FEDERAL RESERVE BULLETIN

ISSUED BY THE

FEDERAL RESERVE BOARD

AT WASHINGTON

OCTOBER, 1918

WASHINGTON
GOVERNMENT PRINTING OFFICE
1918

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No complete sets of the Bulletin for 1915 or 1916 are available. Bound copies of the Bulletin for 1917 may be had at $5 per copy.

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FEDERAL RESERVE BULLETIN

VOL. 4 OCTOBER 1, 1918. No. 10

REVIEW OF THE MONTH.

Certificates of indebtedness.

Since the last number of the FEDERAL RESERVE BULLETIN two issues of certificates of indebtedness (the fifth and sixth of the present series) have been placed and the results of the sale announced. In each case there was an oversubscription. The amount of the fifth offering was $500,000,000, and the oversubscription was $139,493,000. The sixth issue, fixed at $600,000,000, was oversubscribed by $25,216,500. Experience with the successive issues shows that the banks throughout the country are steadily adapting themselves to the requirements of the Government and are endeavoring to withdraw their resources, as they find it practicable, from unessential loans, placing them at the service of the Treasury. Elsewhere in this issue there are published figures showing the holdings of certificates of indebtedness by member banks, holdings of Liberty bonds, and loans made by the member banks upon certificates or bonds as collateral securities. These figures furnish fresh evidence of the extent to which the banks are supporting the burden of the Government's financial program. In the following table are given combined figures showing by districts the total of the certificates offered in all six of the issues which have thus far been placed, oversubscriptions having been received in each issue.

Four and one-half per cent Treasury certificates of indebtedness issued in anticipation of fourth Liberty loan.

(In thousands of dollars.)

	June 25.	July 9.	July 23.
Treasury	11,938	35,653	4,327
Boston	64,590	56,273.5	48,267.5
New York	312,844.5	273,219.5	211,714
Philadelphia	53,000	53,100	36,872.5
Cleveland	80,000	66,550	55,927
Richmond	19,013	15,073.5	16,886
Atlanta	17,233.5	16,021.5	13,168.5
Chicago	131,481.5	101,203	83,310.5
St. Louis	34,654	31,260.5	25,952.5
Minneapolis	20,000	22,100	16,800
Kansas City	28,410.5	30,031.5	23,369
Dallas	18,481.5	14,452	10,156
San Francisco	48,000	39,000	38,000
Total	839,646.5	753,938	584,750.5
Payable	Oct. 24	Nov. 7	Nov. 21

Four and one-half per cent Treasury certificates of indebtedness issued in anticipation of fourth Liberty loan—Con.

	Aug. 6.	Sept. 3.	Sept. 17.
Treasury	4,581	3,000	3,000
Boston	49,509	57,424	54,710
New York	207,287	210,068.5	216,264.5
Philadelphia	38,400	42,061	45,778
Cleveland	52,500	74,088	59,321.5
Richmond	14,397	18,957	18,449
Atlanta	14,968.5	16,205.5	15,872
Chicago	87,292.5	88,279	88,878.5
St. Louis	24,066	25,501.5	24,178.5
Minneapolis	12,260	17,200	17,700
Kansas City	25,126	25,913	22,816
Dallas	7,579.5	11,295.5	11,898.5
San Francisco	37,750	49,500	46,350
Total	575,706.5	639,493	625,216.5
Payable	Dec. 5	Jan. 2	Jan. 16

The fact that there are now outstanding $4,018,751,000 of certificates of indebtedness which constitute a prior claim upon the proceeds of the fourth Liberty loan shows in a striking way the necessity for an early and general sale of the new bond issue. Such an issue is provided in the fourth Liberty loan whose terms were announced by the Secretary of the Treasury on September 24. The intention is to place an issue of $6,000,000,000 of bonds, bearing 4¼ per cent as in the last preceding issue and sold under substantially similar terms except in so far as relates to exemption from taxation—a matter more fully explained at a later point in this issue. The banks of the country have come actively to the support of the Government in largely making advances for the purpose of paying for the commodities and services needed in the conduct of the war. The maintenance of our financial soundness now requires that these obligations shall be promptly funded into long-term bonds taken and held by bona fide investors as generally as possible, in order that all parts of the country may bear their share in supporting the war.

Fourth Liberty loan.

The fourth Liberty loan campaign, which opened on September 28, will continue up to October 19. While the amount of bonds now offered to the public is set at $6,000,000,000 for the current issue as a minimum, it should be borne in mind that the program originally announced by the Secretary of the Treasury involved the placing of at least $10,000,000,000 additional for the fiscal year ending June 31, 1919. That amount would have been necessary in order to obtain the entire $24,000,000,000 called for by the program of expenditure laid before Congress at the time when the war revenue bill was presented to the Ways and Means Committee of the House of Representatives recently. The deficiency appropriation plans have now raised the required total to perhaps $30,000,000,000. While there are some estimates which indicate that the new revenue bill may yield $9,000,000,000 rather than $8,000,000,000 of income from taxation, the sums expected from loans under the original program thus seem to be in all probability far within the limits of Government requirements for the current fiscal year, and the fourth Liberty loan must be regarded as only a beginning in the great financial program whose success is essential to the carrying out of our military plan.

In order to encourage and facilitate a wider distribution of the fourth Liberty loan, in districts which feel the need of such support the Federal Reserve Board, on September 30, approved a new preferential rate of discount in favor of customers' notes of 16–90 days' maturity, secured by fourth Liberty loan bonds, fixing the rate at 4 per cent. This rate, however, was conditioned upon the extension to the customers in whose favor the discount was originally made of a rate not greater than the coupon rate of 4¼ per cent, so that those banks which act as intermediaries in placing the paper with Federal Reserve Banks may enjoy a margin on such paper not greater than one-fourth of 1 per cent.

It is clear that success in obtaining this great sum of money must be conditioned upon the most careful adaptation of resources to requirements. Not only must the utmost economy be practiced by the individual, but the reorganization of industry upon a basis which will eliminate every unessential element and will concentrate the Nation's productive power along those lines which are fundamental to the war must be scientifically and effectually carried forward according to a skillfully prearranged program.

"Order out of chaos."

Thus far it has been sought to effect such a readjustment of industry by following the plan of voluntary rationing with such aid as could be given by financial control and curtailment of banking credit. The inadequacy of voluntary methods in the face of our rising national requirements has, however, necessitated recourse to more direct and authoritative control in order, to use the language of the War Industries Board in its statement elsewhere printed in full in this BULLETIN, to "bring order out of chaos."

Such a program of control is now in process of development at the hands of the War Industries Board, the various Government bodies engaged in the reorganization of labor, and the Provost Marshal General's office, which has issued instructions with reference to the application of the "man power bill."

Rationing industry.

The program of the War Industries Board is based upon a comprehensive application of the principle of "priority." The system of priorities thus far announced, with reference to the apportionment of fuel, material, labor, and transportation among different enterprises, constitutes an effective beginning of a system for the rationing of industry. The President, in his message of April 2, 1917, it will be recalled, had forecast what is now being done, saying at that time, with reference to our war program: "It will involve the organization and mobilization of all the material resources of the country to supply the materials of war and serve the incidental needs of the Nation in the most abundant and yet the most economical and efficient way possible."

The attainment of the object now aimed at by these Government bodies has long been regarded as essential by the Federal Reserve Board, which has from time to time announced either officially or through its members the necessity of a careful adaptation of business to war requirements. In an address before the American Academy of Political and Social Science in November, 1917, Mr. A. C. Miller, member of the Federal Reserve Board, called attention to the requirements of the case in the following language:

> Sound finance will require that the limits of taxation should be extended as borrowing reaches the point of inflation. Hardly less clear to my mind, and certainly not less cogent, is the inference that finance alone will not achieve the needed results: consumption will have to be controlled and production will have to be directed on some adequate basis in order that any plan of finance we may adopt shall be certainly equal to the task of providing the Government with the vast masses of goods and services it will require for the war. * * * The financial problem at best is only partly a *financial* or money problem—a problem of getting the wherewithal to buy and pay. Chiefly it is a problem of getting the goods and services to buy. * * * In sum, we must, as a nation, produce more and consume less. This, in its simplest terms, must be our national formula of finance. We must produce more of the things which the nation at war requires and, in order to set free the nation's productive forces to accomplish this result, we must consume less of the things which the nation in war time does not require, even though it has been our national habit in peace time to consume such things in unstinted measure.

So far as lay within its power the Federal Reserve Board has attempted to pave the way for adequate industrial organization by urging a program which it has designated as conservation and curtailment of credit. The problem, however, is so broad and far-reaching in its connections that it has always been obvious that control of credit could not alone be relied upon to produce the necessary results. In substance, the new plan amounts to the regulation of supply of goods for the general consumption by determining conditions under which their manufacture may proceed. This is a much more direct and effective and powerful means of control than any that could have been exerted through the withholding of credit from unessential or unnecessary enterprises.

Thus is (1) the production of those things needed for the war to be stimulated and facilitated, and (2) the consumption of those things which the community in war time does not need for its health, efficiency, and happiness to be restricted. Necessary industries are to have the first claim on the productive power of the country; less essential industries will be limited by what is left. The consumer will be practically rationed by being kept from the full use of his spending power, and his savings will therefore be made available for the purchase of Government bonds.

The voluntary system of rationing or controlling credit was, moreover, lacking in uniformity since it was based upon the assumption that practically all individuals must rely upon the banks for accommodation. Such is not the case, inasmuch as there are many businesses of an unessential type whose receipts consist chiefly of cash and which accordingly pay in cash. These enterprises are self-financing and hence do not find themselves obliged to rely upon the banks, thus leaving an inevitable gap in what otherwise might be a uniform system of oversight. Within the past year or two, moreover, the general prosperity of many classes, due to the payment of very high wages and the consequent practice of paying cash for goods, has resulted in enabling many concerns which formerly had to rely in part upon bank loans to finance themselves, to do without such advances, so that it is probably true to-day that the number of concerns which are not subject to banking control is very much greater than at any time in the past. For these and other reasons any effort at rationing based upon regulation of the supply of credit was certain to be more or less unsuccessful, even if conscientiously and carefully carried out. A much more drastic and fundamental method was needed to exert the requisite control over the direction to be taken by business under existing conditions.

The bearing of this situation on the outlook for the Federal Reserve system is very evident. For some time past—indeed, since the opening of the war—the question of controlling the expansion of banking credit has been of foremost importance. The new departures in administration, to which reference is made, simplify the banking aspects of this question and at length render possible the adoption of a wisely conceived system or plan of control of credit expansion.

Controlling expansion at the source.

In effect the policy of rationing industry will operate to control expansion of credit and thus avoid what are usually described as the evils of inflation. As has been explained on former occasions, what is ordinarily called "inflation" is an increase in the means of exchanging goods, whether through the use of currency or of bank credit in excess of or out of proportion to the quantity of goods thus to be passed from one part of the community to another. As the situation was stated in the FEDERAL RESERVE BULLETIN for June last:

"Whenever the volume of current purchasing power in terms of money, whether in the form of actual currency or in the form of credit, grows or is increased faster than the volume of available goods, the resulting situation may be ascribed to the excess of currency or credit, or both, above normal requirements, or, more briefly, to the distension of currency and credit. This alteration of the proportion between existing goods and purchasing power eventually results in increasing prices, not necessarily in the exact degree in which the volume of purchasing power has been increased, but in the degree in which it is actively used to effect purchases and the transfer of goods."

The existence of large quantities of goods produced by industries which of necessity have to make demands upon the banks of the country for the credit needed to maintain them implies a continuous effort to obtain from bankers a favorable decision on the question whether the maintenance of such businesses is or is not essential. This question is always difficult to answer in any definite way, but the difficulty of giving such an answer is much increased when the plant and goods whose future is to be settled by the banker's decision are already in existence. The policy which is much more likely to be effective is that of determining what goods shall and what goods shall not come into existence. This operates not only to the end designed by the War Industries Board—that of conserving men, fuel, transportation, and materials—but, as already indicated, and what is of most immediate concern to the Federal Reserve system and the strength and soundness of our whole banking situation, also conserves credit and thus reduces the likelihood of expansion of banking credit running an uncontrolled course.

Conservation of credit.

Although the plan of rationing both labor and materials thus affords a needed control of the general scope of business, it remains true that the function of banking credit, in determining the direction of business within the area marked off for it, is still of basic importance. No broad and general plan of fundamental control can be expected to operate automatically with such immediate and complete success as to dispense entirely with the cooperation of the auxiliary agencies afforded through the supervision of credit by bankers. Credit, like everything else of value, is limited in supply and inadequate to meet all requirements that are brought to bear upon it. It must therefore be carefully protected in amount and fully safeguarded for the uses for which it is considered most important. The fact that a control of business has been established through another means thus in no sense reduces the need for a wise use of credit from the banker's own standpoint. Steady demand on the part of the Government for more and more funds to meet its requirements may be expected to continue, and the use of bank funds to carry current Government requirements can not be kept upon a safe and sound basis unless it is possible to bring about a corresponding diminution of the accommodations extended by banks in other directions. They can not, in a word, enlarge their support of the Government and at the same time go on lending as heavily as before to individuals and corporations if their aggregate of loanable funds remains only the same as was previously the case. They must, therefore, choose from the business offered to them that which is likely to be most serviceable in the maintenance of national requirements, and which at the same time will be most likely to keep their own lending power up to high level without absorbing it in the making of nonliquid or long-period advances. The time has, however, arrived when the banker can consider this question of conservation of credit primarily from the banking standpoint rather than from that of the national economic interest over which he has perforce been obliged to stand guard during the past months in which a consistent and adequate policy concerning the elimination of unnecessary business was still awaiting development at the hands of governmental agencies set up for the specific purpose of shaping the needed plan of control.

Absorbing the bonds.

What has been said once more emphasizes the necessity of obtaining not only the technical but the actual absorption of the bonds of the fourth Liberty loan and of achieving this end through the self-denying process of saving. The action taken by the War Industries Board and by the draft authorities renders it easier to save in that the number of objects to which expenditure can be devoted is less than before. Nevertheless, the essential duty of providing new wealth from which to supply the requirements of the Government and thereby to enable the wide and genuine distribution of the new bonds is greater than ever before. This necessity is doubly emphasized by the fact that the fourth Liberty loan and those which will necessarily succeed it have assumed such great dimensions, making it evident that the utmost use must be made of the resources of the country in order to bring about a genuine sale of the new bonds. More than ever before investors are called upon not only to place their subscriptions but to look forward to the early settlement of these subscriptions out of the proceeds of their own efforts, to the end that the banks may be relieved of the certificates of indebtedness they are now carrying, and may have their funds left free to as great an extent as practicable for the continuous financing of the Government. This will be necessary so long as the war lasts, since under the present plan of financing each loan is preceded by a series of certificate issues designed to anticipate the actual placing of an issue of Liberty bonds. It should be evident by this time that the mere hasty borrowing from banks of the amount necessary to render possible a subscription to the new securities by no means meets the substantial requirements of the case.

Loans on Government securities.

While the wide distribution of Government bonds obtained during the course of the third Liberty loan was highly satisfactory, and while the amounts of Government obligations actually subscribed for by the banks were comparatively small, investigation shows that in many cases private individuals who had subscribed to bonds have not liquidated their obligations as promptly as is necessary but are still carrying them at banks which from time to time renew the notes of their customers collateraled by these securities. The compilation of data relating to the condition of savings banks which has been prepared by the savings banks section of the American Bankers Association and is printed in this issue of the FEDERAL RESERVE BULLETIN shows that customers of savings banks are still in many cases in debt to these institutions in considerable amount. This is a situation which in the natural course of events would tend to become more rather than less pronounced as more Government loans are placed on the market. In effect it implies that the banks are actually carrying a considerable part of the bonds pending the time when the subscribers themselves pay for their securities out of saved income. The necessity of greater saving in order to render possible the definite absorption of the bonds by private holders has thus become incontestable, since it is only in that way that new buying power can be applied in the purchase of the securities. Nor does mere conversion of other investments into funds which are used to reduce the debt of individuals to the banks contracted for the purpose of buying Government bonds satisfy the requirements of the situation, unless accompanied by some further action on the part of the buyer, since the securities which are thus disposed of are necessarily taken by some one who pays for them either out of his own income or savings (by check on his deposit account), or else by borrowing from his banker.

The new revenue bill.

The war revenue bill was passed by the House of Representatives on September 20 and the measure now goes to the Senate for action. It is not only by far the greatest revenue-raising measure in the history of the world, intended as it is, to produce between $8,000,000,000 and $9,000,000,000 of income, but it must also have a profound effect upon public finance and the banking position of the country. Its significance in these aspects lies in the relationship it must bear to the question of the distribution and absorption of the new issues of bonds and certificates of indebtedness which the Treasury must place in order to obtain funds for the prosecution of the war. The revenue act will render it more than ever necessary to bring about a definite curtailment of unessentials both in industry and in consumption in order that there may be a sufficient amount of actual fluid wealth to provide for national necessities. From the banking standpoint the significance of the measure is found in the effect to be exerted upon the ability of the various institutions to pass on their securities to individual buyers. If as the result of the operation of the new taxes incomes which have already contributed what they deemed their utmost to the purchase of Government bonds are less able to support the Government's loan policy than in the past there must be resort to two kinds of remedy. More intense saving must be practiced by those who are already the possessors of a savings margin which they have been devoting to the needs of the Government; and this margin must be further enlarged in order that payment for taxation need not infringe upon the bond purchasing power of the individual. Looking at the question purely in its financial aspects, a second remedy for the situation could be found in the extension of taxation to those classes in the community which have participated in the "prosperity" resulting from the war but who have not yet been called upon to make their contribution to the revenue needs of the Government. The recipients of war wages and of war prices for natural products do not under existing or proposed legislation contribute in the same relative proportion out of surplus income to the needs of the Treasury as recipients of money incomes above the present level of exemption. Larger saving on the part of those who are already paying taxes and purchasing bonds to the extent of their present margin, together with the extension of taxation to classes not now heavily burdened, and increased participation in Government loans may have to be resorted to, otherwise the inevitable result of the situation will be that of transferring the task of carrying the Government securities to the banks in an even larger measure than would otherwise be the case.

The new bond legislation.

The legislation affecting the taxable status of the new bonds which has been adopted by Congress at the recommendation of the Secretary of the Treasury has also an important bearing on the banking outlook. This legislation, reprinted elsewhere in the present issue of the BULLETIN, restores the principle of exemption from taxation which was a feature of the original or first Liberty loan issue, but upon a partial and limited basis. The legislation will give to investors in Government bonds a limited exemption from the surtaxes upon income up to a maximum of $75,000, of which $30,000 must be subscribed to the new loan. The bonds being exempt from normal tax the prospective bondholder is able to reckon upon complete freedom from income taxation up to a reasonable figure. He is thus able to compare a yield of 4¼ per cent on Government bonds with a yield from other securities which would have to be appreciably higher in order to afford an equality of return under the new revenue legislation. As the size of the income advances the inducement to purchase Government bonds in lieu of private securities is increased, because the surtax upon the income of the private securities becomes so much greater. Inasmuch, however, as the smaller investors are those who might conceivably obtain entire relief from taxation by putting their means into Government bonds, the effect of the bond legislation combined with the new revenue bill is that of appealing very strongly to the small or moderate investor as compared with the person of larger resources. This is, of course, in the interest of the wider distribution of the securities, since exemption from taxation ceases as soon as a comparatively low principal holding has been reached. From the banking standpoint the effect of the exemption should be that of strongly encouraging the investor to become the actual owner of securities and, not only this, but to hold them as well, since the exemption privilege is so closely hedged about by restrictions that in effect make it nontransferable. This should tend to prevent the practice of borrowing heavily at banks for the purpose of carrying large amounts of bonds, and should similarly tend to encourage the small investor to borrow moderately and devote himself to the actual payment of his subscription with a view to retaining the securities as a permanent holding

Growth of Federal Reserve notes.

Apprehension having not infrequently been expressed in recent months at the rapid increase of the volume of Federal Reserve notes, the following table is presented to show the outstanding volume of gold coin and certificates, Federal Reserve notes, and Federal Reserve bank notes, and all other forms of currency issued in the United States, for selected dates:

Total money held outside the United States Treasury and the Federal Reserve Banks on Feb. 1, 1917, and Sept. 1, 1918.

	Feb. 1, 1917.	Sept. 1, 1918.
Gold coin and gold certificates	$1,923,388,291	$913,282,661
Federal Reserve notes and Federal Reserve bank notes	261,944,910	2,111,896,668
All other currency	1,731,139,217	1,627,467,179
Total	3,916,472,418	4,652,646,508

	Increase.	Decrease.
Gold coin and gold certificates		$1,010,105,630
Federal Reserve notes and Federal Reserve bank notes	$1,849,951,758	
All other currency		103,672,038
Total	736,174,090	

It should be noted that the figures given above relate to coin and currency not held in the Treasury or in the Federal Reserve Banks, these, properly speaking, constituting no part of the outstanding circulation in actual use as currency. It should also be noted that between February 1, 1917, and September 1, 1918, there was a decrease in the "outstanding" volume of gold and gold certificates, offset by a substantially commensurate increase in the holdings of gold by the Federal Reserve system, to the extent of about a billion dollars. There has also been a slight decrease in the outstanding volume of other forms of currency, with the result that the net increase in the total outstanding volume of currency between the two dates has been, in round numbers, $736,000,000.

The fact that at the beginning of the month of September there were outstanding about $2,100,000,000 Federal Reserve notes (increased by the end of the month to $2,300,000,000) has led to hasty inferences regarding the volume and condition of the country's currency since the Federal Reserve note became the most important constituent of its circulation. The truth is that, while there has been a material increase in the country's total circulation, the increase is far from commensurate with the figures for the increase of Federal Reserve note circulation. What has been overlooked by careless observers is that an important change has been taking place in the composition of our circulating medium by the substitution in large volume of the Federal Reserve note for the gold certificate.

Moreover, to get a faithful picture of the situation, deduction from the total figures should be made of the normal increase in circulation, which would, in any case, have taken place. Based upon comparative figures of population this normal increase in currency would have been about $100,000,000, so that the residual figure representing the growth of our circulation is reduced to about $636,000,000. But even from this figure deduction should be made if a full statement of the situation were to be attempted, because of the increased activity of industry, measured not simply by value of output but also by physical volume. Allowance should also be made for the very considerable amounts of currency which, it is understood, are being carried on their persons by prosperous wage earners who have not developed the banking habit.

There should furthermore be deducted the currency consisting largely of Federal Reserve notes which has been drawn from the United States in substantial volume (probably in excess of 50 millions since September, 1917) for use notably in Canada, Mexico, and Cuba. Finally, the fact that the period of the year in which the most rapid increase in the issue of Federal Reserve notes has occurred synchronizes with the crop-moving season and that at a time when the prices of all agricultural staples rule abnormally high, may be taken as indicating that the increase in the circulation of the Federal Reserve note has been in the main in response to actual needs. In consequence of all of which whatever inflation of prices may be said to exist can not properly be said to have been induced by overissue of Federal Reserve notes.

The really striking increase in the available purchasing power of the country has been furnished by the deposit accounts of the banks. For the national banks alone this enlargement between March 5, 1917, and June 29, 1918, was about a billion dollars and is probably materially greater to-day. Members of the Federal Reserve Board have on various occasions—most recently Governor Harding, in an address before the Ohio Bankers Association on September 5—called attention to the fundamental truth of the situation that the expansion, or so-called "inflation," of which complaint is currently made, is not due to the issue of Federal Reserve notes, the notes being merely an incident or result of a process begun at the individual lending banks. "Inflation," in short, occurs when loans are made upon some basis other than current production. In so far as they represent advances based upon long-term investment or nonliquid wealth they are likely to result in inflation—that is to say, the creation of currency or credit which does not correspond to immediate resources or represent a genuine demand for means of exchanging goods.

Operations of the Federal Reserve Banks.

Increased holdings of war-loan paper in connection with the placing of the two new issues of Treasury certificates and some curtailment in the holdings of other discounts are indicated by the comparative weekly figures of principal earning assets of the Federal Reserve Banks for the 4-weeks period, August 23 to September 20.

Between these two dates the banks increased their holdings of war-loan paper by 292.9 millions, or over 3.4 per cent, while their holdings of other discounted paper actually fell off about 26.5 millions. All the banks show substantial increases in their holdings of war paper. New York reports the largest absolute increase under this head of about 120 millions, while Boston, with an absolute increase of about 30 millions, reports the largest relative increase of over 64 per cent. All the eastern banks, as well as Richmond and Chicago, show some falling off in their holdings of discounts other than war paper. Since August 23 the proportion of war paper in the total discounts on hand has gone up from 61.2 per cent to over 69 per cent. For the Boston and New York banks this percentage is over 80 per cent, against 55.4 and 73.3 per cent on August 23.

Acceptances on hand show an increase from 236.5 to about 250 millions, the New York bank reporting under both dates about 53 per cent of this class of investments. An increase of 18.5 millions in United States short-term obligations represents largely investments by the banks in 1-year 2 per cent Treasury certificates to secure Federal Reserve bank note circulation, issued by all the banks in place of the silver dollars and certificates broken up or canceled by the Treasury. United States bond holdings show a decrease of 1.6 millions, the present holdings of 29 millions being made up almost altogether of bonds deposited with the United States Treasurer to secure circulation.

During the period under review the banks' gold reserves increased from 2,003.1 to 2,023.6 millions and their net deposits from 1,594 to

1,679.3 millions. Federal Reserve notes in actual circulation show an increase from 2,032.8 to 2,295 millions, or at the rate of over 65 millions per week. The ratio of cash reserves to aggregate net deposit and Federal Reserve note liabilities declined from 56.7 to 52.9 per cent.

In the following table are shown the changes between August 23 and September 20, 1918, in the total discounted and purchased bills held by each of the Federal Reserve Banks, as well as changes between the two dates in the holdings of other classes of investments:

[000 omitted.]

Federal Reserve Bank.	Aug. 23.	Sept. 20.	Net increase.
Boston	$93,854	$113,370	$19,516
New York	677,685	789,365	111,680
Philadelphia	96,218	110,683	14,465
Cleveland	108,623	121,033	12,410
Richmond	62,155	70,426	8,271
Atlanta	50,087	72,397	22,310
Chicago	224,343	255,720	31,377
St. Louis	49,622	70,047	20,425
Minneapolis	64,723	71,000	6,277
Kansas City	62,618	71,322	8,704
Dallas	43,551	52,284	8,733
San Francisco	96,842	112,531	15,689
Total	1,630,321	1,910,178	279,857
United States long-term securities	30,624	29,022	....
United States short-term securities	23,479	41,878	18,399
Other earning assets	62	84	22
Total investments held	1,684,486	1,981,162	296,676

Condition of member banks.

Weekly member bank reports from leading cities for the period August 16 to September 13 show a moderate though steady reduction from 554.5 to 480.2 millions in United States bonds, other than circulation bonds, on hand and a similar decrease in the holdings of Treasury certificates up to September 6, when, as the result of the 600-million issue of September 3, these holdings increased 272.4 millions for the week and reached a total in excess of 1,200 millions. Since then this total declined to 1,176.7 millions. For the central reserve cities a similar movement is noted, maximum holdings of these certificates on September 6 being 672.9 millions, of which about 575 millions, or nearly one-half of the reported total, represented holdings of the member banks in Greater New York.

But little change is noted in the aggregate of loans secured by United States war bonds and certificates, the September 13 total, 473 millions, being slightly more than 3 millions in excess of the total given four weeks earlier. For the banks in the central reserve cities the September 13 total of 252.3 shows practically no change from the earlier figure. The net result of Government financing during the four weeks under review is seen in an increase of the aggregate of United States securities other than circulation bonds and of loans secured by United States war obligations from 2,003 to 2,130 millions. For the same period the central reserve city banks report an increase of this composite item from 1,062.8 to 1,130.4 millions and the Greater New York member banks an increase from 885.2 to 946.5 millions.

Aggregate loans and investments, exclusive of fixed investments, of all reporting banks declined from 13,002.7 to 12,998.4 millions, while the combined share of United States war obligations and loans secured by such obligations in the totals just given rose from 15.4 to 16.4 per cent. For the central reserve city banks a rise from 16.7 to 18 per cent and for the Greater New York banks a rise from 17.7 to 19.1 per cent in this ratio are shown.

Considerable net withdrawals of Government deposits are shown for each week, except the week of the certificate issue, the banks reporting a total net withdrawal of Government funds of 502.1 millions for the period under review. Central reserve city banks report a reduction under this head of 306.2 millions and the Greater New York banks a reduction of 264.2 millions. Net demand deposits of all reporting banks, on the other hand, show a continuous gain during the period of 351.1 millions, of which 173.9 millions comprises the gain at the central reserve city banks and 165.4 millions—the gain at Greater New York banks.

Small gains are also shown for the total of reserve balances (all carried with the Federal Reserve Banks) and of cash in vault. As the result largely of the heavy withdrawals of Government deposits, the ratio of combined reserve and cash to deposits shows a rise from 14.4 to 14.7 per cent for all reporting banks, and from 14.9 to 15.8 per cent for the banks in the central reserve cities. "Excess reserves," in the calculation of which no account is taken of Government deposits, reached the high level of 136.5 millions on August 30. Since then a large reduction is noted, the low level of 46.1 millions being shown on September 13. For the central reserve cities a similar development is noted, the maximum of 109.3 millions being shown on August 30, and the minimum of 29.4 millions on September 13.

Movement of gold.

During the month ending September 10 the net outward movement of gold was $1,755,000, as compared with a net outward movement of $4,376,000 for the month ending August 10. Gold imports for the month, amounting to $1,790,000, came largely from Mexico, Canada, and Colombia, while gold exports, totaling $3,545,000, were consigned chiefly to Mexico.

The gain in the country's stock of gold since August 1, 1914, was $1,072,252,000, as may be seen from the following exhibit:

[000 omitted.]

	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914	$23,253	$104,972	[1] $81,719
Jan. 1 to Dec. 31, 1915	451,955	31,426	420,529
Jan. 1 to Dec. 31, 1916	685,745	155,793	529,952
Jan. 1 to Dec. 31, 1917	553,713	372,171	181,542
Jan. 1 to Sept. 10, 1918	54,761	32,813	21,948
Total	1,769,427	697,175	1,072,252

[1] Excess of exports over imports.

A new discount corporation.

The formation of the Union Discount Corporation, whose projected plan of organization is elsewhere published, is of special interest because of the bearing it has upon the financing of the cotton crop. While the enterprise is authorized to do a general commercial discount business, it has been announced that one of its principal functions will be that of financing the cotton crop through the use of acceptance paper—both bankers' and trade. During the weeks that have intervened since the enterprise was first projected there have been not a few changes in the cotton situation and outlook. The size of the expected crop has been materially reduced and the price, which had shown a disposition to decline, has again risen. On the other hand, the War Industries Board has announced the adoption of a definite policy probably involving the Government purchasing of cotton and possibly the fixing of basic prices for at least some grades of the staple. Nevertheless, the new corporation has a large field of activity before it. Governor Harding, in his addresses before the Cotton Conference in New York City last June, strongly indorsed the application of the acceptance plan in the cotton trade, pointing out that it was practically a further application of the same idea that has already been adopted in connection with international trade in staples whose movement gives rise to prime bills which are readily marketed. It is in this and similar directions that the proper field for the development of the acceptance is to be found, and not in the financing or carrying of stored products or in the collection of accounts of long or doubtful standing, some of which represent goods already consumed. The introduction of the acceptance plan in moving the cotton crop may have results of very considerable immediate importance, but success in it will necessitate an adjustment and modification of previously existing practices. This work can be better done, it seems likely, through an actual business enterprise engaged in financing the acceptances growing out of cotton movement, than through purely general or theoretical explanation or discussion.

Amendments to the Federal Reserve Act.

The bill embodying amendments to the Federal Reserve Act was signed by the President on September 26. This measure has been under consideration for several months past, and the agreement now arrived at represents the outcome of elaborate legislative discussion. So fully has the scope of these amendments been dealt with in past issues of the FEDERAL RE-

SERVE BULLETIN that no comment upon them is called for further than to say that the effects of the new measure will be to place national and State banks and trust companies more nearly upon a basis of equality of opportunity and competition than in the past, and that the Board believes the tendency of the legislation will consequently be toward strengthening and broadening the Federal Reserve system. The change made by the bill in the methods of electing directors at Federal Reserve Banks is expected to bring about a more equitable and reasonable representation for all classes of banking institutions.

Easing the currency movement.

With the view of easing the movement of currency from point to point the Federal Reserve Board has proposed a plan under which the Federal Reserve Banks would absorb the cost of distributing Federal Reserve notes to their member banks—a charge which has heretofore been imposed upon the banks that applied for issues of new notes. Federal Reserve Banks are now paying the cost of transportation on Federal Reserve notes from Washington, and these notes are available to banks located in Federal Reserve and Federal Reserve branch cities without charge for delivery. The banks have also abolished their service charges for collecting checks, and in many cases they are paying all transportation charges in connection with the exchange of currency for gold, as well as charges on currency forwarded by country banks to offset debits made against them represented by the total footings of letters containing checks for collection. It is thought that the extension of the privileges above indicated to member banks will remove the feeling that many country banks have that the Federal Reserve Act discriminates against them in favor of the banks in the larger cities, and will at the same time prove an added stimulus to the State banks to apply for membership. Should the plan be adopted the Board would, of course, reserve the right to modify or rescind it at any time upon reasonable notice.

Meeting of the Advisory Council.

The Federal Advisory Council held its regular quarterly session on September 16 and 17, two joint sessions being held with the Federal Reserve Board. The existing financial situation was fully discussed, and the Council expressed itself as being in entire accord with the discount policy at present pursued by the Board, feeling that satisfactory progress is being made in the curtailment of nonessential and less essential credits, and that proper regulation of the entire credit situation can be accomplished without further advances in discount rates.

Other topics discussed had to do with the gold export situation and allied problems. Discussion also necessarily dealt to some extent with the conditions under which loans to the Government are to be placed and the relationship between the banking situation and public finance. It was the feeling that present policies should be continued and that, all things considered, as good progress as could be expected is being made in the protection and conservation of banking credit.

Conservation of Productive Power and Credit.

During the month of September several important steps were taken that will be a material factor in furthering the policy which the Federal Reserve Board has long urged—the conservation of credit and productive power and their application to the maintenance of necessary enterprises to the exclusion of those deemed less requisite.

GOVERNMENT ACTION TO INSURE CONSERVATION.

Believing that fundamental action designed to mark out the line of distinction between essential and unessential industries is necessary by way of supplementing and making effective the efforts hitherto undertaken for the control of industrial operations, the War Industries Board on September 8 made public an authoritative list of preferred industries to serve as the basis for the allocation of labor, material, transportation, and fuel and as the basis for industrial exemption from the draft:

The preference list of industries and plants, compiled by the priorities division of the War Industries Board, is herewith presented. This list is the master-key governing the flow of basic industrial elements to the industries essential to the war program. It supersedes all previous listing.

It is the basis for industrial exemption from the draft, and may be regarded as the governing factor in the distribution of labor, capital, facilities, material, transportation, and fuel.

MAJOR INDUSTRIES GROUPED.

The priorities division has grouped major industries according to their relative importance into four great classes, consideration being given in this grouping to these factors: (1) Intrinsic importance of the product for use during the war and the urgency; (2) necessity for maintaining or stimulating and increasing the total quantity of production; (3) proportion of the capacity of the industry or plant devoted to the production of essential products. Each industry or plant is given a class number.

Judge E. B. Parker, chairman of the priorities division, states the determination of the relative importance of all industries and plants for both production and delivery by a single agency, the War Industries Board, renders it possible to maintain a well-balanced program with respect to the several factors entering into production, which includes, among other things, plant facilities, fuel supply, or electrical energy, labor, and transportation, without all of which production is impossible.

Where it is imperative not only to maintain, but to stimulate and increase, production to supply abnormal demands created by war requirements, a high rating is necessary even though the intrinsic importance of the product may be less than that of other products placed in the lower classification, due to the fact that the supply of such other products equals the demand without the stimulus of high priority. Certain plants produce commodities of more relative importance, but at the same time produce other commodities of less relative importance and under such circumstances consideration and weight is given to the ratio of production between the more important and less important commodities.

NOT INTENDED AS EMBARGO.

The inclusion of the industries and plants on this preference list does not operate as an embargo against all others, but the effect is to defer the requirements of all other industries and plants until the requirements of those on the preference list shall have been satisfied. The paramount purpose of priorities is the selective mobilization of the products of the soil, the mines, and factories for direct and indirect war needs in such a way as will most effectually contribute toward winning the war.

In listing industries as such or individual plants, while a number of factors are taken into account, the ultimate test is: To what extent, if at all, will according preference contribute directly or indirectly toward winning the war: and, if at all, how urgent is the need.

A high priority classification does not always mean that the product of the industry of plant so classified is of greater intrinsic importance than those of industries and plants in a lower classification or not appearing at all on the preference list, but that taking into account the urgency of the demand and the relation of supply to demand, it is in the public interest that the artificial stimulus of priority should be applied. All priority is relative and implies purposeful discrimination.

Continuing, Judge Parker says:

"Without a central agency to determine the relative needs, importance and urgency of the requirements of each department of this Government, of its allies and of the civilian population, there would be hopeless conflict and confusion. The unprecedented expansion of the Army and of the Navy of the United States, the creation of the Emergency Fleet Corporation to engage in shipbuilding on an extraordinary scale, and the demands made by our allies for munitions, material, equipment, fuel, foods and feeds, the abrupt change from a peace to a war basis have all combined to create abnormal industrial conditions in the United States, to regulate which the law of supply and demand and other economic laws applicable to normal conditions are wholly inadequate. The administration of priorities is calculated to bring order out of chaos and to develop an evenly balanced industrial program to meet the requirements of the military program, and at the same time supply the essential requirements (as distinguished from the mere wants or desires) of the civilian population. Now that it is understood that priority and preference can not be purchased, the tendency is for prices to assume more nearly the normal level. It is now the public interest rather than the dollars of the purchaser that determines precedence in production and delivery."

Closely associated with the promulgation of this new preference list by the War Industries Board is the great necessity for conservation in every possible way of men, material, transportation and all energies that go to placing the United States with all its power and resources behind its men at the front in winning the war. It is necessary now more than ever to save to the point of sacrifice so that demand may be held to the bone, enabling supply to go as far as possible.

THE PREFERENCE LIST.

The preference list follows:

NOTE.—The list is complete, except for the table showing industries grouped by classes. The list is given alphabetically with the class number opposite each group.

WAR INDUSTRIES BOARD,
PRIORITIES DIVISION,
Washington, D. C., September 3, 1918.

[Circular No. 20.]

PREFERENCE LIST No. 2, ISSUED SEPTEMBER 3, 1918.

[Superseding Preference List No. 1, issued Apr. 6, 1918, and all amendments and supplements thereto.]

FOREWORD.

The President has placed upon the chairman of the War Industries Board the responsibility for determining and administering all priorities in production and delivery. The determination of the relative importance of all industries and plants for both production and delivery by a single agency renders it possibly to reasonably maintain a well-balanced program with respect to the several factors entering into production, which include (*a*) plant facilities, (*b*) fuel supply or electric energy, or both (*c*) supply of raw materials and finished products, (*d*) labor, and (*e*) transportation by rail, water, pipe lines, or otherwise. Without all of these—speaking generally—production is impossible.

In compliance with the directions of the President that plans be formulated whereby there may be "common, consistent, and concerted action" in carrying into effect all priority policies and decisions, the chairman of the War Industries Board has created a priorities board, with the priorities commissioner of the War Industires Board as chairman, consisting of (1) the chairman of the War Industries Board, (2) the priorities commissioner, (3) a member of the Railroad Administration, (4) a member of the United States Shipping Board Emergency Fleet Corporation, (5) a member of the War Trade Board, (6) a member of the Food Administration, (7) a member of the Fuel Administration, (8) a representative of the War Department, (9) a representative of the Navy Department, (10) a member of the Allied Purchasing Commission, and (11) the chairman of the War Labor Policies Board.

The decisions of the priorities board are subject to review only by the chairman of the War Industries Board and by the President.

For the guidance of all governmental agencies and all others interested in (1) the production and supply of fuel and electric energy, (2) in the supply of labor, and (3) in the supply of transportation service by rail, water, pipe lines, or otherwise, in so far as such service contributes to production of finished products, the accompanying designated Preference List No. 2 has been adopted by the priorities board superseding Preference List No. 1 adopted April 6, 1918, and all amendments and supplements thereto.

Where advisable industries as such have been classified and listed. In numerous instances individual plants have been found to be entitled to preference, although the industries to which they belong are not, and in other instances where an industry as such has been accorded a degree of preference particular plants in such industry have been placed in a higher class. This has necessitated classifying and listing not only industries as such but to a limited extent individual plants, some of which are accorded a higher rating than that accorded the listed industry to which they belong.

The Preference List is made up of industries and plants which in the public interest are deemed entitled to preferential treatment. The inclusion of these industries and plants on this list does not operate as an embargo against all others, but the effect is to defer the requirements of all other industries and plants until the requirements of those on the Preference List shall have been satisfied.

In the compilation of this list industries and plants have been divided according to their relative importance into four classes, viz, Class I, Class II, Class III, and Class IV. In determining such relative importance consideration and weight have been given not solely to any one, but to all of the following factors: (1) The intrinsic importance of the product itself for use during the war, and the urgency, as measured by time, of the demand or of the use to which it is to be put; (2) the necessity for maintaining or stimulating and increasing the total quantity of production, which in turn depends largely upon the relation of the supply to the demand for essential uses; (3) the proportion of the capacity of the industry or plant which is devoted to the production of the essential product.

Where it is imperative not only to maintain but to stimulate and increase production to satisfy abnormal demands created by war requirements, a high rating is necessary, even though the intrinsic importance of the product may be less than of other products placed in a lower classification due to the fact that the supply of such other products equals the demand without the stimulus of high priority. Where it is necessary to speed the production of a particular product required at a particular time to carry into effect an important program, a high priority is given, although changing conditions may thereafter suggest and demand a reclassification. Certain plants produce commodities of great relative importance, but at the same time produce other commodities of less relative importance, and under such circumstances consideration and weight is given to the ratio of production between the more important and less important commodities. Instances occasionally arise where individual plants are given preference so long as they are rendering, and so long as it is in the public interest that they should render, a particular service, even though, taking the country as a whole, the supply of their product is ample to meet all demands.

No distinction has been made between any of the industries or plants within any one class, and no significance attaches to the order in which industries and plants are listed within any class.

The industries and plants grouped under Class I are only such as are of exceptional importance in connection with the prosecution of the war. Their requirements must be fully satisfied in preference to those of the three remaining classes.

Requirements of industries and plants grouped under Class II, Class III, and Class IV shall have precedence over those not appearing on the preference list. As between these three classes, however, there shall be no complete or absolute preference. The division into classes is for the purpose of presenting a composite picture of the relative importance of the industries and plants embraced within each group. It is not intended that the requirements of Class II shall be fully satisfied before supplying any of the requirements of Class III, or that those of Class III shall be fully satisfied before supplying any of those of Class IV. The classification does, however, indicate that the industries and plants grouped in Class II are relatively more important than those in Class III, and that those in Class III are relatively more important than those in Class IV. It will often happen that after satisfying the requirements of Class I the remaining available supply will be less than the aggregate requirements of the other three classes, in which event such supply will be rationed to the industries and plants embraced within those classes. In determining a basis for such rationing the relative importance of each industry and plant, according to its class rating, must be considered. It has been found impracticable to prescribe for rationing purposes any general and uniform rule or formula, but the priorities board will from time to time, after conference, and in cooperation with each of the several governmental agencies charged with the distribution thereof, determine particular principles, values, and methods of application which may be followed in allocating fuel, power, transportation, and labor, respectively, to the end that proper recognition and weight may as far as practicable in each case be given to the relative importance of Class II, Class III, and Class IV.

Each plant listed as such shall, not later than the 15th of each month, file with the secretary of the priorities board, Washington, D. C., a report on P. L. Form No. 3 (a supply of which will be furnished on application) covering its activities during the preceding month. Any plant failing to file such report will be dropped from the preference list.

Priorities in the supply and distribution of raw materials, semifinished products, and finished products shall be governed by circular No. 4 issued by the priorities division of the War Industries Board under date of July 1, 1918, and all amendments and supplements thereto or substitutes therefor.

The term "principally" as used in listing industries shall be construed to mean plants whose output is not less than 75 per cent of the products mentioned.

This preference list shall be amended or revised from time to time by action of the priorities board to meet changing conditions. The priorities commissioner shall, under the direction of and with the approval of the priorities board, certify additional classes of industries and also certify additional plants whose operations as a war measure entitle them to preference treatment, which industries and plants when so certified shall be automatically included in the preference list.

EDWIN B. PARKER,
Priorities Commissioner.

Approved.

BERNARD M. BARUCH,
Chairman, War Industries Board.

INDUSTRIES.

[Listed alphabetically.]

	Class.
Agricultural implements. (See Farm implements.)	
Aircraft: Plants engaged principally in manufacturing aircraft or aircraft supplies and equipment	I
Ammunition: Plants engaged principally in manufacturing same for the United States Government and the allies	I
Army and Navy: Arsenals and navy yards	I
Army and Navy: Cantonments and camps	I
Arms (small): Plants engaged principally in manufacturing same for the United States Government and the allies	I
Bags: Hemp, jute, and cotton—plants engaged principally in manufacturing same	IV
Blast furnaces (producing pig iron)	I
Boots and shoes: Plants engaged exclusively in manufacturing same	IV
Brass and copper: Plants engaged principally in rolling, and drawing copper, brass, and other copper alloys in the form of sheets, rods, wire, and tubes	II
Buildings. (See Public institutions and buildings.)	
Chain: Plants engaged principally in manufacturing iron and steel chain	III
Chemicals: Plants engaged principally in manufacturing chemicals for the production of military and naval explosives, ammunition, and aircraft, and use in chemical warfare	I
Chemicals: Plants, not otherwise classified and listed, engaged principally in manufacturing chemicals	IV
Coke: Plants engaged principally in producing metallurgical coke and by-products, including toluol	I
Coke: Plants not otherwise classified and listed, producing same	II
Copper and brass. (See Brass and copper.)	
Cotton: Plants engaged in the compression of cotton	IV
Cotton textiles. (See Textiles.)	
Cranes: Plants engaged principally in manufacturing locomotive or traveling cranes	II
(The term "principally" means 75 per cent of the products mentioned.)	
Domestic consumers: Fuel and electric energy for residential consumption, including homes, apartment houses, residential flats, restaurants, and hotels	I
Domestic consumers: Fuel and electric energy not otherwise specifically listed	III
Drugs: Medicines and medical and surgical supplies, plants engaged principally in manufacturing same	IV
Electrical equipment: Plants engaged prinicpally in manufacturing same	III
Explosives: Plants engaged principally in manufacturing same for military and naval purposes for the United States Government and the allies	I
Explosives: Plants not otherwise classified or listed, engaged principally in manufacturing same	III
Farm implements: Plants engaged principally in manufacturing agricultural implements and farm-operating equipment	IV
Feed: Plants engaged principally in preparing or manufacturing feed for live stock and poultry	I
Ferroalloys: Plants engaged principally in producing ferrochrome, ferromanganese, ferromolybdenum, ferrosilicon, ferrotungsten, ferrouranium, ferrovanadium, and ferrozirconium	II
Fertilizers: Plants engaged principally in producing same	IV
Fire brick: Plants engaged principally in manufacturing same	IV
Foods: Plants engaged principally in producing, milling, refining, preserving, refrigerating, wholesaling, or storing food for human consumption embraced within the following description: All cereals and cereal products, meats, including poultry, fish, vegetables, fruit, sugar, sirups, glucose, butter, eggs, cheese, milk and cream, lard, lard compounds, oleomargarine and other substitutes for butter or lard, vegetable oils, beans, salt, coffee, baking powder, soda and yeast; also ammonia for refrigeration	I
Foods: Plants engaged principally in producing, milling, preparing, refining, preserving, refrigerating or storing food for human consumption not otherwise specifically listed; excepting herefrom plants producing confectionery, soft drinks, and chewing gum	III
Food containers: Plants engaged principally in manufacturing same	IV
Foundries (iron): Plants engaged principally in the manufacture of gray iron and malleable iron castings	IV
Fungicides. (See Insecticides and fungicides.)	
Gas. (See oil and gas, also Public utilities.)	
Guns (large): Plants engaged prinicpally in manufacturing same for the United States Government and the allies	I
Hospitals. (See Public institutions and buildings.)	
Ice: Plants engaged principally in manufacturing same	III
Insecticides and fungicides: Plants engaged principally in manufacturing same	IV
Laundries	IV
Machine tools: Plants engaged principally in manufacturing same	II
Medicines. (See Drugs and medicines.)	
Mines: Coal	I
Mines: Producing metals and ferroalloy minerals	II
Mines: Plants engaged principally in manufacturing mining tools or equipment	III
Navy. (See Army and Navy.)	
Navy Department. (See War and Navy Departments.)	
Newspapers and periodicals: Plants engaged principally in printing newspapers or periodicals which are entered at the post office as second-class mail matter	IV
Oil and gas: Plants engaged principally in producing oil or natural gas for fuel, or for mechanical purposes, including refining or manufacturing oil for fuel, or for mechanical purposes	I
Oil and gas: Pipe lines and pumping stations engaged in transporting oil or natrual gas	I
Oil and gas: Plants engaged principally in manufacturing equipment or supplies for producing or transporting oil or natural gas, or for refining and manufacturing oil for fuel or for mechanical purposes	III
Paper and pulp. (See Pulp and paper.)	
Periodicals. (See Newspapers and periodicals.)	
Public institutions and buildings (maintenance and operation of) other than hospitals and sanitariums	III
Public institutions and buildings (maintenance and operation of) used as hospitals or sanitariums	I
Public utilities: Gas plants producing toluol	I
Public utilities: Street railways, electric lighting and power companies, gas plants not otherwise classified, telephone and telegraph companies, water-supply companies, and like general utilities	II
Public utilities: Plants engaged principally in manufacturing equipment for railways or other public utilities	II
Pulp and paper: Plants engaged exclusively in manufacturing same	IV
Railways: Operated by United States Railroad Administration	I
Railways: Not operated by United States Railroad Administration (excluding those operated as plant facilities)	II
Railways (street). (See Public utilities.)	
Rope. (See Twine and rope.)	
Rope wire. (See Wire rope.)	
Sanitariums. (See Public institutions and buildings.)	
Ships (maintenance and operation of): Excluding pleasure craft not common carriers	
Ships: Plants engaged principally in building ships, excluding (*a*) pleasure craft not common carriers, (*b*) ships not built for the United States Government or the allies nor under license from United States Shipping Board	I
Soap: Plants engaged principally in manufacturing same	IV
Steel-making furnaces: Plants engaged solely in manufacturing ingots and steel castings by the open-hearth, Bessemer, crucible, or electric-furnace process, including blooming mills, billet mills, and slabbing mills for same	I
Steel-plate mills	I
Steel-rail mills: Rolling rails, 50 or more pounds per yard	II
Steel: All plants operating steel rolling and drawing mills, exclusive of those taking higher classification	III
Surgical supplies. (See Drugs and Medicines.)	
Tanners: Plants engaged principally in tanning leather	IV
Tanning: Plants engaged principally in manufacturing tanning extracts	IV
Textiles: Plants engaged principally in manufacturing cotton textiles, including spinning, weaving, and finishing	IV
Textiles: Plants engaged principally in manufacturing woolen textiles, including spinners, top makers, and weavers	IV
Textiles: Plants engaged principally in manufacturing cotton or woolen knit goods	IV
Textiles: Plants engaged principally in manufacturing textile machinery	IV
Tin plates: Plants engaged principally in manufacturing same	III
Tobacco: Only for preserving, drying, curing, packing, and storing same—not for manufacturing and marketing	IV
Toluol. (See Coke; also Public utilities.)	
Tools: Plants engaged principally in manufacturing small or hand tools for working wood or metal	III
Twine (binder and rope): Plants engaged principally in manufacturing same	IV
War and Navy Departments: Construction work conducted by either the War Department or the Navy Department of the United States in embarkation ports, harbors, fortified places, flood-protection operations, docks, locks, channels, inland waterways, and in the maintenance and repair of same	II
Wire rope and rope wire: Plants engaged principally in manufacturing same	II
Woolen textiles. (See Textiles.)	
(The term "principally" means 75 per cent of the products mentioned.)	

RESTRICTIONS ON SPECULATION.

In order to insure that there be devoted to the operations in the security markets only the amount of credit resources absolutely necessary and to prevent the use of additional credit beyond the funds now so used, thereby checking any tendency to expand the collateral-loan account, there has been transmitted by Mr. Benjamin Strong, chairman of the Liberty loan subcommittee on money for the New York district, to Mr. W. H. G. Noble, president of the stock exchange, a letter as follows:

SEPTEMBER 5, 1918.

MY DEAR SIR: As you are aware, a subcommittee of the Liberty loan committee of this district was appointed on September 5, 1917, and has undertaken certain duties in connection with the New York City money market, for the purpose of securing the most complete cooperation with the Government in its financial program by all the financial interests of the city. The members of the subcommittee are the following gentlemen: Benj. Strong (chairman), James S. Alexander, George F. Baker, Walter E. Frew, Gates W. McGarrah, Charles H. Sabin, Frank A. Vanderlip, James N. Wallace, Albert H. Wiggin.

The work of the subcommittee has met with the cordial cooperation of the important interests connected with the New York money market and there has been maintained an orderly course of affairs in which the supply of funds has been ample for the essential needs. We believe this condition can be continued. It is obvious, however, that for the present there should be devoted to the security market no additional credit beyond the funds now so used. Any tendency to expand the collateral loan account should, for the general good, under present conditions, be checked.

In order that this important situation may be handled in a way that will result in the least possible inconvenience, it is desirable that we should have a complete daily view of stock exchange loans. We recognize the disposition of the stock exchange to cooperate in every way toward contributing to the orderly conduct of the money market and, depending upon that patriotic disposition, we now ask the governors of the stock exchange to collect, for the confidential use of this committee, daily statements from each member of the exchange showing, in such detail as may be agreed upon in conference, the amount of time and call loans of each stock exchange house.

This information will be for the confidential use of the committee in whose hands has been placed the responsibility for maintaining an orderly money market. The reports will be asked for during a temporary period. At the present time it is impossible for us to say for just how long a period they will be needed. We will be obliged if you will ask the members of the exchange to begin these reports at the earliest date practicable.

Lest any possible misunderstanding arise as to the object of this request, I am directed by the committee to explain that this is only one of the number of measures being undertaken by the committee with the object of exercising, by mutual understanding among the institutions and firms in this city, such reasonable and necessary control of the employment of credit as will insure no interference with the financial operations of the Government in conducting the war.

Accurate information as to the amount of bank credit being employed for stock exchange purposes will be useful in attaining these objects.

I am also directed by the committee to express its cordial appreciation of the spirit of cooperation which has always been shown by the officers and members of the stock exchange in matters of this kind, which feeling is shared by the officers of the Federal Reserve Bank.

Very truly, yours,

BENJ. STRONG,
Chairman of the Liberty Loan Subcommittee on Money.

W. H. G. NOBLE, Esq.,
President, New York Stock Exchange, New York, N. Y.

The recommendations made by Mr. Strong on behalf of the committee are, it is understood, being followed by the members of the stock exchange as requested.

CURTAILMENT OF LOANS.

Most of the Federal Reserve Banks have endeavored in their various appropriate ways to encourage the conservation of credit in their several districts. The methods pursued have been in the main those of obtaining general informal agreement among bankers as to the classes of enterprise that were to be regarded as essential and so far as practicable encouraging the development of a systematic plan on the part of individuals and corporations for the support of the Government. The Federal Reserve Bank of New York on August 23 transmitted to the banks of its district and to their depositors letters as follows:

DEAR SIR: The Federal Reserve Board wrote you on July 6 relative to the necessity of conserving credit in order to furnish the Government the increasing volume of credit it requires to finance the war, and the directors of this bank have instructed its officers to discuss the subject further with every bank in the district. While no general rules or program for the conservation of credit can be laid down, the duty of each bank is to do its share in securing the desired results, acting reasonably and judiciously, in such ways as its own conditions make practicable and as will spare borrowers undue embarrassment. We have no doubt that, like most bankers, you have already made some progress toward conserving credit, and our directors wish to supplement the Federal Reserve Board's letter by asking you now to take up this necessary work systematically and conscientiously.

Saving of credit by banks, in order to help the situation as a whole, must be the result of saving on the part of borrowers. Shifting loans from one institution to another, or sales of collateral which merely throw the burden upon other shoulders, save no credit. Credit conservation can only be accomplished by business or personal economies, and requires cooperation between banks and their borrowers, and education of borrowers by their banks.

Producers, manufacturers, and merchants may do their part and reduce their credit requirements—

By not overbuying;

By carrying as small stocks as practicable;

By postponing new construction, or expansion of their business;

By effecting business economies.

Individuals may do their part by studying their personal expenses and effecting economies which will enable them gradually to pay off their loans.

May we suggest that you make a careful analysis of your loans and lines of discount in order to determine definitely what credit now in use is not directly connected with Government financing, or the production or distribution of things necessary to maintain the health and efficiency of our armed forces and our civilian population. While the majority of bank loans will prove to be for these purposes, most institutions also have a considerable volume of loans to individuals made for other purposes, many of them of long standing. It is to loans of this character as well as to the less necessary commercial borrowings, that credit conservation should first be applied.

New commercial lines or new loans to acquire or improve property, or for nonproductive purposes, will rarely be justified unless they are to aid directly in the prosecution of the war. A spirit of saving in the use of credit will naturally lead the banks themselves to exercise restraint in offering new or additional lines of credit in competing for business. A frank discussion of the principles and the necessity of credit conservation with a borrower will usually gain his cooperation, and where a borrower is asked to reduce a loan having securities or commodities as collateral, emphasis should be laid on the necessity of gradual and steady reduction by personal economies rather than by selling the collateral.

Several of our member banks, wishing to discuss the matter with their borrowers, have asked us to prepare a brief statement on the subject. We have prepared such a statement, which banks, if they so desire, may either use as a form letter or inclose with a letter of their own. We shall be glad to furnish either statement in any quantity to any bank in the district. Copies are herewith inclosed.

Will you be so good as to acknowledge this letter, advising us what you are doing or are willing to do in order to save credit and giving us your views as to the best method of accomplishing the necessary results? We suggest that one most effective step would be for all the banks in your city or county to reach an agreement for common action. Whenever this bank can properly assist, you may count upon our cooperation.

To bank depositors:

Nothing is more vital to the winning of the war than credit.

The Government often has to borrow immense sums, temporarily, and the banks must stand ready at all times to lend the Government what it needs. The ability of the banks to lend is not unlimited. It is just as necessary for them to conserve their lending power as it is to conserve coal, food, steel, and other commodities for which the war brings abnormal demands. Those who are producing, manufacturing, or distributing things needed to prosecute the war or maintain the health and efficiency of the civilian population, will be able to obtain the credit to which their needs and their standing entitle them; but new loans will rarely be justified unless they are to aid directly in the prosecution of the war, and every bank has been asked by the Government to request all it borrowers to keep their demands for credit down to the very minimum.

Patriotic citizens, whether in business or not, will want to cooperate with this necessary Government policy.

The way for producers, manufacturers, and merchants to do their share and reduce their credit requirements is—

By not overbuying;

By carrying as small stocks as practicable;

By postponing new construction or expansion of their business;

By effecting business economies.

The way for individuals to do their share and reduce their loans is to study their personal expenses and effect economies.

Borrowers whose loans are secured by Government bonds or other collateral should remember that reduction of loans by selling collateral is not helpful, since it usually merely shifts the burden to other shoulders.

The banks are asked to save their credit, which means that their customers must use less of it. The saving of credit is an integral part of the great saving policy which the war requires the Government to adopt, and every man, woman, and child to support to the utmost. Saving to reduce loans is a patriotic service only second in importance to saving to buy Liberty bonds and war savings stamps. Both help to transfer to the Government the ability to command the labor and materials of which President Wilson has said the allies are in such desperate need. Both also help to accumulate for the saver a purchasing power which he may need when the war is over.

The Federal Reserve Bank of New York asks the banks in its district to send this message to their depositors, feeling sure that it will meet with their prompt cooperation.

FEDERAL RESERVE BANK OF NEW YORK.

NEW YORK, *August 23, 1918.*

USE OF CREDIT FOR GOVERNMENT NEEDS.

The effort to bring about a general conservation of credit by preventing its use for unessential purposes has been paralleled and extended by the effort to bring about the definite application of credit so saved or conserved to the needs of the Government. Most of the banks have already been doing their utmost to meet the requirements of the Treasury Department, but in various parts of the country it has been sought to bring about a complete or more general cooperation. The following letter sent to banks in the State of Utah by the banking commissioner of that State furnishes an example of the work that is being done in that direction:

AUGUST 26, 1918.

To the bank or trust company addressed:

In anticipation of the fourth Liberty loan, the Government a short time ago made a demand upon all banks of the United States to invest 20 per cent of their total resources in 4½ per cent United States temporary Treasury certificates.

Upon my recent visit to San Francisco, I had occasion to go over the files in the office of E. W. Wilson, director of sales, showing what our State banks have purchased in these certificates. To my great surprise, I discovered that some of the banks have not purchased a single certificate of any offering. Others have taken a part of their allotments, while some have taken their allotments of every offering. A few of our banks can not carry the entire load, but there is an equal responsibility resting upon every bank and each should do its full part.

Bankers, we must win this war and every bank must do its full duty. Nothing short of taking your full allotment of these Treasury certificates at this time will accomplish the demands and needs of our Government.

Banks who have not yet purchased your allotments of these certificates, get busy and take up your delinquent allotments, as well as the future ones, as the calls are made, so that when these offerings are withdrawn every bank in this State will be a 100 per cent purchaser of these certificates.

If your institution has not the money with which to make these purchases without injury to your business, your needs can be supplied through your correspondent bank, who will loan you the money on your note at $4\frac{1}{2}$ per cent, the same rate the certificates bear, so that you are out nothing, but at the same time you are helping meet the needs of the Government.

The following resolution was unanimously passed by the Salt Lake Clearing House Association at a special meeting called July 23, 1918:

"*Resolved*, That the Salt Lake City Clearing House Association does hereby pledge and agree that each of its members will purchase its full allotment of United States Treasury $4\frac{1}{2}$ per cent certificates as and when they are offered; and

"*Resolved*, That each bank member hereby agrees to carry its bank customers located in Utah that are nonmembers of the Federal Reserve system for their full allotment of Treasury certificates at the rate of $4\frac{1}{2}$ per cent per annum, upon the promissory note of said bank running for a period not to exceed 90 days."

Similar resolutions have been passed by other clearing house associations in this State.

You may argue that you do not want to show bills payable on your books, but in the minds of big bankers in the United States this dread has passed. Banks that have never shown borrowed money in their history of banking are now showing bills payable upon their books, and are doing their utmost to help win the war, and which should be the object of every banker in the United States, both large and small.

Your banks receive from time to time circular letters, telegrams, etc., from E. W. Wilson, director of sales, United States Treasury certificates of this district. All these communications should be given careful consideration, with the result of prompt action.

Yours, very truly,

(Signed) W. E. EVANS,
Bank Commissioner.

LIMITATION OF SECURITIES ISSUED.

The Capital Issues Committee, in a resolution adopted on September 9, directed that further issues of securities during the period of the loan should be suspended, the resolution in question reading as follows:

Resolved, That in view of the paramount importance of meeting the Government's financial requirements for war purposes, the Capital Issues Committee will not pass any application respecting the sale or offer for sale of shares or securities during the period from September 15, 1918, until after the close of the fourth Liberty loan campaign, except applications which the committee may regard as urgently necessary. Investment houses, brokers, corporations, and others offering the unsold portion of security issues heretofore passed by the Capital Issues Committee are asked to withdraw the same from public offering or solicitation during the period from October 1 to the close of the Liberty loan campaign in order to give the Government the right of way. This action is not intended to restrict counter sales or sales of listed securities made in ordinary course of business on stock exchanges.

The Fourth Liberty Loan.

The Secretary of the Treasury announced on September 24 that the amount of the fourth Liberty loan would be $6,000,000,000; that the rate of interest would be $4\frac{1}{4}$ per cent, and the bonds would mature on October 15, 1938, but would be redeemable at the pleasure of the United States at par and accrued interest on and after October 15, 1933.

The campaign will open September 28 and close October 19, 1918, and all subscriptions must be filed on or before the latter date, accompanied by an initial payment of 10 per cent. Subscribers are given the privilege of paying in full for their subscription without rebate of interest at the time of application.

Quotas assigned to the several Federal Reserve districts are as follows:

	Per cent.	Amount.
Boston	$8.33\frac{1}{3}$	$500,000,000
New York	30.00	1,800,000,000
Philadelphia	$8.33\frac{1}{3}$	500,000,000
Cleveland	10.00	600,000,000
Richmond	$4.66\frac{2}{3}$	280,000,000
Atlanta	3.20	192,000,000
Chicago	14.50	870,000,000
St. Louis	$4.33\frac{1}{3}$	260,000,000
Minneapolis	3.50	210,000,000
Kansas City	$4.33\frac{1}{3}$	260,000,000
Dallas	2.10	126,000,000
San Francisco	6.70	402,000,000
Total	100.00	6,000,000,000

In alloting these quotas the Treasury Department has taken into account the conditions existing in various parts of the country, as well as the banking resources.

Purchase of Stock of International Banking Corporation.

The Federal Reserve Board has granted permission, under section 25 of the Federal Reserve Act, to the National City Bank of New York to invest in the stock of the International Banking Corporation a sum not exceeding 10 per cent of its capital and surplus. The National City Bank has a capital of $25,000,000 and surplus of $35,000,000. The International Banking Corporation is incorporated under the laws of the State of Connecticut and is engaged primarily in the business of foreign banking.

