

ANNUAL REPORT OF THE
Comptroller of the Currency

TO THE SECOND SESSION OF THE SIXTY-FOURTH
CONGRESS OF THE UNITED STATES

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REPORT

OF THE

COMPTROLLER OF THE CURRENCY.

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, D. C., December 4, 1916.

SIR: I have the honor to submit herewith the Fifty-fourth Annual Report of the operations of the Currency Bureau for the 12 months ended October 31, 1916, as required by section 333 of the Revised Statutes of the United States.

Throughout the twelve months period covered by this report this country has experienced the greatest prosperity it has ever known. The activity manifested in virtually every occupation and in every kind of industry and in all sections has been unprecedented. This tremendous business expansion, together with advancing prices for commodities and for labor, has evoked the use of hundreds of millions of dollars of additional capital and accommodations from the banks.

In past years, under inadequate and unscientific banking and currency methods and systems, a great increase in business activity has almost invariably produced a money scarcity, has occasioned high interest rates, and sometimes has precipitated panics; but during the past 18 months of unexampled prosperity we have enjoyed, throughout the length and breadth of the land, the lowest money rates this country has ever seen.

No fair-minded man who has studied financial and business conditions for the past two or three years can fail to see in how large a measure these deeply gratifying results are to be credited to the operations of our new Federal Reserve System, which was inaugurated with the opening of the 12 Federal reserve banks November 16, 1914, a little over two years ago.

DECENTRALIZATION OF BANKING CAPITAL.

The concentration and congestion of capital in a few great cities which in the past have so frequently bred panics—sometimes as a natural result of unnatural conditions, and sometimes produced artificially, but always interfering with the healthy growth of business and checking legitimate enterprise—have been largely relieved, and banking capital is to-day more widely and more equitably distributed over the country than ever before in this generation.

Our bank reserves are now being scientifically utilized. Banks and business men, even in the midst of a world cataclysm, are conducting business with a greater sense of security and of confidence

than at any time in our history as a people, and they no longer live in constant fear of the recurrence of the money flurries and panics which have, in the past, at such frequent intervals visited us with disastrous results. Business men, large and small, in the smaller cities and also in towns and rural districts, as well as in the centers of wealth, are now enabled to obtain capital for the requirements of business on terms more favorable than ever experienced in the past; more liberal than many thought to be possible.

NATIONAL BANKS THE BACKBONE AND SUBSTANCE OF FEDERAL RESERVE SYSTEM.

Although the Federal reserve act provided that State banks (with the requisite minimum capital) as well as national banks, might become members of the Federal Reserve System, it is the national banks which, as yet, principally compose the system, and through whose cooperation these magnificent results, which have meant so much, not only to business men, but to the people of our country generally, have been achieved.

On November 17, 1916, just two years after the inauguration of the system, the membership of the Federal Reserve System was 7,614, with 15,980 million dollars of resources; 7,577 of these members were national banks, with resources aggregating 15,513 million dollars.

During the decade preceding the inauguration of the Federal Reserve System the deposits in State banks and trust companies had shown a somewhat greater increase than the deposits of the national banks, but with the beginning of the Federal Reserve System these conditions have been reversed, and the records now show that from June, 1913, to June, 1916, the deposits of our national banks increased more than 33½ per cent, while the deposits of State banks and trust companies for the same period increased only about 29 per cent.

The reports showing the condition of all national banks are compiled six times a year; but a compilation showing the condition of all State banks and trust companies throughout the country is only prepared once each year by the Comptroller's office in cooperation with the banking departments of the several States, and this statement is usually compiled about July 1 of each year.

RESOURCES AND DEPOSITS OF NATIONAL BANKS EXCEED ALL PREVIOUS RECORDS.

On November 17, 1916, the national banks of the United States reported the largest resources and the largest deposits ever shown at any time in their history. The increase in total deposits reported by national banks for the year from November 10, 1915, to November 17, 1916, exceeded the greatest increase ever reported for any previous year and amounted to 2,332 million dollars. For the two years from October 31, 1914, to November 17, 1916, the resources of all national banks increased 4,028 million dollars—over 35 per cent— or from 11,492 million dollars to 15,520 million dollars. For the 10 years from 1904 to 1914 the resources of the national banks of the United States had increased only 4,295 million dollars, or from 7,197 million dollars to 11,492 million dollars, an increase for the period of

about 60 per cent, or an average of 6 per cent a year for the 10 years. It is thus seen that the increase for the past two years, averaging about 18 per cent, was about three times as great as the yearly average for the preceding 10 years.

In April, 1906, the total resources of all the national banks of this country were 7,670 million dollars. On November 17, 1916, the resources, as shown above, were 15,520 million dollars, an increase of more than 100 per cent in the last 10 years.

ENORMOUS INCREASE IN NUMBER OF DEPOSITORS IN NATIONAL BANKS.

On June 30, 1910, the number of depositors in the national banks of the United States was reported at 7,690,468. On May 1, 1916, the number had increased to 14,288,059, the increase being 6,597,591, or 86 per cent.

The resources of the national banks on November 17, 1916, exceeded the total resources of all reporting State banks, savings banks, private banks, and loan and trust companies throughout the United States at the time of the beginning of the Federal Reserve System, about two years ago.

COMPARISON OF RESOURCES OF OUR NATIONAL BANKS WITH THOSE OF THE BANKS OF ISSUE OF FOREIGN NATIONS.

It is also worthy of note that the aggregate resources of the national banks of the United States at this time exceed by about a billion dollars the combined resources of all of the great banks of issue of all of the principal countries of the world, including the Bank of England, the Bank of France, the Bank of Russia, the German Reichsbank, the Bank of Italy, the Bank of Spain, the Bank of the Netherlands, the Bank of Denmark, the Swiss National Bank, and the Imperial Bank of Japan, according to the latest reports received from these foreign banks.

GROWTH OF NATIONAL BANKS IN WEST AND SOUTH.

As an indication of the diffusion and increase of the banking wealth of the country attention is called to the fact that the resources on November 17, 1916, of the national banks in the Southern States, Middle Western States, Western States, and Pacific States, exclusive of the Eastern and New England States, were considerably greater than the total resources of all the national banks throughout the entire United States as late as 1906. The increase in the resources of the national banks of this country for the first two years under the operation of the Federal Reserve System has been more than twice as great as the total increase shown for the five-year period preceding the inauguration of the new system; that is to say, from November 16, 1909, to October 31, 1914.

NATIONAL BANKS INCREASE IN NUMBERS AS WELL AS IN CAPITAL AND RESOURCES.

From the opening of the Federal reserve banks, November 16, 1914, to November 15, 1916, the Comptroller of the Currency issued charters to 264 new national banks, with aggregate capital of

\$16,109,500. During the same period 189 national banks increased their capital to the extent of \$27,117,700. The aggregate number of new charters and banks increasing their capital was, therefore, 453, and the aggregate new capital authorized was \$43,227,200.

During the same period 143 banks (other than those consolidating with other national banks) went into liquidation, their aggregate capital being \$11,873,000. Thirty-four banks reduced their capital in the same time to the extent of \$2,735,000, so that the total number of banks liquidating or reducing their capital (other than those consolidating with other national banks) was 177, with a capital reduction of \$14,608,000. In addition to the above, during the same time there were 27 national banks placed in charge of receivers, representing an aggregate capital of \$2,635,000. Of this number, 8, with aggregate capital of \$530,000, have been restored to solvency.

The records thus show that since the opening of the Federal Reserve System, excluding the banks consolidating with other national banks, the number of new banks chartered plus the number of existing national banks which have increased their capital exceeds by 257 the number of national banks which have gone into liquidation or which have reduced their capital, and the capital of these newly chartered banks, plus the increased capital of existing banks, exceeds by \$26,514,200 the capital of all national banks which have gone into liquidation or have reduced their capital other than those consolidating with other national banks.

In addition to the new banks chartered as set forth above, this office had on hand at the end of the report year, October 31, 1916, 46 applications for the organization of national banks which had been approved by the Comptroller, and 87 applications for charters for new banks which were then under investigation to determine whether or not approval should be granted.

These facts furnish a conclusive reply to suggestions which have been occasionally made that there has been any general tendency toward the withdrawal of banks from the national banking system.

WIDER DIFFUSION OF BANKING WEALTH.

The healthy distribution of the money and banking resources of the United States which has been brought about under the Federal Reserve System is being manifested in many ways.

Formerly the 100 largest national banks in the United States were concentrated principally in a comparatively few financial centers. To-day the big banks are distributed through 22 States and in 33 cities, embracing every section of the country.

The 100 national banks with the largest resources as shown by the call of November 17, 1916, all have resources in excess of \$20,000,000, with one exception, the exception being one of the Chicago banks.

The States of Oklahoma, Alabama, Louisiana, Virginia, Washington, New Jersey, and Oregon each contain 1 of the 100 largest banks.

Texas, Nebraska, Maryland, Michigan, Indiana, and Wisconsin each contain 2 of these banks; Colorado has 3; Ohio, Minnesota, and Massachusetts each have 5; California and Illinois have 7 each; Missouri has 8; Pennsylvania has 16; and New York State has 25.

Between September 12, 1916, and November 17, 1916, the resources of the 100 largest banks increased \$550,000,000, or nearly 9 per cent.

Outside of the central reserve cities the large banks which showed increases of as much as \$5,000,000 each in deposits in this period were those located in Dallas, New Orleans, Buffalo, Kansas City, Philadelphia, San Francisco, Cleveland, Pittsburgh, and Boston.

Among the 100 largest national banks there were only 5 which did not show an increase. Three of these banks showing reductions were located in New York and 2 in California. The largest reduction shown by any one of these 5 banks was less than \$2,250,000.

The largest percentage of increase was shown by a bank in Texas, which increased over 33 per cent, or over \$6,000,000.

CONDITIONS GOVERNING THE GRANTING OF NEW CHARTERS.

In weighing and passing upon the various applications received for charters for new national banks, this office endeavors to give full consideration to all factors entering into each proposition. Among others are: First, the general character and experience of the promoters and of the proposed officers of the new bank; second, the adequacy of existing banking facilities and the need of further banking capital; third, the outlook for the growth and development of the town or city in which the bank is to be located; fourth, the methods and banking practices of the existing bank or banks, the interest rates which they charge to customers, and the character of the service which as quasipublic institutions they are rendering to their community; fifth, the reasonable prospects for success of the new bank if faithfully and efficiently managed.

In cases where there seem to be differences of opinion as to whether the community is actually in need of additional banking facilities, and when the principal or only opposition to the establishment of the new bank comes from those interested in the existing bank or banks, and there is a pronounced desire from responsible citizens for a new bank, the disposition of this office generally is to resolve the doubt in favor of the community and grant the charter.

The records, as heretofore stated, show that during the past year charters were granted for 122 new national banks, while 16 other applications for charters were refused.

REDUCTION IN NUMBER AND LIABILITIES OF NATIONAL BANKS FAILING SINCE THE INAUGURATION OF THE FEDERAL RESERVE SYSTEM.

The Federal Reserve Board was organized August 12, 1914, and the Federal reserve banks opened for business in November of the same year. During the fiscal year ended June 30, 1914, 19 national banks failed with liabilities aggregating \$39,952,000.

For the next 12 months ended June 30, 1915, including 7½ months of the operation of the new Federal Reserve System, there were 16 national bank failures with liabilities aggregating \$15,972,000.

For the 12 months ended June 30, 1916, the first complete fiscal year under the new system, there were 15 national-bank failures with aggregate liabilities of only \$3,838,415.

These figures thus show that for the first fiscal year under the operation of the new Reserve System the liabilities of the national banks which failed amounted to less than one-tenth of the liabilities of the national banks which failed in the year immediately preceding the inauguration of the system. Furthermore those banks which failed during the past 12 months were generally small concerns whose failures were traceable directly to criminal acts of mismanagement, defalcation, embezzlement, etc., which it is practically impossible to eliminate entirely under any banking system, although under improved methods of bank examination these cases are now being reduced to a minimum.

Of the 15 banks which failed during the 12 months ended June 30, 1916, with liabilities of \$3,838,415, two have resumed operation, 5 more already have paid, or are expected to pay, depositors 100 cents on the dollar, and the remainder are expected to pay from 65 per cent to 95 per cent of their liabilities.

UNPRECEDENTED GROWTH OF NATIONAL BANKS DURING THE PAST FISCAL YEAR.

The following comparative statement shows the condition of all national banks as of November 17, 1916, as compared with November 10, 1915:

Statement showing resources and liabilities of national banks of the United States on Nov. 17, 1916, as compared with Nov. 10, 1915.

RESOURCES.

[In thousands of dollars.]

	Nov. 17, 1916.	Nov. 10, 1915.	Comparison.	
			Increase.	Decrease.
Loans and discounts ¹	8,345,784	7,191,041	1,154,743	.....
Overdrafts.....	9,317	7,211	2,106	.....
United States bonds.....	724,473	777,765	.....	53,292
Other bonds, securities, etc.....	1,709,956	1,343,822	366,134	.....
Stock other than Federal Reserve Bank stock.....	37,838	39,273	.....	1,435
Stock of Federal Reserve Banks.....	54,126	53,518	608	.....
Banking house.....	261,464	249,288	12,176	.....
Furniture and fixtures.....	32,068	31,808	260	.....
Other real estate owned.....	48,221	44,113	4,108	.....
Due from approved reserve agents.....	1,035,107	895,830	139,277	.....
Due from banks and bankers.....	983,659	707,394	276,265	.....
Exchanges for clearing house.....	516,705	347,418	169,287	.....
Other checks on banks in the same place.....	28,292	23,189	5,103	.....
Outside checks and cash items.....	37,233	33,585	3,648	.....
Notes of other national banks.....	56,003	62,446	.....	6,443
Federal reserve bank notes and Federal reserve notes.....	13,926	11,160	2,766	.....
Lawful reserve in vault and with Federal reserve bank.....	1,437,515	1,212,960	224,555	.....
Redemption fund and due from United States Treasurer.....	43,024	42,535	489	.....
Customers' liability under letters of credit.....	29,001	74,195	.....	45,194
Customers' liability account of acceptances.....	101,581	37,435	64,146	.....
Other assets.....	14,912	7,457	7,455	.....
Total.....	15,520,205	13,193,443	2,433,126	106,364
Net.....			2,326,762	

¹ Beginning with report for Sept. 12, 1916, notes and bills rediscounted are not included in loans and discounts, as was the previous custom; therefore, the amount of rediscounts has been deducted from Nov. 10, 1915, loans.

Statement showing resources and liabilities of national banks of the United States on Nov. 17, 1916, as compared with Nov. 10, 1915—Continued.

LIABILITIES.

[In thousands of dollars.]

	Nov. 17, 1916.	Nov. 10, 1915.	Comparison.	
			Increase.	Decrease.
Capital stock paid in.....	1,071,116	1,068,649	2,467	.....
Surplus fund.....	739,336	722,877	16,459	.....
Undivided profits, less expenses and taxes paid.....	332,458	317,236	15,222	.....
Amount reserved for taxes accrued.....	9,556	.....	9,556	.....
Amount reserved for all interest accrued.....	9,424	.....	9,424	.....
National-bank notes outstanding.....	665,259	713,467	.....	48,208
Due to Federal Reserve bank.....	3	20	.....	17
Due to approved reserve agents.....	9,124	7,287	1,837	.....
Due to banks and bankers.....	3,339,628	2,702,366	637,262	.....
Dividends unpaid.....	1,390	1,624	.....	234
Demand deposits.....	7,322,688	6,070,219	1,252,469	.....
Time deposits.....	1,816,446	1,375,956	440,490	.....
United States bonds borrowed.....	26,588	32,151	.....	5,563
Other bonds borrowed.....	3,984	4,999	.....	1,015
Securities borrowed.....	145	76	69	.....
Bills payable, including obligations representing money borrowed.....	25,117	60,567	.....	35,450
State bank circulation outstanding.....	23	23	.....	.....
Cash letters of credit, etc.....	31,272	75,471	.....	44,099
Acceptances based on imports and exports.....	98,231	26,808	71,423	.....
Liabilities other than above stated.....	18,317	13,647	4,670	.....
Total.....	15,520,205	13,193,443	2,461,348	134,586
Liabilities for rediscunts, including those with Federal Reserve bank.....	148,554	42,888	5,666	.....
Amount of total reserve held.....	2,472,622	2,108,790	363,832	.....
Amount of total reserve required.....	1,455,969	1,217,043	238,926	.....
Excess reserve.....	1,016,653	891,747	124,906	.....

¹ Rediscunts not included in total figures.

The following table shows the growth of the national banks as revealed at five-year intervals at the time of the autumn calls for the past 20 years:

[In thousands of dollars.]

Date.	Number of banks.	Total deposits.	Loans and discounts.	Reserve.	Excess reserves.
Oct. 6, 1896.....	3,676	2,029,830	1,893,269	543,600	179,200
Sept. 30, 1901.....	4,221	4,233,520	3,018,616	1,012,299	252,555
Nov. 12, 1906.....	6,199	6,031,496	4,366,045	1,266,333	270,695
Sept. 1, 1911.....	7,301	7,623,065	5,663,411	1,674,464	322,646
Nov. 17, 1916.....	7,584	12,489,279	8,345,784	2,472,622	¹ 1,016,653

Date.	Number of banks.	Capital.	Surplus and undivided profits.	Circulation.	Total resources.
Oct. 6, 1896.....	3,676	648,540	336,343	209,944	3,263,685
Sept. 30, 1901.....	4,221	655,342	430,562	323,864	5,695,347
Nov. 12, 1906.....	6,199	847,515	687,673	536,110	8,213,878
Sept. 1, 1911.....	7,301	1,025,441	904,435	696,982	10,379,439
Nov. 17, 1916.....	7,584	1,071,116	1,090,774	665,259	15,520,205

¹ Reserve requirements changed Nov. 16, 1914, under operation of Federal Reserve Act.

This statement shows that in the past 20 years, or from October 6, 1896, to November 17, 1916, the national banks of the country grew in number from 3,676 to 7,584, an increase of a little over 100 per cent, while their resources to-day are nearly *five times* as great as they were in 1896, having increased from 3,263 million to 15,520 million dollars. In the same period the capital of the national banks increased over 65 per cent, or from 648 million to 1,071 million dollars, but their surplus and undivided profits in the same period increased from 336 million to 1,090 million dollars. It is a striking fact that the reserves which the national banks held on November 17, 1916, in *excess* of the amount which they were required by law to hold, were reported at 1,016 million dollars, which is nearly twice as much as the whole amount of reserves held by all national banks October 6, 1896.

PERCENTAGE OF PRINCIPAL ITEMS OF ASSETS AND LIABILITIES OF NATIONAL BANKS.

In view of the fact that on an average approximately 70 per cent of the banks' assets are represented by loans, United States bonds, and lawful money, and a like percentage of the liabilities by capital, surplus and profits, and deposits, the following table is of interest as indicating the percentage of each of the items in question, based upon reports from banks at the date of the fourth call of each year from 1906 to 1916, inclusive.

Items.	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916
	<i>P. ct.</i>	<i>P. ct.</i>	<i>P. ct.</i>	<i>P. ct.</i>	<i>P. ct.</i>	<i>P. ct.</i>	<i>P. ct.</i>	<i>P. ct.</i>	<i>P. ct.</i>	<i>P. ct.</i>	<i>P. ct.</i>
Loans and discounts.....	54.0	56.1	52.9	53.5	55.6	54.5	55.1	56.9	55.7	55.0	54.5
United States bonds.....	7.3	7.9	7.9	7.6	7.5	7.4	7.1	7.3	6.8	6.4	5.1
Lawful money.....	7.8	8.4	9.6	9.5	8.9	8.6	8.1	8.3	7.9	6.9	5.3
Total.....	69.6	72.4	70.5	70.6	72.0	70.5	70.3	72.5	70.4	68.3	64.9
Capital.....	10.4	10.7	10.2	9.8	10.2	9.9	9.4	9.7	9.2	8.7	7.4
Surplus and profits.....	8.4	8.8	8.5	8.4	8.9	8.7	8.7	9.1	8.9	8.3	7.3
Deposits.....	52.4	51.5	50.4	52.3	52.4	52.9	53.8	53.0	53.5	55.1	58.6
Total.....	71.2	70.9	69.1	70.5	71.5	71.5	71.9	71.8	71.6	72.1	73.3

BANK RESERVES.

The total reserves held by the national banks of the United States at the November 17, 1916, call amounted, as shown above, to \$2,472,622,000, and exceeded by \$185,172,000 the reserves held March 7, 1916, which were the largest ever previously reported.

DESIRABILITY OF ANTICIPATING TIME WHEN RESERVES SHALL ALL BE CARRIED WITH FEDERAL RESERVE BANKS OR IN VAULTS.

Under the provisions of the Federal reserve act until November 16, 1917, country banks have the privilege of carrying two-twelfths of their reserves with national bank reserve agents, and the reserve city banks have the privilege of carrying three-fifteenths of their reserves with their reserve agents in the central reserve cities instead of with the Federal reserve banks or in their own vaults.

In view of the strong condition of the banks at this time, their large excess of reserves, the great ease of money, and the uncertainties of the future, it is believed that it would be a wise move to require the banks to transfer the residue of their reserves at this time, or in the immediate future, from their reserve agents to their Federal reserve banks or their own vaults. This could easily be done now without disturbance to the money market or inconvenience either to the banks themselves, who would be called on to transfer their reserves, or to their reserve agents.

The total reserve held by all banks in their own vaults, or with Federal Reserve banks, on November 17, 1916, was 1,437 million dollars. As the aggregate reserves which the national banks were required to hold in their own vaults or with the Federal Reserve banks, or with reserve agents, amounted to only 1,456 million dollars, it is evident that all but 19 million dollars of the 1,035 millions of reserve held with approved reserve agents in the reserve and central reserve cities were merely surplus or excess reserves, the surplus or excess reserve held November 17, 1916, being 1,016 million dollars over and above the reserve required.

The excess reserve as distributed by geographical sections November 17, 1916, was as follows:

The New England States held an excess of 59 million dollars, or 59 per cent more than they were required to hold.

The Eastern States held an excess of 272 million dollars, or 41 per cent more than necessary.

The Southern States 179 million dollars, or 127 per cent more than required.

The Middle States an excess of 245 million dollars, or 67 per cent more than needed.

The Western States an excess of 145 million dollars, or 158 per cent above requirements.

The Pacific States 115 million dollars, or 127 per cent above requirements.

Alaska and Hawaii one million dollars, or 164 per cent more than needed.

CASH RESERVES AND BALANCES WITH RESERVE BANKS.

The specie and lawful money held by the national banks on November 17, 1916, amounted to \$788,344,000 as compared with \$846,775,000 November 10, 1915, but this omission of the banks to show an increase in their holdings of specie and lawful money is entirely accounted for by the transfer by national banks of a large portion of their reserves to the Federal Reserve banks after the opening of these banks November 16, 1914.

The total amount of specie and lawful money held by the national banks October 31, 1914, was \$925,553,000.

A year later, November 10, 1915, after the Federal Reserve banks had been in operation a year, the amount of specie and lawful money which the national banks held in their vaults, plus their balances with their Federal Reserve banks, aggregated \$1,212,960,000, an increase of \$287,407,000.

On November 17, 1916, the credit balances which the national banks held with their Federal Reserve banks, plus the specie and

lawful money in their own vaults, amounted to \$1,437,515,000, being an increase as compared with October 31, 1914, of \$511,962,000, and an increase as compared with November 10, 1915, of \$224,555,000.

“ACCEPTANCES” AIDING OUR FOREIGN TRADE.

Under section 13 of the Federal Reserve Act, any member bank is given power to accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation or exportation of goods, having not more than six months sight to run; but banks are limited in making such acceptances to an amount equal to one-half of the bank's paid-in capital and surplus.

The following figures show the increase in “acceptances” based on imports and exports, as reported by the banks at the time of the several calls from September 2, 1915, to September 12, 1916:

Acceptances by national banks, based on imports and exports.

September 2, 1915.....	\$13, 077, 000
November 10, 1915.....	26, 808, 000
December 31, 1915.....	31, 985, 000
March 7, 1916.....	42, 677, 000
May 1, 1916.....	59, 836, 000
June 30, 1916.....	69, 303, 000
September 12, 1916.....	76, 608, 000

Under subsequent amendments to the Federal Reserve Act the member banks have been also authorized, within prescribed limitations, to “accept” drafts and bills of exchange involving the domestic shipment of goods, provided they are secured by proper shipping documents at the time of acceptance, or are secured at the time of acceptance by warehouse receipts or other such documents conveying or securing title to “readily marketable staples;” and a further amendment to the act, authorizing member banks to “accept” drafts or bills of exchange drawn “for the purpose of furnishing dollar exchange as required by the usages of trade in the respective countries,” still further broadens their powers in this connection.

The national banks have already developed a substantial foreign business under the authority thus given, and it is conceded that these provisions of the Federal Reserve Act have been a material aid in the development of our foreign commerce at this time.

In view of the unusual opportunities presented for the extension of our foreign trade by world conditions, these enlargements of the powers of the banks seem to have been particularly fortunate.

ONE YEAR'S GROWTH OF ALL REPORTING BANKS AND TRUST COMPANIES IN UNITED STATES.

Statement showing total resources of all reporting banks, including national and State institutions, and also the twelve Federal Reserve banks, on June 30, 1916, and June 23, 1915, with amount of increase or decrease in each.

[In thousands of dollars.]

	Total June 30, 1916.	Total June 23, 1915.	Increase.
RESOURCES.			
Loans and discounts.....	17,903,888	15,758,815	2,145,073
Overdrafts.....	38,210	36,232	1,978
Investments.....	6,876,370	5,901,041	975,329
Real estate, etc.....	328,642	793,405	33,237
Due from banks.....	4,032,125	3,233,943	798,182
Due from Federal Reserve banks (net).....	20,414	8,311	12,103
Exchanges for clearing house, checks, etc.....	770,425	376,875	393,550
Cash on hand.....	1,911,717	1,760,737	150,980
Other resources.....	516,403	316,226	200,177
Total.....	32,896,194	28,185,585	4,710,609
LIABILITIES.			
Capital stock paid in.....	2,249,955	2,217,041	32,914
Surplus and undivided profits.....	2,414,031	2,372,695	41,336
National bank circulation.....	676,116	722,704	46,588
Federal Reserve notes in circulation (net).....	9,440	12,617	3,177
Federal Reserve bank notes (net).....	1,721		1,721
Deposits, individual and bank.....	26,935,213	22,343,019	4,592,194
Notes and bills rediscounted.....	53,468	59,452	5,984
Bills payable.....	113,251	166,762	53,511
Other liabilities.....	442,999	291,295	151,704
Total.....	32,896,194	28,185,585	4,710,609
Number of banks.....	27,525	27,074	451

¹ Decrease.

The above table shows that for the 12-months period ending June 30, 1916, the total resources of all reporting banks in the United States increased \$4,710,609,000.

For the same period their deposits (individual and bank) increased \$4,592,194,000, while the increase in loans amounted to \$2,145,073,000.

The banks of the country increased their investments in bonds, securities, etc., to the extent of \$975,329,000, and their real estate holdings increased \$33,237,000.

The cash on hand June 30, 1916, was reported at \$1,911,717,000, an increase during the year of \$150,980,000.

It is noteworthy that borrowed money, including bills payable and notes rediscounted, was reduced from \$59,452,000 on June 23, 1915, to \$53,468,000 on June 30, 1916, a reduction of \$5,984,000.

The total paid in capital, surplus, and undivided profits of all banks increased from \$4,589,736,000 to \$4,663,986,000, an increase of \$74,250,000.

The resources of the national banks of the country November 17, 1916, exceeded by \$4,204,106,000 the total resources, as of June 30, 1916 (the latest date for which reports have been compiled), of all reporting State banks, savings banks, and private banks, and amounted to more than double the resources of all the loan and trust companies in the United States.

For the purpose of comparison, the number of reporting banks, together with their loans, total resources, capital, and individual

deposits for the fiscal years 1908 to 1916, inclusive, are shown in the following table:

[In millions of dollars.]

Year.	Banks.	Loans. ¹	Resources.	Capital.	Individual deposits.
1908.....	21,346	\$10,438.0	\$19,583.4	\$1,757.2	\$12,784.5
1909.....	22,491	11,373.2	21,095.0	1,800.0	14,035.5
1910.....	23,095	12,521.8	22,450.3	1,880.0	15,283.4
1911.....	24,392	13,046.4	23,631.1	1,952.4	15,906.3
1912.....	25,185	13,953.6	24,986.6	2,010.8	17,024.0
1913.....	25,993	14,626.7	25,712.2	2,096.8	17,475.7
1914.....	26,765	15,339.5	26,971.4	2,132.1	18,517.7
1915.....	27,062	15,758.7	27,504.1	2,162.8	19,135.4
	^a 12	^a 36.4	381.4	54.2	
1916.....	27,513	17,811.6	32,271.2	2,195.1	22,773.7
	^a 12	^a 92.3	624.9	54.8	

¹ Includes overdrafts.

² Federal reserve banks.

³ Bills discounted and bought.

ABATEMENT OF USURY.

In the last annual report of the Comptroller of the Currency, the practice of many national banks in some sections of the country, and of some national banks in nearly all sections, of charging usurious and unconscionable rates of interest on loans to customers was discussed at length, and numerous illustrations were furnished. It is extremely gratifying to be able to report a marked subsidence of this evil and the evidence of a general desire and effort on the part of the national banks to adhere to the provisions of the law governing the matter of interest rates.

The trouble has not, however, been fully rectified, and banks here and there continue to disregard the law in this respect, and to exact rates which can not be justified on any ground. These persistent offenders are being dealt with and it is hoped that in most cases they may correct their irregular and unlawful practices before it becomes necessary for this office to take steps for the annulment of their charters.

The following figures indicate the reduction which has taken place in the average interest rates charged on loans by national banks in certain sections of the country, according to the sworn reports of the banks:

In the State of Georgia, in September, 1915, 23 national banks reported that they were charging an average of 10 per cent per annum on all loans. In November, 1916, the number of banks reporting an average of 10 per cent had been reduced to 7.

In Alabama, in September, 1915, 21 national banks admitted an average of 10 per cent per annum or more. In November, 1916, there were only 6 banks in Alabama reporting an average of as much as 10 per cent.

In Texas, in September, 1915, 317 national banks declared that they were charging on all loans an average of 10 per cent or more. In November, 1916, the number had been reduced to 122.

In North Dakota, 90 national banks admitted, in September, 1915, that average interest rates of 10 per cent were being charged. In November, 1916, there were only 37 such banks.

In South Dakota, for the same period the national banks averaging 10 per cent or more were reduced from 25 to 10.

In Nebraska, as against 18 charging 10 per cent or more in September, 1915, there were only 6 in November, 1916.

In Oklahoma, 300 national banks declared, in September, 1915, that they were charging an average of 10 per cent or more on all loans. In November, 1916, the number had been reduced to 193.

Throughout the entire country, in September, 1915, 1,022 national banks admitted average rates of 10 per cent or more. On November 17, 1916, the total number of such banks had been reduced to 558.

In the last annual report attention was called to numerous instances where national banks were charging customers from 50 per cent to several hundred per cent per annum—in some cases more than 1,000 per cent—on some loans. These cases of extortion have, as a result of the work of this office, been greatly abated, but have not yet been entirely eliminated. A stringent anti-usury law has been passed by the legislature of one or more States for suppression of usury in the State banks since this office directed attention to the evil; and it is exceedingly desirable that the Congress should enact legislation to enable this office more effectually to deal with offenses of this kind.

The Comptroller in his last annual report recommended the passage of a law to require national banks to keep a special record of all loans made by them upon which they charged, as interest or discount, rates in excess of those permitted by law, and empowering the Department of Justice to proceed against such offenders upon evidence to be furnished by the Comptroller of the Currency.

TO PREVENT BANK FAILURES.

The Comptroller of the Currency, in his report for 1915, said:

“The establishment of the Federal reserve banks makes it practically impossible for any national bank operating in accordance with the provisions of the national-bank act and managed with ordinary honesty, intelligence, and efficiency to fail.

“Banks nearly always are broken, not by the failure of customers to whom they have lent money, not by bank robbers who have come from the outside, but by the tying up or dissipation of the banks' funds through loans to their own officers and directors, or to interests allied with or controlled by those officers and directors, or else by direct defalcations and embezzlements by trusted officers.

“If these evils are remedied—and they can be remedied if certain simple and much-needed amendments can be secured to the national-bank act—failures among national banks can be reduced to a negligible number, or be absolutely eliminated.”

The experience of the past 12 months has manifested in many ways the importance of the early adoption of amendments to the National-Bank Act recommended to the Congress a year ago. Had those amendments been enacted it is believed that nearly all, if not all, of the bank failures which have taken place in the past 12 months might have been avoided. Therefore, for the protection and benefit of the depositors and stockholders of national banks, as well as in the interest of the customers and the communities dependent upon these banks for banking facilities necessary for their growth and prosperity, I again recommend the adoption of the amendments to which I called attention in my preceding annual report, including the following:

LEGISLATION RECOMMENDED.

TO PROHIBIT OFFICERS OF BANKS FROM BORROWING FROM THEIR OWN BANKS.

First. That the officers of a national bank be prohibited from borrowing funds of the banks by which they are employed.

TO PREVENT LOANS TO DIRECTORS EXCEPT WITH THE APPROVAL OF THE BOARD.

Second. That no loan be made by any national bank to any of its directors or to a firm in which a director may be a partner without formal authority of the board of directors of the bank, expressed by affirmative vote of at least two-thirds of directors present.

TO LIMIT DIRECT AND INDIRECT LOANS TO ONE INDIVIDUAL, FIRM, OR CORPORATION.

Third. That a conservative and proper limitation be placed upon the aggregate amount of money any one person, company, corporation, or firm may obtain from a national bank through the discounting of commercial paper and bills of exchange. The limitation of 10 per cent of the capital and surplus under section 5200, United States Revised Statutes, does not apply to "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." It is suggested that the aggregate liability of any person, company, corporation, or firm on loans on commercial paper or bills of exchange should in no event exceed 25 per cent of the capital and surplus of the bank.

It is recommended also that a specific penalty be provided for the violations of section 5200, enforceable against the officers and directors of the bank responsible for the violation, in addition to the statutory penalty for forfeiture of charter for violation of the national-bank act.

TO PROVIDE SUITABLE PENALTY FOR MAKING OF EXCESSIVE LOANS.

Fourth. That the penalty for an excessive loan be the disqualification of the officer making or granting the loan, or the imposition of a suitable fine, or both, in addition to the civil liability incurred by reason of making such loan.

A fruitful source of loss to banks has been the making of excessive loans, and yet the only penalty provided under the present law for this offense is the forfeiture of the bank's charter, which, if resorted to, would result in most cases in a hardship to the bank and its shareholders quite out of proportion to the offense.

TO AUTHORIZE THE COMPTROLLER TO BRING PROCEEDINGS AGAINST DIRECTORS FOR LOSSES SUSTAINED BY BANK THROUGH VIOLATION OF THE NATIONAL-BANK ACT.

Fifth. That the Comptroller of the Currency be authorized to bring proceedings against directors of a national bank for losses sustained by the bank through violations of the provisions of the national-bank act or the Federal reserve act.

Section 5239, United States Revised Statutes, provides as follows:

If the directors of any national banking association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of the association to violate, any of the provisions of this title, all the rights, privileges, and franchises of the asso-

ciation shall be thereby forfeited. Such violations shall, however, be determined and adjudged by a proper circuit, district, or Territorial court of the United States, in a suit brought for that purpose by the Comptroller of the Currency, in his own name, before the association shall be declared dissolved. And in cases of such violation every director who participated in or assented to the same shall be held liable in his personal and individual capacity for all damages which the association, its shareholders, or any other person shall have sustained in consequence of such violation.

Banks often have sustained large losses as a result of the willful and persistent disregard by its directors of the clear provisions of the national-bank act. These losses, resulting from violation of the law by directors, fall upon the stockholders. The directors who have occasioned these losses by involving the bank in unlawful transactions to facilitate or promote schemes or enterprises in which the directors may be concerned, are found sometimes to be holders or owners of but a few shares of the stock of the bank the affairs of which they are directing and the funds of which they frequently have tied up in the promotion of their own private schemes. Very often stockholders never are informed of the losses the bank has suffered through these irregular transactions. It is the practice of some banks to keep their transactions from shareholders, especially those transactions which have resulted in losses. Thousands of banks give stockholders, at the close of each fiscal year, little or no information of the sources of the earnings and the details of the disbursements and losses.

Even when shareholders have knowledge of the losses incurred through violations of the law by the officers or directors of the bank, should they proceed to bring suit against the unfaithful directors for the benefit of themselves and their fellow shareholders, such action might precipitate a run upon the bank and result in suspension or unnecessary loss. Experience has shown that losses occurring from faults or improprieties of directors sometimes are charged to "profit and loss" account by the guilty directors themselves, and the stockholders never are apprised of the results of the mismanagement. The evil effects of the wrongdoing fall upon the innocent stockholders and the wrongdoers escape.

AUTHORITY FOR REMOVAL OF DIRECTORS GUILTY OF PERSISTENT VIOLATIONS OF THE NATIONAL-BANK ACT.

Sixth. That the Comptroller of the Currency be empowered, with the approval of the Secretary of the Treasury, to require the removal of a director or directors or any officer of a bank guilty of the violation of any of the more important provisions of the act, and to direct that suit be brought in the name of the bank against such director or directors, after they cease to be connected with the bank, for losses sustained by their malfeasance or misfeasance in office.

PREVENT DELAYS IN TAKING DIRECTORS' OATHS.

Seventh. That the law provide that if a director when elected does not qualify and forward his oath to the Comptroller within 30 days after his election a vacancy shall be declared immediately, to be filled by the remaining directors, as provided by section 5148, United States Revised Statutes, and the derelict director be ineligible for reelection as director for that year.

ESTABLISHMENT OF APPROPRIATE PENALTIES FOR VIOLATIONS OF LAWS AND REGULATIONS.

Eighth. That the Comptroller's office be empowered to penalize, by the imposition of appropriate fines, all infractions and violations of the law and the regulations of this office made in pursuance of the provisions of the national-bank act, and that these fines should be imposed upon the offending officers, as well as upon the bank. Experience has also made it very clear that violations of certain sections of the law should be punishable with imprisonment, as well as fine, suits to enforce such penalties, of course, to be instituted by the Department of Justice in the United States courts.

AMENDMENT TO PROVIDE THAT SUITS AGAINST USURERS BE BROUGHT BY DEPARTMENT OF JUSTICE.

Ninth. That an amendment be adopted authorizing and directing the Department of Justice to bring suit against national banks guilty of usury upon information furnished either through the Comptroller of the Currency or through other sources.

TO AUTHORIZE SPECIAL INTEREST CHARGES FOR SMALL LOANS.

Tenth. That section 5197, United States Revised Statutes, be so amended as to authorize a national bank to make a charge of 25 cents on any loan, even though that charge might exceed the legal rate authorized by law. The amendment should be so framed, however, as to make it impracticable for a bank to evade the intent of the law by requiring customers to make a multitude of small notes and then charge 25 cents for each note.

Such an evasion of the law against usury might, perhaps, be prevented by providing that if a minimum charge of 25 cents shall have been made to a customer on any particular day, and this charge shall be in excess of the legal rate of interest, no similar minimum charge shall be made the same day to the same customer on any other note, if in excess of the legal rate. This would prevent a bank from requiring a customer who might want to borrow \$100 for 30 days from giving 20 notes for \$5 each, to be charged 25 cents on each note, which would amount to \$5, or 60 per cent per annum for the accommodation.

TO PREVENT OR LIMIT OVERDRAFTS.

Eleventh. That the laws of the respective States in regard to overdrafts be made applicable to national banks, and that the individual liability prescribed by section 5239, United States Revised Statutes, shall be made applicable to any violations of this provision, and also that the officers of the national bank shall be required to bring before the directors, in writing, at each directors' meeting, a list of all overdrafts made since the previous meeting of the board.

In some States directors, officers, and employees of banks who knowingly overdraw their accounts are guilty of felony and may be imprisoned.

TO LIMIT INTEREST PAID ON DEPOSITS.

Twelfth. That the rates of interest which any national bank may pay on its deposits shall not exceed 4 per cent per annum unless the highest rate for time paper fixed by the Federal reserve bank of the

district shall be more than 4 per cent, in which event the rate of interest that may be paid may equal but not exceed such discount rate charged at that time by the Federal reserve bank of the district: *Provided, however,* That if the laws of a State fix the maximum rate of interest that may be allowed on bank deposits, the rate so fixed for State banks be applicable also to national banks in that State.

LIMITATION OF DEPOSITS TO EIGHT OR TEN TIMES CAPITAL AND SURPLUS.

Thirteenth. That the total deposits which a national bank may receive shall be limited to eight or ten times the unimpaired capital and surplus of the bank. The experience and observations of this office during the past year strongly emphasize the importance of such legislation, the reasons for which have been presented in a previous annual report.

AMENDMENT TO DISTRICT LAWS TO PREVENT "WILDCAT" BANKING.

Fourteenth. That the laws of the District of Columbia be amended to prevent the irregularities and loose methods which arise from the establishment in the District of savings banks and building and loan associations organized in different States and whose charters do not contain the restrictions and provisions which are necessary for the sound and safe conduct of the banking business.

It is recommended that an act be passed providing for the incorporation of savings banks in the District, and prohibiting the establishment of any savings bank or building and loan association not incorporated under the laws of the District for the purpose of carrying on its business in the District of Columbia.

TO REQUIRE OFFICERS AND EMPLOYEES TO GIVE SURETY BONDS.

Fifteenth. That all officers of a national bank having the custody of its funds, money, or securities, and all officers, tellers, or other employees of the bank engaged in the handling of its money shall furnish surety bonds, preferably the bonds of an established surety company.

TO REQUIRE CERTIFICATES OF DEPOSIT TO BE SIGNED BY TWO OFFICERS.

Sixteenth. That all certificates of deposit must be signed by two officers of the bank, and a penalty provided for the issue of any such certificate not signed by two officers. The records of the office show how heavy and needless losses have been sustained by banks for failure to observe this safeguard.

TO PREVENT ERASURES ON THE BOOKS OF A BANK.

Seventeenth. That no officer or employee of a national bank shall erase or cause to be erased or removed, either by acid or abrasion, any entries on the books of any national bank. Where entries have been made inadvertently or erroneously and it is desired to correct them, they should be canceled by having three lines drawn across them in black or red ink in such a manner as to indicate its cancellation, but not to make it impossible to decipher the original entry.

National banks have suffered serious losses from erasures and changed entries by dishonest bookkeepers and officers to conceal or to falsify transactions.

STANDARDIZATION OF BY-LAWS.

Eighteenth. That authority be given to standardize the by-laws of national banks and provide, inter alia, for the annual meetings of stockholders and for the submission to shareholders of definite reports as to the bank's operations and earnings and general condition. Stockholders sometimes complain bitterly of the scant information laid before them by their officers in charge.

REMOVE LIMITATION ON DENOMINATION OF NATIONAL-BANK NOTES.

Nineteenth. That the limitation which restricts the amount of circulating notes in the denomination of \$5 to one-third of the total circulation issued by each national bank be removed. It is recommended that the proportion of notes of each particular denomination of each bank be left to the individual banks, subject to the approval of the Comptroller of the Currency.

RECHARTERED BANKS SHOULD BE ALLOWED TO USE BANK-NOTE PLATES OF ORIGINAL BANK.

Twentieth. That rechartered national banks be authorized to continue the use of the old bank-note plates. The repeal of the act of July 12, 1882, to that extent is recommended, as its enforcement merely subjects both the banks and the Government to needless expense.

The rechartered banks also should be permitted to utilize the notes of the original bank which may have been prepared by the Bureau of Engraving and Printing, with the proviso that these notes shall be given a mark of identification, to distinguish them from the notes issued prior to the rechartering of the bank, the old plates also to be given an appropriate mark of identification. Because of the present provisions of the law \$4,335,580 of unissued currency belonging to banks whose charters were renewed was destroyed during the fiscal year ending October 31, 1916.

ENGRAVED SIGNATURES FOR NATIONAL-BANK NOTES.

Twenty-first. That the engraving of signatures on national-bank note plates be authorized.

TO AUTHORIZE NATIONAL BANKS TO ESTABLISH BRANCHES IN THE UNITED STATES.

Twenty-second. That national banks, with the approval of the Comptroller of the Currency, shall be allowed to establish and maintain branches within certain limits, for example, within city or county lines, but not without the boundaries of the State in which the parent bank may be located, and if such State be partly within one Federal reserve district and partly in another Federal reserve district such branches shall be established only in that portion of the State which is in the same Federal reserve district as the parent bank. No national bank to be permitted, however, in this country, to have more than 12 branches. The capital of the parent bank to be

increased, with the establishment of each branch in the town in which the bank is located, in an amount equal to not less than 50 per cent of the minimum capital which would be required for the organization of a national bank in the city wherein the parent bank is located, and the capital of the parent bank shall be increased with the establishment of each branch outside the city where the parent bank is located in an amount equal to the capital now required by the national-bank act for the organization of a national bank in the place where the proposed branch is to be located.

TO PERMIT BRANCH BANKS IN ALASKA AND INSULAR POSSESSIONS.

Twenty-third. That national banks be permitted to establish branches in Alaska and in the insular possessions of the United States.

PROVISION FOR CONSOLIDATION OF NATIONAL BANKS.

Twenty-fourth. That provision be made for actual consolidation of national banks along lines which would eliminate the embarrassments which arise under the present method of bringing about the consolidation of banks and which involve the liquidation of one of the banks.

FURTHER AMENDMENTS RECOMMENDED.

The experience in the past 12 months shows that several further amendments to the national-bank act ought to be adopted in the interest of the depositors or shareholders of the banks or of the general public, and I therefore submit the following further recommendations:

TO PROVIDE A PENALTY FOR MAKING FALSE FINANCIAL STATEMENTS FOR THE PURPOSE OF OBTAINING CREDIT FROM NATIONAL BANKS.

That the Criminal Code be so amended as to provide that any person, firm, or corporation obtaining a loan or credit from a national bank based on a false statement, willfully made, of the financial condition of the borrower, shall be guilty of a felony and that appropriate penalties be provided.

TO PROVIDE PUNISHMENT FOR BREAKING AND ENTERING A NATIONAL BANK FOR THE PURPOSE OF THEFT OR ROBBERY.

The penalties provided by the Criminal Statutes of the various States for housebreaking and burglary vary and it frequently happens that criminals guilty of such offenses, if apprehended, are not adequately punished. It is therefore recommended that the breaking or entering of a national bank or any place or building occupied by such bank, for the purpose of theft or robbery, shall be made a Federal crime to be prosecuted in the proper District Court of the United States.

TO LIMIT INVESTMENT IN BANK BUILDING.

Section 5136, United States Revised Statutes, at present permits a national bank to invest its funds in a bank building for its own use, but there is no limitation upon the amount of money which a national bank may tie up in this manner. The records of this office show various instances where banks have been brought to grief and where their creditors have sustained serious losses because of the tying up

of an excessive proportion of their resources in elaborate, ostentatious, and unnecessary bank buildings.

It is respectfully recommended that section 5136 be amended to provide that no national bank shall be permitted to tie up by investment in an office or bank building an amount in excess of the paid-in capital of the bank. This provision shall also apply to trust companies and banking institutions doing business in the District of Columbia. A further limitation based on total resources would also be wise.

**TO AUTHORIZE UNITED STATES TREASURER TO SELL BONDS SECURING CIRCULATION
30 DAYS AFTER A BANK GOES INTO LIQUIDATION.**

Under section 5222, United States Revised Statutes, a national bank going into voluntary or involuntary liquidation is given six months in which to settle its circulation liability before the Treasurer is authorized to sell the bonds securing the circulation. As there is no provision in the law by which a bank in liquidation can be forced to maintain its 5 per cent redemption fund, and as the Treasurer is required by law to redeem all bank notes as presented, it is respectfully recommended that the Treasurer be authorized to sell the bonds securing circulation at any time after the expiration of 30 days from the date on which the bank goes into liquidation.

**NEW LAW AUTHORIZING BANKS IN SMALL TOWNS TO NEGOTIATE REAL
ESTATE LOANS AND PLACE INSURANCE.**

During the past year the Comptroller of the Currency supplemented the recommendations contained in his last annual report to the Congress with a special recommendation, submitted in June, 1916, that national banks in certain small towns and villages be permitted to transact an insurance business, and also a business for the negotiation of loans on real estate.

A bill in substantial accordance with this recommendation was passed by Congress, and approved by the President on September 7, 1916.

In the appendix to Volume 2 of this report will be found a copy of the rules and regulations under which the national banks are now permitted to engage in such business.

**NEW BANKS CHARTERED AND CHARTERS EXTENDED AND
REEXTENDED.**

During the 12 months ending October 31, 1916, a total of 122 original charters were granted national banks.

Charters are granted to national banks for a period of 20 years from the date of their organization. In the year ended October 31 last 20 associations reached the termination of their existence, and their charters were extended for an additional period of 20 years under authority of the act of July 12, 1882. In the same year the charters of 22 banks which had been extended under the act of 1882 were extended for a further period of 20 years under the act of April 12, 1902. The total number of charters extended under the act of 1882 was 3,364, and under the act of 1902, 1,276.

In the coming year the charters of 36 banks will expire for the first time and 12 for the second. A list of banks the charters of which will expire during the year ending October 31, 1917, will be found in Volume 2.

EXTENSION OF CHARTER OF THE RIGGS NATIONAL BANK OF WASHINGTON.

Among the national banks whose original charters expired during the past 12 months was the Riggs National Bank of Washington, D. C., whose charter ran out June 27, 1916. On May 23, 1916, this bank filed an application for an extension of its charter for another period of 20 years.

Section 3 of the act of July 12, 1882, provides:

That upon the receipt of the application and certificate of the association provided for in the preceding section, the Comptroller of the Currency shall cause a special examination to be made, at the expense of the association, to determine its condition; and if after such examination or otherwise, it appears to him that said association is in a satisfactory condition, he shall grant his certificate of approval provided for in the preceding section, or if it appears that the condition of said association is not satisfactory, he shall withhold such certificate of approval.

Previous examinations of this bank had shown that during the entire period of its existence it had been guilty of persistent violations of the national banking act and had been conducting its business in continuous disregard of regulations and admonitions of the Comptroller's Office. Its violations of the law had begun shortly after its organization in 1896 and had continued throughout the life of the bank, up to 1914, when they were checked as the result of the action of the Comptroller of the Currency.

The bank had attempted by various devices and subterfuges to conceal its irregular and unlawful practices and had persistently evaded or answered imperfectly various requests for information and data which the Comptroller considered it important and necessary to have in order to be properly informed as to its condition and operations, so that the Comptroller of the Currency had experienced much difficulty in ascertaining its true condition.

FINE IMPOSED FOR BANK'S REFUSAL TO FURNISH DATA CONCERNING "DUMMY" AND OTHER LOANS TO ITS OFFICERS, ETC.

Finally, on February 1, 1915, the bank definitely refused to furnish to the Comptroller of the Currency certain information asked for as to the "dummy" loans which the bank had been making through a period of years to officers and others, and also as to other loans which the bank had been making to its president, vice presidents, cashier, and other officers, and the members of the families of its officers.

Upon the bank's refusal to furnish this information, it was notified that it was subject to the imposition of a penalty of \$100 per day under section 5213, United States Revised Statutes.

On March 30 the Comptroller notified the Treasurer of the United States to withhold from the bank \$5,000 of interest due April 1, 1915, on certain United States bonds held for account of the Riggs National Bank, in order that the said \$5,000 might be collected on account of the penalty which the bank had incurred for its refusal to furnish the data demanded by the Comptroller as provided by statute. The bank thereupon filed an injunction suit in the Supreme Court of the District of Columbia to restrain the Secretary of the Treasury, the Comptroller of the Currency, and the Treasurer of the United States from withholding said \$5,000, and, in its bill of complaint, it alleged conspiracy and persecution on the part of the Government officers against the bank.

The court, after a full hearing, in an interlocutory decision on May 21, 1915, promptly dismissed the complaint so far as it alleged persecution or malice on the part of the Government officers. The court indicated that if "malice" was shown it was on the part of the bank and the bank's officers and not on the part of the Government officers; declared that the Comptroller was right in refusing, under the circumstances, to permit the Riggs National Bank to be designated as a depository for other banks, and said that it would decide later the question of the validity and the legality of the imposition of the \$5,000 fine.

Subsequently, in May, 1916, the court handed down a lengthy decision, in which the position taken by the Government officers was upheld in every respect, but because of a technical omission of the Comptroller in his letter demanding information, to follow strictly the language of the statute, by demanding that the bank furnish the data called for over the signatures of the president *and* cashier and three directors, instead, as the law provided, over the signatures of the president *or* cashier and not less than three directors, the particular \$5,000 fine imposed for omission to comply with that specific demand could not be collected. The court declared that the Comptroller of the Currency was fully within his authority in demanding the information which he had called for, and showed that the fine could be imposed and collected if the bank should at any time refuse any demand for the data desired if demanded as the statute provides to be "verified by the oath or affirmation of the president or cashier, and attested by the signature of at least three of the directors."

COURT'S DECISION COMPLETELY SUSTAINED COMPTROLLER'S RIGHT TO RECEIVE EVERY REPORT DEMANDED.

On this point the language of the decision in referring to the Comptroller's letter to the bank in which the data was demanded, was as follows:

"The demand was twofold:

"First, for information in regard to all direct loans made by the bank to certain of its then officers; and

"Second, for information in regard to all indirect or dummy or concealed loans made since the organization of the bank for the benefit, directly or indirectly, of those officers or any of them, including all loans for which they or any of them had indorsed or for which they had furnished the whole or any part of the collateral by which loans to any of them were secured, and for other information as shown by the quotation of said paragraph above.

"In the view which the court takes of the power of the Comptroller, these demands were entirely within his powers.

"* * * It is perfectly obvious that as to concealed loans made for the benefit of the officers of the bank no possible limit to the scope of an inquiry by the Comptroller could be reasonably suggested.
* * *

"The demands made by the Comptroller were that the *bank* make certain reports. If the demand had included the production of books and papers of the plaintiff, the officers of the bank would have no privilege of refusing to produce them because they might contain matter which would incriminate the officers or lead to punishment of

the corporation. (*Hale v. Henkel*, 201 U. S., 42; *Wilson v. United States*, 221 U. S., 361.) As was stated in the latter case, the State has visitatorial powers over corporations. The fourth amendment of the Constitution protects a corporation against unreasonable searches and seizures, but the fifth amendment providing against compelling a person to be a witness against himself in a criminal case does not prevent the compulsory production of the books of the corporation by one of its officers, so here the bank can not excuse the failure to give a report simply because any of its officers required to furnish it raise the question of self-incrimination."

OFFICERS AND DIRECTORS SIGN LETTER ADMITTING COMPTROLLER'S RIGHTS AND PLEDGING OBEDIENCE TO LAW AND REGULATIONS IN FUTURE.

After the Supreme Court of the District rendered its decision, the Riggs National Bank, in a letter signed by its president, both vice presidents, cashier, and assistant cashier, and 14 directors, including all directors who were officers, acknowledged the full and complete authority of the Comptroller's Office as confirmed by the court's decision, and the signers solemnly and severally pledged themselves to conduct, in the future, the affairs of the bank—

"in strict compliance with the national-bank act and all the laws of the United States, and in conformity with the lawful rules, regulations, and requirements of the office of the Comptroller of the Currency,"

and in their letter, in referring to the court decision, the bank's officers and directors said:

"The court sustains the right of the Comptroller to have the reports and information called for, and the right to impose fines in accordance with the provisions of the statute, if the bank should refuse them."

The Comptroller thereupon, having received these explicit and unequivocal assurances as to the bank's future management, granted to the Riggs National Bank an extension of its charter for the ensuing 20 years.

Copies of the interlocutory decision of the Supreme Court of the District of Columbia in the injunction case, and a copy of a digest or synopsis of the final decision of the Supreme Court of the District as given out by the Department of Justice when the decision was handed down in May, 1916, together with a copy of the decision of the Comptroller of the Currency dated June 21, 1916, on the application of the bank for a renewal of its charter, are published at the end of volume 1 of this report as Exhibits A, B, and C.

There is also published in the appendix to volume 2 of this report the affidavit and answer of the Comptroller of the Currency in the injunction suit above referred to.

BANK OFFICERS CONVICTED OF CRIMINAL VIOLATIONS OF LAW DURING FISCAL YEAR.

The Department of Justice reports the following list of officers and employees of national banks who have been convicted of criminal violations of law and sentenced to the penitentiary during the fiscal year ending October 31, 1916, for the offenses indicated:

National bank cases in which defendants were convicted or pleaded guilty during year ended October 31, 1916.

- T. W. M. Boone, president, American National Bank, Fort Smith, Ark.¹ False entries. Sentence, 7 years. September, 1916.
- W. H. Garancio, president, State National Bank, Little Rock, Ark.² Misapplication. Convicted April, 1916. No record of sentence.
- J. F. Harragan, vice-president, Dubuque National Bank, Dubuque, Iowa.³ Embezzlement. Sentence, 5 years. December, 1915.
- E. M. Dickinson, cashier, American National Bank, Fort Smith, Ark.¹ Abstraction, misapplication, false entries. Sentence, 8 years. September, 1916.
- R. D. Duncan, cashier, State National Bank, Little Rock, Ark.² Misapplication. Convicted April, 1916. No record of sentence.
- MaCalla Fitzgerald, cashier, First National Bank, London, Ky. Misapplication, false entries. Sentence, 5 years. May, 1916.
- Geo. J. Homan, cashier, Dubuque National Bank, Dubuque, Iowa.³ Embezzlement. Sentence, 5 years. December, 1915.
- John Hornung, cashier, Dresden National Bank, Dresden, Ohio. Embezzlement. Sentence, 13 years. December, 1915.
- E. E. Lewis, cashier, National Bank of Commerce, Coweta, Okla. Misapplication, false entries. Sentence, 5 years. April, 1916.
- M. M. Lowrey, cashier, Americus National Bank, Americus, Ga. Misapplication, false entries. Sentence, 5 years. November, 1915.
- W. P. Phillips, cashier, First National Bank, Vinita, Okla. False entries. Sentence, 5 years. February, 1916.
- W. M. Roberts, cashier, First National Bank, San Mateo, Cal. Embezzlement. Sentence 5 years. November, 1915.
- W. H. Tebbs, cashier, Farmers and Merchants National Bank, Cisco, Tex. Embezzlement. Sentence 5 years. February, 1916.
- P. A. Ball, assistant cashier, American National Bank, Fort Smith, Ark.¹ Abstraction; misapplication; false entries. Sentence 8 years. September, 1916.
- A. J. Biard, assistant cashier, First National Bank, Hugo, Okla. Embezzlement. Sentence 5 years. November, 1915.
- John N. Deglman, assistant cashier, National Citizens Bank, Mankato, Minn. Embezzlement. Sentence 5 years. November, 1915.
- A. J. Dowd, assistant cashier, American National Bank, Fort Smith, Ark.¹ Abstraction; misapplication; false entries. Sentence 8 years. September, 1916.
- Harry A. Jones, assistant cashier, Stoneham National Bank, Stoneham, Mass. Embezzlement. Sentence 5 years and 9 months. September, 1916.
- Ernest G. Butler, teller, National City Bank, Indianapolis, Ind. Embezzlement. Sentence 5 years. May, 1916.
- Carlos P. Cole, teller, First National Bank, Ashley, Pa. Abstraction. Sentence 5 years. November, 1915.
- W. H. Connell, teller, Citizens National Bank, Meridian, Miss. Embezzlement. Sentence 5 years. September, 1916.
- A. J. Finlayson, teller, First National Bank, Amsterdam, N. Y.⁴ Embezzlement. Sentence 5 years. February, 1916.
- V. V. Foitik, teller, Livestock National Bank, South Omaha, Nebr. Embezzlement. Sentence 5 years. April, 1916.
- Harry S. Gordon, teller, Union National Bank, Houston, Tex. Embezzlement. October, 1916.
- Charles S. Lawson, teller, Exchange National Bank, Little Rock, Ark.⁵ Misapplication. Sentence 5 years. April, 1916.
- John Oltmann, paying teller, Ridgewood National Bank, Ridgewood, N. Y. Embezzlement. Sentence 5 years. November, 1915.
- Charles Seig, teller, Dubuque National Bank, Dubuque, Iowa. Embezzlement.³ Sentence 5 years. December, 1915.
- A. H. Anderson, bookkeeper, First National Bank, Sheldon, Iowa. Abstraction and false entries. Sentence 5 years. June, 1916.
- Wm. T. Brice, bookkeeper, First National Bank, Amsterdam, N. Y.⁴ Conspiracy. Sentence 2 years. February, 1916.
- E. A. Bunker, bookkeeper, National State Capitol Bank, Concord, N. H. Abstraction. Sentence 5 years. March, 1916.

¹ President, cashier, and two assistant cashiers of this bank convicted.

² President and cashier of this bank convicted.

³ Vice president, cashier, and teller of this bank convicted.

⁴ Teller, bookkeeper, and one other—no title given—convicted.

⁵ Teller and one other—no title given—convicted.

- Colbert Cecil, bookkeeper, Catlettsburg National Bank, Catlettsburg, Ky. Embezzlement. Sentence 5 years. April, 1916.
- W. D. Cole, bookkeeper, State National Bank, Oklahoma City, Okla. Abstraction. Sentence 5 years. June, 1916.
- John A. Duke, bookkeeper, Clearfield National Bank, Clearfield, Pa. Abstraction. Sentence 5 years. March, 1916.
- John Finnegan, bookkeeper, First National Bank, Rome, N. Y. Abstraction; false entries. Sentence 5 years. May, 1916.
- G. C. Merriman, bookkeeper, National Loan & Exchange Bank, Columbia, S. C. Abstraction. Sentence 5 years. June, 1916.
- Paul W. Sperling, bookkeeper, Commercial National Bank, Saginaw, Mich. Abstraction. Sentence 5 years. May, 1916.
- Lloyd M. Dean, clerk, Indiana National Bank, Indianapolis, Ind. Abstraction. Sentence 5 years. May, 1916.
- Wm. C. Gannon, clerk, Merchants-Laclede National Bank, St. Louis, Mo. Abstraction. Sentence 5 years. June, 1916.
- A. O. Johnson, clerk, Fifth-third National Bank, Cincinnati, Ohio. Embezzlement. Sentence 5 years. November, 1915.
- Earl D. Linnell, clerk, Palmer National Bank, Palmer, Mass. Abstraction. Sentence 5 years. January, 1916.
- William Mink, clerk, Union National Bank, Cleveland, Ohio. Embezzlement. Plea of guilty July, 1916. No record of sentence.
- C. W. Kay, messenger, Whitney Central National Bank, New Orleans, La. Embezzlement. Sentence 5 years. April, 1916.
- John F. Young, messenger, Commercial National Bank, Kansas City, Mo. Abstraction. Sentence 5 years. January, 1916.
- W. H. Cummins, aiding and abetting Lawson, teller, Exchange National Bank, Little Rock, Ark.⁵ Convicted April, 1916. No record of sentence.
- Henry J. Nichols, aiding and abetting Brice in abstracting and misapplying funds of First National Bank of Amsterdam, N. Y.⁴ Sentence 5 years. February, 1916.

NATIONAL-BANK EXAMINATIONS.

Marked progress has been made during the past 12 months toward improving and perfecting the work of the examination of national banks by the examining force. Under the provisions of the Federal reserve act each national bank is subject to at least two examinations each year and as many more as, in the discretion of the Comptroller of the Currency, may seem desirable. For the carrying on of this work the country has been divided into 12 national-bank examining districts, which are coterminous with the Federal reserve districts, and in each district there is now located a chief national-bank examiner who, under the supervision of the Comptroller of the Currency, has the immediate direction of the field examiners in his particular district.

The list of national-bank examiners as of October 31, 1916, was as follows:

CHIEF EXAMINERS.

Federal Reserve District—

- No. 1—James D. Brennan, Boston, Mass.
- No. 2—Charles F. Richmond (acting), New York City.
- No. 3—Edward I. Johnson, Philadelphia, Pa.
- No. 4—Silas H. L. Cooper, Cleveland, Ohio.
- No. 5—Thomas P. Howard, Richmond, Va.
- No. 6—James K. Doughton, Atlanta, Ga.
- No. 7—Sherrill Smith, Chicago, Ill.
- No. 8—Joseph M. Logan (acting), St. Louis, Mo.
- No. 9—Peter M. Kerst, Minneapolis, Minn.
- No. 10—Jay D. Rising, Kansas City, Mo.
- No. 11—John C. Chidsey, Dallas, Tex.
- No. 12—Claud Gatch, San Francisco, Cal.

SUPERVISING NATIONAL-BANK EXAMINER.

Stephen L. Newnham, Washington, D. C.

FIELD EXAMINERS.

First District.

N. S. Bean, Manchester, N. H.
George M. Coffin, New York City.
Harry F. Currier, Malden, Mass.

Otis M. Freeman, Providence, R. I.
T. J. Goodwyn, Montpelier, Vt.
D. C. Mulloney, Portland, Me.

Second District.

Harry L. George, Albany, N. Y.
H. G. Hanna, Elizabeth, N. J.
D. V. Harkin, New York City.

Benjamin Marcuse, New York City.
Ebenezer Southall, Buffalo, N. Y.
G. B. Wilkinson, New York City.

Third District.

Daniel C. Borden, Johnstown, Pa.
Charles R. Burrell, Wilkes-Barre, Pa.
Kinzie B. Cecil, Williamsport, Pa.
C. H. Chapman, Philadelphia, Pa.

William W. Paddock, Philadelphia, Pa.
D. F. B. Shepp, Tamaqua, Pa.
Carl M. Sisk, Pottsville, Pa.
George Stauffer, Lancaster, Pa.

Fourth District.

George E. Armstrong, Pittsburgh, Pa.
Philip C. Berg, Hillsboro, Ohio.
A. B. Camp, Toledo, Ohio.
John B. Chenault, Maysville, Ky.
George De Camp, Cincinnati, Ohio.

Robert C. McConaughy, Cleveland, Ohio.
J. Frank Miller, Wilkinsburg, Pa.
William M. Morgan, Louisville, Ky.
George J. Stevens, Pittsburgh, Pa.
Thomas C. Thomas, Columbus, Ohio.

Fifth District.

Edward J. Donahue, Washington, D. C.
R. J. C. Dorsey, Washington, D. C.
R. Gordon Finney, Huntington, W. Va.
Claude Gilbert, Cumberland, Md.
Richard L. Hargreaves, Raleigh, N. C.

Robert L. Harris, Richmond, Va.
J. W. Pole, Greenville, S. C.
Morton M. Prentiss, Richmond, Va.
J. B. Stringfellow, Roanoke, Va.
James Trimble, Washington, D. C.

Sixth District.

Thomas E. Fletcher, Cordele, Ga.
William T. Marfield, New Orleans, La.
W. C. Roberts, Birmingham, Ala.

William B. Roper, Atlanta, Ga.
Edgar D. Walter, Chattanooga, Tenn.

Seventh District.

Claude H. Beatty, Chicago, Ill.
H. C. Blackman, Hillsdale, Mich.
N. E. Haugen, Des Moines, Iowa.
E. F. Higgins, Chicago, Ill.
Raby L. Hopkins, Milwaukee, Wis.
Robert C. Houston, Laporte, Ind.
E. S. Hubbell, Elgin, Ill.
J. L. Kennedy, Sheldon, Iowa.

Charles R. Mertens, Shelbyville, Ill.
William G. Minor, Cannelton, Ind.
Robert Montgomery, Chicago, Ill.
Paul Partridge, Davenport, Iowa.
C. F. Riddell, Indianapolis, Ind.
Ellis D. Robb, Waterloo, Iowa.
Miller Weir, Jacksonville, Ill.
William H. White, Paxton, Ill.

Eighth District.

E. H. Gough, Boonville, Ind.
William P. Kincheloe, Louisville, Ky.
Harry L. Machen, Little Rock, Ark.
John S. Wood, Centralia, Ill.

John K. Woods, Memphis, Tenn.
Hal Woodside, Hannibal, Mo.
William R. Young, Springfield, Mo.

Ninth District.

Harry E. Albert, Minneapolis, Minn.
Christopher H. Anheier, Fargo, N. Dak.
J. W. Barton, Minneapolis, Minn.
Ward M. Buckles, Helena, Mont.
Thomas H. Campbell, Huron, S. Dak.

Oscar A. Carlson, Sioux Falls, S. Dak.
Ben Hayes, jr., Fargo, N. Dak.
William J. Schechter, Milwaukee, Wis.
John H. Smith, Minneapolis, Minn.

Tenth District.

Lee R. Buchanan, Lincoln, Nebr.	John D. Mossman, Topeka, Kans.
Sherwood Crocker, Denver, Colo.	Luther H. Patton, Enid, Okla.
William E. Fair, Cheyenne, Wyo.	William H. Reed, Kansas City, Mo.
Thurston P. Farmer, Tulsa, Okla.	John Rush, Omaha, Nebr.
Charles H. Filson, Guthrie, Okla.	Floyd Seybolt, Lincoln, Nebr.
George W. Goodell, Denver, Colo.	Thomas M. Williams, Hutchinson, Kans.
Edward S. Jernegan, Oklahoma City, Okla.	C. F. Winters, Kansas City, Mo.

Eleventh District.

Richard H. Collier, Sherman, Tex.	William E. Hutt, Sherman, Tex.
Charles W. Foster, Houston, Tex.	Jesse L. Penix, Austin, Tex.
Edgar F. Gossett, El Paso, Tex.	Allison D. Thompson, Waco, Tex.
William Z. Hayes, Tyler, Tex.	

Twelfth District.

Fred Brown, Boise, Idaho.	Charles C. Otto, San Francisco, Cal.
H. R. Gaither, Portland, Oreg.	Douglas A. Swan, Salt Lake City, Utah.
William M. Gray, San Francisco, Cal.	Oscar Thompson, Los Angeles, Cal.
John A. H. Kerr, Los Angeles, Cal.	Walter E. Wilcox, Oakland, Cal.
Martin McLean, Seattle, Wash.	

REPORT OF EXAMINATION FURNISHED NATIONAL BANKS.

During the past year the Comptroller inaugurated, for the first time, the plan of furnishing each national bank, after each examination, a comprehensive copy of the examiner's report, showing in detail the condition of the bank, with notation of irregularities and matters criticized. Each examiner, furthermore, after every examination, also furnishes to the Comptroller's Office a special supplementary report containing data more or less confidential, with such special recommendations as the situation seems to call for.

This departure from previous practice has been strongly approved by the banks generally; and advices received indicate that the plan of providing banks with copies of the reports of examinations has resulted, in thousands of cases, in giving to the directors of banks, as well as officers, a clearer insight as to the bank's condition, and a better comprehension of its management and operations than they ever had before; and has also effected a material saving to many banks by enabling them to dispense with costly examinations, which some of them have heretofore been receiving periodically from special accountants.

CONDITION OF NATIONAL BANKS AT DATE OF EACH CALL DURING THE REPORT YEAR.

During the 12 months ended October 31, 1916, national banks have made, as in the preceding 12 months, six reports of condition, in lieu of the five rendered in preceding years.

The earliest call for the year covered by this report was made November 10, 1915, and the succeeding five have been made for December 31, 1915, March 7, May 1, June 30, and September 12, 1916. The resources and liabilities of the banks at each of the dates indicated are shown in the table following.

[In thousands of dollars.]

