

FEDERAL RESERVE BULLETIN

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FEDERAL RESERVE BOARD
AT WASHINGTON

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FEDERAL RESERVE BOARD.

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VOL. 1

AUGUST 1, 1915

No. 4

WORK OF THE BOARD.

The work of the Federal Reserve Board during the month of July has included the following principal elements:

(1) The preparation and issue of new regulations relating to trade acceptances, designed to facilitate the discounting of bills of exchange drawn against sales of goods and accepted by purchasers.

(2) The preparation and issue of complete regulations (in conjunction with the Treasury Department) governing the redemption and return of worn and mutilated Federal reserve notes.

(3) Investigation of conditions as to the moving of crops, the holding of conferences relating thereto, and the issue of special instructions to Federal reserve agents thereon.

(4) Review of conditions relating to the granting of trustee and executor powers, and the establishment of a definite policy regarding the same.

(5) Study of methods for obtaining full information regarding the condition of member banks, for use by Federal reserve banks in passing upon rediscount applications, and the holding of conferences relating thereto.

Pursuant to the announcement made some months ago, the Board has compiled a complete tabular showing of the expenses and earnings of the Federal reserve banks from the date of their organization to the close of business on June 30, 1915, and presents the figures in this issue (p. 176).

Further steps have been taken toward the organization of the New Orleans branch of the Federal Reserve Bank of Atlanta by electing directors and making tentative plans with respect to the undertaking of business. Three directors have been chosen by the Federal Reserve Board, as follows:

Mr. P. H. Saunders, of New Orleans, La.

Mr. Albert P. Bush, of Mobile, Ala.

Mr. James E. Zunts, of New Orleans, La.

Three directors have been chosen by the Federal Reserve Bank of Atlanta, as follows:

Mr. Sol. P. Wexler, of New Orleans, La.

Mr. John H. Fulton, of New Orleans, La.

Mr. W. J. Davis, of Jackson, Miss.

One additional director remains to be chosen by the Federal Reserve Bank of Atlanta, and this director will act as manager of the bank.

During the month the board has had under very careful consideration the question of time and conditions under which Federal reserve banks should begin to act as fiscal agents of the United States Government in accordance with the provisions of the Federal reserve act.

Considerable work has been done during the month by the committee on State banks and the division of audit and examination in making the necessary arrangements for the admission of State banks applying for membership in the Federal reserve system, in arranging with State bank authorities for the supplying of the necessary information, and in investigating the status of the various applicants for admission. The procedure now in force with reference to admission is, in brief, as follows:

1. After approval by the committee on admission of State banks, a letter or telegram, with the necessary instructions, is to be sent to the Federal reserve agent.

2. After receipt of an application from the Federal reserve agent, reports, digest, and recommendation are to be submitted (a) to the committee on admission of State banks for approval; (b) to counsel for approval as to legal form of application and as to the legality of suggested conditions; (c) to the Board for final approval.

During the month of July members of the Board have with its approval accepted invitations to appear before various gatherings of bankers and to address them on questions relating to the Federal reserve system. This is in pursuance of the policy of the Board of keeping in touch with the various organizations and informing them of the Board's attitude as to pending problems.

EARNINGS AND EXPENDITURES OF FEDERAL RESERVE BANKS.

Several months ago the Federal Reserve Board authorized the publication of a comparative statement of earnings and expenses of all Federal reserve banks for the period terminating at the close of business June 30, 1915, the banks having been opened on November 16, 1914. It was directed that the statement of earnings and expenses be published periodically thenceforward.

Accordingly there is herewith presented a comparative statement of earnings and expenses for the period November 16, 1914-June 30, 1915. The classification employed was submitted to the governors of reserve banks at their recent meeting in Chicago, on June 14, 1915, and has since then been informally considered with other operating officers.

The statements of expenses and earnings of the 12 Federal reserve banks, submitted by the banks at the request of the Federal Reserve Board as of June 30, 1915, show that the system is paying current expenses and carrying a surplus to its organization, equipment, and cost-of-notes accounts. The earnings of the system from November 16, 1914, when the banks were opened, to June 30, 1915, were \$918,588.59, or about \$25,000 over current expenses. During that period expenditures of about \$1,777,000 were incurred, but of this sum \$378,922 was for organization expenses, \$202,136 for equipment, and \$302,159 was the cost of preparing Federal reserve notes. These expenditures should be distributed over a period of perhaps several years of operation. Current expenses during the seven and one-half months were \$894,117. The first order placed for Federal reserve notes was for \$250,000,000. After consultation with the operating officers of the Federal reserve banks a second order for a similar amount was given, making the total of such notes prepared \$500,000,000.

The earnings of the system during the month of June were \$163,747.07, or more than one-third greater than the average monthly earn-

ings for the seven and one-half months since November 16, 1914. Current expenses for June were, however, only \$122,473.92, which is less than 3 per cent in excess of the average monthly current expenses of the banks to June 30. These figures furnish a basis of comparison between conditions at this time and the average for the entire period covered by the statements of expenses and earnings.

The statement, a complete detailed analysis of which follows, shows average earnings for what may be roughly termed the first one-half year of the operation of the system of 4.3 per cent on capital, against an average percentage of current expenses to capital of 4.2 per cent. The Federal Reserve Bank of Richmond reports 7.5 per cent of net earnings, by which is meant total earnings less current expenses, and the Federal Reserve Bank of Atlanta earnings of 6.1 per cent. The net earnings of the Federal Reserve Bank of Dallas for the same period are 2.4 per cent. Gradual growth in the financial strength of the banks is seen in the fact that for June earnings in excess of current expenses were shown by the Federal reserve banks of Boston and San Francisco, besides the three southern banks and the New York and Chicago banks, which show excess of earnings over current expenses for the entire period under consideration.

I. EARNINGS.

The total earnings of the Federal reserve banks from November 16, 1914, the day the banks were opened for business, to June 30, 1915, amounted to \$918,588.59. Of this total about 59 per cent was from notes discounted, over 24 per cent from municipal warrants, a little over 10 per cent from acceptances, about 6 per cent from United States bonds, and less than 1 per cent from miscellaneous, mainly exchange, operations.

Over 37 per cent of the total earnings are credited to the three southern banks, the earnings of the Richmond bank being exceeded only

by those of the New York bank, whose paid-in capital is, however, almost 25 per cent in excess of the combined paid-in capital of the three southern banks. In all four banks, viz, New York, Richmond, Chicago, and Atlanta, each report over \$100,000 of total earnings for the seven and one-half months under discussion. These four banks, as well as Dallas, show an excess of earnings over current expenses.

While nearly 60 per cent of the total earnings of all the banks is derived from rediscounts of commercial paper, this percentage is very close to 100 in the case of the three southern banks, and much less for the eastern banks, whose principal earnings are from funds invested in municipal warrants. This is particularly true of the New York bank, whose earnings from investments in the latter class of paper constituted over 60 per cent of its total earnings. The Boston and Philadelphia banks report about 50 per cent and Cleveland over 42 per cent of all earnings from this class of business. The western banks, including San Francisco, show, without exception, larger earnings from investments in United States bonds than from investments in municipal paper, which is issued mainly by eastern cities. Thus, the Chicago bank reports 25.6 per cent of its total earnings under the head of United States bonds, as against 25.5 per cent under the head of "Warrants"; St. Louis, over 16 per cent from investments in United States bonds, as against less than 5 per cent from warrants. Minneapolis shows relatively larger earnings from warrants, having purchased late in December of last year a relatively large amount of short-term notes of the State of Minnesota. As a rule, the western banks purchase these warrants through the eastern banks. Cleveland is the only eastern bank to report any earnings under the head of United States bonds. Of the \$92,000 earned from acceptances the share of the eastern banks is over 73 per cent. Of the western banks Chicago and San Francisco only report substantial earnings from this class of business, a large portion of which comes to them through the Federal Reserve Bank of New York.

II.—EXPENDITURES.

A—Current expenses.

Of a total expenditure for the system of about \$1,777,000 incurred to June 30, 1915, the current expenses of the banks since November 16, 1914, constituted about 56 per cent. Over 63 per cent of the current expenses of the banks went as compensation for personal services and over 55 per cent as salaries to officers and the clerical staff of the banks. This percentage, while varying from bank to bank, shows, however, but little variation by geographic sections, the four eastern banks, for instance, indicating the same percentage of officers' and clerks' salaries as the four western banks, viz, 55 per cent as against 53 per cent shown for the three southern, more active, banks. Over 11 per cent of the total current expenses is represented by the item "Rent," and about 7 per cent by the item "Printing and stationery." The operating ratio of the banks, i. e., the per cent relation of the total current expenses to earnings shows a falling tendency, this ratio being 97 per cent for the period since November 16, 1914, and less than 75 per cent for the month of June.

B—Organization expenses.

The organization expenses of the banks consist in the first place of amounts contributed by the banks to defray the expenses of the Federal Reserve Board, the total for the period since November 16 being \$191,921.94. These contributions, beginning with July 1, 1915, will be included among the current expenses of the banks. Over \$187,000 expended for local requirements by the banks prior to November 16, 1914, are also classed as organization expenses.

C—Equipment.

Expenditures of a non-recurring character made in the purchase of furniture, safes, machines, and the cost of installing fixtures, vaults, etc., have been brought together under the above common head. This expenditure results in the acquisition of a more permanent form of assets which should be spread as an

expense over the entire period of use, and not merely over the first fiscal year.

D—Cost of Federal reserve notes.

For similar reasons the cost of printing and shipping the Federal reserve notes has been set up separately and will be charged only in part to the first year's expenditures.

EARNINGS AND CURRENT EXPENSES RELATED TO AVERAGE CAPITAL.

The earnings and current expenses of the several banks have been related to the average capital of these banks. This average was obtained by using for the periods of November 16, 1914, to February 1, February 2 to May 1, and May 2 to June 30, the amounts of capital reported for each bank as at close of business on November 19, February 4, and May 7, respectively. These figures were multiplied by 78, 89, and 60, the

number of days in each of the three periods, and the sum of the three products for each bank was divided by 227, the number of days from November 16, 1914, to June 30, 1915. In this manner a weighted average capital was obtained, which, it is believed, is sufficiently accurate for the purpose of calculating the per cent relations between earnings and capital and expenses and capital. These latter percentages were obtained by using the weighted capital of each bank as divisor, and the earnings and expenses as dividends. The quotients thus obtained were multiplied by the fraction $\frac{227}{227}$.

The following table shows the amounts of capital used for each of the three periods, the weighted average capital, and the percentages of earnings and expenses to the capital of each reserve bank for the period November 16, 1914, to June 30, 1915:

Earnings and current expenses of the Federal reserve banks related to their average capital.

[In thousands of dollars.]

Federal reserve banks.	Capital reported at close of business on Fridays.			Days × capital (000's omitted).	Weighted average capital.	Percentage of current earnings to capital.	Percentage of current expenses to capital.
	Nov. 19, 1914.	Feb. 4, 1915.	May 7, 1915.				
Boston.....	1,620	3,184	4,781	696,596	3,069	<i>Per cent.</i> 1.9	<i>Per cent.</i> 3.2
New York.....	3,322	6,633	9,944	1,446,093	6,371	4.3	3.2
Philadelphia.....	2,088	4,084	6,188	897,620	3,954	2.2	2.7
Cleveland.....	2,026	3,997	5,959	871,301	3,838	1.9	3.1
Richmond.....	1,089	2,072	3,252	464,470	2,046	11.6	4.1
Atlanta.....	787	1,427	2,257	323,809	1,426	11.6	5.5
Chicago.....	2,185	4,300	6,559	947,450	4,174	4.8	4.2
St. Louis.....	935	1,824	2,774	401,706	1,770	3.0	8.4
Minneapolis.....	808	1,602	2,345	346,302	1,525	3.4	5.3
Kansas City.....	935	1,773	2,754	395,967	1,744	2.2	6.5
Dallas.....	957	1,690	2,780	391,856	1,726	8.8	6.4
San Francisco.....	1,296	2,537	3,894	560,521	2,469	3.5	4.7
Total.....	18,058	35,123	53,487	7,743,691	34,112	4.3	4.2

Earnings and expenditures of each of the Federal reserve banks prior to and since November 16, 1914, to June 30, 1915.

	Boston.	New York.	Philadel- phia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapo- lis.	Kansas City.	Dallas.	San Francisco.	Totals for the system.
I. Earnings, Nov. 16, 1914, to June 30, 1915:													
Bills discounted.....	\$5,989.52	\$28,212.43	\$14,080.37	\$18,163.77	\$146,540.14	\$102,631.57	\$40,942.48	\$24,788.02	\$12,103.12	\$12,464.15	\$95,074.17	\$34,685.82	\$541,675.76
Acceptances.....	12,976.00	37,165.46	11,602.13	5,781.88	.....	.....	11,209.71	1,426.65	2,030.17	2,923.49	.....	6,969.11	92,085.26
Investments.....	.....	.....	.....	1,541.14	.....	.....	31,826.25	1,650.71	7,480.56	6,894.68	.....	8,331.31	57,724.65
United States bonds.....	.....	.....	.....	.....	.....	.....	31,938.16	5,597.51	10,643.26	1,056.39	.....	3,801.43	220,720.31
Warrants.....	18,424.38	104,003.82	26,017.71	18,885.25	232.40	.....	31,938.16	5,597.51	10,643.26	1,056.39	.....	3,801.43	220,720.31
Sundry profits.....	63.24	1,115.65	1,480.30	160.18	453.75	184.58	2,827.94	11.55	75.48	.....	.94	.....	6,352.61
Total.....	37,453.80	170,497.36	53,180.71	44,541.22	147,286.29	102,816.15	124,744.54	33,474.44	32,332.50	23,338.71	95,075.11	53,847.67	918,588.59
II. Current expenses, Nov. 16, 1914, to June 30, 1915:													
Federal advisory council (fees).....	310.00	.....	338.54	380.00	.....	250.00	160.00	.....	60.00	283.60	300.00	.....	2,082.14
Directors' fees.....	6,377.85	5,480.00	2,970.00	1,610.00	2,280.00	4,575.00	1,620.00	2,720.00	1,015.00	2,110.00	960.00	2,140.00	34,757.85
Legal fees.....	600.25	2,250.00	300.00	1,025.00	500.00	1,004.10	500.00	.....	1,173.75	551.20	93.50	.....	7,997.80
Salaries—													
Bank officers.....	18,216.60	39,299.89	21,617.78	18,500.16	16,502.87	13,860.07	31,250.02	34,170.83	17,253.31	16,820.82	19,408.25	23,066.67	270,057.25
Clerical staff.....	13,149.57	31,936.43	17,869.19	23,541.90	12,764.94	12,163.02	26,821.84	23,439.06	11,852.07	18,879.67	15,094.24	19,416.35	226,928.28
Special officers and watch- men.....	275.00	2,449.09	3,544.57	.....	680.44	1,216.98	2,952.18	957.62	1,161.99	675.00	718.50	57.00	14,694.37
Other.....	.....	266.50	980.46	.....	830.50	.....	2,447.50	753.35	685.22	813.33	2,374.50	.....	9,156.36
Traveling expenses—													
Directors.....	1,109.02	2,175.55	950.84	2,000.24	1,542.98	1,389.55	1,478.58	768.59	532.53	3,259.23	1,116.80	168.00	16,587.91
Officers and clerks.....	1,087.74	928.40	365.55	1,725.81	810.83	1,429.63	1,516.79	2,026.30	1,452.02	1,102.50	552.83	2,702.10	15,818.50
Per diem allowance of directors.....	680.00	1,620.00	700.00	1,090.00	1,550.00	833.10	780.00	1,620.00	830.00	2,375.00	860.00	210.00	13,178.10
Telephone.....	614.58	715.50	478.69	694.81	195.38	128.56	773.35	421.93	333.95	334.44	321.31	247.50	5,260.01
Telegraph.....	111.86	242.45	438.10	2,600.25	220.90	295.50	430.30	424.22	235.87	407.34	188.89	337.10	5,992.84
Postage.....	847.96	1,250.35	2,022.04	1,829.90	2,155.35	1,609.61	3,344.19	3,420.11	1,410.45	5,633.39	2,058.38	1,325.40	26,907.73
Expressage.....	1,653.87	700.69	1,488.15	618.03	2,213.07	1,700.00	2,015.24	626.41	1,106.16	1,149.67	3,022.80	265.75	16,589.84
Rent.....	7,733.35	26,083.30	5,489.56	3,781.89	3,481.25	4,062.52	14,666.66	10,503.40	3,250.02	5,288.87	6,279.65	10,550.44	101,170.91
Insurance and premiums on fidelity bonds.....	821.18	1,175.76	2,608.49	1,309.11	999.47	454.78	2,416.69	1,753.90	2,505.17	830.37	4,394.27	1,286.92	20,550.11
Light, heat, and power.....	485.71	.....	735.72	.....	382.52	35.54	807.55	.....	93.58	838.50	.....	184.35	3,568.47
Printing and stationery.....	4,384.99	5,369.23	2,720.04	7,167.35	1,523.86	2,270.39	8,784.10	7,304.84	3,508.13	7,256.25	8,187.26	3,917.16	62,423.60
Repairs and alterations.....	389.34	.....	678.12	.....	553.72	27.50	1,186.39	122.80	506.09	.....	78.24	3,913.39	7,755.59
All other.....	3,006.36	5,492.01	1,396.82	6,087.80	2,139.52	1,570.40	4,637.07	945.48	779.10	2,351.98	2,115.45	2,112.31	32,634.30
Total.....	61,945.21	127,433.15	67,699.24	74,022.23	51,663.60	48,906.31	108,618.45	91,983.84	50,649.41	71,051.16	68,214.87	71,930.44	894,117.96
III. Current earnings, June, 1915.....	10,121.45	19,928.84	7,820.39	7,646.77	30,207.10	16,918.30	17,682.48	4,897.73	6,741.82	5,740.38	23,686.06	12,325.75	163,747.67
IV. Current expenses, June, 1915.....	8,683.33	17,240.20	9,262.38	12,087.01	8,063.94	7,802.31	13,236.30	10,802.74	7,253.90	10,228.93	10,172.96	7,639.92	122,473.02
V. Organization expenses:													
Assessments for general ex- penses of the Federal Reserve Board Nov. 16, 1914, to June 30, 1915.....	17,265.62	35,434.18	22,238.06	21,511.14	11,555.93	8,342.05	23,307.05	9,848.55	8,557.98	9,879.48	10,163.92	13,817.08	191,921.91
Miscellaneous expenses incurred prior to Nov. 16, 1914.....	12,999.57	30,766.13	14,893.00	15,866.42	12,011.92	13,867.87	16,472.59	5,851.30	13,204.70	15,698.98	14,556.13	20,809.41	187,001.02
Total.....	30,265.19	66,200.31	37,131.06	37,377.56	23,567.85	22,209.92	39,779.64	15,702.85	21,762.68	25,578.46	24,720.05	34,626.49	378,922.96
* VI. Equipment:													
Furniture and fixtures.....	9,455.79	9,963.99	4,208.28	4,632.44	3,762.71	1,160.99	9,290.30	9,817.52	5,656.50	5,324.27	2,381.90	932.35	63,587.04
Vaults.....	.....	.....	.....	9,532.80	.....	.....	9,960.00	.....	15,105.35	15,071.41	115.00	.....	46,784.56
Machines.....	552.84	3,930.75	5,479.60	3,396.77	7,037.00	3,039.61	6,879.68	6,762.20	1,591.25	11,184.70	.....	3,368.02	53,228.42
Other.....	.....	9,392.89	4,564.14	910.79	.....	.....	2,478.75	370.54	49.00	14,056.28	6,724.38	.....	38,536.77
Total.....	10,008.63	20,283.63	14,252.02	18,472.80	10,799.71	4,200.00	25,608.73	16,950.26	22,402.10	45,636.66	9,221.28	4,300.37	202,136.79
VII. Cost of Federal reserve notes.....	20,297.51	99,983.44	27,798.64	26,888.80	11,566.18	11,566.18	29,133.75	16,625.75	11,142.02	12,340.32	11,536.14	17,271.32	302,159.11

THE COTTON SITUATION.

On June 30 the Federal Reserve Board, with a view to informing itself thoroughly regarding the situation in the cotton States and the problems to be met in moving the cotton crop this year, appointed a special committee to investigate and report on the status. That the Federal reserve agents might be advised of the desire of the Board and might furnish such data as were in their possession, Mr. W. P. G. Harding, member of the Board and chairman of the special committee, issued the following letter to the Federal reserve agents in the cotton region:

The Federal Reserve Board, realizing the possibility of congestion of stocks of cotton this fall due to abnormal conditions in our export trade, desires full information regarding the facilities in your district for warehousing and financing the cotton which would under ordinary conditions be exported. The Board has, therefore, appointed a committee to study the question and gather data on the subject. The Board feels that in view of the large surplus reserves now held by the banks throughout the country there should be no difficulty, so far as the financial ability of the country is concerned, in providing for necessary advances upon that part of the crop which will eventually be shipped abroad. It appears from data in hand that the demand for our domestic manufactures of cotton goods is increasing, and it seems to the Board's committee that there is no occasion whatever for a depression in the price of raw cotton such as was experienced last fall. The committee believes that arrangements should be made to assure producers of cotton of the cooperation of merchants and bankers in the proper handling of the crop.

In this connection attention is called to the estimate by the Department of Agriculture that the South has a warehouse capacity of 9,664,000 bales. If proper use is made of this capacity and of the loanable resources of the banks, including both members and nonmembers of the Federal Reserve system, a gradual marketing of the crop will be entirely possible, and any danger of a repetition of last year's conditions will be averted.

The writer, as chairman of the board's committee, would be glad to have your views on this subject, and is anxious to secure your cooperation in formulating plans to reassure and protect the farmers, merchants, and others interested in our cotton-growing industry.

Subsequently a committee of the board held a conference at the Federal Reserve Bank of New York on July 16, which was participated in by a number of New York bankers having close connection with the cotton States. The general feeling as to the prospect for the coming autumn was optimistic, the bankers taking the view that all funds needed for crop moving would be readily forthcoming.

Mr. Harding has analyzed the cotton crop conditions now prevailing as compared with those of a year ago, as follows:

In view of the apprehension manifested by some of the southern farmers and business men regarding the marketing of the cotton crop now approaching maturity, it is well to make comparison between the conditions affecting the cotton market that prevailed last August and those existing at the present time. For the sake of greater clearness this comparison will be made in parallel columns.

August, 1914.

The shock resulting from the sudden outbreak of war between Great Britain, Russia, France, Serbia, and Japan on one side and Germany and Austria-Hungary on the other created a financial crisis throughout the world and paralyzed ocean transportation at a time when grain and other crops were moving to the ports for shipment abroad. Bankers and merchants in the United States owed England and the Continent on current account about \$450,000,000. Owing to lack of shipping facilities this indebtedness could not be liquidated in a normal manner by exporting commodities, and in many cases gold settlements were demanded, so that the excess of our gold exports over imports from June 1 to December 30, 1914, amounted to \$156,287,254.

Maturing grain crops in the South insufficient for home consumption.

Moderate corn crop and good wheat crop in the West.

Federal reserve banks not yet organized.

July, 1915.

The war continues, the number of belligerents being increased by the addition of Turkey on the side of the Teutonic allies and by Italy on that of the Entente powers.

Germany's and Austria's war ships confined in the North Sea, Baltic, and Adriatic. Their commerce-destroying cruisers in other seas have been either destroyed or interned. German and Austrian merchant vessels interned in various ports throughout the world. The sea area surrounding the British Isles declared a war zone and blockaded by German submarines. About 90 per cent of all trans-Atlantic commerce carried in British bottoms.

Current indebtedness of America abroad entirely liquidated. Trade balance in our favor for fiscal year ended June 30 more than \$1,000,000,000. Excess of gold imports over exports January 1, 1915, to June 30, 1915, \$140,070,000.

Very large southern crop of corn in sight, and increased crops of other grains. Large corn and wheat crops in the West.

Federal reserve banks in operation.

Cotton and stock exchanges closed, and all financial centers in fear of an avalanche of stocks, bonds, and mortgages returned to this country by Europe for sale. Lack of ability or disposition to make loans on cotton.

Interest rates throughout the country abnormally high, and while there was no longer a call loan market, rates on what had been call loans at 2 and 2½ per cent were advanced to 6 and 8 per cent.

Trade in textiles dull; demand poor.

General industrial depression, closing of mills, curtailment of production, and much labor without employment.

Railroad earnings decreased rapidly.

Unusually large use of fertilizer, and heavy borrowings on cotton crop in advance of its preparation.

Cotton acreage 37,400,000 acres, which produced, including linters, approximately 17,000,000 bales.

Under the most adverse conditions conceivable, with demoralization in every money market, with high interest rates, with emergency currency being issued daily in large volume, with enormous gold shipments abroad, with crippled shipping facilities, without adequate insurance protection, and with ocean freights three to five times normal, we began in August, 1914, to market a crop of nearly 17,000,000 bales of cotton. Financial institutions, already hard pressed and fearing all manner of unforeseen contingencies, were unable and unwilling to make advances on cotton. In addition to this the southern farmers, who have this year planted record-breaking food crops, were faced with a deficiency in home-raised foodstuffs, and were in many cases forced to sell cotton to pay off pressing indebtedness and to secure adequate food supplies.

Attention is called to the fact that the high prices for cotton now prevailing in Germany and Russia, about 30 cents a pound, will attract cotton to those countries in spite of ap-

All exchanges doing active business in a normal way.

Gradual absorption at advancing prices of American securities held in Europe. Such sales by Europe not discouraged and perhaps necessary as a basis for credits here for purchases of foodstuffs, cotton, and supplies.

Money rates abnormally low, and banks generally report large surplus of loanable funds.

Textile trade fairly good. Some complaint of lack of dyestuffs. Agitation for manufacture of dyes in this country.

Improved business conditions; mills reopened; labor well employed.

Railroad earnings increasing, with good prospects for the remainder of the year. Steel mills active. Better business in coal and iron.

Cotton acreage 31,535,000 acres. Estimates on growing crop run from 11,000,000 to 13,000,000 bales, with the probabilities favoring the lower figure.

parently insurmountable obstacles, just as high prices paid for cotton abroad during the Civil War made blockade running a steady business. There seems to be no question that ample funds can be obtained to finance in a normal way a much larger volume of cotton than was taken care of last year, and that even if Germany and Austria-Hungary should be forced to suspend cotton manufacturing entirely statistics show that the mills of the United States, Great Britain, Spain, Russia, Italy, Japan, China, and India have spindles sufficient to absorb every bale of cotton that is likely to be cultivated.

It should be noted that the reduction in American cotton acreage this year amounts to more than 5,000,000 acres, and that Egypt and India have also made radical reductions in cotton acreage. It is probable that the world's cotton crop, based on an average yield an acre, will be about 5,000,000 bales less than last year.

Of course it is desirable that as broad a market as possible for cotton be established. That it is the earnest desire of the President, born in the South and a resident of that section in youth, during the period of life when one's tenderest ties and most enduring friendships are formed, to assist his native section in solving the problems now confronting it, can not be doubted, as the South's cotton problem is essentially national.

But it should be remembered that the President owes a higher duty to the South, to the whole country, and to mankind at this juncture than the establishment of cotton prices. Serious complications between this country and any great foreign power would certainly not enhance cotton values. No man is as familiar with the great world problems of to-day and the relationship of this country to them as is the President, and he may be trusted to do his duty as he sees it, regardless of private appeals or public clamor.

Cotton, unlike grain, is a commodity the market value of which depreciates in time of war, and the South as a producer of that commodity has suffered. The actual position of cotton, however, is so much stronger than was the case a year ago, and financial and other conditions are so very much more favorable, that there can be no doubt that if the South will keep cool and will refrain from merely weakening its own position by unwise action, the present nervousness regarding the market for the growing crop will soon disappear.

Even in the face of all the adverse conditions during the last 12 months the average price of cotton has been about what might

have been expected for a 17,000,000-bale crop had there been no war, and there is every reason to believe that the average price of cotton during the next 12 months will be higher.

The real question is, Will southern merchants and southern bankers, and all others interested in southern trade, cooperate in securing for the cotton producers the benefit of this average price, and will the cotton producers themselves do their part? My knowledge of southern character and of southern business conditions justifies a confident belief that an affirmative answer will be given.

The cotton tragedy of 1914 will be succeeded in 1915 by nothing more serious than a drama.

State Bank Membership in Federal Reserve System.

The following States have passed laws expressly authorizing State banks to become member banks:

Idaho.	Missouri.	South Carolina.
Iowa.	Montana.	South Dakota.
Kentucky.	Nebraska.	Texas.
Maine.	New Jersey.	Utah.
Massachusetts.	New York.	Virginia.
Michigan.	North Dakota.	Washington.
Minnesota.	Ohio.	
Mississippi.	Oregon.	

In the following States there has been no specific legislation, but the State authorities have ruled that State banks may subscribe for stock in the Federal reserve bank of the district in which they are located:

Alabama.	Illinois.	North Carolina.
Arizona.	Indiana.	Rhode Island. ²
Arkansas.	Kansas.	Tennessee.
California.	Louisiana.	Vermont.
Delaware.	Maryland.	West Virginia.
Georgia.	New Mexico. ¹	Wisconsin.

In the following States the State authorities have filed opinions to the effect that State banks can not subscribe for stock in a Federal reserve bank:

Connecticut.	Nevada.	Wyoming.
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¹ As to trust companies but not as to other banks.

² Only as to trust companies and not as to State banks.

In Pennsylvania, Mr. William Hargust, second deputy attorney general wrote, in reply to a telegram from Secretary McAdoo, that he was unable to state positively whether or not State banks could subscribe for stock in a Federal reserve bank.

The counsel for the Cleveland bank has filed an opinion that all State banks in Pennsylvania can probably subscribe for stock in a Federal reserve bank though the question is not free from doubt.

The counsel of the Federal Reserve Bank of Philadelphia has filed an opinion to the effect that it is probably all right as to trust companies located in Pennsylvania, but not as to other banks.

The attorney general of Oklahoma has filed an opinion to the effect that the laws of Oklahoma are not sufficiently clear to enable him to determine whether or not a State bank located in Oklahoma can subscribe for stock in a Federal reserve bank.

The attorney general of Colorado has filed an opinion stating that a strict interpretation of the laws of that State would prohibit State banks from becoming members, but that such laws were passed prior to the passage of the Federal reserve act and that the legislature could not have intended to prohibit State banks from becoming members of a Federal reserve bank. He predicts favorable action by the Colorado Legislature, but we have no report that such action has been taken.

In Florida and New Hampshire the State authorities have made no ruling one way or the other, but the counsel of the Federal Reserve Bank of Atlanta has filed an opinion stating that trust companies but not State banks may subscribe for stock in a Federal reserve bank, and the counsel for the Federal Reserve Bank of Boston has expressed his opinion to the effect that the right of trust companies located in New Hampshire to subscribe for stock must be determined by the charter of each individual trust company, there being no general incorporation law for trust companies.

GOLD SETTLEMENT FUND.

The gold settlement fund has, since the issuance of the last Bulletin, shown a notable increase in gold deposits, which have now reached a net total of \$50,300,000 (as of July 26). The number of transfers between the banks has also been increasing. The first withdrawal from the fund was made on July 14, the Federal Reserve Bank of Chicago having on that date requested that \$2,000,000 be paid to it through the subtreasury at Chicago. Its telegram was filed at 10.30 a. m., and at 2.30 p. m. of the same day the Assistant Treasurer of the United States at Chicago advised the bank of his readiness to make the payment requested. The transaction is an excellent illustration of the mobility and ready availability of the moneys held in the gold settlement fund.

In order to meet the wishes of the Federal reserve banks, the Board has made provision for the inclusion of overdrafts between the Federal reserve banks in the weekly settlement, the following letter having been sent to all banks on July 8; and the plan has been in operation at three weekly settlements with satisfactory results:

"Beginning with the weekly settlement of July 15th, you are requested to include in your telegram of Wednesday evening the amounts of overdrawn balances in your accounts "Due to" other Federal Reserve Banks and also in your accounts "Due from" other Federal reserve banks. The overdrafts reported will be included in the weekly settlement, the figures given by the bank reporting an overdraft in its account "Due from" being used. That is to say, a bank which acknowledges an overdraft in its account with another bank arising from its having issued drafts or made transfers to amounts in excess of the balance created by its remittances to the second bank, will be charged at the settlement with the amount which it acknowledges owing in its "Due from" account. This will of course be in addition to the amount which it now reports "Due to" the second bank in the account arising from remittances received from the latter.

"This plan, it is thought, will frequently eliminate the necessity of special transfers on the books of the gold settlement fund and will at the same time continue the present practice

of having charges made against the account of any bank with the fund only upon specific authorization from such bank. It is adopted as a tentative measure. The board will be glad to have your views or suggestions as regards the matter.

"It is not to be understood, however, that the adoption of this plan is intended to do away with transfers between banks on the books of the gold settlement fund. Such transfers should be made whenever occasion arises in which a transfer of this kind will facilitate the transaction of the reserve bank's exchange or investment business and where the nature of the transaction between the banks is such that an immediate transfer of funds should be made without waiting for the weekly settlement."

In proposing a plan for a gold-settlement fund such as that which is now in operation, the Preliminary Organization Committee pointed out, in a report of June, 1914, that, with the establishment of a central fund and weekly settlements, the normal clearing effected by the interchange of ordinary business transactions would render unnecessary the transfer of large sums of money in the payment of balances arising between Federal reserve banks. Although it is still very early to draw conclusions as to the extent to which this clearing has been operative, it is interesting to examine the figures now available, covering 10 weeks of operations, with a view to ascertaining the extent to which it has operated and to which balances between the different banks have served to extinguish each other. The following table gives the total clearings at each settlement from May 20 to July 22, inclusive, amounting in all to \$231,996,000, and the balances at these clearings amounting to \$50,496,000.

