuba.....	Peso.....	100.00	99.9189	100.0032	99.9403						
Mexico.....	do.....	49.85	47.5414	47.5356	47.4135						
<b>SOUTH AMERICA</b>											
Argentina.....	Peso.....	96.48	88.6349	87.2153	84.4773						
Bolivia <sup>1</sup> .....	Boliviano.....	36.50	36.5000	36.5000	36.1000						
Brazil.....	Milreis.....	11.96	11.7206	11.8349	11.3983						
Chile.....	Peso.....	12.17	12.0549	12.0746	12.0777						
Colombia.....	do.....	97.33	96.3900	96.4962	96.6328						
Ecuador <sup>1</sup> .....	Sucrs.....	20.00	20.0000	20.0000	20.0000						
Peru <sup>2</sup> .....	Sol <sup>4</sup> .....	<sup>5</sup> 40.00	<sup>6</sup> 400.0000	<sup>6</sup> 400.0000	<sup>6</sup> 38.2500						
Uruguay.....	Peso.....	109.42	92.9001	92.2102	89.1731						
Venezuela <sup>1</sup> .....	Bolivar.....	19.30	19.1300	19.1300	18.9748						
<b>ASIA</b>											
China <sup>4</sup> .....	Mexican dollar.....	27.43	33.6670	32.0607	26.5046						
China <sup>4</sup> .....	Shanghai tael.....	37.82	46.9037	44.6901	37.0400						
Brazil.....	Yuan dollar.....	26.83	33.3822	31.8181	26.3800						
Hong Kong <sup>4</sup> .....	Dollar.....	27.23	37.1905	35.7697	31.1427						
India.....	Rupee.....	36.50	36.1163	36.0567	35.9971						
Japan.....	Yen.....	49.85	49.3661	49.3809	49.4070						
Java <sup>2</sup> .....	Florin.....	40.20	40.2350	40.2385	40.2292						
Straits Settlements.....	Singapore dollar.....	56.78	55.8744	55.8892	55.9132						
Turkey.....	Turkish pound.....	439.65	<sup>7</sup> 46.6955	<sup>8</sup> 47.0823	<sup>9</sup> 47.0542						
<b>AFRICA</b>											
Egypt.....	Egyptian pound.....	494.31	<sup>6</sup> 498.5970	<sup>7</sup> 498.6789	<sup>8</sup> 498.6854						

<sup>1</sup> Based on noon buying rates for cable transfers in New York.<sup>2</sup> Averages based on daily quotations of closing rates as published by New York Journal of Commerce.<sup>3</sup> Chervonetz quotations nominal.<sup>4</sup> Silver currency. The figure given for parity represents gold value of unit in June, 1930, computed by multiplying silver content of unit by New York average price of silver for June, 1930, which was \$0.34910 per fine ounce. On the same basis, parity in June, 1929, for the Chinese-Mexican dollar was 41.44 cents; for the Shanghai tael, 57.13 cents; for the Yuan dollar, 40.53 cents; and for the Hong Kong dollar, 41.14 cents.<sup>5</sup> Monetary law of February 10, 1930.<sup>6</sup> Rate for Peruvian pound.<sup>7</sup> February, 1930.<sup>8</sup> March, 1930.<sup>9</sup> April, 1930.

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

**PRICE MOVEMENTS IN PRINCIPAL COUNTRIES**  
**WHOLESALE PRICES—ALL COMMODITIES**

Month	United States		Canada		England		France		Germany		Italy		Japan	
	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930
January	97	93	94	96	138	131	657	576	139	132	461	417	228	201
February	97	92	96	94	138	128	660	567	139	129	463	408	226	199
March	98	91	96	92	140	125	654	558	140	126	461	400	226	196
April	97	91	95	92	139	124	648	548	137	127	455	396	225	193
May	96	89	92	90	136	122	643	541	136	126	452	390	223	189
June	96		93		136		629		135		447		222	
July	98		96		137		624		138		440		220	
August	98		93		136		598		138		437		218	
September	98		97		136		608		138		437		218	
October	96		97		136		607		137		436		216	
November	94		96		134		603		136		431		211	
December	94		96		133		596		134		425		205	
	Australia		Austria		Belgium		China		Czechoslovakia		Denmark		Dutch East Indies	
	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930
January	157	151	128	125	867	808	160	170	139	126	151	143	149	143
February	156	147	130	123	865	791	162	175	139	124	159	140	149	141
March	157	144	133	121	869	774	164	174	141	122	154	136	150	139
April	158	146	134	119	862	777	161	174	141	121	150	135	148	
May	156	148	135	118	851		162	173	137	120	148	132	150	
June	158		134		848		163		134		146		149	
July	159		132		858		163		135		149		149	
August	160		132		850		165		134		150		148	
September	163		128		846		167		132		150		148	
October	161		127		838		168		131		149		147	
November	158		125		834		165		130		147		146	
December	154		123		823		165		128		146		144	
	Egypt		Finland		Hungary		India		Netherlands		New Zealand		Norway	
	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930
January	125	109	100	94	132	106	145	131	146	131	155	155	149	144
February	122	106	100	93	136	104	144	126	146	126	155	155	150	143
March	123	101	100	92	136	100	143	125	147	122	155	154	150	142
April	120	101	99	92	135	96	140	123	144		155		148	141
May	114	101	98	90	123		139	121	142		155		146	140
June	108		98		122		138		141		155		147	
July	109		97		119		142		141		156		149	
August	112		97		114		143		142		156		148	
September	113		96		109		143		141		157		148	
October	115		96		111		140		140		156		147	
November	112		95		107		137		137		155		146	
December	110		95		107		134		135		154		146	
	Peru		Poland		Russia		South Africa		Spain		Sweden		Switzerland	
	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930
January	186	181	98	88	177	182	135	121	171	172	144	131	143	136
February	185	181	99	85	177				173	172	145	128	143	133
March	189	180	99	85	178				174	172	144	125	142	131
April	185	179	98	89	179		131		174		141	124	140	129
May	186	179	95		180				171		140		139	123
June	186	178	95		181				170		139		139	
July	187		96		180		129		169		140		143	
August	187		95		180				170		141		143	
September	186		94		181				171		140		142	
October	186		93		182		128		172		138		142	
November	184		95		181				171		135		140	
December	182		92		182				172		134		139	

NOTE.—All of the indexes shown, with two or three exceptions, are compiled by official agencies in the countries to which they relate, as indicated specifically in the BULLETIN for March (p. 124), where references are also given to sources in which current figures of the index numbers may be found.

The base periods are as follows: *United States*—1926; *Australia*—July, 1914; *Austria*—January–July, 1914; *Belgium*—April, 1914; *Canada*—1926; *China*—February, 1913; *Czechoslovakia*—July, 1914; *Denmark*—1913; *Dutch East Indies*—1913; *Egypt*—January 1, 1913–July 31, 1914; *England*—1913; *Finland*—1926; *France*—1913; *Germany*—1913; *Hungary*—1913; *India*—July, 1914; *Italy*—1913; *Japan*—October, 1900; *Netherlands*—1913; *New Zealand*—1909–1913; *Norway*—December 31, 1913–June 30, 1914; *Peru*—1913; *Poland*—1927; *Russia*—1913; *South Africa*—1910; *Spain*—1913; *Sweden*—1913; *Switzerland*—July, 1914.

Annual indexes for the years 1925–1929, and in certain cases for 1913 and 1914, were given in the BULLETIN for April (p. 256).

## WHOLESALE PRICES—GROUPS OF COMMODITIES

UNITED STATES (1926=100)	All commodities	Farm products	Foods	Other commodities								Non-agricultural commodities	
				Total <sup>1</sup>	Hides and leather products	Textile products	Fuel and lighting materials	Metals and metal products	Building materials	Chemicals and drugs	House-furnishing goods		Miscellaneous
1929—May.....	96	102	98	93	107	94	81	105	97	94	97	80	94
November.....	94	101	99	92	108	92	82	102	96	94	97	80	93
December.....	94	102	99	91	107	90	81	102	96	94	97	80	92
1930—January.....	93	101	97	90	105	89	80	101	96	93	97	79	91
February.....	92	98	96	90	104	88	79	101	96	92	97	79	91
March.....	91	95	94	89	103	87	77	101	95	91	97	78	90
April.....	91	96	95	88	103	86	78	99	95	91	96	79	89
May.....	89	93	92	88	103	85	78	97	93	90	96	78	88

ENGLAND (1913=100)	All commodities	Foods				Industrial products							
		Total	Cereals	Meat and fish	Other foods	Total	Iron and steel	Coal	Other minerals and metals	Cotton	Wool	Other textiles	Miscellaneous
1929—May.....	136	144	133	146	152	132	115	121	118	155	172	131	134
November.....	134	142	132	150	145	129	115	128	111	147	156	127	134
December.....	133	141	132	158	135	128	115	130	111	144	152	125	131
1930—January.....	131	139	129	154	135	127	115	130	110	141	145	123	130
February.....	128	135	122	152	133	124	115	129	110	134	135	120	129
March.....	125	129	114	145	131	122	115	127	107	131	129	116	127
April.....	124	129	117	141	130	121	114	122	104	131	127	115	127
May.....	122	127	114	136	132	119	114	119	95	130	129	110	123

FRANCE (1913=100)	All commodities	Farm and food products				Industrial products							
		Total	Animal products	Vegetable products	Total	Minerals and metals	Textiles	Hides and leather	Chemical products	Rubber	Paper	Lumber	Cement and brick, etc.
1929—May.....	643	607	595	614	675	560	771	453	598	129	677	968	606
November.....	603	555	686	476	645	566	694	432	606	196	685	1,003	636
December.....	596	546	695	456	640	568	684	433	603	97	685	987	636
1930—January.....	576	512	647	432	630	571	655	438	602	89	685	987	708
February.....	567	503	634	424	623	570	639	439	613	94	667	987	708
March.....	558	495	622	419	612	562	621	425	607	90	667	987	708
April.....	548	481	599	411	606	551	620	405	598	86	667	987	708
May.....	541	471	537	431	601	547	615	405	592	81	667	978	708

GERMANY (1913=100)	All commodities	Agricultural products					Provisions	Industrial raw and semifinished products			
		Total	Vegetable foods	Cattle	Animal products	Fodder		Total	Coal	Iron	Nonferrous metals
1929—May.....	136	126	125	120	130	133	125	131	136	128	118
November.....	136	128	119	128	153	107	120	130	139	130	113
December.....	134	126	120	126	146	105	115	129	138	130	112
1930—January.....	132	122	117	128	134	98	115	128	138	130	112
February.....	129	116	112	123	129	88	115	127	138	129	111
March.....	126	110	109	116	118	86	118	126	138	129	109
April.....	127	112	118	113	110	99	118	125	136	128	103
May.....	126	111	119	110	109	96	117	124	136	128	90

	Industrial raw and semifinished products—Continued							Industrial finished products			
	Textiles	Hides and leather	Chemicals	Artificial fertilizers	Technical oils and fats	Rubber	Paper materials and paper	Building material	Total	Producers' goods	Consumers' goods
1929—May.....	144	120	126	87	126	30	151	157	158	138	172
November.....	130	118	127	83	129	23	152	161	157	139	169
December.....	128	116	127	84	130	22	151	161	156	140	169
1930—January.....	125	116	127	85	128	21	151	158	156	140	168
February.....	118	114	127	86	127	22	150	158	156	139	166
March.....	114	111	127	86	126	22	150	157	153	139	163
April.....	116	110	127	86	127	21	149	157	152	139	162
May.....	116	111	126	83	135	20	147	156	152	139	161

NOTE.—Annual indexes for the groups shown in the table are given for the years 1913 and 1925-1929 in the BULLETIN for April (p. 257). Original sources for these indexes are: *United States*—Wholesale Prices of Commodities, Bureau of Labor Statistics, Department of Labor; *England*—Board of Trade Journal and Commercial Gazette, Board of Trade; *France*—Bulletin de la Statistique Générale de la France, Supplément Mensuel, Statistique Générale de la France; and *Germany*—Wirtschaft und Statistik, Statistisches Reichsamt.

<sup>1</sup> The index for other commodities, recently published by the Bureau of Labor Statistics, includes the prices of articles in the all-commodities index with the exception of those for farm products and foods; the nonagricultural index omits merely farm products.

<sup>†</sup> Revised.

## LAW DEPARTMENT

**Relation between provisions of statute as to eligibility of paper for rediscount and provisions limiting amount of paper of one borrower which may be rediscounted.**

The Federal Reserve Board has recently been asked to consider a question as to the maximum maturity for rediscount purposes of notes of farmers given to dealers for the purchase of farm implements and also as to the limitations on the amount of such notes of any one borrower which may be rediscounted for a member bank by a Federal reserve bank.

The Federal Reserve Board has heretofore ruled that notes given by a farmer in payment for agricultural implements to be used on the farm are eligible for rediscount as agricultural paper. Agricultural paper may under the law have a maximum maturity at the time of rediscount of nine months, and accordingly such notes are eligible for rediscount at a Federal reserve bank with maturities up to nine months. Under the rulings of the Comptroller of the Currency paper of this kind, when actually owned by the person negotiating the same, is regarded as commercial or business paper which is specifically excepted from the limitations of section 5200 of the Revised Statutes upon loans which may be made to one person by a national bank. In view of the recent amendment to section 13 of the Federal reserve act bringing the limitations on the amount of paper, upon which any one person is liable and which may be rediscounted by a Federal reserve bank for a member bank, into conformity with the limitations of section 5200 of the Revised Statutes, the ruling of the Comptroller of the Currency on this point may be regarded as a proper construction to be given also to the like limitations of section 13. Accordingly, there is no limit on the amount of such notes, upon which any one person is liable, which may be rediscounted by a Federal reserve bank for a member bank, provided, of course, that the paper is actually owned by the person, copartnership, association, or corporation negotiating the same.

There is believed to be no inconsistency in classifying such notes as agricultural paper within the meaning of the rediscount provisions of section 13 of the Federal reserve act and as commercial or business paper actually owned within the meaning of section 5200 of the Revised Statutes and of the fourth paragraph of section 13 of the Federal reserve act.

These statutes use different language and have been enacted for different purposes, and the fact, therefore, that certain paper may be classified as agricultural under one statute is no reason why it should not be classified as commercial or business paper under the other statute. Section 5200 of the Revised Statutes does not attempt to classify paper as agricultural or commercial and in fact does not mention "agricultural paper." Furthermore, the word "commercial" as used in its broader sense in the rediscount provisions of section 13 includes all notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes.

### **Amendment to Regulation H regarding voluntary withdrawal of State member banks.**

The Federal Reserve Board on June 9, 1930, amended Regulation H, effective immediately, by adding at the end thereof a new section reading as follows:

#### **SECTION VIII. VOLUNTARY WITHDRAWAL FROM FEDERAL RESERVE SYSTEM**

1. **General.**—Any State bank or trust company desiring to withdraw from membership in a Federal reserve bank may do so after six months' written notice has been filed with the Federal Reserve Board; and the Federal Reserve Board, in its discretion and subject to such conditions as it may prescribe, may waive such six months' notice in individual cases and may permit such bank or trust company to withdraw from membership in a Federal reserve bank prior to the expiration of six months from the date of the written notice of its intention to withdraw.

The law provides, however, that no Federal reserve bank shall, except upon express authority of the Federal Reserve Board, cancel within the same calendar year more than 25 per cent of its capital stock for the purpose of effecting voluntary withdrawals during that year. All applications for voluntary withdrawals are required by law to be dealt with in the order in which they are filed with the board.

2. **Resolution of board of directors.**—Every notice of intention of a State bank or trust company to withdraw from membership in the Federal reserve system and every application for the waiver of such notice should be accompanied by a certified copy of a resolution duly adopted by the board of directors of such bank authorizing the withdrawal of such bank from membership in the Federal reserve system and authorizing a certain officer or certain officers of such bank to file such notice or application, to surrender for cancellation the Federal reserve bank stock held by such bank, to receive and receipt for any moneys or other property due to such bank from the Federal reserve bank, and to do such other things as may be necessary to effect the withdrawal of such bank from membership in the Federal reserve system.

3. **Notice of intention to withdraw.**—Any State bank or trust company desiring to withdraw from membership in a Federal reserve bank after six months' written notice should signify its intention to do so in a letter addressed to the Federal Reserve Board and mailed to the Federal reserve agent at the Federal reserve bank of which such State bank or trust company is a member. Such letter should state clearly the reason for the bank's desire to withdraw from membership, and should inclose a certified copy of the resolution of the board of directors of such bank required by subsection 2 hereof. The Federal reserve agent shall immediately forward such notice to the Federal Reserve Board; and the bank giving notice will be permitted to withdraw from membership by surrendering its stock in the Federal reserve bank for cancellation six months after the date on which such notice was received by the Federal reserve agent, unless other such notices previously received during the same year would result in the cancellation of more than 25 per cent of the capital stock of such Federal reserve bank during that calendar year.

4. **Application for waiver of notice.**—Any State bank or trust company desiring to withdraw from membership in a Federal reserve bank without awaiting the expiration of six months from the date of its written notice of intention to do so shall address a letter to the Federal Reserve Board applying for permission to withdraw from membership prior to the expiration of six months and requesting the Federal Reserve Board to waive the six months' notice usually required. Such letter shall be accompanied by the certified copy of a resolution of the board of directors of such bank required by subsection 2 hereof, and shall be forwarded to the Federal reserve agent at the Federal reserve bank of which the applying bank is a member. The Federal reserve agent shall forward such application to the Federal Reserve Board with a definite recommendation that the application be approved or disapproved and with a full statement of his reasons for such recommendation. Unless there are exceptional circumstances justifying it, the Federal Reserve Board will not be disposed to waive such notice; and no such application will be approved by the Federal Reserve Board if the banks owning more than 10 per cent of the capital stock of such Federal reserve bank have previously filed notice of their intention to withdraw from membership during the same calendar year.

5. **Time and method of effecting actual withdrawal.**—A bank's withdrawal from membership in the Federal reserve system is effective on the date on which the Federal reserve bank stock held by it is duly canceled. Until such stock has been canceled, such bank remains a member of the Federal reserve system, is entitled to all the privileges of membership and is required to comply with all provisions of law and all regulations of the Federal Reserve Board pertaining to member banks and with all conditions of membership applicable to it. Upon the cancellation of such stock all rights and privileges of such State bank or trust company as a member bank cease and determine.

Upon the expiration of six months after notice of intention to withdraw from membership was received by the Federal reserve agent, or upon the waiving of such six months' notice by the Federal Reserve Board, therefore, such bank or trust company should surrender its stock and its certificate of membership to the Federal reserve bank and request that same be canceled and that all amounts due to it from the

Federal reserve bank be refunded. Unless this is done within two months after the expiration of such six months' notice or after the waiver of such notice by the Federal Reserve Board, or unless the bank requests and the board grants, an extension of time before the expiration of such two months, such bank will be presumed to have abandoned its intention of withdrawing from membership and will not be permitted to withdraw without again giving six months' written notice or obtaining the waiver of such notice.

Upon the cancellation of such stock and, after due provision has been made for any indebtedness due or to become due to the Federal reserve bank, such bank shall be entitled to a refund of its cash-paid subscription with interest at the rate of one-half of 1 per cent per month from the date of last dividend, if earned, the amount refunded in no event to exceed the book value of the stock at that time, and shall likewise be entitled to the repayment of deposits and of any other balance due from the Federal reserve bank.

6. **Withdrawal of notice.**—Any bank or trust company which has given notice of its intention to withdraw from membership in a Federal reserve bank, may withdraw such notice at any time before its stock has been canceled and upon doing so may remain a member of the Federal reserve system.

#### Amendments to Regulation I as to Federal Reserve Bank Stock held by member banks.

The Federal Reserve Board on June 9, 1930, adopted amendments effective immediately to Sections I and II of Regulation I, which has to do with Federal reserve bank stock held by member banks of the Federal reserve system.

Paragraphs (c) and (d) of Section I of Regulation I were amended to read as follows:

(c) **Increase of capital or surplus by member banks.**—Whenever any member bank shall increase the aggregate amount of its paid-up capital stock and surplus, it shall file with the Federal reserve bank of which it is a member an application on F. R. B. Form 56, made a part of this regulation, for such additional amount of the capital stock of the Federal reserve bank of its district as may be necessary to make its total subscription to stock of the Federal reserve bank equal to 6 per cent of its combined capital and surplus. After such application has been approved by the Federal reserve agent and by the Federal Reserve Board, the applying member bank shall pay to the Federal reserve bank of its district one-half of the amount of its additional subscription, and when this amount has been paid the appropriate certificate of stock shall be issued by the Federal reserve bank. The remaining half of such additional subscription shall be subject to call when deemed necessary by the Federal Reserve Board.

(d) **Consolidation of member banks.**—Whenever two or more member banks consolidate and such consolidation results in the consolidated bank acquiring by operation of law the Federal reserve bank stock owned by the other consolidating bank or banks, and which also results in the consolidated bank having an aggregate capital and surplus in excess of the aggregate capital and surplus of the consolidating member banks, such consolidated bank shall file an application for such additional amount of the capital stock of the

Federal reserve bank of its district as may be necessary to make its total subscription to the stock of the Federal reserve bank equal to 6 per cent of its combined capital and surplus, as provided in Section I (c).

Section II of Regulation I was amended by adding after subdivision (c) thereof a new subdivision to read as follows:

(d) **Other closed member banks.**—Whenever a national bank which has not gone into liquidation as provided in section 5220 of the Revised Statutes of the United States and for which a receiver has not been appointed for other lawful cause shall discontinue its banking operations for a period of 60 days, the Federal reserve agent of the Federal reserve district in which such national bank is located shall furnish the Federal Reserve Board with full information with reference to the facts involved in the case and with a definite recommendation as to whether the Comptroller of the Currency should appoint a receiver for the national bank. Upon receipt of this advice the Federal Reserve Board will, if the circumstances warrant it, request the Comptroller of the Currency to appoint a receiver for the national bank. If such receiver is appointed, the Federal reserve bank stock held by the national bank should be surrendered and canceled in the manner described in subdivision (b) of this section.

Whenever a State member bank shall cease to exercise banking functions without being placed in liquidation in accordance with the laws of the State in which it is located and without a receiver having been appointed for it, the Federal reserve agent of the Federal reserve district in which such State member bank is located shall furnish the Federal Reserve Board with full information with reference to the facts involved in the case and with a definite recommendation as to whether the Federal Reserve Board should require the State member bank to surrender its stock in the Federal reserve bank and to forfeit all rights and privileges of membership in the Federal reserve system. Upon receipt of this advice the Federal Reserve Board will, if termination of the membership of the State member bank appears desirable, give the member bank notice of the date upon which a hearing will be held to determine whether its membership should be forfeited. If, after such hearing, the membership of a State member bank is forfeited the board will direct the Federal reserve agent of the Federal reserve district in which the member bank is located to cancel the Federal reserve bank stock it holds and make appropriate refund thereon.