	Nov. 10, 1915— 7,617 banks.	Dec. 31, 1915— 7,607 banks.	Mar. 7, 1916— 7,596 banks.	May 1, 1916— 7,578 banks.	June 30, 1916— 7,579 banks.	Sept. 12, 1916— 7,589 banks.
RESOURCES.						
Loans and discounts	7,233,929	7,357,732	7,490,011	7,606,428	7,679,167	7,859,837
Overdrafts	7,211	6,709	5,493	6,994	6,168	7,839
United States bonds	777,765	774,639	753,913	738,830	731,205	729,777
Other bonds, securities, etc.....	1,343,822	1,375,149	1,464,787	1,525,567	1,527,832	1,624,627
Stocks other than Federal reserve bank stock	39,273	40,036	39,979	40,075	39,272	39,366
Stock of Federal reserve banks ..	53,518	53,689	53,628	53,701	53,651	53,923
Banking house	249,288	251,551	252,982	255,378	255,977	259,427
Furniture and fixtures	31,808	31,424	31,505	31,800	31,654	31,908
Other real estate owned	44,113	45,122	47,320	47,787	47,736	47,627
Due from Federal reserve banks ..	366,185	403,985	431,195	428,191	476,103	531,028
Due from approved reserve agents	895,830	834,392	1,022,642	954,822	843,390	936,339
Due from banks and bankers	707,394	698,921	772,979	766,200	694,926	720,600
Exchanges for clearing house.....	347,418	449,823	319,430	596,895	444,033	392,684
Other checks on banks in the same place	23,189	38,588	22,874	42,435	36,007	25,570
Outside checks and other cash items	33,585	43,809	30,019	45,972	41,884	32,817
Notes of other national banks ..	62,446	63,933	61,908	59,196	54,120	62,238
Federal reserve bank notes						1,634
Federal reserve notes	11,160	10,669	8,940	19,077	17,480	13,190
Gold coin	127,118	118,416	119,897	117,114	117,199	122,079
Gold Treasury certificates	401,589	350,370	366,234	325,535	324,824	330,102
Clearing house certificates	59,568	33,963	37,749	78,801	66,971	77,546
Silver dollars	11,473	11,778	11,897	11,737	11,812	11,762
Silver Treasury certificates	111,074	103,800	101,298	109,365	98,505	100,664
Silver fractional coin	20,975	21,375	21,710	21,013	21,168	20,869
Total coin and certificates.....	731,797	689,762	708,780	663,565	640,479	663,022
Legal-tender notes	114,978	118,117	124,833	113,890	117,524	105,101
Redemption fund and due from U. S. Treasurer	42,535	45,939	41,730	40,850	43,851	42,346
Customers' liability under letters of credit	74,195	86,212	102,386	100,326	83,761	77,512
Customers' liability account of acceptances	37,435	39,764	43,829	59,072	66,034	77,879
Other assets	7,457	7,917	7,618	8,544	4,614	15,246
Total	13,236,331	13,467,887	13,838,681	14,195,595	13,926,868	14,411,537
LIABILITIES.						
Capital stock paid in	1,068,649	1,068,049	1,067,289	1,067,481	1,066,049	1,067,565
Surplus fund	722,877	725,554	724,664	724,697	731,389	731,409
Undivided profits, less expenses and taxes paid	317,236	294,267	306,614	317,473	305,850	317,050
Amount reserved for taxes accrued						9,274
Amount reserved for all interest accrued						7,568
National bank notes outstanding ..	713,467	713,314	695,835	682,245	676,116	674,115
Due to Federal reserve banks	20	8	11	2		17
Due to approved reserve agents ..	7,287	11,256	7,842	9,383	10,184	7,134
Due to banks and bankers	2,702,366	2,727,168	3,066,233	2,985,959	2,702,756	2,908,512
Dividends unpaid	1,624	22,695	1,300	3,960	21,099	1,029
Individual deposits subject to check ..	5,240,799	5,380,681	5,392,222	5,595,897	5,577,629	5,840,927
Certificates of deposit due in less than 30 days	408,858	402,980	423,953	401,195	408,880	408,732
Certified checks	119,550	103,890	102,420	188,253	148,305	137,133
Cashier's checks outstanding	98,079	135,136	101,828	159,300	125,770	98,137
United States deposits	41,203	35,901	33,273	35,489	39,457	34,822
Postal savings deposits	47,935	48,598	53,425	56,088	59,979	69,168
State, county, or other municipal deposits	54,581	54,037	59,773	61,877	61,909	62,507
Deposits requiring notice, but less than 30 days	64,214	62,569	54,332	51,484	51,432	57,407
Total demand deposits.....	6,070,219	6,223,842	6,221,226	6,549,583	6,473,361	6,708,883

¹ Includes Federal reserve bank notes.

[In thousands of dollars.]

	Nov. 10, 1915— banks.	Dec. 31, 1915— banks.	Mar. 7, 1916— banks.	May 1, 1916— banks.	June 30, 1916— banks.	Sept. 12, 1916— banks.
LIABILITIES—continued.						
Time deposits:						
Certificates of deposit.....	577,039	594,863	620,119	659,437	690,438	711,587
State, county, or other municipal deposits.....	4,611	8,094	6,119	7,267	13,464	10,588
Other time deposits.....	794,306	814,460	868,915	919,731	965,785	1,014,591
Total time deposits.....	1,375,956	1,417,417	1,495,153	1,586,435	1,669,687	1,736,766
United States bonds borrowed.....	32,151	31,775	27,538	27,948	27,053	26,359
Other bonds borrowed.....	4,999	4,735	4,437	4,133	4,856	4,513
Securities borrowed.....	76	73	115	178	180	222
Notes and bills rediscounted....	42,888	42,530	31,083	31,489	33,286	.....
Bills payable, including obligations representing money borrowed.....	60,567	55,886	30,873	32,231	35,332	38,499
State bank circulation outstanding.....	23	23	23	23	23	23
Cash letters of credit or travelers' checks outstanding ¹	75,471	87,859	105,171	102,653	85,943	81,182
Acceptances based on imports and exports.....	26,808	31,985	42,677	59,836	69,303	76,608
Liabilities other than those above stated.....	13,647	9,451	10,597	9,886	14,401	14,709
Total.....	13,236,331	13,467,887	13,838,681	14,195,595	13,926,868	14,411,537
Liabilities for rediscounts, including those with Federal reserve bank ².....	.....	.....	.....	.....	.....	53,394

¹ Prior to May 1 this item read "Letters of credit."² Beginning with report for Sept. 12, 1916, notes and bills rediscounted are not included in loans and discounts, as was the previous custom.

LOANS AND DISCOUNTS.

As was the case during the 12 months ended September 2, 1915, loans and discounts increased steadily at each report date during the year ended September 12, 1916. The greatest increase between report dates is shown on November 10, 1915, when loans were \$477,249,000 greater than on September 2, 1915. The proportion of loans to total assets remained approximately 55 per cent except that on May 1 the proportion was a little less than 54 per cent.

CLASSIFICATION OF LOANS AND DISCOUNTS.

A new item appears in the classification of loans and discounts on June 30, 1916, namely, "Acceptances of other banks discounted," and as this item represents a new class of business, the aggregate held on that date added to the loans and discounts the sum of \$24,500,000. Reference to the following table shows that while the aggregate loans have increased since June 23, 1915, the percentages of the various classifications remain practically the same with few exceptions. The percentage of demand paper secured by collateral is greater by about 1.8 per cent, and time paper secured by collateral, other than stocks and bonds, decreased 1.8 per cent.

The increase in the total loans is distributed among central reserve cities, other reserve cities, and banks located elsewhere instead of being confined to the reserve city banks, as was the case in June, 1915. The table also shows changes in the amounts and percentages of the various classes of paper held by banks at the time of the June calls in 1914, 1915, and 1916.

[In thousands of dollars.]

Class.	June 30, 1914.		June 23, 1915.		June 30, 1916.	
	Amount.	Per cent.	Amount.	Per cent.	Amount.	Per cent.
On demand, paper with one or more individual or firm names (not secured by collateral).....	616,911	9.6	611,698	9.2	660,213	8.6
On demand, secured by stocks and bonds.....	1,036,976	16.1	883,812	13.3	1,159,007	15.1
On demand, secured by other personal securities, including merchandise, warehouse receipts, etc.			184,822	2.8	223,639	2.9
On time, paper with one or more individual or firm names (not secured by collateral).....	3,403,353	52.9	3,264,347	49.0	3,760,225	49.0
On time, secured by stocks and bonds.....			866,767	13.0	1,029,612	13.4
On time, secured by other personal securities, including merchandise, warehouse receipts, etc.	1,372,829	21.4	697,930	10.4	661,338	8.6
Secured by real estate mortgages or other liens on realty.....			150,595	2.3	160,633	2.1
Acceptances of other banks discounted.....					24,500	.3
Total.....	6,430,069	100.0	6,659,971	100.0	7,679,167	100.0

AMOUNT AND CLASSIFICATION OF LOANS BY NATIONAL BANKS IN THE CENTRAL RESERVE CITIES, ETC.

In connection with the foregoing general statement, and for purposes of comparison, there is submitted herewith similar information based upon the June 30, 1916, returns from the national banks in each of the central reserve cities, other reserve cities, elsewhere in the country, and in the aggregate:

Total loans on June 30, 1916.

	New York.	Chicago.	St. Louis.	Central reserve cities.
On demand, paper with one or more individual or firm names (not secured by collateral).....	\$29,233,000	\$22,901,000	\$7,609,000	\$59,743,000
On demand, secured by stocks and bonds.....	531,580,000	41,699,000	12,512,000	585,791,000
On demand, secured by other personal securities, including merchandise, warehouse receipts, etc.	46,267,000	17,024,000	4,662,000	67,953,000
On time, paper with one or more individual or firm names (not secured by collateral).....	574,530,000	250,286,000	61,629,000	886,445,000
On time, secured by stocks and bonds.....	323,095,000	48,507,000	12,529,000	389,131,000
On time, secured by other personal securities, including merchandise, warehouse receipts, etc.	61,294,000	36,013,000	10,284,000	107,591,000
Secured by real estate mortgages or other liens on realty.....	874,000	907,000	763,000	2,544,000
Acceptances of other banks discounted.....	15,783,000	4,664,000		20,447,000
Total.....	1,587,656,000	422,001,000	109,988,000	2,119,645,000

	Other reserve cities.	Country banks.	Total United States.
On demand, paper with one or more individual or firm names (not secured by collateral).....	\$195,599,000	\$404,871,000	\$660,213,000
On demand, secured by stocks and bonds.....	308,947,000	264,269,000	1,159,007,000
On demand, secured by other personal securities, including merchandise, warehouse receipts, etc.	76,600,000	78,996,000	223,639,000
On time, paper with one or more individual or firm names (not secured by collateral).....	1,007,920,000	1,865,860,000	3,760,225,000
On time, secured by stocks and bonds.....	300,398,000	340,083,000	1,029,612,000
On time, secured by other personal securities, including merchandise, warehouse receipts, etc.	191,650,000	362,097,000	661,338,000
Secured by real estate mortgages or other liens on realty.....	28,270,000	129,819,000	160,633,000
Acceptances of other banks discounted.....	2,505,000	1,548,000	24,500,000
Total.....	2,111,979,000	3,447,543,000	7,679,167,000

LOANS BY NATIONAL BANKS IN RESERVE CITIES, ETC.

The amount, distribution, and proportion of loans and discounts in the banks in the city of New York, in all central reserve cities, other reserve cities, and in country banks are shown in the accompanying table:

[In thousands of dollars.]

Banks in—	Loans.					
	June 30, 1914.		June 23, 1915.		June 30, 1916.	
	Amount.	Per cent.	Amount.	Per cent.	Amount.	Per cent.
New York.....	1,061,096	16.5	1,232,566	18.5	1,587,656	20.7
New York.....	1,499,520	23.3	1,678,657	25.2	2,119,645	27.6
Chicago.....						
St. Louis.....						
Other reserve cities.....	1,698,469	26.4	1,764,775	26.5	2,111,979	27.5
All reserve cities.....	3,197,989	49.7	3,443,432	51.7	4,231,624	55.1
Country.....	3,232,080	50.3	3,216,539	48.3	3,447,543	44.9
Total, United States.....	6,430,069	100.0	6,659,971	100.0	7,679,167	100.0

LOANS BY NATIONAL BANKS IN NEW YORK.

As about 21 per cent of the loans of all national banks on June 30, 1916, were made by banks located in the city of New York, an increase of more than 2 per cent since June 1915, the following statement is of interest as showing the amount and character of loans by banks in that city at date of the June calls, 1912 to 1916, inclusive:

[In thousands of dollars.]

Classification.	June 14, 1912— 37 banks.	June 4, 1913— 36 banks.	June 30, 1914— 33 banks.	June 23, 1915— 33 banks.	June 30, 1916— 33 banks.
On demand, paper with one or more individual or firm names (not secured by collateral).....	17,797	13,487	12,953	30,867	29,233
On demand, secured by stocks and bonds.....	326,897	302,904	372,092	357,146 29,635	531,580 46,267
On demand, secured by other personal securities, including merchandise, warehouse receipts, etc.					
On time, paper with one or more individual or firm names (not secured by collateral).....	390,964	367,784	421,383	473,652	574,530
On time, secured by stocks and bonds.....	223,410	202,792	254,668	248,947 83,600 8,719	328,095 61,294 874
On time, secured by other personal securities, including merchandise, warehouse receipts, etc.					
Secured by real estate mortgages or other liens on realty.....					
Acceptances of other banks discounted.....					15,783
Total.....	959,068	886,967	1,061,096	1,232,566	1,587,656

LOANS MATURING IN 90 DAYS OR LESS.

The following is a classification of the loans held on June 30, 1916, by banks in central reserve cities, other reserve cities and outside of reserve cities, showing separately the amounts in each locality which mature in 90 days or less and over 90 days.

90-day loans on June 30, 1916.

[In thousands of dollars.]

Classes.	New York.	Chicago.	St. Louis.	Central reserve cities.	Other reserve cities.	Country.	Total.
On demand, paper with one or more individual or firm names (not secured by collateral).....	18,971	8,024	4,753	31,748	108,084	223,932	363,764
On demand, secured by stocks and bonds.....	260,160	14,794	8,009	282,963	148,162	146,336	577,461
On demand, secured by other personal securities, including merchandise, warehouse receipts, etc.	19,510	8,268	3,016	30,794	37,630	49,763	118,187
On time, paper with one or more individual or firm names (not secured by collateral).....	339,964	150,239	34,245	524,448	661,537	1,347,442	2,533,427
On time, secured by stocks and bonds.....	199,835	23,879	7,898	231,612	185,648	242,015	659,275
On time, secured by other personal securities, including merchandise, warehouse receipts, etc.	36,632	13,855	5,278	55,765	113,266	168,612	337,643
Secured by real-estate mortgages or other liens on realty.....	391	456	338	1,185	11,249	34,905	47,339
Acceptances of other banks discounted.....	13,853	4,664	.....	18,517	853	696	20,066
Maturing in 90 days or less....	889,316	224,179	63,537	1,177,032	1,266,429	2,213,701	4,657,162
Maturing in over 90 days.....	698,340	197,822	46,451	942,613	845,550	1,233,842	3,022,005
Total loans.....	1,587,656	422,001	109,988	2,119,645	2,111,979	3,447,543	7,879,167

The aggregate paper maturing in 90 or less days held on June 23, 1915, was \$3,906,617,000 and of paper maturing in over 90 days, \$2,753,355,000. The shorter-time paper therefore increased during the year by \$750,545,000, or over 19 per cent, as compared with the increase in the longer-time paper of \$268,650,000, or over 9 per cent.

OVERDRAFTS.

Overdrafts show no great variation in amount during the year, the largest amount appearing on September 12, 1916, when they were \$7,839,000, or thirteen one-hundredths of 1 per cent of deposits subject to check. This sum is an increase of \$2,778,000 since September 2, 1915, when overdrafts to the amount of \$5,061,000, or eleven one-hundredths of 1 per cent of deposits subject to check, were reported.

The lowest point for the year was in March, when accommodations of this character were \$5,493,000.

UNITED STATES BONDS.

The aggregate of United States bonds, which was \$781,726,000 on September 2, 1915, has steadily decreased at each call date during the year, reaching the lowest point on September 12, 1916, when the amount was \$729,777,000, a decrease of \$51,949,000. This reduction is occasioned mainly by retirement of national-bank circulation. The bonds thus disposed of by national banks were nearly all purchased by the 12 Federal reserve banks, whose holdings on October 31, 1916, including \$11,267,000 one-year 3 per cent notes, aggregated \$51,859,200.

OTHER BONDS, SECURITIES, ETC.

An increase of more than \$405,000,000 is shown in the aggregate of bonds and securities other than United States bonds between September 2, 1915, and September 12, 1916, the periods of greatest increase in these investments being between December 31, 1915, and March 7, 1916, when the aggregate increase was \$89,638,000, and June 30 and September 12, when the increase was \$96,795,000.

STOCKS.

The aggregate of stock other than stock of Federal reserve banks has varied but little, and on September 12, 1916, was only \$93,000 more than on November 10, 1915. The amount of stock in the Federal reserve banks decreased slightly between December 31, 1915, and March 7, 1916, but on May 1, 1916, it shows an increase of \$183,000 over the amount held on November 10, 1915. It again decreased by \$50,000 on June 30, after which it again increased by \$272,000, and on September 12, 1916, it aggregated \$53,923,000. The net increase since November 10, 1915, is \$405,000.

INVESTMENT SECURITIES OF NATIONAL BANKS CLASSIFIED.

The investments of national banks in United States bonds, including premiums, and in other bonds and securities and stocks on June 30, 1916, amounted to \$2,351,960,000, an increase in the aggregate of \$283,591,000 since June 23, 1915.

In the following table are shown these various investments in June, 1915 and 1916.

[In thousands of dollars.]

Classification.	June 23, 1915.	June 30, 1916.
State, county, and municipal bonds.....	244, 473	278, 180
Railroad bonds.....	379, 191	467, 629
Other public-service corporation bonds.....	220, 304	274, 928
All other bonds (domestic).....	246, 630	301, 503
Warrants, claims, judgments, etc.....	53, 341	48, 521
Foreign Government bonds.....	33, 787	116, 768
Other foreign bonds and securities.....	13, 402	40, 303
Stocks, Federal reserve bank.....	54, 200	53, 651
Stocks, all other.....	39, 588	39, 272
Total.....	1, 284, 916	1, 620, 755
United States bonds.....	783, 453	731, 205
Total bonds of all classes.....	2, 068, 369	2, 351, 960

A large increase will be noted in the foregoing table in the amount invested in foreign and other Government securities. The increase in these investments for the period in question is \$109,882,000. The increase in investments in domestic bonds (exclusive of United States bonds), as indicated by the first four items of the table, amounts to \$231,643,000, or more than double the amount of increase in foreign securities.

The following table shows domestic and foreign securities held in June of each year since these securities have been separately classified:

[In thousands of dollars.]

Classification.	June 14, 1912.	June 4, 1913.	June 30, 1914.	June 23, 1915.	June 30, 1916.
State, county, and municipal bonds.....	179,322	175,345	176,017	244,473	278,180
Railroad bonds.....	354,321	345,204	341,691	379,191	467,629
Other public service corporation bonds.....	195,453	197,460	218,215	220,304	274,928
All other bonds.....	223,501	220,121	227,605	246,630	301,503
Total.....	952,597	933,130	963,528	1,090,598	1,322,240
Foreign Government bonds.....	8,615	17,961	10,019	33,787	116,788
Other foreign bonds and securities.....	4,426	3,510	5,609	13,402	40,303
Total.....	13,041	21,471	15,628	47,189	157,071

BANKING PREMISES AND OTHER REAL ESTATE OWNED.

The amount invested in banking house and furniture and fixtures shows an increase at each report date, the aggregate being \$12,943,000 greater on September 12, 1916, than on September 2, 1915.

Other real estate owned increased gradually in amount up to May 1, when it aggregated \$47,787,000 or \$3,833,000 more than on September 2, 1915. Since May 1 the amount has decreased at each report date, so that the increase for the year is but \$3,673,000. The decrease in the amount since May 1 indicates some revival in the demand for real estate, enabling banks to liquidate property of this description taken for debt, etc.

DUE FROM BANKS.

The amount due from the Federal reserve banks, which is a part of the reserve required by law to be maintained by national banks, shows a material increase at each report date except May 1, 1916, when a slight reduction occurred. Reference to the computation of reserve made up from reports of condition on May 1, 1916, however, shows that balances with Federal reserve banks at the reduced requirement were \$31,825,000 in excess of the amount which the law required to be so deposited on that date. Under section 19 of the Federal reserve act the reserve on deposits required to be kept with Federal reserve banks increased by one-twelfth in the case of country banks and one-fifteenth in reserve city banks (exclusive of central reserve cities) on November 16 and May 16.

On December 31, 1915, the first date after the November increase, deposits with the Federal reserve banks aggregated \$403,985,000, an increase of \$37,800,000 over the amount shown November 10, and of \$88,576,000 over September 2, 1915. On June 30, 1916, the first date after the second increase in the required amount, the aggregate shows an increase in the amount deposited of \$47,912,000 over the figures appearing on the preceding date, May 1, and of \$160,694,000 over September 2, 1915. Between June 30 and September 12, 1916, however, the largest increase for the year is shown, although no additional amount was required by law to be so deposited. The increase between these dates amounted to \$54,925,000, probably due to the

fact that the Federal reserve banks began on July 15, 1916, to exercise the functions of a clearing house for national and other member banks.

The following table shows increases and decreases of deposits with the Federal reserve banks since the beginning of the system:

Date.	Due from Federal reserve banks	Increase.	Decrease.
Dec. 31, 1914 (first report).....	\$261,460,000		
Mar. 4, 1915.....	290,678,000	\$29,218,000	
May 1, 1915.....	290,413,000		\$265,000
June 23, 1915.....	312,658,000	22,245,000	
Sept. 2, 1915.....	315,409,000	2,751,000	
Nov. 10, 1915.....	366,185,000	50,776,000	
Dec. 31, 1915.....	403,985,000	37,800,000	
Mar. 7, 1916.....	431,195,000	27,210,000	
May 1, 1916.....	428,191,000		3,004,000
June 30, 1916.....	476,103,000	47,912,000	
Sept. 12, 1916.....	531,028,000	54,925,000	
		272,837,000	3,269,000
		3,269,000	
Net increase.....		269,568,000	

The aggregate amount due from approved reserve agents (national banks located in reserve cities that have been approved by the comptroller as reserve agents) on September 2, 1915, \$811,380,000, increased by November 10, 1915, to \$895,830,000, and decreased on December 31 to \$834,392,000, the lowest amount for the year. On March 7, 1916, however, the aggregate had increased by \$188,250,000 reaching \$1,022,642,000. A decrease is noted at the next date, May 1, and again on June 30, but on September 12 the aggregate had increased to \$936,339,000 and shows a net increase for the year of \$124,959,000.

Amounts due from all other banks and bankers show a net increase of \$182,768,000 between September 2, 1915, when they were \$597,832,000 and September 12, 1916, when they were \$780,600,000. The lowest point for the year was reached June 30, and the highest September 12.

The three classes of bank deposits combined aggregated \$1,724,621,000 on September 2, 1915, and \$2,247,967,000 on September 12, 1916, a net increase of \$523,346,000 in bank deposits.

EXCHANGES FOR CLEARING HOUSES.

The volume of exchanges shows an increase on September 12, 1916, over the aggregate on September 2, 1915, of \$105,395,000, and at no time during the year were they as low as on September 2, 1915. The greatest business as indicated by these exchanges appears on December 31, 1915, and May 1, 1916. Since the latter date the aggregate has decreased at both report dates. The increases and decreases in this account, however, can not be considered as evidence of an increase or decrease in the business activity, for since July 15, 1916, a large volume of clearings has been transferred from correspondent banks to the Federal reserve banks, and as this feature of the Federal reserve system is extended, exchanges for clearing houses will be proportionately lower.

BANK CIRCULATION.

For the first time there appears in the abstract as a separate item, Federal reserve *bank* notes. These notes issued by the Federal reserve banks and secured by United States Government bonds were reported by the banks for the first time on May 1, 1916, but were included in the abstract for that date with Federal reserve notes. This was also the case on June 30. The Federal reserve circulating notes held have increased between September 2, 1915, and September 12, 1916, by \$6,410,000.

Bills of other national banks were held in a less amount on June 30, 1916, than on September 2, 1915, although the calls between these dates show a greater amount held. After June 30, however, the amount increased and on September 12, 1916, shows \$4,619,000 more than on September 2, 1915, the increase between June 30 and September 2 being \$8,118,000.

SPECIE AND OTHER LAWFUL MONEY.

The aggregate of specie (gold and silver coin and gold and silver certificates) and legal tender notes have decreased between September 2, 1915, and September 12, 1916, by \$56,822,000 and \$17,664,000, respectively. A decrease in the amount of lawful money was also noted for the year ended September 2, 1915. The only items of specie showing an increase for the current report year are gold coin which increased \$2,128,000, gold clearing-house certificates \$12,977,000, and fractional silver coin \$8,000. This decrease is wholly due, as explained above, to the transfer of funds from the banks vaults to the Federal reserve banks.

LIABILITIES OF NATIONAL BANKS.

CAPITAL, SURPLUS, AND UNDIVIDED PROFITS.

While the capital stock of national banks decreased between September 2, 1915, and September 12, 1916, by \$1,299,000, owing to the decrease in the number of banks occasioned by consolidation, etc., as hereinbefore indicated, the surplus fund increased during the same period by \$8,831,000 and the undivided profits by \$33,874,000, so that while the actual amount invested in capital stock is a trifle less, the amount of working capital has increased in the sum of \$41,406,000, or nearly 2 per cent since September 2, 1915.

It will be noted that two new items appear in the abstract for September 12, 1916, namely, "Amount reserved for taxes accrued" and "Amount reserved for all interest accrued." Both of these items prior to that date were included in the total of undivided profits and are so included in making the comparison between capital, surplus, and profits.

The usual decrease is noted in profits on December 31 and June 30, owing to the payment of dividends and also the usual increase in the surplus fund on the same dates. An increase in the surplus fund necessarily accompanies the declaration of dividends as section 5199 requires that at least one-tenth of the net earnings of the preceding period shall be carried to the surplus fund whenever a dividend is declared by a bank until the surplus fund of that bank equals 20 per cent of its capital. The aggregate of surplus of all banks on September 12, 1916,

was over 68 per cent of the capital, showing the extent to which many of the banks have built up their surplus fund far beyond the requirements of law, thereby strengthening their business by furnishing working capital and greater protection against loss to the depositors and other creditors, instead of distributing all available earnings as dividends.

CIRCULATION.

As was the case during twelve months ended September 2, 1915, the national-bank notes have shown a reduction at each report date during the year ended September 12, 1916, the net decrease for the year being \$44,382,000. The decrease in circulation is due to the advance in the price of the Government bonds by which the circulation is secured, and the sale of bonds by the banks at the advanced figures.

The volume of circulation outstanding at the date of each call during the year ended September 12, 1916, issued by national banks in New York, the three central reserve cities, other reserve cities and in the country outside of reserve cities is shown in the following table in millions of dollars:

Dates.	New York banks.	New York, Chicago, and St. Louis banks.	Other reserve city banks.	All reserve city banks.	Country banks.	Total.
Nov. 10, 1915.....	35.2	63.6	172.1	235.7	477.8	713.5
Dec. 31, 1915.....	35.7	63.3	171.9	235.1	478.2	713.3
Mar. 7, 1916.....	35.0	55.1	165.6	220.7	475.1	695.8
May 1, 1916.....	32.2	50.9	160.6	211.5	470.7	682.2
June 30, 1916.....	32.2	49.4	159.1	208.5	467.6	676.1
Sept. 12, 1916.....	31.8	48.8	159.3	208.1	466.0	674.1

DUE TO BANKS.

The aggregate amounts due on open account to Federal reserve banks, approved reserve agents and other banks and bankers on September 2, 1915, \$2,466,056,000, had increased on September 12, 1916, to \$2,915,663,000 or by \$449,607,000.

The amounts due to Federal reserve banks are in all cases exceedingly small, the largest amount since November 10, 1915, being \$17,000 on September 12, 1916. Amounts owing to approved reserve agents are likewise small and unimportant. In both classes of banks national banks maintain the reserve required by law and necessarily are very seldom debtors to them on open account.

INDIVIDUAL DEPOSITS.

The aggregate of time and demand deposits on September 2, 1915, was \$6,762,183,000 as compared with \$8,445,649,000 on September 12, 1916, or an increase of \$1,683,466,000 for the year. Of this increase, \$1,282,273,000, or 76 per cent is in demand deposits and \$401,193,000 or 24 per cent in time deposits.

BONDS AND MONEY BORROWED.

Liability on account of bonds and other securities borrowed, bills payable and rediscounts have decreased at each report date during

the year excepting May 1, and June 30, when only a nominal increase is noted. The aggregate of these liabilities on September 2, 1915, was \$145,624,000 or less than one-half of the amount in October, 1914, including clearing-house loan certificates then outstanding. On September 12, 1916, a further noticeable decrease is shown in the amount borrowed by national banks; the aggregate on that date was \$123,087,000, or \$22,537,000 less than was owing on September 2, 1915. On November 17, 1916, the money borrowed, including bills payable and rediscounts, had been reduced still further to \$104,388,000, a reduction as compared with September 12, 1916, of \$18,699,000. These figures compare with borrowings of \$140,680,000 in November, 1915; \$254,079,000 in October, 1914; \$150,487,000 in October, 1913; \$110,656,000 in November, 1912; and \$98,614,000 in December, 1911.

RESERVE.

The following table shows the percentages of reserve held by the national banks at each report date, and that there has been a large surplus in the reserve in every section throughout the year:

Date of call.	Amount of reserve held (in thousands of dollars).	Per cent reserve held.	Amount of excess reserve (in thousands of dollars).	Date of call.	Amount of reserve held (in thousands of dollars).	Per cent reserve held.	Amount of excess reserve (in thousands of dollars).
RESERVE CITIES.				COUNTRY BANKS—ctd.			
Central reserve cities:				Middle Western States:			
Nov. 10, 1915.....	647,996	24.66	175,098	Nov. 10, 1915.....	217,718	25.53	115,384
Dec. 31, 1915.....	605,183	22.74	126,048	Dec. 31, 1915.....	228,240	26.06	122,071
Mar. 7, 1916.....	631,236	22.88	134,721	Mar. 7, 1916.....	272,073	29.05	159,701
May 1, 1916.....	678,424	21.39	91,771	May 1, 1916.....	259,344	27.74	147,140
June 30, 1916.....	553,552	21.32	86,170	June 30, 1916.....	259,941	26.79	138,556
Sept. 12, 1916.....	542,307	20.39	63,559	Sept. 12, 1916.....	287,486	26.89	148,100
Other reserve cities:				Western States:			
Nov. 10, 1915.....	625,303	27.39	292,905	Nov. 10, 1915.....	105,343	30.19	63,477
Dec. 31, 1915.....	576,819	25.10	232,050	Dec. 31, 1915.....	114,972	31.58	71,279
Mar. 7, 1916.....	693,636	27.84	319,976	Mar. 7, 1916.....	133,843	34.65	87,490
May 1, 1916.....	628,305	25.15	253,661	May 1, 1916.....	133,015	34.29	86,470
June 30, 1916.....	596,186	23.80	220,496	June 30, 1916.....	125,801	32.11	78,785
Sept. 12, 1916.....	659,361	24.80	260,487	Sept. 12, 1916.....	151,227	34.14	98,069
Total reserve cities:				Pacific States:			
Nov. 10, 1915.....	1,273,299	25.93	458,003	Nov. 10, 1915.....	66,820	29.12	39,283
Dec. 31, 1915.....	1,182,012	23.83	358,098	Dec. 31, 1915.....	66,000	28.84	38,538
Mar. 7, 1916.....	1,324,872	25.24	454,697	Mar. 7, 1916.....	69,617	30.23	41,982
May 1, 1916.....	1,206,729	23.20	345,432	May 1, 1916.....	72,065	30.18	43,419
June 30, 1916.....	1,149,738	22.54	306,666	June 30, 1916.....	67,842	28.72	39,496
Sept. 12, 1916.....	1,201,668	22.59	324,046	Sept. 12, 1916.....	84,103	31.51	52,075
COUNTRY BANKS.				Nonmember banks (Alaska and Hawaii):			
New England States:				Nov. 10, 1915.....			
Nov. 10, 1915.....	89,077	23.87	44,289	Dec. 31, 1915.....	2,282	51.93	1,623
Dec. 31, 1915.....	84,070	22.83	39,904	Mar. 7, 1916.....	2,498	53.11	1,793
Mar. 7, 1916.....	81,475	22.32	37,686	May 1, 1916.....	2,223	49.91	1,555
May 1, 1916.....	82,622	21.97	37,491	June 30, 1916.....	2,071	45.98	1,396
June 30, 1916.....	82,192	21.57	36,457	Sept. 12, 1916.....	1,895	40.47	1,193
Sept. 12, 1916.....	96,972	23.66	47,781	Total States:			
Eastern States:				Nov. 10, 1915.....			
Nov. 10, 1915.....	231,915	22.57	108,598	Dec. 31, 1915.....	835,491	24.96	433,744
Dec. 31, 1915.....	240,644	23.18	116,059	Mar. 7, 1916.....	864,245	25.38	455,451
Mar. 7, 1916.....	253,265	23.77	125,382	May 1, 1916.....	962,578	27.24	538,432
May 1, 1916.....	255,600	23.40	124,562	June 30, 1916.....	953,739	26.64	523,976
June 30, 1916.....	252,320	22.82	119,609	Sept. 12, 1916.....	926,758	25.75	494,577
Sept. 12, 1916.....	274,687	23.59	134,969	Total United States:			
Southern States:				Nov. 10, 1915.....			
Nov. 10, 1915.....	122,336	23.97	61,090	Dec. 31, 1915.....	2,108,790	25.54	891,747
Dec. 31, 1915.....	129,821	24.23	65,807	Mar. 7, 1916.....	2,046,257	24.46	813,549
Mar. 7, 1916.....	150,082	27.54	84,686	May 1, 1916.....	2,287,450	26.05	993,179
May 1, 1916.....	148,962	27.31	83,498	June 30, 1916.....	2,160,468	24.60	869,408
June 30, 1916.....	145,767	26.79	80,481	Sept. 12, 1916.....	2,076,496	23.86	801,243
Sept. 12, 1916.....	157,177	26.22	85,250	Nov. 10, 1915.....			
				Dec. 31, 1915.....	2,235,490	24.29	891,704

RESERVE HELD IN EACH FEDERAL RESERVE DISTRICT.

The following table shows at each report date for the year the legal reserve and excess in reserve over requirements held by member banks in each of the Federal reserve districts. State and savings banks and trust companies which have come into the system are included.

[In thousands of dollars.]

District and date.	Reserve held.	Excess reserve held.	District and date.	Reserve held.	Excess reserve held.
District No. 1:			District No. 7—Continued.		
Nov. 10, 1915	202, 412	95, 207	May 1, 1916	277, 769	99, 535
Dec. 31, 1915	172, 325	69, 024	June 30, 1916	255, 062	80, 180
Mar. 7, 1916	164, 270	73, 156	Sept. 12, 1916	289, 307	104, 254
May 1, 1916	178, 632	72, 084	District No. 8:		
June 30, 1916	154, 566	48, 717	Nov. 10, 1915	59, 701	19, 813
Sept. 12, 1916	167, 858	59, 558	Dec. 31, 1915	63, 459	22, 426
District No. 2:			Mar. 7, 1916	70, 924	28, 306
Nov. 10, 1915	684, 756	226, 923	May 1, 1916	72, 244	26, 761
Dec. 31, 1915	642, 891	180, 252	June 30, 1916	72, 187	26, 373
Mar. 7, 1916	661, 175	195, 145	Sept. 12, 1916	73, 679	24, 609
May 1, 1916	614, 005	149, 703	District No. 9:		
June 30, 1916	596, 181	147, 072	Nov. 10, 1915	133, 727	80, 039
Sept. 12, 1916	600, 237	125, 548	Dec. 31, 1915	135, 473	79, 284
District No. 3:			Mar. 7, 1916	142, 425	82, 861
Nov. 10, 1915	165, 065	70, 659	May 1, 1916	132, 081	73, 016
Dec. 31, 1915	153, 367	60, 496	June 30, 1916	115, 606	58, 655
Mar. 7, 1916	178, 335	78, 409	Sept. 12, 1916	121, 063	60, 276
May 1, 1916	165, 101	64, 596	District No. 10:		
June 30, 1916	154, 458	55, 417	Nov. 10, 1915	124, 821	60, 547
Sept. 12, 1916	177, 600	73, 033	Dec. 31, 1915	132, 688	65, 647
District No. 4:			Mar. 7, 1916	177, 173	104, 080
Nov. 10, 1915	182, 146	83, 956	May 1, 1916	171, 519	96, 244
Dec. 31, 1915	189, 993	88, 704	June 30, 1916	164, 185	87, 883
Mar. 7, 1916	224, 318	115, 392	Sept. 12, 1916	212, 722	126, 217
May 1, 1916	215, 710	106, 135	District No. 11:		
June 30, 1916	232, 217	117, 248	Nov. 10, 1915	66, 888	33, 272
Sept. 12, 1916	231, 192	109, 930	Dec. 31, 1915	68, 284	33, 264
District No. 5:			Mar. 7, 1916	88, 077	52, 268
Nov. 10, 1915	71, 026	27, 412	May 1, 1916	81, 270	46, 686
Dec. 31, 1915	70, 119	25, 828	June 30, 1916	75, 812	42, 279
Mar. 7, 1916	72, 814	27, 990	Sept. 12, 1916	86, 703	46, 814
May 1, 1916	74, 166	28, 411	District No. 12:		
June 30, 1916	78, 945	31, 773	Nov. 10, 1915	167, 159	97, 795
Sept. 12, 1916	85, 911	35, 867	Dec. 31, 1915	163, 360	93, 275
District No. 6:			Mar. 7, 1916	164, 421	94, 228
Nov. 10, 1915	45, 834	19, 288	May 1, 1916	162, 548	90, 008
Dec. 31, 1915	49, 589	21, 382	June 30, 1916	154, 042	81, 053
Mar. 7, 1916	59, 292	30, 345	Sept. 12, 1916	178, 516	97, 405
May 1, 1916	62, 873	32, 474	Total banks:		
June 30, 1916	60, 533	30, 232	Nov. 10, 1915	2, 148, 793	902, 630
Sept. 12, 1916	66, 781	33, 124	Dec. 31, 1915	2, 082, 747	820, 809
District No. 7:			Mar. 7, 1916	2, 285, 227	992, 070
Nov. 10, 1915	245, 258	87, 719	May 1, 1916	2, 207, 918	885, 653
Dec. 31, 1915	241, 199	81, 227	June 30, 1916	2, 113, 794	806, 882
Mar. 7, 1916	282, 003	109, 890	Sept. 12, 1916	2, 291, 569	896, 635

In connection with the foregoing statistics in relation to reserves, the following statement is submitted, showing in millions of dollars the total reserve held, the amount required, and the excess held on September 12, 1916, by national banks in each of the 12 Federal reserve districts.

Reserves held by national banks in each Federal reserve district, as of Sept. 12, 1916, the reserves required, and the reserves held in excess of the amount required.

[In millions of dollars.]

District.	Reserve held.	Reserve required.	Excess reserve held.
No. 1 (Boston).....	168	108	60
No. 2 (New York).....	600	474	126
No. 3 (Philadelphia).....	178	105	73
No. 4 (Cleveland).....	231	121	110
No. 5 (Richmond).....	86	50	36
No. 6 (Atlanta).....	67	34	33
No. 7 (Chicago).....	289	185	104
No. 8 (St. Louis).....	74	49	25
No. 9 (Minneapolis).....	121	61	60
No. 10 (Kansas City).....	213	87	126
No. 11 (Dallas).....	87	40	47
No. 12 (San Francisco).....	178	81	97
Total.....	2,292	1,395	897

METHODS OF CALCULATING RESERVE TO CONFORM TO THE PROVISIONS OF THE FEDERAL RESERVE ACT FOR EACH CLASS OF BANKS.

While the reserve to be held by banks in central reserve cities is held in the vaults and with the Federal reserve bank in the same proportions as at the beginning of the system, under section 19 of the Federal reserve act the proportions of reserve required to be kept by other reserve city and country banks in Federal reserve banks and that which may be kept with approved reserve agents have changed on November 16, 1915, and May 16 and November 16, 1916. For the 12 months from November 16, 1916, to November 16, 1917, other reserve city banks must keep six-fifteenths with the Federal reserve bank and may have three-fifteenths with approved reserve agents, and country banks must maintain five-twelfths of the required reserve with the Federal reserve bank, and two-twelfths may be with reserve agents. No further change will occur in the proportions of reserve until November 16, 1917, unless the law is amended in the meantime, when the final provision goes into effect requiring all of the reserve to be kept in the vaults of the bank and with Federal reserve banks, thus discontinuing the use of national banks as reserve agents.

The Federal Reserve Board, acting under authority granted in section 11 of the Federal reserve act, as amended September 7, 1916, has issued a ruling permitting all member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by section 19 of the Federal reserve act to be held in their own vaults.

Forms are submitted herewith indicating the method of calculating the reserve requirements under the Federal reserve act between November 16, 1916, and November 16, 1917 (A) for central reserve city banks, (B) other reserve city banks, and (C) for banks located elsewhere than in reserve cities.

Reserve is required on all deposits of whatever character and from whatever source.

A.

[Bank directors should bear in mind that section 5191, U. S. Revised Statutes, forbids a bank to increase its liabilities by new loans or discounts, or to declare any dividend when its reserve is below the legal requirement.]

CALCULATION OF THE LAWFUL MONEY RESERVE OF NATIONAL BANKS LOCATED IN CENTRAL RESERVE CITIES.

No. of bank..... Report of the state of lawful money reserve of the located at State of, at o'clock m., 191.....

Items on which reserve is to be computed.

1. Due to banks other than Federal reserve banks ¹								
Less—								
2. Due from banks other than Federal reserve banks ¹								
3. Dividends unpaid.....								
4. Demand deposits.....								
5. $\frac{1}{4}$ of time deposits.....								
6. Gross amount.....								
Deductions allowed:								
7. Checks on other banks in the same place.....								
8. Exchanges for clearing house.....								
9. Net amount.....								
10. Eighteen per cent of this total amount is the necessary legal reserve required, which is.....								

Requirements for net reserve and items composing reserve actually held.

LEGAL RESERVE REQUIRED.

You are requested to note that the Federal Reserve Board, acting under authority granted in section 11 of the Federal reserve act, as amended Sept. 7, 1916, has made a ruling permitting all member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by section 19 of the Federal reserve act to be held in their own vaults.

11. With Federal reserve bank (not less than $\frac{1}{4}$ of total required reserve shown in item 10).....	\$.....
12. In vault.....	\$.....
Total, items 11 and 12 (not less than $\frac{1}{4}$ of total required reserve shown in item 10).....	\$.....
13. Remaining $\frac{1}{4}$ to be held in 11 and 12.....	\$.....
14. Total required.....	\$.....

LEGAL RESERVE HELD.

15. Silver dollars.....	\$.....
Fractional silver.....	\$.....
Silver certificates.....	\$.....
Legal tender notes.....	\$.....
Gold coin.....	\$.....
Gold certificates.....	\$.....
Gold certificates payable to order.....	\$.....
Clearing-house certificates for coin or legal tender.....	\$.....
16. With Federal reserve bank.....	\$.....
17. Total held.....	\$.....

Deficiency in vault.....	\$.....	Excess in vault over amount required....	\$.....
Deficiency with Federal reserve bank.....	\$.....	Excess with Federal reserve bank over amount required.....	\$.....
Deficiency in total required reserve.....	\$.....	Excess over total required reserve.....	\$.....
		Percent of item 17 to 9.....	%

¹Should the aggregate "Due from" exceed the aggregate "Due to" banks, both items must be omitted from the calculation.

B.

[This form for use from Nov. 16, 1916, to Nov. 16, 1917.]

[Bank directors should bear in mind that section 5191, U. S. Revised Statutes, forbids a bank to increase its liabilities by new loans or discounts, or to declare any dividend when its reserves is below the legal requirement.]

CALCULATION OF THE LAWFUL MONEY RESERVE OF NATIONAL BANKS LOCATED IN RESERVE CITIES NOT CENTRAL RESERVE CITIES.

No. of bank..... Report of the state of lawful money reserve of the..... located at
 State of....., at..... o'clock..... m., 191.....

Items on which reserve is to be computed.

1. Due to approved reserve agents ¹									
Due to banks other than Federal reserve banks ¹									
Less—									
2. Due from banks other than legal reserve with Federal reserve bank and reserve agents ^{1 2}									
3. Dividends unpaid.....									
4. Demand deposits.....									
5. $\frac{1}{4}$ of time deposits.....									
6. Gross amount.....									
Deductions allowed:									
7. Checks on other banks in the same place.....									
8. Exchanges for clearing house.....									
9. Net amount.....									
10. Fifteen per cent of this total amount is the necessary legal reserve required, which is.....									

Requirements for net reserve and items composing reserve actually held.

LEGAL RESERVE REQUIRED.

You are requested to note that the Federal Reserve Board, acting under authority granted in sec. 11 of the Federal reserve act, as amended Sept. 7, 1916, has issued a ruling permitting all member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by sec. 19 of the Federal reserve act to be held in their own vaults.

11. With Federal reserve bank (not less than $\frac{1}{4}$ of total required reserve shown in item 10).....	\$.....
12. In vault.....	\$.....
Total, items 11 and 12 (not less than $\frac{1}{4}$ of total required reserve shown in item 10).....	\$.....
13. With approved reserve agents (not more than $\frac{1}{4}$ of total required reserve shown in item 10).....	\$.....
14. Total required (must agree with item 10).....	\$.....
Deficiency in vault.....	\$.....
Deficiency with Federal reserve bank.....	\$.....
Deficiency in total required reserve.....	\$.....
Per cent of item 18 to 9.....	%.....

LEGAL RESERVE HELD.

15. Silver dollars.....	\$.....
Fractional silver.....	.....
Silver certificates.....	.....
Legal tender notes.....	.....
Gold coin.....	.....
Gold certificates.....	.....
Gold certificates payable to order.....	.....
Clearing-house certificates for coin or legal tender.....	\$.....
16. With Federal reserve bank.....	\$.....
17. List net balances with agents:	
.....	\$.....
.....	\$.....
Total.....	\$.....
(If more than $\frac{1}{4}$ deduct excess) ³	\$..... ³ \$.....
18. Total held.....	\$.....
Excess in vault over amount required..	\$.....
Excess with Federal reserve bank over amount required.....	\$.....
Excess over total required reserve.....	\$.....

¹ Should the aggregate "Due from" exceed the aggregate "Due to" banks, both items must be omitted from the calculation.

² Excess with reserve agents to be included here.

³ This subtotal must not exceed amount shown in item 13.

C.

[This form for use from Nov. 16, 1916, to Nov. 16, 1917.]

[Bank directors should bear in mind that section 5191, U. S. Revised Statutes, forbids a bank to increase its liabilities by new loans or discounts, or to declare any dividend when its reserve is below the legal requirement.]

CALCULATION OF THE LAWFUL MONEY RESERVE OF NATIONAL BANKS LOCATED ELSEWHERE THAN IN RESERVE CITIES AND CENTRAL RESERVE CITIES.

No. of bank Report of the state of lawful money reserve of the located at State of, at o'clock m.,, 191....

Items on which reserve is to be computed.

1. Due to approved reserve agents ¹							
Due to banks other than Federal reserve banks ¹							
Less—							
2. Due from banks other than legal reserve with Federal reserve bank and reserve agents ^{1,2}							
3. Dividends unpaid.....							
4. Demand deposits.....							
5. $\frac{1}{2}$ of time deposits.....							
6. Gross amount.....							
Deductions allowed:							
7. Checks on other banks in the same place.....							
8. Exchanges for clearing house.....							
9. Net amount.....							
10. Twelve per cent of this amount is the necessary legal reserve required, which is.....							

Requirements for net reserve and items composing reserve actually held.

LEGAL RESERVE REQUIRED.

You are requested to note that the Federal Reserve Board, acting under authority granted in section 11 of the Federal reserve act, as amended Sept. 7, 1916, has made a ruling permitting all member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by section 19 of the Federal reserve act to be held in their own vaults.

11. With Federal reserve bank (not less than $\frac{1}{2}$ of total required reserve shown in item 10).....	\$.....
12. In vault.....	\$.....
Total, items 11 and 12 (not less than $\frac{1}{2}$ of total required reserve shown in item 10)....	\$.....
13. With approved reserve agents (not more than $\frac{1}{2}$ of total required reserve shown in item 10).....	\$.....
14. Total required (must agree with item 10).....	\$.....

LEGAL RESERVE HELD.

15. Silver dollars.....	\$.....
Fractional silver.....	.....
Silver certificates.....	.....
Legal tender notes.....	.....
Gold coin.....	.....
Gold certificates.....	.....
Gold certificates payable to order.....	.....
Clearing-house certificates for coin or legal tender.....	.....
16. With Federal reserve bank.....	\$.....
17. List net balances with agents:.....	\$.....
.....	\$.....
.....	\$.....
Total.....	\$.....
(If more than $\frac{1}{2}$, deduct excess) ³	\$.....
18. Total held.....	\$.....

Deficiency in vault.....	\$.....	Excess in vault over amount required... \$.....
Deficiency with Federal reserve bank... \$.....		Excess with Federal reserve bank over amount required..... \$.....
Deficiency in total required reserve..... \$.....		Excess over total required reserve..... \$.....
Per cent of item 18 to 9.....%		

¹ Should the aggregate "Due from" exceed the aggregate "Due to" banks, both items must be omitted from the calculation.

² Excess with reserve agents to be included here.

³ This subtotal must not exceed amount shown in item 13.

RELATION OF CAPITAL TO DEPOSITS, ETC., OF NATIONAL BANKS.

The proportion and variation from year to year of capital to individual deposits in national banks, capital to loans, capital to aggregate resources, capital and surplus and other profits to individual deposits, and lawful money held to individual deposits, are shown in the table following for the years 1912 to 1916, inclusive.

The statement shows that the individual deposits have increased more rapidly than capital, surplus and profits, taken collectively or separately. The ratio of deposits to capital is \$7.91 to \$1. A year ago it was \$6.32 to \$1, and the ratio to capital, surplus and profits, is \$3.99 to \$1, as compared with \$3.23 to \$1 in September, 1915.

Items.	Sept. 4, 1912.	Aug. 9, 1913.	Sept. 12, 1914.	Sept. 2, 1915.	Sept. 12, 1916.
Capital to individual deposits.....	\$1.00 to \$5.63	\$1.00 to \$5.45	\$1.00 to \$5.79	\$1.00 to \$6.32	\$1.00 to \$7.91
Capital to loans.....	1.00 to 5.77	1.00 to 5.84	1.00 to 6.04	1.00 to 6.32	1.00 to 7.36
Capital to aggregatesources Capital and surplus and other profits to individual deposits.....	1.00 to 10.48	1.00 to 10.30	1.00 to 10.83	1.00 to 11.47	1.00 to 13.50
Specie, legal tender, and bal- ances with Federal reserve bank to individual de- posits ¹	1.00 to 2.96	1.00 to 2.82	1.00 to 2.96	1.00 to 3.23	1.00 to 3.99
	1.00 to 6.58	1.00 to 6.41	1.00 to 6.80	1.00 to 5.84	1.00 to 6.50

¹ At the time of the reports referred to prior to Sept. 2, 1915, the Federal reserve banks had not come into existence, and the figures upon which these computations are based, for the years 1912, 1913, and 1914 do not, therefore, include balances with Federal reserve banks.

CHANGES IN LOANS, BONDS, CASH, AND DEPOSITS IN NATIONAL BANKS.

In connection with the general summary of the condition of national banks, as shown by their returns at date of each call during the year, there is submitted herewith a statement, by geographical divisions, based upon the returns for each call during the year, of the volume of loans, investments in bonds, cash and cash items, and deposits.

Changes in volume of principal assets and in deposits, by geographical divisions, 1915-16.

[In thousands of dollars.]

Division and dates.	Loans. ¹	Bonds, etc. ²	Cash and cash items. ³	Demand deposits. ⁴	Time deposits.
New England States:					
Nov. 10, 1915.....	577, 238	202, 290	73, 147	564, 460	77, 713
Dec. 31, 1915.....	578, 230	203, 219	76, 471	551, 601	80, 149
Mar. 7, 1916.....	579, 811	209, 660	67, 099	553, 568	81, 915
May 1, 1916.....	605, 721	207, 799	96, 743	581, 160	92, 220
June 30, 1916.....	625, 032	206, 801	73, 171	572, 546	104, 991
Sept. 12, 1916.....	624, 568	213, 961	71, 344	591, 743	103, 760
Eastern States:					
Nov. 10, 1915.....	2, 991, 175	999, 285	802, 172	2, 649, 071	416, 596
Dec. 31, 1915.....	3, 051, 414	1, 014, 440	865, 020	2, 760, 304	432, 958
Mar. 7, 1916.....	3, 067, 630	1, 074, 726	753, 227	2, 702, 457	453, 631
May 1, 1916.....	3, 085, 139	1, 114, 451	935, 307	2, 917, 361	485, 556
June 30, 1916.....	3, 068, 114	1, 107, 943	811, 011	2, 860, 188	515, 411
Sept. 12, 1916.....	3, 121, 987	1, 164, 146	727, 746	2, 867, 662	544, 162
Southern States:					
Nov. 10, 1915.....	876, 494	210, 122	89, 605	637, 709	163, 705
Dec. 31, 1915.....	889, 351	211, 021	94, 408	655, 858	166, 489
Mar. 7, 1916.....	878, 186	206, 905	87, 477	670, 786	182, 843
May 1, 1916.....	889, 600	208, 336	91, 118	669, 525	195, 975
June 30, 1916.....	896, 727	212, 140	89, 489	662, 019	204, 832
Sept. 12, 1916.....	926, 306	218, 369	95, 314	711, 596	211, 256
Middle Western States:					
Nov. 10, 1915.....	1, 880, 715	491, 666	241, 656	1, 402, 891	473, 910
Dec. 31, 1915.....	1, 918, 234	499, 596	256, 105	1, 429, 841	486, 240
Mar. 7, 1916.....	2, 029, 889	509, 023	248, 598	1, 467, 941	507, 034
May 1, 1916.....	2, 064, 549	508, 800	248, 959	1, 523, 515	529, 556
June 30, 1916.....	2, 088, 885	506, 649	247, 125	1, 518, 499	547, 860
Sept. 12, 1916.....	2, 152, 153	522, 581	266, 013	1, 595, 497	570, 988

¹ Includes overdrafts.

² Includes United States bonds, other bonds, stocks.

³ Includes exchange for clearing house; inside checks; outside checks; national bank notes; Federal reserve notes; specie and legal tender notes.

⁴ Bank deposits not included.

*Changes in volume of principal assets and in deposits, by geographical divisions,
1915-16—Continued.*

[In thousands of dollars.]

Division and dates.	Loans	Bonds, etc.	Cash and cash items.	Demand deposits.	Time deposits.
Western States:					
Nov. 10, 1915.....	471,025	105,023	49,331	387,091	135,594
Dec. 31, 1915.....	475,869	107,193	52,215	399,270	137,590
Mar. 7, 1916.....	483,979	107,556	51,443	418,717	148,367
May 1, 1916.....	496,292	109,016	54,754	421,295	157,885
June 30, 1916.....	517,463	109,983	53,960	424,402	167,076
Sept. 12, 1916.....	530,708	113,165	59,799	460,312	172,923
Pacific States:					
Nov. 10, 1915.....	442,338	150,997	67,684	424,898	108,136
Dec. 31, 1915.....	449,104	152,918	69,322	422,684	113,521
Mar. 7, 1916.....	453,730	149,347	68,086	403,714	120,917
May 1, 1916.....	469,710	154,544	67,018	432,791	124,644
June 30, 1916.....	486,598	154,265	65,581	431,349	129,107
Sept. 12, 1916.....	509,251	160,026	74,814	477,308	133,375
Nonmember banks (Alaska and Hawaii):					
Nov. 10, 1915.....	2,155	1,476	979	4,099	312
Dec. 31, 1915.....	2,239	1,437	1,164	4,284	470
Mar. 7, 1916.....	2,279	1,462	854	4,043	446
May 1, 1916.....	2,411	1,526	1,131	3,936	599
June 30, 1916.....	2,516	1,528	1,190	4,353	410
Sept. 12, 1916.....	2,703	1,522	1,226	4,765	302
Total United States:					
Nov. 10, 1915.....	7,241,140	2,160,859	1,324,574	6,070,219	1,375,956
Dec. 31, 1915.....	7,364,441	2,189,824	1,414,705	6,223,842	1,417,417
Mar. 7, 1916.....	7,495,504	2,255,679	1,276,784	6,221,226	1,495,153
May 1, 1916.....	7,613,422	2,304,472	1,531,030	6,549,583	1,586,435
June 30, 1916.....	7,685,335	2,299,309	1,341,527	6,473,361	1,669,687
Sept. 12, 1916.....	7,867,676	2,393,770	1,296,256	6,708,883	1,736,766

DEVELOPMENT IN NATIONAL BANKING.

The following table shows the growth in the aggregate resources and liabilities and in the various items making up the total since the Federal reserve system went into effect. The first figures given are those shown by the Fall report of the year preceding the establishment of the Federal reserve banks, the first figures rendered after the beginning of the system, the Fall calls for 1915 and four calls for 1916. It will be noted that through the reduction of reserve requirements \$125,377,000 less lawful money is held than on October 21, 1913, while the combined capital, surplus, and profits have increased by \$49,043,000. During the same period individual deposits increased from \$8,346,011,000 to \$11,362,341,000 and loans and discounts from \$6,260,878,000 to \$7,859,837,000. Acceptances, which did not exist in so far as national banks were concerned in October, 1913, were held to the amount of \$76,608,000 on September 12, 1916:

[In thousands of dollars.]

Date.	Central reserve city banks.	Other reserve city banks.	Country banks.	Aggregate.
LOANS AND DISCOUNTS.				
Oct. 21, 1913.....	1,347,891	1,646,371	3,266,616	6,260,878
Dec. 31, 1914.....	1,452,949	1,700,649	3,194,039	6,347,637
Nov. 10, 1915.....	2,060,179	1,869,749	3,304,001	7,233,929
Dec. 31, 1915.....	2,128,728	1,917,991	3,311,013	7,357,732
Mar. 7, 1916.....	2,180,515	1,983,307	3,326,189	7,490,011
May 1, 1916.....	2,155,677	2,056,516	3,394,335	7,606,428
June 30, 1916.....	2,119,645	2,111,979	3,447,543	7,679,167
Sept. 12, 1916.....	2,165,890	2,186,478	3,507,469	7,859,837

[In thousands of dollars.]

Date.	Central reserve city banks.	Other reserve city banks.	Country banks.	Aggregate.
UNITED STATES BONDS.				
Oct. 21, 1913.....	85,478	187,783	527,264	800,525
Dec. 31, 1914.....	81,802	196,955	516,321	795,078
Nov. 10, 1915.....	76,510	193,328	507,927	777,765
Dec. 31, 1915.....	76,148	190,995	507,495	774,638
Mar. 7, 1916.....	63,931	184,414	505,568	753,913
May 1, 1916.....	59,043	179,138	500,649	738,830
June 30, 1916.....	57,867	176,872	496,466	731,205
Sept. 12, 1916.....	56,966	176,836	495,975	729,777
OTHER BONDS.				
Oct. 21, 1913.....	207,335	251,802	647,950	1,107,087
Dec. 31, 1914.....	230,801	317,478	722,164	1,270,443
Nov. 10, 1915.....	285,738	324,254	733,832	1,343,822
Dec. 31, 1915.....	287,990	335,080	752,080	1,375,150
Mar. 7, 1916.....	320,015	369,300	794,472	1,464,787
May 1, 1916.....	336,650	378,452	815,465	1,525,567
June 30, 1916.....	319,377	369,518	839,937	1,528,832
Sept. 12, 1916.....	348,083	383,654	892,890	1,624,627
STOCK IN FEDERAL RESERVE BANKS.				
Dec. 31, 1914 ¹	3,362	4,747	9,820	17,929
Nov. 10, 1915.....	10,178	14,139	29,200	53,517
Dec. 31, 1915.....	10,178	14,285	29,226	53,689
Mar. 7, 1916.....	10,182	14,246	29,200	53,628
May 1, 1916.....	10,197	14,211	29,293	53,701
June 30, 1916.....	10,197	14,210	29,244	53,651
Sept. 12, 1916.....	10,207	14,390	29,326	53,923
DUE FROM FEDERAL RESERVE BANKS.				
Oct. 21, 1913.....	133,560	59,992	67,908	261,460
Dec. 31, 1914.....	211,776	73,459	80,951	366,186
Nov. 10, 1915.....	202,050	94,084	107,851	403,985
Dec. 31, 1915.....	217,713	101,583	111,899	431,195
Mar. 7, 1916.....	213,438	99,232	115,521	428,191
May 1, 1916.....	203,258	123,441	149,404	476,103
June 30, 1916.....	216,180	150,151	164,697	531,028
Sept. 12, 1916.....				
DUE FROM RESERVE AGENTS.				
Oct. 21, 1913.....		257,834	533,837	791,671
Dec. 31, 1914.....		185,385	398,280	583,665
Nov. 10, 1915.....		371,811	524,018	895,829
Dec. 31, 1915.....		305,361	529,031	834,392
Mar. 7, 1916.....		406,357	616,285	1,022,642
May 1, 1916.....		350,948	603,874	954,822
June 30, 1916.....		298,892	543,498	842,390
Sept. 12, 1916.....		319,647	616,692	936,339
DUE FROM ALL OTHER BANKS.				
Oct. 21, 1913.....	242,575	328,628	176,997	748,200
Dec. 31, 1914.....	185,319	259,015	130,991	575,325
Nov. 10, 1915.....	210,470	336,448	160,476	707,394
Dec. 31, 1915.....	216,682	318,646	163,593	698,921
Mar. 7, 1916.....	235,675	354,011	183,293	772,979
May 1, 1916.....	240,188	341,627	184,385	766,200
June 30, 1916.....	202,266	317,528	175,132	694,926
Sept. 12, 1916.....	224,595	367,436	188,569	780,600
CASH ITEMS.				
[Exchanges, checks, bills of national and Federal reserve banks.]				
Oct. 21, 1913.....	176,420	98,037	66,765	341,222
Dec. 31, 1914.....	186,872	127,780	84,909	399,561
Nov. 10, 1915.....	277,047	121,167	79,584	477,798
Dec. 31, 1915.....	352,333	161,359	98,134	606,826
Mar. 7, 1916.....	247,607	117,567	77,997	443,171
May 1, 1916.....	488,550	178,202	86,823	753,575
June 30, 1916.....	352,816	149,501	81,207	583,524
Sept. 12, 1916.....	307,803	133,779	86,551	528,133

¹ Dec. 31, 1914, figures are initial payments or subscriptions to Federal reserve bank stock, computed upon the paid-in capital and surplus of the national banks; amounts not shown in the abstract.

[In thousands of dollars.]

Date.	Central reserve city banks.	Other reserve city banks.	Country banks.	Aggregate.
LAWFUL MONEY.				
Oct. 21, 1913.....	377, 132	243, 104	273, 264	893, 500
Dec. 31, 1914.....	255, 696	179, 064	228, 468	663, 228
Nov. 10, 1915.....	436, 220	180, 083	230, 522	846, 775
Dec. 31, 1915.....	403, 143	177, 373	227, 363	807, 879
Mar. 7, 1916.....	413, 523	185, 096	234, 394	833, 613
May 1, 1916.....	364, 986	178, 125	234, 344	777, 455
June 30, 1916.....	350, 294	173, 853	233, 856	758, 003
Sept. 12, 1916.....	326, 127	189, 563	252, 433	768, 123
AGGREGATE ASSETS.				
Oct. 21, 1913.....	2, 485, 195	3, 102, 543	5, 713, 820	11, 301, 558
Dec. 31, 1914.....	2, 599, 688	3, 154, 413	5, 602, 985	11, 357, 086
Nov. 10, 1915.....	3, 684, 992	3, 644, 370	5, 906, 969	13, 236, 331
Dec. 31, 1915.....	3, 802, 920	3, 685, 920	5, 979, 035	13, 467, 877
Mar. 7, 1916.....	3, 831, 109	3, 885, 881	6, 121, 691	13, 838, 681
May 1, 1916.....	4, 022, 879	3, 953, 329	6, 219, 387	14, 195, 595
June 30, 1916.....	3, 758, 521	3, 917, 469	6, 250, 878	13, 926, 868
Sept. 12, 1916.....	3, 812, 274	4, 103, 508	6, 495, 755	14, 411, 537
CAPITAL STOCK.				
Oct. 21, 1913.....	182, 650	263, 018	613, 735	1, 059, 403
Dec. 31, 1914.....	175, 900	230, 963	609, 088	1, 065, 951
Nov. 10, 1915.....	177, 290	283, 311	608, 048	1, 068, 649
Dec. 31, 1915.....	177, 330	283, 211	607, 509	1, 068, 050
Mar. 7, 1916.....	177, 350	282, 786	607, 153	1, 067, 289
May 1, 1916.....	177, 350	282, 916	607, 215	1, 067, 481
June 30, 1916.....	177, 350	282, 118	606, 581	1, 066, 049
Sept. 12, 1916.....	177, 550	282, 036	607, 979	1, 067, 565
SURPLUS AND UNDIVIDED PROFITS.				
Oct. 21, 1913.....	225, 640	254, 142	527, 796	1, 007, 578
Dec. 31, 1914.....	225, 359	262, 985	520, 517	1, 008, 861
Nov. 10, 1915.....	234, 091	268, 115	537, 908	1, 040, 114
Dec. 31, 1915.....	230, 131	264, 006	525, 684	1, 019, 821
Mar. 7, 1916.....	234, 940	267, 817	528, 521	1, 031, 278
May 1, 1916.....	235, 745	269, 523	536, 902	1, 042, 170
June 30, 1916.....	237, 608	268, 528	531, 103	1, 037, 239
Sept. 12, 1916.....	247, 524	275, 732	542, 045	1, 065, 301
CIRCULATION OUTSTANDING.				
Oct. 21, 1913.....	76, 978	163, 959	486, 142	727, 079
Dec. 31, 1914.....	87, 844	222, 655	538, 308	848, 807
Nov. 10, 1915.....	63, 634	172, 078	477, 754	713, 466
Dec. 31, 1915.....	63, 283	171, 858	478, 172	713, 313
Mar. 7, 1916.....	55, 123	165, 596	475, 126	695, 835
May 1, 1916.....	50, 902	160, 624	470, 719	682, 245
June 30, 1916.....	49, 418	159, 065	467, 633	676, 116
Sept. 12, 1916.....	48, 829	159, 278	466, 008	674, 115
DUE TO BANKS.				
[Federal reserve banks, reserve agents, and other banks and bankers.]				
Oct. 21, 1913.....	965, 229	918, 624	297, 183	2, 181, 036
Dec. 31, 1914.....	878, 377	755, 368	236, 026	1, 869, 771
Nov. 10, 1915.....	1, 467, 334	972, 339	269, 501	2, 709, 674
Dec. 31, 1915.....	1, 466, 397	987, 558	284, 477	2, 738, 432
Mar. 7, 1916.....	1, 588, 436	1, 160, 851	324, 799	3, 074, 086
May 1, 1916.....	1, 557, 164	1, 122, 059	316, 121	2, 995, 344
June 30, 1916.....	1, 357, 199	1, 051, 069	304, 672	2, 712, 940
Sept. 12, 1916.....	1, 405, 182	1, 165, 358	345, 123	2, 915, 663
DEMAND DEPOSITS.				
[Including dividends unpaid.]				
Oct. 21, 1913 ¹	992, 365	1, 304, 136	2, 683, 682	4, 980, 183
Dec. 31, 1914.....	1, 175, 524	1, 415, 490	2, 604, 461	5, 195, 475
Nov. 10, 1915.....	1, 618, 422	1, 660, 375	2, 793, 466	6, 071, 843
Dec. 31, 1915.....	1, 732, 997	1, 676, 071	2, 837, 469	6, 246, 537
Mar. 7, 1916.....	1, 628, 711	1, 689, 122	2, 904, 693	6, 222, 526
May 1, 1916.....	1, 836, 897	1, 774, 102	2, 942, 544	6, 553, 543
June 30, 1916.....	1, 763, 256	1, 792, 402	2, 938, 802	6, 494, 460
Sept. 12, 1916.....	1, 732, 132	1, 861, 526	3, 096, 254	6, 709, 912

¹Time and demand deposits computed from the total deposits, reported together, for October, in the same proportion as reported Dec. 31, 1914.

[In thousands of dollars.]

Date.	Central reserve city banks.	Other reserve city banks.	Country banks.	Aggregate.
TIME DEPOSITS.				
Oct. 21, 1913 ¹	15, 113	157, 588	1, 012, 091	1, 184, 792
Dec. 31, 1914.....	17, 922	171, 037	982, 263	1, 171, 222
Nov. 10, 1915.....	39, 781	215, 739	1, 120, 436	1, 375, 956
Dec. 31, 1915.....	45, 453	220, 637	1, 151, 327	1, 417, 417
Mar. 7, 1916.....	43, 494	233, 433	1, 218, 226	1, 495, 153
May 1, 1916.....	53, 492	250, 065	1, 282, 878	1, 586, 435
June 30, 1916.....	70, 756	265, 741	1, 333, 190	1, 669, 687
Sept. 12, 1916.....	71, 670	270, 373	1, 394, 723	1, 736, 766
TOTAL DEPOSITS.				
Oct. 21, 1913.....	1, 972, 707	2, 380, 348	3, 992, 956	8, 346, 011
Dec. 31, 1914.....	2, 071, 823	2, 341, 895	3, 822, 750	8, 236, 468
Nov. 10, 1915.....	3, 126, 037	2, 848, 453	4, 182, 983	10, 157, 473
Dec. 31, 1915.....	3, 244, 847	2, 884, 266	4, 273, 273	10, 402, 386
Mar. 7, 1916.....	3, 260, 641	3, 083, 406	4, 447, 718	10, 791, 765
May 1, 1916.....	3, 447, 553	3, 146, 226	4, 541, 543	11, 135, 322
June 30, 1916.....	3, 191, 211	3, 109, 212	4, 576, 664	10, 877, 087
Sept. 12, 1916.....	3, 228, 984	3, 297, 257	4, 836, 100	11, 362, 341
NOTES AND BILLS REDISCOUNTED.				
Oct. 21, 1913.....	749	2, 551	13, 216	16, 516
Dec. 31, 1914.....	8, 386	6, 732	20, 469	35, 587
Nov. 10, 1915.....	871	4, 292	37, 725	42, 888
Dec. 31, 1915.....	1, 801	4, 702	36, 027	42, 530
Mar. 7, 1916.....	2, 761	2, 996	25, 326	31, 083
May 1, 1916.....	1, 442	5, 844	24, 203	31, 489
June 30, 1916.....	377	5, 892	27, 017	33, 286
Sept. 12, 1916.....	12, 738	11, 108	27, 487	51, 333
BILLS PAYABLE.				
Oct. 21, 1913.....	7, 249	14, 315	62, 380	83, 944
Dec. 31, 1914.....	5, 860	15, 374	75, 622	96, 856
Nov. 10, 1915.....	3, 407	5, 424	51, 736	60, 567
Dec. 31, 1915.....	2, 732	6, 038	47, 116	55, 886
Mar. 7, 1916.....	1, 615	2, 799	26, 459	30, 873
May 1, 1916.....	1, 730	4, 295	26, 206	32, 231
June 30, 1916.....	1, 176	5, 767	23, 389	35, 332
Sept. 12, 1916.....	2, 538	4, 893	31, 068	38, 499
LETTERS OF CREDIT.				
Oct. 21, 1913.....				
Dec. 31, 1914.....				
Nov. 10, 1915.....	40, 268	34, 611	592	75, 471
Dec. 31, 1915.....	46, 450	40, 659	750	87, 859
Mar. 7, 1916.....	59, 623	44, 097	1, 451	105, 171
May 1, 1916.....	58, 617	42, 622	1, 414	102, 653
June 30, 1916.....	41, 752	42, 816	1, 375	85, 943
Sept. 12, 1916.....	42, 651	37, 316	1, 215	81, 182
ACCEPTANCES.				
Oct. 21, 1913.....				
Dec. 31, 1914.....				
Nov. 10, 1915.....	16, 634	10, 004	170	26, 808
Dec. 31, 1915.....	17, 909	13, 941	135	31, 985
Mar. 7, 1916.....	22, 124	20, 343	210	42, 677
May 1, 1916.....	33, 437	25, 645	754	59, 836
June 30, 1916.....	41, 797	26, 368	1, 138	69, 303
Sept. 12, 1916.....	45, 870	30, 110	623	76, 603

¹ Time and demand deposits computed from the total deposits, reported together, for October, in the same proportion as reported Dec. 31, 1914.

Reserve required and held by national banks, together with the excess or deficiency, 1913-1916.

[In thousands of dollars.]