Settlement of—	Total clearings.	Balances.
1915.		
May 20.....	\$43,522,000	\$6,382,000
May 27.....	19,644,000	5,433,000
June 3.....	18,985,000	3,901,000
June 10.....	25,354,000	4,625,000
June 17.....	26,458,000	6,450,000
June 24.....	18,419,000	2,405,000
July 1.....	21,389,000	3,342,000
July 8.....	35,011,000	12,145,000
July 15.....	17,192,000	2,783,000
July 22.....	17,022,000	3,030,000
	231,996,000	50,496,000

Thus by the process of offsetting the amounts which each Federal reserve bank owes against the amount which the other banks owe it, the payment necessary to settle the obligations is only about 21.76 per cent of the total amount of the obligations; but the operations of the gold-settlement fund during the past 10 weeks show clearly that even this relatively small transfer of funds does not have to be made in full, as the net change in the ownership of the moneys comprising the fund, shown in the following table, has been only \$12,054,000, or approximately 5.2 per cent of the total obligations which have been settled through the fund.

	Total net deposits.	Balance, July 22, 1915.	Increase.	Decrease.
Boston.....	\$3,230,000	\$7,707,000	\$4,477,000	
New York.....	15,000,000	9,651,000		\$5,349,000
Philadelphia.....	3,500,000	171,000		3,329,000
Cleveland.....	2,630,000	4,256,000	1,626,000	
Richmond.....	2,320,000	2,812,000	492,000	
Atlanta.....	260,000	1,304,000	1,044,000	
Chicago.....	5,770,000	9,329,000	3,559,000	
St. Louis.....	3,220,000	1,657,000		1,563,000
Minneapolis.....	1,000,000	1,187,000	187,000	
Kansas City.....	3,480,000	3,611,000	131,000	
Dallas.....	3,160,000	3,998,000	538,000	
San Francisco.....	2,830,000	1,017,000		1,813,000
Total.....	46,400,000	46,400,000	12,054,000	12,054,000

Considering the relatively short time which the fund has been in operation and during which the process of normal clearing has been operative, this showing is very favorable; as for a longer period, say of a year, the percentage of money transfer necessary to settle the total obligations would probably be much smaller. The experience of the past 10 weeks indicates that a reserve bank which is a creditor at the clearings one week may be and often is a debtor the following week; and this suggests the conclusion that during a period of a year, in which the various factors affecting movements of money and exchange shall have completed a cycle, the relative change in the ownership of the fund will be even smaller in proportion to the total transactions, although just how small can more accurately be determined from the experience of the coming year.

A continuation of the summary of transactions given in the last issue of the Bulletin follows, the form having been slightly changed in order to facilitate the inclusion of figures for gold withdrawals and transfers between Federal reserve banks.

Gold settlement fund—Summary of transactions June 17, 1915, to July 22, 1915.

Federal Reserve Bank of—	Balance last statement, June 17, 1915.	Gold—		Transfers—		Settlement of June 24, 1915.				Balance in fund after clearing, June 24, 1915.
		With-drawn.	Deposited.	From—	To—	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....	\$3,574,000				\$200,000	\$355,000	\$2,841,000	\$2,486,000		\$3,419,000
New York.....	3,599,000						3,479,000	4,359,000	\$879,000	4,478,000
Philadelphia.....	1,780,000					917,000	2,512,000	1,595,000		863,000
Cleveland.....	2,695,000		\$600,000			7,000	171,000	164,000		3,288,000
Richmond.....	2,416,000					107,000	717,000	610,000		2,309,000
Atlanta.....	1,749,000					168,000	417,000	249,000		1,581,000
Chicago.....	5,013,000					528,000	3,982,000	3,454,000		4,485,000
St. Louis.....	1,869,000						2,928,000	3,172,000	244,000	2,113,000
Minneapolis.....	1,286,000					183,000	339,000	156,000		1,103,000
Kansas City.....	2,514,000						562,000	1,198,000	636,000	3,150,000
Dallas.....	1,622,000						305,000	951,000	646,000	2,268,000
San Francisco.....	1,253,000		570,000	\$200,000		140,000	166,000	26,000		1,483,000
Total.....	29,370,000		1,170,000	200,000	200,000	2,405,000	18,419,000	18,419,000	2,405,000	30,540,000

Gold settlement fund—Summary of transactions June 17, 1915, to July 22, 1915—Continued.

Federal Reserve Bank of—	Balance last statement, June 24, 1915.	Gold.		Transfers.		Settlement of July 1, 1915.				Balance in fund after clearing, July 1, 1915.
		With-drawn.	Deposited.	From—	To—	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....	\$3,419,000						\$2,845,000	\$3,243,000	\$398,000	\$3,817,000
New York.....	4,478,000				\$450,000	\$2,572,000	7,170,000	4,598,000		2,586,000
Philadelphia.....	863,000		\$1,000,000			41,000	3,095,000	3,054,000		1,822,000
Cleveland.....	3,288,000						123,000	355,000	232,000	3,520,000
Richmond.....	2,309,000		300,000				680,000	766,000	86,000	2,695,000
Atlanta.....	1,581,000						403,000	462,000	59,000	1,640,000
Chicago.....	4,485,000				30,000		3,399,000	4,721,000	1,322,000	5,837,000
St. Louis.....	2,113,000					729,000	2,830,000	2,101,000		1,384,000
Minneapolis.....	1,103,000						269,000	273,000	4,000	1,107,000
Kansas City.....	3,150,000						438,000	990,000	552,000	3,702,000
Dallas.....	2,268,000						134,000	779,000	645,000	2,913,000
San Francisco.....	1,483,000			\$480,000			3,000	47,000	44,000	1,047,000
Total.....	30,540,000		1,300,000	480,000	480,000	3,342,000	21,389,000	21,389,000	3,342,000	31,840,000

Federal Reserve Bank of—	Balance, last statement, July 1, 1915.	Gold.		Transfers.		Settlement of July 8, 1915.				Balance in fund after clearing, July 8, 1915.
		With-drawn.	Deposited.	From—	To—	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....	\$3,817,000						\$2,818,000	\$5,475,000	\$2,657,000	\$6,474,000
New York.....	2,356,000		\$9,000,000			\$10,510,000	18,018,000	7,508,000		846,000
Philadelphia.....	1,822,000					863,000	5,734,000	4,871,000		959,000
Cleveland.....	3,520,000		50,000				144,000	207,000	63,000	3,633,000
Richmond.....	2,695,000						951,000	1,215,000	264,000	2,959,000
Atlanta.....	1,640,000					193,000	554,000	361,000		1,447,000
Chicago.....	5,837,000						3,334,000	11,465,000	8,131,000	13,968,000
St. Louis.....	1,384,000					416,000	2,496,000	2,080,000		968,000
Minneapolis.....	1,107,000						61,000	271,000	210,000	1,317,000
Kansas City.....	3,702,000					163,000	407,000	244,000		3,539,000
Dallas.....	2,913,000						364,000	613,000	249,000	3,162,000
San Francisco.....	1,047,000						130,000	701,000	571,000	1,618,000
Total.....	31,840,000		9,050,000			12,145,000	35,011,000	35,011,000	12,145,000	40,890,000

Federal Reserve Bank of—	Balance last statement, July 8, 1915.	Gold.		Transfers.		Settlement of July 15, 1915.				Balance in fund after clearing, July 15, 1915.
		With-drawn.	Deposited.	From—	To—	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....	\$6,474,000				\$200,000		\$2,478,000	\$3,445,000	\$967,000	\$7,641,000
New York.....	846,000		\$5,000,000		962,000	\$333,000	5,144,000	4,811,000		6,475,000
Philadelphia.....	959,000		500,000			575,000	2,026,000	1,451,000		884,000
Cleveland.....	3,633,000		50,000				173,000	831,000	658,000	4,351,000
Richmond.....	2,959,000		320,000				951,000	1,106,000	155,000	3,434,000
Atlanta.....	1,447,000						522,000	506,000	64,000	1,511,000
Chicago.....	13,968,000	\$2,000,000			46,000	1,743,000	2,971,000	1,228,000		10,271,000
St. Louis.....	968,000		420,000			132,000	1,949,000	1,817,000		1,256,000
Minneapolis.....	1,317,000			\$179,000			24,000	121,000	97,000	1,235,000
Kansas City.....	3,539,000						460,000	618,000	158,000	3,697,000
Dallas.....	3,162,000		150,000				499,000	933,000	444,000	3,756,000
San Francisco.....	1,618,000			1,029,000			5,000	245,000	260,000	829,000
Total.....	40,890,000	2,000,000	6,450,000	1,208,000	1,208,000	2,783,000	17,192,000	17,192,000	2,783,000	45,340,000

Federal Reserve Bank of—	Balance last statement, July 15, 1915.	Gold.		Transfers.		Settlement of July 22, 1915.				Balance in fund after clearing, July 22, 1915.
		With-drawn.	Deposited.	From—	To—	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....	\$7,641,000						\$3,256,000	\$3,322,000	\$66,000	\$7,707,000
New York.....	6,475,000				\$1,183,000		3,962,000	5,955,000	1,993,000	9,651,000
Philadelphia.....	884,000		\$500,000			\$1,213,000	2,739,000	1,526,000		1,710,000
Cleveland.....	4,351,000					95,000	699,000	604,000		4,256,000
Richmond.....	3,434,000						622,000	772,000		2,812,000
Atlanta.....	1,511,000			\$183,000			24,000	510,000		1,304,000
Chicago.....	10,271,000						942,000	2,146,000	1,204,000	9,329,000
St. Louis.....	1,256,000						1,254,000	1,655,000	401,000	1,657,000
Minneapolis.....	1,235,000					48,000	166,000	118,000		1,187,000
Kansas City.....	3,697,000					86,000	499,000	413,000		3,611,000
Dallas.....	3,756,000	\$500,000					389,000	831,000	442,000	3,698,000
San Francisco.....	829,000		1,060,000	1,000,000			8,000	136,000	128,000	1,017,000
Total.....	45,340,000	500,000	1,560,000	1,183,000	1,183,000	3,030,000	17,022,000	17,022,000	3,030,000	46,400,000

FEDERAL RESERVE BANK OF SAN FRANCISCO.

Mr. John Perrin, chairman of the board of directors of the Federal Reserve Bank of San Francisco, delivered the following address before the convention of the National Association of Supervisors of State Banks, Oakland, Cal., May 28, 1915.

A State banking department is an expression on the part of the State that the prosperity of its commerce and industry is of paramount material importance, and because of this, that supervision should be had of banking to make certain that banking methods will be such as to conduce most to the development and maintenance of that prosperity. If a surer safeguarding and a broader prosperity for that commerce and industry may be had through the development of one great banking system, unified under Federal control, the State's interest will obviously lie that way.

Banking is not a separate business of itself. It is only an incidental part of the great commercial mechanism. Banks have no independent right of existence; their service to commerce is the sole measure of the justification of their being. It is therefore in the interest both of banks and of general business that the way should be opened for banks to render greatest service. To restrict them in the opportunity of service, whether by limitation of legitimate activity or by debarring from assured support, is to handicap commerce.

Banks are of two general classes, commercial and savings. This discussion will refer to commercial banks, and I trust that I may be pardoned if I ask this gathering of banking experts to bear with me for indulging in some very elementary statements; these will be preliminary to certain conclusions which I hope may not seem illogical.

The transactions of a retail merchant are in far larger proportion money transactions than are those of a bank. The peanut vendor's transactions, for instance, are one-half peanuts and one-half money. In summing up the total of a bank's transactions—receiving deposits, paying checks, making loans, receiving payment of loans—it is found that not over one-tenth are actual money transactions. In more than nine-tenths no money is used, only promises to pay money.

One having made a deposit may say, "I have money in the bank." That is not the fact. In the first place, very little money is deposited. More than 90 per cent of the funds offered for deposit are checks—promises to pay money. In the second place, whether money or checks are used, a deposit is simply the purchase of the right to draw on the bank. Money or checks deposited become the property of the bank. The depositor has no money in the bank, but has bought the bank's promise to pay money.

Nor does a bank lend money. The truth of this statement is easily illustrated. Suppose that A and B are customers of the same bank, and that A owes B \$1,000. A negotiates a loan from the bank, receives 50 \$20 gold pieces as the proceeds of his loan, and cancels his debt to B by paying this gold to him. B then redeposits these gold pieces in the same bank. Can it be contended that the bank has loaned the gold pieces to A? It still has his note for \$1,000 running at interest, and it also has the gold pieces in its possession. What really has happened is that A's promise to pay \$1,000 has been shifted from B to the bank. The money used in the transaction was simply the instrument for transferring the credit. A check or a simple entry on the books of the bank would have been simpler and safer and would have served the same end.

If a bank does not lend money, what is the real nature of a loan transaction? It is this: A borrower gives to the bank his promise to pay money at a future date and receives in exchange the bank's promise to pay money on demand. It is an exchange of promises to pay money. The bank's promise is usually given in the form of a deposit credit and the borrower thereby acquires the same right to draw upon the bank for any part or all of the amount as if he had bought the right to draw with a deposit of gold or checks.

What I have sought to make clear is that a bank's business deals very little with money but to the extent of more than 90 per cent deals with promises to pay money, which is another way of describing credit—the wonderful and economical device which has made large commerce possible.

A bank keeps in money only such small percentage of its deposit liabilities as experience demonstrates is necessary to enable it to make good its promises to pay depositors in money when they demand it. This is its money reserve.

A BANK'S FUNCTION.

A bank's function is to gather the funds temporarily unemployed and lend them for short periods to those who can use them profitably. Thus, half a dozen people, each having a temporary surplus of \$100, would, through the instrumentality of the bank, provide the grain dealer with funds to buy a carload of wheat. By selling to the mill the grain dealer would be enabled to repay such a temporary advance. The bank is the employment agency for idle funds. An ideal employment agency for men would place every man in that employment in which his efforts would be most productive. There would be no unemployment and there would be maximum product. In like manner that banking machinery would constitute the best employment agency for money which would keep all available funds uninterruptedly employed in the most productive commerce. It seems a fair statement, then, that the fundamental purpose of a commercial banking system should be to bring all temporarily idle funds into the most productive use in such a way as to most fully safeguard commerce against interruption.

DEFECT IN FORMER SYSTEM.

What has been the defect in our banking system? Of all forms of money there is a total of nearly \$4,000,000,000 in this country, including that in the United States Treasury, in the pockets of the people, and in the vaults of banks. The deposit liabilities of banks aggregate \$18,500,000,000. Obviously, if the banks had all the money in the country they could not pay one-quarter of their deposits in money if all depositors made simultaneous demand. Banks actually hold only about \$1,600,000,000 of money in all forms, so as a matter of fact banks could not pay 10 per cent in money if all depositors should demand it at the same time. The banks have loans, however, of \$20,000,000,000. These have been made to the people, and really on behalf of the people, being made through banks as their employment agencies for idle funds. Frightened depositors clamoring for payment in money, which they wish to hoard, in effect demand that their neighbors, to whom \$20,000,000,000 have been loaned, shall stop the processes of production and commercial activity. The lack of reason is clear, but panic is a temporary paralysis of reasoning power.

In a threatening situation the law of self-preservation has impelled each bank to try to fortify itself by adding to its stock of money. This it would try to do by calling for payment of loans and by withdrawing in money the amounts due to it from other banks. Once such a process has been started a general scramble has ensued with cumulative violence. There was no way of quickly or importantly increasing the volume of money, and the total amount in the country could not satisfy such a demand. The inevitable result has been that banks have ceased making payments in money and have discontinued other major functions until the apprehensions of depositors subsided.

The struggle of each individual bank was a perfectly natural one. It regarded its obligations as sacred. It would move Heaven and earth to avoid default. But no bank could fortify itself by adding to its stock of money except by correspondingly weakening other banks. Each was for itself against all the rest. Cooperation was lacking. We had no banking system, merely a vast number of individual units. The tendency to mutual destruction under stress has been the main defect of our banking. The losses through disruption of the processes of production and trade by such a panic as that of 1907 would amount to billions. Nothing has been of greater commercial importance than to find and adopt the best method of averting such crises.

THE REMEDY.

The difficulty has not been confined to our own country, but we have been the last of all the commercial countries to apply the remedy. The principle of the remedy is very simple, although not recognized until about the middle of the last century when England and France first came to understand it. Since then practically every commercial

country has incorporated in one form or another the same principle into its banking, the Federal reserve act giving it to this country. The remedy lies in gathering into a central agency or agencies a portion of the money reserves of the banks, to be used for their common protection, in order that they may continuously perform their functions and thus safeguard general business. Whether under governmental direction, as in some countries, or under private direction, as in others, whether voluntary or by legal requirement, such an agency with large money reserves operating not primarily for profit, but for protection, achieves the same economic result. Obviously no solvent bank need fear any demands made for payment if it can at any time convert its loans into means with which to pay. The maintenance of the ability to pay eliminates depositors' apprehensions. The certainty of replenishing its paying power eliminates the bank's fears. The cause of panic is thus removed.

A FEDERAL RESERVE BANK.

Stripped of statutory specification a Federal reserve bank is a cooperative agency, in which the member banks, for common protection, pool about one-third of the money previously held in their vaults.

If a member bank becomes inadvertently overloaned, so that its money reserve is too low, it sells a portion of its shortly maturing loans to this cooperative agency, the Federal reserve bank. The member bank is thereby kept in easy condition and enabled to render fullest service to its community without the disastrous interruptions hitherto suffered. The payment of the loans at maturity replenishes the money of the Federal reserve bank so that like service may be performed for other banks. If the offering of loans for sale becomes too insistent, the Federal reserve bank imposes a check by advancing the rates it charges. If the demand is extraordinary in one district, the Federal reserve banks of the other districts share the load. In this way the varying seasonal or local loads are distributed over the broad base of the combined reserves of all the Federal reserve banks. The member banks are thus linked into a real system guided by the broad general policies of the Federal Reserve Board, which are determined not by local considerations but by a national and international view.

FEDERAL RESERVE NOTES.

To assure greatest power to help and consequently the greatest general stability, it is necessary for the Federal reserve bank to avoid important drain upon its gold, which is the final reserve money. This is accomplished by the use of Federal reserve notes, which are in fact simply the Federal reserve bank's promises to pay money, indorsed by the Government. They serve every purpose of money in ordinary trade transactions.

The mechanical operation is simple. A member bank sells loans to the Federal reserve bank, thereby establishing a deposit credit. Against this it withdraws Federal

reserve notes, thus receiving means to pay its debts. The Federal reserve notes drift back and are presented to the Federal reserve bank for redemption through deposit or otherwise. The means for their payment are provided by the payment of maturing loans, which the Federal reserve bank has bought. The process is in effect an exchange, through the instrumentality of the Federal reserve bank, of the promissory note of the member bank's customer which will not pass current for Federal reserve notes which pass current. Such a currency appears only in response to a commercial demand—a demand upon a member bank for payment of money. When such bank notes are presented for redemption to the Federal reserve bank, they are paid and cease to exist just as paid checks cease to exist. The volume of such a currency automatically adjusts itself to trade requirements, there is no redundancy, there is no scarcity. A currency famine is inconceivable.

ECONOMY OF ELASTIC CURRENCY.

The way in which the use of such a currency protects the gold reserve from dispersion, and introduces into money transactions the same element of economy as the check, may be illustrated by an extreme case: Assume that a bank has deposits of \$1,000,000 with \$250,000 money reserve. Suppose it owed one depositor \$300,000 which he had occasion to pay to another individual. If he sought to draw \$300,000 of gold to make the payment, he would "break" the bank, that is, though perfectly solvent, the bank could not make good its promise to that depositor to pay his deposit in money on demand. If, however, he should take a cashier's check for \$300,000 and the one to whom he transferred it should return it to the issuing bank for deposit, the transfer would not occasion the slightest disturbance of the bank's money reserve. Federal reserve notes are in essence cashier's checks of the Federal reserve bank in currency denominations. They perform the service of transferring credit in the same economical way as does a check, without disturbing the reserve. Payments in money, hitherto, inevitably depleted the money reserve, and such drain could not proceed far without gravest financial disturbance.

ADVANTAGE OF UNIFIED SYSTEM.

A great tendency to uniformity of banking practice throughout the country would obviously result if all banks were parts of one great system. This would be of some incidental convenience, but is not vital. The fundamentally important reason for unification is that the larger the proportion of banking reserves centralized in a reserve agency the higher the ratio of potential fortification of business to its total volume.

Only through the issue of Federal reserve notes can there be any speedy or important increase in the total volume of our currency, which must meet the requirements for the use of all banks, State and National, and the requirements for the use of all the people. In a crisis, when a vast volume of payments in money is required, the

amount of notes available for issue will be exactly in proportion to the amount of the gold reserve of the Federal reserve banks. To illustrate: \$400,000,000 gold constitutes the required 40 per cent reserve against \$1,000,000,000 Federal reserve notes; \$800,000,000 would provide a like proportion of reserve against \$2,000,000,000 Federal reserve notes. Clearly, to link all banks into one system, thereby increasing correspondingly the gold reserve centralized in the reserve-holding and note-issuing agency, would add to the security of all banks, and, what is more vital, would give proportionately greater insurance to the stability of the entire business activities of the whole people. If every citizen were trained as a soldier, the potential defense would be the entire physical force of a nation. If only one-fourth of the citizens were so trained, they might fight with equal valor, but the power of defense would be only one-fourth.

Some have contended that crises could be averted by increasing the requirement of money reserves. For individual banks to have gold reserves in large enough proportion to be always adequate for all demands would result in a tremendous restriction of commerce through the necessary reduction in loans. But we have found to our sorrow that only slight inadequacy of reserves has involved incredible disaster. In the hands of an individual bank gold will pay debts only to its par value. Experience, however, has demonstrated the fact that the credit of a great, strong reserve-holding agency will pass current instead of money, so that one dollar of gold in possession of a Federal reserve bank is a basis for providing a member bank with means of settling two and a half dollars of debt. In this lies the extraordinary power which a Federal reserve bank has for fortifying its member banks. It might be said that as the mythical Antaeus renewed his strength by touching Mother Earth, so a member bank renews its strength by "touching" the Federal reserve bank.

Under our past banking methods money in vault and balances with other banks have constituted the banking reserves. Under the Federal reserve system the chief reserves of member banks will be the rediscountable paper in their portfolios, and the day will doubtless come when, as in other countries, the law will not specify any stated proportion of money reserves. Nonmember State banks can not safely operate thus, since they would have no unfailing place of rediscount, the Federal reserve banks not being open to them even through the medium of correspondent member banks. No reserve agency but one under Federal authority would have conferred upon it this magic power of converting one dollar of gold into means of paying two and a half dollars of debt. The opportunity for financial life insurance through the fortification by a Federal reserve bank and the selfish desire for profit, which is the one constant factor in all business, will be potent influences to induce State banks to become members of the Federal reserve system. As the importance and bearing of these factors become fully under-

stood, it seems reasonable to expect that a steadily increasing proportion of State banks will become constituent parts of a system which will steadily grow in strength and unification, its members exercising all functions incident to banking; and it seems also true that State banks will ultimately be influenced to such participation both by State authority and by public opinion as it becomes more and more fully realized that the security and prosperity of the State's commerce will be thereby best attained.

It was a wonderful achievement to enact the Federal reserve act. Legislation under our form of government is necessarily a series of compromises. It is no ground for disapproval of the act that certain features have not been as carefully worked out as in the laws of some States. If true, that fact offers a great opportunity for perfecting aid from those skilled through State experience. The point of paramount importance is that the Federal reserve act has incorporated into our banking the fundamentally vital principles of centralized reserves and credit currency. Benefits will inure incidentally to banks, but in largest sense will flow to general business in every State through the new and broader opportunities and through the added security. There is no proper ground for contention between State banking departments and the Federal reserve system. The fundamental purpose of both is to attain the greatest security and prosperity of industry and commerce.

THE WORK OF FEDERAL RESERVE BANKS.

Mr. D. C. Wills, chairman of the board, Federal Reserve Bank of Cleveland, delivered the following address on June 2, 1915, at Lexington, Ky.:

The officers and directors of the Federal Reserve Bank of Cleveland have been more than pleased with the cooperation received from the member banks in this district. In such a departure from the plan and methods under which we have been accustomed to operate, there was bound to be some hesitation and inquiry. The banking business itself develops, in those who are charged with its management, a tendency not to accept new propositions at their face value. This is proper. One of the strongest recommendations in determining credit is that a business has been established and in existence for a considerable length of time. In other words, it is a point in favor of any business or proposition if it has been in existence long enough to prove its worth.

In view of this necessary attitude of bankers in their daily dealings with their customers, it is surprising that there has been so little antagonism or apathy toward the new Federal reserve bank system. However, the Federal reserve bank act, while new in America, represents in its fundamentals the experience of the ages applied to the needs of this country, and its principles generally are those of scientific banking. The act is not perfect, but it has

been estimated by economists and practical bankers to be from 75 to 90 per cent good. That being the case, it deserves a thorough trial by those whom it was intended to benefit.

Our attitude toward any proposition is usually measured by our understanding and interest. To understand a matter involves information, which information must be accurate and complete, else there is misunderstanding.

Our interest has more sides to it, and may be selfish and shortsighted. In deciding how much we are interested or where our real interest lies, we may be mistaken and narrow. Even with all the information at hand, we may not recognize our true course; blessings and benefits frequently wear a disguise.

These observations are made to introduce a discussion to-day of the Federal reserve system with special reference to its operation in district No. 4. Some bankers are concluding that the new system is inadequate and not applicable to conditions in this country, and especially not useful or beneficial to the particular banker offering the objection. This criticism of the system is made, to some extent at least, in the home of its friends, or those who should be its friends. Those of us who have to do with the management of this bank realize that this criticism is sincere and honest. We appreciate it is not wanton. Yet, we are just as sure that it is bound to disappear when the understanding is increased, and when it is shown that the new system is for the better interests of the banker as well as the business man.

Now, what is the purpose of the Federal reserve act? It contemplates in the membership of the Federal reserve banks all the well-managed banks in the United States doing a commercial business. It was not intended as a haven for a bank with the bulk of its deposits payable on demand and the bulk of its assets in permanent loans. Nor was it intended to furnish facilities to a bank whose owners and managers were using the capital, as well as the amount intrusted to them by depositors, in the flotation of speculative enterprises, in which the owners and managers are personally interested. It was not intended to place its stamp of approval on banking methods that would include the making of loans to borrowers without obtaining accurate and complete information on the financial condition of those borrowers, or the continuous renewal of the paper of a large number of borrowers from year to year, without even attempting to obtain an occasional payment and to insure the solvency of these borrowers and test their ability and willingness to pay.

Several stated objections to the system have come to our notice, and the ones most frequently urged appear to be as follows:

1. Reserve balances now compulsory at the Federal reserve bank from its members do not bear interest, entailing a loss to member banks of revenue previously received.
2. The law and regulations are such that banks, especially country banks and institutions in small towns, have no eligible paper.

3. The intention to have member banks collect items on themselves at par deprives these banks of an exchange income previously received without offsetting advantage.

4. The requirement that member banks obtain in writing statements from all their important borrowers is a hardship which may entail the loss of trade, and while practicable in larger centers can not be followed in the smaller centers.

Answering objection No. 1, as to interest on reserve deposits.—The reduction of reserves from 25 per cent to 15 per cent in reserve cities, and from 15 per cent to 12 per cent in other communities, means that the additional loanable funds will produce a revenue equal to, if not exceeding the amount of interest previously received on reserve balances with correspondents. This calculation is based on the total amount of reserve balance required to be carried in the Federal reserve bank at the end of the three-year period. For instance, at the end of three years a bank with \$100,000 on deposit will carry with this bank \$5,000; 2½ per cent on this amount is \$125. The reduction in reserve—3 per cent on \$100,000—is \$3,000; the interest on \$3,000 at 5 per cent is \$150.

The absolute ability to obtain currency in any emergency enables a bank under the new system to operate safely without excess reserve. Heretofore, banks realizing that in a crisis they might have to depend on their own resources, carried excess reserve.

It should be noted that the 5 per cent reserve requirement for savings and time deposits is an additional profit-producing feature of the new act intended to benefit especially the banker in the smaller community.

The May circular issued by the National City Bank of New York contains the following interesting paragraph on the payment of interest on balances by a central reserve institution:

"There is no dissent the world over, in scientific opinion, from the conclusion that a central institution which carries the final reserves of the country, and upon which the banking system as a whole relies for ready cash, should not pay interest on deposits. The reason is that the payment of interest compels a bank to actively employ a larger proportion of its resources than is advisable under such responsibilities. On the other hand, the maintenance of large reserves by a central institution, together with the power of note issue, enables the member banks to carry smaller reserves than otherwise would be safe, so that they actually lose nothing in earning power by supporting a central institution."

Answering objection No. 2, as to eligible paper.—Under date of March 31, 1915, the Federal Reserve Bank of Cleveland sent to its members the following letter:

"Through correspondence and interviews, I have become convinced that a considerable number of bankers are still under the impression that the only kind of paper eligible for rediscount at the Federal reserve bank, is what is known as 'business paper' given by a buyer to a seller.

"In order that you may not be under any misapprehension, I wish to assure you that the following kinds of notes

are eligible if conforming to the credit requirements of the Federal Reserve Board, provided the purpose of the loans is not permanent or speculative:

"(1) Single name paper of your own customers, who may be tradesmen, manufacturers, jobbers, storekeepers, etc.

"(2) Single name paper of your farmer depositors.

"(3) Paper similar to above, but containing one or more accommodation indorsements as additional security.

"(4) Commercial paper as sold by note brokers.

"(5) Business notes given by a buyer to a seller in settlement of a commercial operation.

"(6) Accepted drafts drawn on a consignee by a shipper of merchandise.

"(7) Notes secured by warehouse receipts for staple agricultural products or other goods, wares, or merchandise.

"We can also purchase with the indorsement of member banks: (a) Bankers' acceptances based on the importation or exportation of goods, and (b) warrants of cities, towns, and communities, when conforming with Circular No. 7 of the Federal Reserve Board."

This letter, in our opinion, states in a concrete way what is possible under the broad interpretation of the act by the Federal Reserve Board. Surely any well-managed bank ought to have sufficient eligible paper under one or all of these holdings to avail itself of the rediscounting facilities of the Federal reserve bank. A number of ways suggest themselves for gradually increasing the amount of eligible paper; for instance, if a part of a borrower's loan is to pay for a permanent investment and part for a commercial, industrial, or agricultural current operation, the obligation can be divided into two notes. Borrowers whose assets are real estate, who have been carrying their loans for a long period without payment, and who can liquidate their obligations only through the sale of their real estate can be induced and requested to place a lien on the property and pay off the obligation. While primarily renewals are not recognized as strictly commercial paper, yet, under the ruling of the Board, a note is *prima facie* a commercial one if the quick assets of the borrower show a sufficient margin over his current liabilities; and in such case a renewal is acceptable, since there are commercial and industrial transactions that require a longer period than ninety days to finish the operation, and under certain conditions six months might not be long enough for a farmer to raise and market a crop or finish the feeding, fattening, and disposing of his live stock. Why the law insists on liquid paper and that loans must have a definite maturity was illustrated a short time ago in our district. It was discovered that the managing officer of a member bank had victimized his bank almost to the extent of wiping out its entire surplus. The information became public, and a run started. When an attempt was made to realize or collect on a portion of the bank's assets it was found that 40 per cent of the loans were drawn on demand and have been carried continuously without asking for payments except as borrowers offered to pay, that time notes were nearly all drawn for long periods,

and that the paper of early maturities was inconsiderable. It was found, too, that not a single record was kept of the responsibility of the borrowers, the information being solely in the hands of the cashier who had gone wrong. The directors, when questioned as to the responsibility of certain debtors, did not agree on the worth of any single man and often did not know which Jones it was that drew the note. The ability of that bank to cope with the emergency and protect the interests of its depositors and shareholders was at a minimum, and I am sure that banks in that neighborhood will not hereafter require much explanation as to the necessity of having realizable assets to meet liabilities that are subject to demand and payment at any time.

Answering objection No. 3, as to check collection and exchange charges.—The immediate effect of a bank's collecting at par checks drawn on itself is a loss of exchange. I am confident, however, that the country bank's portion of the benefits to be derived from a universal doing away with exchange and the collection of checks at cost will more than offset this apparent immediate disadvantage. Having a check on Dry Ridge pass current in district No. 4, the same as a check on Cincinnati, Cleveland, or Pittsburgh, will insure at least that no funds will be transferred out of the community to par centers, and concerns or individuals that have been accustomed to intrust the smaller and unprofitable portion of their business to the local bank and their larger and more remunerative trade to a bank in a center in order to have their checks pass at par may conclude to do the bulk of their business with local institutions.

Checks now settle 95 per cent of all obligations in this country; but in developing its use as rapidly as we have—far more rapidly and extensively than in any other country—many difficulties have been encountered, and many evils and bad practices have arisen. Mr. McKay, perhaps the foremost practical authority on this subject, summarized these evils as follows at the recent conference of reserve city bankers:

"First. Excessive exchange charges.

"Second. Absorption of exchange charges by the collecting banks.

"Third. Indirect routing of checks to avoid exchange charges, chiefly caused by clearing-house rules governing exchange charges.

"Fourth. The maintenance of reserve balances with banks for the sole purpose of getting items on which to charge exchange.

"Fifth. The carrying of compensating balances with collecting banks solely for the purpose of obtaining par territory.

"Sixth. Paying interest on uncollected funds.

"Seventh. Paying checks drawn against uncollected funds.

"Eighth. Padding of reserves with items in transit."

The Federal reserve bank, too, will probably offer another service to its member banks, which ought to

compensate for the loss of exchange on par checks. One of the Federal reserve banks has already announced to its members that it has employed at its expense a committee of experts for the purpose of inquiring into and analyzing the statements and methods of a number of typical banks for the purpose of ascertaining whether the revenues or profits may be increased and the expenses and cost diminished. The results of this investigation will probably be available to member banks throughout the whole system. If not, the Federal Reserve Bank of Cleveland will, I think, make a similar investigation for the benefit of its own members.