**Amendment to Regulation K as to titles of corporations organized under the terms of section 25 (a) of the Federal reserve act.**

Section IV of Regulation K with regard to the titles of corporations organized under the

terms of section 25 (a) of the Federal reserve act was amended by the Federal Reserve Board on May 29, 1930, effective immediately, so as to make that section read as follows:

SECTION IV.—TITLE

Inasmuch as the name of the Corporation is subject to the approval of the Federal Reserve Board, a preliminary application for that approval should be filed with the Federal Reserve Board on F. R. B. Form 150, which is made a part of this regulation. This application should state merely that the organization of a corporation under the proposed name is contemplated and may request the approval of that name and its reservation for a period of 30 days.

So far as possible the title of the Corporation should indicate the nature or reason of the business contemplated and should in no case resemble the name of any other corporation to the extent that it might result in misleading or deceiving the public as to its identity, purpose, connections or affiliations.

The title of every such Corporation shall include the word "foreign" or the word "international," and no such Corporation will be permitted to have the word "bank" as part of its title: *Provided, however,* That, with the permission of the Federal Reserve Board, which may be granted or withheld in the board's discretion, any Corporation which is closely affiliated with one or more banks and which is organized or operated for the purpose of transacting the foreign banking business of such bank or banks may include the word "bank" in its corporate title and need not include the word "foreign" or the word "international."

**Amendment to Regulation L regarding interlocking bank directorates.**

The Federal Reserve Board on May 14, 1930, amended its Regulation L, effective immediately, so as to conform to the act of March 2, 1929, exempting from the provisions of the Clayton Act joint-stock land banks and "other banking institutions which do no commercial banking business." The amendment to this regulation consists of the addition immediately after paragraph (1) of Section III of Regulation L, of two paragraphs reading as follows:

(2) Do not apply to joint-stock land banks organized under the provisions of the Federal farm loan act.

(3) Do not apply to banking institutions which do no commercial banking business.

## DIGEST OF STATE LAWS RELATING TO THE PURCHASE OF CORPORATE STOCKS BY BANKS AND TRUST COMPANIES

There is given below a digest of the State laws relating to the power of banks and trust companies to invest in or purchase stocks in other corporations, including stocks in other banks or trust companies. This digest shows the status of State legislation dealing with the purchase of corporate stocks by banks and trust companies as of March 1, 1930. It was prepared in the office of the counsel to the Federal Reserve Board, with the assistance of the

counsel to the various Federal reserve banks. The digest does not cover permission granted to banks and trust companies to invest in or purchase stocks in municipal or other public corporations, Federal reserve banks, joint-stock land banks, corporations engaged principally in foreign banking operations, safe deposit companies, or similar institutions affiliated in some respects with the business of banking.

### SUMMARY OF LEGISLATION IN VARIOUS STATES

#### STATES HAVING LEGISLATION PERMITTING PURCHASE OF CORPORATE STOCKS

By commercial banks	By trust companies	By savings banks
Alabama. <sup>1</sup> Arizona. California. <sup>2</sup> Connecticut. <sup>3</sup> Delaware. <sup>3</sup> Louisiana. New Jersey. North Carolina. <sup>3</sup> Pennsylvania. South Carolina. Tennessee. Texas. <sup>1</sup> Utah. Vermont. <sup>11</sup> Virginia.	Alabama. <sup>1</sup> & <sup>1a</sup> Arizona. Arkansas. Colorado. Connecticut. <sup>3</sup> Delaware. <sup>3</sup> Florida. <sup>4</sup> Georgia. <sup>12</sup> Kansas. <sup>1</sup> Louisiana. Maryland. Massachusetts. <sup>6</sup> Missouri. <sup>3</sup> Montana. Nebraska. New Hampshire. <sup>3</sup> New Jersey. New York. <sup>3</sup> Ohio. <sup>1</sup> Oklahoma. <sup>3</sup> Pennsylvania. South Carolina. <sup>3</sup> Tennessee. Texas. <sup>1</sup> Utah. Vermont. <sup>11</sup> Virginia. West Virginia. <sup>3</sup> Total, 28.	Arizona. Connecticut. <sup>3</sup> Delaware. <sup>3</sup> Florida. <sup>4</sup> Louisiana. Maine. <sup>5</sup> Massachusetts. <sup>7</sup> New Hampshire. <sup>3</sup> North Carolina. <sup>3</sup> Ohio. <sup>3</sup> Rhode Island. <sup>10</sup> South Carolina. Tennessee. Utah. Vermont. <sup>11</sup> Virginia.
Total, 15.		Total, 16.

<sup>1</sup> Amount of stock in other banks limited.

<sup>1a</sup> Only trust companies doing a banking business included.

<sup>2</sup> Stock of only 1 trust company may be purchased.

<sup>3</sup> Limitation placed on amount of stock may be purchased.

<sup>4</sup> Apparent conflict in laws of this State. Other provisions prohibit purchase of corporate stocks.

<sup>5</sup> Limited amount may be invested in stocks of Maine corporations other than banks.

<sup>6</sup> Amount of stock in another trust company limited.

<sup>7</sup> Investment and amount of investment limited to stocks of certain trust companies and national banks.

<sup>8</sup> Purchase of bank stocks prohibited.

<sup>9</sup> Purchase of bank or trust company stocks prohibited.

<sup>10</sup> Stocks of banks and trust companies and certain steam railroads may be purchased. Similar authority is granted to savings departments of banks and trust companies.

<sup>11</sup> Stocks in certain banks only may be purchased.

<sup>12</sup> Only trust companies "operating as investment bankers" included.

#### STATES HAVING LEGISLATION PROHIBITING PURCHASE OF CORPORATE STOCKS

By commercial banks	By trust companies	By savings banks
Colorado. Florida. <sup>1</sup> Georgia. Idaho. <sup>2</sup> Mississippi. <sup>3</sup> Nevada. Oregon. Montana. Nebraska. Nevada. North Dakota. Oklahoma. Oregon. South Dakota. Washington. Wyoming.	California. Florida. <sup>1</sup> Idaho. <sup>2</sup> Mississippi. <sup>3</sup> Nevada. Oregon. South Dakota. Washington.	Florida. <sup>1</sup> Georgia. Kansas. Mississippi. <sup>2</sup> Montana. Nebraska. Nevada. North Dakota. Oklahoma. South Dakota. Washington. Wisconsin. <sup>3</sup> Wyoming.
Total, 15.	Total, 8.	Total, 13.

<sup>1</sup> Apparent conflict in laws of this State. Other provisions authorize savings banks and trust companies to purchase corporate stocks.

<sup>2</sup> Specific prohibition is against purchase of bank stock.

<sup>3</sup> Specific prohibition is against mutual savings banks purchasing stocks.

#### STATES HAVING NO LEGISLATION SPECIFICALLY APPLICABLE TO—

Commercial banks	Trust companies	Savings banks
Arkansas. Illinois. Indiana. Iowa. Kentucky. Maine. Michigan. Maryland. Massachusetts. Michigan. Minnesota. Missouri. New Hampshire. New Mexico. New York. Ohio. Rhode Island. West Virginia. Wisconsin.	Illinois. Iowa. Indiana. Kentucky. Maine. Michigan. Minnesota. New Mexico. North Carolina. North Dakota. Rhode Island. Wisconsin. Wyoming.	Alabama. Arkansas. California. Colorado. Idaho. Illinois. Indiana. Iowa. Kentucky. Maryland. Michigan. Minnesota. Missouri. New Jersey. New Mexico. New York. Oregon. Pennsylvania. <sup>1</sup> Texas. West Virginia.
Total, 18.	Total, 13.	Total, 20.

<sup>1</sup> General law permitting "corporations organized for profit" to purchase corporate stocks has been considered not to apply to savings banks.

## ALABAMA

**Banks and trust companies doing a banking business.—Purchase of stocks permitted, but amount of stock in bank limited.**—"Corporations formed for the purpose of carrying on the business of banking and trust companies doing a banking business, may \* \* \* buy and sell \* \* \* bonds, stocks, \* \* \*." (Civil Code of Alabama, sec. 6365; Combined Banking Laws of Alabama, 1928, sec. 6365, p. 29).

"\* \* \* No bank shall subscribe for or own exceeding 10 per cent of the capital stock of any other bank, or invest or have invested an amount exceeding in the aggregate 25 per cent of its own paid-in capital stock in the capital stock of any other bank or banks. Any bank acquiring capital stock in any other bank in the usual course of business in payment of an indebtedness owing to it, must sell such portion of said stock as is in excess of the amount which it is permitted to hold and own as herein provided within one year from the time the same is acquired. Any bank failing to sell any such excess stock within the time herein directed, shall forfeit to the State an amount equal to the face value of such excess stock held by it, which sum the superintendent shall sue to recover in the name of the State in any court having jurisdiction, and the amount recovered shall be paid into the State treasury." (Civil Code of Alabama, sec. 6355; Combined Banking Laws of Alabama, 1928, sec. 6355, p. 25.)

## ARIZONA

**Purchase of bank or trust company stocks permitted.**—"No bank, loan, or trust company or association, organized under the laws of the State of Arizona, may purchase, own, hold, and sell or otherwise dispose of any of the shares of the capital stock of any other bank, loan, or trust company or association or other corporation; unless, such purchase shall be authorized by the executive committee or approved by the board of directors; and in case the purchase is of stock in any other banking corporation the approval of said purchase must also be had from the superintendent of banks." (Laws of 1922, ch. 31, sec. 20, p. 130; Banking Laws, 1922, sec. 20, p. 17.)

The term "bank" as used above includes savings banks. (Laws of 1922, ch. 31, sec. 1; Banking Laws, 1922, sec. 1, p. 9.)

## ARKANSAS

**Banks—No specific statutory provisions.**—There are no statutes in this State specifically authorizing banks to purchase the kinds of corporate stocks covered by this digest. However, "no bank shall employ its moneys, directly or indirectly, in trade or commerce by buying and selling goods, chattels, wares and merchandise, nor be the purchaser or holder of its own capital stock, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within twelve months of its purchase, be sold or disposed of at private sale; after the expiration of said twelve months any such stock shall not be considered as part of the assets of any bank: *Provided*, That it may hold and sell all kinds of property

that may come into its possession as collateral security for loans or any ordinary collection or debts, in the manner provided by law: *Provided further*, That any goods or chattels coming into its possession as aforesaid shall be disposed of as soon as possible, and after twelve months from the date of acquirement shall cease to be reckoned as a part of its assets." (C. and M. Digest, sec. 695; Banking Laws, 1929, sec. 26, p. 18.)

**Trust companies—Purchase of stocks permitted.**—Trust companies are authorized "to buy and sell all kinds of \* \* \* stocks, and other investment securities." (Act of April 13, 1903, sec. 2, p. 228, as amended by acts of 1923, act 627, sec. 10; Banking Laws, 1929, sec. 135 (9) p. 102.)

## CALIFORNIA

**Banks—General power to purchase corporate stocks denied.**—"No bank shall, except as otherwise provided in this act, purchase or invest its capital or surplus or money of its depositors, or any part of either, in the capital stock of any corporation unless the purchase or acquisition of such capital stock shall be necessary to prevent loss to the bank on an obligation owned or on a debt previously contracted in good faith. Any capital stock so purchased or acquired shall be sold by such bank within six months thereafter if it can be sold for the amount of the claim of such bank against it; and all capital stock thus purchased or acquired must be sold for the best price obtainable by said bank within three years after such purchase or acquisition unless the superintendent of banks shall extend the time of its sale for a period not to exceed two years." (California bank act, 1929, sec. 37.)

**Exception—Stock in one trust company.**—"Any (commercial) bank, with the previous written consent of the superintendent of banks may purchase or otherwise acquire and hold the whole or any part of the capital stock of not more than one trust company organized and existing under the laws of this State, and doing business in the same county in which the principal place of business of such bank is located: *Provided, however*, That not more than an amount equal to twenty-five per centum of the capital and surplus of any such bank may be at any one time invested in the capital stock of such trust company or such other corporation." (California bank act, 1929, sec. 37.)

Savings banks are authorized to make investments of their funds only in such stocks as are enumerated in the California bank act, and there is not included in this enumeration the kinds of corporate stocks contemplated by this digest. (California bank act, 1929, secs. 61, 62, and 145.)

**Trust companies—Investment in corporate stocks prohibited.**—Trust companies are not authorized to purchase corporate stocks of the kinds contemplated by this digest for the reason that investments of their funds are made subject to the provisions governing the investment of funds by savings banks. The California bank act provides that "every trust company shall invest its capital and surplus \* \* \*, in accordance with the laws relative to the investment \* \* \* of funds deposited with savings banks, \* \* \*." (California bank act, 1929, sec. 105.)

## COLORADO

**Banks may not purchase corporate stocks.**—"No bank shall purchase its own stock, nor the stock of any other corporation, except such as it may necessarily acquire in the protection or satisfaction of previously existing loans made in good faith. Any stock so acquired shall be sold by the bank within three years, and sooner if it can be done without impairing the banks' investment in the same." (Compiled Laws of Colorado, 1921, sec. 2683; Banking Laws, 1928, sec. 33, p. 19).

Savings banks are authorized to make certain investments, but corporate stocks of the kinds contemplated by this digest are not included in the classes of authorized investments. (Compiled Laws of Colorado, sec. 2685; Banking Laws, 1928, sec. 35, p. 20.)

**Trust companies authorized to buy and sell stocks.**—"All trust companies incorporated under the provisions of this act are duly authorized:

\* \* \* \* \*

"Seventh. To purchase, invest in and sell stocks \* \* \*." (Compiled Laws of Colorado, 1921, sec. 2765; Banking Laws, 1928, sec. 128, p. 66.)

## CONNECTICUT

**Purchase of corporate stocks permitted up to certain amount.**—"Banks and trust companies \* \* \* may purchase and hold corporate securities of any description, provided the total amount at the purchase price invested in corporate stocks shall at no time exceed twenty-five per centum of its combined capital, surplus and undivided profits and provided its investment in the stock of any one corporation shall not exceed ten per centum of the stock of that corporation or exceed ten per centum of the percentage prescribed herein, whichever may be the greater. \* \* \*." (General Statutes of Connecticut, sec. 3955, as amended by laws of 1927, ch. 251; Banking Laws, 1929, sec. 3955, p. 9.)

Savings banks and banks and trust companies maintaining savings departments may make limited investments of their savings deposits in the stocks of certain banks located in the State of Connecticut and certain cities in other States. (General Statutes of Connecticut, sec. 3928; and sec. 3972 (27), as amended by laws of 1929, ch. 279; Banking Laws, 1929, sec. 3928, p. 20; and sec. 3972 (27), p. 52.)

## DELAWARE

**Banks and trust companies may purchase stocks.**—"No bank or trust company shall invest more than twenty-five per centum of its total capital, surplus and undivided profits in the stock, bonds or other obligations of any one corporation or political entity or political division except bonds or other obligations of the United States, of the State of Delaware, or of any county, city, town or school district in this State." (Act of March 31, 1921, sec. 13; Banking Laws, 1929, p. 26.)

The term "bank" as used in the above excerpt from the laws of Delaware includes savings banks. (Act of March 13, 1921, sec. 1; Banking Laws, 1929, sec. 1, p. 14.)

## FLORIDA

**Banks and trust companies may not purchase stocks.**—"That it shall be unlawful for any bank or trust company organized under the laws of this State and doing business in this State, to directly or indirectly invest any of the funds of said bank or trust company in stock of any incorporated company in this State or elsewhere \* \* \*." (Compiled General Laws of Florida, 1930 Supp., sec. 6084.)

**Savings banks may purchase bank stocks.**—"The capital and deposits and the income derived therefrom shall be invested only as follows:

\* \* \* \* \*

"4. In the stock of any bank incorporated under the authority of this State, or the stock of any banking association incorporated under the authority of the United States \* \* \*." (Compiled General Laws of Florida, 1927, sec. 6120; Banking Laws, 1926, p. 30.)

**Trust companies may purchase stocks.**—"Every trust company organized under and in pursuance of this article shall have power:

\* \* \* \* \*

"(10) To purchase, invest in and sell stocks. \* \* \*." (Compiled General Laws of Florida, 1930 Supp., sec. 6126 (10).)

NOTE.—It will be observed that there is an apparent conflict in the laws of this State, and it is understood that none of the statutes above referred to have received judicial construction.

## GEORGIA

**Banks may not purchase stocks.**—"No bank shall subscribe for, purchase, or hold stock in any other bank \* \* \* nor in any other corporation unless the same shall have been transferred to it in satisfaction of a debt previously contracted, or shall have been purchased at a sale under a power contained in a note or other instrument by which it was pledged to the bank or under a judgment or decree in its favor, and all such stock shall be disposed of by the bank within six months, unless the superintendent of banks shall extend the time for good cause shown." (Amendments to banking act of Georgia approved August 25, 1927, sec. 10.)

The term "bank" as used in the laws of Georgia includes savings banks. (Banking act of Georgia, 1919, as amended 1925, article 1, sec. 1.)

**Trust companies operating as investment bankers may deal in stocks and bonds.**—"Dealing in stocks and bonds.—Trust companies, operating as investment bankers, and maintaining departments for the purchase and sale of securities, may purchase for resale whole issues or parts of issues of stocks, bonds, and debentures of industrial, railroad, and public service corporations and other investment securities, and may resell and deal in the same, under such regulations as may be prescribed by the superintendent of banks." (Trust company act of 1927, sec. 5A.)

## IDAHO

**Purchase of bank stocks prohibited.**—"No bank shall \* \* \* purchase any shares of \* \* \* any other bank wherever organized, or situated \* \* \*"

unless such \* \* \* purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased \* \* \* shall within six months from the date of acquirement be sold or disposed of at public or private sale; after the expiration of six months any such stock shall not be considered as a part of the assets of such bank." (Laws of 1925, ch. 133, sec. 29; Bank Code, 1925, sec. 29, p. 18.)

Savings banks are empowered to make certain investments of their funds, but they do not have the power to invest in the kinds of corporate stocks contemplated by this digest. (Laws of 1925, ch. 230, p. 446; Bank Code, 1925, sec. 2, p. 50.)

The term "bank" as used in the Idaho laws includes trust companies. (Laws of 1925, ch. 133, sec. 2; Bank Code, 1925, sec. 2, p. 5.)

## ILLINOIS

**No statutory provisions.**—The statutes of Illinois contain no provisions authorizing or prohibiting banks or trust companies to purchase corporate stocks.

## INDIANA

**Commercial banks or trust companies.—No specific statutory provisions.**—The statutes of Indiana contain no provisions specifically authorizing or prohibiting commercial banks or trust companies to purchase corporate stocks.

**Savings banks not permitted to purchase corporate stocks contemplated by this digest.**—Savings banks may "invest the money deposited therein" only in such bonds, notes, etc., as are specifically enumerated, and there is not included in this enumeration any corporate stocks of the kinds contemplated by this digest. (Acts of extra session of 1869, p. 104, sec. 19, as amended by acts of 1875, p. 129, acts of 1893, p. 273, acts of 1903, p. 211 and acts of 1917, p. 416.)

## IOWA

**Investment in corporate stocks of the kinds contemplated by this digest prohibited.**—The laws of Iowa provide that banks and trust companies shall invest only in such stocks, bonds, and securities as are specifically enumerated therein, and there is not included in this enumeration any stocks of the kinds contemplated by this digest. (Banking Laws, 1929, ch. 413, secs. 9183, 9183-C1; ch. 415, secs. 9269, 9271; ch. 416, sec. 9284; ch. 416-A1, sec. 12772.) The laws of Iowa also provide that "No State bank, savings bank, or trust company shall make any loan or discount on the security of the shares of its own capital stock, or be the purchaser or holder of any shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith, and stock so purchased or acquired shall be sold at public or private sale, or otherwise disposed of, within one (1) year from the time of its purchase or acquisition unless the time is extended by the superintendent of banking." (Banking Laws, 1929, ch. 413, sec. 9184.)

## KANSAS

**Banks may not purchase corporate stocks.**—"No bank shall employ its moneys, directly or indirectly, in trade or commerce, by buying and selling goods, chattels, wares, and merchandise, and shall not invest any of its funds in the stock of any other bank or corporation \* \* \*." (Session Laws of Kansas, 1927, p. 126; Banking Laws, 1929, sec. 11, p. 6.)

The term "bank" as used in the above excerpt from the laws of Kansas includes savings banks. (Laws of 1897, ch. 47, sec. 36, as amended by Laws of 1907, ch. 64, sec. 1; Banking Laws, 1929, sec. 36, p. 14.)

**Trust companies authorized to purchase stocks.**—"The purposes for which trust companies may be formed are:

\* \* \* \* \*

"Eighth, \* \* \* to buy and sell all kinds of government, state, county, municipal, and corporation bonds, and all kinds of negotiable and nonnegotiable paper, securities and stocks: *Provided*, That the total investment of any such trust company in bank stock shall at no time exceed one-fourth its paid-up capital stock: \* \* \* *Provided*, That the total investment in bank stock held by any trust company in excess of one-fourth of its capital shall be disposed of within two years from the passage of this act." (Revised Statutes of Kansas, 1923, sec. 17-2002; Banking Laws, 1929, sec. 2, pp. 38 and 39.)

## KENTUCKY

**No statutory provisions.**—The laws of Kentucky contain no specific provisions with reference to the purchase of corporate stocks by banks or trust companies. With reference to banks, the law does provide that no bank shall employ its moneys, directly or indirectly, in any enterprise or business except as authorized by law; but the right to purchase corporate stocks does not appear to be authorized by law. (Carroll's Kentucky Statutes, 1930, secs. 579 and 582; Banking Laws, 1926, secs. 579 and 582.)

Trust companies are not authorized expressly to purchase corporate stocks, but the law does provide that "the capital stock of a trust company, and the funds in its possession, not held in a fiduciary capacity, may be invested in such manner as the directors deem prudent and safe; \* \* \*." (Carroll's Kentucky Statutes, 1930, secs. 606 and 614; Banking Laws, 1926, secs. 606 and 614.)

## LOUISIANA

**Purchase of any corporate stocks permitted.**—All banks and trust companies are empowered "to receive, hold, purchase, acquire, and convey, by and under their corporate name, such property, real and personal, including bonds, stocks, and securities of the United States, or of any of the United States, or of any corporation, board or body, public or private thereof, as may be necessary, proper or convenient to the objects of the association, and to exercise in relation thereto, all the direct and incidental rights of ownership." (Laws of 1902, act No. 45, sec. 1 (2), and sec. 7, as amended by act No. 238 of 1910, and act No. 179, as amended; Banking Laws, 1928, sec. 1 (2), p. 26, sec. 7, p. 30, secs. 1-32, pp. 3-21.)

## MAINE

**Trust and banking companies.—No specific statutory provisions.**—The laws of Maine do not contain any provisions expressly authorizing "trust and banking companies" to purchase corporate stocks, but the laws do give such companies the power "to hold and enjoy all such estate, real, personal and mixed, as may be obtained by the investment of its capital stock or any other moneys and funds that may come into its possession in the course of its business and dealings, and the same sell, grant and dispose of: \* \* \*." (Public Laws, 1923, ch. 144, sec. 61; Banking Laws, 1927, sec. 61, p. 41.)