Date.	Amount on which reserve is computed.	Reserve required.	Reserve held.				Total amount.	Per cent.	Excess.	Shortage.
			In banks.	With Federal reserve banks.	With reserve agents.	Redemption fund.				
NEW YORK.										
Oct. 21, 1913.....	1,079,965	269,991	271,648			2,338	273,986	25.37	3,995	
Dec. 31, 1914.....	1,276,159	229,709	207,530	101,315			308,845	24.20	79,136	
Nov. 10, 1915.....	2,116,397	380,951	373,154	168,423			541,577	25.58	160,626	
Dec. 31, 1915.....	2,141,606	385,489	339,442	160,168			499,610	23.33	114,121	
Mar. 7, 1916.....	2,163,727	389,471	343,797	169,605			513,402	23.73	123,931	
May 1, 1916.....	2,109,297	379,673	287,953	168,781			456,734	21.65	77,061	
June 30, 1916.....	2,019,982	363,597	283,908	158,998			447,906	22.17	84,309	
Sept. 12, 1916.....	2,047,213	368,498	261,466	161,468			422,934	20.66	54,436	
CHICAGO.										
Oct. 21, 1913.....	358,750	89,688	83,662			756	84,418	23.53		5,270
Dec. 31, 1914.....	338,898	61,002	38,793	24,957			63,750	18.81	2,748	
Nov. 10, 1915.....	418,492	75,329	53,600	34,932			88,532	21.16	13,203	
Dec. 31, 1915.....	424,570	76,423	52,647	33,858			86,505	20.37	10,082	
Mar. 7, 1916.....	482,742	86,894	58,617	37,570			96,187	19.93	9,293	
May 1, 1916.....	481,152	86,607	64,704	35,204			99,908	20.76	13,301	
June 30, 1916.....	464,386	83,590	50,071	35,083			85,154	18.34	1,564	
Sept. 12, 1916.....	493,956	88,912	53,863	41,453			95,316	19.30	6,404	
ST. LOUIS.										
Oct. 21, 1913.....	102,303	25,576	21,576			774	22,350	21.85		3,226
Dec. 31, 1914.....	85,481	15,387	9,372	7,288			16,660	19.49	1,273	
Nov. 10, 1915.....	92,320	16,618	9,466	8,421			17,887	19.38	1,269	
Dec. 31, 1915.....	95,740	17,233	11,054	8,024			19,078	19.93	1,845	
Mar. 7, 1916.....	111,948	20,150	11,109	10,538			21,647	19.33	1,497	
May 1, 1916.....	113,182	20,373	12,329	9,453			21,782	19.25	1,409	
June 30, 1916.....	112,197	20,195	11,315	9,177			20,492	18.26	297	
Sept. 12, 1916.....	118,547	21,338	10,798	13,259			24,057	20.29	2,719	

Reserve required and held by national banks, together with the excess or deficiency—Continued.

Date.	Amount on which reserve is computed.	Reserve required.	Reserve held.				Total amount.	Per cent.	Excess.	Shortage.
			In banks.	With Federal reserve banks.	With reserve agents.	Redemption fund.				
OTHER RESERVE CITIES.										
Oct. 21, 1913.....	1,915,160	478,790	242,317		227,908	8,190	478,415	24.98		375
Dec. 31, 1914.....	1,875,796	281,369	179,064	59,992	185,385		424,441	22.63	143,072	
Nov. 10, 1915.....	2,282,657	342,399	190,033	73,459	371,811		625,303	27.39	282,904	
Dec. 31, 1915.....	2,298,458	344,769	177,373	94,084	305,361		576,818	25.10	232,049	
Mar. 7, 1916.....	2,491,068	373,660	185,696	101,583	406,357		693,636	27.84	319,976	
May 1, 1916.....	2,497,636	374,644	178,125	99,232	350,948		628,305	25.15	253,661	
June 30, 1916.....	2,504,602	375,690	173,853	123,441	298,892		628,305	23.80	220,496	
Sept. 12, 1916.....	2,659,162	398,874	189,563	150,151	319,647		659,361	24.80	260,487	
COUNTRY BANKS.										
Oct. 21, 1913.....	3,715,984	557,398	270,430		320,138	23,751	614,319	16.53	56,921	
Dec. 31, 1914.....	3,091,992	371,157	228,469	67,908	398,279		694,656	22.46	323,499	
Nov. 10, 1915.....	3,346,796	401,747	230,522	80,951	524,018		835,491	24.96	433,744	
Dec. 31, 1915.....	3,405,440	408,794	227,363	107,851	529,031		864,245	25.38	455,451	
Mar. 7, 1916.....	3,533,020	424,096	234,394	111,899	616,285		962,578	27.24	538,482	
May 1, 1916.....	3,580,238	429,763	234,344	115,521	603,874		953,739	26.64	523,976	
June 30, 1916.....	3,600,345	432,181	233,856	149,404	543,498		926,758	25.75	494,577	
Sept. 12, 1916.....	3,883,443	466,164	252,433	164,697	616,692		1,033,822	26.62	567,658	
ALL NATIONAL BANKS.										
Oct. 21, 1913.....	7,172,162	1,421,443	889,633		548,046	35,809	1,473,488	20.54	52,045	
Dec. 31, 1914.....	6,668,326	958,624	663,228	261,460	533,664		1,508,352	22.61	549,728	
Nov. 10, 1915.....	8,256,662	1,217,044	846,775	366,186	895,829		2,108,790	25.54	891,746	
Dec. 31, 1915.....	8,365,814	1,232,708	807,879	403,985	834,392		2,046,256	24.46	813,548	
Mar. 7, 1916.....	8,782,505	1,294,271	833,613	431,195	1,022,642		2,287,450	26.05	993,179	
May 1, 1916.....	8,781,505	1,291,060	777,455	428,191	954,822		2,160,462	24.60	869,408	
June 30, 1916.....	8,701,512	1,275,253	758,003	476,103	842,390		2,076,496	23.86	801,243	
Sept. 12, 1916.....	9,202,321	1,343,786	768,123	531,028	936,339		2,235,490	24.29	891,704	

In connection with the foregoing statements there will be found in Volume 2 of this report tables relating to the development of banking as indicated by the returns from national and other banking institutions on a selected date in each year from 1875 to 1916. In these tables, the deposits, the loans, and the investments in bonds, etc., are classified, and the capital, surplus, and other profits, together with the aggregate amount of assets shown.

PRODUCTIVITY OF LOANS AND BOND INVESTMENTS OF NATIONAL BANKS.

Loans and discounts and investments in bonds and other securities by national banks, represent over seven-tenths of their assets and as they are the principal sources from which earnings are derived, it is of interest to note the productiveness of these investments, compared with gross earnings, by banks in each geographical division of the country.

The gross assets of the national banks on June 30, 1916, were \$13,926,868,000, and the investments in loans, bonds, and other securities \$9,984,644,000, or 71.69 per cent, while the gross earnings for the 12 months ending June 30, 1916, were \$590,642,051, or 4.24 per cent of the gross assets, or 5.92 per cent on loans and securities.

The lowest percentage of gross earnings to total investments was for banks in the Eastern States, being 5.35, while the highest, 8.08, was in the western division. The details for the country, by geographical divisions, are shown in the following table:

[In thousands of dollars.]

Divisions.	Loans (including overdrafts).	Bonds, etc.	Total investment.	Gross earnings.	Percent of gross earnings to total investment.
New England States	625,032	206,801	831,833	45,488	5.47
Eastern States	3,068,114	1,107,943	4,176,057	223,258	5.35
Southern States	896,727	212,140	1,108,867	78,309	7.06
Middle States	2,088,885	506,649	2,595,534	149,907	5.78
Western States	517,463	109,983	627,446	50,694	8.08
Pacific States	487,183	154,659	641,842	42,792	6.67
Hawaii	1,931	1,134	3,065	194	6.33
Total	7,685,335	2,299,309	9,984,644	590,642	5.92

EARNINGS AND DIVIDENDS OF NATIONAL BANKS.

The reports of earnings and dividends of national banks for the fiscal year ended June 30, 1916, indicate that the gross earnings of the banks were \$590,642,051, as against \$528,308,815 for the year ended June 30, 1915. It appears, however, that the net earnings of the banks for the same 12 months were \$157,543,547 as against \$127,094,700 for 1915, or an increase of about \$30,500,000, and that the dividends paid were \$114,724,594, as against \$113,707,065 in 1915. The average dividend rate on capital stock increased from 10.64 per cent in 1915 to 10.76 per cent in 1916. For the current year dividends based upon combined capital and surplus averaged 6.38 per cent, while the net earnings to capital and surplus averaged

8.76 per cent. The combined capital and surplus of the banks for 1916 was \$1,798,029,240, the percentage of surplus to capital being 68.64.

In Volume 2 of this report will be found the returns for the 12 months ended June 30, 1916, from the banks in each reserve city and State relating to their earnings and dividends, and also corresponding data for each year from March, 1870, to June 30, 1916.

In the accompanying statement is shown the number of banks, their capital, surplus, dividends paid, the percentage of surplus to capital, and the percentage of dividends to capital for each geographical division.

[In thousands of dollars.]

Divisions.	Number of banks.	Capital stock.	Surplus.	Per cent of surplus to capital.	Amount of dividends paid.	Per cent of dividends to capital.
New England States.....	419	95,847	65,327	68.16	8,148	8.50
Eastern States.....	1,647	332,204	337,572	101.62	40,906	12.31
Southern States.....	1,579	181,595	95,728	52.71	15,931	8.77
Middle States.....	2,103	292,538	155,059	53.00	29,915	10.23
Western States.....	1,288	73,514	35,442	48.21	10,840	14.74
Pacific States.....	530	89,876	42,392	47.17	8,936	9.94
Hawaii.....	5	635	300	47.25	48	7.51
Total.....	7,571	1,066,209	731,820	68.64	114,724	10.76

ORGANIZATION OF NATIONAL BANKS.

In the year ended October 31, 1916, applications for authority to organize 223 national banks were received, of which 141 were approved, and 16 rejected, the principal reasons for rejection being that the communities were amply provided with banking facilities; that there was insufficient business in the localities to make additional banks profitable; or because the investigations made by this office indicated that the standing of the applicants was not such as to warrant the granting of a charter to them. The remaining applications are held pending the submission of further information, or have been abandoned.

Since December 23, 1913, the date of the passage of the Federal Reserve Act, 758 applications have been received, 363 being for the conversion of State banks or for the reorganization of State or private banks as national banks and 395 for primary organization, of which 155 were received during the 12 months ended October 31, 1916.

BANKS CHARTERED SUBSEQUENT TO THE PASSAGE OF THE FEDERAL RESERVE ACT.

From December 23, 1913, to October 31, 1916, charters were issued to 449 banks, 297 of which were issued under the act of March 14, 1900, that is, to banks with capital of less than \$50,000 each, and 152 under the act of June 3, 1864, to banks with capital of \$50,000 or over.

While the Federal Reserve Act authorizes the chartering of banks without the deposit of bonds, 179 of the banks chartered during this period, and 30 during the past year, have deposited United States bonds to secure circulation and have become banks of issue.

During the current year charters were issued for 80 banks with capital of \$25,000 each, 11 with capital in excess of \$25,000 but less

than \$50,000, and 31 with capital of \$50,000 or more. Twenty-five of the minor banks and 5 of those with capital of \$50,000 or more deposited bonds and became banks of issue.

NATIONAL BANKS ORGANIZED AND CLOSED, 1863 TO OCTOBER 31, 1916.

Of the 10,918 banks chartered during the existence of the national banking system, 122 were chartered during the current year, with authorized capital of \$6,630,000. There are now in existence, of the total number chartered, 7,608 banks, 2,767 having gone into voluntary liquidation and 543 placed in charge of receivers. Since 1863 1,906 State banks, with capital at date of change of \$352,385,428, have been converted into national banks.

National banks organized, liquidated, and closed annually from 1863 to October 31, 1916, are shown in the following table:

Number and authorized capital of national banks organized and the number and capital of banks closed in each year ended October 31 since the establishment of the national banking system, with the yearly increase or decrease.

Year.	Organized.		Closed.				Net yearly increase.		Net yearly decrease.	
			In voluntary liquidation, including those consolidated with national and other banks.		Insolvent.					
	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.
1863.....	134	\$16,378,700	3	.....	.....	.....	134	\$16,378,700	.....	.....
1864.....	453	79,366,950	.....	.....	.....	.....	450	79,366,950	.....	.....
1865.....	1,014	242,542,982	6	\$330,000	1	\$50,000	1,007	242,162,982	.....	.....
1866.....	62	8,515,150	4	650,000	2	500,000	56	7,365,150	.....	.....
1867.....	10	4,260,300	12	2,190,000	7	1,370,000	.....	730,300	9	.....
1868.....	12	1,210,000	18	2,445,500	3	210,000	.....	.....	9	\$1,445,500
1869.....	9	1,500,000	17	3,372,719	1	50,000	.....	.....	9	1,922,710
1870.....	22	2,736,000	14	2,550,000	1	250,000	7	.....	.....	64,000
1871.....	170	19,519,000	11	1,450,000	.....	.....	159	18,069,000	.....	.....
1872.....	175	18,988,000	11	2,180,500	6	1,806,100	158	15,001,400	.....	.....
1873.....	68	7,602,700	21	3,524,700	11	3,825,000	36	253,000	.....	.....
1874.....	71	6,745,500	20	2,795,000	3	2,500,400	48	3,700,500	.....	.....
1875.....	107	12,104,000	38	3,820,200	5	1,000,000	64	7,283,800	.....	.....
1876.....	36	3,189,800	32	2,505,000	9	965,000	.....	.....	5	340,200
1877.....	29	2,589,000	26	2,539,500	10	3,344,000	.....	.....	7	3,294,500
1878.....	28	2,775,000	41	4,237,500	14	2,612,500	.....	.....	27	4,075,000
1879.....	38	3,595,000	33	3,750,000	8	1,230,000	.....	.....	3	1,385,000
1880.....	57	6,374,170	9	570,000	3	700,000	45	5,104,170	.....	.....
1881.....	86	9,651,050	26	1,920,000	.....	.....	60	7,731,050	.....	.....
1882.....	227	30,038,300	78	16,120,000	3	1,561,300	146	12,357,000	.....	.....
1883.....	262	28,654,350	40	7,736,000	2	2,250,000	220	20,668,350	.....	.....
1884.....	191	16,042,230	30	3,647,250	11	1,285,000	150	11,109,980	.....	.....
1885.....	145	16,938,000	85	17,856,590	4	600,000	56	.....	.....	1,518,590
1886.....	174	21,358,000	25	1,651,100	8	650,000	141	19,056,900	.....	.....
1887.....	225	30,546,000	25	2,537,450	8	1,550,000	192	26,458,550	.....	.....
1888.....	132	12,053,000	34	4,171,000	8	1,900,000	90	5,982,000	.....	.....
1889.....	211	21,240,000	41	4,318,000	2	250,000	168	16,674,000	.....	.....
1890.....	307	36,250,000	50	5,050,000	9	750,000	248	30,450,000	.....	.....
1891.....	193	20,700,000	41	4,485,000	25	3,622,000	127	12,593,000	.....	.....
1892.....	163	15,285,000	53	6,157,500	17	2,450,000	93	6,677,500	.....	.....
1893.....	119	11,230,000	46	6,035,000	65	10,910,000	8	.....	.....	5,715,000
1894.....	50	5,285,000	79	10,475,000	21	2,770,000	.....	.....	50	7,960,000
1895.....	43	4,890,000	49	6,093,100	36	5,235,020	.....	.....	42	6,338,120
1896.....	28	3,245,000	37	3,745,000	27	3,805,000	.....	.....	36	4,405,000
1897.....	44	4,420,000	70	9,659,000	38	5,831,500	.....	.....	63	11,090,500
1898.....	56	9,665,000	69	12,509,000	7	1,200,000	.....	.....	19	4,044,000
1899.....	78	16,470,000	64	24,335,000	12	8,850,000	2	.....	.....	8,715,000
1900.....	383	19,960,000	43	12,474,950	6	1,800,000	334	5,685,050	.....	.....
1901.....	394	21,554,500	39	7,415,000	11	1,760,000	344	12,379,500	.....	.....
1902.....	470	31,130,000	71	22,190,000	2	450,000	397	8,490,000	.....	.....
1903.....	553	34,333,500	72	30,720,000	12	3,480,000	469	133,500	.....	.....
1904.....	431	21,019,300	65	20,285,000	20	1,535,000	346	.....	.....	800,700

Number and authorized capital of national banks organized and the number and capital of banks closed in each year ended October 31 since the establishment of the national banking system, with the yearly increase or decrease—Continued.

Year.	Organized.		Closed.				Net yearly increase.		Net yearly decrease.	
			In voluntary liquidation, including those consolidated with national and other banks.		Insolvent.					
	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.
1905.....	506	\$33,532,500	121	\$24,409,500	22	\$2,035,000	363	\$7,088,000	.....	.....
1906.....	455	21,413,500	81	13,223,000	8	680,000	366	7,510,500	.....	.....
1907.....	516	34,967,000	84	11,745,000	7	775,000	425	22,447,000	.....	.....
1908.....	326	22,823,000	80	12,415,000	24	6,560,000	222	3,848,000	.....	.....
1909.....	309	22,830,000	149	14,225,850	9	768,500	151	7,835,500	.....	.....
1910.....	311	30,760,000	113	29,123,500	6	875,000	192	761,500	.....	.....
1911.....	214	12,840,000	98	11,010,000	3	275,000	113	1,555,000	.....	.....
1912.....	188	16,080,000	83	21,605,250	8	1,100,000	97	.....	.....	\$6,625,250
1913.....	172	10,175,000	80	14,571,010	6	4,350,000	86	.....	.....	8,746,010
1914.....	195	18,675,000	113	26,487,000	21	1,810,000	61	.....	.....	9,622,000
1915.....	144	9,689,500	82	13,795,000	14	1,830,000	48	.....	.....	5,935,500
1916.....	122	6,630,000	135	14,828,000	13	805,000	.....	.....	.....	9,003,000
Aggregate. Deduct decrease.....	10,918	1,122,365,982	2,767	487,962,660	2579	94,540,920	7,879	642,907,982	307	103,045,580
Net increase. Add for banks restored to solvency.....	.....	.....	.....	.....	.....	.....	307	103,045,580	.....	.....
Total net increase.....	.....	.....	.....	.....	.....	.....	7,572	539,862,402	.....	.....
	.....	.....	.....	.....	.....	.....	36	10,485,000	.....	.....
	.....	.....	.....	.....	.....	.....	7,608	550,347,402	.....	.....

¹ The net decrease during the year was 24 banks, with capital of \$8,923,000, as 2 insolvent banks with capital of \$90,000 were restored to solvency by their shareholders and permitted to resume.

² Includes 36 banks restored to solvency.

³ The total authorized capital stock on Oct. 31 was \$1,074,853,375; the paid-in capital, \$1,074,485,134, including the capital stock of liquidating and insolvent banks which have not deposited lawful money for the retirement of their circulating notes.

NATIONAL BANKS ORGANIZED DURING THE LAST YEAR AND SINCE 1900.

In addition to the capital of new banks organized during the 12 months ended October 31, 1916, the banks organized prior thereto increased their capital during the period \$12,255,000, making the gross increase for the year \$18,885,000. Taking into consideration reductions of capital, voluntary liquidations, and failures, the net increase was \$2,027,000, the authorized capital stock of all banks at the close of the year standing at \$1,074,853,375.

Since March 14, 1900, the date of the act authorizing the organization of banks with minimum capital of \$25,000, charters have been granted to 5,654 associations, with authorized capital of \$365,932,800, of which 3,610, with aggregate capital of \$94,150,000, were organized under the act of that date generally with individual capital of \$25,000, although a limited number of banks were organized with capital in excess of \$25,000, but all less than \$50,000. The average capital, however, of banks of this class was slightly in excess of \$26,080.

During the same period 2,044 national banks were organized under the act of 1864, the aggregate capitalization being \$271,782,800 and the individual capital \$50,000 or over—the approximate average being \$133,000 each.

STATE BANKS CONVERTED INTO NATIONAL.

Further classifying these banks, it appears that 987 were *conversions* of State banks, capital \$73,165,300; 1,670 *reorganizations* of State or private banks, capital \$122,602,000; and 2,997, with capital of \$170,165,500, *primary* organizations.

In the following table will be found a classification of banks organized from March 14, 1900, to October 31, 1916, based upon capital stock, together with the number of banks and their reported capital on September 12, 1916, by States and geographical divisions.

Summary, by State, geographical divisions, and classes, of national banks organized from Mar. 14, 1900, to Oct. 31, 1916, and the paid-in capital stock of all reporting national banks on Sept. 12, 1916.

States, etc.	Capital, \$25,000.		Capital over \$25,000 and less \$50,000.		Capital, \$50,000 and over.		Total organiza-tions.		National banks reporting Sept. 12, 1916.	
	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital paid in.
<i>New England States.</i>										
Maine.....	5	\$125,000			7	\$385,000	12	\$510,000	67	\$7,415,000
New Hampshire.....	4	100,000	1	\$30,000	2	200,000	7	330,000	56	5,285,000
Vermont.....	5	125,000			2	150,000	7	275,000	48	4,985,000
Massachusetts.....	2	50,000			19	4,450,000	21	4,500,000	155	52,143,000
Rhode Island.....					1	500,000	1	500,000	17	5,570,000
Connecticut.....	5	125,000			6	750,000	11	875,000	71	19,949,000
Total.....	21	525,000	1	30,000	37	6,435,000	59	6,990,000	414	95,347,000
<i>Eastern States.</i>										
New York.....	126	3,150,000	10	317,500	108	19,870,000	244	23,337,500	478	167,911,000
New Jersey.....	62	1,550,000	8	240,000	44	3,710,000	114	5,500,000	201	22,127,000
Pennsylvania.....	239	5,975,000	24	807,000	232	24,790,000	495	31,572,000	834	117,805,000
Delaware.....	6	150,000	3	95,000			9	245,000	24	1,664,000
Maryland.....	32	800,000	5	172,000	13	1,480,000	50	2,452,000	96	15,730,000
District of Columbia.....					7	2,175,000	7	2,175,000	14	7,177,000
Total.....	465	11,625,000	50	1,631,500	404	52,025,000	919	65,281,500	1,647	332,414,000
<i>Southern States.</i>										
Virginia.....	60	1,500,000	14	501,000	51	5,740,000	125	7,741,000	144	19,037,000
West Virginia.....	42	1,050,000	15	525,000	44	3,565,000	101	5,140,000	117	10,067,000
North Carolina.....	26	650,000	6	195,000	36	3,885,000	68	4,730,000	81	8,946,000
South Carolina.....	21	525,000	3	102,000	43	4,625,000	67	5,252,000	75	9,217,000
Georgia.....	27	675,000	21	715,000	55	5,250,000	103	6,640,000	110	14,543,000
Florida.....	11	275,000	7	225,000	32	5,775,000	50	6,275,000	55	7,260,000
Alabama.....	38	950,000	12	379,500	41	3,985,000	91	5,314,500	90	10,595,000
Mississippi.....	9	225,000	4	125,000	28	2,565,000	41	2,915,000	36	3,925,000
Louisiana.....	15	375,000	1	30,000	24	4,610,000	40	5,015,000	32	7,810,000
Texas.....	252	6,300,000	93	2,998,500	164	20,985,000	509	30,283,500	532	53,795,000
Arkansas.....	30	750,000	3	95,000	36	2,730,000	69	3,575,000	67	5,521,000
Kentucky.....	55	1,375,000	7	230,000	36	5,370,000	98	6,975,000	137	17,051,000
Tennessee.....	39	975,000	9	270,000	42	4,945,000	90	6,190,000	112	14,200,000
Total.....	625	15,625,000	195	6,391,000	632	74,030,000	1,452	96,046,000	1,588	181,967,000
<i>Middle Western States.</i>										
Ohio.....	111	2,775,000	19	658,000	91	13,075,000	221	16,508,000	373	62,589,000
Indiana.....	94	2,350,000	16	513,000	75	10,950,000	185	13,813,000	256	28,298,000
Illinois.....	183	4,575,000	21	733,500	103	15,100,000	307	20,408,500	471	76,190,000
Michigan.....	20	500,000	6	190,000	31	11,065,000	57	11,755,000	106	17,720,000
Wisconsin.....	45	1,125,000	5	160,000	32	3,650,000	82	4,935,000	137	18,425,000
Minnesota.....	192	4,800,000	18	566,000	33	5,250,000	243	10,616,000	283	29,451,000
Iowa.....	125	3,125,000	24	810,000	73	4,470,000	222	8,405,000	353	24,289,000
Missouri.....	38	950,000	16	510,000	45	16,710,000	99	18,170,000	132	36,410,000
Total.....	808	20,200,000	125	4,140,500	483	80,270,000	1,416	104,610,500	2,111	293,372,000

Summary, by State, geographical divisions, and classes, of national banks organized from Mar. 14, 1900, to Oct. 31, 1916, and the paid-in capital stock of all reporting national banks on Sept. 12, 1916—Continued.

States, etc.	Capital, \$25,000.		Capital over \$25,000 and less \$50,000.		Capital, \$50,000 and over.		Total organiza-tions.		National banks reporting Sept. 12, 1916.	
	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital paid in.
<i>Western States.</i>										
North Dakota.....	136	\$3,400,000	7	\$215,000	11	\$600,000	154	\$4,215,000	156	\$5,775,000
South Dakota.....	88	2,200,000	6	190,000	16	1,100,000	110	3,490,000	125	5,276,000
Nebraska.....	104	2,600,000	20	715,000	39	3,395,000	163	6,710,000	193	14,445,000
Kansas.....	103	2,575,000	12	420,000	34	2,660,000	149	5,655,000	221	12,977,000
Montana.....	40	1,000,000	6	195,000	18	1,640,000	64	2,835,000	72	5,788,000
Wyoming.....	15	375,000	2	70,000	12	675,000	29	1,120,000	36	2,040,000
Colorado.....	57	1,425,000	13	426,000	38	3,310,000	108	5,161,000	121	10,455,000
New Mexico.....	25	625,000	4	125,000	11	625,000	40	1,375,000	37	2,315,000
Oklahoma.....	378	9,450,000	32	1,040,000	74	5,855,000	484	16,345,000	335	15,005,000
Total.....	946	23,650,000	102	3,396,000	253	19,860,000	1,301	46,906,000	1,296	74,076,000
<i>Pacific States.</i>										
Washington.....	38	950,000	2	70,000	35	3,795,000	75	4,815,000	77	11,460,000
Oregon.....	36	900,000	3	91,000	27	2,295,000	66	3,286,000	82	10,066,000
California.....	126	3,150,000	6	190,000	132	28,412,800	264	31,752,800	263	58,488,000
Idaho.....	35	875,000	6	200,000	17	1,210,000	58	2,285,000	57	3,600,000
Utah.....	7	175,000	1	30,000	6	1,275,000	14	1,480,000	23	3,355,000
Nevada.....	3	75,000	.....	.....	9	1,225,000	12	1,300,000	10	1,435,000
Arizona.....	4	100,000	1	30,000	5	250,000	10	380,000	13	1,225,000
Alaska.....	1	25,000	.....	.....	1	50,000	2	75,000	3	125,000
Total.....	250	6,250,000	19	611,000	232	33,512,800	501	45,373,800	523	89,754,000
<i>Island possessions.</i>										
Hawaii.....	3	75,000	.....	.....	2	550,000	5	625,000	5	635,000
Porto Rico.....	.....	.....	.....	.....	1	100,000	1	100,000	.....	.....
Total.....	3	75,000	.....	.....	3	650,000	6	725,000	5	635,000
Grand total.....	3,118	77,950,000	492	16,200,000	2,044	271,782,800	5,654	365,982,800	7,589	1,067,565,000

The number and capital, by classes, of conversions, reorganizations, and primary organizations, are shown in the following table:

Summary, by classes, of national banks organized from Mar. 14, 1900, to Oct. 31, 1916.

Classification.	Conversions.		Reorganizations.		Primary organizations.		Total.	
	Num-ber.	Capital.	Num-ber.	Capital.	Num-ber.	Capital.	Num-ber.	Capital.
Capital less than \$50,000.....	580	\$15,412,500	1,044	\$27,652,000	1,986	\$51,085,500	3,610	\$94,150,000
Capital \$50,000 or over.....	407	57,752,800	626	94,950,000	1,011	119,080,000	2,044	271,782,800
Total.....	987	73,165,300	1,670	122,602,000	2,997	170,165,500	5,654	365,982,800

Number of national banks organized in each month from Mar. 14, 1900, to Oct. 31, 1916.

Months.	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916
January.....	36	40	34	36	45	45	40	32	28	28	12	16	16	10	19	9	
February.....	31	28	50	35	39	41	42	36	20	29	13	14	16	9	19	9	
March.....	6	35	41	56	42	50	41	50	39	22	37	39	19	16	10	9	8
April.....	46	30	50	51	46	42	43	46	34	26	26	28	15	25	25	13	7
May.....	66	54	50	47	42	49	45	52	33	24	21	20	22	23	24	11	16
June.....	95	40	42	58	43	48	42	55	21	44	40	21	14	14	21	9	10
July.....	46	41	38	43	22	37	32	40	37	28	19	13	16	12	21	6	10
August.....	44	27	42	36	38	44	33	39	20	32	12	15	15	11	13	15	16
September.....	20	23	38	31	32	35	31	46	14	24	27	15	20	13	23	12	13
October.....	25	27	33	57	43	36	41	38	18	22	22	8	15	6	24	11	10
November.....	21	32	36	20	36	23	27	19	21	23	12	11	6	6	6	10	.....
December.....	29	36	54	32	45	38	41	23	18	27	18	11	14	9	14	4	.....
Total..	398	412	492	515	460	486	462	490	323	320	291	206	186	167	200	138	108

Number and classification of national banks organized during the year ended Oct. 31, 1916.

Months.	Conversions.		Reorganizations.		Primary organi- zations.		Total.	
	Num- ber.	Capital.	Num- ber.	Capital.	Num- ber.	Capital.	Num- ber.	Capital.
November.....	6	\$230,000	2	\$125,000	2	\$50,000	10	\$405,000
December.....	2	65,000	.....	.....	2	50,000	4	115,000
January.....	5	130,000	3	550,000	1	25,000	9	705,000
February.....	4	105,000	.....	.....	5	325,000	9	430,000
March.....	5	600,000	1	25,000	2	50,000	8	675,000
April.....	2	75,000	.....	.....	5	175,000	7	250,000
May.....	6	220,000	1	25,000	9	250,000	16	495,000
June.....	4	130,000	.....	.....	6	400,000	10	530,000
July.....	3	150,000	3	625,000	4	125,000	10	900,000
August.....	2	55,000	1	40,000	13	900,000	16	995,000
September.....	4	250,000	1	25,000	8	495,000	13	770,000
October.....	.....	.....	3	150,000	7	210,000	10	360,000
Total.....	43	2,010,000	15	1,565,000	64	3,055,000	122	6,630,000

CHANGES OF TITLE AND LOCATION OF NATIONAL BANKS.

Under the law any national bank, upon authorization by shareholders representing two-thirds of the stock and with the approval of the Comptroller of the Currency, may change its corporate title, or its location to a place not exceeding 30 miles distant, within the same State. Ten changes of this character occurred during the past year, a list of the banks concerned being submitted herewith.

Changes of corporate title and location.

No.	Title and location.	Date.
893	The First National Bank of Saratoga Springs, N. Y., to "Saratoga National Bank of Saratoga Springs"	1915.
10162	The First National Bank of Soldier, Idaho, to "The First National Bank of Fairfield," Idaho	Nov. 4 Nov. 12
5545	The Peoples National Bank of Gallatin, Tenn., to "First and Peoples National Bank of Gallatin"	1916.
7705	The American National Bank of Monrovia, Cal., to "The National Bank of Monrovia"	Jan. 22
498	The Granite National Bank of Augusta, Me., to "First National Granite Bank of Augusta"	Feb. 4
4331	The First National Bank of Canal Dover, Ohio, to "The First National Bank of Dover"	Mar. 27
4293	The Exchange National Bank of Canal Dover, Ohio, to "The Exchange National Bank of Dover"	June 8
8460	The New Farley National Bank of Montgomery, Ala., to "The Capital National Bank of Montgomery"	June 16
6497	The Woods-Rubey National Bank of Golden, Colo., to "The Rubey National Bank of Golden"	Aug. 25
1413	The Merchants-Mechanics National Bank of Baltimore, Md., to "The Merchants-Mechanics First National Bank of Baltimore"	Sept. 1 Oct. 13

FOREIGN BRANCHES OF NATIONAL BANKS.

Under section 25 of the Federal Reserve Act, as amended, the Board has authority to approve the application of any national bank possessing a capital and surplus of \$1,000,000 or more to establish branches in foreign countries or dependencies or insular possessions of the United States for the furtherance of foreign commerce, and to act as required to do so as fiscal agents of the United States Government.

The Federal Reserve Board also may approve the application of any national bank possessing a capital and surplus of \$1,000,000 or more to invest an amount not exceeding in the aggregate 10 per cent of its paid-in capital and surplus in the stock of any banks or corporations incorporated under the laws of the United States or any State thereof and principally engaged in international or foreign banking, or banking in any of the dependencies or insular possessions of the United States. The business of such international corporations must be conducted upon conditions and under regulations prescribed by the Federal Reserve Board.

The Federal Reserve Board has authorized the National City Bank of New York to establish the following foreign branches and sub-branches:

Branch at Buenos Aires, Argentine Republic: Subbranch at Montevideo, Uruguay.

Branch at Valparaiso, Chile: Subbranches at Antofagasta and Santiago, Chile.

Branch at Rio de Janeiro, Brazil: Subbranches at Santos, Sao Paulo, Pernambuco, Para, and Bahia, Brazil.

Branch at Habana, Cuba: Subbranches at Santiago, Matanzas, Cienfuegos, Guantanamo, Camaguey, Cardenas, Manzanillo, Cuba; Kingston, Jamaica; and Santo Domingo, Santo Domingo.

Branch at Petrograd: Subbranches at Moscow, Odessa, Warsaw, Riga, Baku, Astrakhan, Vladivostok, Sebastopol, Helsingfors, and Vilna, Russia.

Branch at Genoa, Italy: Subbranches at Turin, Milan, Venice, Florence, Rome, Naples, and Palermo, Italy.

Under like authorization the Commercial National Bank of Washington, D. C., has established branches at Panama City and Cristobal. The principal assets and liabilities of the branches reporting, in June, 1916, were as follows (in thousands of dollars):

	Foreign branches of the National City Bank of New York, N. Y.							Foreign branches of the Commercial National Bank of Washington, D. C.	
	West Indian branch, Habana, Cuba.	Santiago de Cuba.	Buenos Aires, Argentine.	Montevideo, Uruguay.	Rio de Janeiro, Brazil.	Santos, Brazil.	Sao Paulo, Brazil.	Cristobal.	Panama.
ASSETS.									
Loans and discounts (including overdrafts).....	1,771	112	12,432	826	6,377	25	2,040	153	250
Bonds.....	19								50
Due from home office.....	1,714					131			
Due from branches.....					72				
Due from other banks.....	317	2	3,420	385	3,474	1,394	1,612	102	578
Checks and cash items.....	118		55		181	19	60	2	14
Cash.....	440	30	922	121	1,663	272	539	48	176
Letters of credit and acceptances.....	186		44	2		4	486		
Other assets.....	1		19	34	232	79	3	29	38
Aggregate resources.....	4,566	144	16,892	1,368	11,999	1,924	4,740	314	1,106
LIABILITIES.									
Capital.....	1,000		1,000	250	740			(¹)	(¹)
Profits.....	39		282	35			4		1
Due to branches.....					94	233			
Due to home office.....					1,495				
Due to other banks.....	195		4,658	480	1,392	32	2,575	41	48
Individual deposits.....	3,200	142	10,792	593	3,763	1,416	1,189	273	1,002
Bills payable.....					4,501	239	486		
Letters of credit and acceptances.....	120	1	80	9		4	486		55
Other liabilities.....	12	1	80	1	14				

¹ Report for June 16, 1916.

² Includes \$6,000 furniture and fixtures.

³ Includes \$13,000 furniture and fixtures.

⁴ Amount to be set aside when required, \$100,000.

VOLUNTARY LIQUIDATION OF NATIONAL BANKS.

Any national bank may be placed in voluntary liquidation by shareholders representing at least two-thirds of the stock. (Sec. 5220, R. S.) Meetings of shareholders for this purpose are called in conformity with the requirements of the articles of association, at which, in addition to adopting a resolution for the liquidation, provisions are made where practicable, either for immediate liquidation of the assets, and settlement with creditors and shareholders, or the appointment of a liquidating agent to settle the affairs of the bank as speedily as possible in the interest of both creditors and shareholders.

Liquidations during the past year numbered 135, the capital of the banks being \$14,828,000. Of these banks 25, with capital of \$5,170,000, were absorbed by other national banks; 15, with capital of \$2,315,000, consolidated with other national banks; 23, with capital of \$2,458,000, were absorbed by or consolidated with State banks and trust companies; 62, with capital of \$4,120,000, liquidated and reorganized as State banks; and 10, with combined capital of \$765,000, liquidated for the purpose of discontinuing business.

It thus appears that 40 banks, with an aggregate capital of \$7,485,000, liquidated for the purpose of consolidating their business with other national banks, which in many instances increased their capital stock and otherwise enlarged and strengthened their business and reduced expenses proportionately.

The principal reasons given for 85 liquidations, carrying with them an aggregate capital stock of \$6,578,000, were to enable the liquidating banks to reorganize under State charters, in order that they might devote themselves to a trust and fiduciary business under State laws, and in some cases take advantage of the State guaranty laws, the greater latitude in regard to real estate and other loans, and the permission granted by the laws of some of the States to operate domestic branches and agencies.

Another reason assigned by some for liquidation was the policy of the Comptroller's office in enforcing the law, especially as to usurious interest rates. Ten banks with capital of \$765,000 claimed that the banking business was not of sufficient volume to be profitable to shareholders and therefore decided to liquidate.

In the following table is shown the number of national banks in each State reported in voluntary liquidation during the year ended October 31, classified according to the principal reasons given for liquidating:

Liquidations reported for the year ended Oct. 31, 1916, by States and geographical divisions, classified according to the principal reasons, where given, for liquidating or leaving the national system.

States.	Consolidated with or absorbed by other national banks.	Trust business.	State deposit guaranty laws.	Wider latitude of State bank laws.	Real estate loans.	Restrictions of national banking and Federal reserve laws and office regulations.	Insufficient business.	No reason given.	Total voluntary liquidations.
Maine.....	1	1					1		3
Massachusetts.....	3	5			2	2		1	13
Rhode Island.....						1			1
Connecticut.....	1	2							3
Total New England States.....	5	8			2	3	1	1	20
New York.....	2	4			1		1	1	9
New Jersey.....		3		1					4
Pennsylvania.....	2	1					2		5
Maryland.....	1				1				2
Total Eastern States..	5	8		1	2		3	1	20
West Virginia.....		1							1
North Carolina.....				1	1				2
South Carolina.....	1					1			2
Georgia.....	1			1			4		6
Florida.....						1			1
Alabama.....	1					1	2		4
Louisiana.....	1								1
Texas.....	2		3				1	1	7
Kentucky.....				2	1		2		5
Tennessee.....	2					2		1	5
Total Southern States..	8	1	3	4	2	5	9	2	34
Ohio.....	1								1
Indiana.....		1			1				2
Illinois.....					1	1			2
Michigan.....				1					1
Minnesota.....							1		1
Missouri.....						1			1
Total Middle States....	1	1		1	2	2	1		8
Nebraska.....			13	1			2	1	17
Montana.....		1							1
Colorado.....	2								2
Oklahoma.....	11			1			6	1	19
Total Western States..	13	1	13	2			8	2	39
Washington.....				1					1
Oregon.....	3				1				4
California.....	5			1			1		7
Idaho.....						1			1
Arizona.....				1					1
Total Pacific States....	8			3	1	1	1		14
Total of United States..	40	19	16	11	9	11	23	6	135

FAILURES AND SUSPENSIONS OF NATIONAL BANKS.

Thirteen national banks with aggregate capital of \$805,000 were placed in charge of receivers during the year ended October 31, 1916, and one of these banks with capital of \$50,000, was restored to solvency and authorized to resume business. The combined capital of the 12 insolvent national banks was \$755,000 and their liabilities to depositors and other creditors at date of failure were \$2,772,088. In the fiscal year 1915 ten banks failed with aggregate capital of \$1,750,000 and liabilities of \$11,737,414.

The date that each bank was authorized to commence business, date of the appointment of the receiver, during the past year, the capital stock, and the circulation issued, redeemed and outstanding, are shown in the following table:

Title and location of bank.	Charter No.	Date of authority to commence business.	Date of appointment of receiver.	Capital stock.	Circulation.		
					Issued.	Re-deemed.	Out-standing.
Citizens National Bank, Arlington, Tex.....	5806	May 11, 1901	Nov. 6, 1915	\$50,000	\$25,000	\$8,360	\$16,640
Merchants and Farmers National Bank, Cisco, Tex.....	7360	Aug. 13, 1904	Nov. 12, 1915	50,000	50,000	21,150	28,850
First National Bank, Bristol, S. Dak.....	8480	Dec. 21, 1906	Nov. 17, 1915	25,000	25,000	10,910	14,090
First National Bank, Toocoo, Ga.....	6687	Mar. 25, 1903	Nov. 22, 1915	75,000	74,200	38,850	35,350
First National Bank, New Richmond, Ohio.....	1068	Apr. 27, 1865	Nov. 30, 1915	80,000	80,000	30,285	49,715
First National Bank, Casselton, N. Dak. ¹	2792	Oct. 11, 1882	Dec. 6, 1915	50,000	50,000	7,950	42,050
First National Bank, Wartrace, Tenn.....	9627	Jan. 6, 1910	Dec. 22, 1915	50,000	24,600	9,420	15,180
Fourth National Bank, Fayetteville, N. C.....	8682	May 10, 1907	Feb. 14, 1916	100,000	100,000	48,675	51,325
Ben Hill National Bank, Fitzgerald, Ga. ²	8966	Dec. 17, 1907	Mar. 6, 1916	50,000	35,000	14,695	20,305
First National Bank, Como, Tex.....	9931	Feb. 11, 1911	Mar. 7, 1916	25,000	10,000	3,060	6,940
First National Bank, Citronelle, Ala.....	6835	June 13, 1903	Mar. 25, 1916	25,000	24,700	6,400	18,300
American National Bank, Fort Smith, Ark.....	3634	Feb. 7, 1887	Apr. 1, 1916	200,000	195,597	71,035	124,562
First National Bank, Aspinwall, Pa.....	8824	Aug. 6, 1907	Sept. 7, 1916	25,000	24,500	2,600	21,900
Total (13 banks).....				805,000	718,597	273,390	445,207

¹ Restored to solvency.

² Second failure; formerly Third National Bank.

The first failure of a national bank was in 1865; from that date until the close of business on October 31, 1916, the number of such banks placed in charge of receivers increased to 579. Of this number, however, 36 were subsequently restored to solvency and permitted to resume business. The total capital of these failed banks was \$94,540,920, while the book, or nominal, value of the assets administered by receivers under the supervision of this bureau aggregated \$391,407,860, and the total cash realized from the liquidation of these assets was \$195,595,312. In addition to this amount, however, there has been realized from assessments of \$49,605,740 levied against stockholders the sum of \$23,468,194, making the total cash collections from all sources \$219,063,506, which have been disbursed as follows:

In dividends to creditors on claims proved, amounting to \$205,320,819, the sum of.....	\$153, 186, 201
In payment of loans and other disbursements discharging liabilities of the bank other than those of the general creditors.....	45, 196, 695
In payment of legal expenses incurred in the administration of such receiverships.....	5, 596, 525
In payment of receivers' salaries and other expenses of receiverships....	9, 957, 368
There has been returned to shareholders in rebates on assessments levied.	3, 663, 484
Leaving a balance in the hands of the Comptroller and the receivers of..	1, 463, 233
Total.....	219, 063, 506

In addition to the funds thus distributed, there had been returned, at the close of business on October 31, 1916, to agents for shareholders, to be liquidated for their benefit, assets having a nominal value of \$14,732,463.

The assets of the 52 national banks that are still in charge of receivers have a book, or nominal, value of \$53,807,750. The receivers had realized from these assets at the close of business on October 31, 1916, the sum of \$26,105,443, and had collected from the shareholders on account of assessments levied against them to cover deficiencies in assets the further sum of \$2,122,075, making the total collections from all sources in the liquidation of current or active receiverships the sum of \$28,227,518, which amount has been disbursed as follows:

Dividends to creditors.....	\$19, 693, 170
Loans paid and other disbursements discharging liabilities of the bank other than those of the general creditors.....	4, 960, 159
Legal expenses.....	577, 795
Receivers' salaries and all other expenses of administration.....	1, 049, 518
Returned to shareholders on account of rebates on assessments.....	525, 043
Leaving a balance in the hands of the Comptroller and the receivers of..	1, 421, 833
Total.....	28, 227, 518

The collections from the assets of the 527 national banks, the affairs of which have been finally closed, amounted to \$169,489,869, and, together with the collections of \$21,346,119 from assessments levied against the shareholders, make a total of \$190,835,988, from which, on claims proved aggregating \$175,144,631, dividends amounting to \$133,493,031 were paid.

The average rate of dividends paid on claims proved was 76.22 per cent, but, including offsets allowed, loans paid, and other disbursements with dividends, creditors received on an average 83.06 per cent. The expenses incident to the administration of these 527 trusts—that is, receivers' salaries and legal and other expenses—amounted to \$13,926,580, or 4.13 per cent of the nominal value of the assets and 7.30 per cent of the collections from assets and from shareholders. The outstanding circulation of these banks at the date of failure was \$26,338,794, which was secured by United States bonds on deposit in the Treasury of the face value of \$28,576,900. The assessments against shareholders averaged 50.94 per cent of their holdings, while the collections from the assessments levied was 47.80 per cent of the amount assessed. The total amount disbursed during the current year to the creditors of 41 of the insolvent banks, in the 55 dividends declared, was \$3,007,209.

In the table following is summarized the condition of all insolvent national banks, the closed and active receiverships being shown separately:

Items.	Closed receiverships, 527. ¹	Active receiverships, 52.	Total, 579.
Total assets taken charge of by receivers.....	\$337,600,110	\$53,807,750	\$391,407,860
Disposition of assets:			
Offsets allowed and settled.....	30,447,156	4,172,711	34,619,867
Loss on assets compounded or sold under order of court.....	118,727,468	6,521,639	125,249,107
Nominal value of assets returned to stockholders.....	14,732,463	.....	14,732,463
Nominal value of remaining assets.....	4,203,154	17,007,957	21,211,111
Collected from assets.....	169,489,869	26,105,443	195,595,312
Total.....	337,600,110	53,807,750	391,407,860
Collected from assets as above.....	169,489,869	26,105,443	195,595,312
Collected from assessment upon shareholders.....	21,346,119	2,122,075	23,468,194
Total collections.....	190,835,988	28,227,518	219,063,506
Disposition of collections:			
Loans paid and other disbursements.....	40,236,536	4,960,159	45,196,695
Dividends paid.....	133,493,031	19,693,170	153,186,201
Legal expenses.....	5,018,730	577,795	5,596,525
Receivers' salaries and other expenses.....	8,907,850	1,049,518	9,957,368
Balance in hands of Comptroller or receivers.....	41,400	1,421,833	1,463,233
Amount returned to shareholders in cash.....	3,138,441	525,043	3,663,484
Total.....	190,835,988	28,227,518	219,063,506
Capital stock at date of failure.....	² 87,665,920	6,875,000	94,540,920
Bonds at failure.....	28,576,900	4,854,150	33,431,050
Amount realized from sale of bonds.....	30,421,575	4,302,249	34,723,824
Circulation outstanding at failure.....	26,338,794	4,823,405	31,162,199
Amount of assessment upon shareholders.....	44,659,290	4,946,450	49,605,740
Claims proved.....	175,144,631	30,176,188	205,320,819

¹ Includes 36 banks restored to solvency.

² Includes capital stock of 36 banks restored to solvency.

The affairs of 16 insolvent banks were closed during the year ended October 31, 1916, and in the accompanying table appears information relative to the capital, date of appointment of receiver, and per cent of dividends paid to creditors.

Title.	Location.	Date receiver appointed.	Capital.	Per cent dividends paid to creditors.
Chestnut Street National Bank.....	Philadelphia, Pa.....	Jan. 29, 1898	\$500,000	1 ² 100.00
American Exchange National Bank.....	Syracuse, N. Y.....	Feb. 11, 1904	200,000	95.00
Enterprise National Bank.....	Allegheny, Pa.....	Oct. 13, 1905	200,000	35.65
First National Bank.....	Bisbee, Ariz.....	Mar. 24, 1908	50,000	59.25
First National Bank.....	East Brady, Pa.....	May 1, 1908	25,000	67.50
Cosmopolitan National Bank.....	Pittsburgh, Pa.....	Sept. 5, 1908	500,000	² 95.90
Washington National Bank.....	Washington, N. J.....	Nov. 17, 1911	50,000	66.30
Albion National Bank.....	Albion, Mich.....	Jan. 4, 1912	50,000	33.40
First National Bank.....	Ambridge, Pa.....	June 5, 1912	50,000	95.50
First National Bank.....	Rowlesburg, W. Va.....	July 31, 1912	25,000	76.50
First National Bank.....	Oneonta, N. Y. ³	Apr. 17, 1913	100,000	(*)
German National Bank.....	Pittsburgh, Pa.....	Mar. 4, 1915	500,000	1 100.00
Silverton National Bank.....	Silverton, Colo. ³	Apr. 9, 1915	25,000	1 100.00
Wharton National Bank.....	Wharton, Tex. ³	July 29, 1915	30,000	.....
Citizens National Bank.....	Arlington, Tex.....	Nov. 6, 1915	50,000	100.00
First National Bank.....	Casselton, N. Dak. ³	Dec. 6, 1915	50,000	.....

¹ And interest in full.

² Also rebate to shareholders.

³ Formerly in voluntary liquidation.

⁴ Creditors paid in full by liquidating agent.

⁵ Restored to solvency.

CAUSES OF FAILURES.

Two hundred and fourteen, or over one-third, of the 579 failures of national banks were attributable to criminal acts. In 43 of the 214 instances defalcation of officers was the cause; in 126 fraudulent management; and in 45 the banks were wrecked by cashiers or subordinate officers. Unlawful loans—that is, loans in excess of the statutory limit—were the principal causes of 113 of the failures. In 61 of the 113 instances excessive loans were made to officers and directors and in 52 to others than officers and directors. Depreciation in the value of assets was the ascribed cause of 83 of the failures. Injudicious or careless banking was the cause of 139, or nearly one-fourth of the total number, and the remaining 30 failures were ascribed to insolvency of large debtors, “runs,” nonliquidity of assets, etc.

In the following tables are shown the number and percentages of failures from principal causes, together with the number of times the principal causes figured.

Principal causes of failures of national banks.

Causes.	Number.	Per cent.
Involving criminal actions.....	214	36.9
Defalcation of officers.....	43	
Fraudulent management.....	126	
Wrecked by cashier.....	42	
Wrecked by defalcation bookkeeper.....	1	
Wrecked by assistant cashier.....	2	
Involving unlawful acts.....	113	19.5
Excessive loans to officers.....	61	
Excessive loans to others.....	52	
Depreciation of assets.....	83	14.3
Securities.....	19	
Real estate.....	14	
General stringency money market.....	50	
Failure of large debtors.....	12	2.1
Injudicious banking.....	139	24.0
Closed by run or in anticipation.....	9	1.6
No record of cause.....	9	1.6
Total.....	579	100.0

Number of times principal causes figured in the failures of national banks.

	No.
Involving criminal actions.....	265
Defalcation of officers.....	59
Fraudulent management.....	206
Involving unlawful acts.....	137
Excessive loans to officers.....	79
Excessive loans to others.....	58
Injudicious banking.....	404
Depreciation of securities.....	279

INTEREST-BEARING DEBT OF THE UNITED STATES, NATIONAL BANK CIRCULATION, ETC.

The interest-bearing debt of the United States on October 31, 1916, was \$972,469,290, of which \$700,882,130 is at the rate of 2 per cent, \$9,151,800 at 2½ per cent, \$143,945,460 at 3 per cent, and \$118,489,900 at 4 per cent. It thus appears that the annual interest charge is \$23,304,397.40, or an average of about 2.39+ per cent.

During the year United States 2 per cent bonds, including Panama Canal bonds, to the amount of \$30,000,000, purchased by the Federal reserve banks, were converted into bonds and Treasury notes, bearing interest at the rate of 3 per cent, in conformity with section 18 of the Federal reserve act. Of the total amount converted, consols of 1930 aggregating \$13,871,100 and Panama Canal bonds to the amount of \$1,889,900 were converted into the thirty-year 3 per cent gold bonds; and consols of 1930 to the amount of \$12,252,000 and Panama Canal bonds aggregating \$1,987,000 were converted into one-year gold notes; hence there was a total issue of \$15,761,000 of converted bonds and \$14,239,000 of one-year Treasury notes.

As a result of these conversions the amount of United States bonds available as security for bank circulation is reduced to \$883,317,490 and consists of \$620,127,050, consols of 1930 (2 per cent), \$80,755,080 Panama Canal bonds (2 per cent), \$63,945,460 loan of 1908-1918 (3 per cent), and \$118,489,900 loan of 1925 (4 per cent). Other than the conversion of the 2 per cent bonds into the 3 per cent bonds and notes, hereinbefore referred to, the only change in the interest-bearing debt during the year was in the issuance of the \$1,844,700 of 2½ per cent Postal Savings bonds.

The rates of interest and amount of each class of United States bonds—registered and coupon—outstanding October 31, 1916, are shown in the following table:

Title of loan.	Rate of interest.	Registered.	Coupon.	Total.
	<i>Per cent.</i>			
Consols of 1930	2	\$617,413,950	\$2,713,100	\$620,127,050
Loan of 1908-1918	2	47,408,080	16,537,380	63,945,460
Loan of 1925	4	101,380,350	17,109,550	118,489,900
Panama Canal loan:				
Series of 1906	2	51,844,140	10,340	51,854,480
Series of 1908	2	28,697,220	203,380	28,900,600
Series of 1911	3	41,542,100	8,457,900	50,000,000
Conversion bonds	3	2,492,200	13,268,800	15,761,000
One-year Treasury notes	3	1,660,000	12,579,000	14,239,000
Postal Savings bonds (first to tenth series)	2½	7,444,200	800,900	8,245,100
Postal Savings bonds 1916-1936 (eleventh series)	2½	838,980	67,720	906,700
Total		900,721,220	71,748,070	972,469,290

MONTHLY RANGE OF PRICES FOR, AND INVESTMENT VALUE OF, UNITED STATES BONDS.

In the New York market the prices for United States bonds fluctuated but slightly during the year. The 4 per cent, registered, loan of 1925, ranged from 109, the opening price in November, 1915, to 110½, the closing figures in October, 1916; the 3 per cent, 1908-1918, ranged from par in June and July to 102½ in March and April, closing in October at 100½-101½; the 2 per cent (consols of 1930), quoted at 98½ in July and August, were 100½ in April and May, the closing prices in October being 99½ to 100. The range for the Panama Canal 2 per cents was slightly less than for the consols.

The rates of interest realized by investors in United States bonds, at the average price flat, during the year, were as follows: Four per cent, from 2.549 in April to 2.747 in January; 2 per cent (consols), from 2.021 in April to 2.590 in October; 2 per cent (Panama Canals),

from 2.031 in April to 2.121 in January; and 3's (1908-1918), from 2.158 in April to 3.188 in July.

In Volume 2 of this report will be found tables relating in detail to the monthly range of prices of United States bonds in New York during the past two years and the investment value of the bonds during the past year.

BANKS' INVESTMENTS IN UNITED STATES BONDS.

By reference to the last report of condition of national banks, September 12, 1916, it appears that the associations held or owned United States bonds to the amount of \$729,777,000, of which \$687,201,990 were on deposit to secure circulating notes, \$27,939,550 to secure Government deposits, and \$14,635,460 deposited to secure postal savings and held unpledged. The exact amount deposited as security for postal savings and the amount of free bonds are not shown in the compiled returns from the banks.

In addition to the bonds held as security for circulation of active national banks, the Treasurer of the United States holds \$756,000 as security for the outstanding circulation of liquidating and insolvent national banks.

FEDERAL RESERVE BANK INVESTMENTS IN UNITED STATES BONDS.

Under section 18 of the Federal reserve act, relating in part to the retirement of national-bank circulation and withdrawal of bonds, the Federal Reserve Board has authority to direct the Federal reserve banks to purchase such bonds, when applications to sell are filed with the Treasurer of the United States, to an amount not exceeding \$25,000,000 in any one year. By reason of the extensive purchases from national banks direct, and otherwise, by the Federal reserve banks, the Board has not exercised its authority in this respect. The November 3 statement of the condition of the 12 Federal reserve banks shows an investment of \$51,907,000 in United States bonds and interest-bearing notes.

From the June, 1916, returns from banks other than national, it appears that investments of institutions of that character in Government bonds aggregated approximately \$7,500,000. Summarizing the foregoing details, it appears that about \$790,000,000, or approximately 80 per cent, of the interest-bearing debt of the United States is owned by the banks of the country.

DEPOSITS AND WITHDRAWALS OF UNITED STATES BONDS.

Despite the favorable price of 2 per cent consols and Panama Canal bonds, the additional amount of bonds eligible as security for circulation (some \$186,000,000) and the computed profit on the issuance of national-bank circulation, there has been a material reduction in the amount of bonds on deposit with the Treasurer of the United States as security for circulation, the net decrease for the year ended October 31, 1916, being \$47,017,550. Bonds for securing circulation were deposited to the amount of \$11,341,160. This sum includes \$10,065,910 deposited by banks previously chartered and \$1,275,250 by 30 of the 122 banks chartered during the

year. The withdrawals of bonds aggregated \$58,358,710, of which \$46,036,640 were withdrawn by banks reducing their circulation, \$8,782,070 by banks liquidating, and \$3,540,000 on account of insolvent banks.

In connection with the foregoing changes in respect of bonds securing national bank circulation it appears that of the investments of the Federal reserve banks in United States bonds, \$12,760,550 were deposited during the year with the Treasurer of the United States in trust as security for Federal reserve bank notes. The withdrawals of bonds by these banks totaled \$3,360,550, leaving the net increase and also the total amount on deposit on October 31, 1916, to the credit of the Federal reserve banks, on account of Federal reserve bank notes, \$9,400,000.

The details of the bond transactions during the year, in respect of national banks, are shown in the table following:

United States bonds deposited as security for circulation by banks chartered and by those increasing their circulation, together with the amount withdrawn by banks reducing their circulation and by those closed, during each month, year ended Oct. 31, 1916.

Date.	Bonds deposited by all banks chartered and those increasing circulation during the year.	Bonds withdrawn by banks reducing circulation.	Bonds withdrawn by banks in liquidation.	Bonds withdrawn by banks in insolvency.
1915.				
November.....	\$1,434,000	\$2,363,000	\$1,550,000	\$1,000,000
December.....	917,200	1,026,000	50,000	1,000,000
1916.				
January.....	1,228,010	6,176,000	1,195,410	.....
February.....	1,208,500	9,038,000	1,108,750	.....
March.....	1,216,250	9,070,250	797,400	150,000
April.....	903,000	8,986,850	810,250	810,000
May.....	694,000	6,654,300	666,250	80,000
June.....	1,513,000	701,100	415,010	.....
July.....	566,730	445,000	788,000	.....
August.....	791,220	130,200	696,500	.....
September.....	240,500	1,289,940	287,500	500,000
October.....	619,750	176,000	417,000	.....
Total.....	11,341,160	46,036,640	8,782,070	3,540,000

¹ Includes \$1,275,250 deposited by banks chartered during the year.

NATIONAL-BANK CIRCULATION.

By reference to the table following, it will be noted that there was an almost uninterrupted reduction from month to month in the volume of United States bonds on deposit to secure national bank circulation, and in consequence a decline in the amount of circulation outstanding. From November 30, 1915, to October 31, 1916, the amount of bonds held as security for circulation fell from \$731,496,540 to \$687,957,990, or \$43,538,550. The outstanding circulation declined from \$776,365,653 to \$726,069,290, a reduction of \$50,296,363. The bond-secured circulation was reduced from \$720,633,061 to \$679,650,913; that is, a reduction of \$40,982,148.

When a national bank is closed by voluntary liquidation or otherwise, or its circulation liability reduced, the proceeds of the securing bonds, or other lawful money to the amount of the circulation to be retired, is deposited with the Treasurer of the United States to provide for the redemption of the notes when presented. Lawful money on deposit with the Treasurer of the United States for that purpose on November 30, 1915, amounted to \$55,677,100, increased to \$62,045,070 by May 31, 1916, the amount held on October 31, last being \$46,418,377.

November, 1915, was the last month in which national-bank circulation secured by miscellaneous securities and issued in 1914-15 under authority of the so-called emergency currency act of 1908 was reported. Before the close of the year 1915, however, provision had been made for the release of the securities and the deposit of the \$55,492 necessary for the redemption of that amount of the remaining emergency issues outstanding.

Bonds on deposit, circulation secured thereby and by lawful money at the close of each month, year ended October 31, 1916, are shown by the following table:

Bonds and circulation.

Date.	United States bonds on deposit. ¹	Issue value of miscellaneous securities on deposit.	Circulation secured by—			Total circulation outstanding.
			United States bonds.	Miscellaneous securities.	Lawful money.	
1915.						
Nov. 30.....	\$731,496,540	\$55,492	\$720,633,061	\$55,492	\$55,677,100	\$776,365,653
Dec. 31.....	730,337,740		719,571,758		51,765,450	771,337,208
1916.						
Jan. 31.....	724,194,340		718,923,490		47,468,578	766,392,068
Feb. 29.....	715,256,090		711,129,418		51,866,895	762,996,313
Mar. 31.....	706,454,690		702,730,415		55,706,278	758,436,691
Apr. 30.....	696,750,590		693,132,610		60,622,296	753,754,906
May 31.....	690,044,040		686,634,105		62,045,070	748,679,173
June 30.....	680,440,930		685,583,305		57,591,025	744,174,660
July 31.....	689,774,660		685,996,918		54,324,278	740,321,196
Aug. 31.....	689,739,180		687,786,698		50,707,153	734,493,851
Sept. 30.....	687,831,240		684,409,331		48,900,332	733,310,213
Oct. 31.....	687,957,990		679,650,913		46,418,377	726,069,290

¹ Includes bonds held for account of banks in process of liquidation.

NATIONAL-BANK CIRCULATION REDEEMED.

In the year ended October 31, 1915, national-bank circulation to the amount of \$800,700,000 was received at the Treasury for redemption, this unusually large amount being due to the extraordinary issues of emergency currency between August, 1914, and June, 1915.

During the current year the receipts were \$492,259,690, but \$80,308,800 of these notes being "fit for use," were, after redemption, returned to the banks of issue. This left \$411,950,890 of unfit notes redeemed and delivered to the Comptroller of the Currency for destruction and replacement by new issues, except where there were to be no further issues by reason of liquidations or reductions of circulation liability. The receipts, monthly, ranged from \$57,627,997 in Janu-

ary to \$31,873,306 in September, the monthly average being approximately \$41,000,000, or nearly \$1,350,000 for each day of the year.

The law provides that the banks shall reimburse the Treasurer for transportation charges and cost of assorting national-bank notes received for redemption. For the fiscal year ended June 30, 1916, these expenses averaged \$0.817+ per \$1,000 of notes redeemed. Including the circulating notes of the Federal reserve banks the receipts by the Treasurer of all bank notes for the year aggregated \$544,074,315. By reference to the second table following it will be learned that over \$383,000,000, nearly 70 per cent, of the bank notes received for redemption came from five of the principal cities of the country.

Receipts of each class of bank circulation, by months, together with the amounts of all classes received from the principal sources, are shown in the following tables:

Monthly receipts.

Date.	National-bank notes.	Federal reserve notes.	Federal reserve bank notes.
1915.			
November.....	\$39,259,618	\$1,936,050	.....
December.....	43,037,109	2,688,320	.....
1916.			
January.....	57,627,997	4,196,460	.....
February.....	43,014,126	3,165,325	.....
March.....	45,283,709	4,516,750	.....
April.....	39,215,708	5,216,030	.....
May.....	41,943,483	5,313,260	.....
June.....	40,945,940	5,897,100	\$21,005
July.....	38,796,149	5,364,840	28,960
August.....	39,092,300	4,492,480	32,770
September.....	31,873,306	4,318,315	41,150
October.....	32,170,245	4,532,105	53,705
Total.....	492,259,690	51,637,035	177,590

Principal sources of receipts.

New York.....	\$199,207,400
Boston.....	43,216,000
Philadelphia.....	34,374,500
Baltimore.....	12,867,000
Chicago.....	75,540,500
Cincinnati.....	17,195,500
St. Louis.....	31,566,000
New Orleans.....	7,380,000
Other sources.....	122,727,415
Total.....	544,074,315

INCREASE OR DECREASE OF NATIONAL-BANK CIRCULATION.

The amount of increase or decrease of national-bank circulation issued and retired each year since January 14, 1875, the date of the act repealing section 5177, United States Revised Statutes, limiting the aggregate amount of circulating notes of national banking associations, and the changes, quarterly, during the last year, are shown in the following table:

Yearly increase or decrease in national-bank circulation from Jan. 14, 1875, to Oct. 31, 1915, and quarterly increase or decrease for the year ended Oct. 31, 1916.

Date.	Issued.	Retired.	Increase.	Decrease.
From Jan. 14 to Jan. 31, 1875.....	\$587,580	\$255,600	\$281,980	.....
1875.....	12,953,695	18,167,436	.....	\$5,213,741
1876.....	7,777,710	28,413,265	.....	20,635,555
1877.....	19,842,985	16,208,201	3,634,784	.....
1878.....	12,663,160	9,031,558	3,631,602	.....
1879.....	27,126,235	6,967,199	20,159,036	.....
1880.....	8,347,190	6,880,458	1,466,732	.....
1881.....	34,370,050	15,697,878	18,672,172	.....
1882.....	21,427,900	20,694,838	733,062	.....
1883.....	12,669,620	24,920,477	.....	12,250,857
1884.....	8,888,944	30,990,730	.....	22,101,786
1885.....	17,628,924	26,206,200	.....	8,577,276
1886.....	8,979,959	32,871,849	.....	23,891,890
1887.....	16,064,424	42,933,463	.....	26,869,039
1888.....	15,924,157	52,430,030	.....	36,505,873
1889.....	5,768,180	40,340,254	.....	34,572,074
1890.....	9,534,400	28,382,190	.....	18,847,790
1891.....	18,934,355	21,235,457	.....	2,301,102
1892.....	12,867,044	11,624,877	1,242,167	.....
1893.....	41,584,000	8,095,313	33,488,687	.....
1894.....	10,890,492	13,008,267	.....	2,117,775
1895.....	20,752,231	12,526,159	8,226,072	.....
1896.....	31,714,656	9,843,648	21,871,008	.....
1897.....	7,008,014	14,613,787	.....	7,605,773
1898.....	34,682,825	17,087,925	17,594,900	.....
1899.....	19,110,552	15,198,118	3,912,434	.....
1900.....	101,645,393	16,537,068	85,108,325	.....
1901.....	123,100,200	15,951,527	107,148,673	.....
1902.....	42,620,682	21,868,006	20,752,676	.....
1903.....	68,177,467	28,474,958	39,702,509	.....
1904.....	69,532,176	31,930,783	37,601,393	.....
1905.....	90,753,284	22,732,060	68,021,224	.....
1906.....	84,085,260	25,055,739	59,029,521	.....
1907.....	56,303,658	27,980,139	28,323,519	.....
1908.....	141,273,164	80,025,078	61,248,086	.....
1909.....	82,504,444	48,433,296	34,071,148	.....
1910.....	57,101,345	33,011,015	24,090,330	.....
1911.....	49,896,951	35,284,247	14,612,704	.....
1912.....	38,747,149	27,586,734	11,160,415	.....
1913.....	37,210,597	26,441,867	10,768,730	.....
1914.....	387,763,860	20,246,418	367,517,442	.....
1915.....	27,485,675	342,807,533	.....	315,322,858
Total.....	1,896,249,587	1,328,991,645	1,104,071,331	536,813,389
From Nov. 1, 1915, to Jan. 31, 1916.....	3,436,770	15,564,480	.....	12,127,710
Apr. 30, 1916.....	2,757,400	16,629,700	.....	13,872,300
July 31, 1916.....	2,725,620	15,725,344	.....	12,997,724
Oct. 31, 1916.....	1,673,910	11,109,279	.....	9,435,369
Total.....	1,906,843,287	1,388,018,448	1,104,071,331	585,246,492
Surrendered to this office and retired from Jan. 14, 1875, to Oct. 31, 1916.....	.....	57,366,995	.....	57,366,995
Grand total.....	1,906,843,287	1,445,385,443	1,104,071,331	642,613,487

NOTE.—Additional Federal reserve bank notes retired, \$71,750.

DENOMINATIONS OF NATIONAL-BANK CIRCULATION.

The act of June 3, 1864, provided for the issuance of national-bank circulation in denominations of \$1, \$2, \$5, \$10, \$20, \$50, \$100, \$500, and \$1,000; that not more than one-sixth part of the notes furnished to any association should be of a less denomination than \$5, and that after the resumption of specie payments no association should be furnished with any notes of a less denomination than \$5. The act of March 14, 1900, limited the amount of \$5 notes issuable to any bank to one-third of its total issues and authorized banks to receive and issue circulating notes to the extent of the par value of the bonds deposited.

Issues of \$1 and \$2 notes were discontinued in 1879. Of the total issues of ones, \$23,169,677, and of twos, \$15,495,038, there are still outstanding \$342,137 of ones and \$163,468 of twos. The issuance of notes of denomination of \$500 was discontinued in 1885 and of the \$1,000 denomination in 1884. By reference to the accompanying table it will be noted that there are still outstanding 176 of the \$500 notes and 22 of the \$1,000 notes. The total amount of \$500 notes issued was \$11,947,000 and of \$1,000 notes, \$7,379,000.

The amount of each denomination of national-bank circulation outstanding on March 13, 1900, and on October 31, 1916, is shown in the following table:

Denominations.	Mar. 13, 1900.	Oct. 31, 1916.
Ones.....	\$348,275	\$342,137
Twos.....	167,466	163,468
Fives.....	79,310,710	112,183,440
Tens.....	79,378,160	309,851,790
Twenties.....	58,770,660	237,727,380
Fifties.....	11,784,150	29,696,300
One hundreds.....	24,103,400	37,038,100
Five hundreds.....	104,000	88,000
One thousands.....	27,000	22,000
Unredeemed fractions.....	32,409	55,527
	254,026,230	727,168,142
Less notes redeemed but not assorted by denominations.....		1,098,852
Total.....	254,026,230	726,069,290

VAULT ACCOUNT OF NATIONAL-BANK CIRCULATION.

At the close of business on October 31, 1915, national-bank currency available for shipment to national banks amounted to \$545,992,740 and during the year ended October 31, 1916, the amount received from the Bureau of Engraving and Printing was \$239,434,690; hence a total to be accounted for of \$785,427,430.

During the current year the shipments to the banks aggregated \$356,300,750, and the withdrawals from the vault for destruction, by reason of liquidation and changes of titles of banks, \$15,148,820, thus making total withdrawals \$371,449,570 and leaving stock on hand, November 1, 1916, the beginning of the next report year, of \$413,977,860.

PROFIT ON NATIONAL-BANK CIRCULATION.

National-bank circulating notes are taxed by the Government at the rate of one-fourth of 1 per cent semiannually, where secured by bonds bearing interest at the rate of 2 per cent, and at one-half of 1 per cent semiannually in case the securing bonds bear a higher rate of interest than 2 per cent. In addition to this tax, the banks are required to pay for the plates from which the notes are printed, together with the expenses incident to the redemption of their notes. An additional item to be considered in connection with the profit on circulation is the premium paid for the bonds.

In computing the profit, the Government Actuary assumes an investment in bonds to the amount of \$100,000 and that money is

worth 6 per cent. Banks receive from the Comptroller circulating notes to the extent of 100 per cent of the face value of the bonds deposited as security therefor, but by reason of the 5 per cent redemption fund requirement they have available to loan but 95 per cent of their issues; hence the gross receipts are the fixed interest on the bonds and 6 per cent interest on 95 per cent of the circulation received. The actuary's computations are based on three classes of bonds—consols of 1930, Panama Canal bonds, 1916-1936, and the 4 per cents of 1925.

The average net price monthly during the year for the 2 per cent consols ranged from 98.479 to 99.750; hence the rate of profit on circulation in excess of 6 per cent on investment in bonds, was 1.316 per cent at a low price of bonds and 1.167 at the high price.