Branch of the National City Bank in Cuba.

Permission has been granted by the Federal Reserve Board to the National City Bank of New York to establish in Sagua La Grande, Republic of Cuba, a subbranch, agency, or office of its branch, with main office in Habana.

Dollar Exchange.

Up to the present time banks and bankers in the following countries have been authorized by the Federal Reserve Board to draw drafts for the purpose of furnishing dollar exchange: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Nicaragua, Peru, Porto Rico, Santo Domingo, Uruguay, Venezuela, and Trinidad. In this connection the following letter was sent out under date of August 20, in answer to an inquiry by a member bank:

Referring to your letter of August 19, you are correct in your understanding that if the Board subsequently increases the number of countries whose usages of trade require dollar acceptance facilities, member banks theretofore given authority to accept such drafts may properly accept for those additional countries without further permission from the Board, the Board of course reserving its right to revoke its approval as to any particular member bank or as to any country, it being understood that such drafts comply with the provisions of the Federal Reserve Act.

Meal Tickets for Use by Drafted Men En Route to Camps.

At the request of the acting Quartermaster General of the United States Army, the Federal Reserve Board at its meeting on Friday, September 6, 1918, voted that Federal Reserve Banks be instructed to request all member banks to receive such meal tickets for collection only, the tickets when so accepted to be forwarded through their respective correspondents for collection.

These tickets are issued to drafted men and are for their use in procuring meals and lodging while en route from local draft boards to camps to which they are assigned, and read as follows:

Q. M. C. Form 40.
Approved by Comptroller of Treasury,
June 15, 1918.

[FRONT.]

UNITED STATES WAR DEPARTMENT.

QUARTERMASTER CORPS.

W. S. S. No. ....

MEAL TICKET.

ORIGINAL.

Date: —— ——

To any Hotel, Restaurant, Dining Car, or Eating House:

Please furnish to —— (name of individual in charge of party) and —— other selected men en route to —— (name of camp or destination) one meal each not to exceed 60 cents per meal. This ticket not valid unless signed by representative of the Local Board. This ticket is good for —— days.

R. E. Wood,
Acting Quartermaster General.

[Put Local Board stamp here.]

By ....
(Representative of Local Board.)

....
(Signature of person in charge of party to be signed in presence of Board's representative.)

I certify that —— —— at —— has furnished —— meals to the above on this request, at —— cents each; total $ ——.

—— ——
(In charge of party.)

I certify that —— meals at —— cents, total $ ——, were furnished to the above party.

—— ——
(Party furnishing meals.)

Date used ——.

This ticket is not assignable and when completely filled out should be indorsed on the back by the party furnishing the meals. It may then be deposited for collection with any bank and will be paid by the Quartermaster General, Washington, D. C., or if preferred, the party furnishing the meals may send this ticket direct to the Quartermaster General, Washington, D. C., for payment.

[BACK.]

(Indorsement.)

Pay to the order of —— (name of bank).

—— ——
(Signature of party furnishing meals.)

[Indorsement by bank, stamps.]

(This is for use of paying quartermaster.)

Subvoucher No. —— to Voucher No. ——. Abstract of disbursements —— at —— for ——, 19—.

INSTRUCTIONS.

This meal ticket is issued by the United States War Department and all hotels, restaurants, dining cars, and eating houses are enjoined to honor it.

It is intended for the use of selected men traveling from the seat of their Local Board to training camps, and when going to and from Medical Advisory Boards under orders from the Local Board. It should be prepared by inserting the name of the person in charge of the party and that person will sign the certificate for the meals at the bottom. The certificate of the party furnishing the meals must be invariably obtained. One ticket will be prepared for each meal period (breakfast, dinner, or supper) that will be necessary during the time in which the men are en route to camp or away from their homes in attendance upon Medical Advisory Boards.

Only the original meal ticket will be delivered to the men going into camp. The duplicate will be immediately mailed to the Quartermaster General, Washington, D. C., the triplicate remaining in the book for future reference.

The tickets are printed in triplicate, the original being in black, the duplicate in green, and the triplicate in red. The original only is deposited for collection, the duplicate forwarded by payee to the Quartermaster General, and the triplicate retained by payee.

It is the desire of the Board that all member banks accept these meal tickets and thus render assistance to the War Department in facilitating the movement of troops.

Establishment of an Acceptance Corporation.

Following is the prospectus and plan for the formation of an organization committee to incorporate the Union Discount Corporation. The undertaking is the outgrowth of the proposal to finance the cotton crop by the use of the acceptance method which was discussed during June last and has since been under consideration among trade authorities. The prospectus briefly reviews the history of the enterprise and the reasons for believing that the use of this method of financing is desirable and explains how it is intended to introduce the new mode of dealing in acceptances:

Preamble.—On May 4, 1918, a general conference was called and held under the auspices of the National Association of Cotton Manufacturers at the Hotel Biltmore, New York, at which were present prominent northern spinners, southern shippers, bankers, and others interested in the cotton industry.

This conference resulted in the appointment of a committee of nine, composed of three northern spinners, three southern shippers, and three bankers, to report on better and more effective methods of financing cotton.

On June 8, 1918, at a further conference held at the Hotel Biltmore for the purpose, this committee unanimously recommended that, in connection with present methods, bank and trade acceptances be employed, so far as practicable, by shippers and spinners in financing cotton.

As a result of this report, the Union Discount Corporation is to be organized under the banking laws of the State of New York for the purpose of dealing in both trade and bankers' domestic and foreign commercial acceptance paper.

Charter and capital.—The charter of the corporation will be sufficiently broad to cover all phases of commercial credit banking.

Among other powers it will have power to discount bills of exchange, drafts, notes, acceptances or other choses in action; to purchase and sell negotiable bonds or notes secured by deeds of trust or mortgages on real property wherever situated; to buy and sell notes and bills of exchange or other choses in action owned, issued, or other choses in action; to accept drafts or bills of exchange drawn upon it, negotiated, or guaranteed by it; to advance money on the security of bonds, notes, payable on demand or on time not exceeding one year from date of acceptance; to issue letters of credit authorizing the holder to draw drafts upon the corporation payable on demand or on time not exceeding one year from sale of letter of credit.

Subject to the approval of the Superintendent of Banks of the State of New York, the corporation may establish and conduct branch offices both within and outside the State of New York.

The capital stock proposed will be $3,000,000, all common; divided into 30,000 shares of $100 par value each.

This stock will be offered for subscription at 110, and will yield, when fully subscribed, $3,300,000. Of this sum 2 per cent, or so much of it as may be necessary, will be used for preliminary expenses, to be expended under the supervision of the board of directors; 8 per cent will be set aside as a reserve fund; the balance, or $3,000,000, will be used for the purpose of creating banking credit for the business of the corporation.

It is the purpose to distribute the capital stock as widely as possible among banks, bankers, merchants, manufacturers, and others whose business brings them into the market as sellers or purchasers of acceptance paper.

Plan of operation.—The primary object of the corporation will be to buy, sell, and otherwise trade in acceptance paper arising out of transactions in cotton, cotton goods, and all other textiles. It is the purpose, however, to deal in trade and bankers' acceptances covering transactions in all other commodities as well.

In general, the plan of operation of the corporation will be modeled after that so successfully followed for many years by the large British discount houses which have contributed so much to the commercial supremacy of Great Britain and the prestige of the pound sterling.

The principal office of the corporation will be located in New York City. Agencies will be established, as occasion arises, in the large commercial and financial centers of the country.

Management.—The management of the corporation will be placed in the hands of a board of directors, composed of not less than 15 men.

No payment against subscriptions will be called until 3,000 shares have been subscribed. There will be no promotion stock issued; every share of stock issued will represent cash at the rate of $110 per share.

ORGANIZATION COMMITTEE.

The National Association of Cotton Manufacturers now desires to form an organization committee and from its members and others obtain subscriptions for the first 3,000 shares of capital stock. These subscribers will be the incorporators of the corporation.

SUBSCRIPTION AGREEMENT.

The undersigned, having read the foregoing prospectus and plan for the formation of an organization committee to incorporate the Union Discount Corporation, and approving the same, hereby agree to serve as a member of said committee, and to subscribe to the amount of the capital stock of said corporation set opposite our respective names below, and agree to pay for the same under the following specific conditions, namely:

No subscriptions shall be due and payable until at least 3,000 shares of said capital stock shall have been subscribed, and the approval of the incorporation has been received from the Superintendent of Banks of the State of New York.

Of the amount so subscribed, 10 per cent shall be payable when called by the chairman of the organization committee, but not until at least the said 3,000 shares shall have been subscribed. Said 10 per cent of said subscription shall be expended under the direction of the said organization committee.

The balance (90 per cent) of said subscription shall be payable in three equal installments at 30, 60, and 90 day periods, when called by the chairman of the organization committee after subscriptions shall have been obtained for the proposed 30,000 shares.

British Treasury Bills.

The FEDERAL RESERVE BULLETIN is able to make the following statement about the issuance in this country of British treasury bills, which have gradually become a well-known feature of the short-term investment market:

The first issue of these 90-day bills was dated August 23, 1917. The bills were issued under authority of the act of Parliament of the United Kingdom of Great Britain and Ireland VI and VII, George V, c. 24, and the total issue authorized was $150,000,000. It was, however, stated by the British financial agents in this country at the time that the bills were placed on sale that not over $15,000,000 bills would mature in any one calendar week.

The first lot of $15,000,000 was offered on a 5¼ per cent basis and was immediately oversubscribed. Further lots of bills were put on sale each successive week at the same rate until September 18, 1917, when the basis was increased to 5½ per cent. The sales were discontinued during the Liberty loan campaign of last fall, but recommenced in November, and on the 20th of that month the rate was made 6 per cent, which has been the ruling rate since that time. The dates on which the various discount rates on British treasury bills were made effective are as follows: August 23, 1917, 5¼ per cent; September 18, 1917, 5½ per cent; November 20, 1917, 6 per cent; February 6, 1918, 5¾ per cent; February 13, 1918, 5½ per cent; February 26, 1918, 6 per cent.

The amounts issued during the different weeks varied, but at no time has the amount outstanding exceeded the figure of approximately $100,000,000, and recently the amount outstanding has been substantially below $90,000,000.

There has developed a substantial market for the bills, and as the different series approached maturity they have been rediscounted at rates between 5¾ per cent and 4½ per cent, depending upon the maturity.

The issue of the bills by the British Government did not increase the outstanding debt of the United Kingdom of Great Britain and Ireland in this country, as the proceeds of all the bills were used to liquidate other obligations payable in this country and outstanding at the time of issuance.

Foreign Exchange Problem.

Hon. R. C. Leffingwell, Assistant Secretary of the Treasury, in testifying before the Committee on Ways and Means of the House of Representatives, on September 12, 1918, with reference to a bill to supplement the second Liberty Bond Act (printed elsewhere in this issue of the BULLETIN, as enacted), made a statement concerning the foreign exchange situation, as follows:

Great Britain, France, Italy, and Canada are examples of countries associated with us in the war whose currencies in relation to the dollar suffered depreciation. Steps taken to correct this depreciation have been comparatively simple, consisting of the loan by the United States of dollars to be employed by the borrowing country in the United States in support of its rate of exchange. Measures to this effect have been in operation for over a year in regard to Great Britain and France. Owing to various causes, it has but recently been possible to take effective action in regard to Italian rates.

Assistance was extended to Canada through Great Britain for the correction of the Canadian exchange. The dislocation of business between Canada and the United States, much of which is war business of the highest importance, which was threatened through the fall in Canadian exchange, at one time seemed very serious. The following table shows the lowest rate, expressed in percentage, at which these exchanges have sold as compared with the rates at the present time:

	Lowest rate of foreign currency (of the exchanges mentioned) since August, 1914.	Present rate.
Great Britain	$4.50, or 7.53 per cent, below par in September, 1915.	$4.755, or 2.29 per cent, below par.
France	$0.1666 per franc, or 14.72 per cent, below par in April, 1916.	$0.1821, or 5.65 per cent, below par.
Italy	$0.1093 per lira, or 34.37 per cent below par in May, 1918.	$0.1570, or 18.65 per cent below par.
Canada	2¾ per cent below par in July, 1918.	About 1¾ per cent below par.

2. The countries in which the dollar has sold at a discount have been more difficult to deal with inasmuch as the power to correct the decline has not been in the hands solely of the Secretary of the Treasury, and it has been possible only so far as the Secretary of the Treasury has been able to induce the countries in question or their banks to cooperate to that end by means of credits.

I would like to say, in connection with that, that the exchange problem is not of Treasury creation. Exchange is a question of settling trade balances. Ordinarily balances are settled by exchange of goods. We have a balance to settle only when our exports to a foreign country are less than our imports from that foreign country. That situation has been created by the whole-hearted participation of the United States in the war, because the War Department, the War Industries Board, the Shipping Board, and the War Trade Board said we can not ship the commoditites necessary to settle our neutral balances because we need those commodities to help Gen. Pershing, as well as because of our loans to the allies. To the extent we do not settle for the purchases in a foreign country in goods we have to settle for them in gold or in credit. The neutral-exchange problem existed even before the regulation of gold exports was determined upon, simply because some of these countries did not want our gold. They were experiencing what we had begun to experience before we entered the war—the evil results of a plethora of gold; besides, exchange rates are affected by the cost of shipping gold, and that cost under war conditions is very great; the insurance against risk is great.

An arrangement was made in relation to Indian exchange whereby unlimited credits for approved war needs of the United States were opened in India. At one time the condition of the exchanges between India and the United States had become so difficult that exchange on India was unprocurable. The present arrangement stabilizes the value of the rupee at a small premium, which premium is rendered necessary by the rise in the price of silver, the India circulating medium, consisting to a great extent of silver. It is highly inadvisable to permit shipments of gold to India because the precious metals that find their way to India disappear as in a morass and never reappear in the circulation.

An arrangement was negotiated with Argentina whereby credits amounting to $100,000,000 were allowed by Argentina to stand to their credit with the Federal reserve bank of New York, the Argentine Government arranging for the payment in Argentina of the corresponding amount of Argentine pesos at a discount of 3 per cent below the par of exchange, the discount representing the estimated cost of the ultimate shipment of gold.

An arrangement similar to the Argentine arrangement but limited to $5,000,000, with an agreement looking to an extension to a total of $20,000,000 by mutual consent of the two Governments, has been concluded with Bolivia.

An arrangement has just been concluded with Spain whereby a group of Spanish banks agree to open to a group of American banks credits amounting to 250,000,000 pesetas. These credits will to a great extent be required for Army purposes in Spain. Negotiation of this credit carrying as it does information that the United States Government will not be in the market as a purchaser of pesetas, has had a remarkably favorable effect on the rate for Spanish pesetas.

The following, similar to statistical matter in the table under paragraph 1, shows the low price of the dollar and the present market price in the country named:

Country, India; par per United States dollar, 3.1 rupees; lowest rate of United States dollars of the exchange mentioned since August, 1914, 2.5 rupees per United States dollar September-October, 1917; United States dollar was below par 19.42 per cent; present rate (Sept. 6), 2.80 rupees per United States dollar (stabilized rate on telegraphic transfers); United States dollar is 9.75 per cent below par.

Below par because of the cost of the bullion plus the cost of shipping.

India ships vast amounts of jute and things which can not be gotten anywhere else, and we have little or nothing to send there. Our exchange problem is the result of our whole-hearted fighting of this war, and the Treasury feels it has been very successful in dealing with the situation. It has been the subject of careful study in the Treasury from the beginning. We are dealing with new conditions created by the war and must deal with them cautiously and not allow ourselves to be hurried into inconsidered action, but Secretary McAdoo and his advisers were hard at work on the problem and feel now that very tangible results have been obtained. On the other hand, experience in meeting the problem shows that some further latitude will make it possible to operate more effectively in the future, and it is with that in mind that this analysis is put before you.

I have the figures for Argentina and Spain, showing in relation to the latter that the maximum discount was 35.11 per cent, and that the discount now is 16.11 per cent, which, in view of the fact that our efforts are by no means completed, is peculiarly gratifying:

Argentina, par per United States dollar, 2.36 paper pesos; lowest rate of United States dollar since August, 1914, 2.1 paper pesos per United States dollar, December, 1917; United States dollar was below par 10.87 per cent; present rate (Sept. 6), 2.24 pesos per United States dollar. United States dollar is 4.94 per cent below par.

Spain, par per United States dollar, 5.18 pesetas; lowest rate of United States dollar since August, 1914, 3.36 pesetas per United States dollar, April, 1918; United States dollar was below par 35.11 per cent; present rate (Sept. 6), 4.35 pesetas per United States dollar. United States dollar is 16.11 per cent below par.

3. Arrangements with the Governments of Chile, Peru, and Uruguay are at present in various stages of incompleteness.

4. Arrangements have been made with the Government of Switzerland providing at the par of exchange for an amount of Swiss currency sufficient for the needs up to the present time of the American Expeditionary Forces. Swiss exchange with the United States is at a rate where the dollar is quoted at 13.72 per cent discount. This arrangement at the par of exchange is therefore effecting an important saving.

In attempting to deal with these varied situations many difficulties are encountered. In almost all countries the consent of the Government or the governmental bank is required for transactions of such magnitude. Neutral countries, especially where they are in proximity to Germany, often hesitate to undertake such transactions with the Government of one of the belligerents. All kinds of objections and obstacles are met with, and it requires the fullest powers to enable the Secretary to deal adequately with the various situations that present themselves.

Foreign Business of the National City Bank of New York.

In accordance with the policy already announced in the issue of the BULLETIN for August, there is herewith presented an account of the foreign banking operations of another institution which has been engaged in the development of American foreign trade—the National City Bank of New York. As in former cases, the statement has been prepared by the institution to which it relates.

PART I.

The National City Bank of New York, at this writing, has 17 foreign banking houses established under the Federal Reserve Law, 14 of them located in Latin America, 2 in Russia, and 1 in Italy. For a full practical understanding of the foreign banking extension of the bank, it is necessary also to consider the branches throughout the world of the International Banking Corporation, which the National City Bank of New York controls through ownership of practically all its stock and which is so closely affiliated with the National City Bank of New York as to enable the two organizations to work closely as parts of one banking system. The latter has 15 branches in the Orient, covering India, China, Japan, the Philippines, and the Malay Archipelago, also a branch in London, and a spread of branches and subbranches in Central America and the West Indies. The combined system has 40 banking houses abroad. The International Banking Corporation maintains a banking house at San Francisco, Cal. The National City Bank of New York has an office and a representative in Copenhagen.

The organization of the National City Bank of New York is a unique thing in international banking. There is no other great international bank in the world with quite the same unity, or homogeneity, of organization. This gives it distinct advantages in the effectiveness of its service of banking and general commercial assistance to its American and foreign customers. The foreign banking houses of the National City Bank of New York are American branch banks abroad by reason of their authorization under the Federal law of the United States. At the same time they are full functional local banks by reason of authorization under the laws of the countries where they are located. In either aspect, whether of foreign banking houses of the American bank or of local foreign banks considered above, they are all giving a complete service of banking, including the taking of deposits (both commercial and savings in some places), extension of loans and discounts (or of permitted commercial overdrafts where that custom prevails), and these services are offered primarily to the communities of local merchants, for whom they also conduct the foreign exchange transactions with every part of the world which the community's business call for. It is necessary for the National City Bank's foreign banking houses to conduct these full functions, including foreign exchange with any part of the world, and it also offers certain distinct advantages not only to the international organization of the bank but to American commerce for it to do so.

They are thus all complete local banks, but in another aspect they are to be regarded as banking houses of one great international bank; the personnel and the policies of their organization are purposely kept homogeneous; they are not permitted to grow apart in the spirit of separateness they would necessarily feel if they were just foreign subsidiaries of some American institution. The American and foreign customers of the National City Bank of New York are thus all in one family, in a sense. The National City Bank of New York, in New York, or the National City Bank of New York in Buenos Aires, or the banking house wherever located, is in reality all the one bank.

This is essentially a different system from that of the typical foreign extension of European banking. The typical British system has consisted of spreads of branch banks covering certain parts of the world, with a head office in London, most of the branch banks emphasizing exchange business. To-day the movement in England, seen in the current amalgamations and expansion of bank capital there, is to have great "world systems" of British

Empire banks with branches all over England and spreads of branches over the rest of the world.

The National City Bank of New York has devoted considerable energy in foreign bank extension to the very important work of systematizing credit information regarding foreign merchants, etc., not alone as to its foreign customers, but including all the important firms in the countries where it has branches. In several foreign countries where it was not usual to obtain definite statistical facts about a firm, such as are included in balance sheets, the bank has been able to overcome the prejudice and get the information, along with other pertinent commercial data of great benefit to its customers.

In connection with all its own banking houses abroad, and as far as is practicable with the International Banking Corporation branches, the National City Bank of New York conducts a foreign trade service for the international benefit of its customers and of business in general. By a special organization it has systematized the exchange and distribution of commercial information, some of it obtained as a by-product of regular banking, other secured by special commercial representatives employed especially for this business. This service is intended to be of mutual benefit to United States and foreign customers. The value of the service is increased by the intimate form of the international organization of the bank. It consists not only of systematically handled credit and general information about firms individually, of reports on business conditions in general and the current situation in specific lines of trade, but also includes a large volume of mail between the New York banking house and the banking houses abroad relating to definite negotiation for goods and for business connections, in which the bank acts as mutual friend and mediary only, getting its international customers acquainted with each other, using its good offices in smoothing over misunderstandings, undertaking no activities of buying or selling for its own account.

Owing to the typical relationships of the foreign banking houses of the National City Bank of New York in the general international organization of the bank, it does not seem necessary to describe the business of each, the capitalization devoted to it, etc. The publication of the Argentine Bank figures in the August issue of the FEDERAL RESERVE BULLETIN shows the deposits of the Buenos Aires banking house to have been $20,420,300 (roughly converted from Argentine pesos) in April. At the first of the year the banking house at Rio de Janeiro stood sixth among the leading native and foreign banks there, having resources of 136,860 contos, the other bank totals being Banco do Brazil, 556,855 contos; London and Brazilian Bank, 192,444 contos; Banco Mercantil do Rio de Janeiro, 158,627 contos; Banco Nacional Ultramarino, 138,957 contos; London and River Plate Bank, 137,447 contos. The banking houses at Sao Paulo, Brazil, stood fifth among the institutions of Sao Paulo and Santos. There is also a National City banking house at Santos. If official figures were available, they would show a comparative standing of importance for the Habana, Montevideo, and Genoa banking house of the National City Bank of New York. The most lately established foreign banking houses have not all attained this rank, of course.

The bank has adhered to the policy of accumulating at its banking houses in different parts of the world sufficient stocks of commercial bills to enable it to have on hand at all these points, at all times, "dollar exchange" ready for sale to United States exporters and importers. In this way the bank is able to sell exchange at a much steadier rate, from day to day, than if it had to go into the local markets and bid for bills on a hand-to-mouth basis in order to meet the demands of its customers. The fact that these stocks are distributed at convenient points abroad gives an important advantage to American business and has enabled the bank to contribute with good effect to the building up of "dollar credits" in general international banking.

ARGENTINA.

The banking house of the National City Bank of New York at Buenos Aires was the first branch of a national bank opened abroad under the Federal Reserve law. It was established in November, 1914. Through this banking house the National City Bank of New York conducted the negotiations and the financing of the Argentine loan of 1915 and subsequent international public financing that signalized the expansion of United States banking into the larger phases of its foreign activities. Through the medium of this house, also, the Industrial Union of Argentina conducted its notable negotiations in 1916 with United States exporters for the settlement of a large number of claims due to commercial misunderstandings in the flood of early war-time business between this country and Argentina. There is no phase of modern international banking which this banking house does not conduct as a part of its ordinary routine. It has a large clientele of leading Argentine business houses as customers. The growth of its business has made advisable a notable extension of the city bank system in Argentina to come in the near future.

BRAZIL.

The representation of the National City Bank of New York in Brazil consists of the large banking house in Rio de Janeiro and the banking houses at Sao Paulo, Santos, and Bahia, the Rio branch having a position of authority in the group, but all doing the complete business, with full power to negotiate and close business transactions, which is characteristic of the international organization. Through these banking houses the National City Bank of New York has assumed an important position in the local business situation in this part of Brazil, and has established cordial relations with governmental authorities and agencies. Current developments forecast an early extension of the Brazilian group into other important commercial territories of the great Republic. Subject to war-time governmental control, and the limitations of law, the Brazilian banking houses of the National City Bank of New York are doing a large volume of banking in all its phases in commercial financing of business between the United States and Brazil, and of Brazil's own commerce with all the world.

URUGUAY.

The banking house at Montevideo occupies a position of influence among the foreign institutions there, and is working closely with the local banking system of the country in conducting every phase of financing which the National City Bank of New York handles. When the heavy balances of merchandise trade between the River Plate markets and us and the nations associated with us in the war turned exchange rates adversely to the dollar, this banking house and the Buenos Aires banking house went as far as they could safely and legitimately go as purely commercial banks, through liberal credit transactions accorded to American business, in ameliorating the disadvantages of the situation; and since the United States Government, through establishment of large credits on Government account in the Government institutions there, and negotiation of arrangements by which our Federal Reserve banks sell, exchange, and settle the accounts of our importers without necessity of shipping gold, the banking houses of the National City Bank of New York have continued to cooperate in a way to assist in this important service to our commerce in the abnormal situation.

CHILE.

In 1916 the banking house at Valparaiso, Chile, was organized and opened for business. The bank has just opened a subordinate office in Santiago, which will later probably carry on full functional banking locally, although it now does practically a full business by means of the Valparaiso facilities. The Chilean representation has not only conducted full local and international activities, but the Valparaiso banking house did pioneer work in the present very important monetary development in Chile, importing gold for the purpose.

THE WEST INDIES AND CARIBBEAN.

Two years ago the National City Bank of New York concluded an arrangement with the stockholders of the Bank of Habana by which that important bank in Cuba was absorbed in the National City Bank of New York and became the Habana banking house of the latter. A subordinate, but completely equipped and full-functioned, banking house was a little later opened at Santiago de Cuba. This year a new banking house was organized and began business at San Juan, Porto Rico. For nearly a year a banking house has been fully organized and doing the National City Bank's full banking activities at Caracas, Venezuela. The importance of this region of Latin America to United States business interests is fully recognized by the National City Bank of New York, and further extension of its facilities, working closely with the spread of branches of the International Banking Corporation here, may be looked for.

ITALY.

The banking house of the National City Bank of New York in Genoa, Italy, is an imposing structure in that important center of Italian industry and commerce. Its sphere of banking influence extends all through the Lombardy region, where it has made important connections with clients whose business will include activities in Italo-American after-war commerce. Effective relationships with the local Italian banking system have been built up also. This banking house has been one of the mediums for a large volume of exchange transactions conducted by the bank between Italy and America since the early stages of the war.

SCANDINAVIA.

The National City Bank of New York has an office at Copenhagen, where its Scandinavian representative makes his headquarters. Through the medium of the strongest banks of Norway, Sweden, and Denmark, with which the bank has particularly close relationships, this office is able to offer American business interests complete banking facilities connected with exchange, establishment of foreign credits, also commercial information for purposes of promotion of commerce.

RUSSIA.

A branch of the National City Bank of New York was opened in Petrograd on January 15, 1917, and up to the time of the Bolshevik revolution last November this branch was doing a large and rapidly increasing business with both Americans and Russians. A branch of the bank was opened in Moscow on November 26, but due to the unsettled political situation the opening of this latter branch was of a very informal character.

In the latter part of December all private banks in Russia, including our branches, were seized by the Soviet Government, who thereupon instituted a process of nationalizing the banks by making them branches of the State bank. Our branches were excepted from this process, but at the same time their business was greatly restricted, being put under the general banking regulations of the other Russian banks.

PART II.

The International Banking Corporation is the pioneer American bank to organize and operate a system of foreign branches. For nearly 17 years it has been specializing in the finance of American trade with Asia, particularly China and the Philippines.

The first foreign agent of the corporation was appointed in Shanghai early in January, 1902, for the purpose of assisting the United States Government in the collection of the Chinese Boxer indemnity. Since that date various branches have been opened until now the corporation controls 24 branches in 10 different countries.

The corporation derives its powers from a special charter granted by the General Assembly of the State of Connecticut, approved June 14, 1901. Its formation was the outcome of the widespread interest in oriental trade which was aroused by the United States obtaining control of the Philippines. The capital at first paid in (December, 1901) was $500,000. This capital has subsequently been increased until at present it is $3,250,000, with a surplus of $3,250,000 and undivided profits of $2,118,000.

Recently, with the approval of the Federal Reserve Board, practically all the stock has passed to the National City Bank of New York, under the act of Congress authorizing such investments by national banks. The directors of the corporation are now in the main officials of the National City Bank. Since 1915, with the powerful support of the National City Bank, the business of the corporation has rapidly expanded until on June 30, 1918, the total resources of the institution were in excess of $100,000,000. It has been demonstrated by the experience of the International Banking Corporation that a banking machine, however perfect, without very large resources can make little impression on a foreign trade amounting to hundreds of millions of dollars annually. At the same time large banking power not coordinated with long experience in the intricacies of the eastern exchanges and with a ripe knowledge of the customs and banking practices of oriental peoples is ineffective. The application under Government sanction, therefore, of National City Bank power to the International Banking Corporation machine should produce increasing benefits for American business. It marks a long step forward in the finance of American import and export trade with China and other eastern countries.

The system of branches now in operation extends to the following cities: Yokohama and Kobe, the two principal ports of Japan; Shanghai, Hankow, and Tientsin, the most important ports of North China; Peking, the capital and center of political activity; Hongkong, the chief port for the trade of south China, and Canton, on the Chinese mainland; Manila and Cebu, the principal cities of the Philippines; Singapore, the capital and trade center of the Straits Settlements; Batavia and Surabaya, the leading ports of Java, in the Dutch East Indies; Calcutta and Bombay, the financial centers of British India, the one on the eastern and the other on the western side of the peninsula; and London, England. In addition, the corporation maintains two branches in Panama, one in the Republic of Colombia, and four on the Island of Santo Domingo. An agency in San Francisco completes the chain.

The business of the corporation very largely consists of the financing at its branches of the export and import trade centering at that given point The function of the head office in New York is to provide financial facilities, to purchase export bills, to make shipments of gold and silver in cover of branch purchases of American bills of exchange, to grant credits to American and foreign firms, to authorize credits at branches and generally to supervise the operations carried on in the various countries. The London office acts as the clearing agency for the sterling and European transactions of the branches.

CHINA.

The parent bank branch for North China is situated in Shanghai. Under its immediate supervision are the branches in Hankow, Tientsin, and Peking. The Shanghai office was opened for business on May 15, 1902. The Peking, Hankow, and Tientsin offices were opened a few years later, the first with the distinct purpose of being of assistance to the American group which had just become interested in the Chinese reorganization or six power loan. The corporation has subsequently acted as the financial agent of the American group in China. The staff of the north China branches now numbers 131.

In Shanghai is centered a large part of the import and export trade of China. The principal exports are raw silk, cotton, yarn, and tea. The foreign business houses which handle this vast trade are located not in the native city but in the foreign settlements, where they are outside of the jurisdiction of the Government of China. The International Banking Corporation occupies a large building in the center of the business section. Shanghai, because of this grouping of foreign firms, through which the bulk of the foreign trade of China is handled, is an international port rather than a Chinese port and the business generally has an international aspect. There are many important firms which have had their establishments in China for a generation or more and these firms compete actively for business of all kinds regardless of the country from which the goods in question are to come or go. The more important firms represent in particular a long list of British and American concerns who are exporters of manufactured articles to China. With their large resources they arrange to purchase China products in the interior from season to season and to export them to various countries. Russian business, French business, British business, Chinese business, and American business is keenly competed for by both firms and banks regardless of nationality. In recent years Japanese firms and banks have become increasingly important factors. There are now 12 foreign banks, including the International Banking Corporation, in Shanghai offering facilities to merchants of all countries interested either in placing their manufactured products with the Chinese or in the purchase of raw materials in China.

Hankow and Tientsin are much like Shanghai, except that they are on a somewhat smaller scale. Europeans and Americans reside and do their business within the settlements. Hankow, situated 600 miles up Yangtze River, is the great interior trading post of China. It is known especially as the tea center, although from it is shipped a large amount of raw cotton, hides, wood oil, and oil seeds.

Near Hankow are situated important iron works now controlled by the Japanese. It is expected that some day Hankow will be the railway center of China. At present it is the terminus of a line which runs to Peking and which also connects with the Manchurian railways and the Trans-Siberian. Tientsin, which is only a few hours away by rail from Peking, is much more of a business center than the capital itself. From it are shipped large quantities of wool, hides and skins, bristles, straw braid, and preserved eggs.

Hongkong is a British colony. It is situated principally on an island and its harbor is one of the finest in the world. An immense business is carried on here as in Shanghai. Similarly, there are important manufacturing industries, cotton mills, sugar refineries, cement works, rope, glass, and ice factories. The trade of the port is largely in cotton goods, sugar, flour, and metals.

Canton, the greatest city of south China, is only four or five hours (112 miles) by train from Hongkong and is an overnight run by boat. The net value of its trade in 1916 was Haikwan taels 108,000,000. The business of the corporation's Canton branch largely consists of loans and exchange operations against silk, tea, cotton, rattans, and other commodities. The Hongkong and Canton staff numbers 74.

PHILIPPINE ISLANDS.

Manila is approximately two days distant from Hongkong by steamer. The office of the corporation here in conjunction with the branch at Cebu, located on one of the southern islands, finances not only an important import trade from the United States in various commodities, but also large exports of hemp, copra, sugar, tobacco, and cocoanut oil. For many years the corporation, with two or three other banks, acted as depositary of Philippine Government funds. These funds are now lodged with the Government bank. The Philippine staff numbers 74.

STRAITS SETTLEMENTS.

The corporation's branch in the Straits Settlements is located at Singapore. Its principal activities are in connection with the purchase of exchange covering exports of tin and rubber in which there is a vast trade. The imports and exports of the colony in 1916 totaled $600,000,000. The currency of the colony is the Straits dollar, worth about 56 cents. The problem of securing exchange cover against purchases is a difficult one. Competition between the nine British, French, Japanese, Dutch and American banks represented in Singapore is exceptionally severe. Nearly all the important trading firms are British. The staff of the branch numbers 20. The manager has spent many years in the Straits and has an experience which should be of value to American merchants, especially those interested in the products of the colony.

DUTCH EAST INDIES.

The Dutch East Indies branches of the corporation at Batavia and Soerabaya on the island of Java are of more recent organization. They were established in response to the need of American trade which has arisen since the war through the direct shipment of Java's products to this country as against the former practice of consigning them to Holland for resale. The staffs of the two offices already number 21. The Batavia manager is of Dutch nationality with long experience in the east and London. The principal exports are petroleum, coffee, copra, sugar, tea, tin, and tobacco. Imports come chiefly from Holland, although those from America have recently shown an encouraging increase. A large trade is done with the Straits Settlements and British India.

BRITISH INDIA.

The Indian branches of the corporation are at Calcutta and Bombay. The staffs of the two offices number 125, which gives an idea of the magnitude of the business transacted and the extent of the facilities which are at the disposal of American merchants interested in trade with British India. India is more than a country. It is in every sense an empire. Its problems, political, trade, financial, and exchange, are quite foreign to those of China and other eastern countries, and banks operating there require specially trained staffs. The corporation fortunately has been able to be of material assistance in financing the shipment to this country of large quantities of Indian products essential to the prosecution of the war, chief among which have been jute, gunny bags, hides, and skins. India is also a country where import cover for purchases of exchange against exports is not readily secured and necessitates the employment of staffs familiar not only with local practices but who are capable of rapidly taking advantage of exchange situations arising in the Dutch East Indies, the Straits Settlements, Hongkong, Shanghai, and Japan. That such a large American organization exists to-day and has not yet to be created through long painful years of experience is of great importance to American foreign-trade interests.

JAPAN.

The Japan branches of the corporation are situated in Yokohama and Kobe, the former the chief port for the exportation of Japan's principal product, silk, and the latter the chief port for the importation of cotton and other materials entering into the manufactures of the country. Although the Japanese banks have offices in this country, American merchants, for the most part, prefer to pass their business through an American organization. It is fortunate, therefore, that the facilities of such a complete organization are at their disposal. The staff in the two offices numbers 74. Relations of close friendship exist between the corporation and the Japanese banks, whose managers are keen business men and ready to help in every way in the development of trade between our two countries.

PANAMA.

The Panama branches of the corporation are situated in the cities of Panama and Colon. They were established a number of years ago for the purpose of affording banking facilities to Americans employed in connection with the construction of the canal, and now are of special utility as respects the payment of canal tolls by vessels of all nations. A considerable commercial business is also done.

COLOMBIA.

A branch was established in Medellin, Department of Antioquia, in 1916. At this branch a commercial and exchange business is transacted. Owing to the difficulties of transportation and communication, however, the operations of this branch are more or less of a local character unrelated to business in other cities of the Republic, such as Bogota, the capital.

DOMINICAN REPUBLIC.

The corporation in 1917 purchased the private banking business in Santo Domingo of Mr. S. Michelena. With the principal office in Santo Domingo City, there are branches in the cities of San Pedro de Macoris, Puerto Plata, and Santiago. Mr. Michelena, who remains with the corporation as one of its managers, has lived in Santo Domingo for 25 years. With his long experience as the leading private banker, the Santo Domingo offices of the corporation are enabled to do much in connection with the finance of growing Dominican crops, the chief of which are sugar, tobacco, and cacao. The several branches also afford every facility in connection with the import and export trade of the country.

GREAT BRITAIN.

The London office of the corporation was opened on April 15, 1902. It is located at 36 Bishopsgate, E. C., and forms an important part of the banking mechanism of the corporation. Through it pass all the sterling bills purchased by the head office and various branches, and by it are made all financial arrangements in connection with their discount or collection. The London office also keeps in close touch with the silver markets, upon which depend to a large extent fluctuations in the Eastern exchanges. At the same time it keeps branches informed regarding the trend of money discounts. It is likewise a source of a vast amount of credit information regarding European firms engaged in foreign trade the world over. It is at present the designated depositary of the War, Navy, and State Departments of the United States Government. It is in a position to take care of the requirements of American firms having offices in or transacting busines with the United Kingdom.

Amendments to the Federal Reserve Act.

The bill embodying amendments to the Federal Reserve Act was signed by the President on September 26. The text of the bill follows:

[H. R. 11283.]

AN ACT To amend and reenact sections four, eleven, sixteen, nineteen, and twenty-two of the act approved December twenty-third, nineteen hundred and thirteen, and known as the Federal Reserve Act, and sections fifty-two hundred and eight and fifty-two hundred and nine, Revised Statutes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section four of the act approved December twenty-third, nineteen hundred and thirteen, known as the Federal Reserve Act, be amended and reenacted by striking out that part of such section which reads as follows:

"Directors of class A and class B shall be chosen in the following manner:

"The chairman of the board of directors of the Federal Reserve Bank of the district in which the bank is situated or, pending the appointment of such chairman, the organization committee shall classify the member banks of the district into three general groups or divisions. Each group shall contain as nearly as may be one-third of the aggregate number of the member banks of the district, and shall consist, as nearly as may be, of banks of similar capitalization. The groups shall be designated by number by the chairman.

"At a regularly called meeting of the board of directors of each member bank in the district it shall elect by ballot a district reserve elector and shall certify his name to the chairman of the board of directors of the Federal Reserve Bank of the district. The chairman shall make lists of the district reserve electors thus named by banks in each of the aforesaid three groups and shall transmit one list to each elector in each group.

"Each member bank shall be permitted to nominate to the chairman one candidate for director of class A and one candidate for director of Class B. The candidates so nominated shall be listed by the chairman, indicating by whom nominated, and a copy of said list shall, within fifteen days after its completion, be furnished by the chairman to each elector.

"Every director shall, within fifteen days after the receipt of the said list, certify to the chairman his first, second, and other choices of a director of class A and class B, respectively, upon a preferential ballot, on a form furnished by the chairman of the board of directors of the Federal Reserve Bank of the district. Each elector shall make a cross opposite the name of the first, second, and other choices for a director of class A and for a director of class B, but shall not vote more than one choice for any one candidate," and by substituting therefor the following:

"Directors of class A and class B shall be chosen in the following manner:

"The Federal Reserve Board shall classify the member banks of the district into three general groups or divisions, designating each group by number. Each group shall consist as nearly as may be of banks of similar capitalization. Each member bank shall be permitted to nominate to the chairman of the board of directors of the Federal Reserve Bank of the district one candidate for director of class A and one candidate for director of class B. The candidates so nominated shall be listed by the chairman, indicating by whom nominated, and a copy of said list shall, within fifteen days after its completion, be furnished by the chairman to each member bank. Each member bank by a resolution of the board or by an amendment to its by-laws shall authorize its president, cashier, or some other officer to cast the vote of the member bank in the elections of class A and class B directors.

"Within fifteen days after receipt of the list of candidates the duly authorized officer of a member bank shall certify to the chairman his first, second, and other choices for director of class A and class B, respectively, upon a preferential ballot upon a form furnished by the chairman of the board of directors of the Federal Reserve Bank of the district. Each such officer shall make a cross opposite the name of the first, second, and other choices for a director of class A and for a director of class B, but shall not vote more than one choice for any one candidate. No officer or director of a member bank shall be eligible to serve as a class A director unless nominated and elected by banks which are members of the same group as the member bank of which he is an officer or director.

Any person who is an officer or director of more than one member bank shall not be eligible for nomination as a class A director except by banks in the same group as the bank having the largest aggregate resources of any of those of which such person is an officer or director.

SEC. 2. That section eleven (k) of the Federal Reserve Act be amended and reenacted to read as follows:

"(k) To grant by special permit to national banks applying therefor, when not in contravention of State or local law, the right to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or 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.

"Whenever the laws of such State authorize or permit the exercise of any or all of the foregoing powers by State banks, trust companies, or other corporations which compete with national banks, the granting to and the exercise of such powers by national banks shall not be deemed to be in contravention of State or local law within the meaning of this act.

"National banks exercising any or all of the powers enumerated in this subsection shall segregate all assets held in any fiduciary capacity from the general assets of the bank and shall keep a separate set of books and records showing in proper detail all transactions engaged in under authorty of this subsection. Such books and records shall be open to inspection by the State authorities to the same extent as the books and records of corporations organized under State law which exercise fiduciary powers, but nothing in this act shall be construed as authorizing the State authorities to examine the books, records, and assets of the national bank which are not held in trust under authority of this subsection.

"No national bank shall receive in its trust department deposits of current funds subject to check or the deposit of checks, drafts, bills of exchange, or other items for collection or exchange purposes. Funds deposited or held in trust by the bank awaiting investment shall be carried in a separate account and shall not be used by the bank in the conduct of its business unless it shall first set aside in the trust department United States bonds or other securities approved by the Federal Reserve Board.

"In the event of the failure of such bank the owners of the funds held in trust for investment shall have a lien on the bonds or other securities so set apart in addition to their claim against the estate of the bank.

"Whenever the laws of a State require corporations acting in a fiduciary capacity to deposit securities with the State authorities for the protection of private or court trusts, national banks so acting shall be required to make similar deposits and securities so deposited shall be held for the protection of private or court trusts, as provided by the State law.

"National banks in such cases shall not be required to execute the bond usually required of individuals if State corporations under similar circumstances are exempt from this requirement.

"National banks shall have power to execute such bond when so required by the laws of the State.

"In any case in which the laws of a State require that a corporation acting as trustee, executor, administrator, or in any capacity specified in this section shall take an oath or make an affidavit, the president, vice president, cashier, or trust officer of such national bank may take the necessary oath or execute the necessary affidavit.

"It shall be unlawful for any national banking association to lend any officer, director, or employee any funds held in trust under the powers conferred by this section. Any officer, director, or employee making such loan, or to whom such loan is made, may be fined not more than $5,000, or imprisoned not more than five years, or may be both fined and imprisoned, in the discretion of the court.

"In passing upon applications for permission to exercise the powers enumerated in this subsection, the Federal Reserve Board may take into consideration the amount of capital and surplus of the applying bank, whether or not such capital and surplus is sufficient under the circumstances of the case, the needs of the community to be served, and any other facts and circumstances that seem to it proper, and may grant or refuse the application accordingly: *Provided*, That no permit shall be issued to any national banking association having a capital and surplus less than the capital and surplus required by State law of State banks, trust companies, and corporations exercising such powers."

SEC. 3. That the ninth paragraph of section sixteen of the Federal Reserve Act, as amended by the acts approved September seventh, nineteen hundred and sixteen, and June twenty-first, nineteen hundred and seventeen, be further amended and reenacted so as to read as follows:

"In order to furnish suitable notes for circulation as Federal reserve notes, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved in the best manner to guard against counterfeits and fraudulent alterations, and shall have printed therefrom and numbered such quantities of such notes of the denominations of $5, $10, $20, $50, $100, $500, $1,000, $5,000, $10,000 as may be required to supply the Federal Reserve Banks. Such notes shall be in form and tenor as directed by the Secretary of the Treasury under the provisions of this act and shall bear the distinctive numbers of the several Federal Reserve Banks through which they are issued."

SEC. 4. That paragraphs (b) and (c) of section nineteen of the Federal Reserve Act, as amended by the acts approved August fifteenth, nineteen hundred and fourteen, and June twenty-first, nineteen hundred and seventeen, be further amended and reenacted to read as follows:

"(b) If in a reserve city, as now or hereafter defined, it shall hold and maintain with the Federal Reserve Bank of its district an actual net balance equal to not less than ten per centum of the aggregate amount of its demand deposits and three per centum of its time deposits: *Provided, however*, That if located in the outlying districts of a reserve city or in territory added to such a city by the extension of its corporate charter, it may, upon the affirmative vote of five members of the Federal Reserve Board, hold and maintain the reserve balances specified in paragraph (a) hereof.

"(c) If in a central reserve city, as now or hereafter defined, it shall hold and maintain with the Federal Reserve Bank of its district an actual net balance equal to not less than thirteen per centum of the aggregate amount of its demand deposits and three per centum of its time deposits: *Provided, however*, That if located in the outlying districts of a central reserve city or in territory added to such city by the extension of its corporate charter, it may, upon the affirmative vote of five members of the Federal Reserve Board, hold and maintain the reserve balances specified in paragraphs (a) or (b) thereof."

SEC. 5. That section twenty-two of the Federal Reserve act, as amended by the act of June twenty-first, nineteen hundred and seventeen, be further amended and reenacted to read as follows:

"(a) No member bank and no officer, director, or employee thereof shall hereafter make any loan or grant any gratuity to any bank examiner. Any bank officer, director, or employee violating this provision shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than $5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given.

"Any examiner accepting a loan or gratuity from any bank examined by him or from an officer, director, or employee thereof, shall be deemed guilty of a misdemeanor and shall be imprisoned one year or fined not more than $5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as a national bank examiner.

"(b) No national bank examiner shall perform any other service for compensation while holding such office for any bank or officer, director, or employee thereof.

"No examiner, public or private, shall disclose the names of borrowers or the collateral for loans of a member bank to other than the proper officers of such bank without first having obtained the express permission in writing from the Comptroller of the Currency, or from the board of directors of such bank, except when ordered to do so by a court of competent jurisdiction, or by direction of the Congress of the United States, or of either House thereof, or any committee of Congress or of either House duly authorized. Any bank examiner violating the provisions of this subsection shall be imprisoned not more than one year or fined not more than $5,000, or both.

"(c) Except as herein provided, any officer, director, employee, or attorney of a member bank who stipulates for or receives or consents or agrees to receive any fee, commission, gift, or thing of value from any person, firm, or corporation for procuring or endeavoring to procure for such person, firm, or corporation, or for any other person, firm, or corporation, any loan from or the purchase or discount of any paper, note, draft, check, or bill of exchange by such member bank shall be deemed guilty of a misdemeanor and shall be imprisoned not more than one year or fined not more than $5,000, or both.

"(d) Any member bank may contract for, or purchase from, any of its directors or from any firm of which any of its directors is a member, any securities or other property, when (and not otherwise) such purchase is made in the regular course of business upon terms not less favorable to the bank than those offered to others, or when such purchase is authorized by a majority of the board of directors not interested in the sale of such securities or property, such authority to be evidenced by the affirmative vote or written assent of such directors: *Provided, however,* That when any director, or firm of which any director is a member, acting for or on behalf of others, sells securities or other property to a member bank, the Federal Reserve Board by regulation may, in any or all cases, require a full disclosure to be made, on forms to be prescribed by it, of all commissions or other considerations received, and whenever such director or firm, acting in his or its own behalf, sells securities or other property to the bank the Federal Reserve Board, by regulation, may require a full disclosure of all profits realized from such sale.

"Any member bank may sell securities or other property to any of its directors, or to a firm of which any of its directors is a member, in the regular course of business on terms not more favorable to such director or firm than those offered to others, or when such sale is authorized by a majority of the board of directors of a member bank to be evidenced by their affirmative vote or written assent: *Provided, however,* That nothing in this subsection contained shall be construed as authorizing member banks to purchase or sell securities or other property which such banks are not otherwise authorized by law to purchase or sell.

"(e) No member bank shall pay to any director, officer, attorney, or employee a greater rate of interest on the deposits of such director, officer, attorney, or employee than that paid to other depositors on similar deposits with such member bank.

"(f) If the directors or officers of any member bank shall knowingly violate or permit any of the agents, officers, or directors of any member bank to violate any of the provisions of this section or regulations of the board made under authority thereof, every director and officer participating in or assenting to such violation shall be held liable in his personal and individual capacity for all damages which the member bank, its shareholders, or any other persons shall have sustained in consequence of such violation."

SEC. 7. That section fifty-two hundred and eight of the Revised Statutes as amended by the act of July twelfth, eighteen hundred and eighty-two, and section fifty-two hundred and nine of the Revised Statutes as amended by the acts of April sixth, eighteen hundred and sixty-nine, and July eighth, eighteen hundred and seventy, be, and the same are hereby, amended and reenacted to read as follows:

"SEC. 5208. It shall be unlawful for any officer, director, agent, or employee of any Federal Reserve Bank, or of any member bank as defined in the act of December twenty-third, nineteen hundred and thirteen, known as the Federal Reserve Act, to certify any check drawn upon such Federal Reserve Bank or member bank unless the person, firm, or corporation drawing the check has on deposit with such Federal Reserve Bank or member bank, at the times such check is certified, an amount of money not less than the amount specified in such check. Any check so certified by a duly authorized officer, director, agent, or employee shall be a good and valid obligation against such Federal Reserve Bank or member bank; but the act of any officer, director, agent, or employee of any such Federal Reserve Bank or member bank in violation of this section shall, in the discretion of the Federal Reserve Board, subject such Federal Reserve Bank to the penalties imposed by section eleven, subsection (h), of the Federal Reserve Act, and shall subject such member bank if a national bank to the liabilities and proceedings on the part of the Comptroller of the Currency provided for in section fifty-two hundred and thirty-four, Revised Statutes, and shall, in the discretion of the Federal Reserve Board, subject any other member bank to the penalties imposed by section nine of said Federal Reserve Act for the violation of any of the provisions of said act. Any officer, director, agent, or employee of any Federal Reserve Bank or member bank who shall willfully violate the provisions of this section, or who shall resort to any device, or receive any fictitious obligation, directly or collaterally, in order to evade the provisions thereof, or who shall certify a check before the amount thereof shall have been regularly entered to the credit of the drawer upon the books of the bank, shall be deemed guilty of a misdemeanor and shall, on conviction thereof in any district court of the United States, be fined not more than $5,000, or shall be imprisoned for not more than five years, or both, in the discretion of the court.

"SEC. 5209. Any officer, director, agent, or employee of any Federal Reserve Bank, or of any member bank as defined in the act of December twenty-third, nineteen hundred and thirteen, known as the Federal Reserve Act, who embezzles, abstracts, or willfully misapplies any of the moneys, funds, or credits of such Federal Reserve Bank or member bank, or who, without authority from the directors of such Federal Reserve Bank or member bank, issues or puts in circulation any of the notes of such Federal reserve bank or member bank, or who, without such authority, issues or puts forth any certificate of deposit, draws any order or bill of exchange, makes any acceptance, assigns any note, bond, draft, bill of exchange, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such Federal Reserve Bank or member bank, with intent in any case to injure or defraud such Federal Reserve Bank or member bank, or any other company, body politic or corporate, or any individual person, or to deceive any officer of such Federal Reserve Bank or member bank, or the Comptroller of the Currency, or any agent or examiner appointed to examine the affairs of such Federal Reserve Bank or member bank, or the Federal Reserve Board; and every receiver of a national banking association who, with like intent to defraud or injure, embezzles, abstracts, purloins, or willfully misapplies any of the moneys, funds, or assets of his trust, and every person who, with like intent, aids or abets any officer, director, agent, employee, or receiver in any violation of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof in any district court of the United States shall be fined not more than $5,000 or shall be imprisoned for not more than five years, or both, in the discretion of the court.

"Any Federal Reserve Agent, or any agent or employee of such Federal Reserve Agent, or of the Federal Reserve Board, who embezzles, abstracts, or willfully misapplies any moneys, funds, or securities intrusted to his care, or without complying with or in violation of the provisions of the Federal Reserve Act, issues or puts in circulation any Federal Reserve notes shall be guilty of a misdemeanor and upon conviction in any district court of the United States shall be fined not more than $5,000 or imprisoned for not more than five years, or both, in the discretion of the court."

Approved September 26, 1918.

Cattle Loan Agencies.

The War Finance Corporation on September 7 issued the following circular:

INFORMATION FOR BORROWERS.

The corporation considers that the business of raising live stock is contributory to the prosecution of the war, and, in proper cases, is willing to give financial assistance where needed, preferably by lending to banks, trust companies, and other financial institutions which make loans on live stock. All banks have been advised by the Federal Reserve Bank of their respective districts how this assistance may be obtained.

As the banks, trust companies, and cattle loan companies throughout the country have ample funds to loan for short periods of time on "feeder" cattle, the assistance of the War Finance Corporation is not needed to carry this class of cattle, and it will consider only loans on stock cattle, meaning cows, bulls, calves, and cattle under two years old of either sex. It will also make loans on corresponding classes of sheep and goats.

Its object in making advances on stock cattle is to preserve breeding herds, so that an adequate supply of meat may be assured for the future. As the breeding herds in greatest danger are those in the drought-stricken district in the Southwest, it was thought that prompt and adequate relief may be given by encouraging cattlemen in localities where conditions are good, to buy stock cattle in the drought-stricken area and move them to other localities where they have adequate range, water, and feed, and proper facilities for taking care of them.

To aid in accomplishing this result, and to supplement the facilities of banks and cattle loan companies the War Finance Corporation has created cattle loan agencies in Kansas City, Mo., and Dallas, Tex., through which it will make loans, in proper cases, preferably to banks and bankers under section 7, and in exceptional cases to cattle loan companies under section 9 and direct to the owners of stock cattle.

If a stock raiser has been unable to procure a loan from his bank or cattle loan company, and can give ample security for the amount needed, he should apply to the cattle loan agency of the War Finance Corporation, either at Kansas City, Mo., or Dallas, Tex.

Applicants residing in, or whose principal place of business is in the Atlanta, Dallas, or Richmond Federal Reserve districts should make application to the cattle loan agency of the War Finance Corporation at Dallas, Tex. Those residing in, or whose principal place o business is in Kansas City, St. Louis, San Francisco, and Minneapolis Federal Reserve districts should make application to the cattle loan agency of the War Finance Corporation at Kansas City, Mo. Those residing in, or whose principal place of business is in the Chicago, Cleveland, Philadelphia, New York, and Boston Federal Reserve districts should apply direct to the War Finance Corporation, Washington, D. C.

The security offered for all cattle loans must be worth at least 25 per cent more than the amount borrowed, and the borrower must agree to give additional security at any time upon demand of the War Finance Corporation.

Election of Directors.

In connection with the coming election of Class A and B directors of Federal Reserve Banks, the following letter was sent to Federal Reserve Agents under date of September 19:

House bill No. 11283, generally known as the Phelan bill, has passed both Houses of Congress and now awaits the signature of the President. Section 4 of the Federal Reserve Act, which relates to the election of directors of Class A and Class B, amended by this bill, read as follows:

Directors of Class A and Class B shall be chosen in the following manner:

The Federal Reserve Board shall classify the member banks of the district into three general groups or divisions, designating each group by number. Each group shall consist as nearly as may be of banks of similar capitalization. Each member bank shall be permitted to nominate to the chairman of the board of directors of the Federal Reserve Bank of the district one candidate for director of

Class A and one candidate for director of Class B. The candidates so nominated shall be listed by the chairman, indicating by whom nominated, and a copy of said list shall, within 15 days after its completion, be furnished by the chairman to each member bank. Each member bank by a resolution of the board or by an amendment to its by-laws shall authorize its president, cashier, or some other officer to cast the vote of the member bank in the elections of Class A and Class B directors.

Within 15 days after receipt of the list of candidates the duly authorized officer of a member bank shall certify to the chairman his first, second, and other choices for director of Class A and Class B, respectively, upon a preferential ballot upon a form furnished by the chairman of the board of directors of the Federal Reserve Bank of the district. Each such officer shall make a cross opposite the name of the first, second, and other choices for a director of Class A and for a director of Class B, but shall not vote more than one choice for any one candidate.

No officer or director of a member bank shall be eligible to serve as a Class A director unless nominated and elected by banks which are members of the same group as the member bank of which he is an officer or director.

Any person who is an officer or director of more than one member bank shall not be eligible for nomination as a Class A director except by banks in the same group as the bank having the largest aggregate resources of any of those of which such person is an officer or director.

It will be observed that the Federal Reserve Board is now required to classify the member banks of each district into three groups or divisions as a preliminary to the election of directors. The Board will be glad to have suggestions from you as to the proper classification of banks in your district.

It will also be observed that under this amendment each member bank is required by resolution of its Board, or by amendment to its by-laws, to authorize its president, cashier, or some other officer to cast the vote of the member bank in the election of Class A and Class B directors instead of having a district reserve elector perform this service.

This amendment also prohibits any officer or director of a member bank from serving as a Class A director unless nominated and elected by banks which are members of the same group as the member bank of which he is an officer or director. Any person who is an officer or director of more than one member bank is not eligible for nomination as a Class A director except by banks in the same group as the bank having the largest aggregate resources of any of those of which such person is an officer or director. The attention of the member banks in your district should be called to this change in the method of procedure for the election of directors and in the qualification of candidates.

Each bank in your district should be requested either to amend its by-laws so as to authorize one of its officers to cast the vote of the bank in the election of Class A and Class B directors, or to pass a resolution to this effect, and to file with you a copy of the amendment to its by-laws or of the resolution adopted.

As soon as the Federal Reserve Board has classified the banks in your district arrangements should be made to hold an election of directors to succeed those whose terms expire on December 31, 1918.

The Board will, therefore, be glad to have your suggestions as to grouping of banks in your district as early as possible.

Treasury Certificates of Indebtedness.

The following statements were issued by the Treasury Department under date of September 12 and 13:

SEPTEMBER 12, 1918.

Secretary McAdoo to-day announced that the fifth biweekly issue of United States Treasury certificates of indebtedness in anticipation of the fourth Liberty loan was oversubscribed $144,529,500. The Secretary stated that this is a most gratifying result, the oversubscription being the largest ever recorded on any issue of United States Treasury certificates of indebtedness.

Ten of the twelve Federal Reserve districts oversubscribed their quotas. The total subscriptions aggregate $644,529,500. The aggregate of subscriptions for certificates in anticipation of the fourth Liberty loan to date is $3,404,071,000.

Federal Reserve Bank.	Quota.	Subscription.
United States Treasury	....	$3,000,000
Boston	$43,300,000	57,424,000
New York	169,600,000	210,068,500
Philadelphia	35,300,000	42,061,000
Cleveland	45,300,000	74,088,000
Richmond	17,300,000	18,957,000
Atlanta	14,600,000	21,242,000
Chicago	70,000,000	88,279,000
St. Louis	20,000,000	25,501,500
Minneapolis	17,300,000	17,200,000
Kansas City	20,000,000	25,913,000
Dallas	12,000,000	11,295,500
San Francisco	35,300,000	49,500,000
Total	500,000,000	644,529,500

SEPTEMBER 13, 1918.

Secretary McAdoo, under the authority of the act approved September 24, 1917, as amended by the act approved April 4, 1918, offers for subscription, at par and accrued interest, through the Federal Reserve Banks, $600,000,000 or more Treasury certificates of indebtedness, Series IV-F, dated and bearing interest from September 17, 1918, payable January 16, 1919, with interest at the rate of 4½ per cent per annum. Applications will be received at the Federal Reserve Banks. Subscription books will close at the close of business September 24, 1918. Certificates will be issued in denominations of $500, $1,000, $5,000 $10,000, and $100,000. Said certificates shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (*a*) estate or inheritance taxes, and (*b*) graduated additional income taxes, commonly known as surtaxes, and excess profits and war profits taxes, now or hereafter imposed by the United States upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds and certificates authorized by said act approved September 24, 1917, or by said act as amended by said act approved April 4, 1918, or by the act approved July 9, 1918, the principal of which does not exceed in the aggregate $5,000, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (*b*) above. Upon 10 days' public notice, given in such manner as may be determined by the Secretary of the Treasury, the certificates of this series may be redeemed as a whole at par and accrued interest on or after any date, occurring before the maturity of such certificates, set for the payment of the first installment of the subscription price of any bonds offered for subscription by the United States after the offering and before the maturity of such certificates. The certificates of this series, whether or not called for redemption, will be accepted at par, with adjustment of accrued interest, if tendered on such installment date in payment on the subscription price then payable of any such bonds subscribed for by and allotted to holders of such certficates. The certificates of this series do not bear the circulation privilege and will not be accepted in payment of taxes. The right is reserved to reject any subscription and to allot less than the amount of certificates applied for and to close the subscriptions at any time without notice. Payment at par and accrued interest for certificates allotted must be made on and after September 17, 1918, and on or before September 24, 1918. After allotment and upon payment, Federal Reserve Banks will issue interim receipts pending delivery of the definitive certificates. Qualified depositaries will be permitted to make payment by credit for certificates allotted to them for themselves and their customers up to an amount for which each shall have qualified in excess of existing deposits when so notified by Federal Reserve Banks. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions and to make allotment in full in the order of the receipt of applications up to amounts specified in the respective districts.

Condition of Savings Institutions in the United States.

The following abridged statement presents some important facts relative to the condition of the savings banks of the country:

Since the beginning of the war it has been the purpose of the savings bank section, American Bankers' Association, to make a semiannual analysis of the savings bank situation as gathered from questionnaires submitted to all mutual savings banks, of which there are 622 in the country, and to representative stock savings banks and trust companies, the chief business of which is savings.

Out of 650 banks communicated with 420 answered. On account of about 90 answers having been received after tabulation of the answers upon which the report is based, the analysis hereinafter made is taken from 330 banks, or between 55 and 60 per cent of the mutual savings banks in the United States, with about 65 per cent of the total resources.

The data hereinafter contained are from 169 banks in New England out of 405, having 60 per cent of the total assets of such banks. The Eastern States, 105 banks out of a total of 196, with more than 60 per cent of the total assets. Ohio is represented by 100 per cent of the total savings bank assets. California is represented by 38 banks with about 60 per cent of total resources.

Total present holdings of Liberty loan bonds.

The answers permitted a calculation of the percentage of Liberty bond holdings to total assets of the banks.

	Per cent.
Maine	4.9
New Hampshire	3.9
Vermont	3.8
Massachusetts	3.4
Rhode Island	1.4
Connecticut	4.5
New England States	3.7
New York	3.8
New Jersey	3.4
Delaware	2.5
Pennsylvania	2.4
Maryland	3.8
Eastern States	3.7
Ohio, representing Middle West	1.4
California	2.9

Partial-payment subscriptions to first, second, and third Liberty loans, still unpaid.

This answer permitted a calculation of the percentage of Liberty-bond subscriptions on the partial-payment plan remaining unpaid to the total partial-payment subscriptions.

	Per cent.
Maine	11.3
New Hampshire	51.7
Vermont	53.8
Massachusetts	41
Rhode Island	79.4
Connecticut	17.4
New England States	33.47
New York	22.2
New Jersey	35.2
Delaware	2
Pennsylvania	8.5
Maryland	39.8
Eastern States	23.5
Ohio	13.2
California	11.1

Approximately, what was the proportion of subscribers who paid on partial-payment plan regularly?

Percentage totals are given as follows:

	Per cent.
Maine	72.8
New Hampshire	65.2
Vermont	75
Massachusetts	71.2
Rhode Island	33
Connecticut	65.8
New England States	70.0
New York	71.5
New Jersey	65
Delaware	90
Pennsylvania	40.7
Maryland	75
Eastern States	68.4
Ohio	82
California	82

Purchases of Treasury certificates of indebtedness.

The larger part of the banks, of course, have purchased certificates of indebtedness. An interesting indication is found in the probability of a greater subscription from the savings banks to the fourth Liberty loan than to any previous war loan, and in some respects greater than the combined subscriptions of the three previous loans. The following table evidences the activity in this respect:

	Per cent of total assets.	Banks subscribing.	Banks not subscribing.
Maine	6.6	12	2
New Hampshire	5.5	12	3
Vermont	3.8	5	....
Massachusetts	3.1	68	17
Rhode Island	1.9	3	....
Connecticut	2.5	32	13
New England States	3.2	132	35
New York	2.8	67	8
New Jersey	9.7	10	2
Delaware	4.6	2	....
Pennsylvania	10.5	5	....
Maryland	16.3	6	1
Eastern States	4.7	90	11
Ohio	5.3	3	....
California	11.3	34	1

BANKERS' ACCEPTANCES.