Savings banks may invest in stock of Maine corporations other than banking corporations—Amount of investment limited.—“Savings banks and institutions for savings may hereafter invest their funds as follows, and not otherwise:

\* \* \* \* \*

“(a) In the stock of any Maine corporation, other than a banking corporation, actually conducting in this state the business for which such corporation was created, provided such corporation has for a period of three years next preceding the investment earned and received an average net income equivalent to at least six per cent upon the entire outstanding issue of the stock in question.”

“(b) The aggregate of all investments made by any bank in stock shall at no time exceed five per cent of its deposits, and not more than one per cent of the deposits of such bank shall be invested in the stock of any single corporation. No such bank shall hold by way of investment or as security for loans, or both, more than one-fifth of the capital stock of any corporation; but this limitation shall not apply to assets acquired in good faith upon judgments for debts or in settlements to secure debts.” (Public Laws, 1923, ch. 144, as amended, sec. 27; Banking Laws, 1927, sec. 27, pp. 12 and 22.)

#### MARYLAND

**Purchase of corporate stocks permitted to trust companies.**—Trust companies are given the power “to exercise, by its directors, duly authorized officers or agents, all such powers as shall be usual in carrying on the business of banking. \* \* \* by purchasing, investing in and selling stocks, \* \* \* and other securities \* \* \*.” (Bagby’s Code, article 11, sec. 46; Banking Laws, 1927, sec. 46 (9), p. 23.)

**Banks.**—No specific statutory provisions.—There do not appear to be any provisions in the laws of Maryland specifically authorizing or prohibiting banks to purchase corporate stocks.

#### MASSACHUSETTS

**Purchase of corporate stocks by trust companies permitted.**—A trust company may “\* \* \* invest its moneys or credits, whether capital or general deposits, in the stocks, bonds or other evidences of indebtedness of corporations or of associations or trusts, \* \* \*.” (General Laws, ch. 172, sec. 33; Trust Company Pamphlet Laws, sec. 33, p. 21.)

**Limitation upon purchase of stocks in other trust companies.**—“No trust company shall hold more than ten per cent of the capital stock of any other trust company.” (General Laws, ch. 172, sec. 43; Trust Company Pamphlet Laws, sec. 43, p. 23.)

**Savings banks may purchase certain bank and trust company stocks—Amount limited.**—Savings banks may invest their deposits and income derived therefrom—

“In the stock of a trust company incorporated under the laws of and doing business within this Commonwealth, or in the stock of a national banking association located in the New England States and incorporated under the authority of the United States, which has paid dividends of not less than four per cent therein in cash in each of the five years next preceding the date of such investment and the amount of whose surplus is at least equal to fifty per cent of its capital; but a savings bank shall not hold, both by way of investment and as security for loans, more than twenty-five per cent of the stock of any one such company or association, nor shall it hold by way of investment stock

of such companies and associations having an aggregate initial cost in excess of fifteen per cent of the deposits of such savings bank, or stock of any one such company or association having an initial cost in excess of one per cent of the deposits aforesaid.” (General Laws, ch. 168, sec. 54, (7th), as amended by acts of 1929, ch. 315, sec. 1; Savings Banks Pamphlet Laws, sec. 54 (7th), p. 39.)

#### MICHIGAN

**Purchase prohibited of kinds of corporate stocks contemplated by this digest.**—The laws of Michigan provide that banks and trust companies may only purchase certain specifically enumerated stocks, bonds, and other securities, and this enumeration does not include any of the stocks contemplated by this digest. (Laws of 1929, act No. 66, secs. 4 and 24; Laws of 1929, Act No. 67, secs. 19 and 24; Laws of 1919, Act No. 94, sec. 1.)

#### MINNESOTA

**Purchase of kinds of corporate stocks contemplated by this digest not permitted.**—The statutes of Minnesota provide that banks and trust companies may only purchase or invest in such stocks, bonds, etc., as are specifically enumerated, and there is not included in this enumeration any of the stocks contemplated by this digest. (G. S. 1923, secs. 7649, 7663, 7714, as amended by Laws of 1927, ch. 368 and ch. 422, 7716, 7735, 7738, 7740, and 7810.)

#### MISSISSIPPI

**Purchase of bank stocks prohibited.**—“No part of the stock of any bank \* \* \* shall be owned by any bank under the provisions of this act. Any such stock owned by any bank at the time this act takes effect shall be disposed of within twelve months after such time. In cases where such stock is taken as collateral and the purchase thereof shall be necessary to prevent loss upon a debt previously contracted in good faith, then in such cases such stock shall be sold by the bank within twelve months from the time that it was required. A violation of this section by any bank or banks under the provisions of this act shall be constituted a breach of law and subject any such bank or banks to liquidation and forfeit of their respective charters.” (Laws of Mississippi, 1922, chap. 172, sec. 49; Brown’s 1925 Miss. and Federal Statutes pertaining to Banks and Banking, p. 71.)

The term “bank” as used in the laws of Mississippi includes trust companies and savings banks. (Laws of Mississippi, 1914, chap. 124, sec. 66; Brown’s 1925 Miss. and Federal Statutes pertaining to Banks and Banking, p. 72.)

#### MISSOURI

**Purchase by trust companies of corporate stocks limited.**—A trust company “shall not invest or keep invested in the stock of any private corporation an amount in excess of fifteen per centum of the capital and surplus fund of such trust company; nor shall it purchase or continue to hold stock of another bank or trust company if by such purchase or continued investment the total stock of such other bank or trust company owned and held by it as collateral will exceed fifteen per centum of the stock of such other bank or trust company: Provided, however, that this limitation shall not apply \* \* \* to the ownership by such trust company or its stockholders of a part or all of the capital stock of one bank organized under the

laws of the United States or of this State." (Revised Statutes of Missouri, 1919, sec. 11807, as amended by Laws of 1927, p. 241.)

There are no statutory provisions in this State governing the purchase of corporate stocks by banks; and the Missouri courts have held that in the absence of express authority, one bank can not purchase the shares of stock of another bank.

## MONTANA

**Banks prohibited from purchasing stocks.**—"No commercial or savings bank shall purchase or invest its capital or surplus, or money of its depositors, or any part of either, in the capital stock of any corporation, unless the purchase or acquisition of such capital stock shall be necessary to prevent loss to the bank on a debt previously contracted in good faith. Any capital stock so purchased or acquired shall be sold by such bank within six months thereafter, if it can be sold for the amount of the claim of such bank against it; and all capital stock thus purchased or acquired must be sold for the best price obtainable by said bank within one year after such purchase or acquisition. Every person or corporation violating any provision of this section shall forfeit to the State twice the nominal amount of such stock." (Laws of Montana, 1927, chap. 89, sec. 39; Banking Laws, 1927, sec. 39, p. 32.)

**Trust companies authorized to purchase stocks.**—The laws of Montana authorize the organization of trust companies which may invest in corporate stocks and other securities, and also provide as follows: " \* \* \* The board of directors of any such corporation (trust company) is authorized to invest the capital and assets of said corporation \* \* \* in \* \* \* stocks and bonds of corporations \* \* \* " (Laws of Montana, 1927, chap. 89, sec. 4 (c) (8) and sec. 26; Banking Laws, 1927, sec. 4 (c) (8) and sec. 26.)

## NEBRASKA

**Banks—Purchase of corporate stocks prohibited.**—"No corporation transacting a banking business shall \* \* \* be the purchaser or holder of \* \* \* the shares of any corporation, unless such \* \* \* purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and such stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale; or in default thereof, a receiver may be appointed to close up the business of the bank: Provided, in no case shall the amount of stock so held exceed ten per cent of the paid-up capital of such bank." (Comp. Stat. of Nebraska, 1922, sec. 8006; Banking Laws, 1929, sec. 8006, p. 12.)

Savings banks are not permitted to purchase corporate stocks. (Comp. Stat. of Nebraska, sec. 8016; Banking Laws, 1929, sec. 8016, p. 18.)

**Trust companies—Purchase of corporate stocks permitted.**—Trust companies have the power "to buy, hold and own and sell \* \* \* stocks, \* \* \* and other investment securities." (Comp. Stat. of Nebraska, 1922, sec. 8008, as amended by Laws of 1927, act approved April 20, 1927.)

## NEVADA

**Purchase of corporate stocks prohibited.**—"No bank shall employ its moneys, directly or indirectly in trade or commerce by buying or selling goods, chattel wares, or merchandise, and shall not invest any of its funds in the stock of any bank or trust company or corpora-

tion, \* \* \*." (Revised Laws of 1912, sec. 13, p. 195, as amended, Laws of 1915, p. 32; Banking Laws, 1927, sec. 13, p. 7.)

The word "bank" as used in the banking law of Nevada includes savings banks and trust companies. (Revised Laws of 1912, sec. 75; Banking Laws, 1927, sec. 75, p. 23.)

## NEW HAMPSHIRE

**Purchase of corporate stocks permitted.**—Trust companies are authorized and empowered "to negotiate, purchase and sell stocks, bonds and other evidences of debt; to do a general banking business; and to conduct a savings department." (Public Laws, ch. 265, sec. 31; Banking Laws, 1929, sec. 31, p. 41.)

**Limitation upon such purchase.**—"The total liabilities of a person, firm, or corporation, including in the liabilities of a firm the liabilities of its several members, for money borrowed of the commercial department of a trust company or other corporation of a similar character, whether organized under the provisions of this chapter or otherwise, shall at no time exceed ten per cent of its capital stock actually paid in and surplus, nor shall such corporation purchase or hold, by way of investment, the stocks and bonds of any corporation to an amount in excess of said ten per cent." (Public Laws, ch. 265, sec. 37; Banking Laws, 1929, sec. 37, p. 42.)

**Savings banks and savings departments of banks and trust companies.**—Subject to certain limitations, savings banks and savings departments of banking and trust companies may invest in the capital stock of banks, trust companies, and certain other corporations. However, such investments are limited, in the case of any one corporation, to 5 per cent of the deposits of the purchasing savings banks or savings departments of banking and trust companies. (Public Laws, ch. 260, sec. 16, ch. 262, secs. 1, 7, 8, 9, 12, 13, 14, 15; Banking Laws, 1929, sec. 16, p. 7, secs. 1, 7, 8, 9, 12, 13, 14, 15 and pp. 20, 23-29.)

## NEW JERSEY

**Banks (other than savings banks) and trust companies authorized to purchase corporate stocks.**—Banks (other than savings banks) "in addition to the power and authority now conferred upon them, shall be authorized to purchase, invest in and sell stocks of corporations." (Laws of 1927, ch. 12; Banking Laws, 1928, sec. 10, p. 54.)

Trust companies are authorized "to purchase, invest in and sell stocks \* \* \* and other securities; \* \* \*." (Laws of 1899, ch. 174, sec. 6 (10); Banking Laws, 1928, sec. 6 (10), p. 66.)

Savings banks may only invest in certain specifically enumerated securities, and there is not included in this enumeration any of the corporate stocks contemplated by this digest. (Laws of 1926, ch. 129, sec. 1.)

## NEW MEXICO

**Commercial banks and trust companies.**—No statutory provisions.—There do not appear to be any provisions in the laws of New Mexico expressly permitting or prohibiting commercial banks and trust companies to purchase corporate stocks. Trust companies, however, are authorized "\* \* \* to purchase, invest in and sell all kinds of \* \* \* investment securities." (Laws of 1915, ch. 67, sec. 60 (7); Bank Code, 1929, sec. 60 (7), p. 22); and with reference to commercial banks, the laws of New Mexico provide that "\* \* \* no bank shall at any time have invested more than

thirty per cent of its unimpaired capital and surplus in the notes, bonds, or other securities of any person, firm, or corporation \* \* \*." (Laws of 1929, ch. 131, sec. 9; Bank Code, 1929, sec. 36, p. 15.)

Savings banks may only invest their deposits in certain specifically enumerated securities, and there is not included in this enumeration any of the corporate stocks contemplated by this digest. (Laws of 1929, ch. 66; Bank Code, 1929, sec. 56, p. 20.)

#### NEW YORK

**Trust companies permitted to purchase stocks.**—Trust companies have the power "to purchase, invest in and sell stocks \* \* \* and other securities; \* \* \*." (Banking Law, sec. 185 (9).)

**Limitation upon purchase of corporate stocks.**—A trust company "shall not invest or keep invested in the stock of any private corporation an amount in excess of ten per centum of the capital and surplus of such trust company; nor shall it purchase or continue to hold stock of another moneyed corporation if by such purchase or continued investment the total stock of such other moneyed corporation owned and held by it as collateral will exceed ten per centum of the stock of such other moneyed corporation, \* \* \*." (Banking Law, sec. 190 (9).)

**Banks.**—No statutory provisions, but purchase generally of corporate stocks held prohibited.—Banks proper and savings banks are permitted to purchase certain classes of corporate stocks, but none of these stocks is of the type contemplated by this digest. (Banking Law, secs. 106 and 239.)

The banking department of the State of New York holds that banks have no authority to buy stocks other than those classes above referred to, and the courts in this State have rendered decisions to the effect that banks can not purchase stocks of other corporations for the purpose of selling at a profit, can not become stockholders in a railroad corporation, and can not purchase State stocks to sell at a profit.

#### NORTH CAROLINA

**Purchase of corporate stocks permitted, but amount of purchase limited.**—"No bank shall make any investment in the capital stock of any other State or National bank, provided, that nothing herein shall be construed to prevent the subscribing to or purchasing of the capital stock of \* \* \* central reserve banks, having a capital stock of more than one million dollars; by banks doing business under this act, upon such terms as may be agreed upon. To constitute a central reserve bank as contemplated by this act, at least fifty per cent of the capital stock of such bank shall be owned by other banks." (Ann. Code of North Carolina, 1927, sec. 220 (c); Banking Laws, 1927, sec. 220 (c), p. 20.)

**Limitations upon purchase of stocks.**—"The investment of any bank in the capital stock of such central reserve bank \* \* \*, shall at no time exceed ten per cent of the paid-in capital and permanent surplus of the bank making same. No bank shall invest more than fifty per cent of its permanent surplus in the stocks of other corporations, firms, partnerships, or companies, unless such stock is purchased to protect the bank from loss. Any stocks owned or hereafter acquired in excess of the limitations herein imposed shall be disposed of at public or private sale within six months after the date of acquiring the same, and if not so disposed of they shall be charged to profit and loss account, and no longer carried on the books

as an asset. The limit of time in which such stocks shall be disposed of or charged off the books of the bank may be extended by the corporation commission, if in its judgment it is for the best interest of the bank that such extension be granted." (Ann. Code of North Carolina, 1927, sec. 220 (c); Banking Laws, 1927, sec. 220 (c), p. 20.)

**Corporation commission may suspend limitations on amount may purchase.**—"The board of directors of any bank may, by resolution duly passed at a meeting of the board, request the corporation commission to temporarily suspend the limitation on loans and investments as same may apply to any particular loan or investment, which said bank desires to make in excess of the provisions of sections 220 (b), 220 (c) \* \* \* of this act. Upon receipt of a duly certified copy of such resolution, the corporation commission may, in its discretion, suspend the limitation on loans and investments in so far as it would apply to the loan or investment which such bank desires to make." (Ann. Code of North Carolina, 1927, sec. 220 (e); Banking Laws, 1927, sec. 220 (e), p. 21.)

**Purchase of stock of corporation owning land or building used by bank.**—A bank may invest "fifty per cent of its unimpaired capital and permanent surplus in the stock or bonds of a corporation owning the land, building, or buildings occupied by such bank as its banking home" and a bank may not be compelled "to surrender or dispose of any investment in the stocks or bonds of a corporation owning the lands or building occupied by such bank as its banking home, if such stocks or bonds were lawfully acquired prior to the ratification of this act: Provided further, however, that the corporation commission may, in its discretion, authorize banks located in cities having a population of more than five thousand according to the latest United States census to invest an amount greater than fifty per cent of its unimpaired capital and permanent surplus in the stocks or bonds of a corporation owning the land, building or buildings occupied by such bank as its banking home." (Ann. Code of North Carolina, 1927, sec. 229 (b); Banking Laws, 1927, sec. 220 (b), p. 20.)

**Definition of term "bank"**—"The term 'bank' when used in this act shall be construed to mean any corporation, partnership, firm, or individual receiving, soliciting, or accepting money or its equivalent on deposit as a business: Provided, however, this definition shall not be construed to include building and loan associations, Morris plan companies, industrial banks or trust companies not receiving money on deposit." (Ann. Code of North Carolina, 1927, sec. 216 (a); Banking Laws, 1927, sec. 216 (a), p. 3.)

#### NORTH DAKOTA

**Purchase of corporate stocks by banks prohibited.**—"No bank shall \* \* \* employ or invest any of its assets or funds in the stock of any corporation, bank, partnership, firm or association, nor shall it invest any of its assets in speculative margins of stocks, bonds, \* \* \*." (Supplement to 1913 Comp. Laws of North Dakota, sec. 5187; Banking Laws, 1929, p. 25.)

The above prohibition is expressly made applicable to savings banks. (Compiled Laws of North Dakota, 1913, sec. 5204; Banking Laws, 1929, p. 67.)

#### OHIO

**Banks (other than savings banks) not permitted to purchase corporate stocks of kinds covered by this digest.**—Banks, other than savings banks, are author-

ized to make certain investments of their capital, surplus, undivided profits and deposits in certain securities, stocks and bonds, but apparently they are not authorized to make investments in the kinds of corporate stocks contemplated by this digest. (Throckmorton's Code of 1929, secs. 710-111, 710-111a, 710-121; Banking Laws, 1928, secs. 710-111, 710-111a, 710-121.)

**Savings banks—Purchase of bank stocks forbidden but "stocks of companies" may be purchased.**—A savings bank is empowered to invest its funds in "stocks of companies, upon which or the constituent companies comprising the same, dividends have been earned and paid for five consecutive years next prior to the investment and stocks of companies taken on a refinancing plan involving an original investment, which was legal at the time it was made; provided, every such investment shall be authorized by an affirmative vote of a majority of the board of directors of such savings bank" but "no purchase or investment shall be in the stock of any other corporation organized or doing business under the provisions of this act or of the national banking act of the United States." (Act approved April 18, 1929, Laws of 1929, sec. 710-140(b).)

**Trust companies—Purchase of bank stocks prohibited, but other corporate stocks may be purchased.**—A trust company may invest in \* \* \* stocks and bonds of corporations when authorized by the affirmative vote of the board of directors, or of the executive committee of such trust company" but the prohibition against savings banks purchasing bank stock is also imposed upon trust companies. (Throckmorton's Code of 1929, sec. 710-166; Banking Laws, 1928, sec. 710-166, p. 64.)

## OKLAHOMA

**Banks—Purchase of any kind of corporate stocks prohibited.**—A bank "shall not invest any of its funds in the stock of any other bank or corporation \* \* \*." (Oklahoma Comp. Stat., 1921, sec. 4123; Banking Laws, 1926, sec. 11, p. 15.) The Constitution of Oklahoma also provides that "No trust company, or bank or banking company shall own, hold, or control in any manner whatever, the stock of any other trust company or bank or banking company, except such stock as may be pledged in good faith to secure bona fide indebtedness, acquired upon foreclosure, execution sale, or otherwise for the satisfaction of debt; and such stock shall be disposed of in the time and manner hereinafter provided" (within twelve months from the date of acquisition). (Constitution of Oklahoma, art. 9, sec. 41.)

**Trust companies—May purchase any kind of stocks, except in a bank or in another trust company.**—Trust companies are given the power "to buy and sell \* \* \* all kinds of \* \* \* stocks, and other investment securities." (Oklahoma Comp. Stat. 1921, sec. 4194 (9); Banking Laws, 1926, sec. 119 (9), p. 64.)

In view of the above provision of the Oklahoma Constitution prohibiting a trust company to "hold or control in any manner whatever, the stock of any other trust company or bank or banking company," it would seem that the power given to trust companies to "buy and sell \* \* \* all kinds of \* \* \* stocks, and other investment securities," is restricted in so far as the provisions of the Oklahoma Constitution are applicable.

## OREGON

**Purchase of corporate stocks prohibited.**—Except for the authority to purchase certain classes of corpo-

rate stocks not contemplated by this digest, the laws of Oregon provide that "Hereafter no bank or trust company shall invest any of its assets in the capital stock of any other corporation." In case stock is purchased or acquired to save loss on a preexisting debt, such stock must be sold "within 12 months of the date acquired or purchased, or within such further time as may be granted by the superintendent of banks." (Laws of 1925, ch. 207, sec. 81, p. 336; Banking Laws, 1925, sec. 81, p. 28.)

Savings banks and savings departments of banks or trust companies are not authorized to invest funds in the kinds of corporate stocks contemplated by this digest. (Laws of 1929, ch. 380, sec. 31.)

## PENNSYLVANIA

**Banks (other than savings banks) and trust companies permitted to purchase corporate stocks.**—The laws of Pennsylvania provide:

"That hereafter any corporation organized for profit, created by general or special laws, may purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, the shares of the capital stock of \* \* \* any other corporation or corporations, public or private, of this or any other State and while the owner of said stock may exercise all the rights, powers, and privileges of ownership, including the right to vote thereon." (Act of July 2, 1901, Public Laws, p. 603 (West's Penna. Statutes, 1920, sec. 5785), as amended by acts of Mar. 27, 1929, Public Laws, p. 74, and Apr. 18, 1929, Public Laws, p. 544.)

There are no statutory limitations in Pennsylvania upon the right of State banks, other than savings banks; and trust companies to purchase stocks of other corporations, and it has been considered that such institutions have the right, under the provisions of the act of July 2, 1901, as amended, to purchase corporate stocks.

Savings banks, however, do not possess the right to invest their funds in shares of stock of other corporations. Such banks, by the provisions of section 17 of the act of May 20, 1889, P. L. 246 (West's Penna. Statutes, 1920, sec. 19770), are permitted to invest money derived from deposits only as specified in the act of May 20, 1889, and as there are no provisions in this act or in amendments thereto (act of June 28, 1923, P. L. 884, and act of April 26, 1929, P. L. 827) permitting such banks to invest their funds in stocks of other corporations, it has been considered that they are without this power.

## RHODE ISLAND

**Banks proper and trust companies—No statutory provisions.**—The laws of Rhode Island do not contain any express authority for banks proper and trust companies to purchase corporate stocks, but a trust company is authorized "\* \* \* to invest its capital stock and moneys in its hands in such bonds, obligations, or property, real, personal, or mixed, as it may deem prudent, \* \* \*." (General Laws, 1923, ch. 271, sec. 4; Banking Laws, 1929, sec. 4, p. 16.)