Profit on circulation secured by Panama Canal bonds was a fraction greater than on the 2 per cent consols of 1930, by reason of the slightly lower price of the former. The 4 per cent bonds of 1925 averaged 110 in December, 1915, and January, 1916, and reached 111.583 in March. The profit on circulation secured by these bonds varied from a maximum of 1.111 per cent to a minimum of 0.857 per cent in excess of 6 per cent on investment in the bonds.

In Volume 2 of this report will be found tables containing the computation made by the Government Actuary, showing the profit on circulation at the average net prices monthly for the bonds on \$100,000 consols of 1930, Panama Canal bonds, and the 4 per cent bonds of 1925.

TAXES ON NATIONAL BANKS, REDEMPTION CHARGES, EXAMINERS' FEES, AND EXPENSES OF THE CURRENCY BUREAU.

Expenses incident to the issue of national-bank circulation, in the fiscal year ended June 30, 1915, were extraordinarily heavy, over \$7,418,000, by reason of the issue of about \$385,000,000 of emergency currency under authority of the act of May 30, 1908. The tax on this class of currency was \$2,977,000; the cost of redemption was abnormal and it became necessary to engrave many extra plates.

The retirement of all of that currency having been provided for by the end of June, 1915, the tax and other expenses this year are confined to the regular issues of United States bond-secured currency and are reduced to \$4,218,322.99, of which \$3,744,967.77 was the tax on the notes, \$23,205 cost of plates, and \$450,150.22 redemption charges.

Other expenses to the banks in so far as the Government is concerned, are examiners' salaries and expenses, the income, capital, and broker taxes. The salaries of examiners for the fiscal year ended June 30, 1916, amounted to \$577,762.64; the income tax, 1 per cent on net earnings, to \$1,500,000; and capital tax, \$1 per 1,000 on capital, surplus, and undivided profits, to \$2,100,000. The income and capital tax are computed on data in this office relating to net earnings, capital, etc., of the banks for the current fiscal year as the returns from national banks are not segregated by the Internal-Revenue Bureau.

From 1863 to 1916, inclusive, the tax paid on circulating notes by national banks aggregated \$136,857,219.64 and on capital and net

earnings, under various acts during that period, some \$91,000,000, or an aggregate of over \$228,700,000, as follows:

Tax on circulation, 1863 to 1916.....	\$136,857,219.64
Tax on deposits to 1882.....	60,940,067.16
Tax on capital to 1882.....	7,855,887.74
Tax on capital from 1899 to 1902.....	7,048,413.00
Tax on capital from 1914 to 1916.....	5,574,500.00
Tax, corporation, and income from 1909 to 1916.....	10,514,700.00

The expenses of the Currency Bureau from 1863 to 1916, exclusive of contingent expenses paid from the general appropriation for contingent expenses of the department, were \$17,595,810, and for the current year they were \$394,613.30, of which the salary item was \$153,333.66, and for special dies, plates, paper, printing, etc., \$241,279.64.

TRANSACTIONS OF CLEARING-HOUSE ASSOCIATIONS.

Through the courtesy of Hon. William Sherer, manager of the New York Clearing House Association, a statistical summary has been obtained relating to the transactions of the clearing houses of the country for the year ended September 30, 1916, together with a revised statement of the transactions for the year 1915, the details of which appear in Volume 2 of this report. The returns show that there are 173 clearing houses in the country, an increase of 10, over the prior year, in the number reporting their transactions.

The aggregate transactions for the current year were \$241,407,541,000, while those for 1915 were \$163,174,137,000. There were decreases in only seven associations, amounting in the aggregate to \$42,947,000, the greatest decrease being in Albany, N. Y., and amounting to \$31,355,000, while there were increases in 166 cities, totaling \$78,276,351,000, the net increase being \$78,233,404,000. The exchanges of the 16 associations exceeding one billion each aggregated \$217,414,066,000, approximately 90 per cent of the grand total of \$241,407,541,000. The transactions of these 16 cities show an increase of \$73,191,019,000 over the clearings for the preceding year, ranging from \$137,894,000 in Minneapolis, Minn., to \$56,338,001,000 in New York.

Increases in five principal cities were as follows: New York, \$56,338,001,000; Philadelphia, \$4,050,121,000; Chicago, \$3,725,285,000; Boston, \$2,698,779,000; St. Louis, \$1,064,177,000. In the other 11 of the 16 cities referred to there was an aggregate increase of \$5,314,656,000, while the increases in the other 157 cities totaled \$5,085,332,000.

The clearings for 1916 exceed the average for the years 1907 to 1915 by approximately \$81,800,000,000.

The New York Clearing House, established in 1854, has been in existence 63 years. The number of bank members of the association is 63, and the aggregate capital represented, \$185,550,000, an increase of 1 in membership and in capital of \$7,000,000 during the year ended Sept. 30, 1916. The clearings increased during the year from \$90,842,000,000 to \$147,180,000,000, hence an increase of \$56,338,000,000, or over 60 per cent. The average daily clearings were \$484,147,000, the percentage of balances to exchanges was 5.82, and

of funds used in settlement of balances 17.40 per cent was in gold and 82.60 per cent in legal tenders, etc.

The clearing-house transactions of the Assistant Treasurer of the United States at New York for the year were as follows: Exchanges received from clearing houses, \$399,384,000; balances received from clearing houses, \$249,244,000; exchanges delivered to clearing houses, \$593,353,000; balances paid to clearing houses, \$55,275,000. The transactions of the Assistant Treasurer showed an excess of credit balances of \$193,969,000.

The exchanges for 1916 of the 16 clearing houses of the United States, with operations in excess of \$1,000,000,000 each, and of the same clearing houses for 1915, and of all other clearing houses for the two years mentioned, together with the amount of increase or decrease in each case, are shown in the following table:

Comparative statement of the amount of exchanges of 16 clearing houses with exchanges in excess of \$1,000,000,000 each, and of all others combined, for the years ended Sept. 30, 1916 and 1915.

Clearing house at—	Exchanges for year ending Sept. 30, 1916.	Exchanges for year ending Sept. 30, 1915.	Increase.
New York, N. Y.....	\$147,180,709,000	\$90,842,708,000	\$56,338,001,000
Chicago, Ill.....	19,129,452,000	15,404,167,000	3,725,285,000
Boston, Mass.....	10,180,120,000	7,481,341,000	2,698,779,000
Philadelphia, Pa.....	12,018,127,000	7,968,006,000	4,050,121,000
St. Louis, Mo.....	4,947,429,000	3,883,252,000	1,064,177,000
Pittsburgh, Pa.....	3,216,124,000	2,527,701,000	688,423,000
Kansas City, Mo.....	4,507,986,000	3,615,490,000	892,496,000
San Francisco, Cal.....	3,186,602,000	2,583,278,000	603,324,000
Baltimore, Md.....	2,192,008,000	1,727,833,000	464,175,000
Cincinnati, Ohio.....	1,658,175,000	1,274,149,000	384,026,000
Minneapolis, Minn.....	1,465,000,000	1,327,106,000	137,894,000
Detroit, Mich.....	2,020,598,000	1,358,106,000	662,492,000
Cleveland, Ohio.....	2,134,768,000	1,369,429,000	765,339,000
Los Angeles, Cal.....	1,218,906,000	1,027,127,000	191,779,000
New Orleans, La.....	1,180,040,000	898,763,000	281,277,000
Omaha, Nebr.....	1,178,022,000	934,591,000	243,431,000
Clearing houses (16).....	217,414,066,000	144,223,047,000	73,191,019,000
All others (157).....	23,993,475,000	18,951,090,000	5,042,385,000
Decrease.....			78,276,351,000
			42,947,000
Total.....	241,407,541,000	163,174,137,000	78,233,404,000

RATES FOR MONEY IN NEW YORK.

The monthly rates for money in the New York market during the year ended with October, 1916, as reported to the Comptroller by the Commercial and Financial Chronicle, ranged, for call loans, from a minimum of $1\frac{1}{2}$ to 3, between November, 1915, and the following May; $2\frac{1}{2}$ to 4 in June and 2 to 6 in July. Rates fell 2 to $2\frac{3}{4}$ in August, rose 2 to 3 in September, and in the closing month, October, ranged from 2 to 4.

Time loans, 60 days, ranged from $2\frac{1}{4}$ to $2\frac{3}{4}$ in November to February; $2\frac{1}{2}$ to 3 from March to May, inclusive; reached $3\frac{1}{4}$ to $4\frac{1}{2}$ in July, and ranged from $2\frac{3}{4}$ to $3\frac{1}{4}$ in August to October, inclusive.

Time loans, 3 to 6 months, ranged from $2\frac{1}{2}$ in November to 4 in June. In July the range was from $3\frac{1}{2}$ to $4\frac{3}{4}$; in August, 3 to 4; in September, 3 to $3\frac{3}{4}$; and in October, $3\frac{1}{4}$ to $3\frac{1}{2}$.

Rates for commercial paper, double name, choice 60 to 90 days and single name, prime 4 to 6 months, corresponded during each month of the year, ranging from $2\frac{3}{4}$ to $3\frac{1}{4}$ in November, 1915; 3 to $3\frac{3}{4}$ from December to June, inclusive, rose $3\frac{3}{4}$ to $4\frac{1}{2}$ in July, declined $3\frac{1}{2}$ to 4 in August and $3\frac{1}{4}$ to $3\frac{1}{2}$ in September and October.

Single name, good, 4 to 6 months paper, ranged from $3\frac{1}{4}$ to $3\frac{3}{4}$ in November, 1915, $3\frac{1}{4}$ to $3\frac{1}{2}$ from December to May, rose to 4 in June, ruled at 4 to $4\frac{1}{2}$ in July and August, stood at 4 in September, and closed in October at $3\frac{3}{4}$ to 4.

The range of rates monthly for each class of paper is shown in the following table:

Range of rates for money in the New York market, year ended Oct. 31, 1916.

Character of loans.	1915		1916			
	Novem-ber.	Decem-ber.	January.	Febru-ary.	March.	April.
Call loans, stock exchange:						
Range.....	$1\frac{1}{2}$ to 2	$1\frac{1}{2}$ to $2\frac{1}{2}$	$1\frac{1}{2}$ to 3	$1\frac{1}{2}$ to 2	$1\frac{1}{2}$ to $2\frac{1}{2}$	$1\frac{1}{2}$ to $2\frac{1}{2}$
Time loans:						
60 days.....	$2\frac{1}{2}$ to $2\frac{1}{2}$	$2\frac{1}{2}$ to $2\frac{1}{2}$	$2\frac{1}{2}$ to $2\frac{3}{4}$	$2\frac{1}{2}$ to $2\frac{3}{4}$	$2\frac{1}{2}$ to 3	$2\frac{1}{2}$ to 3
90 days.....	$2\frac{1}{2}$ to $2\frac{3}{4}$	$2\frac{1}{2}$ to $2\frac{3}{4}$	$2\frac{1}{2}$ to $2\frac{3}{4}$	$2\frac{1}{2}$ to $2\frac{3}{4}$	$2\frac{1}{2}$ to 3	$2\frac{1}{2}$ to 3
4 months.....	$2\frac{3}{4}$ to 3	$2\frac{1}{2}$ to 3	$2\frac{3}{4}$ to 3	$2\frac{3}{4}$ to 3	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$
5 months.....	$2\frac{3}{4}$ to 3	$2\frac{3}{4}$ to 3	3	$2\frac{3}{4}$ to 3	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$
6 months.....	$2\frac{3}{4}$ to $3\frac{1}{4}$	$2\frac{3}{4}$ to 3	3	$2\frac{3}{4}$ to 3	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$
Commercial paper:						
Double names—						
Choice, 60 to 90 days.....	$2\frac{1}{2}$ to $3\frac{1}{4}$	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$
Single names—						
Prime, 4 to 6 months.....	$2\frac{3}{4}$ to $3\frac{1}{4}$	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$
Good, 4 to 6 months.....	$3\frac{1}{4}$ to $3\frac{3}{4}$	$3\frac{1}{4}$ to $3\frac{3}{4}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$

Character of loans.	1916					
	May.	June.	July.	August.	Septem-ber.	October.
Call loans, stock exchange:						
Range.....	$1\frac{1}{2}$ to 3	$2\frac{1}{2}$ to 4	2 to 6	2 to $2\frac{3}{4}$	2 to 3	2 to 4
Time loans:						
60 days.....	$2\frac{1}{2}$ to 3	$2\frac{1}{2}$ to $3\frac{1}{4}$	$3\frac{1}{4}$ to $4\frac{1}{4}$	$2\frac{1}{2}$ to 3	$2\frac{1}{2}$ to $3\frac{1}{4}$	3 to $3\frac{1}{4}$
90 days.....	$2\frac{3}{4}$ to 3	3 to $3\frac{1}{4}$	$3\frac{1}{2}$ to $4\frac{1}{4}$	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$	$3\frac{1}{2}$ to $3\frac{3}{4}$
4 months.....	3 to $3\frac{1}{4}$	3 to $3\frac{1}{4}$	$3\frac{3}{4}$ to $4\frac{1}{4}$	$3\frac{1}{2}$ to $3\frac{3}{4}$	$3\frac{1}{2}$ to $3\frac{3}{4}$	$3\frac{1}{2}$ to $3\frac{3}{4}$
5 months.....	3 to $3\frac{1}{4}$	3 to 4	$3\frac{3}{4}$ to $4\frac{1}{4}$	$3\frac{1}{2}$ to 4	$3\frac{1}{2}$ to $3\frac{3}{4}$	$3\frac{1}{2}$
6 months.....	3 to $3\frac{1}{4}$	3 to 4	$3\frac{3}{4}$ to $4\frac{1}{4}$	$3\frac{1}{2}$ to 4	$3\frac{1}{2}$ to $3\frac{3}{4}$	$3\frac{1}{2}$
Commercial paper:						
Double names—						
Choice, 60 to 90 days.....	3 to $3\frac{1}{4}$	$3\frac{1}{2}$ to $3\frac{3}{4}$	$3\frac{3}{4}$ to $4\frac{1}{4}$	$3\frac{1}{2}$ to 4	$3\frac{1}{2}$ to $3\frac{3}{4}$	$3\frac{1}{2}$ to $3\frac{3}{4}$
Single names—						
Prime, 4 to 6 months.....	3 to $3\frac{1}{4}$	$3\frac{1}{2}$ to $3\frac{3}{4}$	$3\frac{3}{4}$ to $4\frac{1}{4}$	$3\frac{1}{2}$ to 4	$3\frac{1}{2}$ to $3\frac{3}{4}$	$3\frac{1}{2}$ to $3\frac{3}{4}$
Good, 4 to 6 months.....	$3\frac{1}{2}$	4	4 to $4\frac{1}{4}$	4 to $4\frac{1}{2}$	4	$3\frac{3}{4}$ to 4

Discount rates of the Federal reserve banks in effect Nov. 27, 1916.

Banks at—	Maturities of 10 days and less.	Maturities of 15 days and less.	Maturities of over 10 to 30 days, inclusive.	Maturities of over 15 to 30 days, inclusive.	Maturities of over 30 to 60 days, inclusive.	Maturities of over 60 to 90 days, inclusive.	Agricultural and live-stock paper over 90 days.	Trade acceptances.			Commodity paper maturing within 90 days.	Paper bought in open market.	Member banks, collateral loans.
								To 30 days, inclusive.	Over 30 to 60 days, inclusive.	Over 60 to 90 days, inclusive.			
Boston	3		3½		4	4	5	3½	3½	3½	3½		3½
New York	3		3½		4	4	5	3½	3½	3½	3½		3½
Philadelphia	3		3½		4	4	4½	3½	3½	3½	3½		3½
Cleveland	3		3½		4	4	4½	3½	3½	3½	3½		3½
Richmond	3		3½		4	4	4½	3½	3½	3½	3½		3½
Atlanta	3		3½		4	4	4½	3½	3½	3½	3½		3½
Atlanta (New Orleans branch)	3		3½		4	4	4½	3½	3½	3½	3½		3½
Chicago	3		3½		4	4	4½	3½	3½	3½	3½		3½
St. Louis	3		3½		4	4	4½	3½	3½	3½	3½		3½
Minneapolis	3		3½		4	4	4½	3½	3½	3½	3½		3½
Kansas City	3		3½		4	4	4½	3½	3½	3½	3½		3½
Dallas	3		3½		4	4	4½	3½	3½	3½	3½		3½
San Francisco	3		3½		4	4	4½	3½	3½	3½	3½		3½

¹ Rate for bills of exchange in open-market operations.

² Rate for trade acceptances bought in open market without member bank indorsement.

³ Rate for commodity paper maturing within 30 days, 3½ per cent; over 30 to 60 days, 4 per cent; over 60 to 90 days, 4½ per cent; over 90 days, 5 per cent.

NOTE.—Rate for bankers' acceptances, 2 to 4 per cent.

STERLING EXCHANGE.

It is of interest to note in connection with rates for money in New York the rates during the same year for sterling exchange, also reported by the Commercial and Financial Chronicle. The actual rates for 60-day bankers' bills, reported in November, 1915, at 460½ to 468½, reached the maximum for the year, 473½ to 473⁹/₁₆, in the following April, and declined 471½ to 471½ in October. Sight bills in the same months were 461½ to 471³/₈, 476³/₈ to 476½, and 475⁵/₈ to 475¹/₁₆, respectively, while cable transfer rates were 462¼ to 472½ in November, 1915, rose 476¹/₈ to 477¹/₈ in April, and closed in October at 476³/₈ to 476½. The rates and ranges by months for the year ended with October, 1916, for these documents are shown in the following table:

Actual rates—Bankers' bill.

Date.	Sixty-day.	Sight.	Cable transfers.
1915.			
November	4.60½ to 4.68½	4.61½ to 4.71 ³ / ₈	4.62¼ to 4.72½
December	4.67½ to 4.71	4.70½ to 4.74½	4.71 to 4.74½
1916.			
January	4.70½ to 4.73½	4.73 ³ / ₈ to 4.78	4.74 ¹ / ₈ to 4.78 ³ / ₈
February	4.72 to 4.72½	4.75 to 4.76 ³ / ₈	4.76 ¹ / ₈ to 4.77 ³ / ₈
March	4.72½ to 4.73½	4.75 ³ / ₈ to 4.76½	4.76 ¹ / ₈ to 4.77½
April	4.73½ to 4.73 ⁹ / ₁₆	4.76 to 4.76½	4.76 ¹ / ₈ to 4.77 ³ / ₈
May	4.72 ¹ / ₈ to 4.73½	4.75 ³ / ₈ to 4.76½	4.76½ to 4.76½
June	4.72 ³ / ₈ to 4.72½	4.75 to 4.75½	4.76 ¹ / ₈ to 4.76½
July	4.71½ to 4.72½	4.75 ¹ / ₈ to 4.75½	4.76 ¹ / ₈ to 4.76½
August	4.71½ to 4.71½	4.75 to 4.75½	4.76 ¹ / ₈ to 4.76½
September	4.71½	4.75 ¹ / ₈ to 4.75½	4.76 ¹ / ₈ to 4.76½
October	4.71½ to 4.71½	4.75 ³ / ₈ to 4.75½	4.76 ³ / ₈ to 4.76½

STATE, SAVINGS, PRIVATE BANKS, AND LOAN AND TRUST COMPANIES.

Through the cooperation of the banking departments of the several States this office is enabled to present, as required by section 333 of the Revised Statutes, statistics showing the condition of all banks under State supervision in operation in the country as of June 30, 1916. Data from all incorporated banks in the United States, and from a large percentage of private banking concerns, are included in the tables which follow. Statistics relating to this class of banks from 1909 to 1915 were obtained from the individual banks, reports being made on blank forms prepared by this office. For the current year the information has been compiled, with a few exceptions, from the official summaries furnished by the State banking superintendents, thus resulting in the saving of a large amount of clerical work and expense both for the banks and for this office.

Summaries of reports of condition received for the current year from banks other than national show the condition on June 30, 1916, of 19,934 banks, or 477 more than reported in 1915.

The paid-in capital stock of these banks aggregates \$1,129,052,115.96 and the resources \$18,344,369,696.93. In 1915 banks other than national reporting numbered 19,457, with an aggregate capital of \$1,094,322,264.93 and resources of \$16,008,444,520.68. The increase in capital is therefore shown to be \$34,729,851.03, or 3.17 per cent, and in resources \$2,335,925,176.25, or 14.59 per cent.

A summary of the reports of condition of the banks other than national is submitted herewith.

Summary of reports of condition of 19,934 reporting banks other than national (State savings, private banks, and loan and trust companies), in the United States at the close of business on June 30, 1916.

Loans and discounts:	RESOURCES.	
Secured by real estate (including mortgages owned).....	\$3, 265, 242, 357. 71	
Secured by collateral other than real estate.....	2, 243, 908, 757. 12	
Loans not classified.....	4, 623, 287, 049. 57	
Total.....		\$10, 132, 438, 164. 40
Overdrafts.....		32, 042, 536. 02
Investments (including premiums on bonds):		
United States bonds.....	7, 462, 323. 65	
State, county, and municipal bonds....	351, 519, 368. 51	
Railroad bonds.....	440, 262, 666. 48	
Bonds of other public-service corporations (including street and interurban railway bonds).....	174, 147, 737. 10	
Other bonds, stocks, warrants, etc.....	3, 470, 217, 544. 94	
Total.....		4, 443, 609, 640. 68
Banking house (including furniture and fixtures).....		322, 415, 335. 35
Other real estate owned.....		168, 859, 451. 38
Due from banks.....		2, 018, 706, 378. 52
Checks and other cash items.....		203, 684, 982. 32
Exchanges for clearing house.....		44, 815, 741. 76
Cash on hand: ¹		
Specie.....	\$309, 708, 001. 50	
Legal-tender notes and other paper currency.....	190, 517, 213. 00	

¹ Classification incomplete by reason of the fact that in the returns from many States the various kinds of currency held are not shown separately.

Cash on hand—Continued.

Nickels and cents.....	\$2, 950, 285. 01
Cash not classified.....	163, 339, 822. 44

Total.....	\$666, 515, 321. 95
Other resources.....	311, 282, 144. 55
Total resources.....	18, 344, 369, 696. 93

LIABILITIES.

Capital stock paid in.....	1, 129, 052, 115. 96
Surplus.....	1, 118, 304, 074. 48
Undivided profits (less expenses and taxes paid).....	258, 487, 993. 50
Due to banks.....	750, 668, 916. 33
Dividends unpaid.....	7, 591, 888. 81

Deposits:

Individual deposits subject to check without notice.....	\$6, 354, 938, 742. 24
Demand certificates of deposit.....	200, 936, 510. 89
Certified checks and cashier's checks.....	44, 732, 510. 10
Savings deposits, or deposits in interest or savings department.....	7, 171, 546, 327. 32
Time certificates of deposits.....	869, 564, 421. 35
Deposits not classified.....	88, 383, 563. 08

Total.....	14, 730, 102, 074. 98
Postal savings deposits.....	11, 108, 526. 37
Notes and bills rediscounted.....	20, 181, 936. 89
Bills payable (including certificates of deposit representing money borrowed).....	77, 918, 783. 57
Other liabilities.....	240, 953, 386. 04

Total liabilities.....	18, 344, 369, 696. 93
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The following table shows the principal items of resources and liabilities for each class of banks other than national as of June 30, 1916.

Resources and liabilities of 19,934 State, savings, and private banks, and loan and trust companies, June 30, 1916.

	15,450 State banks (1).	622 mutual savings banks.	1,242 stock savings banks (2).
RESOURCES.			
Loans and discounts (including overdrafts).....	\$3, 406, 981, 634. 87	\$2, 221, 426, 717. 98	\$713, 987, 889. 45
Investments (bonds, securities, etc.).....	693, 287, 158. 98	1, 999, 131, 810. 54	131, 404, 563. 61
Banking house (including furniture and fixtures).....	140, 944, 295. 71	39, 811, 988. 37	31, 749, 087. 19
Other real estate owned.....	52, 304, 090. 91	19, 452, 143. 50	7, 429, 471. 59
Due from banks.....	817, 578, 090. 65	210, 919, 583. 66	111, 099, 140. 62
Checks and other cash items (including exchanges for clearing house).....	132, 262, 975. 92	2, 753, 380. 16	2, 416, 714. 42
Cash on hand.....	271, 753, 812. 34	26, 135, 692. 28	32, 821, 494. 87
All other resources.....	37, 865, 094. 02	28, 310, 670. 40	2, 420, 380. 85
Total resources.....	5, 552, 977, 153. 40	4, 547, 941, 986. 84	1, 033, 328, 742. 60
LIABILITIES.			
Capital stock paid in.....	563, 497, 182. 91		72, 870, 175. 84
Surplus fund.....	268, 821, 906. 55	303, 300, 757. 57	30, 595, 344. 20
Undivided profits.....	91, 152, 015. 33	51, 380, 612. 85	16, 103, 770. 05
Due to banks.....	217, 212, 186. 75	868, 536. 72	6, 405, 727. 16
Dividends unpaid.....	3, 081, 220. 02		349, 780. 23
Individual deposits.....	4, 296, 253, 030. 05	4, 186, 976, 600. 64	901, 610, 693. 88
Postal savings deposits.....	4, 457, 263. 97	943, 593. 78	881, 654. 11
Notes and bills rediscounted.....	15, 495, 803. 64	136. 78	878, 182. 11
Bills payable.....	56, 893, 444. 76	84, 230. 45	1, 082, 769. 27
Other liabilities.....	36, 113, 099. 42	4, 387, 518. 05	2, 550, 645. 75
Total liabilities.....	5, 552, 977, 153. 40	4, 547, 941, 986. 84	1, 033, 328, 742. 60

¹ Includes reports of stock savings banks for Virginia, South Carolina, Tennessee, Michigan (except 4), Wisconsin, North Dakota, Kansas, Montana, Idaho, and Nevada. Includes trust companies for Virginia, North Carolina, South Carolina, Tennessee, Idaho, and Nevada. Includes private banks for North Carolina and Idaho.

² Stock savings banks for 10 States included with State banks.

Resources and liabilities of 19,934 State, savings, and private banks, and loan and trust companies, June 30, 1916—Continued.

	1,606 loan and trust companies (1).	1,014 private banks (2).	Total, 19,934 banks.
RESOURCES.			
Loans and discounts (including overdrafts).....	\$3,704,368,532.04	\$117,715,926.13	\$10,164,480,700.42
Investments (bonds, securities, etc.).....	1,605,392,871.86	14,393,235.69	4,443,609,640.68
Banking house (including furniture and fixtures).....	105,489,199.69	4,420,764.39	322,415,335.35
Other real estate owned.....	82,329,933.81	7,343,811.57	168,859,451.38
Due from banks.....	850,499,082.13	28,610,481.46	2,018,706,378.52
Checks and other cash items (including exchanges for clearing house).....	109,990,485.22	1,077,168.36	245,500,724.08
Cash on hand.....	329,456,991.49	6,347,330.97	666,515,321.95
All other resources.....	240,742,665.31	1,943,333.97	311,282,144.55
Total resources.....	7,028,269,761.55	181,852,052.54	18,344,369,696.93
LIABILITIES.			
Capital stock paid in.....	475,832,586.87	16,852,170.34	1,129,052,115.96
Surplus fund.....	508,822,951.65	6,763,114.51	1,118,304,074.48
Undivided profits.....	96,669,859.59	3,181,735.68	258,487,993.50
Due to banks.....	525,008,135.55	1,174,330.15	750,668,916.33
Dividends unpaid.....	4,125,999.91	34,888.65	7,591,888.81
Individual deposits.....	5,198,496,296.53	146,765,453.83	14,730,102,074.98
Postal savings deposits.....	4,826,014.51		11,108,526.37
Notes and bills rediscounted.....	3,283,010.39	524,803.97	20,181,936.89
Bills payable.....	16,127,661.60	3,730,677.49	77,918,783.57
Other liabilities.....	195,077,244.95	2,824,877.87	240,953,386.04
Total liabilities.....	7,028,269,761.55	181,852,052.54	18,344,369,696.93

¹ Trust companies for 6 States included with State banks.

² Private banks for 2 States included with State banks.

For the purpose of comparison, a statement giving the principal items of resources and liabilities for banks other than national from 1912 to 1916, inclusive, is submitted herewith.

Consolidated returns from State, savings, private banks, and loan and trust companies.

Items.	1912	1913	1914	1915	1916
Loans ¹	\$7,979,852,420.09	\$8,464,738,379.36	\$8,893,923,049.95	\$9,093,527,548.72	\$10,164,480,700.42
Bonds.....	3,497,602,404.25	3,517,530,597.54	3,670,036,288.42	3,813,562,406.67	4,443,609,640.68
Cash.....	576,810,655.97	591,607,515.69	616,655,547.01	599,945,292.32	666,515,321.95
Capital.....	977,272,830.70	1,039,930,069.75	1,073,881,738.20	1,094,322,264.93	1,129,052,115.96
Surplus and undivided profits.....	1,215,331,634.26	1,261,091,605.55	1,284,994,939.99	1,335,850,844.93	1,376,792,067.98
Deposits (individual).....	11,198,606,443.53	11,522,302,583.69	12,249,040,449.29	12,614,485,051.89	14,730,102,074.98
Resources.....	14,124,878,897.03	14,675,243,842.44	15,489,207,260.36	16,008,444,520.63	18,344,369,696.93

¹ Including overdrafts.

STATE BANKS.

Statements received from the State banking departments show State banks (commercial banks) to the number of 15,450, with aggregate capital of \$563,497,182.91 and aggregate resources of \$5,552,977,153.40. These statistics include stock savings banks for Virginia, South Carolina, Tennessee, Michigan, Wisconsin, North Dakota, Kansas, Montana, Idaho, and Nevada, and trust companies for Virginia, North Carolina, South Carolina, Tennessee, Idaho, and Nevada, as the banking department of each of the States mentioned does not

segregate this class of banks in their summaries of reports but designate all such as commercial banks. The summary of reports, therefore, includes 852 banks more than reported last year, with an increase in capital of \$59,511,863.60 and in resources of \$1,153,374,844.49.

The summary of reports submitted by State banks shows loans, exclusive of overdrafts, classified as follows:

Secured by real estate (including farm-land loans).....	\$297, 278, 571. 77
Secured by collateral other than real estate.....	334, 730, 728. 04
Unclassified loans.....	2, 747, 813, 887. 61
Total.....	3, 379, 823, 187. 42

In addition to the loans, overdrafts were reported aggregating \$27,158,447.45, as against \$24,926,294.51 reported for 1915.

The investments in bonds, securities, etc., are classified as follows:

United States bonds.....	\$1, 310, 868. 28
State, county, and municipal bonds.....	31, 440, 464. 89
Railroad bonds.....	2, 005, 837. 83
Bonds of other public-service corporations.....	14, 809, 195. 99
Other bonds, stocks, warrants, etc.....	643, 720, 791. 99
Total.....	693, 287, 158. 98

The State banks held cash amounting to \$271,753,812.34, which was 6.32 per cent of individual deposits.

Individual deposits are classified as follows:

Subject to check without notice.....	\$2, 529, 610, 155. 72
Demand certificates of deposit.....	119, 365, 224. 71
Certified checks and cashier's checks.....	19, 237, 171. 84
Savings deposits.....	961, 693, 954. 30
Time certificates of deposit.....	664, 731, 176. 99
Deposits not classified.....	1, 615, 346. 49
Total.....	4, 296, 253, 030. 05

In addition to the individual deposits classified as above, dividends unpaid amounted to \$3,081,220.02; postal savings deposits, \$4,457,-263.97; and amounts due to banks and bankers aggregated \$217,-212,186.75.

MUTUAL SAVINGS BANKS.

Summaries of reports of condition were received as of June 30, 1916, from 622 mutual savings banks, all being official statements with the exception of those from Massachusetts, Connecticut, and Maryland, the returns from these States being compiled in this office. Deposits in mutual savings banks are the accumulations chiefly of wage earners and, to a large extent, represent the prosperity of the wage-earning class. The mutual savings banks are located mainly in manufacturing centers and towns of the New England and Eastern States, there being only 21 reporting institutions of this character in other sections of the country, namely, 1 in West Virginia, 3 in Ohio, 5 in Indiana, 4 in Wisconsin, 7 in Minnesota, and 1 in California.

The resources of this class of banks aggregate \$4,547,941,986.84 and their deposits amount to \$4,186,976,600.64, credited to 8,592,271 depositors, the average deposit account being \$487.30. In 1915, 630 mutual savings banks reported with aggregate resources of \$4,319,-382,916.93 and deposits of \$3,950,666,362.08, credited to 8,307,787 depositors, the average deposit account being \$475.53.

The increases during the year have been 284,484 depositors, \$236,310,238.56 in deposits, and \$11.77 in the average deposit account. The increase in deposits during the past year is the largest annual increase ever reported for mutual savings banks.

The following statement shows the number of mutual savings banks reporting, the number of depositors, the aggregate deposits, and the average deposit account for each year from 1908 to 1916:

Year.	Banks.	Depositors.	Deposits.	Average to each depositor.
1908.....	676	7,137,481	\$3,065,686,012	\$429.52
1909.....	642	7,204,579	3,144,584,874	435.66
1910.....	638	7,481,649	3,360,563,842	449.17
1911.....	635	7,690,973	3,460,575,072	449.95
1912.....	630	7,851,377	3,608,657,828	459.62
1913.....	623	8,101,238	3,769,555,330	465.31
1914.....	634	8,277,359	3,915,626,190	473.05
1915.....	630	8,307,787	3,950,666,362	475.53
1916.....	622	8,592,271	4,186,976,600	487.30

¹ Only 627 banks reported as to the number of depositors and the average deposit is taken on that basis.

The resources of the mutual savings banks are classified as follows: Loans, \$2,221,426,717.93; investments in bonds, securities, etc., \$1,999,131,810.54; banking-house furniture and fixtures, \$39,811,988.37; other real estate owned, \$19,452,143.50; due from banks, \$210,919,583.66; checks and other cash items, \$2,753,380.16; cash in bank, \$26,135,692.28; all other resources, \$28,310,670.40.

The liabilities are classified as follows: Surplus, \$303,300,757.57; undivided profits, \$51,380,612.85; due to banks, \$868,536.72; individual deposits, \$4,186,976,600.64; postal-savings deposits, \$943,593.78; all other liabilities, \$4,471,885.28.

The average rate of interest paid on deposits in mutual savings banks in 1916 was 3.95 per cent against 3.83 per cent in 1915 and 3.86 per cent in 1914.

The following table shows the number of depositors in mutual savings banks, the aggregate deposits, and the average amount due to depositors, in the States indicated, on June 23, 1915, and on June 30, 1916.

Number of mutual savings banks, number of depositors, aggregate deposits, and average deposit account, by States, June 23, 1915, and June 30, 1916.

State.	1915				1916			
	Banks.	Depositors.	Deposits.	Average to each depositor.	Banks.	Depositors.	Deposits.	Average to each depositor.
Maine.....	48	1 238,586	\$97,423,088.63	\$408.33	48	239,500	\$99,546,046.12	\$415.46
New Hampshire	48	² 200,624	96,343,985.64	480.22	47	202,209	101,481,017.52	501.86
Vermont.....	20	114,964	53,559,421.56	465.87	20	116,812	56,071,818.82	480.01
Massachusetts..	196	² 332,369	917,439,289.53	393.35	⁴ 195	2,419,914	975,365,518.29	403.06
Rhode Island..	15	149,804	83,385,142.93	556.62	15	157,445	88,343,735.47	561.11
Connecticut....	82	⁵ 632,046	316,486,518.04	500.73	⁴ 80	653,947	338,899,894.47	518.24
Total.....	409	3,668,393	1,564,637,446.33	426.50	405	3,789,827	1,659,708,030.69	437.94
New York.....	140	3,199,307	1,774,221,482.67	554.51	141	3,335,538	1,883,242,203.58	564.60
New Jersey....	26	305,236	117,396,195.11	384.60	24	301,943	120,383,076.18	398.69
Pennsylvania..	11	500,075	223,725,594.03	447.38	11	515,687	238,502,832.12	462.49
Delaware.....	2	34,122	12,260,905.56	359.32	2	36,691	13,362,876.51	364.19
Maryland.....	19	1 243,950	96,773,243.18	396.69	⁴ 18	246,162	99,537,966.31	404.36
Total.....	198	4,282,690	2,224,377,420.55	519.38	196	4,436,021	2,355,028,954.70	530.89
West Virginia..	1	5,985	1,497,765.34	250.25	1	6,181	1,616,077.91	261.42
Ohio.....	3	115,241	62,603,425.98	543.24	3	115,320	64,789,961.25	561.82
Indiana.....	5	³ 33,398	12,934,308.72	387.27	5	33,367	13,062,412.08	391.47
Wisconsin.....	5	8,124	2,043,219.39	251.50	4	8,784	2,306,046.15	262.50
Minnesota.....	8	106,826	26,072,807.75	244.06	7	114,826	28,393,328.47	247.27
Total.....	21	263,589	103,653,761.84	393.24	19	272,297	108,551,747.95	398.65
California.....	1	87,130	56,499,968.02	648.45	1	87,945	62,071,789.39	705.79
Grand total.....	630	8,307,787	3,950,666,362.08	475.53	622	8,592,271	4,186,976,600.64	487.30

¹ Estimated for 1 bank.
² Estimated for 3 banks.
³ Estimated for 2 banks.

⁴ Unofficial.
⁵ Estimated for 6 banks.

STOCK SAVINGS BANKS.

Many so-called stock savings banks transact chiefly a commercial business and carry very few savings accounts, and the banking departments of a large number of States include their returns with commercial banks. As statistics for the current year were furnished by the banking departments in the form of summaries of official reports made to such departments, it has not been possible to make as complete a segregation of the reports for stock savings banks as was done in 1915 and several years prior thereto. In 1915 stock savings banks to the number of 1,529 furnished reports to this office. For the present year returns from only 1,242 stock savings banks are separately shown.

Statistics for stock savings banks of Virginia, South Carolina, Tennessee, Michigan, Wisconsin, North Dakota, Kansas, Montana, Idaho, and Nevada are included with the statistics for commercial or State banks as furnished this office by the banking departments of these States. Many of the State banking departments include all classes of banks in one official summary while others publish a summary of the returns from each class of banks under State supervision. So long as this practice continues it will not be possible for this office to make comparable summaries for stock savings banks.

In California a large number of the banks are known as departmental banks which make separate reports to the banking depart-

ment of that State for each class of business, that is, for their commercial, trust, and savings bank departments. Figures for California, therefore, include the resources and liabilities of savings banks and savings departments of other banks.

The 1,242 stock savings banks on June 30, 1916, reported loans including overdrafts aggregating \$713,987,889.45, classified as follows: Secured by real estate, \$357,281,829.14; secured by collateral other than real estate, \$29,011,565.34; unclassified loans, \$326,361,578.64; overdrafts, \$1,332,916.33. Investments in bonds, securities, etc., aggregated \$131,404,563.61, amount due from banks \$111,099,140.62, and cash in bank \$32,821,494.87.

On the liability side, capital stock was reported at \$72,870,175.84, surplus at \$30,595,344.20, and undivided profit \$16,103,770.05. The amount due to banks was \$6,405,727.16. Individual deposits aggregated \$901,610,693.88. Of the individual deposits the sum of \$844,346,877.48 was classified as savings and \$9,889,107.20 as time deposits; the sum of \$42,374,916.97 was reported as subject to check without notice, \$2,446,368.57 demand certificates of deposit, \$905,939.88 cashiers' checks and certified checks, and \$1,647,483.78 was unclassified. The stock savings banks reported postal savings deposits held amounting to \$881,654.11.

The depositors in the reporting stock savings banks number 2,556,121, of which 2,297,911 are saving depositors and 258,210 have commercial accounts. The rate of interest paid on savings accounts averaged 3.84 per cent.

The following table shows the number of depositors in stock savings banks, the average deposit, and the aggregate amount due to depositors, in States indicated, on June 23, 1915, and June 30, 1916.

Number of stock savings banks, number of depositors, aggregate deposits, and average deposit account, by States, June 23, 1915, and June 30, 1916.

States.	1915				1916			
	Banks.	Depositors.	Deposits. ¹	Average to each depositor.	Banks.	Depositors.	Deposits. ¹	Average to each depositor.
New Hampshire (total New England States) ..	9	18,911	\$7,279,837.20	\$384.95	10	24,122	\$9,051,992.20	\$375.26
New Jersey	1	33,018	13,809,514.59	418.23	1	38,242	14,938,164.91	390.62
Maryland	32	42,401	12,361,731.66	291.54	28	45,000	13,152,077.00	292.28
District of Columbia	18	80,640	12,009,195.68	148.92	20	101,452	13,535,000.00	133.41
Total Eastern States ..	51	156,059	38,180,441.93	244.65	49	184,694	41,625,841.91	225.38
Virginia	20	50,162	10,556,642.02	210.45	(2)			
West Virginia	6	21,623	3,518,258.72	162.70	6	16,747	3,768,268.37	225.01
North Carolina	28	52,697	9,693,543.00	183.94	14	40,600	7,472,475.61	184.05
South Carolina	28	36,398	9,676,647.71	265.85	(2)			
Georgia	22	43,331	11,015,593.63	254.22	29	54,424	13,824,784.72	254.02
Florida	4	7,197	1,410,561.46	195.99	4	7,197	1,759,612.08	244.49
Alabama	11	17,294	1,000,665.39	57.86	16	229,000	13,311,009.83	58.13
Mississippi	13	10,244	2,236,263.86	218.29	10	10,300	2,265,420.21	219.94
Louisiana	11	69,085	17,066,502.95	247.03	12	89,408	22,186,796.03	248.15
Kentucky	16	39,892	6,480,379.04	162.44	9	19,000	3,142,776.06	165.41
Tennessee	33	78,501	15,448,343.82	196.79	(2)			
Total Southern States ..	192	426,424	88,103,401.60	206.61	100	466,676	67,731,142.91	145.14

¹ Exclusive of dividends unpaid and postal savings deposits.

² Included with State banks.

Number of stock savings banks, number of depositors, aggregate deposits, and average deposit account, by States, June 23, 1915, and June 30, 1916—Continued.

States.	1915				1916			
	Banks.	Depositors.	Deposits.	Average to each depositor.	Banks.	Depositors.	Deposits.	Average to each depositor.
Illinois ¹								
Michigan.....	190	550,802	\$187,031,772.54	\$339.56	4	28,918	\$7,571,410.38	\$261.82
Wisconsin.....	20	75,291	24,014,684.84	318.95	(²)			
Minnesota.....	2	23,112	7,325,768.71	316.95	2	25,423	8,326,277.87	327.51
Iowa.....	832	614,566	224,671,130.34	365.57	865	670,000	246,172,395.04	367.42
Total Middle Western States.....	1,044	1,263,771	443,043,356.43	350.57	871	724,341	262,070,083.29	361.80
North Dakota.....	2	6,500	911,458.13	140.22	(²)			
Nebraska.....	21	20,730	3,442,082.70	166.04	21	22,202	3,784,460.21	170.46
Kansas.....	10	21,671	4,576,339.98	211.17	(²)			
Montana.....	5	9,548	3,448,061.64	361.12	(²)			
Wyoming.....	4	2,909	1,161,991.74	399.44	2	2,709	1,162,175.81	429.01
Colorado.....	6	9,962	2,252,012.58	226.06	7	11,755	2,654,529.55	225.82
New Mexico.....	13	7,614	1,707,655.71	224.27	27	14,463	3,272,818.68	226.29
Total Western States.....	61	78,934	17,499,602.48	221.69	57	51,129	10,873,984.25	212.68
Washington.....	16	58,327	19,229,020.37	329.67	11	55,760	18,400,946.07	330.00
Oregon.....	10	16,530	5,198,429.38	314.48	3	1,785	529,226.72	296.49
California.....	129	896,975	411,339,391.21	458.58	128	985,319	474,485,569.90	481.56
Idaho.....	1	2,113	183,414.19	86.80	(²)			
Utah.....	12	53,764	13,662,372.72	254.11	10	56,232	14,251,551.68	253.44
Nevada.....	1	1,954	1,414,016.18	723.64	(²)			
Arizona.....	3	4,206	1,906,367.24	453.24	3	6,063	2,590,354.95	427.24
Total Pacific States.....	172	1,033,869	452,933,011.29	438.09	155	1,105,159	510,257,649.32	461.71
Total United States.....	1,529	2,977,968	1,047,039,650.93	351.60	1,242	2,556,121	901,610,693.88	352.72

¹ Savings deposits in savings departments of Illinois State banks and trust companies were reported officially, on June 23, 1915, at \$294,534,096.83, and on June 30, 1916, at \$326,156,216.75.

² Included with State banks.

NOTE.—Returns from the banking departments of 10 States include stock savings banks with commercial banks. It is estimated that 300 stock savings banks with 815,000 depositors and \$250,000,000 deposits are included with the figures furnished by the State banking departments for State commercial banks. This estimate includes the so-called stock savings banks of Michigan now combined with commercial banks except 4, as indicated.

ALL REPORTING SAVINGS BANKS.

The growth of savings banks (mutual and stock) in the United States from 1820 to 1916, as evidenced by the amount of deposits, number of depositors, average deposit account, and the average per capita in census years, from 1890 to 1916, is shown in the following table:

Number of savings banks in the United States, number of depositors, amount of deposits, average amount due each depositor in the years 1820, 1825, 1830, 1835, 1840, and 1845 to 1916, and average per capita in the United States in the years given.

Year.	Banks.	Depositors.	Deposits.	Average due each depositor.	Average per capita in the United States.
1820.....	10	8,635	\$1,138,576	\$131.86	\$0.12
1825.....	15	16,931	2,537,082	149.84	
1830.....	36	38,035	6,973,304	183.09	.54
1835.....	52	60,058	10,613,726	176.72	
1840.....	61	78,701	14,051,520	178.54	.82
1845.....	70	145,206	24,506,677	168.77	

Number of savings banks in the United States, number of depositors, amount of savings deposits, average amount due each depositor in the years 1820, 1825, 1830, 1839, 1840, and 1745 to 1916, and average per capita in the United States in the years given—Contd.

Year.	Banks.	Depositors.	Deposits.	Average due each depositor.	Average per capita in the United States.
1846.....	74	158,709	\$27,374,325	\$172.48	.....
1847.....	76	187,739	31,627,479	168.46	.....
1848.....	83	199,764	33,087,488	165.63	.....
1849.....	90	217,318	36,073,924	165.99	.....
1850.....	108	251,954	43,431,130	172.78	\$1.87
1851.....	128	277,148	50,457,913	182.06	.....
1852.....	141	308,863	59,467,453	192.54	.....
1853.....	159	365,538	72,313,696	197.82	.....
1854.....	190	396,173	77,823,906	196.44	.....
1855.....	215	431,602	84,290,076	195.29	.....
1856.....	222	487,986	95,598,230	195.90	.....
1857.....	231	490,428	98,512,968	200.87	.....
1858.....	245	538,840	108,438,287	201.24	.....
1859.....	259	622,556	128,657,901	206.66	.....
1860.....	278	693,870	149,277,504	215.13	4.75
1861.....	285	694,487	146,729,882	211.27	.....
1862.....	289	787,943	169,434,540	215.03	.....
1863.....	293	887,096	206,235,202	232.48	.....
1864.....	305	976,025	236,280,401	242.08	.....
1865.....	317	980,844	242,619,382	247.35	.....
1866.....	336	1,067,061	282,455,794	264.70	.....
1867.....	371	1,188,202	327,009,452	283.63	.....
1868.....	406	1,310,144	392,781,813	299.80	.....
1869.....	476	1,466,684	457,675,060	312.04	.....
1870.....	517	1,630,846	549,874,358	337.17	14.26
1871.....	577	1,902,047	650,745,442	342.13	.....
1872.....	647	1,992,925	735,046,805	368.82	.....
1873.....	669	2,185,832	802,363,609	367.07	.....
1874.....	693	2,293,401	864,556,902	376.98	.....
1875.....	771	2,359,864	924,087,304	391.56	.....
1876.....	781	2,368,630	941,350,255	397.42	.....
1877.....	675	2,395,314	866,218,306	361.63	.....
1878.....	663	2,400,785	879,897,425	366.50	.....
1879.....	639	2,268,707	802,490,298	353.72	.....
1880.....	629	2,335,582	819,106,973	350.71	16.33
1881.....	629	2,529,749	891,961,142	352.73	.....
1882.....	629	2,710,354	966,797,081	356.70	.....
1883.....	630	2,876,438	1,024,856,787	356.29	.....
1884.....	636	3,015,151	1,073,294,955	355.96	.....
1885.....	646	3,071,495	1,095,172,147	356.56	.....
1886.....	638	3,158,950	1,141,530,578	361.36	.....
1887.....	684	3,418,013	1,235,247,371	361.39	.....
1888.....	801	3,839,291	1,364,196,550	355.41	.....
1889.....	849	4,021,523	1,425,230,349	354.40	.....
1890.....	921	4,258,893	1,524,844,506	358.03	24.35
1891.....	1,011	4,539,217	1,623,079,749	358.04	25.29
1892.....	1,059	4,781,605	1,712,769,026	358.20	26.11
1893.....	1,030	4,890,599	1,785,150,957	369.55	26.63
1894.....	1,024	4,777,687	1,747,961,280	365.86	25.53
1895.....	1,017	4,875,519	1,810,597,023	371.36	25.88
1896.....	988	5,065,494	1,907,156,277	376.50	26.68
1897.....	980	5,201,132	1,939,376,035	372.88	26.56
1898.....	979	5,385,746	2,065,631,298	383.54	27.67
1899.....	987	5,687,818	2,230,366,954	392.13	29.24
1900.....	1,002	6,107,083	2,449,547,885	401.10	31.78
1901.....	1,007	6,358,723	2,597,094,580	408.30	33.45
1902.....	1,036	6,666,672	2,750,177,290	412.53	34.89
1903.....	1,078	7,035,228	2,935,204,845	417.21	36.52
1904.....	1,157	7,305,443	3,060,178,611	418.89	37.52
1905.....	1,237	7,696,229	3,261,236,119	423.74	39.17
1906.....	1,319	8,027,192	3,482,137,198	433.79	41.13
1907.....	1,415	8,588,811	3,690,078,945	429.64	42.87
1908.....	1,453	8,705,848	3,660,553,945	420.47	41.84
1909.....	1,703	8,831,863	3,713,405,710	420.45	41.75
1910.....	1,759	9,142,908	4,070,486,246	445.20	45.05
1911.....	1,884	9,794,647	4,212,583,598	430.09	44.82
1912.....	1,922	10,010,304	4,451,818,522	444.72	46.53
1913.....	1,978	10,766,936	4,727,403,950	439.07	48.56
1914.....	2,100	11,109,499	4,936,591,849	444.35	49.85
1915.....	2,159	11,285,755	4,997,706,013	442.83	49.91
1916.....	622	8,592,271	4,186,976,600	487.30	.....
1916 (Mutual savings banks)	622	8,592,271	4,186,976,600	487.30	.....
1916 (Stock savings banks) ¹	1,242	2,556,121	² 901,610,694	352.72	.....

¹ The relatively small amount of deposits reported for stock savings banks is due to the fact that the returns from many States include this class of banks with commercial banks.

² Includes time deposits, \$9,889,107, and commercial deposits amounting to \$47,374,709.

In the assembling of data in relation to savings banks, the classification of banks as made by the State banking departments is followed, in consequence of which, in a number of States, banks heretofore treated by this office as savings banks are, for the current year, regarded as commercial banks and the returns are combined.

In the foregoing table the figures for 1896 to 1908, inclusive, but not subsequently, include the number of depositors and the amount of deposits in the State banks of Illinois having savings departments, but not the number of such banks, by reason of the fact that general returns from these institutions are incorporated in State banks' returns.

LOAN AND TRUST COMPANIES.

Summaries of reports of condition as of June 30, 1916, from 1,606 loan and trust companies show aggregate capital of \$475,832,586.87, and aggregate resources, \$7,028,269,761.55.

In June, 1915, reports were received from 1,664 loan and trust companies with capital of \$476,806,240 and aggregate resources of \$5,873,120,341. The difference in the number of companies reporting is accounted for by the fact that returns from the banking departments of six States include this class of institutions with their summaries of reports of commercial banks.

On June 30, 1916, loan and trust companies held loans and discounts aggregating \$3,702,104,485.09, not including overdrafts amounting to \$2,264,046.95.

Investments in bonds, securities, etc., aggregated \$1,605,392,871.86, cash in bank \$329,456,991.49, and individual deposits \$5,198,496,296.53. Of the individual deposits \$1,214,090,179.02 was classified as saving deposits and \$166,846,034.47 as time deposits, the remainder, \$3,817,560,083.04, being demand deposits.

Banking premises and other real estate owned aggregated \$187,819,133.50.

The loan and trust companies had an aggregate surplus of \$508,822,951.65 and undivided profits of \$96,669,859.59. In addition to individual deposits amounting to \$5,198,496,296.53 the sum of \$4,826,014.51 was reported as postal savings deposits, \$4,125,999.91 dividends unpaid, and \$525,008,135.55 due to banks and bankers.

PRIVATE BANKS.

Reports of condition as of June 30, 1916, were received from 1,014 private banks against 1,036 reporting in 1915. Less than one-half of the private banking institutions which are not under State supervision can be prevailed upon to furnish reports of condition for statistical purposes. The banks reporting numbered 115 from the Eastern States, 51 from the Southern States, 779 from the Middle Western States, 65 from the Western States, and 4 from the Pacific States.

The capital of the 1,014 reporting private banks aggregated \$16,852,170.34 and the resources \$181,852,052.54. The loans and discounts of the reporting private banks aggregated \$116,429,240.73; investments in bonds, securities, etc., \$14,393,235.69; amount due from banks, \$28,610,481.46, and cash on hand, \$6,347,330.97. The surplus was \$6,763,114.51, and undivided profits, \$3,181,735.68.

Of the individual deposits amounting to \$146,765,453.88, the sum of \$16,302,104.43 was classified as savings deposits and \$27,659,270.15 as time deposits.

The returns from private banks were all official except those from Pennsylvania, Texas, Illinois, Michigan, Iowa, and Utah, which were received by this office in compliance with the request of the comptroller addressed to the individual bankers.

REPORTS OF CONDITION OF ALL BANKS IN THE UNITED STATES.

The consolidated statements of condition of 27,513 reporting banks in the United States and island possessions for June, 1916, including National, State, savings, and private banks, and loan and trust companies, show aggregate capital of \$2,195,101,115.96 and aggregate resources of \$32,271,237,696.93, or an increase of 451 in the number of banks reporting, \$32,259,746.03 in capital, and \$4,467,108,019.37 in resources during the year.

In the weekly statement published by the Federal Reserve Board showing the condition of the Federal reserve banks as of June 30, 1916, the capital of these banks is stated at \$54,854,000 and the resources at \$624,957,000.

By including the reports of the 12 Federal reserve banks with the statistics of all other reporting banks, it will be noted that the aggregate resources of the banks of the country approximate the sum of \$32,896,000,000, with a total capitalization of nearly \$2,250,000,000.

The following statement shows the principal items of resources and liabilities of 27,513 reporting banks from reports of condition at the close of business June 30, 1916, together with a summary of reports of condition of the 12 Federal reserve banks for the same date.

Statement showing the principal items of resources and liabilities of 27,513 reporting banks in the United States and island possessions together with the 12 Federal reserve banks as of June 30, 1916.

	27,513 reporting banks, June 30, 1916.	12 Federal re- serve banks, June 30, 1916.	Total, 27,525 banks.
RESOURCES.			
1. Loans and discounts.....	\$17,811,605,164.40	\$92,283,000.00	\$17,903,888,164.40
2. Overdrafts.....	38,210,536.02		38,210,536.02
3. Investments.....	6,796,569,640.68	79,800,000.00	6,876,369,640.68
4. Real estate (including banking house, fur- niture, and fixtures).....	826,641,786.73		826,641,786.73
5. Due from banks.....	4,032,125,378.52		4,032,125,378.52
6. Due from Federal reserve banks (net).....		20,414,000.00	20,414,000.00
7. Exchanges for clearing house, checks, and other cash items.....	770,424,724.08		770,424,724.08
8. Cash on hand.....	1,486,118,321.95	¹ 425,599,000.00	1,911,717,321.95
9. Other resources.....	509,542,144.55	6,861,000.00	516,403,144.55
Total resources.....	32,271,237,696.93	624,957,000.00	32,896,194,696.93
LIABILITIES.			
1. Capital stock paid in.....	2,195,101,115.96	54,854,000.00	2,249,955,115.96
2. Surplus and undivided profits.....	2,414,031,067.98		2,414,031,067.98
3. National bank circulation.....	676,116,000.00		676,116,000.00
4. Federal reserve notes in circulation (net).....		9,440,000.00	9,440,000.00
5. Federal reserve bank notes (net).....		1,721,000.00	1,721,000.00
6. Deposits (individual and bank) ²	26,376,558,406.49	³ 558,655,000.00	26,935,213,406.49
7. Notes and bills rediscounted.....	53,467,936.89		53,467,936.89
8. Bills payable.....	113,250,783.57		113,250,783.57
9. Other liabilities.....	442,712,386.04	287,000.00	442,999,386.04
Total liabilities.....	32,271,237,696.93	624,957,000.00	32,896,194,696.93

¹ Includes \$23,182,000 Federal reserve notes (net).

² Includes United States and postal savings deposits.

³ Includes Government deposits and reserve deposits.

There are about 3,000 private banking concerns in the country from which no reports can be obtained. A careful estimate based on the returns received from private banks indicates that the capital of these nonreporting banks amounts to \$60,000,000 and the resources to \$535,000,000. The aggregate banking resources of the country, actual and estimated, would, therefore, appear to be over \$33,431,000,000, an increase of \$4,731,000,000 or 16.48 per cent over the actual and estimated banking resources in 1915.

BANKING POWER OF THE UNITED STATES.

The banking power of the United States in June, 1916, was \$29,353,500,000, as represented by capital, surplus, and other profits, circulation and deposits of national and other reporting banks, together with the estimated amount of funds of this character in nonreporting banks, as of June 30, 1916, as well as the paid-in capital, net reserve deposits, and Federal reserve notes in circulation as shown by the statement of the Federal reserve banks.

In June, 1915, the estimated banking power of the United States was \$25,397,100,000. The increase for the year was \$3,956,400,000, or over 15.57 per cent. The details are set forth in the following table:

Banking power of the United States June 30, 1916.

[Money columns in millions.]

	Banks.	Capital paid in.	Surplus and profits.	Deposits. ¹	National bank circulation and Federal reserve notes.	Total.	Total June, 1915.	Increase over 1915.	P. ct.
National banks.....	7,579	\$1,066.0	\$1,037.2	\$8,164.1	\$676.1	\$10,943.4	\$9,441.2	\$1,502.2	15.91
Reporting State, etc., banks.....	19,934	1,129.0	1,376.8	14,748.8	.....	17,254.6	15,065.3	2,189.3	14.53
Nonreporting private banks ²	3,000	60.0	36.0	435.0	.....	531.0	512.5	18.5	3.61
Total.....	30,513	2,255.0	2,450.0	23,347.9	676.1	28,729.0	25,019.0	3,710.0	14.83
Federal reserve banks....	12	54.8	.....	³ 558.6	11.1	624.5	378.1	246.4	65.17
Grand total ⁴	30,525	2,309.8	2,450.0	23,906.5	687.2	29,353.5	25,397.1	3,956.4	15.57

¹ Includes dividends unpaid, postal savings and United States deposits but not amount due to banks.² Estimated.³ Reserve deposits (net).⁴ One of the bankers' directories gives the total number of banks at 31,624, but over 1,000 of this number are merely brokers and not included in these statistics.

SUMMARY OF THE COMBINED RETURNS FROM NATIONAL AND OTHER BANKS, AS OF JUNE 30, 1916.

The banks furnishing statements for use in connection with this report number 27,513, being 451 more than reported in 1915. The resources aggregate \$32,271,237,696.93 against \$27,804,129,677.56 reported in 1915, the increase being \$4,467,108,019.37, or 16.07 per cent.

The summary following is based upon reports of condition of 7,579 national banks, and summaries furnished by the State banking departments and from individual statements of 15,450 State banks,

622 mutual savings banks, 1,242 stock savings banks, 1,014 private banks, and 1,606 loan and trust companies.

The reports from these banks are for the close of business June 30, except that the statistics furnished by the banking department of Nebraska are for the close of business May 29, those of Indiana for May 1, and of Georgia and Kentucky for June 1.

Summary of reports of condition of 27,513 banks in the United States and island possessions, including National, State, savings, and private banks, and loan and trust companies, for June 30, 1916.

RESOURCES.

Loans and discounts:

Secured by real estate (including mortgages owned).....	\$3, 425, 875, 357. 71
Secured by collateral other than real estate.....	5, 317, 504, 757. 12
Loans not classified.....	9, 068, 225, 049. 57

Total..... \$17, 811, 605, 164. 40

Overdrafts..... 38, 210, 536. 02

Investments (including premiums on bonds):

United States bonds.....	738, 667, 323. 65
State, county, and municipal bonds....	629, 699, 368. 51
Railroad bonds.....	907, 891, 666. 48
Bonds of other public-service corporations (including street and interurban railway bonds).....	449, 075, 737. 10
Other bonds, stocks, warrants, etc.....	4, 071, 235, 544. 94

Total..... 6, 796, 569, 640. 68

Banking house (including furniture and fixtures)..... 610, 046, 335. 35

Other real estate owned..... 216, 595, 451. 38

Due from banks..... 4, 032, 125, 378. 52

Checks and other cash items..... 281, 575, 982. 32

Exchanges for clearing house..... 488, 848, 741. 76

Cash on hand:

Specie.....	950, 187, 001. 50
Paper currency.....	369, 641, 213. 00
Nickels and cents.....	2, 950, 285. 01
Cash not classified.....	163, 339, 822. 44

Total..... 1, 486, 118, 321. 95

Other resources..... 509, 542, 144. 55

Total resources..... 32, 271, 237, 696. 93

LIABILITIES.

Capital stock paid in..... 2, 195, 101, 115. 96

Surplus..... 1, 849, 693, 074. 48

Undivided profits (less expenses and taxes paid)..... 564, 337, 993. 50

National bank circulation..... 676, 116, 000. 00

Due to banks..... 3, 463, 608, 916. 33

Dividends unpaid..... 28, 690, 888. 81

Deposits:

Individual deposits subject to check without notice.....	12, 045, 908, 742. 24
Demand certificates of deposit.....	609, 816, 510. 89
Certified checks and cashiers' checks....	318, 807, 510. 10
Savings deposits, or deposits in interest or savings department.....	7, 171, 546, 327. 32
Time certificates of deposit.....	2, 539, 251, 421. 35
Deposits not classified.....	88, 383, 563. 08

Total..... 22, 773, 714, 074. 98

Postal savings deposits.....	\$71, 087, 526. 37
United States deposits.....	39, 457, 000. 00
Notes and bills rediscounted.....	53, 467, 936. 89
Bills payable (including certificates of deposit representing money borrowed).....	113, 250, 783. 57
Other liabilities.....	442, 712, 386. 04
Total liabilities.....	32, 271, 237, 696. 93

BANKING RESOURCES AND LIABILITIES BY STATES.

The following is a condensed statement of the resources and liabilities of all reporting banks (State and National) in the United States as of June 30, 1916, arranged by States, together with the population and the number of banks reporting for each State:

63366°—17—7

Condensed statement of resources and liabilities of all reporting banks of the United States on June 30, 1916, by States.

States, etc.	Population (estimated by Government actuary).	Banks. ¹	Resources (in thousands of dollars).										
			Loans and discounts.	Overdrafts.	Investments (including premiums on bonds).	Banking house including (furniture and fixtures).	Other real estate owned.	Due from banks.	Checks and other cash items.	Exchanges for clearing house.	Cash on hand.	Other resources.	Total.
Maine.....	770,000	161	94,506	66	141,111	4,465	249	15,395	334	260	4,795	8,785	269,966
New Hampshire.....	444,000	126	83,057	34	76,489	1,529	837	8,406	414	-----	2,420	239	173,425
Vermont.....	363,000	106	108,394	23	28,385	1,239	202	9,304	271	-----	2,271	2,075	153,064
Massachusetts.....	3,722,000	436	1,444,530	182	518,884	30,462	3,255	161,482	4,995	26,917	56,490	39,719	2,286,956
Rhode Island.....	599,000	48	140,636	26	127,757	3,419	224	22,029	88	561	10,204	1,611	306,615
Connecticut.....	1,248,000	214	296,510	134	269,777	10,406	1,191	40,031	2,484	1,009	12,465	1,507	635,514
Total New England States.....	7,146,000	1,091	2,167,683	465	1,162,403	51,520	5,958	256,647	8,586	28,747	88,695	54,836	3,825,540
New York.....	10,300,000	986	4,796,273	1,110	2,053,970	58,280	84,397	823,014	182,197	313,085	567,469	236,389	9,116,184
New Jersey.....	2,955,000	368	405,433	55	292,185	20,693	4,507	98,327	3,801	1,346	24,209	4,735	855,291
Pennsylvania.....	8,545,000	1,361	1,426,018	485	1,017,320	88,871	32,172	391,298	16,416	29,302	114,158	28,468	3,144,508
Delaware.....	210,000	50	28,850	28	24,262	1,733	283	7,531	123	363	1,931	73	65,477
Maryland.....	1,370,000	244	203,396	121	157,099	11,001	2,360	55,280	2,455	8,183	11,293	4,715	455,903
District of Columbia.....	375,000	40	67,431	52	33,009	9,405	1,853	16,917	1,323	977	4,324	632	133,923
Total Eastern States.....	23,755,000	3,049	6,927,401	1,851	3,577,845	189,983	125,572	1,892,667	205,969	353,602	723,384	275,012	13,773,286
Virginia.....	2,198,000	421	200,005	232	32,006	8,256	1,605	39,491	1,745	1,298	10,436	1,899	296,973
West Virginia.....	1,383,000	310	134,708	303	27,179	8,554	1,515	29,939	865	641	8,001	1,042	212,747
North Carolina.....	2,407,000	507	118,334	374	11,507	5,852	705	20,835	1,434	82	5,462	2,127	166,712
South Carolina.....	1,612,000	391	97,314	551	12,888	4,411	1,013	14,324	682	394	3,148	1,133	135,858
Georgia.....	2,837,000	747	181,855	1,421	22,780	8,844	3,364	34,845	965	1,700	8,491	1,667	268,932
Florida.....	894,000	255	68,343	120	15,914	5,811	1,157	27,392	628	279	5,649	492	125,785
Alabama.....	2,303,000	361	86,047	123	16,916	4,510	1,883	23,149	821	458	7,815	570	142,292
Mississippi.....	1,937,000	311	58,307	1,477	10,749	2,459	1,466	19,573	157	136	3,306	799	98,429
Louisiana.....	1,805,000	240	115,776	395	24,086	8,893	2,853	40,287	1,685	4,331	8,456	2,748	209,510
Texas.....	4,378,000	1,409	345,213	877	52,458	18,832	7,591	101,055	5,181	2,320	29,329	9,216	572,072
Arkansas.....	1,760,000	454	68,811	134	6,593	3,866	1,671	22,681	155	4,736	6,639	702	109,988
Kentucky.....	2,396,000	580	151,007	579	38,378	7,296	880	36,027	1,543	874	10,866	6,125	253,575
Tennessee.....	2,293,000	525	141,095	155	24,643	8,566	1,251	38,084	2,029	841	10,220	5,916	282,800
Total Southern States.....	28,293,000	6,511	1,766,815	6,741	296,097	96,150	26,954	447,682	18,374	13,509	115,915	34,436	2,822,673

Ohio	5,146,000	1,124	802,488	891	330,586	35,633	5,211	229,175	2,997	12,457	60,748	8,130	1,488,316
Indiana	2,832,000	995	338,448	654	82,787	14,855	2,343	84,153	3,280	1,196	24,272	28,451	580,439
Illinois	6,120,000	1,420	1,304,291	1,052	273,435	33,523	4,411	344,363	7,345	32,107	130,657	13,741	2,144,925
Michigan	3,063,000	684	341,275	356	281,748	17,516	2,328	114,983	2,574	8,115	41,634	2,006	812,435
Wisconsin	2,525,000	857	321,551	562	76,233	11,492	1,267	75,441	2,550	2,777	18,703	1,488	512,084
Minnesota	2,271,000	1,295	455,676	762	78,309	14,044	2,836	99,324	3,372	5,397	24,463	5,320	689,503
Iowa	2,237,000	1,693	552,888	2,657	29,001	20,893	1,852	93,474	1,448	717	23,563	1,429	728,222
Missouri	3,457,000	1,506	573,906	1,420	114,286	21,086	3,230	184,099	6,730	6,144	43,583	3,735	963,219
Total Middle Western States.	27,651,000	9,574	4,695,523	8,374	1,266,385	169,042	23,478	1,225,012	30,296	68,910	367,823	64,300	7,919,143
North Dakota	755,000	817	109,202	352	8,443	5,173	3,059	26,162	817	82	4,773	219	158,282
South Dakota	708,000	622	95,843	410	6,663	4,698	1,212	33,308	362	495	4,789	2,008	149,798
Nebraska	1,308,000	1,022	234,450	1,100	16,805	9,059	1,593	72,454	1,419	1,782	14,451	2,778	355,891
Kansas	1,893,000	1,198	210,950	485	21,438	7,130	2,257	63,543	1,369	467	14,435	1,946	324,020
Montana	465,000	305	84,781	298	13,680	4,489	1,879	33,780	561	166	3,665	557	148,836
Wyoming	193,000	115	26,121	122	3,337	804	243	7,495	290	-----	1,641	279	40,332
Colorado	994,000	340	110,734	146	47,076	3,783	1,886	47,656	1,467	1,750	12,435	891	227,823
New Mexico	431,000	94	26,536	46	2,908	921	571	6,730	315	1	1,569	95	39,692
Oklahoma	2,240,000	888	134,129	316	23,247	5,440	1,956	52,985	1,401	873	10,409	673	231,435
Total Western States	8,972,000	5,401	1,032,746	3,275	143,577	41,497	14,656	344,113	8,001	5,616	73,177	9,451	1,676,109
Washington	1,550,000	362	151,226	322	42,345	9,656	5,383	45,800	1,047	2,153	14,545	3,425	275,902
Oregon	847,000	259	89,756	292	27,267	4,426	2,508	26,635	451	932	9,233	872	162,372
California	3,035,000	816	796,153	764	244,084	39,281	9,017	216,812	4,910	12,783	65,933	60,943	1,450,685
Idaho	455,000	182	39,398	30	7,286	2,426	827	12,901	398	132	3,261	186	66,840
Utah	435,000	118	66,464	518	11,465	2,617	1,119	18,036	611	1,967	3,996	371	107,164
Nevada	114,000	31	14,066	88	3,506	751	325	5,723	69	22	1,538	295	26,383
Arizona	263,000	66	26,916	12	5,156	1,712	236	15,641	297	5	3,831	179	53,985
Alaska	91,000	12	2,517	8	879	143	72	1,120	101	10	848	40	5,738
Total Pacific States	6,790,000	1,846	1,186,491	2,034	341,988	61,012	19,487	342,668	7,884	18,004	103,185	66,316	2,149,069
Hawaii	220,000	18	17,534	352	6,298	312	151	3,948	389	3	3,491	1,320	33,798
Porto Rico	1,210,000	12	9,666	62	1,501	337	16	5,170	331	458	5,911	83	23,535
Philippines	8,500,000	11	7,746	15,057	476	193	324	14,218	1,746	-----	4,537	3,783	48,085
Total islands	9,930,000	41	34,946	15,471	8,275	842	491	23,336	2,466	461	13,939	5,191	105,418
Total United States¹	112,452,000	27,513	17,811,605	38,211	6,796,570	610,046	216,596	4,032,125	281,576	488,849	1,486,118	509,542	32,271,238

¹ Federal Reserve Banks not included.