Only 15 banks out of a total of 333 hold bankers' acceptances—6 in Massachusetts, 4 in Connecticut, 3 in New York, and 2 in California. Only 8 banks had objections to the bankers' acceptances as an investment. These objectors showed rather definitely by their answers that they did not appreciate the meaning of the bankers' acceptance as an investment. Many have not bought such acceptances, and express an opinion that they "believe in them heartily and as soon as possible shall invest in them liberally." Another would invest in bankers' acceptances, except that Treasury certificates of indebtedness at $4\frac{1}{2}$ per cent and tax exempt appeal to them more. Several have the opinion that the rates were unattractive. The Maine banks are inclined to think well of the bankers' acceptance, although some were still imbued with the old savings-bank thought that it was "foreign to the underlying principles governing the work of savings banks." Another New England banker stated that he had "no objection to the bankers' acceptance, except that demand collateral loans of Boston pay a better rate."

HOLDINGS OF INVESTMENTS.

State.	Railroad bonds.	State and municipal bonds.	Public utility bonds.	Real estate mortgage loans.	Personal security loans.	Other securities.
	Per ct.	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*
Maine	38.2	21.3	16.8	13.2	0.8	9.7
New Hampshire	20.4	10.4	9.3	31.2	4.0	24.7
Vermont	1.6	20.2	....	73.9	2.1	2.2
Massachusetts	17.0	11.0	3.4	51.9	13.5	3.2
Rhode Island	....	....	....	....	....	....
Connecticut	35.6	15.4	1.7	39.3	1.9	7.0
New York State	16.1	23.0	....	55.9	.1	4.9
New York City	16.6	23.7	....	55.6	.2	3.9
New Jersey	18.3	34.2	.2	42.5	.1	4.7
Delaware	32.8	12.6	7.2	43.6	.2	3.6
Pennsylvania	57.6	24.8	2.1	10.7	.1	4.7
Maryland	55.8	12.6	11.5	14.8	....	5.3
District of Columbia	8.0	.2	6.8	60.5	....	24.5
California	2.8	13.4	2.3	57.6	4.9	19.0

ANALYSIS OF PURCHASES OF LIBERTY BONDS BY VARIOUS BANKS.

In order to investigate the variation of holdings of Liberty bonds by different groups of banks, the statistical data as contained in the individual questionnaires were divided into five main groups, as follows:

1. Banks with assets in excess of $80,000,000.
2. Banks with assets from $10,000,000 to $80,000,000.
3. Banks with assets from $5,000,000 to $10,000,000.
4. Banks with assets from $2,000,000 to $5,000,000.
5. Banks with assets below $2,000,000.

Expressing the holdings of Liberty bonds in percentages of total assets, there is obtained the following table for various parts of the country (class 1 refers to banks with assets in excess of $80,000,000, and so on):

	Maine, and New Hampshire.	Massachusetts.	Connecticut.	New Jersey, Pennsylvania, Delaware, Maryland, and District of Columbia.	New York.	California.
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Class 1	....			2.70	2.63	....
Class 2	5.46	3.20	3.58	3.90	4.15	3.05
Class 3	4.07	3.51	4.90	5.43	6.81	6.92
Class 4	3.65	3.93	3.99	4.44	5.91	3.30
Class 5	3.35	3.52	1.89	5.93	4.83	4.94

From this table it appears that the average-size banks with assets between $5,000,000 and $10,000,000 have relatively been the heaviest purchasers of bonds, except in the States of Maine and New Hampshire, where the largest banks have led in the purchasing of bonds. Massachusetts seems as a whole to have purchased a relatively lower share of Liberty bonds through its savings banks than the other States, while New York relatively holds the highest position. The reports available from other States are too few in number to possess any significance.

While the above figures give the summary result by various localities and States as a whole, still more pronounced variations are shown by analyzing the returns for individual banks. For instance, in the State of New York it appears that among 72 savings banks, with almost $1,000,000,000 in assets, the percentage holdings of Liberty bonds to total assets varied from 0.91 per cent to 25.46 per cent.

A fairly good idea of the variation of the percentage holdings to total assets may, however, be secured from the following frequency distributions relating to New York, Massachusetts, Maine, New Hampshire, Connecticut, and the Central Atlantic States:

Percentage holdings of Liberty bonds to assets.	New York.	Massachusetts.	Maine and New Hampshire.	Central Atlantic States.
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*
0–1	8.9	6.3	15.3	....
1–2	10.6	12.9	.7	19.6
2–3	34.7	19.6	16.3	48.0
3–4	18.7	28.5	10.5	10.6
4–5	12.9	16.7	12.7	5.8
5–6	3.7	12.3	3.0	1.4
6–7	4.4	1.6	13.1	1.2
7–8	1.2	1.0	25.8	....
8–9	....	.6	2.6	8.0
9–10	.9	.4	....	5.4
10–11	3.0	.1	....	....
11–12	.8	....	....	....
12 and over	.2	....	....	....

There seems to be a well-defined movement both in New York and Massachusetts, while the figures from Maine and New Hampshire show a rather erratic movement. For New York there is a very marked clustering in the interval between 2 and 3, while the most important group in Massachusetts falls in the interval between 3 and 4. On the other hand, 10.5 per cent of the New York figures fall above a percentage holding of 6, while the corresponding figure for Massachusetts is 3.7 per cent only. The Central Atlantic States (Pennsylvania, Maryland, New Jersey, Delaware, and the District of Columbia) show a movement similar to New York, except for an exceptionally high frequency of percentage holdings above 8 per cent.

British Bank Amalgamations.

In view of the interest generally felt by American bankers in the development of British bank amalgamations which have been in progress during the past year, the following report of a special committee appointed by the British Government, which completed its work not long ago, is reprinted as a matter of information:

To the Lords Commissioners of His Majesty's Treasury:

1. We, the undersigned committee, appointed by treasury minute of the 11th March last, beg to submit our report to your lordships.

2. We have held eight meetings, and have examined the following witnesses, viz: (List of witnesses omitted.) We have also received a number of communications in writing from gentlemen in various parts of the country, in response to a notice which we inserted in the press inviting representations from the public generally. Unfortunately, time did not permit of our taking oral evidence from more than a limited number of witnesses.

3. Bank absorptions and amalgamations are, of course, no new phenomenon in this country. About 300 instances have occurred in the past, more than half of which have taken place in the last 50 years. In one or two cases arrangements made provisionally for amalgamations have been defeated by the opposition of local customers of the bank which it was proposed to absorb; but, on the whole, banking policy has gradually but steadily pursued the path of consolidation and absorption and, until recently, the amalgamations affected have, generally speaking, been carried through without stirring up serious opposition or arousing public interest. As a result, the number of private banks has fallen from 37 to 6 since 1891, and the number of English joint-stock banks from 106 to 34 during the same period.

4. Several recent amalgamations, however, have undoubtedly provoked an unusual amount of interest, and have been seriously criticized in certain quarters. This change in public opinion appears to be due mainly to the fact that amalgamations have changed their type and consist no longer in the absorption of a local bank by a larger and more widely spread joint-stock bank, but in the union of two joint-stock banks, both already possessing

large funds and branches spread over a wide area. These two types of amalgamation differ very materially from one another, and arguments used to justify the former type do not necessarily apply to the latter.

THE OLD TYPE OF AMALGAMATION—ABSORPTION OF LOCAL BANKS BY A LARGER AND MORE WIDELY SPREAD JOINT STOCK BANK.

5. As modern amalgamations are mainly of the new type, it is unnecessary for us to elaborate the various arguments used in connection with amalgamations of the older type. Very briefly, what the arguments amount to is that both the local (or more or less local) bank and the larger widely spread bank secure to their customers certain advantages of a different kind, but that, like other institutions, each has also the defects of its qualities. Some districts—notably Lancashire and Yorkshire—have clung to their local banks. But in most instances amalgamation schemes have been carried out without serious difficulty, and if material hardship had resulted to the trade generally in the districts affected, there would no doubt have been greater local opposition to subsequent absorption schemes, and new local banks would even have been opened.

THE NEW TYPE OF AMALGAMATION—UNION OF ONE LARGE JOINT STOCK BANK WITH ANOTHER SIMILAR BANK.

6. As regards the new type of amalgamation, the main arguments laid before us in support of the policy of amalgamation are as follows:

(a) *The convenience and gain to trade secured by an extension of bank areas.*—Just as the large banks of the past secured certain advantages to trade by collecting deposits from parts of the country where they were not required, and placing them at the disposal of other parts which stood in need of advances, so it is claimed that this process can be carried still further with advantage by amalgamating large banks with one another.

This is no doubt true, though, of course, the degree to which an extension of area is in fact secured by amalgamating banks differs considerably in each case. The following table is an analysis of two recent amalgamations and one proposed amalgamation in this respect:

TABLE I.—*Numbers in 1918 (in round figures).*

	London branches.	Provincial branches (excluding sub-branches and including only one branch in each place).	Foreign agencies held.
(a) National Provincial	26	251	31
Union of London and Smith's	31	78	150
(b) London County and Westminster	110	180	400
Parr's	35	160	35
(c) London City and Midland	107	419	850
London Joint Stock	41	109	70

NOTE.—In London an amalgamation can secure no material extension of area, and usually means a net reduction in the number of competing banks in the city, as all other important competitors are already represented there and can not, therefore, as is sometimes the case in other districts, add a new element of competition to counterbalance the amalgamation. Should no such new element arise, there will be a similar net reduction in the number of competing banks in nearly all the most important towns outside London at which the second of the two banks was represented in cases (a) and (c) above, as the first bank in each case was established at most of them already. As regards the provinces generally, excluding subbranches and subagencies, in the above cases the first bank in each case secured the following number of new places out of the total number taken over, viz, (a) 51 (out of 78), (b) 152 (out of 160), (c) 54 (out of 109). In cases (a) and (c) very few of the new places secured were in towns of importance. The 55 overlapping places in case (c) include such towns as Barnsley, Barrow, Darlington, Doncaster, Gateshead, Grimsby, Hull, Leeds, Middlesborough, Newcastle, Portsmouth, Sheffield, West Hartlepool, and York; and in case (a) the 27 overlapping places included Bath, Birmingham, Bournemouth, Bradford, Brighton, Bristol, Derby, Doncaster, Exeter, Grimsby, Huddersfield, Hull, Leeds, Lincoln, Nottingham, Plymouth, Sheffield, Southampton, and York.

It should be added that in case (c), in addition to the branches shown above, the Joint Stock Bank have 106 subbranches in small places where they have no branch, and that in only about nine of those places are the City and Midland represented. Similarly, the Union of London and Smith's had a number of subbranches in small places, at most of which the National Provincial were not represented.

There must come a point when the policy of substituting one large bank for two will usually mean a very small extension of area, if any, and some reduction of competition. That point has already been reached in London, and is being approached in a few of the largest towns where most of the important competing banks are already established.

It should be added that if both the amalgamating units have, before amalgamation, lent up to their full resources, home trade as a whole can not gain any increase in accommodation as a result of the amalgamation. Except at the expense of smaller traders, large trade combines could not obtain larger advances in all from the combined resources of the amalgamation than they obtained from the separate banks before.

This is an important point. Various Government committees have drawn special attention to the question of banking facilities after the war, and it is very desirable that all possible steps should be taken to adapt the banking interest to the new position which will then arise. The point, however, with regard to the size of banks is one of degree only, and it is a question whether the continued practice on the part of exceptionally large firms of resorting to two or more banks, instead of one, for advances would not suffice to meet all their needs, and whether the existing large banks are not in fact large enough to meet the requirements of the immediate future, at any rate if supplemented, as far as may be necessary, by combinations for special purposes on the lines of German "Konsortiums" or otherwise. We have received no conclusive evidence on this point. But the following table shows, at any rate, that the resources of our leading banks were very substantial even before the recent amalgamations:

TABLE II.—*Paid-up capital, reserve, and deposits of the following banks as shown in their balance sheets of 31st December, 1913, and 31st December, 1917.*

	31st December, 1913.	31st December, 1917.
London City and Midland	£101,882,230	£230,083,434
London County and Westminister Parr's	143,000,000	228,000,000
National Provincial Union of London and Smith's	118,864,590	185,223,175
Lloyds	98,720,663	183,078,718
Barclays	[1] 66,940,267	135,675,971
London Joint Stock	41,678,237	62,274,280

[1] June, 1914.

The above argument with regard to post-war trade can of course only be used with some caution as regards foreign trade, in view of the special dependence of English banks on deposits withdrawable at call or on short notice. This is especially the case as regards long-term advances for such trade, to which special reference is sometimes made. The following figures, taken from the "Economist," show

how comparatively small are the capital and reserves of English joint stock banks:

Table III.

	Paid-up capital and reserves.	Deposits.	Ratio.
	Million £.	*Million £.*	*Per cent.*
1890	68	369	18
1895	69	456	15
1900	79	587	13
1905	82	628	13
1910	81	721	11
1915	82	993	8
1917	84	1,365	6

7. We have endeavored to review impartially the arguments which have been put forward as justifying the necessity in the public interest—quite apart from questions of profit to shareholders—of bringing about the new type of bank amalgamation. There is undoubtedly much weight in these arguments as far as they go. And even if the absolute necessity of large new amalgamations is not clearly proved, yet the absence of proof of the public necessity for business reorganizations is not, in itself, any reason for objecting to them, and it is a serious step at any time to interfere with the natural developments of trade. Before, therefore, considering any restrictive proposals, we endeavored to ascertain what is the real basis of the fears—often vaguely felt, and vaguely expressed, which have undoubtedly been aroused by recent amalgamation schemes. The main grounds for objecting to further amalgamations appear to be as follows:

(*a*) *Writing down of bank capital.*—The proportion of capital to deposits is now so small in the case of English joint stock banks, even excluding the temporary war increase in the amount of deposits, that any further shrinkage of bank capital is clearly undesirable, in the interest of depositors, if it can be avoided. Attention has been drawn to the fact that amalgamation schemes usually mean a reduction in the total paid-up capital and uncalled liability of the two preamalgamation units. This has frequently been the case in the past, and it has also been a feature of recent amalgamations and proposed amalgamations. The amalgamation of the National Provincial Bank of England, Ltd., with the Union of London and Smith's Bank, Ltd., resulted in a reduction of over £1,000,000, or 16 per cent, in the total paid-up capital, and of over £9,000,000, or over 48 per cent, in the uncalled liability of the Union shareholders. The amalgamation of Parr's Bank, Ltd., with the London County and Westminister Bank, Ltd., while it resulted in an addition of £243,000 to the total paid-up capital, brought about a reduction of nearly £1,770,000, or 17 per cent, in the uncalled liability of Parr's shareholders. The proposed amalgamation of the London City and Midland Bank, Ltd., with the London Joint Stock Bank, Ltd., would effect a reduction of nearly £1,000,000 in the total paid-up capital, and of over £9,000,000, or over 50 per cent, in the uncalled liability of the Joint Stock Bank shareholders. In each of these three cases, therefore, substantial benefits to shareholders are purchased at the expense of some of the security of the depositors. But the reduction of capital (as opposed to the reduction of uncalled liability) resulting in two of the cases appears to be only nominal, the sum written off, or some sum approximating to it, being added to the inner reserves, at any rate at present.

(*b*) *The argument from size.*—Numerous representations have reached us to the effect that large banks are better for traders, and particularly for large traders, than small banks because, with their larger resources, they can safely make individual advances on a more generous scale. And it is argued that banks must grow now to keep pace with the growth in size of business houses generally, and to enable them to deal with the demands of after-the-war trade both at home and abroad.

(*b*) *Dangers of reduced competition.*—Although, in the past, we believe that amalgamations have not, in most instances, led to a reduction of bank competition, yet, as we have pointed out in paragraph 6 (a) above, in London (and possibly before long in certain large towns) amalgamations between large joint stock banks must now usually mean a net reduction in the number of competing banks. It is true that this reduction is only slight in each case, and that there still remain at present a fair number of competing banks. But we have received representations from certain municipal corporations to the effect that banks vary very much in their willingness to allow reasonable overdraft facilities to corporations, and that sufficient money, and cheap enough money, has only been obtained hitherto by resorting to different banks; the number of resolutions have been forwarded to us by corporations protesting against further amalgamations, and suggesting that it is not in the national interest that large funds belonging to the public should be in the hands of a few companies.

Strong representations have, on similar grounds, been made to us on behalf of the stock exchange and the money market. It is claimed that the world-wide fame of the London market before the war was due to the freedom with which London bills could be negotiated, owing to the ease with which discount houses obtained ample funds from a wide number of banks, and that the fewer the lending constituents in the discount market the less flexible is the market and the less fine the rates. It is added that the number of members in the clearing house is already becoming very small, and that any further decrease in the number of its constituent members, or any greatly preponderant power on the part of particular members, might impair confidence in its smooth working and raise apprehensions in the market. Moreover, it is pointed out that a reduction in the number of important banks must mean, and has already meant, a reduction in the number of first-class acceptors of bills, and that if this reduction proceeded very far it would become a question whether the Bank of England would not have to place a limit on the amount of acceptances which they would take from any particular bank doing a large accepting business, and whether continental buyers would not limit the number of bills taken by them.

(*c*) *The danger of monopoly.*—It has been represented to us that there is a real danger lest one bank, by the gradual extension of its connections, may obtain such a position that it can attract an altogether preponderant amount of banking business; or, alternatively, lest two banks may approach such a position independently, and then achieve it by amalgamation.

Any approach to a banking combine or money trust, by this or any other means, would undoubtedly cause great apprehension to all classes of the community and give rise to a demand for nationalizing the banking trade. Such a combine would mean that the financial safety of the country, and the interest of individual depositors and traders would be placed in the hands of a few individuals, who would naturally operate mainly in the interests of the shareholders. Moreover, the position of the Bank of England—which would, it may be assumed, stand outside of any such trust—would be seriously undermined by so overwhelming a combination, and the bank might find it extremely difficult to carry out its very important duties as supporter and regulator of the money market. Any such result would, in our opinion, be a grave menace to the public interest.

Further, it has been represented to us that the Government of the day might not find it easy to adopt a course of which the combine, for its own reasons, disapproved.

While we believe that there is at present no idea of a money trust, it appears to us not altogether impossible that circumstances might produce something approaching to it at a comparatively early date. Experience shows that, in order to preserve an approximate equality of resources and of competitive power, the larger English banks consider it necessary to meet each important amalgamation, sooner or later, by another. If, therefore, the argument from size, referred to in paragraph 6 (b) above, is to prevail, it can only lead, and fairly rapidly, to the creation of a very few preponderant combinations; and if those combinations amalgamated, or entered into a joint agreement as to rates and policy, etc., the money trust would immediately spring to birth.

8. Such are the main arguments laid before us against further amalgamations. Undoubtedly some of the dangers feared are somewhat problematical and remote, and we should very much have preferred to avoid the necessity for any interference by Government with the administration of banking. But on a careful review of all the above considerations, we are forced to the conclusion that the possible dangers resulting from further large amalgamations are material enough to outweigh the arguments against Government interference, and that, in view of the exceptional extent to which the interests of the whole community depend on banking arrangements, some measure of Government control is essential. Our conclusions on this point were confirmed by the resolution passed at the recent annual meeting of the Association of Chambers of Commerce, in which it was proposed that steps should be taken to guard against amalgamations, etc., shown to be injurious to commercial interests.

We therefore recommend that legislation be passed requiring that the prior approval of the Government must be obtained before any amalgamations are announced or carried into effect. And in order that such legislation may not merely have the effect of producing hidden amalgamations instead, we recommend that all proposals for interlocking directorates, or for agreements which in effect would alter the status of a bank as regards its separate entity and control, or for purchase by one bank of the shares of another bank, be also submitted for the prior approval of the Government before they are carried out.

As general principles to be acted upon at present by the Government at its discretion, we would suggest that a scheme for amalgamating or absorbing a small local bank, or any scheme of amalgamation designed to secure important new facilities for the public or a really considerable and material extension of area or sphere of activity for the larger of the two banks affected, should normally be considered favorably, but that if an amalgamation scheme involves an appreciable overlap of area without securing such advantages, or would result in undue predominance on the part of the larger bank, it should be refused. Consideration should also, in our opinion, be given to the question of the clerical labor—usually very large—involved by amalgamations during the war, and to the undesirability of permitting an unusual aggregation of deposits without fully adequate capital and reserves.

9. It only remains to make a suggestion to which Government department or departments should be charged with the responsibility of approving or disapproving amalgamation schemes, etc., under our proposal above. On the whole, we think that the approval both of the Treasury and of the Board of Trade should be obtained and that legislation should be passed requiring the two departments to set up a special statutory committee to advise them, the members of which should be nominated by the departments from time to time, for such period as may seem desirable, and should consist of one commercial representative and one financial representative, with power to appoint an arbitrator, should they disagree.

* * * * *

Status of Bank Clerks Under Draft Law.

There is printed below correspondence relating to ruling of the Provost Marshal General in the matter of classification and reclassification of bank clerks under the selective draft law:

SEPTEMBER 23, 1918.

DEAR SIR: For your information there is inclosed herewith copy of letter from this office to the Provost Marshal General submitting certain questions and photostat copy of reply received, both of which explain themselves.

From inquiries received and complaints filed with this office by several banks it appears that the interpretations given to the rulings of the office of the Provost Marshal General by the local or district boards have not been entirely uniform and that in some instances bank employees who were originally given a deferred classification on other grounds than that of their employment have had their deferred classification withdrawn under regulations dated May 23, 1918, and generally referred to as the "work or fight" regulations. This, although the Provost Marshal General under date of July 5, 1918, ruled that bank employees were not subject to reclassification under this order.

The forces of the banks have already been materially depleted by the loss of registrants between the ages of 21 and 31. Under the new selective draft law which extends the age limits so as to include those from 18 to 45, inclusive, it is of course obvious that some steps must be taken to secure deferred classification for those employees who are vitally necessary to the successful operations of the banking business.

With the constantly increasing demands made upon the banks a further material depletion of their forces would render it difficult for the banks to perform the services required of them by the United States in the present emergency.

While the Federal Reserve Board, of course, realizes that the officers of the Federal Reserve Banks will not desire to ask for deferred classification for employees who may be spared to enter the military service, it is of prime importance to our Government that its fiscal operations conducted through the banks shall be maintained at the highest standard of efficiency and to this end that all necessary steps should be taken to procure a proper classification of necessary employees in accordance with the letter and spirit of the selective draft act and regulations of the War Department.

To this end it is necessary that some uniform practice should be adopted by the several banks in presenting claim for deferred classification and that the regulations and rulings of the War Department which specifically affect bank employees should be called to the attention of all local boards.

The accompanying memorandum which suggests a method of procedure to be followed has accordingly been prepared for the information of the officers of Federal Reserve Banks and member banks.

Respectfully,

W. P. G. HARDING,
Governor.

The CHAIRMAN FEDERAL RESERVE BANK.

SEPTEMBER 11, 1918.

Maj. Gen. E. H. CROWDER,
Provost Marshal General,
War Department, Washington, D. C.

SIR: Receipt is acknowledged of your letter of September 6, addressed to the Secretary of the Federal Reserve Board, and which relates to a ruling reported by the press as having been made by your office to the effect that bank clerks may be given a deferred classification on the ground that they are engaged in an essential occupation or employment.

You state that your office has not ruled that employees of banking institutions as such are entitled to deferred classification.

The Board understands that bank clerks as a class are not by reason of their employment entitled as a matter of right to a deferred classification, but has understood your previous ruling to be that where a bank clerk has for other reasons been given a deferred classification, it is not necessary for a local or district board to reclassify him under what is known as the work or fight order.

As pointed out in previous correspondence with your office, the forces of the banks have already been materially depleted and the officers of the banks are endeavoring to replace as rapidly as possible those who have been called under the selective-draft law with women or with men who are not of draft age. It is difficult at best, however, for the banks to maintain a force sufficient to meet the demands made upon them in the present circumstances and, since the age limit has been extended so as to include most of the officers as well as the employees of the bank, the problem of maintaining the banking forces has become an even more serious one.

While there is no desire on the part of the Federal Reserve Board, nor of the officers of the Federal Reserve Banks, to ask for the exemption or deferred classification of nonessential officers or employees who may be utilized in the military service, you will, of course, understand that if such officers and employees are required under the work or fight order to seek other employment, it will be impossible for the banks to perform the services required of them by the United States.

The same problem is involved in the maintenance of the force of the Federal Reserve Board. A case has arisen during the past week which illustrates the difficulties that are being encountered. One of the messengers employed by the Federal Reserve Board who is within the draft age was classed in Class 4 (a) by the local board in January, 1918, because of the fact that he had dependents and not because of the fact that he was employed by the Board. Under the work of fight order he was recently summoned before the draft board to show cause why he should not be reclassified, and has been advised that he must find another position within 10 days or he will be subject to the draft.

The effect of this ruling appears to be that the work of the Federal Reserve Board is classified by the local or district board as nonessential. It is, of course, obvious that if this position is to be taken by your local board, and if every employee of the Federal Reserve Board who for other reasons has been given deferred classification, is required under the work or fight order to seek other employment or to be subject to the draft, it will not be possible for the Board to perform its functions.

In your letter to this office, dated July 5, 1918, you state: "I beg to advise you that bank clerks are excepted from the operations of the regulations which provide for the withdrawal of deferred classification and order number of registrants found to be idlers or engaged in nonproductive occupations or employments."

It is assumed that this ruling will also apply to clerks and employees of the Federal Reserve Board, but this view has apparently not been taken by your local board, and has not been regularly applied by other local and district boards to bank clerks and employees. In other words, it appears to this office that some of the local boards have confused your regulations which relate to the original classifications of registrants with your work or fight regulation, which requires reclassification of registrants in a deferred class who are engaged in nonessential occupations.

In order that the Board may be advised as to the proper procedure to be followed in cases which affect its employees and may advise the Federal Reserve Banks and member banks in cases affecting officers and employees of such banks, this office will greatly appreciate a specific ruling on the following cases:

First. Are employees of the Federal Reserve Board excepted from the operations of the regulations which provide for the withdrawal of deferred classification and order number of registrants found to be idlers or engaged in nonproductive occupations or employment?

Second. Is it within the province of a local or district board to reclassify a registrant engaged in an occupation or employment which has been excepted from the operation of the work or fight regulation, where the deferred classification of such registrant is not based upon his employment but upon other grounds?

Third. If a local or district board reclassifies a registrant under the work or fight regulation on the ground that he is engaged in a nonproductive occupation or employment, is the finding of the board conclusive or may it be reviewed other than by the President?

Fourth. If a local or district board reclassifies a registrant on the ground that he is engaged in a nonproductive occupation or employment and the attention of the Board is called to the fact that the occupation or employment engaged in is one which has been excepted by your office from the operations of the work or fight order, can the Board annul such reclassification?

The Board would like to issue a circular to the banks outlining procedure to be followed in cases where local boards have reclassified employees under the work or fight order in violation of your ruling of July 5, and also as to the procedure to be followed in obtaining a deferred classification for essential officers or employees when those who are required to register on September 12 are classified. It is understood, of course, that none of such registrants will be given a deferred classification because of their employment, even though banking is classified as an essential occupation, unless the officer or employee is one whose services can not be dispensed with without serious detriment to the work of the bank.

If your office has prepared any forms to be used in this connection or any specific regulations as to the method of procedure to be followed, the Board will greatly appreciate it if you will have it furnished with copies. It desires to cooperate with your office in every way in facilitating the proper classification of the employees of the Federal Reserve Board and the officers and employees of the several banks. To this end the Board will be glad to receive any and all instructions you may desire to have transmitted to the banks or to have published in its monthly bulletin. It will also be glad to have its counsel confer with a representative of your office if agreeable to you, in order that the Board may obtain the information necessary to enable it to deal with questions arising under your regulations.

Respectfully,

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

CLASSIFICATION OF REGISTRANTS UNDER THE ACT OF MAY 18, 1917.

As originally enacted.—Under the act of May 18, 1917' entitled "An act to authorize the President to increase temporarily the military establishment of the United States," registrants may be given a deferred classification by reason of their employment when "engaged in industries, including agriculture, found to be necessary to the maintenance of the military establishment, or the effective operations of the military forces, or the maintenance of national interests during the emergency."

The district board has exclusive jurisdiction over cases of this sort, and local boards are not authorized to give a registrant a deferred classification on the ground of his employment. It is understood that the district boards have ruled that banking is not an industry within the meaning of this statute, and that bank clerks can not, therefore, be given a deferred classification by reason of their employment.

As amended by the act of August 31, 1918.—The act of August 31, 1918, amends the act of May 18, 1917, in several particulars. The provision quoted above is amended so that registrants may now be given a deferred classification when "engaged in industries, occupations, or employments, including agricultural, found to be necessary to the maintenance of the military establishment," etc.

In response to an inquiry submitted by the Federal Reserve Board, the Provost Marshal General, under date of September 16, 1918, has ruled as follows:

"Under this amendment district boards may properly consider claims for deferred classification of those engaged in banking, and as with industrial claims, so with occupational claims, each case must be considered by the district board on its merits. It must be shown both that the enterprise in which the registrant is engaged is necessary and that he is necessary to the enterprise."

RECLASSIFICATION OF REGISTRANTS BETWEEN THE AGES OF 21 and 31 ENGAGED IN ESSENTIAL EMPLOYMENT.

It is understood that a number of bank employees whose claims for deferred classification were based on the ground of their employment have not yet been called to the military service. The question, therefore, arises whether in view of the amendment above quoted, these employees may now be given a deferred classification if it can be demonstrated that they are necessary to the successful operation of the banks employing them.

The Provost Marshal General has been asked for a ruling on this question. If he rules that such cases may be reopened by the district boards, a copy of his ruling will be furnished upon request for presentation to the district boards, and in such cases banks should apply for a reclassification of those employees who are necessary to the operations of the bank. Each case will, of course, have to be considered on its merits.

WITHDRAWAL OF DEFERRED CLASSIFICATION UNDER THE WORK OR FIGHT ORDER.

It appears that in some instances registrants between the ages of 21 and 31 have been given a deferred classification on grounds other than their employment and have subsequently been reclassified under what is usually referred to as the "work or fight" order. This order, which was promulgated on May 23, 1918, provides in part that:

"Whenever, after July 1, 1918, any registrant in Class I, II, III, or IV, wherever he may be located, is reported to or observed by any local board * * * to be an idler, or to be engaged in any occupation or employment defined and described in these regulations or any amendments thereof as a nonproductive occupation or employnemt, such local board shall, by notice as hereinafter prescribed, notify him and set a day and hour when the registrant may appear and present such evidence, by affidavit or otherwise, bearing upon the reasons for his status, as he may care to submit."

In answer to inquiry submitted by the Federal Reserve Board, the Provost Marshal General, on July 5, 1918, ruled that bank clerks were not subject to reclassification under this order, and under date of September 16, 1918, ruled that—

"It is not within the province of a local or district board to withdraw deferred classification or order number on the ground that the registrant is engaged in a nonproductive occupation in any case which has been excepted from the operation of the regulations authorizing such withdrawal."

In any case in which a bank employee has been reclassified under the "work or fight" order, the officers of the bank should call the matter to the attention of the adjutant general of the State for correction.

CLAIM FOR DEFERRED CLASSIFICATION OF BANK CLERKS WHO REGISTERED ON SEPTEMBER 12.

While the Provost Marshal General has ruled that under the selective draft act as amended bank clerks may be given a deferred classification by reason of their employment, he has repeatedly called attention to the fact that each individual case must be considered on its merits and that no employees will be entitled as a class to automatically receive a deferred classification. Officers of banks desiring to file claims for deferred classification of necessary employees, should therefore procure a copy of extract from Revised Selective Service Regulations, which sets forth very clearly the procedure to be followed and character of proof required in each case.

As each case must be considered on its own merits it is suggested that banks seeking to obtain deferred classification for necessary employees should proceed as follows:

First. Prepare and submit to the district board evidence showing the nature and extent of the bank's operations and character of service rendered to the Government, together with any information that may be necessary to satisfy the board that the bank itself is "a necessary occupation," within the meaning of the act of May 18, 1917, as amended by the act of August 31, 1918.

Second. A list of those employees necessary to the bank should be carefully prepared and arrangements should be made with such employees to submit their questionnaires to a committee appointed by the bank before they are filed.

Proper notation should be made by the bank on the questionnaire of claim for deferred classification, using Series XI, entitled, "Industrial occupation."

The Provost Marshal General has called attention to the fact that it was necessary to print the questionnaires before Congress amended the law, so that the necessary changes could not be made therein. While, therefore, banking has been held not to be an industry, claim for deferred classification is made under this general head.

It is further suggested that such questionnaires should be accompanied by an affidavit of an officer of the bank containing the following information as to the status of each employee for whom a deferred classification is claimed.

(*a*) Character of service rendered;

(*b*) Length of time the employee has been in the service of the bank;

(c) The capacity, training, and experience of employee, and the extent and value of his services;

(d) The effect on the operations of the bank that might be expected to result from the loss of his services;

(e) Difficulty that would be experienced in filling the place of employee;

(f) That officers of the bank have no reason to believe or to suspect that the employee obtained service with the bank for the primary purpose of evading military service.

APPEALS.

In cases where district boards decline to give a necessary employee deferred classification the vote of the board should be ascertained, and if one or more members voted in favor of deferred classification the case may be appealed to the President. Such appeal must be accompanied by the written and signed recommendation of one member of the local board and either the Government appeal agent or adjutant general of the State

[Copy of Photostat.]

WAR DEPARTMENT,
OFFICE OF THE PROVOST MARSHAL GENERAL,
Washington, September 16, 1918.

Hon. WILLIAM P. G. HARDING,
Governor, Federal Reserve Board,
Washington, D. C.

DEAR SIR: I am in receipt of your letter of September 11, in which you ask for specific rulings in regard to the recent amendments to the selective-service regulations which prescribe certain occupations as nonproductive.

First. Employees of the Federal Reserve Board are not included within the operation of the regulations which provide for the withdrawal of deferred classification and order number of registrants found to be idlers or engaged in nonproductive occupations or employments, unless they are engaged in certain occupations enumerated in paragraphs (a) and (b) of section 121-K, selective-service regulations, a copy of which is herewith inclosed.

Second. It is not within the province of a local or district board to withdraw deferred classification or order number on the ground that the registrant is engaged in a nonproductive occupation in any case which has been excepted from the operation of the regulations authorizing such withdrawal.

Third. The findings of a local and district board are conclusive unless there is at least one negative vote in the district board and the appeal is accompanied by the written and signed recommendation of one member of the local board and either the Government appeal agent or the adjutant general of the State, in which case it may be reviewed by the President, as provided in section 121-J.

Fourth. If a local or district board reclassifies a registrant on the ground that he is engaged in a nonproductive occupation or employment, and the person, as a matter of fact, is not engaged in such nonproductive employment, the matter should be called to the attention of the adjutant general of the State for correction, or, if as outlined above, there is a negative vote in the district board, etc., it may be appealed to the President.

Fifth. A messenger should not have his deferred classification and order number withdrawn, as he is not within the provisions of section 121-K of the selective-service regulations.

With reference to occupational claims for deferred classification for employees of the Federal Reserve Board, I am sending you herewith two copies of the questionnaire, the key list of occupations, an explanatory memorandum to be inserted in each questionnaire, and an extract from the revised selective-service regulations, which states the amended rules with respect to classification on occupational grounds.

As you are aware, Congress has amended the selective service act, so that district boards now have jurisdiction to consider and grant claims for deferred classification on the ground of engagement in necessary industries, occupations, or employments, including agriculture. Under this amendment district boards may properly consider claims for deferred classification by those engaged in banking; and as with industrial claims, so with occupational claims, each case must be considered by the district board on its merits. It must be shown both that the enterprise in which the registrant is engaged is necessary, and that he is necessary to the enterprise. As stated in the explanatory memorandum inclosed herewith, all such claims should be made on the questionnaire, using Series XI, entitled "Industrial occupation." It was necessary to print the questionnaire before Congress amended the lw, so that the necessary changes could not be made therein.

This office is not fully informed as to the status of employees of the Federal Reserve Board, but if they are legally employees of the United States it is suggested that claims for their deferment might be made under the provisions for the deferred classification of necessary Federal employees, for which provision is made in Series VIII, Part A, of the questionnaire, and in section 77 of the selective-service regulations. A copy of this last-mentioned section is herewith inclosed, together with a copy of telegram B-2710 of August 20, giving further instructions with respect to the proof required in support of such claims.

Attention is invited to the fact that claims for necessary Federal employees are within the jurisdiction of the local boards; whereas the district boards have exclusive original jurisdiction of occupational claims.

E. H. CROWDER,
Provost Marshal General.
By JOSEPH FAIRBANKS,
Lieutenant Colonel, Judge Advocate.

SEPTEMBER 25, 1918.

DEAR SIR: In further reference to circular letter of September 23, 1918, on the above subject, there is inclosed herewith photostat copy of ruling of the Provost Marshal General to the effect that the act of May 18, 1917, as amended by the act of August 31, 1918, applies without distinction to the registrants of all registrations and that the district board having jurisdiction over a registrant may up to the time of induction by the local board, reopen the case previously determined and grant a deferred classification where the case on its merits entitles the registrant to such classification.

In cases where employees between the ages of 21 and 31 are necessary to the successful operation of the bank, but have been placed in class 1, the district board should be asked to reconsider their cases under authority of the ruling of the Provost Marshal General and to give them a deferred classification on the grounds of their employment.

In all such cases it will be necessary to submit the same character of proof that is required in the case of an original classification.

Respectfully,

J. A. BRODERICK, *Secretary.*

The CHAIRMAN FEDERAL RESERVE BANK.

[Copy of photostat.]

WAR DEPARTMENT,
OFFICE OF THE PROVOST MARSHAL GENERAL,
Washington, September 21, 1918.

Hon. W. P. G. HARDING,
Governor, Federal Reserve Board,
Washington, D. C.

SIR: This office is in receipt of your letter under date of September 20, making inquiry whether the act of August 31, 1918, amending the act of May 18, 1917, will apply to bank employees between the age of 21 and 31 who have heretofore been placed in Class I, who (*a*) have not been called to the military service, the finding of the local board having been appealed from and the appeal being pending before the district board, or (*b*) whose appeal has been confirmed by the district board but who has not been called.

With respect to the foregoing you are advised that the act as amended applies without distinction to the registrants of all registrations, and that the district board having jurisdiction over a registrant may, up to the time of actual induction by the local board, reopen a case previously determined, and grant deferred classification upon a finding that the registrant is actually and completely engaged in an industry, occupation, or employment, including agriculture, that is necessary to the maintenance of the military establishment, or the effective operation of the military forces, or the maintenance of the national interest during the emergency, and that such registrant occupies such a necessary status with respect thereto that he can not be replaced without direct substantial material loss and detriment to the adequate and effective operation of the same.

E. H. CROWDER,
Provost Marshal General.
By ROSCOE S. CONKLING,
Lieut. Colonel, J. A.,
Chief, Classification Division.

New Bond Legislation.

[H. R. 12923.]

AN ACT To supplement the second Liberty bond act, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That until the expiration of two years after the date of the termination of the war between the United States and the Imperial German Government, as fixed by proclamation of the President—

(1) The interest on an amount of bonds of the fourth Liberty loan the principal of which does not exceed $30,000, owned by any individual, partnership, association, or corporation, shall be exempt from graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations;

(2) The interest received after January 1, 1918, on an amount of bonds of the first Liberty loan converted, dated either November 15, 1917, or May 9, 1918, the second Liberty loan, converted and unconverted, and the third Liberty loan, the principal of which does not exceed $45,000 in the aggregate, owned by any individual, partnership, association, or corporation, shall be exempt from such taxes: *Provided, however,* That no owner of such bonds shall be entitled to such exemption in respect to the interest on an aggregate principal amount of such bonds exceeding one and one-half times the principal amount of bonds of the fourth Liberty loan originally subscribed for by such owner and still owned by him at the date of his tax return; and

(3) The interest on an amount of bonds, the principal of which does not exceed $30,000, owned by any individual, partnership, association, or corporation, issued upon conversion of 3½ per centum bonds of the first Liberty loan in the exercise of any privilege arising as a consequence of the issue of bonds of the fourth Liberty loan, shall be exempt from such taxes.

The exemptions provided in this section shall be in addition to the exemption provided in section 7 of the second Liberty bond act in respect to the interest on an amount of bonds and certificates, authorized by such act and amendments thereto, the principal of which does not exceed in the aggregate $5,000, and in addition to all other exemptions provided in the second Liberty bond act.

SEC. 2. That section 6 of the second Liberty bond act is hereby amended by striking out the figures "$2,000,000,000," and inserting in lieu thereof the figures "$4,000,000,000." Such section is further amended by striking out the words "The amount of war-savings certificates sold to any one person at any one time shall not exceed $100, and it shall not be lawful for any one person at any one time to hold war-savings certificates to an aggregate amount exceeding $1,000," and inserting in lieu thereof the words "It shall not be lawful for any one person at any one time to hold war-savings certificates of any one series to an aggregate amount exceeding $1,000."

SEC. 3. That the provisions of section 8 of the second Liberty bond act, as amended by the third Liberty bond act, shall apply to the proceeds arising from the payment of war-profits taxes as well as income and excess profits taxes.

SEC. 4. That the Secretary of the Treasury may, during the war and for two years after its termination, make arrangements in or with foreign countries to stabilize the foreign exchanges and to obtain foreign currencies and credits in such currencies, and he may use any such credits and foreign currencies for the purpose of stabilizing or rectifying the foreign exchanges, and he may designate depositaries in foreign countries with which may be deposited as he may determine all or any part of the avails of any foreign credits or foreign currencies.

SEC. 5. That the subdivision (b) of section 5 of the trading-with-the-enemy act be, and hereby is, amended to read as follows:

"(b) That the President may investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange and the export, hoarding, melting, or earmarkings of gold or silver coin or bullion or currency, transfers of credit in any form (other than credits relating solely to transactions to be executed wholly within the United States), and transfers of evidences of indebtedness or of the ownership of property between the United States and any foreign country, whether enemy, ally of enemy, or otherwise, or between residents of one or more foreign countries, by any person within the United States; and, for the purpose of strengthening, sustaining, and broadening the market for bonds and certificates of indebtedness of the United States, of preventing frauds upon the holders thereof, and of protecting such holders, he may investigate and regulate, by means of licenses or otherwise (until the expiration of two years after the date of the termination of the present war with the Imperial German Government, as fixed by his proclamation), any transactions in such bonds or certificates by or between any person or persons: *Provided,* That nothing contained in this subdivision (b) shall be construed to confer any power to prohibit the purchase or sale for cash, or for notes eligible for discount at any Federal Reserve Bank, of bonds or certificates of indebtedness of the United States; and he may require any person engaged in any transaction referred to in this subdivision to furnish, under oath, complete information relative thereto, including the production of any books of account, contracts, letters, or other papers in connection therewith in the custody or control of such person, either before or after such transaction is completed."

SEC. 6. That section 5200 of the Revised Statutes, as amended, be, and hereby is, amended to read as follows:

"SEC. 5200. The total liabilities to any association, of any person, or of any company, corporation, or firm for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed ten per centum of the amount of the capital stock of such association, actually paid in and unimpaired, and ten per centum of its unimpaired surplus fund: *Provided, however*, That (1) the discount of bills of exchange drawn in good faith against actually existing values, (2) the discount of commercial or business paper actually owned by the person, company, corporation, or firm, negotiating the same, and (3) the purchase or discount of any note or notes secured by not less than a like face amount of bonds of the United States issued since April twenty-fourth, nineteen hundred and seventeen, or certificates of indebtedness of the United States, shall not be considered as money borrowed within the meaning of this section; but the total liabilities to any association, of any person or of any company, corporation, or firm, upon any note or notes purchased or discounted by such association and secured by such bonds or certificates of indebtedness, shall not exceed (except to the extent permitted by rules and regulations prescribed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury) ten per centum of such capital stock and surplus fund of such association."

SEC. 7. That the short title of this act shall be "Supplement to second Liberty bond act."

Approved September 24, 1918.

Report of "Committee of Five."

Below are reprinted extracts from the report of the "Committee of Five" of the American Bankers' Association which was originally appointed to consider the question of domestic exchange under a resolution of September 29, 1917. The committee in question has sent its report to all members of the association, accompanied by a set of questions, designed to ascertain the views of member banks which receive them. The extracts from the report are reprinted for the purpose of giving readers of the BULLETIN as complete a record as possible of the development of the situation affecting clearings and collections:

Proceeding under instructions given by the American Bankers' Association in convention at Kansas City, Mo., September 28, 1916, and Atlantic City, N. J., September 28, 1917, the Committee of Five made a full and careful survey of the operations of the Federal Reserve clearing and collection system. It found:

1. That section 13 of the Federal Reserve Act had been amended with the view of according to all banks the privilege of making reasonable charges, under regulations of the Federal Reserve Board, to cover service and expense incurred in collecting and remitting for checks presented through any Federal Reserve Bank as agent.

2. That the Federal Reserve Board had taken no steps to prepare a schedule of charges to be allowed to remitting banks as provided for by the amended law.

3. That the Federal Reserve Banks, presumably under instructions from the Federal Reserve Board and by authority of sections 13 and 16 of the Federal Reserve Act, were making charges ranging from 1 to 2 cents per check against their respective members on checks deposited with the Federal Reserve Banks for collection.

4. That the Federal Reserve clearing and collection system as being operated was unsatisfactory, failed to provide adequate facilities and by requiring a real service to be rendered without proper compensation therefor kept many eligible banks from joining the Federal Reserve system, thus preventing a unification of the banking system.

MEETING OF COMMITTEE OF FIVE.

The committee held its initial meeting in Washington, January 15, 1918, previous arrangements having been made for a conference with the Federal Reserve Board on the following day.

The committee had at its disposal the information accumulated by the committee of 25 and the survey referred to above. After thorough consideration of all the facts it was decided to submit to the Federal Reserve Board for its consideration a plan covering a sliding scale of per item service charges, these charges to be based on the average amount of the check and arranged with due regard to the population of cities and towns and fluctuating from nothing to 10 cents per $100.

CONFERENCE WITH THE FEDERAL RESERVE BOARD.

A conference was held with the Federal Reserve Board January 16, 1918, the board being represented by its clearing committee: Messrs. F. A. Delano, Chas. S. Hamlin, W. P. G. Harding, and Adolph C. Miller. The Committee of Five was represented by Messrs. Fred Collins, cashier, Milan Banking Co., Milan, Tenn.; M. J. Dowling, president, Olivia State Bank, Olivia, Minn.; Thos. B. McAdams, chairman, vice president, Merchants' National Bank, Richmond, Va.; Thos. B. Paton, general counsel, American Bankers' Association; and Jerome Thralls, secretary, No. 5 Nassau Street, New York City.

The purpose and activities of the committee of 25 and its successor, the Committee of Five, were carefully reviewed. All angles of the Federal Reserve clearing and collection system were carefully considered and a general plan for per item service charges was outlined.

The representatives of the Federal Reserve Board stated that it would be necessary for them to confer with the other members of the Board and get the opinion of the Attorney General of the United States on certain phrases of the law before they could give the committee a definite answer. They requested that the Committee of Five name a subcommittee of two or three and have such subcommittee present to the Board, in writing, full details of its plan covering a schedule of per item service charges; also submit an opinion of the counsel of the American Bankers' Association in support of this plan.

PLAN OF PER ITEM SERVICE CHARGES SUBMITTED TO THE FEDERAL RESERVE BOARD.

WASHINGTON, D. C., *March 12, 1918.*

GENTLEMEN: In accordance with your request made at the conference held on January 16 between Messrs. Harding, Delano, Hamlin, and Miller of the Federal Reserve Board, and members of the Committee of Five of the American Bankers' Association, our committee respectfully submits the following:

1. The Federal Reserve collection system is inadequate, and is satisfactory neither to the member nor nonmember banks. It is fundamentally unsound, in so far as it attempts to build up a system of service without providing proper compensation for such service. It is not comprehensive in that it provides for the collection of items on only about one-half of the banks of the country, and it has failed to give member banks a proper collection service as an offset for the exchange lost through remitting for items at par. It is unpopular with a large majority of the member and nonmember banks of the country in that its operations, in the final analysis, have resulted in adding to the profits of large jobbers, manufacturers, and merchants at the expense of the banks. It is hindering the development of the Federal Reserve system as a whole, and the unification of the banking interests of the country.

2. The banks are entitled to reasonable compensation for their services in collecting and remitting for items and making provision for the payment of their checks at points distant from their counters; it is impracticable for banks generally at this time to so educate their customers as to require the drawer of the check to absorb these charges, but, on the other hand, it is in accord with the prevailing custom for these charges to be absorbed by the depositor of the out-of-town items, either through the maintenance of compensating balances or by the payment of a reasonable exchange or service charge. This principle has already been recognized by the Federal Reserve Board in establishing a service charge in the various Federal Reserve Banks to cover the cost of handling items deposited therein, such charges being made against the depositing banks rather than against the drawers of the checks, or the banks upon which the items are drawn.

3. The collection system as now operated by the Federal Reserve Banks has not resulted in a material reduction of clerical or other expenses of the depository banks; they are still being compelled to maintain outside accounts for the purpose of clearing their sundry items, not collectible through the Federal Reserve Banks, and to employ a large number of transit clerks for handling these items, including in several centers the maintenance of country clearing houses.

4. A collection system to be successful, should be universal, and through cooperation between the Federal Reserve Board and the American Bankers' Association, it should be possible to make the collection system practically universal, provided a reasonable schedule of service charges is adopted by the board, these charges to be made by the Federal Reserve Banks against the depositing banks and turned over to the remitting banks in accordance with such regulations as the Federal Reserve Board may prescribe.

In augurating this system, it is well to give consideration to the advisability of making the service charge allowances as liberal as possible at the outset, to be subsequently modified as actual experience may dictate.

5. Since the amount of the average item drawn varies largely according to the population of the town or city in which the drawee bank is located, it was tentatively suggested at our conference that the following schedule of service charges be adopted by the Federal Reserve Board: In our opinion, through the provisions of the law which authorize and make it the duty of the Federal Reserve Board to determine "reasonable" charges, a fair interpretation of the word "reasonable" would justify the board in fixing the varying rates according to the size of the place, as a rate which would be reasonable for a city of 50,000 would be unreasonable for one of 5,000, and vice versa.

Four cents per item in towns or cities of 3,000 population or less;

Three cents per item in towns or cities of from 3,000 to 6,000 population;

Two cents per item in cities with population of from 6,000 to 50,000;

One cent per item in cities with population above 50,000—provided no charge shall be allowed banks in cities in which are located a Federal Reserve Bank or branch thereof; provided, further, that none of the above charges as made shall exceed the maximum fixed by law, viz, 10 cents per $100 or fraction thereof.

Since the above schedule was suggested, an investigation has been made as to the average amounts of items on cities and towns of different population in the States of Virginia, West Virginia, North Carolina, and South Carolina handled through the Richmond Country Clearing Association, from which we find:

Class 1. In cities under 3,000 the items are at present averaging $60 or slightly over 16 items per $1,000.

Class 2. From 3,000 to 6,000, the items are averaging from $80, or about 12 items to the $1,000.

Class 3. From 6,000 to 25,000, the items are averaging $98, or about 10 items to each $1,000.

Class 4. Twenty-five to fifty thousand inhabitants, the items average $202, or 5 items for each $1,000.

We believe these figures may be taken as a fair basis for items on towns and cities of similar size in the various sections of the country. While there may be some variations from the above in various sections of the country and different seasons of the year, we are convinced, from our previous investigations, that the amounts of the items vary in approximately the above ratio, according to the size of the places upon which they are drawn. It would seem, therefore, that a service charge of 6 cents for class 1 and 4 cents for class 2 would provide revenue of approximately one-tenth of 1 per cent for the small country banks or those located in cities and towns of 6,000 population and less. In class 3 a charge of 2 cents per item would provide a revenue of about 30 cents per $1,000, while 1 cent per item for class 4 would equal 5 cents per $1,000.

6. The provision in the Federal Reserve Act, as originally passed, that nothing therein contained should prevent a bank from charging its actual expenses incurred in transactions of this character, is subject to a more liberal interpretation than has been placed upon it by the Federal Reserve Board. The Federal Reserve Board's ruling recognized but one of the many items of expense, viz, that of transportation charges upon currency.

7. The amendments to the Federal Reserve Act, passed in 1917, charge the Federal Reserve Board with the responsibility of fixing and allowing remitting banks reasonable compensation for their services and give the Federal Reserve Board the right to fix and determine what reasonable charges shall be made by said remitting banks upon all items received by them from any Federal Reserve Bank where such Federal Reserve Bank is acting as an agent. The provision that no such charge shall be made against the Federal Reserve Banks refers only to checks and drafts which belong to the Federal Reserve Bank as principal. * * *

The Committee of Five is anxious to cooperate with the Federal Reserve Board in working out a collection system which will be fair to the public and just to the banks, and, after consideration has been given to the various phases of the situation covered by this plan, our committee would be glad to arrange for a further conference with the board, if desired, and to render every possible service in bringing about a happy solution of the problem.

The committee feels, however, that the matter should not longer be left in abeyance and respectfully urges the adoption at an early date of a schedule of reasonable charges, as above outlined.

Respectfully submitted.

(Signed) THOS. B. McADAMS, *Chairman*,
JEROME THRALLS, *Secretacy*.

In conclusion, the committee says:

The Committee of Five is of the opinion that the law, as it now stands, definitely gives every bank and trust company in America the right to make a charge in any case not to exceed 10 cents per $100 or fraction thereof based on the total of checks presented at any one time, to cover service and expense incurred in remitting for checks presented through the Federal Reserve Banks as agents; and further, prohibits the making of any charge on checks handled by the Federal Reserve Banks in the capacity of owners.

The committee further believes that the law imposes upon the Federal Reserve Board the duty of regulating such charges and that the Board has no legal authority to deny any bank the right to make a charge for such service and expense so long as the charge is within the limit fixed by the law. It would seem that it is now clearly up to the individual bank to determine as to whether it will make a charge for the service and expense it incurs in collecting and remitting for checks sent to it by the Federal Reserve Bank acting in the capacity of agent. If the Federal Reserve Bank seeks to deny such charges it may do so through proper legal steps only. The committee believes the courts will sustain the right of any bank to make a charge. Copy of the opinion of General Counsel Paton of the American Bankers' Association sustaining the views of the Committee of Five is given herewith.

Even though sections 13 and 16 of the Federal Reserve Act as amended give the banks the right to compensation for service and expense involved in collecting and remitting for checks, both sections are ambiguous and confused and might, to the advantage of all concerned, be clarified. Appended is a suggested amendment designed to clarify the language and remove any possible doubt as to the meaning of these sections. Does the suggested amendment meet with your approval? And is it your desire that steps shall be taken to have it enacted into law—or should legislative attempts be deferred as a matter of expediency until after the war?

SUGGESTED AMENDMENT.

Amend the Federal Reserve Act by repealing the fourteenth and fifteenth paragraphs of section 16 and by amending and reenacting the first paragraph of section 13 to read as follows:

"Every Federal Reserve Bank shall receive on deposit from member banks or from Federal Reserve Banks or from the United States, current funds in lawful money and Federal Reserve notes, and for collection and credit checks and drafts drawn upon any of its depositors, and when remitted by a Federal Reserve Bank for collection and credit checks and drafts drawn by any depositor in any other Federal Reserve Bank or member bank upon funds to the credit of said depositor in said reserve bank or member bank.

"Every Federal Reserve Bank may receive—

"(a) On deposit from member banks and from the United States, Federal Reserve Bank notes and national bank notes and for collection and credit checks and drafts payable upon presentation.

"(b) Solely for purposes of exchange and collection from member banks, other Federal Reserve Banks and the United States, checks and drafts payable upon presentation and maturing notes and bills.

"(c) From any nonmember bank or trust company deposits of current funds in lawful money, national bank notes, Federal Reserve notes, Federal Reserve Bank notes and solely for purposes of exchange and collection checks and drafts payable upon presentation and maturing notes and bills, provided such nonmember bank or trust company maintains with the Federal Reserve Bank of its district a balance sufficient to offset the items in transit held for its account by the Federal Reserve Bank.

"The Federal Reserve Board may by rule fix the charge which may be imposed by each Federal Reserve Bank upon its depositors for the service of collection of checks, drafts and maturing notes and bills rendered by the Federal Reserve Bank, and shall determine and regulate reasonable charges to be made by member and nonmember depository banks for collection or payment of checks and drafts and remission therefor by exchange or otherwise in no case to exceed 10 cents per $100 or fraction thereof, based on the total of checks and drafts presented at any one time, no such charges to be made, however, against the Federal Reserve Banks upon checks and drafts drawn to the order of the Federal Reserve Banks or owned by the the United States Government.

"The Federal Reserve Board shall make and promulgate from time to time regulations governing the transfer of funds and charges therefor among Federal Reserve Banks and their branches, and may at its discretion exercise the functions of a clearing house for such Federal Reserve Banks or may designate a Federal Reserve Bank to exercise such functions.

"The Federal Reserve Board may also require each Federal Reserve Bank to exercise the functions of a clearing house for its member banks."

Membership of State Banks and Trust Companies.

On October 13, 1917, the President made public a statement calling attention to "the importance of developing to the maximum our banking power and of providing machinery adequate for meeting the very great financial requirements imposed upon our country by reason of the war." In the course of this statement the President said:

I believe that cooperation on the part of the banks is a patriotic duty at this time and that membership in the Federal Reserve System is a distinct and significant evidence of patriotism. * * * Permit me to urge that every bank officer and bank director owes a solemn obligation to the country which I am sure they wish to discharge. I therefore wish again to impress upon them my solemn conviction that they can best measure up to their duties and responsibilities through membership in the Federal Reserve System.

The accompanying tables show by districts to what extent eligible banks have availed themselves of the privilege of membership during the 12 months following this appeal from the President. It is interesting to note that, while less than 9 per cent in the number have become members of the system, the resources of this small percentage represent more than 50 per cent of the total resources of banks reported as eligible. This indicates that the larger institutions are alive to the necessity for mobilizing our resources and unifying our banking system in order to meet the increasing demands made upon our banking resources as a result of the war.

It may also be noted that the resources of the Federal Reserve Banks and the number of members have been increased to a greater extent during the last three months than during the preceding six months. The indications are that the next three months will likewise show a very decided increase in membership.

TABLE 1.—*Number and total resources of State banks and trust companies, members of Federal Reserve system, by districts.*

[Resources in thousands of dollars.]

Federal Reserve district.	Dec. 31, 1917.		May 10, 1918.		June 29, 1918.		Sept. 1, 1918.		Oct. 1, 1918.	
	Number.	Resources.	Number.	Resources.	Number.	Resources.	Number.	Resources.	Number.	Resources.
Boston	14	339,722	23	528,584	24	533,264	25	539,451	28	564,301
New York	44	2,707,541	63	3,099,215	66	3,026,540	82	3,084,551	89	3,104,110
Philadelphia	8	228,440	16	244,336	16	244,034	20	367,053	22	371,455
Cleveland	13	369,147	26	442,848	30	452,907	48	494,140	57	508,512
Richmond	14	43,804	20	60,405	20	60,313	26	81,695	31	91,263
Atlanta	20	150,656	30	180,700	38	177,031	42	200,461	45	201,672
Chicago	71	792,425	114	878,542	128	944,596	206	1,212,651	237	1,237,411
St. Louis	13	209,694	23	266,436	24	273,186	36	299,537	36	299,537
Minneapolis	16	27,527	35	46,899	40	47,127	53	60,180	59	62,948
Kansas City	9	68,099	16	79,695	16	78,632	22	83,355	22	83,355
Dallas	11	11,133	43	26,694	58	31,271	87	47,316	91	49,189
San Francisco	17	65,697	40	84,392	53	125,923	66	139,020	68	139,499
Total	250	5,013,885	449	5,938,746	513	5,994,824	713	6,609,410	785	6,713,252

TABLE 2.—*Ratio of number and total resources of State banks and trust companies which have joined the Federal Reserve system to total State banks and trust companies reported as eligible for membership on basis of capital requirements.*

Federal Reserve district.	Dec. 31, 1917.		May 10, 1918.		June 29, 1918.		Sept. 1, 1918.		Oct. 1, 1918.	
	Number.	Resources.	Number.	Resources.	Number.	Resources.	Number.	Resources.	Number.	Resources.
Boston	7.1	35.0	11.7	54.5	12.2	55.0	12.7	55.6	14.2	58.2
New York	12.4	62.1	17.7	71.8	18.5	69.4	23.0	70.7	25.0	71.2
Philadelphia	3.0	30.7	6.2	32.8	6.2	32.8	7.8	49.3	8.6	49.9
Cleveland	2.1	29.7	4.3	35.7	4.9	36.5	7.9	39.8	9.3	41.0
Richmond	2.7	9.8	3.9	13.5	3.9	13.4	5.0	18.2	6.0	20.3
Atlanta	2.6	33.8	4.0	40.5	5.0	39.7	5.6	44.9	6.0	45.2
Chicago	3.4	32.7	5.4	36.3	6.1	39.0	9.8	50.0	11.3	51.1
St. Louis	1.3	28.7	2.3	36.4	2.4	37.4	3.7	41.0	3.7	41.0
Minneapolis	2.5	7.8	5.5	13.2	6.3	13.3	8.3	17.0	9.3	17.8
Kansas City	1.0	13.1	1.7	15.3	1.7	15.1	2.4	16.0	2.4	16.0
Dallas	2.3	5.4	9.0	12.8	12.2	15.0	18.3	22.7	19.1	23.6
San Francisco	2.3	6.5	5.4	8.4	7.1	12.5	9.0	13.8	9.2	13.8
Total	3.3	37.3	5.3	44.2	6.0	44.6	8.4	49.1	9.2	49.9

TABLE 3.—*Number, capital stock, surplus, and total resources of State banks and trust companies members of Federal Reserve system on Oct. 1, 1918.*

[In thousands of dollars.]

Federal Reserve district.	Number.	Per cent of total eligible banks.	Capital.	Estimated per cent of total of eligible banks.	Capital and surplus.	Estimated per cent of total of eligible banks.	Total resources.	Estimated per cent of total of eligible banks.
Boston	28	14.2	$25,850	43.8	$53,179	49.7	$564,301	58.2
New York	89	25.0	112,364	66.1	264,477	67.0	3,104,110	71.2
Philadelphia	22	8.6	18,361	26.2	62,006	39.0	371,455	49.9
Cleveland	57	9.3	26,930	29.0	83,668	42.5	508,512	41.0
Richmond	31	6.0	8,907	17.5	15,093	19.4	91,263	20.3
Atlanta	45	6.0	15,165	27.6	25,034	22.8	201,672	45.2
Chicago	237	11.3	68,640	36.9	129,332	43.1	1,237,411	51.1
St. Louis	36	3.7	22,860	28.2	42,105	33.7	299,537	41.0
Minneapolis	59	9.3	5,582	15.1	7,400	13.5	62,948	17.8
Kansas City	22	2.4	4,675	10.9	7,686	13.0	83,355	16.0
Dallas	91	19.1	6,192	20.6	8,045	21.2	49,189	23.6
San Francisco	68	9.2	10,735	12.5	14,758	12.3	139,499	13.8
Total	785	9.2	326,261	34.0	712,783	40.9	6,713,252	49.9

83463—18——7

State Banks and Trust Companies Admitted.

The following list shows the State banks and trust companies which have been admitted to membership in the Federal Reserve System during the month of September.

Seven hundred and eighty-five State institutions are now members of the system, having a total capital of $326,360,807, total surplus of $386,534,881, and total resources of $6,727,-000,709.