Answering objection No. 4, as to statements of borrowers.—I think it is the experience of every banker that his customers and depositors often cooperate with him to a larger extent than he estimated. I do not believe any borrower who is entitled to credit will refrain from placing in the hands of his banker information in order that the banker may determine the borrower's right to credit. The following paragraph is from a recent folder of the Credit Men's Association:

"Good credit in the markets of the world enables the merchant to add to his ability to do business. It gives him the use of enlarged capital, thus enabling him to carry a more complete stock, increase his sales, and magnify his profits. *A merchant's capital is the sum of his net available resources plus his credit.* The giver of credit is a contributor of capital and becomes, in a certain sense, a partner of the debtor and as such has a perfect right to complete information of the debtor's condition at all times.

"Credit is given a merchant because of the confidence reposed in him. Requesting information when credit is asked is not a reflection on one's character, honesty, or business ability but is done to secure information to enable business to be conducted intelligently.

"*A merchant who desires to serve his own best interests should recognize that his most valuable possession, apart from his actual assets, is a sound, substantial, and unquestioned reputation as a credit risk, and that, under the prevailing conditions and demands of business, the most effective and eminently the best way to prove his basis for credit is to be willing to submit a statement of his financial condition.*"

In an interview with the president of an Ohio bank, most of whose business is with farmers, we were informed a few days ago that he had encountered very little difficulty in obtaining written statements from those who were parties to his loans. He stated that when the regulations of the Federal Reserve Board came out he recognized that they were not only sound but workable and immediately began the education of his borrowers by requesting them to furnish him with statements. He had received over 100 statements, practically all of which confirmed his estimate of the worth of the borrowers. In one or two instances, however, he was surprised to find unrecorded mortgages and borrowings in neighboring banks, of which he knew nothing. The probable saving of loss in these

instances justified him, in his opinion, in obtaining the statements. He also noted with satisfaction the cooperation given by the borrowers themselves, many of whom for the first time had made an accurate schedule of their assets and liabilities; in all cases he furnished a copy of the statement to them and requested that it be kept and used again by the borrowers for comparison when they filed another statement at the next period. It seems hardly possible that the experience of this banker in a farming district is any different than the experience will be of any banker who will sincerely and intelligently test this requirement.

While there is only part of the State of Kentucky belonging to district No. 4, and while the amount of the capital owned and reserve deposits received from these banks is relatively small compared with the States of Ohio and Pennsylvania, yet, according to our estimate of the situation, the Federal Reserve Bank of Cleveland ought to be particularly helpful to the banks of northern Kentucky. Our attention has been drawn to this district for a number of reasons. It is farthest away from the location of the bank, and has problems and difficulties that differ from those of the northern banks. Kentucky, too, is well represented on our board of directors in the persons of Senator Combs and Mr. Patrick, and I have never yet seen a man from Kentucky who did not seek the advancement of his State and call attention to its virtues and possibilities. Our Kentucky directors are no exception. The State of Kentucky owns 18 per cent of the capital stock of this bank and is represented in 3 per cent of its deposits, while of the \$700,000 loaned to member banks, \$315,000 is loaned to banks in Kentucky. This indicates the willingness of the Federal Reserve Bank of Cleveland to furnish facilities for the special condition existing at this time in this part of the district.

In order that the system may be as fully a success as the framers of the act intended, and in order to mobilize gold reserves of sufficient size to protect the credit of this country against any emergency, it is essential that State banks become members. The regulations of the Federal Reserve Board on the admission of State banks will shortly be issued. I have seen the tentative circular, and the requirements are going to be so liberal that every bank should give the matter prompt consideration; in my opinion the way has been opened for all well-managed commercial State banks to join. The great benefits to be derived by all banks from having the majority of the banks of the country in the system justify the liberal terms to be offered the State banks. Their joining will be hastened by a work of indorsement from the banks already in the system.

ESTABLISHMENT OF INTRADISTRICT CLEARANCE SYSTEM.

On July 9 the Federal Reserve Board transmitted to the Federal reserve banks the following letter of inquiry regarding the status of the intradistrict clearance system, already established by the several banks, as set forth in the Federal Reserve Bulletin for May, 1915 (pp. 6-9):

The Federal Reserve Board desires to prepare for the August 1 Bulletin a brief statement of the progress which has been made under the voluntary clearing plan in the various districts, so as to show, say, as of July 16 to 20, the situation in the various districts. In order to assist us in formulating data, we shall be glad if you will respond to the following questions:

1. Number of banks which have come in.
2. Percentage of capital in your bank represented by the assenting banks.
3. What is the average number of items cleared daily?
4. What do you estimate cost directly chargeable to this work?
5. Percentage of clearing banks showing overdrafts (exhaustion of balances).
6. Number of men employed in your transit department.
7. How is the voluntary plan working, in your estimation?
8. Will it be necessary or desirable that the board issue a mandatory order before the work can be successfully carried through?
9. Is the clearing of checks accepted as a valuable service by your members, or is there still much opposition to it?
10. Is it gaining in friends?

The answers to the first six questions contained in the list are susceptible of tabulation, and the substance of them is set forth as follows:

Questions sent to and answers received from each Federal reserve bank regarding the working of the intradistrict clearance system.

Question.	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.
1. What number of banks have come in?	50.....	115.....	125.....	126.....	89.....	71.
2. What percentage of capital in the Federal reserve bank is represented by the assenting banks?	27.....	77.46.....	46.7.....	55.....	17.45.....	44.3.
3. What is the average number of items cleared daily?	1,200.....	4,976.....	4,977 ¹	1,713.....	3,070.....	About 195. ²
4. What do you estimate cost directly chargeable to this work?	2 clerks whose salaries aggregate \$1,500 p. a. This is exclusive of printing, stationery, machines, and overhead expense.	About \$9,100, based upon an estimated daily cost of \$25.30. This estimate includes only salaries of clerks working directly upon collections, a l s o postage and stationery, but is exclusive of the cost of superintendence, rent, or other overhead charges.	Salaries, \$5,880 p. a.; postage, \$1,950 p. a.; total, \$7,830 p. a., exclusive of stationery, the cost of machines, and of erecting and equipping special gallery to accommodate department.	Estimated yearly direct cost \$3,815.38; average postage per day, \$4.43.	Salaries, \$2,880 p. a.; postage, \$900 p. a.; stationery, \$300 p. a.; total, \$4,080 p. a., exclusive of book-keeping and overhead charges.	Estimated total cost, including salaries, postage, and percentage of rent, light, etc., \$1,200 p. a.
5. What percentage of clearing banks show overdrafts?	Not stated.....	1.95.....	7.2.....	0.5.....	8 ³	1 bank. ⁴
6. Give number of men employed in your transit department.	2.....	6.....	6 men exclusively, with some assistance from filing department and office boys.	4. and occasional services of 3 others.	4.....	Two-thirds of time of 1 man.
Question.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.
1. What number of banks have come in?	111.....	366.....	166.....	951.....	93.....	110.
2. What percentage of capital in the Federal reserve bank is represented by the assenting banks?	About 50.....	90.....	44.....	100.....	31.....	40.
3. What is the average number of items cleared daily?	8,183.....	5,005.....	76.....	5,714.....	1,156, including items on Dallas passed through the Dallas clearing-house exchanges.	No data. ⁵
4. What do you estimate cost directly chargeable to this work?	Estimated cost \$30,000 p. a., estimated on the basis of $\frac{1}{2}$ cent per item for Chicago banks, 1 cent per item for suburban banks, and $\frac{1}{4}$ cents per item for out of town banks.	Estimated cost \$15,000 p. a., exclusive of administration expense.	Salary of transit man, \$2,000 p. a., who also has charge of the mail. Estimate does not include cost of printing, stationery, etc.	Estimated cost \$24,000 p. a., including pro-rata rent, postage, depreciation, etc.	\$2,256 p. a., viz: Salary manager transit department, \$1,500; clerk, \$600; stationery, \$72 (estimated); excess postage, \$84.	No data. ⁵
5. What percentage of clearing banks show overdrafts?	4.5.....	4.6 ⁶	1 overdraft.....	2.....	About 3.....	No data. ⁵
6. Give number of men employed in your transit department.	7 regularly and 4 extra about 2 hours each afternoon.	14.....	1; see answer to question 4.	11; some performing duties outside the transit department.	2 men; see also answer to question 4.	No data. ⁵

¹ High, 6,517 on July 7; low, 2,735 on June 15.

² All outside of Atlanta.

³ On a basis of 7 days' operations.

⁴ Covered by New York exchange.

⁵ System to commence operations Aug. 1.

⁶ On a basis of 4 days' operations.

Not all the banks have submitted full responses to questions 7, 8, 9, and 10, and some while replying to these questions, have not furnished a definite expression of opinion. The substance of the answers can, however, be briefly stated. On the question of a mandatory system as opposed to a non-mandatory, reports show that 11 districts now have nonmandatory, and one a mandatory system of check collections. Of those districts whose system is not now mandatory, three distinctly state that they believe the introduction of a mandatory system would be undesirable; while seven express themselves, in some cases with more or less qualification, in favor of the introduction of a mandatory system, most of the banks regarding this as necessary if the plan is to become fully effective. Among the expressions on this subject are the following, each paragraph being the expression of one bank:

"It will certainly be necessary for the Board to issue a mandatory order before even the present plan would be of sufficient scope to reach a moderate point of efficiency. Many of the banks have indicated to us that they would not come in unless compelled to do so, and would not accept the mandatory order kindly by reason of the great loss of exchange."

"We think it will be necessary" (i. e., for the Board to issue a mandatory order before the work can be successfully carried through) "before all the banks join the system, but working along the present plan, I believe that we can in time secure at least 50 per cent of them."

"* * * it would seem that, if the system is to be a success, the Board will have to issue a mandatory order requiring all member banks to clear through the Federal reserve banks of their respective districts. It will be impossible for Federal reserve banks to enter into relations with each other for the clearing of checks on their respective members until all the members of each district are members of the clearing system of that particular district."

"* * * the voluntary collection system should be given about six months more to operate before deciding as to whether it is successful or not. Banks which have joined it are now advertising the fact that checks on

them are par in —. We believe this action will oblige other banks to join the collection system, and that economic pressure will come from depositors of the banks and from the merchants who now have to pay exchange charges which will influence more banks to assent to the collection system."

"A great many banks have written us that under no circumstances would they join the system until it is made compulsory, and all banks come in at the same time. It would appear, therefore, that it will be necessary that the Board issue a mandatory order before the work could be carried through successfully."

"I feel that only in the presence of a mandatory regulation will we be able successfully to give effect to the plan."

"It may be necessary, and, in my opinion, will likely be desirable, that the Board make the plan compulsory before success is assured."

"We believe that it will be necessary that the Board issue a mandatory order compelling banks to join the check-collection system in order that the member banks may realize the full benefit of the arrangement. Member banks generally expected to be compelled to join the check-collection system, and when the voluntary plan was offered a large majority preferred to defer joining until they could observe the effects of the operation of the plan with such banks as decided to join. We believe that if the plan were made mandatory it would in a reasonable time commend itself to our member banks, but for the present the fear of the necessity of maintaining excess balances, on which no interest is allowed, and the disinclination to relinquish exchange profits deters many country banks from entering the voluntary system."

"We have been, and are, of the decided opinion that the Federal Reserve Board should issue a mandatory order compelling all member banks in each district to become clearing members, thus extending the facilities for the clearance of checks to the entire field of industrial and commercial activities, as we believe was contemplated by the Congress in the enactment of the Federal reserve act."

The following is a list of the various member banks which have joined the intradistrict clearance system. The system did not take effect at the same date in all districts, and it has not been practicable to correct the lists up to the same date for all. All banks included in the several districts up to July 1, 1915, are,

however, listed below, while in some districts additional banks have joined the system, notwithstanding that their names do not appear in the attached list, and a very few of those listed may have withdrawn. The several States in each district have been arranged alphabetically, and the cities in which the clearing banks are located have then been alphabetically grouped. Where more than one bank in a given city or town is a member of the system, such banks are then grouped alphabetically. The latest returns show that the clearing system comprises a total of 2,373 banks, taking all districts as an aggregate.

List of member banks which have joined the collection system of the Federal reserve banks.

DISTRICT No. 1.

City or town.	Name of bank.	Transit number.
CONNECTICUT.		
Bridgeport.....	First Bridgeport National.....	51-32
Clinton.....	Clinton National.....	51-270
Danbury.....	Danbury National.....	51-125
Greenwich.....	Greenwich National.....	51-146
New Haven.....	First National.....	51-9
Suffield.....	do.....	51-235
MAINE.		
Boothbay Harbor.....	First National.....	52-168
MASSACHUSETTS.		
Attleboro.....	First National.....	53-284
Boston.....	Boylston National.....	5-32
Do.....	Commercial National.....	5-56
Do.....	First National.....	5-39
Do.....	Fourth-Atlantic National.....	5-12
Do.....	Merchants National.....	5-13
Do.....	National Union National.....	5-2
Do.....	Old Boston National.....	5-3
Do.....	Peoples National Bank of Roxbury.....	5-107
Do.....	Second National.....	5-17
Do.....	Webster & Atlas National.....	5-25
Chelsea.....	Broadway National.....	53-222
Gloucester.....	Cape Ann National.....	52-254
Haverhill.....	First National.....	53-167
Hudson.....	Hudson National.....	53-451
Holyoke.....	Park National.....	53-141
Hopkinton.....	Hopkinton National.....	53-548
Lynn.....	Manufactures National.....	53-86
Marlboro.....	First National.....	53-324
Do.....	Peoples National.....	53-323
Millbury.....	Millbury National.....	53-520
New Bedford.....	Mechanics National.....	53-69
Newburyport.....	Merchants National.....	53-311
Northborough.....	Northborough National.....	53-584
Norwood.....	Norwood National.....	53-587
Plymouth.....	Plymouth National.....	53-361
Quincy.....	Mount Wollaston National.....	53-214
Springfield.....	Chicopee National.....	53-95
Do.....	Springfield National.....	53-104
Ware.....	Ware National.....	53-405
Westfield.....	Hampden National.....	53-288
Worcester.....	Merchants National.....	53-4
Do.....	Worcester National.....	53-1
NEW HAMPSHIRE.		
Claremont.....	Claremont National.....	54-73
Manchester.....	Amoskeag National.....	54-6
Do.....	Merchants National.....	54-3
Portsmouth.....	First National.....	54-47

List of member banks that have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 1.—Continued.

City or town.	Name of bank.	Transit number.
RHODE ISLAND.		
Providence.....	National Exchange.....	57-2
VERMONT.		
Bellows Falls.....	National Bank of Bellows Falls.....	58-60
Montpelier.....	First National.....	58-43
North Bennington.....	do.....	58-112
St. Johnsbury.....	Merchants National.....	58-38
Windsor.....	State National.....	58-84

DISTRICT No. 2.

NEW JERSEY.		
Allentown.....	Farmers National.....	55-367
Arlington.....	The First National.....	55-368
Bernardsville.....	Bernardsville National.....	55-374
Blairstown.....	First National.....	55-385
Bound Brook.....	Bound Brook National.....	55-385
Clinton.....	Clinton National.....	55-383
Edgewater.....	First National.....	55-351
Englishtown.....	do.....	55-392
Flemington.....	Flemington National.....	55-350
Freehold.....	The National Freehold Banking Co.....	55-340
Garfield.....	First National.....	55-395
Hackensack.....	Peoples National.....	55-216
Hoboken.....	First National.....	55-108
Do.....	Second National.....	55-110
Hope.....	First National.....	55-459
Lyndhurst.....	do.....	55-469
Manasquan.....	Manasquan National.....	55-411
Matawan.....	Farmers & Merchants National.....	55-412
Newark.....	Manufacturers National.....	55-8
Do.....	National Newark Banking Co.....	55-1
Do.....	National State.....	55-2
New Brunswick.....	National Bank of New Jersey.....	55-179
Orange.....	Second National.....	55-171
Paterson.....	First National.....	55-55
Do.....	Paterson National.....	55-60
Do.....	Second National.....	55-56
Plainfield.....	City National.....	55-193
Do.....	The First National.....	55-191
Ridgefield Park.....	First National.....	55-433
Ridgewood.....	do.....	55-294
Somerville.....	do.....	55-312
Do.....	Second National.....	55-314
Tenafly.....	First National.....	55-446
Westfield.....	The National Bank of Westfield.....	55-232
West Orange.....	First National.....	55-450
NEW YORK.		
Albany.....	First National.....	29-8
Do.....	National Commercial.....	29-7
Do.....	New York State National.....	29-1
Amsterdam.....	First National.....	50-135
Bay Shore.....	do.....	50-903
Bronxville.....	Gramatan National.....	50-668
Brooklyn.....	First National.....	1-356
Do.....	Greenpoint National.....	1-389
Do.....	Nassau National.....	1-118
Do.....	National City.....	1-352
Do.....	Peoples National.....	1-385
Buffalo.....	Central National.....	10-24
Do.....	Marine National.....	10-2
Do.....	Third National.....	10-6
Cazenovia.....	Cazenovia National.....	50-685
Dundee.....	Dundee National.....	50-607
Elmira.....	Second National.....	50-108
Do.....	Merchants National.....	50-110
Far Rockaway.....	National Bank of Far Rockaway.....	1-436
Glens Falls.....	First National.....	50-256
Do.....	National Bank of Glens Falls.....	50-255
Granville.....	Washington County National.....	50-484
Greenwich.....	First National.....	50-748

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 2—Continued.

City or town.	Name of bank.	Transit number.
NEW YORK—continued.		
Hudson Falls.	Peoples National.	50-435
Ithaca.	First National.	50-262
Do.	Tompkins County National.	50-261
Jamaica.	First National.	1-431
Larchmont.	Larchmont National.	50-776
Lockport.	National Exchange.	50-223
Newburgh.	Highland National.	50-174
New York.	American Exchange National.	1-21
Do.	Bank of New York National.	1-1
Do.	Banking Association.	1-232
Do.	Battery Park National.	1-416
Do.	Bronx National.	1-74
Do.	Chase National.	1-30
Do.	Chatham & Phenix National.	1-12
Do.	Chemical National.	1-36
Do.	Citizens Central National.	1-99
Do.	Coal & Iron National.	1-59
Do.	East River National.	1-82
Do.	Elth National.	1-65
Do.	First National.	1-81
Do.	Garfield National.	1-81
Do.	Gotham National.	1-244
Do.	Hanover National.	1-33
Do.	Importers & Traders National.	1-53
Do.	Irving National.	1-67
Do.	Liberty National.	1-91
Do.	Lincoln National.	1-80
Do.	Market & Fulton National.	1-42
Do.	Mechanics & Metals National.	1-4
Do.	Merchants Exchange National.	1-13
Do.	Merchants National.	1-3
Do.	National Bank of Commerce.	1-23
Do.	National Butchers & Drovers.	1-15
Do.	National City.	1-8
Do.	National Park.	1-54
Do.	New York County National.	1-71
Do.	Seaboard National.	1-85
Do.	Second National.	1-63
Do.	Union Exchange National.	1-100
Nyack.	Nyack National.	50-457
Ogdensburg.	National Bank of Ogdensburg.	50-240
Ossining.	Ossining National.	50-319
Do.	First National.	50-318
Perry.	do.	50-463
Port Chester.	do.	50-281
Port Jefferson.	do.	50-555
Ridgewood.	Ridgewood National.	1-437
Rochester.	Traders National.	50-8
Rye.	Rye National.	50-545
Schenectady.	Union National.	50-90
Do.	Richmond Borough National.	50-88
Stapleton.	First National.	1-454
Syracuse.	First National.	50-36
Do.	Salt Springs National.	50-34
Troy.	Manufacturers National.	50-64
Tuckahoe.	First National.	50-941
Westfield.	National Bank of Westfield.	50-523
White Plains.	First National.	50-234

DISTRICT No. 3.

DELAWARE.		
Delmar.	First National.	62-48
Seaford.	do.	62-35
NEW JERSEY.		
Atlantic City.	Boardwalk National.	55-146
Berlin.	Berlin National.	55-373
Blackwood.	First National.	55-376
Bordentown.	do.	55-333
Camden.	Camden National.	55-88
Do.	First National.	55-86
Clayton.	Clayton National.	55-472
Haddon Heights.	Haddon Heights National.	55-400
Millville.	Mechanics National.	55-235
Moorestown.	Moorestown National.	55-345
Mount Holly.	Union National.	55-290
Pedricktown.	First National.	55-424

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 3—Continued.

City or town.	Name of bank.	Transit number.
NEW JERSEY—continued.		
Pitman.	Pitman National.	55-428
Point Pleasant.	Ocean County National.	55-430
Port Norris.	First National.	55-457
Princeton.	do.	55-305
Swedesboro.	Swedesboro National.	55-445
Toms River.	First National.	55-353
Williamstown.	do.	55-454
PENNSYLVANIA.		
Allentown.	Allentown National.	60-128
Do.	Merchants National.	60-131
Do.	Second National.	60-120
Altoona.	First National.	60-116
Do.	Second National.	60-118
Blue Ball.	Blue Ball National.	60-1091
Bradford.	Bradford National.	60-366
Canton.	Farmers National.	60-961
Catasauqua.	National Bank of Catasauqua.	60-726
Chambersburg.	National Bank of Chambersburg.	60-427
Clarks Summit.	Abington National.	60-1430
Coatesville.	National Bank of Chester Valley.	60-452
Collegeville.	Collegeville National.	60-1115
Coplay.	Coplay National.	60-1121
Danville.	Danville National.	60-573
Do.	First National.	60-574
Duncannon.	Duncannon National.	60-978
Do.	Peoples National.	60-979
Dunmore.	First National.	60-313
East Berlin.	East Berlin National.	60-1040
Fawn Grove.	First National.	60-1157
Freeland.	do.	60-652
Girardville.	First National.	60-1171
Glenside.	Glenside National.	60-1174
Hamburg.	First National.	60-895
Hazleton.	do.	60-233
Honey Brook.	do.	60-1192
Howard.	do.	60-1198
Huntingdon.	do.	60-616
Lancaster.	Northern National.	60-143
Do.	Peoples National.	60-144
Landisville.	First National.	60-1213
Lansdale.	do.	60-801
Lehigh.	do.	60-717
Lemasters.	Lemasters National.	60-1220
Lewistown.	Citizens National.	60-536
Liverpool.	First National.	60-1226
McConnellsburg.	do.	60-1051
Marietta.	Exchange National.	60-915
Millersville.	Millersville National.	60-1253
Milton.	Milton National.	60-581
Mount Jewett.	Mount Jewett National.	60-1262
Mount Joy.	First National.	60-907
Mount Union.	do.	60-819
Mountville.	Mountville National.	60-1265
Nazareth.	Nazareth National.	60-785
Norristown.	Peoples National.	60-219
North Wales.	North Wales National.	60-1284
Philadelphia.	Bank of North America.	3-2
Do.	Centennial National.	3-29
Do.	Central National.	3-26
Do.	Corn Exchange National.	3-18
Do.	Eighth National.	3-25
Do.	Farmers & Mechanics National.	3-3
Do.	First National.	3-20
Do.	Fourth Street National.	3-39
Do.	Franklin National.	3-44
Do.	Girard National.	3-13
Do.	Kensington National.	3-8
Do.	Manufacturers National.	3-11
Do.	Market Street National.	3-40
Do.	National Bank of Germantown.	3-53
Do.	National Bank of the Northern Liberties.	3-6
Do.	National Security.	3-28
Do.	Ninth National.	3-33
Do.	Northern National.	3-43
Do.	Northwestern National.	3-36
Do.	Penn National.	3-9
Do.	Philadelphia National.	3-1

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 3—Continued.

City or town.	Name of bank.	Transit number.
PENNSYLVANIA—contd.		
Philadelphia.....	Quaker City National.....	3-42
Do.....	Sixth National.....	3-23
Do.....	Southwark National.....	3-7
Do.....	Southwestern National.....	3-37
Do.....	Tenth National.....	3-34
Do.....	Textile National.....	3-45
Do.....	Third National.....	3-21
Do.....	Tradesmens National.....	3-14
Do.....	Union National.....	3-19
Phoenixville.....	National Bank of Phoenixville.....	60-465
Pottsville.....	Miners National.....	60-247
Do.....	Pennsylvania National.....	60-248
Quakertown.....	Quakertown National.....	60-779
Ralston.....	First National.....	60-1311
Reading.....	National Union.....	60-36
Scranton.....	First National.....	60-1
Do.....	Third National.....	60-4
Do.....	Traders National.....	60-5
Salins Grove.....	Farmers National.....	60-981
Shippensburg.....	Peoples National.....	60-812
Tamaqua.....	First National.....	60-467
Terre Hill.....	Terre Hill National.....	60-1367
Tremont.....	Tremont National.....	60-917
Troy.....	Grange National Bank of Bradford County.....	60-1005
Watsonstown.....	Farmers National.....	60-939
Waynesboro.....	Citizens National.....	60-602
Do.....	Peoples National.....	60-600
Wellsboro.....	First National.....	60-830
West Chester.....	do.....	60-439
Do.....	National Bank of Chester County.....	60-438
Williamsport.....	First National.....	60-197
Do.....	West Branch National.....	60-196
York.....	Central National.....	60-165
Do.....	First National.....	60-155
Do.....	York National.....	60-153

DISTRICT No. 4.

KENTUCKY.		
Brooksville.....	First National.....	73-382
Covington.....	Citizens National.....	73-18
Georgetown.....	Georgetown National.....	73-139
Ludlow.....	First National.....	73-145
Maysville.....	Bank of Maysville National Banking Association.....	73-100
Do.....	State National.....	73-102
Mount Sterling.....	Mount Sterling National.....	73-149
Do.....	Traders National.....	73-150
Do.....	Montgomery National.....	73-151
Newport.....	German National.....	73-27
Pikeville.....	First National.....	73-268
Russell.....	do.....	73-588
Somerset.....	do.....	73-142
Winchester.....	Clark County National.....	73-90
OHIO.		
Arcanum.....	First National.....	56-708
Baltimore.....	do.....	56-881
Bellevue.....	do.....	56-472
Blanchester.....	do.....	56-642
Bluffton.....	do.....	56-623
Bucyrus.....	Second National.....	56-338
Cardington.....	First National.....	56-710
Celina.....	do.....	56-544
Cincinnati.....	Atlas National.....	13-35
Do.....	Citizens National.....	13-29
Do.....	Fifty-third National.....	13-31
Do.....	First National.....	13-1
Do.....	Fourth National.....	13-4
Do.....	German National.....	13-24
Do.....	Market National.....	13-36
Do.....	Second National.....	13-2
Circleville.....	First National.....	56-395
Cleveland.....	Bank of Commerce, N. A.....	6-3
Do.....	Central National.....	6-4

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 4—Continued.

City or town.	Name of bank.	Transit number.
OHIO—continued.		
Cleveland.....	Cleveland National.....	6-5
Do.....	First National.....	6-10
Do.....	National City.....	6-12
Do.....	National Commercial.....	6-8
Do.....	Union National.....	6-15
Columbus.....	Central National.....	25-16
Do.....	City National.....	25-3
Do.....	Commercial National.....	25-5
Do.....	Hayden-Clinton National.....	25-7
Do.....	Huntington National.....	25-2
Do.....	National Bank of Commerce.....	25-12
Do.....	New First National.....	25-4
Do.....	Ohio National.....	25-1
Coshocton.....	Coshocton National.....	56-279
Dayton.....	City National.....	56-28
Dehance.....	Merchants National.....	56-358
Dillonvale.....	First National.....	56-943
Elyria.....	The National Bank of Elyria.....	56-197
Fostoria.....	Union National.....	56-285
Franklin.....	Franklin National.....	56-572
Fremont.....	First National.....	56-272
Georgetown.....	do.....	56-573
Greenwich.....	do.....	56-790
Hamilton.....	do.....	56-91
Hillsboro.....	Second National.....	56-92
Do.....	Farmers and Traders National.....	56-501
Lewisville.....	Merchants National.....	56-500
Lorain.....	First National.....	56-1019
Lorain.....	Madison National.....	56-538
Marletta.....	National Bank of Commerce.....	56-110
Massillon.....	Citizens National.....	56-249
Massillon.....	Merchants National.....	56-213
Millford.....	Millford National.....	56-712
Mount Sterling.....	First National.....	56-740
Mount Vernon.....	do.....	56-298
Do.....	New Knox National.....	56-297
New Concord.....	First National.....	56-1069
Norwood.....	do.....	56-180
Do.....	Norwood National.....	56-181
Piqua.....	Citizens National.....	56-219
Powhatan Point.....	First National.....	56-1116
Ravenna.....	Ravenna National.....	56-464
Sandusky.....	Commercial National.....	56-164
Do.....	Third National Exchange.....	56-162
Springfield.....	Farmers National.....	56-673
Do.....	First National.....	56-81
Spring Valley.....	Spring Valley National.....	56-1162
Tiffin.....	Tiffin National.....	56-253
Toledo.....	First National.....	56-1
Do.....	Northern National.....	56-4
Do.....	Second National.....	56-2
Wadsworth.....	First National.....	56-555
Wapakoneta.....	Auglaize National.....	56-461
Wellsville.....	Peoples National.....	56-349
Youngstown.....	Commercial National.....	56-46
Do.....	First National.....	56-44
PENNSYLVANIA.		
Beaver Falls.....	Farmers National.....	60-422
Bellevue.....	Citizens National.....	60-648
Braddock.....	Braddock National.....	60-267
Bridgeville.....	First National.....	60-630
Butler.....	Merchants National.....	60-244
Cambridge Springs.....	Springs National.....	60-975
Ellwood City.....	Peoples National.....	60-774
Erie.....	First National.....	60-71
Do.....	Marine National.....	60-73
Ligonier.....	First National.....	60-966
Munhall.....	do.....	60-1266
New Brighton.....	Union National.....	60-519
New Castle.....	do.....	60-192
Pittsburgh.....	Bank of Pittsburgh, N. A.....	8-1
Do.....	Columbia National.....	8-22
Do.....	Commercial National.....	8-24
Do.....	Diamond National.....	8-19
Do.....	Duquesne National.....	8-20
Do.....	Exchange National.....	8-2
Do.....	Farmers Deposit National.....	8-11
Do.....	First-Second National.....	8-9
Do.....	Keystone National.....	8-27

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 4—Continued.

City or town.	Name of bank.	Transit number.
PENNSYLVANIA—contd.		
Pittsburgh	Mellon National	8-26
Do.	Monongahela National	8-21
Do.	People's National	8-13
Do.	Second National Bank of Allegheny.	8-83
Do.	Third National	8-10
Do.	Union National	8-12
Do.	Western National	8-23
Plumville	First National	60-1306
Tarentum	Peoples National	60-587
Titusville	Second National	60-511
Turtle Creek	First National	60-735
Uniontown	Second National	60-683
Washington	Citizens National	60-294

DISTRICT No. 5.

DISTRICT OF COLUMBIA.		
Washington	Columbia National	15-1
Do.	District National	15-12
Do.	Franklin National	15-84
MARYLAND.		
Annapolis	Farmers National	65-35
Baltimore	Farmers & Merchants National	7-7
Do.	First National	7-14
Do.	Merchants-Mechanics National	7-11
Do.	National Bank of	7-1
Do.	National Bank of Commerce	7-4
Do.	National Exchange	7-16
Do.	National Marine	7-10
Do.	Old Town National	7-17
Do.	Second National	7-6
Do.	Western National	7-13
Catonsville	First National	65-148
Cumberland	Third National	65-2
Frostburg	Citizens National	65-53
Hagerstown	Peoples National	65-21
Hancock	First National	65-119
Oakland	Garrett National	65-97
Sykesville	Sykesville National	65-128
NORTH CAROLINA.		
Goldsboro	National Bank of	66-123
Greenville	do.	66-153
Louisburg	Farmers National	66-511
Do.	First National	66-223
Oxford	do.	66-172
Salisbury	do.	66-90
Statesville	Commercial National	66-140
Wilmington	Murchison National	66-2
Wilson	First National	66-111
Winston-Salem	Merchants National	66-50
Do.	Peoples National	66-48
SOUTH CAROLINA.		
Aiken	First National	67-136
Anderson	Citizens National	67-60
Bennettsville	Planters National	67-155
Bishopville	First National	67-391
Charleston	Germania National	67-16
Do.	Peoples National	67-3
Columbia	National Loan & Exchange	67-26
Do.	National State	67-24
Do.	Palmetto National	67-25
Do.	Peoples National	67-30
Do.	Union National	67-28
Conway	Peoples National	67-454
Florence	First National	67-80
Greenville	Fourth National	67-51
Laurens	Enterprise National	67-117
Lexington	Home National	67-264
Newberry	National Bank of	67-109
Orangeburg	Edisto National	67-92
Rock Hill	National Union	67-71
Spartanburg	Central National	67-35

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 5—Continued.

City or town.	Name of bank.	Transit number.
SOUTH CAROLINA—contd.		
Spartanburg	First National	67-33
Sumter	City National	67-65
Do.	National Bank of Sumter	67-64
Waterboro	First National	67-195
VIRGINIA.		
Alexandria	Alexandria National	68-109
Do.	Citizens National	68-108
Broadway	First National	68-321
Charlottesville	National Bank of	68-131
Fairfax	do.	68-356
Fredericksburg	Planters National	68-136
Gate City	First National	68-269
Leesburg	Peoples National	68-219
Luray	Page Valley National	68-237
Lynchburg	First National	68-72
Do.	Lynchburg National	68-73
Do.	Peoples National	68-75
Manassas	National Bank of	68-240
Petersburg	Virginia National	68-85
Richmond	American National	68-6
Do.	Broadway National	68-30
Do.	Central National	68-25
Do.	First National	68-1
Do.	Manchester National	68-113
Do.	Merchants National	68-4
Do.	National State & City	68-5
Do.	Planters National	68-2
Roanoke	American National	68-62
Do.	First National	68-54
Do.	National Exchange	68-56
Warrenton	Peoples National	68-226
Do.	Fauquier National	68-225
Waynesboro	First National	68-227
WEST VIRGINIA.		
Bluefield	First National	69-60
Charleston	Charleston National	69-36
Martinsburg	Citizens National	69-68
St. Marys	First National	69-177
West Union	do.	69-217

DISTRICT No. 6.