² Population Continental United States, 102,431,000

States, etc.	Liabilities (in thousands of dollars).												
	Capital stock paid in.	Surplus.	Undivided profits (less expenses and taxes paid.)	National-bank circulation.	Due to banks.	Dividends unpaid.	Deposits.	United States deposits.	Postal-savings deposits.	Notes and bills rediscounted.	Bills payable (including certificates of deposit representing money borrowed).	Other liabilities.	Total.
Maine.....	11,431	12,232	6,979	5,790	2,605	218	220,657	212	204	53	1,070	8,515	269,966
New Hampshire.....	6,941	9,791	5,020	4,875	3,257	156	142,092	230	398	154	495	16	173,425
Vermont.....	7,035	10,768	1,863	4,357	1,483	142	125,067	43	74	89	599	1,544	153,064
Massachusetts.....	32,116	116,614	57,876	23,690	124,954	1,264	1,829,805	564	3,570	4,178	2,006	40,319	2,288,956
Rhode Island.....	14,108	17,561	6,434	4,308	4,887	87	256,850	361	480	.....	.....	1,539	306,615
Connecticut.....	28,217	29,644	17,745	12,962	10,142	600	531,181	383	1,672	115	895	1,958	635,514
Total New England States.....	149,848	196,610	95,917	55,982	147,328	2,467	3,105,652	1,793	6,398	4,589	5,065	53,891	3,825,540
New York.....	294,944	579,678	81,504	72,647	1,477,006	3,564	6,401,278	1,983	20,027	1,049	4,071	178,433	9,116,184
New Jersey.....	46,900	52,179	21,121	15,179	26,677	1,200	683,069	572	2,192	588	2,096	3,518	855,291
Pennsylvania.....	240,256	306,893	67,544	83,609	300,840	2,665	2,098,864	2,405	7,369	841	6,997	26,225	3,144,508
Delaware.....	5,016	5,420	2,294	1,335	1,663	94	49,022	68	115	70	314	66	65,477
Maryland.....	32,430	32,310	3,832	10,492	41,532	960	318,016	1,476	106	547	3,628	5,574	455,903
District of Columbia.....	18,659	10,503	2,651	6,221	7,420	169	82,631	302	302	214	1,230	2,703	135,923
Total Eastern States.....	638,205	986,983	184,246	189,483	1,855,138	8,652	9,632,580	9,724	30,111	3,309	18,336	216,519	13,773,286
Virginia.....	32,214	21,122	7,470	15,034	26,684	1,075	184,247	1,359	270	2,332	1,899	3,267	296,973
West Virginia.....	23,505	14,952	4,069	8,850	6,653	516	151,378	429	205	806	796	558	212,747
North Carolina.....	20,304	7,215	5,805	6,317	9,702	324	109,090	641	33	3,292	3,689	300	166,712
South Carolina.....	20,803	7,979	4,413	5,970	4,823	491	77,505	261	19	3,728	8,395	1,471	135,858
Georgia.....	43,007	17,744	13,671	11,966	13,846	461	147,801	546	93	3,390	12,404	1,003	265,932
Florida.....	14,513	5,936	2,526	5,815	10,693	197	83,413	539	310	346	842	655	125,785
Alabama.....	21,704	10,555	3,530	8,958	5,293	350	86,792	328	153	1,186	3,208	235	142,292
Mississippi.....	13,458	4,605	2,628	2,947	3,812	116	66,930	158	139	521	2,516	599	98,429
Louisiana.....	21,834	12,633	3,332	4,919	27,188	699	131,128	104	170	528	3,427	3,548	209,510
Texas.....	87,900	35,747	17,229	37,452	48,453	1,152	322,943	1,396	688	5,393	10,333	3,381	572,072
Arkansas.....	18,811	6,161	2,599	3,031	8,450	144	67,815	104	230	255	2,302	86	109,988

Kentucky.....	36,405	15,629	4,400	15,920	16,465	383	153,221	1,947	352	791	1,136	6,926	253,575
Tennessee.....	28,919	11,991	3,018	12,104	15,124	175	151,437	904	251	2,145	640	6,092	232,800
Total Southern States.....	383,377	172,269	74,690	139,283	197,186	6,083	1,733,700	8,716	2,913	24,718	51,687	28,151	2,822,673
Ohio.....	114,022	69,073	26,378	43,713	116,363	908	1,094,760	2,005	3,671	730	3,376	13,317	1,488,316
Indiana.....	61,935	24,185	11,672	25,896	35,756	394	388,148	2,234	949	1,652	1,610	26,008	580,439
Illinois.....	167,162	98,602	36,507	28,503	369,830	3,353	1,410,071	2,634	5,363	1,033	3,941	17,926	2,144,925
Michigan.....	55,495	31,771	13,300	10,254	44,329	969	846,921	875	2,983	490	1,757	3,261	812,485
Wisconsin.....	41,944	15,530	8,527	12,896	30,639	526	396,071	937	1,768	844	1,600	3,502	512,084
Minnesota.....	53,801	25,879	11,018	12,383	81,796	720	498,979	778	1,678	3,219	1,967	2,285	689,503
Iowa.....	70,422	24,488	15,599	17,811	52,120	471	542,762	596	332	1,604	1,689	278	728,222
Missouri.....	96,301	56,065	18,214	26,305	204,950	436	543,254	359	1,022	363	9,849	6,121	963,219
Total Middle Western States.....	661,082	345,593	141,215	177,761	935,783	7,777	5,515,966	10,398	17,816	9,935	26,119	69,698	7,919,143
North Dakota.....	15,463	5,505	1,500	3,966	7,962	40	122,487	199	35	379	725	21	158,282
South Dakota.....	13,296	3,861	3,254	3,473	13,485	67	111,031	289	65	433	248	296	149,798
Nebraska.....	32,379	12,474	8,329	10,014	49,021	328	240,068	807	393	353	515	1,210	355,891
Kansas.....	34,046	15,899	6,358	9,988	18,791	336	232,386	793	568	3,417	391	1,047	324,020
Montana.....	15,698	5,315	2,683	3,293	7,712	180	110,748	462	989	109	1,398	249	148,836
Wyoming.....	3,948	1,757	884	1,649	2,464	46	29,072	170	110	34	196	2	40,332
Colorado.....	17,298	8,929	3,107	7,960	24,827	226	160,437	1,104	1,607	248	468	1,612	227,823
New Mexico.....	4,390	1,471	479	1,712	2,052	74	27,351	86	805	934	98	39,692	98,992
Oklahoma.....	23,422	6,223	2,817	10,037	19,139	268	164,329	979	284	2,169	1,511	257	231,435
Total Western States.....	159,940	61,434	29,411	52,092	145,453	1,565	1,197,909	5,043	4,137	7,947	6,886	4,792	1,676,109
Washington.....	27,247	8,936	4,194	6,476	22,814	324	198,183	700	2,054	1,029	1,680	2,265	275,902
Oregon.....	18,740	7,616	2,368	6,062	12,667	200	109,944	623	1,499	1,182	1,119	352	162,372
California.....	122,134	58,558	27,014	40,107	116,148	1,116	1,016,924	658	3,631	469	2,028	61,898	1,450,685
Idaho.....	7,198	2,433	717	2,969	2,931	134	49,155	133	380	156	577	57	66,840
Utah.....	10,056	3,489	1,897	3,186	12,164	156	73,765	524	340	102	277	1,208	107,164
Nevada.....	3,130	653	323	1,081	1,16	16	19,330	60	388	.....	40	104	26,383
Arizona.....	3,960	1,702	1,127	930	2,973	25	42,538	226	358	32	.....	114	53,985
Alaska.....	440	167	85	36	141	9	4,580	266	2	.....	.....	12	5,738
Total Pacific States.....	192,905	83,559	37,725	61,019	170,919	1,980	1,514,419	3,190	8,652	2,970	5,721	66,010	2,149,069
Hawaii.....	3,575	1,285	448	496	220	35	26,346	593	38	.....	1	761	83,798
Porto Rico.....	2,216	615	412	.....	532	18	18,497	.....	1,023	.....	.....	222	23,535
Philippines.....	3,953	1,345	274	.....	11,050	114	28,645	.....	.....	.....	36	2,668	48,085
Total islands.....	9,744	3,245	1,134	496	11,802	167	73,488	593	1,061	.....	37	3,651	105,418
Total United States.....	2,195,101	1,849,693	564,338	676,116	3,463,609	28,691	22,773,714	39,457	71,088	53,468	113,251	442,712	32,271,238

STATEMENT OF ALL BANKS.

The combined resources and liabilities of national and other reporting banks for the fiscal years 1912 to 1916, inclusive, are shown in the following table:

Aggregate resources and liabilities of national and other reporting banks, 1912 to 1916.

Classification.	1912 (25,195 banks).	1913 (25,993 banks).	1914 (26,765 banks).	1915 (27,062 banks).	1916 (27,513 banks).
RESOURCES.					
Loans and discounts	\$13,892,150,693.00	\$14,568,240,544.24	\$15,288,357,283.98	\$15,722,440,177.20	\$17,811,605,164.40
Overdrafts	61,455,604.59	58,522,120.08	51,120,621.58	36,232,421.03	38,210,536.02
Bonds, stocks, and other securities	5,358,883,382.11	5,407,219,379.56	5,584,924,886.48	5,881,931,375.37	6,796,569,640.68
Due from other banks and bankers	2,847,992,843.93	2,776,613,692.19	2,872,697,225.26	3,233,942,829.39	4,032,125,378.52
Real estate, furniture, etc. ¹	657,299,660.36	695,507,828.00	739,679,598.08	793,404,941.00	826,641,736.73
Checks and other cash items ²	430,101,255.82	426,913,037.63	520,995,362.02	376,875,161.00	770,424,724.08
Cash on hand	1,572,953,479.43	1,560,709,447.05	1,639,219,162.79	1,457,702,138.31	1,436,118,321.95
Other resources	165,805,908.94	218,427,550.73	274,403,890.77	301,600,634.26	509,542,144.55
Total	24,986,642,774.18	25,712,163,599.48	26,971,398,030.96	27,804,129,677.56	32,271,237,696.93
LIABILITIES.					
Capital stock paid in	2,010,843,505.70	2,096,849,861.75	2,132,074,073.20	2,162,841,369.93	2,195,101,115.96
Surplus fund	1,584,981,106.44	1,676,625,895.34	1,714,486,142.85	1,732,918,047.19	1,849,693,074.48
Other undivided profits	581,178,042.47	573,213,465.32	562,031,228.82	639,777,329.68	564,337,993.50
Circulation (national banks)	708,690,593.00	722,125,024.00	722,554,719.00	722,703,856.50	676,116,000.00
Dividends unpaid	3,639,127.75	3,590,839.76	30,133,899.35	4,241,968.34	28,690,888.81
Individual deposits	17,024,067,606.89	17,475,764,134.81	18,517,732,879.01	19,135,380,200.45	22,773,714,074.98
Postal-savings deposits .....	.....	25,242,015.76	40,245,588.30	59,771,103.54	71,087,526.37
United States deposits	58,945,980.66	49,725,039.13	66,654,582.55	48,964,257.51	39,457,000.00
Due to other banks and bankers	2,632,635,075.58	2,584,231,078.90	2,705,075,367.14	2,783,312,253.52	3,463,608,916.33
Other liabilities	381,661,735.69	504,796,244.71	480,409,550.74	514,219,285.90	609,431,106.50
Total	24,986,642,774.18	25,712,163,599.48	26,971,398,030.96	27,804,129,677.56	32,271,237,696.93

¹ Includes other real estate owned.

² Includes exchanges for clearing house.

The foregoing statement shows that the aggregate resources of the banks have increased from \$24,986,642,774.18 in 1912 to \$32,271,237,-696.93 in 1916, a gain of \$7,284,594,922.75, or 29.15 per cent.

The increase in bank resources, exclusive of the Federal reserve banks, during the past year has been 16.07 per cent. The increase in 1915 over 1914 was 3.09 per cent; 1914 over 1913, 4.90 per cent; and 1913 over 1912, 2.90 per cent.

GROWTH OF BANKING IN THE UNITED STATES SINCE 1863.

A table, in Volume 2, shows the number of colonial and State banks in the United States from 1784 to 1833, together with their principal items of resources and liabilities. A statement of the resources and liabilities of the banks of the country in detail from 1834 to 1863 will also be found in the same volume.

The following condensed statement shows the principal items of resources and liabilities for national, State, savings, and private banks and loan and trust companies from 1863 to 1916, inclusive. The table also shows the principal items of resources and liabilities of the Federal reserve banks as of June 25, 1915, and June 30, 1916:

Principal items of resources and liabilities of national, State, savings, private banks, loan and trust companies from 1863 to 1916.

[From 1863 to 1872, inclusive, data from various sources; from 1873 compiled from reports obtained by the Comptroller of the Currency.]

[In millions of dollars.]

Year.	Banks.	Resources.								
		Loans and discounts.	Over-drafts.	Investments.	Banking house, furniture, and fixtures.	Due from banks.	Checks and other cash items.	Cash on hand.	Other resources.	Aggregate resources.
1863...	1,466	648.6	.....	180.5	.....	96.9	.....	205.5	60.2	1,191.7
1864...	² 1,089	.....	.....	.....	.....	.....	.....	50.7	.....	.....
1865...	³ 1,467	70.7	.....	93.4	1.7	33.3	5.1	47.6	5	252.3
1866...	³ 1,294	362.5	.....	406.6	11.2	103.0	41.3	199.5	2.4	1,126.5
1867...	³ 1,634	550.4	.....	467.6	16.7	110.7	96.1	231.9	3.0	1,476.4
1868...	³ 1,636	588.5	.....	446.5	19.8	102.0	128.3	205.8	3.2	1,494.1
1869...	³ 1,640	655.7	.....	442.9	22.7	123.1	124.2	200.7	2.9	1,572.2
1869...	³ 1,619	686.4	.....	416.4	23.9	107.6	161.6	162.5	5.8	1,564.2
1870...	³ 1,615	715.9	.....	404.7	27.5	109.4	91.6	155.7	5.9	1,510.7
1871...	³ 1,767	831.6	.....	440.3	30.1	143.2	115.2	164.0	6.2	1,730.6
1872...	³ 1,853	871.5	.....	437.8	31.2	144.0	102.0	177.6	6.7	1,770.8
1873...	⁴ 1,968	1,439.6	0.2	721.1	48.4	182.6	123.9	199.3	16.2	2,731.3
1874...	⁴ 1,983	1,565.6	2	732.0	54.0	193.6	84.8	241.9	20.5	2,892.6
1875...	³ 3,336	1,747.6	4	801.9	67.9	195.0	115.2	230.2	46.5	3,204.7
1876...	³ 3,448	1,726.8	4	818.2	71.5	198.2	96.2	217.3	54.4	3,183.0
1877...	³ 3,384	1,720.5	5	851.6	82.0	194.7	77.8	220.7	56.2	3,204.0
1878...	³ 3,229	1,560.9	3	874.5	90.9	186.2	106.4	207.3	54.2	3,080.7
1879...	³ 3,335	1,506.9	4	1,138.6	99.7	204.0	102.2	207.5	53.4	3,312.7
1880...	³ 3,355	1,601.6	6	904.2	106.5	248.8	143.5	274.3	59.4	3,398.9
1881...	³ 3,427	1,966.6	1.4	985.3	111.2	346.1	174.4	278.0	72.1	3,869.1
1882...	³ 3,572	2,049.1	1.4	1,054.9	106.2	307.1	197.8	268.7	45.9	4,031.1
1883...	³ 3,335	2,232.1	1.5	1,027.8	104.9	323.7	137.1	286.1	94.9	4,208.1
1884...	³ 4,113	2,259.1	1.6	1,041.1	105.8	294.2	109.2	303.3	107.0	4,221.3
1885...	³ 4,350	2,270.7	1.5	1,042.0	75.4	355.8	188.6	389.8	103.0	4,426.8
1886...	³ 4,378	2,455.6	1.2	1,044.9	109.2	349.8	144.2	304.3	112.3	4,521.5
1887...	³ 6,170	2,938.9	4.4	1,011.1	127.9	421.6	145.2	432.3	111.9	5,193.3
1888...	³ 6,647	3,157.0	4.3	1,131.1	134.4	439.1	91.1	459.0	54.5	5,470.5

¹ Includes figures for 1,400 State banks and 66 national banks.

² From Homan's Bankers' Almanac.

³ National banks.

⁴ Number of national banks only; but amounts include incomplete returns from State banks with national.

Principal items of resources and liabilities of national, State, savings, private banks, loan and trust companies from 1863 to 1916—Continued.

[In millions of dollars.]

Year.	Banks.	Resources.								
		Loans and discounts.	Over-drafts.	Investments.	Banking house, furniture, and fixtures.	Due from banks.	Checks and other cash items.	Cash on hand.	Other resources.	Aggregate resources.
1889...	7,203	3,469.6	5.7	1,129.1	146.2	513.8	115.9	514.0	46.6	5,940.9
1890...	7,999	3,834.4	7.9	1,172.5	159.7	531.5	102.1	488.1	46.8	6,343.0
1891...	8,641	4,024.1	6.9	1,179.4	167.7	530.4	96.4	497.9	59.4	6,562.2
1892...	9,338	4,329.5	7.4	1,283.7	183.7	684.4	107.2	586.4	63.1	7,245.4
1893...	9,492	4,361.1	7.6	1,366.1	195.3	549.2	124.5	516.0	72.5	7,192.3
1894...	9,508	4,078.1	7.0	1,445.5	210.5	705.9	78.4	689.0	76.2	7,290.6
1895...	9,818	4,262.0	6.9	1,565.3	223.7	714.4	96.5	631.1	109.6	7,609.5
1896...	9,469	4,244.3	6.9	1,674.6	242.6	644.9	119.8	531.9	88.9	7,553.9
1897...	9,457	4,208.6	7.4	1,732.4	249.8	781.4	132.1	628.2	82.2	7,822.1
1898...	9,485	4,632.6	19.6	1,859.9	261.4	925.0	125.6	687.8	97.1	8,609.0
1899...	9,732	5,152.1	25.4	2,179.2	275.4	1,203.1	300.1	723.3	46.4	9,905.0
1900...	10,382	5,625.2	32.5	2,498.4	274.2	1,272.8	234.7	749.9	98.1	10,785.8
1901...	11,406	6,387.9	37.6	2,821.2	283.7	1,448.0	463.5	807.5	108.1	12,357.5
1902...	12,424	7,145.4	43.7	3,039.4	295.8	1,561.2	320.0	848.1	108.3	13,363.9
1903...	13,684	7,688.0	50.9	3,400.1	317.6	1,570.6	286.0	857.3	132.6	14,303.1
1904...	14,850	7,930.9	51.1	3,654.3	346.0	1,842.9	231.5	990.6	151.5	15,198.8
1905...	16,410	8,971.2	56.0	3,987.9	380.9	1,982.0	373.4	994.2	172.6	16,918.2
1906...	17,905	9,827.6	66.2	4,073.5	416.9	2,029.2	445.2	1,016.5	272.5	18,147.6
1907...	19,746	10,687.8	66.1	4,377.1	405.7	2,135.6	411.1	1,113.8	437.8	19,645.0
1908...	21,346	10,380.1	57.9	4,445.9	495.0	2,236.3	350.9	1,368.3	249.0	19,583.4
1909...	22,491	11,303.5	69.7	4,614.4	544.0	2,562.1	437.9	1,452.0	111.4	21,095.0
1910...	23,095	12,459.4	62.4	4,723.4	574.2	2,393.0	620.5	1,423.8	193.6	22,450.3
1911...	24,392	12,982.7	63.7	5,051.9	616.7	2,788.8	422.7	1,554.1	150.5	23,631.1
1912...	25,195	13,892.1	61.5	5,358.9	657.3	2,848.0	430.1	1,572.9	165.8	24,986.6
1913...	25,993	14,568.3	58.6	5,407.2	695.5	2,776.6	426.9	1,560.7	218.4	25,712.2
1914...	26,765	15,288.4	51.1	5,584.9	739.7	2,872.7	521.0	1,639.2	274.4	26,971.4
1915...	27,062	15,722.5	36.2	5,881.9	793.4	3,233.9	376.9	1,457.7	301.6	27,804.1
1916...	27,513	17,811.6	38.2	6,796.6	826.7	4,032.1	770.4	1,486.1	509.5	32,271.2

Year.	Liabilities.									
	Capital stock paid in.	Surplus fund.	Un-divided profits, less expenses.	Due to banks.	Dividends unpaid.	Deposits.	Postal-savings deposits.	United States deposits.	National bank circulation.	Other liabilities.
1863...	405.0			100.5		393.7			238.7	53.8
1864...	311.5								163.3	
1865...	75.2	1.1	3.1	27.4		119.4			25.8	.3
1866...	325.8	31.3	23.2	157.8		398.4		58.0	131.5	.5
1866...	414.3	50.2	29.3	122.4		533.3		39.1	267.8	20.0
1867...	418.6	63.2	30.7	112.5		539.6		33.3	291.8	4.4
1868...	420.1	75.8	33.5	140.7		575.8		28.2	294.9	3.2
1869...	422.7	82.2	43.8	129.0		574.3		12.8	292.8	6.6
1870...	430.4	94.1	38.6	130.0	2.5	501.4		11.4	291.8	10.5
1871...	458.3	101.2	42.0	171.9	4.5	600.9		25.9	315.5	10.4
1872...	470.5	105.2	50.2	172.7	1.5	618.8		12.5	327.0	12.4
1873...	532.9	129.4	86.2	187.4	1.4	1,421.2		15.2	338.8	18.8
1874...	551.2	141.8	97.3	207.5	1.6	1,521.6		10.6	338.5	22.5
1875...	592.5	163.4	90.8	205.3	6.2	1,787.0		10.2	318.1	31.2
1876...	602.4	198.5	63.1	196.6	6.8	1,778.6		11.1	294.4	31.5
1877...	614.4	181.4	79.2	179.5	2.1	1,813.6		10.9	290.0	32.9
1878...	587.7	178.0	59.8	172.1	5.8	1,717.4		25.6	299.6	34.7
1879...	580.5	189.2	57.0	201.0	1.8	1,694.3		252.1	307.3	29.5
1880...	565.2	194.3	60.0	258.0	1.8	1,951.6		10.7	318.1	33.2
1881...	572.3	214.8	77.3	333.6	6.5	2,296.7		12.3	312.2	43.4
1882...	590.6	232.0	78.0	297.3	7.2	2,460.2		12.7	308.9	44.2
1883...	625.5	245.7	102.1	299.8	1.9	2,568.4		13.9	312.0	38.8
1884...	656.5	269.8	109.8	254.2	1.9	2,566.4		14.2	295.2	53.3
1885...	678.0	276.5	85.4	322.9	6.9	2,734.3		14.0	269.2	39.6
1886...	686.8	303.4	90.5	336.7	2.3	2,811.9		17.2	238.3	34.4
1887...	799.2	358.6	101.2	383.5	3.9	3,307.9		23.3	166.6	49.1
1888...	853.8	367.8	126.0	400.7	8.7	3,423.3		58.4	153.3	76.5
1889...	893.3	406.0	126.0	477.8	4.7	3,779.3		46.7	128.9	78.2
1890...	968.7	442.7	141.4	469.3	3.9	4,064.1		30.6	126.3	96.0
1891...	1,029.6	464.7	154.6	454.5	5.5	4,196.8		25.9	123.9	106.7

Principal items of resources and liabilities of national, State, savings, private banks, loan and trust companies from 1863 to 1916—Continued.

[In millions of dollars.]

Year.	Liabilities.									
	Capital stock paid in.	Surplus fund.	Un-divided profits, less expenses.	Due to banks.	Dividends unpaid.	Deposits.	Postal-savings deposits.	United States deposits.	National bank circulation.	Other liabilities.
1892...	1,071.1	491.4	158.8	613.5	4.8	4,664.9	.....	14.2	141.0	85.7
1893...	1,091.8	516.7	172.6	419.9	4.6	4,627.2	.....	13.7	155.1	190.7
1894...	1,069.8	523.5	159.2	599.1	3.3	4,651.2	.....	14.1	171.7	98.7
1895...	1,080.3	541.0	158.4	600.5	3.7	4,921.2	.....	13.2	178.8	112.4
1896...	1,052.0	534.9	159.6	521.7	3.9	4,945.1	.....	15.4	199.2	122.1
1897...	1,012.3	557.6	155.1	673.4	2.6	5,094.7	.....	16.4	196.6	113.4
1898...	992.1	565.4	167.3	809.8	3.4	5,688.1	.....	52.9	189.9	140.1
1899...	973.6	581.8	179.3	1,046.4	8.9	6,768.7	.....	76.3	199.4	70.6
1900...	1,024.7	648.4	233.8	1,172.5	2.7	7,239.0	.....	98.9	265.3	100.5
1901...	1,076.1	687.0	268.6	1,333.0	3.4	8,460.7	.....	99.1	319.0	110.6
1902...	1,201.6	781.0	315.9	1,393.2	3.8	9,104.7	.....	124.0	309.3	130.4
1903...	1,321.9	903.7	369.8	1,476.0	2.3	9,553.7	.....	147.1	359.3	169.3
1904...	1,392.5	993.8	367.1	1,752.2	1.8	10,000.6	.....	110.3	399.6	180.9
1905...	1,463.2	1,053.6	385.9	1,904.4	2.4	11,350.7	.....	75.3	445.4	237.3
1906...	1,565.3	1,180.8	378.0	1,899.0	2.7	12,215.8	.....	89.9	510.9	305.2
1907...	1,690.9	1,305.2	339.9	2,075.5	2.4	13,099.6	.....	180.7	547.9	402.9
1908...	1,757.2	1,401.6	359.9	2,198.0	4.0	12,784.5	.....	130.3	613.7	334.2
1909...	1,800.0	1,326.1	508.5	2,484.1	3.3	14,035.5	.....	70.4	636.4	230.7
1910...	1,879.9	1,547.9	404.6	2,225.4	20.9	15,283.4	.....	54.6	675.6	358.0
1911...	1,952.4	1,512.1	553.5	2,621.0	5.7	15,906.3	.....	48.5	681.7	349.9
1912...	2,010.8	1,585.0	581.2	2,632.6	3.6	17,024.1	.....	58.9	708.7	381.7
1913...	2,096.9	1,676.6	573.2	2,584.2	3.6	17,475.8	25.3	49.7	722.1	504.8
1914...	2,132.1	1,714.5	562.0	2,705.1	30.1	18,517.7	40.2	66.7	722.6	480.4
1915...	2,162.8	1,732.9	639.8	2,783.3	4.2	19,135.4	59.8	49.0	722.7	514.2
1916...	2,195.1	1,849.7	564.3	3,463.6	28.7	22,773.7	71.1	39.5	676.1	609.4

NOTE.—Since 1873 the comptroller has collected and published statistics of State banks, but complete data for compiling these statistics for a number of years thereafter were available only for those States in which the banks were required to report to some State official. For recent years the statistics are practically complete.

MONEY IN ALL REPORTING BANKS.

Cash in National, State, savings, and private banks, and loan and trust companies of the country, shown by reports of condition as of June 30, 1916, aggregated \$1,486,118,321.95, and the cash held by Federal reserve banks on the same date amounted to \$425,599,000, making the total cash held by all banks \$1,911,717,321.95.

The cash holdings of all reporting banks in June, 1915, were \$1,769,861,138.31, the increase in the cash holdings of all banks during the year being \$141,856,183.64, or 8.02 per cent. Coin and other money held by all banks and by Federal reserve banks are shown in the following table:

Classification of cash in banks June 30, 1916.

Classification. ²	7,579 national banks.	19,934 State, etc., banks.	27,513 reporting banks.
Specie.....	\$640,479,000.00	\$309,708,001.50	\$950,187,001.50
Paper currency.....	179,124,000.00	190,517,213.00	369,641,213.00
Nickels and cents.....		2,950,285.01	2,950,285.01
Cash not classified.....		163,339,822.44	163,339,822.44
Total.....	819,603,000.00	666,515,321.95	1,486,118,321.95
Cash in Federal reserve banks:			
Gold coin and certificates (reserve).....			374,969,000.00
Legal tender notes, silver, etc. (reserve).....			27,448,000.00
Federal reserve notes (net).....			23,182,000.00
Total cash in all banks.....			1,911,717,321.95

¹ Classification incomplete by reason of the fact that in the returns from banks other than national in many States the various kinds of currency held are not shown separately.

² Includes \$66,971,000 gold clearing house certificates.

DISTRIBUTION OF MONEY IN THE UNITED STATES.

The general stock of money at the close of the fiscal year ended June 30, 1916, was \$4,482,900,000, or \$493,500,000 more than was reported for 1915.

Of the total stock \$458,800,000, or 10.23 per cent, was in the Treasury as assets. Included in the latter amount is \$160,540,000, held by Federal reserve banks and Federal reserve agents against Federal reserve notes. Coin and other money in national banks and other reporting banks, exclusive of those in the island possessions, amounted to \$1,472,200,000, and including \$425,600,000 cash in Federal reserve banks, the sum of \$1,897,800,000, or 42.34 per cent of the total stock of money, was held by banks, the remaining \$2,126,300,000, or 42.34 per cent, being outside of the Treasury and banks.

The amount in circulation, exclusive of coin and other money in the Treasury as assets, is \$4,024,100,000, or \$39.29 per capita, being an increase of \$454,900,000 and a per capita increase of \$3.85 over the amount reported in 1915.

In the following table is shown the distribution of money in the United States (island possessions not included), giving the amount in the Treasury as assets and the amount in reporting banks from 1892 to 1916, inclusive:

Year ended June 30—	Coin and other money in Treasury as assets. ¹		Coin and other money in reporting banks. ²		Coin and other money not in banks.			In circulation, exclusive of coin and other money in Treasury as assets.		
	Amount.	Per cent.	Amount.	Per cent.	Amount.	Per cent.	Per capita.	Amount.	Per capita.	
										Millions.
1892.....	\$1,752.2	\$150.9	8.60	\$586.4	33.48	\$1,014.9	57.92	\$15.50	\$1,601.3	\$24.60
1893.....	1,738.8	142.1	8.17	515.9	29.68	1,080.8	62.15	16.14	1,596.7	24.06
1894.....	1,805.5	144.2	7.99	688.9	38.17	972.4	53.84	14.21	1,661.3	24.56
1895.....	1,819.3	217.4	11.95	631.1	34.96	970.8	53.36	13.89	1,601.9	23.24
1896.....	1,799.9	293.5	16.31	531.8	29.55	974.6	54.14	13.65	1,506.4	21.44
1897.....	1,906.7	265.7	13.93	628.2	32.94	1,012.8	53.13	13.87	1,641.0	22.92
1898.....	2,073.5	235.7	11.37	687.7	33.17	1,150.1	55.46	15.43	1,837.8	25.19
1899.....	2,190.0	286.0	13.06	723.2	33.02	1,180.8	53.92	15.51	1,904.0	25.62
1900.....	2,339.7	284.6	12.16	749.9	32.05	1,305.2	55.79	17.11	2,055.1	26.93
1901.....	2,483.1	307.8	12.39	794.9	32.02	1,380.4	55.59	17.75	2,175.3	27.98
1902.....	2,563.2	313.9	12.24	837.9	32.69	1,411.4	55.07	17.90	2,249.3	28.43
1903.....	2,684.7	317.0	11.80	848.0	31.59	1,519.7	56.61	18.88	2,367.7	29.42
1904.....	2,803.5	284.3	10.14	982.9	35.06	1,536.3	54.80	18.77	2,519.2	30.77
1905.....	2,883.1	295.2	10.24	987.8	34.27	1,600.1	55.49	19.22	2,587.9	31.08
1906.....	3,069.9	333.3	10.86	1,010.7	32.92	1,725.9	56.22	20.39	2,736.6	32.32
1907.....	3,115.6	342.6	11.00	1,106.5	35.51	1,666.5	53.49	19.36	2,773.0	32.22
1908.....	3,378.8	340.8	10.08	1,362.9	40.34	1,675.1	49.58	19.15	3,038.0	34.72
1909.....	3,406.3	300.1	8.81	1,444.3	42.40	1,661.9	48.78	18.68	3,106.2	34.93
1910.....	3,419.5	317.2	9.27	1,414.6	41.37	1,687.7	49.36	18.68	3,102.3	34.33
1911.....	3,555.9	341.9	9.61	1,545.5	43.46	1,668.5	46.93	17.75	3,214.0	34.20
1912.....	3,648.8	364.3	9.98	1,563.8	42.86	1,720.7	47.16	17.98	3,284.5	34.34
1913.....	3,720.0	356.3	9.58	1,552.3	41.73	1,811.4	48.69	18.61	3,363.7	34.56
1914.....	3,738.3	336.3	8.97	1,630.0	43.62	1,772.0	47.41	17.89	3,402.0	34.35
1915.....	{ 3,989.4	{ 420.2	{ 10.53	{ 1,447.9	{ 44.12	{ 1,809.2	{ 45.35	{ 17.96	{ 3,569.2	{ 35.44
	{ 4,482.9	{ 458.8	{ 10.23	{ 1,472.2	{ 42.34	{ 2,126.3	{ 47.43	{ 20.75	{ 4,024.1	{ 39.29
1916.....	{ 4,482.9	{ 458.8	{ 10.23	{ 1,472.2	{ 42.34	{ 2,126.3	{ 47.43	{ 20.75	{ 4,024.1	{ 39.29

¹ Public money in national-bank depositaries to the credit of the Treasurer of the United States not included.

² Money in banks of island possessions not included.

³ Includes amount held by Federal reserve banks and Federal reserve agents against Federal reserve notes.

⁴ Money in Federal reserve banks June 25, 1915, and June 30, 1916.

⁵ Population estimated at 102,431,000.

INDIVIDUAL DEPOSITS IN ALL REPORTING BANKS.

Individual deposits in all reporting banks on June 30, 1916, aggregated \$22,773,714,074.98. In 1915 individual deposits were reported at \$19,135,380,200.45. The increase during the fiscal year was, therefore, \$3,638,333,874.53, or 19.01 per cent. The percentage of increase in deposits for the fiscal year ended June, 1915, was 3.34.

Individual deposits in each class of banks as of June 30, 1916, classified as demand, time, savings, and unclassified, are as follows:

Classification of individual deposits in each class of banks, June 30, 1916.

Banks.	Number of banks.	Demand deposits (including demand certificates of deposit, certified checks, and cashier's checks).	Time deposits, including time certificates of deposit.	Savings deposits.	Unclassified deposits.	Total.
State banks...	15,450	\$2,668,212,552.27	\$664,731,176.99	\$961,693,954.30	\$1,615,346.49	\$4,296,253,030.05
Stock savings banks.....	1,242	45,727,225.42	9,889,107.20	844,346,877.48	1,647,483.78	901,610,693.88
Mutual savings banks....	622	18,304,194.68	438,832.54	4,135,113,212.09	33,120,361.33	4,186,976,600.64
Loan and trust companies..	1,606	3,774,371,136.47	166,846,034.47	1,214,090,179.02	43,188,946.57	5,198,496,296.53
Private banks.	1,014	93,992,654.39	27,659,270.15	16,302,104.43	8,811,424.91	146,765,453.88
Total..	19,934	6,600,607,763.23	869,564,421.35	7,171,546,327.32	88,383,563.08	14,730,102,074.98
National banks.....	7,579	6,373,925,000.00	1,669,687,000.00	.....	.....	8,043,612,000.00
Grand total..	27,513	12,974,532,763.23	2,539,251,421.35	7,171,546,327.32	88,383,563.08	22,773,714,074.98

¹ Exclusive of United States and postal savings deposits.

Summaries of reports of condition from banks other than national show savings deposits held aggregating \$7,171,546,327. Savings deposits in mutual savings banks were \$4,135,113,212, or, including time and demand, they were \$4,186,976,600; in stock savings banks, \$844,346,877 (including time and demand, \$901,610,693); State banks, \$961,693,954; loan and trust companies, \$1,214,090,179; and private banks, \$16,302,104.

In view of the fact that under the Federal reserve act deposits in national banks are classified as demand and time, it is not possible to state the amount of deposits that might be classed as savings held by banks of that character.

STATE AND PRIVATE BANK FAILURES.

Statistical information has been obtained through the courtesy of the Bradstreet Commercial Agency with respect to the number of banks closed, other than national, together with the assets and liabilities and the date of closing, but no information is submitted in relation to dividends paid to creditors or to the settlement of the affairs of insolvent State and private banks.

Included in the list of failures are 23 State banks with assets of \$2,147,768 and liabilities of \$2,991,094; 3 savings banks with assets of \$7,750,000 and liabilities of \$11,885,000; 3 trust companies with assets of \$256,070 and liabilities of \$257,000; and 12 private banks with assets of \$358,000 and liabilities of \$877,416.

Since 1896 no statistics have been secured relating to the settlement of the affairs of banks of this character, but there have been reported from year to year the number of failures, with assets and liabilities at the date of failure, which is summarized in the table following:

Number of failures, capital, assets, liabilities, and dividends paid by State and private banks that failed in each year from 1864 to 1916.

Year.	Number of failures.	Capital.	Nominal assets.	Liabilities.	Dividends paid.
1864.....	2				
1865.....	5	\$125,000.00	\$245,401.97	\$225,662.14	\$145,592.25
1866.....	5	275,000.00	1,206,035.00	890,112.00	
1867.....	3	260,000.00	222,075.00	138,821.00	138,821.00
1868.....	7	276,381.00	183,002.30	148,886.00	
1869.....	6	100,000.00	77,861.00	361,961.73	82,844.74
1870.....	1			50,000.00	
1871.....	7	220,000.00	2,314,871.90	2,654,187.15	974,256.96
1872.....	10	470,000.00	2,126,124.18	3,059,318.06	1,906,573.00
1873.....	33	907,000.00	4,644,889.91	6,938,653.01	3,420,016.33
1874.....	40	770,000.00	4,125,731.00	4,562,879.00	2,022,498.51
1875.....	14	2,413,900.00	9,190,283.98	12,365,475.25	4,143,941.97
1876.....	37	961,000.00	7,312,218.73	9,206,429.34	5,178,020.98
1877.....	63	2,491,250.00	13,137,835.47	15,222,785.49	7,004,558.27
1878.....	70	3,250,193.00	26,001,949.67	27,269,520.51	19,485,717.87
1879.....	20	1,370,465.00	5,102,691.94	5,252,307.22	4,235,808.85
1880.....	10	452,200.00	1,629,146.61	1,311,799.49	288,494.74
1881.....	9	436,750.00	585,653.06	1,785,890.45	851,755.00
1882.....	19	545,000.00	2,765,951.10	2,608,489.57	1,221,737.29
1883.....	27	870,000.00	2,813,915.19	3,193,747.39	1,408,047.99
1884.....	54	1,718,596.00	12,900,819.05	15,508,389.70	9,671,860.25
1885.....	32	1,099,400.00	2,982,879.51	4,883,454.27	2,361,320.01
1886.....	13	254,000.00	1,300,536.30	1,140,824.48	673,579.10
1887.....	19	931,590.00	2,865,300.30	3,074,622.29	1,610,527.45
1888.....	17	745,500.00	2,805,326.52	3,342,336.52	1,924,773.68
1889.....	15	363,250.00	1,279,900.68	2,147,059.18	1,026,682.73
1890.....	30	2,169,568.00	10,662,385.98	11,385,584.64	3,884,577.99
1891.....	44	2,071,300.00	7,190,824.69	6,365,198.77	3,090,597.48
1892.....	27	578,840.00	2,719,410.75	3,227,608.56	803,860.76
1893.....	261	16,641,637.00	54,828,690.65	46,766,818.80	17,912,270.45
1894.....	71	3,112,447.00	7,958,284.18	7,218,319.51	1,456,522.87

Number of failures, capital, assets, liabilities, and dividends paid by State and private banks that failed in each year from 1864 to 1916—Continued.

Year.	Number of failures.	Capital.	Nominal assets.	Liabilities.	Dividends paid.
1895.....	115	\$3,906,350.00	\$11,276,529.99	\$9,010,584.93	\$2,251,708.93
1896.....	78	3,400,642.00	10,240,244.97	7,513,837.41	534,363.30
Total.....	1,164	53,187,259.00	212,725,771.58	218,833,563.86	99,711,330.75
Not dated.....	70	445,000.00	1,586,419.00	1,796,424.41	377,396.20
Total.....	1,234	53,632,259.00	214,312,190.58	220,629,988.27	100,088,726.95
1897.....	122		17,929,163.00	24,090,879.00	
1898.....	53		4,493,577.00	7,080,190.00	
1899.....	26		7,790,244.00	10,448,159.00	
1900.....	32		7,675,792.00	11,421,028.00	
1901.....	56		6,373,372.00	13,334,629.00	
1902.....	43		7,323,737.00	10,332,666.00	
1903.....	26		2,166,852.00	4,005,643.00	
1904.....	102		24,296,823.00	31,774,895.00	
1905.....	57		6,970,345.00	10,273,023.00	
1906.....	37		6,591,515.00	7,187,858.00	
1907.....	34		13,037,497.00	22,165,448.00	
1908.....	132		177,073,348.00	209,835,443.00	
1909.....	60		15,760,177.00	25,190,156.00	
1910.....	28		14,496,610.00	18,182,592.00	
1911.....	56		13,962,050.00	18,546,583.00	
1912.....	55		7,797,401.00	12,838,837.00	
1913.....	40		6,182,295.00	7,520,527.00	
1914.....	96		20,601,228.00	32,058,706.00	
1915.....	110		16,495,002.00	27,866,847.00	
1916.....	41		10,511,838.00	16,010,510.00	
Total.....	2,440		601,841,056.58	740,794,607.27	

For the purpose of comparison there is submitted herewith a statement relating to failures by years and classes of banks:

Number, assets, and liabilities of State banks, savings banks, loan and trust companies, private banks, and national banks which failed, by years, from June 30, 1892, to June 30, 1916.

[In the amounts 000 omitted.]

Year.	State institutions.								
	State banks.			Savings banks.			Loan and trust companies.		
	No.	Assets.	Liabilities.	No.	Assets.	Liabilities.	No.	Assets.	Liabilities.
1892.....	24	\$1,892	\$3,178	6	\$484	\$917	3	\$209	\$425
1893.....	172	41,282	36,903	47	17,674	16,831	19	15,098	24,144
1894.....	27	1,774	2,010	9	2,646	2,678	8	33,420	37,977
1895.....	46	2,555	3,445	8	4,653	4,818	6	4,107	5,844
1896.....	55	3,741	4,628	9	662	902	4	1,159	936
1897.....	44	6,080	8,083	19	3,998	5,455	12	3,436	4,325
1898.....	14	694	988	4	800	956	2	1,275	1,575
1899.....	5	919	1,240	4	1,153	1,632	2	5,067	6,701
1900.....	9	418	442	3	328	410	4	5,243	6,636
1901.....	8	1,003	1,440	3	450	531	4	995	1,113
1902.....	12	1,364	2,056	10	4,622	5,730	1	12	22
1903.....	6	645	965	1	35	235	2	371	561
1904.....	37	5,194	6,725	7	1,457	1,704	8	13,128	15,880
1905.....	16	1,397	2,282	4	550	811	2	2,525	3,600
1906.....	15	710	1,006	5	360	490	4	4,636	3,990
1907.....	10	2,380	4,833				4	4,850	8,100
1908.....	42	41,035	43,227	12	7,760	7,581	25	110,047	126,200
1909.....	19	2,732	3,286	2	85	105	6	5,342	5,412
1910.....	9	8,170	9,111	1	52	63	6	3,072	2,216
1911.....	28	9,865	12,678	4	2,021	2,487	2	140	230
1912.....	29	2,318	3,129	1	40	66	4	2,452	4,304
1913.....	18	1,362	1,866	4	564	680	3	3,409	3,419
1914.....	53	8,947	11,511	7	643	769	9	7,948	8,752
1915.....	57	3,599	4,820	5	4,255	4,335	9	988	1,341
1916.....	23	2,148	2,991	3	7,750	11,885	3	256	257
Total.....	778	152,224	172,843	178	63,042	72,071	152	229,185	273,960

Number, assets, and liabilities of State banks, savings banks, loan and trust companies, private banks, and national banks which failed, by years, from June 30, 1892, to June 30, 1916—Continued.

[In the amounts 000 omitted.]

Year.	Private banks.			Total State and private institutions.			National banks. ¹		
	No.	Assets.	Liabilities.	No.	Assets.	Liabilities.	No.	Assets—nominal value.	Liabilities. ²
1892.....	36	\$3,540	\$6,505	69	\$6,125	\$11,025	17	\$16,257	\$12,769
1893.....	176	20,237	19,315	414	94,291	97,193	65	31,135	20,356
1894.....	21	1,749	2,236	65	39,539	44,901	21	8,366	5,579
1895.....	25	1,389	1,805	85	12,704	15,912	36	14,919	9,416
1896.....	42	1,886	2,708	110	7,448	9,174	27	14,203	10,066
1897.....	47	4,416	6,228	122	17,930	24,091	38	39,579	26,415
1898.....	33	1,725	3,561	53	4,494	7,080	7	5,395	3,817
1899.....	15	651	874	26	7,790	10,447	12	2,725	1,810
1900.....	16	1,637	3,933	32	7,676	11,421	6	13,590	10,312
1901.....	41	3,925	10,251	56	6,373	13,335	11	9,157	7,676
1902.....	20	1,325	2,525	43	7,323	10,333	2	604	379
1903.....	17	1,116	2,245	26	2,167	4,006	12	7,308	5,710
1904.....	50	4,518	7,466	102	24,297	31,775	20	8,734	6,379
1905.....	35	2,498	3,580	57	6,970	10,273	22	15,308	13,678
1906.....	13	886	1,702	37	6,592	7,188	8	2,410	1,602
1907.....	20	5,807	9,232	34	13,037	22,165	7	8,048	5,461
1908.....	53	18,231	32,828	132	177,073	209,836	24	33,475	22,417
1909.....	33	7,602	16,387	60	15,761	25,190	9	4,041	3,174
1910.....	12	3,206	6,792	28	14,496	18,182	6	3,160	2,898
1911.....	22	1,935	3,150	56	13,962	18,546	3	1,412	923
1912.....	21	2,976	5,338	55	7,797	12,838	8	5,515	4,484
1913.....	15	846	1,554	40	6,182	7,520	6	8,049	6,672
1914.....	27	3,663	11,027	96	20,601	32,059	21	11,548	9,772
1915.....	39	7,652	17,370	110	16,495	27,866	14	16,244	12,211
1916.....	12	353	877	41	10,512	16,010	13	6,617	2,594
Total.....	841	103,224	179,489	1,949	547,685	698,366	415	284,799	206,570

¹ Years ended Oct. 31.

² Claims proved, offsets allowed, and loans paid.

BANKS AND BANKING IN THE DISTRICT OF COLUMBIA.

There are 59 banking institutions in the District of Columbia, consisting of 14 national banks, 6 trust companies, 20 savings banks, and 19 building and loan associations. The aggregate capital of all these institutions on June 30, 1916, was \$18,659,000. The total individual deposits were \$104,821,809, and the aggregate resources, \$157,534,007.

The number, capital, individual deposits, and aggregate resources of each class of financial institutions doing business in the District of Columbia on June 30, 1916, are shown in the following table:

	Number.	Capital.	Individual deposits.	Aggregate resources.
National.....	14	\$7,159,000	\$39,775,000	\$68,470,000
Loan and trust companies.....	6	10,000,000	32,837,000	51,326,000
Savings banks.....	20	1,500,000	13,541,000	16,127,000
Building and loan associations.....	19	.....	18,688,809	21,611,007
Total.....	59	18,659,000	104,821,809	157,534,007

¹ Share payments mainly.

BUILDING AND LOAN ASSOCIATIONS IN THE DISTRICT OF COLUMBIA.

On March 4, 1909, the building and loan associations in operation in the District of Columbia were placed under the supervision of the Comptroller of the Currency. Since that date they have shown a steady increase in business, as indicated by the volume of loans, installment payments on shares, and aggregate resources, as set forth in the following table:

Years.	Number of associations.	Loans.	Installments on shares.	Aggregate resources.
June 30—				
1909.....	22	\$13,511,587	\$11,996,357	\$14,393,927
1910.....	19	14,415,832	13,213,644	15,250,731
1911.....	19	14,965,220	13,324,217	16,017,465
1912.....	20	16,004,760	14,529,977	17,160,233
1913.....	20	17,398,010	16,453,044	18,438,294
1914.....	20	18,582,156	17,113,899	19,629,260
1915.....	20	19,524,065	17,866,337	20,655,614
1916.....	19	20,186,662	18,668,808	21,611,007

BUILDING AND LOAN ASSOCIATIONS IN THE UNITED STATES.

This office is indebted to Mr. H. F. Cellarius, secretary of the United States League of Local Building and Loan Associations, for statistics relating to building and loan associations of the United States for the year ended December 31, 1915. These statistics show that there were in 1915 in the United States 6,806 associations, with a total membership of 3,334,899 and having assets amounting to \$1,484,205,875. The increase in resources for the year amounted to \$126,497,975, or 9.32 per cent over the figures reported for 1914. The membership increased 230,964, or 7.44 per cent during the same period.

The following table shows by States the number of associations, total membership, and total assets for States in which accurate statistics are compiled by State supervisors. The data for other States are consolidated under the heading "Other States," and the figures given are estimated:

Statistics for 1915.

	States.	Number of associations.	Total membership.	Total assets.	Increase in assets.	Increase in membership.
1	Pennsylvania.....	1,830	568,000	\$277,000,000	\$21,893,720	22,376
2	Ohio.....	657	649,126	263,106,613	22,175,828	37,659
3	New Jersey.....	742	281,464	143,903,994	11,298,097	15,955
4	Massachusetts.....	179	217,427	101,543,318	10,761,848	13,178
5	Illinois.....	632	215,150	98,390,668	7,818,325	11,481
6	New York.....	251	179,380	72,419,658	3,943,159	7,133
7	Indiana.....	344	190,925	63,679,080	7,251,531	26,305
8	Nebraska.....	71	83,765	41,660,870	4,522,457	8,411
9	California.....	89	38,788	30,441,084	925,321	1,697
10	Michigan.....	65	59,365	27,696,545	1,956,710	710
11	Louisiana.....	66	50,462	23,362,690	2,299,898	4,970
12	Kentucky.....	115	61,056	23,176,078	1,376,143	4,778
13	District of Columbia.....	19	37,044	20,959,574	829,422	879
14	Kansas.....	65	56,689	20,797,976	2,272,953	5,035
15	Missouri.....	153	43,987	20,509,725	2,453,866	6,523
16	North Carolina.....	155	38,945	14,359,449	1,656,095	5,570
17	Wisconsin.....	74	37,747	14,228,401	1,937,519	6,193
18	Iowa.....	51	36,200	12,517,852	5,150,507	9,967
19	Arkansas.....	39	22,540	10,031,099	403,206	905
20	Washington.....	24	30,114	10,022,132	2,144,665	5,497
21	Minnesota.....	64	18,500	7,501,626	325,154	1,871
22	West Virginia.....	43	18,500	7,073,421	335,052	2,500
23	Maine.....	37	13,120	5,957,696	399,427	1,007
24	Rhode Island.....	7	9,263	5,041,439	254,693	1,151
25	Connecticut.....	16	12,618	3,855,546	273,768	5,507
26	Tennessee.....	14	5,261	3,226,591	118,510	849
27	New Hampshire.....	20	9,424	2,734,727	229,642	255
28	North Dakota.....	10	5,559	2,725,859	181,616	1,150
29	Oklahoma.....	35	8,947	2,700,000	759,429	2,714
30	New Mexico.....	13	3,810	1,462,982	17,404	1,118
31	Montana.....	13	2,020	1,578,109	130,532	57
32	Texas.....	19	3,903	1,247,303	272,451	681
33	Vermont.....	4	471	201,437	15,276	15
	Other States.....	890	325,338	149,092,333	10,401,791	22,697
	Total.....	6,806	3,334,899	1,484,205,875	126,497,975	230,964

Ohio shows the largest increase in assets for the year, gaining \$22,175,828, followed by Pennsylvania, whose increase is \$21,893,720. Other increases for the year are: New Jersey, \$11,298,097; Massachusetts, \$10,761,848; Illinois, \$7,818,325; Indiana, \$7,251,531; Iowa, \$5,150,507; Nebraska, \$4,522,457; and New York, \$3,943,159.

The average amount due each member is \$445.05 as against \$437.41, the amount shown last year.

RECEIPTS AND DISBURSEMENTS FOR 1915.

The aggregate receipts for 1915 were \$966,913,414, an increase of \$43,255,710 over the previous year. The receipts from weekly dues were \$9,015,120 in excess of 1914, and the mortgage loans made by the various associations were \$10,183,440 in excess of the previous year. The total expense of management for all associations was \$8,640,152, or a little less than nine-tenths of 1 per cent of the total receipts, which is about the same percentage as last year. In detail the receipts and disbursements for the year 1915 were as follows:

RECEIPTS.	
Cash on hand Jan. 1, 1915.....	\$37, 008, 676
Weekly dues.....	302, 050, 992
Paid up stock.....	35, 984, 734
Deposits.....	82, 510, 726
Loans repaid.....	267, 408, 616
Interest.....	84, 568, 554
Premium.....	4, 395, 030
Fines.....	1, 315, 102
Pass books and initiation.....	742, 726
Borrowed money.....	109, 085, 326
Real estate sold.....	6, 595, 952
Miscellaneous receipts.....	35, 246, 980
Total receipts.....	966, 913, 414
DISBURSEMENTS.	
Pass-book loans.....	\$34, 315, 304
Mortgage loans.....	351, 820, 448
Stock withdrawals.....	268, 185, 412
Paid-up stock withdrawals.....	31, 651, 030
Deposit withdrawals.....	78, 967, 446
Expenses.....	8, 640, 152
Borrowed money repaid.....	106, 530, 076
Interest.....	2, 964, 090
Real estate purchased.....	10, 064, 278
Miscellaneous disbursements.....	32, 162, 080
Cash on hand Jan. 1, 1916.....	41, 613, 098
Total disbursements.....	966, 913, 414

UNITED STATES POSTAL SAVINGS SYSTEM.

The Third Assistant Postmaster General submits the following information showing, by States and Territories, the balances to the credit of depositors on June 30, 1915, deposits and withdrawals during the fiscal year 1916, the balances to the credit of depositors on June 30, 1916, and the balances on deposit on June 30, 1916, in banks which have qualified to receive postal savings deposits:

Balances to credit of postal-savings depositors on June 30, 1915, deposits and withdrawals during fiscal year, and balances to the credit of depositors and on deposit in banks June 30, 1916, by States.

State.	Balance to credit of depositors June 30, 1915.	Deposits during fiscal year.	Deposits withdrawn during fiscal year.	Balance to credit of depositors June 30, 1916.	Balance on deposit in banks June 30, 1916. ¹
United States.....	\$65,684,708	\$76,775,868	\$56,440,691	\$86,019,885	\$80,775,586.36
Alabama.....	169,581	212,659	160,067	222,173	220,137.30
Alaska ²		38,492	2,512	35,980	16,173.00
Arizona.....	391,908	692,953	479,226	605,635	594,831.84
Arkansas.....	193,637	177,282	141,719	229,200	227,498.21
California.....	3,670,540	3,387,267	3,221,818	3,835,989	3,631,198.77
Colorado.....	1,363,852	1,291,602	1,002,851	1,652,603	1,603,741.98
Connecticut.....	1,109,464	2,120,680	1,296,183	1,933,961	1,918,408.89
Delaware.....	82,031	289,520	198,613	172,938	172,250.85
District of Columbia.....	323,148	287,488	237,250	373,386	330,273.00
Florida.....	306,068	402,174	344,319	363,923	360,713.19
Georgia.....	105,709	110,567	94,333	121,943	121,280.65
Hawaii.....	30,108	64,176	55,832	38,452	38,275.30
Idaho.....	365,314	327,489	312,294	380,509	382,750.84
Illinois.....	4,932,414	4,528,680	3,469,250	5,991,844	5,532,235.71
Indiana.....	1,173,982	1,124,259	920,806	1,377,435	1,358,475.52
Iowa.....	453,794	432,873	359,284	521,383	521,761.73
Kansas.....	704,865	465,360	429,300	740,925	727,010.82
Kentucky.....	401,533	342,060	304,708	438,885	423,276.14
Louisiana.....	277,302	247,229	232,851	291,680	269,464.51
Maine.....	262,599	250,826	219,261	294,164	293,109.96
Maryland.....	149,947	139,141	117,679	171,409	163,234.00
Massachusetts.....	3,004,406	3,608,587	2,617,805	3,995,188	3,834,511.21
Michigan.....	2,241,472	3,413,453	2,454,778	3,200,147	3,046,208.41
Minnesota.....	1,744,145	1,522,558	1,315,574	1,951,129	1,886,459.17
Mississippi.....	160,585	89,107	109,377	140,315	139,107.52
Missouri.....	1,799,356	1,694,975	1,357,804	2,136,527	1,974,390.80
Montana.....	899,652	1,345,281	938,690	1,306,243	1,230,744.28
Nebraska.....	398,306	337,645	306,168	429,783	414,380.76
Nevada.....	390,403	442,550	398,433	439,520	421,066.79
New Hampshire.....	365,585	323,122	259,055	429,652	429,915.50
New Jersey.....	1,974,744	2,577,240	1,745,519	2,806,465	2,758,771.98
New Mexico.....	83,605	140,962	112,973	111,594	109,663.97
New York.....	19,594,877	25,435,263	17,422,316	27,607,824	24,744,056.52
North Carolina.....	44,810	35,670	34,733	45,747	45,472.63
North Dakota.....	36,809	47,259	43,285	40,783	40,881.12
Ohio.....	4,419,336	4,489,716	3,482,197	5,476,855	5,187,140.12
Oklahoma.....	336,547	261,349	275,461	322,435	319,479.24
Oregon.....	1,493,935	1,369,012	1,305,084	1,557,863	1,499,854.07
Pennsylvania.....	4,409,746	6,187,861	3,489,811	7,107,796	6,901,181.54
Porto Rico.....	44,636	152,178	120,838	75,976	10,000.00
Rhode Island.....	540,171	775,396	519,657	795,910	782,177.89
South Carolina.....	29,007	26,482	29,044	26,445	26,181.45
South Dakota.....	72,815	67,390	65,049	75,156	73,972.49
Tennessee.....	264,912	218,010	221,528	261,394	253,573.41
Texas.....	649,914	824,279	704,262	769,931	745,773.01
Utah.....	209,657	321,622	234,264	297,015	300,772.24
Vermont.....	85,865	80,444	68,614	97,695	97,644.46
Virginia.....	258,013	481,908	377,063	362,858	362,076.46
Washington.....	1,943,832	1,778,900	1,603,587	2,119,145	2,049,517.39
West Virginia.....	183,583	259,998	191,302	252,279	249,985.57
Wisconsin.....	1,399,143	1,372,675	960,245	1,811,573	1,766,183.19
Wyoming.....	137,045	162,199	131,019	168,225	168,350.96

¹ Balances are as shown by banks' books. The actual balances to credit of board of trustees was \$80,721,982.61. The difference is made up as follows: Add funds in transit to banks, \$3,975.60; due from late qualified banks, \$0.46; deduct outstanding checks, \$48,929.81; funds in transit to banks, \$8,650.

² No post offices designated as depositories until April, 1916.

The number of depositors on June 30, 1915, was 525,414, while on June 30, 1916, they numbered 602,937, being an increase in the number of depositors of 77,523.

SAVINGS BANKS IN THE PRINCIPAL COUNTRIES OF THE WORLD.

The Bureau of Foreign and Domestic Commerce, Department of Commerce, has furnished for publication in this report the latest available information with reference to savings banks in foreign countries. The statistics following show the number of depositors, amount of deposits, average deposit account, and the average deposit per inhabitant of the principal countries of the world. The statistics presented are divided into two classes; first, those relating to all savings banks; and, second, to postal savings banks. To the information so obtained have been added data relating to mutual and stock savings banks in operation in the United States together with postal savings in the United States and the Philippine Islands. The statistics thus obtained are shown in the table which follows:

Savings banks, including postal savings banks: Number of depositors, amount of deposits, average deposits per deposit account and per inhabitant, by specified countries.

[Compiled by the Bureau of Foreign and Domestic Commerce, Department of Commerce, from official reports of the respective countries.]

Countries.	Population. ¹	Date of report.	Form of organization.	Number of depositors.	Deposits.	Average deposit account.	Average deposit per inhabitant.
Austria.....	28,996,000	Dec. 31, 1912	Communal and private savings banks.....	4,404,506	\$1,302,465,052	\$295.71	\$44.92
		Dec. 31, 1913	Postal savings banks, savings department.....	2,300,407	40,297,296	17.52	1.39
		do.....	Postal savings banks, check department.....	122,870	79,561,438	647.53	2.74
Belgium.....	7,571,000	Dec. 31, 1912	Government savings banks.....	3,013,296	204,147,391	67.75	26.96
		do.....	Communal and private savings banks.....	49,794	11,854,503	238.07	1.57
Bulgaria.....	4,338,000	Dec. 31, 1911	Postal savings banks.....	312,462	8,797,965	28.16	2.03
Chile.....	3,597,000	Dec. 31, 1914	Public savings banks.....	396,488	11,324,804	28.59	3.15
Denmark ²	2,830,000	Mar. 31, 1914	Communal and corporate savings banks.....	1,202,973	198,822,832	165.28	70.26
Egypt.....	12,170,000	Dec. 31, 1914	Postal savings banks.....	233,744	2,251,803	9.63	1.19
		Dec. 31, 1913	Private savings banks.....	8,604,993	774,405,417	89.96	19.55
France.....	39,602,000	Dec. 31, 1914	Postal savings banks.....	6,555,992	348,858,018	53.21	8.81
		Dec. 31, 1909	Municipal savings banks.....	19,427	1,309,769	67.42	2.4
Algeria.....	5,564,000	Dec. 31, 1912	Postal savings banks.....	5,546	1,504,443	271.27	7.78
Tunis.....	1,929,000	Dec. 31, 1912	Public and corporate savings banks.....	23,871,657	4,685,982,000	196.30	70.24
Germany ³	66,715,000	Dec. 31, 1913	Communal and private savings banks.....	1,149,251	428,023,064	372.44	20.35
		Dec. 31, 1909	Postal savings banks, savings department.....	836,143	21,983,784	26.29	1.05
Hungary.....	21,030,000	Dec. 31, 1912	Postal savings bank, check department.....	24,104	22,027,751	913.86	1.05
		do.....	Communal and corporate savings banks.....	2,438,108	500,799,921	205.41	14.07
Italy.....	35,598,000	Dec. 31, 1914	Postal savings banks.....	6,274,133	386,860,167	61.66	10.87
		Dec. 31, 1912	Private savings banks.....	8,639,296	82,883,367	9.59	1.55
Japan.....	53,597,000	Mar. 31, 1915	Postal savings banks.....	12,928,005	100,985,778	7.81	1.88
		Dec. 31, 1912	Private savings banks.....	8,065	172,732	21.42	.05
Formosa.....	3,544,000	Mar. 31, 1914	Postal savings banks.....	141,005	1,185,058	8.40	.33
Chosen.....	16,500,000	Mar. 31, 1915	do.....	720,167	3,167,091	4.40	1.19
		Mar. 31, 1913	do.....	78,185	1,726,037	22.08	3.31
Kwantung.....	522,000	Mar. 31, 1914	State savings bank.....	76,808	12,597,471	164.01	47.01
		Dec. 31, 1913	Private savings banks.....	509,836	52,159,902	102.31	8.23
Luxemburg.....	268,000	Dec. 31, 1914	Postal savings banks.....	1,671,498	74,203,170	44.39	11.70
		do.....	Private savings banks.....	5,740	889,304	154.93	.02
Netherlands.....	6,340,000	do.....	Postal savings banks.....	122,429	3,829,627	31.28	1.10
		do.....	do.....	10,333	323,511	81.29	3.78
Dutch East Indies ⁴	38,000,000	do.....	do.....	1,136,262	162,595,349	143.10	66.12
Dutch Guiana.....	86,000	do.....	do.....	218,690	11,616,820	53.12	1.69
Norway.....	2,459,000	Dec. 31, 1913	Communal and private savings banks.....	1,136,262	162,595,349	143.10	66.12
Roumania.....	6,866,000	July 1, 1910	Government savings banks.....	218,690	11,616,820	53.12	1.69

¹ The figures of population are for the nearest date to which the statistics of savings banks relate.

² Exclusive of 2,198 deposits of \$253,885 in savings banks in Faroe Islands, and 188,718 savings deposits of \$36,220,888 in ordinary banks.

³ Exclusive of Brunswick.

⁴ Exclusive of data for three large private savings banks in Batavia, Soerabaja and Macassar, and the small banks of Amboina and Menado.

Savings banks, including postal savings banks: Number of depositors, amount of deposits, average deposits per deposit account and per inhabitant, by specified countries—Continued.

Countries.	Population.	Date of report.	Form of organization.	Number of depositors.	Deposits.	Average deposit account.	Average deposit per inhabitant.
Russia ¹	175,137,000	Mar. 14, 1916	State, including postal savings banks.....	10,257,000	\$1,373,350,500	\$133.89	\$7.84
Finland.....	3,232,000	Dec. 31, 1914	Private savings banks.....	361,662	60,844,408	168.24	18.83
		Dec. 31, 1913	Postal savings banks.....	69,635	1,709,448	24.58	5.53
Spain ²	20,356,000	Dec. 31, 1914	Private savings banks.....	781,274	89,006,488	113.92	4.37
Sweden.....	5,680,000	Dec. 31, 1914	Communal and trustee savings banks.....	1,755,009	264,432,722	150.67	46.56
		do.....	Postal savings banks.....	578,271	12,020,007	20.79	2.12
Switzerland.....	3,555,000	Dec. 31, 1908	Communal and private savings banks.....	1,963,417	307,386,431.	156.56	86.47
		Nov. 20, 1914	Trustee savings banks.....	1,917,944	262,514,923	136.87	5.70
United Kingdom ³	46,089,000	Dec. 31, 1914	Postal savings banks.....	13,514,814	927,229,857	68.61	20.12
British India ⁴	244,268,000	Mar. 31, 1914	do.....	1,638,725	75,163,244	45.87	3.31
Australia, Commonwealth of.....	4,932,000	Mar. 31, 1916	Commonwealth, State, trustee, and joint-stock savings banks.....	2,367,754	450,832,336	190.45	91.41
New Zealand.....	1,103,000	Dec. 31, 1915	Postal savings banks.....	509,085	107,872,610	211.82	97.82
		Mar. 31, 1916	Private savings banks.....	78,024	10,086,318	129.27	9.15
Canada ⁵	8,075,000	June 30, 1915	Postal savings banks.....	133,304	39,230,868	294.30	4.86
		do.....	Dominion Government savings banks.....	32,137	13,908,114	432.62	1.72
British South Africa ⁶	7,173,000	1914-15	Government and post office savings banks.....	248,542	31,278,170	125.83	4.36
British West Indies.....	1,752,000	1913-14	do.....	97,237	6,378,157	68.68	3.81
British colonies, n. e. s.....	25,227,000	1913-14	do.....	263,940	15,311,454	58.01	.61
Total, foreign countries.....	904,701,000			124,549,890	13,588,468,600	109.10	15.02
United States.....	102,522,000	June 30, 1916	Postal savings banks.....	602,937	80,775,686	133.97	
			Mutual savings banks.....	8,592,271	4,189,376,600	487.20	50.42
			Stock savings banks.....	2,556,121	901,610,693	352.72	
Philippine Islands.....	9,930,000	Dec. 31, 1915	Postal savings banks.....	54,434	1,601,794	29.42	
Grand total.....	1,017,153,000			136,355,653	18,759,433,363	137.57	18.44

¹ The total is exclusive of \$382,542,000 worth of securities held by the savings banks to the credit of depositors.

² The peseta has been converted at the rate of 18.6 cents.

³ Exclusive of Government stock held for depositors, amounting to \$129,336,231 in the postal savings banks and to \$13,121,563 in the trustee savings banks.

⁴ Exclusive of the population of the feudatory States.

⁵ Exclusive of savings deposits in chartered banks and special private savings banks.

⁶ At the end of 1912 the private savings banks held deposits of \$4,271,955.

FEDERAL RESERVE BANKS.

The 12 Federal reserve banks opened for business on November 16, 1914. Statements of their combined assets and liabilities are issued weekly. The combined statements for November 27, 1914, November 26, 1915, and November 24, 1916, are as follows:

	Nov. 27, 1914.	Nov. 26, 1915.	Nov. 24, 1916.
RESOURCES.			
Gold.....	\$227,840,000	\$321,068,000	\$459,935,000
Other lawful money.....	34,630,000	37,212,000	18,444,000
Bills discounted and bought.....	7,383,000	48,973,000	122,593,000
United States bonds.....		12,919,000	39,427,000
One-year Treasury notes.....			11,167,000
Municipal warrants.....		27,308,000	22,166,000
Federal reserve notes—net.....		19,176,000	15,414,000
Due from Federal reserve banks—net.....		14,053,000	43,263,000
All other resources.....	165,000	4,633,000	2,651,000
Total.....	270,018,000	485,342,000	735,060,000
LIABILITIES.			
Capital paid in.....	18,050,000	54,846,000	55,711,000
Government deposits.....		15,000,000	26,319,000
Member bank deposits—net.....	249,268,000	397,952,000	637,072,000
Federal reserve notes—net.....	2,700,000	13,385,000	14,236,000
Federal reserve bank notes in circulation.....			1,028,000
All other liabilities.....		4,159,000	634,000
Total.....	270,018,000	485,342,000	735,060,000

The first purchases of United States bonds and municipal warrants were reported in the statement for June 18, 1915, and were as follows: United States bonds, \$7,200,000, and municipal warrants, \$9,700,000. In the statement for April 8, 1916, there appear among the assets for the first time United States Treasury notes issued in exchange for 2 per cent bonds previously acquired by the Federal reserve banks, the amount being \$1,932,000. These notes bear interest at the rate of 3 per cent per annum and are payable one year after date of issue. The statement for November 24, 1916, shows that the purchase of United States bonds had increased to \$39,427,000, one-year Treasury notes to \$11,167,000, and municipal warrants to \$22,166,000.

The development of the business of the Federal reserve banks as indicated by the weekly statements to November 24, 1916, is shown in the following table:

Comparative statement of the principal items of resources and liabilities of the Federal reserve banks from the date of the first report, Nov. 20, 1914, to Nov. 24, 1916.

ASSETS.

[In millions of dollars.]

Date.	Gold, including 5 per cent redemption fund.	Other lawful money.	Bills receivable discounted and bought.	United States bonds.	One-year Treasury notes.	Municipal warrants.	Federal reserve notes (net).	Due from Federal reserve banks (net).	All other assets.	Aggregate assets.
1914.										
Nov. 20....	203.4	37.3	5.6						0.1	246.4
Nov. 27....	227.8	34.6	7.4						.2	270.0
Dec. 4.....	230.9	32.0	9.8						3	273.0
Dec. 11....	232.0	28.2	10.2						2.0	272.4
Dec. 18....	233.2	25.0	9.0						2.7	269.9
Dec. 24....	232.6	25.7	8.5						4.8	271.6
Dec. 31....	229.0	26.6	10.6						11.6	277.8

Comparative statement of the principal items of resources and liabilities of the Federal reserve banks from the date of the first report, Nov. 20, 1914, to Nov. 24, 1916—Con.

ASSETS—Continued.

(In millions of dollars.)