	Capital.	Surplus.	Total resources.
District No. 1.			
Security Trust Co., Lynn, Mass.	$200,000	$200,000	$7,029,638
Naumkeag Trust Co., Salem, Mass.	250,000	150,000	4,670,740
Union Trust Co., Providence, R. I.	1,000,000	500,000	13,148,870
District No. 2.			
Seacoast Trust Co., Asbury Park, N. J.	100,000	75,000	1,806,605
Bayonne Trust Co., Bayonne, N. J.	200,000	150,000	3,916,189
State Bank Chatham, Chatham, N. Y.	50,000	50,000	1,582,742
Bank of Millbrook, Millbrook, N. Y.	50,000	50,000	634,850
Yorkville Bank, New York, N. Y.	200,000	400,000	9,224,896
Rockland County Trust Co., Nyack, N. Y.	100,000	25,000	2,059,290
The State Bank of Trumansburg, N. Y.	25,000	15,000	334,431
District No. 3.			
The Colonial Trust Co., Philadelphia, Pa.	270,825	270,825	3,622,066
American Bank of Commerce, Scranton, Pa.	290,356	33,470	780,379
District No. 4.			
Lodi State Bank, Lodi, Ohio	40,000	60,000	596,297
The Peninsula Banking Co., Peninsula, Ohio	25,000	4,000	213,010
The Home Banking Co., St. Marys, Ohio	100,000	20,000	888,058
Brighton Bank & Trust Co., Cincinnati, Ohio	200,000	200,000	5,756,047
State Bank & Trust Co., Richmond, Ky.	150,000	50,000	981,883
Ambridge Savings & Trust Co., Ambridge, Pa.	125,000	50,000	1,549,829
Beaver Trust Co., Beaver, Pa.	300,000	100,000	1,505,497
Federal Title & Trust Co., Beaver Falls, Pa.	200,000	25,000	1,223,535
Woodlawn Trust Co., Woodlawn, Pa.	125,000	62,500	1,658,252
District No. 5.			
Hamilton Bank, Hamilton, Md.	26,070	8,035	239,399
American Trust Co., Charlotte, N. C.	525,000	375,000	4,359,138
Bank of Darlington, Darlington, S. C.	100,000	50,000	1,251,228
Carolina Savings Bank, Charleston, S. C.	200,000	100,000	3,206,773
The Greensville Bank, Emporia, Va.	50,000	60,000	508,861
District No. 6.			
Jackson Banking Co., Jackson, Ga.	50,000	5,000	241,899
Farmers Bank, Winder, Ga.	50,000	....	237,492
American Bank & Trust Co., Savannah, Ga.	200,000	....	731,859
District No. 7.			
Capital State Savings Bank, Chicago, Ill.	200,000	20,000	1,139,955
Mercantile Trust & Savings Bank, Chicago, Ill.	250,000	50,000	3,320,190
First State Bank of Wenona, Wenona, Ill.	50,000	35,000	532,417

	Capital.	Surplus.	Total resources.
District No. 7—Continued.			
Depositors State & Savings Bank, Chicago, Ill.	$300,000	$75,000	$3,143,359
Gandy State Bank, South Whitley, Ind.	25,000	10,500	322,135
Farmers State Bank, Bargersville, Ind.	25,000	8,000	205,064
The Avoca State Bank, Avoca, Iowa	50,000	20,000	793,261
Commercial State Bank, Britt, Iowa	60,000	50,000	918,784
Citizens Savings Bank, Eldora, Iowa	50,000	15,000	228,819
Jefferson Savings Bank, Jefferson, Iowa	50,000	....	510,263
Farmers & Traders State Bank, Leon, Iowa	100,000	5,000	798,920
Lowden Savings Bank, Lowden, Iowa	25,000	12,000	385,427
Malcom Savings Bank, Malcom, Iowa.	50,000	25,000	443,737
Farmers State Bank of St. Olaf, St. Olaf, Iowa	25,000	....	194,065
Farmers Savings Bank, Barnes City, Iowa	25,000	8,000	371,588
The Home Trust & Savings Bank, Osage, Iowa	50,000	25,000	487,189
Riceville State Bank, Riceville, Iowa.	25,000	10,000	212,202
Commercial State Savings Bank, Lakeview, Mich	25,000	1,000	180,750
Farmers & Merchants State Bank, Lakeview, Mich	25,000	5,000	242,133
Farmers State Bank, Armada, Mich.	25,000	7,500	312,474
State Savings Bank, Ionia, Mich	100,000	100,000	1,450,846
Farmers & Merchants State Bank, Carson City, Mich	25,000	5,000	264,416
Elk Rapids State Bank, Elk Rapids, Mich	35,000	15,000	320,811
Commercial Savings Bank, Fenton, Mich	25,000	10,000	381,946
First State Bank, Milford, Mich	25,000	6,000	461,734
The Ullrich Savings Bank, Mount Clemens, Mich	100,000	100,000	1,368,952
Isabella County State Bank, Mount Pleasant, Mich	60,000	6,000	954,120
Traverse City State Bank, Traverse City, Mich	200,000	100,000	2,736,365
Plymouth Exchange Bank, Plymouth, Wis	100,000	40,000	1,243,517
State Bank of Plymouth, Plymouth, Wis	125,000	32,500	937,361
State Bank of Waupun, Waupun, Wis.	50,000	....	544,536
Leelanau County Savings Bank, Suttons Bay, Mich	25,000	10,000	310,516
District No. 9.			
Clarkfield State Bank, Clarkfield, Minn	30,000	20,000	844,949
First State Bank of Spring Valley, Spring Valley, Minn	30,000	30,000	520,494
Security State Bank, Noonan, N. Dak.	25,000	5,000	302,806
Little Missouri Bank, Camp Crook, S. Dak	25,000	....	298,827
First State Bank, Glenwood City, Wis.	42,000	300	282,093
La Crosse County Bank, West Salem, Wis	30,000	7,500	519,334
District No. 10.			
Guaranty State Bank, Okmulgee, Okla	100,000	11,000	1,195,144
District No. 11.			
Citizens State Bank, Richardson, Tex.	25,000	3,000	176,464
First State Bank, Royse City, Tex.	35,000	15,000	192,755
First State Bank, Leonard, Tex	50,000	5,000	308,830
District No. 12.			
Farmers and Stockgrowers Bank, Sweet, Idaho	25,000	....	145,039
Peoples State Bank, Enumclaw, Wash	25,000	6,250	334,485

NOTE.—The Clinton County Bank & Trust Co., Frankfort, Ind., has decided not to complete its membership by making payment on account of capital stock, and it is therefore not a member of the Federal Reserve system.

Fiduciary Powers.

The applications of the following banks for permission to act under section 11 (k) of the Federal Reserve Act have been approved since the issue of the September BULLETIN:

DISTRICT NO. 3.

Trustee, executor, administrator, and registrar of stocks and bonds:
Wyoming National Bank, Wilkes-Barre, Pa.
Registrar of stocks and bonds:
National Bank of Topton, Topton, Pa.

DISTRICT NO. 4.

Trustee:
First National Bank, Grove City, Pa.

DISTRICT NO. 9.

Trustee, executor, administrator, and registrar of stocks and bonds:
First National Bank, Manistique, Mich.

New National Bank Charters.

The Comptroller of the Currency reports the following increases and reductions in the number of national banks and the capital of national banks during the period from August 24, 1918, to September 27, 1918, inclusive:

	Banks.	
New charters issued to	24	
With capital of		$1,535,000
Increase of capital approved for	16	
With new capital of		2,109,000
Aggregate number of new charters and banks increasing capital	40	
With aggregate of new capital authorized		3,644,000
Number of banks liquidating (other than those consolidating with other national banks)	2	
Capital of same banks		75,000
Number of banks reducing capital	1	
Reduction of capital		150,000
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks)	3	
Aggregate capital reduction		225,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was		$3,644,000
Against this there was a reduction of capital owing to liquidation (other than for consolidation with other national banks) and reductions of capital of		225,000
Net increase		3,419,000

Acceptances to 100 Per Cent.

Since the issue of the September BULLETIN the following banks have been authorized to accept drafts and bills of exchange up to 100 per cent of their capital and surplus:

First & Security National Bank, Minneapolis, Minn.
First National Bank, Nogales, Ariz.
First National Bank, New York City.

Commercial Failures Reported.

With only 443 insolvencies reported to R. G. Dun & Co. during three weeks of September, against 681 in the corresponding period of 1917, statistics of commercial failures maintain their highly favorable showing. The statement for August, the latest month for which complete figures are available, discloses only 720 defaults for $7,984,760, as compared with 1,149 for $18,085,207 in August, 1917. Not only is the number of August failures the smallest of the present year, but so few business reverses have not occurred in any previous month back to July, 1901, and the indebtedness is the lightest of all other months since September, 1906. Comparing with last year, the August returns show a smaller number of failures in all of the 12 Federal Reserve districts, except in the ninth district, where the increase is trifling. Moreover, only in the ninth district are the liabilities larger than in August, 1917, and the expansion there of about $200,000 appears insignificant in comparison with the reductions in some other districts.

Failures during August.

Districts.	Number.		Liabilities.	
	1918	1917	1918	1917
First	86	124	$623,602	$1,498,956
Second	105	184	1,588,169	6,668,474
Third	34	52	560,510	636,050
Fourth	73	91	1,225,745	3,122,756
Fifth	31	66	398,200	501,156
Sixth	41	92	495,234	909,870
Seventh	135	165	1,342,282	1,577,130
Eighth	23	80	124,281	563,647
Ninth	38	36	374,466	171,142
Tenth	20	58	184,171	450,646
Eleventh	46	56	298,340	344,273
Twelfth	88	145	769,760	1,641,107
Total	720	1,149	7,984,760	18,085,207

Lost and Recovered Liberty Bonds.

Following is a list of lost and stolen Liberty bonds furnished this month to the American Bankers' Association.

If any of these bonds or coupons are presented, banks should write, telephone, or telegraph, collect, to L. W. Gammon, manager protective department American Bankers' Association, No. 5 Nassau Street, New York City.

FIRST 3½ PER CENT BONDS, DUE 1947.

Number.	Amount.	Number.	Amount.	Number.	Amoun
1514	$50	853646	$50	1434919	$50
1515	50	863295	50	1437300	50
3314	50	864988	50	1444429	50
12252	50	865102	50	1504830	50
12298	..	872224	50	1519602	50
72796	50	877858	50	1525232	50
79749	50	877859	50	1525233	50
129806	50	892879	50	1565639	50
147033	50	898951	50	1565640	50
148407	50	906261	50	1575326	50
148408	50	961108	50	1576534	50
148409	50	967175	50	1608676	50
148410	50	1005482	50	1622150	50
148411	50	1005483	50	1627474	50
167348	50	1005484	50	1636042	50
189843	50	1007746	50	1644758	50
205165	50	1007760	50	1644759	50
205606	50	1020175	50	1654266	50
205607	50	1037960	50	1656725	50
223012	50	1093800	50	1678358	50
263835	50	1097337	50	1758892	50
263836	50	1097359	50	1763264	50
272670	50	1099949	50	1763265	50
277544	50	1127288	50	1857639	50
294064	50	1182649	50	1914719	50
323082	50	1194845	50	1916168	50
362865	50	1219638	50	1916169	50
368760	50	1241623	50	1929145	50
371395	50	1244581	50	2078090	50
379135	50	1256008	50	2100662	50
381229	50	1256009	50	2181625	50
381231	50	1269636	50	2844811	50
381232	50	1269637	50	2850688	50
381233	50	1270924	50	3125901	50
381241	50	1305737	50	3125902	50
398607	50	1325485	50	3125903	50
412064	50	1353601	50	3689674	50
412285	50	1360660	50	3865431	50
460124	50	1360661	50	3865432	50
465493	50	1360662	50	4961859	50
474746	50	1360663	50	2136	100
478872	50	1360664	50	2186	100
483400	50	1373761	50	10717	100
536892	50	1385689	50	10718	100
540836	50	1385690	50	12298	100
562865	50	1385691	50	28414	100
569644	50	1385692	50	28415	100
569645	50	1385693	50	28416	100
569646	50	1385694	50	91270	100
627573	50	1385695	50	109664	100
634144	50	1385696	50	112341	100
652781	50	1385697	50	116029	100
659581	50	1385698	50	116030	100
690135	50	1385699	50	117486	100
697272	50	1385700	50	117487	100
697273	50	1385701	50	117488	100
726682	50	1385702	50	117489	100
738138	50	1385703	50	117490	100
741762	50	1385704	50	117518	100
741763	50	1385705	50	117519	100
768228	50	1385706	50	140140	100
807579	50	1385707	50	140141	100
812056	50	1385708	50	140142	100
812057	50	1385709	50	140143	100
812058	50	1404562	50	140144	100
812059	50	1410410	50	140833	100
833422	50	1425045	50	150449	100

FIRST 3½ PER CENT BONDS, DUE 1947—Continued.

Number.	Amount.	Number.	Amount.	Number.	mount.
151467	$100	923953	$100	53053	$500
152233	100	923954	100	53054	500
158238	100	923955	100	53055	500
167340	100	923956	100	53056	500
167341	100	923957	100	53057	500
167342	100	923958	100	53058	500
167343	100	923959	100	53059	500
167344	100	923960	100	53060	500
167345	100	923961	100	53061	500
167346	100	923962	100	53062	500
167347	100	923963	100	63038	500
167349	100	923964	100	75783	500
183519	100	923965	100	78749	500
183520	100	923966	100	79697	500
222971	100	923967	100	129063	500
223977	100	945052	100	129064	500
228978	100	954797	100	129065	500
228979	100	958292	100	129066	500
228980	100	958900	100	134655	500
229051	100	972308	100	137264	500
229102	100	972309	100	147966	500
239625	100	1007817	100	147967	500
243496	100	1007818	100	150706	500
243497	100	1022545	100	152233	500
243498	100	1022546	100	182967	500
243499	100	1022547	100	182968	500
244119	100	1022548	100	182969	500
318875	100	1022549	100	182970	500
341447	100	1042057	100	195760	500
368965	100	1046426	100	281303	500
380057	100	1050951	100	281304	500
380058	100	1061774	100	890037	500
382392	100	1092185	100	211955	1,000
382393	100	1093672	100	211956	1,000
382394	100	1093673	100	211957	1,000
460498	100	1093674	100	211958	1,000
466882	100	1124039	100	211959	1,000
469261	100	1124040	100	211960	1,000
491265	100	1127863	100	211961	1,000
530325	100	1153123	100	212081	1,000
554598	100	1159040	100	246519	1,000
554599	100	1159041	100	246520	1,000
554600	100	1169447	100	278697	1,000
554601	100	1169448	100	278698	1,000
554602	100	1220321	100	278699	1,000
567717	100	1237133	100	307130	1,000
588500	100	1240802	100	307131	1,000
597182	100	1240803	100	307132	1,000
610430	100	1240804	100	307133	1,000
610431	100	1296569	100	310121	1,000
634999	100	1305737	100	310122	1,000
675887	100	1378697	100	362255	1,000
675888	100	1379698	100	382236	1,000
675889	100	1379769	100	446311	1,000
675890	100	1381626	100	634114	1,000
675891	100	1698662	100	634115	1,000
675907	100	2589616	100	634116	1,000
675908	100	2589617	100	634117	1,000
675909	100	2589618	100	634118	1,000
675910	100	24801	500	634119	1,000
675911	100	24802	500	634120	1,000
695104	100	24803	500	634121	1,000
695996	100	24804	500	634122	1,000
695997	100	24805	500	634123	1,000
695998	100	24806	500	634124	1,000
710786	100	24807	500	634125	1,000
748389	100	24808	500	634126	1,000
748390	100	24809	500	634127	1,000
749740	100	24810	500	634128	1,000
755458	100	24811	500	634129	1,000
785414	100	24812	500	634130	1,000
795139	100	24813	500	634131	1,000
832036	100	24814	500	634132	1,000
847794	100	24815	500	634133	1,000
853433	100	24816	500	639811	1,000
865511	100	24817	500	639812	1,000
892026	100	24818	500	639813	1,000
892027	100	24819	500	639814	1,000
892042	100	24820	500	639815	1,000
905958	100	24821	500	639816	1,000
918644	100	24822	500	639817	1,000
923948	100	24823	500	639818	1,000
923949	100	35582	500	639819	1,000
923950	100	35583	500	639820	1,000
923951	100	42187	500		
923952	100	43859	500		

FIRST 4 PER CENT CONVERTED BONDS, DUE 1947.

Number	Amount.	Number.	Amount.	Number.	Amount.
28150	$50	1034646	$50	356920	$100
46532	50	1142219	50	360141	100
57931	50	1147418	50	420082	100
65979	50	1147419	50	515501	100
133460	50	1167375	50	517085	100
133461	50	1191981	50	545414	100
145824	50	1191982	50	586570	100
171375	50	1219638	50	586571	100
212066	50	1276590	50	618475	100
233460	50	1354376	50	631964	100
303338	50	1357013	50	631965	100
350797	50	1386087	50	631966	100
394995	50	1386088	50	631967	100
406382	50	1386089	50	631968	100
418448	50	1472635	50	665003	100
605202	50	1508624	50	665004	100
636096	50	1611511	50	743393	100
717285	50	1620216	50	743394	100
735974	50	1626211	50	786880	100
735975	50	1841114	50	786881	100
768278	50	1859417	50	801942	100
770449	50	1874702	50	801943	100
795482	50	1881134	50	801944	100
822990	50	1942306	50	1084586	100
876917	50	1942307	50	1261309	100
876918	50	1950218	50	49157	500
876919	50	1939916	50	72314	500
876920	50	3482287	50	88486	500
876921	50	3482288	50	95553	500
876922	50	3482289	50	131414	500
876923	50	6967697	50	180105	500
876924	50	57931	100	62244	1,000
876925	50	325682	100	139196	1,000
876926	50	139195	100	139197	1,000
876927	50	152252	100	139198	1,000
876928	50	215986	100	139199	1,000
921026	50	215987	100	139200	1,000
921027	50	215988	100	139201	1,000
962965	50	224568	100	139202	1,000
967169	50	283444	100		
1012451	50	333776	100		

SECOND 4 PER CENT BONDS, DUE 1942.

Number.	Amount.	Number.	Amount.	Number.	Amount.
11332	$50	355755	$50	638855	$50
12415	50	370442	50	639857	50
17459	50	382543	50	640352	50
17460	50	382544	50	652721	50
20712	50	391959	50	678280	50
24858	50	434160	50	716594	50
79787	50	435964	50	734318	50
97432	50	435965	50	734319	50
99126	50	436395	50	734320	50
99127	50	442746	50	734321	50
101894	50	483424	50	734322	50
111172	50	483425	50	744074	50
116889	50	490902	50	764788	50
124350	50	494473	50	764789	50
125571	50	508777	50	767986	50
149377	50	525086	50	790015	50
157140	50	525769	50	793709	50
157617	50	530081	50	793710	50
157625	50	541860	50	793711	50
160400	50	551116	50	798203	50
162719	50	551812	50	798299	50
198579	50	551813	50	800221	50
200612	50	551814	50	805075	50
211100	50	551815	50	806674	50
229646	50	551816	50	806739	50
241198	50	551817	50	806811	50
250160	50	551818	50	844930	50
256818	50	551819	50	844931	50
261512	50	551820	50	844932	50
261513	50	551821	50	844933	50
261514	50	553889	50	844934	50
288080	50	559157	50	844935	50
288094	50	560836	50	844936	50
293538	50	567493	50	874496	50
294546	50	571745	50	937730	50
294547	50	578468	50	937731	50
294548	50	580939	50	981837	50
326070	50	600196	50	1011332	50
326071	50	620221	50	1020748	50
329113	50	620223	50	1025190	50
340441	50	627038	50	1027757	50

SECOND 4 PER CENT BONDS, DUE 1942—Continued.

Number.	Amount.	Number.	Amount.	Number.	Amount.
1027758	$50	2061051	$50	199541	$100
1027759	50	2061052	50	250378	100
1027760	50	2128501	50	279846	100
1027761	50	2150140	50	358428	100
1094269	50	2195695	50	388913	100
1109200	50	2205092	50	586570	100
1113852	50	2205093	50	586571	100
1126691	50	2205096	50	659066	100
1126692	50	2205097	50	659067	100
1147031	50	2214922	50	760266	100
1180512	50	2254355	50	1035539	100
1203665	50	2301446	50	1102485	100
1209460	50	2385148	50	1183982	100
1238372	50	2411548	50	1308321	100
1240236	50	2411549	50	1308334	100
1240237	50	2411558	50	1361960	100
1243279	50	2411953	50	1436402	100
1279243	50	2411954	50	1436403	100
1284626	50	2411955	50	1548675	100
1305737	50	2440721	50	1720191	100
1312334	50	2440722	50	1806059	100
1313270	50	2441308	50	1877624	100
1313271	50	2441309	50	1877630	100
1318883	50	2441548	50	2010738	100
1319000	50	2471808	50	2010739	100
1325133	50	2651093	50	2282210	100
1325134	50	2651094	50	2282211	100
1325135	50	2720086	50	2282212	100
1325901	50	2733475	50	2589616	100
1325902	50	2814847	50	2589617	100
1325903	50	2850688	50	2589618	100
1381101	50	3150387	50	2619119	100
1381102	50	3357912	50	2643073	100
1381103	50	3357913	50	2704446	100
1411285	50	3357914	50	2798846	100
1421007	50	3482287	50	3083904	100
1421130	50	3482288	50	3216177	100
1425300	50	3482289	50	3216178	100
1512035	50	3570042	50	3293978	100
1512036	50	3723034	50	3500657	100
1541313	50	3956431	50	3500658	100
1563007	50	3973390	50	3500659	100
1577015	50	4090132	50	3500660	100
1629363	50	4090133	50	3540750	100
1629364	50	4132527	50	3606564	100
1629365	50	4368428	50	3688102	100
1629366	50	4598053	50	4286951	100
1629367	50	5207184	50	4290320	100
1666881	50	5207982	50	4290321	100
1670473	50	5256644	50	4290322	100
1771975	50	5256653	50	4290323	100
1771976	50	5346115	50	10267	500
1801893	50	5375344	50	10268	500
1801894	50	5401134	50	10269	500
1820013	50	5401135	50	10270	500
1821915	50	5465468	50	133673	500
1823789	50	5743716	50	321196	500
1825985	50	5743717	50	381465	500
1847685	50	5743718	50	381466	500
1855637	50	5743719	50	381467	500
1855638	50	6684917	50	381468	500
1862757	50	6799402	50	435407	500
1871956	50	7475844	50	435408	500
1881927	50	7626011	50	435409	500
1912023	50	99313	100	444024	500
1913188	50	116872	100	474766	500
1955565	50	116873	100	695919	500
1955566	50	116874	100	908433	1,000
2008896	50	116875	100	1304053	1,000
2046405	50	116876	100	1304054	1,000
2055510	50	116877	100	1605363	1,000
2056161	50	116878	100		
2061050	50	199540	100		

THIRD 4¼ PER CENT BONDS, DUE 1928.

14488	$50	633583	$50	1222427	$50
263166	50	656194	50	1222428	50
281966	50	705913	50	1286366	50
293982	50	705914	50	1479123	50
326240	50	835407	50	1485531	50
456590	50	835408	50	1507276	50
456603	50	1222424	50	1541238	50
456604	50	1222425	50	1680124	50
552005	50	1222426	50	1771894	50

THIRD 4¼ PER CENT BONDS, DUE 1928—Continued.

Number.	Amount.	Number.	Amount.	Number.	Amount.
1771895.....	$50	7822592.....	$50	3975532.....	$100
1777759.....	50	8201450.....	50	4121174.....	100
1777760.....	50	8459339.....	50	4934226.....	100
1936612.....	50	8789067.....	50	4934227.....	100
1936613.....	50	9270011.....	50	4934228.....	100
2001037.....	50	9934918.....	50	4934229.....	100
2255570.....	50	129408......	100	4982708.....	100
2682961.....	50	148315......	100	4982709.....	100
2682962.....	50	148316......	100	5017028.....	100
2826966.....	50	289207......	100	5060596.....	100
2826967.....	50	1196318.....	100	6491027.....	100
2988021.....	50	1196319.....	100	6570831.....	100
3073529.....	50	1196320.....	100	6570832.....	100
3077085.....	50	1196321.....	100	6570834.....	100
3091776.....	50	1196322.....	100	6570839.....	100
3116809.....	50	1219970.....	100	86821.......	500
3124928.....	50	1339758.....	100	111061......	500
3181009.....	50	1352460.....	100	142837......	500
3223613.....	50	1355982.....	100	198835......	500
3223614.....	50	1413665.....	100	198839......	500
3382137.....	50	1586009.....	100	198882......	500
3254153.....	50	1586010.....	100	205118......	500
3571458.....	50	1665709.....	100	266818......	500
3590794.....	50	1665710.....	100	285718......	500
4096557.....	50	1795514.....	100	336392......	500
5167038.....	50	1843495.....	100	664421......	500
5314393.....	50	1926693.....	100	706462......	500
6147896.....	50	2006013.....	100	74386.......	1,000
6161331.....	50	2239152.....	100	85875.......	1,000
6198361.....	50	2239153.....	100	335256......	1,000
6309358.....	50	2420726.....	100	356958......	1,000
6341699.....	50	2527873.....	100	480726......	1,000
6341700.....	50	2677878.....	100	480727......	1,000
6492806.....	50	2815837.....	100	946486......	1,000
7400551.....	50	3016364.....	100	949732......	1,000
7729125.....	50	3016365.....	100	1306178.....	1,000

Below is a list of lost and stolen Liberty bonds, which have been recovered and returned to their proper owners:

FIRST 3½ PER CENT BONDS DUE 1947.

Number.	Amount.	Number.	Amount.	Number.	Amount.
148407......	$50	263835......	$50	3865431.....	$50
148408......	50	263836......	50	10717.......	100
148409......	50	478872......	50	109664......	100
148410......	50	807579......	50	151467......	100
148411......	50	1654266.....	50	890037......	500

FIRST 4 PER CENT BONDS CONVERTED DUE 1947.

876917......	$50	876925......	$50	921026......	$50
876918......	50	876926......	50	921027......	50
876923......	50	876927......	50	1611511.....	50
876924......	50	876928......	50	1979916.....	50

SECOND 4 PER CENT BONDS DUE 1942.

1577015.....	$50	3150387.....	$50	279846......	$100
1629363.....	50	3723034.....	50	586570......	100
1629364.....	50	4132527.....	50	586571......	100
1629365.....	50	6799402.....	50	1806059.....	100
1629366.....	50	7475844.....	50	2704446.....	100
1629367.....	50	99313.......	100	474766......	500
2254355.....	50	250378......	100		

THIRD 4¼ PER CENT BONDS DUE 1928.

3382137.....	$50	1586010.....	$100	142837......	$500
6198361.....	50	2239152.....	100		
1586009.....	100	2239153.....	100		

INFORMAL RULINGS OF THE BOARD.

Below are reproduced letters sent out from time to time over the signatures of the officers or members of the Federal Reserve Board which contain information believed to be of general interest to Federal Reserve Banks and member banks of the system:

Eligibility of farmers' notes given for purchase of silos.

(To an individual.)

Referring to your letter of the 12th instant, inquiring as to the eligibility for rediscount of farmers' notes given for the purchase of silos, I wish to advise that in the opinion of the Board silos are considered to be permanent or fixed improvements, and it would require a forced construction of the act to treat paper of this kind as eligible for rediscount as agricultural paper.

SEPTEMBER 21, 1918.

Eligibility of chain of banks for membership.

(To a Federal Reserve agent.)

Receipt is acknowledged of your letter of the 15th, inclosing letter from the vice president of the ——— Bank, in which the following question is submitted for a ruling:

"Would a chain of banks having a capital of say, $100,000 be eligible for membership, and this membership extend to all its branches, or would it be necessary to have sufficient capital to cover the membership in each town as required by an individual bank?"

In reply you are advised that counsel is of the opinion that if each bank composing the chain referred to is a separate corporation, it will be necessary for each to file separate application and to have sufficient capital to entitle it to become a national bank in the place in which its business is conducted. On the other hand, if there is one corporation, with branches in other cities or towns, it will be sufficient if the capital of the parent bank is sufficient to entitle it to become a national bank in the place in which its head office is located.

AUGUST 23, 1918.

Trade acceptance.

(To an individual.)

Your letter of August 27, requesting certain information in regard to trade acceptances, has been received.

The first question submitted by you reads as follows:

"When the trade acceptance has been accepted by the person on whom it is drawn, does it become an order on the bank at which it is payable to pay the amount involved at maturity date, or does it merely authorize the bank to make payment if it so desires?"

Section 87 of the negotiable instruments act reads as follows:

"Where the instrument is made payable at a bank it is equivalent to an order to the bank to pay the same for the account of the principal debtor thereon."

The negotiable instruments law has been adopted in all of the States of the Union except California, Georgia, Maine, Mississippi, and Texas, but in Illinois, Nebraska, and South Dakota this section was omitted, and in Minnesota the word "not" is interpolated, so that the section reads "shall not be equivalent, etc." In Illinois it has been held that when a note is made payable at a particular bank or banker's, the bank or banker has no authority to apply the funds of the maker to pay the note at maturity without being so ordered by him verbally or by check or draft or other writing, although the maker may have funds there on deposit sufficient to pay it. (Wood *v.* Merchants Savings, etc., Co., 41 Ill., 247.)

Your letter also raises the question whether you would be permitted to discount a trade acceptance having a definite maturity of one year made to cover certain machines bought from you and which the purchaser found necessary to carry over to the next season. You are advised that neither notes nor acceptances having maturity in excess of 90 days can be discounted with Federal Reserve Banks.

SEPTEMBER 9, 1918.

Custody of shipping documents or warehouse receipts.

(From and to an individual.)

Section 13 of the Federal Reserve act provides in part that "any member bank may accept drafts * * * drawn upon it * * * which grow out of transactions involving the domestic shipment of goods, provided shipping documents conveying or securing title are attached at the time of acceptance."

A depositor of this bank purchases from time to time cotton seed at various points in the South and at the time of purchase orders shipment to his mills in that section. He desires to finance these shipments by acceptances to be drawn on us under the above section of the Federal Reserve act. On account of the location of the mills, it is not feasible to send the bills of lading to New York City and have them returned in time to obtain timely delivery of the goods.

Our client suggests that he will hand the bills of lading, on the day the draft is presented to us for acceptance, to our correspondent in the South, who would certify to us by letter or telegram that they are holding such bills of lading for our account.

This seems to comply with the spirit of the law, but we would like the ruling of the Federal Reserve Board before undertaking this business.

SEPTEMBER 7, 1918.

Your letter of the 7th instant was duly received and the question raised was referred to counsel, with whom the Board agrees in the opinion that "it is entirely consistent with the purposes of the act and a sufficient compliance with its terms if shipping documents are in the possession of the bank and the bank has a lien on the property represented by such documents at the time that such bill is accepted. If placed in the possession of the bank's agent and under the control of the bank such documents could clearly be considered as in the possession of the bank. * * * There would seem to be no greater reason for requiring shipping documents or warehouse receipts to be physically attached or fastened to the bill than there is for requiring other documents securing such bill to be attached or fastened." Care should, however, be taken that the documents be held for account of the accepting bank by a third party who is in no way interested in the acceptance transaction. A trust receipt of the party for whom the acceptance is made would not be looked upon with favor by the Board.

SEPTEMBER 19, 1917.

Revenue stamps on drafts drawn to finance sales of goods to Allied Purchasing Commission.

(To Federal Reserve Banks.)

The Board's attention has been called to the fact that in some districts banks are requiring revenue stamps to be affixed to drafts drawn to finance sales of goods to the Allied Purchasing Commission, while in others this requirement is not enforced by the banks.

It is, of course, desirable that the practice should be uniform. Attention is, therefore, called to the ruling of the Commissioner of Internal Revenue, published on page 614 of the July, 1918, BULLETIN, which reads as follows:

Referring to your letter of June 5 and my acknowledgment of June 10, it seems from Mr. Curtis's letter that under credit agreements conforming with the regulations of the Federal Reserve Board packers may draw bills of exchange on domestic banks against sales of goods to the Allied Purchasing Commission, such bills running for a period of time covering approximately the transit of the shipment from the interior point to the seaboard, where the goods are taken on board ship for the ocean voyage at the convenience of the Allied Purchasing Commission.

In Wm. E. Peck & Co. (Inc.) v. Lowe, decided in the United States Supreme Court May 20, 1918, which held that the income tax of 1913 was valid as applied to net income derived from sales in foreign commerce, the court has occasion to discuss the effect of the constitutional prohibition against taxing articles exported, and it referred to and distinguished certain of its former decisions on the subject. It concluded that when the tax is not laid on the articles themselves while in course of exportation the true test of its validity is whether it so directly and closely bears on the process of exporting as to be in substance a tax on the exportation. In the present circumstances it can probably fairly be said that the tax on the drafts, although they are to be paid before the actual ocean voyage begins, bears so directly and closely on the process of exporting as to be in substance a tax on it. The goods are doubtless "in course of exportation" from the time the first carrier receives them.

The same principle would seem to apply as in the case of the transportation tax. In article 31 of Regulations No. 42 rules for determining when property may be deemed to be in the course of exportation are laid down, and apparently the present situation is within their scope.

It is accordingly held that the stamp tax imposed by subdivision 6 of schedule A of Title VIII of the act of October 3, 1917, does not attach to drafts on domestic banks in connection with the shipment of articles from the interior to the seaboard, where such articles have been sold to the United States agent of a foreign purchaser for export under circumstances entitling the transportation within the United States to exemption from the transportation tax.

SEPTEMBER 16, 1918.

RULINGS OF THE DIVISION OF FOREIGN EXCHANGE.

Following are formal and informal rulings made by the Federal Reserve Board, Division of Foreign Exchange, under Executive Order of January 26, 1918, and subsequent to the issuance of "Instructions to Dealers" of January 26, 1918. The terms "person," "dealer," "correspondent," "customer," and such other terms as have a special meaning, are used in these rulings as prescribed in the Executive Order above.

Cotton brokers.

Cotton brokers do not require registration certificates unless they carry balances abroad or carry balances in this country for foreign correspondents.

Cotton brokers who may be carrying small balances on their books with foreign correspondents to provide for slight variations in shipping and receiving weights, until otherwise instructed need not take out registration certificates, provided such balances are not used to check against.

MARCH 14, 1918.

Transactions in foreign exchange by banks through domestic correspondents.

Banking institutions which come under this heading will be obliged to take out class A registration certificates, but will not be required to make reports to the Federal Reserve Board, until otherwise instructed.

FEBRUARY 11, 1918.

Banks which do all of their foreign exchange business through their domestic correspondents, and do not draw foreign exchange against the accounts of such correspondents, are customers.

MARCH 29, 1918.

Foreign dividend checks.

Beneficiaries of foreign dividend checks are obliged to execute the regular customers' statement when depositing such checks with their banks in the United States.

APRIL 2, 1918.

Travelers carrying letters of credit and travelers' checks.

Travelers leaving the country and carrying upon their person or in their baggage travelers' checks and letters of credit are not required by the customs authorities to have special licenses. When such letters of credit exceed $5,000, customs authorities have been requested to advise the Federal Reserve Bank of their district, in writing, the names of the beneficiaries and the banks issuing the credits.

APRIL 25, 1918.

Securities purchased in the open market.

In the case of securities purchased by dealers in the open market in the United States since February 20, 1918, for account of their foreign correspondents, Form F. E. 113 need not be executed in connection therewith unless otherwise instructed, provided such foreign correspondents have signed Form F. E. 114.

MAY 22, 1918.

Shipment of securities from the United States.

Dealers shipping securities out of the country should imprint their censorship stamp on the package containing the securities when sent t by mail or express. No special license from a Federal Reserve Bank is required in this connection, but proper declarations on Form F. E. 113 should be forwarded to the Division of Foreign Exchange, Federal Reserve Board, 15 Wall Street, New York City, with a report showing the changes in securities held.

Persons not holding registration certificates who desire to send securities out of the United States, must advise the Federal Reserve Bank in their district of the detail of the transaction, and must accompany such advice with declaration on Form F. E. 113, and must obtain from the Federal Reserve Bank a license authorizing the shipment.

In all cases where shipments of securities do not bear the imprint of the U. S. F. R. B. stamp, customs officers and post-office officials are instructed to require special licenses from a Federal Reserve Bank.

MAY 25, 1918.

Foreign exchange credits.

Until otherwise instructed, foreign correspondents which have filed declarations on Form F. E. 114, when drawing drafts directly upon, or making deposits directly with, a dealer in the United States, are not required to file information otherwise required with foreign exchange credits.

The order with regard to credits from foreign correspondents is particularly aimed to cover transactions made through third parties, and does not refer at all to checks which may be drawn against deposit accounts, except when such checks are themselves used as a means of credit to another foreign account.

JULY 6, 1918.

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LAW DEPARTMENT.

The following opinions of counsel have been authorized for publication by the Board since the last edition of the BULLETIN:

Rediscount of draft for railroad supplies.

Where a railroad company purchasing supplies accepts the draft of the seller and the seller or a third party to whom the draft is sold in good faith discounts it with a member bank, such draft is eligible for rediscount with a Federal Reserve Bank.

AUGUST 14, 1918.

SIR: This office has been requested to consider the question whether a draft drawn by a railroad company for the purchase price of supplies or other material and accepted by the railroad company may be discounted as a trade acceptance by a member bank, and whether such acceptance would be eligible for rediscount with a Federal Reserve Bank.

National banks are authorized under section 5136, Revised Statutes, to discount and negotiate "promissory notes, drafts, bills of exchange and other evidence of debt."

There would seem to be no question, therefore, of the right of a national bank to discount such an acceptance as a bill of exchange or evidence of debt. Whether or not such an acceptance would be eligible for rediscount under the provisions of section 13 of the Federal Reserve Act would depend upon whether the proceeds of the discount were to be used for an agricultural, industrial, or commercial purpose. This would seem to depend upon whether the acceptance is discounted by the acceptor or by the bona fide owner. If discounted by the acceptor, the railroad company, it would constitute a direct loan to the railroad company, and the question would then arise whether the railroad company had used the proceeds for a commercial purpose, or for permanent or fixed investments. In a broad general sense the use of the proceeds to purchase supplies might be said to constitute a commercial purpose, but if this test should be adopted paper which does not conform to the regulations of the Board might be treated as eligible. To illustrate by an extreme case, the customer of a bank might execute his note using the proceeds to purchase a house and this purchase might be treated as a commercial transaction. It is, of course, obvious that such an interpretation is not consistent with the spirit and purposes of the act.

In the case under consideration, however, if the railroad company, as the purchaser of a commodity, accepts the draft of the seller and the seller or a third party to whom the draft is sold in good faith discounts it with a member bank, such a draft would seem to comply with the regulations of the Board defining trade acceptances and would be eligible for rediscount with a Federal Reserve Bank.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. W. P. G. HARDING,
Governor, Federal Reserve Board.

Trade acceptances as bills of exchange drawn against actually existing values.

A trade acceptance may or may not be classified as a bill of exchange drawn against actually existing values.

The distinction is not important in so far as the limitations of section 5200 are concerned, since such a trade acceptance negotiated in good faith by the bona fide owner would be exempt from the limitations of section 5200 as "commercial or business paper actually owned by the person negotiating the same," even if it is not exempt as a "bill of exchange drawn in good faith against actually existing values."

Section 13 of the Federal Reserve Act, however, limits the amount of paper of any one borrower rediscounted for any one bank to 10 per cent of such bank's capital and surplus; and trade acceptances are subject to this limitation, unless they can be classified as "bills of exchange drawn against actually existing values."

Bills drawn by the seller against the purchaser and accepted before the sale or delivery of the goods should not be treated as bills drawn against actually existing values, since such goods are not in the possession of the drawee either in the original form or in the shape of the proceeds of their sale; except where the goods have passed out of the possession of the drawer and have been placed in storage subject to the control or order of the drawee.

AUGUST 21, 1918.

SIR: In the accompanying letter it is stated that in a recent issue of the BULLETIN there appeared the following ruling:

"Only those trade acceptances which are drawn at the time of, or within a reasonable time after, the shipment or delivery of goods sold can be treated as bills of exchange drawn against actually existing values."

I have not been able to locate this exact language in the ruling of the Board, but in substance it is in accord with an opinion approved by the Board and published on page 195 of the March, 1917, BULLETIN.

In this opinion the conclusion is reached that "An accepted bill of exchange unaccompanied by shipping documents or other such papers, may be considered as drawn against actually existing values, if drawn against the drawee at the time of, or within a reasonable time after, the shipment or delivery of the goods sold."

In this latter case there must be reasonable grounds to believe that the goods are in existence in the hands of the drawee either in their original form or in the shape of the proceeds of their sale.

It appears from the accompanying letter that the significance and purpose of this ruling has apparently been misunderstood by some of those interested in the development of the trade acceptance and some confusion of thought seems to have developed as to the distinction between a "trade acceptance," within the meaning of the Board's regulations, and a "bill of exchange drawn against actually existing values," within the meaning of section 5200, Revised Statutes, and section 13 of the Federal Reserve Act.

As pointed out in the opinion referred to, section 5200, Revised Statutes, which limits the amount that any one person may become liable to a national bank for money borrowed, contains the following proviso:

> But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed.

A trade acceptance may or may not be classified as a bill of exchange drawn against actually existing value.

If it is drawn at the time of or within a reasonable time after the sale and delivery of the goods, when there is reason to believe that the goods are in the possession of the purchaser, either in their original form or in the shape of the proceeds of sale, it may be treated as a bill of exchange drawn against actually existing value.

On the other hand, if a bill is drawn for the purchase price of goods sold, in order to convert a balance carried on open account into a negotiable instrument, such a bill, when accepted, might comply with the Board's definition of a trade acceptance, but could not be treated as bill of exchange drawn against existing value, unless drawn within a reasonable time after the sale and delivery of the goods.

The distinction is not important in so far as the limitations of section 5200 are concerned, since such a trade acceptance negotiated in good faith by the bona fide owner would be exempt from the limitations of section 5200 as "commercial or business paper actually owned by the person negotiating the same," even if it were not exempt as a "bill of exchange drawn in good faith against actually existing value."

Of course, if such an acceptance were discounted by the acceptor and not by the owner, it would be subject to the limitations of section 5200, since in that case the loan would be made to the party primarily liable on the bill and not to the owner of the bill.

The distinction in question becomes important, however, when such trade acceptances are offered for rediscount to a Federal Reserve Bank. Section 13, Federal Reserve Act, provides in part that—

> The aggregate of such notes and bills bearing the signature or indorsement of any one borrower, whether a person, company, firm, or corporation, rediscounted for any one bank, shall at no time exceed 10 per cent, of the unimpaired capital and surplus of said bank, but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing value.

It will be observed that "commercial or business paper actually owned by the person negotiating the same" is not excepted from this limitation, and unless a trade acceptance offered for rediscount could be classified as a "bill of exchange drawn against actually existing value" it would necessarily be subject to this limitation.

The question has also been raised whether bills drawn by the seller against the purchaser and accepted before the sale or delivery of the goods may be treated as bills drawn against actually existing value.

In the opinion of this office, such bills should not be so treated, since the goods are not in the possession of the drawee, either in the original form or in the shape of the proceeds of sale of such goods.

The seller has not in such case furnished to the purchaser the value out of which the draft may be paid at maturity.

A different situation would, of course, be presented if the goods had passed out of the possession of the drawer and had been placed in storage subject to the control or order of the drawee.

Respectfully,

M. C. ELLIOTT, *Counsel*.

To Hon. W. P. G. HARDING,
Governor, Federal Reserve Board.

Acceptance of drafts of Food Administration Grain Corporation.

The Federal Reserve Board has authority to permit member banks to accept drafts of the Food Administration Grain Corporation secured by some form of receipt or notation on the draft itself, signed by a trustee holding warehouse receipts covering grain stored in warehouses, identifying it as a draft secured by the grain stored.

September 16, 1918.

Sir: From the accompanying letter it appears that the Food Administration Grain Corporation proposes to purchase large quantities of this year's crop of grain and to store a considerable portion of their purchases in various grain elevators or warehouses, one of the main objects being to conserve from this year's crop a surplus against a possible shortage next year.

The corporation desires to finance this grain in part by means of bankers' acceptances and has asked for a ruling of the Board on the eligibility of acceptances made by banks under the following conditions:

1. If the accepting bank is not secured by a warehouse receipt or other such document conveying or securing title to the grain.

2. If the various warehouses receipts or other such documents conveying or securing title to the grain are lodged with a custodian who holds them as security on behalf of the various accepting banks.

First. As this is a domestic transaction, the Board is without authority to authorize a member bank to accept drafts drawn under this credit unless the bank is secured at the time of acceptance by warehouse receipt or other such document conveying or securing title to the grain. There is no discretion vested in the Board to waive this specific requirement of the statute.

Second. Following the precedent established in the American Tobacco Co. credit, the Board might permit the warehouse receipts to be delivered to a trustee or agent and to accept as a similar document some form of receipt or some notation on the draft itself, signed by the trustee, identifying it as one secured by the grain stored.

The accompanying letter calls attention to the fact that it is contemplated, however, that the grain will be moved from time to time, and for this reason it is impracticable to identify collateral for the drafts. It does not appear from the papers submitted just what procedure is to be followed when this grain is moved. The Board's regulations require that the commodities securing the drafts in such cases should be placed in the custody of some person, firm, or corporation other than the borrower. This regulation has been and should be consistently enforced. If, therefore, the plan of the Food Administration Corporation is to be tentatively approved by the Board, it should be made clear that the custodian holding the collateral can not release such collateral to the grain corporation except when other satisfactory collateral is substituted, and that the food corporation can not exercise control over the grain while it is in storage.

Respectfully,

M. C. Elliott, *Counsel.*

To Hon. W. P. G. Harding,
Governor, Federal Reserve Board.

Drafts growing out of transactions involving the importation or exportation of goods.

Drafts drawn under an agreement whereby the drawer agrees to manufacture and import into the United States in time to meet the maturity of such drafts certain products which shall have been sold by the shipper and are to be ready for immediate delivery and consigned to a firm of bankers procuring the acceptance of such drafts for the drawer are not eligible for acceptance by member banks; since they do not grow out of "transactions involving the importation or exportation of goods" within the meaning of section 13 of the Federal Reserve Act.

September 16, 1918.

Sir: It appears that a certain products company desires to arrange through a firm of private bankers, with certain member banks to accept drafts of the products company having 90 days maturity and to agree to three renewals of 97 days each, thus extending the credit for one year.

The question arises whether such drafts may be treated as "growing out of transactions involving the importation or exportation of goods" within the meaning of section 13 of the Federal Reserve Act.

According to the papers submitted the products company proposes to enter into an agreement with the private bankers to pay these bankers a commission for procuring the acceptance of certain member banks of drafts drawn by the products company. If this credit can be arranged the products company agrees with the private bankers to obtain title to and consign to such bankers or their agents, when manufactured and shipping facilities become available, quebracho extract and meat products in an amount of which 50 per cent of the proceeds thereof will suffice to fully cover all drafts drawn and outstanding under the agreement.

The products company apparently owns certain forests and pastures in South America and desires these funds for the purpose of cutting down trees and manufacturing the bark into quebracho extract and for the purpose of purchasing, fattening, and shipping cattle. In other words, the substance of this agreement is that if the banks will accept these drafts at the instance of the private bankers and that the bankers will arrange to sell such acceptances and turn over the proceeds to the products company, the products company agrees to produce or purchase and to consign to such bankers "in time to meet the maturity of each draft or its agreed renewals sufficient merchandise to equal twice the amount of the draft."

The products company further agrees that "the goods shall all have been sold by the shipper at the time of arrival for immediate delivery."

Without going into other details of the agreement the question is presented whether drafts drawn under these circumstances can be said to grow out of transactions involving the importation of goods.

The language of the statute is broad and has been given a liberal construction by the Board. From the facts submitted in this case I am of the opinion, however, that the Board would not be justified in approving the acceptance by a member bank of the drafts in question. It is obvious that the products company desires to borrow money with which to carry on its operations in South America, and in consideration of a loan being made to that company it is agreed that at some future time it will manufacture and import into the United States quebracho extract and meat products.

If the Board should rule that drafts drawn under these circumstances could be treated as drawn "in a transaction involving the importation of goods," it would follow that a domestic corporation engaged in business in the United States might in any case arrange for member banks to accept its drafts upon executing an agreement that it would use the proceeds to manufacture or purchase goods intended ultimately for export.

It is, of course, obvious that if this ruling is adopted the requirement of the statute that such drafts should grow out of transactions involving the exportation or importation of goods would have little meaning.

The Board's regulations require that the person for whom the draft is accepted must have "a definite bona fide contract for the shipment of the goods involved within a specified and reasonable time." The present case does not meet this requirement. To modify or relax this requirement would be to establish a very dangerous precedent. It is no doubt true that the products to be imported are very necessary and that it is desirable from the standpoint of public interest that some arrangement should be made to finance the transaction involved, but in the opinion of this office the drafts in question could not consistently be classified as having been drawn in a transaction involving the importation of goods within the meaning of that language as used in section 13, and in the absence of shipping documents and warehouse receipts securing such drafts they could not be accepted as drawn in a domestic transaction.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. W. P. G. HARDING,
Governor, Federal Reserve Board.

Stamp tax on trade acceptances.

The following ruling has been made by the Deputy Commissioner of Internal Revenue as to who should affix the revenue stamps to trade acceptances:

TREASURY DEPARTMENT,
Washington, September 13, 1918.

GENTLEMEN: Answering your letter of the 27th ultimo received by reference from the Federal Reserve Board, you are advised that the drawer, as the person "who makes, signs, or issues" a trade acceptance, should affix and cancel stamps covering the tax required thereon under subdivision 6, schedule A, act of October 3, 1917.

There is nothing in the law, however, that would prevent the acceptor from affixing the requisite stamps to a trade acceptance and agreeing with the drawer of the draft as to which of the parties would ultimately bear the expense.

Respectfully,

B. C. KEITH, *Deputy Commissioner.*

Stamp tax on promissory notes.

The following ruling as to the taxability of renewals of promissory notes under the act of October 3, 1917, has been rendered by the Solicitor of Internal Revenue:

TREASURY DEPARTMENT,
Washington, September 17, 1918.

DEAR SIR: Replying to your inquiry of the 30th ultimo, with respect to the application of the stamp tax imposed by the act of October 3, 1917, upon promissory notes, to promissory notes renewed by indorsements, there are inclosed herewith two copies of T. D. 2265. This decision was issued under the act of October 22, 1914, but the rule laid down therein is being applied to the existing statute.

Respectfully,

(Signed) ARTHUR A. BALLANTINE,
Solicitor of Internal Revenue.

(T. D. 2265.)

EMERGENCY REVENUE LAW.—RENEWALS OF PROMISSORY NOTES.

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER
OF INTERNAL REVENUE,
Washington, D. C., November 22, 1915.

SIR: In response to your communication of the 16th instant, you are advised that a promissory note issued prior to December 1, 1914, and renewed or extended after that date would be taxable under the act of October 22, 1914. (See T. D. 2170.)

With respect to what constitutes a renewal of a promissory note, this office has made the following ruling:

"A written agreement, either attached or unattached to a promissory note, or in the form of an indorsement on the note, such as 'Renewed' or 'Extended' to a certain date, evidencing payment and acceptance of interest in advance to a time certain, subsequent to maturity, constitutes a renewal of the note and is subject to tax as such under the above act."

On the other hand, part payment of a note after it has become due, or payment of accrued interest after maturity, the note being allowed to run, and the holder neither losing nor postponing his right of action, is merely in the nature of a forbearance, and is not taxable under said act as a renewal.

Respectfully, DAVID A. GATES,
Acting Commissioner of Internal Revenue.

Amendments to Georgia banking laws.

An act of the General Assembly of Georgia, approved August 20, 1918, provides that banks and trust companies chartered under the laws of the State, which join the Federal Reserve System, shall be subject to the reserve requirements of the Federal Reserve Act instead of the reserve requirements of the State law; provides for the examination of such bank and trust companies by the Federal authorities and for the acceptance of such examinations by the State authorities in lieu of those required under the State law; and authorizes the State authorities to disclose to Federal authorities information as to the condition and affairs of State banks and trust companies becoming members of the Federal Reserve System.

The act reads, in part, as follows:

SECTION 1. Be it enacted by the General Assembly of the State of Georgia, and it is hereby enacted by authority of the same, that any bank or trust company organized under the laws of this State which is or which becomes a member of a Federal Reserve Bank shall keep and maintain as a lawful reserve the same reserves as are required of other banks members of the Federal Reserve System, and a compliance by any such bank or trust company in this State with the reserve requirements of the Federal Reserve Act shall be held to be a full compliance with the provisions of the laws of this State on the subject of bank reserves, and such bank or trust company shall not be required to carry reserves other than such as are required under the terms of the Federal Reserve Act.

SEC. 2. Any bank or trust company chartered under the laws of this State and doing business therein which becomes a member of the Federal Reserve System shall be subject to the examinations required under the terms of the Federal Reserve Act by the proper officers thereof, and the authorities of this State having supervision over such banks or trust companies may in their discretion accept such examinations in lieu of the examinations required under the laws of this State; provided, that the fees for examination of banks under this act shall be paid to the State bank examiner as now required by the laws of this State.

SEC. 3. Be it further enacted that the authorities of this State having supervision over such banks or trust companies may in their discretion furnish to the Federal Reserve Board or the Federal Reserve Bank of which any bank or trust company in this State may become a member, or to the examiners duly appointed by the Federal Reserve Board or such Federal Reserve Bank, copies of all examinations made of banks and trust companies becoming members of the Federal Reserve System, and may disclose to such Federal Reserve Board, or to such Federal Reserve Bank or such examiners, in their discretion, any information with reference to the condition or affairs of such banks or trust companies as become members of the Federal Reserve Bank in this State.

SUMMARY OF BUSINESS CONDITIONS, SEPTEMBER 23, 1918.

District.	General business.	Crop condition.	Industries of the district.	Construction, building, and engineering.	Foreign trade.	Money rates.	Railroad, post office, and other receipts.	Labor conditions.
No. 1—Boston	Good	Good	Busy	Very quiet except on Government work.	Increased over last year.	Steady at 6 per cent.	Increase	Scarce, especially farm help.
No. 2—New York	Continues very active.	Cereals good, except corn.	Intensified activity to meet expanding Government program.	Government construction heavy; other light.	Balance of exports over imports increased 22 per cent over July, 1917.	Very firm	Post office returns increase 25.26 per cent over 1917; railroad net earnings increase over last year.	Continued scarcity.
No. 3—Philadelphia.	Good	Good	Busy	Very little building		Firm	Increasing	Supply of labor short.
No. 4—Cleveland	do	Satisfactory	Production at maximum.	Very quiet		Very firm	Increase	Demand exceeds supply.
No. 5—Richmond	Continues very active.	do	Limited only by supplies and labor.	Practically confined to Government work.	Restricted by shipment.	Very active demand; 6 per cent.	Railroad, improvement; post office, volume large.	Somewhat improved; in demand; high wages.
No. 6—Atlanta	Good	Fair to good	Operating full capacity.	Dull	Dull	Slight increase	Increase	Unsatisfactory.
No. 7—Chicago	do	Good	Essential industries busy.	do		Steady	do	Scarce and restless.
No. 8—St. Louis	do	Fair	Active	do		Firm	Increase in postal receipts.	Good demand.
No. 9—Minneapolis.	do	Harvesting returns excellent.	Very active	Slow		Very firm	Little change	Fair to good.
No. 10—Kansas City.	do	Fair	Active	Limited		Firm		Improved.
No. 11—Dallas	Satisfactory	Fair, except in western Texas.	Active; operations limited by shortage of labor and materials.	Inactive	Fair	Steady to firm	Railroad receipts increased: post office receipts increased.	Unsatisfactory.
No. 12—San Francisco.	Active	Good	Active	Increase in industrial centers; elsewhere inactive.	Increasing	Unchanged	Postal receipts increased.	Demand exceeds supply.

GENERAL BUSINESS CONDITIONS.

There is given on the preceding page a summary of business conditions in the United States by Federal Reserve districts. These reports are furnished by the Federal Reserve agents, who are the chairmen of the boards of directors for the Federal Reserve Banks of the several districts. Below are the detailed rereports as of approximately September 23:

DISTRICT NO. 1—BOSTON.

A canvass of the important centers in New England during the past month confirms the opinion that business as a whole is good, and that industries engaged on war orders are as busy as labor and supplies of material will permit. The public generally is making preparations for the fourth Liberty loan, with indications that the offering will meet with generous response. The people are thoroughly aroused to the needs of the country, and a fixed determination to conduct affairs so each can do his individual share is everywhere apparent.

The period of transition from peace to war work is practically over, and business is settling into the new routine. The adjustment of labor offers an interesting study. In some communities, especially in the country, many local people, who for one reason or another have not previously been large earners, are now employed in newly established shipyards. Their wages are spent freely, and are a source of benefit to local merchants, although banks are having loans paid which have been running for years. Pay rolls continue to increase. In a textile city one bank shows that in August, 1918, it required nearly twice the amount needed in August, 1916, to pay an equal number of men. This community, too, is prospering through the liberal expenditures of workmen.

Sections having no war industries are feeling the reflection of general business activities in other places, and this is indirectly helping their local condition. A comparison of business in the large centers for the past summer period discloses the volume in dollars as well sustained, although in many cases the number of articles sold decreased.

Labor of all kinds is scarce, this being particularly true of farm help. Building, except for Government needs, is practically at a standstill, with contractors and allied lines trying to keep their organizations together until after the war.

The money market remains on a fixed basis, with a nominal rate of 6 per cent quoted for practically all kinds of paper, regardless of date or name. Prime banks' acceptances, 90 days to run, are quoted at $4\frac{1}{4}$ per cent to $4\frac{5}{16}$ per cent, while loans on Liberty bonds are being made at $4\frac{1}{4}$ per cent to $4\frac{3}{4}$ per cent. The policy of credit conservation is being followed everywhere. Banks are able to care for the legitimate needs of their customers but are restricting those engaged in less essential industries. Rates are not a consideration in making loans and borrowers who would willingly pay higher than existing rates for money for less essential purposes are being curtailed so that necessary industries may be given required accommodation.

The weather during the month of August was very favorable for maturing crops. Grain yields generally promise high averages; corn has made fair improvement, while potatoes where dug are yielding well. Garden crops are generally good and are maturing early. As the fruit orchards were damaged last winter, the yield of winter apples is light but the quality is fair. Fall apples are more plentiful.

A recent frost did considerable damage through the northern and central portions of the section, corn being particularly affected in Maine, New Hampshire, and Vermont. Only light frosts occurred in the southern section, with no damage resulting.

The boot and shoe industry is busy, with factories running as full as conditions will permit. Leather prices on the whole are firm. Especially heavy Army and Navy contracts have been awarded and these will absorb large quantities of material. Civilian trade is somewhat unsettled, due to the impending regulations from Washington restricting styles.

Cotton mills are extremely busy, being sold as far ahead as the managements care to accept orders. Under present conditions manufacturers are unwilling to commit themselves to new contracts, not knowing how large will be the Government requirements for the ever-increasing Army or how badly they will be affected by the loss of skilled workmen in the draft. What few new orders mills are accepting are from old customers and more a matter of accommodation than of business. Cotton has advanced materially since the present prices were fixed and manufacturers, even if in a position to accept new contracts, would rather hold goods than sell until after the prices are revised October 1.

Woolen and worsted mills are running at capacity. Each month shows a larger percentage devoted to war orders until on September 2, according to the National Association of Wool Manufacturers, over 57 per cent of the woolen spindles and 62 per cent of the worsted spindles were engaged on this work. Wool dealers are handling wool on a commission basis for the Government and no wool has yet been allotted for civilian trade. The Government has named two representatives to purchase wool in South America, superseding the syndicate appointed some time ago.

Boston Clearing House figures compare as follows:

	Sept. 14, 1918.	Sept. 7, 1918.	Sept. 15, 1917.
Loans and discounts	490,167,000	494,005,000	451,491,000
Demand deposits	428,494,000	429,883,000	365,822,000
Time deposits	15,682,000	15,914,000	29,929,000
Due to banks	114,202,000	112,822,000	121,412,000
Exchanges	279,000,840	[1] 244,152,983	240,342,095

[1] Five days.

Building and engineering operations in New England from January 1 to September 11, 1918, amounted to $118,367,000, as compared with $147,973,000 for the corresponding period of 1917. It is estimated that between one-third and one-fourth of this amount is due to Government building operations.

The receipts of the Boston post office for August 1, 1918, show an increase of $142,809.15, or about 21 per cent, more than August, 1917. For the first 15 days of September, 1918, receipts were about 8 per cent, or $29,791.40, more than for the corresponding period of last year.

DISTRICT NO. 2—NEW YORK.

While there is great activity in most of the principal industries of this district, war work is more and more the dominating influence, with private enterprises everywhere subordinated to the needs of the Government. In mercantile channels there has been a decided lessening of quantity and variety of goods available for civilian uses, and merchants are increasingly cautious. In the industrial field, though mounting costs of production are narrowing profits, there is general prosperity. Collections are reported good.

Labor.—The labor problem, complicated by the extension of the draft, gives concern to many interests. From manufacturing centers, both in the northern part of the district and in New York City and vicinity, there is constant complaint of shortage of unskilled and semi-skilled labor. Community boards composed of representatives of the Government, of employers, and of employees, respectively, are being organized in the districts by the United States Employment Service, and the transfer of labor to the more essential occupations has already begun. Notwithstanding handicaps, New York State manufacturing plants show a gain of 6 per cent in the number of workers as compared with July, 1917, the metal group alone reporting a gain of 19 per cent. The total wages paid were 36 per cent above those of July last year.

Merchandising.—Sales of clothing, at retail, show the usual autumn revival. Sales at auction in the fur trade have been in large volume at extraordinarily high prices. Chain stores are very prosperous. Mail-order business is reported heavier than last year. Retail trade is generally active, but with scarcity of goods in various lines apparent.

Iron and steel.—Attention in the iron and steel industry is centered on the question of prices for the fourth quarter. Users of pig tin have been deferring active purchases, awaiting the determination of the price at which tin is to be distributed under the international pooling arrangement recently announced.

Coal.—Anthracite receipts are slightly improved. Bituminous deliveries, though coming in steady volume, are inadequate to meet demand, and concern as to winter supply is generally expressed.

Textiles.—Fully 50 per cent of the current production of cotton, wool, and knit goods is under Government contract, and the balance, consisting largely of cotton materials in process of manufacture, is not being released by the mills pending the determination of a new schedule of prices to take effect October 1. Wool is being allocated to the mills in amounts sufficient to fill Government orders only, and there is some uncertainty as to how much raw material will be available for civilian use.

Building.—The F. W. Dodge Co. estimates that building contracts actually awarded in

New York and northern New Jersey for the month of August amounted to $24,734,000, less than 3 per cent under the figure for August a year ago. The estimate for the first eight months of 1918 is $181,322,000, as compared with $212,238,000 for the same period last year, a decrease of approximately 14 per cent. Of the total, it is estimated about 30.9 per cent now represents Government work.

Building permits issued in New York City are 6 per cent under the total for August, 1917, and the Borough of Brooklyn shows an increase of 17 per cent attributed primarily to governmental activity. Close supervision of ordinary construction is assured by a permit system instituted by the War Industries Board on September 6.

General manufacturing.—The action of the War Industries Board, on September 9, in classifying industries as to priority in allotment of materials, has further limited the use of materials and labor to war work. Several large automobile manufacturers have announced their intention to discontinue production of pleasure cars.

Wholesale dealers in metal products have difficulty in replenishing stocks, even when placed on a priority list under agreement to sell only to concerns engaged in war work.

The market for drugs and chemicals is comparatively quiet outside of Government demand, with prices so firm as to be in some cases nominal.

Agriculture.—Shipments of grain and undergrades of dairy products, particularly eggs and fresh-killed poultry, have been heavy, but receipts of both butter and cheese have been lighter than in 1917. The Food Administration order that 60 per cent of all creamery butter in storage August 1 should be reserved for Government use was followed by a vigorous upward movement in price.

With the exception of corn, cereal crops throughout the State are bountiful, the yield of wheat in some sections being estimated at 47 bushels per acre.

Banking conditions.—The banks of the district and the Federal Reserve Bank have during the month shown increases in loans and investments, due partly to seasonal causes, including the movement of the heavy grain crop from the Northwest, in part to the heavy subscriptions to certificates of indebtedness in anticipation of the fourth Liberty loan, and also to movement of funds from this district to other districts through the gold-settlement fund. Reports of New York State savings banks as of July 1, 1918, show that their deposits were somewhat larger than on the corresponding date a year ago, as dividends credited slightly more than offset a $72,000,000 excess of withdrawals over deposits during the year.

Corporate financing.—Incorporations in the Eastern States in August decreased 69 per cent in amount as compared with a year ago, and new securities offered by railroad, industrial, and public-utility companies amounted to only $86,614,000, against $160,855,000 in July of this year and $161,781,000 in August, 1917. The request of the Capital Issues Committee on September 9, that offers to the public be postponed until after the fourth Liberty loan campaign, resulted in general absence of new security issues on the market in September.

Interest rates.—The volume of commercial paper outstanding continues approximately the same as during August, and the customary rate remains at 6 per cent. Prevailing rates for bank acceptances were 4¼ per cent and for time paper secured by United States bonds and certificates 4½ to 5 per cent. Other time paper rules at 6 per cent. Six per cent was the prevailing rate for call loans on mixed collateral, with the supply of funds limited.

Securities.—Stock prices have tended slightly downward, and bond prices have been fairly steady. Liberty loan issues advanced slightly, following the recommendation of the Secretary of the Treasury to Congress for their partial exemption from income tax under certain conditions.

DISTRICT NO. 3—PHILADELPHIA.

General conditions throughout the district continue favorable, trade in most lines surpassing last year's records. An excellent fall business is expected, as the working classes are in receipt of good wages and there is an inclination on the part of the public to anticipate a further rise in the prices of goods.

Manufacturers in all important lines are operating to the fullest extent permitted by the available supplies of materials and labor.

Retailers report a steady demand for all kinds of staple commodities, but they are experiencing increasing difficulty in obtaining sufficient merchandise to meet the requirements of their customers. Retail distributors of women's wearing apparel are doing a large business, the demand for high-class goods being greater than ever before.

Wholesale dry goods houses report the receipt of large orders, but in some instances actual sales have been running behind last year owing to the physical impossibility of getting out orders due to the deficiency in the supply of labor. Collections are said to be very good, and the fall and winter outlook is excellent.

The transportation situation continues to show improvement. Total freight car movements over the Pennsylvania Railroad, during August, at Lewistown Junction amounted to 207,088 cars, compared with 210,575 in July (the record figure) and 173,932 during August, 1917. Eastbound bituminous coal increased 34.9 per cent, compared with August of last year; miscellaneous westbound fell off 30 per cent.

It is estimated that if the coal production can be maintained at the average level of the last three months during the rest of the year, requirements will have been met. Anthracite operators and miners are working most industriously to meet the emergency. This is indicated by the statement of shipments for the month of August as reported to the Anthracite Bureau of Information which established a new high record for that month, the quantity sent to the market being 7,180,923 tons, compared with 7,084,775 in July and 166,927 tons in excess of the shipments for August, 1917. Total shipments for the first five months of the present coal year beginning April 1, 1918, have amounted to 34,388,986 tons, compared with 33,297,109 tons for the corresponding period last year, a gain of a little over 3 per cent.

Bituminous production is being maintained at a high tonnage, but is not sufficient to allow any margin of safety over the demands as estimated by the Fuel Administration.

Production of steel during August was about 80 per cent of capacity, the falling off being due chiefly to the unusually hot weather.

The raw cotton market has been unsettled by the price-fixing plans. The demand for cotton yarns by mills engaged on Government work is greater than the supply. The Government has entire control over the wool business.

Hosiery and underwear mills are busy. The Government needs for hosiery have been well taken care of; mills can now work on civilian trade, but it is said that they hesitate to take advance orders for this class of business, fearing they will be unable to obtain fuel and materials which are readily furnished to concerns doing Government work.

The chemical market has been fairly active. Dyestuffs are in excellent demand. Manufacturers of paint report that a satisfactory business is being done with the various Government departments, and the outlook is for increasing orders from these sources. Domestic consumption of painting materials continues disappointing, due to the curtailment of building operations.

Advices from Lancaster County indicate a remarkable growth in tobacco during the past month, and the crop is pronounced both by growers and packers as unusually fine in quality. Buyers, however, are holding back, expecting a break in prices on account of the large increase in the number of pounds on hand. Labor troubles are being somewhat relieved by the use of a new machine for making cigars.