**Savings banks and banks and trust companies receiving savings deposits—Purchase of steam railroad and bank stocks permitted.**—Deposits in savings banks and in the savings departments of banks and trust companies, and in the case of savings banks, the income derived from investments held, may be invested subject to detailed limitations in the capital stock of banks and trust companies and certain steam railroad companies. (General Laws, 1923, sec. 1, Clause IV, Clause VII, as amended by Laws of 1927, ch. 1034,

Clause XIV, Clause XV, as amended by Laws of 1925, ch. 653; Banking Laws, sec. 1, p. 22, Clause IV, p. 30, Clause VII, p. 37, Clause XIV, p. 43, Clause XV, pp. 44-45.)

## SOUTH CAROLINA

**Banking corporations may deal in corporate stocks.**—“Every banking corporation may \* \* \* deal in \* \* \* public and other securities, and stocks of other corporations; \* \* \* may purchase and hold such \* \* \* personal property as may be conveyed to it to secure debts to the corporation, or may be sold under execution to satisfy debts due in whole or in part to the corporation, and as may be deemed necessary or convenient for the transaction of its business, and may sell and dispose of the same at pleasure; \* \* \*.” (Code of 1922, sec. 3992; Banking Laws, 1928, sec. 62, p. 29.)

**Trust companies authorized to purchase corporate stocks, but amount limited.**—Trust companies are authorized “to buy, underwrite, invest in and sell all kinds \* \* \* of stocks or other investment securities.” (Banking Laws, 1928, sec. 9 (10), p. 117.)

**Limitation on amount may invest in any one corporation.**—“Shall not invest or keep invested in the stock of any one private corporation an amount in excess of twenty-five per centum (25%) of the capital and surplus fund of such trust company; nor shall it purchase or continue to hold stock of another bank or trust company if by such purchase or continued investment the total stock of such other bank or trust company owned or held by it as collateral will exceed twenty-five per centum (25%) of the stock of such other bank or trust company: *Provided, however,* That this limitation shall not apply to the \* \* \* ownership by such trust company, or its stockholders, or a part or all of the capital stock of one bank organized under the laws of the United States or of this State, nor to the ownership of a part or all of the capital of one corporation, organized under the laws of this State, for the principal purpose of receiving savings deposits.” (Banking Laws, 1928, sec. 12 (7), p. 122.)

## SOUTH DAKOTA

**Banks prohibited from purchasing corporate stocks.**—“No bank shall employ its money, directly or indirectly, in trade or commerce by buying or selling goods, chattels, wares, and merchandise, nor shall it invest any of its funds in the stock of any other bank or corporation, nor make loans or discounts on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; stocks so purchased or acquired shall, within six months of the time of its purchase, be sold or disposed of at public or private sale; and after the expiration of six months any such stock shall not be considered as part of the assets of such bank.” (Session Laws of South Dakota, 1919, ch. 125; Banking Laws, 1927, sec. 8983, p. 27.)

**Trust companies prohibited from purchasing corporate stocks.**—“No trust company shall employ its money, directly or indirectly, in trade or commerce, by buying or selling goods, chattels, wares, and merchandise, nor shall it invest any of its funds in the stock of any other trust company or corporation, nor make any loans or discounts on the security of the shares of its own capital stock, nor be the purchaser or holder of any shares unless such security or purchase shall be necessary to prevent loss upon a debt previously con-

tracted in good faith; and stock so purchased or acquired shall, within six months of the time of its purchase, be sold or disposed of at public or private sale; and after the expiration of six months any such stock shall not be considered as a part of the assets of any trust company.” (South Dakota Code, 1919, sec. 9050; Banking Laws, 1927, sec. 9050, p. 68.)

## TENNESSEE

**All corporations authorized to deal in stocks.**—The laws of the State of Tennessee provide: “That all private corporations now existing or organized by virtue of the laws of Tennessee, and all private corporations hereafter to be organized and created according to law, for the transaction of any lawful business, or to promote or conduct any legitimate object or purpose, shall have the right, power, privilege, and immunity to purchase, hold, own, sell, transfer, assign, vote, mortgage, pledge, and otherwise deal in stock, bonds, or evidence of indebtedness of other corporations in the same manner and with all the rights, power, privileges, and immunities of individual owners, except that this act shall in no way be construed to give corporations power to create unlawful monopolies, trusts, or combinations in restraint of trade.” (Act approved March 31, 1923.)

## TEXAS

**Purchase of corporate stocks permitted.**—Banks (other than savings banks) and trust companies may purchase, invest in, and sell stocks and other securities. (Rev. Stat., 1925, articles 396 (9), and 1513; Banking Laws, 1929, article 396 (9), p. 18, and article 1513, p. 76.)

**Limitation upon purchase of bank stocks.**—“It shall be unlawful for any State bank or bank and trust company to own more than ten per cent of the capital stock of any other banking corporation, or to make a loan secured by the stock of any other banking corporation, if by the making of such loan the total stock of such other banking corporation held by it as collateral will exceed, in the aggregate, ten per cent of the capital stock of such other banking corporation, unless the ownership or the taking of a greater percentage of such capital stock as collateral shall be necessary to prevent loss upon a debt previously contracted in good faith; and any such excess so taken as collateral or owned by such bank shall not be held as collateral nor owned by it for a longer period than six months.” (Rev. Stat. 1925, article 513; Banking Laws, 1925, article 513, p. 44.)

Savings banks may only invest their deposits in certain specifically enumerated securities, and there is not included in this enumeration any of the corporate stocks contemplated by this digest (Rev. Stat., 1925, article 416; Banking Laws, 1929, article 416, p. 23.)

## UTAH

**Purchase of corporate stocks permitted.**—“Any bank or loan, trust, and guaranty company or association, organized under the laws of the State of Utah, may purchase, own, hold, and sell or otherwise dispose of any of the shares of the capital stock of any other bank, loan, trust, and guaranty association or other corporation; provided, such purchase shall be authorized by the executive committee and approved by the board of directors; and in case the purchase is of stock in any other banking corporation the approval of said purchase must also be had from the State bank commissioner; and provided, further, that nothing in this

section shall be so construed as to permit the establishment, maintenance, or control of any branch bank or loan, trust, or guaranty company in the State. All acts or parts of acts in conflict with this section are hereby repealed to the extent of such conflict." (Compiled Laws of 1917, sec. 986, p. 299; Banking Laws, 1927, sec. 986, p. 8.)

The above excerpt from the laws of Utah is made applicable to savings banks. (Compiled Laws of 1917, sec. 1016; Banking Laws, 1927, sec. 1016, p. 15.)

## VERMONT

**Purchase of bank or trust company stocks permitted.**—Banks of all kinds and trust companies are empowered to invest their assets—

"In the stock of any national bank in the New England States or the State of New York, or in the stock of any banking association or trust company incorporated under the authority of and located in such States, or in the stock of any bank incorporated under the authority of and located in the Dominion of Canada; but a bank shall not hold bank stock both by the way of investment and as security for loans in excess of ten per cent of its assets, nor, in any one bank, more than five per cent of its assets, or more than two hundred thousand dollars, or more than ten per cent of the capital stock of any one bank." (General Laws, sec. 5363, par. (a), subdivision VI, as amended by acts of 1929, Act No. 90, sec. 5.)

## VIRGINIA

**Purchase of corporate stocks permitted.**—All banks and trust companies are empowered to purchase and sell "all stocks and bonds." (Acts of 1928, ch. 507, secs. 1 and 12; Banking Laws, 1929, secs. 4149 (1), 4149 (13), pp. 24 and 30.)

## WASHINGTON

**Purchase of corporate stocks prohibited.**—" \* \* \* Nor shall any such corporation (bank or trust company) subscribe for or purchase the stock of any other banking house or trust company, or of any domestic or foreign corporation of any character, \* \* \*: Provided, That such bank and/or trust company may purchase, acquire and hold shares of stock in any other corporation which shares have been previously pledged as security to any loan or discount made in good faith and such purchase shall be necessary to prevent loss upon a debt previously contracted in good faith and stock so purchased or acquired shall be sold at public or private sale or otherwise disposed of within two years from the time of its purchase or acquisition. (Laws of 1929, sec. 5, p. 100; Banking Laws, 1929, sec. 46, p. 26.) The laws also provide that corporations doing a trust business may not invest trust funds in corporate stocks. (Laws of 1929, ch. 206; Banking Laws, 1929, sec. 77, p. 37.)

Savings banks are covered by the above excerpt from the laws of Washington. (Laws of 1917, sec. 14, p. 275; Banking Laws, 1929, sec. 24, p. 11.)

## WEST VIRGINIA

**Trust companies may purchase stocks of business corporations, but limited to 20 per cent of capital and surplus.**—Banking institutions authorized to transact a trust business are empowered "to buy, hold, sell, and deal in \* \* \* the stocks or bonds of any business corporation." (Acts of 1929, ch. 23, sec. 4.)

Such institutions shall not invest "in the stock of any corporation" an amount exceeding twenty per centum of their capital stock and surplus fund. "The corporation mentioned in this section shall not be construed to mean municipal corporations, districts, or counties, or corporations owning the building in which the banking institution is located." (Acts of 1929, ch. 23, sec. 21.)

There do not appear to be any provisions in the laws of the State of West Virginia authorizing banking institutions organized as commercial or savings banks to purchase corporate stocks.

## WISCONSIN

**Mutual savings banks prohibited from purchasing corporate stocks.**—No statutory provisions covering other banking institutions.—The statutes of Wisconsin contain no provision with reference to the purchase of corporate stock by banks and trust companies except mutual savings banks. The provision with reference to mutual savings banks provides that "\* \* \* no mutual savings bank shall invest any part of its deposits in the stock of any corporation \* \* \*." (Wisconsin Stat. 1929, sec. 222.13; Banking Laws, 1925, sec. 222.13, p. 52.)

## WYOMING

**Purchase of corporate stocks prohibited.**—"Hereafter no State bank shall invest any of its assets in the capital stock of any other corporation \* \* \*, and except such as it may acquire or purchase to save a loss on a pre-existing debt, and stocks so acquired or purchased shall be sold within twelve months from the date acquired or purchased; provided, that a further time may be granted by the State examiner." (Laws of 1925, ch. 157, sec. 32; Banking Laws, 1927, sec. 32, p. 18.)

The term "State bank" as used in the above excerpt from the laws of Wyoming includes every individual, firm, or corporation doing a banking business, and a banking business is engaged in "where credits are opened by the deposit or collection of money or currency or negotiable paper subject to be paid or remitted upon draft, receipt, check, or order." (Laws of 1925, ch. 157, secs. 1, 5, and 10; Banking Laws, 1927, secs. 1, 5, and 10, pp. 11, 12, and 13.)

The statutes of Wyoming contain no provisions authorizing trust companies not doing a banking business to purchase corporate stocks.

## DETAILED FEDERAL RESERVE STATISTICS, ETC.

## FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES IN DETAIL AND FEDERAL RESERVE NOTE STATEMENT

	1930		1929
	June 30	May 31	June 30
<b>RESOURCES</b>			
Gold with Federal reserve agents.....	1,596,214	1,607,714	1,371,809
Gold redemption fund with United States Treasury.....	36,677	37,857	68,983
Gold held exclusively against Federal reserve notes.....	1,632,891	1,645,571	1,440,792
Gold settlement fund with Federal Reserve Board.....	603,134	626,631	658,180
Gold and gold certificates held by banks.....	776,147	766,236	758,842
Total gold reserves.....	3,012,172	3,038,438	2,857,814
Reserves other than gold.....	161,998	156,940	171,779
Total reserves.....	3,174,170	3,195,378	3,029,593
Nonreserve cash.....	57,122	55,969	57,234
Bills discounted <sup>1</sup> .....	271,828	312,602	1,037,149
Bills bought:			
Outright <sup>2</sup> .....	103,883	135,413	72,683
Under resale agreement.....	23,955	49,653	8,909
Total bills bought.....	127,838	185,066	81,592
United States securities:			
Bought outright.....	581,404	525,772	147,921
Under resale agreement.....	9,505	2,495	67,781
Total United States securities.....	590,909	528,267	215,702
Other reserve bank credit:			
Other securities.....	5,301	6,400	12,465
Due from foreign banks.....	706	709	728
Reserve bank float <sup>3</sup> .....	20,996	15,697	52,395
Total reserve bank credit outstanding.....	1,017,578	1,048,741	1,400,031
Federal reserve notes of other reserve banks.....	19,982	20,614	19,034
Uncollected items not included in float.....	509,453	511,695	622,742
Bank premises.....	59,552	58,671	58,616
All other resources.....	11,758	12,055	7,121
Total resources.....	4,849,615	4,903,123	5,194,371
<b>LIABILITIES</b>			
Federal reserve notes:			
Held by other Federal reserve banks.....	19,982	20,614	19,036
Outside Federal reserve banks.....	1,403,790	1,468,313	1,693,829
Total notes in circulation.....	1,423,772	1,488,927	1,712,865
Deposits:			
Member bank—reserve account.....	2,389,070	2,369,314	2,355,652
Government.....	26,523	42,700	35,810
Foreign bank.....	5,879	5,711	6,273
Other deposits.....	33,753	18,228	21,441
Total deposits.....	2,455,225	2,435,953	2,419,176
Deferred availability items.....	509,453	511,695	622,742
Capital paid in.....	169,723	170,546	158,603
Surplus.....	276,936	276,936	254,398
All other liabilities.....	14,506	19,066	26,587
Total liabilities.....	4,849,615	4,903,123	5,194,371
Contingent liability on bills purchased for foreign correspondents.....	469,678	462,845	422,384
<b>FEDERAL RESERVE NOTE STATEMENT</b>			
Federal reserve notes:			
Issued to Federal reserve banks by Federal reserve agents.....	1,746,500	1,784,041	2,194,970
Held by Federal reserve banks <sup>4</sup> .....	322,728	295,114	482,105
In actual circulation.....	1,423,772	1,488,927	1,712,865
Collateral held by agents as security for notes issued to banks:			
Gold.....	1,596,214	* 1,607,714	1,371,809
Eligible paper.....	373,354	491,048	1,096,396
Total collateral.....	1,969,568	* 2,098,762	2,468,205

<sup>1</sup> Includes bills discounted for intermediate credit banks as follows: Latest month, \$656,000; month ago, \$1,076,000; year ago, \$5,791,000; and notes secured by adjusted service certificates discounted for nonmember banks as follows: Latest month, \$51,000; month ago, \$53,000; year ago, \$133,000.

<sup>2</sup> Includes bills payable in foreign currencies as follows: Latest month, \$1,064,000; month ago, \$1,053,000; year ago, \$1,043,000.

<sup>3</sup> Uncollected items (exclusive of Federal reserve notes of other Federal reserve banks) in excess of deferred availability items.

<sup>4</sup> Excludes "F. R. notes of other F. R. banks," which are consequently included in "actual circulation."

\* Revised.

RESOURCES AND LIABILITIES OF EACH FEDERAL RESERVE BANK ON JUNE 30, 1939

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
<b>RESOURCES</b>													
Gold with Federal reserve agents	1,596,214	154,917	258,594	140,000	190,550	65,000	116,500	219,000	67,245	50,845	75,000	28,800	229,763
Gold redemption fund with U. S. Treasury	36,677	1,020	14,852	2,514	2,078	1,499	1,800	1,513	1,785	894	1,571	889	6,262
Gold held exclusively against Federal reserve notes	1,632,891	155,937	273,446	142,514	192,628	66,499	118,300	220,513	69,030	51,739	76,571	29,689	236,025
Gold settlement fund with Federal Reserve Board	603,134	41,627	153,841	35,801	71,056	17,450	9,189	142,941	30,354	12,222	30,253	13,432	44,968
Gold and gold certificates held by banks	776,147	33,408	478,809	30,981	54,165	9,209	5,937	100,720	9,914	5,574	10,410	9,443	27,577
Total gold reserves	3,012,172	230,972	906,096	209,296	317,849	93,158	133,426	464,174	109,298	69,535	117,234	52,564	308,570
Reserves other than gold	161,998	11,876	49,456	8,672	10,155	7,033	15,980	15,842	12,343	4,417	7,800	7,784	10,640
Total reserves	3,174,170	242,848	955,552	217,968	328,004	100,191	149,406	480,016	121,641	73,952	125,034	60,348	319,210
Nonreserve cash	57,122	5,253	12,187	3,098	3,860	3,570	4,573	8,260	4,052	1,296	1,796	3,489	5,688
<b>Bills discounted:</b>													
Secured by U. S. Government obligations	108,473	7,594	47,764	13,613	17,635	3,229	752	8,430	3,754	456	1,892	1,093	2,261
Other bills discounted	163,355	10,457	36,274	15,882	10,712	18,137	23,711	8,938	11,477	3,390	9,397	8,465	6,515
Total bills discounted	271,828	18,051	84,038	29,495	28,347	21,366	24,463	17,368	15,231	3,846	11,289	9,558	8,776
<b>Bills bought:</b>	127,838	13,682	44,008	2,405	7,901	5,334	7,707	15,197	4,606	6,278	3,917	3,078	13,725
<b>U. S. Government securities:</b>													
Bonds	55,049	2,335	7,780	1,892	1,842	1,658	368	22,056	988	5,234	1,043	8,746	1,107
Treasury notes	237,968	15,668	79,001	20,455	26,806	5,933	6,445	21,707	14,106	9,461	11,214	8,926	18,246
Certificates and bills	297,892	26,257	107,782	27,855	26,694	8,002	4,614	34,124	7,549	10,696	16,479	10,498	17,342
Total U. S. Government securities	590,909	44,260	194,563	50,202	55,342	15,593	11,427	77,887	22,643	25,391	28,736	28,170	36,695
Other securities	5,301	1,000	3,250	1,000						51			
Total bills and securities	995,876	76,993	325,859	83,102	91,500	42,293	43,597	110,452	42,480	35,566	43,942	40,806	59,196
Due from foreign banks	706	52	232	69	71	30	25	95	25	16	21	21	49
Federal reserve notes of other Federal reserve banks	19,982	228	5,370	221	878	1,069	991	3,040	1,430	1,485	1,727	476	3,067
Uncollected items	530,449	63,563	156,661	45,764	50,130	38,635	14,585	59,106	19,552	10,934	28,676	17,538	25,305
Bank premises	59,552	3,580	15,664	2,614	7,059	3,204	2,658	8,295	3,811	2,018	3,972	1,876	4,801
All other resources	11,758	74	4,508	167	1,065	634	3,303	447	159	4,211	3,231	423	302
<b>Total resources</b>	<b>4,849,615</b>	<b>392,591</b>	<b>1,476,033</b>	<b>353,003</b>	<b>482,657</b>	<b>189,626</b>	<b>219,138</b>	<b>669,711</b>	<b>193,150</b>	<b>125,712</b>	<b>205,399</b>	<b>124,977</b>	<b>417,615</b>
<b>LIABILITIES</b>													
Federal reserve notes in actual circulation	1,423,772	148,144	172,557	129,910	194,544	66,211	123,595	199,958	72,953	54,076	69,494	31,847	160,485
<b>Deposits:</b>													
Member bank—reserve account	2,389,070	145,028	985,376	135,903	188,941	62,443	61,055	341,634	79,144	49,095	92,722	59,500	188,220
Government	26,523	1,911	3,314	1,391	1,516	2,968	2,157	4,294	2,044	1,079	2,230	1,172	2,447
Foreign bank	5,879	451	1,786	592	610	256	220	817	220	140	183	183	421
Other deposits	33,753	70	16,702	68	2,395	67	127	4,249	412	232	61	46	9,324
Total deposits	2,455,225	147,460	1,007,178	137,954	193,462	65,734	63,559	350,994	81,820	50,546	95,196	60,901	200,421
Deferred availability items	509,453	63,365	146,169	40,918	48,532	38,556	13,691	56,352	20,911	9,989	27,003	18,300	25,667
Capital paid in	169,723	11,830	65,394	16,781	15,896	5,856	5,361	20,208	5,276	3,070	4,356	4,350	11,345
Surplus	276,936	21,751	80,001	26,965	29,141	12,496	10,857	40,094	10,877	7,143	9,162	8,935	19,514
All other liabilities	14,506	41	4,734	475	1,082	773	2,075	2,105	1,313	888	188	644	188
<b>Total liabilities</b>	<b>4,849,615</b>	<b>392,591</b>	<b>1,476,033</b>	<b>353,003</b>	<b>482,657</b>	<b>189,626</b>	<b>219,138</b>	<b>669,711</b>	<b>193,150</b>	<b>125,712</b>	<b>205,399</b>	<b>124,977</b>	<b>417,615</b>
Reserve ratio (per cent)	81.8	82.2	81.0	81.4	84.5	75.9	79.8	87.1	78.6	70.7	75.9	65.1	88.4
<b>FEDERAL RESERVE NOTE STATEMENT</b>													
Federal reserve notes:													
Issued to Federal reserve banks by Federal reserve agents	1,746,500	175,570	244,403	151,727	219,785	85,901	147,818	229,245	85,230	60,050	79,079	39,338	227,754
Held by Federal reserve banks <sup>1</sup>	322,728	27,426	71,846	21,817	25,241	19,690	24,223	29,287	12,277	5,974	9,585	8,091	67,270
In actual circulation	1,423,772	148,144	172,557	129,910	194,544	66,211	123,595	199,958	72,953	54,076	69,494	31,847	160,485
Collateral held by agents as security for notes issued to banks:													
Gold	1,596,214	154,917	258,594	140,000	190,550	65,000	116,500	219,000	67,245	50,845	75,000	28,800	229,763
Eligible paper	373,354	31,655	106,662	28,507	36,086	26,155	32,069	32,404	19,701	10,019	15,142	12,570	22,384

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

**BANK DEBITS**

[Debits to individual accounts. In millions of dollars]

	Number of centers	May, 1930	April, 1930	May, 1929
New York City.....	1	37,423	38,631	50,043
Outside New York City.....	140	24,416	24,347	26,520
<b>Federal reserve district:</b>				
Boston.....	11	2,602	2,698	2,962
New York.....	7	38,539	39,597	51,109
Philadelphia.....	10	2,272	2,273	2,708
Cleveland.....	13	2,739	2,733	2,862
Richmond.....	7	771	756	753
Atlanta.....	15	1,026	1,053	1,172
Chicago.....	21	6,513	6,489	7,063
St. Louis.....	5	1,231	1,159	1,275
Minneapolis.....	9	716	730	765
Kansas City.....	15	1,319	1,315	1,388
Dallas.....	10	643	681	731
San Francisco.....	18	3,468	3,493	3,775
<b>Total.....</b>	<b>141</b>	<b>61,839</b>	<b>62,978</b>	<b>76,563</b>

**MEMBERSHIP IN PAR-COLLECTION SYSTEM <sup>1</sup>**

[Number of banks at end of May]

Federal reserve district	Member banks		Nonmember banks			
	1930	1929	On par list		Not on par list	
			1930	1929	1930	1929
	8,359	8,731	11,635	12,346	3,640	3,829
Boston.....	402	407	270	253	-----	-----
New York.....	925	939	402	404	-----	-----
Philadelphia.....	757	777	468	485	-----	-----
Cleveland.....	794	810	972	1,003	9	10
Richmond.....	494	538	561	603	504	555
Atlanta.....	414	441	228	294	899	951
Chicago.....	1,145	1,232	3,354	3,525	231	222
St. Louis.....	553	584	1,584	1,700	480	484
Minneapolis.....	666	706	544	620	1,059	1,133
Kansas City.....	892	915	2,031	2,184	185	198
Dallas.....	721	766	592	614	213	215
San Francisco.....	596	616	629	661	60	61

<sup>1</sup> Incorporated banks other than mutual savings banks.