ALABAMA.		
Anniston	First National	
Athens	do.	
Atmore	do.	
Birmingham	do.	
Do.	Traders National	
Luverne	First National	
Mobile	Bank of Mobile, National Bank- ing Association	
Prattville	First National	
Seale	do.	
Talladega	Isbell National	
Do.	Talladega National	
FLORIDA.		
Pensacola	National Bank of Commerce	
Orlando	Peoples National	
GEORGIA.		
Atlanta	American National	
Do.	Atlanta National	
Do.	Fourth National	
Do.	Fulton National	
Do.	Lowry National	
Do.	Third National	
Cordele	Cordele National	
Cornelia	First National	
Dawson	Dawson National	
Dublin	City National	
Do.	First National	

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 6—Continued.

City or town.	Name of bank.	Transit number.
GEORGIA—continued.		
Fort Valley.....	First National.....	
Macon.....	American National.....	
Do.....	Citizens National.....	
Do.....	Fourth National.....	
Do.....	Macon National.....	
Milledgeville.....	First National.....	
Quitman.....	do.....	
Sandersville.....	do.....	
Sparta.....	do.....	
Sylvester.....	do.....	
Valdosta.....	do.....	
Savannah.....	National Bank of Savannah.....	
Do.....	Merchants National.....	
LOUISIANA.		
New Orleans.....	Hibernia National.....	
Do.....	New Orleans National.....	
TENNESSEE.		
Centerville.....	First National.....	
Do.....	Citizens National.....	
Chattanooga.....	do.....	
Do.....	First National.....	
Do.....	Hamilton National.....	
Columbia.....	Phoenix National.....	
Etowah.....	First National.....	
Franklin.....	National Bank of Franklin.....	
Gallatin.....	Peoples National.....	
Johnson City.....	City National.....	
Do.....	Unaka National.....	
Knoxville.....	Holston National.....	
Do.....	Third National.....	
Do.....	Union National.....	
Lawrenceburg.....	First National.....	
Lebanon.....	American National.....	
Do.....	Lebanon National.....	
Murfreesboro.....	First National.....	
Nashville.....	American National.....	
Do.....	Broadway National.....	
Do.....	Cumberland Valley National.....	
Do.....	Fourth and First National.....	
Do.....	Tennessee Hermitage National.....	
Shelbyville.....	Peoples National.....	
Smarna.....	First National.....	
Springfield.....	Peoples National.....	
Woodbury.....	First National.....	

DISTRICT No. 7.

ILLINOIS.		
Bloomington.....	State National.....	70-105
Chicago.....	Calumet National.....	2-105
Do.....	Central Trust Company of Illinois.....	2-23
Do.....	Continental & Commercial National.....	2-3
Do.....	Corn Exchange National.....	2-5
Do.....	Drovers National.....	2-103
Do.....	First National.....	2-1
Do.....	First National Bank of Englewood.....	2-109
Do.....	Fort Dearborn National.....	2-12
Do.....	Live Stock Exchange National.....	2-147
Do.....	National Bank of the Republic.....	2-13
Do.....	National City.....	2-22
Do.....	National Produce.....	2-59
Do.....	Ravenswood National.....	2-206
Do.....	Washington Park National.....	2-144
Clifton.....	First National.....	70-1013
De Land.....	do.....	70-1059
Dirvenon.....	do.....	70-1253
Findlay.....	do.....	70-1297
Galena.....	Galena National.....	70-420
Harvey.....	First National.....	70-309
Joliet.....	do.....	70-59
Do.....	Joliet National.....	70-61

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 7—Continued.

City or town.	Name of bank.	Transit number.
ILLINOIS—continued.		
Kansas.....	Farmers National.....	70-885
Lewistown.....	Lewistown National.....	70-602
Mattoon.....	National Bank of Mattoon.....	70-207
Millford.....	First National.....	70-768
Moweaqua.....	do.....	70-720
Neoga.....	Neoga National.....	70-847
Newman.....	Newman National.....	70-1491
Peoria.....	Central National.....	70-9
Do.....	Commercial German National.....	70-4
Do.....	First National.....	70-1
Rockford.....	Forest City National.....	70-44
Do.....	Third National.....	70-40
Do.....	Winnebago National.....	70-39
Steward.....	First National.....	70-1603
Sycamore.....	Sycamore National.....	70-452
Warren.....	National Farmers.....	70-763
INDIANA.		
Anderson.....	National Exchange.....	71-72
Aurora.....	First National.....	71-374
Boswell.....	do.....	71-620
Brazil.....	Riddell National.....	71-222
Brookville.....	National Brookville.....	71-463
Columbia City.....	First National.....	71-405
Connerville.....	do.....	71-268
Covington.....	do.....	71-485
Fort Wayne.....	German American National.....	71-27
Greenwood.....	First National.....	71-520
Hammond.....	Citizens German National.....	71-85
Do.....	First National.....	71-83
Kirklin.....	do.....	71-704
Kokomo.....	Citizens National.....	71-139
Lafayette.....	Merchants National.....	71-99
La Porte.....	First National.....	71-179
Lawrenceburg.....	Dearborn National.....	71-394
Logansport.....	First National.....	71-125
Martinsville.....	Citizens National.....	71-362
Peru.....	First National.....	71-172
Rushville.....	Rush County National.....	71-357
Do.....	Rushville National.....	71-356
Shelbyville.....	Farmers National.....	71-203
Tipton.....	Citizens National.....	71-387
Valparaiso.....	Valparaiso National.....	71-276
IOWA.		
Armstrong.....	First National.....	72-905
Burlington.....	Merchants National.....	72-54
Clarion.....	First National.....	72-377
Clinton.....	Merchants National.....	72-47
Corning.....	Farmers National.....	72-445
Esterville.....	First National.....	72-381
Galva.....	do.....	72-1081
Gowrie.....	do.....	72-722
Independence.....	do.....	72-257
Mapleton.....	do.....	72-1833
Newton.....	do.....	72-209
Peterson.....	do.....	72-988
Renwick.....	do.....	72-1071
Sioux City.....	Continental National.....	41-62
Do.....	First National.....	41-5
Do.....	Northwestern National.....	41-3
Villisca.....	First National.....	72-387
Waterloo.....	do.....	72-31
Waverly.....	do.....	72-276
Webster City.....	do.....	72-166
MICHIGAN.		
Alpena.....	Alpena National.....	74-122
Detroit.....	First and Old Detroit National.....	9-1
Do.....	Merchants National.....	9-27
Do.....	National Bank of Commerce.....	9-24
Grand Rapids.....	Grand Rapids National City.....	74-2
Kalamazoo.....	Kalamazoo National.....	74-45
Morenci.....	First National.....	74-396
Port Huron.....	First National Exchange.....	74-81
Reed City.....	First National.....	74-369
Saginaw.....	Second National.....	74-22
Vassar.....	Vassar National.....	74-375

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 7—Continued.

City or town.	Name of bank.	Transit number.
WISCONSIN.		
Kenosha.....	First National.....	79-65
Madison.....	Bank of Wisconsin.....	79-50
Milwaukee.....	First National.....	12-2
Do.....	National Exchange.....	12-4
Do.....	Wisconsin National.....	12-7
Monroe.....	First National.....	79-206
Oconomowoc.....	do.....	79-243
Rio.....	do.....	79-394
Watertown.....	Wisconsin National.....	79-127
White Water.....	First National.....	79-232

DISTRICT No. 8.

ARKANSAS.		
Batesville.....	First National.....	81-115
Benton.....	do.....	81-295
Bentonville.....	Benton County National.....	81-170
Do.....	First National.....	81-171
Berryville.....	do.....	81-251
Cotton Plant.....	do.....	81-228
De Queen.....	do.....	81-167
De Witt.....	do.....	81-246
Eureka Springs.....	do.....	81-335
Fayetteville.....	Arkansas National.....	81-88
Do.....	First National.....	81-89
Forrest City.....	do.....	81-142
Fort Smith.....	American National.....	81-33
Do.....	City National.....	81-38
Do.....	First National.....	81-31
Do.....	Merchants National.....	81-32
Gravette.....	First National.....	81-270
Green Forest.....	do.....	81-550
Hope.....	Citizens National.....	81-110
Huntsville.....	First National.....	81-263
Jonesboro.....	do.....	81-68
Judsonia.....	do.....	81-373
Lewisville.....	do.....	81-383
Morrilton.....	do.....	81-554
Paragould.....	do.....	81-79
Do.....	National Bank of Commerce.....	81-80
Pine Bluff.....	Simmons National.....	81-43
Prairie Grove.....	First National.....	81-255
Rogers.....	do.....	81-123
Siloam Springs.....	do.....	81-146
Springdale.....	do.....	81-189
Stuttgart.....	do.....	81-558
Texarkana.....	State National.....	81-75
Van Buren.....	First National.....	81-102
Walton.....	do.....	81-240
Walnut Ridge.....	do.....	81-174
ILLINOIS.		
Albion.....	Albion National.....	70-777
Do.....	First National.....	70-776
Allendale.....	Farmers National.....	70-1796
Do.....	First National.....	70-1130
Altamont.....	do.....	70-765
Alton.....	Alton National.....	70-152
Do.....	Citizens National.....	70-154
Anna.....	Anna National.....	70-528
Do.....	First National.....	70-525
Barry.....	do.....	70-694
Belleville.....	do.....	70-138
Benld.....	National Bank of Benld.....	70-1169
Benton.....	First National.....	70-541
Breese.....	do.....	70-628
Bridgeport.....	do.....	70-537
Brighton.....	do.....	70-1021
Brookport.....	Brookport National.....	70-740
Brownstown.....	First National.....	70-1192
Bunker Hill.....	do.....	70-857
Calro.....	Alexander County National.....	70-173
Do.....	Calro National.....	70-175
Carbondale.....	Carbondale National.....	70-381
Do.....	First National.....	70-379
Carlinville.....	Carlinville National.....	70-466
Carlyle.....	First National.....	70-650

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 8—Continued.

City or town.	Name of bank.	Transit number.
ILLINOIS—continued.		
Carmi.....	First National.....	70-522
Do.....	National Bank of Carmi.....	70-523
Carriers Mills.....	First National.....	70-707
Carrollton.....	Greene County National.....	70-600
Cartersville.....	First National.....	70-514
Centralia.....	Old National.....	70-235
Christopher.....	First National.....	70-1221
Cobden.....	do.....	70-1230
Coffeen.....	Coffeen National.....	70-873
Collinsville.....	First National.....	70-294
Columbia.....	do.....	70-1232
Crossville.....	do.....	70-1242
Dahlgren.....	do.....	70-1005
Dongola.....	First National.....	70-1703
Duquoin.....	do.....	70-370
East St. Louis.....	Drovers National.....	70-20
Do.....	Southern Illinois National.....	70-17
Edwardsville.....	First National.....	70-408
Effingham.....	do.....	70-455
Eldorado.....	do.....	70-484
Equality.....	do.....	70-1283
Fairfield.....	Fairfield National.....	70-572
Do.....	First National.....	70-571
Farmersville.....	do.....	70-1696
Flora.....	do.....	70-535
Freeburg.....	do.....	70-1310
Gillespie.....	Gillespie National.....	70-609
Golconda.....	First National.....	70-837
Goreville.....	do.....	70-1324
Graham.....	do.....	70-1302
Grand Tower.....	do.....	70-1328
Granite City.....	do.....	70-225
Do.....	Granite City National.....	70-226
Grayville.....	Farmers National.....	70-655
Do.....	First National.....	70-654
Greenfield.....	do.....	70-811
Greenville.....	Bradford National.....	70-501
Griggsville.....	Griggsville National.....	70-783
Harrisburg.....	City National.....	70-385
Herrin.....	do.....	70-330
Do.....	First National.....	70-328
Highland.....	do.....	70-542
Hillsboro.....	Hillsboro National.....	70-480
Do.....	Peoples National.....	70-481
Irving.....	Irving National.....	70-1376
Jacksonville.....	Ayers National.....	70-164
Jerseyville.....	National Bank of Jerseyville.....	70-444
Kinmundy.....	First National.....	70-868
Lawrenceville.....	do.....	70-494
Litchfield.....	do.....	70-352
Do.....	Litchfield National.....	70-354
McLeansboro.....	First National.....	70-681
Do.....	Peoples National.....	70-680
Madison.....	First National.....	70-404
Marine.....	do.....	70-1852
Marion.....	do.....	70-317
Marissa.....	do.....	70-646
Mascoutah.....	do.....	70-1441
Metropolis.....	City National.....	70-428
Do.....	First National.....	70-426
Do.....	National State.....	70-427
Millstadt.....	First National.....	70-1463
Mound City.....	do.....	70-521
Mounds.....	do.....	70-1821
Mount Carmel.....	American National.....	70-323
Do.....	First National.....	70-322
Mount Olive.....	do.....	70-475
Mount Sterling.....	do.....	70-648
Mount Vernon.....	Ham National.....	70-272
Do.....	Third National.....	70-278
Murphysboro.....	City National.....	70-287
Do.....	First National.....	70-286
Nashville.....	Farmers & Merchants National.....	70-627
Do.....	First National.....	70-626
National Stock Yards.....	National Stock Yards National.....	70-1480
Nebo.....	First National.....	70-1729
Nokomis.....	Farmers National.....	70-663
Do.....	Nokomis National.....	70-662
Norris City.....	First National.....	70-853
Oblong.....	Oil Belt National.....	70-733
Odin.....	First National.....	70-1503
O'Fallon.....	do.....	70-1504

List of member banks which have joined the collection system
of the Federal reserve banks—Continued.

DISTRICT No. 8—Continued.

City or town.	Name of bank.	Transit number.
ILLINOIS—continued.		
Olney	First National	70-412
Palestine	do.	70-749
Pinckneyville	do.	70-534
Pittsfield	do.	70-636
Quincy	Quincy National	70-51
Do.	Ricker National	70-49
Raymond	First National	70-914
Roodhouse	do.	70-616
St. Elmo	do.	70-794
St. Francisville	do.	70-753
St. Peter	do.	70-1111
Salem	Salem National	70-545
Sandoval	First National	70-706
Sesser	do.	70-1577
Shawneetown	City National	70-667
Sparta	First National	70-506
Stanton	do.	70-401
Sumner	do.	70-747
Tamaroa	do.	70-900
Trenton	do.	70-690
Ulin	do.	70-1632
Vandalia	do.	70-511
Vienna	do.	70-826
Waterloo	do.	70-1747
Waverly	do.	70-710
Wayne City	do.	70-1651
West Frankfort	do.	70-630
West Salem	do.	70-967
White Hall	do.	70-519
Do.	White Hall National	70-518
Witt	Oland National	70-1673
Do.	Witt National	70-1770
Worden	Wall National	70-1678
INDIANA.		
Bedford	Bedford National	71-240
Do.	Citizens National	71-239
Bicknell	First National	71-422
Birdseye	Birdseye National	71-683
Boonville	City National	71-390
Do.	Farmers & Merchants National	71-391
Cannelton	Cannelton National	71-480
Do.	First National	71-481
Carlisle	do.	71-615
Charlestown	do.	71-611
Corydon	Corydon National	71-510
Do.	First National	71-511
Evansville	Citizens National	71-4
Do.	City National	71-2
Do.	Old State National	71-1
Fort Branch	Farmers & Merchants National	71-576
Holland	Holland National	71-782
Huntingburg	First National	71-438
Jasonville	do.	71-791
Jeffersonville	do.	71-185
Linton	do.	71-312
Loogootee	do.	71-475
Lynnville	Lynnville National	71-816
Madison	First National	71-282
Do.	National Branch	71-281
Milltown	First National	71-834
Mount Vernon	do.	71-316
Do.	Mount Vernon National	71-317
New Albany	New Albany National	71-89
Do.	Second National	71-90
New Harmony	First National	71-564
Odon	do.	71-870
Orleans	National Bank of Orleans	71-544
Owensville	First National	71-559
Patoka	Patoka National	71-880
Petersburg	First National	71-462
Poseyville	Bozeman-Waters National	71-630
Do.	First National	71-631
Princeton	Farmers National	71-294
Rockport	First National	71-427
Seymour	do.	71-297
Do.	Seymour National	71-298
Shelburn	First National	71-908
Sullivan	National Bank of Sullivan	71-383
Tell City	Citizens National	71-411
Do.	Tell City National	71-410

List of member banks which have joined the collection system
of the Federal reserve banks—Continued.

DISTRICT No. 8—Continued.

City or town.	Name of bank.	Transit number.
INDIANA—continued.		
Vevay	First National	71-555
Vincennes	do.	71-153
Do.	German National	71-154
Do.	Second National	71-155
Wadesville	Farmers National	71-936
Washington	Peoples National	71-293
Do.	Washington National	71-202
Winslow	First National	71-958
KENTUCKY.		
Bardwell	First National	73-303
Bowling Green	American National	73-74
Do.	Citizens National	73-73
Campbellsville	Taylor National	73-281
Carrollton	Carrollton National	73-220
Do.	First National	73-219
Columbia	do.	73-310
Danville	Citizens National	73-124
Fulton	First National	73-189
Glasgow	Farmers National	73-197
Do.	First National	73-196
Do.	Trigg National	73-195
Harrodsburg	First National	73-164
Do.	Mercer National	73-165
Henderson	Henderson National	73-50
Hodgenville	Farmers National	73-338
Do.	La Rue National	73-339
Hopkinsville	First National	73-70
Lawrenceburg	Anderson National	73-223
Do.	Lawrenceburg National	73-224
Lebanon	Citizens National	73-170
Louisville	American National	21-24
Do.	Citizens National	21-5
Do.	First National	21-20
Do.	Louisville National Banking Co.	21-3
Do.	National Bank of Commerce	21-1
Do.	National Bank of Kentucky	21-1
Do.	Southern National	21-23
Do.	Union National	73-136
Madisonville	Farmers National	73-112
Mayfield	do.	73-108
Do.	First National	73-259
Monticello	Citizens National	73-186
Morganfield	Morganfield National	73-181
Owensboro	First National	73-42
Do.	National Deposit	73-47
Do.	United States National	73-306
Owenton	First National	73-34
Paducah	do.	73-177
Princeton	Farmers National	73-212
Providence	Union National	73-169
Russellville	Citizens National	73-168
Do.	National Deposit	73-263
Scottsville	Allen County National	73-264
Do.	First National	73-244
Sebree	do.	73-280
Springfield	do.	73-638
Wickliffe	do.	
MISSISSIPPI.		
Ackerman	First National	85-201
Columbus	National Bank of Commerce	85-67
Corinth	Citizens National	85-110
Do.	First National	85-109
Tupelo	do.	85-128
MISSOURI.		
Appleton City	First National	80-507
Bolivar	do.	80-343
Boonville	Central National	80-203
Bosworth	First National	80-592
Brunswick	do.	80-394
Cabool	do.	80-582
Cainesville	do.	80-551
California	Monticau National	80-309
Canton	First National	80-298
Cape Girardeau	do.	80-105
Carrollton	do.	80-236
Cassville	do.	80-587
Centralia	do.	80-316
Chaffee	do.	80-322

*List of member banks which have joined the collection system
of the Federal reserve banks—Continued.*

DISTRICT No. 8—Continued,

City or town.	Name of bank.	Transit number.
MISSOURI—continued.		
Chillicothe.....	Citizens National.....	80-139
Do.....	First National.....	80-138
Clinton.....	Clinton National.....	80-180
Do.....	Peoples National.....	80-181
Columbia.....	Boone County National.....	80-85
Do.....	Exchange National.....	80-86
Eldorado Springs.....	First National.....	80-276
Green City.....	American National.....	80-562
Do.....	City National.....	80-563
Hamilton.....	First National.....	80-378
Hannibal.....	Hannibal National.....	80-48
Holden.....	First National.....	80-1412
Jackson.....	Peoples National.....	80-321
Jefferson City.....	First National.....	80-61
Kirksville.....	Citizens National.....	80-132
Lebanon.....	First National.....	80-1414
Linn Creek.....	Do.....	80-742
Ludlow.....	Farmers National.....	80-767
Do.....	First National.....	80-768
Marshfield.....	Do.....	80-465
Memphis.....	Scotland County National.....	80-339
Mexico.....	First National.....	80-148
Milan.....	Do.....	80-299
Monett.....	Do.....	80-207
Mountain Grove.....	Do.....	80-383
Palmyra.....	Do.....	80-307
Pierce City.....	Do.....	80-328
Polo.....	Do.....	80-698
Purdy.....	Do.....	80-1175
Ridgeway.....	Do.....	80-564
St. Charles.....	Do.....	80-98
St. Louis.....	Central National.....	4-6
Do.....	Mechanics-American National.....	4-32
Do.....	Mercantile National.....	4-20
Do.....	Mercantile Trust Co.....	4-21
Do.....	Merchants-Laclede National.....	4-19
Do.....	National Bank of Commerce.....	4-28
Do.....	State National.....	4-28
Do.....	Third National.....	4-29
Salem.....	First National.....	80-371
Sedalia.....	Third National.....	80-53
Do.....	Peoples National.....	80-685
Seymour.....	McDaniel National.....	80-29
Springfield.....	Union National.....	80-8
Do.....	First National.....	80-589
Steelville.....	Trenton National.....	80-158
Trenton.....	Marshall National.....	80-331
Unionville.....	National Bank of Unionville.....	80-332
Do.....	First National.....	80-398
Versailles.....	Peoples National.....	80-194
Warrensburg.....	First National.....	80-220
Washington.....	Do.....	80-110
Wellston.....	Do.....	80-255
West Plains.....	Do.....	80-295
Windsor.....	Do.....	80-295
TENNESSEE.		
Brownsville.....	First National.....	87-141
Covington.....	Do.....	87-567
Jackson.....	Do.....	87-59
Do.....	Second National.....	87-80
Do.....	Security National.....	87-65
Memphis.....	Central State National.....	26-7
Do.....	First National.....	26-2
Do.....	Mercantile National.....	26-6
Do.....	National City.....	26-65
Paris.....	First National.....	87-112
Ripley.....	Do.....	87-554
Union City.....	Third National.....	87-102

DISTRICT No. 9.

MICHIGAN.		
L'Anse.....	Baraga County National.....	74-704
Munising.....	First National Bank of Alger County.....	74-317
MINNESOTA.		
Ada.....	Ada National.....	75-1192
Aitkin.....	First National.....	75-261

*List of member banks which have joined the collection system
of the Federal reserve banks—Continued.*

DISTRICT No. 9—Continued.

City or town.	Name of bank.	Transit number.
MINNESOTA—continued.		
Alexandria.....	Do.....	75-157
Amboy.....	Do.....	75-539
Anoka.....	Anoka National.....	75-141
Atwater.....	First National.....	75-480
Belle Plaine.....	Do.....	75-317
Blackduck.....	Do.....	75-662
Braham.....	Do.....	75-665
Ceylon.....	Do.....	75-687
Crookston.....	Do.....	75-78
Do.....	Merchants National.....	75-77
Deer River.....	First National.....	75-711
Elbow Lake.....	Do.....	75-419
Foley.....	Do.....	75-437
Grand Rapids.....	Do.....	75-199
Halstad.....	Do.....	75-519
Hastings.....	Do.....	75-139
Hawley.....	Do.....	75-411
Hendricks.....	Do.....	75-548
Do.....	Farmers National.....	75-549
Hopkins.....	First National Bank of West Minneapolis.....	75-160
Hutchinson.....	Farmers National.....	75-1035
Jackson.....	First National.....	75-216
Do.....	Jackson National.....	75-217
Lake Park.....	First National.....	75-430
Lanesboro.....	Do.....	75-359
Le Roy.....	Do.....	75-441
Litchfield.....	Do.....	75-188
Little Falls.....	German-American National.....	75-109
Long Prairie.....	First National.....	75-306
Luverne.....	Farmers National.....	75-178
Do.....	National Bank of Luverne.....	75-177
Mankato.....	First National.....	75-33
Do.....	National Bank of Commerce.....	75-37
Do.....	National Citizens.....	75-34
Minneapolis.....	First & Security National.....	17-2
Do.....	Metropolitan National.....	17-62
Do.....	Northwestern National.....	17-1
Do.....	Scandinavian-American Na- tional.....	17-7
Moorhead.....	First National.....	75-130
Do.....	Moorhead National.....	75-131
New Prague.....	First National.....	75-271
Olivia.....	Peoples First National.....	75-362
Osakis.....	First National.....	75-353
Parkers Prairie.....	Do.....	75-567
Princeton.....	Do.....	75-265
Red Lake Falls.....	Farmers National.....	75-240
Rush City.....	First National.....	75-361
Rushmore.....	Do.....	75-611
St. Paul.....	American National.....	22-7
Do.....	Capital National.....	22-5
Do.....	First National.....	22-1
Do.....	Merchants National.....	22-3
Do.....	National Bank of Commerce.....	22-8
Sleepy Eye.....	First National.....	75-107
Springfield.....	Do.....	75-278
Stephen.....	Do.....	75-465
Tyler.....	Do.....	75-471
Waterville.....	Do.....	75-297
Wheaton.....	National Bank of Wheaton.....	75-296
Willmar.....	First National.....	75-138
MONTANA.		
Anaconda.....	Anaconda National.....	93-35
Baker.....	First National.....	93-304
Billings.....	Yellowstone National.....	93-38
Bozeman.....	National Bank of Gallatin Val- ley.....	93-60
Conrad.....	First National.....	93-103
Deer Lodge.....	United States National.....	93-77
Forsyth.....	First National.....	93-93
Glasgow.....	Do.....	93-95
Do.....	Glasgow National.....	93-96
Great Falls.....	First National.....	93-15
Hamilton.....	Do.....	93-84
Hamlet.....	Do.....	93-201
Ismay.....	Do.....	93-208
Kalispell.....	Conrad National.....	93-48
Lewistown.....	First National.....	93-73
Malta.....	Do.....	93-137
Missoula.....	Do.....	93-21

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 9—Continued.

City or town.	Name of bank.	Transit number.
MONTANA—continued.		
Moore.....	First National.....	93-121
Ronan.....	do.....	93-146
Three Forks.....	do.....	93-112
Townsend.....	do.....	93-111
NORTH DAKOTA.		
Bismarck.....	First National.....	77-29
Bottineau.....	do.....	77-91
Bowman.....	do.....	77-229
Brinsmade.....	do.....	77-432
Buffalo.....	do.....	77-327
Cando.....	Cando National.....	77-89
Do.....	First National.....	77-335
Churchs Ferry.....	do.....	77-235
Crary.....	do.....	77-389
Devils Lake.....	do.....	77-34
Dickinson.....	Dakota National.....	77-49
Drayton.....	First National.....	77-190
East Fairview.....	do.....	77-565
Ellendale.....	do.....	77-88
Fargo.....	Fargo National.....	77-3
Do.....	First National.....	77-1
Do.....	Merchants National.....	77-2
Fingal.....	First National.....	77-211
Finley.....	do.....	77-205
Grand Forks.....	do.....	77-15
Hampden.....	do.....	77-347
Hatten.....	Farmers & Merchants National.....	77-158
Hettinger.....	First National.....	77-136
Hope.....	Hope National.....	77-129
Hunter.....	First National.....	77-287
Lidgerwood.....	Farmers National.....	77-115
Litchville.....	First National.....	77-227
Linton.....	do.....	77-172
McVile.....	do.....	77-805
Mandan.....	do.....	77-45
Marmarth.....	do.....	77-651
Milnor.....	Milnor National.....	77-174
Northwood.....	Citizens National.....	77-135
Osnabrock.....	First National.....	77-398
Park River.....	do.....	77-113
Reynolds.....	do.....	77-265
Rolette.....	do.....	77-270
St. Thomas.....	do.....	77-208
Sentinel Butte.....	do.....	77-484
Shayenne.....	do.....	77-245
Steele.....	do.....	77-216
Tower City.....	do.....	77-709
SOUTH DAKOTA.		
Arlington.....	First National.....	78-190
Bridgewater.....	do.....	78-173
Castlewood.....	do.....	78-236
Clear Lake.....	do.....	78-203
Hot Springs.....	Peoples National.....	78-72
McIntosh.....	First National.....	78-333
Milbank.....	do.....	78-78
Do.....	Merchants National.....	78-76
Mitchell.....	First National.....	78-29
Do.....	Mitchell National.....	78-30
Do.....	Western National.....	78-32
Oldham.....	First National.....	78-363
Parkston.....	do.....	78-159
Pierre.....	Pierre National.....	78-53
Rapid City.....	First National.....	78-44
Sioux Falls.....	Scandinavian-American National.....	78-8
Vienna.....	First National.....	78-296
Watertown.....	do.....	78-23
Woonsocket.....	do.....	78-149
WISCONSIN.		
Eau Claire.....	Union National.....	79-78
Grantsburg.....	First National.....	79-390
Manitowoc.....	National Bank of Manitowoc.....	79-113
Neillsville.....	First National.....	79-292
Phillips.....	do.....	79-294

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 9—Continued.

City or town.	Name of bank.	Transit number.
WISCONSIN—continued.		
Rice Lake.....	First National.....	79-216
Shawano.....	do.....	79-219
Do.....	German-American National.....	79-250
Superior.....	United States National.....	79-4
Waupaca.....	Old National.....	79-256
Wausau.....	First National.....	79-89
Do.....	National German-American.....	79-90
Weyauwega.....	First National.....	79-365

DISTRICT No. 10.

COLORADO.		
Akron.....	First National.....	
Alamosa.....	Alamosa National.....	
Do.....	American National.....	
Arvada.....	First National.....	
Ault.....	Farmers National.....	
Do.....	First National.....	
Berthoud.....	Berthoud National.....	
Do.....	First National.....	
Boulder.....	Boulder National.....	
Do.....	First National.....	
Do.....	National State.....	
Brighton.....	First National.....	
Brush.....	do.....	
Do.....	Stockmens National.....	
Buena Vista.....	do.....	
Canon City.....	do.....	
Do.....	Fremont County National.....	
Carbondale.....	First National.....	
Castle Rock.....	First National of Douglas County.....	
Cedaredge.....	First National.....	
Center.....	do.....	
Central City.....	do.....	
Do.....	Rocky Mountain National.....	
Colorado City.....	First National.....	
Colorado Springs.....	Colorado Springs National.....	
Do.....	El Paso National.....	
Do.....	Exchange National.....	
Do.....	First National.....	
Cortez.....	Montezuma Valley National.....	
Craig.....	Craig National.....	
Do.....	First National.....	
Cripple Creek.....	do.....	
Delta.....	Delta National.....	
Do.....	First National.....	
Denver.....	Colorado National.....	
Do.....	Denver National.....	
Do.....	Federal National.....	
Do.....	First National.....	
Do.....	Hamilton National.....	
Do.....	United States National.....	
Durango.....	Burns National.....	
Do.....	First National.....	
Eads.....	First National.....	
Eagle.....	First National Bank of Eagle County.....	
Eaton.....	Eaton National.....	
Do.....	First National.....	
Englewood.....	do.....	
Florence.....	do.....	
Fort Collins.....	do.....	
Do.....	Fort Collins National.....	
Do.....	Poudre Valley National.....	
Fort Morgan.....	First National.....	
Do.....	Morgan County National.....	
Fountain.....	First National.....	
Fowler.....	do.....	
Fruita.....	do.....	
Glenwood Springs.....	Citizens National.....	
Do.....	First National.....	
Golden.....	Woods-Ruber National.....	
Grauada.....	First National.....	
Grand Junction.....	Grand Valley National.....	
Greeley.....	First National.....	

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
COLORADO—continued.		
Greeley.....	Greeley National.....	
Do.....	Union National.....	
Gunnison.....	First National.....	
Hayden.....	do.....	
Holly.....	do.....	
Holyoke.....	do.....	
Hotchkiss.....	do.....	
Hugo.....	do.....	
Idaho Springs.....	do.....	
Do.....	Merchants and Miners National.....	
Johnstown.....	First National.....	
Julesburg.....	Citizens National.....	
Do.....	First National.....	
Lafayette.....	do.....	
La Jara.....	do.....	
La Junta.....	do.....	
Lamar.....	do.....	
Do.....	Lamar National.....	
Las Animas.....	First National.....	
Leadville.....	American National.....	
Do.....	Carbonate National.....	
Littleton.....	First National.....	
Longmont.....	Farmers National.....	
Do.....	Longmont National.....	
Loveland.....	First National.....	
Do.....	Loveland National.....	
Mancos.....	First National.....	
Meeker.....	do.....	
Monte Vista.....	do.....	
Montrose.....	Montrose National.....	
Do.....	First National.....	
Olathe.....	do.....	
Ordway.....	do.....	
Pallisades.....	Pallisades National.....	
Paonia.....	First National.....	
Platteville.....	Platteville National.....	
Pueblo.....	First National.....	
Do.....	Western National.....	
Ride.....	First National.....	
Rocky Ford.....	do.....	
Do.....	Rocky Ford National.....	
Saguache.....	First National.....	
Salida.....	Commercial National.....	
Do.....	First National.....	
Sedgwick.....	do.....	
Silverton.....	do.....	
Steamboat Springs.....	do.....	
Sterling.....	Farmers National.....	
Do.....	First National.....	
Do.....	Logan County National.....	
Telluride.....	First National.....	
Trinidad.....	do.....	
Do.....	Trinidad National.....	
Walsenburg.....	First National.....	
Wellington.....	do.....	
Windsor.....	do.....	
Wray.....	do.....	
Do.....	The National Bank of.....	
Yuma.....	First National.....	
KANSAS.		
Abilene.....	Abilene National Bank.....	
Do.....	Farmers National Bank.....	
Alma.....	Alma National Bank.....	
Do.....	Farmers National Bank.....	
Almena.....	First National Bank.....	
Anthony.....	Citizens National Bank.....	
Do.....	First National Bank.....	
Arkansas City.....	Home National Bank.....	
Do.....	Security National Bank.....	
Ashland.....	Stockgrowers National Bank.....	
Atehison.....	Exchange National Bank.....	
Do.....	First National Bank.....	
Attica.....	do.....	
Atwood.....	Farmers National Bank.....	
Augusta.....	First National Bank.....	
Barnard.....	do.....	
Baxter Springs.....	Baxter National Bank.....	
Beattie.....	First National Bank.....	
Belleville.....	The National Bank of Belleville.....	
Do.....	Peoples National Bank.....	