The commandeering by the Government of 60 per cent of the butter in cold storage resulted in considerable competition by dealers for supplies of butter, and prices rose rapidly.

Money rates have remained firm, being quoted at 6 per cent. Banks are buying little or no paper from brokers and loans are being closely scrutinized.

Discount operations at the Federal Reserve Bank during August exceeded previous records, total loans and discounts amounting to $165,420,382, of which 67 per cent were notes secured by Liberty bonds or certificates of indebtedness. Acceptances purchased amounted to $4,432,670.

DISTRICT NO. 4—CLEVELAND.

Business conditions in the Fourth Federal Reserve District have undergone very little change during the past month. There is more or less complaint about the shortage of labor, but business generally seems to be adjusting itself to new conditions and to be getting along with facilities which at one time would have appeared entirely inadequate. In fact, it is rather astonishing to note the readiness and apparent ease with which manufacturers, merchants, and individuals are conforming to Government requirements.

Agriculture.—In nearly all sections of the district the crops are fairly well harvested and are very satisfactory. Corn has been greatly benefited by the recent rains. The crop looks very promising, and in many localities the quality is much better than last year's crop.

The oat crop proved to be particularly good. Fall plowing for wheat is now under way, and it is believed that a very large crop will be put in.

Recent rains have benefited the tobacco crop very much, and it gives promise of being one of the largest and best crops ever raised. The exceedingly cool weather has made planters somewhat uneasy about an early frost, but it is hoped that the crop will be housed before the frost overtakes it.

Fall grass is probably better than it has been for years, a condition which has been very helpful to cattle feeders, who are shipping cattle very rapidly and obtaining high prices therefor.

Manufacturing.—Concerns engaged in the manufacture of essentials seem to find it less difficult to obtain a reasonable amount of raw materials, and their labor difficulties are not as numerous as they were a few months ago.

The Government has made such demands upon the steel manufacturers, as well as other producers, for war supplies, that practically everything in the steel line is being devoted to munitions and ships. In the Pittsburgh district the steel mills are operating at capacity, and during the past month they have apparently been making up a large part of the loss which naturally occurred during the extremely warm weather.

The pottery business continues good, and the sand and brick business shows considerable activity.

Fuel.—The demand for coal is exceptionally strong. The output by many companies is below that of a year ago owing to the number of men who have joined the colors. Mining is being pushed through southern and eastern Ohio, and every effort is being made to get the coal to the Northwest before navigation closes on the Great Lakes. Ohio coal roads have been pushed to the limit to take care of the coal for lake trade. While there has been some storing of coal by manufacturers, reports from all sections indicate that unless there is a speeding up of this class of business there will be a scarcity of coal in many localities.

Labor.—There has been little if any relief of the labor shortage, but the shifting of workers from place to place is being checked to some extent by the United States labor and employment officials.

During the week of September 9 12 breweries in the Pittsburgh district closed for the duration of the war, thus turning considerable labor into essential channels.

Employers are at a loss to know just what the effect of the 18-to-45 draft will be with reference to their organizations. While exemptions will be asked in some cases, the general feeling among business men and manufacturers is that the winning of the war is paramount and that nothing not directly connected therewith ought to impede the Government program.

Women are gradually taking the places of men in offices and banks and in factories where the work is comparatively light.

Transportation.—There has been a decided improvement in transportation conditions. Congestion is very much less marked at terminals, indicating a freer movement of freight. Lake transportation is being taxed to its utmost capacity to insure the delivery of as much material and fuel as possible before navigation closes.

Mercantile business.—Mercantile concerns report good business and, although they are still somewhat hampered by inability to obtain goods from the mills, the condition in this respect is considerably better than it was last month. Those with good records for prompt payment and good credit at bank seem to have less difficulty than heretofore in obtaining goods promptly. Terms are shorter and trade discounts are being discontinued in many instances.

Retail stores say that business is good, although there is a continued tendency on the part of consumers to purchase cheaper and more stable articles.

Collections.—Collections are good, indicating from a jobber's standpoint that retail merchants are adjusting themselves to conditions requiring additional capital.

One large manufacturer reports payments for the current month of 104 per cent of shipments, and out of a total of $13,000,000 collected less than $500,000 was accepted in paper. These figures are believed to be fairly indicative of the situation generally. Failures continue to decrease and but little complaint as to payments is heard.

Post-office receipts in all of the nine principal cities in the district show a substantial increase over last year's figures.

Money and investments.—In anticipation of the largest Liberty loan yet to be floated, the extent of the over-subscriptions to the later issues of Treasury certificates is believed to have stabilized the money market. In consequence little disturbance is expected when subscriptions are paid. Money, however, continues scarce and member banks make liberal use of the rediscount privilege.

Trade acceptances are growing in favor and have greatly facilitated the movement of staple commodities in the process of their distribution.

Governmental requests and unusual demands work together to restrain banks from loaning to other than essential commercial enterprises, and there is a hearty spirit of cooperation exhibited by both bank and customer.

Building.—Practically the only building being done is that of dwellings for workmen and additions to plants engaged on war work.

DISTRICT NO. 5—RICHMOND.

Demand for Government uses have been the feature in trade activities throughout the district during the month, and this demand is increasing. To shorten the period of exposure for our boys at the front as much as possible is the endeavor of all, and in building up at home our great military machine, the feeling is growing that their work should be accomplished thoroughly and without unnecessary delay.

Except for Government work and housing, building in the district is very inactive and real estate transactions at a minimum. Collections are reported generally good and 1918 failures in the fifth district for the corresponding months (January to September) of last year show a decrease of 66 per cent in number and 77 per cent in volume. Bank clearings show a largely increased volume for the month as compared with the corresponding month of last year. Postal receipts also show an increase.

Crops have shown improvement as harvesting nears, though considerable damage has resulted from heat, drought, and hail storms. Cotton has perhaps suffered most, and the outlook is not as favorable as a month ago. While the conditions appear unfavorable for quantity, under good weather conditions the crop can be gathered free from dirt or stain, and at the present prevailing price almost any shortage in volume will be overcome to the producer by the enhanced price. Tobacco is good and the prices in the Virginia markets are higher in comparison than the earlier sales in the Carolinas, Virginia now averaging around 40 cents, with the largest crop for years. There is a fair crop of fruits and vegetables of rather inferior quality, though canning industries report thus far satisfactory operations.

Wholesale trade in staple commodities is exceptionally good, though shorter terms are indicated and advance sales curtailed. The question of delivery, both by manufacturers and by transportation companies, is affecting retail trade, though rail deliveries continue to show marked improvement.

Shortage of labor is reported generally throughout the district, and while by no means satisfactory in efficiency this condition is better than it has been for several months past. There has been less shifting of labor than heretofore, attributable perhaps to the effectiveness of the policy inaugurated by the Government of discouraging labor from leaving employment in one section to seek it in another.

Plans for the fourth Liberty loan are completed.

DISTRICT NO. 6—ATLANTA.

Business conditions throughout the district show little change with preceding month, except that the shortage of experienced help in all lines is causing a slight decrease in production, with corresponding increase in costs. Vacancies in clerical lines are being filled by women not heretofore engaged in the commercial world.

Until the question of cotton price fixing is disposed of there will remain an element of uncertainty both with the producer and the buyer, and coming as this does at marketing time it is likely to further disturb prevailing conditions. The favorable cotton - picking weather has largely offset the labor shortage. Gins are operating on full time on the days allowed by the Fuel Administrator but can not keep up with the ginning, as producers invariably sell on a fair market sufficient bales to acquire some ready cash and pay for additional picking. Wages for pickers run as high as $1 per 100 pounds, and planters will probably have to pay more before the crop is gathered. Second growth has started, but with the deterioration of the past 30 days prospects for a top crop are very slight. The corn crop will approximate that of last year, with sufficient peanuts and velvet beans to more than feed the hogs and cattle. The brightest feature of the situation is that where cotton is worst corn and velvet beans are best. There has been considerable increase in Irish and sweet potatoes, with an apple crop reported good.

The condition of the orange crop remains unchanged from a month ago, but is well above the average condition for a number of years. Reports indicate that the citrus crop as a whole will ripen somewhat earlier than in former years.

Since the beginning of the war the production of the castor bean has grown to be a factor in north Florida farming. This year's crop is ripening rather slowly, though up to the present time one of the largest hulling plants of the section has handled about 400,000 bushels, with an estimated value to the farmer of $1,200,000.

Sirup crops are below average, and it is too late to make a crop equal to that of last year. Sirup manufacturers report outlook for fall and winter business as good, with high prices indicated. On account of the scarcity of sugar, consumers are using a good deal of sirup for "sweetening," and the manufacturers are having more business at present than they can take care of, on account of the scarcity of labor and inability to get box material.

The tobacco crop of southeast Georgia is reported good and is about harvested. Tennessee reports an estimated tobacco crop of 53,000,000 pounds, as compared with 81,000,000 pounds last year. Cutting and housing is progressing under favorable conditions.

Production of wool in Tennessee shows an increase of 10 per cent over last year.

Cotton-oil mills report their line of business in a rather uncertain state, due to consideration of price fixing of cotton seed and cottonseed production, as the deterioration in the crop will cut short their supply of raw material.

Flour mills are reported as running less than 30 per cent of their normal capacity, indicating that they are producing but a little more than one-fourth the normal quantity of mill feed of previous years, which is having material effect in the cattle-raising centers. It is felt that the September 1 Food Administration regulation on the 80–20 basis will relieve the situation considerably and probably lead to an operation of 50 per cent capacity.

The lumber market shows signs of improvement, with the Government requirements still the principal item. Building lines, except for Government operations and industrial plants, are very dull. Few building permits are being issued, and probably 90 per cent of such permits issued are for repair work.

Coal production is greater compared with last year, but labor conditions prevent a larger output. Iron and steel business continue very active, with enormous demands and good prices. There is a continued labor shortage, but no complications exist, as laborers are well employed at high wages and are cooperating with operators in a satisfactory manner.

Wholesalers and jobbers of dry goods and notions, while reporting good fall and winter business, state retailers prefer to buy in moderate quantities and often. Overall manufacturers are far behind on July deliveries, owing to Government demands, and can not solicit new business until the mills are in position to contract for future deliveries. While there is a slight pessimism among dealers in men's lines on account of the 18 to 45 draft, the general feeling is that this will not affect the fall and winter trade.

Post-office data furnished by 20 of the more important offices in the district show receipts for August, 1918, $737,939; August, 1917, $458,819; an increase of $279,120.

Bank deposits continue to increase, with slight decrease in loans, caused largely by curtailment of credits to what is deemed nonessentials and the result of the work of the Capital Issues Committee in passing on the compatibility of certain expenditures at this time. Collections are good and with prevailing high prices prompt payment of obligations are looked for.

Some uneasiness is felt as to the effect of the new draft law in the reduction of man power in lines that are considered essential to the national interest at this time, but the more conservative business element are of the opinion that the Government will work out some plan to insure the working organizations in the financial and industrial fields, especially in those forming a part of the war work.

DISTRICT NO. 7—CHICAGO.

As Government wants expand beyond all previous calculations, the necessity for intensive productive efforts becomes daily more apparent. With the concentration of industries on demands of the most essential character, manufacturers and dealers alike hesitate to accept civilian orders, awaiting calls for supplies from official sources. In values commercial business remains at a high level, yet transactions are diminishing in number as greater caution and more rigid economy is being practiced by dealers as well as consumers.

Caution and conservation seem to be the watchwords in all lines not catering to Government needs. A concrete evidence to this effect is afforded by the remarkable exhibit as to commercial failures reported by R. G. Dun & Co. This report for August for the whole country is numerically the smallest on record with the single exception of the same month in 1899, while the indebtedness involved has been smaller in August of only four other years, namely, 1905, 1900, 1899, 1898. While these figures are for the whole country, the showing for the Seventh Federal Reserve District is practically reflected in proportion.

From manufacturer down to the retailer a strong effort is being made to get closer to a cash basis as evidenced by the very general reports of satisfactory collections. There is a great deal of money in circulation and the common people have more money in their pockets than ever before. This situation, contrary to expectations, has not resulted in extravagance except in a few instances, the conservation campaign seeming to have had the desired effect.

There is a continued heavy demand for money, with interest rates firm at 6 per cent. While deposits are reported off, and loans have increased, making for a tight money market, banks are caring for necessary loans comfortably, discriminating more and more against borrowers for nonessential purposes as much as such discrimination can be practiced without entailing hardships or embarrassment to the borrowers.

Crop conditions in this district are good. Wheat has all been harvested with a satisfactory yield and very good quality. Reports indicate an increased acreage for the coming year. That the price has been satisfactory, is evidenced by the extremely heavy shipments of wheat recorded during the past 30 days. While the extremely hot weather in August caused some damage to the corn crop, reports seem to point to a reasonably satisfactory though disappointing yield. The condition of this crop is good and no soft corn is anticipated. Late corn needs more growing weather and the arrival of the first killing frost remains an all-important factor in its development. Other small grains have been harvested with good yields. Meadows and pastures are in better condition and the general farm outlook is very optimistic.

The transportation supply has been adequate. Only two of the important factors in industry have been troublesome. These are material and labor, and the scarcity of each is, of course, attributable to our concentration on war activities. While it is expected that the labor problem will be intensified by the process of the new draft, it is certain that strong efforts will be made to safeguard essential industries and business. Available labor, though well employed at good wages, still manifests an impatient, independent, and migratory attitude.

The Government is dominating the dry goods market, in some lines taking the entire output. As a result of this, civilian needs are being steadily set aside. Jobbers are relying on stocks on hand, awaiting further allotments of production for civilian wants. New stocks of woolens have practically disappeared from the market, and cotton goods trading is held back awaiting a new price fixing period. Other lines are affected by influences that tend to make all trading conservative. The situation seems to depend on adjustment of supply and demand, and the problem, aside from price fixing, lies in the quantity of future production that can be allotted for civilian requirements. Retail merchants seem well prepared to supply the demand for fall and winter merchandise, having anticipated their requirements well in advance.

If the good transportation facilities of the present continue throughout the winter months, no serious shortage of bituminous coal in the district is anticipated. Illinois and Indiana mines are now supplying large quantities of coal to consumers in other localities in addition to filling the requirements of the territory allotted to them.

The induction of millions of men into military service, who in normal times would have married and established homes, has had a telling effect upon the retail furniture trade. Relief from this situation has been accorded the manufacturer by the placing of Government contracts for certain wood products, while the retailer expects a stimulus to his business as a result of the enormous amount of money now being paid out for labor to those workers who remain at home.

High prices prevail in the live-stock market, the price of hogs reaching the highest level ever recorded in the Chicago market. In spite of price advances, there is a continued demand for fresh meats. Good trade is reported in packers' by-products—hides, glue, tallow, fertilizer, and grease. Receipts of live stock at Chicago for the four weeks ending September 14, 1918, as compared with a like period in 1917:

Year.	Cattle.	Calves.	Hogs.	Sheep.
1918	300,194	35,735	349,354	514,957
1917	269,926	35,827	226,988	279,531

The volume of business in wholesale groceries continues good. The removal of the restrictions on flour effective September 1 will result in a large increase in flour sales for the balance of the year. In spite of higher prices, the demand for all kinds of foodstuffs, especially canned goods, is very large. Confectioners, already handicapped by the sugar shortage, fear a further curtailment of their allotment. The retail candy trade is good but is feeling the effects of inability to obtain the desired stocks.

Wholesalers of hardware furnish favorable reports, though suffering the hardship entailed by increased difficulties in securing supplies, especially in the heavy hardware line. The volume of trade compares satisfactorily with last year. Retailers are quite generally permitting their stocks to diminish in anticipation of coming price changes. Dullness prevails in all agricultural implement lines, though normal sales for this season of the year are reported. Only modest future demands are expected.

Lumber business is much reduced in ordinary lines, but some concerns keep employed through Government work. All other lines of building material report continued dullness, with the outlook for improvement very problematical. Paper mills are very busy and are weeks behind their orders. Prices are advancing daily.

The demand for men's shoes is surprisingly strong. Retailers in their anxiety to obtain footwear are paying the advanced prices asked by the manufacturers. Labor difficulties in the East have flooded the western mnufacturers with orders. Business continues very active in the textile and wearing apparel trades, many of the manufacturers being months behind their usual time for opening up their lines. With the demand for raw material exceeding the supply, with a consequent shortage in yardage, manufacturers and the cutting-up trade are experiencing the most difficult season in their history.

The refusal of the Capital Issues Committee to permit the sale of any new bond issues until after the next Liberty loan, while slowing down trading, has created a satisfactory situation in allowing bond houses to concentrate on issues they are now carrying, thereby reducing their loans prior to the arrival of new demands on banks and individuals resulting from the Liberty loan subscriptions.

Brewers and distillers report a continued decline in sales, while many liquor retailers contemplate going out of business as soon as they are able to dispose of their stocks. Business of the mail-order houses continues to run well ahead of last year. Jewelers anticipate no ill effects from Government administration of gold and silver bullion, as stores are in the main well stocked with gold and silver merchandise. With many piano factories turning their attention to Government needs, some operating 100 per cent on war work, the output of instruments will fall far short of meeting the demand.

The steel business has only one customer, the United States, but authorities state that after the war prospects are excellent for a satisfactory continuance of volume due to the present need for many constructional operations held up for the duration of the war. Shipbuilders, busily engaged on contracts with the United States Shipping Board Emergency Fleet Corporation, are meeting with very good success in keeping up with their schedules.

The demand for provisions has been seasonable. Government requirements, both domestic and foreign, are in most cases about equal to the supply of the kinds of product required by them.

Clearings in Chicago for the first 13 business days of September were $1,207,000,000, being $264,000,000 more than for the corresponding 13 business days in September, 1917. Clearings reported by 21 cities in the district outside of Chicago amounted to $293,000,000 for the first 15 days of September, 1918, as compared with $268,000,000 for the first 15 days of September, 1917. Deposits in 12 central reserve city member banks in Chicago were $882,000,000 at the close of business September 17, 1918, and loans were $630,000,000. Deposits show an increase of approximately $5,000,000 over last month, and loans a decrease of approximately $23,000,000.

DISTRICT NO. 8—ST. LOUIS.

General business in this district continues active, with Government work as the overshadowing factor. Manufacturers, wholesalers, and retailers, generally, report that the volume of their business is in excess of the volume at this time last year, especially when measured in dollars. Reports indicate that business men are moving carefully and that the public is practicing economy in buying.

Manufacturers of iron and steel continue especially busy, as do also manufacturers of boots, shoes, clothing, etc. For several months past many of the shoe houses have had no salesmen in the field, but they are now starting them out for spring business. It is reported that some are limiting their sales, as they will not accept orders until they have sufficient leather on hand to cover all goods sold. Wholesalers of dry goods also report an active trade, but some state that they are not taking orders for future delivery. It is reported that many large merchants are buying in the smaller markets, due to the scarcity of merchandise in the larger markets and a tendency for higher prices to prevail there.

Department stores and retail merchants also report a good business. In response to the appeal of merchants the public has already begun to do its Christmas shopping. Collections are reported to be good.

Reports from the banks in this district show an increased demand for money during September. This demand has been reflected in the rediscounts of the Federal Reserve Bank, which have steadily increased. In the larger cities the bank rate to customers is still 6 per cent for practically all classes of loans and in the country districts it is somewhat higher. Many of the banks are now discriminating against loans for nonessential purposes, in response to the request of the Federal Reserve Board. Practically none of the large city banks are in the market for commercial paper, though some of the banks in the country districts are buying. The commercial paper rate prevails at 6 per cent for all names and maturities.

At the writing of this report the interest of bankers, business men, and others is centered in the flotation of the fourth Liberty loan, the campaign for which opens on September 28 and closes October 19. Every effort is being made in this district to insure its success.

The recent rains have revived pastures and helped the late truck and forage crops, but they came too late in many sections materially to benefit the corn. The condition of the corn in the seven States included in this district was estimated by the Government on September 1 to be 63.7 per cent, which is 10.7 per cent below the estimate of August 1 and 14.7 per cent below the 10-year average. The condition of the corn in this district on September 1 is estimated to yield 132,389,000 bushels of corn, which is 20,249,000 bushels less than the estimate of August 1, and 6,693,000 bushels less than the 5-year average.

The oats crop is progressing satisfactorily and indications point to a good crop. The condition of oats in Indiana, Illinois, and Missouri was estimated by the Government on September 1 to be 90.6 per cent, which is 11.6 per cent better than the 10-year average. The condition of oats on September 1, in the 3 States mentioned, is estimated to yield 104,846,000 bushels, which is 4,624,000 bushels more than the estimate of August 1, and 17,981,000 bushels more than the 5-year average.

The cotton crop has been severely damaged in this district and the crop is considerably below normal. On August 25 the condition of the cotton in Mississippi, Arkansas, Tennessee, and Missouri was estimated by the Government to be 59.2 per cent, which is 25 per cent less than the estimate of July 25 and 16.5 per cent below the 10-year average. Both in the picking and ginning of cotton rapid progress is being made.

Plowing for winter wheat is completed in most localities and sowing is well under way. Reports indicate that the acreage will be in excess of that sown last fall.

Shipments of cattle and hogs to market continue heavy. The report of the St. Louis National Stock Yards for August shows a perceptible increase in the receipts of cattle and hogs, in comparison with the same month last year, but a slight falling off in comparison with July of this year. The report also shows substantial increases in the shipments of live stock, both in comparison with the previous month and August of last year.

The labor situation in this district is practically settled, and there is a good demand for for both skilled and unskilled workers. Women are more and more being called upon to fill places formerly occupied by men.

Postal receipts during August in St. Louis, Louisville, Memphis, and Little Rock all show substantial increases in comparison with the same month last year.

Reports for August from leading cities in this district show perceptible decreases in the number of building permits issued and the estimated cost of construction, both in comparison with the previous month and the corresponding month last year.

A branch of the Federal Reserve Bank of St. Louis was opened in Memphis on September 2.

DISTRICT NO. 9—MINNEAPOLIS.

The money returns from the 1918 crop in this district will be highly satisfactory. In terms of bushels the crop may not attain record proportions, but its cash equivalent will be considerably in excess of that of any previous season. Harvesting is completed excepting for a small amount of late flax and the corn crop, and thrashing is in progress everywhere. A satisfactory feature of the crop year is that thrashing returns have in many instances been more satisfactory than was anticipated, and this has been particularly true in western North Dakota, where the crop outlook early in the fall was not good.

The ninth district will contribute to the Nation's necessities a very large crop of spring wheat of good quality. A large barley crop has also been produced, which with the reduction in the malting demand will probably be used more than in previous years for feeding purposes. The oat crop is large and the flax yield is satisfactory. A considerable crop of rye is likewise an important contribution to the production of foodstuffs.

Corn in the ninth district has escaped damage from frosts, and over the district as a whole was beyond the danger point before cold weather came on. The corn yield is extremely satisfactory and the quality of the crop is very good. The cutting of corn is in progress throughout the central northern portion of the district, while in the southern portion the crop is safely in storage.

Marketing conditions show some unusual features. There has been a noticeable shortage of help, and it has been difficult for farmers to move thrashed grain to the country elevators. There has likewise been a shortage of help at terminal points and the unloading of grain arriving from the country has been slow. The grain movement is, however, in full swing and in spite of the difficulties of transportation, both by wagon and by rail, the arrivals at terminals are satisfactory.

Wheat is moving in good volume, and farmers have apparently chosen to defer the shipment of barley and oats until the wheat is out of the way.

Farm labor has been scarce throughout the fall, and at high rates of pay there has been a noticeable loss in efficiency. Skilled and experienced farm help is extremely hard to obtain.

It has cost more to move the 1918 crop than any previous crop in the history of the Northwest. The amounts of money involved because of the extremely high prices are very large. The slow and laborious movement of the crop at terminal markets has injected an element of time and added to the burden of financing. The demand on the banks has consequently been very active and has continued farther into the crop-moving period than is usual. The financial institutions of the district have performed a notable service in promptly satisfying the requirements of the country, and such delays as have occurred in the marketing of this year's production can not be charged to them.

With very high returns for both fine and coarse grains, and the record prices farmers have been and are enjoying for cattle, hogs, dairy products, and poultry, the flow of money into the hands of those engaged in agricultural production is very considerable.

The high prices have materially helped the sections that have suffered from scant crop returns, while in the remainder of the district the farmers are close to a period when they will have ready cash to liquidate their obligations. There is, therefore, reason to expect a continuation of prosperous conditions that have prevailed up to this point and to anticipate a satisfactory volume of business at country points during the late fall and winter months.

The conversion of industry to war production has been slow but very persistent. Each week is witnessing an increase in the number of enterprises engaged in war work. Most of the industrial concerns in this district are small, but the point has apparently been reached when the Government is able to classify these institutions according to their ability to serve and apportion to them items of manufacture suited to their respective lines. Much progress has been made during the last 30 days in classifying and organizing manufacturing enterprises of the district for the purpose of putting the maximum production of concerns that can assist the Government at the disposal of the Federal authorities.

Substantial progress has also been made in restricting the offer for sale or subscription of stocks, bonds, and other forms of securities not compatible with the interests of the United States in war time. The erection of effective supervision and control has naturally been slow and difficult, but it has demonstrated the fact that notwithstanding the very excellent work done by the Blue Sky Commissions in the various States, there has still been floated a considerable volume of so-called investment securities which ordinarily absorb very considerable amounts of money and which give little prospect of any return to the investor except experience.

The banks of the district are undergoing a difficult period due to the gradual withdrawal of experienced help, which is being replaced with female employees. The loss of purely clerical labor would not have been so serious if it had not been accompanied by the withdrawal of a considerable number of the younger men charged with departmental or executive responsibility. This has involved the training of an unusual percentage of new and inexperienced help and consequent disadvantage to institutions that have been heavily burdened with the activities of the crop moving period and with war work.

DISTRICT NO. 10—KANSAS CITY.

Generally improved conditions following a cessation of hot and dry weather and news of successes overseas have heartened the people of this district. The outlook for agriculture is encouraging and preparations for larger food production next year are in progress. An unprecedented movement of grain and live stock to the markets continues. War prices for products of farms, mines, wells and factories, and war wages to labor, are putting more money into people's hands, enlarging their purchasing power and their ability to pay their obligations. Fall trade has assumed active proportions, restricted only by difficulties of merchants replenishing stocks. Manufacturing is more and more confined to essentials, but, like mining and oil industries, it is handicapped by shortage of labor—now the greatest problem—and uncertainty as to how future activity is to be affected by the new draft.

Financial.—The larger volume of business at this season is reflected in the bank clearings of 15 cities in the district which show a total for August of $1,516,180,000 as compared with $1,051,472,000 for August of last year, the increase being 44 per cent.

The seasonal demands for crop moving, combined with the sale of United States Treasury certificates of indebtedness anticipatory of the fourth Liberty loan, maintained the money market steady and interest rates firm. Treasury certificates anticipatory of the fourth loan have been placed in this district aggregating $132,760,000 and subscriptions are now being received to an issue dated September 17.

The district organization for the conduct of the fourth Liberty loan campaign is more complete than in any of the previous loans, which, together with the experience of the past loans, gives assurance of raising the quota for the fourth Liberty loan, although it is certain the quota will be considerably higher than any the district has yet been called upon to raise.

The War Finance Corporation Cattle Loan Agency established in Kansas City to serve Federal Reserve Districts Nos. 8, 9, 10, and 12 is a subject of absorbing interest to the cattle industry at this time. While the formation of the agency is just being completed, there is already apparent among the banks and cattle loan companies an easier feeling with respect to the fall demands which will be made upon them by breeders and raisers throughout the section.

Agriculture.—Moderate to heavy rains and lower temperature have put the ground into good condition for fall planting, and with the Government's guarantee of a minimum price on 1919 wheat, an increased acreage is to be sown. The moisture came too late to materially help the corn and the yield will be about 25 per cent of a normal crop. Late crops are turning out well, pastures revived and much rough food for animals is assured. Sugar beets will show a larger tonnage per acre than last year but with 20 per cent smaller acreage.

Receipts of wheat since July 1 are three times those for the corresponding period of last year and in excess of current needs. The Food Administration is attempting to relieve congestion by finding storage at terminal points rather than attempt to find an outlet for wheat as fast as it comes from the farms. Interior millers, fearing exhaustion of home supply, attempted to check the outflow, but without success. With elevators full and yards congested, the railroads were forced, on September 16, to declare a temporary embargo at Kansas City, St. Joseph, and Omaha, to permit a cleaning out of the surplus. Practically all of the wheat has been sold at guaranteed prices. The receipts of corn are larger than at this time last year but the new corn movement is hampered by wheat congestion at the markets, with a tendency to lower corn prices. Receipts of oats are about the same as last year.

Milling operations in August were maintained at 98 per cent capacity at mills in the district and 33 per cent above last year's output, but slowing down slightly the first half of September with a slackening of the demand for flour.

Live stock.—Receipts of cattle at the six markets in this district in August were 21 per cent larger than for the same month in 1917, a new record for the eighth month. Hog and sheep receipts were 40 per cent larger for the month as compared with receipts for August of last year. A large proportion of the cattle and hogs was light and unfinished. While dry weather is conceded to have influenced larger marketing, live-stock men point to the figures as indicating an increased supply of meat animals and an expansion of the live-stock industry.

Cattle prices are higher than last year, finished steers reaching $18.50 as top price, and other grades $1.50 to $4.50 higher than a year ago. Hogs went to $20.55 early in September, the record price. The average weight for August was 4 pounds below last year's figure. Sheep generally are in better condition with prices ruling higher for good lambs.

Purchases by packers were 2 per cent above the August, 1917, record on cattle, 19 per cent above on hogs, and 64 per cent above on sheep. With heavy war orders the packers are increasing the meat output in about the same proportion.

Mining.—Further reduction in tonnage of ore produced in Colorado is reported. Gold operators say 2,000 more miners are needed to make production normal, and they are looking for additional reduction of their forces in the new draft. A number of mines may be forced to close. A wage increase, effective September 1, is also having a depressing influence on small mines, the operators contending the margin of profit is too narrow.

The demand for lead increases, with the premium price reaching $104.50 this month, and $100 as the basis. There is less of a demand for zinc ore, sales of zinc blende ranging from $50 to $60.

Improved transportation conditions and a somewhat better labor situation at the mines have slightly increased the coal output, but the improvement offers no assurance the supply will be ample when winter's pinch comes.

Oil.—Renewed activity is seen in practically every field in this district. Operators are attempting under difficulties to bring production up to the demand. More than 300 wells were shut down in mid-August because of inability to obtain water for their operation, but these conditions have been practically eliminated.

The Kansas output in August was slightly below that of July, but 9 per cent better than August of last year. Oklahoma was 10 per cent short in production compared with the same month last year. Wyoming maintained a steady pace, with a tendency toward a good increase in the year's output.

Completed wells in August were 147 more for the three States than in the same month of 1917, but new production fell off 22,740 barrels daily capacity. No wells of the gusher class were brought in and there was a larger per cent of dry holes and gassers. At the beginning of September wells drilling were 1,849 in Oklahoma, 491 in Kansas, and 221 in Wyoming.

Building and construction.—Inspectors in the principal cities of this district report little work in progress or in early prospect, except that which is clearly indispensable. Permits in number were 12 per cent less than in August, 1917, but 50 per cent less money was required for their construction. The tendency is toward smaller buildings and repairs until the war is ended. Municipal improvements and general construction are in like manner and proportion subordinated to the war. Aside from supplying Government needs there is little activity in the lumber trade. Building hardware and other materials are restricted in supply by demands for Government use.

Labor.—September finds few strikes and wage controversies in this section, and these of a local character. But the man-power shortage is keenly acute. Government agencies are classifying labor for distribution among essential industries. State labor bureaus, commercial bodies, and manufacturing associations are cooperating, hoping to relieve the situation. Nebraska reports calls for 6,692 men and 3,617 places filled, Wyoming calls for 1,945 men and 120 places filled, New Mexico about the same, with the added report that many men have left the State to work in shipyards and other industries, on account of high wages offered. Colorado is working hard to adjust the labor-supply problem, with a show of success, but still needs 2,000 more miners. The Missouri-Kansas-Oklahoma lead, zinc, and coal fields are short of men. Oil operators have appealed to the oil division for a ruling on the policy to be pursued in drafting men for these essential industries, as they are unable to figure on future production until they know what the draft is going to do to them.

Mercantile.—Wholesale and retail merchants report an active business this month. The difficulty of obtaining supplies is increasing, owing to the diverting of essentials to war channels, but patrons are taking what they can get without complaining. With such conditions retailers are able to clean up stocks on hand at good prices. Department stores report trade surprisingly large, while in dry goods and shoes it is especially good on medium lines. The millinery trade is active, with liberal country orders. Demand for men's clothing and furnishings is less this fall than the trade has known, being further influenced by the new draft, but good prices are maintained. Demand for groceries is active and at high prices.

Collections are good and cash purchases are proportionately larger than for some time, enabling merchants to pay their bills. Business failures are at a low ebb. The August record for the Tenth Federal Reserve District was 20 failures, with $184,171 liabilities, as compared with 58 failures, with $450,646 liabilities, in August, 1917.

DISTRICT NO. 11—DALLAS.

Trade continues in good volume and the outlook at present is generally promising, considering the uncertain conditions which have prevailed for some time past, and continue more apparent, as the result of the war, when considered in connection with the severe drought which has prevailed over a large part of the district. Notwithstanding the higher prices of all merchandise and an unusually hot summer, when a slump in trade is to be expected, merchants report that trade largely exceeds last year, and returns for the season are quite satisfactory. As in other districts, however, there continues a strong tendency to curtail the purchase of luxuries and nonessentials and restrict buying to necessities only.

Wholesalers and jobbers, with few exceptions, report that traveling salesmen are booking good orders, and their volume is far ahead of last season. Recent rains over most of the agricultural belt have materially helped business and stimulated buying among the country trade. In the west and southwest, however, where conditions have been unfavorable on account of drought, general business is rather quiet and buying is restricted. Orders from those sections are not as heavy as in previous seasons. Collections there are also slow.

The large mail-order houses of the district are transacting a good business, and an increase of from 25 to 40 per cent in sales is reported over last year. This increase is applicable to all classes of merchandise rather than any special line.

Rains have fallen over a large area of the district and the agricultural outlook is more promising than for several weeks past. While too late to be of benefit to cotton, except in parts of north, northeast, and east Texas, where the crop was in condition to better withstand the excessive heat and drought, the moisture has put a good season in the ground, revived pastures and meadows, and will permit of extensive fall plowing and seasonal preparations for next year's crop.

The cotton crop is being rapidly marketed, though in some quarters reports indicate a disposition to hold in anticipation of higher prices. As previously reported, the crop suffered a heavy deterioration during August. While earlier estimates, which we believe conservative, placed the Texas yield at around 3,000,000 bales, more recent advices are that the crop may not exceed 2,500,000 bales.

The demands of our member banks are still heavy, and although some liquidation has taken place, with the marketing of cotton, it is as yet hardly noticeable. Another 30 days, however, should bring relief to banks, and there should be a more general liquidation. Such reports of condition of member banks, on the call of August 31 as have been received and analyzed, indicate a slight decrease in loans and a corresponding increase in deposits, since the June report was rendered.

Clearings at the principal cities of the district in August were $278,627,473, an increase of 33.1 per cent over the same month last year, when $209,316,620 was reported.

Currency orders for crop moving purposes have been unusually heavy during the past month, and the outstanding Federal Reserve notes of this institution have increased some $20,000,000 during that period.

Post-office receipts at the principal cities of the district show an increase of 39.2 per cent for August over the same period a year ago. The detailed figures are: 1917, $310,315; 1918, $432,128; increase, $121,813.

The building industry is inactive, and while the number of permits issued at the principal cities of the district in August show an increase of 236, a decrease of 62.6 in valuation is reported during the same period. All building operations are subordinated to the Government's needs, and other than construction necessary for actual requirements no large contracts are undertaken.

The lumber trade is unsettled, due to governmental restriction, and the outlook at this time is not promising, although the belief is prevalent that no undue hardships will be imposed. The various governmental departments are still calling for large orders of material, and such requests are receiving first consideration by producers. There is, however, only a limited production of logs applicable to Government requirements, and the disposition of the accumulation of stock remaining presents a serious problem. The car supply is still inadequate, but it is better than usual at this season. The mills report a labor shortage, which it is expected will be further aggravated by the operations of the new draft.

The labor situation in the district presents no material changes since our August letter. Very little shortage is apparent in skilled labor, although the new draft will have a serious effect, and tend to accentuate the shortage now existing in some localities.

Live-stock conditions are improved somewhat, as the result of partial rains over the range country. In New Mexico, particularly, more encouraging reports are received, and our correspondents in Albuquerque, Roswell, and that vicinity, advise that cattle will go into the winter season in fair condition. Farther to the west and southwest, however, the rain did not so materially relieve range conditions, and the situation as regards live stock is discouraging.

To summarize general business and banking conditions in the district, it may be conservatively stated that while the effects of the war are everywhere felt, and adjustments are being made accordingly, the outlook is as promising as could be expected. As the cotton crop is marketed, the excellent price of the staple will put money into circulation in the more favored agricultural sections and tend to largely offset the situation in the west and southwest, where a two years' drought has all but paralyzed the cattle industry and farming pursuits. We see nothing alarming in the conditions obtaining, although conditions can not become normal until the cattle industry of the west is on its feet, farming again active, and the war ends.

DISTRICT NO. 12—SAN FRANCISCO.

During the last month there has been great activity in all essential lines of commerce and industry in this district. Harvesting of the great variety of crops of the district is well along, and first returns are being received. Delayed payments for Government purchases and postponed selection by the Government of those portions of food products which have been commandeered are causing inconvenience to both producers and banks. Warehousing facilities are too limited to provide for the accumulating products. War industries are steadily expanding under increasing demands, although some have been handicapped by inability to obtain materials.

There is a continued shortage of water for irrigation and power in northern California. Some little relief was given by rains September 12 and 13 with unusual precipitation for that time of year, amounting to 3.56 inches in Sacramento, 2.53 inches in San Francisco, and 6.25 inches in the Santa Clara Valley. Collections are good and retail business is limited by inadequate supplies.

With strong demand for loans, interest rates remain firm at 6 per cent in industrial and 7 per cent in agricultural centers. Increasing returns from crops should offset the borrowing demand in agricultural districts. There is growing recognition among bankers of the district of the importance of discriminating against extensions of credit for nonessentials, but frequently the fear of losing a profitable account to a competitor prevents desirable restriction, which could be had if the bankers of each city would act jointly.

Total discounts by this bank from August 1 to September 19 increased from $86,000,000 to $112,000,000. Of the latter amount $43,000,000 were secured by Government obligations, having increased from $20,000,000 on August 1. The district's total subscriptions to five issues of United States certificates of indebtedness have aggregated $212,250,000, the quota being $211,900,000.

Bank clearings for 20 principal cities of the district in August increased 24 per cent over the corresponding month of 1917. Portland, Tacoma, Seattle, San Francisco, and Los Angeles increased 81, 70, 64, 13, and 8 per cent, respectively. Building permits for 17 cities amounted to $5,629,000, increasing 15 per cent over the previous month and 26 per cent over August, 1917. The increase is found principally in the coast industrial centers.

The Government report of September 1 gives the following estimated production of grain, hay, and potatoes for the district:

	1918	1917
Wheat.......bushels..	82,369,000	70,899,000
Oats.......do....	39,380,000	43,037,000
Barley.......do....	49,987,000	59,573,000
Corn.......do....	7,833,000	7,263,000
Potatoes.......do....	34,561,000	47,158,000
Hay.......tons..	8,936,000	11,591,000

Rice in California on September 1 was rated at 90 compared with 83.7 for the United States, forecasting a yield of 6,318,000 bushels compared with 5,600,000 bushels in 1917.

Prune growers of Oregon and California have been requested by the Food Administration to make no shipments of any part of their crop until the Government requirements, estimated at 65,000,000 pounds, have been provided for. The Oregon crop is estimated at about 50,000,000 pounds, the largest that State has ever produced. The California crop was estimated September 1 at 150,000,000 pounds, but it is feared that the damage done by the unseasonable rainfall of September 12 and 13 will decrease the California crop possibly as much as 40 per cent, so that only a small supply may be available for civilian consumption.

Carload shipments of fresh fruits from California this season to September 17 are 17,118 cars compared with 13,434 cars to the same date last year.

The September 1 Government report gives the condition of cotton as 92 in California and 96 in Arizona compared with 55.7 for the United States. A yield of 100,000 bales is expected in California compared with 67,000 bales last year. In Arizona a crop of about 52,000 bales is predicted compared with 35,000 bales in 1917. About 80 per cent of the Arizona crop is of the Pima variety of Egyptian long-staple cotton.

On September 1 the condition of oranges, according to the Government estimate, was 65 compared with 50 in 1917 and 84 for the 10-year average, and the condition of lemons was 86 compared with 55 in 1917 and 84 for the 10-year average.

During the past month the lumber producers of the Pacific Northwest have maintained normal production, about 80,000,000 feet weekly. The draft is naturally disorganizing the lumbering forces, and the difficulties of lumber producers are further increased by inability to secure needed supplies such as steel cable.

Petroleum production in California during July was 8,737,629 barrels, an increase over June of 250,697 barrels. Stored stocks increased from 25,424,337 barrels on July 1 to 25,632,813 barrels on August 1. Stored stocks on August 1, 1917, were 35,781,323 barrels.

At Portland, Oreg., and Salt Lake City about 15,300,000 and 15,000,000 pounds, respectively, of the 1918 clip of wool have been received. Of these amounts only 10 per cent had been graded and paid for on September 1, the remainder being stored in warehouses.

During the first half of 1918 coal production in Utah increased 20 per cent over the corresponding period of 1917. The same rate of production for the remainder of the year is expected. Utah consumes 41 per cent of this production, the remainder going to adjacent States.

In 1917 Arizona was the leading copper producing State of the Union, with a production of 712,166,891 pounds, 38 per cent of the country's output. This was 9,666,278 pounds less than the production of 1916. With more settled labor conditions this year all previous figures will probably be exceeded with an output estimated at more than 800,000,000 pounds.

Gold production in California in 1917 amounted to $20,087,504 compared with a production of $21,410,741 in 1916. Owing to the increasing cost of labor and supplies, gold mining is showing a continually decreasing profit and the 1918 output will fall materially below that of 1917.

Shipbuilding continues to be the most prominent industry of the district. Although hampered by a shortage of unskilled labor and slow deliveries of materials from the East, the western shipyards continue to lead those of the country in speed of production. The pennants awarded monthly by the Emergency Fleet Corporation to leading ship constructors were won in July as follows:

	Steel-ship constructors.	Wooden-ship constructors.
First place pennant	Seattle, Wash	Aberdeen, Wash.
Second place pennant	Alameda, Cal	Portland, Oreg.
Third place pennant	Portland, Oreg	Kearney, N. J.

COMPARATIVE STATEMENT OF LEADING BANKS OF ISSUE, 1914 AND 1918.

In continuation of similar figures printed on pages 681 of the September, 1917, BULLETIN there is presented below a comparative statement showing the condition of the leading central banks of issue in 1914 immediately preceding the outbreak of the war and corresponding dates in 1918. Figures have also been added showing changes in the condition of the Federal Reserve Banks between the end of 1914 and the last Friday in July of the present year.

As in the previous number of the BULLETIN, the principal items in the foreign bank statements were rearranged and combined under uniform heads commonly used in American bank statements. This necessarily implied some arbitrary grouping, especially in cases where the true meaning of the original items seemed doubtful. It is believed, however, that the figures in the statement are on a fairly comparable basis, and show quite clearly the relative effect of the war upon the principal assets and liabilities of these banks since its commencement.

Comparative statement showing principal assets and liabilities of the leading central banks of issue at dates specified.

[In thousands of dollars; i. e., 000 omitted.]

	Federal Reserve Banks.		Bank of England.		Bank of France.		Bank of Italy.		German Reichsbank.		Bank of Netherlands.	
	Dec. 31, 1914.	July 26, 1918.	July 29, 1914.	July 31, 1918.	July 30, 1914.	July 25, 1918.	Dec. 31, 1914.	June 20, 1918.	July 31, 1914.	July 31, 1918.	July 25, 1914.	July 27, 1918.
ASSETS.												
Gold coin and bullion	241,321	1,962,572	185,567	327,318	799,279	655,128	236,633	159,161	298,261	558,653	65,140	287,479
Silver and other metallic reserve	17,823	8,800			120,689	53,491		14,914	65,409	28,659	3,307	3,133
Total metallic vault reserve	259,144	1,971,372	185,567	327,318	919,968	708,619	236,633	174,075	363,670	587,312	68,477	290,612
Gold held abroad	....	11,628	....	....	....	393,162	....	....	....	....	....	....
Foreign credits	....	....	....	....	....	281,643	8,195	112,919	....	....	....	....
Government securities:												
Bonds, consols, etc	205	40,090			41,019	41,067	....	....				
Short-term securities	....	16,922	143,343	374,969	963	663,920	105,865	868,999	7,960	440,663	5,003	5,091
Other Government securities	8,755	46,329			38,600	3,686,300	....	13,102				
Total	8,960	103,341	143,343	374,969	80,582	4,391,287	105,865	882,101	7,960	440,663	5,003	5,091
Notes of other banks of issue	4,624	11,277	....	....	....	....	a 5,416	29,700	2,740	745	....	....
Loans and discounts	9,909	1,507,425	230,222	519,680	471,746	420,339	180,297	835,624	495,296	3,805,299	35,430	24,447
Advances on bullion and specie, securities, merchandise, etc	....	....	....	....	146,443	172,913	29,180	113,198	48,121	1,998	24,798	45,144
Securities	734	....	....	....	....	....	39,468	42,595	94,392	29,465	3,612	3,600
Sundry assets	9,237	13,245	....	....	77,173	247,735	28,618	30,262	51,901	435,823	928	39.831
Total	292,608	3,618,288	559,132	1,221,967	1,695,912	6,615,698	633,690	2,220,474	1,064,081	5,301,305	138,248	408,725
LIABILITIES.												
Capital paid in	18,051	76,441	70,822	70,822	35,222	35,222	34,740	34,740	42,840	42,840	8,040	8,040
Surplus	....	1,134	16,992	16,713	8,206	8,292	13,515	18,037	17,726	22,569	2,011	2,042
Government deposits	....	233,040	61,869	183,900	73,834	26,710	40,320	b 59,541	299,515	2,024,160	1,904	30,865
Other deposits	263,948	1,401,107	264,830	673,723	182,881	742,103	118,035	756,559				
Bank notes in circulation	10,000	1,881,919	184,566	276,760	1,289,885	5,625,577	417,352	1,465,731	692,442	3,023,671	124,796	365,719
Sundry liabilities	....	24,647	53	49	105,914	177,794	9,728	4,948	11,558	188,065	1,497	2,059
Total	292,608	3,618,288	559,132	1,221,967	1 695,912	6,615,698	633,690	2,220,474	1,064,081	5,301,305	138,248	408,725

a Includes $1,737,000 of foreign bank notes.

b Overdraft.

Comparative statement showing principal assets and liabilities of the leading central banks of issue of dates specified—Continued.

	Riksbank, Sweden.		Norges Bank, Norway.		National Bank, Copenhagen, Denmark.		Bank of Spain.		Swiss National Bank.		Bank of Japan.	
	July 31, 1914.	June 29, 1918.	July 31, 1914.	July 31, 1918.	July 31, 1914.	July 31, 1918.	July 24, 1914.	July 27, 1918.	July 23, 1914.	July 31, 1918.	June 30, 1914.	July 27, 1918.
ASSETS.												
Gold coin and bullion	24,746	69,144	14,405	32,902	24,410	50,859	105,798	413,728	34,753	73,847	258,757	325,272
Silver and other metallic reserve	1,408	366				646	143,063	130,374	3,656	10,495	....	....
Total metallic vault reserve	26,154	69,510	14,405	32,902	24,410	51,505	248,861	544,102	38,409	84,342	258,757	325,272
Gold held abroad	....	....	....	....	....	....	....	....	....	4,550	....	....
Foreign credits	13,564	9,199	8,166	16,566	....	17,149	....	18,774	....	....	....	....
Government securities:												
Bonds, consols, etc					....	....	67,047	95,426			17,339	10,956
Short-term securities	7,332 [1]	25,853 [1]	2,399	3,494	....	....	....	....	....	3,829	....	485
Other Government securities					....	....	29,199	19,300			11,176	16,611
Total	7,332 [1]	25,853 [1]	2,399	3,494	....	....	96,246	114,726	....	3,829	28,515	28,052
Notes of other banks of issue	1,893 [2]	....	....	....	2,307	....	....	....	....	....	....	....
Loans and discounts	42,303	62,737	23,690	844,970	27,098	60,425	152,579	168,372	18,099	56,925	76,061	20,697
Advances on bullion, and specie, securities, merchandise, etc	....	28,287	....	....	3,106	....	....	....	2,699	10,100	....	130,675
Securities	....	1,484	....	....	....	7,974	....	2,249	2,446	1,919	9,775	....
Sundry assets	813	41,133	....	....	9,627	....	....	13,228	5,594	7,645	204,488	286,760
Total	92,059	238,203	....	....	66,548	....	....	861,451	67,247	169,310	577,596	791,456 [4]
LIABILITIES.												
Capital paid in	11,900	13,400	....	....	7,236	....	....	28,950	4,825	4,825	18,675	18,675
Surplus	2,975	3,350	....	....	2,199	....	....	5,404	471	664	18,551	19,944
Government deposits	18,440	29,925	3,859	19,933	5,496	22,731	96,931	1,905 [3]	28,819	22,104	254,585	371,371
Other deposits								230,370			10,913	18,069
Bank notes in circulation	54,367	178,895	32,859	99,744	39,525	97,908	373,557	568,267	83,176	137,759	274,854	362,616
Sundry liabilities	4,377	12,633	....	....	12,092	....	....	30,365	2,606	3.958	18	781
Total	92,059	238,203	....	....	66,548	....	....	861,451	67,247	169,310	577,596	791,456 [4]

[1] Includes both Government and corporate securities.
[2] Included foreign bank notes; also drafts and bills payable at sight.
[3] Due from Government in current account.
[4] Does not include 59,017,000 yen=$29,419,975 of fractional paper currency, issued by the Government and reported among the bank's liabilities: also an equal amount held by the bank for redemption of said currency and reported among the bank's assets.

NOTE.—For latest statements of the Russian State Bank (Oct. 29, 1917) and the Austro-Hungarian Bank (Dec. 7, 1917) see pages 244–245 of the March (1918) BULLETIN.

Reserves, Circulation, and Security Holdings of the Banks of England and of France; also of the German Reichsbank.

In the following tables and accompanying diagrams are shown changes in the reserves, notes, circulation, and security holdings of the three leading European banks since the end of November, 1917. These tables are in continuation of similar tables printed on pages 943-946 of the December, 1917, BULLETIN. The statement for the Russian State Bank has been dropped for the reason that the bank has published no accounts for a date later than October 29, 1917, for which date the figures are shown in the December publication.

Since November, 1917, the circulation of notes issued by the three leading institutions, especially the French and German banks, has shown a continuous increase, largely in response to the cash requirements of the Governments. In Great Britain the increase in circulation is made up not merely of the additional 70.6 millions of Bank of England notes, but to a much larger extent of new currency notes issued by the Treasury principally against commercial paper deposited by the banks of the country. On August 28 of the present year the amount of these notes outstanding was $1,303,463,000, as against $944,757,000 on November 28, 1917, while the gold cover against these notes remains unchanged at $138,695,000. In Germany, besides the considerable increase in the circulation of Reichsbank notes, there has been an even larger relative gain in the circulation of loan bank notes, the so-called *Darlehnskassenscheine*. The amount of such notes in circulation on August 23 of the present year was 7,934 million marks, compared with 5,860 million marks on November 30, 1917, as against an increase in the circulation of Reichsbank notes from 10,622 million marks on November 30 to 13,639 million marks on the last of August of the present year. As the amount of Imperial Treasury notes in circulation remained almost constant at about 345 millions during the entire period, the increase in national paper currency between the end of November, 1917, and the end of August of the present year was in excess of 5 billion marks, or about 1.2 billion dollars (at the nominal rate of 23.8 cents per mark). As against this enormous increase in paper circulation the gold reserve of the Reichsbank shows a decline from 2,405 to 2,348 million marks, the per cent gold cover of the total circulating notes showing a decline from 14.3 to 10.7 per cent.

It is only in France that the increase in paper circulation is measured by the increase in the volume of bank notes outstanding, the Bank of France having a monopoly of note issue. For the nine months under review the note circulation of the Bank of France shows an increase of 6,743 million francs, or over 1.3 billion dollars (at the nominal rate of 19.3 cents per franc). The gold vault reserve of the bank increased meanwhile by over 100 million francs, while the ratio of this reserve to notes in circulation declined from 14.5 to 11.5 per cent.

BANK OF ENGLAND.

[In millions of pounds sterling and dollars.]

Date.	Total gold and silver in issue and banking departments.		Bank of England notes in actual circulation.		Total securities in banking department.	
	Millions of pounds.	Millions of dollars.	Millions of pounds.	Millions of dollars.	Millions of pounds.	Millions of dollars.
1917.						
Nov. 28	56.5	275.0	43.1	209.7	150.2	730.9
Dec. 26	58.3	283.7	45.9	223.4	153.2	745.5
1918.						
Jan. 30	58.6	285.2	45.9	223.4	147.8	719.3
Feb. 27	59.4	289.1	47.3	230.2	155.0	754.3
Mar. 27	60.6	294.9	47.8	232.6	168.3	819.0
Apr. 24	61.0	296.9	48.4	235.5	161.6	786.4
May 29	63.5	309.0	51.1	248.7	163.2	794.2
June 26	65.2	317.3	53.7	261.3	152.5	742.1
July 31	67.3	327.5	56.9	276.9	165.4	804.9
Aug. 28	69.5	338.2	57.6	280.3	158.7	772.3

BANK OF FRANCE.

[In millions of francs and dollars.]

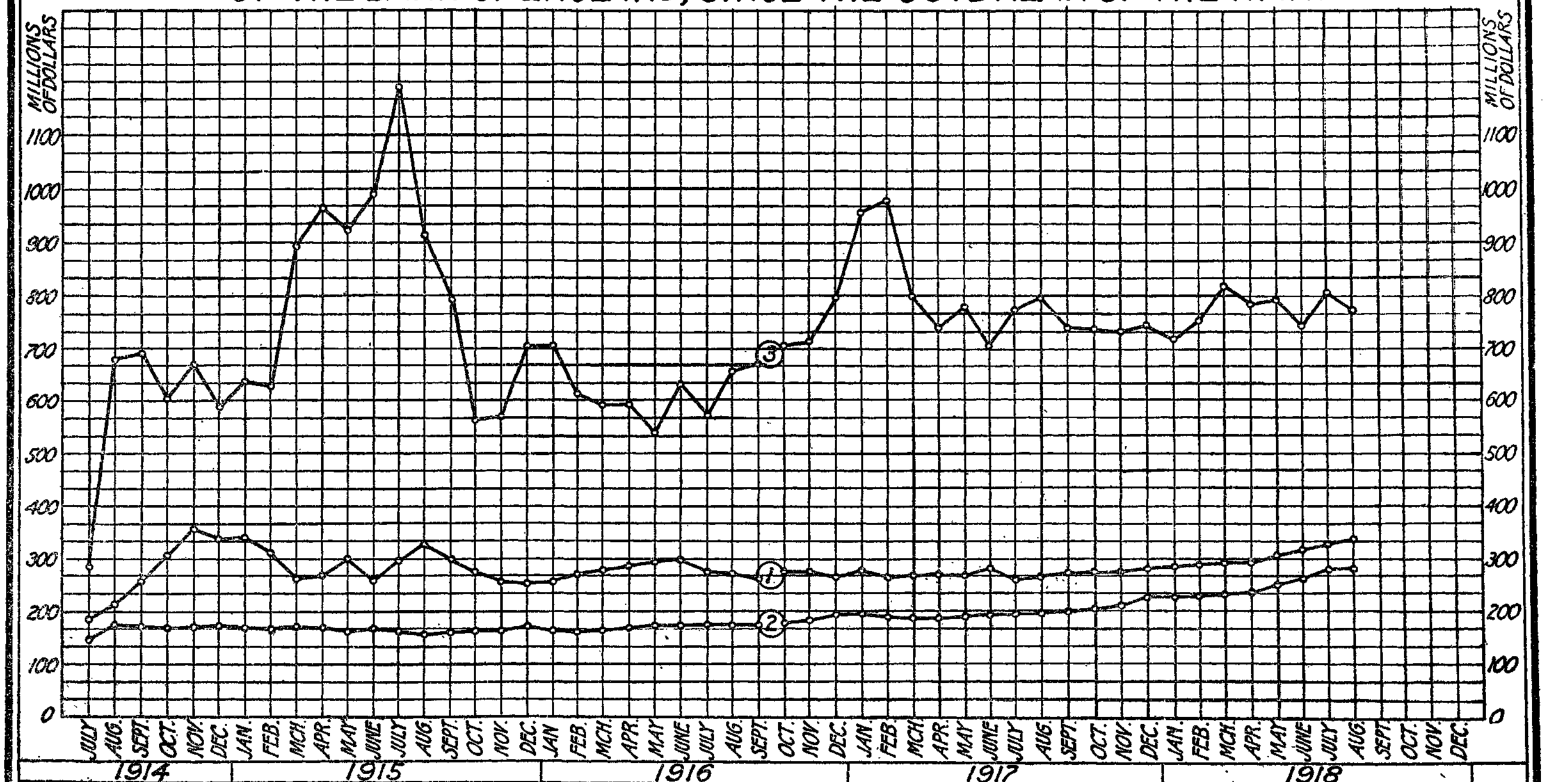
Date.	Gold in vault.		Notes in circulation.		War advances to Government.	
	Millions of francs.	Millions of dollars.	Millions of francs.	Millions of dollars.	Millions of francs.	Millions of dollars.
1917.						
Nov. 29	3,296.3	636.2	22,690.9	4,379.3	12,550.0	2,422.2
Dec. 27	3,314.4	639.7	22,336.8	4,311.0	12,500.0	2,412.5
1918.						
Jan. 31	3,325.1	641.7	23,534.3	4,542.1	12,800.0	2,470.4
Feb. 28	3,331.0	642.9	24,308.3	4,691.5	12,950.0	2,499.4
Mar. 28	3,336.4	643.9	25,179.3	4,859.6	14,000.0	2,702.0
Apr. 25	3,341.8	645.0	26,395.3	5,094.3	15,650.0	3,020.5
May 30	3,346.6	645.9	28,012.2	5,406.4	17,500.0	3,377.5
June 27	3,361.7	648.8	28,550.4	5,510.2	18,450.0	3,560.9
July 25	3,394.4	655.1	29,148.1	5,625.6	18,900.0	3,647.7
Aug. 29	3,398.3	655.9	29,434.0	5,680.8	19,150.0	3,696.0

GERMAN REICHSBANK.

[In millions of marks and dollars.]

Date.	Gold in vault.		Notes in circulation.		Discounts and advances.	
	Millions of marks.	Millions of dollars.	Millions of marks.	Millions of dollars.	Millions of marks.	Millions of dollars.
1917.						
Nov. 30	2,405.3	572.5	10,622.3	2,528.1	12,234.2	2,911.7
Dec. 31	2,405.6	572.5	11,467.7	2,729.3	14,596.1	3,473.9
1918.						
Jan. 31	2,406.1	572.7	11,138.9	2,651.1	13,105.5	3,119.1
Feb. 28	2,407.8	573.1	11,310.8	2,692.0	13,048.5	3,105.5
Mar. 30	2,408.5	573.2	11,977.8	2,850.7	16,034.3	3,816.2
Apr. 30	2,344.0	557.9	11,820.8	2,813.4	13,887.8	3,305.3
May 31	2,345.7	558.3	12,002.7	2,856.6	14,544.7	3,461.7
June 29	2,346.2	558.4	12,510.4	2,977.5	16,670.9	3,967.7
July 31	2,347.3	558.7	12,704.5	3,023.7	15,988.5	3,805.3
Aug. 31	2,348.1	558.8	13,639.1	3,246.1	17,674.2	4,206.5

GOLD IN VAULT, BANK NOTES IN CIRCULATION, ETC., OF THE BANK OF ENGLAND, SINCE THE OUTBREAK OF THE WAR.

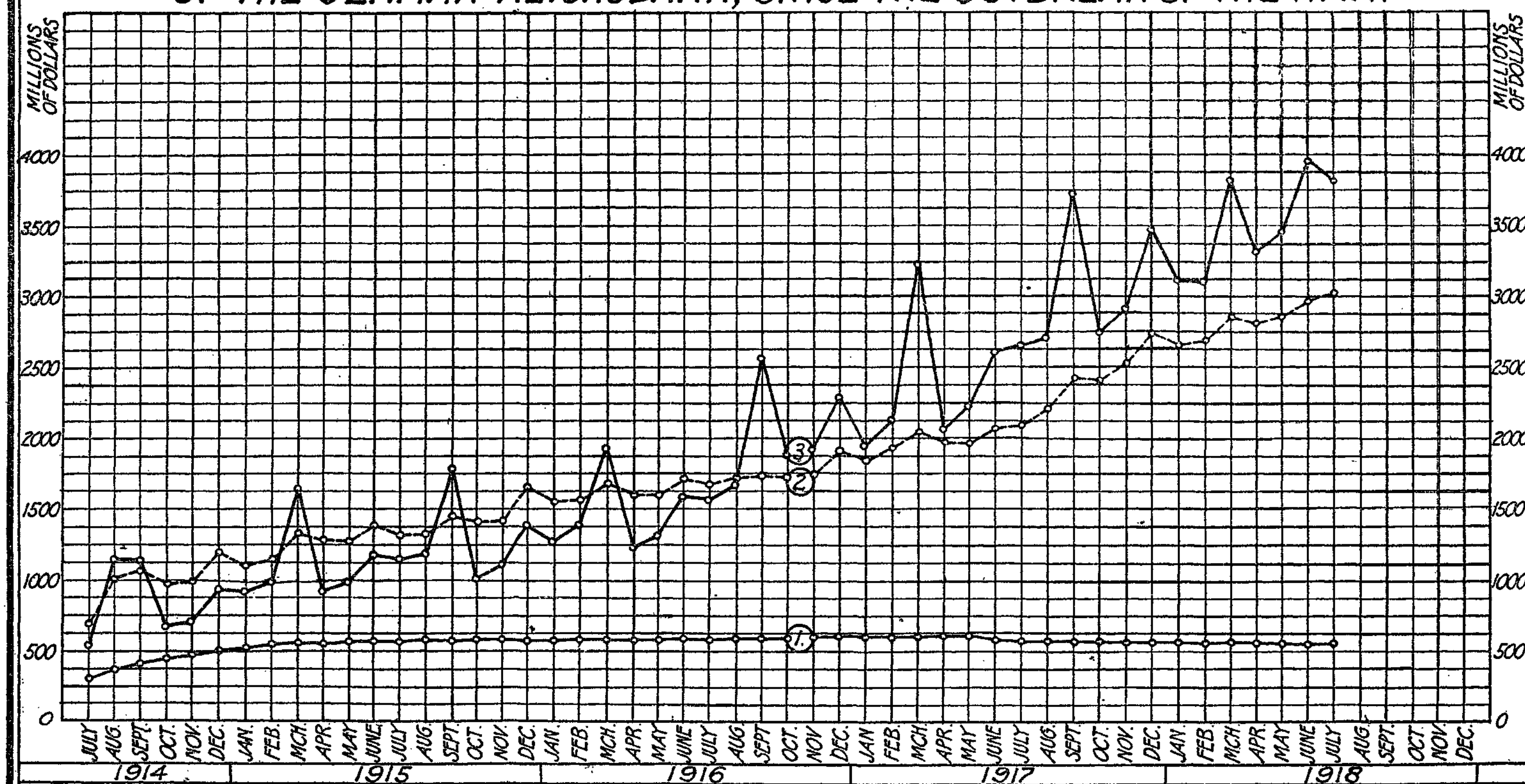


Curve 1: Gold and Silver in Issue and Banking Departments.
Curve 2: Notes in Actual Circulation. Curve 3: Securities in Banking Department.

GOLD IN VAULT, BANK NOTES IN CIRCULATION, ETC., OF THE BANK OF FRANCE, SINCE THE OUTBREAK OF THE WAR.

Curve 1: Gold in Vault. Curve 2: Notes in Circulation.
Curve 3: Advances to the Government since the War.

GOLD IN VAULT, BANK NOTES IN CIRCULATION, ETC., OF THE GERMAN REICHSBANK, SINCE THE OUTBREAK OF THE WAR.



Curve 1: Gold in Vault. Curve 2: Notes in Circulation.
Curve 3: Bills discounted, incl. Treasury Bills and Advances.

REPORTS OF BANK TRANSACTIONS.

In the accompanying table are given figures of debits to deposit account of clearing-house banks in about 125 cities for the weekly periods ending Wednesday, September 4, 11, 18, and 25, in continuation of similar tables in the September Federal Reserve Bulletin, giving data for three weekly periods in the month of August. The number of centers from which reports are received has been gradually increased, and arrangements are being perfected whereby data for practically all the important centers will be sent to the Federal Reserve Board for use in its consolidated weekly statements.