**KINDS OF MONEY IN CIRCULATION**

[End of month figures. In thousands of dollars]

	Mar. 31	Apr. 30	May 31	June 30 <sup>p</sup>
Gold coin.....	362,272	360,016	358,575	357,226
Gold certificates.....	873,366	885,820	954,465	994,831
Standard silver dollars.....	39,172	38,798	38,610	38,629
Silver certificates.....	385,583	382,423	391,773	386,915
Treasury notes of 1870.....	1,265	1,263	1,261	1,260
Subsidiary silver.....	280,364	281,181	281,167	281,120
Minor coin.....	116,544	117,108	117,193	117,449
United States notes.....	268,526	277,111	290,260	288,389
Federal reserve notes.....	1,571,519	1,483,711	1,466,561	1,402,028
Federal reserve bank notes.....	3,275	3,248	3,221	3,206
National-bank notes.....	647,301	645,389	648,382	650,779
<b>Total.....</b>	<b>4,549,187</b>	<b>4,476,068</b>	<b>4,551,468</b>	<b>4,521,832</b>

<sup>p</sup> Preliminary.

**FEDERAL RESERVE BANKS—MATURITY DISTRIBUTION OF BILLS AND SHORT-TERM SECURITIES**

[In thousands of dollars]

	Total	Within 15 days	16 to 30 days	31 to 60 days	61 to 90 days	91 days to 6 months	Over 6 months
<b>Bills discounted:</b>							
June 4.....	239,728	143,410	23,492	30,563	19,962	21,642	659
June 11.....	210,484	116,491	23,723	29,228	18,122	22,346	574
June 18.....	206,794	118,012	19,004	27,680	18,780	22,981	340
June 25.....	231,505	135,408	19,476	30,110	22,050	24,242	219
<b>Bills bought in open market:</b>							
June 4.....	189,240	116,554	30,334	33,890	7,126	1,336	-----
June 11.....	148,172	79,187	37,021	23,434	7,283	1,247	-----
June 18.....	132,776	73,105	31,024	22,147	5,151	1,349	-----
June 25.....	102,313	49,607	24,092	23,077	4,399	1,138	-----
<b>Certificates and bills:</b>							
June 4.....	261,010	26,091	-----	44,500	60,689	87,157	42,573
June 11.....	267,600	32,139	40	44,500	60,689	87,806	42,426
June 18.....	289,091	2,500	44,488	-----	153,863	48,655	39,585
June 25.....	301,623	-----	42,488	55,221	109,697	52,585	41,632

CHANGES IN MEMBERSHIP

STATE BANK MEMBERSHIP

The following list shows the changes affecting State bank membership during the month ended June 21, 1930, on which date 1,079 State institutions were members of the system:

Date	Federal reserve district	Capital
<b>No. 2—NEW YORK</b>		
1930		
May 22	Bank of the Manhattan Co., New York, N. Y., voluntary withdrawal. (Business absorbed by Bank of Manhattan Trust Co., member, Dec. 3, 1929.)	
31	Interstate Trust Co., New York, N. Y., member. Equitable Trust Co., New York, N. Y., member. Consolidated with and under title of the Chase National Bank of the City of New York.	\$7,188,700 50,000,000
24	The Central Bank of the City of New York, N. Y. Admitted to membership, succeeding The Central National Bank of the City of New York.	2,500,000
31	Globe Bank & Trust Co., Brooklyn, N. Y., member. Absorbed the Rugby National Bank of Brooklyn.	1,525,000 300,000
31	Citizens Trust Co., Utica, N. Y., member. Absorbed the Utica National Bank & Trust Co.	1,625,000 750,000
23	Power City Bank, Niagara Falls, N. Y., member, title changed to Power City Trust Co. Federal Trust Co., Newark, N. J., absorbed the Hayes Circle National Bank & Trust Co.	
June 10	Central Bank of the City of New York, N. Y. Merged with and under title of the Bank of the Manhattan Trust Co., New York, N. Y., member.	2,500,000
<b>No. 4—CLEVELAND</b>		
June 16	Peninsula Banking Co., Peninsula, Ohio. Voluntary withdrawal.	50,000
<b>No. 5—RICHMOND</b>		
May 24	Farmers Banking & Trust Co., Tarboro, N. C. Absorbed by North Carolina Bank & Trust Co., Greensboro, N. C., nonmember.	100,000
<b>No. 6—ATLANTA</b>		
May 21	Farmers & Merchants Bank, Hartselle, Ala., member. Absorbed the First National Bank of Hartselle.	50,000 100,000
22	Pittard Banking Co., Winterville, Ga., voluntary withdrawal.	
June 7	Liberty Bank & Trust Co., Savannah, Ga., member. Converted into Liberty National Bank & Trust Co.	600,000
10	Peoples Bank of Evergreen, Ala. Absorbed the First National Bank of Evergreen, Ala.	600,000 100,000 50,000
May 31	Columbus Bank & Trust Co., Columbus, Ga., member. Absorbed Third National Bank, Columbus, Ga.	850,000 200,000
June 11	Bank of Graymont, Graymont, Ga. Merged with Peoples Bank, Summit, Ga., nonmember, under title of Bank of Twin City, Ga.	25,000
<b>No. 7—CHICAGO</b>		
May 27	Iowa State Savings Bank, Cedar Rapids, Iowa. Voluntary withdrawal.	200,000
June 4	Monroe County Bank, Dundee, Mich. Admitted to membership.	25,000
May 31	Redford State Savings Bank, Detroit, Mich. Voluntary withdrawal.	100,000
June 2	Iowa Loan & Trust Co., Fairfield, Iowa. Voluntary withdrawal.	50,000
19	First State Bank, Royal Oak, Mich. Voluntary withdrawal.	250,000
16	Iowa County Bank, Mineral Point, Wis. Voluntary withdrawal.	100,000

Date	Federal reserve district	Capital
<b>No. 8—ST. LOUIS</b>		
1930		
May 23	West End Bank, University City, Mo. Admitted to membership.	\$100,000
26	Tower Grove Bank, St. Louis, Mo., member. Succeeded by Tower Grove Bank & Trust Co., member.	500,000 500,000
<b>No. 9—MINNEAPOLIS</b>		
May 26	Swift County Bank (Inc.), Benson, Minn. Reopened.	100,000
31	Ravalli County Bank, Hamilton, Mont., member. Citizens State Bank, Hamilton, Mont., nonmember, have absorbed First National Bank, Hamilton, Mont.	50,000 50,000
<b>No. 10—KANSAS CITY</b>		
June 2	Citizens Bank, Aztec, N. Mex., member. Absorbed the Aztec State Bank, Aztec, N. Mex., nonmember.	30,000 25,000
<b>No. 11—DALLAS</b>		
June 4	Cochise County State Bank, Tombstone, Ariz. Voluntary withdrawal.	30,000
<b>No. 12—SAN FRANCISCO</b>		
June 16	Commercial Security Bank, Ogden, Utah. Admitted to membership.	200,000

NATIONAL BANK MEMBERSHIP

The following list shows reported changes (except suspensions and insolvencies) affecting national bank membership, concerning which information became available between May 20 and June 23:

Date	Federal reserve district	Capital
<b>No. 1—BOSTON</b>		
1930		
May 31	Union National Bank, Lowell, Mass. Old Lowell National Bank. Consolidated under charter of Union National Bank and title of Union Old Lowell National Bank.	\$350,000 200,000 1,000,000
<b>No. 2—NEW YORK</b>		
May 23	Central National Bank, New York, N. Y. Succeeded by Central Bank, member.	2,500,000
24	First National Bank, Woodbridge, N. J. Woodbridge National Bank. Consolidated under charter of First National Bank and title of First National Bank & Trust Co.	100,000 50,000 150,000
31	Rugby National Bank, Brooklyn, N. Y. Absorbed by Globe Bank & Trust Co., member.	300,000
31	Chase National Bank, New York, N. Y. Equitable Trust Co., member. Interstate Trust Co., member. Consolidated under charter and title of Chase National Bank.	105,000,000 50,000,000 7,188,700 148,000,000
31	Utica National Bank & Trust Co., Utica, N. Y. Absorbed by Citizens Trust Co., member.	750,000
June 10	Hayes Circle National Bank & Trust Co., Newark, N. J. Succeeded by Hayes Circle Trust Co., nonmember, which was absorbed by Federal Trust Co., member.	500,000
14	Genesee Valley National Bank, Genesee, N. Y. Livingston County Trust Co. Consolidated under charter of Genesee Valley National Bank and title of Genesee Valley National Bank & Trust Co.	150,000 100,000 200,000
16	Irvington National Bank, Irvington, N. Y., title changed to Irvington National Bank & Trust Co.	

Date	Federal reserve district	Capital	Date	Federal reserve district	Capital
	No. 2—NEW YORK—Continued			No. 8—St. Louis—Continued	
1930			1930		
June 17	Washington Square National Bank, New York, N. Y., title changed to Washington National Bank.		May 17	Citizens National Bank, Alton, Ill. Succeeded by First National Bank & Trust Co.	\$200,000
18	First National Bank, Minoa, N. Y. Primary organization.	\$50,000	20	First National Bank, Hamilton, Mo. Succeeded by First Bank & Trust Co., nonmember.	100,000
20	Fulton County National Bank, Gloversville, N. Y., title changed to Fulton County National Bank & Trust Co.		31	First National Bank, Batesville, Ark. Absorbed by North Arkansas Bank, nonmember.	100,000
	No. 4—CLEVELAND		31	First National Bank, Jasonville, Ind. Citizens Trust Co., nonmember. Consolidated under charter and title of First National Bank.	50,000 25,000 50,000
June 3	Butler County National Bank, Butler, Pa. Union National Bank.	400,000 200,000		No. 9.—MINNEAPOLIS	
	Butler County Trust Co., nonmember. Consolidated under charter of Butler County National Bank and title of Butler County National Bank & Trust Co.	250,000	Apr. 30	First National Bank of Britton, S. Dak. Succeeded by First National Bank in Britton.	50,000
11	Madison National Bank & Trust Co., Richmond, Ky. Southern National Bank.	600,000 125,000 100,000	May 12	First National Bank, McVie, N. Dak. Absorbed by Union Bank, nonmember.	25,000
	Consolidated under charter of Madison National Bank & Trust Co., and title of Madison-Southern National Bank & Trust Co.	225,000	19	Farmers & Merchants National Bank, Ivanhoe, Minn. Succeeded by Farmers & Merchants National Bank in Ivanhoe.	25,000
	No. 5—RICHMOND		31	First National Bank, Hamilton, Mont. Absorbed by Ravalli County Bank, member, and Citizens State Bank, nonmember.	50,000
Apr. 8	National Bank of Honea Path, S. C. Absorbed by Bank of Ware Shoals, Ware Shoals, S. C., nonmember.	100,000	June 9	First National Bank, Cottonwood, Minn. Absorbed by Cottonwood State Bank, nonmember.	25,000
May 6	First National Bank, Springfield, S. C. Absorbed by Peoples State Bank of South Carolina, Charleston, S. C., nonmember.	50,000	18	First National Bank, Bison, S. Dak. Succession of Bison State Bank, Bison, and First State Bank, Strool, S. Dak., nonmembers.	25,000
8	First National Bank, Greer, S. C. Absorbed by Planters Savings Bank, nonmember.	50,000		No. 10—KANSAS CITY	
24	First National Bank, Chatham, Va. Absorbed by Chatham Savings Bank, nonmember.	25,000	Apr. 26	National Bank of Commerce, Frederick, Okla. Absorbed by First National Bank.	50,000
26	Edgecombe National Bank, Tarboro, N. C. Absorbed by North Carolina Bank & Trust Co., Greensboro, N. C., nonmember.	100,000	May 19	National Bank of New Mexico, Raton, N. Mex. Absorbed by First National Bank.	50,000
31	First National Bank, Hyattsville, Md. Absorbed by Prince Georges Bank & Trust Co., nonmember.	100,000	20	Merchants National Bank, Lawrence, Kans., title changed to First National Bank.	
June 9	First National Bank, Monroe, N. C. Absorbed by North Carolina Bank & Trust Co., Greensboro, N. C., nonmember.	100,000	31	Oklahoma State National Bank, Clinton, Okla., title changed to Oklahoma National Bank.	
	No. 6—ATLANTA		June 6	First National Bank, Fairbury, Nebr. Harbine Bank, nonmember. Consolidated under charter and title of First National Bank.	100,000 100,000 200,000
May 1	Snell National Bank of Winter Haven, Fla. Succeeded by Snell National Bank in Winter Haven.	200,000	6	The St. Paul National Bank, St. Paul, Nebr., title changed to St. Paul National Bank.	
26	Citizens National Bank, Marietta, Ga. Conversion of Citizens Bank, nonmember.	100,000	13	Citizens National Bank, Tobias, Nebr. Conversion of Citizens State Bank, nonmember.	25,000
31	Third National Bank, Columbus, Ga. Absorbed by Columbus Bank & Trust Co., member.	500,000		No. 11—DALLAS	
June 7	Liberty National Bank & Trust Co., Savannah, Ga. Conversion of Liberty Bank & Trust Co., member.	600,000	Feb. 20	First National Bank of Honey Grove, Tex. Succeeded by First National Bank in Honey Grove.	125,000
10	First National Bank, Evergreen, Ala. Absorbed by Peoples Bank, member.	50,000	May 15	Sanger National Bank, Sanger, Tex. Absorbed by First National Bank.	30,000
	No. 7—CHICAGO		June 16	First National Bank, Hutto, Tex. Succeeded Hutto National Bank.	25,000
May 10	Old First National Bank, Farmer City, Ill. Absorbed by John Weedman National Bank.	65,000		No. 12—SAN FRANCISCO	
15	Macksburg National Bank, Macksburg, Iowa. Absorbed by Citizens National Bank, member, and Madison County State Bank and Winterset Savings Bank, nonmembers.	25,000	May 29	First National Bank, Alturas, Calif. Absorbed by Bank of America of California, Los Angeles, Calif., nonmember.	85,000
21	First National Bank, Lowell, Ind. Absorbed by Lowell National Bank.	50,000	June 2	Washington National Bank of Commerce, Seattle, Wash. Conversion of Marine State Bank, nonmember.	100,000
24	First National Bank of Georgetown, Ill. Succeeded by First National Bank in Georgetown.	60,000	2	Central National Bank of Commerce, Seattle, Wash. Conversion of Marine Central Bank, nonmember.	200,000
June 13	Poweshiek County National Bank, Grinnell, Iowa. Succession to Citizens National Bank.	50,000	21	First National Bank, Corvallis, Oreg. Corvallis State Bank, nonmember. Consolidated under charter and title of First National Bank.	100,000 50,000 150,000
May 17	Alton National Bank, Alton, Ill. Succeeded by First National Bank & Trust Co.	100,000			

The Comptroller of the Currency presents the following summary of increases and reductions in the number and capital of national banks during the period from May 24, to June 20, 1930, inclusive:

	Number of banks	Amount of capital
New charters issued.....	9	\$1,175,000
Restored to solvency.....	0	0
Increase of capital approved <sup>1</sup> .....	14	45,590,000
Aggregate of new charters, banks restored to solvency, and banks increasing capital.....	23	46,765,000
Liquidations.....	28	6,520,000
Reducing capital.....	2	55,000
Total liquidations and reductions of capital.....	30	6,575,000
Consolidation of national banks under act of Nov. 7, 1918.....	4	1,975,000
Consolidation of national banks and State banks under act of Feb. 25, 1927.....	4	148,450,000
Total consolidations.....	8	150,425,000
Aggregate increased capital for period.....		46,765,000
Reduction of capital owing to liquidations, etc.....		6,575,000
Net increase.....		40,190,000

<sup>1</sup> Includes 1 increase in capital of \$450,000 incident to a consolidation under act of Nov. 7, 1918; also 3 increases aggregating \$43,150,000 under act of Feb. 25, 1927.

### Fiduciary Powers Granted to National Banks

During the month ended June 21, 1930, the Federal Reserve Board approved applications of the national banks listed below for permission to exercise one or more of the fiduciary powers named in section 11 (k) of the Federal reserve act as amended, as follows: (1) Trustee; (2) executor; (3) administrator; (4) registrar of stocks and bonds; (5) guardian of estates; (6) assignee; (7) receiver; (8) committee of estates of lunatics; (9) in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located.

Location	District No.	Name of bank	Powers granted
Winchester, Mass.....	1	Winchester National Bank.....	1 to 9
Worcester, Mass.....	1	Mechanics National Bank.....	1 to 9
Sayreville, N. J.....	2	First National Bank.....	1 to 8
Red Lion, Pa.....	3	Farmers and Merchants National Bank.....	1 to 9
Logan, W. Va.....	5	First National Bank.....	1 to 8
Beckley, W. Va.....	5	National Exchange Bank.....	1 to 9
Montgomery, W. Va.....	5	Montgomery National Bank.....	1 to 9
Savannah, Ga.....	6	Liberty National Bank & Trust Co.....	1 to 9
Menasha, Wis.....	7	First National Bank.....	1 and 4
Menominee, Mich.....	9	Lumbermen's National Bank.....	2, 3, 5, and 8
Miles City, Mont.....	9	First National Bank in Miles City.....	1 to 9
Arkansas City, Kans.....	10	Home National Bank.....	1 to 9
Wichita, Kans.....	10	Southwest National Bank.....	1 to 9
Stillwater, Okla.....	10	First National Bank.....	1 to 9
Abilene, Tex.....	11	Citizens National Bank.....	1 to 4

<sup>1</sup> Supplementary.

## CONDITION OF ALL BANKS IN THE UNITED STATES

TABLE 1.—ALL BANKS IN THE UNITED STATES 1—PRINCIPAL RESOURCES AND LIABILITIES, ON CALL DATES, BY FEDERAL RESERVE DISTRICTS