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
KANSAS—continued.		
Beloit.....	First National Bank.....	
Do.....	German National Bank of Northern Kansas.....	
Bonner Springs.....	First National Bank.....	
Burlingame.....	do.....	
Burlington.....	Farmers National Bank.....	
Do.....	Peoples National Bank.....	
Burr Oak.....	Jewell County National Bank.....	
Caney.....	Caney Valley National Bank.....	
Do.....	Home National Bank.....	
Cedar Vale.....	Cedar Vale National Bank.....	
Do.....	Dosbaugh National Bank.....	
Centralia.....	First National Bank.....	
Chanute.....	do.....	
Cherokee.....	do.....	
Cherryvale.....	Montgomery County National Bank.....	
Clay Center.....	First National Bank.....	
Do.....	Peoples National Bank.....	
Clifton.....	First National Bank.....	
Coffeyville.....	Condon National Bank.....	
Do.....	First National Bank.....	
Coldwater.....	Coldwater National Bank.....	
Columbus.....	First National Bank.....	
Concordia.....	do.....	
Conway Springs.....	do.....	
Cottonwood Falls.....	Chase County National Bank.....	
Do.....	Exchange National Bank.....	
Council Grove.....	Council Grove National Bank.....	
Delphos.....	First National Bank.....	
Dighton.....	do.....	
Dodge City.....	National Bank of Commerce.....	
Edmond.....	First National Bank.....	
Edna.....	do.....	
El Dorado.....	El Dorado National Bank.....	
Do.....	Farmers & Merchants National Bank.....	
Elk City.....	First National Bank.....	
Ellsworth.....	Central National Bank.....	
Emporia.....	Citizens National.....	
Do.....	Emporia National.....	
Englewood.....	First National.....	
Eureka.....	Citizens National.....	
Do.....	First National.....	
Fort Hays.....	Home National.....	
Fort Leavenworth.....	First National.....	
Fort Scott.....	Army National.....	
Fowler.....	Citizens National.....	
Galena.....	First National.....	
Garden City.....	Galena National.....	
Do.....	First National.....	
Garnett.....	Garden City National.....	
Gaylord.....	National Bank of Commerce.....	
Girard.....	First National.....	
Glasco.....	do.....	
Goff.....	do.....	
Goodland.....	Farmers National.....	
Do.....	First National.....	
Great Bend.....	Citizens National.....	
Do.....	First National.....	
Greensburg.....	Farmers National.....	
Gypsum.....	Gypsum Valley National.....	
Hamilton.....	First National.....	
Harper.....	The National Bank of Harper.....	
Hartford.....	Hartford National.....	
Havensville.....	First National.....	
Hays City.....	do.....	
Herington.....	do.....	
Hiawatha.....	do.....	
Hiland.....	do.....	
Hillsboro.....	do.....	
Holington.....	do.....	
Holton.....	do.....	
Horton.....	do.....	
Howard.....	do.....	
Do.....	Howard National.....	
Hoxie.....	First National.....	
Humboldt.....	Humboldt National.....	
Hutchinson.....	Commercial National.....	
Do.....	First National.....	

List of member banks which have joined the collection system
of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
KANSAS—continued.		
Independence.....	Citizens National.....	
Do.....	Commercial National.....	
Do.....	First National.....	
Iola.....	Northrup National.....	
Jewell City.....	First National.....	
Junction City.....	Central National.....	
Do.....	First National.....	
Kansas City.....	Commercial National.....	
Do.....	Peoples National.....	
Kensington.....	First National.....	
Kingman.....	do.....	
Kingsley.....	The National Bank of Kingsley.....	
Kiowa.....	First National.....	
La Harpe.....	First National Bank.....	
Larned.....	Moffett Bros. National Bank.....	
Lawrence.....	Lawrence National Bank.....	
Do.....	Merchants National Bank.....	
Do.....	Watkins National Bank.....	
Leavenworth.....	First National Bank.....	
Do.....	Leavenworth National Bank.....	
Do.....	Manufacturers National Bank.....	
Lebanon.....	First National Bank.....	
Liberal.....	do.....	
Lincoln.....	Farmers National Bank.....	
Lindsborg.....	First National Bank.....	
Logan.....	do.....	
Longton.....	Home National Bank.....	
Lucas.....	First National Bank.....	
Luray.....	do.....	
Lyndon.....	do.....	
Lyons.....	Lyons National Bank.....	
Madison.....	First National Bank.....	
Manhattan.....	do.....	
Do.....	Union National Bank.....	
Mankato.....	Mankato National Bank.....	
Marion.....	Marion National Bank.....	
Marysville.....	First National Bank.....	
Mayetta.....	do.....	
Meade.....	do.....	
Medicine Lodge.....	do.....	
Minneapolis.....	Citizens National Bank.....	
Do.....	Minneapolis National Bank.....	
Moline.....	Citizens National Bank.....	
Do.....	Moline National Bank.....	
Mount Hope.....	First National Bank.....	
Natoma.....	do.....	
Neodesha.....	do.....	
Do.....	Neodesha National Bank.....	
Ness City.....	Citizens National Bank.....	
Do.....	The National Bank of Ness City.....	
Newton.....	First National Bank.....	
Do.....	Midland National Bank.....	
Norcaton.....	First National Bank.....	
Norton.....	do.....	
Nortonville.....	do.....	
Oakley.....	do.....	
Oberlin.....	Farmers National Bank.....	
Do.....	Oberlin National Bank.....	
Olathe.....	First National Bank.....	
Osborne.....	Exchange National Bank.....	
Do.....	Farmers National Bank.....	
Do.....	First National.....	
Ottawa.....	do.....	
Do.....	Peoples National.....	
Overbrook.....	First National.....	
Paola.....	do.....	
Do.....	Miami County National.....	
Parsons.....	Peoples National.....	
Peabody.....	First National.....	
Phillipsburg.....	do.....	
Pittsburg.....	do.....	
Do.....	National Bank of Pittsburg.....	
Do.....	Pittsburg National Bank of Commerce.....	
Plainville.....	First National.....	
Pleasanton.....	do.....	
Platte View.....	do.....	
Platte.....	National Bank of.....	
Sabetha.....	do.....	
St. John.....	First National.....	
Do.....	St. John National.....	

List of member banks which have joined the collection system
of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
KANSAS—continued.		
St. Marys.....	First National.....	
Salina.....	Farmers National.....	
Do.....	National Bank of America.....	
Scott City.....	First National.....	
Sedan.....	do.....	
Seneca.....	do.....	
Do.....	National Bank of.....	
Smith Center.....	First National.....	
Solomon.....	Solomon National.....	
Spearsville.....	First National.....	
Stafford.....	Farmers National.....	
Sterling.....	First National.....	
Stockton.....	National State.....	
Do.....	Stockton National.....	
Syracuse.....	First National.....	
Thayer.....	do.....	
Topeka.....	Central National.....	
Do.....	Farmers National.....	
Do.....	Merchants National.....	
Toronto.....	First National.....	
Troy.....	do.....	
Victoria.....	German National.....	
Wamego.....	First National.....	
Washington.....	do.....	
Do.....	Washington National.....	
Waverly.....	First National.....	
Wellington.....	National Bank of Commerce.....	
Do.....	Wellington National.....	
Wetmore.....	First National.....	
White City.....	do.....	
Wichita.....	Fourth National.....	
Do.....	Kansas National.....	
Do.....	National Bank of Commerce.....	
Do.....	Union Stock Yards National.....	
Winfield.....	Cowley County National.....	
Do.....	First National.....	
Do.....	Winfield National.....	
MISSOURI.		
Adrian.....	First National.....	
Albany.....	do.....	
Burlington Junction.....	do.....	
Cameron.....	do.....	
Cartersville.....	do.....	
Carthage.....	Carthage National.....	
Do.....	Central National.....	
Do.....	First National.....	
Excelsior Springs.....	do.....	
Fairview.....	do.....	
Golden City.....	Citizens National.....	
Do.....	First National.....	
Grant City.....	do.....	
Harrisonville.....	Citizens National.....	
Independence.....	First National.....	
Do.....	do.....	
Jasper.....	do.....	
Joplin.....	Cunningham National.....	
Do.....	First National.....	
Do.....	Joplin National.....	
Kansas City.....	Commonwealth National.....	
Do.....	Drovers National.....	
Do.....	First National.....	
Do.....	Gate City National.....	
Do.....	Inter-State National.....	
Do.....	National Reserve.....	
Do.....	New England National.....	
Do.....	Park National.....	
Do.....	Security National.....	
Do.....	Southwest National Bank of Commerce.....	
Do.....	Stockyards National.....	
Do.....	Traders National.....	
King City.....	Citizens National.....	
Do.....	First National.....	
Lamar.....	do.....	
Liberty.....	do.....	
Liberty.....	do.....	
Marysville.....	do.....	
Neosho.....	do.....	
Nevada.....	do.....	
Do.....	Thornton National.....	
North Kansas City.....	National Bank of.....	
Plattsburg.....	First National.....	

List of member banks which have joined the collection system
of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
MISSOURI—continued.		
Pleasant Hill.....	Farmers National.....	
St. Joseph.....	Burnes National.....	
Do.....	First National.....	
Do.....	German-American National.....	
Do.....	Peetle-Lemon National.....	
Sarecoxie.....	First National.....	
Savannah.....	do.....	
Stewartsville.....	do.....	
Tarkio.....	do.....	
Webb City.....	National Bank of.....	
NEBRASKA.		
Adams.....	First National.....	
Ainsworth.....	National Bank of.....	
Albion.....	Albion National.....	
Do.....	First National.....	
Allen.....	do.....	
Alliance.....	Alliance National.....	
Do.....	First National.....	
Amherst.....	do.....	
Ansley.....	do.....	
Arlington.....	do.....	
Ashland.....	National Bank of.....	
Atkinson.....	First National.....	
Auburn.....	Carson National.....	
Do.....	First National.....	
Aurora.....	Aurora National.....	
Do.....	Fidelity National.....	
Do.....	First National.....	
Bancroft.....	do.....	
Bayard.....	do.....	
Bazile Mills.....	do.....	
Beatrice.....	Beatrice National.....	
Do.....	First National.....	
Beemer.....	do.....	
Belden.....	do.....	
Benedict.....	do.....	
Bertrand.....	do.....	
Blair.....	do.....	
Blue Hill.....	do.....	
Bradshaw.....	do.....	
Bridgeport.....	do.....	
Burwell.....	do.....	
Bristow.....	do.....	
Broken Bow.....	Custer National.....	
Brunswick.....	First National.....	
Butte.....	do.....	
Callaway.....	do.....	
Cambridge.....	do.....	
Carroll.....	do.....	
Central City.....	Central City National.....	
Chadron.....	First National.....	
Chappell.....	do.....	
Clarke.....	do.....	
Coleridge.....	Coleridge National.....	
Do.....	First National.....	
Columbus.....	Commercial National.....	
Do.....	First National.....	
Do.....	German National.....	
Craig.....	First National.....	
Crawford.....	do.....	
Creighton.....	Creighton National.....	
Crete.....	City National.....	
Do.....	First National.....	
Crofton.....	First National.....	
David City.....	Central Nebraska National.....	
Do.....	City National.....	
Do.....	First National.....	
Decatur.....	do.....	
Dodge.....	do.....	
Elgin.....	do.....	
Elwood.....	do.....	
Emerson.....	do.....	
Fairbury.....	Farmers & Merchants National.....	
Do.....	First National.....	
Falls City.....	do.....	
Fremont.....	Commercial National.....	
Do.....	Farmers & Merchants National.....	
Do.....	First National.....	
Do.....	Fremont National.....	
Friend.....	First National.....	

List of member banks which have joined the collection system
of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
NEBRASKA—continued.		
Fullerton.....	First National.....	
Do.....	Fullerton National.....	
Genoa.....	First National.....	
Do.....	Genoa National.....	
Gering.....	First National.....	
Do.....	Gering National.....	
Gordon.....	First National.....	
Grand Island.....	do.....	
Do.....	Grand Island National.....	
Greeley.....	First National.....	
Greenwood.....	do.....	
Gresham.....	do.....	
Hampton.....	do.....	
Harrison.....	do.....	
Hartington.....	do.....	
Do.....	Hartington National.....	
Hastings.....	Exchange National.....	
Do.....	First National.....	
Do.....	German National.....	
Havelock.....	First National.....	
Hayes Center.....	do.....	
Hay Springs.....	do.....	
Hemingford.....	do.....	
Holdrege.....	do.....	
Hooper.....	do.....	
Humboldt.....	National Bank of.....	
Humphrey.....	First National.....	
Imperial.....	do.....	
Johnson.....	do.....	
Do.....	German National.....	
Kearney.....	Central National.....	
Do.....	City National.....	
Laurel.....	First National.....	
Do.....	Laurel National.....	
Leigh.....	First National.....	
Lexington.....	Dawson County National.....	
Do.....	First National.....	
Litchfield.....	do.....	
Lincoln.....	Central National.....	
Do.....	City National.....	
Do.....	First National.....	
Do.....	National Bank of Commerce.....	
Loomis.....	First National.....	
Loup City.....	do.....	
Lynch.....	do.....	
Lyons.....	do.....	
Madison.....	Farmers National.....	
Do.....	First National.....	
Do.....	Madison National.....	
Marquette.....	First National.....	
McCook.....	Citizens National.....	
Do.....	First National.....	
Do.....	McCook National.....	
Minden.....	First National.....	
Do.....	Minden Exchange National.....	
Mitchell.....	First National.....	
Morrill.....	do.....	
Naper.....	do.....	
Nebraska City.....	Merchants National.....	
Do.....	Nebraska City National.....	
Do.....	Otos County National.....	
Neligh.....	Neligh National.....	
Newman Grove.....	First National.....	
Norfolk.....	Citizens National.....	
Do.....	Norfolk National.....	
North Bend.....	First National.....	
North Platte.....	do.....	
Oakland.....	Farmers & Merchants National.....	
Do.....	First National.....	
Omaha.....	City National.....	
Do.....	Corn Exchange National.....	
Do.....	First National.....	
Do.....	Merchants National.....	
Do.....	Nebraska National.....	
Do.....	Omaha National.....	
Do.....	United States National.....	
O'Neill.....	First National.....	
Do.....	O'Neill National.....	
Ord.....	First National.....	
Osceola.....	do.....	
Oshkosh.....	do.....	
Pender.....	do.....	

List of member banks which have joined the collection system
of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
NEBRASKA—continued.		
Pilger.....	Farmers National.....	
Do.....	First National.....	
Plainview.....	do.....	
Plattsmouth.....	do.....	
Randolph.....	do.....	
Do.....	Security National.....	
Rushville.....	Stockmen's National.....	
St. Edward.....	First National.....	
Do.....	Smith National.....	
Schuyler.....	First National.....	
Do.....	Schuyler National.....	
Scottsbluff.....	First National.....	
Do.....	Scottsbluff National.....	
Scribner.....	First National.....	
Seward.....	do.....	
Do.....	Jones National.....	
Shelby.....	First National.....	
Sidney.....	do.....	
South Omaha.....	Live Stock National.....	
Do.....	Packers National.....	
Do.....	Stockyards National.....	
Spencer.....	First National.....	
Stanton.....	do.....	
Do.....	Stanton National.....	
Stromsburg.....	First National.....	
Stuart.....	do.....	
Syracuse.....	do.....	
Tecumseh.....	Citizens National.....	
Do.....	Tecumseh National.....	
Tekamah.....	First National.....	
Tilden.....	do.....	
Do.....	Tilden National.....	
Trenton.....	First National.....	
University Place.....	do.....	
Utica.....	do.....	
Valentine.....	do.....	
Wahoo.....	do.....	
Do.....	Saunders County National.....	
Wakefield.....	Farmers National.....	
Do.....	First National.....	
Walthill.....	do.....	
Do.....	Walthill National.....	
Wausa.....	Commercial National.....	
Do.....	First National.....	
Wayne.....	Citizens National.....	
Do.....	First National.....	
Weeping Water.....	City National.....	
Do.....	First National.....	
West Point.....	do.....	
Do.....	West Point National.....	
Wilber.....	National Bank of.....	
Wilcox.....	First National.....	
Winnebago.....	do.....	
Wisner.....	Citizens National.....	
Do.....	First National.....	
Wood River.....	do.....	
Wymore.....	do.....	
Wynet.....	do.....	
York.....	City National.....	
Do.....	First National.....	
NEW MEXICO.		
Cimarron.....	First National.....	
Clayton.....	do.....	
Farmington.....	do.....	
Do.....	San Juan County National.....	
Las Vegas.....	First National.....	
Do.....	San Miguel National.....	
Raton.....	First National.....	
Do.....	National Bank of New Mexico.....	
Santa Fe.....	First National.....	
OKLAHOMA.		
Ada.....	First National.....	
Do.....	M. & P. National.....	
Addington.....	First National.....	
Afton.....	do.....	
Alex.....	do.....	
Allen.....	do.....	

List of member banks which have joined the collection system
of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
OKLAHOMA—continued.		
Altus.....	City National.....	
Do.....	First National.....	
Alva.....	do.....	
Anadarko.....	do.....	
Do.....	National Bank of.....	
Apache.....	First National.....	
Arcadia.....	do.....	
Arapaho.....	do.....	
Ardmore.....	Ardmore National.....	
Do.....	First National.....	
Do.....	State National.....	
Bartlesville.....	Bartlesville National.....	
Do.....	First National.....	
Do.....	Union National.....	
Beggs.....	Farmers National.....	
Do.....	First National.....	
Berwyn.....	do.....	
Bixby.....	do.....	
Blackwell.....	do.....	
Blair.....	do.....	
Blanchard.....	do.....	
Blue Jacket.....	do.....	
Boynton.....	do.....	
Briggs.....	do.....	
Braman.....	do.....	
Bristow.....	Bristow National.....	
Do.....	First National.....	
Broken Arrow.....	Citizens National.....	
Do.....	First National.....	
Buffalo.....	do.....	
Calvin.....	do.....	
Do.....	Calvin National.....	
Carmen.....	Carmen National.....	
Cashion.....	First National.....	
Centralia.....	do.....	
Chandler.....	do.....	
Do.....	Union National.....	
Checotah.....	Commercial National.....	
Do.....	First National.....	
Do.....	Peoples National.....	
Chelsea.....	First National.....	
Cherokee.....	Alfalfa County National.....	
Do.....	Farmers National.....	
Claremore.....	First National.....	
Do.....	National Bank of.....	
Cleveland.....	Cleveland National.....	
Do.....	First National.....	
Chickasha.....	Chickasha National.....	
Do.....	Citizens National.....	
Do.....	First National.....	
Do.....	Oklahoma National.....	
Clinton.....	First National.....	
Do.....	Oklahoma State National.....	
Collinsville.....	Collinsville National.....	
Do.....	First National.....	
Comanche.....	do.....	
Cordell.....	Cordell National.....	
Do.....	Farmers National.....	
Do.....	State National.....	
Coweta.....	First National.....	
Do.....	National Bank of Commerce.....	
Commerce.....	First National.....	
Cushing.....	Farmers National.....	
Do.....	First National.....	
Custer City.....	do.....	
Do.....	Peoples State National.....	
Davis.....	First National.....	
Dewey.....	do.....	
Do.....	Security National.....	
Drumright.....	First National.....	
Duncan.....	City National.....	
Do.....	Duncan National.....	
Do.....	First National.....	
Edmond.....	Citizens National.....	
Do.....	First National.....	
El Dorado.....	do.....	
Do.....	do.....	
Elk City.....	Citizens National.....	
El Reno.....	First National.....	
Do.....	First National.....	
Enid.....	Enid National.....	
Do.....	First National.....	

List of member banks which have joined the collection system
of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
OKLAHOMA—continued.		
Eufaula.	Eufaula National.	
Do.	First National.	
Do.	State National.	
Fairfax.	Fairfax National.	
Do.	First National.	
Fairland.	do.	
Fairview.	Farmers and Merchants.	
Foraker.	First National.	
Fort Gibson.	Citizens National.	
Do.	Farmers National.	
Francis.	Francis National.	
Frederick.	First National.	
Do.	National Bank of Commerce.	
Geary.	First National.	
Gotebo.	do.	
Grandfield.	do.	
Grove.	First National.	
Guthrie.	do.	
Guymon.	City National.	
Do.	First National.	
Hammon.	Farmers National.	
Harrah.	First National.	
Hartshorne.	do.	
Haskell.	do.	
Do.	Haskell National.	
Hastings.	National Bank of.	
Heavener.	First National.	
Do.	State National.	
Henessey.	Farmers and Merchants.	
Do.	First National.	
Henryetta.	do.	
Do.	Miners National.	
Robart.	City National.	
Do.	Farmers and Merchants National.	
Do.	First National.	
Holdenville.	American National.	
Do.	Farmers National.	
Do.	First National.	
Hollis.	City National.	
Do.	National Bank of Commerce.	
Do.	State National.	
Hominy.	First National.	
Do.	National Bank of Commerce.	
Hooker.	First National.	
Hulbert.	do.	
Hydro.	Farmers National.	
Do.	First National.	
Kaw City.	Farmers National.	
Do.	National Bank of.	
Keota.	Keota National.	
Kiowa.	First National.	
Do.	Peoples National.	
Kingfisher.	First National.	
Do.	Peoples National.	
Konawa.	First National.	
Do.	Konawa National.	
Lahoma.	First National.	
Lawton.	City National.	
Do.	First National.	
Lenapah.	Lenapah National.	
Lindsay.	First National.	
Lone Wolf.	do.	
Luther.	do.	
Mangum.	do.	
Do.	Mangum National.	
Marletta.	First National.	
Do.	Marletta National.	
Marlow.	National Bank of.	
Do.	State National.	
Maud.	First National.	
Maysville.	Farmers National.	
Do.	American National.	
McAllister.	City National.	
Do.	First National.	
McLoud.	do.	
Medford.	do.	
Elam.	do.	
Do.	Ottawa County National.	
Minco.	First National.	
Morris.	do.	
Mounds.	do.	

List of member banks which have joined the collection system
of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
OKLAHOMA—continued.		
Mountain View.	First National.	
Muldrow.	do.	
Muskogee.	American National.	
Do.	Commercial National.	
Do.	Exchange National.	
Do.	First National.	
Do.	Muskogee National.	
Newkirk.	Eastman National.	
Do.	First National.	
New Wilson.	do.	
Noble.	do.	
Norman.	Farmers National.	
Do.	First National.	
Nowata.	Commercial National.	
Do.	First National.	
Do.	Nowata National.	
Okemah.	First National.	
Do.	Okemah National.	
Okmulgee.	Citizens National.	
Do.	First National.	
Oklahoma City.	American National.	
Do.	Farmers National.	
Do.	Oklahoma Stockyards Na- tional.	
Do.	Security National.	
Do.	State National.	
Do.	Western National.	
Oktaha.	First National.	
Olustee.	do.	
Owasso.	do.	
Pauls Valley.	do.	
Do.	National Bank of Commerce.	
Do.	Pauls Valley National.	
Pawhuska.	American National.	
Do.	Citizens National.	
Do.	First National.	
Pawnee.	Arkansas Valley National.	
Do.	First National.	
Do.	Pawnee National.	
Perry.	First National.	
Ponca City.	Farmers National.	
Do.	Germania National.	
Pond Creek.	Farmers National.	
Porter.	First National.	
Porum.	do.	
Do.	National Bank of Commerce.	
Poteau.	First National.	
Do.	National Bank of.	
Prague.	First National.	
Do.	Prague National.	
Pryor Creek.	First National.	
Purcell.	Chickasha National.	
Do.	Union National.	
Quinton.	First National.	
Ralston.	do.	
Ringling.	do.	
Roff.	Farmers and Mechanics Na- tional.	
Do.	First National.	
Rosston.	do.	
Rush Springs.	do.	
Ryan.	do.	
Sallisaw.	Citizens National.	
Do.	Merchants National.	
Sapulpa.	American National.	
Do.	First National.	
Saskaw.	do.	
Sayre.	do.	
Do.	Beckham County National.	
Selling.	First National.	
Seminole.	do.	
Sentinel.	do.	
Shattuck.	Shattuck National.	
Shawnee.	National Bank of Commerce.	
Do.	Shawnee National.	
Do.	State National.	
Skiatook.	First National.	
Do.	Oklahoma National.	
Snyder.	First National.	
Spiro.	do.	
Stillwater.	do.	

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
OKLAHOMA—continued.		
Stillwater.....	Stillwater National.....	
Stigler.....	American National.....	
Do.....	First National.....	
Stilwell.....	do.....	
Stonewall.....	do.....	
Stratford.....	do.....	
Stroud.....	do.....	
Do.....	Stroud National.....	
Stuart.....	First National.....	
Sulphur.....	Park National.....	
Tahlequah.....	Central National.....	
Do.....	First National.....	
Talihina.....	do.....	
Taloga.....	do.....	
Tecumseh.....	Farmers National.....	
Do.....	First National.....	
Do.....	Tecumseh National.....	
Temple.....	Temple National.....	
Thomas.....	First National.....	
Tonkawa.....	Tonkawa National.....	
Texhoma.....	First National.....	
Tulsa.....	American National.....	
Do.....	Central National.....	
Do.....	Exchange National.....	
Do.....	First National.....	
Do.....	Liberty National.....	
Do.....	National Bank of Commerce.....	
Tyrone.....	First National.....	
Verden.....	do.....	
Do.....	National Bank of.....	
Vian.....	First National.....	
Vinita.....	do.....	
Do.....	Vinita National.....	
Wagoner.....	First National.....	
Walters.....	do.....	
Do.....	Walters National.....	
Wanette.....	First National.....	
Do.....	State National.....	
Washington.....	First National.....	
Watonga.....	do.....	
Waukomis.....	Waukomis National.....	
Waurika.....	First National.....	
Do.....	Waurika National.....	
Waynoka.....	First National.....	
Weatherford.....	do.....	
Do.....	German National.....	
Webber Falls.....	First National.....	
Wetzelka.....	do.....	
Wellston.....	do.....	
Westville.....	do.....	
Wetumka.....	American National.....	
Do.....	First National.....	
Wewoka.....	Farmers National.....	
Wilburton.....	Latimer County National.....	
Woodward.....	First National.....	
Wynnewood.....	do.....	
Do.....	Southern National.....	
Yale.....	First National.....	
Do.....	Farmers National.....	
Yukon.....	First National.....	
Do.....	Yukon National.....	
WYOMING.		
Buffalo.....	First National.....	
Casper.....	Casper National.....	
Do.....	Stockmans National.....	
Do.....	Wyoming National.....	
Cheyenne.....	Citizens National.....	
Do.....	First National.....	
Do.....	Stock Growers National.....	
Cody.....	First National.....	
Do.....	Shoshone National.....	
Douglas.....	Douglas National.....	
Do.....	First National.....	
Evanston.....	Evanston National.....	
Do.....	First National.....	
Green River.....	do.....	
Kemmerer.....	do.....	
Lander.....	do.....	
Laramie City.....	Albany County National.....	

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 10—Continued.

City or town.	Name of bank.	Transit number.
WYOMING—continued.		
Laramie City.....	First National.....	
Meeteetse.....	do.....	
Newcastle.....	do.....	
Powell.....	do.....	
Do.....	Powell National.....	
Rawlins.....	First National.....	
Do.....	Rawlins National.....	
Do.....	Stock Growers National.....	
Rock Springs.....	First National.....	
Do.....	Rock Springs National.....	
Sheridan.....	First National.....	
Do.....	Sheridan National.....	
Shoshoni.....	First National.....	
Thermopolis.....	do.....	
Torrington.....	do.....	
Worland.....	do.....	

DISTRICT No. 11.

LOUISIANA.		
Lake Charles.....	Calcasieu National.....	
Do.....	First National.....	
Shreveport.....	Commercial National.....	
Do.....	First National.....	
OKLAHOMA.		
Achille.....	First National.....	
Antlers.....	Antlers National.....	
Aylesworth.....	First National.....	
Bochito.....	do.....	
Boswell.....	do.....	
Caddo.....	Security National.....	
Colbert.....	First National.....	
Durant.....	Durant National.....	
Do.....	First National.....	
Hugo.....	do.....	
Idabel.....	do.....	
Kenefic.....	do.....	
Kingston.....	do.....	
Tishomingo.....	Tishomingo National.....	
TEXAS.		
Alpine.....	First National.....	
Arlington.....	Citizens National.....	
Athens.....	First National.....	
Canton.....	do.....	
Clyde.....	do.....	
Coleman.....	Coleman National.....	
Commerce.....	First National.....	
Corpus Christi.....	Corpus Christi National.....	
Dallas.....	American Exchange National.....	
Do.....	City National.....	
Do.....	First State.....	
Do.....	Merchants National.....	
Do.....	National Bank of Commerce.....	
Do.....	Security National.....	
Eagle Lake.....	First National.....	
Ennis.....	Citizens National.....	
Do.....	Ennis National.....	
Floresville.....	City National.....	
Fort Worth.....	American National.....	
Do.....	Farmers & Mechanics National.....	
Do.....	First National.....	
Do.....	Fort Worth National.....	
Do.....	Stockyards National.....	
Do.....	Western National.....	
Gamesville.....	First National.....	
Do.....	Lindsay National.....	
Galveston.....	First National.....	
Garland.....	Citizens National.....	
Glen Rose.....	First National.....	
Gonzales.....	Farmers National.....	
Granbury.....	City National.....	
Do.....	First National.....	
Granger.....	do.....	
Hempstead.....	Farmers National.....	

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 11—Continued.

City or town.	Name of bank.	Transit number.
TEXAS—continued.		
Hillsboro.....	Citizens National.....	
Houston.....	First National.....	
Do.....	Houston National Exchange.....	
Do.....	Lumbermans National.....	
Do.....	National Bank of Commerce.....	
Jacksonville.....	First National.....	
Karnes City.....	Karnes County National.....	
Kemp.....	First National.....	
Marshall.....	Marshall National.....	
McKinney.....	Collin County National.....	
Do.....	First National.....	
Memphis.....	Hall County National.....	
Mexia.....	First National.....	
Moore.....	Moore National.....	
Mount Calm.....	First National.....	
Mount Pleasant.....	do.....	
Ochiltree.....	do.....	
Omaha.....	do.....	
Paris.....	City National.....	
Do.....	First National.....	
Pecos.....	do.....	
San Antonio.....	National Bank of Commerce.....	
Do.....	Groos National.....	
San Marcos.....	First National.....	
San Saba.....	do.....	
Sealy.....	Sealy National.....	
Sherman.....	Merchants & Planters National.....	
Sonora.....	First National.....	
Sulphur Springs.....	do.....	
Taylor.....	Taylor National.....	
Troup.....	First National.....	
Weatherford.....	Citizens National.....	
Do.....	First National.....	
Wichita Falls.....	do.....	
Wills Point.....	Van Zandt County National.....	
Whitney.....	Citizens National.....	

DISTRICT No. 12.

ARIZONA.		
Tempe.....	Tempe National.....	
CALIFORNIA.		
Antioch.....	First National.....	
Artesia.....	do.....	
Claremont.....	Claremont National.....	
Coachella.....	First National.....	
Dinuba.....	United States National.....	
Glendora.....	First National.....	
Healdsburg.....	Healdsburg National.....	

List of member banks which have joined the collection system of the Federal reserve banks—Continued.

DISTRICT No. 12—Continued.

City or town.	Name of bank.	Transit number.
CALIFORNIA—continued.		
Los Angeles (Hollywood Station).....	Hollywood National.....	
Inglewood.....	First National.....	
Long Beach.....	City National.....	
Mountain View.....	First National.....	
Oakland.....	Central National.....	
Ontario.....	Ontario National.....	
Orange.....	National Bank of.....	
Redlands.....	First National.....	
Richmond.....	do.....	
Rio Vista.....	do.....	
Sacramento.....	National Bank of D. O. Mills.....	
San Francisco.....	Bank of California N. A.....	
Do.....	Seaboard National.....	
Do.....	Wells Fargo Nevada National.....	
San Luis Obispo.....	Union National.....	
Santa Barbara.....	Santa Barbara County National.....	
South Pasadena.....	First National.....	
Torrance.....	do.....	
Tulare.....	do.....	
Vacaville.....	do.....	
Visalia.....	do.....	
Do.....	National Bank of.....	
Yuba City.....	First National.....	
IDAHO.		
Salmon.....	Citizens National.....	
Twin Falls.....	First National.....	
OREGON.		
Arlington.....	Arlington National.....	
Condon.....	Condon National.....	
Corvallis.....	First National.....	
Forest Grove.....	Forest Grove National.....	
Hood River.....	First National.....	
Junction City.....	do.....	
La Grande.....	United States National.....	
Pendleton.....	American National.....	
Do.....	First National.....	
St. Johns.....	Peninsula National.....	
Sheridan.....	First National.....	
The Dalles.....	do.....	
UTAH.		
Murray.....	First National.....	
WASHINGTON.		
Port Angeles.....	Citizens National.....	
Reardon.....	Reardon National.....	
Rosalia.....	Whitman County National.....	
Snohomish.....	First National.....	
Tacoma.....	National Bank of.....	

INFORMAL RULINGS OF THE BOARD.

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

Annual Election of Directors.

By direction of the Federal Reserve Board, I transmit outline of a plan relating to the annual election of directors of Federal reserve banks, and the procedure to be followed therein, for such comment or suggestion as you may see fit to furnish. The proposed plan is as follows:

(1) The annual election will be fixed for the third Tuesday in November, which in the case of this year will be the 16th of November, 1915.