Separate figures are shown for debits to individual account and for debits to banks' and bankers' account. In a considerable number of cases the earlier reports published in the previous issue of the BULLETIN gave merely one combined total for both items, but at the request of the Board separate figures are now reported by practically all centers. Debits to individual account represent the volume of business transactions, while debits to banks' and bankers' account represent the volume of interbank transactions. The former give rise to and are partially represented in the latter. A check passing in settlement of a business transaction between two individuals carrying accounts with the same bank does not appear in the figures of debits to bank account. On the other hand, a check passing between two individuals carrying accounts with separate banks may pass through a number of other banks in its course from the payee's bank to the drawer's bank, giving rise to a debit to bank account on the books of each of the banks through which it passes, until it reaches the bank on which it is drawn. As a result, figures of debits to bank account are not inclusive of all business transactions, and on the other hand comprise duplications and reduplications of such transactions whenever the checks in settlement of such transactions pass through more than one bank. Debits to bank account as an index of business transactions are thus subject to the same objections as are generally raised against figures of clearings where used as a like index. The debits to bank account have, however, their specific use, as they show the volume of interbank transactions as distinct from debits to individual account, which represent the volume of business transactions. It follows that a cumulation of these two classes of items is not only of little value, but may be positively misleading. It is for this reason that figures for the two items have not been combined in the tables which follow.

Figures of reporting clearing houses by Federal Reserve districts are as follows:

Weekly figures of clearing-house bank debits to deposit account.

[In thousands of dollars; i. e., 000 omitted.]

District.	Debits to individual account.				Debits to banks, and bankers' account.			
	Sept. 4.	Sept. 11.	Sept. 18.	Sept. 25.	Sept. 4.	Sept. 11.	Sept. 18.	Sept. 25.
No. 1—Boston:								
Bangor	2,429	2,733	2,346	2,386	334	432	462	445
Boston	170,111	204,212	219,705	200,072	141,030	176,730	199,692	191,708
Fall River	5,452	7,045	6,778	7,419	238	319	443	191
Hartford			19,875	16,914			1,092	1,138
Holyoke	2,395	2,547	2,801	2,930	37	516	840	693
Lowell	3,858	4,724	5,563	4,120	154	287	261	316
New Bedford	4,477	5,005	5,837	5,674	122	224	390	135
New Haven	13,193	13,456	14,363	12,603	416	389	531	279
Portland		6,905	7,889	6,155		2,856	2,893	2,810
Providence	21,048	23,174	26,531	25,383	1,363	1,373	1,651	1,474
Springfield	6,295	7,391	7,830	7,631	112	185	153	133
Waterbury	6,947	6,809	7,726	6,485	498	319	370	356
Worcester	11,622	12,609	14,323	12,728	824	899	843	1,572
No. 2—New York:								
Albany	14,485	15,563	15,205	19,497	10,866	15,063	12,082	12,659
Binghamton	2,147	2,623	2,923	2,561				
Buffalo	47,253	55,276	60,532	58,231	9,709	13,967	14,769	12,895
New York	2,997,636	3,512,698	3,014,507	3,077,011	1,267,249	1,432,572	1,511,209	1,548,827
Passaic	2,788	3,385	3,984	3,544	218	130	295	317
Rochester	19,835	19,992	23,706	20,894	342	495	534	555
Syracuse	10,575	7,233	13,205	8,292	800		395	
No. 3—Philadelphia								
Altoona	1,812	3,595	2,135	2,672				
Chester	4,416	4,716	5,768	5,125				7
Harrisburg	5,350	6,439	6,410	5,981	140	249	198	22
Johnstown			2,952	2,180			1,634	1,371
Lancaster	3,478	4,198	4,340	4,005	19		1	24
Philadelphia	260,842	259,117	282,786	277,000	258,627	307,667	288,910	291,868
Reading	4,859	4,151	5,480	6,419	1		1	1

Weekly figures of clearing-house bank debits to deposit account—Continued.

[In thousands of dollars; i. e., 000 omitted.]

District.	Debits to individual account.				Debits to banks' and bankers' account.			
	Sept. 4.	Sept. 11.	Sept. 18.	Sept. 25.	Sept. 4.	Sept. 11.	Sept. 18.	Sept. 25.
No. 3—Philadelphia—Continued.								
Scranton	9,269	11,100	9,378	10,945		2,025	1,712	1,672
Trenton	7,137	7,956	10,973	9,422	256	216	99	312
Wilkes-Barre	6,137	5,967	7,702	5,810		91	89	119
Williamsport	2,739	3,134	2,961	2,915			2,376	2,653
Wilmington	8,087	8,644	9,063	7,972				
York	2,386	3,011	3,004	2,896	31	47	20	41
No. 4—Cleveland:								
Akron				14,305				58
Cincinnati	45,754	49,385	51,334	51,442	35,180	42,602	47,821	41,368
Columbus	18,843	23,392	21,946	21,221	2,815	4,537	3,016	3,120
Dayton	9,478	11,512	11,006	10,968	387	493	420	481
Erie	5,315	6,454	7,054	6,445	71	27	50	83
Greensburg, Pa	2,680	2,552	2,705	2,639				
Lexington, Ky			3,302	3,357			2,535	2,630
Newcastle	1,958	2,033	1,949	2,082	1,725	1,620	1,537	1,617
Oil City			2,132	3,385			2,614	2,465
Springfield	3,136	2,623	2,643	2,181	3,011	2,276	2,693	2,187
Toledo	17,012	21,856	23,786	20,880	5,808	8,536	7,906	7,361
Wheeling		9,183	6,887	7,482		8,575	9,033	9,121
Youngstown	6,183	15,857	11,138	11,835	23	45	34	27
No. 5.—Richmond:								
Baltimore	68,713	76,302	73,294	76,175	34,542	39,926	38,111	39,807
Charlotte				5,788				8,271
Norfolk			17,145	15,911			23,838	23,836
Raleigh			3,266	3,574			1,813	2,419
Richmond	19,829	24,125	21,218	23,112	48,930	66,394	65,193	70,589
No. 6.—Atlanta:								
Atlanta	19,172	22,173	23,339	24,575	15,755	22,826	22,136	27,394
Augusta	6,625	9,662	9,946	10,728	889	1,690	3,436	3,516
Birmingham	12,680	12,330	12,040	13,680	2,513	3,664	3,900	4,574
Chattanooga	7,763	9,308	8,753	8,720	3,004	4,552	4,285	4,802
Jacksonville	7,445	9,056	9,750	9,388	3,887	6,381	5,905	5,531
Knoxville	5,513	5,955	5,657	4,918	1,042	1,601	1,493	1,229
Macon	5,666	6,596	7,324	7,237	2,894	3,648	3,879	4,118
Mobile	5,594	6,021	6,193	6,323	662	841	969	966
Montgomery	3,398	4,485	5,222	4,656	505	673	614	413
Nashville	18,094	20,047	19,242	19,801	12,251	13,852	15,163	17,007
New Orleans	48,477	53,884	52,791	54,256	31,341	32,006	40,538	40,556
Pensacola	1,727	1,650	1,851	1,656	1,518	990	923	1,194
Savannah	13,099	16,580	17,602	15,664	7,307	13,530	14,154	15,188
Tampa	3,030	3,253	3,686	3,485	714	816	1,495	1,567
Vicksburg	1,266	1,428	1,566	1,629	85	120	234	102
No. 7.—Chicago:								
Bay City	2,251	2,233	2,390	2,383	371	516	442	420
Bloomington, Ill	2,273	2,432	2,258	1,947	940	843	1,011	730
Cedar Rapids	[1] 10,576	[1] 14,521	[1] 13,171	[1] 13,496				
Chicago	428,084	396,781	610,176	527,579	441,922	477,242	651,333	580,204
Davenport	5,306	6,002	6,200	5,972	2,192	1,408	1,048	935
Decatur, Ill	2,854	3,020	2,936	2,875	709	855	735	656
Des Moines	[1] 35,595	[1] 48,944	[1] 43,640	[1] 39,717				
Detroit	87,739	82,993	105,211	98,369	37,188	44,478	44,685	44,879
Dubuque	1,587	1,966	2,242	1,800	1,070	1,007	813	1,300
Flint	[1] 3,580	[1] 5,107	[1] 3,283	4,105				47
Fort Wayne	3,657	5,663	4,312	5,408	1,241	1,817	1,504	1,250
Grand Rapids	10,853	7,890	14,030	16,959	2,809	14,382	4,823	4,464
Indianapolis	22,457	26,754	30,759	29,184	20,500	25,874	26,372	22,982
Jackson, Mich		[1] 2,872	[1] 2,633					
Kalamazoo	2,532	3,085	2,995	2,993	376	462	421	372
Lansing		2,830		3,103		150		176
Milwaukee	30,552	52,252	54,625	49,102	18,756	32,564	29,337	28,541
Peoria	9,382	10,464	11,977	10,612	1,969	2,302	2,249	2,394
Rockford, Ill	3,659	4,654	4,448	4,370	85	62	168	126
Sioux City, Iowa	11,693	1,740	10,769	11,012	12,111	1,106	9,861	12,215
South Bend	897	4,429	3,004	2,838	2,314	1,932	1,970	1,759
Springfield, Ill	3,949	4,667	4,390	4,253	960	1,106	947	1,879
Waterloo, Iowa	2,392	2,832	2,901	3,224	819	1,309	772	947
No. 8.—St. Louis:								
Evansville	3,219	4,391	4,066	4,700	1,077	2,111	1,888	1,212
Little Rock	5,342	8,194	7,395	7,212	4,163	5,243	6,549	6,504
Louisville	20,720	25,250	27,091	26,120	11,320	15,600	14,787	14,986
Memphis	15,440	22,572	24,210	38,750	9,340	17,148	25,155	24,380
St. Louis	118,837	127,962	139,877	136,202	114,140	136,870	137,612	140,850
Springfield				1,299				1,185
No. 9—Minneapolis:								
Aberdeen	1,796	2,280	1,890	1,937	1,276	1,667	1,941	1,738
Billings		2,255	2,011	1,832		2,005	1,196	1,189
Butte			6,158				4,403	
Duluth	14,033	30,259	52,535	63,802	2,668	5,518	6,600	3,624
Fargo			3,581	4,800			3,431	3,982
Grand Forks				1,468				2,079
Great Falls			3,275	3,602			6,216	6,837

[1] Figures comprise debits to both individual as well as to banks' and bankers' account.

Weekly figures of clearing-house bank debits to deposit accounts—Continued.

[In thousands of dollars; i. e., 000 omitted.]

District.	Debits to individual account.				Debits to banks' and bankers' account.			
	Sept. 4.	Sept. 11.	Sept. 18.	Sept. 25.	Sept. 4.	Sept. 11.	Sept. 18.	Sept. 25.
No. 9—Minneapolis.								
Helena	1,760	2,198	1,920	2,099	2,379	3,746	3,088	2,893
Minneapolis	66,058	98,299	107,739	113,331	53,761	80,645	93,723	99,859
St. Paul	23,086	28,493	33,357	35,696	28,180	40,597	43,385	45,691
Superior	1,401	2,238	2,235	2,145	113	91	141	193
No. 10—Kansas City:								
Atchison	1,216	913	1,064	983	321	67	59 0	545
Bartlesville, Okla	1,654	1,793	2,251	1,574	158	134	197	341
Colorado Springs	1,929	2,401	2,484	2,274	642	559	511	452
Denver	22,255	29,216	26,395	25,303	15,015	21,414	22,749	20,278
Joplin	3,048	3,777	4,037	3,369	501	911	880	822
Kansas City, Kans	2,283	3,356	3,032	3,719	4,806	5,440	5,763	5,754
Kansas City, Mo	88,654	105,876	103,855	100,411	153,778	185,694	177,851	181,317
Muskogee, Okla	1,827	2,246	3,960	2,944	1,553	2,130	3,024	3,125
Oklahoma City	7,947	13,231	13,968	12,128	6,982	10,918	13,775	11,971
Omaha	62,186	74,663	59,811	76,350	48,948	70,254	61,410	66,772
Pueblo	2,106	2,903	2,804	2,394	559	792	754	998
St. Joseph	35,231	19,193	18,208	18,328	20,106	18,924	15,354	16,445
Topeka	3,620	4,848	4,354	4,122	1,204	2,792	1,720	1,731
Tulsa	10,937	15,067	18,168	15,626	6,847	7,930	8,222	8,081
Wichita	15,918	11,230	8,324	6,322	14,430	18,544	16,517	12,342
No. 11—Dallas:								
Albuquerque	...	...	...	981	...	...	...	...
Austin	2,464	3,252	3,786	2,742	5,510	5,929	4,793	3,119
Beaumont	3,069	3,816	3,736	4,146	362	460	458	432
Dallas	25,687	30,595	32,714	30,523	56,052	60,114	64,197	62,545
El Paso	3,720	4,393	5,216	4,878	4,650	6,083	5,945	6,210
Fort Worth	12,524	14,892	14,833	16,390	27,245	32,960	30,384	35,116
Galveston	6,669	7,919	7,869	7,252	6,136	5,578	7,219	6,982
Houston	35,547	29,614	25,775	36,715	49,232	60,188	58,131	59,911
Shreveport	4,488	6,031	5,854	5,639	2,470	3,428	4,436	4,431
Texarkana	1,231	1,289	1,849	1,228	254	354	428	512
Tuscon	...	...	...	1,413	...	...	...	1,449
Waco	4,455	5,073	...	3,738	4,368	3,357	...	3,183
No. 12—San Francisco:								
Fresno	5,614	4,802	6,262	6,262	4,577	4,137	5,762	5,362
Long Beach	1,905	1,640	2,098	2,004	49	43	40	76
Los Angeles	35,942	31,226	53,995	46,382	26,606	21,971	43,632	34,170
Oakland	9,274	10,527	8,194	12,015	1,800	2,308	2,492	3,255
Ogden	2,861	3,594	3,607	3,808	1,644	2,967	4,554	4,849
Pasadena	1,797	1,836	1,987	1,766	206	164	224	128
Portland	33,533	38,512	43,604	51,126	20,373	27,037	29,168	28,243
Reno	...	...	1,753	1,460	...	...	1,510	1,362
Sacramento	...	...	16,118	11,857	...	...	9,902	5,102
Salt Lake City	9,779	14,139	11,686	15,530	12,882	16,078	17,658	19,235
San Diego	4,015	4,591	5,040	4,480	281	241	193	447
San Francisco	...	...	...	148,046	...	...	...	103,734
Seattle	34,248	43,056	48,579	51,368	14,901	20,377	20,624	38,129
Spokane	6,814	9,989	9,865	9,742	7,312	9,317	10,090	10,394
Stockton	...	...	5,150	3,855	...	...	3,184	2,161
Tacoma	8,347	13,306	13,103	9,625	3,494	7,242	7,486	11,324
Yakima	1,610	2,290	1,750	1,568	100	179	145	212

Recapitulation showing figures for clearing-house centers reporting for each of the four weeks.

[In thousands of dollars; i. e., 000 omitted.]

District.	Number of centers included.	Debits to individual account.				Debits to banks' and bankers' account.			
		Sept. 4.	Sept. 11.	Sept. 18.	Sept. 25.	Sept. 4.	Sept. 11.	Sept. 18.	Sept. 25.
No. 1—Boston	11	247,827	289,705	313,803	287,431	145,128	181,673	205,636	197,302
No. 2—New York	7	3,094,719	3,616,770	3,134,062	3,190,030	1,289,184	1,462,227	1,539,284	1,575,253
No. 3—Philadelphia	12	316,512	322,028	350,000	341,162	259,088	310,306	291,030	294,066
No. 4—Cleveland	9	110,359	135,664	133,561	129,693	49,020	60,136	63,477	56,244
No. 5—Richmond	2	88,542	100,427	94,512	99,287	83,472	106,320	103,304	110,396
No. 6—Atlanta	15	159,549	182,428	184,962	186,716	84,367	107,190	119,124	128,157
No. 7—Chicago	21	681,868	688,429	935,717	838,198	546,332	609,265	778,491	706,100
No. 8—St. Louis	5	163,558	188,369	202,639	212,984	140,040	176,972	185,991	187,932
No. 9—Minneapolis	6	108,134	163,767	199,676	219,010	88,377	132,264	148,868	153,998
No. 10—Kansas City	15	260,811	290,713	272,715	275,847	275,850	346,503	329,317	330,980
No. 11—Dallas	9	95,399	101,801	101,632	109,513	151,911	175,094	175,991	179,258
No. 12—San Francisco	13	155,739	179,508	209,770	215,676	94,225	112,061	142,068	156,824
Total	125	5,483,017	6,259,609	6,133,049	6,105,547	3,206,994	3,780,011	4,082,581	4,076,510

WHOLESALE PRICES.

In accordance with the plans announced in the September FEDERAL RESERVE BULLETIN, there are presented in the table below monthly index numbers of wholesale prices since January, 1914, using the average prices in the year 1913 as a base. The general index number, comprising at present 287 commodities, is that of the United States Bureau of Labor Statistics, which has kindly agreed to place its compilation of index numbers and data employed in their construction at the disposal of the Federal Reserve Board for use each month in the FEDERAL RESERVE BULLETIN. The technical method of construction employed by the bureau has been described at some length in previous issues of the BULLETIN.

In addition to the bureau's general index number, separate numbers for certain particular classes of commodities are presented. The principle of grouping employed has been a composite one. It is generally believed that for the study of business conditions comparison of the prices of raw materials with those of manufactured products, and comparison of the prices of producers' goods with those of consumers' goods, are of most significance. The former may be termed an approach to the problem from the supply side, the latter from the demand side. In addition, the nature or origin of the commodity, whether a farm, animal, forest, or mineral product, is often taken into account.

It was deemed desirable to so classify the commodities included in the general index number that the above comparison may be readily instituted. Each of the commodities included in the final number was assigned to one of the groups, the composite of the groups thus coinciding with that forming the basis for the general index number. The grouping chosen comprises raw materials, including farm, animal, forest, and mineral products; producers' goods, such as steel rails, copper wire, and cotton yarn; and consumers' goods, such as flour, beef, and cotton textiles. In some instances, the classification of commodities has been somewhat arbitrary, as certain commodities are used both as producers' and consumers' goods. Flour is a consumers' commodity to the housewife and a producers' commodity to the baker. In such cases the assignment has been made in accordance with the principal use of the commodity. Again, it is often difficult to distinguish between the classes of raw materials and producers' goods. Iron and lumber provide cases in point. The latter, while subject to some degree of manufacture, is nevertheless believed to be most satisfactorily classed under the head of "raw materials," and accordingly forms the forest products subgroup of the raw materials group. In certain cases, however, notably with respect to certain foodstuffs such as prunes, lemons, and milk, it was deemed preferable for the present purpose to include the commodity with the consumers' goods group, although the manufacturing process undergone may have been practically negligible.

Owing to the rapid change in the character of commodities on the market at the present time, due to conditions brought about by the war, the list of commodities included in both the general number of the Bureau of Labor and the several groups here presented is subject to monthly revision. Prior to the present year, revision of the list had been made yearly. The statistical methods employed insure continuity in the index number, so that figures from month to month are entirely comparable. The list of commodities included in each of the groups is given below. Changes in the list will be noted from month to month and at intervals the revised list will be published for purposes of convenient reference. The index numbers for the latest month are provisional, due to the fact that certain of the data are not received in time to render them available for use in the calculations. Up to the present, however, these changes have been so slight in amount as to render unnecessary revision of figures previously published.

LIST OF COMMODITIES AT PRESENT INCLUDED IN EACH OF THE GROUPS.

A. Raw Materials (69 articles).

1. Farm Products (16 articles):

Barley, fair to good or standard grade malting, Chicago.
Corn, No. 2, contract, mixed, Chicago.
No. 3, mixed, Chicago.
Cotton, middling, New Orleans.
upland middling, New York.
Flaxseed, No. 1, cash, Minneapolis.
Hay, timothy No. 1, 2 and 3 wire, Chicago.
Hops, prime to choice, State, New York.
Oats, cash, contract, Chicago.
Rye, No. 2, cash, Chicago.
Tobacco, Burley, good leaf, dark red, Louisville.
Wheat, No. 1, northern spring, cash, Chicago.
No. 1, northern spring, cash, Minneapolis.
No. 2, red winter, Chicago.
No. 2, hard winter, Kansas City.
bluestem, Portland.

2. Animal Products (19 articles):

Cattle, steers, choice to prime, heavy beeves, Chicago.
steers, good to choice, corn-fed, Chicago.
Hides, Brazilian goatskins, New York.
calfskins, No. 1, country, 8–15 pounds, Chicago.
green salted, packers', heavy native steers, Chicago.
green salted, packers', heavy Texas steers, Chicago.
Hogs, heavy, range fair to choice, Chicago.
light, range common to good, Chicago.
Poultry, live fowls, Chicago.
live fowls, New York.
Sheep, ewes, native, plain to fancy, Chicago.
lambs, western, good to prime, Chicago.
wethers, common to best, Chicago.
Silk, raw, Japan, special extra, 13/15, New York.
raw, Japan, No. 1, Kansai, 13/15, New York.
Wool, Ohio, fine de laine, scoured.
Ohio, medium fleece, 1/4 and 3/8 grades, scoured.
Ohio, fine clothing, scoured.
Ohio, half-bred, scoured.

3. Forest Products (11 articles):

Douglas fir, No. 1, common, surfaced one side, Washington State.
drop siding, No. 2 and better, Washington State.
Maple, hard and soft, 1sts and 2ds, New York.
Oak, white, plain mixed rock, mountain and West Virginia stock, 1sts and 2ds, New York.
white, quartered, New York.
Pine, white, No. 2 barn, rough, New York rail.
white, No. 2 uppers, rough, New York rail.
yellow, flooring, long-leaf, New York.
North Carolina, surfaced, boards, Norfolk.
Poplar, yellow, rough, New York.
Spruce, eastern, New York.

4. Mineral Products (23 articles):

Coal, anthracite, broken, New York tidewater.
anthracite, chestnut, New York tidewater.
anthracite, egg, New York tidewater.
anthracite, stove, New York tidewater.
bituminous, run of mine (Kanawha), Cincinnati.
bituminous, prepared sizes, Chicago.
bituminous, run of mine, Chicago.
bituminous, screenings, Chicago.
bituminous, run of mine, St. Louis.
bituminous, prepared sizes, Pittsburgh.
semibituminous, Pocahontas, Norfolk.
semibituminous, run of mine, Cincinnati (New River).
Coke, Connellsville, furnace.
Copper, ingot, electrolytic, New York.

A. Raw Materials (69 articles)—Continued.

4. Mineral Products (23 articles)—Continued.

Iron ore, Mesabi, Bessemer, 55 per cent, lower Lake ports.
Lead, pig, desilverized, New York.
Petroleum, crude, Pennsylvania, at wells.
Pig iron, basic, f. o. b. Mahoning or Shenango Valley furnace.
Bessemer, Pittsburgh.
foundry No. 2, northern, Pittsburgh.
foundry No. 2, southern, Cincinnati.
Tin, pig, New York.
Zinc, pig (spelter), western, New York.

B. Producers' Goods (77 articles):

Acetic acid, 28 per cent, New York.
Alcohol, denatured, 180 proof, New York.
grain, 190 proof, U. S. P., New York.
wood, refined, 95 per cent, New York.
Alum, lump, New York.
Ammonia, anhydrous, New York.
Bar iron, best refined, Pittsburgh.
common, Pittsburgh.
Borax, crystals and granulated, New York.
Brick, common, run of kiln, salmon, Chicago.
common, red building, Cincinnati.
common, red domestic building, New York.
Carbonate of soda (sal soda), New York.
Caustic soda, 76 and 78 per cent, solid, New York.
Cement, domestic Portland, spot, New York.
Copper sulphate, 95 per cent, crystals (blue vitriol), New York.
Copper wire, bare, No. 8, B. & S. gauge and heavier (base size).
Cotton thread, 6-cord, 200 yard, J. & P. Coats.
Cotton yarns, white, northern, mule spun, 10/1 cones.
white, northern, mule spun, 22/1 cones.
Cottonseed meal, prime, New York.
Gasoline, motor, to garages, New York.
Glass, plate, polished, area 3 to 5 square feet, f. o. b. New York.
plate, polished, area 5 to 10 square feet, f. o. b. New York
window, American, single, AA, 25 inches, 6 by 8 to 10 by 15, New York.
window, American, single, B, 25 inches, 6 by 8 to 10 by 15, New York.
Glycerin, chemically pure, in bulk, New York.
Jute, raw, M-double triangle, New York.
Lath, eastern spruce, 1½-inch slab, New York.
Lead, carbonate of (white lead), in oil, American, New York.
Lead pipe, New York.
Leather, chrome calf, dull or bright, range of B grades.
harness, California oak No. 1, Chicago.
sole, hemlock No. 1, middle.
sole, oak, scoured backs, heavy, Boston.
glazed kid, black, top grade, from Brazilian skins, Boston.
side, black chrome, Boston.
tanned, B grade, Boston.
Lime, eastern, common, New York.
Linen shoe thread, 10's, Barbour.
Linseed oil, raw, car lots, New York.
Lubricating oil, paraffin, 903 sp. gr., New York.
Malt, standard keg beer, New York.
Muriatic acid, 20 degrees, New York.
Nails, wire, eightpenny fence and common, f. o. b. Pittsburgh.
Nitrate of soda (Chile saltpeter), 95 per cent, New York.
Nitric acid, 42 degrees, New York.
Oleo oil, extra, Chicago.
Opium cases, U. S. P., New York.
Paper, news-print, rolls, contract.
Pipe, cast iron, f. o. b. New York.
Putty, common, New York.
Rope, pure manila, first grade, base size, New York.
Rosin, common to good, New York.

B. PRODUCERS' GOODS (77 articles)—Continued.
Rubber, Para Island fine, New York.
Shingles, cypress, best, 5 inches wide, 16 inches long.
red cedar, clear, random width, 16 inches long.
Silver, bar, fine, New York.
Soda ash, light, 58 per cent, New York.
Steel billets, Bessemer, Pittsburgh.
plates, tank, ¼ inch thick, 6 to 100 inches wide, f. o. b. Pittsburgh.
rails, Bessemer, standard, Pittsburgh.
rails, open hearth, standard, Pittsburgh.
structural, Chicago.
Sugar, 96 degrees, centrifugal, New York.
Sulphuric acid, 66 degrees, New York.
Tallow, packers' prime, Chicago.
Tin plate, domestic, coke, 14 by 20 inches, f. o. b. Pittsburgh.
Turpentine, southern, barrels, New York.
Wire, barbed, galvanized, f. o. b. Chicago.
plain, annealed, Nos. 6 to 9, f. o. b. Pittsburgh.
Wood pulp, sulphite, domestic, unbleached, New York.
Worsted yarns, 2-40's, half blood.
2-50's, fine domestic.
2-32's, crossbred.
Zinc, oxide of (white zinc), American, standard, New York.
sheet, f. o. b. La Salle, Ill.

C. CONSUMERS' GOODS (141 articles):
Beans, medium choice, New York.
Blankets, all-wool, 5 pounds to pair.
Boots and shoes, men's split seamless Creedmore.
men's vici calf, Blucher bal.
men's vici kid, Goodyear welt.
men's gun metal, Blucher, Goodyear welt.
men's gun metal, button, Goodyear welt.
women's gun metal, button, McKay sewed.
women's gun metal, button, Goodyear welt.
women's patent leather pump, McKay sewed.
misses', vici, patent tip, button.
children's, gun metal, button.
little boys', gun metal, Blucher.
youths', gun metal, Blucher.
Butter, creamery extra, Boston.
creamery firsts, Boston.
creamery seconds, Boston.
creamery extra, Chicago.
creamery extra firsts, Chicago.
creamery firsts, Chicago.
whole milk, extras, Cincinnati.
centralized firsts, Cincinnati.
centralized seconds, Cincinnati.
creamery extra, St. Louis.
creamery fancy, New Orleans.
creamery choice, New Orleans.
creamery extra, New York.
creamery firsts, New York.
creamery seconds, New York.
creamery extra, Philadelphia.
creamery extra firsts, Philadelphia.
creamery firsts, Philadelphia.
creamery extra, San Francisco.
creamery prime firsts, San Francisco.
Canned goods, tomatoes, standard New Jersey No. 3.
Carpets, Lowell, Axminster.
Brussels, 5-frame Bigelow.
Wilton, 5-frame Bigelow.
Cheese, whole milk, American twins, Chicago.
State, fresh, whole milk, New York.
California Flats, fancy, San Francisco.
Coffee, Brazil grades, Rio No. 7, New York.
Denims, Massachusetts, No. 220.
Drillings, brown, 30-inch, Massachusetts, D standard.

C. CONSUMERS' GOODS (141 articles)—Continued.
Eggs, western firsts, Boston.
fresh firsts, Chicago.
prime firsts, Cincinnati.
Louisiana, at the market, New Orleans.
fresh gathered firsts, New York.
western extra firsts, Philadelphia.
fresh extra selected pullets, San Francisco.
Fish, cod, large shore (pickled, cured).
herring, pickled, domestic, large, split, New York.
mackerel, salt, large 3s.
salmon, canned, Alaska red, New York.
Flannels, all wool, white, Ballard Vale.
Flour, rye, pure, Minneapolis.
wheat, new Admin. std., 95 per cent, from hard winter wheat, Kansas City.
wheat, standard war, from spring wheat, Minneapolis.
wheat, patents, Portland.
wheat, from soft wheat, 95 per cent, St. Louis.
wheat, patent, regulation, soft winter wheat, Toledo.
Fruit, apples, Baldwin, fresh, Chicago.
bananas, Jamaica 8s, New York.
currants, uncleaned, barrels, New York.
lemons, California (300-360 count), Chicago.
oranges, navels and valencias, Chicago.
prunes, California, New York.
raisins, coast seeded, New York.
Ginghams, Amoskeag, 27-inch.
Lancaster, staple, 26½-inch.
Glucose (corn sirup), 42 degrees mixing, New York.
Hosiery, men's half hose, combed yarn, 188 needles, 17 ounces, fast black.
women's combed peeler cotton hose, double sole, full fashioned.
women's single thread, 200 needles, combed yarn, double sole.
Illuminating oil, 110 degrees, for export, New York.
150 degrees fire test, water white, jobbing lots, New York.
Lard, prime contract, New York.
Matches, No. 5, New York.
Meal, corn, Chicago.
corn, white table, Philadelphia.
Meat, bacon, short clear sides, smoked loose, Chicago.
bacon, rough sides, Chicago.
beef, carcass, good native steers, Chicago.
beef, fresh native sides, New York.
beef, mess, New York.
hams, smoked, loose, Chicago.
lamb, dressed, round, Chicago.
mutton, dressed, New York.
pork, mess, old to new, New York.
poultry, dressed, iced, scalded fowls, Chicago.
poultry, fowls, dressed, dry-picked, New York.
veal, city dressed, good to prime, New York.
Milk, fresh, Chicago.
fresh, New York.
fresh, San Francisco (vicinity).
Molasses, New Orleans open-kettle, New York.
Oleomargarine, Chicago.
Peanuts, No. 1 grade, Norfolk.
Print cloths, 27-inch, 64 by 60.
Quinine, New York.
Rice, Honduras, hard, clean, New Orleans.
Salt, American, medium, Chicago.
Sheetings, bleached, 10-4, Wamsutta.
brown, Indian Head, 36-inch.
brown, 4-4 Ware Shoals, L.L sheeting, 36-inch.
Shirtings, bleached, 36-inch, Lonsdale.
bleached, 4-4 Wamsutta.

C. CONSUMERS' GOODS (141 articles)—Continued.
Soap, laundry, Philadelphia.
laundry, 72 bars to pound, Cincinnati.
Spices, pepper, black, Singapore, New York.
Starch, laundry, New York.
Sugar, granulated, in barrels, New York.
Suitings, serge, 11-ounce.
Tableware and glassware:
Plates, white granite, 7 inches.
Teas, white granite.
Nappies, 4-inch, common.
Pitchers, ½-gallon, common.
Tumblers, table, common.
Tea, Formosa fine, New York.
Tickings, Amoskeag, 32-inch.
Tobacco, plug, 12 pieces to pound, New York.
Trouserings, 11-11½-ounce worsted.
Underwear, cotton, men's shirts and drawers.
cotton, women's union suits.

C. CONSUMERS' GOODS (141 articles)—Continued.
Underwear, merino, shirts and drawers, natural, 50 per cent wool.
merino, union suits, natural, 33⅓ per cent wool.
Vegetables, fresh cabbage, Florida white, New York.
onions, fresh, Chicago.
potatoes, white, fresh, good to choice, Chicago.
Vinegar, cider, Monarch.
Whisky, Bourbon, barrels, 4 years in bond.
Bourbon, bottled in bond.
Rye, Pennsylvania, barrels, 4 years in bond.
Rye, Pennsylvania, bottled in bond.
Women's dress goods, French serge, all wool, 35-inch.
storm serge, all wool, 50-inch.
broadcloth.
cotton-warp cashmere, 36-inch Hamilton.
poplar cloth, cotton warp, 36-inch.
sicilian cloth, cotton warp, 50-inch.

Movement of wholesale prices in the United States since January, 1914, by principal classes of commodities.

(Average for 1913=100.)

Year and month.	Raw materials.					Producers' goods.	Consumers' goods.	All commodities (Bureau of Labor Statistics index number).
	Farm products.	Animal products.	Forest products.	Mineral products.	Total raw materials.			
1914.								
Average for year	103	104	97	90	99	95	101	99
January	101	101	99	98	100	94	101	100
February	101	102	99	98	100	95	100	99
March	102	102	99	97	100	94	99	99
April	103	103	99	97	100	94	97	98
May	105	102	98	91	99	94	98	98
June	106	101	98	89	98	93	100	98
July	102	106	97	88	98	92	103	99
August	109	109	97	87	101	99	106	102
September	104	110	96	86	100	100	108	103
October	100	105	96	85	96	95	102	99
November	98	103	96	84	95	92	103	98
December	99	99	94	86	94	92	102	97
1915.								
Average for year	111	100	93	91	99	100	102	100
January	108	97	94	85	96	94	103	98
February	116	95	94	87	98	95	104	100
March	114	96	94	88	98	95	101	99
April	120	95	94	87	99	96	102	99
May	119	99	93	89	101	97	102	100
June	108	102	93	91	99	97	100	99
July	112	104	93	92	101	98	101	101
August	111	104	92	91	100	98	100	100
September	102	104	92	92	98	99	99	98
October	105	105	92	92	99	101	102	101
November	104	101	92	96	99	108	105	102
December	109	97	93	100	100	115	107	105
1916.								
Average for year	128	119	96	123	118	140	123	123
January	116	102	95	108	106	119	111	110
February	115	106	96	111	108	123	111	111
March	110	114	97	114	110	130	112	114
April	114	115	97	115	111	137	114	116
May	116	118	98	114	113	141	115	118
June	112	122	97	114	112	142	117	118
July	115	122	96	112	113	141	119	119
August	130	123	95	112	117	140	124	123
September	138	125	95	117	121	142	130	127
October	151	122	96	133	128	148	135	133
November	164	127	98	153	139	155	143	143
December	153	131	99	174	143	164	142	146

Movement of wholesale prices in the United States since January, 1914, by principal classes of commodities—Continued.

(Average for 1913=100.)

Year and month.	Raw materials.					Producers' goods.	Consumers' goods.	All commodities (Bureau of Labor Statistics index number).
	Farm products.	Animal products.	Forest products.	Mineral products.	Total raw materials.			
1917.								
Average for year	210	169	118	179	173	187	172	175
January	161	136	99	175	147	166	147	150
February	157	145	100	185	151	168	155	155
March	169	156	103	191	160	171	156	160
April	198	163	105	189	169	181	172	171
May	225	168	108	196	180	189	179	181
June	227	166	120	205	185	199	178	184
July	230	168	126	198	187	212	174	185
August	232	181	128	175	183	211	175	184
September	214	195	129	167	181	203	175	182
October	227	190	129	150	178	185	181	180
November	238	187	129	157	182	181	183	182
December	233	178	129	158	178	180	185	181
1918.								
January	240	174	130	171	183	181	192	185
February	242	176	131	172	184	184	193	187
March	249	178	135	172	187	187	189	187
April	243	193	137	170	190	190	193	191
May	226	201	138	173	189	192	194	191
June	232	198	138	171	189	194	197	193
July	237	209	140	180	196	196	202	198
August	246	215	143	180	200	199	205	203

Examination of the table discloses the interesting fact that, measured by the crude test of range of price fluctuation, the group of articles classed as consumers' goods has shown greater stability of price than the group comprising producers' goods, and, with the exception of the two earlier years, also the aggregate of articles included in the raw materials group. While care must be used in drawing conclusions from data covering such a limited period of time, it may be observed that this is in harmony with the generally accepted view that stability of price increases as a commodity passes from the raw toward the finished state.

It should be noted, however, that the accepted doctrine is not borne out, if the price fluctuations of the producers' goods group be compared with those of the raw materials group, as the former shows a somewhat greater range of price fluctuation. This inconsistency apparently is due to special conditions brought about by the war. Thus the minerals subgroup, ordinarily exhibiting the greatest oscillation among the several subgroups of the raw materials group, as a result of the price fixing activities of the Government has had its price fluctuations during the present year confined within narrower limits than any of the other three subgroups, even the group of forest products, notably sluggish in its price movements. The effect of price fixing is also manifest in the producers' goods group. On the other hand the index number for the farm products subgroup shows particularly large increases mainly through the combined influence of the price movement of cotton and wheat, though other members of the group have played their part in an increasing measure, especially since the institution of price fixing for wheat in the fall of 1917.

The phenomenon of greater stability of price for the consumers' goods group noted above is manifested also in another manner. Changes from month to month are with few exceptions gradual rather than abrupt, as is the case with both producers' and consumers' goods groups. Moreover, there is apparent a certain continuity of movement, especially in the latter part of the period, in contrast with the relatively abrupt rises and declines shown by the other groups. The direction in which prices move changes much less frequently in the case of consumers' goods, prices of the latter moving in somewhat the same manner as those of the forest products subgroup. The phenomenon observed may, however, be due to the fact that there is a much larger number of articles included in the consumers' goods group; hence any abrupt change in the individual item becomes much less pronounced when merged in the figures for the group.

Cotton obviously plays a much larger part in the farm products subgroup than do any particular classes of cotton textiles in the consumers' goods group. This means that certain commodities may at times dominate the price movements of the particular groups, a considerable change in the price of the commodity serving in some instances to determine the direction of the price movement of the subgroup, even though the prices of the remaining members of the subgroup show some movement in the opposite direction. The decrease of seven points in the index number for the mineral products subgroup between June and July, 1917, was of this character, being due entirely to a decrease in the prices of the two classes of semibituminous coal, even though pig iron had shown a slight increase of price. At first sight this may appear an anomalous situation. But further consideration merely serves to confirm the reliability of the quotation. For a change of considerable magnitude in the price of an important article is of more significance than slight changes in the prices of articles of less importance. This accords fully with a system of weighting which allots to commodities influence upon the index number commensurate with their relative importance.

In order to give a more concrete illustration of actual price movements, there are also presented in the accompanying tables monthly actual and relative figures since January, 1914, for certain commodities of a basic character. Index numbers have been calculated again on the basis of average prices prevailing in 1913. The actual average monthly prices shown in the table have been abstracted from the records of the United States Bureau of Labor Statistics.

The list of commodities which follows is arranged in the same manner as the list of commodities included in the table giving the course of general prices:

Corn, No. 3, mixed, Chicago.
Cotton, middling, New Orleans.
Wheat, No. 1, northern spring, cash, Minneapolis.
No. 2, red winter, Chicago.
Cattle, steers, good to choice, corn-fed, Chicago.
Hides, green salted, packers', heavy native steers, Chicago.
Hogs, light, range common to good, Chicago.
Wool, Ohio, medium fleece, ¼ and ⅜ grades, scoured.
Lumber, hemlock, Pennsylvania and West Virginia stock, base price, New York.
yellow pine, flooring, long-leaf, New York.
Coal, anthracite, stove, New York tidewater.
bituminous, run of mine, Cincinnati (Pittsburgh, 1914-1916; Kanawha, 1917-18).
semibituminous, Pocahontas, Norfolk.
Coke, Connellsville, furnace.
Copper, ingot, electrolytic, New York.
Lead, pig, desilverized, New York.
Petroleum, crude, Pennsylvania, at wells.
Pig iron, basic, f. o. b. Mahoning or Shenango Valley furnace.
Cotton yarns, white, northern, mule spun, 10/1 cones.
Leather, sole, hemlock, No. 1, middle.
Steel, billets, Bessemer, Pittsburgh.
plates, tank, ¼ inch thick, 6 to 100 inches wide, f. o. b. Pittsburgh.
rails, open hearth, standard, Pittsburgh.
Worsted yarns 2-32's crossbred stock.
Beef, carcass, good native steers, Chicago.
Coffee, Brazil grades, Rio No. 7, New York.
Flour, wheat, Minneapolis, standard patents, 1914-1917; standard war, 1918.
Hams, smoked, loose, Chicago.
Illuminating oil, 150° fire test, water-white, jobbing lots, New York.
Sugar, granulated, in barrels, New York.

Average wholesale prices of commodities for each month since January, 1914.

(Average for 1913=100.)

Year and month.	Corn, No. 3, Chicago.		Cotton, middling, New Orleans.		Wheat, No. 1, northern spring, Minneapolis.		Wheat, No. 2, red winter, Chicago.		Cattle, steers, good to choice, Chicago.		Hides, packers', heavy, native steers, Chicago.	
	Average price per bushel.	Relative price.	Average price per pound.	Relative price.	Average price per bushel.	Relative price.	Average price per bushel.	Relative price.	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.
1914.												
Average for year	$0.6826	111	$0.1126	89	$1.0031	115	$1.0051	102	$9.0387	106	$0.1963	107
January	.5913	96	.1296	102	.8759	100	.9690	98	8.7563	103	.1800	98
February	.5988	97	.1291	102	.9229	106	.9602	97	8.6375	102	.1825	99
March	.6245	101	.1295	102	.9269	106	.9495	96	8.6550	102	.1813	99
April	.6560	107	.1314	103	.9119	104	.9386	95	8.7125	102	.1800	98
May	.6916	112	.1335	105	.9384	107	.9763	99	8.7250	103	.1825	99
June	.7038	114	.1378	109	.9125	104	.8918	90	8.7950	103	.1850	101
July	.7044	114	.1331	105	.8971	103	.8210	83	9.2188	108	.1938	105
August	.8035	131	....	....	1.0682	122	.9563	97	9.5200	112	.2050	111
September	.7748	126	.0838	66	1.1364	130	1.1069	112	9.7313	114	.2100	114
October	.7266	118	.0692	54	1.1020	126	1.1086	112	9.4313	111	.2125	116
November	.6806	111	.0742	58	1.1594	133	1.1486	116	9.4063	111	.2175	118
December	.6340	103	.0721	57	1.1921	136	1.2023	122	8.9125	105	.2250	122
1915.												
Average for year	.7217	117	.0961	76	1.3061	150	1.3067	132	8.7015	102	.2420	132
January	.7056	115	.0783	62	1.3527	155	1.3910	141	8.5333	100	.2300	125
February	.7460	121	.0804	63	1.5135	173	1.6091	163	8.1750	96	.2350	128
March	.7133	116	.0836	66	1.4724	169	1.5311	155	8.2333	97	.2300	125
April	.7438	121	.0947	75	1.5407	176	1.5916	161	8.0313	94	.1875	102
May	.7647	124	.0896	71	1.5767	181	1.5700	159	8.5900	101	.2075	113
June	.7355	119	.0911	72	1.2869	147	1.2265	124	8.9563	105	.2325	126
July	.7806	127	.0869	68	1.3901	159	1.1611	118	9.2125	108	.2575	140
August	.7828	127	.0865	70	1.3730	157	1.0963	111	9.2300	108	.2738	149
September	.7269	118	.1053	83	.9811	112	1.0760	109	8.9500	105	.2650	144
October	.6335	103	.1203	95	1.0190	117	1.1325	115	8.8750	104	.2650	144
November	6495	106	.1155	91	1.0182	117	1.1250	114	8.8450	104	.2625	143
December	.6794	110	.1185	93	1.1311	129	1.2322	125	8.4875	100	.2575	140
1916.												
Average for year	.8118	132	.1410	111	1.4108	162	1.3505	137	9.5730	113	.2618	142
January	.7356	120	.1205	95	1.2894	148	1.2896	131	8.6650	102	.2300	125
February	.7385	120	.1142	90	1.2825	147	1.2585	128	8.4688	100	.2375	129
March	.7150	116	.1177	93	1.1409	131	1.1328	115	8.9688	105	.2275	124
April	.7525	122	.1188	94	1.2169	139	1.2153	123	9.1188	107	.2225	121
May	.7293	118	.1257	99	1.2146	139	1.1554	117	9.4600	111	.2475	135
June	.7341	119	.1280	101	1.1143	128	1.0413	106	10.2625	121	.2675	145
July	.8041	131	.1303	103	1.1703	134	1.1597	118	9.9850	117	.2700	147
August	.8505	138	.1417	112	1.4854	170	1.4706	149	9.8500	116	.2625	143
September	.8522	138	.1532	121	1.6080	184	1.5344	156	9.8000	115	.2600	141
October	.9463	154	.1723	136	1.7569	201	1.6809	170	9.9050	116	.2663	145
November	.9663	157	.1960	154	1.9300	221	1.8116	184	10.3500	122	.3150	171
December	.9125	148	.1757	138	1.7611	202	1.7275	175	10.2917	121	.3350	182
1917.												
Average for year	1.6200	263	.2259	178	2.3248	266	2.2779	231	12.8085	151	.3273	178
January	.9753	158	.1735	137	1.9166	219	1.9024	193	10.5300	124	.3350	182
February	1.0053	163	.1708	134	1.8080	207	1.7969	182	11.1313	131	.3175	173
March	1.1181	182	.1764	139	1.9844	227	1.9781	201	11.8688	140	.3050	166
April	1.3906	226	.1950	154	2.3814	273	2.4672	250	12.3100	145	.3050	166
May	1.6180	263	.1999	157	2.9806	341	2.9705	301	12.4750	147	.3150	171
June	1.7119	278	.2421	191	2.6935	308	2.6388	268	12.5500	148	.3300	179
July	2.0393	331	.2525	199	2.5815	296	2.3310	236	12.5600	148	.3300	179
August	1.9181	312	.2513	198	2.7875	319	2.2563	229	13.1750	155	.3200	174
September	2.0613	335	.2160	170	2.2213	254	2.1775	221	14.9875	176	.3300	179
October	1.9620	319	.2659	209	2.1700	248	2.1700	220	14.6750	173	.3375	184
November	2.1238	329	.2804	221	2.1700	248	2.1700	220	14.3875	169	.3525	192
December	1.5875	258	.2894	228	2.1700	248	2.1700	220	13.2350	156	.3500	190
1918.												
January	1.6850	274	.3105	244	2.1700	248	2.1700	220	13.1125	154	.3280	178
February	1.6375	266	.3097	244	2.1700	248	2.1700	220	13.0750	154	.2925	159
March	1.5563	253	.3291	259	2.1700	248	2.1700	220	13.2313	156	.2625	143
April	1.5850	258	.3350	264	2.1700	248	2.1700	220	15.1750	178	.2719	148
May	1.5250	248	.2894	228	2.1700	248	2.1700	220	16.4167	193	.3110	169
June	1.5125	246	.3066	241	2.1700	248	2.1700	220	17.1750	202	.3300	179
July	1.5900	258	.2945	232	2.1700	248	2.2470	228	17.6250	207	.3240	176
August	1.6225	264	.3038	239	2.2231	255	2.2325	226	17.8250	210	.3000	163

Average wholesale prices of commodities for each month since January, 1914—Continued.

(Average for 1913=100.)

Year and month.	Hogs, light, Chicago.		Wool, Ohio, ¼-⅜ grades, scoured.		Hemlock, New York.		Yellow pine flooring, New York.		Coal, anthracite, stove, New York tidewater.		Coal, bituminous, run of mine, Cincinnati.	
	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.	Average price per M feet.	Relative price.	Average price per M feet.	Relative price.	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.
1914.												
Average for year	$8.3816	99	$0.4398	93	$24.3958	101	$42.7500	96	$5.0607	100	$2.2000	100
January	8.3031	98	.4167	88	24.5000	101	44.0000	99	5.2000	103	2.2000	100
February	8.6156	102	.4028	86	24.5000	101	44.0000	99	5.2000	103	2.2000	100
March	8.6600	102	.4028	86	24.5000	101	44.0000	99	5.1938	103	2.2000	100
April	8.7313	103	.4167	88	24.5000	101	44.0000	99	4.6974	93	2.2000	100
May	8.3875	99	.4306	91	24.5000	101	43.0000	96	4.7715	94	2.2000	100
June	8.1975	97	.4306	91	24.5000	101	43.0000	96	4.8673	96	2.2000	100
July	8.7563	104	.4444	94	24.5000	101	42.0000	94	4.9726	98	2.2000	100
August	9.1500	108	.4583	97	24.2500	100	42.0000	94	5.0805	100	2.2000	100
September	9.0188	107	.4583	97	24.2500	100	42.0000	94	5.1794	102	2.2000	100
October	7.9313	94	.4583	97	24.2500	100	42.0000	94	5.1947	103	2.2000	100
November	7.4813	88	.4722	100	24.2500	100	42.0000	94	5.1912	103	2.2000	100
December	7.1313	84	.4861	103	24.2500	100	41.0000	92	5.1796	102	2.2000	100
1915.												
Average for year	7.1870	85	.5714	121	21.5909	89	39.5909	89	5.0446	100	2.2000	100
January	6.9875	83	.5143	109	24.2500	100	41.0000	92	5.1767	102	2.2000	100
February	6.7281	80	.5429	115	24.2500	100	41.0000	92	5.1866	102	2.2000	100
March	6.7500	80	.5571	118	21.5000	89	41.0000	92	5.1816	102	2.2000	100
April	7.2813	86	.5571	118	21.5000	89	41.0000	92	4.6904	93	2.2000	100
May	7.6000	90	.5714	121	21.5000	89	40.0000	90	4.7506	94	2.2000	100
June	7.5781	90	.5571	118	20.5000	85	40.0000	90	4.8300	95	2.2000	100
July	7.5750	90	.5571	118	....	....	38.5000	86	4.9571	98	2.2000	100
August	7.2650	86	.5714	121	20.5000	85	38.5000	86	5.0796	100	2.2000	100
September	7.7000	91	.5714	121	20.5000	85	38.5000	86	5.1529	102	2.2000	100
October	8.0125	95	.6000	127	20.5000	85	38.0000	85	5.1826	102	2.2000	100
November	6.6450	79	.6143	130	21.2500	88	38.0000	85	5.1766	102	2.2000	100
December	6.2438	74	.6429	136	21.2500	88	38.0000	85	5.1710	102	2.2000	100
1916.												
Average for year	9.4000	111	.6798	144	23.5417	97	39.3750	88	5.4540	108	2.6750	122
January	7.1400	84	.6429	136	22.2500	92	39.5000	89	5.2639	104	2.2000	100
February	8.1375	96	.6571	140	22.2500	92	40.0000	90	5.2588	104	2.2000	100
March	9.4688	112	.6714	143	23.2500	96	40.0000	90	5.2742	104	2.2000	100
April	9.5438	113	.6857	146	24.0000	99	40.0000	90	5.2876	104	2.2000	100
May	9.7050	115	.6714	143	23.7500	98	40.0000	90	5.2740	104	2.2000	100
June	9.3813	111	.6714	143	23.7500	98	39.0000	87	5.3713	106	2.2000	100
July	9.7650	116	.6857	146	23.7500	98	38.0000	85	5.4495	108	2.2000	100
August	10.4063	123	.6857	146	23.7500	98	38.0000	85	5.5570	110	2.2000	100
September	10.7750	127	.6857	146	23.7500	98	38.0000	85	5.6625	112	2.5000	114
October	9.6550	114	.6857	146	23.7500	98	39.0000	87	5.6744	112	3.7500	170
November	9.4063	111	.6857	146	23.7500	98	40.0000	90	5.6946	113	3.7500	170
December	9.7500	115	.7286	155	24.5000	101	41.0000	92	5.6801	112	4.5000	205
1917.												
Average for year	15.4594	183	1.1452	243	27.7083	114	50.9091	114	5.8724	116	4.5833	208
January	10.6050	125	.8143	173	24.5000	101	41.5000	93	5.6899	112	4.5000	205
February	12.2063	144	.8286	176	25.5000	105	41.5000	93	5.6826	112	5.0000	227
March	14.3688	170	.9286	197	25.5000	105	42.0000	94	5.6744	112	5.0000	227
April	15.2750	181	1.0000	212	25.5000	105	43.0000	96	5.1916	103	5.0000	227
May	15.5000	183	1.0714	227	26.0000	107	....	....	5.6826	112	6.0000	273
June	15.2125	180	1.1000	234	26.0000	107	50.0000	112	5.7884	114	6.0000	273
July	15.3750	182	1.2143	258	28.0000	116	57.0000	128	5.8859	116	5.0000	227
August	17.3688	205	1.3429	285	29.5000	122	57.0000	128	5.9797	118	4.4000	200
September	18.4250	218	1.3714	291	30.5000	126	57.0000	128	6.1303	121	3.3000	150
October	17.5550	208	1.3571	288	30.5000	126	57.0000	128	6.1426	121	3.3000	150
November	17.3500	205	1.3571	288	30.5000	126	57.0000	128	6.1469	121	3.7500	170
December	16.7150	198	1.3571	288	30.5000	126	57.0000	128	6.4736	128	3.7500	170
1918.												
January	16.2125	192	1.4545	309	30.5000	126	57.0000	128	6.5000	128	3.6000	164
February	16.6938	197	1.4545	309	30.5000	126	57.0000	128	6.5000	128	3.6000	164
March	17.4250	206	1.4545	309	30.5000	126	60.0000	135	6.4642	128	3.6000	164
April	17.5100	207	1.4545	309	33.5000	138	60.0000	135	6.2606	124	3.6000	164
May	17.5000	207	1.4182	301	33.5000	138	60.0000	135	6.3000	124	3.8500	175
June	15.5250	184	1.4182	301	34.5000	142	60.0000	135	6.3212	125	3.7500	170
July	18.0000	213	1.4365	305	34.5000	142	60.0000	135	6.5968	130	4.1000	186
August	19.7750	234	1.4365	305	....	....	63.0000	141	6.5992	130	4.1000	186

Average wholesale prices of commodities for each month since January, 1914—Continued.

(Average for 1913=100.)

Year and month.	Coal, Pocahontas, Norfolk.		Coke, Connellsville.		Copper, ingot, electrolytic, New York.		Lead, pig, desilverized, New York.		Petroleum, crude, Pennsylvania, at wells.		Pig iron, basic.	
	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per long ton.	Relative price.
1914.												
Average for year	$3.0000	100	$1.8083	74	$0.1338	85	$0.3890	88	$1.9167	78	$12.8733	88
January	3.0000	100	1.9250	79	.1488	95	.0415	94	2.5000	102	12.5000	85
February	3.0000	100	1.9250	79	.1475	94	.0415	94	2.5000	102	13.1900	90
March	3.0000	100	1.8750	77	.1438	91	.0400	91	2.5000	102	13.0000	88
April	3.0000	100	1.9250	79	.1438	91	.0380	86	2.5000	102	13.0000	88
May	3.0000	100	1.9250	79	.1420	90	.0390	89	2.0100	82	13.0000	88
June	3.0000	100	1.8750	77	.1400	89	.0390	89	1.8000	73	13.0000	88
July	3.0000	100	1.8750	77	.1340	85	.0390	89	1.7500	71	13.0000	88
August	3.0000	100	1.8000	74	.1250	79	.0390	89	1.6500	67	13.0000	88
September	3.0000	100	1.7250	71	.1238	79	.0388	88	1.4500	59	13.0000	88
October	3.0000	100	1.6750	69	.1170	74	.0375	85	1.4500	59	12.8100	87
November	3.0000	100	1.5500	64	.1125	72	.0350	80	1.4500	59	12.4800	85
December	3.0000	100	1.6250	67	.1275	81	.0380	86	1.4500	59	12.5000	85
1915.												
Average for year	2.8500	95	1.7854	73	.1726	110	.0459	104	1.5292	62	13.7408	93
January	2.8500	95	1.6250	67	.1300	83	.0380	86	1.4500	59	12.5000	85
February	2.8500	95	1.5750	65	.1475	94	.0380	86	1.5000	61	12.5000	85
March	2.8500	95	1.5750	65	.1463	93	.0390	89	1.5000	61	12.5000	85
April	2.8500	95	1.6250	67	.1588	101	.0420	95	1.4000	57	12.5000	85
May	2.8500	95	1.6250	67	.1863	118	.0420	95	1.3500	55	12.5000	85
June	2.8500	95	1.6250	67	.1875	119	.0490	111	1.3500	55	12.5900	86
July	2.8500	95	1.7500	72	.1988	126	.0575	131	1.3500	55	12.7400	87
August	2.8500	95	1.6750	69	.1825	116	.0500	114	1.3500	55	14.0600	96
September	2.8500	95	1.6750	69	.1775	113	.0490	111	1.6000	65	14.7500	100
October	2.8500	95	2.0000	82	.1800	114	.0450	102	1.7000	69	15.0000	102
November	2.8500	95	2.3750	97	.1788	114	.0490	111	1.8000	73	15.7500	107
December	2.8500	95	2.3000	94	.1975	126	.0525	119	2.0000	82	17.5000	119
1916.												
Average for year	3.7292	124	3.2458	133	.2754	175	.0680	155	2.4833	101	19.7600	134
January	3.0000	100	2.8750	118	.2288	145	.0550	125	2.2500	92	17.8100	121
February	3.0000	100	2.6250	108	.2538	161	.0610	139	2.3500	96	17.6900	120
March	3.0000	100	3.0000	123	.2700	172	.0640	145	2.4000	98	18.2000	124
April	3.0000	100	2.8250	116	.2688	171	.0800	182	2.6000	106	18.1300	123
May	3.0000	100	2.3750	97	.2850	181	.0750	170	2.6000	106	18.0000	122
June	3.0000	100	2.6250	108	.2800	178	.0725	165	2.6000	106	18.0000	122
July	3.0000	100	2.6250	108	.2650	168	.0685	156	2.6000	106	18.0000	122
August	3.2500	108	2.6250	108	.2600	165	.0610	139	2.5000	102	18.0000	122
September	4.0000	133	2.7500	113	.2775	176	.0650	148	2.3000	94	18.3100	125
October	4.5000	150	3.1250	128	.2850	181	.0705	160	2.4000	98	19.8800	135
November	6.0000	200	5.7500	236	.2863	182	.0700	159	2.6000	106	25.1000	171
December	6.0000	200	5.7500	236	.3450	219	.0730	166	2.6000	106	30.0000	204
1917.												
Average for year	5.4320	181	8.2500	338	.2940	187	.0912	207	3.2000	131	38.9038	265
January	6.0000	200	7.2500	297	.2950	188	.0750	170	2.8500	116	30.0000	204
February	6.5000	217	7.5000	307	.3300	210	.0850	193	3.0500	124	30.0000	204
March	6.5000	217	8.5000	348	.3625	230	.0950	216	3.0500	124	32.2500	219
April	6.5000	217	7.2500	297	.3400	216	.0935	213	3.0500	124	38.7500	264
May	7.0000	233	7.0000	287	.3100	197	.0988	225	3.1000	127	41.6000	283
June	7.0000	233	9.5000	389	.3250	207	1.1500	261	3.1000	127	48.7500	332
July	5.1400	171	12.2500	502	.3175	202	1.1380	259	3.1000	127	52.5000	357
August	3.9080	130	10.0000	410	.2900	184	1.0880	247	3.1000	127	51.2000	348
September	3.9080	130	11.7500	482	.2525	161	1.0380	236	3.5000	143	42.7500	291
October	3.9080	130	6.0000	246	.2350	149	.0795	181	3.5000	143	33.0000	224
November	4.4120	147	6.0000	246	.2350	149	.0613	139	3.5000	143	33.0000	224
December	4.4120	147	6.0000	246	.2350	149	.0650	148	3.5000	143	33.0000	224
1918.												
January	4.4120	147	6.0000	246	.2350	149	.0684	155	3.7500	153	33.0000	224
February	4.4120	147	6.0000	246	.2350	149	.0706	160	3.9375	161	33.0000	224
March	4.4120	147	6.0000	246	.2350	149	.0724	165	4.0000	163	33.0000	224
April	4.2440	141	6.0000	246	.2350	149	.0698	159	4.0000	163	32.0000	218
May	4.2190	141	6.0000	246	.2350	149	.0691	157	4.0000	163	32.0000	218
June	4.2320	141	6.0000	246	.2350	149	.0728	165	4.0000	163	32.0000	218
July	4.6320	154	6.0000	246	.2550	162	.0802	182	4.0000	163	32.0000	218
August	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	....	....

Average wholesale prices of commodities for each month since January, 1914—Continued.

(Average for 1913=100.)

Year and month.	Cotton yarns, northern cones, 10/1.		Leather, sole, hemlock, No. 1.		Steel, billets, Bessemer, Pittsburgh.		Steel, plates, tank, Pittsburgh.		Steel, rails, open hearth, Pittsburgh.		Worsted yarns, 2-32's, crossbred.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.
1914.												
Average for year	$0.1967	89	$0.3019	107	$20.0775	78	$0.0116	78	$30.0000	100	$0.6400	82
January	.2200	99	.3000	106	20.1300	78	.0120	81	30.0000	100	.6400	82
February	.2150	97	.3000	106	21.0000	81	.0123	83	30.0000	100	.6400	82
March	.2150	97	.3000	106	21.0000	81	.0123	83	30.0000	100	.6400	82
April	.2200	99	.3050	108	20.8000	81	.0118	80	30.0000	100	.6400	82
May	.2100	95	.3050	108	20.0000	78	.0115	78	30.0000	100	.6400	82
June	.2100	95	.3050	108	19.5000	76	.0113	76	30.0000	100	.6400	82
July	.2150	97	.3050	108	19.0000	74	.0113	76	30.0000	100	.6500	84
August	.2000	90	.2950	105	20.2500	79	.0113	76	30.0000	100	.6500	84
September	.1700	77	....	....	21.0000	81	.0120	81	30.0000	100	.6600	85
October	.1700	77	....	....	20.0000	78	.0115	78	30.0000	100	.6300	81
November	.1550	70	....	....	19.2500	75	.0110	74	30.0000	100	.6300	81
December	.1600	72	....	....	19.0000	74	.0105	71	30.0000	100	.6200	80
1915.												
Average for year	.1727	78	.3094	110	22.4408	87	.0127	86	30.0000	100	.7875	101
January	.1650	75	....	....	19.2500	75	.0110	74	30.0000	100	.6200	80
February	.1650	75	....	....	19.5000	76	.0110	74	30.0000	100	.6200	80
March	.1450	66	....	....	19.7000	76	.0113	76	30.0000	100	.6200	80
April	.1650	75	.3050	108	20.0000	78	.0113	76	30.0000	100	.8200	106
May	.1650	75	.2950	105	20.0000	78	.0115	78	30.0000	100	.8200	106
June	.1600	72	.2950	105	20.5000	79	.0115	78	30.0000	100	.8200	106
July	.1600	72	.3050	108	21.3800	83	.0120	81	30.0000	100	.8500	119
August	.1675	76	.3100	110	23.1300	90	.0125	84	30.0000	100	.8500	119
September	.1700	77	.3100	110	24.1000	93	.0135	91	30.0000	100	.8500	119
October	.1950	88	.3200	113	24.6300	96	.0140	95	30.0000	100	.8500	119
November	.2050	93	.3200	113	26.5000	103	.0150	101	30.0000	100	.8500	119
December	.2100	95	.3250	115	30.6000	119	.0180	122	30.0000	100	.8800	115
1916.												
Average for year	.2646	120	.3883	138	43.9458	170	.0324	219	33.333	111	1.0500	135
January	.2100	95	.3250	115	32.0000	124	.0208	141	30.0000	100	.8800	115
February	.2250	102	.3250	115	33.5000	130	.0225	152	30.0000	100	.8800	115
March	.2200	99	.3350	119	42.4000	164	.0255	172	30.0000	100	.9200	118
April	.2250	102	.3600	128	45.0000	174	.0325	220	30.0000	100	.9500	122
May	.2425	110	.3700	131	45.0000	174	.0338	228	30.0000	100	1.0000	129
June	.2500	113	.3700	131	43.5000	169	.0345	233	35.0000	117	1.1000	142
July	.2525	114	.3700	131	41.0000	159	.0345	233	35.0000	117	1.1000	142
August	.2575	116	.3700	131	44.2000	171	.0345	233	35.0000	117	1.1000	142
September	.2750	124	.3700	131	45.0000	174	.0350	236	35.0000	117	1.2000	154
October	.3000	136	.4050	144	46.2500	179	.0350	236	35.0000	117	1.1500	148
November	.3325	150	.4900	174	52.0000	202	.0375	253	35.0000	117	1.2000	154
December	.3850	174	.5700	202	57.5000	223	.0425	287	40.0000	133	1.2000	154
1917.												
Average for year	.3971	179	.5354	190	69.8558	271	.0557	376	40.0000	133	1.5558	200
January	.3400	154	.5700	203	63.0000	244	.0430	291	40.0000	133	1.2500	161
February	.3200	149	.5800	206	65.0000	252	.0438	296	40.0000	133	1.2500	161
March	.3100	140	5950	211	66.2500	257	.0438	296	40.0000	133	1.2700	164
April	.3600	163	.5700	202	73.7500	286	.0525	355	40.0000	133	1.3000	167
May	.3650	165	.5700	202	86.0000	333	.0575	389	40.0000	133	1.4000	180
June	.3750	169	.5800	206	98.7500	383	.0700	473	40.0000	133	1.5500	200
July	.4500	203	.5400	191	100.0000	388	.0900	608	40.0000	133	1.6000	206
August	.4400	199	.5000	177	86.0000	333	.0900	608	40.0000	133	1.6500	212
September	.4200	190	.4800	170	66.2500	257	.0800	541	40.0000	133	1.7000	219
October	.4200	190	.4600	163	49.3750	191	.0325	220	40.0000	133	1.8000	232
November	.4700	212	.4800	170	47.5000	184	.0325	220	40.0000	133	1.9000	245
December	.4950	224	.5000	177	47.5000	184	.0325	220	40.0000	133	2.0000	257
1918.												
January	.5363	242	.4900	174	47.5000	184	.0325	220	46.8000	156	2.0000	257
February	.5536	250	.4900	174	47.5000	184	.0325	220	57.0000	190	2.0071	258
March	.5745	260	.4550	161	47.5000	184	.0325	220	57.0000	190	2.1000	270
April	.6162	278	.4550	161	47.5000	184	.0325	220	57.0000	190	2.1500	277
May	.6332	286	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
June	.6437	291	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
July	.6412	290	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
August	....	....	....	....	47.5000	184	.0325	220	57.0000	190	....	....