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

Federal reserve district and call date	Total loans and investments			Loans (including overdrafts)			Investments			Deposits, exclusive of interbank deposits			Rediscounts and bills payable		
	All banks	Member	Non-member	All banks	Member	Non-member	All banks	Member	Non-member	All banks	Member	Non-member	All banks	Member	Non-member
<b>All districts:</b>															
1929—Mar. 27..	58,019	35,393	22,626	40,557	24,945	15,612	17,462	10,448	7,013	54,545	33,215	21,330	1,507	1,153	354
June 29..	58,474	35,711	22,763	41,512	25,658	15,853	16,962	10,052	6,910	53,852	32,284	21,567	1,598	1,198	399
Oct. 4..	58,835	35,914	22,922	42,201	26,165	16,036	16,634	9,749	6,885	55,180	33,004	22,176	1,512	1,150	363
Dec. 31..	58,417	35,934	22,483	41,898	26,150	15,748	16,519	9,784	6,735	55,289	33,865	21,424	1,238	879	359
1930—Mar. 27..	57,386	35,056	22,331	40,686	25,119	15,568	16,700	9,937	6,763	53,185	32,082	21,103	1,633	347	287
<b>Boston:</b>															
1929—Mar. 27..	6,692	2,600	4,092	4,279	1,823	2,456	2,413	777	1,636	6,134	2,323	3,811	103	80	24
June 29..	6,818	2,613	4,205	4,434	1,871	2,563	2,384	742	1,642	6,209	2,297	3,912	111	86	25
Oct. 4..	6,865	2,634	4,231	4,508	1,920	2,588	2,358	715	1,643	6,308	2,368	3,940	103	80	23
Dec. 31..	6,782	2,561	4,221	4,508	1,910	2,598	2,273	650	1,623	6,298	2,391	3,907	78	49	30
1930—Mar. 27..	6,789	2,571	4,218	4,457	1,869	2,588	2,332	702	1,630	6,205	2,293	3,912	50	31	19
<b>New York:</b>															
1929—Mar. 27..	18,349	11,317	7,031	13,028	8,139	4,888	5,321	3,178	2,143	17,673	11,329	6,344	386	343	43
June 29..	18,898	11,377	7,092	13,801	8,769	5,097	5,321	3,006	2,091	17,028	10,351	6,677	488	435	35
Oct. 4..	18,835	11,763	7,072	13,839	8,813	5,025	4,996	2,950	2,046	18,090	11,056	7,034	284	255	29
Dec. 31..	19,494	12,316	7,178	14,252	9,097	5,155	5,243	3,220	2,023	18,490	11,810	6,679	279	258	21
1930—Mar. 27..	18,929	11,783	7,147	13,657	8,541	5,115	5,273	3,241	2,032	17,367	10,731	6,635	99	83	16
<b>Philadelphia:</b>															
1929—Mar. 27..	4,422	2,714	1,708	2,818	1,813	1,005	1,604	900	703	3,770	2,250	1,520	181	126	55
June 29..	4,460	2,710	1,750	2,859	1,832	1,027	1,601	878	723	3,760	2,251	1,509	164	105	58
Oct. 4..	4,505	2,755	1,750	2,929	1,890	1,039	1,576	865	711	3,752	2,255	1,497	170	102	68
Dec. 31..	4,395	2,687	1,708	2,859	1,859	1,000	1,535	828	708	3,745	2,265	1,480	175	94	81
1930—Mar. 27..	4,353	2,671	1,682	2,806	1,834	972	1,547	837	711	3,705	2,227	1,478	110	49	61
<b>Cleveland:</b>															
1929—Mar. 27..	4,948	3,478	1,471	3,359	2,352	1,007	1,589	1,125	464	4,525	3,167	1,358	139	102	37
June 29..	4,927	3,488	1,439	3,380	2,376	1,004	1,547	1,112	435	4,523	3,190	1,333	138	98	40
Oct. 4..	4,964	3,498	1,466	3,450	2,418	1,031	1,515	1,080	435	4,568	3,164	1,403	114	104	10
Dec. 31..	4,869	3,455	1,414	3,413	2,410	1,004	1,456	1,046	410	4,452	3,154	1,298	155	100	55
1930—Mar. 27..	4,847	3,454	1,393	3,356	2,374	982	1,492	1,080	411	4,399	3,140	1,260	69	36	34
<b>Richmond:</b>															
1929—Mar. 27..	2,537	1,351	1,186	1,883	1,024	860	653	327	326	2,302	1,196	1,106	86	55	31
June 29..	2,501	1,329	1,172	1,865	1,010	855	636	319	317	2,255	1,166	1,089	113	70	43
Oct. 4..	2,501	1,299	1,202	1,868	990	878	633	309	324	2,262	1,142	1,119	111	65	46
Dec. 31..	2,435	1,278	1,157	1,813	974	838	622	303	319	2,271	1,152	1,119	76	48	28
1930—Mar. 27..	2,385	1,223	1,162	1,765	929	837	620	295	325	2,207	1,106	1,101	50	21	29
<b>Atlanta:</b>															
1929—Mar. 27..	1,763	1,191	572	1,370	907	463	393	284	109	1,629	1,065	564	87	61	26
June 29..	1,734	1,177	558	1,345	898	447	389	279	110	1,581	1,041	540	104	72	32
Oct. 4..	1,719	1,149	570	1,346	889	457	373	260	113	1,571	1,004	567	123	91	33
Dec. 31..	1,629	1,115	514	1,262	855	408	366	260	106	1,548	1,020	527	66	42	23
1930—Mar. 27..	1,604	1,107	496	1,239	845	395	364	263	102	1,524	1,026	498	44	27	13
<b>Chicago:</b>															
1929—Mar. 27..	7,963	5,072	2,891	5,999	3,777	2,222	1,964	1,295	668	7,435	4,612	2,823	272	201	71
June 29..	7,958	5,052	2,906	6,046	3,792	2,254	1,912	1,260	652	7,543	4,721	2,822	221	143	79
Oct. 4..	8,065	5,117	2,949	6,195	3,901	2,294	1,871	1,216	655	7,590	4,757	2,834	224	147	77
Dec. 31..	7,740	4,934	2,806	5,953	3,770	2,183	1,788	1,164	623	7,381	4,617	2,764	205	148	58
1930—Mar. 27..	7,619	4,837	2,783	5,799	3,646	2,154	1,820	1,191	629	7,158	4,470	2,688	88	44	44
<b>St. Louis:</b>															
1929—Mar. 27..	2,162	1,377	784	1,561	945	616	601	433	168	1,972	1,184	788	92	58	34
June 29..	2,099	1,341	757	1,531	937	594	568	405	163	1,911	1,177	733	98	59	39
Oct. 4..	2,160	1,375	785	1,596	984	612	564	391	173	1,980	1,199	781	122	82	39
Dec. 31..	2,072	1,337	736	1,526	955	571	546	381	165	1,962	1,213	750	56	32	24
1930—Mar. 27..	2,060	1,315	744	1,512	929	583	548	386	162	1,913	1,179	734	51	19	32
<b>Minneapolis:</b>															
1929—Mar. 27..	1,563	938	625	953	564	389	610	374	236	1,554	894	660	22	15	6
June 29..	1,539	923	616	945	559	387	594	364	230	1,547	904	642	22	12	9
Oct. 4..	1,580	957	623	987	597	390	593	360	233	1,561	906	655	47	40	8
Dec. 31..	1,507	911	597	936	563	373	572	348	224	1,519	892	626	22	12	10
1930—Mar. 27..	1,492	896	596	917	548	368	575	348	227	1,485	865	621	9	3	6
<b>Kansas City:</b>															
1929—Mar. 27..	1,898	1,242	656	1,310	800	511	588	443	145	1,960	1,211	749	30	23	7
June 29..	1,881	1,241	640	1,310	810	499	571	430	141	1,929	1,207	722	52	39	13
Oct. 4..	1,901	1,247	655	1,332	823	509	569	424	145	1,958	1,202	756	48	45	3
Dec. 31..	1,842	1,212	630	1,293	804	489	549	408	141	1,909	1,190	719	49	35	15
1930—Mar. 27..	1,766	1,165	601	1,234	769	465	532	396	135	1,841	1,156	686	23	13	10
<b>Dallas:</b>															
1929—Mar. 27..	1,265	1,000	266	940	730	210	325	270	56	1,249	964	286	17	13	4
June 29..	1,217	957	260	914	705	209	302	251	51	1,177	911	266	27	20	8
Oct. 4..	1,245	987	258	957	749	208	288	238	50	1,209	935	274	41	35	6
Dec. 31..	1,179	936	243	907	714	193	273	222	50	1,186	913	272	21	17	4
1930—Mar. 27..	1,149	907	241	882	688	194	267	219	47	1,129	879	250	13	8	5
<b>San Francisco:</b>															
1929—Mar. 27..	4,457	3,113	1,344	3,056	2,071	986	1,401	1,042	358	4,342	3,022	1,320	92	76	15
June 29..	4,443	3,105	1,338	3,082	2,099	983	1,361	1,007	355	4,391	3,068	1,323	60	42	18
Oct. 4..	4,494	3,133	1,362	3,196	2,192	1,004	1,296	941	357	4,332	3,016	1,316	125	105	20
Dec. 31..	4,472	3,192	1,279	3,177	2,239	938	1,295	953	342	4,529	3,247	1,282	55	44	11
1930—Mar. 27..	4,394	3,127	1,268	3,062	2,147	915	1,332	980	352	4,253	3,011	1,242	26	14	12

1 Includes all national and State banks (including stock and mutual savings banks) and all private banks under State supervision.

Back figures.—See Tables 40, 41, and 81-84, Annual Report of Federal Reserve Board for 1929.

r Revised.

TABLE 2.—ALL BANKS IN THE UNITED STATES<sup>1</sup>—PRINCIPAL RESOURCES AND LIABILITIES ON MARCH 27, 1930, AND DECEMBER 31, 1929, BY STATES

[Amounts in thousands of dollars]

State	Loans and investments						Deposits, exclusive of interbank bank deposits		Rediscounts and bills payable		Number of reporting banks	
	Total		Loans (including overdrafts)		Investments		March	December	March	December	March	December
	March	December	March	December	March	December						
<b>New England:</b>												
Maine.....	431,144	432,528	227,366	230,617	203,778	201,911	397,323	396,468	5,427	10,471	132	133
New Hampshire.....	311,809	311,333	157,099	157,469	154,710	153,864	279,860	282,104	3,896	4,222	123	123
Vermont.....	245,990	250,098	154,370	158,449	91,620	91,649	227,898	235,599	5,691	7,002	104	104
Massachusetts.....	4,233,563	4,224,673	2,968,511	3,007,510	1,265,052	1,217,163	3,862,725	3,932,012	26,995	43,837	450	450
Rhode Island.....	529,190	533,091	305,646	310,677	223,544	222,414	494,022	499,685	1,419	2,193	33	33
Connecticut.....	1,340,473	1,336,338	802,796	806,945	537,677	529,393	1,221,506	1,232,420	9,463	16,206	236	237
<b>Middle Atlantic:</b>												
New York.....	16,668,212	17,222,139	12,194,906	12,754,661	4,473,306	4,467,478	15,263,492	16,340,125	82,123	242,451	1,122	1,127
New Jersey.....	2,376,656	2,388,812	1,599,246	1,633,659	777,410	754,653	2,109,089	2,260,738	31,528	48,160	565	568
Pennsylvania.....	5,665,914	5,703,176	3,496,479	3,574,655	2,169,435	2,128,521	4,841,203	4,883,774	113,920	207,153	1,553	1,566
<b>East North Central:</b>												
Ohio.....	2,676,991	2,691,493	2,036,744	2,057,408	640,247	634,085	2,506,526	2,532,157	41,134	93,819	1,006	1,015
Indiana.....	842,983	862,926	631,664	648,491	211,319	214,435	788,485	809,987	22,295	27,190	963	969
Illinois.....	3,705,991	3,802,263	2,782,325	2,888,118	923,666	914,145	3,380,090	3,569,283	32,425	77,906	1,723	1,765
Michigan.....	1,998,546	2,020,634	1,474,606	1,514,120	523,940	506,514	1,897,645	1,900,537	30,541	87,450	740	743
Wisconsin.....	928,870	917,092	656,346	654,737	272,524	262,355	903,510	894,209	8,832	18,350	953	960
<b>West North Central:</b>												
Minnesota.....	891,122	901,370	531,518	545,564	359,604	355,806	858,102	879,134	4,202	15,207	1,027	1,046
Iowa.....	781,272	781,597	684,512	662,441	116,760	119,156	803,183	821,931	9,368	12,945	1,236	1,257
Missouri.....	1,201,363	1,199,268	865,147	868,107	336,216	331,161	1,178,307	1,200,482	15,406	19,284	1,238	1,272
North Dakota.....	110,495	111,647	78,445	79,091	32,500	32,556	117,750	119,331	1,160	1,165	403	417
South Dakota.....	136,303	137,494	95,428	96,370	40,875	41,124	144,498	149,808	1,637	1,568	383	387
Nebraska.....	344,501	359,293	256,418	272,082	88,083	87,211	350,044	360,964	6,161	14,061	781	804
Kansas.....	378,641	404,409	276,659	292,628	101,982	111,781	378,921	405,375	7,467	9,413	1,060	1,069
<b>South Atlantic:</b>												
Delaware.....	165,413	167,407	116,449	119,013	48,964	48,394	134,042	138,396	2,472	2,715	46	47
Maryland.....	818,775	837,381	505,234	518,324	313,541	319,057	766,520	792,044	11,108	13,708	229	230
District of Columbia.....	244,928	244,510	182,704	184,672	62,224	59,838	242,026	239,895	1,971	8,093	40	41
Virginia.....	538,565	551,364	442,334	455,975	96,181	95,889	454,954	460,718	13,989	27,850	464	474
West Virginia.....	338,311	345,126	271,677	280,143	66,634	64,983	319,896	315,589	8,319	17,217	296	297
North Carolina.....	359,822	369,548	301,393	312,154	58,429	57,394	331,725	356,777	13,541	12,677	395	416
South Carolina.....	163,410	163,618	123,436	125,941	39,974	42,677	162,592	178,103	2,798	1,218	185	217
Georgia.....	333,574	334,448	274,791	277,199	58,783	57,249	306,310	315,389	8,646	9,920	396	405
Florida.....	275,280	258,321	161,159	149,838	114,121	108,483	289,725	262,639	2,583	6,230	230	235
<b>East South Central:</b>												
Kentucky.....	542,294	554,237	425,506	438,200	116,788	116,037	439,656	447,941	13,709	21,595	569	572
Tennessee.....	431,471	429,824	360,821	360,370	70,650	69,254	416,159	403,645	10,772	19,863	484	484
Alabama.....	263,622	282,442	213,047	229,081	50,575	53,361	241,136	266,074	11,663	14,155	325	350
Mississippi.....	217,259	212,352	165,050	157,979	52,209	54,373	215,911	228,027	9,718	5,598	298	308
<b>West South Central:</b>												
Arkansas.....	192,605	197,507	152,989	155,171	39,616	42,336	188,861	208,490	6,513	3,351	402	415
Louisiana.....	397,666	429,215	323,448	347,536	74,218	81,679	377,624	409,772	9,934	17,950	223	225
Oklahoma.....	376,204	400,524	238,477	253,432	137,727	147,092	402,148	417,127	3,333	16,198	608	617
Texas.....	1,010,636	1,036,407	777,888	798,590	232,748	237,817	988,641	1,030,215	10,033	18,512	1,283	1,308
<b>Mountain:</b>												
Montana.....	137,529	144,130	82,573	87,700	54,956	56,430	142,939	156,463	1,114	508	186	195
Idaho.....	76,219	80,723	47,911	49,973	28,308	30,750	83,279	91,958	545	193	137	137
Wyoming.....	55,800	57,640	39,130	40,000	16,670	17,640	57,087	62,672	1,226	602	85	86
Colorado.....	257,018	262,321	166,071	173,471	90,947	88,850	281,666	283,978	2,285	3,720	271	274
New Mexico.....	41,298	40,559	26,572	25,743	14,726	14,816	43,420	40,044	541	201	56	56
Arizona.....	78,545	81,188	50,956	49,911	27,589	31,277	86,411	91,918	436	592	46	46
Utah.....	161,130	161,748	123,847	126,042	37,283	35,706	134,457	139,755	2,309	2,440	104	104
Nevada.....	36,697	37,988	27,925	29,196	8,772	8,792	37,901	41,054	-----	-----	35	35
<b>Pacific:</b>												
Washington.....	463,658	459,827	298,526	308,645	165,132	156,182	456,634	468,879	4,229	3,838	333	340
Oregon.....	253,077	260,497	142,417	148,041	110,660	112,456	253,574	268,181	5,595	4,704	230	234
California.....	3,355,383	3,419,964	2,387,752	2,487,056	967,631	932,908	3,234,618	3,461,269	12,959	43,285	436	437
<b>Total.....</b>	<b>57,386,218</b>	<b>58,416,990</b>	<b>40,686,364</b>	<b>41,898,395</b>	<b>16,699,854</b>	<b>16,518,595</b>	<b>53,185,091</b>	<b>55,289,185</b>	<b>633,431</b>	<b>1,237,596</b>	<b>24,223</b>	<b>24,630</b>

<sup>1</sup> Includes all national and State banks and all private banks under State supervision. Figures for State institutions are taken from Table 4 and represent in some cases the condition of banks as of dates other than Mar. 27, 1930, and Dec. 31, 1929.

Back figures.—See tables 85-87, Annual Report of Federal Reserve Board, 1929.

TABLE 3.—NATIONAL BANKS<sup>1</sup>—PRINCIPAL RESOURCES AND LIABILITIES ON MARCH 27, 1930, AND DECEMBER 31, 1929, BY STATES

[Amounts in thousands of dollars]

State	Loans and investments						Deposits, exclusive of interbank deposits		Rediscounts and bills payable		Number of reporting banks	
	Total		Loans (including overdrafts)		Investments		March	December	March	December	March	December
	March	December	March	December	March	December						
New England:												
Maine.....	138,348	139,196	74,663	75,354	63,685	63,842	125,526	126,969	1,033	2,181	52	53
New Hampshire.....	71,806	71,350	44,481	44,851	27,325	26,479	58,354	60,598	3,344	3,670	56	56
Vermont.....	69,090	70,462	40,703	42,314	28,387	28,148	58,366	59,988	2,063	2,733	46	46
Massachusetts.....	1,360,069	1,311,301	1,024,389	1,020,819	335,680	290,482	1,207,075	1,236,316	14,615	23,891	153	152
Rhode Island.....	52,692	54,312	34,269	35,368	18,423	18,944	41,295	42,538	783	1,322	10	10
Connecticut.....	259,866	258,212	194,108	194,310	65,758	63,902	231,152	240,199	3,385	5,781	62	62
Middle Atlantic:												
New York.....	4,496,966	4,662,103	3,076,012	3,221,953	1,420,954	1,440,150	4,025,177	4,357,111	34,635	124,103	556	559
New Jersey.....	887,795	897,737	578,906	602,064	308,889	295,673	828,281	834,960	13,780	21,113	299	300
Pennsylvania.....	2,580,368	2,584,111	1,625,101	1,657,189	955,267	926,922	2,193,650	2,225,782	43,160	84,039	847	851
East North Central:												
Ohio.....	689,901	725,194	478,598	513,715	211,303	211,479	639,798	670,434	10,404	28,291	313	317
Indiana.....	353,550	373,493	245,838	262,365	108,012	111,128	323,664	345,186	7,558	12,453	213	219
Illinois.....	1,256,011	1,267,508	935,133	954,674	320,878	312,834	1,138,603	1,205,450	8,873	19,625	471	482
Michigan.....	514,120	521,906	364,386	384,256	149,734	137,650	504,194	510,058	3,247	22,852	128	130
Wisconsin.....	431,181	419,141	300,007	303,347	125,174	115,794	393,810	394,099	2,064	5,651	155	157
West North Central:												
Minnesota.....	519,739	530,858	332,545	343,483	187,194	187,375	480,717	499,134	630	8,727	266	266
Iowa.....	274,562	277,883	179,921	183,156	94,041	94,127	262,259	266,958	3,290	6,264	246	251
Missouri.....	430,819	431,968	311,125	312,035	119,194	119,933	374,996	387,835	4,135	5,839	128	130
North Dakota.....	70,277	71,429	44,071	44,717	26,206	26,712	72,471	74,052	621	626	113	122
South Dakota.....	63,122	63,454	36,981	37,150	26,141	26,284	64,240	66,409	516	504	93	92
Nebraska.....	193,975	188,554	136,719	135,405	57,256	53,149	179,485	173,433	3,116	8,634	167	157
Kansas.....	184,126	198,338	123,659	132,803	60,467	65,535	178,801	200,825	3,871	3,647	246	246
South Atlantic:												
Delaware.....	21,011	22,715	12,391	13,699	8,620	9,016	16,525	18,450	860	973	16	17
Maryland.....	210,642	229,248	138,154	151,244	72,488	78,004	184,502	210,076	2,322	4,922	79	80
District of Columbia.....	127,801	126,506	91,540	91,790	36,261	34,716	125,871	121,285	930	5,559	12	12
Virginia.....	309,637	319,254	247,825	237,054	61,812	62,200	265,794	268,365	6,318	15,373	158	159
West Virginia.....	164,047	167,001	125,925	129,435	38,122	37,566	152,180	147,695	3,657	8,705	115	115
North Carolina.....	110,776	113,166	88,552	91,253	22,224	21,913	98,843	103,293	4,553	4,160	66	66
South Carolina.....	70,425	89,434	55,279	66,150	15,146	23,284	65,697	86,720	738	629	40	47
Georgia.....	213,759	208,602	169,394	167,690	44,365	40,912	198,128	193,687	1,598	2,638	75	76
Florida.....	179,186	162,221	100,561	99,480	78,625	72,741	184,242	164,669	1,081	2,045	58	57
East South Central:												
Kentucky.....	229,738	241,681	172,144	184,838	57,594	56,843	195,768	204,053	2,410	10,296	135	138
Tennessee.....	256,462	254,815	213,886	213,635	42,576	41,180	236,885	224,371	803	9,894	99	99
Alabama.....	180,113	188,376	139,075	145,795	41,038	42,581	160,872	168,145	6,178	9,226	102	107
Mississippi.....	75,635	74,287	55,349	52,865	20,286	21,422	71,629	73,681	4,248	3,210	35	35
West South Central:												
Arkansas.....	68,305	75,808	46,908	52,058	21,397	23,750	64,508	73,939	1,577	907	69	72
Louisiana.....	97,304	104,215	82,314	89,279	14,990	14,936	86,716	94,379	2,760	3,710	32	34
Oklahoma.....	306,012	330,380	190,610	205,996	115,402	124,384	325,319	334,068	1,907	15,692	283	292
Texas.....	787,423	806,864	597,640	613,122	189,783	193,742	760,413	778,525	6,256	15,615	593	609
Mountain:												
Montana.....	74,917	77,962	43,436	45,646	31,481	31,316	77,585	83,962	303	190	64	57
Idaho.....	34,788	37,775	23,448	24,827	11,340	12,948	36,366	41,569	223	35	42	43
Wyoming.....	32,212	33,181	20,838	21,345	11,374	11,816	31,877	34,421	475	327	25	25
Colorado.....	200,721	203,907	124,771	130,553	75,950	73,354	218,914	219,814	1,852	3,291	120	120
New Mexico.....	30,220	29,388	19,051	18,229	11,209	11,159	31,812	33,526	245	68	27	27
Arizona.....	27,176	27,673	16,123	15,692	11,053	11,981	29,691	30,935	54	26	14	14
Utah.....	49,019	49,206	34,252	35,076	14,767	14,130	42,698	45,650	230	589	20	20
Nevada.....	16,758	17,547	10,991	11,822	5,767	5,725	15,932	17,090	-----	-----	10	10
Pacific:												
Washington.....	266,183	266,174	164,084	170,180	102,099	95,994	250,232	257,183	1,555	2,300	103	105
Oregon.....	185,169	190,942	97,716	102,087	87,453	88,855	184,505	193,695	3,680	3,303	94	94
California.....	1,956,550	2,018,130	1,365,777	1,443,226	590,773	574,904	1,862,980	2,057,633	2,573	29,898	205	205
Total.....	21,179,912	21,584,328	14,635,349	15,136,414	6,544,563	6,447,914	19,373,219	20,290,373	225,629	545,587	7,311	7,403

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

TABLE 4.—STATE BANKS<sup>1</sup>—PRINCIPAL RESOURCES AND LIABILITIES ON MARCH 27, 1930, AND DECEMBER 31, 1929, BY STATES

[Amounts in thousands of dollars]