(2) The Federal Reserve Board will issue instructions for the grouping of banks in each district in groups of one, two, and three, and designate what groups are to elect directors. Except in the case of death or resignation, there will be only one class A and one class B director to be elected in each district each year, to hold office for three years, or in the case of filling a vacancy, for the unexpired term of his predecessor.

(3) The returns from the elections of class A and class B directors will be in and announced December 1, or as soon thereafter as possible, and at the same time the Federal Reserve Board will announce the name of the class C director named by it to fill the vacancy.

(4) The Federal Reserve Board will notify the Federal reserve banks to have a meeting for the organization of its board of directors and the election of officers at the first convenient date within the first 15 days of January, 1916.

Application of Internal-Revenue Tax.

Under a ruling by the Solicitor of Internal Revenue, dated February 15, 1915, all documents, instruments, and things mentioned in schedule A of the act approved October 22, 1914, when issued by the Federal reserve banks, are subject to the tax imposed by that act. A copy of the act is inclosed, and your attention is directed to schedule A, appearing on pages 16 et seq.

This opinion has no connection with the opinion rendered November 28, 1914, by the Solicitor of Internal Revenue, under which the capital stock of Federal reserve banks is

held exempt from the special tax provided for by section 3 of the act of October 22, 1914.

Duplicates of Capital Stock Certificates.

For the convenience of the Board will you kindly have certificates of increase of capital stock, Form 58, and certificates of decrease of capital stock, Form 59, made in duplicate, mailing one copy to the Comptroller of the Currency and one to the Federal Reserve Board.

Committee Action on Trustee Applications.

For your information there is inclosed copy of a letter sent to Federal Reserve Agent _____ of the Federal Reserve Bank of _____.

[Inclosure.]

Will you accept recommendation of our executive committee on member banks' applications to act as trustee or must they be passed upon by full board.

Reply:

Recommendation of executive committee considered sufficient.

Time and Savings Deposits.

The Board's attitude in the past has been that, where banks receive savings deposits subject to enforcement of the 60-day notice, and where such right of enforcement was definitely made known to the depositors in the way indicated, the deposits in question are subject to 5 per cent reserve. That appears to be the case with the deposits described by you.

Of course, if "the depositor is led to believe by advertisement or printed rule" that he can in fact get his money without notice, the deposit does not fall within the intent of the regulation. Nevertheless, it is true that, under the Board's ruling, banks are allowed to pay money to depositors without exacting the enforcement of the notice. In other words, the notice is merely waived as a matter of courtesy; and the definite understanding is that it may be applied at any time. Otherwise, the deposits are in reality demand deposits.

Composition of Executive Committee.

The Board recently received the following letter:

"A short time before the opening of the Federal Reserve Bank of _____ you sent us a form of by-laws, the adoption of which at the

time we thought desirable. In the form sent us the following paragraph appeared:

"There shall be an executive committee consisting of the governor, the Federal reserve agent, and one or more directors chosen from classes A or B' * * *

"From its reading it would be inferred that a class C director was not at any time expected to serve as a third member of the executive committee. I understand, however, that in several of the banks class C directors have the same standing and privileges as to serving on the executive committee as do classes A and B.

"Now since all our directors of classes A and B have served as members of that committee, we request that you inform us if there is any reason why a class C director should not assume the responsibilities connected with service on our executive committee as a third member.

Reply was sent as follows:

"Your letter of July 10, respecting the composition of the executive committee of your board, has been received and duly considered by the Federal Reserve Board.

"I am instructed to say that the board sees no reason why your board should not, if it chooses, amend its by-laws in such a way as to permit a class C director to serve as a third member of the executive committee."

Date of Closing Books.

With reference to your letter of July 13 regarding the closing of books as of June 30, 1915, you are advised that the Board's chief examiner has submitted the following memorandum, which appears to cover the question raised:

"A number of institutions have closed out their current earnings and expense accounts and established a net balance under the heading 'Profit and loss account.' This was done in line with the general custom of banking institutions to close their accounts on June 30 and December 31 of each year.

"It would appear that Mr. Elliott is of the opinion that it would be better to defer the closing out of accounts until the end of the calendar year.

"Personally, I believe that the question is one of policy, and it would be better to have uniform practice among the Federal reserve banks. At the same time, in case the banks prefer the first-mentioned method, there is no good reason why they should not be permitted to do so, so long as monthly reports are made to the Board as to expenses and earnings on the forms prescribed. Would

suggest that advice be made to Gov. ——— that, in the opinion of the Board, while it may be desirable for the banks not to close their books until December 31, 1915, no objection should be raised should the Federal reserve banks desire to close their books on June 30, with a view to conforming to banking custom in the district."

Eligibility of Small State Banks.

In view of the provision of section 9 of the Federal reserve act which requires that "No applying bank shall be admitted to membership in a Federal reserve bank unless it possesses a paid-up unimpaired capital sufficient to entitle it to become a national banking association in the place where it is situated, under the provisions of the national banking act," it appears that the Board will be compelled to refuse membership to the ——— bank, unless it should increase its capital stock to \$200,000, which is the minimum for a national bank in a city the size of ———. No way suggests itself by which the Board could admit this bank with its present capitalization

Eligibility of Building and Loan Associations.

The Board fully appreciates the value of the building and loan association, and recognizes it as having a distinct and important place in the financial field. At the present time, however, there seems to be considerable doubt whether building and loan associations would be held to be banks within the meaning of the Federal reserve act. Assuming that they are not, it would appear that such associations would not be eligible for membership in the Federal reserve bank of any district where the required capital has been provided through subscriptions made by banks. No doubt you are aware that mortgages held by building and loan associations when liquidated by monthly payments extending over a period of years, would not be eligible for rediscount at a Federal reserve bank.

The changes in the conditions of membership which you suggest would require a modification of the Federal reserve act, which, of course, is not feasible just now, Congress not being in session, even if all other conditions were favorable.

Mule and Cattle Paper.

Notes made by mule and cattle dealers should be classed as mercantile rather than agricultural paper. We take it that a note made by a dealer in agricultural implements would not be

regarded as agricultural paper, although the implements themselves are used for agricultural purposes, just as mules are. In fact, agricultural implements are used less frequently off the farm than are mules, which animals are often used in cities, by contractors, and for war purposes. We can see no reason, however, why a note made by a farmer in payment, or part payment, for a mule to be used in farm work should not be classed as agricultural paper, but dealers in mules and cattle are merely jobbers in merchandise, and as they generally have a mercantile rating their paper is classed as mercantile paper in the ordinary acceptance of the term. There seems to be no reason why they should be given the benefit of six months' maturities, particularly when such action would reduce your lines of long-time paper open to those engaged in purely agricultural pursuits.

Interpretation of Regulation B as to Borrower's Statements.

In three cases, specifically enumerated, the regulation permits waiving as to statements of the borrower's financial condition, but it is expressly stipulated, however, that the applying bank "shall certify to these conditions on the application blank in a manner to be designated by the respective Federal reserve banks."

It seems clear that the Federal reserve banks have full option as to discounting or declining to discount any paper offered them, but nothing in the regulation requires a member bank to keep on file a borrower's financial statement relating to paper offered for discount. In certain cases it is provided that the Federal reserve bank can not accept such paper for discount unless statements are on file with the member bank, and in the three cases above enumerated the option is given Federal reserve banks of rediscounting paper even where a borrower's statement is not on file in the member bank.

Quoting again from Paragraph III of the regulation—

"It is recommended that every member bank maintain a file which shall contain original signed statements of the financial condition of borrowers, or true copies thereof, etc."

"Member banks shall certify in their letters of application for rediscount whether the paper offered for rediscount is depositor's or purchased paper, or paper rediscounted for other member banks, and whether statements are on file. When it does not appear that such statements are on file, except as hereinafter

provided, * * * the Federal reserve bank shall satisfy itself as to the eligibility of the paper offered for rediscount, and member banks will be expected to use such statement forms, identifying stamps, etc., as may be prescribed by the respective Federal reserve banks."

From this it would appear that the option in respect to waiving the requirement that a borrower's financial statement shall be on file rests with the member bank.

Rediscounting for Nonmember Banks.

Your letter of July 21, asking as to the rediscount with a Federal reserve bank of notes held by a bank not a member of the system, is received.

The question, which you raise, has already had the consideration of the Board in connection with the request for an interpretation of that part of section 19 of the Federal reserve act which reads as follows:

No member bank shall act as the medium or agent of a nonmember bank in applying for or receiving discounts from a Federal reserve bank under the provisions of this act except by permission of the Federal Reserve Board.

Assuming that the paper offered by a member bank for rediscount is eligible under the regulations prescribed by the Board, it would be necessary in each case for the officers of the Federal reserve bank to determine whether or not the proceeds of such discount are to be used for the purpose of making a loan to a nonmember bank. If the money thus borrowed is to be re-lent to a nonmember bank, rediscount should not be accepted without the permission of the Federal Reserve Board. If, on the other hand, a member bank had in good faith acquired from a nonmember bank by rediscount notes which are eligible under the regulations of the Board for rediscount with the Federal reserve bank, and such notes were held as a part of the assets of the member bank, there would seem to be no objection to the Federal reserve bank's accepting such rediscounts, provided the officers are satisfied that the transaction is a *bona fide* transaction and that the member bank did not extend accommodation to the nonmember bank with a view of rediscounting notes so acquired with the Federal reserve bank.

This is one of the cases which must be left very largely to the judgment and discretion of the Federal reserve bank officers; and a determination must be reached by them on the facts in each case.

Trustee Powers.

Applications from the following banks for permission to act under section 11 (k) of the Federal reserve act have been approved since the July issue of the Bulletin, as follows:

DISTRICT No. 1.

Trustee, executor, administrator, and registrar of stocks and bonds:

Yale National Bank, New Haven, Conn.
Northampton National Bank, Northampton, Mass.

Trustee and registrar of stocks and bonds:

Citizens National Bank, Newport, N. H.
Wolfeboro National Bank, Wolfeboro, N. H.

DISTRICT No. 2.

Registrar of stocks and bonds:

American Exchange National Bank, New York City.
Irving National Bank, New York City.

DISTRICT No. 3.

Registrar of stocks and bonds:

Third National Bank, Scranton, Pa.

Trustee, executor, administrator, and registrar of stocks and bonds:

Annville National Bank, Annville, Pa.
First National Bank, Huntingdon, Pa.
First National Bank, Johnstown, Pa.
First National Bank, Lansdale, Pa.
First National Bank, Newville, Pa.
Southwark National Bank, Philadelphia, Pa.
National Bank of Chester County, West Chester, Pa.

Trustee, executor, and administrator:

Jenkintown National Bank, Jenkintown, Pa.

DISTRICT No. 4.

Trustee and registrar of stocks and bonds:

Ohio National Bank, Columbus, Ohio.

Trustee:

National Exchange Bank, Steubenville, Ohio.
Citizens National Bank, Urbana, Ohio.

DISTRICT No. 5.

Trustee, executor, administrator, and registrar of stocks and bonds:

American National Bank, Roanoke, Va.

DISTRICT No. 7.

Trustee, executor, and administrator:

Farmers National Bank, Wilkinson, Ind.

Trustee, executor, administrator, and registrar of stocks and bonds:

Franklin National Bank, Franklin, Ind.
First National Bank, Fonda, Iowa.
First National Bank, Rochester, Mich.

DISTRICT No. 8.

Trustee, executor, administrator, and registrar of stocks and bonds:

Farmers National Bank, Glasgow, Ky.

Trustee, executor, and administrator:

First National Bank, Versailles, Mo.

DISTRICT No. 10.

Trustee, executor, administrator, and registrar of stocks and bonds:

Fremont County National Bank, Canon City, Colo.

First National Bank, Colorado Springs, Colo.

Trustee, executor, and administrator:

First National Bank, Neosho, Mo.
First National Bank, Lyons, Nebr.

DISTRICT No. 11.

Trustee and executor:

Citizens National Bank, Abilene, Tex.

Trustee, executor, and registrar of stocks and bonds:

First National Bank, Port Arthur, Tex.
Sealy National Bank, Sealy, Tex.

DISTRICT No. 12.

Registrar of stocks and bonds:

Central National Bank, Oakland, Cal.

Trustee, executor, and administrator:

First National Bank, Mount Vernon, Wash.

Trustee, executor, administrator, and registrar of stocks and bonds:

Vancouver National Bank, Vancouver, Wash.

Discount Rates.

Discount rates of each Federal reserve bank in effect July 28, 1915.

Bank.	Date of last change of rate.	Maturities of 10 days and less.	Maturities of over 10 days to 30 days, inclusive.	Maturities of over 30 days to 60 days, inclusive.	Maturities of over 60 days to 90 days, inclusive.	Agricultural and live-stock paper over 90 days.
Boston.....	July 3	3	4	4	4½	5
New York.....	June 25	3	4	4	4	5
Philadelphia.....	do.	3	4	4	4½	5
Cleveland.....	Feb. 6	.....	4	4	4½	5
Richmond.....	June 25	.....	4	4	4½	5
Atlanta.....	Apr. 30	.....	4	4	4½	5
Chicago.....	Jan. 23	.....	4	4	4½	5
St. Louis.....	June 25	3	4	4	4½	5
Minneapolis.....	May 18	.....	4	4	5	5
Kansas City.....	June 18	.....	4	4	4½	5
Dallas.....	Feb. 4	.....	4	4	4½	5
San Francisco.....	June 25	3	3½	4	4½	6

Authorized rate of acceptances, 2 to 4 per cent.

On March 10 the Federal Reserve Board fixed the following rates for rediscounts between Federal reserve banks: 3½ per cent for maturities of 30 days or less; 4 per cent for maturities of over 30 days to 90 days, inclusive.

On July 22 the Federal Reserve Board approved a rate of 3½ per cent for rediscount of trade acceptances at the Federal Reserve Bank of New York.

CIRCULARS AND REGULATIONS.

The circulars and regulations given below were issued by the Board since the July issue of the Bulletin:

REGULATION O, SERIES OF 1915.

WASHINGTON, July 6, 1915.

REGULATIONS FOR THE GUIDANCE OF FEDERAL RESERVE AGENTS IN THE MATTER OF ISSUANCE AND REDEMPTION OF FEDERAL RESERVE NOTES.

1. Federal reserve agents in making requisitions for Federal reserve notes to meet applications of Federal reserve banks, shall use form 45.
 2. A Federal reserve bank in making application for an issue of Federal reserve notes shall accompany the application with a tender of the requisite collateral, using for this purpose form BD 21-1.
 3. The Federal reserve agent shall receipt for all collateral accepted by him as fulfilling the requirements of sections 13 and 16 of the Federal reserve act and the regulations and instructions of the Federal Reserve Board made pursuant thereto, using for this purpose the appropriate form (either BD 21-2 or BD 22-2), and shall promptly notify the Federal Reserve Board of the collateral accepted, using for this purpose the appropriate form (either BD 21-3 or BD 22-3); and shall, furthermore, report to the Federal Reserve Board each day all notes issued to and withdrawn by said bank, using form FRA 5.
 4. Upon receipt of the said collateral and upon being satisfied that the bank has the required gold reserve to protect its notes, and has, furthermore, taken appropriate steps to transmit to the Treasurer of the United States the requisite gold redemption fund, at present fixed at 5 per cent of the net amount of notes issued to the bank, less the amount of gold and lawful money in the hands of the Federal reserve agent, the latter will issue Federal reserve notes to said bank within such limits as the Federal Reserve Board may have fixed, and immediately notify the Federal Reserve Board of said issue on form supplied for this purpose.
 5. If at any time the Federal reserve agent deems it necessary to require changes in either the amount or the character of collateral deposited to secure notes, he shall, acting for the Federal Reserve Board, call upon the Federal reserve bank for additional or new collateral to be added to or substituted for that which is deemed unsatisfactory, issuing receipt therefor on the appropriate form (either BD 21-2 or BD 22-2), and shall notify the Federal Reserve Board on the appropriate form (either BD 21-3 or BD 22-3).
 6. A Federal reserve bank may reduce its liability on account of outstanding Federal reserve notes by depositing with the Federal reserve agent its own notes, or gold, gold certificates, or lawful money of the United States to the amount of such notes to be retired less a ratable proportion of the amount of money standing to its credit in the gold redemption fund with the Treasurer of the United States. In either case a proportionate amount of the collateral deposited by the bank shall be returned to it by the Federal reserve agent. Forms BD 28-1, 2, 3, will be used.
 7. A Federal reserve bank may, through its Federal reserve agent, exchange notes that are unfit for circulation, or may exchange notes of one denomination for those of another. Every such transaction shall be reported to the Federal Reserve Board by the Federal reserve agent in daily report of transactions in Federal reserve notes.
 8. Federal reserve notes unfit for circulation accumulated by any Federal reserve agent shall be assorted, strapped, canceled, and bundled in the manner now prescribed by the Treasury Department for unfit United States currency which is remitted by subtreasuries to Washington, and the same standard of fitness shall be imposed. These shall be shipped to the Comptroller of the Currency, Division of Federal Reserve Note Redemption, Washington, D. C. Special instructions accompanied by "dummies" exhibiting the methods to be employed will be furnished upon request to each Federal reserve agent.
- NOTE.—The Board expects later to issue instructions under which notes which are soiled, but otherwise fit for circulation, may be forwarded to Washington for laundering and renovating.
9. Whenever Federal reserve notes issued by one Federal reserve bank are received by another Federal reserve bank, they shall, if fit for circulation, be immediately returned to the issuing bank for credit or redemption. However, if such notes are unfit for circulation, the issuing bank shall be advised of the amount and the notes shall be delivered to the local Federal reserve agent, who will forward them to the Treasury Department in the manner provided in paragraph 8 for the treatment of unfit notes returned by the issuing bank. Upon receipt of such notice the bank of issue may make a demand upon the local Federal reserve agent for credit or for the issue of new notes to replace the unfit notes forwarded to the department for destruction. All transactions in these respects must be reported immediately to the Federal Reserve Board.
 10. If at any time the gold reserve required by law to be held by a Federal reserve bank against Federal reserve notes issued to it falls below 40 per cent (including therein the gold redemption fund required to be maintained in the Treasury) the Federal reserve agent shall at once notify the Federal Reserve Board, and thereupon until otherwise directed by the Federal Reserve Board, a graduated tax upon such deficiency as provided in section 11 of the Federal reserve act shall be established and shall be computed for the present as follows:

When reserves fall below 40 per cent but are in excess of 32½ per cent, the tax upon the deficiency shall be at the rate of 1 per cent per annum.

When reserves fall below 32½ per cent but are in excess of 30 per cent, the tax upon the entire deficiency below 40 per cent shall be at the rate of 2½ per cent per annum.

When reserves fall below 30 per cent but exceed 27½ per cent, the tax upon the entire deficiency below 40 per cent shall be at the rate of 4 per cent per annum; and so on, increasing at the rate of 1½ per cent with each reduction in reserve amounting to 2½ per cent or any fraction thereof. This is otherwise expressed in the following table:

Gold reserves against Federal reserve notes: 40 per cent (legal minimum, including redemption fund)	Penalty tax on deficiency in reserves.
37½ up to 40 per cent.....	No penalty.
35 up to 37½ per cent.....	1 per cent.
32½ up to 35 per cent.....	1 per cent.
30 up to 32½ per cent.....	1 per cent.
27½ up to 30 per cent.....	2½ per cent.
25 up to 27½ per cent.....	4 per cent.
22½ up to 25 per cent.....	5½ per cent.
20 up to 22½ per cent.....	7 per cent.
17½ up to 20 per cent.....	8½ per cent.
15 up to 17½ per cent.....	10 per cent.
12½ up to 15 per cent.....	11½ per cent.
10 up to 12½ per cent.....	13 per cent.
7½ up to 10 per cent.....	14½ per cent.
5 up to 7½ per cent.....	16 per cent.
2½ up to 5 per cent.....	17½ per cent.
0 to 2½ per cent.....	19 per cent.
	20½ per cent.

11. At the close of business on the last day of each month each Federal reserve agent shall furnish the Federal Reserve Board with a consolidated statement of—

(a) All transactions in Federal reserve notes during the month, showing for each denomination the number of notes on hand at the beginning of the month.

(b) The number received from the Comptroller of the Currency during the month, the number returned by the Federal reserve bank, and the number issued to the Federal reserve bank.

(c) The number returned during the month to the Comptroller of the Currency for cancellation and destruction.

(d) The number on hand at the close of the month.

Agents are required to show in addition:

(e) The total amount of notes in circulation at the end of the month,

(f) The total amount of each kind of money of the United States in hand for retirement of notes.

(g) The amounts transmitted during the month to the Treasurer, upon direction of the Federal Reserve Board, at the request of the Secretary of the Treasury,

(h) The amount of gold on deposit with the Treasurer of the United States at the end of the month, for the redemption of outstanding notes.

(i) The amount of gold reserve held by the bank, other than the gold redemption fund deposited with the Treasurer of the United States.

The information in paragraphs e to i, inclusive, also is required to be furnished by telegram immediately at the close of business on the last day of each month for inclu-

sion in the Treasury Department's circulation statement. A consolidation of each month's reports from all the Federal reserve agents will be furnished by the Federal Reserve Board to the Secretary of the Treasury.

12. The Federal Reserve Board will maintain a continuous record of:

(a) The aggregate amounts of orders for notes transmitted by the Comptroller of the Currency for the engraving and printing of Federal reserve notes.

(b) Each delivery of Federal reserve notes to Federal reserve agents.

(c) The stock of notes on hand in the Treasury of the United States available for shipment.

(d) The amounts of Federal reserve notes issued through Federal reserve agents to their respective Federal reserve banks.

(e) The amount of notes fit and unfit for circulation which are in the possession of each Federal reserve agent.

(f) The amount of notes unfit for circulation which have been returned to the Comptroller of the Currency and destroyed.

CHARLES S. HAMLIN,
Governor.

H. PARKER WILLIS,
Secretary.

CIRCULAR NO. 16, SERIES OF 1915.

WASHINGTON, July 15, 1915.

BILLS OF EXCHANGE DRAWN AGAINST SALES OF GOODS AND ACCEPTED BY PURCHASERS, HEREINAFTER REFERRED TO AS "TRADE ACCEPTANCES."

By Regulation B, Series of 1915, the Board has prescribed the conditions upon which commercial paper may be rediscounted with Federal reserve banks, and, by Regulation J, Series of 1915, rules have been promulgated covering operations in bankers' acceptances. The attached regulation is to deal with "trade acceptances" as a distinct class of commercial paper, for which the Board is ready to approve the establishment of a discount rate somewhat lower than that applicable to other commercial paper.

These trade acceptances are more particularly defined in the appended Regulation P, Series of 1915, and in promulgating it the Board expresses the belief that it will considerably enlarge the scope of service of Federal reserve banks and, incidentally, assist in developing a class of "double-name" paper, which has shown itself in so many countries a desirable form of investment and an important factor in modern commercial banking systems.

CHARLES S. HAMLIN,
Governor.

H. PARKER WILLIS,
Secretary.

REGULATION P, SERIES OF 1915.

WASHINGTON, July 15, 1915.

BILLS OF EXCHANGE DRAWN AGAINST SALES OF GOODS AND
ACCEPTED BY PURCHASERS, HEREINAFTER REFERRED TO
AS "TRADE ACCEPTANCES."

I.

DEFINITION.

In this regulation the term "trade acceptance" is defined as a bill of exchange of the character hereinafter described, drawn to order, having a definite maturity and payable in dollars in the United States, the obligation to pay which has been accepted by an acknowledgment, written or stamped, and signed across the face of the instrument by the company, firm, corporation, or person upon whom it is drawn; such agreement to be to the effect that the acceptor will pay at maturity, according to its tenor, such draft or bill without qualifying conditions.

II.

CHARACTER OF PAPER ELIGIBLE.

A trade acceptance to be eligible for rediscount, under section 13, with a Federal reserve bank at the rate to be established for trade acceptances—

- (a) Must be indorsed by a member bank, accompanied by waiver of demand notice and protest.
- (b) Must have a maturity at the time of discount of not more than 90 days.
- (c) Must be accepted by the purchaser of goods sold to him by the drawer of the bill, and the bill must have been drawn against indebtedness expressly incurred by the acceptor in the purchase of such goods.

III.

METHOD OF CERTIFYING ELIGIBILITY.

A trade acceptance must bear on its face or be accompanied by evidence in form satisfactory to the Federal reserve bank that it was drawn by the seller of the goods on the purchaser of such goods. Such evidence may consist of a certificate on or accompanying the acceptance, to the following effect: "The obligation of the acceptor of this bill arises out of the purchase of goods from the drawer." Such certificate may be accepted by the Federal reserve bank as sufficient evidence; provided, however, that the Federal reserve bank, in its discretion, may inquire into the exact nature of the transaction underlying the acceptance.

CHARLES S. HAMLIN, *Governor.*

H. PARKER WILLIS, *Secretary.*

Conference of Chief Bank Examiners.

There was held on July 12-14 at the office of the Comptroller of the Currency the first general conference of chief national bank examiners, of whom there are 12—one for each of the 12 Federal reserve districts.

The following chief examiners were present:

Jas. D. Brennan, Boston.
Chas. Starek, New York.
E. I. Johnson, Philadelphia.
Silas H. L. Cooper, Cleveland.
Thos. P. Howard, Richmond.
C. H. Abbott, Atlanta.
Sherrill Smith, Chicago.
C. E. French, St. Louis.
Peter M. Kerst, Minneapolis.
J. D. Rising, Kansas City.
J. C. Chidsey, Dallas.

The only absentee was Chief Examiner Gatch, of the San Francisco district.

The chief examiners were directed to cooperate as closely as possible with the Federal reserve banks of their respective districts in matters calculated to increase the safety and promote the welfare of the member banks.

The chief examiners were directed, upon their return to their respective districts, to call a conference of the examiners of each district with a view to informing them individually of the matters discussed at the Washington conference.

Purchase of Government Bonds.

The Federal Reserve Board has reached the conclusion that Government bonds, bought by Federal reserve banks prior to December 31, 1915, shall not count as a part of the sum of \$25,000,000, which the Federal Reserve Board may, in its discretion, under the provisions of Section 18 of the Federal reserve act, annually require Federal reserve banks to purchase from the member banks whose applications for sale of their bonds have been filed with the Treasurer of the United States.

LAW DEPARTMENT.

Right of State Banks and Trust Companies to Subscribe for Stock in a Federal Reserve Bank.

Since the publication of the last issue of the Bulletin, it has been learned that Louisiana passed a law in 1914 authorizing State banks, savings banks, and trust companies to subscribe to stock in a Federal reserve bank. A revised list of those States which have enacted laws expressly authorizing any State bank to become a member bank follows:

Idaho, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Texas, Utah, Virginia, Washington.

In the following States, though there has been no express enabling legislation, the State authorities have ruled that any State bank may subscribe for stock in a Federal reserve bank:

Alabama, Arizona, Arkansas, California, Delaware, Georgia, Illinois, Indiana, Kansas, Maryland, North Carolina, Tennessee, Vermont, West Virginia, and Wisconsin.

The State authorities have ruled in New Mexico and Rhode Island that trust companies, as distinct from State banks, are eligible to subscribe to stock in a Federal reserve bank.

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

Surrender of Stock by a Member Bank Reducing Its Surplus.

The Federal reserve act does not require that a member bank necessarily surrender a proportionate part of its stock in the Federal reserve bank of which it is a member when it reduces its surplus. Such surrender is left to the discretion of the Federal reserve bank, subject to the approval of the Federal Reserve Board.

JUNE 17, 1915.

SIR: The question has been raised whether a member bank which reduces its surplus is required by law to surrender a proportionate amount of the stock held by it in the Federal

reserve bank of its district, or whether such Federal reserve bank may, at its option, permit the stock representing 6 per cent of such decrease in surplus of a member bank to remain outstanding.

The Federal reserve act provides in section 2 that—

Every national banking association * * * shall be required * * * to subscribe to the capital stock of such Federal reserve bank in a sum equal to 6 per cent of the paid-up capital stock and surplus of such bank.

Section 5, in providing for the admission of a bank after the organization of the system, contains a provision that such a bank—

Must subscribe for an amount of the capital stock of the Federal reserve bank equal to 6 per cent of the paid-up capital stock and surplus of said applicant bank.

It is to be noted that in both of these sections an applying bank must subscribe for an amount equal to 6 per cent of its capital stock and surplus.

Section 5 further provides that—

"When a member bank increases its capital stock or surplus it shall thereupon subscribe for an additional amount of capital stock."

It is thus clear that when a member bank increases either its capital stock or its surplus it must subscribe for additional stock. This conclusion is corroborated by the requirement that the outstanding capital stock of a Federal reserve bank "shall be increased from time to time as member banks increase their capital stock and surplus."

In dealing with the question of reduction in the capital stock of a Federal reserve bank, however, the act contains no mandatory provision for decrease of such stock on account of reduction in the surplus of a member bank. The specific language used in section 5 in reference to this subject is as follows:

The capital stock of each Federal reserve bank shall be divided into shares of \$100 each. The outstanding capital stock *shall* be increased from time to time as member banks increase their capital stock and surplus or as additional

banks become members, and *may* be decreased as member banks reduce their capital stock or surplus or cease to be members.

This section further provides that—

When a member bank reduces its *capital stock* it shall surrender a proportionate amount of its holdings in the capital stock of said Federal reserve bank.

A distinction is therefore made between the reduction of the capital stock and the reduction of the surplus of a member bank.

An examination of the bill as it passed the House shows that stock of Federal reserve banks was to be increased only on account of an increase in the number of member banks, or on account of an increase in the capital stock of member banks, and was to be reduced on account of decrease in the number of member banks or a decrease in the capital stock of such banks.

In the Senate this section was amended so as to require an increase of the capital stock of Federal reserve banks whenever member banks increased either their capital stock or surplus, but this amendment did not specifically require a Federal reserve bank to reduce its capital stock whenever the *surplus* of a member bank is reduced. That part of the section above quoted which makes such decrease discretionary with the Federal reserve bank was added by the Senate committee and was adopted in the conference agreement.

It seems reasonable to assume, therefore, that Congress contemplated that a reduction in the surplus of a member bank might be merely temporary and accordingly vested a discretion in the Federal reserve bank to cancel a proportionate amount of the capital stock held by a member bank the surplus of which is reduced, or to permit such stock to remain outstanding.

I am, therefore, of the opinion that the Federal reserve banks may, with the approval of the Federal Reserve Board, legally exercise this discretion.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To HON. CHARLES S. HAMLIN,
Governor Federal Reserve Board.

Rediscount of Drafts Payable on Condition.

A draft made "payable on arrival of car" is nonnegotiable, not being payable at a determinable future time, and is therefore ineligible for rediscount by a Federal reserve bank.

FEBRUARY 23, 1915.

SIR: The question has been raised whether drafts "payable on arrival of car" are eligible for rediscount by Federal reserve banks.

Section 13 of the Federal reserve act provides that any Federal reserve bank may discount "notes, drafts, and bills of exchange arising out of actual commercial transactions," and, though this language does not in express terms demand that the paper be negotiable, it must be so construed because of the whole spirit and purpose of the act.

The act evidently contemplates that title to eligible paper must pass with it and that in event of nonpayment a Federal reserve bank must be able to sue in its own name on such paper. To secure these rights the paper must be negotiable, otherwise the transfer would constitute a mere assignment and the holder would have to sue in the name of the payee. It must also be noted that if the paper is not negotiable a Federal reserve bank rediscounting it would hold it subject to the equities existing between the original parties to the bill. The same limitations would be imposed on the Federal reserve agent holding such paper as security for Federal reserve notes. The natural construction of the act, therefore, is that paper must be negotiable in order to be eligible for rediscount.

The question here presented is whether a draft "payable on arrival of car" is negotiable. A draft to be negotiable must be an unconditional order to pay to the bearer or order a definite sum of money on demand or at a determinable future time. The drafts referred to above do not seem to comply with these conditions. Should the car fail to arrive, for any cause whatever, the draft would not be payable. The event or contingency upon which payment depends must be one which must necessarily happen in the natural course of the laws of nature. (Weidler & Carpenter v. Kauffman, 14 Ohio, 455.)

The negotiable instruments law, section 4, which is based on settled decisions, provides that—

An instrument is payable at a determinable future time, within the meaning of this act, which is expressed to be payable—

(3) On or at a fixed period after the occurrence of a specific event, which is certain to happen, though the time of happening be uncertain.

In the case of *Colehan v. Cooke* (Willes, 393), a note payable ten days after the death of the maker's father was held good on the ground that the father must die at some time and payment, therefore, was not dependent on the happening of an event which might fail to occur. But in the case under consideration—that is, drafts "payable on arrival of car"—there is no certainty whatever that the car will arrive, and such paper would probably be held to be nonnegotiable on two grounds: First, that it is not an unconditional promise to pay; and second, that the time of payment is not fixed and certain, because of the fact that the event by which it is determinable need not necessarily ever occur.

In all the cases examined on this point there seems to be only one exception to this general rule, that the note or bill must be payable at all events. That case is an English one decided some time ago. (*Andrews v. Franklin*, 1 Strange, 24.) A note payable two months after a certain ship was paid off was held negotiable even though the event was not necessarily bound to occur. The court in this case, however, admitted that paying off the ship was a contingency which would ordinarily make the note nonnegotiable, but went on to explain that because this ship was a Government one, the payment was a Government obligation which must be performed. But even on this ground, the case has always been discredited by courts in which it has been cited.

It seems, therefore, that a note or draft "payable on arrival of car," which may or may not arrive, would very probably be held

nonnegotiable, both at common law and under the Negotiable Instruments Law.

Respectfully,

M. C. ELLIOTT, *Counsel*.

To Hon. C. S. HAMLIN,

Governor Federal Reserve Board.

Payment of Dividends by Federal Reserve Banks.

Federal reserve banks should not at this time undertake to pay semiannual dividends or to carry any profits to surplus account before the end of the fiscal year.

JUNE 25, 1915.