Date.	Gold, including 5 per cent redemption fund.	Other lawful money.	Bills receivable discounted and bought.	United States bonds.	One-year Treasury notes.	Municipal warrants.	Federal reserve notes (net).	Due from Federal reserve banks (net).	All other assets.	Aggregate assets.
1915.										
Jan. 8.....	232.6	18.0	9.9	.....	.....	.....	.....	6.2	20.6	287.3
Jan. 15.....	236.5	16.2	12.4	.....	.....	.....	.....	7.6	24.3	297.0
Jan. 22.....	239.7	18.7	13.0	.....	.....	.....	.....	9.1	24.0	304.5
Jan. 29.....	235.9	20.9	14.0	.....	.....	.....	.....	7.4	24.0	302.2
Feb. 5.....	256.2	22.6	16.4	.....	.....	.....	.....	5.4	21.6	322.2
Feb. 12.....	259.2	22.1	17.1	.....	.....	.....	.....	4.5	22.1	325.0
Feb. 19.....	251.8	29.9	17.8	.....	.....	.....	.....	2.8	24.1	326.4
Feb. 26.....	248.9	29.1	20.5	.....	.....	.....	.....	8.0	25.2	331.7
Mar. 5.....	247.3	23.3	25.7	.....	.....	.....	.....	7.2	26.8	330.3
Mar. 12.....	247.0	21.6	27.8	.....	.....	.....	.....	5.4	29.3	331.1
Mar. 19.....	245.0	21.6	29.9	.....	.....	.....	.....	6.5	30.1	333.1
Mar. 26.....	242.1	23.1	31.7	.....	.....	.....	.....	5.6	30.7	333.2
Apr. 2.....	239.1	25.6	33.7	.....	.....	.....	.....	10.3	30.9	339.6
Apr. 9.....	239.5	30.0	35.3	.....	.....	.....	.....	5.7	30.2	340.7
Apr. 16.....	237.2	29.3	35.9	.....	.....	.....	.....	5.3	33.4	341.1
Apr. 23.....	238.7	29.1	36.5	.....	.....	.....	.....	8.3	34.0	346.6
Apr. 30.....	238.2	26.5	36.6	.....	.....	.....	.....	9.5	36.8	347.6
May 7.....	244.0	34.0	35.4	.....	.....	.....	.....	10.1	37.5	361.0
May 14.....	241.1	36.5	34.7	.....	.....	.....	.....	13.2	40.7	366.2
May 21.....	243.4	36.8	34.6	.....	.....	.....	.....	6.7	40.9	362.4
May 28.....	243.6	32.0	34.0	.....	.....	.....	.....	7.4	43.2	360.2
June 4.....	242.5	35.3	34.7	.....	.....	.....	.....	7.1	37.9	357.5
June 11.....	246.2	44.6	36.0	.....	.....	.....	.....	14.9	29.5	371.2
June 18.....	246.5	48.9	35.6	7.2	.....	9.7	7.8	8.1	6.5	370.3
June 25.....	255.2	47.8	36.4	7.6	.....	11.5	9.1	8.3	5.5	381.4
July 2.....	264.3	24.8	36.2	7.6	.....	12.4	7.6	9.8	3.7	386.4
July 9.....	266.2	22.5	36.7	7.9	.....	13.9	8.3	6.1	3.7	385.3
July 16.....	261.2	26.5	37.6	7.9	.....	14.4	9.9	5.9	4.4	387.8
July 23.....	263.6	25.9	39.4	7.9	.....	15.1	9.2	5.2	4.8	371.1
July 30.....	266.2	22.1	40.7	7.9	.....	16.1	11.0	7.1	5.9	377.0
Aug. 6.....	261.2	24.9	40.9	8.5	.....	18.1	12.6	5.9	5.3	377.4
Aug. 13.....	264.3	20.9	40.8	8.6	.....	18.6	11.3	4.0	5.6	374.1
Aug. 20.....	262.0	27.1	41.7	8.7	.....	18.5	12.8	6.8	4.8	382.4
Aug. 27.....	268.2	19.9	42.8	8.8	.....	25.8	12.5	7.0	4.9	389.9
Sept. 3.....	268.4	19.3	43.0	8.8	.....	24.0	12.9	7.8	4.0	388.2
Sept. 10.....	282.0	20.2	43.3	8.9	.....	23.7	13.4	8.1	3.8	403.4
Sept. 17.....	288.6	16.0	43.7	9.0	.....	24.4	12.5	8.5	3.4	406.1
Sept. 24.....	290.2	23.0	44.4	9.3	.....	24.9	14.9	7.4	3.6	417.7
Oct. 1.....	283.6	16.5	44.9	9.3	.....	27.4	15.4	11.0	3.3	411.4
Oct. 8.....	284.8	21.3	45.4	9.5	.....	27.0	15.5	7.7	3.1	414.3
Oct. 15.....	286.8	19.7	43.9	10.4	.....	26.6	15.2	10.2	3.0	415.8
Oct. 22.....	282.9	34.6	43.3	10.5	.....	25.4	15.7	12.3	3.1	427.8
Oct. 29.....	281.4	37.0	44.1	10.5	.....	25.0	19.8	8.5	3.6	429.9
Nov. 5.....	294.7	31.6	43.1	10.5	.....	22.1	15.2	12.5	3.0	432.7
Nov. 12.....	297.4	31.8	43.2	12.0	.....	22.8	19.5	16.2	3.3	446.2
Nov. 19.....	316.0	32.2	45.1	12.7	.....	27.5	18.8	15.8	3.7	471.8
Nov. 26.....	321.0	37.2	49.0	13.0	.....	27.3	19.2	14.0	4.6	485.3
Dec. 3.....	325.2	32.7	51.3	13.9	.....	17.8	18.1	19.8	6.5	485.3
Dec. 10.....	321.2	28.4	52.7	14.4	.....	18.1	22.3	19.7	5.3	482.1
Dec. 17.....	334.9	27.0	52.7	14.5	.....	13.6	21.0	21.3	4.3	489.3
Dec. 23.....	347.4	9.7	54.4	15.0	.....	14.1	21.0	25.0	4.2	490.8
Dec. 30.....	345.0	13.5	55.4	15.8	.....	12.2	21.9	20.8	6.5	491.1
1916.										
Jan. 7.....	354.4	12.9	55.6	16.7	.....	17.1	24.2	11.1	7.1	499.1
Jan. 14.....	348.0	14.3	55.7	17.6	.....	19.4	29.8	13.0	9.8	507.6
Jan. 21.....	341.8	14.2	55.8	20.2	.....	20.6	34.9	13.1	10.7	511.3
Jan. 28.....	349.9	15.5	53.2	21.4	.....	20.6	36.5	10.7	10.0	517.8
Feb. 4.....	342.1	14.6	51.3	24.3	.....	20.9	33.7	15.2	11.9	514.0
Feb. 11.....	340.3	15.3	52.7	25.3	.....	25.6	28.3	13.0	12.9	513.4
Feb. 18.....	338.3	18.2	52.8	26.4	.....	25.0	28.6	12.3	8.0	509.6
Feb. 25.....	340.4	17.7	51.9	29.6	.....	25.4	23.8	13.3	11.4	513.5
Mar. 3.....	338.2	13.0	52.5	33.1	.....	30.5	25.6	20.6	5.9	519.4
Mar. 10.....	338.5	20.0	54.5	34.1	.....	32.7	25.0	12.6	5.2	522.6
Mar. 17.....	334.5	11.3	57.7	39.2	.....	35.0	24.6	16.2	5.0	521.6
Mar. 24.....	342.1	12.2	60.6	40.2	.....	32.7	24.8	12.6	4.8	530.0
Mar. 31.....	335.2	9.9	61.7	40.3	.....	33.0	25.1	13.1	5.0	523.3
Apr. 7.....	327.3	11.6	64.4	45.2	1.9	.....	35.2	21.8	11.2	526.2
Apr. 14.....	322.9	11.5	66.3	45.0	3.2	.....	35.7	22.1	16.8	527.5
Apr. 21.....	316.1	9.5	66.3	45.2	3.8	.....	35.9	21.7	3.6	519.7

Comparative statement of the principal items of resources and liabilities of the Federal reserve banks from the date of the first report, Nov. 20, 1914, to Nov. 24, 1916—Con.

ASSETS—Continued.
(In millions of dollars.)

Date.	Gold, including 5 per cent redemption fund.	Other lawful money.	Bills receivable discounted and bought.	United States bonds.	One-year Treasury notes.	Municipal warrants.	Federal reserve notes (net).	Due from Federal reserve banks (net.)	All other assets.	Aggregate assets.
1916.										
Apr. 28.....	311.2	12.0	69.1	45.8	3.8	36.9	21.6	14.7	4.5	519.6
May 5.....	306.6	10.3	68.0	50.1	3.8	39.2	26.3	17.3	4.1	525.7
May 12.....	312.2	7.9	69.2	51.3	3.8	40.3	26.0	15.8	4.6	531.1
May 19.....	326.6	17.7	72.0	51.8	3.8	44.5	26.5	19.4	6.0	568.3
May 26.....	337.1	22.0	73.1	51.9	3.8	45.0	26.4	16.5	9.5	585.3
June 2.....	346.4	13.8	73.4	52.0	4.2	36.6	24.1	15.3	8.9	574.7
June 9.....	360.6	18.5	78.4	52.2	4.2	23.1	23.9	17.7	5.2	583.8
June 16.....	368.0	14.0	85.4	52.9	4.2	22.1	24.4	21.4	5.5	597.9
June 23.....	373.6	14.5	89.7	52.9	4.2	21.6	23.0	19.3	4.4	603.2
June 30.....	376.7	27.8	92.3	52.9	4.2	22.8	23.2	20.4	4.6	624.9
July 7.....	385.9	37.4	92.1	52.6	4.5	25.2	24.1	20.4	4.1	646.3
July 14.....	390.2	10.7	105.1	52.6	4.5	27.4	20.8	20.0	8.3	639.6
July 21.....	363.5	14.3	114.3	49.7	7.2	27.7	20.0	12.0	4.8	613.5
July 28.....	364.8	17.1	111.1	48.6	7.9	27.2	20.3	12.6	5.5	615.1
Aug. 4.....	365.2	12.2	109.9	48.1	7.9	27.4	20.4	19.9	4.4	615.4
Aug. 11.....	366.9	11.6	109.0	46.7	8.4	28.0	20.1	16.4	3.7	610.8
Aug. 18.....	372.9	17.5	106.9	47.0	7.9	27.8	19.9	21.1	3.2	624.2
Aug. 25.....	372.4	12.8	109.2	46.8	8.2	27.9	21.2	21.6	3.5	623.6
Sept. 1.....	351.8	14.1	105.7	46.8	8.2	21.3	20.9	35.6	3.0	607.4
Sept. 8.....	369.7	28.1	107.3	45.9	9.1	21.2	19.3	28.7	3.3	632.6
Sept. 15.....	377.5	8.4	110.3	46.9	9.0	23.7	20.0	28.9	3.0	627.7
Sept. 22.....	378.4	8.1	111.6	47.6	8.0	24.1	16.1	29.3	8.5	631.7
Sept. 29.....	387.2	8.3	106.6	46.5	6.9	24.1	14.2	31.4	7.5	632.7
Oct. 6.....	387.0	14.5	101.1	44.4	8.8	29.0	14.9	26.2	3.0	628.9
Oct. 13.....	394.3	11.7	99.5	42.6	10.5	31.5	15.3	30.1	2.7	638.2
Oct. 20.....	394.3	11.0	104.1	41.3	11.7	32.5	15.2	30.6	2.6	633.3
Oct. 27.....	398.0	10.4	107.2	40.5	11.4	29.9	16.8	33.2	3.7	651.1
Nov. 3.....	407.2	7.3	104.8	40.5	11.4	24.1	17.7	34.8	3.1	650.9
Nov. 10.....	406.8	7.8	110.3	38.9	11.3	20.7	17.6	35.1	2.4	650.9
Nov. 17.....	435.6	17.0	117.5	39.1	11.2	18.6	14.3	59.8	6.1	719.2
Nov. 24.....	460.0	18.4	122.6	39.4	11.2	22.2	15.4	43.2	2.6	735.0

LIABILITIES.

(In millions of dollars.)

Date.	Capital.	Government deposits.	Member bank deposits (net).	Federal reserve notes (net).	Federal reserve bank notes in circulation.	All other liabilities.
1914.						
Nov. 20.....	18.1		227.1	1.2		
Nov. 27.....	18.0		249.3	2.7		
Dec. 4.....	18.0		251.0	4.0		
Dec. 11.....	18.0		251.0	3.4		
Dec. 18.....	18.0		248.0	3.9		
Dec. 24.....	18.0		249.8	3.8		
Dec. 31.....	18.0		256.0	3.8		
1915.						
Jan. 8.....	18.0		267.4	1.9		
Jan. 15.....	18.0		277.2	1.8		
Jan. 22.....	18.4		284.2	1.9		
Jan. 29.....	20.4		279.5	2.3		
Feb. 5.....	35.1		284.1	3.0		
Feb. 12.....	35.8		285.0	4.2		
Feb. 19.....	36.0		285.5	4.9		
Feb. 26.....	36.1		290.3	5.3		
Mar. 5.....	36.0		287.9	6.4		
Mar. 12.....	36.1		288.0	7.0		
Mar. 19.....	36.1		288.6	8.4		
Mar. 26.....	36.1		288.2	8.9		

Comparative statement of the principal items of resources and liabilities of the Federal reserve banks from the date of the first report, Nov. 20, 1914, to Nov. 24, 1916—Con.

LIABILITIES—Continued.

[In millions of dollars.]

Date.	Capital.	Government deposits.	Member bank deposits (net).	Federal reserve notes (net).	Federal reserve bank notes in circulation.	All other liabilities.
1915.						
Apr. 2.....	36.1		293.9	9.6		
Apr. 9.....	36.2		294.0	10.5		
Apr. 16.....	36.2		294.1	10.8		
Apr. 23.....	36.7		297.2	10.9		1.8
Apr. 30.....	39.7		294.8	11.0		2.1
May 7.....	53.4		293.3	11.2		3.1
May 14.....	54.0		295.5	11.2		5.5
May 21.....	54.1		295.0	10.9		2.4
May 28.....	54.2		292.0	10.9		3.1
June 4.....	54.2		288.3	11.4		3.6
June 11.....	54.2		299.6	12.1		5.3
June 18.....	54.2		299.4	12.1		4.6
June 25.....	54.2		311.3	12.6		3.3
July 2.....	54.1		297.9	12.8		1.6
July 9.....	54.1		295.8	13.3		2.1
July 16.....	54.1		297.6	14.2		1.9
July 23.....	54.1		301.1	14.5		7.4
July 30.....	54.2		306.2	14.9		1.7
Aug. 6.....	54.3		306.0	15.4		1.7
Aug. 13.....	54.3		301.9	15.7		2.2
Aug. 20.....	54.3		310.1	15.8		2.2
Aug. 27.....	54.7		316.9	16.7		1.6
Sept. 3.....	54.7		312.3	17.7		3.5
Sept. 10.....	54.7		328.1	17.5		3.1
Sept. 17.....	54.7	15.0	316.9	16.6		2.9
Sept. 24.....	54.7	15.0	329.9	15.4		2.7
Oct. 1.....	54.7	15.0	324.7	14.3		2.7
Oct. 8.....	54.7	15.0	326.8	15.2		2.6
Oct. 15.....	54.7	15.0	328.8	14.8		2.5
Oct. 22.....	54.8	15.0	340.4	14.8		2.8
Oct. 29.....	54.8	15.0	343.6	13.9		2.6
Nov. 5.....	54.8	15.0	346.1	13.7		3.1
Nov. 12.....	54.8	15.0	359.4	13.0		4.0
Nov. 19.....	54.8	15.0	385.0	13.0		4.0
Nov. 26.....	54.8	15.0	398.0	13.4		4.1
Dec. 3.....	54.8	15.0	393.0	14.0		8.5
Dec. 10.....	54.9	15.0	390.3	14.7		7.2
Dec. 17.....	54.9	15.0	397.9	14.5		7.0
Dec. 24.....	54.9	15.0	398.6	14.7		7.6
Dec. 30.....	54.9	15.0	400.0	13.5		7.7
1916.						
Jan. 7.....	54.9	23.8	407.3	13.0		.1
Jan. 14.....	54.9	26.9	413.7	12.0		.1
Jan. 21.....	54.9	28.1	416.6	11.6		.1
Jan. 28.....	54.9	27.8	424.7	10.3		.1
Feb. 4.....	54.9	29.9	419.1	10.0		.1
Feb. 11.....	54.9	26.9	422.0	9.5		.1
Feb. 18.....	54.9	29.0	416.5	9.1		.1
Feb. 25.....	54.9	32.5	416.6	9.4		.1
Mar. 3.....	54.9	36.1	418.7	9.6		.1
Mar. 10.....	55.0	30.6	426.3	10.2	0.4	.1
Mar. 17.....	54.9	32.4	423.3	10.2	.7	.1
Mar. 24.....	54.9	35.1	428.8	10.0	1.1	.1
Mar. 31.....	54.9	38.4	420.0	8.9	1.0	.1
Apr. 7.....	54.9	37.0	423.5	9.5	1.2	.1
Apr. 14.....	54.9	34.7	426.5	9.5	1.4	.5
Apr. 21.....	54.9	35.3	417.3	9.6	2.0	.6
Apr. 28.....	54.8	40.7	413.0	8.8	1.7	.6
May 5.....	54.9	40.4	419.9	8.6	1.7	.2
May 12.....	54.8	38.2	427.8	8.4	1.7	.2
May 19.....	54.9	40.5	463.0	8.0	1.7	.2
May 26.....	54.9	44.1	476.7	7.7	1.7	.2
June 2.....	54.9	50.0	460.4	7.5	1.7	.2
June 9.....	54.9	51.6	467.8	7.6	1.7	.2
June 16.....	54.9	55.7	477.3	8.0	1.7	.3
June 23.....	54.9	64.5	472.6	9.2	1.7	.3
June 30.....	54.9	101.1	457.5	9.4	1.7	.3
July 7.....	54.9	114.4	465.1	10.0	1.7	.2
July 14.....	55.2	97.5	474.9	10.1	1.7	.2
July 21.....	55.2	54.3	492.0	10.1	1.7	.2

Comparative statement of the principal items of resources and liabilities of the Federal reserve banks from the date of the first report, Nov. 20, 1914, to Nov. 24, 1916—Con.

LIABILITIES—Continued.

[In millions of dollars.]

Date.	Capital.	Government deposits.	Member bank deposits (net).	Federal reserve notes (net).	Federal reserve bank notes in circulation.	All other liabilities.
1916.						
July 28.....	55.2	56.5	491.3	10.1	1.7	0.3
Aug. 4.....	55.2	56.6	490.6	11.0	1.7	.3
Aug. 11.....	55.1	53.3	489.2	11.2	1.7	.3
Aug. 18.....	55.1	49.7	506.1	12.3	1.7	.3
Aug. 25.....	55.4	50.1	502.4	13.7	1.7	.3
Sept. 1.....	55.4	50.9	484.7	14.4	1.7	.3
Sept. 8.....	55.4	44.3	514.2	16.1	2.3	.3
Sept. 15.....	55.4	40.2	514.3	14.2	3.2	.4
Sept. 22.....	55.4	39.9	518.5	14.6	2.9	.4
Sept. 29.....	55.4	39.0	521.7	13.2	3.0	.4
Oct. 6.....	55.7	34.0	526.0	11.8	1.0	.4
Oct. 13.....	55.7	24.7	544.0	12.3	1.0	.5
Oct. 20.....	55.7	26.1	538.1	11.9	1.0	.5
Oct. 27.....	55.7	30.0	551.9	12.0	1.6	.5
Nov. 3.....	55.7	28.7	552.4	12.7	1.0	.4
Nov. 10.....	55.7	23.3	556.5	13.9	1.0	.5
Nov. 17.....	55.7	25.2	622.2	14.5	1.0	.6
Nov. 24.....	55.7	26.3	637.1	14.3	1.0	.6

FEDERAL RESERVE NOTES.

In the weekly statements issued by the Federal Reserve Board, in addition to showing in detail the assets and liabilities of the Federal reserve banks, the volume of Federal reserve notes issued, the amount of gold and other lawful money deposited with the Federal reserve agents to retire outstanding notes, and the net amount of notes outstanding are reported.

NOTE.—It is interesting to note the element of elasticity in the new circulating medium, and how responding to the demands of business, the volume of Federal reserve notes outstanding, as shown in the weekly statements, reached its high point early in the year when on January 21 it was reported as \$220,380,000.

The demand for currency being light during the early summer months, the volume of notes gradually declined through the ordinary process of redemption until on July 28 the amount stood at \$174,023,000.

Responding again to business requirements, the amount of Federal reserve notes in circulation is shown at its highest point on November 24, 1916, the date of the last report, when it reached \$258,081,000.

In the table following are shown the amounts issued, gold and lawful money deposited, and net amount of notes in circulation at the close of each week from November 20, 1914, to November 24, 1916.

Federal reserve notes—Weekly statement of Federal reserve notes in circulation (amount issued by Federal reserve agents to the banks, less “unfit” notes returned for redemption), amount of gold and lawful money deposited with Federal reserve agents for retirement of outstanding notes, and net amount of notes in circulation from Nov. 20, 1914, to Nov. 24, 1916.

Date.	Federal reserve notes in circulation.	Gold and lawful money deposited with Federal reserve agents.	Federal reserve notes in circulation (net amount). ¹	Date.	Federal reserve notes in circulation.	Gold and lawful money deposited with Federal reserve agents.	Federal reserve notes in circulation (net amount). ¹
1914.				1915.			
Nov. 20	\$1,215,000	.....	\$1,215,000	Nov. 26	\$187,815,000	\$171,095,000	\$13,385,000
27	2,700,000	.....	2,700,000	Dec. 3	190,985,000	174,147,000	13,969,000
Dec. 4	5,105,000	\$1,135,000	3,970,000	10	200,265,000	182,912,000	14,686,000
11	6,702,000	3,210,000	3,492,000	17	205,205,000	187,840,000	14,461,000
18	8,889,000	5,013,000	3,856,000	23	211,735,000	194,400,000	14,670,000
24	12,412,000	8,565,000	3,847,000	30	214,125,000	197,450,000	13,486,000
31	16,027,000	12,252,000	3,775,000				
1915.				1916.			
Jan. 8	16,530,000	14,676,000	1,854,000	Jan. 7	215,525,000	199,690,000	12,982,000
15	16,904,000	14,966,000	1,938,000	14	219,030,000	204,159,000	11,948,000
22	17,106,000	15,193,000	1,913,000	21	220,390,000	206,029,000	11,571,000
29	17,679,000	15,401,000	2,278,000	28	218,945,000	205,580,000	10,313,000
Feb. 5	18,702,000	15,702,000	3,000,000	Feb. 4	217,777,000	205,112,000	9,966,000
12	20,106,000	15,921,000	4,185,000	11	211,661,000	199,989,000	9,557,000
19	24,632,000	19,702,000	4,930,000	18	206,978,000	195,705,000	9,089,000
26	26,172,000	20,844,000	5,328,000	25	196,982,000	185,775,000	9,386,000
Mar. 5	29,805,000	23,413,000	6,392,000	Mar. 3	191,303,000	179,734,000	9,635,000
12	33,965,000	26,961,000	7,004,000	10	191,678,000	179,474,000	10,178,000
19	36,846,000	28,359,000	8,487,000	17	191,165,000	179,272,000	10,203,000
26	39,858,000	30,969,000	8,889,000	24	190,903,000	178,706,000	9,977,000
Apr. 2	43,376,000	35,779,000	9,597,000	Mar. 31	190,232,000	179,281,000	8,903,000
9	44,823,000	34,379,000	10,449,000	Apr. 7	190,536,000	180,578,000	9,500,000
16	48,461,000	37,694,000	10,767,000	14	186,761,000	176,883,000	9,511,000
23	50,074,000	39,185,000	10,889,000	21	186,643,000	176,433,000	9,617,000
30	53,353,000	42,315,000	11,038,000	28	185,424,000	175,847,000	8,851,000
May 7	55,042,000	43,845,000	11,197,000	May 5	187,452,000	178,042,000	8,573,000
14	59,829,000	48,605,000	11,224,000	12	187,166,000	177,599,000	8,402,000
21	61,950,000	51,091,000	10,859,000	19	186,000,000	176,693,000	8,018,000
28	65,612,000	54,691,000	10,921,000	26	187,248,000	178,116,000	7,706,000
June 4	69,704,000	58,291,000	11,413,000	June 2	184,217,000	175,205,000	7,512,000
11	73,529,000	61,431,000	12,098,000	9	179,471,000	170,409,000	7,593,000
18	79,386,000	65,871,000	12,100,000	16	179,802,000	170,875,000	8,003,000
25	82,961,000	68,996,000	12,617,000	23	176,955,000	166,823,000	9,228,000
July 2	84,531,000	70,616,000	12,797,000	30	176,168,000	165,986,000	9,440,000
9	89,131,000	74,246,000	13,375,000	July 7	179,788,000	168,806,000	9,992,000
16	93,361,000	77,656,000	14,242,000	14	179,358,000	168,241,000	10,098,000
23	94,131,000	78,126,000	14,521,000	21	175,219,000	163,932,000	10,120,000
30	97,831,000	81,191,000	14,965,000	28	174,025,000	162,776,000	10,122,000
Aug. 6	101,731,000	84,676,000	15,420,000	Aug. 4	175,551,000	162,184,000	11,029,000
13	102,571,000	85,806,000	15,728,000	11	175,602,000	162,085,000	11,212,000
20	107,691,000	89,726,000	15,847,000	18	176,620,000	162,036,000	12,295,000
27	109,901,000	90,986,000	16,738,000	25	179,838,000	163,834,000	13,793,000
Sept. 3	114,531,000	94,766,000	17,670,000	Sept. 1	194,645,000	177,035,000	14,416,000
10	119,851,000	99,356,000	17,527,000	8	199,218,000	181,029,000	16,076,000
17	124,000,000	104,541,000	16,562,000	15	202,530,000	185,161,000	14,223,000
24	133,060,000	115,150,000	15,348,000	22	209,778,000	193,110,000	14,605,000
Oct. 1	141,000,000	123,301,000	14,295,000	29	213,967,000	197,572,000	13,216,000
8	148,590,000	130,620,000	15,225,000	Oct. 6	220,490,000	204,476,000	11,782,000
15	153,790,000	136,210,000	14,791,000	13	225,882,000	210,088,000	12,316,000
22	159,280,000	142,440,000	14,809,000	20	230,805,000	215,329,000	11,896,000
29	168,370,000	151,830,000	13,918,000	27	234,876,000	219,502,000	11,966,000
Nov. 5	170,310,000	154,005,000	13,661,000	Nov. 3	240,534,000	225,060,000	12,627,000
12	179,335,000	163,155,000	13,007,000	10	247,873,000	231,539,000	13,886,000
19	183,275,000	166,755,000	12,923,000	17	255,702,000	238,458,000	14,468,000
				24	258,081,000	241,566,000	14,296,000

¹Net liability on account of Federal reserve notes from June 18, 1915.

FEDERAL RESERVE NOTE ISSUES AND REDEMPTIONS.

The operations of the Federal Reserve Issue and Redemption Division of this office show a continued call for Federal reserve notes, which are issuable upon the deposit with the local Federal reserve agents of notes, bills, and securities described in the Federal Reserve act (which have been rediscounted for the member banks). Against

Federal reserve notes so issued there must be a gold reserve of not less than 40 per cent.

During the months of August, September, and October, 1916, the volume of Federal reserve notes outstanding increased over \$65,000,000, and on October 31 the total amount in circulation was \$238,496,920 of which \$223,523,070 were secured by the deposit with the Federal reserve agent of a like amount of gold and lawful money and only \$14,973,850 by commercial paper.

Up to October 31, 1916, Federal reserve notes to the amount of \$897,020,000 were printed, \$419,200,000 of which were shipped to Federal reserve agents and United States subtreasuries, and \$477,820,000 held in the reserve vault available for shipment as required.

The average life of national currency has been computed to be about 2½ years, but notes begin to be returned for destruction as unfit in about six months after issue. At the end of the year, or up to October 31, Federal reserve notes to the amount of \$81,734,430 had been returned for destruction as "unfit for circulation."

Detailed information relative to issues and redemptions of Federal reserve notes, by banks and denominations, is given in the following tables:

Statement of Federal reserve notes, by denominations, printed, shipped to Federal reserve agents, and United States subtreasuries, and on hand in reserve vault, Oct. 31, 1916.

Bank.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Total.
Boston:						
Printed.....	\$18,580,000	\$18,000,000	\$6,800,000	\$2,600,000	\$4,400,000	\$50,380,000
Shipped.....	9,080,000	10,440,000	1,760,000	1,600,000	2,000,000	24,880,000
On hand....	9,500,000	7,560,000	5,040,000	1,000,000	2,400,000	25,500,000
New York:						
Printed.....	128,080,000	157,080,000	63,680,000	7,600,000	11,200,000	367,640,000
Shipped.....	54,600,000	60,520,000	22,480,000	3,200,000	7,600,000	148,400,000
On hand....	73,480,000	96,560,000	41,200,000	4,400,000	3,600,000	219,240,000
Philadelphia:						
Printed.....	20,000,000	15,000,000	7,200,000	2,600,000	5,200,000	50,000,000
Shipped.....	6,000,000	5,880,000	3,600,000	.....	.....	15,480,000
On hand....	14,000,000	9,120,000	3,600,000	2,600,000	5,200,000	34,520,000
Cleveland:						
Printed.....	17,680,000	15,120,000	10,000,000	2,400,000	4,800,000	50,000,000
Shipped.....	3,120,000	4,040,000	5,600,000	1,200,000	1,200,000	15,160,000
On hand....	14,560,000	11,080,000	4,400,000	1,200,000	3,600,000	34,840,000
Richmond:						
Printed.....	10,000,000	10,520,000	7,680,000	3,400,000	2,400,000	34,000,000
Shipped.....	7,300,000	6,880,000	6,720,000	1,800,000	800,000	23,500,000
On hand....	2,700,000	3,640,000	960,000	1,600,000	1,600,000	10,500,000
Atlanta:						
Printed.....	15,800,000	17,000,000	9,600,000	1,800,000	2,000,000	46,200,000
Shipped.....	10,000,000	12,200,000	8,000,000	1,200,000	1,200,000	32,600,000
On hand....	5,800,000	4,800,000	1,600,000	600,000	800,000	13,600,000
Chicago:						
Printed.....	26,800,000	19,240,000	19,760,000	3,200,000	6,000,000	75,000,000
Shipped.....	10,780,000	5,200,000	4,800,000	1,200,000	2,400,000	24,380,000
On hand....	16,020,000	14,040,000	14,960,000	2,000,000	3,600,000	50,620,000
St. Louis:						
Printed.....	13,960,000	10,960,000	5,520,000	1,400,000	3,200,000	35,040,000
Shipped.....	5,680,000	7,360,000	5,120,000	400,000	.....	18,560,000
On hand....	8,280,000	3,600,000	400,000	1,000,000	3,200,000	16,480,000

Statement of Federal reserve notes, by denominations, printed, shipped to Federal reserve agents, and United States subtreasuries, and on hand in reserve vault, Oct. 31, 1916—Continued.

Bank.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Total.
Minneapolis:						
Printed.....	\$15,000,000	\$10,760,000	\$7,440,000	\$800,000	\$2,000,000	\$36,000,000
Shipped.....	8,640,000	7,080,000	4,480,000	400,000	400,000	21,000,000
On hand.....	6,360,000	3,680,000	2,960,000	400,000	1,600,000	15,000,000
Kansas City:						
Printed.....	20,400,000	17,760,000	7,840,000	2,000,000	2,000,000	50,000,000
Shipped.....	12,140,000	7,600,000	5,280,000	800,000	400,000	26,220,000
On hand.....	8,260,000	10,160,000	2,560,000	1,200,000	1,600,000	23,780,000
Dallas:						
Printed.....	11,240,000	12,400,000	12,160,000	2,400,000	2,400,000	40,600,000
Shipped.....	9,200,000	11,400,000	9,920,000	2,400,000	2,400,000	35,320,000
On hand.....	2,040,000	1,000,000	2,240,000	.....	.....	5,280,000
San Francisco:						
Printed.....	14,160,000	12,760,000	11,840,000	11,000,000	12,400,000	62,160,000
Shipped.....	7,340,000	7,600,000	6,800,000	6,000,000	6,800,000	33,700,000
On hand.....	6,820,000	6,000,000	5,040,000	5,000,000	5,600,000	28,460,000
<i>Vault balance Oct. 31, 1916:</i>						
Total printed.....	311,700,000	316,600,000	169,520,000	41,200,000	58,000,000	897,020,000
Total shipped.....	143,880,000	145,360,000	84,560,000	20,200,000	25,200,000	419,200,000
Total on hand.....	167,820,000	171,240,000	84,960,000	21,000,000	32,800,000	477,820,000

Federal reserve notes issued, by denominations, through the Federal reserve agents to the banks, also the amounts retired and outstanding Oct. 31, 1916.

Bank.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Total.
Boston:						
Issued.....	\$6,926,600	\$8,045,600	\$728,200	\$642,000	\$1,082,300	\$17,424,700
Retired.....	2,815,160	2,850,205	219,800	150,850	268,000	6,304,015
Outstanding.....	4,111,440	5,195,395	508,400	491,150	814,300	11,120,685
New York:						
Issued.....	52,250,350	53,367,800	18,438,400	2,202,450	6,014,000	132,273,000
Retired.....	22,733,165	19,702,760	4,452,060	234,000	920,200	48,042,185
Outstanding.....	29,517,185	33,665,040	13,986,340	1,968,450	5,093,800	84,230,815
Philadelphia:						
Issued.....	5,652,700	5,254,800	3,630,200	.....	.....	14,537,700
Retired.....	3,181,855	2,206,305	676,400	.....	.....	6,064,560
Outstanding.....	2,470,845	3,048,495	2,953,800	.....	.....	8,473,140
Cleveland:						
Issued.....	2,480,000	3,400,000	4,720,000	750,000	530,000	11,860,000
Retired.....	1,052,510	1,079,865	922,020	54,350	37,400	3,146,145
Outstanding.....	1,407,490	2,320,135	3,797,980	695,650	492,600	8,713,855
Richmond:						
Issued.....	7,619,300	8,107,700	7,584,400	1,837,200	717,000	25,865,600
Retired.....	3,149,470	2,930,250	2,418,210	942,100	367,300	9,807,330
Outstanding.....	4,469,830	5,177,450	5,166,190	895,100	349,700	16,058,270
Atlanta:						
Issued.....	10,608,050	11,579,300	8,558,480	1,460,450	1,640,900	33,847,180
Retired.....	4,246,815	3,759,305	2,137,980	517,750	644,600	11,306,450
Outstanding.....	6,361,235	7,819,995	6,420,500	942,700	996,300	22,540,730

Federal reserve notes issued, by denominations, through the Federal reserve agents to the banks, also the amounts retired and outstanding, Oct. 31, 1916—Continued.

Bank.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Total.
Chicago:						
Issued	\$3,540,000	\$200,000	\$500,000	\$200,000	\$400,000	\$5,140,000
Retired	1,700,995	69,100	174,700	21,450	3,800	1,969,955
Outstanding	1,839,095	130,900	625,300	178,550	396,200	3,170,045
St. Louis:						
Issued	6,212,950	6,262,940	4,732,160	200,050		17,408,100
Retired	2,239,605	1,114,855	351,260	5,650		3,711,370
Outstanding	3,973,345	5,148,085	4,380,900	194,400		13,696,730
Minneapolis:						
Issued	7,742,000	6,575,000	4,415,000	180,000	270,000	19,182,000
Retired	1,600,135	1,110,810	384,010	51,800	42,300	3,189,055
Outstanding	6,141,865	5,464,190	4,030,990	128,200	227,700	15,992,945
Kansas City:						
Issued	10,807,000	6,886,000	4,192,000	895,000		22,780,000
Retired	2,802,040	1,147,600	285,400	311,000		4,546,040
Outstanding	8,004,960	5,738,400	3,906,600	584,000		18,233,960
Dallas:						
Issued	8,494,750	13,280,400	11,188,600	1,955,000	1,845,000	36,763,750
Retired	3,226,930	4,429,365	2,884,300	767,550	204,100	11,512,245
Outstanding	5,267,820	8,851,035	8,304,300	1,187,450	1,640,900	25,251,505
San Francisco:						
Issued	4,660,000	3,240,000	3,920,000	1,200,000	2,400,000	15,420,000
Retired	2,732,110	1,479,600	175,900	11,150	7,000	4,405,760
Outstanding	1,927,890	1,760,400	3,744,100	1,188,850	2,393,000	11,014,240
RECAPITULATION.						
Total issued	126,973,700	126,199,540	72,907,440	11,522,150	14,899,200	352,502,030
Total retired	51,480,700	41,880,020	15,082,040	3,067,650	2,494,700	114,005,110
Total outstanding	75,493,000	84,319,520	57,825,400	8,454,500	12,404,500	238,496,920

Mutilated Federal reserve notes, by denominations, received for destruction, destroyed, and on hand in vault Oct. 31, 1916.

Bank.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Total.
Boston	\$2,583,560	\$2,574,605	\$191,600	\$143,850	\$245,700	\$5,739,315
New York	22,643,175	19,615,440	3,613,820	231,550	906,200	47,010,185
Philadelphia	2,769,155	1,991,505	566,200			5,326,860
Cleveland	1,052,510	1,079,865	922,020	54,350	37,400	3,146,145
Richmond	2,350,170	1,702,550	1,393,810	339,900	105,300	5,791,730
Atlanta	1,642,765	1,126,505	520,000	42,300	62,700	3,394,270
Chicago	1,060,855	69,100	174,100	21,200	3,700	1,328,955
St. Louis	1,406,655	611,915	179,100	5,600		2,203,270
Minneapolis	363,135	220,810	99,010	1,800	2,300	687,055
Kansas City	1,258,040	407,600	91,400	16,000		1,773,040
Dallas	1,942,180	1,273,965	545,700	41,900	4,100	3,807,845
San Francisco	932,110	399,600	175,900	11,150	7,000	1,525,760
Total received	39,904,310	31,073,460	8,472,660	909,600	1,374,400	81,734,430
Total destroyed	39,457,810	30,665,710	8,365,560	881,850	1,330,100	80,701,030
Balance on hand Oct. 31, 1916.	446,500	407,750	107,100	27,750	44,300	1,033,400

FEDERAL RESERVE BANK CURRENCY.

In addition to Federal reserve notes, the Federal reserve banks may also issue what has been designated as "Federal reserve bank currency." This currency is of the same tenor and effect and is

issued under the same terms and conditions as national-bank notes, except that its volume is not limited to the amount of capital stock of the issuing bank.

The notes issued to the banks are secured by deposits of Government bonds bearing the circulation privilege, acquired in the open market or taken over from national banks desiring to reduce their circulation.

Federal reserve bank currency, by denominations, printed, issued, and on hand in vault Oct. 31, 1916.

Bank.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Total.
Boston:						
Printed.....						
Issued.....						
On hand.....						
New York:						
Printed.....						
Issued.....						
On hand.....						
Philadelphia:						
Printed.....	\$320,000	\$440,000	\$240,000			\$1,000,000
Issued.....						
On hand.....	320,000	440,000	240,000			1,000,000
Cleveland:						
Printed.....	1,000,000	2,000,000	2,000,000			5,000,000
Issued.....						
On hand.....	1,000,000	2,000,000	2,000,000			5,000,000
Richmond:						
Printed.....	200,000	400,000	400,000			1,000,000
Issued.....						
On hand.....	200,000	400,000	400,000			1,000,000
Atlanta:						
Printed.....	640,000	480,000	480,000	\$400,000		2,000,000
Issued.....						
On hand.....	640,000	480,000	480,000	400,000		2,000,000
Chicago:						
Printed.....	1,600,000	1,800,000	1,600,000			5,000,000
Issued.....						
On hand.....	1,600,000	1,800,000	1,600,000			5,000,000
St. Louis:						
Printed.....						
Issued.....						
On hand.....						
Minneapolis:						
Printed.....	1,320,000	2,680,000				4,000,000
Issued.....						
On hand.....	1,320,000	2,680,000				4,000,000
Kansas City:						
Printed.....	2,900,000	4,000,000	2,640,000			9,540,000
Issued.....	1,434,900	4,000,000	2,620,080			8,054,980
On hand.....	1,465,100		19,920			1,485,020
Dallas:						
Printed.....	640,000	1,400,000	960,000			3,000,000
Issued.....	640,000	1,400,000	960,000			3,000,000
On hand.....						

*Federal reserve bank currency, by denominations, printed, issued, and on hand in vault
Oct. 31, 1916—Continued.*

Bank.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Total.
San Francisco:						
Printed.....	\$1,680,000	\$1,960,000	\$1,360,000	.....	.....	\$5,000,000
Issued.....	.....	.....	.....	.....	.....	.....
On hand.....	1,680,000	1,960,000	1,360,000	.....	.....	5,000,000
RECAPITULATION.						
Total printed.....	10,300,000	15,160,000	9,680,000	\$400,000	.....	35,540,000
Total issued.....	2,074,900	5,400,000	3,580,080	.....	.....	11,054,980
Total on hand.....	8,225,100	9,760,000	6,099,920	400,000	.....	24,485,020

LEGISLATION BY THE PRESENT CONGRESS.

During the present Congress the Federal laws relating to banks, banking and the currency, have been materially amended and important new legislation affecting banks written into the statute books.

In addition to the amendments to the Federal reserve and national bank act, changes have been made in the laws relating to the income tax on banks; issuance of certificates against gold bullion and foreign gold coin, and the act of October 15, 1914, supplementing the laws against unlawful restraints and monopolies in relation to interlocking directorates.

Under date of July 17, 1916, the act was approved "to provide capital for agricultural development, to create standard forms of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States and for other purposes." There was also approved under date of August 29, 1916, the act "relating to bills of lading in interstate and foreign commerce."

The Federal reserve act approved December 23, 1913, was amended on September 7, 1916, as follows (changes and additions to the law in italics):

AMENDMENTS TO FEDERAL RESERVE ACT.

At the end of section eleven insert a new clause as follows:

"(m) Upon the affirmative vote of not less than five of its members the Federal Reserve Board shall have power, from time to time, by general ruling, covering all districts alike, to permit member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by section nineteen of this Act to be held in their own vaults."

That section thirteen be, and is hereby, amended to read as follows:

"Any Federal reserve bank may receive from any of its member banks, and from the United States, deposits of current funds in lawful money, national-bank notes, Federal reserve notes, or checks, and drafts, payable upon presentation, and also, for collection, maturing bills; or solely for purposes of exchange or of collection, may receive from other Federal reserve banks deposits of current funds in lawful money, national-bank notes, or checks upon other Federal reserve banks, and checks and drafts, payable upon presentation within its district, and maturing bills payable within its district.

"Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice and protest by such bank as to its own indorsement exclusively, any Federal reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, the Federal Reserve Board to

have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this Act. Nothing in this Act contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than ninety days, *exclusive of days of grace*: *Provided*, That notes, drafts, and bills drawn or issued for agricultural purposes or based on live stock and having a maturity not exceeding six months, *exclusive of days of grace*, may be discounted in an amount to be limited to a percentage of the assets of the Federal reserve bank, to be ascertained and fixed by the Federal Reserve Board.

"The aggregate of such notes, drafts, and bills bearing the signature or indorsement of any one borrower, whether a person, company, firm, or corporation, rediscounted for any one bank shall at no time exceed ten per centum 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 values.

"Any Federal reserve bank may discount acceptances of the kinds hereinafter described, which have a maturity at the time of discount of not more than three months' sight, *exclusive of days of grace*, and which are indorsed by at least one member bank.

"Any member bank may accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, *exclusive of days of grace*, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods provided shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples. No member bank shall accept, whether in a foreign or domestic transaction, for any one person, company, firm, or corporation to an amount equal at any time in the aggregate to more than ten per cent of its paid-up and unimpaired capital stock and surplus unless the bank is secured either by attached documents or by some other actual security growing out of the same transaction as the acceptance and no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid-up and unimpaired capital stock and surplus.

"Any Federal reserve bank may make advances to its member banks on their promissory notes for a period not exceeding fifteen days at rates to be established by such Federal reserve banks, subject to the review and determination of the Federal Reserve Board, provided such promissory notes are secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of this Act, or by the deposit or pledge of bonds or notes of the United States."

Section fifty-two hundred and two of the Revised Statutes of the United States is hereby amended so as to read as follows: "No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

"First. Notes of circulation.

"Second. Moneys deposited with or collected by the association.

"Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

"Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

"Fifth. Liabilities incurred under the provisions of the Federal Reserve Act.

"The discount and rediscount and the purchase and sale by any Federal reserve bank of any bills receivable and of domestic and foreign bills of exchange, and of acceptances authorized by this Act, shall be subject to such restrictions, limitations, and regulations as may be imposed by the Federal Reserve Board.

"That in addition to the powers now vested by law in national banking associations organized under the laws of the United States any such association located and doing business in any place the population of which does not exceed five thousand inhabitants, as shown by the last preceding decennial census, may, under such rules and regulations as may be prescribed by the Comptroller of the Currency, act as the agent for any fire, life, or other insurance company authorized by the authorities of the State in which said bank is located to do business in said State, by soliciting and selling insurance and collecting premiums on policies issued by such company; and may receive for services so rendered such fees or commissions as may be agreed upon between the said association and the insurance company for which it may act as agent; and may also act as the broker or agent for

others in making or procuring loans on real estate located within one hundred miles of the place in which said bank may be located, receiving for such services a reasonable fee or commission: Provided, however, That no such bank shall in any case guarantee either the principal or interest of any such loans or assume or guarantee the payment of any premium on insurance policies issued through its agency by its principal: And provided further, That the bank shall not guarantee the truth of any statement made by an assured in filing his application for insurance.

"Any member bank may accept drafts or bills of exchange drawn upon it having not more than three months' sight to run, exclusive of days of grace, drawn under regulations to be prescribed by the Federal Reserve Board by banks or bankers in foreign countries or dependencies or insular possessions of the United States for the purpose of furnishing dollar exchange as required by the usages of trade in the respective countries, dependencies, or insular possessions. Such drafts or bills may be acquired by Federal reserve banks in such amounts and subject to such regulations, restrictions, and limitations as may be prescribed by the Federal Reserve Board: Provided, however, That no member bank shall accept such drafts or bills of exchange referred to in this paragraph for any one bank to an amount exceeding in the aggregate ten per centum of the paid-up and unimpaired capital and surplus of the accepting bank unless the draft or bill of exchange is accompanied by documents conveying or securing title or by some other adequate security: Provided further, That no member bank shall accept such drafts or bills in an amount exceeding at any time the aggregate of one-half of its paid-up and unimpaired capital and surplus."

That subsection (e) of section fourteen, be, and is hereby, amended to read as follows:

"(e) To establish accounts with other Federal reserve banks for exchange purposes and, with the consent of the Federal Reserve Board, to open and maintain accounts in foreign countries, appoint correspondents, and establish agencies in such countries wheresoever it may deem best for the purpose of purchasing, selling, and collecting bills of exchange, and to buy and sell, with or without its indorsement, through such correspondents or agencies bills of exchange arising out of actual commercial transactions which have not more than ninety days to run, *exclusive of days of grace*, and which bear the signature of two or more responsible parties, and, with the consent of the Federal Reserve Board, to open and maintain banking accounts for such foreign correspondents or agencies."

That the second paragraph of section sixteen be, and is hereby, amended to read as follows:

"Any Federal reserve bank may make application to the local Federal reserve agent for such amount of the Federal reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances rediscounted under the provisions of section thirteen of this Act, or bills of exchange indorsed by a member bank of any Federal reserve district and purchased under the provisions of section fourteen of this Act, or bankers' acceptances purchased under the provisions of said section fourteen. The Federal reserve agent shall each day notify the Federal Reserve Board of all issues and withdrawals of Federal reserve notes to and by the Federal reserve bank to which he is accredited. The said Federal Reserve Board may at any time call upon a Federal reserve bank for additional security to protect the Federal reserve notes issued to it."

That section twenty-four be, and is hereby, amended to read as follows:

"Sec. 24. Any national banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land situated within its Federal reserve district or within a radius of one hundred miles of the place in which such bank is located, irrespective of district lines, and may also make loans secured by improved and unencumbered real estate located within one hundred miles of the place in which such bank is located, irrespective of district lines; but no loan made upon the security of such farm land shall be made for a longer time than five years, and no loan made upon the security of such real estate as distinguished from farm land shall be made for a longer time than one year nor shall the amount of any such loan, whether upon such farm land or upon such real estate, exceed fifty per centum of the actual value of the property offered as security. Any such bank may make such loans, whether secured by such farm land or such real estate, in an aggregate sum equal to twenty-five per centum of its capital and surplus or to one-third of its time deposits and such banks may continue hereafter as heretofore to receive time deposits and to pay interest on the same.

"The Federal Reserve Board shall have power from time to time to add to the list of cities in which national banks shall not be permitted to make loans secured upon real estate in the manner described in this section."

That section twenty-five be, and is hereby, amended to read as follows:

"SEC. 25. Any national banking association possessing a capital and surplus of \$1,000,000 or more may file application with the Federal Reserve Board for *permission to exercise*, upon such conditions and under such regulations as may be prescribed by the said board, *either or both of the following powers*:

"First. To establish branches in foreign countries or dependencies or *insular possessions* of the United States for the furtherance of the foreign commerce of the United States, and to act if required to do so as fiscal agents of the United States.

"Second. To invest an amount not exceeding in the aggregate ten per centum of its paid-in capital stock and surplus in the stock of one or more banks or corporations chartered or incorporated under the laws of the United States or of any State thereof, and principally engaged in international or foreign banking, or banking in a dependency or *insular possession* of the United States either directly or through the agency, ownership, or control of local institutions in foreign countries, or in such dependencies or *insular possessions*.

"Such application shall specify the name and capital of the banking association filing it, the powers applied for, and the place or places where the banking operations proposed are to be carried on. The Federal Reserve Board shall have power to approve or to reject such application in whole or in part if for any reason the granting of such application is deemed *inexpedient*, and shall also have power from time to time to increase or decrease the number of places where such banking operations may be carried on.

"Every national banking association operating foreign branches shall be required to furnish information concerning the condition of such branches to the Comptroller of the Currency upon demand, and every member bank investing in the capital stock of banks or corporations described under subparagraph two of the first paragraph of this section shall be required to furnish information concerning the condition of such banks or corporations to the Federal Reserve Board upon demand, and the Federal Reserve Board may order special examinations of the said branches, banks, or corporations at such time or times as it may deem best.

"Before any national bank shall be permitted to purchase stock in any such corporation the said corporation shall enter into an agreement or undertaking with the Federal Reserve Board to restrict its operations or conduct its business in such manner or under such limitations and restrictions as the said board may prescribe for the place or places wherein such business is to be conducted. If at any time the Federal Reserve Board shall ascertain that the regulations prescribed by it are not being complied with, said board is hereby authorized and empowered to institute an investigation of the matter and to send for persons and papers, subpoena witnesses, and administer oaths in order to satisfy itself as to the actual nature of the transactions referred to. Should such investigation result in establishing the failure of the corporation in question, or of the national bank or banks which may be stockholders therein, to comply with the regulations laid down by the said Federal Reserve Board, such national banks may be required to dispose of stock holdings in the said corporation upon reasonable notice.

"Every such national banking association shall conduct the accounts of each foreign branch independently of the accounts of other foreign branches established by it and of its home office, and shall at the end of each fiscal period transfer to its general ledger the profit or loss accrued at each branch as a separate item.

INTERNAL REVENUE ACTS.

The internal revenue act of October 3, 1913, was amended September 8, 1916, providing for an increase from 1 to 2 per cent in the tax upon the net income of banks, effective on and after January 1, 1917.

The emergency internal revenue act of October 22, 1914, imposing a tax of \$1 per thousand upon the capital, surplus, and undivided profits of banks, continue until January 1, 1917, after which, under the act of September 8, 1916, the tax on capital stock will be reduced from \$1 to 50 cents per thousand.

In addition, bankers engaged in the business of negotiating purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes, or other securities, for others, are liable after January 1, 1917, to a special tax of \$30 annually as brokers.

ISSUE OF GOLD CERTIFICATES.

The act relating to the issuance of gold certificates was amended June 12, 1916, to provide that "the amount of gold bullion and foreign coin so held (against issues of gold certificates) shall not at any time exceed two-thirds of the total amount of gold certificates at such time outstanding." The amendment in question changes the proportion of bullion and coin held from one-third to two-thirds of the amount of the certificates outstanding.

INTERLOCKING DIRECTORATES, ETC.

The amendment to the law, relating to unlawful restraints and monopolies, approved September 7, 1916, is as follows:

Any director or other officer, agent, or employee of any member bank may, with the approval of the Federal Reserve Board, be a director or other officer, agent, or employee of any such bank or corporation above mentioned in the capital stock of which such member bank shall have invested as hereinbefore provided, without being subject to the provisions of section eight of the act approved October fifteenth, nineteen hundred and fourteen, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes."

BILLS OF LADING.

An important measure passed by the last Congress, in which banks and the commercial world generally are interested, was the act approved August 29, 1916, relating to bills of lading in interstate and foreign commerce. It is provided:

That bills of lading issued by any common carrier for the transportation of goods in any territory in the United States or the District of Columbia or from a place in a State to a place in a foreign country, or from a place in one State to a place in another State, or from a place in one State to a place in the same State through another State or foreign country, shall be governed by this act.

FEDERAL FARM LOAN ACT.

The act approved July 17, 1916, provides for the establishment of the Federal Farm Loan Bureau, the organization of 12 Federal land banks, in districts to be determined, and also for the organization of national farm loan associations, joint stock land banks, for the issue of farm loan bonds, in connection with the provision for capital for agricultural development, the equalization of rates of interest upon farm loans, etc. The Federal Farm Loan Bureau, under the general supervision of the Federal Farm Loan Board, has been established in the Department of the Treasury.

In view of the general interest in this subject, the Federal Farm Loan Act is printed as Exhibit O to this report and the Decision of the Federal Farm Loan Board determining the districts and the location of the Federal land banks is herewith presented.

DECISION OF FEDERAL FARM LOAN BOARD DETERMINING FEDERAL LAND BANK DISTRICTS AND LOCATION OF BANKS.

On December 27, 1916, the Federal Farm Loan Board announced its decision determining the Federal land bank districts and the location of the Federal land banks, as follows:

The Federal farm loan act directs the Federal Farm Loan Board to "divide the continental United States, excluding Alaska, into 12 districts which shall be known as Federal land bank districts, and may be designated by number." In making this division of the country, the act provides that said districts shall be apportioned "with due regard to the farm loan needs of the country, but no such district shall contain a fractional part of any State."

The act further provides that the Federal Farm Loan Board shall establish in each of the said districts a Federal land bank "with its principal office located in such city within the district as said board shall designate." By the terms of the act each Federal land bank will include in its title the name of the city in which it is located.

In determining the Federal land bank districts and in designating the cities within such districts where Federal land banks shall be severally located, the Federal Farm Loan Board has given careful consideration to the farm loan needs of the country. The board held public hearings in nearly every State in the Union and in this manner collected information of great value in determining its decision.

Every reasonable opportunity has been afforded applicant cities to furnish evidence to support their claims as locations of Federal land banks. More than 75 cities applied to be designated as the headquarters of a Federal land bank, and were heard through representative committees and individuals.

The 12 Federal land bank districts and the 12 cities selected for the location of the Federal land banks are as follows:

District No. 1.—The States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, and New Jersey.

Location of the Federal land bank, Springfield, Mass.

District No. 2.—The States of Pennsylvania, Delaware, Maryland, Virginia, and West Virginia, and the District of Columbia.

Location of the Federal land bank, Baltimore, Md.

District No. 3.—The States of North Carolina, South Carolina, Georgia, and Florida.

Location of the Federal land bank, Columbia, S. C.

District No. 4.—The States of Ohio, Indiana, Kentucky, and Tennessee.

Location of the Federal land bank, Louisville, Ky.

District No. 5.—The States of Alabama, Mississippi, and Louisiana.

Location of the Federal land bank, New Orleans, La.

District No. 6.—The States of Illinois, Missouri, and Arkansas.

Location of the Federal land bank, St. Louis, Mo.

District No. 7.—The States of Michigan, Wisconsin, Minnesota, and North Dakota.

Location of the Federal land bank, St. Paul, Minn.

District No. 8.—The States of Iowa, Nebraska, South Dakota, and Wyoming.

Location of the Federal land bank, Omaha, Nebr.

District No. 9.—The States of Oklahoma, Kansas, Colorado, and New Mexico.

Location of the Federal land bank, Wichita, Kans.

District No. 10.—The State of Texas.

Location of the Federal land bank, Houston, Tex.

District No. 11.—The States of California, Nevada, Utah, and Arizona.

Location of the Federal land bank, Berkeley, Cal.

District No. 12.—The States of Washington, Oregon, Montana, and Idaho.

Location of the Federal land bank, Spokane, Wash.

W. G. McADOO,
*Secretary of the Treasury and Chairman
of the Federal Farm Loan Board.*

GEO. W. NORRIS,
Farm Loan Commissioner.

HERBERT QUICK,
W. S. A. SMITH,
CHARLES E. LOBDELL,
Federal Farm Loan Board.

WASHINGTON, D. C., *December 27, 1916.*

THE PHILIPPINE NATIONAL BANK.

At the fourth session of the Third Philippine Legislature there was enacted, under date of February 4, 1916, an act creating the Philippine National Bank, with Manila as principal domicile and place of business, with authority to establish branch banks at the provincial capitals in other municipalities, and not to exceed two branches or agencies in the United States.

The capital of the bank is 20,000,000 pesos, divided into 200,000 shares of 100 pesos each, 51 per cent of which is to be purchased by the Government of the Philippine Islands and the remainder by the public. The bank acquired by authority of the act the business of the Government Agricultural Bank.

The Philippine National Bank is the official depository of the insular, provincial, and municipal governments and may receive deposits from the postal savings bank, associations, corporations, and private persons. Authority is granted to issue circulating notes on the security of specified assets, to be held inviolable for the purpose, a reserve of 33½ per cent being required. The bank is also authorized to issue notes against gold coin of the United States, the coin to be held by the bank and used for no other purpose, except for the redemption of the notes.

In general, the charter rights of the bank are of a character to enable it to become an important medium in the development of the agricultural and other resources of the islands.

DIGEST OF NATIONAL BANK DECISIONS.

In volume 2 of this report will be found a digest of decisions relating to national and other banks, rendered during the last year.

The Federal cases are reported in volumes 238-240, United States Reports, and volumes 225-234, Federal Reporter. Five State cases are also given: One, Illinois, in 110 Northeastern Reporter; one, Massachusetts, reported in 112 Northeastern Reporter; one, Michigan, reported in 159 Northwestern Reporter; one, New York, in 160 N. Y. Supp.; and one, Oklahoma, reported in 150 Pacific Reporter.

Of particular interest are the following:

AUTHORITY OF LIQUIDATING COMMITTEE OF A NATIONAL BANK.

The national bank act contains no provision giving the specific manner in which the affairs of a national bank shall be liquidated, and no reference is made in the law to the appointment of an agent or trustee in liquidation, except when a national bank has been placed in the hands of a receiver and the claims of all creditors other than shareholders have been satisfied. Quite frequently the shareholders in voting to place the bank in liquidation also appoint a liquidating agent or committee, whose powers are not always clearly defined.

The United States Circuit Court of Appeals has held (*Jewett v. United States*, 100 Fed. Rep., 832) that while no such office as an agent in liquidation was known to the statutes, yet it was one that had long been recognized as permitted by law. There has always been question, however, as to the extent of the powers of the liquidating agent, and whether the shareholders had the power to oust all of the officers of a bank and substitute in their place a liquidating agent or committee.

In a decision not reported, Judge Lacombe of the United States Circuit Court for the Southern District of New York held that the vote to liquidate and the appointment of a committee by the shareholders to liquidate the bank did not divest the directors of their general power and control over the management of the bank.

The form of resolution furnished by this office to banks for reporting liquidation provides that the liquidating committee shall exercise its powers under the general supervision of the board of directors, and in *Planten v. National Nassau Bank et al.*, 160 N. Y., Supp. 297, the court held that under the laws of New York and in the absence of Federal statutory authority or any decision of the Federal courts to the contrary, the authority of a liquidating committee of a national bank was subject to the supervision and control of the board of directors.

LIABILITY OF DIRECTORS FOR FALSE STATEMENTS.

The United States Supreme Court has held, in *Jones National Bank v. Yates* (240 U. S., 541), that where directors of a national bank knowingly made false statements as to the condition of the bank of which they were directors that the plaintiffs were entitled to recover from the said directors their losses by reason of their reliance upon such statements.

SALARIES OF BANK OFFICERS AND CLERKS.

Attention is called to Exhibits D, E, and F, in Volume I of this report showing the salaries paid by national banks throughout the country to their chief executive officers, and also to clerks and other employees. The reports to this office show that the salaries paid to bank presidents and cashiers, outside of the large cities, are generally moderate; and that the average compensation of all bank clerks and other employees is in some cases decidedly low.

The national banks reported on September 12, 1916, the total number of their officers and employees at 66,394, and the aggregate annual salaries paid them at \$88,428,120—an average of \$1,331.88 per annum, or only \$110.99 per month per employee.

On March 7, 1916, in the central reserve cities, 28 banks with a capital of \$1,000,000 and upward, but less than \$5,000,000, reported that the average salary paid to their presidents was \$22,482; while 10 banks in central reserve cities with capital of \$5,000,000 and over reported the average salary paid to their presidents to be \$49,000 per annum.

The average salary paid to presidents of banks having a capital of less than \$50,000, where any salary was paid, was \$1,008.41 per annum. The average salary paid to bank presidents by all banks with a capital of \$5,000,000 or over was \$44,421 per annum. The average salaries of the presidents of banks of intermediate size varied between \$1,008 and \$44,421, according to the size and locality of the bank.

RECOMMENDATION TO BANKS TO FURNISH LIFE INSURANCE TO EMPLOYEES EQUAL TO ONE YEAR'S SALARY OF EACH EMPLOYEE.

In view of the very moderate compensation paid to the average bank clerk, this office takes the liberty of recommending to national banks that they give special consideration to the question of furnishing their clerks and other employees receiving small salaries, life insurance policies equal to their salary for one year; so that, in the event of death, the families of the employees may at least be temporarily provided for. The advantages of such a plan are obvious and manifold, and proper cognizance may be taken of this slight extra expense in the adjustment of salaries. It is believed that, under blanket policies, and with cooperation among the banks, especially favorable terms may be obtained from standard insurance companies, and the offsetting advantages to both the bank and their employees should fully compensate for the slight extra expense involved in furnishing such insurance.

EXPENSES OF OPERATION OF CURRENCY BUREAU.

On pages 73 and 74 of this report will be found a statement in regard to national bank taxes, redemption charges, examiners' fees, and the expenses of the Currency Bureau for the 12 months ending June 30, 1916.

I now submit the following figures as to the cost of maintenance of the Bureau of the Comptroller of the Currency for the report year

ending October 31, 1916, giving in some detail under appropriate headings the expenditures made during the year, and showing separately those directly reimbursable by the national banks and Federal reserve banks in connection with the issue and redemption of currency, and those not directly reimbursable; also the aggregate cost of national bank examinations and the revenue derived by the Government from the taxation of national banks on currency issued and redeemed through this bureau.

Salaries:

Regular roll.....	\$155,351.75	
Reimbursable roll (national-bank currency).....	42,873.77	
Division of Federal Reserve Issues and Redemption (provided by Federal Reserve Board).....	8,279.62	\$206,505.14

General expenses:

Printing and binding.....	34,511.80	
Stationery.....	10,626.11	
(a) Amount expended by chief clerk and superintendent (light, heat, telephone, telegraph, furniture, etc.).....	7,052.96	
Special examination of national banks, repairs to macerator, etc.....	128.72	
Contingent expenses for Redemption Division, reimbursable; principal items, heat, light, and furniture.....	376.00	
Division of Federal Reserve Issues and Redemptions (provided by Federal Reserve Board).....	200.00	52,895.59

Currency issues:

National bank—		
Paper.....	29,842.94	
Plates (reimbursed).....	18,300.00	
(b) Special dies, rolls, plates, printing, etc.....	222,535.27	
Federal reserve bank—		
Paper.....	3,303.94	
Plates (reimbursed).....	2,880.00	
Special dies, rolls, plates, printing, etc.....	23,179.18	
Federal reserve notes—		
Plates, paper, printing, etc. (paid by Federal reserve banks through Federal Reserve Board) (estimated).....	223,023.04	523,064.37

Examination of national banks:

Expenses on account of national bank examining service—		
Total expenses Oct. 31, 1915, to Oct. 31, 1916.....	691,293.56	
Total expenses, period named.....	1,473,758.66	

RECAPITULATION.

Total directly reimbursed.....	\$987,225.99	
Total not directly reimbursed.....	486,532.67	
Total.....	1,473,758.66	

Section 5173, United States Revised Statutes, provides that "all * * * expenses of the Bureau of the Currency shall be paid out of the proceeds of the taxes or duties assessed and collected on the circulation of national banking associations" under the national bank act.

The taxes collected on national bank circulation during the report year ended October 31, 1916, amounted to \$3,744,967.77, and the expenses of the bureau not directly reimbursed to the Government aggregated \$486,532.67, leaving a net profit to the Government of \$3,258,435.10.

FOREIGN SECURITIES OWNED BY OUR NATIONAL BANKS.

At the outbreak of the European war the current indebtedness of this country to Europe, practically all of which was due and payable prior to January 1, 1915, was estimated at \$450,000,000. The largest item of this indebtedness was represented by the short term obligations of the city of New York, about \$80,000,000. The remainder was composed of current trade balances of merchants and bankers and short-time loans borrowed by business houses which had taken advantage of the easy money conditions in Europe preceding the war crisis. Besides this current indebtedness our securities held abroad were estimated at between four and five billion dollars.

Before 12 months had elapsed this country had paid in full this floating debt, and had begun to make loans to both belligerent and neutral countries in large sums. The total of foreign loans placed in the United States for belligerent and neutral countries from August 1, 1914, to November 1, 1916, is estimated at approximately \$2,000,000,000.

These foreign securities have been absorbed largely by the investing public generally, although great blocks of them have been taken by the corporations engaged in the business of supplying munitions and equipment of war to Europe.

To a not inconsiderable extent the securities of these foreign nations, principally their short term obligations, have been acquired by the banks of this country, both National and State, and by our trust companies, which have availed of this outlet for idle funds. No figures are at hand to show the amount of these securities which have been purchased by our State banks and trust companies, but the following table shows the holdings on November 17, 1916, by national banks of all foreign government bonds and also of other foreign securities, setting forth separately the amounts held by the national banks in the central reserve cities, in the reserve cities, and in the outside country banks.

Amount of foreign government bonds and other foreign bonds and securities owned by national banks, as shown by reports of condition of 7,584 banks reporting on November 17, 1916, arranged in geographical sections by central reserve, other reserve cities, and country banks.

[In thousands of dollars.]

Geographical location.	Foreign government bonds.	Other foreign bonds and securities.	Total held.
NEW ENGLAND STATES.			
Reserve cities.....	\$5,110	\$468	\$5,578
Country banks.....	16,055	5,991	22,046
Total.....	21,165	6,459	27,624
EASTERN STATES.			
Central reserve cities.....	90,446	9,121	99,567
Other reserve cities.....	22,293	6,449	28,742
Country banks.....	44,742	16,837	61,579
Total.....	157,481	32,407	189,888
SOUTHERN STATES.			
Reserve cities.....	2,307	1,318	3,625
Country banks.....	5,545	795	6,340
Total.....	7,852	2,113	9,965
MIDDLE STATES.			
Central reserve cities.....	11,089	444	11,533
Other reserve cities.....	14,482	4,557	19,039
Country banks.....	14,433	6,176	20,609
Total.....	40,004	11,177	51,181
WESTERN STATES.			
Reserve cities.....	3,222	763	3,985
Country banks.....	3,359	1,377	4,736
Total.....	6,581	2,140	8,721
PACIFIC STATES.			
Reserve cities.....	6,430	888	7,318
Country banks.....	2,131	408	2,539
Total.....	8,561	1,296	9,857
Total United States.....	241,644	55,592	297,236

RECAPITULATION.

Central reserve cities.....	\$101,525	\$9,565	\$111,100
Other reserve cities.....	53,844	14,443	68,287
Country banks.....	86,265	31,584	117,849
Total United States.....	241,644	55,592	297,236

The increase in the holdings of our national banks of foreign government and other foreign securities from June 30, 1914, to November 17, 1916, is shown in the following table:

Holdings by national banks of bonds of foreign governments and other foreign securities at different periods from June 30, 1914, to Nov. 17, 1916.

[In thousands of dollars.]

	Foreign Government bonds.	Other foreign bonds, securities.	Total.
June 30, 1914.....	\$10,018	\$5,609	\$15,627
June 23, 1915.....	33,787	13,402	47,189
May 1, 1916.....	127,927	30,573	158,500
June 30, 1916.....	116,768	40,303	157,071
Sept. 12, 1916.....	192,272	47,294	239,566
Nov. 17, 1916 ¹	241,644	55,592	297,236

The aggregate amount of bonds and securities, other than United States Government bonds, held by the national banks on November 17, 1916, was reported at \$1,709,956,000, which included, as above shown, \$297,236,000 of foreign securities; so that the foreign securities represented at that time were 17.38 per cent of the total securities held by them other than United States Government bonds.

CONCLUSION.

Since the beginning of the European war, a little over two years ago, our country has passed swiftly and definitely from the ranks of the debtor countries and has become the most potential of the creditor nations. Practically the whole world is in debt to us and steadily increasing its obligations.

Our financial condition in relation to other peoples and the world at large becomes stronger from week to week and from month to month. As the figures show so conclusively, our wealth is piling up with wonderful rapidity; but to do our proper work in the world and to protect and enlarge our own interests we may before long need every dollar of these resources, gigantic and inexhaustible as they now seem to be.

From present indications it is probable that we will be required to finance not only our own enterprises, our preparations to make ourselves a formidable and therefore a respected power, and the commerce which is unfolding for us on this hemisphere, but also the endless complications and demands of readjustment and reestablishment that will follow the close of the great war.

¹ Since this report was sent to the printer, later statements have been received and compiled showing that the total amount of foreign government bonds and other foreign securities held by all the national banks on December 27, 1916, as reported by them was \$321,993,000.

In addition to these foreign securities held on the date mentioned, the national banks in 100 cities of the United States, including all reserve cities and all other cities having a population of 75,000 or more (returns not yet received from about 10 per cent of the banks in these cities) reported that they were lending to merchants and other borrowers in foreign countries, including both belligerent and neutral countries, the sum of \$136,669,000; making the total investment by our national banks on the date mentioned (as far as reported) in foreign government and other foreign securities, and in loans placed in foreign countries by national banks in the cities indicated, \$458,662,000. This is equal to 42.82 per cent of the capital of the national banks; 21.22 per cent of their capital, surplus, and undivided profits; or 2.96 per cent of their total resources as reported by the banks on November 17, 1916.

Of the above \$136,669,000 of loans made in foreign countries, \$100,091,000 were loaned by the national banks in New York City, and \$28,475,000 by those in Chicago, St. Louis, San Francisco, Philadelphia, and Boston.

To meet these enormous drafts and strains on our resources, the most tremendous requirements and the widest opportunity that any nation in the world's history has ever faced, we are now strong and ready.

We have gained in a year and four months, from June 23, 1915, to November 17, 1916, over \$6,000,000,000 in the resources of our banks, counting all banks. This means that we have added to the resources of our banks in this brief space of time an amount exceeding by a billion dollars the entire resources, as recently reported, of those citadels of financial strength the Bank of England and the Bank of France combined. As a further comparison the increase for this period also represents an amount twice as great as the total resources of the Reichsbank of Germany, plus the resources of the Bank of Italy, according to their latest reports.

We have now the Federal Reserve System, which we believe assures us against panics and fears such as have in the past, at intervals, disturbed our commerce and paralyzed our industries. The Rural Credits, or Federal Farm Loan System, will aid in securing permanent commercial strength and safety based on the sure foundations of prosperous and thriving communities of farmers, held to the soil by ties of ownership and encouraged and aided to secure constantly increasing results per man, per acre, and per day.

In reviewing our banking and fiscal situation we seem now to be intrenched financially almost as firmly as it is possible for any human government to be. We are well prepared for preparedness, and ready and able to provide for whatever increases of Army and Navy the Congress may think to be necessary.

“TO SEE OURSELVES AS OTHERS SEE US.”

Our preponderating power in world finance is fast being recognized in all countries. As an illustration of the opinions now held abroad as to this country, it may not be amiss to quote in conclusion the following extract from an editorial entitled “American banks and the future,” which appeared recently in one of the leading English newspapers, the Manchester Guardian:

“European financiers in general would be well advised to face the fact that the war has radically transformed the relations between the United States and Europe. The American Controller of Currency in his latest report indicates how greatly American banks have developed in recent years. Their resources on November 17 amounted to \$3,104 million pounds. They have grown by 800 millions since 1913 and doubled since 1906.

“The Federal reserve act and other legislation under Mr. Wilson's auspices have given them, for the first time in their history, a really sound organization. The United States has wiped out, or by the end of this war will have wiped out, most of its debt to foreign investors. It will have a currency of unimpeachable soundness, fortified by a gold reserve of unprecedented magnitude.

“The American bankers will have acquired the experience they have hitherto lacked in the international money market. And all this strengthened financial fabric will rest upon an economic fabric which the war will have much expanded. It can hardly be doubted that under these circumstances New York will enter the lists for the financial leadership of the world.”

INCREASED WORK OF THE OFFICE.

The work of this bureau continues to grow. Since the April, 1913, call, to November 17, 1916, the number of national banks under the supervision of this office has increased from 7,440 to 7,584, while the aggregate resources of these banks has increased from 11,081 million dollars to 15,520 million dollars, a growth in a little over three and a half years of 4,439 million dollars, or 40 per cent.

The increase in the office force, however, has not kept up with the increase of work to be performed, necessitating frequently long hours and much overtime, but this has been accepted uncomplainingly and cheerfully. I take pleasure in bearing testimony to the earnestness, fidelity, and ability with which the employees generally of this bureau, including the force of National Bank Examiners, have performed their respective duties.