State	Loans and investments						Deposits, exclusive of interbank deposits		Rediscounts and bills payable		Number of reporting banks	
	Total		Loans (including overdrafts)		Investments		March	December	March	December	March	December
	March	December	March	December	March	December						
<b>New England:</b>												
Maine.....	292,796	293,332	152,703	155,263	140,093	138,069	271,797	269,499	4,394	8,290	80	80
New Hampshire.....	240,003	240,003	112,618	112,618	127,385	127,385	221,506	221,506	552	552	67	67
Vermont.....	178,900	179,636	113,667	116,135	63,233	63,501	169,532	175,611	3,628	4,269	38	38
Massachusetts.....	2,373,494	2,913,372	1,944,122	1,980,691	929,372	926,681	2,654,750	2,695,696	12,380	19,946	297	298
Rhode Island.....	476,498	478,779	271,377	275,309	205,121	203,470	452,727	457,147	636	636	23	23
Connecticut.....	1,080,607	1,078,126	608,688	612,635	471,919	463,491	990,354	992,221	6,078	10,425	174	175
<b>Middle Atlantic:</b>												
New York.....	12,171,246	12,560,036	9,118,894	9,532,708	3,052,352	3,027,328	11,238,315	11,983,014	47,488	118,348	566	568
New Jersey.....	1,488,861	1,490,575	1,020,340	1,031,585	468,521	458,980	1,370,908	1,405,778	17,748	27,047	266	268
Pennsylvania.....	3,085,540	3,119,065	1,871,378	1,917,466	1,214,108	1,201,599	2,647,553	2,657,992	70,760	123,124	706	715
<b>East North Central:</b>												
Ohio.....	1,987,990	1,966,299	1,558,146	1,543,693	428,944	422,606	1,866,728	1,861,723	30,730	65,528	693	693
Indiana.....	489,433	489,433	386,126	386,126	103,307	103,307	404,821	404,821	14,737	14,737	70	70
Illinois.....	2,449,980	2,534,753	1,847,192	1,933,444	602,788	601,311	2,241,487	2,365,833	22,552	58,281	1,252	1,283
Michigan.....	1,484,426	1,498,728	1,110,220	1,129,864	374,206	368,804	1,393,451	1,390,479	27,294	64,498	612	613
Wisconsin.....	497,689	497,951	350,339	351,390	147,350	146,561	504,700	499,510	6,738	12,699	798	803
<b>West North Central:</b>												
Minnesota.....	371,383	370,512	198,973	202,081	172,410	168,431	377,385	380,000	3,572	6,480	761	780
Iowa.....	506,710	504,314	484,591	479,285	22,119	25,029	540,824	540,993	6,078	6,681	990	1,006
Missouri.....	771,044	767,300	554,022	556,072	217,022	211,228	804,311	812,647	11,271	13,445	1,110	1,147
North Dakota.....	40,218	40,218	34,374	34,374	5,844	5,844	45,279	45,279	539	539	290	290
South Dakota.....	73,181	74,060	58,447	59,220	14,734	14,840	80,258	83,399	1,121	1,064	290	293
Nebraska.....	150,526	170,739	119,689	136,677	30,827	34,062	170,559	187,531	3,045	6,027	614	647
Kansas.....	194,615	206,071	153,000	159,825	41,515	46,246	200,120	204,550	3,596	5,766	814	823
<b>South Atlantic:</b>												
Delaware.....	144,402	144,692	104,058	105,314	40,344	39,378	117,517	119,946	1,612	1,742	30	30
Maryland.....	608,133	608,133	367,080	367,080	241,053	241,053	582,018	582,018	8,786	8,786	150	150
District of Columbia.....	117,127	118,004	91,164	92,882	25,963	25,122	116,155	118,610	1,041	2,534	28	29
Virginia.....	228,928	232,110	194,559	198,921	34,369	33,189	189,160	192,353	7,671	12,477	306	315
West Virginia.....	174,264	178,125	145,752	150,708	28,512	27,417	167,716	167,894	4,662	8,512	181	182
North Carolina.....	249,046	256,382	212,841	220,901	36,205	35,481	232,882	233,484	8,988	8,517	329	350
South Carolina.....	92,985	79,184	68,157	59,791	24,828	19,393	96,995	91,383	2,060	689	145	170
Georgia.....	119,815	125,846	105,397	109,509	14,418	16,337	108,182	121,702	7,048	7,282	321	329
Florida.....	96,094	96,100	60,598	60,358	35,496	35,742	105,483	97,970	1,502	4,185	172	173
<b>East South Central:</b>												
Kentucky.....	312,556	312,556	253,362	253,362	59,194	59,194	243,888	243,888	11,299	11,299	434	434
Tennessee.....	175,009	175,009	146,935	146,935	28,074	28,074	179,274	179,274	9,969	9,969	385	385
Alabama.....	83,509	94,066	73,972	83,286	9,537	10,780	80,264	97,929	5,485	4,929	223	243
Mississippi.....	141,624	138,065	109,701	105,114	31,923	32,951	144,282	154,346	5,470	2,383	263	273
<b>West South Central:</b>												
Arkansas.....	124,300	121,699	106,081	103,113	18,219	18,586	124,353	134,551	4,936	2,444	333	343
Louisiana.....	300,362	325,000	241,134	258,287	59,228	66,743	290,908	315,393	7,174	14,240	191	191
Oklahoma.....	70,192	70,144	47,867	47,436	22,325	22,708	76,829	82,459	1,426	506	325	325
Texas.....	223,213	229,543	180,248	185,468	42,965	44,075	228,228	251,690	3,777	2,897	690	699
<b>Mountain:</b>												
Montana.....	62,612	66,168	39,137	41,054	23,475	25,114	65,354	72,501	721	318	122	128
Idaho.....	41,431	42,948	24,463	25,146	16,968	17,802	46,913	50,359	322	158	95	94
Wyoming.....	23,588	24,459	18,292	18,635	5,296	5,824	25,210	28,251	751	275	60	61
Colorado.....	56,297	58,414	41,300	42,918	14,997	15,496	62,752	64,164	433	429	151	154
New Mexico.....	11,038	11,171	7,521	7,514	3,517	3,657	11,008	12,518	296	133	29	23
Arizona.....	51,369	53,515	34,833	34,219	16,536	19,296	56,720	60,983	4,382	4,666	32	32
Utah.....	112,111	112,542	89,595	90,966	22,516	21,576	91,759	94,105	2,079	1,551	84	84
Nevada.....	19,939	20,441	16,934	17,374	3,067	3,067	21,969	23,964			25	25
<b>Pacific:</b>												
Washington.....	197,475	193,653	134,442	133,465	63,033	60,188	197,382	201,696	2,674	1,478	230	235
Oregon.....	67,908	69,555	44,701	45,954	23,207	23,601	69,068	74,486	1,915	1,401	136	140
California.....	1,398,833	1,401,834	1,021,975	1,043,830	376,858	358,004	1,371,638	1,403,636	10,386	13,387	231	232
<b>Total.....</b>	<b>36,206,306</b>	<b>36,832,662</b>	<b>26,051,015</b>	<b>26,761,981</b>	<b>10,155,291</b>	<b>10,070,681</b>	<b>33,811,872</b>	<b>34,998,812</b>	<b>407,802</b>	<b>692,009</b>	<b>16,912</b>	<b>17,227</b>

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

<sup>2</sup> Includes bonds borrowed.

<sup>3</sup> Includes due to banks.

<sup>4</sup> Includes miscellaneous liabilities.

NOTE.—All figures in the March columns are as of Mar. 27, except as follows: Maine, Mar. 29; New Hampshire, June 29, 1929; Massachusetts, savings banks, Oct. 31; Rhode Island, State banks, Feb. 28, savings banks, Dec. 31; Connecticut, savings banks, Mar. 31; New York, savings banks, Dec. 31; Pennsylvania, Mar. 17; Indiana, Dec. 31; Minnesota, Apr. 14; Missouri, Apr. 16; North Dakota, Dec. 31; Nebraska, Mar. 31; Kansas, Mar. 19; Maryland, Dec. 31; Kentucky, June 29, 1929; Tennessee, Nov. 29; Alabama, Mar. 19; Louisiana, Apr. 8; Colorado, Mar. 4; Utah, Apr. 5. All figures in the December columns are as of Dec. 31, except as follows: Maine, Dec. 28; New Hampshire, June 29, 1929; Massachusetts, State banks, Dec. 28, savings banks, Oct. 31; Kansas, Dec. 3; Kentucky, June 29, 1929; Colorado, Nov. 25; Oklahoma, Dec. 28; Tennessee, Nov. 29.

## EARNINGS AND EXPENSES OF MEMBER BANKS

TABLE 1.—ALL MEMBER BANKS, BY CLASS OF BANKS, YEARS ENDING DECEMBER 31, 1928 AND 1929

	Amounts (in thousands of dollars)						Amounts per \$100 of earning assets <sup>1</sup>						
	All member banks		National member banks		State member banks		All member banks		National member banks		State member banks		
	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	
Interest earned: <sup>2</sup>													
On loans <sup>3</sup> .....	1,562,769	1,374,130	919,730	861,811	643,039	512,319	\$4.38	\$3.96	\$4.23	\$3.94	\$4.60	\$3.98	
On investments <sup>4</sup> .....	472,868	498,420	305,182	325,214	167,686	173,206	1.32	1.44	1.40	1.49	1.20	1.35	
On balances with other banks.....	33,264	33,178	22,213	24,234	11,051	8,944	.09	.09	.10	.11	.08	.07	
Total.....	2,068,901	1,905,728	1,247,125	1,211,259	821,776	694,469	5.79	5.49	5.73	5.54	5.88	5.40	
Domestic exchange and collection charges.....	23,214	21,329	18,838	17,379	4,376	3,950	.06	.06	.09	.08	.03	.03	
Foreign department.....	26,209	22,913	12,473	12,805	13,736	10,108	.07	.07	.06	.06	.10	.08	
Commissions received.....	38,085	23,333	853	964	37,232	22,369	.11	.07			.27	.17	
Trust department.....	77,589	65,956	19,857	19,056	57,732	46,900	.22	.19	.09	.09	.41	.36	
Profits on securities sold.....	75,106	89,974	38,671	50,941	36,431	39,033	.21	.26	.18	.23	.26	.30	
Other earnings.....	164,995	154,765	105,486	89,067	59,509	65,698	.46	.45	.49	.41	.43	.51	
Gross earnings.....	2,474,099	2,283,998	1,443,303	1,401,471	1,030,796	882,527	6.92	6.58	6.64	6.41	7.38	6.86	
Interest on deposits: <sup>2</sup>													
Time.....	444,636	439,384	283,048	276,283	161,588	163,101	1.25	1.26	1.30	1.26	1.16	1.27	
Demand.....	246,493	234,926	125,760	130,554	120,733	104,372	.69	.68	.58	.60	.86	.81	
Bank.....	68,131	75,352	41,450	52,982	26,681	22,370	.19	.22	.19	.24	.19	.17	
Total.....	759,260	749,662	450,258	459,819	309,002	289,843	2.13	2.16	2.07	2.10	2.21	2.25	
Interest on borrowed money <sup>5</sup> .....	64,265	48,443	37,350	29,184	26,915	19,259	.18	.14	.17	.13	.19	.15	
Salaries and wages.....	463,847	440,000	271,103	269,429	192,744	170,371	1.30	1.27	1.25	1.23	1.38	1.33	
Taxes.....	112,476	113,759	64,393	69,872	48,143	43,887	.31	.33	.30	.32	.34	.34	
Other expenses.....	283,872	261,947	164,096	159,435	119,776	102,512	.79	.75	.75	.73	.86	.80	
Total expenses.....	1,683,720	1,613,811	987,140	987,739	696,580	626,072	4.71	4.65	4.54	4.52	4.98	4.87	
Net earnings.....	790,379	670,187	456,163	413,732	334,216	256,455	2.21	1.93	2.10	1.89	2.39	1.99	
Recoveries on charged-off assets:													
Loans and discounts.....	25,204	26,502	16,663	18,452	8,541	8,050	.07	.08	.08	.08	.06	.06	
Investments.....	19,956	11,475	8,484	8,363	11,472	3,112	.06	.03	.04	.04	.08	.02	
All other.....	16,448	12,898	10,707	8,467	5,741	4,431	.05	.04	.05	.04	.04	.03	
Total.....	61,608	50,875	35,854	35,282	25,754	15,593	.18	.15	.17	.16	.18	.12	
Losses charged off:													
On loans and discounts.....	139,588	119,290	93,680	88,077	45,908	31,213	.39	.34	.43	.40	.33	.24	
On investments.....	95,465	45,293	63,304	34,455	32,161	10,838	.27	.13	.29	.16	.23	.08	
On banking house, furniture, and fixtures.....	33,171	31,832	23,407	21,775	9,764	10,057	.09	.09	.11	.10	.07	.08	
All other.....	27,249	20,779	20,242	13,947	7,007	6,832	.08	.06	.09	.06	.05	.05	
Total losses.....	295,473	217,194	200,633	158,254	94,840	58,940	.83	.63	.92	.72	.68	.46	
Net losses <sup>6</sup> .....	233,865	166,319	164,779	122,972	69,086	43,347	.65	.48	.76	.56	.50	.34	
Net addition to profits.....	556,514	503,868	291,384	290,760	265,130	213,108	1.56	1.45	1.34	1.33	1.90	1.66	
Dividends declared.....	408,628	327,422	247,317	204,612	161,311	122,810							
Loans <sup>6</sup> .....	25,614,655	24,153,677	15,007,570	14,789,566	10,607,085	9,364,111							
Investments <sup>6</sup> .....	10,112,473	10,568,202	6,744,178	7,068,684	3,368,295	3,499,518							
Earning assets <sup>6</sup> .....	35,727,128	34,721,879	21,751,748	21,858,250	13,975,380	12,863,629							
Capital funds <sup>6,7</sup> .....	6,360,306	5,622,312	3,750,521	3,543,609	2,609,785	2,078,703							
	Other ratios <sup>1</sup>												
Earning assets per \$1 of capital funds.....	\$5.62	\$6.18	\$5.80	\$6.17	\$5.35	\$6.19							
Net profits per \$100 of capital funds.....	8.75	8.96	7.77	8.21	10.16	10.25							
Losses on loans per \$100 of loans.....	.54	.49	.62	.60	.43	.33							
Losses on investments per \$100 of investments.....	.94	.43	.94	.49	.95	.31							

<sup>1</sup> Owing to revision of figures for loans and investments to exclude bills sold with indorsement, ratios in this and succeeding tables are not comparable with ratios published prior to 1927, as republished in August, 1929, Bulletin. The ratios are based upon data taken from the customary abstracts of reports of condition and of earnings, expenses, and dividends. It should be borne in mind in using them that the statistics employed represent aggregates for all member banks reporting on the various dates, and the ratios are therefore ratios of aggregates in which figures for large banks have a statistical influence somewhat disproportionate to their number in comparison with the figures for small banks. No adjustments have been made in the underlying data for changes during a given year in the number of banks whose reports underlie the statistics, since the figures presented are for sufficiently large groups that the results appear not to be appreciably affected by these changes.

<sup>2</sup> Figures for interest earned and interest paid include small amounts which were unclassified in the reports of some State banks in 1928, and which have been apportioned, by Federal reserve districts, on the basis of the distribution of the classified amounts.

<sup>3</sup> Includes discount.

<sup>4</sup> Includes dividends.

<sup>5</sup> Losses less recoveries.

<sup>6</sup> Averages of amounts from reports of condition for 5 call dates (December to December); loans are exclusive of bills sold with indorsement.

<sup>7</sup> Capital, surplus, and undivided profits, including reserves for dividends and contingencies, and excluding reserves for taxes, interest, and other expenses accrued.

**EARNINGS AND EXPENSES OF MEMBER BANKS—Continued**

TABLE 2.—ALL MEMBER BANKS, BY FEDERAL RESERVE DISTRICTS, YEARS ENDING DECEMBER 31, 1928 AND 1929

[In thousands of dollars]

	Federal Reserve District												
	Boston		New York		Philadelphia		Cleveland		Richmond		Atlanta		
	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	
<b>Interest earned:</b>													
On loans.....	114,663	97,761	505,747	403,276	106,616	92,585	144,518	130,941	61,613	62,098	58,281	57,509	
On investments.....	34,907	38,663	152,488	162,025	45,478	48,328	54,684	57,274	12,878	13,283	10,943	11,453	
On balances with other banks.....	1,681	1,995	6,889	4,575	1,583	1,540	2,876	3,189	1,503	1,768	1,864	2,089	
<b>Total.....</b>	<b>151,251</b>	<b>138,419</b>	<b>665,124</b>	<b>569,876</b>	<b>153,677</b>	<b>142,453</b>	<b>202,078</b>	<b>191,404</b>	<b>75,994</b>	<b>77,149</b>	<b>71,088</b>	<b>71,081</b>	
<b>Domestic exchange and collection charges.....</b>	<b>653</b>	<b>605</b>	<b>5,328</b>	<b>3,623</b>	<b>660</b>	<b>535</b>	<b>958</b>	<b>880</b>	<b>1,302</b>	<b>1,283</b>	<b>2,081</b>	<b>2,047</b>	
<b>Foreign department.....</b>	<b>938</b>	<b>1,200</b>	<b>16,428</b>	<b>13,826</b>	<b>850</b>	<b>872</b>	<b>676</b>	<b>638</b>	<b>140</b>	<b>145</b>	<b>629</b>	<b>533</b>	
<b>Commissions received.....</b>	<b>1,412</b>	<b>1,107</b>	<b>28,935</b>	<b>12,061</b>	<b>644</b>	<b>464</b>	<b>1,353</b>	<b>614</b>	<b>487</b>	<b>593</b>	<b>269</b>	<b>928</b>	
<b>Trust department.....</b>	<b>5,173</b>	<b>4,732</b>	<b>36,846</b>	<b>26,919</b>	<b>7,596</b>	<b>6,984</b>	<b>7,424</b>	<b>6,792</b>	<b>1,239</b>	<b>1,141</b>	<b>1,105</b>	<b>1,091</b>	
<b>Profits on securities sold.....</b>	<b>8,464</b>	<b>7,087</b>	<b>29,294</b>	<b>32,800</b>	<b>8,074</b>	<b>9,308</b>	<b>8,234</b>	<b>10,482</b>	<b>1,283</b>	<b>2,310</b>	<b>1,918</b>	<b>1,639</b>	
<b>Other earnings.....</b>	<b>10,684</b>	<b>9,534</b>	<b>55,394</b>	<b>53,039</b>	<b>6,795</b>	<b>5,532</b>	<b>14,055</b>	<b>13,907</b>	<b>4,795</b>	<b>4,669</b>	<b>6,787</b>	<b>6,547</b>	
<b>Gross earnings.....</b>	<b>178,575</b>	<b>162,684</b>	<b>837,349</b>	<b>712,144</b>	<b>178,296</b>	<b>166,148</b>	<b>234,783</b>	<b>224,717</b>	<b>85,240</b>	<b>87,290</b>	<b>83,877</b>	<b>83,866</b>	
<b>Interest on deposits:</b>													
Time.....	35,638	36,357	108,048	100,883	34,935	34,330	58,450	58,328	20,534	21,195	15,544	16,022	
Demand.....	22,484	22,692	108,770	94,482	15,228	16,393	21,894	21,899	4,871	5,271	5,745	5,709	
Bank.....	3,292	3,679	27,258	28,880	2,563	2,692	5,457	6,358	2,082	2,425	2,203	2,747	
<b>Total.....</b>	<b>61,414</b>	<b>62,728</b>	<b>244,076</b>	<b>224,245</b>	<b>52,726</b>	<b>53,415</b>	<b>85,801</b>	<b>86,585</b>	<b>27,487</b>	<b>28,891</b>	<b>23,492</b>	<b>24,478</b>	
<b>Interest on borrowed money.....</b>	<b>4,497</b>	<b>3,063</b>	<b>16,600</b>	<b>14,513</b>	<b>7,031</b>	<b>4,327</b>	<b>5,603</b>	<b>4,042</b>	<b>3,593</b>	<b>2,821</b>	<b>5,289</b>	<b>3,777</b>	
<b>Salaries and wages.....</b>	<b>28,424</b>	<b>27,048</b>	<b>148,363</b>	<b>129,294</b>	<b>30,766</b>	<b>28,765</b>	<b>41,112</b>	<b>39,857</b>	<b>16,594</b>	<b>16,893</b>	<b>17,049</b>	<b>17,648</b>	
<b>Taxes.....</b>	<b>7,177</b>	<b>6,362</b>	<b>32,711</b>	<b>27,833</b>	<b>8,543</b>	<b>9,148</b>	<b>12,656</b>	<b>13,826</b>	<b>5,167</b>	<b>5,477</b>	<b>5,298</b>	<b>5,543</b>	
<b>Other expenses.....</b>	<b>18,264</b>	<b>16,054</b>	<b>92,333</b>	<b>75,465</b>	<b>17,835</b>	<b>16,675</b>	<b>22,761</b>	<b>21,186</b>	<b>9,786</b>	<b>9,842</b>	<b>11,045</b>	<b>11,046</b>	
<b>Total expenses.....</b>	<b>119,776</b>	<b>115,255</b>	<b>534,083</b>	<b>471,350</b>	<b>116,901</b>	<b>112,330</b>	<b>167,933</b>	<b>165,496</b>	<b>62,627</b>	<b>63,924</b>	<b>62,153</b>	<b>62,492</b>	
<b>Net earnings.....</b>	<b>58,799</b>	<b>47,429</b>	<b>303,266</b>	<b>240,794</b>	<b>61,395</b>	<b>53,818</b>	<b>66,850</b>	<b>59,221</b>	<b>22,613</b>	<b>23,366</b>	<b>21,724</b>	<b>21,374</b>	
<b>Recoveries on charged-off assets:</b>													
Loans and discounts.....	1,257	1,403	6,991	7,017	782	712	1,523	1,302	728	739	966	1,293	
Investments.....	3,502	2,879	12,075	3,989	783	1,343	1,019	633	255	141	122	219	
All other.....	1,154	1,538	3,422	1,878	463	1,814	1,258	700	1,249	495	952	1,124	
<b>Total.....</b>	<b>5,913</b>	<b>5,820</b>	<b>22,488</b>	<b>12,884</b>	<b>2,028</b>	<b>3,869</b>	<b>3,800</b>	<b>2,635</b>	<b>2,232</b>	<b>1,375</b>	<b>2,040</b>	<b>2,636</b>	
<b>Losses charged off:</b>													
On loans and discounts.....	11,313	11,920	38,356	24,495	6,365	6,727	9,128	8,145	7,089	6,072	8,638	8,333	
On investments.....	25,014	5,342	35,606	18,135	5,670	2,930	6,552	4,740	2,265	1,528	2,348	660	
On banking house, furniture, and fixtures.....	2,196	2,283	6,050	8,499	2,028	2,776	3,274	2,696	764	909	1,038	1,156	
All other.....	4,080	1,720	4,346	3,119	2,718	971	1,397	1,145	865	562	1,449	1,307	
<b>Total losses.....</b>	<b>42,603</b>	<b>21,265</b>	<b>84,358</b>	<b>54,248</b>	<b>16,781</b>	<b>13,404</b>	<b>20,351</b>	<b>16,726</b>	<b>10,983</b>	<b>9,071</b>	<b>13,473</b>	<b>11,456</b>	
<b>Net losses.....</b>	<b>36,690</b>	<b>15,445</b>	<b>61,870</b>	<b>41,364</b>	<b>14,753</b>	<b>9,535</b>	<b>16,551</b>	<b>14,091</b>	<b>8,751</b>	<b>7,696</b>	<b>11,433</b>	<b>8,820</b>	
<b>Net addition to profits.....</b>	<b>22,109</b>	<b>31,984</b>	<b>241,396</b>	<b>199,430</b>	<b>46,642</b>	<b>44,283</b>	<b>50,299</b>	<b>45,130</b>	<b>13,862</b>	<b>15,670</b>	<b>10,291</b>	<b>12,554</b>	
<b>Dividends declared.....</b>	<b>28,452</b>	<b>21,519</b>	<b>149,269</b>	<b>114,506</b>	<b>33,070</b>	<b>28,085</b>	<b>31,018</b>	<b>29,422</b>	<b>13,678</b>	<b>12,981</b>	<b>11,571</b>	<b>12,487</b>	
<b>Loans.....</b>	<b>1,869,778</b>	<b>1,797,582</b>	<b>8,644,662</b>	<b>7,741,931</b>	<b>1,827,804</b>	<b>1,675,704</b>	<b>2,369,446</b>	<b>2,236,170</b>	<b>1,003,893</b>	<b>1,021,164</b>	<b>888,792</b>	<b>895,074</b>	
<b>Investments.....</b>	<b>726,073</b>	<b>792,094</b>	<b>3,108,355</b>	<b>3,236,620</b>	<b>878,417</b>	<b>959,897</b>	<b>1,097,220</b>	<b>1,150,312</b>	<b>315,076</b>	<b>323,931</b>	<b>275,138</b>	<b>275,537</b>	
<b>Earning assets.....</b>	<b>2,595,851</b>	<b>2,589,676</b>	<b>11,753,017</b>	<b>10,978,551</b>	<b>2,706,221</b>	<b>2,635,601</b>	<b>3,466,666</b>	<b>3,386,482</b>	<b>1,318,969</b>	<b>1,345,095</b>	<b>1,163,930</b>	<b>1,170,611</b>	
<b>Capital funds.....</b>	<b>443,135</b>	<b>412,984</b>	<b>2,387,267</b>	<b>1,875,521</b>	<b>621,178</b>	<b>563,373</b>	<b>599,324</b>	<b>560,693</b>	<b>238,529</b>	<b>239,708</b>	<b>203,025</b>	<b>197,867</b>	