SIR: The question has been raised whether a Federal reserve bank may declare a dividend as of June 30, at the rate of 6 per cent per annum, for the time elapsed between November 16, 1914, and June 30, 1915.

It appears from the provisions of section 7 of the Federal reserve act that Congress intended that dividends should be paid annually and not in semiannual instalments. It is conceivable that a bank might show a surplus as the result of the first six months' operations and a loss for the last six months. If, therefore, a dividend should be declared at the end of six months an impairment of capital might be shown according to the books at the end of the year which would not have resulted except for the payment of the dividend.

After the dividend has been paid and the required amount has been carried to the surplus account, the balance of earnings resulting from the year's operations is payable to the United States as a franchise tax. The amount of this tax can not be determined until the end of the year. Banks should, therefore, carry all net earnings in the account of Undivided Profits until the end of the fiscal year and should then declare a dividend, and the balance, if any, should be paid half to the United States as a franchise tax and half into the surplus fund, as provided by section 7.

When the banks have been in operation for a sufficient length of time to enable them to estimate with reasonable accuracy their annual earnings and expenses, the Board might, in case

the Undivided Profit Account shows a sufficient amount to cover all contingencies, authorize the payment of the dividend in semiannual instalments, but until that time the letter of the statute should be followed strictly in order to avoid probable complications.

Respectfully,

M. C. ELLIOTT,
Counsel.

To Hon. C. S. HAMLIN,
Governor, Federal Reserve Board.

Interpretation of Regulation F, Series 1915.

The term "taxable property" as used in Regulation F-I-(c)-3, Series 1915, includes franchises in cases where such franchises are actually taxed upon the valuation set forth in the municipality's return of taxable property.

That part of section 14 which provides that "revenue bonds * * * with a maturity from date of purchase of not exceeding six months" may be purchased, contemplates that such bonds might at the date of issue have a maturity of longer than six months. Bonds are eligible for purchase under this section if at the time of issue provision is made for the establishment of a redemption fund which will be sufficient and available for the payment of the bonds at maturity, provided, of course, that at the time of purchase the bonds have not more than six months to run.

Certified copies of opinions of counsel on municipal issues may be used by Federal reserve banks under the provisions of this regulation irrespective of which bank obtained the original opinion.

FEBRUARY 9, 1915.

SIR: The following questions have been referred to this office by the Board for an opinion:

(1) Under regulations F-(I)-(c)-3, does the term "taxable property" include franchises where such franchises are actually taxed upon the valuation set forth in the city's return of taxable property?

(2) Under section 14 of the Federal reserve act, subsection (b) where the Federal reserve bank is authorized to "buy and sell * * * bills, notes, revenue bonds and warrants with a maturity from date of purchase of not exceeding six months," does this language permit the purchase of bonds having long maturities but which are acquired by a Federal

reserve bank within six months of the date of maturity; and if so, under what circumstances may such purchases be made?

In answer to question (1), regulation F reads in part as follows:

I. A Federal reserve bank may purchase such warrants as are issued by a municipality. * * *

(c) 3. Whose net funded indebtedness does not exceed ten per centum of the valuation of its taxable property, to be ascertained by the last preceding valuation of property for the assessment of taxes.

This provision is not contained in the statute but is a matter of regulation. The language to be construed is accordingly that of the Board, and it is within its discretion to determine whether or not the term "taxable property" shall include franchises.

The courts have generally construed a franchise to be property subject to taxation and so giving the language "taxable property" its ordinary interpretation it would seem clear that franchises which are actually taxed and which are included in the city's return of taxable property should be taken into consideration in determining the net funded indebtedness as provided in Regulation F.

In the case of the West River Bridge Company v. Dix et al (6 How. (U. S.), 507-533), the court said:

A franchise is property, and nothing more; it is incorporeal property, and is so defined by Justice Blackstone when treating in his second volume. (Ch. 3, p. 20) of the Rights of Things.

In the case of Society for Savings v. Coite (6 Wall (U. S.), 594-606), the court holds that the franchise of a private corporation is a legitimate subject of taxation. This doctrine is affirmed in the case of Provident Institution v. Massachusetts (6 Wall (U. S.), 611-623), and again in the case of Hamilton Company v. Massachusetts (6 Wall (U. S.), 632-638).

In answer to the second inquiry submitted, the act provides that "revenue bonds * * * with a maturity from date of purchase of not exceeding six months" may be purchased. The provision that such bonds must mature

within six months from the "date of purchase" clearly indicates that Congress contemplated that such bonds might have a maturity of longer than six months at the date of issue.

It is true that the term "revenue bonds" is sometimes construed to refer to short-term bonds or warrants issued by municipalities to defray expenses for a short period prior to the collection of taxes.

The word "revenue," however, does not of itself limit the term of a bond to that of a fixed maximum maturity but instead refers to the character or nature of the bond rather than to the time of its maturity.

In other words, giving the language its ordinary interpretation, it would seem merely to indicate bonds of any maturity, payment of which is guaranteed out of the collection of taxes or assured revenues.

The act specifically provides that such bonds must be issued in anticipation of the collection of taxes or assured revenues, but does not prescribe how long in advance of collection of such taxes the bonds may be issued. The provisions of the act would seem to be complied with if at the time of issue provision is made for the establishment of a redemption or sinking fund which will be sufficient and available for the payment of the bonds at maturity and at the time of their purchase they may be said, by reason of such sinking fund, to be self-liquidating at the expiration of six months.

It is, of course, understood that all other provisions of regulation F, series 1915, must be complied with before such bonds may be purchased.

In this connection I beg to call attention to Paragraph VI, regulation F, which is as follows:

"Opinion of recognized counsel on municipal issues or of the regularly appointed counsel of the municipality as to the legality of the issue shall be secured and approved in each case by counsel for the Federal reserve bank."

The Board has ruled that where such opinions have been procured and approved by counsel for a Federal reserve bank, any other Federal reserve bank shall be deemed to have complied

with the requirement of this paragraph if it secures a certified copy of such opinion and approval.

Respectfully,

(Signed)

M. C. ELLIOTT,

Counsel.

To Hon. CHARLES S. HAMLIN,

Governor Federal Reserve Board.

Interpretation of Clayton Act.

The counsel of the Federal Reserve Board has prepared the following opinion in answer to a number of letters received by the Board and referred to him for consideration which involve an interpretation of section 8 of the act approved October 15, 1914, and generally described as the Clayton Act.

While the provisions of section 8 do not, under the terms of the act, become operative until two years from the date of its passage—that is to say, until October 15, 1916—it appears to be necessary for the banks to obtain rulings on certain questions in order to arrange for the personnel of their boards of directors after this time.

The two questions which are the subject of most of the letters referred to are as follows:

(1) If a director of a national bank having deposits, capital, surplus, and undivided profits aggregating more than \$5,000,000 is elected at the annual meeting in January, 1916, may he, without violating section 8 of the act referred to, continue to serve until January, 1917, and at the same time serve as a director of another national bank?

(2) Can a director of a State bank or trust company having deposits, capital, surplus, and undivided profits aggregating more than \$5,000,000 serve after October 15, 1916, as a director of another State bank or trust company which is a member of a Federal reserve bank?

Both of these questions involve a consideration of that part of section 8 of the act referred to which reads as follows:

That from and after two years from the date of the approval of this act no person shall at the same time be a director or other officer or employee of more than one bank, banking associa-

tion or trust company, organized or operating under the laws of the United States, either of which has deposits, capital, surplus, and undivided profits aggregating more than \$5,000,000; and no private banker or person who is a director in any bank or trust company, organized and operating under the laws of a State, having deposits, capital, surplus, and undivided profits aggregating more than \$5,000,000 shall be eligible to be a director in any bank or banking association organized or operating under the laws of the United States. The eligibility of a director, officer or employee under the foregoing provisions shall be determined by the average amount of deposits, capital, surplus, and undivided profits as shown in the official statements of such bank, banking association, or trust company filed as provided by law during the fiscal year next preceding the date set for the annual election of directors, and when a director, officer, or employee has been elected or selected in accordance with the provisions of this act it shall be lawful for him to continue as such for one year thereafter under said election or employment.

This act became a law on October 15, 1914. As above shown, it provides in terms that after two years from that date (that is to say, Oct. 15, 1916) "no person shall at the same time be a director * * * of more than one bank * * * organized or operating under the laws of the United States, either of which has deposits, capital, surplus, and undivided profits aggregating more than \$5,000,000." This language is free from ambiguity and makes it entirely clear that after October 15, 1916, a person who is a director of a bank with aggregate resources of more than \$5,000,000, organized or operating under the laws of the United States or under the laws of any State, shall be ineligible to serve as a director of any other bank organized under the laws of the United States.

In determining whether a bank has aggregate resources of more than \$5,000,000, the act provides that the aggregate amount of deposits, capital, surplus, and undivided profits of such bank, as shown in the official statement filed during the fiscal year next preceding the date set for the annual election of officers, shall be taken as a basis, and then provides that—

When a director has been elected in accordance with the provisions of this act it shall be

lawful for him to continue as such for one year thereafter under said election or employment.

The obvious purpose of this provision is to permit a director to serve out his term if the bank has aggregate resources of less than \$5,000,000 at the time of his election but subsequently the resources are increased to an amount in excess of \$5,000,000.

It has been suggested that by reason of this provision directors elected in January, 1916, may continue to serve until January, 1917, although they would be ineligible if elected after October 15, 1916. It will be observed, however that the language quoted is a part of the same sentence which fixes the time for calculating the aggregate resources of the bank in order to determine the eligibility of such director, and following the ordinary rules of interpretation of statutes it is necessary to consider the context in order to determine when a director has been elected in accordance with the provisions of the act.

Considering this sentence as a whole it seems clear that if a bank has aggregate resources of more than \$5,000,000 on January 1, 1916, the stockholders are charged with notice that after October 15, 1916, a director of such bank will be ineligible to serve on the board of any other bank organized or operating under the laws of the United States.

While Congress manifestly intended to give banks two years from the date of the passage of the act to adjust the personnel of their boards of directors in order to conform to the requirements of the act referred to, it is equally manifest that it did not intend to allow more than two years for this purpose and the first question should, in the opinion of this office, be answered in the negative.

The determination of the second question depends upon the construction to be placed upon the language "organized or operating under the laws of the United States."

As above shown, a person who is a director of a national bank, State bank, or trust company having aggregate resources of more than \$5,000,000 is ineligible to serve on the board

of directors of another bank organized or operating under the laws of the United States.

State banks and trust companies are organized under the laws of the State in which they are incorporated and exercise those corporate powers which are granted them by the laws of the State, or which are incidental to the powers thus granted. In a certain sense, therefore, they may be said to be both organized and operating under the laws of the State. On the other hand, when such banks become members of the Federal reserve system they subject themselves to certain Federal laws. For example, they must maintain reserve required by the Federal reserve act; they are subject to examination and supervision by Federal authorities, and must conform to certain laws relating to investment of their funds. Accordingly, they may be said to be operating under both State and Federal law.

Congress has specified certain requirements to which State banks and trust companies must conform as a condition of membership in the Federal reserve system. It is, therefore, necessary to determine whether it was the intention of Congress, by section 8 of the Clayton Act, to provide as a further condition of membership in the Federal reserve system, that the directorates of such banks shall not include any person who is a director of another bank having aggregate resources of more than \$5,000,000.

From an examination of the original bill introduced by Mr. Clayton on April 14, 1914, it

appears that the section above quoted originally read as follows:

That from and after two years from the date of the approval of this act no person shall at the same time be a director * * * of more than one bank * * * organized *and* operating under the laws of the United States, either of which has deposits, capital, surplus and undivided profits aggregating \$2,500,000

In the amended bill of May 6, 1914, the language "organized and operating under the laws of the United States" was changed to read "organized *or* operating under the laws of the United States" and this language was retained by the Senate, by the conferees and in the act as it became a law. The use of the word "*or*" in place of the word "*and*" is, therefore, significant, and in order to give it a reasonable meaning it is necessary to conclude that Congress intended this provision to apply to State banks and trust companies which, though organized under State law, operate under the laws of the United States when they become members of the Federal reserve system, as well as to national banks which are organized and operate under the laws of the United States.

In the opinion of this office, therefore, a person who is a director or other officer of a bank having aggregate resources of more than \$5,000,000 will be ineligible to serve on the board of directors of a State bank or trust company which is a member of the Federal reserve system after October 15, 1916.

Both questions should, accordingly, be answered in the negative.

GENERAL BUSINESS CONDITIONS.

General business and banking conditions are described in reports made by Federal reserve agents for the 12 Federal reserve districts.

Below are given in detail digests of conditions in the various districts substantially as reported by Federal reserve agents.

DISTRICT NO. 1—BOSTON.

There is little change in this district over last month. While the business situation, both in business and financially, is in a healthy condition, there is a general hesitancy, due to the unsettled conditions produced by the war in Europe.

Although money continues to accumulate in the large cities and is freer in the country districts, banks are disinclined to put out money at the low prevailing rates, the feeling being that as the crop-moving time approaches there will be a better demand for money and an improvement in rates. There seems to be a general feeling that rates have touched bottom and that from now on an improvement may be expected. General business, except in a few lines, is dull, and orders are not coming in as freely as heretofore. No accumulation of goods is reported in any of the lines, and the high price of staples especially in leather and wool, and the unwillingness of the merchants to increase their merchandise is responsible, no doubt, for much of the dullness. This is especially noticeable in the trades using wool and leather. Business seems to be waiting, but there is a feeling of optimism, and it is believed that from now on an improvement may be expected, though perhaps a very slow one. The unseasonable weather and the abundance of rain have no doubt also had their effect. The summer resorts, both seashore and mountain, complain of dull business.

Money conditions are about the same as last month, with perhaps a slight hardening. There is very little demand for money and rates continue very easy—call money to brokers, 3 per cent; commercial paper, $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent; loans to correspondents, $3\frac{1}{2}$ to 4 per cent; town

notes, $2\frac{1}{2}$ to $2\frac{3}{4}$ per cent; bank acceptances, $2\frac{1}{2}$ to $2\frac{3}{4}$ per cent; excess reserve in Boston banks, \$45,974,000, an increase of \$10,105,000 over last month and an increase of \$36,008,286 over the same date last year.

The cotton mill situation in New Bedford and other fine-goods centers continues good. On the other hand, the reports from Fall River are not quite as satisfactory as before and the cotton mill situation is slightly duller, owing to the fact that mills hesitate to buy cotton to any extent, and accumulate goods. The shoe and leather trade, while reporting fewer foreign orders, shows a slight improvement in general. The high price of leather has no doubt deterred dealers from placing their usual seasonable orders, but most of the manufacturers feel that the conditions are certain to improve. The wool and woollen trade is dull. Here again the high price of wool has been a deterrent feature. Wool dealers, for the most part, have made considerable money during the past season, and are disinclined to replenish their stock at present prices and the price of this staple is no doubt affecting the mill situation as well as the goods, and a hand to mouth policy of buying is the rule.

Imports and exports to July 1 compared with a year ago are as follows:

Exports first six months:	
1914.....	\$30,282,075
1915.....	65,792,193
Imports first six months:	
1914.....	\$99,439,188
1915.....	89,139,744

Building operations up to the 1st of July as compared with the preceding years are as follows:

Contracts awarded to date, June 30:	
1915.....	\$85,111,000
1914.....	89,212,000
1913.....	86,174,000

DISTRICT NO. 2—NEW YORK.

Reports from bankers in New York and northern New Jersey state that crops look very well and promise large yields, but in some sections the hay crop will be under average, due to wet weather. The dairy business

continues good. Some complaints have been received of slackness in retail trade and unsatisfactory collections. Manufacturing in steel, leather, and textile lines shows improvement. Great activity continues in the production of supplies for shipment to Europe. Building operations are curtailed and depression is still evident in lumber, foundries, implement works, and silk mills. Strikes that were referred to a month ago are still on in southern and northern districts. Deposits generally are large, but in most sections the demand for loans is very light.

During June the usual mid-year inventory time dullness prevailed in New York City. Improvement in retail trade has been reported recently. Wholesale houses state that collections are very satisfactory. More active and firmer markets have developed, largely from foreign orders, in such lines as steel, coal, leather, and wool. Purchases of cotton goods are restricted by the weakness in the price of raw cotton. Labor is more fully employed and there are strikes in some branches of the clothing trade. Real estate agents report conditions better than a year ago and improved over the preceding month. Renting is more active, especially in the large office buildings. A comparison of various statistics for June, 1915, with June, 1914, shows the following changes: Exchanges through the New York Clearing House, \$8,025,481,549, a gain of \$181,278,782; building permits, 37 to cost \$3,290,330, an increase of 5 in number and a decrease of \$103,320 in amount; shares sold on the New York Stock Exchange, 10,900,000, an increase of 6,916,000 over a year ago, but a decrease of 1,821,000 from the preceding month; transactions in bonds on the exchange amounted to \$57,824,000, an increase of \$4,330,000 over a year ago, but a decrease of \$6,800,000 from the preceding month; new incorporations, \$80,091,100, an increase of \$34,089,000; failures, 241, for \$2,018,881, a decrease of 15 in number and \$13,508,090 in amount. Since January 1 exports from the port are \$684,497,674, against \$483,485,183;

imports, \$488,161,854 against \$523,152,001. The latest compilation of railroad earnings shows a gain in May, 1915, over May, 1914, of \$1,324,785 gross and \$14,619,397 net.

From June 1 to July 18 the New York clearing house banks' loans increased \$115,941,000, deposits increased \$163,881,000, and excess reserves decreased \$13,877,000. The market rates for money have remained easy and practically unchanged since the middle of June. Bankers' acceptances command slightly easier rates of $2\frac{1}{8}$ to $2\frac{3}{8}$ per cent and the supply is lighter. Prime commercial paper is in great demand, with light offerings at $3\frac{1}{4}$ to 4 per cent with occasional sales at 3 per cent. The large import movement of gold practically stopped when the special deposits were moved from Ottawa. Sterling and continental bills of exchange declined to new low levels, quotations for checks touched 4.7625, 5.62 $\frac{1}{2}$, and 81.50 for sterling, francs, and marks, respectively. Rates have been stronger and steadier during the past week. The London discount rate has increased and is now $5\frac{1}{8}$ per cent, as against $2\frac{7}{8}$ per cent on June 1.

DISTRICT NO. 3—PHILADELPHIA.

The most striking feature of the business situation in this district is the absence of encouraging reports on conditions in Philadelphia, contrasted with the reported improvement in conditions throughout the rest of the district.

In the Philadelphia vicinity business in domestic lines is dull and below normal. Almost no improvement is perceptible over last month. A spirit of caution and hesitation exists. The outlook is uncertain, due perhaps to uncertainty regarding the business future of certain standard industries when the war shall have been terminated.

In many specialized lines, such as the iron and steel industry, abnormal conditions continue because of foreign demand. New plants are being built, new machinery installed, and several towns are experiencing boom times. As a result, the number of men out of employ-

ment has been greatly reduced, and retail trade has increased accordingly. The exports of the port of Philadelphia are increasing, and bank clearings are higher than for several months past. Perhaps the best feature of the business situation in Philadelphia is the shipbuilding industry, which is operating at full capacity.

In sections of this district outside of Philadelphia business conditions are slowly improving, and some sections are reported as prosperous. Agricultural conditions are generally favorable, although in some sections where crops are good prices are low. Manufacturing lines are improving and are doing relatively better than retail lines. Railroad shops have not yet recovered from the industrial depression, although some progress is reported. Increased numbers of loaded freight cars are moving and a decrease is shown in the number of idle cars and good order cars. The anthracite coal output is below normal. Machinery, boiler, and foundry concerns are doing well. Leather continues strong, especially as to the heavier grades. Improvement is reported in most textile lines, although the dyestuffs situation is still critical.

Rates for money are abnormally easy, with no evidence of any tendency to harden. Most banks are carrying large excess balances of unemployed funds, which they are unable to loan in ways which are satisfactory to them. The purchase of commercial paper by the banks is restricted because prime commercial paper at satisfactory rates is scarce, and new names of the better grade are not appearing in the market to any extent. Purchases of paper are being made at from 3 to 4 per cent, with the most active market at $3\frac{1}{2}$ per cent. There is very little demand for either call loans or time loans with collateral, the rates for both classes of loans being $3\frac{1}{2}$ to 4 per cent.

DISTRICT NO. 4—CLEVELAND.

The steel business, both in unfinished products and finished materials, has made a decided advance since last month's report. This

industry (the most important in the district) began to show a change about the middle of last December, and reached its full force within the last three or four weeks. The tinplate industry is especially flourishing, inasmuch as the supply of canned goods was very quickly exhausted by the war demand. Generally speaking, all steel mills are running practically full, with order books filled for several months ahead. Steel men predict maximum operations for the rest of this year, and at satisfactory prices. Semifinished and finished lines have steadily improved in price until they are now \$5 per ton above the lowest point reached during the depression of 1914.

Coke business is much better because of the starting up of so many furnaces. Coal business is improved somewhat owing to shipment of coal to the lakes for consumption in the Northwest next winter. Prices still rule unsatisfactory. The lumber business is far from normal either in production or price.

The damage done to crops by excessive rains and floods has not been great, except in the southern part of the district, where there may be considerable reduction in the wheat and tobacco yield.

The mercantile trade has not yet felt the new impetus to business, but improvement is noted in seasonable lines, and a distinctly better feeling prevails both among wholesale and retail merchants. Manufacturers supplying the building trades report business only fair.

Continued ease of money is apparent throughout the district. July 1, the usual interest date for savings accounts, witnessed lighter withdrawals than other corresponding periods for several years.

Underlying conditions are healthy, due to the fact that concerns are not carrying large stocks, have passed through a period of enforced liquidation, resulting in putting various economies into effect, and altogether there is a marked improvement in the industries upon which this district depends.

DISTRICT NO. 5—RICHMOND.

In this district during July wheat and oats have been harvested at prices which, if lower than the fancy figures which prevailed last fall, have permitted substantial profit to the farmer. Planters who were moved to cut cotton acreage in favor of these cereals should be satisfied with the result of the experiment. Wheat at \$1.10 and oats at 60 cents, both sold, should look better, certainly at the moment, than cotton awaiting the possibilities of an unknown future three months distant. Packers' seasonal truck has brought prices unsatisfactory to the grower, as canners carrying large stocks from the pack of last year have entered the market only on their own terms. Potatoes, heavily overgrown, are finding low prices.

Cotton, a little late, is in excellent condition, but softening prices are not comforting to the planters, who, however, this year will have at their command better facilities for financing the crop than heretofore have been offered. Building undertakings generally are limited to repair or smaller operations, and related lines are dull. Retail trade is very quiet, reflecting both unusual economy practiced by the public and general midsummer dullness. Coal seems to be in somewhat better position both with respect to movement and price. Banks in this district are experiencing a somewhat better demand for credit for use in meeting usual seasonal needs for expenses pending maturity of the larger staple crops.

While this demand is apt to continue during August and September, it will be well scattered and its aggregate amount should not be great. Business viewed as a whole is just about holding a steady position, which probably is all that can be expected at this season.

DISTRICT NO. 6—ATLANTA.

Marked conservatism is characteristic in the commercial and industrial affairs of the Sixth Federal Reserve District, but with an optimistic tone. While there is a tendency to improvement, conditions do not show any material changes as a whole during the month of July.

The opening of the Warrior River, affording cheaper rates of transportation to the Birmingham district and the Gulf, has given an impetus to trade development in coal, ores, and cement, and the stiffening in the price of pig iron is causing an increase of activity in that district. While the improvement of financial facilities for handling the crop has somewhat stimulated trade, forward buying by merchants and the larger movements of trade appear to be awaiting development as to the disposition and price of cotton.

Cotton mills are running to full capacity and a number of new mills are reported under construction. Many of the mills are filled with rush orders for khaki cloth and tent material.

Building operations throughout the district continue below normal, but there has been a considerable improvement during July as compared with preceding months. The railroads report good passenger travel, with little or no change in freight traffic.

The Atlanta post office reports a falling off of 5 per cent in receipts for the year ending June 30, 1915, as compared with the year ending June 30, 1914.

Agricultural prospects are reported exceedingly bright. Cotton is in fine condition, and the States in this district will produce a remarkably large grain crop. Reports indicate a 70,000,000-bushel increase in corn, wheat, and oats, with an increase in the rice crop of approximately 5,000,000 bushels.

DISTRICT NO. 7—CHICAGO.

General business conditions in this district continue to show some signs of improvement. Distinct improvement is noticeable in various lines that are benefited by foreign demand. The war and the uncertainty incident thereto cause hesitation and caution and are responsible for less noticeable increase in other lines and entire absence of improvement in some. The settlement of the strike in the building and construction trades at Chicago, the more seasonable weather conditions, magnificent harvest prospects, and easy money, all make for good basic conditions.

Noticeable progress, due to orders for crude and finished products of the furnaces, mills, and factories, is seen at Gary, South Chicago, Pullman, Chicago Heights, Moline, Sioux City, Indianapolis, South Bend, Detroit, and Grand Rapids. This is due not merely to "war orders," but to the demands of railroads and other interests.

The general merchandise market has shown improvement, although affected by the delayed arrival of warm weather.

Commercial paper rates remain at low figures— $3\frac{1}{4}$ to 4 per cent.

DISTRICT NO. 8—ST. LOUIS.

There has been little change in general business conditions in this district during the month of June. The business of wholesale interests dealing in what may be called the necessities of life remains below normal, but the volume of unfilled orders on hand is more nearly normal and is an indication of an improvement this fall. The manufacturing interests appear to be in much the same condition as the general jobbing interests, with the exception of those companies whose product is available for export where an increased activity is noted. Failures in this district show an appreciable falling off for the second quarter of 1915 as compared to the first quarter.

The rainfall for June was considerably above the normal, but does not seem to have materially affected agricultural development excepting in the lowlands subject to overflow, where damage has been reported. Reports indicate that the wheat crop will be larger than the five-year average and the immediate return of seasonable weather would seem to insure a good harvest. The cool weather and continued rains in June may have retarded the cotton crop, but seasonable weather from now on would seem to insure its favorable development. Reports indicate a reduction of 12 to 18 per cent in the cotton acreage in the States within this district. Reports on the corn, oats, and hay crops indicate that there has been little or no damage done by the rainy season. Corn, excepting in the overflowed land, has grown rap-

idly, and seasonable weather from now on will allow the necessary cultivation and insure a successful harvest. The rain in June has caused the tobacco plants to grow rapidly and indications are that the crop will be coarser than is desirable. Small-fruit crops appear to have suffered more damage from rain than the other agricultural products. The live-stock market in this district shows the same activity which was noted in the April and May reports.

There has been little change in banking conditions in this district. Current rates for discounts remain below the normal and money continues plentiful. There is a scarcity of commercial paper of the best names at a rate to tempt the bankers.

General business conditions show little change in the past 30 days. Conditions have not improved as rapidly as indications would seem to warrant, and from present appearances improvement will be slow until after the harvest.

DISTRICT NO. 9—MINNEAPOLIS.

No important changes have occurred during the past 30 days, except a gradual strengthening of confidence in the crop outlook, which has developed a more active demand for money during the past two weeks. The leading commercial banks are of the opinion that if the crops suffer no damage, this demand will become quite active within a very short time, continuing through August.

From the Great Lakes to the eastern slope of the Rocky Mountains the condition of the small grain crop is excellent, with the exception that rye has suffered damage in North Dakota, and that there has been some damage to wheat, due to excessive moisture, on the heavy soils of the Red River Valley and other districts. The season has been one of unusual rainfall but the damage to grain on the heavier soils due to this cause will be considerably more than offset by unusually good yields in parts of the district where a large acreage of grain has been planted on the higher and lighter soils. Montana probably never had a better crop outlook at this season of the year. With

the exceptions already noted, the same is true of North Dakota and Minnesota.

A highly profitable element in the crop production of the ninth district is hay and forage, which under normal conditions should amount to about 25,000,000 tons. This season has been unusually favorable to the heavy growth of grasses and alfalfa, and the crop that is now being cut will probably run considerably above the normal yield and will show an unusually heavy tonnage at good prices. Minnesota and Wisconsin are the leading western States in potato production, normally affording a yield of from 60,000,000 to 65,000,000 bushels. The potato crop shows an increased acreage this year and is making an excellent growth, with the prospect of very heavy yields. July has brought some break in the continued cool and rainy weather, with an improvement in corn prospects, although it is beginning to be realized that corn will not be an average crop this year and that there is considerable doubt whether a good deal of it will have opportunity to fully mature. The agricultural colleges are advising the storing of corn from the 1914 crop for 1916 planting, fearing that this year's yield may not have the proper germinating qualities. A very beneficial effect of the prospect that of a corn crop, only poor to fair, has been a decided increase of activities on the part of farmers in constructing silos. Should August weather prove unfavorable, many farmers will cut their corn for ensilage and feed it.

There has been a decrease during the past month in the amount of idle labor. The activities in the copper districts of northern Michigan and Montana have had a beneficial effect in this respect, and the month has witnessed heavier shipping orders at the northern Minnesota iron mines, thus improving labor and business conditions in that district. The present outlook is for heavy ore shipments for lower lake ports during the remainder of the season.

Retail merchandising over the district is about normal, with collections fair. The

wholesale trade at the large centers is in good condition. The only lines in which there is noticeable depression are in lumber, both wholesale and retail, and certain lines of manufacturing. Many industrial plants are showing an increased volume of orders and an improved activity. The agricultural outlook over the district is excellent, and the business situation, generally speaking, is good, although quiet. The best opinion seems to agree that if present conditions continue the fall months will bring a period of very active trade with considerable prosperity to the entire district.

DISTRICT NO. 10—KANSAS CITY.

Although some sections of district No. 10 have been visited with wind, flood, and other storm damage while other sections are in need of rain, yet, as a whole, agricultural and horticultural conditions are about normal. The harvest yield will be less than last year's figures, but the record of 1914 was phenomenal. The wheat harvest is progressing northward, and is now centered in northern Kansas. Threshing is going on throughout the southern portion of the district, and the yield reported is a fair average of quality and quantity.

Corn is doing well; there is a good stand and every indication points to a bumper crop. The production of sugar beets in this district is slightly above normal. The yield in various sections will range from 12½ to 20 tons per acre, possibly averaging 15 tons. The milling industry has experienced great activity, and the financial statements of milling concerns now in the hands of bankers show large profits. The live-stock market is active, and excessive rains have provided splendid pasturage. Grass cattle are already commencing to move, and prices are firm. During the present month the record price for 1915 and the highest price ever paid in the month of July, \$10.10, was quoted on the Kansas City market. Receipts of hogs at market centers have been rather light, with result that prices have ranged from strong to higher. The horse and mule market is very active, top prices ruling on all marketable stock.

The lead and zinc industry is still active, with prices far above normal, although not as high as 15 days ago. Coal mining is showing increased activity by reason of the demand for thrashing and storage purposes. The oil industry is quiet by reason of low prices of raw material and the limited supply accepted by the pipe lines.

Wholesale and retail trade is normal, with fair collections. Much building and improvement work is noticeable, with many large civic projects under way.

Banking business is quiet and will probably continue so until the marketing of the wheat crop actually commences. Undoubtedly, if reasonable prices are received for this year's crops, there will be heavy liquidation during August and September. In some sections of the district there is an excess of loanable funds, bank deposits are increasing, and the demand for money is negligible. In other portions the demand for money is quite active, although local bankers are amply able to meet all requirements. Generally speaking, however, the financial situation prevailing throughout District No. 10 reflects a degree of prosperity heretofore unequaled.

DISTRICT NO. 11—DALLAS.

This district is preeminently engaged in agriculture. The progress of crops, therefore, is of primary importance.

Dry weather, combined with hot winds, has tended to cut short the corn over considerable areas, but spite of this, the earlier forecast of the bumper corn crop of the State remains true. The oat crop has been harvested, and barring considerable deterioration through North Texas and Oklahoma counties, on account of heavy rains, the crop is excellent. Wheat has been almost entirely harvested under favorable conditions. Both oats and wheat are now being offered freely on the market.

The cotton plant has made satisfactory progress in most sections, particularly in the southeast and central sections. Already in South Texas the picking of cotton has begun in

force, and within 10 days a very considerable volume will be coming into the market. First bales are now everyday occurrences. Great activity has been displayed during the past month by various committees laboring for the establishment of warehouses to take care of the oncoming cotton crop. A considerable number of houses are being constructed, and others are promised by the time cotton is actually ready for storage. It is anticipated that very large totals of bales will be held under warehouse receipt in an effort to save the market from glut and disorganization. The cotton growers of the district have not heretofore faced their real problem with so determined and serious a front. Present advices are to the effect that the crop in this State will be very materially reduced.

The live stock interests of the State continue in most prosperous condition. Relatively high prices prevail, and throughout the district pasturage conditions are far above normal.

The lumber industry shows slight improvement; demand has increased somewhat and prices are a shade better. The oil production of this district has grown to such a point that the price for high-grade oil has been cut to 35 cents per barrel, and even a further reduction is anticipated. It is believed, however, that this may only be temporary, since the output from the Cushing field in Oklahoma is now rapidly decreasing.

Member banks report that demand with them is slightly on the increase, although far from normal; also deposits are tending to slump. Many of our reserve city members at this season last year were heavy borrowers. This year they report few or no bills payable. This condition is reflected more or less by the thinness of demand with us.

General business conditions are improving; merchants report better sales with more satisfactory liquidations.

DISTRICT NO. 12—SAN FRANCISCO.

In this district there is general abundance of crops in great variety. There has already been

much harvesting and other crops have been satisfactorily progressing to maturity. It is reported that the greatest cereal crop in the history of Oregon, Washington, and Idaho is now being gathered. In citrus fruits Valencia oranges are moving at highly satisfactory prices. Fresh fruits, melons, and vegetables are in large supply.

Ordinarily such conditions would ensure prosperity; war conditions, however, introduce elements of surprising uncertainty. The lack of bottoms for exports hampers the marketing of the cereal crops; warehouses are filling, and it is probable that grain will move slowly from growers' hands. It seems reasonable to expect that delayed marketing may have a tendency to correspondingly delay trade activity.