Attention is called to a number of special exhibits relating to the affairs and operations of our national banks which, in addition to other exhibits heretofore referred to, are published in the appendix to volume 1 of this report, including much interesting and valuable information obtained as a result of special reports which have been furnished from time to time by the national banks during the past year.

In Volume 2 of this report will be found, as usual, the detailed statements of condition of each national bank, together with additional general and special statistical data and the usual digest of court decisions relating to national banks.

Respectfully submitted.

JOHN SKELTON WILLIAMS,
Comptroller of the Currency.

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

EXHIBITS TO VOLUME I

EXHIBIT A.

INTERLOCUTORY DECISION IN RIGGS BANK CASE.

IN THE SUPREME COURT OF THE DISTRICT OF COLUMBIA.

Injunction suit of the Riggs National Bank of Washington, D. C. v. William Gibbs McAdoo, Secretary of the Treasury; John Skelton Williams, Comptroller of the Currency; and John Burke, Treasurer of the United States.

INTERLOCUTORY DECISION OF MR. JUSTICE M'COY AT THE CONCLUSION OF THE ARGUMENTS ON PLAINTIFF'S MOTION FOR TEMPORARY INJUNCTION AND ON DEFENDANTS' MOTION TO DISMISS.

Counsel for plaintiff in asking the court to continue the temporary restraining order argued that if the order were dissolved and the money finally covered into the Treasury the jurisdiction of the court would cease.

Counsel for the defendants argued that the rule was that where the equities of the bill were overwhelmingly denied, as in the present case, plaintiff's prayer for temporary injunction should be denied.

Thereupon the court made the following statement (pp. 672 to 679 of stenographic report of court proceedings May 21, 1915):

THE COURT:

Of course, there are two aspects of even that part of the proposition. I granted a temporary restraining order because it involved only the \$5,000, and there was a contention made that if it were covered into the Treasury it might require an act of Congress to get it out. It may be that I shall continue it on the same ground pending a hearing; I do not know. But on the other branch of the case, in regard to granting any *pendente lite* relief in regard to these deposits or in regard to the reserve agency end of the situation, I say what I said before, that the case, such as it is, made out by the bill, assuming that any was made out by the bill for the purpose of an injunction, has been met overwhelmingly, in my opinion, by the proofs which are here in the form of affidavits, and I shall deny that relief pending the action.

I was struck when I first read the bill by the allegation on page 14 of the printed bill here which I called attention to the other day:

Plaintiff further avers that prior to December, 1913, the defendants McAdoo and Williams had, in ways which will be fully detailed in the evidence to be taken in this suit, openly and publicly manifested their personal malice toward certain of plaintiff's officers.

I wondered what that meant, and I do not know to this minute what it means; but of course there is an absence, not of evidence, but of the statement of any ultimate facts that would sustain that allegation in the bill; and when I came to read this Tribune article which

appears there, and the incident which occurred in Mr. McAdoo's office, whenever it was, coupled with that, if I were obliged to resort to that I should say that perhaps it was shown that the malice was the other way. In view of the absence, as I say, of any statement here as to backing up this general allegation, and coupled with what is in there, I do not see how anybody can fail reasonably to reach that conclusion, and that if there were bad blood—I do not know as to that—if there is anything between the parties, there is nothing here to show that the two defendants were the aggressors in the matter.

Then, again, I do not think it is necessary here to decide whether there has been any arbitrary exercise of power, or exercise of arbitrary power, in regard to this question of the reserve agency, or any threat of an exercise of arbitrary power. It seems to me, on the record that is made here before me now, that the Government officials would have been remiss if they had consented to permit the bank to act as agent for a new applicant bank, because, I think, for the purposes of this motion, always—now, I am not passing on the ultimate merits of the case—there is evidence here of persistent violations of the law, and that they began, not with Mr. Williams's incumbency of the office (and that has another bearing, perhaps, on the question of what animated Mr. Williams), but they began before he came there, and there is evidence that they are continuing until this day; and even if the comptroller is wrong about what kind of a bank ought to have Government deposits (namely, a so-called commercial bank or stock-exchange bank), even if those features were not in there, the other features of violations of the law are in there; and I should say that he was quite right in determining to take out those deposits, or at least to say that there should not be any further selection of this bank as a reserve agent.

While it may have nothing to do with the law of the case, I suppose that all judges have some right to consider matters of banking policy when they are called upon to decide legal questions. I should say that the policy of not having large deposits in so-called stock-exchange banks as compared with the amount of deposits in commercial banks was an absolutely good and sound policy, and the fact that Congress thinks so is now embodied in the Federal reserve act. This question about whether or not stocks are good, and whether or not dealing in stocks is any different from dealing in oats and grain and steers and hogs and that kind of thing, is an argument that does not need to be answered.

ATTORNEY FOR DEFENDANT. Will your honor permit me to suggest—

The COURT. I will ask you to excuse me a minute; I want to look through these prayers here.

I have never analyzed these prayers, but the second to the sixth, inclusive, apply to this \$5,000 penalty, and to the other penalties which the plaintiff says the comptroller is threatening to assess or, at any rate, on account of which they claim to be in danger. I think I will take those under advisement on that question, which is the real question in the case.

No. 7 is a prayer "that the defendant Williams may be enjoined *pendente lite* and permanently from calling or attempting to enforce his call for any special report or reports from the plaintiff when the

same are not bona fide and reasonably necessary in order to a full and complete knowledge of the plaintiff's condition and are not such as he is expressly authorized by said section 5211 to call for."

I take it that refers to the future, and I shall deny that relief *pendente lite*.

I do not quite take in the scope of the eighth prayer for the minute. I will have to pass that.

ATTORNEY FOR DEFENDANT. I think that is on the phase of the constitutional law.

The COURT. I say I do not take in the scope of it; I do not know what the evidence is here that would lead to any assumption that that was being done; but I will deny that relief *pendente lite*.

As to enjoining the defendant McAdoo from aiding, assisting, or abetting, there is absolutely nothing in the case, as it is made here, to show that he has. They are sued as officials, and if Mr. McAdoo had a duty to perform he would perform it; if Mr. Williams had a duty to perform he would perform it; and whether Mr. McAdoo would be glad to see Mr. Williams do a certain thing, or urge him to do a certain thing, does not seem to me to make any difference.

No. 10 is a part of the \$5,000 transaction, and about that I will not say anything further.

ATTORNEY FOR DEFENDANT. No. 9 is denied, your honor?

The COURT. No. 9 is denied; yes.

No. 10 is part of the \$5,000 transaction.

ATTORNEY FOR DEFENDANT. That your honor takes under advisement?

The COURT. Yes. Without saying anything about No. 13, that is a part of that \$5,000 penalty matter, and I will take it under advisement. I do not quite comprehend what the situation is about that so far as the allegations are concerned.

No. 14 I will not grant *pendente lite*.

ATTORNEY FOR PLAINTIFF. It is not included in the rule, if your honor please.

The COURT. It was not?

ATTORNEY FOR PLAINTIFF. No; nor is No. 15. No. 16 you have already passed upon.

The COURT. I have passed upon 16; yes.

It may be that in the hurried way I have made some mistake within the lines of what I have endeavored to lay down as my notions about the case for the time being. If counsel on both sides, upon reading the record, will point out anything of that sort I will be obliged.

EXHIBIT B.

DECISION OF SUPREME COURT OF DISTRICT OF COLUMBIA
IN RIGGS BANK CASE.

The following is a review or synopsis of the decision, rendered May 31, 1916, by the Supreme Court of the District of Columbia in the injunction suit of the Riggs National Bank versus the Comptroller of the Currency et als., as summarized and given out on May 31, 1916, by the Department of Justice at Washington, D. C.

This decision is a matter of general interest to the banks, since it defines very clearly the supervisory authority of the Comptroller's office:

"THE RIGGS BANK DECISION.

"The decision of Mr. Justice McCoy in the Riggs Bank case, filed to-day, contains seventy-three typewritten folio pages, and, as the Department understands it, decides the following points:

"(1) That the court had jurisdiction of the case (pp. 17-30).

"(2) That as *'the bill does not state facts sufficient to constitute a cause of action against the Secretary of the Treasury as to a conspiracy, nor as to anything done or threatened by him, it must be dismissed as to him, unless he is a necessary party in order to give relief by way of directing a purely ministerial act, namely, the payment of interest withheld because of the penalty of \$5,000 assessed by the Comptroller'* (pp. 32-36).

"(3) That the plaintiff's construction of the nature of 'special reports,' which the Comptroller was entitled to call for, was wrong, and that the Comptroller's contention was correct (pp. 37-53); and that *'the statute thus construed makes lawful any inquiry by the Comptroller for the purpose of obtaining information, not only as to current items on the books of the bank, but also for the purpose of informing himself generally as to the management of the bank'*; and that it is certain *'that Congress intended that national banking associations should be under the strictest supervision by him (the Comptroller) for the protection of creditors and stockholders and of the public generally'* (p. 47); and *'that the power of the Comptroller under Revised Statutes, section 5211, is to call for a report on the affairs of a bank just as fully, at least, as might a bank examiner'* (p. 50).

"(4) That there was no such arbitrary action on the part of the comptroller as to amount to total lack of authority (pp. 55-60); but that *'the action of the comptroller on the basis of which specific charges are made to the effect that he was acting in excess of his powers, examined in the light of the views above expressed, must be upheld as lawful'* (p. 60).

"(5) That the plaintiff's contention that the comptroller had no right to call for reports as to past transactions was wrong, and that *'valid reasons for going back over the books of the bank for several years may be suggested by what is discovered as to recent transactions'* (p. 58).

“(6) That the information called for by the Comptroller in regard to list of loans in excess of \$5,000 secured by collaterals was rightly called for by him and should have been furnished (p. 60).

“(7) That the information called for by the Comptroller as to whether the plaintiff was maintaining a private telegraph wire connected with stock brokerage houses, ‘*was an eminently proper inquiry*’ (p. 60).

“(8) That the Comptroller’s call for information as to the ownership of the Flather & Flather account may well have been justified (p. 60).

“(9) That the Comptroller had the right to specify a longer time than five days within which to make certain reports, and that there was no reason for the bank’s complaining of the giving of a longer time (p. 61).

“(10) That the Comptroller’s request for information in regard to loans made by the bank to former United States officials was a proper one (p. 61).

“(11) That the Comptroller’s call for information in regard to commercial paper carried by the plaintiff was clearly proper (p. 61).

“(12) That the Comptroller’s call for information as to the expenditure of money for printed copies of the correspondence, etc., was rightly made (p. 62).

“(13) That the demand for information in regard to the direct loans made by the bank to certain of its officers, and for information in regard to the indirect, or dummy, or concealed, loans, made since the organization of the bank, for the benefit, directly or indirectly, of those officers, including all loans which any of the officers had indorsed, or for which they had furnished the whole or any part of the collateral, were ‘*entirely within his (the Comptroller’s) powers*’ (p. 62).

“These are the two demands for the failure to comply with which the penalty of \$5,000 was assessed.

“(14) The Comptroller’s requirement that certain facts be laid before the board of directors, even if made for the purpose of discrediting the plaintiff’s officers before the board of directors, was proper (p. 63).

“(15) That the allegation in the bill that the acts of the Comptroller were done maliciously, is merely a statement of a conclusion of law (pp. 63–64); ‘*the Comptroller was acting within his powers in performance of his duty, so far as calling for the reports is concerned. Therefore, as no right of the plaintiff was infringed, he was not acting maliciously.*’

“(16) That the actions of the Comptroller as treasurer of the Red Cross funds were ‘*perfectly proper steps to obtain the largest possible revenue from it while on deposit. The plaintiff was given the same opportunity that was given to others to have those deposits made in its bank*’ (p. 64).

“(17) That the plaintiff’s contention that the bank is not required to furnish a special report, which by Revised Statutes the Comptroller is authorized to call for, is incorrect (p. 65).

“(18) The plaintiff’s contention that Revised Statutes, section 5213, does not impose a penalty for failure to make a special report, is incorrect (pp. 65–67).

“(19) The plaintiff’s contention that the Comptroller’s construction of the Revised Statutes would necessitate a holding by the court of their unconstitutionality, is incorrect. ‘*The plaintiff can not object*

to giving the information demanded of it by the Comptroller, nor urge any constitutional ground as a basis for refusing, having accepted its charter under a statute giving the right to call for special reports' (pp. 68-69).

"(20) As to the merits of the case, the single point on which the court finds against the defendant is the following: That the Comptroller in making his demand of January 22, 1915, for the special report called for, required that it should be made under the oath of the president, cashier, and three named officers and directors, whereas the statute, section 5211, only required that the report be sworn to by the president or cashier and attested by the signatures of at least three of the directors. The court said: '*Therefore, it must be held in this case that the Comptroller having called for a report not verified and attested as provided in the statute, did not place himself in a position where he could lawfully assess a penalty for a failure to comply with a demand which he made*' (p. 70).

"(21) The plaintiffs' petition in their bill in equity that the court should enjoin the Comptroller from revoking any designation of the plaintiff as a depository, and from refusing to approve of the plaintiff bank as such, is refused, and the court states that '*it can not be granted*' (pp. 70-72).

"(22) The plaintiffs' petition in their bill that the Comptroller should be enjoined generally from future violations of the law is refused: '*The court will not stop an officer vested with powers to be exercised at his discretion from performing his statutory duty for fear that he should perform it wrongly*' (p. 72).

"The result of the whole decision is that the temporary injunction restraining the payment of \$5,000 is continued as against the Treasurer of the United States, but not as to the Comptroller, and that, except for the purpose of compelling payment of the interest due the bank and retained, and of enjoining the assessment of penalties because of the failure to comply with the demands (held defective in form as above stated) for reports, the bill is dismissed as against all the defendants."

EXHIBIT C

DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE
APPLICATION FOR A RENEWAL OF THE CHARTER OF THE
RIGGS NATIONAL BANK OF WASHINGTON, D. C.

TREASURY DEPARTMENT,
Washington, June 21, 1916.

The RIGGS NATIONAL BANK,
Washington, D. C.

SIRS: On the 23d of May, 1916, you filed an application for an amendment to your articles of association so as to continue the life of your association until June 27, 1936. This application, if granted in its present form, would extend the life of the corporation for 20 years and 1 day, which the Comptroller of the Currency has no power to grant, as the law now permits an extension of 20 years only. The application should be amended so as to provide that the association shall continue until the close of business on June 26, 1936, instead of June 27, 1936. The application, to be legal, should also bear a 10-cent internal-revenue stamp, as required by law. I shall assume, for the purposes of this decision, that the application has been amended as thus indicated and that the 10-cent internal-revenue stamp has been affixed:

Section 3 of the act of July 12, 1882, provides:

That upon the receipt of the application and certificate of the association provided for in the preceding section, the Comptroller of the Currency shall cause a special examination to be made, at the expense of the association, to determine its condition; and if after such examination or otherwise, it appears to him that said association is in a satisfactory condition, he shall grant his certificate of approval provided for in the preceding section, or if it appears that the condition of said association is not satisfactory, he shall withhold such certificate of approval.

The word "condition," as it has been construed by my predecessors and by the Supreme Court of the District of Columbia in the decision rendered May 31, 1916, in the suit of the Riggs National Bank *v. The Comptroller of the Currency et al.*, comprehends not only the solvency of the bank, but as well the character of the business done by the bank and the management and the record of the bank with respect to observance or violations of law by its officers.

It is the duty of the Comptroller to determine such "condition" with reference to all of these factors or elements, and this necessitates a consideration of the bank's record as well as of its solvency and financial resources.

Acting upon this conception of my duty, I find that the present officers of the association (who, with the exception of Mr. H. H. Flather, who resigned Oct. 1 last, have been its officers almost since its organization) have conducted the business of the bank during almost the entire period of its existence in persistent violation of the national-bank act and in disregard of the regulations and frequent admonitions of the Comptroller's Office.

VIOLATIONS OF LAW AND UNLAWFUL PRACTICES.

Some of its violations and irregular practices have related to—

- The making of real estate loans, contrary to law;
- Investments in stocks, contrary to law;
- The frequent and persistent failure to maintain reserves, as required by law;
- Excessive and unlawful loans;
- The carrying on of a stock-brokerage business either directly or through the agency of a partnership composed of the chief officers of the bank within the bank itself, under the firm name latterly of Glover & Flather, or Flather & Flather, and in earlier years of Glover, Hyde, Johnston, and others;
- The maintenance of private telephone and telegraph wires with stock brokerage offices;
- The making of dummy loans for the benefit of officers of the bank; and
- The lending of large sums of money (oftentimes when the bank was running behind in its reserve requirements) to the president, vice presidents, and cashier of the bank, as well as to many bookkeepers, tellers, clerks, and other employees of the bank, contrary to what this office regards as proper and legitimate methods of carrying on a banking business under the requirements of the national-bank act;
- Refusal to furnish reports as required by the Comptroller's Office; and
- Denial of the authority of the Comptroller to require information about the bank's affairs.

Its violations of law and irregular practices began shortly after the organization of the bank in 1896 and continued throughout the life of the bank until the summer or autumn of 1914, when they were discontinued because of the action of the Comptroller's Office. I shall not attempt to go into great detail in these matters, as they have been set out quite fully in the answering affidavits filed by the Secretary of the Treasury and the Comptroller of the Currency in the Supreme Court of the District of Columbia in the suit brought by the Riggs National Bank in April, 1915, to test the powers and authority of the Comptroller of the Currency, but it is necessary that I should advert to them in a general way. Copies of said affidavits and a synopsis made by the Department of Justice of the opinion rendered by Mr. Justice McCoy, as well as the opinion itself, are attached hereto, as Exhibits Nos. 1, 2, 3, and 4, respectively, and are made a part of this decision.

STOCK BROKERAGE BUSINESS.

National-bank examiners reported to this office, as a result of their investigations in May, 1914, that the principal officers of the Riggs National Bank were conducting an active stock brokerage and real estate loan business within the bank and were engaged in speculations for their own account, for which they were borrowing large sums of money from their own bank, from other local banks, and from the New York correspondents of the Riggs National Bank. It was established that the cashier of the Riggs National Bank, Mr. H. H. Flather, who resigned at the time that the indictments for perjury

were returned against him and other officers of the bank, had a private telephone line from his desk in the bank to the office of the now defunct stock brokerage firm of Lewis Johnson & Co. It was disclosed that Cashier Flather traded, in some instances, on the orders of customers to his personal advantage, reporting sales to customers at prices less than those at which their securities had actually been sold, and converting the difference to his own use. Concerning these speculative transactions of Mr. H. H. Flather, National Bank Examiners Sherrill Smith, chief examiner of the Chicago district, and James Trimble, examiner at Washington, as a result of their examinations of the bank, submitted, under date of October 2, 1915, a report from which the following extract is taken:

REPREHENSIBLE PRACTICES, INCLUDING "DUMMY" SPECULATIVE ACCOUNTS.

We find that H. H. Flather, from June 24, 1909, to March 7, 1914, had a personal account with Lewis Johnson & Co. which was speculative in character, in which he usually carried a debit balance on which interest was charged, and in which for a long period the securities were inadequate. That from February 29, 1908, to November 20, 1909, he carried an account as "Henry Hepburn," which was speculative to a lesser degree; and that so far as our investigations went, his transactions through the bank accounts with Colgate & Co. and Lewis Johnson & Co (see this report) were most reprehensible, if indeed they are not held in some instances to be criminal.

We find that his entire dealings were conducted in a manner to prevent discovery; he maintained no balance, claiming he received and paid cash.

He protected himself from discovery of his deals with Lewis Johnson & Co. by having the advices come to the bank "in care of Cooke," and ran but few of his transactions through his account.

He sold short through the bank's account.

He advised customers of a credit before the stock was sold, and later sold the stock and took the profit, or made good the loss.

This report of the examiners showed how H. H. Flather, sometimes having orders to buy a certain stock, bought the stock ordered by the customer and then, if it should advance, would sell the stock so purchased and take the profit himself, and would then buy the stock again, at a higher price, for the customer. Or that, having an order to sell a certain stock, he would sell on the customer's order; and then, if the stock should decline, he would buy it in and later sell again at a lower price than the price at which he originally sold, but accounting to the customer at the reduced price, taking for himself the profit between the price at which the customer's stock was first sold and the price at which he bought it in, the customer losing the difference.

The examiners also stated that H. H. Flather sometimes bought the securities through the Riggs National Bank account with Lewis Johnson & Co.; but making no deposit against such purchases; and then sold the securities at an advance, appropriating the profits personally.

Vice president of the Riggs National Bank, W. J. Flather, brother of the cashier, H. H. Flather, carried two speculative accounts on the books of the brokerage firm, Lewis Johnson & Co., one in his own name and the other in the name of a member of said firm. Orders for the purchase and sales of securities were given by him to Lewis Johnson & Co., and then charged to the account of the firm member as "Agent," Vice President Flather being the real principal. Another vice president, Mr. Ailes, carried his active speculative account with a New York stock brokerage house, with which the bank also had

private wire connection, the wire also connecting with the bank's New York correspondent.

The practice of officers of a national bank speculating in stocks and borrowing money from their own bank in order to carry on such speculations is reprehensible in the highest degree and can not be condemned too severely. Numerous junior officers, tellers, bookkeepers, and clerks are also shown by the record to have been borrowing large amounts of money from the bank to carry speculative accounts. Such practices have been the fruitful source of bank failures throughout the country, resulting in grave losses to innocent depositors and stockholders, bringing disaster to the bank officers themselves and serious injury to the communities where such bank failures have occurred.

Aside from the stock operations of said officers of the bank the records show that the bank itself, in its own name, carried on a brokerage business in stocks, contrary to law. This business was discontinued only recently as a result of the action of the present Comptroller of the Currency. It was proven in court that the bank, in its own name and on its own credit, had more than 2,500 transactions in stocks and bonds with the stock brokerage firm of Lewis Johnson & Co. alone.

LOANS TO OFFICERS AND EMPLOYEES.

While the law does not forbid the making of loans to officers and employees of a bank for speculative purposes, nevertheless the making of such loans has been frequently condemned by Comptrollers of the Currency as contrary to sound banking practice and the ethics of good banking. Many bank failures have resulted from the excessive borrowing of the bank's funds by officers of banks. Such officers owe a solemn duty to depositors not to use the funds of the bank to their personal advantage in such a way as to expose the money of depositors to undue risks or to prevent the bank from performing its full duty to the community. The officers have an advantage over every other person dealing with the bank, and this of itself imposes upon them a higher duty and a greater responsibility. This practice is particularly reprehensible when dummy loans are made in the interest of officers of a bank. There were frequent instances of such dummy loans in the Riggs National Bank.

The direct and indirect loans reported under oath by the bank as made to C. C. Glover, president; W. J. Flather, vice president; M. E. Ailes, vice president; and H. H. Flather, cashier, from July, 1896, to July, 1914, were:

C. C. Glover.....	\$2, 534, 377
W. J. Flather.....	1, 258, 010
M. E. Ailes.....	584, 855
H. H. Flather.....	1, 282, 698

From this it appears that there was borrowed from the bank in 18 years by its four principal officers, President Glover, Vice President Flather, Vice President Ailes, and Cashier Flather, a total of \$5,659,850, exclusive of large amounts loaned to wives, brothers, sons, and daughters of some of these officers. Besides the loans to principal officers, the junior officers, tellers, bookkeepers, and other employees sometimes borrowed heavily. For example, loans made by the bank in the two years 1904 and 1905 to its ladies' teller, paying

teller, and note teller, and one of its bookkeepers exceeded in the aggregate \$466,000, largely on speculative stocks. The above loans are all in addition to large loans made during the period to directors of the bank, other than officers, and to other junior officers and employees. Some of the above loans may have been renewals of other loans, and may have been carried through the books several times, and therefore the totals may to some extent be subject to adjustment, although some of the loans ran several years at a time. But in any case they exhibit a consistent policy or practice of large and dangerous proportions, which should be condemned by all who believe in sound and safe banking. It is true that after the present Comptroller of the Currency discovered this condition of affairs, the loans to all officers in the bank were taken up or transferred to other banks in the summer of 1914. Since that time the practice has not been resumed, and it ought not to be resumed at any time in the future.

BORROWING BY OFFICERS WHEN RESERVES WERE DEFICIENT.

The records of the bank show that President Glover borrowed frequently from the bank when the bank was below its reserve requirements or during the 30 days preceding calls for report when the bank reported that it had during such period averaged short for 30 days in the legal reserve required. Banks were expressly prohibited by section 5191, United States Revised Statutes, from making any loan when there was a deficiency in their reserves. The records show that between August 4, 1906, and March 4, 1914, Mr. Glover borrowed 24 times from the Riggs National Bank on days when the bank's reserves were short; or, in the 30-day period when the bank had reported averaging short in reserves. These 24 loans aggregated \$412,500. During the same period and under the same circumstances as to deficient reserves, Vice President Flather borrowed from the bank over \$210,000 on 20 loans; former Cashier Flather borrowed over \$50,000 on 6 loans, and Vice President Ailes got 29 loans from the bank on his own note, or jointly with others, for amounts aggregating over \$200,000. I deem it my duty to bring out the foregoing facts in order that it may be clear that this office does not approve the practices to which I have referred and to enjoin upon the directors of the Riggs National Bank the importance of preventing a repetition of such practices in the future.

This office has no desire to do injustice to any bank. Its single aim is to promote sound, honorable, and safe banking and to use the powers which the law has conferred upon it for the protection of the legitimate banking interest of the country and for the prevention of those practices which, throughout banking history, have brought injury and disaster to innocent depositors and to the business communities where bank failures have occurred.

No national bank need have the slightest fear of any conflict or trouble with the Comptroller's Office so long as it obeys the law and observes the rules of sound and safe banking; but no national bank, however big or little, and no officer or stockholder, however influential or important, is above the law. The Comptroller must enforce the law and the rules and regulations of the Comptroller's Office impartially and unswervingly, whether the bank be big or little and whether or not the officers and directors be important and influential.

The records show that the directors of the Riggs National Bank have not always been as observant of their duties as the law provides and their oath of office requires. They have not always shown themselves sufficiently familiar with the transactions of the officers of the bank. If the directors had been more careful in discharging their duties, many of the practices of the bank which have aroused the criticism of the Comptroller's Office would not have occurred. As an instance of the negligence to which I refer, one of the directors of the bank made oath for five successive years, from 1910 to 1914, that he was the owner in good faith and in his own right of 10 shares of the stock of the bank standing in his name on the books of the bank, and that these shares had not been hypothecated or in any way pledged as security for any loan or debt; and yet, each time that he made this solemn oath the said 10 shares of stock were pledged for a loan and continued to be pledged for a loan during the whole of said five years. I accepted the explanation of this director that he made these oaths without reading them and without realizing that he was violating the law, but it is evidence of the serious carelessness of which I speak.

UNLAWFUL STOCK INVESTMENTS.

As far back as 1898 Comptroller Dawes wrote you as follows:

The bank holds a large amount of stocks which were purchased for investment. You are respectfully advised that the United States Supreme Court decided during the October, 1896, term, in the case of California National Bank v. Nat Kennedy (167 U. S., 362) that:

"The power to purchase or deal in stock of another corporation is not expressly conferred upon national banks, nor is it an act which may be exercised as incidental to the powers expressly conferred. A dealing in stocks is consequently an ultra vires act, and being such, it is without efficacy."

All shares of stock purchased for investment now owned by the bank are held in plain violation of law, and must be disposed of without further delay.

Since that date and until very recently you have continued to be a holder of stocks in violation of law. May 1, 1902, the Comptroller's Office advised you of a decision of the Supreme Court which declared that stocks could not be lawfully held as investments and directed that the stocks held by you should be disposed of. Similar letters, directing the sale and disposition of your stock investments, continued to be written after every examination up to June, 1906, but were ignored. You then transferred the stocks held by you to Joshua Evans, jr., then a clerk, now cashier in the bank, who gave his notes representing the market value thereof, and the stocks were, by this means, carried in loans and discounts until discovered by one of the bank examiners, whereupon they were put back in "Stocks, securities, etc.," and subsequently transferred into the Glover and Flather account, where they remained until finally disposed of a few months ago, or until after the filing of your injunction suit.

FAILURE TO MAINTAIN RESERVES.

Through a period of years the bank has violated section 5191 of the Revised Statutes of the United States requiring national banks in reserve cities to carry a reserve of 25 per cent of their deposits. Out of 64 sworn statements of condition rendered between September, 1902, and March, 1915, 33—a majority—show that the bank was short in its reserves, either in the cash it was required to carry

in its vault, in the amount which it was required to carry with reserve agents, or in its total reserves. These shortages in its cash reserve averaged, 1910 to 1914, more than \$150,000, and on June 4, 1914, amounted to \$500,363. The reports also show that there was throughout the same period an average shortage in your reserves for the period of 30 days preceding the filing of each report of the condition of the bank.

The failure to maintain reserves is particularly reprehensible on the part of a bank which is the reserve agent for other banks. A greater responsibility rests upon a reserve agent than upon a non-reserve agent, for the scrupulous maintenance of the reserves required by law.

FAILURE TO FILE DIVIDEND REPORTS.

You have also been negligent in filing the reports required by section 5212, United States Revised Statutes, as to the amount of dividends declared and the amount of net earnings in excess of such dividends, while from September 11, 1905, to March 8, 1915 (approximately 10 years), you have been from 14 to 54 days late in filing each report. This is indicative of the careless and indifferent attitude of the bank toward compliance with the requirements of the law.

REAL ESTATE LOANS.

The practice of the bank in dealing in real estate loans and lending upon real estate or real estate securities contrary to law and the regulations of this office has continued throughout its entire existence until recently, and against frequent admonitions of former Comptrollers of the Currency. As far back as September 14, 1899, Comptroller Dawes admonished you as follows:

Loans secured by real estate mortgages:

At the time of the examination the bank had loans secured by real estate amounting to \$310,338.40, while in your sworn report of condition for June 30, 1899, no amount appeared in the schedule of loans and discounts secured by real estate mortgages, although about the same amount was then held.

It appears that the loans are made through the firm of Glover, Hyde & Johnston, which is comprised of yourself and the two vice presidents of the bank, the cash being furnished temporarily by the bank, and that the notes are sold to customers of the bank without recourse on this firm. The examiner reports that at least \$2,000,000 of this paper is outstanding and its collection and management is under the supervision of the collection department of the bank.

The criticism as to the legality or illegality of these loans depends entirely upon whether they are made wholly or partly upon the security of the real estate mortgages, and in this connection your attention is called to section 5137, United States Revised Statutes, which provides that the only purpose for which a national bank may lawfully acquire a mortgage on or title to real estate is "by way of security for debts previously contracted."

And again, on March 12, 1900, the Comptroller admonished you as follows:

The examiner reports 63 loans, amounting to \$282,405.65, secured by real estate mortgages.

It appears that these loans are made upon notes discounted for the makers on the security of other notes running to such makers, which latter notes are secured by real estate mortgages, and that the bank accepts these mortgage notes and mortgages as collateral to the notes discounted.

While it is true, as stated by the bank, in reply to a former letter of this office in regard to such loans, that none of the collateral notes or mortgages in question run to the bank, it appears to be likewise true that the only security involved in any of these transactions is the real estate mortgaged to secure the note taken as collateral to the

note discounted, as it is not assumed that the bank would have discounted any of these borrowers' notes on the strength of the makers of the collateral notes without the real estate mortgages behind them.

These loans are therefore made in contravention of section 5137, United States Revised Statutes, which prohibits a national bank from taking real estate mortgages as security for loans except "such as shall be mortgaged to it in good faith by way of security for debts previously contracted," and the practice of making such mortgage loans should be discontinued.

On October 17, 1900, the Comptroller again admonished you with respect to real estate loans, and on May 19, 1901, the Comptroller wrote you as follows:

The examiner states that loans secured by real estate, amounted to about \$400,000, the security for the greater portion running to employees of the bank. * * * Your attention is again called to the provisions of section 5137, United States Revised Statutes, in connection with these loans.

On numerous occasions thereafter the Comptroller's Office directed you to cease making unlawful loans on real estate, but its admonitions and directions were consistently disregarded. I refer you to Exhibit A, a statement showing the real estate loans held by you from May, 1898, to November, 1914, as far as discovered and reported by the bank examiners, contained in the affidavit and answer of the Comptroller of the Currency filed in the injunction suit.

REFUSAL TO FURNISH SPECIAL REPORTS AND DENIAL OF AUTHORITY OF THE COMPTROLLER'S OFFICE.

The records clearly show that until the recent decision of Mr. Justice McCoy, to which I have referred, you refused to furnish, and denied the authority of the Comptroller to call for, the information and special reports which it was essential that you should furnish in order that the Comptroller might have full knowledge of the affairs of the bank. I regret to say that many of such reports as have been furnished, until quite recently, have been evasive, insufficient, inaccurate, and incomplete. It is a serious question for this office to give life to a bank or association which defies the Comptroller's authority and challenges his right to such information as the Comptroller deems necessary to enable him to properly understand the condition of affairs of the bank and enforce the law.

The suit brought by the Riggs National Bank against the Comptroller of the Currency et al. in the Supreme Court of the District of Columbia, to which I have alluded, grew out of the effort of the Comptroller's Office to secure special reports and complete information as to the affairs of the bank. Mr. Justice McCoy, in the opinion to which I have referred, says *inter alia* concerning the Comptroller's request for a special report, the refusal to furnish which carried the imposition of the \$5,000 fine:

That demand was twofold:

First, for information in regard to all direct loans made by the bank to certain of its then officers; and

Second, for information in regard to all indirect or dummy or concealed loans made since the organization of the bank for the benefit directly or indirectly of those officers or any of them, including all loans for which they or any of them had indorsed or for which they had furnished the whole or any part of the collateral by which loans to any of them were secured, and for other information as shown by the quotation of said paragraph above.

In the view which the court takes of the power of the Comptroller, these demands were entirely within his powers.

DECISION OF COURT UPHOLDING COMPTROLLER'S AUTHORITY.

The decision of Mr. Justice McCoy further says:

* * * It is perfectly obvious that as to concealed loans made for the benefit of the officers of the bank no possible limit to the scope of an inquiry by the Comptroller could be reasonably suggested. * * *

The demands made by the Comptroller were that the bank make certain reports. If the demand had included the production of books and papers of the plaintiff, the officers of the bank would have no privilege of refusing to produce them because they might contain matter which would incriminate the officers or lead to punishment of the corporation. (*Hale v. Henkel*, 201 U. S., 42; *Wilson v. United States*, 221 U. S., 361.) As was stated in the latter case, the State has visitatorial powers over corporations. The fourth amendment of the Constitution protects a corporation against unreasonable searches and seizures, but the fifth amendment providing against compelling a person to be a witness against himself in a criminal case does not prevent the compulsory production of the books of the corporation by one of its officers, so here the bank can not excuse the failure to give a report simply because any of its officers required to furnish it raise the question of self-incrimination.

It was against the exercise of the very powers which the court has decided that the Comptroller possesses that the Riggs National Bank, in its suit, sought to obtain an injunction.

Obviously it would be contrary to the purpose, spirit, and letter of the national bank act for the Comptroller of the Currency to give corporate life to an association which is denying the power of the Comptroller and challenging the very law under which the association is to be organized.

Obedience to law on the part of a national bank and its officers is an essential of its existence. The Comptroller has no authority to permit violations of the national bank act, and it is a serious question as to whether the Comptroller should extend the corporate life of a bank which, at the time of its application, is challenging the authority of the Comptroller's Office under the national bank act. Charters are granted to banks upon the express condition that they shall obey the law and the directors of such banks are required to take an oath that they will obey the law. It is the duty of the Comptroller to see that the law is obeyed and to proceed for a forfeiture of the charter of any bank which violates the law and refuses to respect lawful authority.

The Comptroller might be considered derelict in his duty, therefore, if he extended the corporate life of a national bank in the face of a challenge by the bank of the very law from which it is to derive its life, and when the Comptroller apprehended that he would be forced subsequently to bring an action for forfeiture of the charter of the bank because of its refusal to obey the organic law of its being.

In view of the record of the Riggs National Bank as thus shown, the question may well be asked, should its charter be extended if the present officers, who have been responsible for its management during the whole, or practically the whole, of the bank's existence, are to be retained in its management? If the practices and methods of these officers, which have been the subject of criticism, had continued down to the date of the pending application for extension of the charter, the answer would have to be in the negative; but the record of the bank shows that during the past 18 months these practices have been discontinued. During this period the bank's record as to observance of the national-bank act has been generally satisfactory, with the exception of the refusal of its officers to furnish the Comptroller with special reports he has called for and the resistance of the

bank to the lawful authority of the Comptroller. As to this phase of the matter, the recent decision of Mr. Justice McCoy in the Supreme Court of the District of Columbia, in the case of the Riggs National Bank *v.* The Comptroller of the Currency et al., assists to a solution.

The court has, in the decree of Mr. Justice McCoy, thoroughly vindicated the authority of the Comptroller under the national-bank act, upholding the contentions of the Comptroller in every particular except as to the fine of \$5,000, which the court held the Comptroller clearly had the authority to impose, but declared that it could not be collected in this instance because the Comptroller had demanded that the special report be verified by the signatures of the "president and cashier and three other officers," instead of by the signatures of the "president *or* cashier *and* attested by at least three directors," which is the language of the statute.

The directors of the bank have agreed in writing to accept as final the decision of Mr. Justice McCoy, as shown by the following copy of a stipulation they have filed with the Comptroller of the Currency:

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.,
Washington, D. C., June 21, 1916.

The COMPTROLLER OF THE CURRENCY,
Washington, D. C.

SIR: We understand that in addition to other considerations relating to past management and omissions to comply with certain requirements of the law, you also have doubts as to the propriety of granting an extension of the charter of the Riggs National Bank because of the Riggs National Bank's resistance of the authority and power asserted by the Comptroller's Office, culminating in the suit brought by The Riggs National Bank *v.* Comptroller of the Currency et al., and which was decided by Mr. Justice McCoy on the 31st of May, 1916.

The court sustains the right of the Comptroller to have the reports and information called for, and the right to impose fines in accordance with the provisions of the statute, if the bank should refuse them.

In order that the question as to the powers of the Comptroller's Office heretofore raised by the bank may not be a factor in your decision of the bank's application for the extension of its charter, we desire to assure you that, if the charter of the bank is extended, the judgment of the court, including the upholding of the authority of the Comptroller's Office and his powers under the national-bank act, will be accepted as final.

Respectfully,

CHAS. C. GLOVER, *President.*
MILTON E. AILES, *Vice President.*
WM. J. FLATHER, *Vice President.*
JOSHUA EVANS, Jr., *Cashier.*
H. V. HAYNES, *Assistant Cashier.*

MILTON E. AILES,
WM. J. FLATHER,
CHAS. C. GLOVER, Jr.,
JAMES M. JOHNSTON,
THOS. HYDE,
L. KEMP DUVAL,
CHAS. C. GLOVER,

ROBERT C. WILKINS,
E. V. MURPHY,
STERLING RUFFIN,
JOSEPH PAUL,
H. ROZIER DULANY,
L. E. JEFFRIES,
CHARLES I. CORBY,

Directors.

With this suit thus disposed of, the application of the bank is not embarrassed by an attitude of resistance to or questioning of the law and the authority of the Comptroller. The next question is the future management of the bank. There are several instances where my predecessors have refused to extend the charters of national banks because of the unsatisfactory record of the applicant bank and the

conduct of its officers, and have enforced their demand for a change of officers as a condition of the extension of the charter. In this case it has been urged upon me that the conduct and management of the bank under its present officers for the past 18 months is an earnest that it will be managed in the future in full compliance with the law. Whatever doubts the Comptroller has entertained in this particular have been sufficiently satisfied by a written pledge, signed by all the directors and filed with the Comptroller of the Currency, that the bank's business and affairs will be conducted in the future in scrupulous compliance with the law and all lawful rules, regulations, and requirements of the Comptroller of the Currency. The following is a copy of said pledge:

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.,
Washington, D. C., June 21, 1916.

THE COMPTROLLER OF THE CURRENCY,
Washington, D. C.

SIR: We, the undersigned directors of the Riggs National Bank, hereby solemnly and severally pledge ourselves to give special attention in the future to the manner in which the officers of the Riggs National Bank shall carry on and conduct the business and affairs of the bank, to the end that the business operations and affairs of the bank in the future shall be conducted in strict compliance with the national-bank act and all the laws of the United States and in conformity with the lawful rules, regulations, and requirements of the Office of the Comptroller of the Currency, and to take all such action as shall be necessary to secure that end.

The charter of the Riggs National Bank expires by limitation on the 26th of June, 1916. The stockholders of said bank, including the undersigned directors, have made application according to law to the Comptroller of the Currency for an extension of its charter for a further period of 20 years. Because of the controversies and issues which gave rise to the litigation in the equity suit above referred to, and in order to remove any doubts of the Comptroller as to the future conduct and management of the officers of the said the Riggs National Bank, we hereby give him this express and written assurance, in the hope that his doubts may be allayed, and that the said application for an extension of the charter of the bank for the future period of 20 years will be granted.

Respectfully,

CHARLES I. CORBY.
THOS. HYDE.
MILTON E. AILES.
JAMES M. JOHNSTON.
L. KEMP DUVAL.
L. E. JEFFRIES.
E. V. MURPHY.

ROBERT C. WILKINS.
WM. J. FLATHER.
JOSEPH PAUL.
CHAS. C. GLOVER, JR.
CHAS. C. GLOVER.
H. ROZIER DULANY.
STERLING RUFFIN.

These questions being satisfactorily disposed of, there is but one other to be considered, and that is the solvency and financial condition of the bank.

A special examination, as required by the national-bank act, has been made since the filing of the application for the extension of the charter, and the report of the examiners as to the financial condition of the bank is found to be satisfactory.

In view, therefore, of the solemn pledge given by the directors of the bank that they will give special attention, in the future, to the manner in which the officers and employees of the Riggs National Bank shall carry on and conduct the business and affairs of the bank to the end that the business operations and affairs of the bank in the future shall be conducted in strict compliance with the national-bank act and all the laws of the United States, and in conformity with the lawful rules, regulations, and requirements of the Office of the Comptroller of the Currency, and to take all such action as shall be necessary to secure that end, and in view of the fact that the bank

is solvent, and when properly conducted will serve a useful purpose in the community, and that a refusal to approve your application for an amendment to your charter extending your period of succession might work injustice to innocent stockholders, many of whom may have no potential influence or voice in the selection of the directors of the bank or its officers since they may be in a minority, I have concluded to issue a certificate of approval of your application for an extension of your charter, with the expectation that the officers and directors of the Riggs National Bank, profiting by the experience of the past and the decision of the court in the litigation to which I have referred, will scrupulously conform to the provisions of the national-bank act and the rules, regulations, and requirements of the Comptroller's Office in the future. By doing this and confining itself to the legitimate business of banking, the Riggs National Bank can serve this community usefully and honorably. So long as it does this it will have the support and approval of the duly constituted authorities of the Government.

Respectfully,

JNO. SKELTON WILLIAMS,
Comptroller of the Currency.

EXHIBIT D.

Number of officers and employees of national banks on Sept. 12, 1916, with aggregate and average present monthly salaries.

Geographical section.	Number employed.	Aggregate monthly salaries.	Average monthly salaries.
New England States:			
Reserve cities.....	1,036	\$137,456	\$125.68
Country banks.....	3,384	349,752	103.35
Total.....	4,420	487,208	110.23
Eastern States:			
Central reserve cities.....	5,796	753,987	130.09
Other reserve cities.....	3,831	510,127	133.16
Country banks.....	8,059	867,595	95.77
Total.....	18,686	2,131,709	114.08
Southern States:			
Reserve cities.....	2,369	295,044	124.54
Country banks.....	9,056	971,179	107.24
Total.....	11,425	1,266,223	110.83
Middle States:			
Central reserve cities.....	3,270	385,405	117.86
Other reserve cities.....	4,567	536,477	117.47
Country banks.....	11,853	1,125,135	94.92
Total.....	19,690	2,047,017	103.96
Western States:			
Reserve cities.....	1,195	151,810	127.04
Country banks.....	5,675	685,243	120.75
Total.....	6,870	837,053	121.84
Pacific States:			
Reserve cities.....	2,852	318,568	135.45
Country banks.....	2,951	281,232	95.30
Total.....	5,303	599,800	113.11
Total United States.....	66,394	7,369,010	110.99
RECAPITULATION.			
Central reserve cities.....	9,066	1,139,392	125.68
Other reserve cities.....	15,350	1,949,482	127.00
Country banks.....	41,978	4,280,136	101.96
Total United States.....	66,394	7,369,010	110.99

EXHIBIT E.

OFFICERS AND EMPLOYEES OF NATIONAL BANKS AND THEIR SALARIES (AS SHOWN BY REPORTS OF CONDITION FOR SEPT. 12, 1916.)

States.	Number of officers and employees.	Aggregate monthly salaries.	Average monthly salaries.
Maine.....	397	\$33,519.00	\$84.43
New Hampshire.....	348	29,470.00	84.68
Vermont.....	252	22,821.00	90.56
Massachusetts.....	2,407	288,150.00	119.71
Rhode Island.....	166	20,866.00	125.69
Connecticut.....	850	92,382.00	108.68
New England States.....	4,420	487,208.00	110.23
New York.....	9,585	1,135,793.74	118.50
New Jersey.....	1,965	202,420.00	103.01
Pennsylvania.....	5,646	647,106.43	114.61
Delaware.....	125	9,104.00	72.83
Maryland.....	995	96,277.86	96.75
District of Columbia.....	370	41,007.65	110.83
Eastern States.....	18,686	2,131,709.68	114.08
Virginia.....	1,250	125,042.96	100.03
West Virginia.....	651	57,458.00	88.26
North Carolina.....	516	59,594.00	115.49
South Carolina.....	514	54,849.14	106.71
Georgia.....	838	120,811.60	144.17
Florida.....	513	58,085.00	113.23
Alabama.....	653	71,726.51	109.84
Mississippi.....	286	29,547.00	103.31
Louisiana.....	440	55,195.05	125.44
Texas.....	3,487	409,277.57	117.37
Arkansas.....	388	38,956.00	100.40
Kentucky.....	962	90,368.21	93.94
Tennessee.....	927	95,312.03	102.82
Southern States.....	11,425	1,266,223.07	110.83
Ohio.....	3,466	360,129.50	103.90
Indiana.....	1,841	176,603.36	95.93
Illinois.....	5,275	545,142.67	103.34
Michigan.....	1,204	130,217.22	108.15
Wisconsin.....	1,548	131,169.88	84.74
Minnesota.....	2,466	264,310.83	107.18
Iowa.....	1,983	202,732.93	102.24
Missouri.....	1,907	236,710.58	124.13
Middle States.....	19,690	2,047,016.97	103.96
North Dakota.....	720	72,177.00	100.25
South Dakota.....	372	63,137.00	169.72
Nebraska.....	1,324	146,074.95	110.33
Kansas.....	1,247	121,742.35	97.63
Montana.....	469	104,355.00	222.51
Wyoming.....	193	21,752.00	112.70
Colorado.....	926	113,923.09	123.03
New Mexico.....	216	27,067.00	125.31
Oklahoma.....	1,403	166,824.48	118.91
Western States.....	6,870	837,052.87	121.84
Washington.....	854	94,866.20	111.08
Oregon.....	736	82,954.82	112.71
California.....	2,887	323,883.73	112.19
Idaho.....	341	37,649.00	110.41
Utah.....	255	29,603.50	116.09
Nevada.....	64	5,383.00	130.98
Arizona.....	160	21,545.00	134.66
Pacific States.....	5,297	598,885.25	113.06
Alaska, nonmember banks.....	6	915.00	152.50
Grand total United States.....	66,394	7,369,010.84	110.99

EXHIBIT F.

Schedule showing annual salaries paid president and cashier, as shown by reports of condition for Mar. 7, 1916.

[In thousands of dollars.]

	Number banks.	Capital of less than \$50,000.		\$50,000 and less than \$100,000.		\$100,000 and less than \$250,000.	
		Number.	Amount.	Number.	Amount.	Number.	Amount.
PRESIDENT.							
Central reserve cities:							
Salaries paid.....	49					4	20,100
No salaries paid.....	1						
Other reserve cities:							
Salaries paid.....	302					59	281,400
No salaries paid.....	15					6	
Country banks:							
Salaries paid.....	4,260	981	989,308	1,431	1,937,313	1,512	3,500,819
No salaries paid.....	2,950	1,521		929		455	
Total United States:							
Salaries paid.....	4,611	981	989,308	1,431	1,937,313	1,575	3,802,319
No salaries paid.....	2,966	1,521		929		461	
Total.....	7,577	2,502		2,360		2,036	
Average salary per bank of those banks paying salary.....			1,008 395		1,354 821		2,414 1,868
Average salary per bank of all banks.	7,577						
CASHIER.							
Central reserve cities:							
Salaries paid.....	50					4	13,750
No salaries paid.....	0						
Other reserve cities:							
Salaries paid.....	310					63	213,960
No salaries paid.....	7					2	
Country banks:							
Salaries paid.....	7,126	2,461	3,494,502	2,339	4,170,821	1,946	4,830,517
No salaries paid.....	84	41		21		21	
Total United States:							
Salaries paid.....	7,486	2,461	3,494,502	2,339	4,170,821	2,013	5,058,227
No salaries paid.....	91	41		21		23	
Total.....	7,577	2,502		2,360		2,036	
Average salary per bank of those banks paying salary.....			1,402 1,397		1,783 1,767		2,513 2,484
Average salary per bank of all banks.							

Schedule showing annual salaries paid president and cashier, as shown by reports of condition for Mar. 7, 1916—Continued.

[In thousands of dollars.]

	\$250,000 and less than \$500,000.		\$500,000 and less than \$1,000,000.		\$1,000,000 and less than \$5,000,000.		\$5,000,000 and over.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.
PRESIDENT.								
Central reserve cities:								
Salaries paid	4	36,000	3	32,000	28	629,500	10	490,000
No salaries paid					1			
Other reserve cities:								
Salaries paid	64	383,800	73	577,440	98	1,360,200	8	294,000
No salaries paid	5		2		1		1	
Country banks:								
Salaries paid	214	905,162	90	570,350	31	337,000	1	60,000
No salaries paid	30		15		0		0	
Total United States:								
Salaries paid	282	1,324,962	166	1,179,790	157	2,326,700	19	844,000
No salaries paid	35		17		2		1	
Total	317		183		159		20	
Average salary per bank of those banks paying salary		4,698		7,107		14,820		44,421
Average salary per bank of all banks		4,179		6,447		14,633		42,200
CASHIER.								
Central reserve cities:								
Salaries paid	4	18,700	3	15,500	29	251,200	10	120,500
No salaries paid								
Other reserve cities:								
Salaries paid	65	269,020	74	351,835	99	636,450	9	84,200
No salaries paid	4		1					
Country banks:								
Salaries paid	243	851,530	105	450,600	31	163,250	1	5,500
No salaries paid	1							
Total United States:								
Salaries paid	312	1,139,250	182	817,935	159	1,050,900	20	210,200
No salaries paid	5		1					
Total	317		183		159		20	
Average salary per bank of those banks paying salary		3,651		4,494		6,609		10,510
Average salary per bank of all banks		3,594		4,470		6,609		10,510

EXHIBIT G.

Number of banks that pay fees to each member of executive committee for each meeting.

[As shown by reports of condition for May 1, 1915.]

	Central reserve cities.	Other reserve cities.	Country banks.	Total United States.
Less than \$1.....		1	11	12
\$1 but less than \$2.....		5	174	179
\$2 but less than \$3.....	2	13	244	259
\$3 but less than \$4.....		8	97	105
\$4 but less than \$5.....			14	14
\$5.....	3	40	204	247
More than \$5 but less than \$10.....			19	19
\$10.....	16	31	59	106
More than \$10.....	7	7	19	33
Total.....	28	105	841	974

EXHIBIT H.

Number of depositors in national banks as shown by reports of condition for May 1, 1916, compared with June 30, 1910, with number and per cent of increase.

	Number depositors May 1, 1916.	Number depositors June 30, 1910.	Increase.	Per cent increase.
Maine.....	138,259	98,792	39,467	39.95
New Hampshire.....	82,535	39,677	42,858	108.02
Vermont.....	75,042	39,461	35,581	90.17
Massachusetts.....	389,009	201,038	187,971	93.50
Rhode Island.....	26,139	16,945	9,194	54.26
Connecticut.....	138,675	64,823	73,852	113.92
New England States.....	849,659	460,736	388,923	84.42
New York.....	1,199,471	669,855	529,616	79.06
New Jersey.....	528,570	284,419	244,151	85.84
Pennsylvania.....	2,021,878	1,259,140	762,738	60.58
Delaware.....	27,691	26,298	1,393	5.30
Maryland.....	174,572	124,926	49,646	39.74
District of Columbia.....	77,682	35,575	42,107	118.36
Eastern States.....	4,029,864	2,400,213	1,629,651	67.88
Virginia.....	381,662	149,306	232,356	155.62
West Virginia.....	246,040	99,892	146,148	146.31
North Carolina.....	150,526	59,795	91,031	152.24
South Carolina.....	124,423	39,217	85,206	217.27
Georgia.....	211,260	101,348	109,912	108.45
Florida.....	143,328	62,892	80,436	127.86
Alabama.....	177,428	76,297	101,131	132.55
Mississippi.....	72,054	35,038	37,016	105.65
Louisiana.....	76,108	38,549	37,559	97.44
Texas.....	658,774	367,613	291,161	79.21
Arkansas.....	85,466	34,823	50,643	145.43
Kentucky.....	229,631	134,647	94,984	70.54
Tennessee.....	257,508	73,329	184,179	251.17
Southern States.....	2,814,508	1,272,746	1,541,762	121.14
Ohio.....	791,760	470,684	321,076	68.22
Indiana.....	474,217	287,012	187,205	65.22
Illinois.....	847,637	470,727	376,910	80.07
Michigan.....	305,259	208,308	101,951	50.15
Wisconsin.....	408,873	217,090	191,783	88.34
Minnesota.....	465,285	233,583	231,702	99.19
Iowa.....	453,469	201,156	252,313	125.43
Missouri.....	258,379	147,949	110,430	74.64
Middle States.....	4,004,879	2,231,509	1,773,370	79.47
North Dakota.....	132,183	63,881	68,302	106.92
South Dakota.....	136,747	64,295	72,452	112.69
Nebraska.....	231,959	165,680	66,279	40.00
Kansas.....	283,303	185,965	97,338	52.34
Montana.....	108,398	48,490	59,908	123.55
Wyoming.....	41,688	23,983	17,705	73.82
Colorado.....	194,379	129,723	64,656	49.84
New Mexico.....	42,327	24,801	17,526	70.67
Oklahoma.....	312,826	108,475	204,351	188.39
Western States.....	1,483,810	815,293	668,517	82.00
Washington.....	202,244	116,082	86,162	74.23
Oregon.....	179,741	71,479	108,262	151.46
California.....	529,290	234,561	294,729	125.65
Idaho.....	83,415	30,928	52,487	169.71
Utah.....	59,209	26,688	32,521	121.86
Nevada.....	13,542	11,448	2,094	18.29
Arizona.....	29,901	14,556	15,345	105.42
Alaska.....	2,709	1,620	1,089	67.22
Pacific States.....	1,100,051	507,362	592,689	116.82
Hawaii and Porto Rico.....	5,288	2,609	2,679	102.68
Total United States.....	14,288,059	7,690,468	6,597,591	85.79

Number of depositors in national banks as shown by reports of condition for May 1, 1916, compared with June 30, 1910, with number and per cent of increase—Continued.

RECAPITULATION.

	Central reserve cities.	Other reserve cities.	Country banks.	Total.
Number of demand depositors to whom interest is allowed.....	54,239	151,385	1,293,321	1,498,945
Number of demand depositors to whom no interest is allowed.....	187,068	1,033,969	6,774,307	7,995,344
Number of time depositors to whom interest is allowed..	64,346	581,481	4,015,291	4,661,118
Number of time depositors to whom no interest is allowed.....	46	11,974	120,632	132,652
Total.....	305,699	1,778,809	12,203,551	14,288,059

EXHIBIT I.

Schedule of national banks arranged according to eight groups, showing number of banks, capital, and surplus, by central reserve cities, other reserve cities, country banks, and total United States, according to reports of condition for June 30, 1916.

[In thousands of dollars.]

Banks with capital of—	Central reserve cities.			Other reserve cities.		
	Num- ber.	Capital.	Surplus.	Num- ber.	Capital.	Surplus.
Less than \$50,000.....						
\$50,000, but less than \$100,000.....						
\$100,000 even.....				14	1,400.0	925.5
Over \$100,000, but less than \$250,000.....	5	1,000	485	50	9,607.1	6,798.1
\$250,000, but less than \$500,000.....	4	1,100	440	67	20,105.0	15,754.3
\$500,000, but less than \$1,000,000.....	3	1,750	1,750	76	42,150.0	28,432.0
\$1,000,000, but less than \$5,000,000.....	29	61,000	66,690	100	156,355.7	119,540.0
\$5,000,000 and over.....	9	112,500	92,500	8	52,500.0	26,100.0
Total.....	50	177,350	161,865	315	282,117.8	197,549.9

Banks with capital of—	Country banks.			Total.		
	Num- ber.	Capital.	Surplus.	Num- ber.	Capital.	Surplus.
Less than \$50,000.....	2,504	66,312.5	26,788.7	2,504	66,312.5	26,788.7
\$50,000, but less than \$100,000.....	2,366	126,745.1	71,535.0	2,366	126,745.1	71,535.0
\$100,000 even.....	1,316	131,600.0	85,433.2	1,330	133,000.0	86,358.7
Over \$100,000, but less than \$250,000.....	647	110,184.2	75,562.5	702	120,791.3	82,845.6
\$250,000, but less than \$500,000.....	242	73,988.6	50,804.2	313	95,193.6	66,998.5
\$500,000, but less than \$1,000,000.....	107	58,800.0	36,860.9	186	102,700.0	67,042.9
\$1,000,000, but less than \$5,000,000.....	31	33,950.0	21,025.0	160	251,305.7	207,255.0
\$5,000,000 and over.....	1	5,000.0	4,000.0	18	170,000.0	122,600.0
Total.....	7,214	606,580.4	372,009.5	7,579	1,066,048.2	731,424.4

EXHIBIT J.

LOANS BY NATIONAL BANKS TO NONDEPOSITORS.

Amount of money loaned to borrowers who keep no deposit account with bank, as shown by reports of conditions of national banks on Dec. 31, 1915.

[In thousands of dollars.]

Geographical sections.	Not secured by collateral.		Secured by stocks and bonds.		Secured by other personal property, etc.		Total.		Total loans and discounts.
	Number of loans.	Amount.	Number of loans.	Amount.	Number of loans.	Amount.	Number of loans.	Amount.	
New England States:									
Reserve cities.....	1,413	34,326	1,185	38,030	239	8,227	2,837	80,583	245,029
Country banks.....	36,734	65,525	6,836	29,947	2,747	5,443	46,317	100,915	333,011
Total.....	38,147	99,851	8,021	67,977	2,986	13,670	49,154	181,498	578,040
Eastern States:									
Central reserve city...	5,678	195,348	6,537	571,401	763	20,858	12,978	787,607	1,648,440
Other reserve cities...	6,235	48,121	4,400	72,006	666	14,694	11,301	134,821	524,764
Country banks.....	194,000	125,560	24,324	66,331	6,883	6,614	225,207	198,505	877,500
Total.....	205,913	369,029	35,261	709,738	8,312	42,166	249,486	1,120,933	3,050,704
Southern States:									
Reserve cities.....	6,120	8,533	2,341	8,414	2,236	5,467	10,697	22,414	262,382
Country banks.....	140,063	51,717	13,483	19,794	61,154	22,695	214,700	94,206	625,000
Total.....	146,183	60,250	15,824	28,208	63,390	28,162	225,397	116,620	887,382
Middle States:									
Central reserve cities...	5,079	109,807	1,571	24,899	390	8,864	7,040	143,570	480,288
Other reserve cities...	7,694	38,070	3,848	29,033	2,831	18,333	14,373	85,436	519,406
Country banks.....	307,219	141,779	21,446	42,831	49,628	32,928	378,293	217,538	916,253
Total.....	319,992	289,656	26,865	96,763	52,849	60,125	399,706	446,544	1,915,947
Western States:									
Reserve cities.....	2,449	7,617	664	2,951	3,295	11,825	6,408	22,393	119,217
Country banks.....	72,433	32,868	4,454	5,307	76,241	33,037	153,128	71,212	355,455
Total.....	74,882	40,485	5,118	8,258	79,536	44,862	159,536	93,605	474,672
Pacific States:									
Reserve cities.....	4,011	25,251	1,231	11,080	685	3,736	5,927	40,067	247,193
Country banks ¹	23,049	19,557	2,149	7,032	5,140	6,083	30,338	32,672	201,520
Total.....	27,060	44,808	3,380	18,112	5,825	9,819	36,265	72,739	448,713
Total United States.	812,177	904,079	94,469	929,056	212,898	198,804	1,119,544	2,031,939	7,355,458
RECAPITULATION.									
Central reserve cities.....	10,757	305,155	8,108	596,300	1,153	29,722	20,018	931,177	2,128,728
Other reserve cities.....	27,922	161,918	13,669	161,514	9,952	62,281	51,543	385,713	1,917,991
Country banks.....	773,498	437,006	72,692	171,242	201,793	106,801	1,047,983	715,049	3,308,739
Total.....	812,177	904,079	94,469	929,056	212,898	198,804	1,119,544	2,031,939	7,355,458

¹ Does not include Alaska or Hawaii.

EXHIBIT K.

Statement of amount of loans secured by warehouse receipts, amount of farm loans, and also loans made for correspondents, as shown by reports of condition of national banks on June 30, 1916.

	Loans secured by warehouse receipts.		Farm loans.	Loans made for correspondents.	
	For cotton.	Other than cotton.		Secured by collateral.	Not secured by collateral.
CENTRAL RESERVE CITIES.					
New York City.....	\$5,148,300	\$20,087,100		\$244,561,500	\$11,307,700
Chicago.....	373,000	9,667,500		5,335,600	
St. Louis.....	276,500	1,008,200		779,400	502,100
Central reserve cities.....	5,797,800	30,762,800		250,676,500	11,809,800
OTHER RESERVE CITIES.					
Boston (New England States).....	6,082,500	2,944,300		16,225,500	141,700
Albany.....		423,200			
Brooklyn.....		57,900			
Philadelphia.....	846,700	4,161,700		6,433,300	20,000
Pittsburgh.....	9,100	592,200		1,640,400	519,200
Baltimore.....	55,100	2,592,600	\$10,500	3,486,500	555,000
Washington.....	4,100	52,100		118,400	50,000
Eastern States.....	915,000	7,879,700	10,500	11,678,600	1,144,200
Richmond.....	643,000	494,600	119,200	65,100	98,000
Charleston.....	1,061,400	218,600	86,200		
Atlanta.....	635,300	151,900	1,000		
Savannah.....	336,800	48,800			
Birmingham.....	325,500	94,300	197,400		
New Orleans.....	2,345,000	1,860,300	37,900	613,700	
Dallas.....	190,000		9,000		
Fort Worth.....			39,600		
Galveston.....	218,300		155,000		
Houston.....	1,592,100	366,500	46,400	92,800	52,300
San Antonio.....		57,800	8,900		
Waco.....	189,300	15,200			
Louisville.....		1,715,300		407,900	250,500
Chattanooga.....	95,100	102,800	2,800		
Nashville.....	140,200	233,800	66,500		
Southern States.....	7,772,000	5,359,900	769,900	1,179,500	400,800
Cincinnati.....	495,500	1,760,900		4,395,400	105,200
Cleveland.....	9,000	619,300			
Columbus.....		100,500	8,000	87,900	35,200
Indianapolis.....	15,000	339,700	16,700		
Detroit.....		541,500	120,600	175,000	50,000
Milwaukee.....		399,800			
Minneapolis.....	11,400	2,596,800	1,854,200		
St. Paul.....		2,183,100	253,400	14,900	
Cedar Rapids.....		16,800	268,900		85,000
Des Moines.....		139,400	79,400	42,000	5,000
Dubuque.....		14,800	147,700		
Sioux City.....	26,000	92,200	184,900		
Kansas City, Mo.....		814,700	50,500		
St. Joseph.....		62,900	112,500		
Middle Western States.....	556,900	9,682,400	3,096,800	4,715,200	280,400

Statement of amount of loans secured by warehouse receipts, amount of farm loans, and also loans made for correspondents, as shown by reports of condition of national banks on June 30, 1916—Continued.

	Loans secured by warehouse receipts		Farm loans.	Loans made for correspondents.	
	For cotton.	Other than cotton.		Secured by collateral.	Not secured by collateral.
OTHER RESERVE CITIES—continued.					
Lincoln.....		\$28,500	\$14,000		
Omaha.....		1,004,000	181,000	\$5,000	\$234,700
Kansas City, Kans.....		52,500	40,000		
Topeka.....			5,000		
Wichita.....		151,000	30,000		
Denver.....		101,700	216,000	7,500	15,500
Pueblo.....			7,000		
Muskogee.....	\$111,300		1,000		
Oklahoma City.....		138,900	32,000		
Western States.....	111,300	1,476,600	526,000	12,500	250,200
Seattle.....		456,700	2,400	2,600	322,500
Spokane.....		323,600	61,700	241,600	368,400
Tacoma.....		45,000		69,000	274,000
Portland.....		661,800	13,900	3,300	
Los Angeles.....	1,800	594,100	166,000		112,900
San Francisco.....	15,700	3,171,100		83,000	10,000
Salt Lake City.....		122,200	9,000		
Pacific States.....	17,500	5,374,500	253,000	399,500	1,087,800
Other reserve cities.....	15,455,200	32,717,400	4,656,200	34,210,800	3,305,100
All reserve cities.....	21,253,000	63,480,200	4,656,200	284,887,300	15,114,900
COUNTRY BANKS.					
Maine.....		39,800	118,100		
New Hampshire.....			128,200		
Vermont.....	5,000	1,600	265,600		
Massachusetts.....	802,200	1,375,600	32,000		
Rhode Island.....	1,312,800	65,600	2,200		
Connecticut.....	202,400	170,100	89,800	10,000	
New England States.....	2,322,400	1,652,700	635,900	10,000	
New York.....	121,500	2,721,400	609,200	30,700	70,300
New Jersey.....	42,400	543,900	174,200		
Pennsylvania.....	17,700	650,900	810,600	10,000	20,300
Delaware.....		9,200	42,800		
Maryland.....		44,800	486,300	5,000	
District of Columbia.....					
Eastern States.....	181,600	3,970,200	2,123,100	45,700	90,600
Virginia.....	1,308,400	564,800	446,600		
West Virginia.....	5,000	4,600	115,000		
North Carolina.....	1,078,100	30,500	432,200	5,000	
South Carolina.....	1,558,400	19,900	504,300		
Georgia.....	10,660,200	363,700	266,800		
Florida.....	105,800	756,300	400,100		
Alabama.....	2,341,500	75,800	459,200	4,800	3,000
Mississippi.....	1,012,400	50,200	306,300		
Louisiana.....	696,800	55,000	89,300		
Texas.....	478,100	160,200	924,100	437,500	327,800
Arkansas.....	603,100	182,800	301,100		
Kentucky.....		1,090,500	448,300	26,300	5,300
Tennessee.....	452,600	556,100	229,700		
Southern States.....	20,300,400	3,910,400	4,923,000	473,600	336,100
Ohio.....	8,700	845,900	3,846,400		31,000
Indiana.....	14,800	503,400	2,829,300		20,700
Illinois.....	8,900	741,500	5,074,500		5,000
Michigan.....		314,400	1,789,800		175,500
Wisconsin.....		387,400	3,147,500	58,200	253,000
Minnesota.....	6,900	692,100	5,778,600	5,000	
Iowa.....	9,500	163,900	1,820,000	76,000	87,700
Missouri.....		9,900	381,400		
Middle States.....	48,800	3,658,500	24,667,500	139,200	572,900

Statement of amount of loans secured by warehouse receipts, amount of farm loans, and also loans made for correspondents, as shown by reports of condition of national banks on June 30, 1916—Continued.

	Loans secured by warehouse receipts.		Farm lands.	Loans made for correspondents.	
	For cotton	Other than cotton.		Secured by collateral.	Not secured by collateral.
COUNTRY BANKS—continued.					
North Dakota.....		\$185,800	\$1,093,400		
South Dakota.....	\$500	235,700	1,233,500		
Nebraska.....		40,200	669,700		
Kansas.....		166,200	663,600	\$31,600	\$100,300
Montana.....	12,300	87,400	731,800		
Wyoming.....			158,700	3,000	2,000
Colorado.....	1,000	9,400	295,100		4,900
New Mexico.....			154,400		
Oklahoma.....	106,300	62,500	389,900	42,300	
Western States.....	120,100	787,200	5,390,100	76,900	107,200
Washington.....	79,900	618,000	424,500		
Oregon.....		532,300	209,700		
California.....	39,800	606,400	2,036,600	16,000	99,600
Idaho.....		301,700	150,700		18,300
Utah.....		7,100	58,900		
Nevada.....		9,500	409,400		
Arizona.....		214,000	41,500		
Alaska.....		1,000		4,200	
Pacific States.....	119,700	2,290,000	3,331,300	20,200	117,900
Hawaii (island possessions).....			10,000		
Country banks.....	23,093,000	16,269,000	41,080,900	765,600	1,224,700
Total United States.....	44,346,000	79,749,200	45,737,100	285,652,900	16,339,600

EXHIBIT L.

Amount loaned by national banks to national banks and State banks and trust companies in same and in other Federal reserve districts on bills payable and rediscounts, also on certificates of deposits as shown by reports of condition for June 30, 1916.

(In thousands of dollars.)

Geographical section.	In same Federal reserve district as this bank.					In other Federal reserve districts.				
	To national banks.		To State banks and trust companies.			To national banks.		To State banks and trust companies.		
	On bills payable and rediscount.	On certificates of deposit.	On bills payable and rediscount.	On certificates of deposit.	Total.	On bills payable and rediscount.	On certificates of deposit.	On bills payable and rediscount.	On certificates of deposit.	Total.
New England States:										
Reserve cities.....	328	1,178	679	595	2,780	6		302	20	328
Country banks.....	25	75	68	146	314		26			26
Total.....	353	1,253	747	741	3,094	6	26	302	20	354
Eastern States:										
Central reserve city....	2,677	358	1,800		4,835	16,968	604	26,986	85	44,643
Other reserve cities.....	2,341		4,373		6,714	1,187	20	1,063	12	2,282
Country banks.....	55	278	657	225	1,215	3	40	2	49	480
Total.....	5,073	636	6,830	225	12,764	18,158	664	28,078	505	47,405
Southern States:										
Reserve cities.....	2,709	895	9,383	346	13,333	293		415	50	758
Country banks.....	684	1,353	5,366	612	8,015	78	555	254	172	1,059
Total.....	3,393	2,248	14,749	958	21,348	371	555	669	222	1,817
Middle States:										
Central reserve cities....	2,396	164	6,947	743	10,250	1,355	50	2,560	35	4,000
Other reserve cities.....	5,113	1,453	9,720	2,976	19,262	1,472	68	4,010	142	5,692
Country banks.....	465	991	3,982	3,306	8,744	1,151	1,806	368	2,921	5,246
Total.....	7,974	2,608	20,649	7,025	38,256	2,978	1,924	6,938	3,098	14,938
Western States:										
Reserve cities.....	544	109	1,470	314	2,437	10	55	214	45	324
Country banks.....	134	284	1,366	1,015	2,799		34	46	67	147
Total.....	678	393	2,836	1,329	5,236	10	89	260	112	471
Pacific States:										
Reserve cities.....	369	1,193	1,407	781	3,750			114	30	144
Country banks.....	109	457	300	308	1,174		23		20	43
Total.....	478	1,650	1,707	1,089	4,924		23	114	50	187
Total United States..	17,949	8,788	47,518	11,367	85,622	21,523	3,281	36,361	4,007	65,172

RECAPITULATION.