## EARNINGS AND EXPENSES OF MEMBER BANKS—Continued

TABLE 2.—ALL MEMBER BANKS, BY FEDERAL RESERVE DISTRICTS, YEARS ENDING DECEMBER 31, 1928 AND 1929—Continued

[In thousands of dollars]

	Federal Reserve Districts												
	Chicago		St. Louis		Minneapolis		Kansas City		Dallas		San Francisco		
	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	
Interest earned:													
On loans.....	228,791	202,839	59,559	55,974	38,551	35,469	56,925	54,277	53,600	49,919	133,905	131,482	
On investments.....	55,030	62,917	19,449	19,946	16,158	15,423	18,928	18,166	9,619	7,964	42,306	42,948	
On balances with other banks.....	4,479	4,643	1,507	1,715	1,615	1,835	2,938	3,250	2,309	2,436	4,020	4,143	
Total.....	288,300	270,399	80,515	77,635	56,324	52,727	78,791	75,693	65,528	60,319	180,231	178,573	
Domestic exchange and collection charges.....	3,654	3,711	1,527	1,465	2,078	1,997	1,461	1,421	1,875	2,003	1,637	1,759	
Foreign department.....	3,487	2,919	133	135	116	121	33	34	215	226	2,564	2,264	
Commissions received.....	2,564	5,206	1,171	1,223	582	606	113	125	71	12	479	394	
Trust department.....	9,419	9,890	1,683	1,401	190	169	1,026	941	306	309	5,582	5,587	
Profits on securities sold.....	6,795	11,672	2,155	3,007	738	913	963	1,478	535	351	6,553	8,927	
Other earnings.....	28,015	25,032	4,586	3,221	2,655	2,831	7,746	6,980	5,422	4,427	18,061	17,046	
Gross earnings.....	342,234	328,829	91,770	90,087	62,683	59,364	90,133	86,672	73,952	67,647	215,207	214,550	
Interest on deposits:													
Time.....	61,764	62,979	17,484	17,234	15,704	15,998	12,625	13,043	8,491	7,508	55,419	55,507	
Demand.....	33,944	34,141	6,983	7,217	3,183	2,982	7,201	7,162	3,450	3,370	10,740	11,608	
Bank.....	8,700	9,839	2,921	3,370	2,073	2,307	4,146	4,702	2,461	2,788	4,975	5,565	
Total.....	104,408	106,959	27,388	27,821	20,960	21,287	23,972	24,907	16,402	15,666	71,134	72,680	
Interest on borrowed money.....	8,127	6,673	4,135	3,302	1,205	578	2,274	1,223	2,174	1,183	3,757	2,941	
Salaries and wages.....	64,183	64,809	18,158	18,127	12,581	12,590	20,731	20,328	16,586	15,931	49,300	48,710	
Taxes.....	17,825	19,084	5,052	5,598	2,787	2,920	4,239	4,046	4,907	4,691	6,114	8,631	
Other expenses.....	42,542	42,687	10,919	10,742	7,292	7,040	12,970	12,136	9,329	8,802	28,790	30,272	
Total expenses.....	237,085	240,212	65,652	65,590	44,825	44,415	64,186	63,240	49,398	46,273	159,101	163,234	
Net earnings.....	105,149	88,617	26,118	24,497	17,858	14,949	25,947	23,432	24,554	21,374	56,106	51,316	
Recoveries on charged-off assets:													
Loans and discounts.....	4,038	3,499	1,030	1,312	1,330	1,793	2,647	2,822	2,301	2,353	1,611	2,257	
Investments.....	426	735	715	334	235	139	187	172	67	74	571	817	
All other.....	2,015	1,495	822	547	306	501	1,320	1,353	552	466	2,935	987	
Total.....	6,478	5,729	2,567	2,193	1,871	2,433	4,154	4,347	2,920	2,893	5,117	4,061	
Losses charged off:													
On loans and discounts.....	24,939	16,042	4,440	4,847	5,076	6,171	7,643	8,111	8,187	8,279	8,414	10,148	
On investments.....	5,975	3,773	2,331	1,030	1,190	791	2,217	1,644	954	626	3,337	4,088	
On banking house, furniture, and fixtures.....	5,718	3,512	962	1,471	3,265	1,362	1,977	1,476	1,124	993	4,775	4,699	
All other.....	3,620	3,199	952	974	1,146	1,076	2,416	2,410	1,881	1,829	2,379	2,467	
Total losses.....	40,252	26,526	8,685	8,328	10,683	9,400	14,253	13,641	12,146	11,727	20,905	21,402	
Net losses.....	33,774	20,797	6,118	6,135	8,812	6,967	10,099	9,294	9,226	8,834	15,788	17,341	
Net addition to profits.....	71,375	67,820	20,000	18,362	9,046	7,982	15,848	14,138	15,328	12,540	40,318	33,975	
Dividends declared.....	54,253	41,297	13,069	12,643	7,996	5,990	13,050	10,331	10,588	9,722	40,615	28,439	
Loans.....	3,810,341	3,652,696	954,922	951,639	568,560	550,665	807,776	793,612	726,885	709,873	2,141,796	2,127,567	
Investments.....	1,257,277	1,372,382	412,416	436,482	363,699	363,567	430,468	427,262	247,743	224,492	1,000,591	1,005,627	
Earning assets.....	5,067,618	5,025,078	1,367,338	1,388,121	932,259	914,232	1,238,244	1,220,874	974,628	934,365	3,142,387	3,133,194	
Capital funds.....	778,750	730,238	298,971	210,387	118,299	116,272	162,157	158,774	171,219	163,270	428,452	393,225	

NOTE.—See footnotes, Table 1.

**EARNINGS AND EXPENSES OF MEMBER BANKS—Continued**

TABLE 3.—RATIOS—ALL MEMBER BANKS, BY FEDERAL RESERVE DISTRICTS, YEARS ENDING DECEMBER 31, 1928 AND 1929

	Federal Reserve District											
	Boston		New York		Philadelphia		Cleveland		Richmond		Atlanta	
	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928
<b>Amounts per \$100 of earning assets:</b>												
Interest earned.....	5.83	5.35	5.66	5.19	5.68	5.41	5.83	5.65	5.76	5.74	6.11	6.07
All other earnings.....	1.05	.94	1.47	1.30	.91	.90	.94	.98	.70	.75	1.10	1.09
Gross earnings.....	6.88	6.28	7.12	6.49	6.59	6.30	6.77	6.64	6.46	6.49	7.21	7.16
Interest on deposits.....	2.37	2.42	2.08	2.04	1.95	2.03	2.48	2.56	2.08	2.15	2.02	2.09
Interest on borrowed money.....	.17	.12	.14	.13	.26	.16	.16	.12	.27	.21	.45	.32
Salaries and wages.....	1.09	1.04	1.26	1.18	1.14	1.09	1.18	1.18	1.26	1.26	1.46	1.51
Taxes.....	.28	.25	.28	.25	.32	.35	.37	.41	.39	.41	.46	.47
All other expenses.....	.70	.62	.79	.69	.66	.63	.66	.63	.74	.73	.95	.94
Total expenses.....	4.61	4.45	4.54	4.29	4.32	4.26	4.84	4.89	4.75	4.75	5.34	5.34
Net earnings.....	2.27	1.83	2.58	2.19	2.27	2.04	1.93	1.75	1.71	1.74	1.87	1.83
Total losses.....	1.64	.82	.72	.49	.62	.51	.59	.49	.83	.67	1.16	.98
Recoveries.....	.23	.23	.19	.12	.07	.15	.11	.08	.17	.10	.18	.23
Net losses.....	1.41	.60	.53	.38	.55	.36	.48	.42	.66	.57	.98	.75
Net addition to profits.....	.85	1.24	2.05	1.82	1.72	1.68	1.45	1.33	1.05	1.17	.88	.107
<b>Other ratios:</b>												
Earning assets per \$1 of capital funds.....	5.86	6.27	4.92	5.85	4.36	4.68	5.78	6.04	5.53	5.61	5.73	5.92
Net profits per \$100 of capital funds.....	4.99	7.75	10.11	10.63	7.51	7.86	8.39	8.05	5.81	6.54	5.07	6.35
Losses on loans per \$100 of loans.....	.61	.66	.44	.32	.35	.40	.39	.36	.71	.59	.97	.93
Losses on investments per \$100 of investments.....	3.44	.67	1.15	.56	.65	.31	.60	.41	.72	.47	.85	.24

	Federal Reserve District											
	Chicago		St. Louis		Minneapolis		Kansas City		Dallas		San Francisco	
	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928
<b>Amounts per \$100 of earning assets:</b>												
Interest earned.....	5.69	5.36	5.89	5.59	6.04	5.77	6.36	6.20	6.72	6.46	5.74	5.70
All other earnings.....	1.06	1.16	.82	.90	.68	.73	.92	.90	.86	.78	1.11	1.15
Gross earnings.....	6.75	6.54	6.71	6.49	6.72	6.49	7.28	7.10	7.59	7.24	6.85	6.85
Interest on deposits.....	2.06	2.13	2.00	2.00	2.25	2.33	1.94	2.04	1.68	1.68	2.26	2.32
Interest on borrowed money.....	.16	.13	.30	.24	.14	.06	.18	.10	.22	.13	.12	.09
Salaries and wages.....	1.27	1.29	1.33	1.31	1.35	1.38	1.67	1.67	1.70	1.71	1.57	1.56
Taxes.....	.35	.38	.37	.40	.30	.32	.34	.38	.50	.50	.19	.28
All other expenses.....	.84	.85	.80	.77	.78	.77	1.05	.99	.96	.94	.92	.97
Total expenses.....	4.68	4.78	4.80	4.73	4.81	4.86	5.18	5.18	5.07	4.95	5.06	5.21
Net earnings.....	2.07	1.76	1.91	1.77	1.92	1.64	2.10	1.92	2.52	2.29	1.79	1.64
Total losses.....	.79	.53	.64	.60	1.15	1.03	1.15	1.12	1.25	1.26	.67	.68
Recoveries.....	.13	.11	.19	.16	.20	.27	.34	.36	.30	.31	.16	.13
Net losses.....	.67	.41	.45	.44	.95	.76	.82	.76	.95	.95	.50	.55
Net addition to profits.....	1.41	1.35	1.46	1.32	.97	.87	1.28	1.16	1.57	1.34	1.28	1.08
<b>Other ratios:</b>												
Earning assets per \$1 of capital funds.....	6.51	6.88	6.54	6.60	7.88	7.86	7.64	7.69	5.69	5.72	7.33	7.97
Net profits per \$100 of capital funds.....	9.16	9.29	9.57	8.73	7.65	6.87	9.77	8.90	8.95	7.68	9.41	8.64
Losses on loans per \$100 of loans.....	.65	.44	.46	.51	.89	1.12	.95	1.02	1.13	1.17	.39	.48
Losses on investments per \$100 of investments.....	.48	.27	.57	.24	.33	.22	.51	.38	.39	.28	.53	.41

NOTE.—See footnotes, Table 1.

## EARNINGS AND EXPENSES OF MEMBER BANKS—Continued

TABLE 4.—NATIONAL BANKS,<sup>1</sup> BY FEDERAL RESERVE DISTRICTS, LAST SIX MONTHS OF 1929

NOTE.—The following statistics of earnings and expenses of national banks were compiled by the Comptroller of the Currency from reports submitted by national banks. Similar information for the first half of 1929 was published on page 50 of the January, 1930, issue of the FEDERAL RESERVE BULLETIN; additional statistics for the fiscal year ending June 30, 1929, will be found in the Annual Report of the Comptroller of the Currency for 1929.

[In thousands of dollars]

	Total	Federal Reserve District											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Gross earnings:													
Interest received—													
On loans <sup>2</sup> .....	474,647	38,833	110,521	37,809	35,501	24,361	21,852	60,129	18,462	20,003	27,269	24,063	55,844
On investments <sup>3</sup> .....	148,483	11,888	38,028	15,538	16,015	5,263	4,127	14,192	5,380	7,702	8,702	4,537	16,911
On balances with other banks.....	11,149	651	793	583	933	593	726	1,554	528	772	1,370	1,033	1,613
Domestic exchange and collection charges.....	10,265	279	2,711	318	316	497	923	1,080	471	1,089	774	1,097	710
Foreign exchange department.....	6,814	295	3,511	415	169	30	219	728	41	90	8	104	1,204
Commissions received.....	451		15	2	2	5	2	99	15	224	30	7	50
Trust department.....	9,886	1,211	3,163	511	717	423	297	565	265	103	384	164	2,083
Profits on securities sold.....	23,055	3,046	6,186	2,208	3,128	405	344	1,460	929	388	283	216	4,462
Other earnings.....	51,936	3,974	16,913	2,356	2,953	1,825	2,438	6,219	1,209	1,305	2,995	2,476	7,273
Total earnings.....	736,686	60,177	181,841	59,740	59,734	33,402	30,928	86,026	27,500	31,676	41,815	33,697	90,150
Expenses:													
Salaries and wages.....	139,450	9,833	29,640	10,159	10,433	6,505	6,782	16,472	5,437	6,046	9,727	7,819	20,597
Interest paid—													
On borrowed money <sup>2</sup> .....	19,797	1,538	3,602	2,203	1,713	1,284	1,622	1,784	1,178	790	1,093	1,263	1,727
On deposits—													
Time.....	142,487	12,170	27,396	13,916	14,335	8,475	6,195	15,536	5,310	7,189	5,952	3,913	22,100
Demand.....	64,960	6,174	24,349	4,274	5,379	1,742	1,845	7,785	1,939	1,701	3,154	2,512	4,106
Bank.....	20,722	1,385	6,342	935	1,422	690	703	2,416	931	1,009	1,841	1,124	1,924
Taxes.....	34,853	3,058	6,999	2,656	2,969	2,623	2,891	4,445	1,682	992	2,076	2,656	1,806
Other expenses.....	83,538	6,041	19,475	5,518	5,923	3,458	4,038	11,389	2,749	3,476	5,383	4,053	12,035
Total expenses.....	505,807	40,199	117,803	39,661	42,174	24,777	24,076	59,827	19,226	21,203	29,226	23,340	64,295
Net earnings.....	230,879	19,978	64,038	20,079	17,560	8,625	6,852	26,199	8,274	10,473	12,589	10,357	25,855
Recoveries on charged off assets:													
Loans and discounts.....	7,563	374	1,006	278	410	245	353	1,053	282	536	1,283	1,074	669
Bonds, securities, etc.....	5,325	2,716	1,354	146	215	112	99	142	233	69	96	43	100
All other.....	4,944	195	755	280	600	933	210	380	72	169	389	331	630
Total net earnings and recoveries.....	248,711	23,263	67,153	20,783	18,785	9,915	7,514	27,774	8,861	11,247	14,357	11,805	27,254
Losses charged off:													
On loans and discounts.....	53,679	4,970	11,080	2,733	3,443	3,266	3,533	9,301	1,498	2,465	3,748	4,480	3,157
On bonds, securities, etc.....	37,662	11,888	10,743	2,480	2,962	748	1,216	2,402	729	549	1,264	465	2,216
On banking house, furniture, and fixtures.....	13,544	813	2,153	810	1,004	445	690	2,137	353	487	1,218	676	2,758
On foreign exchange.....	165	21	11		6		1	6			101	3	16
All other losses.....	11,389	3,175	1,161	289	303	419	553	1,644	370	569	1,244	931	731
Total losses charged off.....	116,439	20,867	25,148	6,312	7,723	4,878	5,993	15,490	2,950	4,070	7,575	6,555	8,873
Net addition to profits.....	132,272	2,396	42,005	14,471	11,062	5,037	1,521	12,284	5,911	7,177	6,782	5,250	18,376
Dividends declared.....	131,102	13,218	39,044	12,558	8,060	5,498	4,799	12,347	5,590	3,692	6,098	6,061	14,137
Capital stock paid in <sup>4</sup> .....	1,701,048	151,780	437,072	123,520	127,095	87,122	81,090	201,185	66,992	61,130	83,957	88,220	191,885
Surplus fund <sup>4</sup> .....	1,546,323	126,656	510,908	222,371	140,458	71,133	58,151	136,864	38,678	33,945	41,812	46,660	119,687
Capital and surplus <sup>4</sup> .....	3,247,371	278,436	947,980	345,891	267,553	158,255	139,241	338,049	105,670	95,075	125,769	133,880	311,572
Number of banks <sup>4</sup> .....	7,403	367	769	678	696	469	306	936	468	633	872	662	487

<sup>1</sup> Member banks only, i. e., exclusive of national banks in Alaska and Hawaii.<sup>2</sup> Includes discount.<sup>3</sup> Includes dividends.<sup>4</sup> As on Dec. 31, 1929.

**EARNINGS AND EXPENSES OF MEMBER BANKS—Continued**

TABLE 5.—STATE BANK MEMBERS, BY FEDERAL RESERVE DISTRICTS, LAST SIX MONTHS OF 1929

[In thousands of dollars]

	Total	Federal Reserve District											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
<b>Gross earnings:</b>													
Interest received—													
On loans <sup>1</sup> .....	337,736	21,171	156,727	17,958	37,849	5,845	6,110	59,786	12,426	1,492	2,186	1,794	14,392
On investments <sup>2</sup> .....	83,322	5,262	35,970	6,970	10,774	1,127	1,068	13,300	3,658	511	860	260	3,562
On balances with other banks.....	6,746	181	3,957	227	460	124	163	757	215	53	94	62	453
Domestic exchange and collection charges.....	2,359	70	363	46	169	146	131	769	396	48	20	77	124
Foreign department.....	7,569	192	5,116	16	192	57	115	1,587	32	1	10		251
Commissions received.....	21,782	807	17,835	263	719	254	136	871	552	89	23	37	196
Trust department.....	32,337	1,634	16,741	3,789	3,227	334	245	4,662	645	36	185	7	832
Profits on securities sold.....	16,563	1,637	7,940	1,745	1,735	170	599	1,847	371	76	219	79	145
Other earnings.....	31,036	940	14,479	1,766	4,021	514	1,016	4,013	1,052	103	799	650	1,683
<b>Total earnings.....</b>	<b>539,450</b>	<b>31,894</b>	<b>259,128</b>	<b>32,780</b>	<b>59,146</b>	<b>8,571</b>	<b>9,583</b>	<b>87,592</b>	<b>19,347</b>	<b>2,409</b>	<b>4,396</b>	<b>2,966</b>	<b>21,638</b>
<b>Expenses:</b>													
Salaries and wages.....	101,264	4,798	49,012	5,881	10,465	1,839	1,682	16,518	3,866	443	991	716	5,053
Interest paid—													
On borrowed money <sup>1</sup> .....	14,439	540	5,406	1,689	1,224	490	1,156	2,237	1,126	22	161	69	319
On deposits—													
Time.....	80,872	5,677	27,764	4,403	14,449	1,598	1,349	14,962	3,354	625	293	331	6,127
Demand.....	62,910	5,291	33,043	3,255	5,633	654	1,015	10,297	1,693	87	507	93	1,342
Bank.....	13,936	318	8,300	401	1,197	294	233	1,928	460	36	250	48	471
Taxes.....	27,726	1,434	11,539	1,339	3,432	461	647	6,859	1,043	97	130	148	597
Other expenses.....	62,133	3,819	29,350	3,611	5,193	1,206	1,257	10,655	2,505	237	877	435	2,988
<b>Total expenses.....</b>	<b>363,280</b>	<b>21,877</b>	<b>164,354</b>	<b>20,579</b>	<b>41,593</b>	<b>6,542</b>	<b>7,339</b>	<b>63,456</b>	<b>14,047</b>	<b>1,547</b>	<b>3,209</b>	<b>1,840</b>	<b>16,897</b>
<b>Net earnings.....</b>	<b>176,170</b>	<b>10,017</b>	<b>94,774</b>	<b>12,201</b>	<b>17,553</b>	<b>2,029</b>	<b>2,244</b>	<b>24,136</b>	<b>5,300</b>	<b>862</b>	<b>1,187</b>	<b>1,126</b>	<b>4,741</b>
<b>Recoveries on charged-off assets:</b>													
Loans and discounts.....	4,559	280	2,230	99	442	102	131	899	79	52	33	97	115
Bonds, securities, etc.....	854	49	340	87	189	35		26	116	3		1	8
All other.....	2,438	691	730	46	79	20	59	356	116	1	87	26	197
<b>Total net earnings and recoveries.....</b>	<b>184,021</b>	<b>11,037</b>	<b>98,074</b>	<b>12,433</b>	<b>18,263</b>	<b>2,186</b>	<b>2,434</b>	<b>25,447</b>	<b>5,611</b>	<b>918</b>	<b>1,307</b>	<b>1,250</b>	<b>5,061</b>
<b>Losses charged off:</b>													
On loans and discounts.....	26,306	2,317	9,994	976	2,512	1,044	1,755	5,286	701	173	165	659	724
On bonds, securities, etc.....	18,801	2,073	10,836	1,208	1,660	933	414	1,012	239	38	48	88	252
On banking house, furniture, and fixtures.....	6,319	455	1,603	629	971	131	73	1,644	224	81	6	90	412
All other losses.....	4,203	195	1,176	202	651	94	427	705	207	43	155	114	234
<b>Total losses charged off.....</b>	<b>55,629</b>	<b>5,040</b>	<b>23,609</b>	<b>3,015</b>	<b>6,794</b>	<b>2,202</b>	<b>2,669</b>	<b>8,647</b>	<b>1,371</b>	<b>335</b>	<b>374</b>	<b>951</b>	<b>1,622</b>
<b>Net addition to profits.....</b>	<b>128,392</b>	<b>5,997</b>	<b>74,465</b>	<b>9,418</b>	<b>12,469</b>	<b>416</b>	<b>425</b>	<b>16,800</b>	<b>4,240</b>	<b>583</b>	<b>933</b>	<b>299</b>	<b>3,439</b>
Dividends paid.....	84,190	3,897	44,687	6,124	8,135	1,342	1,234	13,285	2,715	238	517	369	1,697
Capital stock paid in <sup>3</sup> .....	1,055,990	41,525	519,689	59,279	106,720	25,348	20,595	178,472	44,540	3,515	8,505	7,552	40,250
Surplus fund <sup>3</sup> .....	1,318,379	50,227	733,188	147,219	149,815	15,794	14,438	151,408	24,288	1,825	3,189	2,360	24,428
<b>Capital and surplus.....</b>	<b>2,374,369</b>	<b>91,752</b>	<b>1,252,877</b>	<b>206,498</b>	<b>256,535</b>	<b>41,142</b>	<b>35,033</b>	<b>329,880</b>	<b>68,828</b>	<b>5,340</b>	<b>11,694</b>	<b>10,112</b>	<b>64,678</b>
Number of banks <sup>3</sup> .....	1,117	37	162	56	99	45	61	250	103	50	21	83	120

<sup>1</sup> Includes discount.

<sup>2</sup> Includes dividends.

<sup>3</sup> As of Dec. 31, 1929.

<sup>4</sup> Net loss.