Average wholesale prices of commodities for each month since January, 1914—Continued.

(Average for 1913=100.)

Year and month.	Beef carcass, good, native steers, Chicago. Average price per pound.	Relative price.	Coffee, Rio No. 7. Average price per pound.	Relative price.	Flour, wheat, standard patents 1914-1917, standard war, 1918, Minneapolis. Average price per barrel.	Relative price.	Hams, smoked, Chicago. Average price per pound.	Relative price.	Illuminating oil, 150° fire test, New York. Average price per gallon.	Relative price.	Sugar, granulated, New York. Average price per pound.	Relative price.
1914.												
Average for year	$0.1364	105	$0.0816	73	$5.0962	111	$0.1670	100	$0.1200	97	$0.0471	110
January	.1300	100	.0913	82	4.5000	98	.1531	92	.1200	97	.0392	92
February	.1300	100	.0950	85	4.5875	100	.1525	92	.1200	97	.0392	92
March	.1300	100	.0925	83	4.6250	101	.1555	94	.1200	97	.0382	89
April	.1316	102	.0894	80	4.5500	99	.1575	95	.1200	97	.0372	87
May	.1325	102	.0875	79	4.6125	101	.1588	96	.1200	97	.0397	93
June	.1325	102	.0913	82	4.4900	98	.1655	100	.1200	97	.0417	98
July	.1350	104	.0882	79	4.5938	100	.1769	106	.1200	97	.0420	98
August	.1419	110	.0750	67	5.5125	120	.1903	115	.1200	97	.0649	152
September	.1438	111	.0763	69	5.9400	130	.1905	115	.1200	97	.0680	159
October	.1438	111	.0656	59	5.7563	126	.1719	103	.1200	97	.0593	139
November	.1438	111	.0638	57	5.8813	128	.1663	100	.1200	97	.0493	115
December	.1428	110	.0631	57	5.9500	130	.1633	98	.1200	97	.0483	113
1915.												
Average for year	.1289	100	.0745	67	6.6630	145	.1531	92	.1208	98	.0556	130
January	.1300	100	.0725	65	6.8563	150	.1538	93	.1200	97	.0488	114
February	.1213	94	.0825	74	7.7063	168	.1525	92	.1200	97	.0554	130
March	.1175	91	.0775	70	7.4850	163	.1425	86	.1200	97	.0571	134
April	.1175	91	.0806	72	7.7063	168	.1438	87	.1200	97	.0578	135
May	.1213	94	.0775	70	7.8813	172	.1513	91	.1200	97	.0588	138
June	.1253	97	.0700	63	6.5950	144	.1585	95	.1200	97	.0558	138
July	.1315	102	.0738	66	7.0313	153	.1610	97	.1200	97	.0582	136
August	.1325	102	.0738	66	6.3100	138	.1495	90	.1200	97	.0549	129
September	.1350	104	.0675	61	5.3313	116	.1447	87	.1200	97	.0506	119
October	.1375	106	.0675	61	5.5188	120	.1613	97	.1200	97	.0497	116
November	.1375	106	.0750	67	5.5000	120	.1625	98	.1200	97	.0568	133
December	.1375	106	.0763	69	6.2250	136	.1556	94	.1300	105	.0592	139
1916.												
Average for year	.1382	107	.0924	83	7.2639	158	.1850	111	.1217	99	.0688	161
January	.1375	106	.0763	69	6.6438	145	.1588	96	.1300	105	.0573	134
February	.1375	106	.0825	74	6.4400	140	.1675	101	.1300	105	.0597	140
March	.1375	106	.0925	83	5.8813	128	.1769	106	.1200	97	.0659	154
April	.1375	106	.0950	85	6.2188	136	.1831	110	.1200	97	.0706	165
May	.1375	106	.0975	88	6.1900	135	.1845	111	.1200	97	.0746	175
June	.1415	109	.0988	89	5.7625	126	.1850	111	.1200	97	.0736	172
July	.1413	109	.0900	81	6.1000	133	.1900	114	.1200	97	.0750	176
August	.1375	106	.0950	85	7.6050	166	.1900	114	.1200	97	.0700	164
September	.1375	106	.0988	89	8.4250	184	.1900	114	.1200	97	.0637	149
October	.1375	106	.0950	85	9.2800	202	.1935	116	.1200	97	.0708	166
November	.1375	106	.0950	85	9.8250	214	.2031	122	.1200	97	.0735	172
December	.1375	106	.0925	83	8.6813	189	.1988	120	.1200	97	.0692	162
1917.												
Average for year	.1672	129	.0927	83	11.3909	249	.2520	152	.1242	101	.0771	181
January	.1375	106	.0975	88	9.2105	201	.1945	117	.1200	97	.0662	155
February	.1413	109	.1000	90	9.0688	198	.2113	127	.1200	97	.0686	161
March	.1490	115	.0975	88	9.6313	210	.2288	138	.1200	97	.0706	165
April	.1600	124	.0950	85	11.6188	253	.2450	147	.1200	97	.0815	191
May	.1600	124	.1013	91	14.8800	325	.2655	160	.1200	97	.0794	186
June	.1615	125	.1038	93	13.8938	303	.2594	156	.1200	97	.0754	177
July	.1638	126	.0950	85	12.7500	278	.2395	144	.1200	97	.0745	174
August	.1713	132	.0913	82	13.0688	285	.2413	145	.1200	97	.0818	192
September	.1900	147	.0913	82	11.2625	246	.2675	161	.1300	105	.0823	193
October	.1900	147	.0850	76	10.5000	229	.2860	172	.1300	105	.0818	192
November	.1900	147	.0794	71	10.2250	223	.2900	174	.1300	105	.0818	192
December	.1870	144	.0756	68	10.1313	221	.3016	181	.1400	114	.0804	188
1918.												
January	.1750	135	.0853	77	10.0850	220	.2950	177	.1600	130	.0744	174
February	.1750	135	.0833	75	10.3000	225	.2984	180	.1600	130	.0730	171
March	.1750	135	.0891	80	10.0938	220	.3028	182	.1600	130	.0730	171
April	.2050	158	.0903	81	9.9850	218	.3075	185	.1675	136	.0730	171
May	.2250	174	.0873	78	9.5250	208	.3025	182	.1700	138	.0730	171
June	.2338	181	.0841	76	9.8250	214	.2994	180	.1700	138	.0731	171
July	.2400	185	.0855	77	10.7020	233	.3025	182	.1710	139	.0735	172
August	.2420	187	.0853	77	10.2100	223	.3225	194	.1750	142	.0735	172

DISCOUNT AND INTEREST RATES.

In the following tables are presented actual discount and interest rates prevailing in the various cities in which the several Federal Reserve Banks and their branches are located, during the 30-day periods ending August 15 and September 14, 1918. Quotations are given for prime commercial paper, both customers' and purchased in open market, interbank loans, bankers' acceptances, and paper secured by prime stock exchange or other current collateral. Separate rates are quoted for paper of longer and shorter maturities in the first named and last named classes. In addition, quotations are given for commodity paper secured by warehouse receipts and for cattle loans, as reported from centers in which such paper is current.

For the 30-day period ending September 15, quotations have been added of rates charged on ordinary loans to customers secured by Liberty bonds and certificates of indebtedness. Assistance to customers to enable them to purchase such Government obligations is generally extended at lower rates, either at the rate borne by such obligations or at a rate slightly higher. For the first time the table also shows quotations in New York for demand paper secured by prime bankers' acceptances, a type of paper which has recently made its appearance in the New York market. Quotations for new types of paper will be added from time to time as deemed of interest.

Progress has been made in gathering data concerning the rates for the several classes of paper prevailing in these same cities during the 30-day periods ending on the 15th day of each month in the years 1911, 1912, and 1913. Difficulty has been experienced in some cases in securing satisfactory data, though in the great majority of cases data fairly comparable with present quotations have been furnished. It is expected that in a future number of the BULLETIN the material thus secured will be collated, thus making possible the presentation of current quotations as percentages of the averages of quotations for the same periods in each of the three earlier years.

Between August and September of the present year there has been in general a continuance of the slight upward movement in interest rates noted for the period ending August 15. This rise is not confined to any one district. Thus, Boston and San Francisco rates among others show a distinct upward tendency. Customary rates in general, with few exceptions, remain unchanged, movements in rates being confined largely to fractional changes in high or low quotations. Rates charged on loans to individuals, secured by Liberty bonds and certificates of indebtedness, on the whole are lower than on ordinary commercial loans, or on loans secured by other collateral.

Discount and interest rates prevailing in various centers.

DURING 30-DAY PERIOD ENDING AUG. 15, 1918.

District.	City.	Prime commercial paper. Customers. 30 to 90 days. H. L. C.	Prime commercial paper. Customers. 4 to 6 months. H. L. C.	Prime commercial paper. Open market. 30 to 90 days. H. L. C.	Prime commercial paper. Open market. 4 to 6 months. H. L. C.	Interbank loans. H. L. C.	Bankers' acceptances, 60 to 90 days. Indorsed. H. L. C.	Bankers' acceptances, 60 to 90 days. Unindorsed. H. L. C.	Collateral loans—Stock exchange or other current. Demand. H. L. C.	Collateral loans—Stock exchange or other current. 3 months. H. L. C.	Collateral loans—Stock exchange or other current. 3 to 6 months. H. L. C.	Cattle loans. H. L. C.	Secured by warehouse receipts, etc. H. L. C.	Secured by Liberty bonds and certificates of indebtedness. H. L. C.
No. 1....	Boston	6 5¾ 6	6 6 6	6 6 6	6 6 6	6 5½ 5½	4 5/16 4⅛ 4 5/16	4½ 4¼ 4 5/16	6 6 6	6 6 6	6 6 6			
No. 2....	New York	6 5 5¾–6	6 5½ 6	6 5¼ 6	6 5½ 6	6 4¼ 5½	5 4⅛ 4¼	5 4⅛ 4¼	6½ 4 6	6 4¾ 6	6 4¾ 6			
No. 3....	Philadelphia	6 5½ 6	6 5½ 6	6 5½ 6	6 5¾ 6	6 5 5½	4⅜ 4⅛ 4¼	4⅜ 4¼ 4 5/16	6 5 6	6 5 6	6 5½ 6			
No. 4....	Cleveland	6 5 6	6 5 6	6 6 6	6 6 6	5 5 5	4⅛ 4 4	4 5/16 4¼ 4 5/16	6 5 6	6 5 6	6 5 6			
	Pittsburgh	6 5 6	6 5 6	6 6 6	6 6 6	6 5 6	4¼ 4¼ 4¼	4½ 4⅜ 4⅜	6 5 6	6 5 6	6 5 6		6 4¼ 5	
	Cincinnati	6 6 6	6 6 6	6 6 6	6¼ 6 6	6 5 6	4¾ 4½ 4½	4¾ 4½ 4½	7 6 6	7½ 6 6	8 6 6			
No. 5....	Richmond	6 6 6	6 6 6	6 6 6	6 6 6	6 5¾ 6			6 6 6	6 6 6	6 6 6			
	Baltimore	6 6 6	6 6 6			5¾ 5½ 5½	6 6 6	6 6 6	6 5½ 6	6 5½ 6	6 5½ 6			
No. 6....	Atlanta	6½ 5½ 6	6 6 6	6 6 6	7 6 6	6 5 5¾	5½ 5¼ 5½	5½ 5¼ 5½	6 6 6	7 6 6	7 6 6		6½ 6 6	
	Birmingham	7 6 6	6 6 6	6 6 6	6 6 6	6 6 6			8 6 6	8 6 6	8 6 6		7 6 6	
	Jacksonville	8 6 7	8 6 7	7 6 6½	7 6 6½	6 4 5	6 6 6	6 6 6	7 6 7	7 6 7	7 6 7		7 6 6	
	New Orleans	7 5 6	7 5½ 6	6 6 6	6½ 5½ 6	6 5 5½	5½ 5 5½	5½ 5 5½	6½ 5 6	7 5½ 6	7 5½ 6		6½ 5½ 6	
No. 7....	Chicago	6 6 6	6 6 6	6 6 6	6 5 6	6 5 6	4 5/16 4¼ ..	4⅝ 4½ ..	6 6 6	6 6 6	6 6 6			
	Detroit	6 5½ 6	6 5 6	6 6 6	6 6 6	6 4 6	6 6 6	6 6 6	6 5½ 6	6 6 6	6 6 6			
No. 8....	St. Louis	6 5¾ 6	6 6 6	7 6 6	7 6 6	6 5 5½	6 4¾ 6	6 4¾ 6	6 5½ 6	6½ 5½ 6	7 5½ 6			
	Louisville	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5½ 5½	6 5½ 5½	6 5 6	6 5 6	6 6 6			
No. 9....	Minneapolis	6½ 6 6	7 6 6–6½	6 6 6	6 6 6	7½ 6 6½			7 5½ 6	7 6 6	7 6 6½			
No. 10...	Kansas City	7 6 6	7 6 6	6½ 6 6	6½ 6 6	6 6 6			8 6 6	8 6 6	8 6 6	8 6 8		
	Omaha	7 6 6	8 6 6	6 6 6	7 5½ 6				8 6 6	7 6 6	7 6 6	8 6 6½–7		
	Denver	8 5 6	8 5 6	6½ 6 6	6½ 6 6	7 6 6			8 6 6	8 5½ 6	8 5½ 6	8 6 6		
No. 11...	Dallas	8 6 6	8 7 7	6 6 6	6 6 6	6 5 6			7 6 6	7 6 6	8 6 6	10 6 8		
	El Paso	8 6 8	8 6 8	6 6 6	6 6 6	7 6 7			8 8 8	8 8 8	8 8 8	10 8 8		
No. 12...	San Francisco	6½ 5 6	6½ 5½ 6	6 5 6	6½ 6 6	6 4¾ 6	5½ 4⅜ 5½	5½ 4⅜ 5½	7 5½ 6	7 5 6	7 5 6			
	Portland	7 6 6		6 5¾ 6	6 6 6	6 6 6	4⅝ 4¼ ..	4⅝ 4¼ ..		7 6 6				
	Seattle[a]	8 5½ 6	10 5½ 6	6½ 6 6	6½ 6 6	6½ 6 6	4½ 4½ 4½	4½ 4½ 4½	10 6 6	10 6 6	10 6 6			
	Spokane	8 6 7	8 6 7	6 6 6	6 6 6	6 6 6			8 5 8	8 6 8	8 6 8			
	Salt Lake	8 6 7	8 6 7	6½ 6 6	6½ 6 6	7 6 6			8 6 7	8 6 7	8 6 7			

DURING 30-DAY PERIOD ENDING SEPT. 14, 1918.

District.	City.	Customers 30 to 90 days. H. L. C.	Customers 4 to 6 months. H. L. C.	Open market 30 to 90 days. H. L. C.	Open market 4 to 6 months. H. L. C.	Interbank loans. H. L. C.	Indorsed. H. L. C.	Unindorsed. H. L. C.	Demand. H. L. C.	3 months. H. L. C.	3 to 6 months. H. L. C.	Cattle loans. H. L. C.	Warehouse receipts, etc. H. L. C.	Liberty bonds and certificates. H. L. C.
No. 1....	Boston	6¼ 5¾ 6	6¼ 5¾ 6	6½ 6 6	6½ 6 6	5½ 5½ 5½	4 3/16 4 3/16 4 3/16	4 5/16 4¼ 4¼	6 6 6	6 6 6	6 6 6			5 4¼ 4½
No. 2....	New York[b]	6 4½ 6	6 5½ 6	6 5 6	6 5¾ 6	6 5 5½	4¼ 4⅛ 4¼	6 4¼ 4⅜	6½ 5 6	6 4½ 6	6 5½ 6			6 4 4¼–5
No. 3....	Philadelphia	6 5½ 6	6 5½ 6	6 6 6	6 6 6	6 5 5½	4½ 4¼ 4¼	4⅝ 4¼ 4 5/16	6 5 6	6 5 6	6 5½ 6			5 4¼ 4¾
No. 4....	Cleveland	6 5 6	6 5 6	6 5 6	6 5 6	5 5 5		4 7/16 4⅜ ..	6 5 6	6 5 6	6 5 6			6 4½ ....
	Pittsburgh	6 5¾ 6	6 6 6	6 6 6	6 6 6	6 6 6	4⅜ 4¼ 4⅜	4 9/16 4⅜ 4½	6 6 6	6 6 6	6 6 6		6 6 6	5½ 4¼ 5½
	Cincinnati	6 6 6	6 6 6	6 6 6	6 6 6	6 5½ 6	4½ 4¼ 4½	4¾ 4⅜ 4¾	7½ 6 6	7 6 6	7 6 6			5½ 4½ 5
No. 5....	Richmond	6 5½ 6	6 6 6	6 5¾ 6	6 6 6	6 5 5¼–6			6 5 6	6 5½ 6	6 6 6			6 4½ 5
	Baltimore	6 5 5¾	6 5 5¾	6 5½ 6	6 5½ 6	6 5 5½	6 6 6	6 6 6	6 5½ 6	6 5½ 6	6 5½ 6			5½ 4¾ 5½
No. 6....	Atlanta	7 5½ 6	7 5½ 6	7 6 6	7 6 6	6 5½ 6	6 6 6	6½ 6 6½	7 5½ 6	7 5½ 6	8 5½ 6		6 5½ 6	7 5 5½
	Birmingham	8 6 6	8 6 6	8 6 6	8 6 6	8 6 6			8 6 6	8 6 7	8 6 6		8 6 7	8 6 6
	Jacksonville	8 6 7	8 6 7	6 6 6	6½ 6½ 6½	6 6 6		6 6 6	7 6 7	8 6 7	8 6 7		8 6 6	8 5 6
	New Orleans	6 5½ 6	6 5½ 6	6 6 6	6 6 6	5¾ 5¼ 5½	5½ 5½ 5½	6 6 6	6 5½ 6	6 6 6	6 6 6		6½ 6 6	6 5 5½
No. 7....	Chicago	6 6 6	6 6 6	6½ 6 6	6½ 6 6	6 5½ 6	4 5/16 4¼ 4¼	4 5/16 4¼ 4¼	6½ 6 6	6½ 6 6	6½ 6 6			6 6 6
	Detroit	6 5 6	6 5 6	6½ 5¾ 6	6½ 5¾ 6	6 5 6			6 5¾ 6	6 5½ 6	6 5½ 6			6 4¼ 6
No. 8....	St. Louis	6 5½ 6	6 5½ 6	6 6 6	6 6 6	6 5 5½	6 4¾ 6	6 4¾ 6	6 5½ 6	6 5½ 6	6 5½ 6			6 4¾ 5½
	Louisville	6 6 6	6 6 6	6 6 6	6 6 6	6 5 5			6 5 6	6 6 6	6 6 6			6 4 5
	Memphis	6 6 6	6 6 6			6 6 6	6 6 6		6 6 6	6 6 6	6 6 6			6 5 6

[a] The 10 per cent rates represent rates charged on loans for small amounts.
[b] Rates for demand paper secured by prime bankers' acceptances, high 6, low 4½, customary 5½.

Discount and interest rates prevailing in various centers—Continued.

DURING 30-DAY PERIOD ENDING SEPT. 14, 1918—Continued.

District.	City.	Prime commercial paper.												Interbank loans.		
		Customers.						Open market.								
		30 to 90 days.			4 to 6 months.			30 to 90 days.			4 to 6 months.					
		H.	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*
No. 9	Minneapolis	6	5½	6	6½	6	6	6	6	6	6	6	6	6	5½	6
No. 10	Kansas City	7	5	6	7	5	6	6	6	6	6	6	6	6	5	6
	Omaha	7	6	6	8	6	6	7	6	6	7	6	6	7	5½	6
	Denver	8	6	6	8	6	6	6	6	6	6	6	6	7	6	6
No. 11	Dallas	8	6	6	8	6	6							6	5	6
	El Paso	8	6½	8	8	6½	8							7	6	7
No. 12	San Francisco	8	5	5½–6	8	5	6	6½	5¾	6	6½	6	6	6	5	5–5½
	Portland	7	6	6				6	6	6	6	6	6	6	6	6
	Seattle	8	6	6	8	6	6	6½	6	6	6½	6	6	7	6	6
	Spokane	8	6	7	8	6	7							6	6	6
	Salt Lake	8	6	7	8	6	7	6	6	6	6	6	6	7	6	6

District.	City.	Bankers' acceptances, 60 to 90 days.						Collateral loans—Stock exchange or other current.									Cattle loans.			Secured by warehouse receipts, etc.			Secured by Liberty bonds and certificates of indebtedness.		
		Indorsed.			Unindorsed.			Demand.			3 months.			3 to 6 months.											
		H.	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*
No. 9	Minneapolis				4¾	4½	4½	7	6	6½	7	6	6	7	6	6½				6	6	6	6	5	5–5½
No. 10	Kansas City							7	6	6	7	6	6	7	6	6	8	6	8				6	5	6
	Omaha							8	6	6	8	6	6	8	6	6	8½	6	6–7				7	6	6
	Denver							8	6	6	8	6	6	8	6	6	8	6	6				6	4½	6
No. 11	Dallas																10	6	8				8	5	5
	El Paso							8	8	8	8	8	8	8	8	8	10	8	9				8	8	8
No. 12	San Francisco	6	4¼	6	6	4½	6	7	5	6	7	5	6	7	5	6							6	4¼	6
	Portland				5	4⅝	..				7	6	6												
	Seattle	4⅜	4⅜	4⅜	4⅜	4⅜	4⅜	8	6	6	8	6	6	8	6	6							6	4¼	4¼
	Spokane										8	6	7	8	6	7							8	4⅜	6
	Salt Lake							8	6	7	8	6	7	8	6	7							6	6	6

GOLD SETTLEMENT FUND.

Operations through the gold settlement fund for the four-week period from August 22 to September 19 show a continued heavy movement of funds away from New York through the daily settlements, largely on account of the interior banks paying for their subscriptions to Treasury certificates of indebtedness in New York exchange. The New York Federal Reserve Bank's net aggregate debits in the daily settlements during the four-week period amounted to $270,903,000. There was a return movement of funds to New York through transfers from other Federal Reserve Banks aggregating $197,000,000, largely on account of fiscal operations of the Treasury of the United States. The net result is seen in a loss of gold by the New York bank through transfers and settlements of $73,903,000. Combined clearings and transfers through the fund for the four-week period amounted to $3,713,793,000, averaging $928,448,250 per week, against a like average of $904,651,600 for the preceding five-week period and an average of $869,243,000 per week for the current year. Average weekly balances adjusted between the Federal Reserve Banks amounted to $82,254,000, as compared with $77,548,500 during the preceding period.

Changes in the ownership of gold in the banks' fund through transfers and settlements during the four-week period amounted to 2.45 per cent of the total obligations settled, as against 3.42 per cent for the preceding five-week period. Net changes in the ownership of gold since the commencement of the operation of the fund on May 20, 1915, to September 19, 1918, amount to 1 per cent of the total obligations settled during that period.

Net deposits of gold in the banks' fund from August 22 to September 19 amounted to $39,429,000, the Chicago, San Francisco, New York, and Cleveland banks being the heaviest depositors. Net withdrawals of gold by the Federal Reserve agents amounted to $14,400,000, largely for transfer to their credit in the gold redemption fund against Federal Reserve notes. The resulting gain of gold in the combined funds was $25,029,000.

Below are given figures showing the operations of the fund between August 23 and September 19, 1918, both inclusive:

Amounts of clearings and transfers through the gold settlement fund by Federal Reserve Banks from Aug. 23, 1918, to Sept. 19, 1918, both inclusive.

[In thousands of dollars.]

	Total clearings.	Balances adjusted.	Transfers.
Settlements of—			
Aug. 23–29	894,369	93,923	47,000
Aug. 30–Sept. 5	787,282	47,551	79,000
Sept. 6–12	852,452	126,024	35,162
Sept. 13–19	959,528	61,518	59,000
Total	3,493,631	329,016	220,162
Previously reported for 1918	26,386,627	1,990,452	2,929,830
Total since Jan. 1, 1918	29,880,258	2,319,468	3,149,992
Total for 1917	24,319,200	2,154,721	2,835,504.5

CLEARINGS AND TRANSFERS.

Total for 1918 to date	33,030,250
Total for 1917	27,154,704.5
Total for 1916	5,533,966
Total for 1915	1,052,649
Total clearings and transfers from May 20, 1915, to Sept. 19, 1918	66,771,569.5

Changes in ownership of gold.

[In thousands of dollars.]

Federal Reserve Bank.	Total to Aug. 22, 1918.		From Aug. 23, 1918, to Sept. 19, 1918, both inclusive.				Total changes from May 20, 1915, to Sept. 19, 1918.	
	Decrease.	Increase.	Balance to credit Aug. 22, 1918, plus net deposits of gold since that date.	Balance Sept. 19, 1918.	Decrease.	Increase.	Decrease.	Increase.
Boston		61,238	78,414	67,683	10,731			50,507
New York	593,150		116,619	42,716	73,903		667,053	
Philadelphia		86,944	57,838	71,539		13,701		100,645
Cleveland		135,755	42,621	53,355		10,734		146,489
Richmond		18,150	20,112	25,117		5,005		23,155
Atlanta		38,291	9,864	11,640		1,776		40,067
Chicago		47,987	51,126	80,089		28,963		76,950
St. Louis		53,290	25,363	21,116	4,247			49,043
Minneapolis	4,146		7,965	20,823		12,858		8,712
Kansas City		52,449	26,015	23,748	2,267			50,182
Dallas		18,617	[1] 4,099	7,622		11,721		30,338
San Francisco		84,575	33,949	40,339		6,390		90,965
Total	597,296	597,296	465,787	465,787	91,148	91,148	667,053	667,053

[1] Debit balance.

Gold settlement fund—Summary of transactions from Aug. 23, 1918, to Sept. 19, 1918, both inclusive.

[In thousands of dollars.]

Federal Reserve Bank.	Balance last statement, Aug. 22, 1918.	Gold withdrawals.	Gold deposits.	Aggregate withdrawals and transfers to agents' fund.	Aggregate deposits and transfers from agents' fund.	Transfers.		Daily settlements, Aug. 23, 1918, to Sept. 19, 1918, both inclusive.				Balance in fund at close of business Sept. 19, 1918.
						Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	76,493		1,921		1,921	2,000		17,250	284,765	276,034	8,519	67,683
New York	121,256		5,363	20,000	15,363		197,000	270,903	1,211,780	940,877		42,716
Philadelphia	62,390	100	3,043	11,100	6,548	17,000	12,062		363,270	380,909	17,639	71,539
Cleveland	59,662	2,042	5,001	22,042	5,001	5,000		16,322	320,058	335,792	32,056	53,355
Richmond	26,767	4	849	7,504	849			1,575	187,017	192,022	6,580	25,117
Atlanta	21,886	30	2,158	24,880	12,858	162		7,304	114,584	116,522	9,242	11,640
Chicago	76,529		13,410	41,226	15,823	70,000	100		404,856	503,719	98,863	80,089
St. Louis	29,180	683	1,866	5,683	1,866			8,726	232,206	227,959	4,479	21,116
Minneapolis	10,215		750	3,000	750		5,000	6,936	105,481	113,339	14,794	20,823
Kansas City	34,129		886	9,000	886	59,000			140,279	197,012	56,733	23,748
Dallas	8,591	1,910	220	12,910	220	23,000	5,000		60,780	90,501	29,721	7,622
San Francisco	42,718	2,040	10,771	19,540	10,771	44,000			68,555	118,945	50,390	40,339
Total	569,816	6,809	46,238	176,885	72,856	220,162	220,162	329,016	3,493,631	3,493,631	329,016	465,787

Federal Reserve agents' fund—Summary of transactions from Aug. 23, 1918, to Sept. 19, 1918, both inclusive.

[In thousands of dollars.]

Federal Reserve agent at—	Balance last statement, Aug. 22, 1918.	Gold withdrawals.	Gold deposits.	Withdrawals for transfers to bank.	Deposits through transfers from bank.	Total withdrawals.	Total deposits.	Balance at close of business Sept. 19, 1918.
Boston	48,500	2,500				2,500		46,000
New York	100,000			10,000	20,000	10,000	20,000	110,000
Philadelphia	92,914	1,000		3,505	11,000	4,505	11,000	99,409
Cleveland	90,000				20,000		20,000	110,000
Richmond	36,500				7,500		7,500	44,000
Atlanta	20,620	2,000		10,700	24,850	12,700	24,850	32,770
Chicago	154,205	3,000		2,413	41,226	5,413	41,226	190,018
St. Louis	50,131	1,500			5,000	1,500	5,000	53,631
Minneapolis	8,300				3,000		3,000	11,300
Kansas City	46,360				9,000		9,000	55,360
Dallas	584	1,400			11,000	1,400	11,000	10,184
San Francisco	70,201	3,000			17,500	3,000	17,500	84,701
Total	718,315	14,400		26,618	170,076	41,018	170,076	847,373

OPERATION OF THE FEDERAL RESERVE CLEARING SYSTEM, AUG. 16 TO SEPT. 15, 1918.

	Items drawn on banks in Federal Reserve city (daily average).		Items drawn on banks in district outside Federal Reserve city (daily average).		Items drawn on banks in other districts (daily average).[1]	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
Boston	6,082	$17,374,473	57,839	$8,811,516	6,207	$8,112,675
New York	10,767	79,581,300	79,297	51,598,324	34,983	17,998,399
Philadelphia	10,671	21,845,793	32,781	4,375,772	15,328	10,708,949
Cleveland	2,524	6,320,000	44,121	20,142,478	2,745	4,390,129
Richmond	1,773	5,507,000	35,170	11,531,291	5,438	6,621,784
Atlanta	1,797	1,741,593	17,931	5,210,972	1,667	2,738,120
Chicago	10,057	22,022,000	46,786	11,505,000	4,457	1,035,000
St. Louis	3,958	8,129,980	25,251	5,149,596	914	1,215,077
Minneapolis	2,847	7,279,516	15,473	1,698,493	892	1,798,092
Kansas City	2,362	8,488,077	41,872	11,225,146	5,712	5,191,636
Dallas	1,156	1,363,432	20,439	6,323,155	1,760	1,544,586
San Francisco	1,129	2,668,463	25,019	7,803,061	452	1,410,513
Totals:						
Aug. 16 to Sept. 15, 1918	55,123	182,321,867	441,979	145,374,804	80,555	62,764,960
July 16 to Aug. 15, 1918	50,229	172,600,132	406,330	131,047,263	76,404	58,502,291
June 16 to July 15, 1918	63,549	192,220,658	391,264	143,751,620	74,128	72,555,997
May 16 to June 15, 1918	51,055	164,539,000	295,056	113,407,619	54,132	55,703,310
Apr. 16 to May 15, 1918	49,569	178,372,385	287,061	114,099,520	54,888	58,513,363
Mar. 16 to Apr. 15, 1918	55,034	159,441,188	271,506	98,201,962	53,725	53,391,691
Feb. 16 to Mar. 15, 1918	51,408	153,701,375	259,531	113,134,162	51,259	48,556,709
Jan. 16 to Feb. 15, 1918	46,207	153,847,568	227,312	80,248,466	44,654	42,852,372
Dec. 16, 1917, to Jan. 15, 1918	48,549	148,033,108	253,458	89,065,135	49,342	52,175,578
Nov. 16 to Dec. 15, 1917	47,678	171,723,439	240,756	84,440,761	46,353	58,458,952
Oct. 16 to Nov. 15, 1917	47,574	166,552,773	232,723	64,296,210	45,393	53,089,827
Sept. 16 to Oct. 15, 1917	40,591	128,271,466	212,935	47,476,204	40,216	44,984,581
Aug. 16 to Sept. 15, 1917	36,306	100,331,694	182,191	41,323,621	32,564	40,648,168
July 16 to Aug. 15, 1917	36,727	98,075,919	175,625	40,353,278	31,273	37,981,022
June 16 to July 15, 1917	38,476	109,722,256	182,622	41,004,720	33,941	46,762,698
May 16 to June 16, 1917	37,898	97,322,883	179,193	38,599,461	33,150	38,314,393
Apr. 16 to May 15, 1917	33,767	87,370,859	171,093	36,473,163	33,428	36,836,934
Mar. 16 to Apr. 15, 1917	31,162	60,288,002	168,607	32,666,959	32,008	34,693,542

	Items handled by both parent bank and branches (daily average).[1]		Total, exclusive of items drawn on Treasurer of United States (daily average).		Items drawn on Treasurer of United States (daily average).		Number of member banks in district.	Number of nonmember banks on par list.
	Number.	Amount.	Number.	Amount.	Number.	Amount.		
Boston			70,128	$34,298,904	9,143	$5,922,140	418	267
New York			125,047	149,178,023	41,776	19,436,129	703	346
Philadelphia			58,780	36,930,514	6,815	1,177,042	630	325
Cleveland	1,300	$2,271,070	50,690	33,123,677	3,877	2,466,923	798	697
Richmond	180	637,857	42,561	24,297,932	1,640	488,891	554	356
Atlanta	2,933	623,754	24,328	10,314,439	3,324	1,189,629	414	317
Chicago	249	237,000	61,549	34,799,000	8,639	4,773,000	1,253	2,409
St. Louis	540	289,396	30,663	14,784,049	4,650	1,151,354	502	1,049
Minneapolis			19,212	10,776,101	517	171,099	842	1,196
Kansas City	2,586	862,461	52,532	25,767,320	2,483	412,041	986	2,208
Dallas	881	184,380	24,236	9,415,553	2,066	495,278	707	245
San Francisco	2,384	1,760,387	28,984	13,642,424	2,283	8,012,117	621	1,134
Totals:								
Aug. 16 to Sept. 15, 1918	11,053	6,866,305	588,710	397,327,936	87,213	45,695,643	8,428	10,549
July 16 to Aug. 15, 1918	13,395	11,254,817	546,358	373,404,503	81,323	41,063,646	8,294	10,206
June 16 to July 15, 1918	9,757	19,212,816	538,984	427,741,091	82,536	47,181,467	8,212	9,761
May 16 to June 15, 1918	7,023	12,355,115	407,866	346,005,044	77,750	39,054,003	8,165	9,710
Apr. 16 to May 15, 1918	8,294	15,141,604	399,812	366,126,872	60,771	30,928,185	8,113	9,475
Mar. 16 to Apr. 15, 1918	7,793	8,942,976	388,058	319,977,817	59,228	31,563,675	8,059	9,450
Feb. 16 to Mar. 15, 1918	7,700	6,413,071	369,898	321,805,317	58,991	25,827,757	8,013	9,425
Jan. 16 to Feb. 15, 1918	7,128	5,836,958	325,301	282,785,364	48,224	21,316,033	7,972	9,319
Dec. 16, 1917, to Jan. 15, 1918	7,718	8,402,035	359,067	292,585,856	38,130	21,116,293	7,909	9,268
Nov. 16 to Dec. 15, 1917			343,787	314,623,152	33,806	27,179,053	7,823	9,321
Oct. 16 to Nov. 15, 1917			325,690	283,938,810	30,426	17,496,974	7,826	9,210
Sept. 16 to Oct. 15, 1917			293,742	220,732,251	26,797	13,518,566	7,747	9,052
Aug. 16 to Sept. 15, 1917			251,061	182,303,483	23,492	11,006,515	7,718	8,934
July 16 to Aug. 15, 1917			243,625	176,410,219	19,533	9,701,569	7,682	8,837
June 16 to July 15, 1917			255,039	197,489,674	19,100	11,637,899	7,666	8,805
May 16 to June 16, 1917			250,241	174,236,737	16,344	4,414,508	7,651	8,789
Apr. 16 to May 15, 1917			238,288	160,680,956	15,925	3,597,865	7,634	8,926
Mar. 16 to Apr. 15, 1917			231,777	127,648,503	12,582	2,643,408	7,625	8,607

[1] Items drawn on banks in other districts (columns 5 and 6), also items handled by both parent bank and branches (columns 7 and 8), represent duplications of items shown in columns 1 to 4. Such items are counted both by the Federal Reserve Bank or branch at which they are deposited and also by the Federal Reserve Bank or branch to which they are forwarded for ultimate collection.

DISCOUNT OPERATIONS OF THE FEDERAL RESERVE BANKS.

Discount operations of the Federal Reserve Banks during the month of August aggregated $3,762,359,098, compared with $3,343,456,443 for July and $3,161,920,534 for June. Of the total bills discounted during the month, the share of war paper, i. e., member banks' notes and customers' paper secured by United States war obligations, was 83.1 per cent, compared with 73.9 per cent the month before and 82.9 per cent for June of the present year. About 61.3 per cent of the total discounts and over 65 per cent of the war paper discounted during the month, as against 58 and 64 per cent the month before, are reported by the New York bank. Outside of New York the largest increases in discount operations for the month, as compared with July, mainly under the head of war paper, are shown for the Minneapolis, Philadelphia, Atlanta, and Dallas banks.

Owing to reclassification of the discount material by the Chicago bank the amount of collateral notes secured by eligible paper shows a decrease from $162,910,586 for July to $56,476,330 for August, the amount reported by the Chicago bank declining from $126,593,975 to $25,383,495. Inversely, "All other discounts" reported by that bank show an increase from $48,814,937 for July to $116,413,498 for August. Trade acceptances discounted by all the banks during the month totaled $13,568,349, of which $11,774,139 (as against $13,712,264 in July) represented transactions in the domestic trade and $1,794,210 (as against $562,776 in July) transactions in the foreign trade. Nearly 38 per cent of the discounted domestic trade acceptances are reported by the New York bank and about 18 per cent by Cleveland, Chicago being the only other bank showing over one million of this class of paper for the month. The totals above given are exclusive of $6,134,247 of foreign trade acceptances and of $1,645,720 of domestic trade acceptances bought during the month in the open market by the Boston, New York, Cleveland, and San Francisco banks.

Over 92 per cent of all the paper discounted during the month was 15-day paper, i. e., maturing within 15 days from date of discount with the Federal Reserve Banks. For the New York bank this percentage, because of the large amount of member banks' notes handled, runs as high as 96.8 per cent. Marketing of the wheat crop is apparently responsible for the large decrease in the discounts of 6-month paper from $25,263,873 in July to $8,840,308 in the month under review.

Average maturities of the paper discounted, except by the three Eastern and the Cleveland banks, were shorter than for the month before, the decreases being especially marked in the case of the Minneapolis, Kansas City, and Dallas banks because of the large reduction in the amounts of 6-month paper handled by these banks. For the system as a whole the average maturity of the paper discounted during the month works out at 12.7 days, compared with 12.85 days in June. Average rates of discount show the largest declines for the same banks, for which the average maturities show the greatest decreases. Minneapolis, Dallas, and Kansas City in the order named show the longest average maturities of the paper discounted during the month, while Dallas, Minneapolis, and San Francisco show the highest average rates of discount charged during the month. For the system as a whole the average rate works out at 4.25 as against 4.37 per cent in July.

On the last Friday of the month the banks held a total of $1,428,195,000 of discounted paper as against $1,302,151,000 on the last Friday in July. Of the total discounts on hand the share of war paper was 62.7 per cent, compared with 52.2 per cent about the end of July and 48.8 per cent about the end of June. At the New York bank this share was over 74 per cent, and at the Boston and Philadelphia banks over 71 per cent. Discounted trade acceptances on hand totaled $15,487,000, as against $17,379,000 about a month before. Of the former total over one million were foreign trade acceptances all held by the New York bank. Nearly one-half of all the discounted trade acceptances are held by the New York and Cleveland banks. Agricultural paper holdings totaled $38,293,000, as against $36,456,000 the month before, while live-stock paper totaled $50,906,000, of which nearly one-half is reported by the Kansas City bank.

The month witnessed 130 new accessions to membership, the total membership at the end of August being 8,453 banks. Over 43 per cent of this number, or 3,671 member banks, as against 3,462 in July, discounted with their Federal Reserve Banks during the month under review.

In the following exhibit are given the number of member banks in each Federal Reserve district at the end of August and the number of discounting member banks during that month:

Federal Reserve Bank.	Number of member banks in district.		Number of member banks accommodated.	
	August.	July.	August.	July.
Boston	417	416	215	182
New York	703	695	335	323
Philadelphia	653	651	270	245
Cleveland	796	787	144	166
Richmond	554	550	261	268
Atlanta	412	414	207	214
Chicago	1,251	1,190	562	543
St. Louis	503	494	170	139
Minneapolis	843	828	395	399
Kansas City	989	984	290	327
Dallas	715	704	436	424
San Francisco	617	610	386	232
Total	8,453	8,323	3,671	3,462

Bills discounted during the month of August, 1918, distributed, by classes.

Federal Reserve Bank.	Customers' paper secured by Liberty bonds or United States certificates of indebtedness.	Member banks' collateral notes.		Trade acceptances.	All other discounts.	Total.
		Secured by Liberty bonds or United States certificates of indebtedness.	Otherwise secured.			
Boston	$26,591,023	$88,800,196	$918,000	$602,986	$6,828,518	$123,740,723
New York	51,817,705	1,997,927,111	.....	[1] 6,141,658	250,200,396	2,306,086,870
Philadelphia	19,026,615	91,960,382	.....	557,442	35,721,623	147,266,062
Cleveland	4,622,533	89,755,710	1,655,000	2,048,621	33,174,966	131,256,830
Richmond	5,008,415	151,944,645	1,925,500	772,059	9,168,682	168,819,301
Atlanta	284,729	55,559,162	345,000	175,920	25,980,985	82,345,796
Chicago	6,056,940	256,902,885	25,383,495	1,073,997	116,413,498	405,830,815
St. Louis	736,719	71,292,183	50,000	742,458	19,238,289	92,059,649
Minneapolis	2,867,225	45,844,500	16,053,903	100,510	21,941,036	86,807,174
Kansas City	503,000	39,849,829	8,442,332	525,548	9,427,334	58,748,043
Dallas	1,188,771	50,661,040	1,703,100	146,213	13,881,097	67,580,221
San Francisco	1,303,396	66,924,933	.....	[2] 680,937	22,908,348	91,817,614
Total	120,007,071	3,007,422,576	56,476,330	13,568,349	564,884,772	3,762,359,098

[1] Includes $1,711,375 in the foreign trade. [2] Includes $82,835 in the foreign trade.

Amounts of discounted paper, including member banks' collateral notes, held by each Federal Reserve Bank, on the last Friday in August, 1918, distributed by classes.

[In thousands of dollars, i. e., 000 omitted.]

Banks.	Agricultural paper.	Live-stock paper.	Customers' paper secured by Liberty bonds or United States certificates of indebtedness.	Member banks' collateral notes.		Trade acceptances.	All other discounts.	Total.
				Secured by Liberty bonds or United States certificates of indebtedness.	Otherwise secured.			
Boston	14	.....	22,872	28,787	.....	742	19,773	72,188
New York	587	.....	65,639	350,082	.....	[1] 4,092	141,239	561,639
Philadelphia	421	921	26,096	39,355	.....	735	23,742	91,270
Cleveland	84	972	6,173	37,691	1,640	3,539	39,893	89,992
Richmond	4,998	4	6,581	33,658	1,330	1,456	10,615	58,642
Atlanta	3,153	1,112	389	26,435	79	429	18,259	49,856
Chicago	5,629	91	11,281	109,253	42,237	1,639	44,022	214,152
St. Louis	397	472	1,236	31,477	30	1,127	17,854	52,593
Minneapolis	4,825	10,923	3,766	21,001	8,493	257	10,676	59,941
Kansas City	3,453	24,764	511	16,398	3,735	420	9,654	58,935
Dallas	5,985	5,198	950	23,511	.....	.....	6,787	42,431
San Francisco	8,747	6,449	1,950	30,804	.....	1,051	27,555	76,556
Total	38,293	50,906	147,444	748,452	57,544	15,487	370,069	1,428,195
Per cent	2.7	3.6	10.3	52.4	4.0	1.1	25.9	100.0

[1] Includes $1,043,450 in the foreign trade.

Bills discounted by each Federal Reserve Bank during August, 1918, distributed by rates of discount; also average maturities and rates of bills discounted by each bank during the month.

	4 per cent.		$4\frac{1}{4}$ per cent.		$4\frac{1}{2}$ per cent.		$4\frac{3}{4}$ per cent.	
	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.
Boston	$93,785,795	$97,433	$24,759,746	$231,402	$602,987	$3,708	$4,576,062	$27,876
New York	2,231,080,572	1,408,203	50,790,141	475,580	1,749,258	13,045	22,442,240	198,932
Philadelphia	127,631,075	192,543	16,597,956	151,573	548,606	2,535	2,483,175	13,544
Cleveland	72,694,815	106,178	49,775,836	105,193	1,707,391	12,369	7,078,788	55,489
Richmond	.....	.....	157,203,489	163,187	65,744	66	4,250,914	11,008
Atlanta	73,489,437	118,553	328,169	2,072	148,029	989	8,170,401	62,933
Chicago	304,449,053	492,855	6,492,779	48,500	76,611,246	150,927	17,406,652	132,832
St. Louis	77,793,852	120,236	729,149	6,138	5,961,901	11,823	7,326,908	55,504
Minneapolis	63,514,617	103,519	2,537,225	19,592	88,127	489	8,609,446	51,582
Kansas City	.....	.....	41,891,783	74,605	7,815,521	13,405	466,947	3,058
Dallas	52,626,653	85,062	1,020,332	7,755	146,213	982	4,732,746	28,282
San Francisco	71,441,677	117,129	2,431,323	13,751	495,256	3,751	14,935,418	131,713
Total	3,168,507,546	2,841,711	354,557,928	1,299,348	95,940,279	214,089	102,479,697	772,753

Bills discounted by each Federal Reserve Bank during August, 1918, distributed by rates of discount; also average maturities and rates of bills discounted by each bank during the month—Continued.

	5 per cent.		5¼ per cent.		5½ per cent.		Total.		Average maturity in days.	Average rate (per cent).[1]
	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.		
Boston	$16,133	$239					$123,740,723	$360,658	25.23	4.22
New York	24,659	164					2,306,086,870	2,095,924	8.05	4.12
Philadelphia	5,250	88					147,266,062	360,283	21.32	4.13
Cleveland							131,256,830	279,229	18.03	4.25
Richmond	7,187,024	58,989	$112,130	$1,813			168,819,301	235,063	11.27	4.45
Atlanta	209,760	3,316					82,345,796	187,863	19.35	4.24
Chicago					$871,085	$18,344	405,830,815	843,458	17.69	4.23
St. Louis					247,839	4,854	92,059,649	198,555	18.26	4.25
Minneapolis	11,122,496	118,187			935,263	17,850	86,807,174	311,219	28.34	4.55
Kansas City			6,856,749	60,260	1,717,043	34,091	58,748,043	185,419	23.81	4.77
Dallas	7,250,324	79,358	1,803,953	34,074			67,580,221	235,513	27.50	4.56
San Francisco	220,976	2,474			2,292,964	43,713	91,817,614	312,531	27.26	4.50
Total	26,036,622	262,815	8,772,832	96,147	6,064,194	118,852	3,762,359,098	5,605,715	12.70	[2] 4.25

[1] Boston and New York calculated on a 365-day basis; all other Federal Reserve Banks on 360-day basis.
[2] Average discount rate on all paper discounted works out at 4.22 per cent if calculated on a 360-day basis, and at 4.28 per cent if calculated on a uniform 365-day basis.

Acceptances bought in open market and held by all Federal Reserve Banks on dates specified, distributed by classes of accepting institutions.

Date.	Bankers' acceptances.						Trade acceptances bought in open market.	Total acceptances.
	Member banks.	Nonmember trust companies.	Nonmember State banks.	Private banks.	Foreign bank branches and agencies.	Total.		
1915.								
Feb. 22	$93,000					$93,000		$93,000
Apr. 5	3,653,000	$7,820,000	$10,000	$110,000		11,593,000		11,593,000
July 3	4,342,000	5,267,000		161,000		9,770,000		9,770,000
Oct. 4	9,000,000	4,898,000	132,000	343,000		14,373,000		14,373,000
1916.								
Jan. 3	15,494,000	7,160,000	362,000	822,000		23,838,000		23,838,000
Apr. 3	21,000,000	13,572,000	473,000	3,262,000		38,308,000	$722,000	39,030,000
July 3	32,989,000	18,921,000	471,000	11,830,000		64,211,000	3,422,000	67,633,000
Oct. 2	37,798,000	21,782,000	712,000	9,944,000		70,236,000	2,306,000	72,542,000
1917.								
Jan. 1	66,803,000	34,625,000	1,502,000	18,224,000		121,154,000	4,585,000	125,739,000
Apr. 2	43,979,000	20,328,000	689,000	16,830,000	$200,000	82,026,000	1,144,000	83,170,000
July 14-16	108,597,000	30,390,000	3,333,000	38,082,000	3,805,000	184,785,000	4,660,000	189,445,000
Sept. 29	131,997,000	14,987,000	2,193,000	21,708,000	2,286,000	173,171,000	6,942,000	180,113,000
Dec. 31	227,717,000	8,163,000	3,179,000	20,137,000	7,657,000	266,853,000	6,383,000	273,236,000
1918.								
Jan. 31	240,259,000	5,547,000	3,522,000	22,099,000	6,947,000	278,374,000	6,363,000	284,737,000
Feb. 28	252,747,000	1,648,000	3,856,000	28,419,000	7,097,000	293,767,000	5,456,000	299,223,000
Mar. 31	275,144,000	1,360,000	1,884,000	31,779,000	8,562,000	318,729,000	8,015,000	326,744,000
Apr. 30	248,390,000	654,000	2,907,000	25,921,000	10,304,000	288,176,000	9,279,000	297,455,000
May 31	207,917,000	1,330,000	5,168,000	26,217,000	8,398,000	249,030,000	8,276,000	257,306,000
June 29	173,698,000	1,992,000	459,000	21,478,000	12,315,000	209,942,000	7,418,000	217,360,000
July 31	154,614,000	1,129,000	7,302,000	18,082,000	8,975,000	190,102,000	7,781,000	197,883,000
Aug. 31	188,366,000	1,717,000	8,264,000	19,167,000	8,450,000	225,964,000	8,806,000	234,770,000

Acceptances bought in open market and held by each Federal Reserve Bank, on August 31, 1918, distributed by classes of accepting institutions.

[In thousands of dollars; i. e., 000 omitted.]

Federal Reserve Bank.	Member banks.	Nonmember trust companies.	Nonmember State banks.	Private banks.	Foreign banks, branches, and agencies.	Total.	Trade acceptances bought in open market.			Total acceptances.
							Domestic.	Foreign.	Total.	
Boston	26,243		761	1,010	130	28,144	398	259	657	28,801
New York	90,804	420	6,284	14,671	7,939	120,118	1,379	378	1,757	121,875
Philadelphia	8,609		752	433		9,794				9,794
Cleveland	23,746	250	349	1,727	161	26,233	424	53	477	26,710
Richmond	4,782					4,782				4,782
Atlanta	3,577					3,577				3,577
Chicago	15,502	1,000	18			16,520				16,520
St. Louis	1,672			23		1,695				1,695
Minneapolis	297					297				297
Kansas City	136					136				136
Dallas	554					554				554
San Francisco	12,444	47	100	1,303	220	14,114		5,915	5,915	20,029
Total	188,366	1,717	8,264	19,167	8,450	225,964	2,201	6,605	8,806	234,770

Amounts of bills discounted and acceptances and warrants bought by each Federal Reserve Bank during August, 1918, distributed by maturities.

	15-day maturities.				30-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston	$93,918,843	$994,968		$94,913,811	$2,279,846	$2,247,528		$4,527,374
New York	2,231,922,572	13,931,865		2,245,854,437	3,746,514	19,546,798		23,293,312
Philadelphia	127,793,462	451,049		128,244,511	2,344,326			2,344,326
Cleveland	118,418,935	173,846		118,592,781	1,765,132	749,410		2,514,542
Richmond	156,488,559	249,600		156,738,159	1,463,946	3,393,400		4,857,346
Atlanta	73,586,243	9,400		73,595,643	1,098,471	194,528		1,292,999
Chicago	381,635,279	20,800		381,656,079	2,700,382	623,460		3,323,842
St. Louis	83,169,738	90,000		83,259,738	1,444,047	25,000		1,469,047
Minneapolis	17,347,038	250,300		17,597,338	11,800,199	32,000		11,832,199
Kansas City	49,194,750			49,194,750	710,998			710,998
Dallas	52,626,654	80,000		52,706,654	1,005,277	54,214		1,059,491
San Francisco	72,680,772	2,234,280		74,915,052	1,877,615	973,788		2,851,403
Total	3,458,782,845	18,486,108		3,477,268,953	32,236,753	27,840,126		60,076,879
Per cent				88.6				1.5

	60-day maturities.				90-day maturities.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston	$4,920,658	$2,733,894		$7,654,552	$22,605,243	$13,135,349		$35,740,592
New York	8,420,032	27,461,019		35,881,051	61,973,093	30,922,336		92,895,429
Philadelphia	2,529,153	555,779		3,084,932	14,593,871	2,073,342		16,667,213
Cleveland	3,844,740	6,125,872		9,970,612	7,208,494	8,238,194		15,446,688
Richmond	3,571,279	1,121,274		4,692,553	7,183,387	999,000		8,182,387
Atlanta	3,270,484	149,880	$40,610	3,460,974	4,173,038	1,223,755	$5,075	5,401,868
Chicago	7,681,602	1,843,146		9,524,748	12,941,692	8,230,936		21,172,628
St. Louis	3,122,821	170,000		3,292,821	4,075,205	635,225		4,710,430
Minneapolis	1,032,327			1,032,327	54,764,487	140,000		54,904,487
Kansas City	2,589,122	49,615		2,638,737	4,545,130	10,000		4,555,130
Dallas	4,234,429	550,000		4,784,429	7,908,969	30,000		7,938,969
San Francisco	3,542,458	4,061,161		7,603,619	11,767,478	5,389,242		17,156,720
Total	48,759,105	44,821,640	40,610	93,621,355	213,740,087	71,027,379	5,075	284,772,541
Per cent				2.4				7.3

Amounts of bills discounted and acceptances and warrants bought by each Federal Reserve Bank during August, 1918, distributed by maturities—Continued.

	Over 90-day maturities.				Total.				Per cent.			
	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.	Discounts.	Acceptances.	Warrants.	Total.
Boston	$16,133	$28,000		$44,133	$123,740,723	$19,139,739		$142,880,462	86.6	13.4		100
New York	24,659			24,659	2,306,086,870	91,862,018		2,397,948,888	96.2	3.8		100
Philadelphia	5,250			5,250	147,266,062	3,080,170		150,346,232	98.0	2.0		100
Cleveland	19,529			19,529	131,256,830	15,287,322		146,544,152	89.6	10.4		100
Richmond	112,130	243,000		355,130	168,819,301	6,006,274		174,825,575	96.6	3.4		100
Atlanta	217,560	20,000	$4,591	242,151	82,345,796	1,597,563	$50,276	83,993,635	98.0	1.9	0.1	100
Chicago	871,860	300,160		1,172,020	405,830,815	11,018,502		416,849,317	97.4	2.6		100
St. Louis	247,838			247,838	92,059,649	920,225		92,979,874	99.0	1.0		100
Minneapolis	1,863,123			1,863,123	86,807,174	422,300		87,229,474	99.5	.5		100
Kansas City	1,708,043			1,708,043	58,748,043	59,615		58,807,658	99.9	.1		100
Dallas	1,804,892			1,804,892	67,580,221	714,214		68,294,435	99.0	1.0		100
San Francisco	1,949,291	30,000		1,979,291	91,817,614	12,688,471		104,506,085	87.9	12.1		100
Total	8,840,308	621,160	4,591	9,466,059	3,762,359,098	162,796,413	50,276	3,925,205,787				
Per cent				0.2				100.0	95.9	4.1		100

Maturities of discounts, acceptances, and municipal warrants held by each Federal Reserve Bank on Friday, Aug. 30, 1918.

[In thousands of dollars; i. e., 000 omitted.]

Banks.	1 to 15 days.				16 to 30 days.			
	Bills discounted.	Acceptances bought.	Municiapl warrants.	Total.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.
Boston	32,033	5,637		37,670	7,519	3,540		11,059
New York	459,513	17,622		477,135	19,939	40,668		60,607
Philadelphia	53,710	2,002		55,712	3,989	1,637		5,626
Cleveland	58,669	4,269		62,938	10,640	4,672		15,312
Richmond	42,225	1,484		43,709	2,574	1,417		3,991
Atlanta	37,401	919		38,320	2,317	731		3,048
Chicago	164,651	1,294		165,945	13,574	1,116		14,690
St. Louis	38,819	113		38,932	5,280	127		5,407
Minneapolis	31,511	80		31,591	3,353	85		3,438
Kansas City	25,646			25,646	5,073			5,073
Dallas	25,363	335		25,698	1,659	54		1,713
San Francisco	40,224	3,994		44,218	7,931	4,205		12,136
Total	1,009,765	37,749		1,047,514	83,848	58,252		142,100
Per cent				63.1				8.6

Banks.	31 to 60 days.				61 to 90 days.			
	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.
Boston	11,815	9,082		20,897	20,807	10,487		31,294
New York	28,351	36,798		65,149	53,834	26,787		80,621
Philadelphia	19,889	3,394		23,283	13,669	2,729		16,396
Cleveland	10,821	11,863		22,684	9,820	5,273		15,098
Richmond	7,234	1,137		8,371	6,381	704		7,083
Atlanta	6,589	704	41	7,334	3,158	1,203	5	4,365
Chicago	13,036	7,452		20,488	19,002	5,878		24,880
St. Louis	5,124	856		5,980	3,061	605		3,666
Minneapolis	8,562	40		8,602	12,817	131		12,948
Kansas City	13,330	126		13,456	9,854	10		9,864
Dallas	5,641	200		5,841	6,379	30		6,409
San Francisco	16,266	8,101		24,367	9,009	3,012		12,021
Total	146,658	79,753	41	226,452	167,791	56,849	5	224,645
Per cent				13.6				13.5

Maturities of discounts, acceptances, and municipal warrants held by each Federal Reserve Bank on Friday, Aug. 30, 1918—Continued.

[In thousands of dollars; i. e., 000 omitted.]

Banks.	Over 90 days.				Total.				Percentages.			
	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.	Bills discounted.	Acceptances bought.	Municipal warrants.	Total.
Boston	14			14	72,188	28,746		100,934	71.5	28.5		100
New York	2			2	561,639	121,875		683,514	82.2	17.8		100
Philadelphia	13			13	91,270	9,762		101,032	90.3	9.7		100
Cleveland	42			42	89,992	26,077		116,069	77.5	22.5		100
Richmond	228			228	58,642	4,742		63,384	92.5	7.5		100
Atlanta	391		21	412	49,856	3,557	67	53,480	93.2	6.7	0.1	100
Chicago	3,889			3,889	214,152	15,740		229,892	93.2	6.8		100
St. Louis	309			309	52,593	1,701		54,294	96.9	3.1		100
Minneapolis	3,698			3,698	59,941	336		60,277	99.4	0.6		100
Kansas City	5,032			5,032	58,935	136		59,071	99.8	0.2		100
Dallas	3,389			3,389	42,431	619		43,050	98.6	1.4		100
San Francisco	3,126			3,126	76,556	19,312		95,868	79.9	20.1		100
Total	20,133		21	20,154	1,428,195	232,603	67	1,660,865				
Per cent				1.2				100	86.0	14.0		100

Total investment operations of each Federal Reserve Bank during the months of August, 1918 and 1917.

Federal Reserve Bank.	Bills discounted for member and Federal Reserve Banks.	Bills bought in open market.			Municipal warrants.			
		Bankers' acceptances.	Trade acceptances.	Total.	City.	State.	All other.	Total.
Boston	$123,740,723	$18,741,399	$398,340	$19,139,739				
New York	2,306,086,870	89,799,746	[1] 2,062,272	91,862,018				
Philadelphia	147,266,062	3,080,170		3,080,170				
Cleveland	131,256,830	14,868,573	[2] 418,749	15,287,322				
Richmond	168,819,301	6,006,274		6,006,274				
Atlanta	82,345,796	1,597,563		1,597,563	$45,685		$4,591	$50,276
Chicago	405,830,815	11,018,502		11,018,502				
St. Louis	92,059,649	920,225		920,225				
Minneapolis	86,807,174	422,300		422,300				
Kansas City	58,748,043	59,615		59,615				
Dallas	67,580,221	714,214		714,214				
San Francisco	91,817,614	7,787,865	[3] 4,900,606	12,688,471				
Total, August, 1918	3,762,359,098	155,016,446	7,779,967	162,796,413	45,685		4,591	50,276
Total, August, 1917	220,939,974	67,510,898	4,611,904	72,122,802	125,938		9,278	135,216

Federal Reserve Bank.	United States securities.				Total investment operations.	
	$3\frac{1}{2}$ per cent.	$4\frac{1}{4}$ per cent.	United States certificates of indebtedness.	Total.	1918	1917[4]
Boston	$50	$250		$300	$142,880,762	$34,008,633
New York			$29,285,000	29,285,000	2,427,233,888	63,537,219
Philadelphia		150	20,000	20,150	150,366,382	26,064,872
Cleveland		25,200	20,000	45,200	146,589,352	31,344,170
Richmond			1,000	1,000	174,826,575	31,303,845
Atlanta	27,000	140,000	10,000	177,000	84,170,635	6,878,896
Chicago					416,849,317	26,317,759
St. Louis					92,979,874	18,839,427
Minneapolis		92,000	82,500	174,500	87,403,974	14,148,906
Kansas City			52,500	52,500	58,860,158	22,323,333
Dallas	369,900		750,500	1,120,400	69,414,835	5,742,224
San Francisco					104,506,085	14,514,168
Total, August, 1918	396,950	257,600	30,221,500	30,876,050	3,956,081,837	
Total, August, 1917	3,825,460			[4] 3,825,460		297,023,452

[1] Incudes $1,263,246 in foreign trade.
[2] Includes $13,000 in foreign trade.
[3] Includes $4,858,001 in foreign trade.
[4] Exclusive of purchases of Treasury certificates of indebtedness.

United States securities held by each Federal Reserve Bank on Aug. 31, 1918, distributed by maturities.

Federal Reserve Banks.	United States bonds with circulation privilege.				Other United States securities, including 1-year Treasury notes and Treasury certificates of indebtedness available as security for Federal reserve bank notes under silver act of Apr. 23, 1918.							Total.
	2 per cent consols of 1930.	2 per cent Panamas of 1936-1938.	3 per cent loan of 1918.	4 per cent loan of 1925.	3 per cent conversion bonds of 1946-47.	3 per cent 1-year Treasury notes.	3 per cent loan of 1961.	3½ per cent Liberty loan of 1947.	4 per cent Liberty loan of 1942-1947.	4¼ per cent Liberty loan of 1928.	United States certificates of indebtedness.	
Boston	$750				$529,000	$1,416,000		$383,900	$26,550	$1,722		$2,357,922
New York					1,255,400	1,476,000		196,700	3,800		$10,945,000	13,876,900
Philadelphia		$100			549,200	1,181,000		11,850	786,250	150	29,500	2,558,050
Cleveland					414,800	1,660,000		1,466,300		410,350	35,000	3,986,450
Richmond	915,100	237,000				1,285,000		42,850	37,750	500	225,000	2,743,200
Atlanta	240,600	21,000			10,300	965,000		40,000	273,350	35,300	26,000	1,611,550
Chicago	1,862,500	367,300		$1,768,000	427,400	2,112,000	$400		83,050			6,620,650
St. Louis	100				1,153,300	321,000						1,474,400
Minneapolis		260			114,800	880,000	500			1,045	25,000	1,021,605
Kansas City	7,155,850	22,240		824,400	838,500	1,168,000		21,900	8,100		76,000	10,114,990
Dallas	2,450,900	281,500			1,233,600	901,000		370,600		10,350	750,500	5,998,450
San Francisco	2,428,750			1,000,000		1,000,000		5,200	27,150		20,000	4,481,100
Total	15,054,550	929,400		3,592,400	6,526,300	14,365,000	900	2,539,300	1,246,000	459,417	12,132,000	56,845,267

Total United States bonds with circulation privilege, $19,576,350. Other United States securities, $37,268,917.

RESOURCES AND LIABILITIES OF FEDERAL RESERVE BANKS.

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve system at close of business on Fridays Aug. 30 to Sept. 20, 1918.