Central reserve cities.....	5,073	521	8,747	743	15,084	18,324	654	29,546	121	48,645
Other reserve cities.....	11,404	4,828	27,032	5,012	48,276	2,967	142	6,118	299	9,526
Country banks.....	1,472	3,438	11,739	5,612	22,261	232	2,485	697	3,587	7,001
Total.....	17,949	8,787	47,518	11,367	85,621	21,523	3,281	36,361	4,007	65,172
<i>As reported May 1, 1916.</i>										
Central reserve cities.....	4,025	421	7,444	825	12,715	14,161	412	27,268	56	41,897
Other reserve cities.....	11,635	5,018	24,691	5,118	46,462	2,570	166	5,408	303	8,447
Country banks.....	1,442	3,342	10,987	4,952	20,723	154	2,497	572	4,083	7,306
Total.....	17,102	8,781	43,122	10,895	79,900	16,885	3,075	33,248	4,442	57,650
Increase of June 30 over May 1.	847	6	4,396	472	5,721	4,638	206	3,113	435	7,522

Amount loaned by national banks to national banks and State banks and trust companies in same and in other Federal reserve districts on bills payable and rediscounts, also on certificates of deposit as shown by reports of condition for June 30, 1916—Continued.

SUMMARY.

Date.	Amount loaned on—		Total.
	Bills payable and rediscount.	Certificate of deposit.	
June 30, 1916:			
Central reserve cities.....	61,690	2,039	63,729
Other reserve cities.....	47,521	10,281	57,802
Country banks.....	14,140	15,122	29,262
Total.....	<u>123,351</u>	<u>27,442</u>	<u>150,793</u>
May 1, 1916:			
Central reserve cities.....	52,898	1,714	54,612
Other reserve cities.....	44,304	10,605	54,909
Country banks.....	13,155	14,874	28,029
Total.....	<u>110,357</u>	<u>27,193</u>	<u>137,550</u>
Increase of June 30 over May 1.....	12,994	249	13,243

EXHIBIT M.

Loans made by national banks to other banks and trust companies, as shown by reports of condition for Sept. 12, 1916.

[In thousands of dollars.]

Geographical section.	In same Federal reserve district as reporting bank.					In other Federal reserve districts.				
	To national banks.		To State banks and trust companies.			To national banks.		To State banks and trust companies.		
	On bills payable and rediscounts.	On certificates of deposit.	On bills payable and rediscounts.	On certificates of deposit.	Total.	On bills payable and rediscounts.	On certificates of deposit.	On bills payable and rediscounts.	On certificates of deposit.	Total.
New England States:										
Reserve cities	84	929	541	1,172	2,726	18	30	201	.....	249
Country banks	90	40	58	233	421	.....	26	.....	50	76
Total	174	969	599	1,405	3,147	18	56	201	50	325
Eastern States:										
Central reserve city ..	2,283	550	2,697	25	5,555	19,233	775	29,516	645	50,169
Other reserve cities ..	1,412	.....	3,363	.....	4,775	768	20	1,298	62	2,148
Country banks	49	474	367	285	1,175	3	133	16	405	557
Total	3,744	1,024	6,427	310	11,505	20,004	928	30,830	1,112	52,874
Southern States:										
Reserve cities	3,343	993	9,983	758	15,077	240	.....	576	.....	816
Country banks	724	918	6,466	909	9,017	85	301	163	272	821
Total	4,067	1,911	16,449	1,667	24,094	325	301	739	272	1,637
Middle States:										
Central reserve cities ..	3,225	535	8,460	171	12,391	1,643	32	2,841	176	4,692
Other reserve cities ..	5,062	1,518	10,557	3,969	21,106	1,456	83	3,490	171	5,200
Country banks	478	743	3,827	2,893	7,941	54	1,881	476	4,014	6,425
Total	8,765	2,796	22,844	7,033	41,438	3,153	1,996	6,807	4,361	16,317
Western States:										
Reserve cities	415	128	1,003	288	1,834	15	25	147	74	261
Country banks	113	353	1,099	1,031	2,596	101	9	103	41	254
Total	528	481	2,102	1,319	4,430	116	34	250	115	515
Pacific States:										
Reserve cities	297	670	1,050	424	2,441	.....	.....	158	10	168
Country banks	52	427	509	469	1,457	.....	27	.....	15	42
Total	349	1,097	1,559	893	3,898	.....	27	158	25	210
Total United States	17,627	8,278	49,980	12,627	88,512	23,616	3,342	38,985	5,935	71,878
RECAPITULATION.										
Central reserve cities ..	5,508	1,085	11,157	196	17,946	20,876	807	32,357	821	54,861
Other reserve cities ..	10,613	4,238	26,497	6,611	47,959	2,497	158	5,870	317	8,842
Country banks	1,506	2,955	12,326	5,820	22,607	243	2,377	758	4,797	8,175
Total United States	17,627	8,278	49,980	12,627	88,512	23,616	3,342	38,985	5,935	71,878
COMPARISONS.										
May 1, 1916	17,102	8,751	43,123	10,894	79,900	16,885	3,075	33,248	4,442	57,650
June 30, 1916	17,949	8,788	47,518	11,367	85,622	21,523	3,281	36,361	4,007	65,172
Sept. 12, 1916	17,627	8,278	49,980	12,627	88,512	23,616	3,342	38,985	5,935	71,878

EXHIBIT N.

Money borrowed by national banks in same Federal Reserve district and also from banks in other Federal Reserve districts, Sept. 12, 1916.

FROM BANKS IN SAME FEDERAL RESERVE DISTRICT.

[In thousands of dollars.]

Geographical section.	With national banks.			With State banks and trust companies.			Total.	Rediscounts with Federal reserve bank.	Rediscounts, floating items. ¹
	Bills payable.	Rediscounts.	Certificates of deposit.	Bills payable.	Rediscounts.	Certificates of deposit.			
New England States:									
Reserve cities	\$ 1,398						1,398	418	6,320
Country banks	189	57	803			70	1,119	164	
Total	1,587	57	803			70	2,517	582	6,320
Eastern States:									
Central reserve cities	\$ 1,736		300	500			2,536	4,387	7,143
Other reserve cities	305						305	416	1,065
Country banks	1,387	494	45	57	107	28	2,118	362	
Total	3,428	494	345	557	107	28	4,959	5,165	8,208
Southern States:									
Reserve cities			60				60	1,311	
Country banks	3,524	925	482	185	69	35	5,220	14,303	
Total	3,524	925	542	185	69	35	5,280	15,614	
Middle States:									
Central reserve cities								1,150	58
Other reserve cities			450				450	757	26
Country banks	1,724	855	910	26	57	30	3,002	3,717	
Total	1,724	855	1,360	26	57	30	4,052	5,624	84
Western States:									
Reserve cities									
Country banks	476	380	187	10	39	13	1,105	3,152	
Total	476	380	187	10	39	13	1,105	3,152	
Pacific States:									
Reserve cities								21	
Country banks	144	174	550	25		30	923	362	
Total	144	174	550	25		30	923	383	
Total United States	10,883	2,885	3,787	803	272	206	18,836	30,520	14,612
RECAPITULATION.									
Central reserve cities	1,736		300	500			2,536	5,537	7,201
Other reserve cities	1,703		510				2,213	2,923	7,411
Country banks	7,444	2,885	2,977	303	272	206	14,087	22,060	
Total United States	10,883	2,885	3,787	803	272	206	18,836	30,520	14,612

¹ Represents items that were abstracted as rediscounts but not shown in Schedule 16.

² Acceptances guaranteed.

³ \$6,000 bonds sold with agreement to repurchase included.

Money borrowed by national banks in same Federal Reserve district and also from banks in other Federal Reserve districts, Sept. 12, 1916—Continued.

FROM BANKS IN OTHER FEDERAL RESERVE DISTRICTS.

[In thousands of dollars.]

Geographical sections.	With national banks.			With State banks and trust companies.			Total.
	Bills payable.	Rediscounts.	Certificates of deposit.	Bills payable.	Rediscounts.	Certificates of deposit.	
New England States:							
Reserve cities.....							
Country banks.....	275	9	355				639
Total.....	275	9	355				639
Eastern States:							
Central reserve cities.....	2						2
Other reserve cities.....	475	152		100			727
Country banks.....	403	65	5				473
Total.....	880	217	5	100			1,202
Southern States:							
Reserve cities.....	1,855	1,123				50	3,028
Country banks.....	8,627	3,167	506	267	39	50	12,656
Total.....	10,482	4,290	506	267	39	100	15,684
Middle States:							
Central reserve cities.....							
Other reserve cities.....	200						200
Country banks.....	755	447	320			75	1,597
Total.....	955	447	320			75	1,797
Western States:							
Reserve cities.....							
Country banks.....	990	52	8	30			1,080
Total.....	990	52	8	30			1,080
Pacific States:							
Reserve cities.....							
Country banks.....	65	51	20				136
Total.....	65	51	20				136
Total United States.....	13,647	5,066	1,214	397	39	175	20,538
RECAPITULATION.							
Central reserve cities.....	2						2
Other reserve cities.....	2,530	1,275		100		50	3,955
Country banks.....	11,115	3,791	1,214	297	39	125	16,581
Total United States.....	16,647	5,066	1,214	397	39	175	20,538

EXHIBIT O.

FEDERAL FARM LOAN ACT.

[PUBLIC—No. 158—64TH CONGRESS.]

[S. 2986.]

An Act To provide capital for agricultural development, to create standard forms of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the short title of this Act shall be "The Federal Farm Loan Act." Its administration shall be under the direction and control of the Federal Farm Loan Board hereinafter created.

DEFINITIONS.

SEC. 2. That wherever the term "first mortgage" is used in this Act it shall be held to include such classes of first liens on farm lands as shall be approved by the Federal Farm Loan Board, and the credit instruments secured thereby. The term "farm loan bonds" shall be held to include all bonds secured by collateral deposited with a farm loan registrar under the terms of this Act; they shall be distinguished by the addition of the words "Federal," or "joint stock," as the case may be.

FEDERAL FARM LOAN BOARD.

SEC. 3. That there shall be established at the seat of government in the Department of the Treasury a bureau charged with the execution of this Act and of all Acts amendatory thereof, to be known as the Federal Farm Loan Bureau, under the general supervision of a Federal Farm Loan Board.

Said Federal Farm Loan Board shall consist of five members, including the Secretary of the Treasury, who shall be a member and chairman ex officio, and four members to be appointed by the President of the United States, by and with the advice and consent of the Senate. Of the four members to be appointed by the President, not more than two shall be appointed from one political party, and all four of said members shall be citizens of the United States and shall devote their entire time to the business of the Federal Farm Loan Board; they shall receive an annual salary of \$10,000 payable monthly, together with actual necessary traveling expenses.

One of the members to be appointed by the President shall be designated by him to serve for two years, one for four years, one for six years, and one for eight years, and thereafter each member so appointed shall serve for a term of eight years, unless sooner removed for cause by the President. One of the members shall be designated by the President as the Farm Loan Commissioner, who shall be the active executive officer of said board. Each member of the Federal Farm Loan Board shall within fifteen days after notice of his appointment take and subscribe to the oath of office.

The first meeting of the Federal Farm Loan Board shall be held in Washington as soon as may be after the passage of this Act, at a date and place to be fixed by the Secretary of the Treasury.

No member of the Federal Farm Loan Board shall, during his continuance in office, be an officer or director of any other institution, association, or partnership engaged in banking, or in the business of making land mortgage loans or selling land mortgages. Before entering upon his duties as a member of the Federal Farm Loan Board each member shall certify under oath to the President that he is eligible under this section.

The President shall have the power, by and with the advice and consent of the Senate, to fill any vacancy occurring in the membership of the Federal Farm Loan Board; if such vacancy shall be filled during the recess of the Senate a commission shall be granted which shall expire at the end of the next session.

The Federal Farm Loan Board shall appoint a farm loan registrar in each land bank district to receive applications for issues of farm loan bonds and to perform such other services as are prescribed by this Act. It shall also appoint one or more land bank appraisers for each land bank district and as many land bank examiners as it shall deem necessary. Farm loan registrars, land bank appraisers, and land bank examiners appointed under this section shall be public officials and shall, during their continuance in office, have no connection with or interest in any other institution, association, or partnership engaged in banking or in the business of making land mortgage loans or selling land mortgages: *Provided*, That this limitation shall not apply to persons employed by the board temporarily to do special work.

The salaries and expenses of the Federal Farm Loan Board, and of farm loan registrars and examiners authorized under this section, shall be paid by the United States. Land bank appraisers shall receive such compensation as the Federal Farm Loan Board shall fix, and shall be paid by the Federal land banks and the joint stock land banks which they serve, in such proportion and in such manner as the Federal Farm Loan Board shall order.

The Federal Farm Loan Board shall be authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as it may deem necessary to conduct the business of said board. All salaries and fees authorized in this section and not otherwise provided for shall be fixed in advance by said board and shall be paid in the same manner as the salaries of the Federal Farm Loan Board. All such attorneys, experts, assistants, clerks, laborers, and other employees, and all registrars, examiners, and appraisers shall be appointed without regard to the provisions of the Act of January sixteenth, eighteen hundred and eighty-three (volume twenty-two, United States Statutes at Large, page four hundred and three), and amendments thereto, or any rule or regulation made in pursuance thereof: *Provided*, That nothing herein shall prevent the President from placing said employees in the classified service.

Every Federal land bank shall semiannually submit to the Federal Farm Loan Board a schedule showing the salaries or rates of compensation paid to its officers and employees.

The Federal Farm Loan Board shall annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

The Federal Farm Loan Board shall from time to time require examinations and reports of condition of all land banks established under the provisions of this Act and shall publish consolidated statements of the results thereof. It shall cause to be made appraisals of farm lands as provided by this Act, and shall prepare and publish amortization tables which shall be used by national farm loan associations and land banks organized under this Act.

The Federal Farm Loan Board shall prescribe a form for the statement of condition of national farm loan associations and land banks under its supervision, which shall be filled out quarterly by each such association or bank and transmitted to said board.

It shall be the duty of the Federal Farm Loan Board to prepare from time to time bulletins setting forth the principal features of this Act and through the Department of Agriculture or otherwise to distribute the same, particularly to the press, to agricultural journals, and to farmers' organizations; to prepare and distribute in the same manner circulars setting forth the principles and advantages of amortized farm loans and the protection afforded debtors under this Act, instructing farmers how to organize and conduct farm loan associations, and advising investors of the merits and advantages of farm loan bonds; and to disseminate in its discretion information for the further instruction of farmers regarding the methods and principles of cooperative credit and organization. Said board is hereby authorized to use a reasonable portion of the organization fund provided in section thirty-three of this Act for the objects specified in this paragraph, and is instructed to lay before the Congress at each session its recommendations for further appropriations to carry out said objects.

FEDERAL LAND BANKS.

SEC. 4. That as soon as practicable the Federal Farm Loan Board shall divide the continental United States, excluding Alaska, into twelve districts, which shall be known as Federal land bank districts, and may be designated by number. Said districts shall be apportioned with due regard to the farm loan needs of the country, but no such district shall contain a fractional part of any State. The boundaries thereof may be readjusted from time to time in the discretion of said board.

The Federal Farm Loan Board shall establish in each Federal land bank district a Federal land bank, with its principal office located in such city within the district as said board shall designate. Each Federal land bank shall include in its title the name of the city in which it is located. Subject to the approval of the Federal Farm Loan Board, any Federal land bank may establish branches within the land bank district

Each Federal land bank shall be temporarily managed by five directors appointed by the Federal Farm Loan Board. Said directors shall be citizens of the United States and residents of the district. They shall each give a surety bond, the premium on which shall be paid from the funds of the bank. They shall receive such compensation as the Federal Farm Loan Board shall fix. They shall choose from their number, by majority vote, a president, a vice president, a

secretary and a treasurer. They are further authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as they may deem necessary, and to fix their compensation, subject to the approval of the Federal Farm Loan Board.

Said temporary directors shall, under their hands, forthwith make an organization certificate, which shall specifically state:

First. The name assumed by such bank.

Second. The district within which its operations are to be carried on, and the particular city in which its principal office is to be located.

Third. The amount of capital stock and the number of shares into which the same is to be divided: *Provided*, That every Federal land bank organized under this Act shall by its articles of association permit an increase of its capital stock from time to time for the purpose of providing for the issue of shares to national farm loan associations and stockholders who may secure loans through agents of Federal land banks in accordance with the provisions of this Act.

Fourth. The fact that the certificate is made to enable such persons to avail themselves of the advantages of this Act. The organization certificate shall be acknowledged before a judge or clerk of some court of record or notary public, and shall be, together with the acknowledgment thereof, authenticated by the seal of such court or notary, transmitted to the Farm Loan Commissioner, who shall record and carefully preserve the same in his office, where it shall be at all times open to public inspection.

The Federal Farm Loan Board is authorized to direct such changes in or additions to any such organization certificate, not inconsistent with this Act, as it may deem necessary or expedient.

Upon duly making and filing such organization certificate the bank shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

First. To adopt and use a corporate seal.

Second. To have succession until it is dissolved by Act of Congress or under the provisions of this Act.

Third. To make contracts.

Fourth. To sue and be sued, complain, interplead, and defend, in any court of law or equity, as fully as natural persons.

Fifth. To elect or appoint directors, and by its board of directors to elect a president and a vice president, appoint a secretary and a treasurer and other officers and employees, define their duties, require bonds of them, and fix the penalty thereof; by action of its board of directors dismiss such officers and employees, or any of them, at pleasure and appoint others to fill their places.

Sixth. To prescribe, by its board of directors, subject to the supervision and regulation of the Federal Farm Loan Board, by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected, its officers elected or appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

Seventh. To exercise, by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business herein described.

After the subscriptions to stock in any Federal land bank by national farm loan associations, hereinafter authorized, shall have reached the sum of \$100,000, the officers and directors of said land bank shall be chosen as herein provided and shall, upon becoming duly qualified, take over the management of said land bank from the temporary officers selected under this section.

The board of directors of every Federal land bank shall be selected as hereinafter specified and shall consist of nine members, each holding office for three years. Six of said directors shall be known as local directors, and shall be chosen by and be representative of national farm loan associations; and the remaining three directors shall be known as district directors, and shall be appointed by the Federal Farm Loan Board and represent the public interest.

At least two months before each election the Farm Loan Commissioner shall notify each national farm loan association in writing that such election is to be held, giving the number of directors to be elected for its district, and requesting each association to nominate one candidate for each director to be elected. Within ten days of the receipt of such notice each association shall forward its nominations to said Farm Loan Commissioner. Said commissioner shall prepare a list of candidates for local directors consisting of the twenty persons securing the highest number of votes from national farm loan associations making such nominations.

At least one month before said election said Farm Loan Commissioner shall mail to each national farm loan association the list of candidates. The directors of each national farm loan association shall cast the vote of said association for as many candidates on said list as there are vacancies to be filled, and shall forward said vote to the Farm Loan Commissioner within ten days after said list of candidates is received by them. The candidates receiving the highest number of votes shall be elected as local directors. In case of a tie the Farm Loan Commissioner shall determine the choice.

The Federal Farm Loan Board shall designate one of the district directors to serve for three years and to act as chairman of the board of directors. It shall designate one of said directors to serve for a term of two years and one to serve for a term of one year. After the first appointments each district director shall be appointed for a term of three years.

At the first regular meeting of the board of directors of each Federal land bank it shall be the duty of the local directors to designate two of the local directors whose term of office shall expire in one year from the date of such meeting, two whose term of office shall expire in two years from said date, and two whose term of office shall expire in three years from said date. Thereafter every local director of a Federal land bank chosen as hereinbefore provided shall hold office for a term of three years. Vacancies that may occur in the board of directors shall be filled for the unexpired term in the manner provided for the original selection of such directors.

Directors of Federal land banks shall have been for at least two years residents of the district for which they are appointed or elected, and at least one district director shall be experienced in practical farming and actually engaged at the time of his appointment in farming operations within the district. No director of a Federal land bank shall, during his continuance in office, act as an officer, director, or

employee of any other institution, association, or partnership engaged in banking or in the business of making or selling land mortgage loans.

Directors of Federal land banks shall receive, in addition to any compensation otherwise provided, a reasonable allowance for necessary expenses in attending meetings of their respective boards, to be paid by the respective Federal land banks. Any compensation that may be provided by boards of directors of Federal land banks for directors, officers, or employees shall be subject to the approval of the Federal Farm Loan Board.

CAPITAL STOCK OF FEDERAL LAND BANKS.

SEC. 5. That every Federal land bank shall have, before beginning business, a subscribed capital of not less than \$750,000. The Federal Farm Loan Board is authorized to prescribe the times and conditions of the payment of subscriptions to capital stock, to reject any subscription in its discretion, and to require subscribers to furnish adequate security for the payment thereof.

The capital stock of each Federal land bank shall be divided into shares of \$5 each, and may be subscribed for and held by any individual, firm, or corporation, or by the Government of any State or of the United States.

Stock held by national farm loan associations shall not be transferred or hypothecated, and the certificates therefor shall so state.

Stock owned by the Government of the United States in Federal land banks shall receive no dividends, but all other stock shall share in dividend distributions without preference. Each national farm loan association and the Government of the United States shall be entitled to one vote for each share of stock held by it in deciding all questions at meetings of shareholders, and no other shareholder shall be permitted to vote. Stock owned by the United States shall be voted by the Farm Loan Commissioner, as directed by the Federal Farm Loan Board.

It shall be the duty of the Federal Farm Loan Board, as soon as practicable after the passage of this Act, to open books of subscription for the capital stock of a Federal land bank in each Federal land bank district. If within thirty days after the opening of said books any part of the minimum capitalization of \$750,000 herein prescribed for Federal land banks shall remain unsubscribed, it shall be the duty of the Secretary of the Treasury to subscribe the balance thereof on behalf of the United States, said subscription to be subject to call in whole or in part by the board of directors of said land bank upon thirty days' notice with the approval of the Federal Farm Loan Board; and the Secretary of the Treasury is hereby authorized and directed to take out shares corresponding to the unsubscribed balance as called, and to pay for the same out of any moneys in the Treasury not otherwise appropriated. Thereafter no stock shall be issued except as hereinafter provided.

After the subscriptions to capital stock by national farm loan associations shall amount to \$750,000 in any Federal land bank, said bank shall apply semiannually to the payment and retirement of the shares of stock which were issued to represent the subscriptions to the original capital twenty-five per centum of all sums thereafter sub-

scribed to capital stock until all such original capital stock is retired at par.

At least twenty-five per centum of that part of the capital of any Federal land bank for which stock is outstanding in the name of national farm loan associations shall be held in quick assets, and may consist of cash in the vaults of said land bank, or in deposits in member banks of the Federal reserve system, or in readily marketable securities which are approved under rules and regulations of the Federal Farm Loan Board: *Provided*, That not less than five per centum of such capital shall be invested in United States Government bonds.

GOVERNMENT DEPOSITARIES.

SEC. 6. That all Federal land banks and joint stock land banks organized under this Act, when designated for that purpose by the Secretary of the Treasury, shall be depositaries of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government, as may be required of them. And the Secretary of the Treasury shall require of the Federal land banks and joint stock land banks thus designated satisfactory security, by the deposit of United States bonds or otherwise, for the safe-keeping and prompt payment of the public money deposited with them, and for the faithful performance of their duties as financial agents of the Government. No Government funds deposited under the provisions of this section shall be invested in mortgage loans or farm loan bonds.

NATIONAL FARM LOAN ASSOCIATIONS.

SEC. 7. That corporations, to be known as national farm loan associations, may be organized by persons desiring to borrow money on farm mortgage security under the terms of this Act. Such persons shall enter into articles of association which shall specify in general terms the object for which the association is formed and the territory within which its operations are to be carried on, and which may contain any other provision, not inconsistent with law, which the association may see fit to adopt for the regulation of its business and the conduct of its affairs. Said articles shall be signed by the persons uniting to form the association, and a copy thereof shall be forwarded to the Federal land bank for the district, to be filed and preserved in its office.

Every national farm loan association shall elect, in the manner prescribed for the election of directors of national banking associations, a board of not less than five directors, who shall hold office for the same period as directors of national banking associations. It shall be the duty of said board of directors to choose in such manner as they may prefer a secretary-treasurer, who shall receive such compensation as said board of directors shall determine. The board of directors shall elect a president, a vice president, and a loan committee of three members.

The directors and all officers except the secretary-treasurer shall serve without compensation, unless the payment of salaries to them shall be approved by the Federal Farm Loan Board. All officers and directors except the secretary-treasurer shall, during their term of office, be bona fide residents of the territory within which the association is authorized to do business, and shall be shareholders of the association.

It shall be the duty of the secretary-treasurer of every national farm loan association to act as custodian of its funds and to deposit the same in such bank as the board of directors may designate, to pay over to borrowers all sums received for their account from the Federal land bank upon first mortgage as in this Act prescribed, and to meet all other obligations of the association, subject to the orders of the board of directors and in accordance with the by-laws of the association. It shall be the duty of the secretary-treasurer, acting under the direction of the national farm loan association, to collect, receipt for, and transmit to the Federal land bank payments of interest, amortization installments, or principal arising out of loans made through the association. He shall be the custodian of the securities, records, papers, certificates of stock, and all documents relating to or bearing upon the conduct of the affairs of the association. He shall furnish a suitable surety bond to be prescribed and approved by the Federal Farm Loan Board for the proper performance of the duties imposed upon him under this Act, which shall cover prompt collection and transmission of funds. He shall make a quarterly report to the Federal Farm Loan Board upon forms to be provided for that purpose. Upon request from said board said secretary-treasurer shall furnish information regarding the condition of the national farm loan association for which he is acting, and he shall carry out all duly authorized orders of said board. He shall assure himself from time to time that the loans made through the national farm loan association of which he is an officer are applied to the purposes set forth in the application of the borrower as approved, and shall forthwith report to the land bank of the district any failure of any borrower to comply with the terms of his application or mortgage. He shall also ascertain and report to said bank the amount of any delinquent taxes on land mortgaged to said bank and the name of the delinquent.

The reasonable expenses of the secretary-treasurer, the loan committee, and other officers and agents of national farm loan associations, and the salary of the secretary-treasurer, shall be paid from the general funds of the association, and the board of directors is authorized to set aside such sums as it shall deem requisite for that purpose and for other expenses of said association. When no such funds are available, the board of directors may levy an assessment on members in proportion to the amount of stock held by each, which may be repaid as soon as funds are available, or it may secure an advance from the Federal land bank of the district, to be repaid with interest at the rate of six per centum per annum, from dividends belonging to said association. Said Federal land bank is hereby authorized to make such advance and to deduct such repayment.

Ten or more natural persons who are the owners, or about to become the owners, of farm land qualified as security for a mortgage loan under section twelve of this Act, may unite to form a national

farm loan association. They shall organize subject to the requirements and the conditions specified in this section and in section four of this Act, so far as the same may be applicable: *Provided*, That the board of directors may consist of five members only, and instead of a secretary and a treasurer there shall be a secretary-treasurer, who need not be a shareholder of the association.

When the articles of association are forwarded to the Federal land bank of the district as provided in this section, they shall be accompanied by the written report of the loan committee as required in section ten of this Act, and by an affidavit stating that each of the subscribers is the owner, or is about to become the owner, of farm land qualified under section twelve of this Act as the basis of a mortgage loan; that the loan desired by each person is not more than \$10,000, nor less than \$100, and that the aggregate of the desired loans is not less than \$20,000; that said affidavit is accompanied by a subscription to stock in the Federal land bank equal to five per centum of the aggregate sum desired on mortgage loans; and that a temporary organization of said association has been formed by the election of a board of directors, a loan committee, and a secretary-treasurer who subscribes to said affidavit, giving his residence and post office address.

Upon receipt of such articles of association, with the accompanying affidavit and stock subscription, the directors of said Federal land bank shall send an appraiser to investigate the solvency and character of the applicants and the value of their lands, and shall then determine whether in their judgment a charter should be granted to such association. They shall forward such articles of association and the accompanying affidavit to the Federal Farm Loan Board with their recommendation. If said recommendation is unfavorable, the charter shall be refused.

If said recommendation is favorable, the Federal Farm Loan Board shall thereupon grant a charter to the applicants therefor, designating the territory in which such association may make loans, and shall forward said charter to said applicants through said Federal land bank: *Provided*, That said Federal Farm Loan Board may for good cause shown in any case refuse to grant a charter.

Upon receipt of its charter such national farm loan association shall be authorized and empowered to receive from the Federal land bank of the district sums to be loaned to its members under the terms and conditions of this Act.

Whenever any national farm loan association shall desire to secure for any member a loan on first mortgage from the Federal land bank of its district it shall subscribe for capital stock of said land bank to the amount of five per centum of such loan, such subscription to be paid in cash upon the granting of the loan by said land bank. Such capital stock shall be held by said land bank as collateral security for the payment of said loan, but said association shall be paid any dividends accruing and payable on said capital stock while it is outstanding. Such stock may, in the discretion of the directors, and with the approval of the Federal Farm Loan Board, be paid off at par and retired, and it shall be so paid off and retired upon full payment of the mortgage loan. In such case the national farm loan association shall pay off at par and retire the corresponding shares of its stock which were issued when said land bank stock was issued.

The capital stock of a Federal land bank shall not be reduced to an amount less than five per centum of the principal of the outstanding farm loan bonds issued by it.

CAPITAL STOCK OF NATIONAL FARM LOAN ASSOCIATIONS.

SEC. 8. That the shares in national farm loan associations shall be of the par value of \$5 each.

Every shareholder shall be entitled to one vote on each share of stock held by him at all elections of directors and in deciding all questions at meetings of shareholders: *Provided*, That the maximum number of votes which may be cast by any one shareholder shall be twenty.

No persons but borrowers on farm land mortgages shall be members or shareholders of national farm loan associations. Any person desiring to borrow on farm land mortgage through a national farm loan association shall make application for membership and shall subscribe for shares of stock in such farm loan association to an amount equal to five per centum of the face of the desired loan, said subscription to be paid in cash upon the granting of the loan. If the application for membership is accepted and the loan is granted, the applicant shall, upon full payment therefor, become the owner of one share of capital stock in said loan association for each \$100 of the face of his loan, or any major fractional part thereof. Said capital stock shall be paid off at par and retired upon full payment of said loan. Said capital stock shall be held by said association as collateral security for the payment of said loan, but said borrower shall be paid any dividends accruing and payable on said capital stock while it is outstanding.

Every national farm loan association formed under this Act shall by its articles of association provide for an increase of its capital stock from time to time for the purpose of securing additional loans for its members and providing for the issue of shares to borrowers in accordance with the provisions of this Act. Such increases shall be included in the quarterly reports to the Federal Farm Loan Board.

NATIONAL FARM LOAN ASSOCIATIONS.—SPECIAL PROVISIONS.

SEC. 9. That any person whose application for membership is accepted by a national farm loan association shall be entitled to borrow money on farm land mortgage upon filing his application in accordance with section eight and otherwise complying with the terms of this Act whenever the Federal land bank of the district has funds available for that purpose, unless said land bank or the Federal Farm Loan Board shall, in its discretion, otherwise determine.

Any person desiring to secure a loan through a national farm loan association under the provisions of this Act may, at his option, borrow from the Federal land bank through such association the sum necessary to pay for shares of stock subscribed for by him in the national farm loan association, such sum to be made a part of the face of the loan and paid off in amortization payments: *Provided, however*, That such addition to the loan shall not be permitted to increase said loan above the limitation imposed in subsection fifth of section twelve.

Subject to rules and regulations prescribed by the Federal Farm Loan Board, any national farm loan association shall be entitled to retain as a commission from each interest payment on any loan indorsed by it an amount to be determined by said board not to exceed one-eighth of one per centum semiannually upon the unpaid principal of said loan, any amounts so retained as commissions to be deducted from dividends payable to such farm loan association by the Federal land bank, and to make application to the land bank of the district for loans not exceeding in the aggregate one-fourth of its total stock holdings in said land bank. The Federal land banks shall have power to make such loans to associations applying therefor and to charge interest at a rate not exceeding six per centum per annum.

Shareholders of every national farm loan association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association to the extent of the amount of stock owned by them at the par value thereof, in addition to the amount paid in and represented by their shares.

After a charter has been granted to a national farm loan association, any natural person who is the owner, or about to become the owner, of farm land qualified under section twelve of this Act as the basis of a mortgage loan, and who desires to borrow on a mortgage of such farm land, may become a member of the association by a two-thirds vote of the directors upon subscribing for one share of the capital stock of such association for each \$100 of the face of his proposed loan or any major fractional part thereof. He shall at the same time file with the secretary-treasurer his application for a mortgage loan, giving the particulars required by section twelve of this Act.

APPRAISAL.

SEC. 10. That whenever an application for a mortgage loan is made to a national farm loan association, it shall be first referred to the loan committee provided for in section seven of this Act. Said loan committee shall examine the land which is offered as security for the desired loan and shall make a detailed written report signed by all three members, giving the appraisal of said land as determined by them, and such other information as may be required by rules and regulations to be prescribed by the Federal Farm Loan Board. No loan shall be approved by the directors unless said loan committee agrees upon a favorable report.

The written report of said loan committee shall be submitted to the Federal land bank, together with the application for the loan, and the directors of said land bank shall examine said written report when they pass upon the loan application which it accompanies, but they shall not be bound by said appraisal.

Before any mortgage loan is made by any Federal land bank, or joint stock land bank, it shall refer the application and written report of the loan committee to one or more of the land bank appraisers appointed under the authority of section three of this Act, and such appraiser or appraisers shall investigate and make a written report upon the land offered as security for said loan. No such loan shall be made by said land bank unless said written report is favorable.

Forms for appraisal reports for farm loan associations and land banks shall be prescribed by the Federal Farm Loan Board.

Land bank appraisers shall make such examinations and appraisals and conduct such investigations, concerning farm loan bonds and first mortgages, as the Federal Farm Loan Board shall direct.

No borrower under this Act shall be eligible as an appraiser under this section, but borrowers may act as members of a loan committee in any case where they are not personally interested in the loan under consideration. When any member of a loan committee or of a board of directors is interested, directly or indirectly, in a loan, a majority of the board of directors of any national farm loan association shall appoint a substitute to act in his place in passing upon such loan.

POWERS OF NATIONAL FARM LOAN ASSOCIATIONS.

SEC. 11. That every national farm loan association shall have power:

First. To indorse, and thereby become liable for the payment of, mortgages taken from its shareholders by the Federal land bank of its district.

Second. To receive from the Federal land bank of its district funds advanced by said land bank, and to deliver said funds to its shareholders on receipt of first mortgages qualified under section twelve of this Act.

Third. To acquire and dispose of such property, real or personal, as may be necessary or convenient for the transaction of its business.

Fourth. To issue certificates against deposits of current funds bearing interest for not longer than one year at not to exceed four per centum per annum after six days from date, convertible into farm loan bonds when presented at the Federal land bank of the district in the amount of \$25 or any multiple thereof. Such deposits, when received, shall be forthwith transmitted to said land bank, and be invested by it in the purchase of farm loan bonds issued by a Federal land bank or in first mortgages as defined by this Act.

RESTRICTIONS ON LOANS BASED ON FIRST MORTGAGES.

SEC. 12. That no Federal land bank organized under this Act shall make loans except upon the following terms and conditions:

First. Said loans shall be secured by duly recorded first mortgages on farm land within the land bank district in which the bank is situated.

Second. Every such mortgage shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover, first, a charge on the loan, at a rate not exceeding the interest rate in the last series of farm loan bonds issued by the land bank making the loan; second, a charge for administration and profits at a rate not exceeding one per centum per annum on the unpaid principal, said two rates combined constituting the interest rate on the mortgage; and, third, such amounts to be applied on the principal as will extinguish the debt within an agreed period, not less than five years nor more than forty years: *Provided*, That after five years from the date upon which a loan is made additional payments in sums of \$25 or any

multiple thereof for the reduction of the principal, or the payment of the entire principal, may be made on any regular installment date under the rules and regulations of the Federal Farm Loan Board: *And provided further*, That before the first issue of farm loan bonds by any land bank the interest rate on mortgages may be determined in the discretion of said land bank subject to the provisions and limitations of this Act.

Third. No loan on mortgage shall be made under this Act at a rate of interest exceeding six per centum per annum, exclusive of amortization payments.

Fourth. Such loans may be made for the following purposes and for no other:

(a) To provide for the purchase of land for agricultural uses.

(b) To provide for the purchase of equipment, fertilizers and live stock necessary for the proper and reasonable operation of the mortgaged farm; the term "equipment" to be defined by the Federal Farm Loan Board.

(c) To provide buildings and for the improvement of farm lands; the term "improvement" to be defined by the Federal Farm Loan Board.

(d) To liquidate indebtedness of the owner of the land mortgaged, existing at the time of the organization of the first national farm loan association established in or for the county in which the land mortgaged is situated, or indebtedness subsequently incurred for purposes mentioned in this section.

Fifth. No such loan shall exceed fifty per centum of the value of the land mortgaged and twenty per centum of the value of the permanent, insured improvements thereon, said value to be ascertained by appraisal, as provided in section ten of this Act. In making said appraisal the value of the land for agricultural purposes shall be the basis of appraisal and the earning power of said land shall be a principal factor.

A reappraisal may be permitted at any time in the discretion of the Federal land bank, and such additional loan may be granted as such reappraisal will warrant under the provisions of this paragraph. Whenever the amount of the loan applied for exceeds the amount that may be loaned under the appraisal as herein limited, such loan may be granted to the amount permitted under the terms of this paragraph without requiring a new application or appraisal.

Sixth. No such loan shall be made to any person who is not at the time, or shortly to become, engaged in the cultivation of the farm mortgaged. In case of the sale of the mortgaged land, the Federal land bank may permit said mortgage and the stock interests of the vendor to be assumed by the purchaser. In case of the death of the mortgagor, his heir or heirs, or his legal representative or representatives, shall have the option, within sixty days of such death, to assume the mortgage and stock interests of the deceased.

Seventh. The amount of loans to any one borrower shall in no case exceed a maximum of \$10,000, nor shall any loan be for a less sum than \$100.

Eighth. Every applicant for a loan under the terms of this Act shall make application on a form to be prescribed for that purpose by the Federal Farm Loan Board, and such applicant shall state the objects

to which the proceeds of said loan are to be applied, and shall afford such other information as may be required.

Ninth. Every borrower shall pay simple interest on defaulted payments at the rate of eight per centum per annum, and by express covenant in his mortgage deed shall undertake to pay when due all taxes, liens, judgments, or assessments which may be lawfully assessed against the land mortgaged. Taxes, liens, judgments, or assessments not paid when due, and paid by the mortgagee, shall become a part of the mortgage debt and shall bear simple interest at the rate of eight per centum per annum. Every borrower shall undertake to keep insured to the satisfaction of the Federal Farm Loan Board all buildings the value of which was a factor in determining the amount of the loan. Insurance shall be made payable to the mortgagee as its interest may appear at time of loss, and, at the option of the mortgagor and subject to general regulations of the Federal Farm Loan Board, sums so received may be used to pay for reconstruction of the buildings destroyed.

Tenth. Every borrower who shall be granted a loan under the provisions of this Act shall enter into an agreement, in form and under conditions to be prescribed by the Federal Farm Loan Board, that if the whole or any portion of his loan shall be expended for purposes other than those specified in his original application, or if the borrower shall be in default in respect to any condition or covenant of the mortgage, the whole of said loan shall, at the option of the mortgagee, become due and payable forthwith: *Provided*, That the borrower may use part of said loan to pay for his stock in the farm loan association, and the land bank holding such mortgage may permit said loan to be used for any purpose specified in subsection fourth of this section.

Eleventh. That no loan or the mortgage securing the same shall be impaired or invalidated by reason of the exercise of any power by any Federal land bank or national farm loan association in excess of the powers herein granted or any limitations thereon.

Funds transmitted to farm loan associations by Federal land banks to be loaned to its members shall be in current funds, or farm loan bonds, at the option of the borrower.

POWERS OF FEDERAL LAND BANKS.

SEC. 13. That every Federal land bank shall have power, subject to the limitations and requirements of this Act—

First. To issue, subject to the approval of the Federal Farm Loan Board, and to sell farm loan bonds of the kinds authorized in this Act, to buy the same for its own account, and to retire the same at or before maturity.

Second. To invest such funds as may be in its possession in the purchase of qualified first mortgages on farm lands situated within the Federal land bank district within which it is organized or for which it is acting.

Third. To receive and to deposit in trust with the farm loan registrar for the district, to be by him held as collateral security for farm loan bonds, first mortgages upon farm land qualified under section twelve of this Act, and to empower national farm loan associations, or duly authorized agents, to collect and immediately pay over to said land banks the dues, interest, amortization installments and other

sums payable under the terms, conditions, and covenants of the mortgages and of the bonds secured thereby.

Fourth. To acquire and dispose of—

(a) Such property, real or personal, as may be necessary or convenient for the transaction of its business, which, however, may be in part leased to others for revenue purposes.

(b) Parcels of land acquired in satisfaction of debts or purchased at sales under judgments, decrees, or mortgages held by it. But no such bank shall hold title and possession of any real estate purchased or acquired to secure any debt due to it, for a longer period than five years, except with the special approval of the Federal Farm Loan Board in writing.

Fifth. To deposit its securities, and its current funds subject to check, with any member bank of the Federal Reserve System, and to receive interest on the same as may be agreed.

Sixth. To accept deposits of securities or of current funds from national farm loan associations holding its shares, but to pay no interest on such deposits.

Seventh. To borrow money, to give security therefor, and to pay interest thereon.

Eighth. To buy and sell United States bonds.

Ninth. To charge applicants for loans and borrowers, under rules and regulations promulgated by the Federal Farm Loan Board, reasonable fees not exceeding the actual cost of appraisal and determination of title. Legal fees and recording charges imposed by law in the State where the land to be mortgaged is located may also be included in the preliminary costs of negotiating mortgage loans. The borrower may pay such fees and charges or he may arrange with the Federal land bank making the loan to advance the same, in which case said expenses shall be made a part of the face of the loan and paid off in amortization payments. Such addition to the loan shall not be permitted to increase said loan above the limitations provided in section twelve.

RESTRICTIONS ON FEDERAL LAND BANKS.

SEC. 14. That no Federal land bank shall have power—

First. To accept deposits of current funds payable upon demand except from its own stockholders, or to transact any banking or other business not expressly authorized by the provisions of this Act.

Second. To loan on first mortgage except through national farm loan associations as provided in section seven and section eight of this Act, or through agents as provided in section fifteen.

Third. To accept any mortgages on real estate except first mortgages created subject to all limitations imposed by section twelve of this Act, and those taken as additional security for existing loans.

Fourth. To issue or obligate itself for outstanding farm loan bonds in excess of twenty times the amount of its capital and surplus, or to receive from any national farm loan association additional mortgages when the principal remaining unpaid upon mortgages already received from such association shall exceed twenty times the amount of its capital stock owned by such association.

Fifth. To demand or receive, under any form or pretense, any commission or charge not specifically authorized in this Act.

AGENTS OF FEDERAL LAND BANKS.

SEC. 15. That whenever, after this Act shall have been in effect one year, it shall appear to the Federal Farm Loan Board that national farm loan associations have not been formed, and are not likely to be formed, in any locality, because of peculiar local conditions, said board may, in its discretion, authorize Federal land banks to make loans on farm lands through agents approved by said board.

Such loans shall be subject to the same conditions and restrictions as if the same were made through national farm loan associations, and each borrower shall contribute five per centum of the amount of his loan to the capital of the Federal land bank, and shall become the owner of as much capital stock of the land bank as such contribution shall warrant.

No agent other than a duly incorporated bank, trust company, mortgage company, or savings institution, chartered by the State in which it has its principal office, shall be employed under the provisions of this section.

Federal land banks may pay to such agents the actual expense of appraising the land offered as security for a loan, examining and certifying the title thereof, and making, executing, and recording the mortgage papers; and in addition may allow said agents not to exceed one-half of one per centum per annum upon the unpaid principal of said loan, such commission to be deducted from dividends payable to the borrower on his stock in the Federal land bank.

Actual expenses paid to agents under the provisions of this section shall be added to the face of the loan and paid off in amortization payments subject to the limitations provided in subsection ninth of section thirteen of this Act.

Said agents, when required by the Federal land banks, shall collect and forward to such banks without charge all interest and amortization payments on loans indorsed by them.

Any agent negotiating any such loan shall indorse the same and become liable for the payment thereof, and for any default by the mortgagor, on the same terms and under the same penalties as if the loan had been originally made by said agent as principal and sold by said agent to said land bank, but the aggregate of the unpaid principal of mortgage loans received from any such agent shall not exceed ten times its capital and surplus.

If at any time the district represented by any agent under the provisions of this section shall, in the judgment of the Federal Farm Loan Board, be adequately served by national farm loan associations, no further loans shall be negotiated therein by agents under this section.

JOINT STOCK LAND BANKS.

SEC. 16. That corporations, to be known as joint stock land banks, for carrying on the business of lending on farm mortgage security and issuing farm loan bonds, may be formed by any number of natural persons not less than ten. They shall be organized subject to the requirements and under the conditions set forth in section four of this Act, so far as the same may be applicable: *Provided*, That the

board of directors of every joint stock land bank shall consist of not less than five members.

Shareholders of every joint stock land bank organized under this Act shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such bank to the extent of the amount of stock owned by them at the par value thereof, in addition to the amount paid in and represented by their shares.

Except as otherwise provided, joint stock land banks shall have the powers of, and be subject to all the restrictions and conditions imposed on, Federal land banks by this Act, so far as such restrictions and conditions are applicable: *Provided, however,* That the Government of the United States shall not purchase or subscribe for any of the capital stock of any such bank; and each shareholder of any such bank shall have the same voting privileges as holders of shares in national banking associations.

No joint stock land bank shall have power to issue or obligate itself for outstanding farm loan bonds in excess of fifteen times the amount of its capital and surplus, or to receive deposits or to transact any banking or other business not expressly authorized by the provisions of this Act.

No joint stock land bank shall be authorized to do business until capital stock to the amount of at least \$250,000 has been subscribed, one-half thereof paid in cash and the balance subject to call by the board of directors, and a charter has been issued to it by the Federal Farm Loan Board.

No joint stock land bank shall issue any bonds until after the capital stock is entirely paid up.

Farm loan bonds issued by joint stock land banks shall be so engraved as to be readily distinguished in form and color from farm loan bonds issued by Federal land banks, and shall otherwise bear such distinguishing marks as the Federal Farm Loan Board shall direct.

Joint stock land banks shall not be subject to the provisions of subsection (b) of section seventeen of this Act as to interest rates on mortgage loans or farm loan bonds, nor to the provisions of subsections first, fourth, sixth, seventh, and tenth of section twelve as to restrictions on mortgage loans: *Provided, however,* That no loans shall be made which are not secured by first mortgages on farm lands within the State in which such joint stock land bank has its principal office, or within some one State contiguous to such State. Such joint stock land banks shall be subject to all other restrictions on mortgage loans imposed on Federal land banks in section twelve of this Act.

Joint stock land banks shall in no case charge a rate of interest on farm loans exceeding by more than one per centum the rate of interest established for the last series of farm loan bonds issued by them.

Joint stock land banks shall in no case demand or receive, under any form or pretense, any commission or charge not specifically authorized in this Act.

Each joint stock land bank organized under this Act shall have authority to issue bonds based upon mortgages taken by it in accordance with the terms of this Act. Such bonds shall be in form pre-

scribed by the Federal Farm Loan Board, and it shall be stated in such bonds that such bank is organized under section sixteen of this Act, is under Federal supervision, and operates under the provisions of this Act.

POWERS OF FEDERAL FARM LOAN BOARD.

SEC. 17. That the Federal Farm Loan Board shall have power—

(a) To organize and charter Federal land banks, and to charter national farm loan associations and joint stock land banks subject to the provisions of this Act, and in its discretion to authorize them to increase their capital stock.

(b) To review and alter at its discretion the rate of interest to be charged by Federal land banks for loans made by them under the provisions of this Act, said rates to be uniform so far as practicable.

(c) To grant or refuse to Federal land banks, or joint stock land banks, authority to make any specific issue of farm loan bonds.

(d) To make rules and regulations respecting the charges made to borrowers on loans under this Act for expenses in appraisal, determination of title, and recording.

(e) To require reports and statements of condition and to make examinations of all banks or associations doing business under the provisions of this Act.

(f) To prescribe the form and terms of farm loan bonds, and the form, terms, and penal sums of all surety bonds required under this Act and of such other surety bonds as they shall deem necessary, such surety bonds to cover financial loss as well as faithful performance of duty.

(g) To require Federal land banks to pay forthwith to any Federal land bank their equitable proportion of any sums advanced by said land bank to pay the coupons of any other land bank, basing said required payments on the amount of farm loan bonds issued by each land bank and actually outstanding at the time of such requirement.

(h) To suspend or to remove for cause any district director or any registrar, appraiser, examiner, or other official appointed by said board under authority of section three of this Act, the cause of such suspension or removal to be communicated forthwith in writing by the Federal Farm Loan Board to the person suspended or removed, and in case of a district director to the proper Federal land bank.

(i) To exercise general supervisory authority over the Federal land banks, the national farm loan associations, and the joint stock land banks herein provided for.

(j) To exercise such incidental powers as shall be necessary or requisite to fulfill its duties and carry out the purposes of this Act.

APPLICATIONS FOR FARM LOAN BONDS.

SEC. 18. That any Federal land bank, or joint stock land bank, which shall have voted to issue farm loan bonds under this Act, shall make written application to the Federal Farm Loan Board, through the farm loan registrar of the district, for approval of such issue. With said application said land bank shall tender to said farm loan registrar as collateral security first mortgages on farm lands qualified under the provisions of section twelve, section fifteen, or section sixteen of this Act, or United States Government bonds, not less in

aggregate amount than the sum of the bonds proposed to be issued. Said bank shall furnish with such mortgages a schedule containing a description thereof and such further information as may be prescribed by the Federal Farm Loan Board.

Upon receipt of such application said farm loan registrar shall verify said schedule and shall transmit said application and said schedule to the Federal Farm Loan Board, giving such further information pertaining thereto as he may possess. The Federal Farm Loan Board shall forthwith cause to be made such investigation and appraisalment of the securities tendered as it shall deem wise, and it shall grant in whole or in part, or reject entirely, such application.

The Federal Farm Loan Board shall promptly transmit its decision as to any issue of farm loan bonds to the land bank applying for the same and to the farm loan registrar of the district. Said registrar shall furnish, in writing, such information regarding any issue of farm loan bonds as the Federal Farm Loan Board may at any time require.

No issue of farm loan bonds shall be authorized unless the Federal Farm Loan Board shall approve such issue in writing.

ISSUE OF FARM LOAN BONDS.

SEC. 19. That whenever any farm loan registrar shall receive from the Federal Farm Loan Board notice that it has approved any issue of farm loan bonds under the provisions of section eighteen he shall forthwith take such steps as may be necessary, in accordance with the provisions of this Act, to insure the prompt execution of said bonds and the delivery of the same to the land bank applying therefor.

Whenever the Federal Farm Loan Board shall reject entirely any application for an issue of farm loan bonds, the first mortgages and bonds tendered to the farm loan registrar as collateral security therefor shall be forthwith returned to said land bank by him.

Whenever the Federal Farm Loan Board shall approve an issue of farm loan bonds, the farm loan registrar having the custody of the first mortgages and bonds tendered as collateral security for such issue of bonds shall retain in his custody those first mortgages and bonds which are to be held as collateral security, and shall return to the bank owning the same any of said mortgages and bonds which are not to be held by him as collateral security. The land bank which is to issue said farm loan bonds shall transfer to said registrar, by assignment, in trust, all first mortgages and bonds which are to be held by said registrar as collateral security, said assignment providing for the right of redemption at any time by payment as provided in this Act and reserving the right of substitution of other mortgages qualified under sections twelve, fifteen, and sixteen of this Act. Said mortgages and bonds shall be deposited in such deposit vault or bank as the Federal Farm Loan Board shall approve, subject to the control of said registrar and in his name as trustee for the bank issuing the farm loan bonds and for the prospective holders of said farm loan bonds.

No mortgage shall be accepted by a farm loan registrar from a land bank as part of an offering to secure an issue of farm loan bonds, either originally or by substitution, except first mortgages made subject

to the conditions prescribed in said sections twelve, fifteen, and sixteen.

It shall be the duty of each farm loan registrar to see that the farm loan bonds delivered by him and outstanding do not exceed the amount of collateral security pledged therefor. Such registrar may, in his discretion, temporarily accept, in place of mortgages withdrawn, United States Government bonds or cash.

The Federal Farm Loan Board may, at any time, call upon any land bank for additional security to protect the bonds issued by it.

FORM OF FARM LOAN BONDS.

SEC. 20. That bonds provided for in this Act shall be issued in denominations of \$25, \$50, \$100, \$500, and \$1,000; they shall run for specified minimum and maximum periods, subject to payment and retirement, at the option of the land bank, at any time after five years from the date of their issue. They shall have interest coupons attached, payable semiannually, and shall be issued in series of not less than \$50,000, the amount and terms to be fixed by the Federal Farm Loan Board. They shall bear a rate of interest not to exceed five per centum per annum.

The Federal Farm Loan Board shall prescribe rules and regulations concerning the circumstances and manner in which farm loan bonds shall be paid and retired under the provisions of this Act.

Farm loan bonds shall be delivered through the registrar of the district to the bank applying for the same.

In order to furnish farm loan bonds for delivery at the Federal land banks and joint stock land banks, the Secretary of the Treasury is hereby authorized to prepare suitable bonds in such form, subject to the provisions of this Act, as the Federal Farm Loan Board may approve, such bonds when prepared to be held in the Treasury subject to delivery upon order of the Federal Farm Loan Board. The engraved plates, dies, bed-pieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. Any expenses incurred in the preparation, custody, and delivery of such farm loan bonds shall be paid by the Secretary of the Treasury from any funds in the Treasury not otherwise appropriated: *Provided, however,* That the Secretary shall be reimbursed for such expenditures by the Federal Farm Loan Board through assessment upon the farm land banks in proportion to the work executed. They may be exchanged into registered bonds of any amount, and reexchanged into coupon bonds, at the option of the holder, under rules and regulations to be prescribed by the Federal Farm Loan Board.

SPECIAL PROVISIONS OF FARM LOAN BONDS.

SEC. 21. That each land bank shall be bound in all respects by the acts of its officers in signing and issuing farm loan bonds, and by the acts of the Federal Farm Loan Board in authorizing their issue.

Every Federal land bank issuing farm loan bonds shall be primarily liable therefor, and shall also be liable, upon presentation of farm loan bond coupons, for interest payments due upon any farm loan bonds issued by other Federal land banks and remaining unpaid in consequence of the default of such other land banks; and every

such bank shall likewise be liable for such portion of the principal of farm loan bonds so issued as shall not be paid after the assets of any such other land banks shall have been liquidated and distributed: *Provided*, That such losses, if any, either of interest or of principal, shall be assessed by the Federal Farm Loan Board against solvent land banks liable therefor in proportion to the amount of farm loan bonds which each may have outstanding at the time of such assessment.

Every Federal land bank shall by appropriate action of its board of directors, duly recorded in its minutes, obligate itself to become liable on farm loan bonds as provided in this section.

Every farm loan bond issued by a Federal land bank shall be signed by its president and attested by its secretary, and shall contain in the face thereof a certificate signed by the Farm Loan Commissioner to the effect that it is issued under the authority of the Federal Farm Loan Act, has the approval in form and issue of the Federal Farm Loan Board, and is legal and regular in all respects; that it is not taxable by National, State, municipal, or local authority; that it is issued against collateral security of United States Government bonds, or indorsed first mortgages on farm lands, at least equal in amount to the bonds issued; and that all Federal land banks are liable for the payment of each bond.

APPLICATION OF AMORTIZATION AND INTEREST PAYMENTS.

SEC. 22. That whenever any Federal land bank, or joint stock land bank, shall receive any interest, amortization or other payments upon any first mortgage or bond pledged as collateral security for the issue of farm loan bonds, it shall forthwith notify the farm loan registrar of the items so received. Said registrar shall forthwith cause such payment to be duly credited upon the mortgage entitled to such credit. Whenever any such mortgage is paid in full, said registrar shall cause the same to be canceled and delivered to the proper land bank, which shall promptly satisfy and discharge the lien of record and transmit such canceled mortgage to the original maker thereof, or his heirs, administrators, executors, or assigns.

Upon written application by any Federal land bank, or joint stock land bank, to the farm loan registrar, it may be permitted, in the discretion of said registrar, to withdraw any mortgages or bonds pledged as collateral security under this Act, and to substitute therefor other similar mortgages or United States Government bonds not less in amount than the mortgages or bonds desired to be withdrawn.

Whenever any farm loan bonds, or coupons or interest payments of such bonds, are due under their terms, they shall be payable at the land bank by which they were issued, in gold or lawful money, and upon payment shall be duly canceled by said bank. At the discretion of the Federal Farm Loan Board, payment of any farm loan bond or coupon or interest payment may, however, be authorized to be made at any Federal land bank, any joint stock land bank, or any other bank, under rules and regulations to be prescribed by the Federal Farm Loan Board.

When any land bank shall surrender to the proper farm loan registrar any farm loan bonds of any series, canceled or uncanceled, said land bank shall be entitled to withdraw first mortgages and bonds

pledged as collateral security for any of said series of farm loan bonds to an amount equal to the farm loan bonds so surrendered, and it shall be the duty of said registrar to permit and direct the delivery of such mortgages and bonds to such land bank.

Interest payments on hypothecated first mortgages shall be at the disposal of the land bank pledging the same, and shall be available for the payment of coupons and the interest of farm loan bonds as they become due.

Whenever any bond matures, or the interest on any registered bond is due, or the coupon on any coupon bond matures, and the same shall be presented for payment as provided in this Act, the full face value thereof shall be paid to the holder.

Amortization and other payments on the principal of first mortgages held by a farm loan registrar as collateral security for the issue of farm loan bonds shall constitute a trust fund in the hands of the Federal land bank or joint stock land bank receiving the same, and shall be applied or employed as follows:

In the case of a Federal land bank—

- (a) To pay off farm loan bonds issued by said bank as they mature.
- (b) To purchase at or below par farm loan bonds issued by said bank or by any other Federal land bank.
- (c) To loan on first mortgages on farm lands within the land bank district, qualified under this Act as collateral security for an issue of farm loan bonds.

- (d) To purchase United States Government bonds.

In the case of a joint stock land bank—

- (a) To pay off farm loan bonds issued by said bank as they mature.
- (b) To purchase at or below par farm loan bonds.
- (c) To loan on first mortgages qualified under section sixteen of this Act.

- (d) To purchase United States Government bonds.

The farm loan bonds, first mortgages, United States Government bonds, or cash constituting the trust fund aforesaid, shall be forthwith deposited with the farm loan registrar as substituted collateral security in place of the sums paid on the principal of indorsed mortgages held by him in trust.

Every Federal land bank, or joint stock land bank, shall notify the farm loan registrar of the disposition of all payments made on the principal of mortgages held as collateral security for an issue of farm loan bonds, and said registrar is authorized, at his discretion, to order any of such payments, or the proceeds thereof, wherever deposited or however invested, to be immediately transferred to his account as trustee aforesaid.

RESERVES AND DIVIDENDS OF LAND BANKS.

SEC. 23. That every Federal land bank, and every joint stock land bank, shall semiannually carry to reserve account twenty-five per centum of its net earnings until said reserve account shall show a credit balance equal to twenty per centum of the outstanding capital stock of said land bank. Whenever said reserve shall have been impaired, said balance of twenty per centum shall be fully restored before any dividends are paid. After said reserve has reached the sum of twenty per centum of the outstanding capital stock, five per

centum of the net earnings shall be annually added thereto. For the period of two years from the date when any default occurs in the payment of the interest, amortization installments, or principal on any first mortgage, by both mortgagor and indorser, the amount so defaulted shall be carried to a suspense account, and at the end of the two-year period specified, unless collected, shall be debited to reserve account.

After deducting the twenty-five per centum or the five per centum hereinbefore directed to be deducted for credit to reserve account, any Federal land bank or joint stock land bank may declare a dividend to shareholders of the whole or any part of the balance of its net earnings. The reserves of land banks shall be invested in accordance with rules and regulations to be prescribed by the Federal Farm Loan Board.

RESERVE AND DIVIDENDS OF NATIONAL FARM LOAN ASSOCIATIONS.

SEC. 24. That every national farm loan association shall, out of its net earnings, semiannually carry to reserve account a sum not less than ten per centum of such net earnings until said reserve account shall show a credit balance equal to twenty per centum of the outstanding capital stock of said association.

Whenever said reserve shall have been impaired, said credit balance of twenty per centum shall be fully restored before any dividends are paid. After said reserve has reached said sum of twenty per centum, two per centum of the net earnings shall be annually added thereto.

After deducting the ten per centum or the two per centum hereinbefore directed to be credited to reserve account, said association may, at its discretion, declare a dividend to shareholders of the whole or any part of the balance of said net earnings.

The reserves of farm loan associations shall be invested in accordance with rules and regulations to be prescribed by the Federal Farm Loan Board.

Whenever any farm loan association shall be voluntarily liquidated a sum equal to its reserve account as herein required shall be paid to and become the property of the Federal land bank in which such loan association may be a shareholder.

DEFAULTED LOANS.

SEC. 25. That if there shall be default under the terms of any indorsed first mortgage held by a Federal land bank under the provisions of this Act, the national farm loan association or agent through which said mortgage was received by said Federal land bank shall be notified of said default. Said association or agent may thereupon be required, within thirty days after such notice, to make good said default, either by payment of the amount unpaid thereon in cash, or by the substitution of an equal amount of farm loan bonds issued by said land bank, with all unmatured coupons attached.

EXEMPTION FROM TAXATION.

SEC. 26. That every Federal land bank and every national farm loan association, including the capital and reserve or surplus therein and the income derived therefrom, shall be exempt from Federal, State, municipal, and local taxation, except taxes upon real estate held, purchased, or taken by said bank or association under the provisions of section eleven and section thirteen of this Act. First mortgages executed to Federal land banks, or to joint stock land banks, and farm loan bonds issued under the provisions of this Act, shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation.

Nothing herein shall prevent the shares in any joint stock land bank from being included in the valuation of the personal property of the owner or holder of such shares, in assessing taxes imposed by authority of the State within which the bank is located; but such assessment and taxation shall be in manner and subject to the conditions and limitations contained in section fifty-two hundred and nineteen of the Revised Statutes with reference to the shares of national banking associations.

Nothing herein shall be construed to exempt the real property of Federal and joint stock land banks and national farm loan associations from either State, county, or municipal taxes, to the same extent, according to its value, as other real property is taxed.

INVESTMENT IN FARM LOAN BONDS.

SEC. 27. That farm loan bonds issued under the provisions of this Act by Federal land banks or joint stock land banks shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits.

Any member bank of the Federal Reserve System may buy and sell farm loan bonds issued under the authority of this Act.

Any Federal reserve bank may buy and sell farm loan bonds issued under this Act to the same extent and subject to the same limitations placed upon the purchase and sale by said banks of State, county, district, and municipal bonds under subsection (b) of section fourteen of the Federal Reserve Act approved December twenty-third, nineteen hundred and thirteen.

EXAMINATIONS.

SEC. 28. That the Federal Farm Loan Board shall appoint as many land bank examiners as in its judgment may be required to make careful examinations of the banks and associations permitted to do business under this Act.

Said examiners shall be subject to the same requirements, responsibilities and penalties as are applicable to national bank examiners under the national bank Act, the Federal Reserve Act and other provisions of law. Whenever directed by the Federal Farm Loan Board, said examiners shall examine the condition of any national farm loan association and report the same to the Farm Loan Com-

missioner. They shall examine and report the condition of every Federal land bank and joint stock land bank at least twice each year.

Said examiners shall receive salaries to be fixed by the Federal Farm Loan Board.

DISSOLUTION AND APPOINTMENT OF RECEIVERS.

SEC. 29. That upon receiving satisfactory evidence that any national farm loan association has failed to meet its outstanding obligations of any description the Federal Farm Loan Board may forthwith declare such association insolvent and appoint a receiver and require of him such bond and security as it deems proper: *Provided*, That no national farm loan association shall be declared insolvent by said board until the total amount of defaults of current interest and amortization installments on loans indorsed by national farm loan associations shall amount to at least \$150,000 in the Federal land bank district, unless such association shall have been in default for a period of two years. Such receiver, under the direction of the Federal Farm Loan Board, shall take possession of the books, records, and assets of every description of such association, collect all debts, dues, and claims belonging to it, and, with the approval of the Federal Farm Loan Board, or upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like approval or order, may sell all the real and personal property of such association, on such terms as the Federal Farm Loan Board or said court shall direct.

Such receiver shall pay over all money so collected to the Treasurer of the United States, subject to the order of the Federal Farm Loan Board, and also make report to said board of all his acts and proceedings. The Secretary of the Treasury shall have authority to deposit at interest any money so received.

Upon default of any obligation, Federal land banks and joint stock land banks may be declared insolvent and placed in the hands of a receiver by the Federal Farm Loan Board, and proceedings shall thereupon be had in accordance with the provisions of this section regarding national farm loan associations.

If any national farm loan association shall be declared insolvent and a receiver shall be appointed therefor by the Federal Farm Loan Board, the stock held by it in the Federal land bank of its district shall be canceled without impairment of its liability and all payments on such stock, with accrued dividends, if any, since the date of the last dividend shall be first applied to all debts of the insolvent farm loan association to the Federal land bank and the balance, if any, shall be paid to the receiver of said farm loan association: *Provided*, That in estimating said debts contingent liabilities incurred by national farm loan associations under the provisions of this Act on account of default of principal or interest of indorsed mortgages shall be estimated and included as a debt, and said contingent liabilities shall be determined by agreement between the receiver and the Federal land bank of the district, subject to the approval of the Federal Farm Loan Board, and if said receiver and said land bank can not agree, then by the decision of the Farm Loan Commissioner, and the amount thus ascertained shall be deducted in accordance

with the provisions of this section from the amount otherwise due said national farm loan association for said canceled stock. Whenever the capital stock of a Federal land bank shall be reduced, the board of directors shall cause to be executed a certificate to the Federal Farm Loan Board, showing such reduction of capital stock, and, if said reduction shall be due to the insolvency of a national farm loan association, the amount repaid to such association.

No national farm loan association, Federal land bank or joint stock land bank shall go into voluntary liquidation without the written consent of the Federal Farm Loan Board, but national farm loan associations may consolidate under rules and regulations promulgated by the Federal Farm Loan Board.

STATE LEGISLATION.

SEC. 30. That it shall be the duty of the Farm Loan Commissioner to make examination of the laws of every State of the United States and to inform the Federal Farm Loan Board as rapidly as may be whether in his judgment the laws of each State relating to the conveying and recording of land titles, and the foreclosure of mortgages or other instruments securing loans, as well as providing homestead and other exemptions and granting the power to waive such exemptions as respects first mortgages, are such as to assure the holder thereof adequate safeguards against loss in the event of default on loans secured by any such mortgages.

Pending the making of such examination in the case of any State, the Federal Farm Loan Board may declare first mortgages on farm lands situated within such State ineligible as the basis for an issue of farm loan bonds; and if said examination shall show that the laws of any such State afford insufficient protection to the holder of first mortgages of the kinds provided in this Act, said Federal Farm Loan Board may declare said first mortgages on land situated in such State ineligible during the continuance of the laws in question. In making his examination of the laws of the several States and forming his conclusions thereon said Farm Loan Commissioner may call upon the office of the Attorney General of the United States for any needed legal advice or assistance, or may employ special counsel in any State where he considers such action necessary.

At the request of the Executive of any State the Federal Farm Loan Board shall prepare a statement setting forth in what respects the requirements of said board can not be complied with under the existing laws of such State.

PENALTIES.

SEC. 31. That any applicant for a loan under this Act who shall knowingly make any false statement in his application for such loan, and any member of a loan committee or any appraiser provided for in this Act who shall willfully overvalue any land offered as security for loans under this Act, shall be punished by a fine of not exceeding \$5,000, or by imprisonment not exceeding one year, or both. Any examiner appointed under this Act who shall accept a loan or gratuity from any land bank or national farm loan association examined by him, or from any person connected with any such bank or asso-

ciation in any capacity, shall be punished by a fine of not exceeding \$5,000, or by imprisonment not exceeding one year, 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 an examiner under the provisions of this Act. No examiner, while holding such office, shall perform any other service for compensation for any bank or banking or loan association, or for any person connected therewith in any capacity.

Any person who shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting any bond, coupon, or paper in imitation of, or purporting to be in imitation of, the bonds or coupons issued by any land bank or national farm loan association, now or hereafter authorized and acting under the laws of the United States; or any person who shall pass, utter, or publish, or attempt to pass, utter, or publish any false, forged, or counterfeited bond, coupon, or paper purporting to be issued by any such bank or association, knowing the same to be falsely made, forged, or counterfeited; or whoever shall falsely alter, or cause or procure to be falsely altered, or shall willingly aid or assist in falsely altering any such bond, coupon, or paper, or shall pass, utter, or publish as true any falsely altered or spurious bond, coupon, or paper issued, or purporting to have been issued, by any such bank or association, knowing the same to be falsely altered or spurious, shall be punished by a fine of not exceeding \$5,000 or by imprisonment not exceeding five years, or both.

Other than the usual salary or director's fee paid to any officer, director, or employee of a national farm loan association, a Federal land bank, or a joint stock land bank, and other than a reasonable fee paid by such association or bank to any officer, director, attorney, or employee for services rendered, no officer, director, attorney, or employee of an association or bank organized under this Act shall be a beneficiary of or receive, directly or indirectly, any fee, commission, gift, or other consideration for or in connection with any transaction or business of such association or bank. No land bank or national farm loan association organized under this Act shall charge or receive any fee, commission, bonus, gift, or other consideration not herein specifically authorized. No examiner, public or private, shall disclose the names of borrowers to other than the proper officers of a national farm loan association or land bank without first having obtained express permission in writing from the Farm Loan Commissioner or from the board of directors of such association or 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 person violating any provision of this paragraph shall be punished by a fine of not exceeding \$5,000 or by imprisonment not exceeding one year, or both.

Any person connected in any capacity with any national farm loan association, Federal land bank, or joint stock land bank, who embezzles, abstracts, or willfully misapplies any moneys, funds, or credits thereof, or who without authority from the directors draws any order, assigns any note, bond, draft, mortgage, judgment, or decree thereof, or who makes any false entry in any book, report, or statement of

such association or land bank with intent in either case to defraud such institution or any other company, body politic or corporate, or any individual person, or to deceive any officer of a national farm loan association or land bank or any agent appointed to examine into the affairs of any such association or bank, and every person who with like intent aids or abets any officer, clerk, or agent in any violation of this section, shall be punished by a fine of not exceeding \$5,000 or by imprisonment not exceeding five years, or both.

Any person who shall deceive, defraud, or impose upon, or who shall attempt to deceive, defraud, or impose upon, any person, firm, or corporation by making any false pretense or representation regarding the character, issue, security, or terms of any farm loan bond, or coupon, issued under the terms of this Act; or by falsely pretending or representing that any farm loan bond, or coupon, issued under the terms of this Act by one class of land banks is a farm loan bond, or coupon, issued by another class of banks; or by falsely pretending or representing that any farm loan bond, or coupon, issued under the terms of this Act, or anything contained in said farm loan bond, or coupon, is anything other than, or different from, what it purports to be on the face of said bond or coupon, shall be fined not exceeding \$500 or imprisoned not exceeding one year, or both.

The Secretary of the Treasury is hereby authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into custody of the United States marshal having jurisdiction, any person or persons violating any of the provisions of this section.

GOVERNMENT DEPOSITS.

SEC. 32. That the Secretary of the Treasury is authorized, in his discretion, upon the request of the Federal Farm Loan Board, to make deposits for the temporary use of any Federal land bank, out of any money in the Treasury not otherwise appropriated. Such Federal land bank shall issue to the Secretary of the Treasury a certificate of indebtedness for any such deposit, bearing a rate of interest not to exceed the current rate charged for other Government deposits, to be secured by farm loan bonds or other collateral, to the satisfaction of the Secretary of the Treasury. Any such certificate shall be redeemed and paid by such land bank at the discretion of the Secretary of the Treasury. The aggregate of all sums so deposited by the Secretary of the Treasury shall not exceed the sum of \$6,000,000 at any one time.

ORGANIZATION EXPENSES.

SEC. 33. That the sum of \$100,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Federal Farm Loan Board, for the purpose of carrying into effect the provisions of this Act, including the rent and equipment of necessary offices.

LIMITATION OF COURT DECISIONS.

SEC. 34. That if any clause, sentence, paragraph, or part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

REPEALING CLAUSE.

SEC. 35. That all Acts or parts of Acts inconsistent with this Act are hereby repealed, and this Act shall take effect upon its passage. The right to amend, alter, or repeal this Act is hereby expressly reserved.

Approved, July 17, 1916.

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