RESOURCES.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta	Chicago	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Gold in vault and in transit:													
Aug. 30	3,598	289,110	268	22,823	6,179	6,782	26,577	1,416	8,226	207	6,951	11,872	384,009
Sept. 6	2,819	287,998	279	22,866	6,161	6,829	26,761	1,200	8,222	353	6,962	12,778	383,228
Sept. 13	3,163	288,712	290	25,010	6,198	6,881	26,651	1,411	8,259	207	7,043	12,389	386,214
Sept. 20	3,423	272,357	186	24,898	6,294	6,712	26,345	1,223	8,177	182	7,041	10,822	367,660
Gold settlement fund, Federal Reserve Board:													
Aug. 30	76,874	73,052	53,030	68,372	29,919	19,578	89,643	30,216	12,667	30,060	8,833	28,682	520,926
Sept. 6	71,540	107,592	59,317	55,713	26,400	12,862	64,450	25,286	10,011	23,965	9,340	32,055	496,531
Sept. 13	77,965	43,235	62,016	69,052	27,003	13,776	63,299	21,694	22,463	20,662	4,327	39,806	465,298
Sept. 20	68,050	41,391	69,605	64,220	26,392	7,783	77,541	22,430	13,115	21,932	7,257	40,281	459,997
Gold with foreign agencies:													
Aug. 30	408	2,011	408	525	204	175	816	233	233	291	204	321	5,829
Sept. 6	408	2,011	408	525	204	175	816	233	233	291	204	322	5,830
Sept. 13	408	2,011	408	525	204	175	816	233	233	291	204	321	5,829
Sept. 20	408	2,011	408	525	204	175	816	233	233	291	204	321	5,829
Gold with Federal Reserve agents:													
Aug. 30	59,953	297,613	112,195	135,052	39,091	21,769	168,013	51,719	22,751	52,643	13,862	86,936	1,061,597
Sept. 6	59,705	297,165	111,795	134,576	41,439	25,480	179,225	51,720	22,737	57,643	14,348	91,927	1,087,760
Sept. 13	59,450	297,165	110,466	134,306	43,439	31,173	191,244	56,668	25,604	57,562	24,319	91,736	1,123,132
Sept. 20	59,242	286,910	111,111	144,024	45,369	40,518	197,659	56,668	27,516	57,562	24,319	95,052	1,145,950
Gold redemption fund:													
Aug. 30	4,199	14,955	5,000	1,478	846	2,456	4,632	2,602	2,499	1,159	1,546	61	41,433
Sept. 6	4,446	14,955	5,000	1,560	794	3,684	4,919	2,592	2,620	1,157	1,846	61	43,634
Sept. 13	4,599	15,000	5,000	812	727	3,953	5,162	2,588	2,716	1,148	2,146	235	44,086
Sept. 20	4,812	15,000	5,000	1,023	692	3,121	5,356	2,579	2,833	1,142	2,146	418	44,122
Total gold reserves:													
Aug. 30	145,032	676,741	170,901	228,250	76,239	50,760	289,681	86,186	46,376	84,360	31,396	127,872	2,013,794
Sept. 6	138,918	709,721	176,799	213,240	74,998	49,030	276,171	81,031	43,823	83,409	32,700	137,143	2,016,983
Sept. 13	145,585	646,123	178,180	229,705	77,571	55,958	287,172	82,594	59,275	79,870	38,039	144,487	2,024,559
Sept. 20	135,935	617,669	186,310	234,690	78,951	58,309	307,717	83,133	51,874	81,109	40,967	146,894	2,023,558
Legal tender notes, silver, etc.:													
Aug. 30	2,371	45,175	784	310	847	317	1,448	425	56	251	964	220	53,168
Sept. 6	2,074	45,705	867	395	864	164	1,430	798	74	291	635	214	53,511
Sept. 13	2,315	45,358	910	327	805	162	1,707	471	75	246	622	175	53,173
Sept. 20	2,616	44,808	873	293	614	159	1,707	400	54	272	516	169	52,481
Total cash reserves:													
Aug. 30	147,403	721,916	171,685	228,560	77,086	51,077	291,129	86,611	46,432	84,611	32,360	128,092	2,066,962
Sept. 6	140,992	755,426	177,666	213,635	75,862	49,194	277,601	81,829	43,897	83,700	33,335	137,357	2,070,494
Sept. 13	147,900	691,481	179,090	230,032	78,376	56,120	288,879	83,065	59,350	80,116	38,661	144,662	2,077,732
Sept. 20	138,551	662,477	187,183	234,983	79,565	58,468	309,424	83,533	51,928	81,381	41,483	147,063	2,076,039
Bills discounted:													
Secured by Government war obligations—													
Aug. 30	51,439	415,221	65,452	43,875	41,587	26,783	120,533	32,712	24,767	16,909	24,729	32,326	896,333
Sept. 6	62,611	453,900	70,280	52,564	45,187	31,314	146,992	36,481	25,774	17,595	23,906	40,877	1,007,481
Sept. 13	65,887	487,811	70,745	54,295	51,048	36,024	151,361	38,877	25,911	23,820	24,435	41,251	1,071,465
Sept. 20	67,555	524,966	80,609	54,158	47,726	39,650	157,717	44.763	25,873	29,108	28,504	45,728	1,146,357
All other—													
Aug. 30	20,749	146,418	25,818	46,117	17,055	23,073	93,619	19,881	35,174	42,026	17,702	44,230	531,862
Sept. 6	19,374	130,199	29,413	44,983	19,020	23,728	97,367	24,306	39,071	39,742	21,666	45,654	534,493
Sept. 13	17,617	134,034	26,583	40,644	17,656	25,807	92,500	24,942	51,457	41,243	21,924	47,375	541,782
Sept. 20	16,504	132,421	21,030	36,775	18,100	28,125	80,792	23,455	44,985	42,078	23,085	46,439	513,789
Bills bought in open market:													
Aug. 30	28,746	121,875	9,762	26,077	4,742	3,557	15,740	1,701	336	136	619	19,312	232,603
Sept. 6	29,353	120,762	8,856	27,653	4,649	3,436	16,549	1,619	259	136	554	19,915	233,741
Sept. 13	29,821	123,016	9,693	29.476	4,548	3,702	16,393	1,600	262	136	634	20,469	239,750
Sept. 20	29,311	131,978	9,044	30,100	4,600	4,622	17,211	1,829	142	136	695	20,364	250,032
United States Government long-term securities:													
Aug. 30	942	1,452	1,348	2,292	1,233	620	4,509	1,153	122	8,871	4,347	3,461	30,350
Sept. 6	742	1,450	1,347	2,292	1,233	620	4,508	1,154	116	8,868	3,977	3,461	29,768
Sept. 13	538	1,449	1,348	2,292	1,233	621	4,508	1,153	116	8,867	3,977	3,461	29,563
Sept. 20	538	1,448	1,348	1,791	1,233	581	4,509	1,153	116	8,867	3,977	3,461	29,022
United States Government short-term securities:													
Aug. 30	1,416	12,438	1,211	1,695	1,510	991	2,112	321	912	1,244	902	1,020	25,772
Sept. 6	1,416	13,881	1,211	1,725	1,510	991	2,112	321	940	1,269	1,651	1,003	28,030
Sept. 13	1,416	18,330	2,410	1,725	1,510	991	2,112	321	984	1,324	1,651	1,003	33,777
Sept. 20	1,416	22,279	3,220	2,760	1,510	991	4,112	1,321	1,035	1,324	902	1,008	41,878

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve system at close of business on Fridays Aug. 30 to Sept. 20, 1918.—Continued.

RESOURCES—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta	Chicago	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
All other earning assets:													
Aug. 30	....	....	....	....	....	67	....	....	....	....	....	....	67
Sept. 6	....	....	....	....	....	67	....	8	....	....	....	....	75
Sept. 13	....	....	....	....	....	70	....	....	....	....	....	11	81
Sept. 20	....	....	....	....	....	66	....	....	....	....	....	18	84
Total earning assets:													
Aug. 30	103,292	697,404	103,591	120,056	66,127	55,091	236,513	55,768	61,311	69,186	48,299	100,349	1,716,987
Sept. 6	113,496	720,192	111,107	129,217	71,599	60,156	267,528	63,906	66,130	67,610	51,754	110,918	1,833,613
Sept. 13	115,279	764,640	110,779	128,432	75,995	67,215	266,874	66,893	78,730	75,390	52,621	113,570	1,916,418
Sept. 20	115,324	813,092	115,251	125,584	73,169	74.035	264,341	72,521	72,151	81,513	57,163	117,018	1,981,162
Uncollected items (deduct from gross deposits):													
Aug. 30	38,683	162,779	53,084	46,805	38,311	26,064	60,247	40,328	11,650	45,441	20,071	25,192	568,655
Sept. 6	43,491	172,017	64,461	55,102	40,713	31,661	76,474	41,854	14,373	53,514	22,792	25,925	642,377
Sept. 13	56,185	170,440	64,760	50,042	48,063	32,217	83,516	42,601	17,960	52,697	24,173	54,571	697,225
Sept. 20	49,198	168,918	60,977	47,845	47,142	30,338	77,353	55,163	15,614	52,610	19,530	30,155	654,843
5 per cent redemption fund against Federal Reserve Bank notes:													
Aug. 30	....	274	50	....	....	19	200	....	....	400	137	84	1,164
Sept. 6	....	424	50	....	....	18	200	....	....	400	137	84	1,313
Sept. 13	21	424	100	30	....	18	200	....	....	391	137	84	1,405
Sept. 20	34	924	150	42	....	48	280	10	....	402	138	84	2,112
All other resources:													
Aug. 30	839	1,939	1,558	631	1,049	764	1,262	624	215	904	710	1,292	11,787
Sept. 6	849	1,973	1,665	597	828	757	1,565	561	202	918	779	1,382	12,076
Sept. 13	851	2,033	2,153	617	716	776	1,279	538	213	912	1,074	1,851	13,013
Sept. 20	885	2,023	1,452	673	895	794	1,429	542	211	908	1,622	1,176	12,610
Total resources:													
Aug. 30	290,217	1,584,312	329,968	396,052	182,573	133,015	589,351	183,331	119,608	200,542	101,577	255,009	4,365,555
Sept. 6	298,828	1,650,032	354,949	398,551	189,002	141,786	623,368	188,150	124,602	206,142	108,797	275,666	4,559,873
Sept. 13	320,236	1,629,018	356,882	409,153	203,150	156,346	640,748	193,097	156,253	209,506	116,666	314,738	4,705,793
Sept. 20	303,992	1,647,434	365,013	409,127	200,771	163,683	652,827	211,769	139,904	211,814	119,936	295,496	4,726,766

LIABILITIES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta	Chicago	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Capital paid in:													
Aug. 30	6,510	20,092	7,302	8,746	3,921	3,126	10,760	3,687	2,879	3,580	3,052	4,513	78,168
Sept. 6	6,510	20,109	7,334	8,751	3,948	3,137	10,796	3,721	2,883	3,590	3,059	4,521	78,359
Sept. 13	6,555	20,162	7,351	8,756	3,978	3,140	10,811	3,731	2,888	3,597	3,063	4,521	78,553
Sept. 20	6,557	20,173	7,351	8,768	3,988	3,142	10,890	3,731	2,890	3,600	3,076	4,523	78,689
Surplus:													
Aug. 30	75	649	....	....	116	40	216	....	38	....	....	....	1,134
Sept. 6	75	649	....	....	116	40	216	....	38	....	....	....	1,134
Sept. 13	75	649	....	....	116	40	216	....	38	....	....	....	1,134
Sept. 20	75	649	....	....	116	40	216	....	38	....	....	....	1,134
Government deposits:													
Aug. 30	13,070	28,582	5,227	9,036	6,527	4,697	7,463	6,354	3,436	6,163	7,933	6,241	104,729
Sept. 6	25,259	31,789	16,928	20,979	6,138	8,011	33,839	9,158	8,946	11,890	6,284	18,104	197,325
Sept. 13	25,975	21,487	14,459	19,182	9,746	6,898	26,018	9,696	35,354	7,564	8,799	21,555	206,733
Sept. 20	17,391	18 792	15,682	15,996	7,330	10,083	24,748	12,047	12,242	7,145	10,129	17,056	169,141
Due to members—reserve account:													
Aug. 30	91,311	640,700	87,618	119,977	45,946	36,808	200,885	52,659	35,639	69,048	30,917	67,131	1,478,639
Sept. 6	90,751	661,057	92,549	110,500	47,152	34,510	194,153	50,724	36,129	60,632	31,659	55,286	1,465,102
Sept. 13	91,283	633,944	85,655	116,843	46,259	38,755	197,814	53,537	39,928	66,851	32,282	66,442	1,469,603
Sept. 20	94,972	677,909	89,047	107,351	45,442	34,112	201,018	54,020	41,424	70,865	35,502	72,866	1,524,528
Collection items:													
Aug. 30	40,148	104,636	42,738	50,271	32,290	22,035	44,244	34,321	14,497	23,964	12,617	16,124	437,885
Sept. 6	31,988	123,988	45,570	43,222	33,469	21,738	47,086	35,396	9,897	29,538	13,624	26,124	461,640
Sept. 13	49,323	134,280	51,823	42,200	41,050	21,349	57,433	31,428	8,832	28,731	15,434	45,869	527,752
Sept. 20	36,307	116,804	53,522	52,502	40,258	22,723	56,475	42,797	9,587	29,188	10,818	19,284	490,265
Other deposits, including foreign government credits:													
Aug. 30	....	114,896	....	160	....	14	2,091	169	22	....	....	2,948	120,300
Sept. 6	....	116,831	....	184	....	28	....	168	25	....	....	2,724	119,960
Sept. 13	....	111,289	....	210	....	15	1,300	476	18	....	....	1,994	115,302
Sept. 20	....	95,974	....	222	....	30	1,456	207	26	....	....	2,258	100,173
Total gross deposits:													
Aug. 30	144,529	888,814	135,583	179,444	84,763	63,554	254,683	93,503	53,594	99,175	51,467	92,444	2,141,553
Sept. 6	147,998	933,665	155,047	174,885	86,759	64,237	275,078	95,446	54,997	102,060	51,567	102,238	2,244,027
Sept. 13	166,581	901,000	151,947	178,435	97,055	67,017	282,565	95,137	84,132	103,146	56,515	135,860	2,319,390
Sept. 20	148,670	909,479	158,251	176,071	93,030	66,948	283,697	109,071	63,279	107,698	56,449	111,464	2,284,107

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve system at close of business on Fridays, Aug. 30 to Sept. 20, 1918.—Continued.

LIABILITIES—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta	Chicago	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal Reserve notes in actual circulation:													
Aug. 30	136,817	659,766	185,243	205,591	92,316	65,345	314,806	84,918	61,939	87,997	43,304	154,666	2,092,708
Sept. 6	141,840	678,298	190,452	212,398	96,678	73,303	328,297	87,705	65,410	90,500	50,384	165,411	2,180,679
Sept. 13	141,288	685,399	195,109	219,108	100,450	85,078	337,548	92,866	67,772	92,850	53,223	170,738	2,245,429
Sept. 20	145,576	693,083	196,028	221,084	102,003	92,294	347,805	97,294	72,267	95,386	56,398	175,813	2,295,031
Federal Reserve bank notes in circulation—net liability:													
Aug. 30	....	3,179	311	....	....	110	4,881	....	....	7,820	2,696	1,660	20,687
Sept. 6	....	5,892	547	204	....	159	4,767	....	....	7,998	2,717	1,680	23,964
Sept. 13	272	8,364	831	458	....	159	5,236	52	....	7,869	2,751	1,680	27,672
Sept. 20	608	11,244	1,640	769	40	288	5,685	320	39	8,023	2,872	1,680	33,208
All other liabilities:													
Aug. 30	2,286	11,812	1,499	2,271	1,457	840	4,005	1,223	1,158	1,970	1,058	1,726	31,305
Sept. 6	2,405	11,419	1,569	2,313	1,501	860	4,214	1,278	1,274	1,994	1,070	1,813	31,710
Sept. 13	2,465	12,444	1,644	2,396	1,551	912	4,372	1,311	1,423	2,044	1,114	1,939	33,615
Sept. 20	2,506	12,806	1,743	2,435	1,594	971	4,531	1,353	1,391	2,107	1,141	2,016	34,597
Total liabilities:													
Aug. 30	290,217	1,584,312	329,968	396,052	182,573	133,015	589,351	183,331	119,608	200,542	101,577	255,009	4,365,555
Sept. 6	298,828	1,650,032	354,949	398,551	189,002	141,786	623,368	188,150	124,602	206,142	108,797	275,666	4,559,873
Sept. 13	320,236	1,629,018	356,882	409,153	203,150	156,346	640,748	193,097	156,253	209,506	116,666	314,738	4,705,793
Sept. 20	303,992	1,647,434	365,013	409,127	200,771	163,683	652,827	211,769	139,904	216,814	119,936	295,496	4,726,766

FEDERAL RESERVE NOTES.

Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, Aug. 30 to Sept. 20, 1918.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal Reserve notes received from agent—net:													
Aug. 30	141,743	705,941	198,283	216,232	96,889	68,245	333,188	91,451	62,677	93,823	43,626	166,840	2,218,938
Sept. 6	145,949	742,293	200,583	222,656	103,164	76,452	344,400	94,666	66,313	94,868	51,037	177,391	2,319,772
Sept. 13	149,073	747,038	207,053	228,786	104,631	87,184	356,419	99,990	69,460	98,359	53,917	186,940	2,388,845
Sept. 20	149,365	760,576	210,938	235,104	110,499	95,509	362,834	102,985	73,552	100,955	57,121	186,756	2,446,194
Federal Reserve notes held by bank:													
Aug. 30	4,926	46,175	13,040	10,641	4,573	2,900	18,382	6,533	738	5,826	322	12,174	126,230
Sept. 6	4,109	63,995	10,131	10,258	6,486	3,149	16,103	6,961	903	4,368	653	11,977	139,093
Sept. 13	4,785	60,634	11,944	9,678	4,181	2,106	18,871	7,124	1,688	5,509	694	16,620	143,434
Sept. 20	3,789	67,493	14,910	14,020	8,496	3,215	15,029	5,691	1,285	5,569	723	10,943	151,163
Federal Reserve notes in actual circulation:													
Aug. 30	136,817	659,766	185,243	205,591	92,316	65,345	314,806	84,918	61,939	87,997	43,304	154,666	2,092,708
Sept. 6	141,840	678,298	190,452	212,398	96,678	73,303	328,297	87,705	65,410	90,500	50,384	165,414	2,180,679
Sept. 13	144,288	686,399	95,109	219,108	100,450	85,078	337,548	92,866	67,772	92,850	53,223	170,738	2,245,429
Sept. 20	145,576	693,083	196,028	221,084	102,003	92,294	347,805	97,294	72,267	95,386	56,398	175,813	2,295,031
Gold deposited with or to credit of Federal Reserve agent:													
Aug. 30	59,953	297,613	112,195	135,052	39,091	21,769	168,013	51,719	22,751	52,643	13,862	86,936	1,061,597
Sept. 6	59,705	297,165	111,795	134,576	41,439	25,480	179,225	51,720	22,737	57,643	14,348	91,927	1,087,760
Sept. 13	59,450	297,165	110,466	134,306	43,439	31,173	191,244	56,668	25,604	57,562	24,319	91,736	1,123,132
Sept. 20	**59,242**	**286,910**	**111,111**	**144,024**	**45,369**	**40,518**	**197,659**	**56,668**	**27,516**	**57,562**	**24,319**	**95,052**	**1,145,950**
Paper delivered to Federal Reserve agent:													
Aug. 30	100,934	683,514	89,145	115,581	62,409	46,888	229,256	48,317	54,202	59,071	43,050	81,447	1,613,814
Sept. 6	111,338	704,861	98,538	124,574	66,014	51,333	260,908	48,305	57,434	57,473	46,126	92,950	1,719,854
Sept. 13	113,324	744,861	102,022	122,146	69,726	56,090	260,254	54,853	68,667	65,199	46,993	93,411	1,797,546
Sept. 20	113,370	789,365	104,061	119,385	69,306	64,105	255,720	62,138	64,490	71,322	52,284	99,441	1,864,987

Federal Reserve note account of each Federal Reserve agent at close of business on Fridays, Aug. 30 to Sept. 20, 1918.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Phila-del-phia.	Cleve-land.	Rich-mond.	At-lanta.	Chi-cago.	St. Louis.	Minne-apolis.	Kansas City.	Dallas.	San Fran-cisco.	Total.
FEDERAL RESERVE NOTES.													
Received from Comptroller:													
Aug. 30	195,940	1,064,880	250,240	258,740	132,120	115,860	402,420	117,880	84,080	121,700	71,420	180,200	2,995,480
Sept. 6	198,140	1,078,080	251,940	261,220	136,920	120,860	414,740	122,500	84,080	123,700	74,340	190,760	3,057,280
Sept. 13	205,540	1,093,080	263,540	269,840	141,120	132,460	423,680	124,900	90,080	125,700	82,640	200,500	3,153,080
Sept. 20	210,300	1,108,280	267,780	271,040	147,280	148,340	438,440	127,800	93,080	129,700	86,860	200,500	3,229,400
Returned to Comptroller:													
Aug. 30	37,597	243,139	45,837	22,568	28,331	21,865	27,892	20,629	16,083	20,857	17,874	13,360	516,032
Sept. 6	38,391	243,587	46,237	23,044	28,656	22,203	28,620	21,274	16,097	21,112	17,978	13,369	520,568
Sept. 13	39,267	251,047	47,567	23,314	28,989	22,411	29,361	21,770	16,310	21,321	18,153	13,560	533,070
Sept. 20	39,975	255,904	47,922	23,596	29,541	22,566	30,346	22,415	16,398	21,425	18,294	13,744	542,126
Chargeable to Federal Reserve agent:													
Aug. 30	158,343	821,741	204,403	236,172	103,789	93,995	374,528	97,251	67,997	100,843	53,546	166,840	2,479,448
Sept. 6	159,749	834,493	205,703	238,176	108,264	98,657	386,120	101,226	67,983	102,588	56,362	177,391	2,536,712
Sept. 13	166,273	842,033	215,973	246,526	112,131	110,049	394,319	103,130	73,770	104,379	64,487	186,940	2,620,010
Sept. 20	170,323	852,376	219,858	247,444	117,739	125,774	408,094	105,385	76,682	108,275	68,566	186,756	2,687,274
In hands of Federal Reserve agent:													
Aug. 30	16,600	115,800	6,120	19,940	6,900	25,750	41,340	5,800	5,320	7,020	9,920	....	260,510
Sept. 6	13,800	92,200	5,120	15,520	5,100	22,205	41,720	6,560	1,670	7,720	5,325	....	216,940
Sept. 13	17,200	95,000	8,920	17,740	7,500	22,865	37,900	3,140	4,310	6,020	10,570	....	231,165
Sept. 20	20,960	91,800	8,920	12,340	7,240	30,265	45,260	2,400	3,130	7,320	11,445	....	241,080
Issued to Federal Reserve Bank, less amount returned to Federal Reserve agent for redemption:													
Aug. 30	141,743	705,941	198,283	216,232	96,889	68,245	333,188	91,451	62,677	93,823	43,626	166,840	2,218,938
Sept. 6	145,949	742,293	200,583	222,656	103,164	76,452	344,400	94,666	66,313	94,868	51,037	177,391	2,319,772
Sept. 13	149,073	747,038	207,053	228,786	104,631	87,184	356,419	99,990	69,460	98,359	53,917	186,940	2,388,845
Sept. 20	149,365	760,576	210,938	235,104	110,499	95,509	362,834	102,985	73,552	100,955	57,121	186,756	2,446,194
Collateral held as security for outstanding notes:													
Gold coin and certificates on hand—													
Aug. 30	5,000	163,740	....	23,812	....	2,504	....	....	13,102	....	11,081	....	219,239
Sept. 6	5,000	163,740	....	23,813	....	2,504	....	....	13,102	....	11,081	....	219,240
Sept. 13	5,000	163,740	....	21,813	....	2,504	....	....	13,102	....	11,081	....	217,240
Sept. 20	5,000	163,740	....	21,813	....	2,504	....	....	13,102	....	11,081	....	217,240
In gold redemption fund—													
Aug. 30	7,453	13,873	9,996	11,240	1,591	1,445	57	2,589	1,349	2,283	2,097	7,735	61,708
Sept. 6	7,205	13,425	9,874	10,763	1,439	2,106	362	2,589	1,335	2,283	2,583	7,726	61,690
Sept. 13	8,450	13,425	10,874	12,493	1,439	1,899	478	3,037	1,202	2,202	2,754	7,535	65,788
Sept. 20	8,242	13,170	10,874	12,211	1,369	2,744	2,240	3,037	1,114	2,202	3,054	10,351	70,608
Gold settlement fund, Federal Reserve Board—													
Aug. 30	47,500	120,000	102,199	100,000	37,500	17,820	167,956	49,130	8,300	50,360	684	79,201	780,650
Sept. 6	47,500	120,000	101,921	100,000	40,000	20,870	178,863	49,131	8,300	55,360	684	84,201	806,830
Sept. 13	46,000	120,000	99,592	100,000	42,000	26,770	190,766	53,631	11,300	55,360	10,484	84,201	840,104
Sept. 20	46,000	110,000	100,237	110,000	44,000	35,270	195,419	53,631	13,300	55,360	10,184	84,701	858,102
Eligible paper (minimum required) [1] —													
Aug. 30	81,790	408,328	86,088	81,180	57,798	46,476	165,175	39,732	39,926	41,180	29,764	79,904	1,157,341
Sept. 6	86,244	445,128	88,788	88,080	61,725	50,972	165,175	42,946	43,576	37,225	36,689	85,464	1,232,012
Sept. 13	89,623	449,868	96,587	94,480	61,192	56,011	165,175	43,322	43,856	40,797	29,598	95,204	1,265,713
Sept. 20	90,123	473,666	99,827	91,080	65,130	54,991	165,175	46,317	46,036	43,393	32,802	91,704	1,300,244

[1] For actual amounts see item "Paper delivered to Federal Reserve agents," on p. 1033.

MEMBER BANK CONDITION STATEMENT.

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities, as at close of business on Fridays, from Aug. 23 to Sept. 13, 1918.

1. TOTAL FOR ALL REPORTING BANKS.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Number of reporting banks:													
Aug. 23	42	102	50	85	77	45	96	32	35	73	45	52	734
Aug. 30	42	102	50	85	77	45	96	32	35	73	45	52	734
Sept. 6	42	102	49	85	77	45	97	32	35	73	45	53	735
Sept. 13	42	102	51	85	77	45	98	32	35	73	45	53	738
United States bonds to secure circulation:													
Aug. 23	14,371	50,154	12,770	42,131	24,521	15,465	18,822	17,070	6,369	13,772	17,929	34,505	267,879
Aug. 30	14,361	50,172	12,770	42,209	24,331	15,667	18,408	17,408	6,369	13,710	17,629	34,505	267,539
Sept. 6	14,352	50,222	11,492	42,410	24,251	15,465	18,467	17,414	6,382	13,710	17,929	34,505	266,599
Sept. 13	14,352	50,503	11,492	42,410	24,251	15,465	18,461	17,676	6,382	13,930	17,929	34,480	267,331
Other United States bonds, including Liberty bonds:													
Aug. 23	12,405	226,264	29,118	52,219	30,292	23,051	65,011	18,049	12,371	16,224	14,974	26,886	526,864
Aug. 30	12,092	234,009	28,277	47,996	28,301	22,304	56,368	16,090	11,390	15,556	14,988	27,608	514,979
Sept. 6	11,862	220,250	28,749	50,111	27,944	22,548	53,964	14,740	10,519	13,839	15,173	26,329	496,028
Sept. 13	11,881	217,911	26,742	46,077	27,592	21,427	49,570	14,470	10,350	13,113	14,796	26,237	480,166
United States certificates of indebtedness:													
Aug. 23	51,271	481,062	50,030	70,539	26,900	27,197	107,769	28,973	18,547	31,449	14,512	51,055	959,304
Aug. 30	49,084	460,753	48,457	70,573	27,658	27,222	106,734	27,666	18,412	30,547	14,428	49,580	931,114
Sept. 6	75,262	603,721	61,387	88,369	32,584	34,051	134,402	35,168	21,617	38,244	16,435	62,263	1,203,503
Sept. 13	71,973	581,591	59,442	87,411	33,884	33,980	132,411	35,117	21,567	38,656	16,925	63,773	1,176,730
Total United States securities owned:													
Aug. 23	78,047	757,480	91,918	164,889	81,713	65,713	191,602	64,092	37,287	61,445	47,415	112,446	1,754,047
Aug. 30	75,537	744,934	89,504	160,778	80,290	65,193	181,510	61,164	36,171	59,813	47,045	111,693	1,713,632
Sept. 6	101,476	874,193	101,628	180,890	84,779	72,064	206,833	67,322	38,518	65,793	49,537	123,097	1,966,130
Sept. 13	98,206	850,005	97,676	175,898	85,727	70,872	200,442	67,263	38,299	65,699	49,650	124,490	1,924,227
Loans secured by United States bonds and certificates:													
Aug. 23	39,891	219,889	44,040	36,955	20,745	7,683	61,854	13,182	10,389	4,326	5,325	9,233	473,512
Aug. 30	40,000	204,924	44,245	35,844	20,632	7,802	59,017	13,089	11,442	4,326	5,144	8,656	455,031
Sept. 6	40,029	212,860	45,153	36,601	19,848	9,067	60,899	14,778	12,221	4,396	5,204	9,018	470,074
Sept. 13	39,164	214,312	46,473	36,707	19,717	9,182	62,748	14,904	11,821	4,656	5,057	8,395	473,136
Other loans and investments:													
Aug. 23	770,650	4,379,941	607,474	982,160	366,922	288,476	1,434,308	383,598	267,876	465,081	178,273	532,933	10,657,692
Aug. 30	766,717	4,361,771	609,794	977,656	357,869	289,746	1,421,425	378,542	275,535	461,626	178,062	537,125	10,615,868
Sept. 6	762,252	4,303,899	606,284	974,465	373,094	289,335	1,414,872	372,893	280,687	466,250	178,210	540,763	10,563,004
Sept. 13	748,121	4,316,438	610,536	974,585	366,419	298,962	1,434,523	375,439	286,033	467,347	180,130	542,555	10,601,088
Total loans and investments:													
Aug. 23	888,588	5,357,310	743,432	1,184,004	469,380	361,872	1,687,764	460,872	315,552	530,852	231,013	654,612	12,885,251
Aug. 30	882,254	5,311,629	743,543	1,174,278	458,791	362,741	1,661,952	452,795	323,148	525,675	230,251	657,474	12,784,531
Sept. 6	903,757	5,390,952	753,065	1,191,956	477,721	370,466	1,682,604	454,993	331,426	536,439	232,951	672,878	12,999,208
Sept. 13	885,491	5,380,755	754,685	1,187,190	471,863	379,016	1,697,713	457,606	336,153	537,702	234,837	675,440	12,998,451
Reserve with Federal Reserve Banks:													
Aug. 23	64,145	613,978	52,892	80,030	30,727	27,410	138,724	35,510	18,107	44,839	14,771	44,610	1,165,743
Aug. 30	64,742	663,815	55,311	86,500	30,275	26,528	143,442	34,598	17,475	48,830	14,834	45,815	1,232,163
Sept. 6	63,782	635,973	59,447	83,182	31,033	31,779	136,857	32,701	17,720	40,075	15,130	44,393	1,192,072
Sept. 13	67,036	601,047	57,869	84,334	29,785	25,046	143,144	34,746	19,189	45,293	16,017	43,059	1,166,565
Cash in vault:													
Aug. 23	24,376	119,679	20,224	29,440	15,998	13,955	53,344	11,897	8,121	15,377	10,601	19,881	342,893
Aug. 30	22,930	115,136	18,617	29,720	16,651	13,472	68,761	11,569	7,674	15,567	11,303	19,836	351,236
Sept. 6	24,920	118,048	19,365	34,137	16,610	14,886	55,650	12,989	9,026	15,443	12,002	19,730	352,806
Sept. 13	21,897	122,640	19,638	28,828	17,214	14,190	59,402	11,340	7,945	17,631	11,772	22,410	354,907
Net demand deposits on which reserve is computed:													
Aug. 23	644,017	4,297,813	579,239	720,989	295,688	205,328	1,036,635	271,379	158,823	373,431	137,921	389,194	9,110,457
Aug. 30	654,927	4,352,751	584,633	733,552	313,736	206,894	1,052,463	267,883	157,832	384,215	138,571	383,440	9,230,897
Sept. 6	659,755	4,428,862	597,785	715,207	298,445	206,289	1,032,977	263,568	166,434	384,509	142,762	394,372	9,290,965
Sept. 13	674,935	4,470,056	611,573	721,956	304,779	210,609	1,070,113	266,922	179,787	388,244	148,070	404,488	9,451,532
Time deposits:													
Aug. 23	96,953	269,825	14,261	235,258	53,389	90,282	359,965	75,575	45,367	63,738	24,579	116,090	1,445,282
Aug. 30	97,882	269,982	14,311	236,001	52,144	91,444	357,189	76,028	45,403	67,279	25,615	116,742	1,450,020
Sept. 6	97,273	271,167	13,930	236,390	52,524	92,017	358,441	73,995	45,439	73,846	25,324	121,027	1,461,373
Sept. 13	97,131	269,325	16,521	236,774	52,969	91,849	368,526	73,744	45,225	62,746	25,139	122,187	1,462,136
Total net deposits on which reserve is computed:													
Aug. 23	682,072	4,367,670	584,354	794,748	314,070	232,879	1,135,956	291,075	175,212	392,552	146,012	424,021	9,540,621
Aug. 30	693,299	4,422,787	589,768	807,550	331,755	234,790	1,151,183	287,694	174,227	404,399	146,968	418,463	9,662,883
Sept. 6	697,917	4,499,193	602,778	789,315	316,611	234,357	1,132,101	282,841	182,854	406,663	151,070	430,680	9,726,389
Sept. 13	713,038	4,539,966	617,361	796,193	323,075	238,621	1,171,608	286,041	196,145	407,068	156,331	441,144	9,886,591

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities, as at close of business on Fridays, from Aug. 23 to Sept. 13, 1918—Continued.

1. TOTAL FOR ALL REPORTING BANKS—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Government deposits:													
Aug. 23	68,230	365,040	45,656	61,615	19,040	17,700	82,380	25,393	28,825	29,222	10,525	12,153	765,779
Aug. 30	46,963	257,052	32,066	42,392	14,426	13,822	57,913	15,761	26,045	21,678	7,653	12,139	547,910
Sept. 6	56,215	285,100	35,371	61,794	17,155	15,894	55,025	16,801	29,704	23,162	7,555	12,009	615,785
Sept. 13	39,510	221,657	22,795	53,132	10,337	10,369	37,542	14,188	8,970	18,276	4,230	29	441,035
Ratio of combined reserve and cash to total net deposits—per cent:													
Aug. 23													14.6
Aug. 30													15.5
Sept. 6													14.9
Sept. 13													14.7

2. MEMBER BANKS IN CENTRAL RESERVE CITIES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
CENTRAL RESERVE CITIES.													
Number of reporting banks:													
Aug. 23		69					40	14					123
Aug. 30		69					40	14					123
Sept. 6		69					40	14					123
Sept. 13		69					41	14					124
United States bonds to secure circulation:													
Aug. 23		36,260					1,132	9,970					47,362
Aug. 30		36,278					1,132	10,308					47,718
Sept. 6		36,328					1,132	10,314					47,774
Sept. 13		36,609					1,132	10,576					48,317
Other United States bonds, including Liberty bonds:													
Aug. 23		203,985					28,842	11,998					244,825
Aug. 30		212,406					23,770	10,280					246,456
Sept. 6		199,445					21,200	9,073					229,718
Sept. 13		197,773					20,551	8,706					227,030
United States certificates of indebtedness:													
Aug. 23		456,880					56,654	21,410					534,944
Aug. 30		436,929					55,463	20,642					513,034
Sept. 6		574,985					71,084	26,805					672,874
Sept. 13		553,266					70,933	26,954					651,153
Total United States securities owned:													
Aug. 23		697,125					86,628	43,378					827,131
Aug. 30		685,613					80,365	41,230					807,208
Sept. 6		810,758					93,416	46,192					950,366
Sept. 13		787,648					92,616	46,236					926,500
Loans secured by United States bonds and certificates:													
Aug. 23		198,817					44,412	9,761					252,990
Aug. 30		184,052					42,070	9,986					236,108
Sept. 6		193,479					43,820	11,827					249,126
Sept. 13		195,468					44,877	11,915					252,260
Other loans and investments:													
Aug. 23		4,035,712					875,537	280,619					5,191,868
Aug. 30		4,016,821					863,431	275,745					5,155,997
Sept. 6		3,956,509					856,753	270,117					5,083,379
Sept. 13		3,970,040					875,626	272,583					5,118,249
Total loans and investments:													
Aug. 23		4,931,654					1,006,577	333,758					6,271,989
Aug. 30		4,886,486					985,866	326,961					6,199,313
Sept. 6		4,960,746					993,989	328,136					6,282,871
Sept. 13		4,953,156					1,013,119	330,734					6,297,009
Reserve with Federal Reserve Banks:													
Aug. 23		588,019					96,914	27,553					712,486
Aug. 30		638,007					99,896	27,083					764,986
Sept. 6		611,230					93,438	25,618					730,286
Sept. 13		572,886					100,321	26,962					700,169
Cash in vault:													
Aug. 23		106,993					31,664	5,960					144,617
Aug. 30		103,379					32,330	5,774					141,483
Sept. 6		104,982					32,467	6,045					143,494
Sept. 13		109,364					35,467	5,735					150,566

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities, as at close of business on Fridays, from Aug. 23 to Sept. 13, 1918—Continued.

2. MEMBER BANKS IN CENTRAL RESERVE CITIES—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Net demand deposits on which reserve is computed:													
Aug. 23	....	3,992,146	....	....	....	....	698,684	198,984	....	....	....	....	4,889,814
Aug. 30	....	4,050,583	....	....	....	....	704,313	195,806	....	....	....	....	4,950,702
Sept. 6	....	4,127,044	....	....	....	....	683,066	189,347	....	....	....	....	4,999,457
Sept. 13	....	4,156,256	....	....	....	....	714,405	192,428	....	....	....	....	5,063,089
Time deposits:													
Aug. 23	....	218,515	....	....	....	....	133,324	53,705	....	....	....	....	405,544
Aug. 30	....	217,843	....	....	....	....	129,975	54,097	....	....	....	....	401,915
Sept. 6	....	218,277	....	....	....	....	129,617	53,082	....	....	....	....	400,976
Sept. 13	....	216,921	....	....	....	....	139,073	54,144	....	....	....	....	410,138
Total net deposits on which reserve is computed:													
Aug. 23	....	4,042,573	....	....	....	....	729,451	211,377	....	....	....	....	4,983,401
Aug. 30	....	4,100,854	....	....	....	....	734,307	208,290	....	....	....	....	5,043,451
Sept. 6	....	4,177,416	....	....	....	....	712,978	201,597	....	....	....	....	5,091,991
Sept. 13	....	4,206,315	....	....	....	....	746,499	204,923	....	....	....	....	5,157,737
Government deposits:													
Aug. 23	....	336,569	....	....	....	....	51,124	20,531	....	....	....	....	408,224
Aug. 30	....	237,075	....	....	....	....	37,739	12,899	....	....	....	....	287,713
Sept. 6	....	262,608	....	....	....	....	33,932	13,751	....	....	....	....	310,291
Sept. 13	....	203,208	....	....	....	....	24,828	11,887	....	....	....	....	239,923
Ratio of combined reserve and cash to total net deposits—per cent:													
Aug. 23	....	15.9	....	....	....	....	16.5	14.5	....	....	....	....	15.9
Aug. 30	....	17.1	....	....	....	....	17.1	14.8	....	....	....	....	17.0
Sept. 6	....	16.1	....	....	....	....	16.9	14.7	....	....	....	....	16.2
Sept. 13	....	15.5	....	....	....	....	17.6	15.1	....	....	....	....	15.8

3. MEMBER BANKS IN OTHER RESERVE CITIES.

OTHER RESERVE CITIES.	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Number of reporting banks:													
Aug. 23	19	7	37	61	45	39	51	12	15	73	35	52	446
Aug. 30	19	7	37	61	45	39	51	12	15	73	35	52	446
Sept. 6	19	7	36	61	45	39	52	12	15	73	35	53	447
Sept. 13	19	7	38	61	45	39	52	12	15	73	35	53	449
United States bonds to secure circulation:													
Aug. 23	4,287	7,796	8,765	34,477	14,147	13,465	16,940	5,330	3,440	13,772	15,476	34,505	172,400
Aug. 30	4,287	7,796	8,765	34,555	13,957	13,667	16,526	5,330	3,440	13,710	15,176	34,505	171,714
Sept. 6	4,278	7,796	7,487	34,555	13,957	13,465	16,585	5,330	3,440	13,710	15,476	34,505	170,584
Sept. 13	4,278	7,796	7,487	34,555	13,957	13,465	16,579	5,330	3,440	13,930	15,476	34,480	170,773
Other United States bonds, including Liberty bonds:													
Aug. 23	6,979	7,730	23,976	45,528	19,136	22,319	34,592	4,198	10,307	16,224	12,477	26,886	230,352
Aug. 30	6,669	7,568	23,196	41,410	17,753	21,735	30,985	4,052	9,428	15,556	11,911	27,608	217,871
Sept. 6	6,456	6,812	23,797	43,785	17,527	21,982	31,202	3,911	8,584	13,839	12,154	26,329	216,378
Sept. 13	6,532	6,767	22,523	40,275	17,545	20,919	27,468	4,239	8,401	13,113	11,784	26,237	205,803
United States certificates of indebtedness:													
Aug. 23	35,576	10,951	41,544	63,994	20,559	26,431	49,861	5,244	11,537	31,449	12,814	51,055	361,015
Aug. 30	33,759	11,276	40,141	64,077	21,041	26,441	49,997	5,165	11,377	30,547	12,750	49,580	356,151
Sept. 6	54,256	12,884	51,410	79,881	25,058	33,130	61,798	6,491	12,000	38,244	14,637	62,263	452,052
Sept. 13	52,170	12,367	49,424	78,763	26,108	33,099	59,938	6,216	11,991	38,656	15,137	63,773	447,642
Total United States securities owned:													
Aug. 23	46,842	26,477	74,285	143,999	53,842	62,215	101,393	14,772	25,284	61,445	40,767	112,446	763,767
Aug. 30	44,715	26,640	72,102	140,042	52,751	61,843	97,508	14,547	24,245	59,813	39,837	111,693	745,736
Sept. 6	64,990	27,492	82,694	158,221	56,542	68,577	109,585	15,732	24,024	65,793	42,267	123,097	839,014
Sept. 13	62,980	26,930	79,434	153,593	57,610	67,483	103,985	15,785	23,832	65,699	42,397	124,490	824,218
Loans secured by United States bonds and certificates:													
Aug. 23	31,901	10,510	42,269	35,904	17,453	7,620	16,876	2,255	9,987	4,326	4,709	9,233	193,043
Aug. 30	32,011	10,400	42,492	34,771	17,441	7,723	16,375	2,416	11,099	4,236	4,505	8,656	192,125
Sept. 6	31,915	9,031	43,380	35,541	17,062	8,998	16,490	2,253	11,838	4,396	4,581	9,018	194,503
Sept. 13	31,708	8,789	44,689	35,648	16,887	9,115	17,304	2,264	11,510	4,656	4,443	8,395	195,408
Other loans and investments:													
Aug. 23	546,906	144,055	545,585	899,554	256,381	276,034	548,014	81,346	204,976	465,081	149,047	532,933	4,649,912
Aug. 30	542,897	144,404	540,974	893,276	246,589	277,588	547,419	80,163	212,508	461,626	149,115	537,125	4,633,684
Sept. 6	536,851	144,128	537,622	889,661	262,845	277,196	547,755	80,032	217,449	466,250	148,584	540,763	4,649,136
Sept. 13	533,411	145,801	542,237	890,646	258,672	286,820	548,200	79,906	221,156	467,347	149,350	542,555	4,666,101

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities, as at close of business on Fridays, from Aug. 23 to Sept. 13, 1918—Continued.

3. MEMBER BANKS IN OTHER RESERVE CITIES—Continued.

[In thousands of dollars: i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Total loans and investments:													
Aug. 23	625,649	181,042	662,139	1,079,457	327,676	345,869	666,283	98,373	240,247	530,852	194,523	654,612	5,606,722
Aug. 30	619,623	181,444	655,568	1,068,089	316,781	347,154	661,302	97,126	247,852	525,675	193,457	657,474	5,571,545
Sept. 6	633,756	180,651	663,696	1,083,423	336,449	354,771	673,830	98,017	253,311	536,439	195,432	672,878	5,682,653
Sept. 13	628,099	181,520	666,360	1,079,887	333,169	363,418	669,489	97,955	256,498	537,702	196,190	675,440	5,685,727
Reserve with Federal Reserve Banks:													
Aug. 23	51,046	12,159	47,203	73,960	23,559	26,433	41,007	6,218	14,062	44,839	12,732	44,610	397,828
Aug. 30	51,985	13,271	49,744	80,356	23,090	25,620	42,770	6,164	13,258	48,830	13,028	45,813	413,929
Sept. 6	50,966	11,865	54,330	76,793	23,886	30,845	42,644	5,763	13,731	40,075	13,028	44,393	408,319
Sept. 13	52,008	13,815	52,307	77,121	22,984	24,151	42,038	6,164	14,985	45,293	13,916	43,059	407,841
Cash in vault:													
Aug. 23	15,784	4,708	16,650	24,756	11,092	13,290	21,230	4,715	5,106	15,377	9,269	19,881	161,858
Aug. 30	15,175	4,929	15,053	24,861	11,960	12,801	36,114	4,492	4,700	15,567	10,055	19,836	175,543
Sept. 6	16,456	5,181	16,129	28,836	11,692	14,180	22,824	5,061	5,967	15,443	10,736	19,730	172,235
Sept. 13	13,062	5,240	15,853	24,072	12,012	13,369	23,657	3,991	5,144	17,631	10,336	22,410	166,777
Net demand deposits on which reserve is computed:													
Aug. 23	494,895	125,848	509,116	652,053	212,611	194,944	329,103	55,751	112,645	373,431	116,414	389,194	3,566,005
Aug. 30	505,502	126,362	513,383	664,055	230,865	196,804	339,613	55,711	113,370	384,215	117,539	383,440	3,630,859
Sept. 6	507,503	124,008	526,079	645,919	214,186	195,590	341,194	56,474	121,156	384,509	121,829	394,372	3,632,819
Sept. 13	516,377	127,975	538,764	650,754	219,434	199,541	347,131	57,043	131,953	388,244	125,850	404,488	3,707,554
Time deposits:													
Aug. 23	27,193	19,908	7,759	210,511	34,992	86,657	222,278	16,099	23,750	63,738	19,001	116,090	847,976
Aug. 30	27,826	20,067	7,769	211,127	33,664	87,841	222,838	16,119	23,821	67,279	20,075	116,742	855,168
Sept. 6	27,430	21,061	7,599	211,568	33,795	88,416	224,422	15,085	23,752	73,846	19,797	121,027	867,798
Sept. 13	27,414	20,283	10,050	211,852	34,268	88,288	225,059	13,808	23,518	62,746	19,547	122,187	859,020
Total net deposits on which reserve is computed:													
Aug. 23	503,053	131,820	511,444	715,206	223,109	220,941	395,787	60,581	119,770	392,552	122,114	424,021	3,820,398
Aug. 30	513,850	132,382	515,714	727,393	240,964	223,156	406,464	60,547	120,516	404,399	123,562	418,463	3,887,410
Sept. 6	515,732	130,326	528,359	709,389	224,325	222,115	408,520	60,999	128,282	406,663	127,768	430,680	3,893,158
Sept. 13	524,601	134,060	541,779	714,310	229,715	226,027	414,649	61,185	139,008	407,068	131,714	441,144	3,965,260
Government deposits:													
Aug. 23	53,388	13,078	40,869	59,140	14,433	17,572	30,851	4,152	25,364	29,222	9,574	12,153	309,796
Aug. 30	36,574	10,038	28,714	40,653	11,270	13,727	19,909	2,457	23,426	21,678	6,999	12,139	227,584
Sept. 6	44,927	9,870	32,077	59,639	13,651	15,829	20,872	2,680	25,790	23,162	6,891	12,009	267,397
Sept. 13	31,391	7,600	20,545	51,264	8,472	10,244	12,538	2,086	6,280	18,276	4,060	29	172,785
Ratio of combined reserve and cash to total net deposits—per cent:													
Aug. 23	....	....	....	....	....	....	....	....	....	....	....	....	13.5
Aug. 30	....	....	....	....	....	....	....	....	....	....	....	....	14.3
Sept. 6	....	....	....	....	....	....	....	....	....	....	....	....	14.0
Sept. 13	....	....	....	....	....	....	....	....	....	....	....	....	13.9
Sept. 20	....	....	....	....	....	....	....	....	....	....	....	....	....

4. MEMBER BANKS OUTSIDE RESERVE CITIES.

COUNTRY BANKS.	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Number of reporting banks:													
Aug. 23	23	26	13	24	32	6	5	6	20	....	10	....	165
Aug. 30	23	26	13	24	32	6	5	6	20	....	10	....	165
Sept. 6	23	26	13	24	32	6	5	6	20	....	10	....	165
Sept. 13	23	26	13	24	32	6	5	6	20	....	10	....	165
United States bonds to secure circulation:													
Aug. 23	10,084	6,098	4,005	7,654	10,374	2,000	750	1,770	2,929	....	2,453	....	48,117
Aug. 30	10,074	6,098	4,005	7,654	10,374	2,000	750	1,770	2,929	....	2,453	....	48,107
Sept. 6	10,074	6,098	4,005	7,855	10,294	2,000	750	1,770	2,942	....	2,453	....	48,241
Sept. 13	10,074	6,098	4,005	7,855	10,294	2,000	750	1,770	2,942	....	2,453	....	48,241
Other United States bonds, including Liberty bonds:													
Aug. 23	5,426	14,549	5,142	6,691	11,156	732	1,577	1,853	2,064	....	2,497	....	51,687
Aug. 30	5,423	14,035	5,081	6,586	10,548	569	1,613	1,758	1,962	....	3,077	....	50,652
Sept. 6	5,406	13,993	4,952	6,326	10,417	566	1,562	1,756	1,935	....	3,019	....	49,932
Sept. 13	5,349	13,371	4,219	5,802	10,047	508	1,551	1,525	1,949	....	3,012	....	47,333
United States certificates of indebtedness:													
Aug. 23	15,695	13,231	8,486	6,545	6,341	766	1,254	2,319	7,010	....	1,698	....	63,345
Aug. 30	15,325	12,548	8,316	6,496	6,617	781	1,274	1,859	7,035	....	1,678	....	61,929
Sept. 6	21,006	15,852	9,977	8,488	7,526	921	1,520	1,872	9,617	....	1,798	....	78,577
Sept. 13	19,803	15,958	10,018	8,648	7,776	881	1,540	1,947	9,576	....	1,788	....	77,935

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities, as at close of business on Fridays, from Aug. 23 to Sept. 13, 1918—Continued.

4. MEMBER BANKS OUTSIDE RESERVE CITIES—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Total United States securities owned:													
Aug. 23	31,205	33,878	17,633	20,890	27,871	3,498	3,581	5,942	12,003	....	6,648	....	163,149
Aug. 30	30,822	32,681	17,402	20,736	27,539	3,350	3,637	5,387	11,926	....	7,208	....	160,688
Sept. 6	36,486	35,943	18,934	22,669	28,237	3,487	3,832	5,398	14,494	....	7,270	....	176,750
Sept. 13	35,226	35,427	18,242	22,305	28,117	3,389	3,841	5,242	14,467	....	7,253	....	173,509
Loans secured by United States bonds and certificates:													
Aug. 23	7,990	10,562	1,771	1,051	3,292	63	566	1,166	402	....	616	....	27,479
Aug. 30	7,989	10,472	1,753	1,073	3,191	79	572	687	343	....	639	....	26,798
Sept. 6	8,114	10,350	1,773	1,060	2,786	69	589	698	383	....	623	....	26,445
Sept. 13	7,456	10,055	1,784	1,059	2,830	67	567	725	311	....	614	....	25,468
Other loans and investments:													
Aug. 23	223,744	200,174	61,889	82,606	110,541	12,442	10,757	21,633	62,900	....	29,226	....	815,912
Aug. 30	223,820	200,546	68,820	84,380	111,280	12,158	10,575	22,634	63,027	....	28,947	....	826,187
Sept. 6	225,401	203,262	68,662	84,804	110,249	12,139	10,364	22,744	63,238	....	29,626	....	830,489
Sept. 13	214,710	200,597	68,299	83,939	107,747	12,142	10,697	22,950	64,877	....	30,780	....	816,738
Total loans and investments:													
Aug. 23	262,939	244,614	81,293	104,547	141,704	16,003	14,904	28,741	75,305	....	36,490	....	1,006,540
Aug. 30	262,631	243,699	87,975	106,189	142,010	15,587	14,784	28,708	75,296	....	36,794	....	1,013,673
Sept. 6	270,001	249,555	89,369	108,533	141,272	15,695	14,785	28,840	78,115	....	37,519	....	1,033,684
Sept. 13	257,392	246,079	88,325	107,303	138,694	15,598	15,105	28,917	79,655	....	38,647	....	1,015,715
Reserve with Federal Reserve Bank:													
Aug. 23	13,099	13,800	5,689	6,070	7,168	977	803	1,739	4,045	....	2,039	....	55,429
Aug. 30	12,757	12,537	5,567	6,144	7,185	908	776	1,351	4,217	....	1,806	....	53,248
Sept. 6	12,816	12,878	5,117	6,389	7,147	934	775	1,320	3,989	....	2,102	....	53,467
Sept. 13	15,028	14,346	5,562	7,213	6,801	895	785	1,620	4,204	....	2,101	....	58,555
Cash in vault:													
Aug. 23	8,592	7,978	3,574	4,684	4,906	665	450	1,222	3,015	....	1,332	....	36,418
Aug. 30	7,755	6,828	3,564	4,859	4,691	671	317	1,303	2,974	....	1,248	....	34,210
Sept. 6	8,464	7,885	3,236	5,301	4,918	706	359	1,883	3,059	....	1,266	....	37,077
Sept. 13	8,835	8,036	3,785	4,756	5,202	821	278	1,614	2,801	....	1,436	....	37,564
Net demand deposits on which reserve is computed:													
Aug. 23	149,122	179,819	70,123	68,936	83,077	10,384	8,848	16,644	46,178	....	21,507	....	654,638
Aug. 30	149,425	175,806	71,250	69,497	82,871	10,090	8,537	16,366	44,462	....	21,032	....	649,336
Sept. 6	152,252	177,810	71,706	69,288	84,259	10,699	8,717	17,747	45,278	....	20,933	....	658,689
Sept. 13	158,558	185,825	72,809	71,202	85,345	11,068	8,577	17,451	47,834	....	22,220	....	680,889
Time deposits:													
Aug. 23	69,760	31,402	6,502	24,747	18,397	3,625	4,363	5,771	21,617	....	5,578	....	191,762
Aug. 30	70,056	32,072	6,542	24,874	18,480	3,603	4,376	5,812	21,582	....	5,540	....	192,937
Sept. 6	69,843	31,829	6,331	24,822	18,729	3,601	4,402	5,828	21,687	....	5,527	....	192,599
Sept. 13	69,717	32,121	6,471	24,922	18,701	3,561	4,394	5,792	21,707	....	5,592	....	192,978
Total net deposits on which reserve is computed:													
Aug. 23	179,019	193,277	72,910	79,542	90,961	11,938	10,718	19,117	55,442	....	23,898	....	736,822
Aug. 30	179,449	189,551	74,054	80,157	90,791	11,634	10,412	18,857	53,711	....	23,406	....	732,022
Sept. 6	182,185	191,451	74,419	79,926	92,286	12,242	10,603	20,245	54,572	....	23,302	....	741,231
Sept. 13	188,437	199,591	75,582	81,883	93,360	12,594	10,460	19,933	57,137	....	24,617	....	763,594
Government deposits:													
Aug. 23	14,842	15,393	4,787	2,475	4,607	128	405	710	3,461	....	951	....	47,759
Aug. 30	10,389	9,939	3,352	1,739	3,156	95	265	405	2,619	....	654	....	32,613
Sept. 6	11,288	12,622	3,294	2,155	3,504	65	221	370	3,914	....	664	....	38,097
Sept. 13	8,119	10,849	2,250	1,868	1,865	125	176	215	2,690	....	170	....	28,327

EARNINGS ON INVESTMENTS OF FEDERAL RESERVE BANKS.

Average amount of earning assets held by each Federal Reserve Bank during August, 1918, earnings from each class of earning assets, and annual rates of earnings on basis of August, 1918, returns.

Federal Reserve Bank.	Average balances for the month of the several classes of earning assets.				
	Bills discounted for members and Federal Reserve Banks.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.
Boston	$74,412,382	$22,276,263	$2,356,195		$99,044,840
New York	464,390,976	116,073,366	8,319,634	$26,075	588,834,497
Philadelphia	88,101,492	11,640,219	2,562,608		102,304,319
Cleveland	93,736,044	22,173,433	4,615,932		120,525,409
Richmond	58,910,217	5,500,465	2,743,652		67,154,334
Atlanta	44,925,417	3,319,369	1,681,247	38,273	49,964,306
Chicago	217,747,554	11,770,932	6,620,650		236,139,136
St. Louis	52,149,004	2,148,932	1,753,110		56,051,046
Minneapolis	58,442,000	473,000	1,575,000		60,490,000
Kansas City	68,016,349	133,635	10,149,224		78,299,208
Dallas	39,270,508	733,804	5,105,913		45,110,225
San Francisco	77,599,551	20,865,105	4,682,283		103,792,101
Total	1,337,701,494	217,108,523	52,165,448	64,348	1,607,709,421

Federal Reserve Bank.	Earnings from—					Calculated annual rates of earnings from—				
	Bills discounted for members and Federal Reserve Banks.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.	Bills discounted for members and Federal Reserve Banks.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.
						Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Boston	$271,688	$78,768	$6,216		$312,380	4.30	4.16	3.11		4.24
New York	1,640,915	418,111	21,776	$104	2,080,906	4.16	4.24	3.08	4.71	4.16
Philadelphia	316,526	41,849	7,254		365,629	4.23	4.23	3.33		4.20
Cleveland	352,422	80,130	13,264		445,816	4.43	4.25	3.38		4.36
Richmond	225,679	22,190	6,330		254,199	4.51	4.74	2.71		4.46
Atlanta	163,840	11,797	4,473	149	180,259	4.29	4.18	3.13	4.59	4.25
Chicago	800,116	45,045	15,620		860,781	4.33	4.51	2.78		4.29
St. Louis	193,717	8,468	3,726		205,911	4.39	4.64	2.50		4.33
Minneapolis	233,798	1,948	2,748		238,494	4.71	4.85	2.05		4.64
Kansas City	287,940	587	20,622		309,149	4.98	5.17	2.39		4.65
Dallas	156,510	2,785	14,546		173,841	4.69	4.47	3.35		4.54
San Francisco	299,973	76,602	10,840		387,415	4.55	4.32	2.78		4.43
Total	4,943,124	788,280	127,415	253	5,814,780	4.35	4.38	2.87	4.63	4.27

IMPORTS AND EXPORTS.

Gold imports and exports into and from the United States.

[In thousands of dollars; i. e., 000 omitted.]

	Ten days ending Aug. 20, 1918.	Eleven days ending Aug. 31, 1918.	Ten days ending Sept. 10, 1918.	Total since Jan. 1, 1918.	Total, Jan. 1 to Sept. 7, 1917.
IMPORTS.					
Ore and base bullion	193	328	735	9,734	11,034
United States Mint or assay office bars				6	114
Bullion refined	170	187	225	38,078	381,390
United States coin			1	6,774	53,186
Foreign coin				169	94,388
Total	363	515	961	54,761	540,112
EXPORTS.					
Domestic:					
Ore and base bullion		8	2	110	136
United States Mint or assay office bars	28	31		732	44,668
Bullion refined	4		30	6,846	29,205
Coin	1,035	1,299	1,024	24,708	242,796
Total	1,067	1,338	1,056	32,396	316,805
Foreign:					
Bullion refined					31
Coin	81	3		417	5,476
Total	81	3		417	5,507
Total exports	1,148	1,341	1,056	32,813	322,312

Excess of gold imports over exports since Jan. 1, 1918, $21,948,000; excess of gold imports over exports since Aug. 1, 1914, $1,072,252,000.

Silver imports and exports into and from the United States.

[In thousands of dollars; i. e., 000 omitted.]

	Ten days ending Aug. 20, 1918.	Eleven days ending Aug. 31, 1918.	Ten days ending Sept. 10, 1918.	Total since Jan. 1, 1918.
IMPORTS.				
Ore and base bullion	1,502	2,357	2,576	27,550
United States Mint or assay office bars				50
Bullion refined	62	315	298	18,823
United States coin	38	186	27	748
Foreign coin	54	8	59	3,400
Total	1,656	2,866	2,960	50,571
EXPORTS.				
Domestic:				
Ore and base bullion			1	12
United States Mint or assay office bars	2			21,702
Bullion refined	534	17,504	1,351	123,425
Coin	28	623	8	2,588
Total	564	18,127	1,360	147,727
Foreign:				
Bullion refined	149	171		3,644
Coin	92	187	36	5,016
Total	241	358	36	8,660
Total exports	805	18,485	1,396	156,387

Excess of silver exports over imports since Jan. 1, 1918, $105,816,000; excess of silver exports over imports since Aug. 1, 1914, $204,065,000.

Estimated general stock of money, money held by the Treasury and by the Federal Reserve system, and all other money in the United States Sept. 1, 1918.

	General stock of money in the United States.	Held in the United States Treasury as assets of the Government.[1]	Held by or for Federal Reserve Banks and agents.	Held outside the United States Treasury and Federal Reserve system.	Amount per capita outside the United States Treasury and the Federal Reserve system.
Gold coin[2]	$3,079,300,229	$261,241,260	$1,421,604,718	$436,729,562	
Gold certificates			483,171,590	476,553,099	
Standard silver dollars	460,253,959	34,242,617		79,480,196	
Silver certificates			7,050,082	337,646,831	
Subsidiary silver	231,874,845	10,592,279	[3] 762,814	220,519,752	
Treasury notes of 1890				1,834,233	
United States notes	346,681,016	6,286,424	[4] 45,174,282	295,220,310	
Federal Reserve notes	2,225,838,710	34,502,755	100,530,120	2,090,805,835	
Federal Reserve bank notes	24,687,960	247,635	3,349,492	21,090,833	
National bank notes	724,318,652	22,824,090	8,728,705	692,765,857	
Total:					
Sept. 1, 1918	7,092,955,371	369,937,060	2,070,371,803	4,652,646,508	$43.83
Aug. 1, 1918	6,895,089,799	390,798,058	2,054,455,993	4,449,835,748	41.97
July 1, 1918	6,742,225,784	356,124,750	2,018,361,825	4,367,739,209	41.31
June 1, 1918	6,615,007,782	348,322,704	1,983,796,097	4,282,888,981	40.51
May 1, 1918	6,540,954,630	321,192,308	1,909,594,674	4,310,167,648	40.82
Apr. 1, 1918	6,480,181,525	339,856,674	1,873,524,132	4,266,800,719	40.47
Mar. 1, 1918	6,351,548,056	330,927,176	1,827,126,208	4,193,494,672	39.83
Feb. 1, 1918	6,271,603,039	332,576,125	1,834,102,608	4,104,924,306	39.04
Jan. 1, 1918	6,256,198,271	277,043,358	1,723,570,291	4,255,584,622	40.53
Dec. 1, 1917	6,026,127,909	248,167,148	1,646,773,746	4,131,187,015	39.40
Nov. 1, 1917	5,823,854,335	242,265,377	1,546,124,691	4,035,464,267	38.54
Oct. 1, 1917	5,642,264,856	242,469,027	1,429,422,432	3,970,373,397	37.97
Sept. 1, 1917	5,553,661,154	239,654,267	1,373,987,061	3,940,019,826	37.73
Aug. 1, 1917	5,513,292,894	248,268,325	1,395,982,728	3,869,041,841	37.10
July 1, 1917	5,480,009,884	253,671,614	1,280,880,714	3,945,457,556	37.88

[1] Includes reserve funds against issues of United States notes and Treasury notes of 1890 and redemption funds held against issues of national bank notes, Federal Reserve notes and Federal Reserve Bank notes.
[2] Includes balances in gold settlement fund standing to the credit of the Federal Reserve Banks and agents.
[3] Includes standard silver dollars.
[4] Includes Treasury notes of 1890.

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank approved by the Federal Reserve Board up to Sept. 30, 1918.

Federal Reserve Bank.	Maturities.							
	Discounts.						Trade acceptances.	
	Within 15 days, including member banks' collateral notes.	16 to 60 days.	61 to 90 days.	Agricultural and live-stock paper over 90 days.	Secured by U. S. certificates of indebtedness or Liberty loan bonds. Within 15 days, including member banks' collateral notes.	Secured by U. S. certificates of indebtedness or Liberty loan bonds. 16 to 90 days.	1 to 60 days, inclusive.	61 to 90 days, inclusive.
Boston	4	4¾	4¾	5	4	4¼	4½	4½
New York [1]	4	4¾	4¾	5	4	4¼	4½	4½
Philadelphia	4	4¾	4¾	5	4	4¼	4½	4½
Cleveland	4¼	4¾	4¾	5¼	4	4¼	4½	4½
Richmond	4¾	5	5	5¼	4¼	4¼	[2] 4½	4¾
Atlanta	4¼	4¾	4¾	5	4	4¼	4½	4½
Chicago	4	4¾	4¾	5½	4	4¼	4½	4½
St. Louis	4	4¾	4¾	5½	4	4¼	4½	4½
Minneapolis	4½	4¾	5	5½	4	4¼	4½	4½
Kansas City	4½	5	5	5½	4¼	4¼	4¾	4¾
Dallas	4½	4¾	5	5¼	4	4¼	4½	4½
San Francisco	4¼	5	5	5½	4¼	4¼	4¾	4¾

[1] Rate of 3 to 4½ per cent for 1-day discounts in connection with the loan operations of the Government.
[2] Rate for trade acceptances maturing within 15 days, 4¼ per cent.

NOTE 1.—Acceptances purchased in open market, minimum rate 4 per cent.
NOTE 2.—Rates for commodity paper have been merged with those for commercial paper of corresponding maturities.
NOTE 3.—In case the 60-day trade acceptance rate is higher than the 15-day discount rate, trade acceptances maturing within 15 days will be taken at the lower rate.
NOTE 4.—Whenever application is made by member banks for renewal of 15-day paper, the Federal Reserve Banks may charge a rate not exceeding that for 90-day paper of the same class.

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