The prune crop is reported as abundant and good, with contract prices about $33\frac{1}{2}$ per cent less than last year. Cannerymen buying of such fruits as peaches and apricots are naturally proportioned to orders in hand, which are reported to be approximately $33\frac{1}{2}$ per cent less than at this time last year. It is said that prices as low as \$6 per ton are being paid for peaches, as against \$18 per ton last year. It is asserted that more than the usual proportion of fruit will be dried, and some may even be thrown away. It is clear that large crops will not mean uniformly profitable results. A fair average, however, is had by high prices for some products offsetting low prices for others

As a whole it is undeniable that this district is adding steadily and largely to its wealth.

More hopeful expressions are received as to lumber, although there seems little tangible reason. One confident expression was based upon the larger activity in steel which, it was said, is always a precursor of increased activity in lumber.

Chinese capitalists are said to be laying plans for a trans-Pacific line of steamers, and it has been suggested that they may buy the Pacific Mail steamers. More ships would be a great advantage to the Pacific coast. Nevertheless, during the first six months of 1915 exports from San Francisco totaled \$39,000,000 as against \$24,000,000 for the same period in 1914, imports increasing from \$5,400,000 to \$7,800,000.

Bank clearings give a rough measure of trade activity. Total clearings for the four leading Pacific coast cities during the first six months of this year have been approximately 7 per cent less than for the first six months of 1914. This moderate curtailment of business is further evidenced by the considerable increase of idle funds in both national and State banks throughout the district. During this fall, as is usual each fall, there will, of course, be a considerable increase in the aggregate of loans, but there seems reason to believe that the available means of the banks of this district are such as to readily meet the requirements.

Movement of Principal Assets and Liabilities of the Federal Reserve Banks.

The following diagrams illustrate the movement of the principal assets and liabilities of the reserve banks during the present calendar year. The uppermost curve in the first group of diagrams indicates the growth since January 8 of net deposits, and shows an increase from about 267.4 millions to 297.6 millions during the period to July 16. Notable gains of deposits are indicated for the second and third weeks in January, also for the second and fourth weeks in June. The latter increases were, however, offset in part by a considerable decrease shown for the first week in July.

The lowest curve, indicating the movement of the total gold reserve, is shown to rise during the first week in February, when the second installment of member banks' payments on account of capital was due, also during the entire month of June and the first week in July. The latter rise is due in part to the gain in deposits, noted for the same period, and in addition to the liquidation of investments in municipal warrants which fell due about that time. Between January 8 and July 16 the gold reserve of the system shows a gain of 28.7 millions from 232.5 to 261.2 million dollars.

The cash reserve curve runs practically parallel to the gold reserve curve and shows a gain during the same period of 37.2 millions from 250.5 to 287.7 million dollars.

The second group of curves presents the movement of funds invested by the banks in commercial paper, bankers' acceptances, municipal warrants, and United States bonds. These curves, except the lowest, indicate the cumulative totals of the several classes of investments. The lowest curve shows the weekly movement of the item "Commercial paper on hand," while the uppermost curve shows the movement of all four classes of investments taken together.

The amount of commercial paper held by the banks (exclusive of acceptances) increased from 9.9 millions on January 8 to 28.7 on July 16. The amounts held show a practically continuous increase. The amount of acceptances held has increased rapidly since February 19, when for the first time this type of paper is shown among the assets of the banks in the weekly statement. The largest holdings are reported for April 16. The subsequent week marks the beginning of a decline which, while not continuous, resulted in a reduction of these holdings to less than 9 millions, shown in the July 16 statement.

The sharp break in the two upper curves of the second group after May 21 is due chiefly to the liquidation of funds invested in warrants, a large portion of which fell due during the last week of May. The weekly statement for May 21 shows a maximum total of 28.5 million of this class of paper. Four weeks later the total had declined to almost one-third (9.7 million) and on July 16 stood at 14.4 millions.

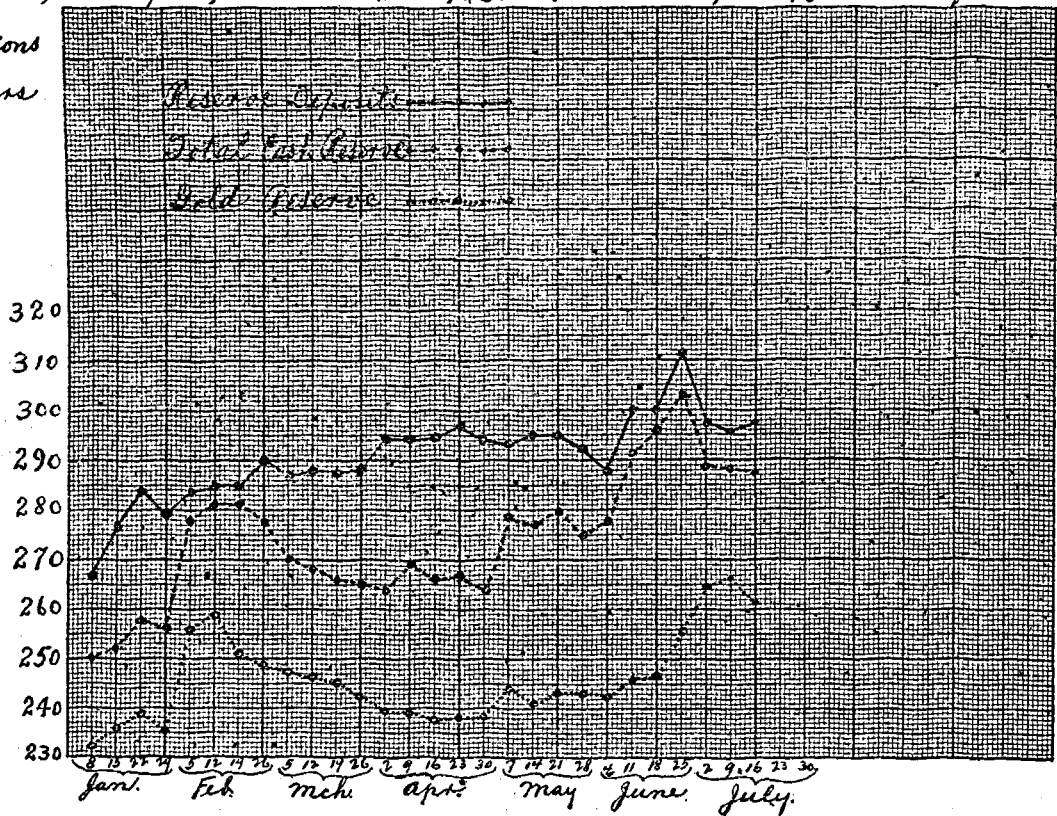
The investments in United States bonds, mainly of the 3 per cent type, show a slow though steady growth, the largest purchases dating back to the early part of the year.

The movement of all funds invested in commercial paper, acceptances, and public securities shows a practically unbroken upward trend up to May 28 when a total of \$64,000,000 is shown which constituted about 142 per cent of the paid-in capital of the banks. On July 16 the total of the earning funds had decreased to about \$60,000,000, which is only about 110 per cent of the total paid-in capital reported on that date.

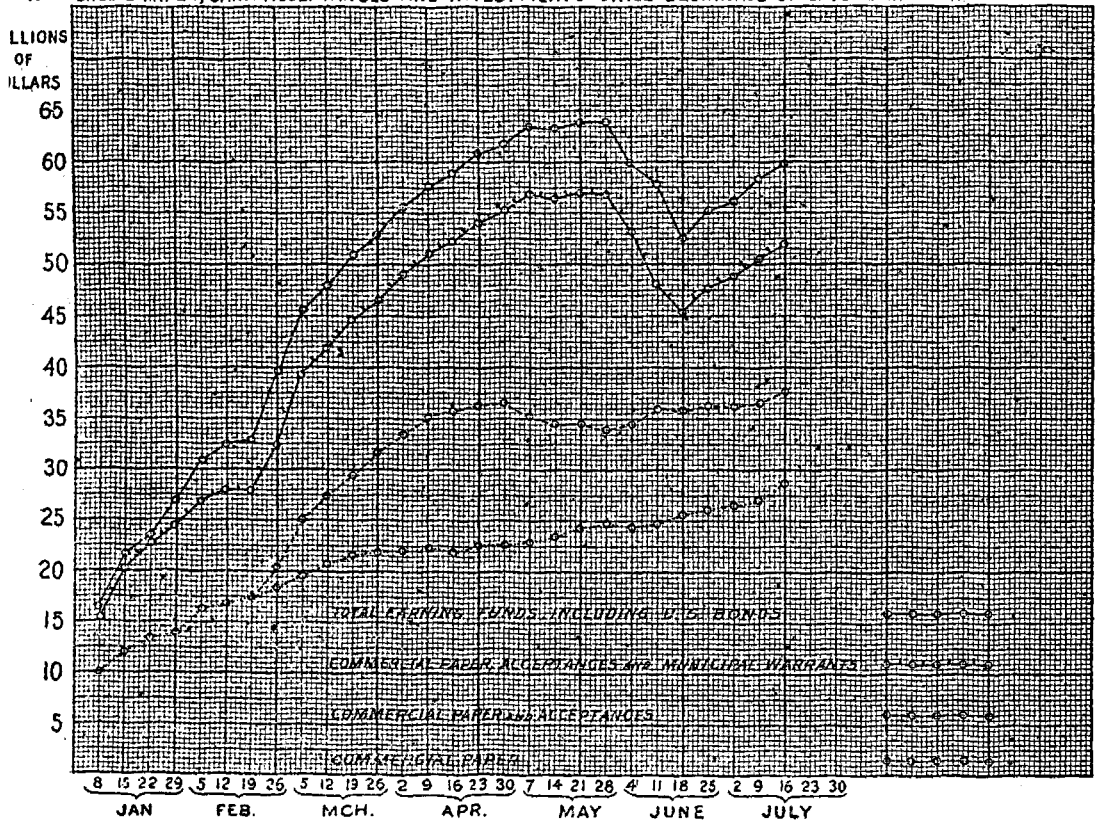
The third diagram illustrates the comparative growth of individual deposits in the several classes of banks during the period 1900 to 1914. The figures on which this diagram is based are those shown in the annual reports of the Comptroller of the Currency.

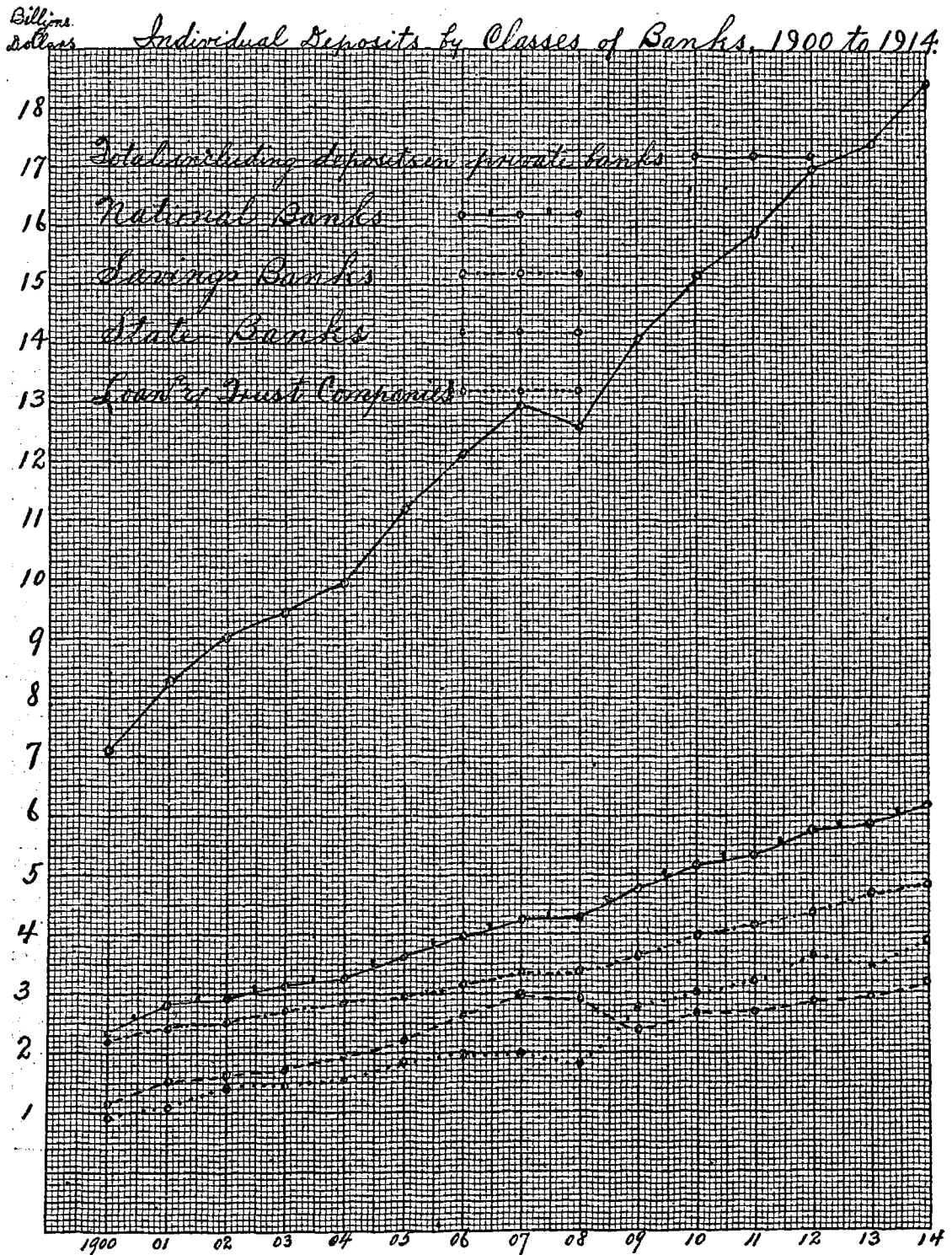
Reserve Deposits, Total Cash Reserve & Gold Reserve since beginning of calendar year.

millions
of
dollars



COMMERCIAL PAPER, BANK ACCEPTANCES AND INVESTMENTS SINCE BEGINNING OF CALENDAR YEAR





GOLD IMPORTS AND EXPORTS.

The Bureau of Foreign and Domestic Commerce in the Department of Commerce has furnished the following advance tables showing the imports and exports of gold, classified under the head of ore, bullion, and coin, also the total gold imports by countries for the fiscal years ending June 30, 1913 to 1915.

Imports and exports of gold in ore, bullion, and coin, fiscal year ending June 30, 1915.

	Ore and base bullion.	Bullion, refined.		Coin.		Total gold.
				United States.	Foreign.	
IMPORTS.						
Maine and New Hampshire.....	\$750	Ounces (troy). 45	\$874	\$55		\$1,679
Maryland.....	4,254				\$50,000	54,254
New York.....	116,392	468,141	9,417,136	16,278,052	4,859,498	30,671,078
Philadelphia.....		2	36	250		286
Porto Rico.....				1,351		1,351
Virginia.....	32					32
Florida.....		504	10,000	80,077	24,000	114,077
Mobile.....				20,010		20,010
New Orleans.....	399,836			50,512	16,094	466,442
Arizona.....	412,421	51,452	1,028,691			1,441,112
Eagle Pass.....	36,795					36,795
El Paso.....	145,359	68,634	1,372,750			1,518,109
Laredo.....	34,631					34,631
Alaska.....	148	248,920	4,111,207	89,930		4,201,285
San Francisco.....	168,756	401,498	8,166,562	25,342	17,520,570	25,881,230
Southern California.....	6,884	26	447			7,331
Washington.....	3,676,759	100,438	1,937,090	481,060	498,000	6,642,909
Buffalo.....	4,421,526			80,909		4,502,435
Dakota.....	141,676					141,676
Michigan.....	1,487,915	790	12,200	345		1,500,460
St. Lawrence.....	300	{ 1 374,830	7,697,208	83,980,927	641,585	74,328,520
Vermont.....		97,242	2,008,500	3,053		3,053
Total.....	11,054,434	1,812,522	35,812,701	101,091,873	23,609,747	171,568,755
EXPORTS—DOMESTIC.						
Maine and New Hampshire.....		287	5,798	151,505		157,303
Massachusetts.....				400,000		400,000
New York.....	490	1 327,616	6,774,876	32,367,302		39,142,668
New Orleans.....				131,200		131,200
El Paso.....				30,000		30,000
Alaska.....	1,558	2,346	38,354	3,000		42,912
Hawaii.....				40,750		40,750
San Francisco.....				68,855		68,855
Washington.....	277,276	1 739	35,129	180,987		493,392
Buffalo.....		{ 1 3,937	81,111	816,478		2,537,015
Duluth and Superior.....		79,461	1,639,426			5,091
Michigan.....		108	2,091	3,000		627,517
St. Lawrence.....	11,979	25	517	81,913,617		91,729,482
Vermont.....		1 471,399	9,700,117			7,823,727
		6,085	103,769			
		1 5	103	7,803,207		
		1,051	20,417			
Total.....	291,303	894,059	18,401,708	124,536,901		143,229,912
EXPORTS—FOREIGN.						
Maine and New Hampshire.....					50	50
Massachusetts.....					10,606	10,606
New York.....					2,933,186	2,944,186
Hawaii.....					10	10
Buffalo.....					20,660	20,660
Duluth and Superior.....					20	20
St. Lawrence.....					18,550	18,550
Vermont.....					154	154
Total.....					2,994,236	2,994,236

1 United States mint or assay office bars.

Imports and exports of gold by countries during the 12 months ending June 30, 1913, 1914, and 1915.

	1913	1914	1915
IMPORTS.			
France.....	\$1,423,251	\$1,195,284	\$11,552,926
Germany.....	495,234	14,176	.....
United Kingdom—England.....	10,020,731	2,555,423	1,965,270
Canada.....	25,261,153	38,319,111	110,761,093
Central American States.....	3,100,604	2,490,450	2,751,572
Mexico.....	20,517,203	11,116,942	6,324,163
West Indies.....	1,203,860	3,044,005	3,393,944
South America.....	4,266,401	6,342,955	6,301,321
China.....	14,545	.....	6,268,263
Japan.....	1,817,444	480,040	17,745,162
Australia and Tasmania.....	813,578	559,554	706,241
All other countries.....	254,721	410,719	3,798,800
Total.....	69,194,025	66,538,659	171,568,755
EXPORTS—FOREIGN AND DOMESTIC.			
Belgium.....	661,044	221,310	.....
France.....	39,553,486	86,021,273	6,761,361
Germany.....	1,464,000	1,018,913	.....
United Kingdom—England.....	.....	1,295,771	27,226,603
Canada.....	11,165,958	19,388,441	103,455,353
West Indies:			
Cuba.....	591,656	1,186,278	6,325,066
Other West Indies.....	288,445	175,676	243,220
All other North America.....	604,329	2,220,090	352,132
South America.....	23,316,721	494,012	1,515,658
China.....	103,350	.....	.....
Hongkong.....	11,090	5,890	46,905
All other countries.....	2,543	9,875	297,800
Total.....	77,762,622	112,038,529	146,224,148

Below follows statement of classified imports and exports of gold for the weeks ending June 25, July 2, 9, 16, and 23, and the cumulative period January 1 to July 23, 1915. These data were furnished the Board by collectors of customs.

Imports of gold, by customs districts, Jan. 1 to July 23, 1915.

[In thousands of dollars.]

	Maine and New Hampshire.	Maryland.	New York.	Porto Rico.	Florida.	New Orleans.	Arizona.	El Paso.	Alaska.	San Francisco.	Southern California.	Washington.	Buffalo.	Dakota.	Michigan.	St. Lawrence.	Vermont.	Total.
<i>For week ending June 25.</i>																		
Ore and base bullion.....			25			22		4				56	149		23			279
Bullion, refined.....			414				26	15	240	262		102				5,000		6,059
United States coin.....			3													2,834		2,837
Foreign coin.....			20		6					500								526
Total.....			462		6	22	26	19	240	762		158	149		23	7,834		9,701
<i>For week ending July 2.</i>																		
Ore and base bullion.....			4			5	18	1				200	105		12			345
Bullion, refined.....			65				5	9		9						2,500		2,588
United States coin.....			2															2
Foreign coin.....			12									498						510
Total.....			83			5	23	10		9		698	105		12	2,500		3,445
<i>For week ending July 9.</i>																		
Ore and base bullion.....			32					4	20	113		40	134		70			413
Bullion, refined.....			258				27	1	168			130				631		1,215
United States coin.....			2			1										1,960		1,963
Foreign coin.....			28							750						137		915
Total.....			320			1	27	5	188	863		170	134		70	2,728		4,506
<i>For week ending July 16.</i>																		
Ore and base bullion.....			2			31	3	5	19			94	78		18			252
Bullion, refined.....			411				1	113	243	8								776
United States coin.....			2,307					8										2,307
Foreign coin.....			30							535								573
Total.....			2,750			31	4	126	262	545		94	78		18			3,908
<i>For week ending July 23.</i>																		
Ore and base bullion.....			22			3	58	1		39		132	227		32			518
United States mint or assay office bars.....																1,154		1,154
Bullion, refined.....			175				20	2	98			198						493
United States coin.....			1													20		21
Foreign coin.....			198															198
Total.....			396			3	78	3	98	39		330	227		32	1,174		2,384
<i>Jan. 1 to July 23.</i>																		
Ore and base bullion.....	1		269			252	228	75	198	215	7	2,282	2,056	67	932			7,486
United States mint or assay office bars.....																3,106		3,108
Bullion, refined.....			6,391		10		396	1,276	1,603	7,183		946	2			8,131		25,938
United States coin.....			17,615	1	8	1				21		6	49			86,556		104,257
Foreign coin.....		50	4,003		23			8		11,760		498				622	3	16,969
Total.....	1	50	28,278	1	43	253	624	1,359	1,603	19,179	7	3,732	3,007	67	932	98,415	3	157,758

¹ Includes \$4,000 for Laredo, Tex.

Exports of gold, by customs districts, Jan. 1 to July 23, 1915.

[In thousands of dollars.]

	Maine and New Hampshire.	New York.	Hawaii.	Alaska.	San Francisco.	Washington.	Buffalo.	Dakota.	Michigan.	Duluth and Superior.	St. Lawrence.	Vermont.	Total.
<i>For week ending June 25.</i>													
Bullion, refined, domestic.....						6						1	7
United States coin.....		3				1							4
Foreign coin.....		1,125					1						1,126
Total.....		1,128				7	1					1	1,137
<i>For week ending July 2.</i>													
Ore and base bullion.....						27							27
Bullion, refined, domestic.....	1								1				2
United States coin.....		17	3		3								23
Total.....	1	17	3		3	27			1				52
<i>For week ending July 9.</i>													
United States mint or assay office bars.....											1		1
Bullion, refined, domestic.....		15	2						1				17
United States coin.....													
Total.....		15	2						1		1		19
<i>For week ending July 16.</i>													
United States coin.....		6	1		5								12
<i>For week ending July 23.</i>													
Ore and base bullion.....													
United States mint or assay office bars.....							10				1		11
Bullion, refined:													
Domestic.....							2		3			1	6
Foreign.....													
United States coin.....		10	1		10	1							22
Foreign coin.....													
Total.....		10	1		10	1	12		3		1	1	30
<i>Jan. 1 to July 23.</i>													
Ore and base bullion.....						166					1		167
United States mint or assay office bars.....							13				5		18
Bullion, refined:													
Domestic.....	2			2		8	2	4	4	1	4	10	37
Foreign.....							20						20
United States coin.....		3,377	23		54	44	7		1		2		3,508
Foreign coin.....		2,574					9				3		2,586
Total.....	2	5,951	23	2	54	218	51	4	5	1	15	10	6,336

ACCEPTANCES.

Acceptances, by classes, held by the Federal reserve banks each week.

Date.	Member banks' acceptances.	Nonmember banks' acceptances.		Private banks.	Total.
		Trust companies.	State banks.		
1915.					
June 28.....	\$4,211,000	\$4,801,000		\$161,000	\$9,173,000
July 5.....	4,342,000	5,267,000		161,000	9,770,000
July 12.....	4,231,000	4,618,000		161,000	9,010,000
July 19.....	4,356,000	4,367,000	\$20,000	323,000	9,066,000
July 26.....	5,165,000	4,832,000	20,000	367,000	10,384,000

Acceptances indorsed by member banks: Trust companies' acceptances, \$176,000; private banks' acceptances, \$20,000; total, \$196,000.

Distribution of acceptances held by Federal reserve banks according to schedules on hand July 20, 1915, by classes of acceptors and sizes.

Class of acceptors.	To \$5,000.		Over \$5,000 to \$10,000.		Over \$10,000 to \$25,000.		Over \$25,000 to \$50,000.		Over \$50,000 to \$100,000.		Over \$100,000.		Total.		Per cent.
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	
Member banks.....	43	\$134,690	58	\$467,412	57	\$921,845	32	\$1,288,061	11	\$956,285	3	\$588,000	204	\$4,356,293	48.0
Trust companies.....	55	114,859	32	223,975	66	1,351,619	27	829,453	10	787,081	9	1,060,246	199	4,367,233	48.2
State banks.....					1	20,000							1	20,000	.2
Private banks.....			2	19,890	12	201,845	3	101,065					17	322,800	3.6
Total.....	98	249,549	92	711,277	136	2,495,309	62	2,218,579	21	1,743,366	12	1,648,246	421	9,066,326	
Per cent.....		2.7		7.9		27.5		24.6		19.2		18.2			100.0

Amounts of acceptances held by the several Federal reserve banks at close of business on Fridays from June 25 to July 23, 1915.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Acceptances maturing within 30 days:													
June 25.....	\$959	\$1,684	\$213	\$148			\$364	\$280	\$126	\$398		\$574	\$4,746
July 2.....	739	1,714	452	155			237	261	120	411		260	4,349
July 9.....	603	1,249	466	101			236	218	49	331		224	3,477
July 16.....	602	979	368	49			74	17	25	307		124	2,545
July 23.....	588	740	371	48			74	18	34	208		124	2,205
Acceptances maturing after 30 days but within 60 days:													
June 25.....	582	928	403	49			74	18	25	224		124	2,427
July 2.....	470	955	173	16			98	46	18	191		160	2,127
July 9.....	445	2,215	152	16			36	44	17	191		234	3,330
July 16.....	402	2,219	442	16			36	44	17	27		134	3,337
July 23.....	399	2,349	574	58			69	47	17	27		234	3,774
Acceptances maturing after 60 days but within 90 days:													
June 25.....	500	2,019	359	16			37	44	17	10		204	3,206
July 2.....	474	2,159	449	16			12	15	10	11		188	3,344
July 9.....	472	1,371	707	25			25	25	25	36		100	2,756
July 16.....	605	1,415	445	90			165	83	90	71		125	3,689
July 23.....	1,110	2,014	522	95			265	124	115	118		56	4,359
Total:													
June 25.....	2,041	4,631	975	213			475	342	168	632		902	10,379
July 2.....	1,683	4,828	1,074	187			347	322	148	613		618	9,820
July 9.....	1,520	4,835	1,305	142			297	287	91	558		558	9,593
July 16.....	1,609	4,613	1,255	155			275	144	132	405		333	8,971
July 23.....	2,097	5,103	1,467	201			348	189	166	353		414	10,338

¹ Includes \$90,500 of acceptances maturing after 90 days but within 3 months.

Amounts of acceptances purchased by each of the Federal reserve banks from February 19 (date of first purchase) to June 30, 1915, distributed by maturities.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Acceptances maturing within 30 days:													
February and March.....		371	84	39			141	67	10	41		61	814
April.....		25	25	25									75
May.....		2											2
June.....		141											141
Total.....		539	109	64			141	67	10	41		61	1,032
Acceptances maturing after 30 days but within 60 days:													
February and March.....	135	197	249	508			27		47			152	1,315
April.....	29	456					50	25	14	16		281	871
May.....	56	454	62	57			159	201	46	45		200	1,280
June.....	15	436	57	33			74		12				627
Total.....	235	1,543	368	598			310	226	119	61		633	4,093
Acceptances maturing after 60 days but within 3 months:													
February and March.....	1,235	4,435	862	584			1,245		280	41		211	8,693
April.....	520	792	412	116			243	100	87	259		543	3,072
May.....	587	411	109	16				18	13	307		124	1,535
June.....	557	2,507	493	16			36	44	17	27		234	3,931
Total.....	2,899	8,145	1,876	732			1,524	162	397	634		1,112	17,481
Grand total.....	3,134	10,227	2,353	1,394			1,975	455	526	736		1,806	22,606

PAPER CURRENCY OUTSTANDING.

United States Treasurer's monthly statement of paper currency of each denomination outstanding June 30, 1915.

Denomination.	United States notes.	Treasury notes of 1890.	Federal reserve notes.	National bank notes.	Gold certificates.	Silver certificates.	Total.
One dollar.....	\$1,819,540	\$354,076		\$342,317		\$174,833,421	\$177,354,354
Two dollars.....	1,363,613	225,319		163,568		59,748,881	61,501,881
Five dollars.....	202,123,160	543,885	\$31,379,000	137,881,535		182,863,967	554,796,547
Ten dollars.....	107,957,996	633,490	28,054,060	354,680,300	\$214,940,420	24,707,751	730,974,017
Twenty dollars.....	8,092,632	291,330	14,837,440	249,959,860	214,285,894	19,159,400	506,626,556
Fifty dollars.....	2,030,375	11,900	4,990,000	32,964,600	46,567,355	31,755,060	118,319,890
One hundred dollars.....	2,983,700	116,000	5,000,000	45,305,700	79,354,100	343,420	133,102,920
Five hundred dollars.....	2,749,000			88,500	19,501,500	15,500	22,657,500
One thousand dollars.....	18,551,000	78,000		22,000	85,348,500	15,000	104,017,500
Five thousand dollars.....					95,835,000		95,835,000
Ten thousand dollars.....	10,000				462,000,000		462,010,000
Fractional parts.....				54,143			54,143
Total.....	347,681,016	2,254,000	84,260,500	821,462,523	1,218,182,769	493,459,000	2,967,299,808
Unknown, destroyed.....	1,000,000			1,188,930			3,188,930
Net.....	346,681,016	2,254,000	84,260,500	819,273,593	1,218,182,769	493,459,000	2,964,110,878

¹ Redeemed but not assorted by denominations.

DISTRIBUTION OF REDISCOUNTS.

The total amount of commercial paper rediscounted during the month of June was \$13,404,000, or \$1,258,300 in excess of the amount rediscounted during May, all of the banks, except Dallas and San Francisco, reporting increased operations.

Over 76 per cent of the paper rediscounted by the four eastern banks was 60-day paper as against 32.5 per cent for the four western banks and 40 per cent for the three southern banks. The San Francisco bank reports about 33 per cent of this class of paper.

Relatively large purchases by the Minneapolis bank of agricultural and live-stock paper maturing after 90 days raise the proportion of this class of paper to 38.8 per cent of the total amount of rediscounts of the four western banks and decrease the proportion of this class of paper reported by the three southern banks from about 75 per cent for the month of May to 62.4 per cent for June. While the percentages of the several classes of paper handled by all the banks during June vary but slightly from the percentages for the month of May, there are some quite material changes in the liquidity of the paper purchased by some of the banks. Thus, for example, the percentage of 30-day paper discounted by the Boston bank during the month of June increased to 47 per cent of the total from only

27 per cent of the total rediscounts handled in May.

The number of banks accommodated increased from 716 in May to 785 in June and now stands at 10.3 per cent of the total number of member banks.

The relative work of the discount departments is shown to some extent by the number of notes handled during each month, which is 9,558 for May and 10,734 for June. Of the total number of notes handled the share of the three southern banks was about 73 per cent in June as against 78 per cent in May, while of the total amounts handled the share of the three southern banks was about 66 per cent in June and over 68 per cent in May.

The average size of the notes discounted in June by all the banks was \$1,249, compared with \$1,271 in the preceding month. The averages vary between \$681 for the New York bank and \$3,043 for the San Francisco bank. Of the total number of notes rediscounted during June about 27 per cent, and of the total amount about 53 per cent, were notes in amounts of \$1,000 to \$5,000. Small notes (in amounts up to \$250) constituted almost 32 per cent of the total number, though only 3.6 per cent of the total amount of notes rediscounted during the month. Over 84 per cent of the entire number of notes up to \$250 was discounted by the three southern banks.

Commercial paper, exclusive of acceptances, rediscounted by each of the Federal reserve banks during the month of June, 1915, distributed by sizes.

NUMBER OF PIECES AND AMOUNTS.

(In thousands of dollars.)

Bank.	To \$100.		Over \$100 to \$250.		Over \$250 to \$500.		Over \$500 to \$1,000.		Over \$1,000 to \$2,500.		Over \$2,500 to \$5,000.		Over \$5,000 to \$10,000.		Over \$10,000.		Total.		Per cent.
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	
Boston.....					25	11.3	29	20.1	21	34.6	35	147.3	8	68.5	2	65.6	120	347.4	2.6
New York.....	46	4.0	147	23.2	104	37.3	57	39.7	41	58.1	25	94.7	5	32.5			425	289.5	2.1
Philadelphia.....	4	.4	35	6.2	67	25.4	58	45.3	51	92.8	48	192.7	9	77.0	1	15.0	273	454.8	3.3
Cleveland.....	9	.7	13	2.3	20	7.5	29	23.6	40	69.1	39	162.8	12	88.6	6	80.6	168	435.2	3.2
Richmond.....	434	32.2	559	97.4	622	246.3	590	484.7	513	909.4	319	1,283.7	90	677.2	20	273.4	3,147	4,004.3	30.1
Atlanta.....	236	18.2	572	99.0	475	177.8	319	249.6	291	511.0	185	719.4	44	328.0	13	255.0	2,135	2,358.0	17.6
Chicago.....	8	.8	32	7.6	89	35.6	107	86.0	138	225.9	54	198.8	10	68.6	2	24.8	440	648.1	4.8
St. Louis.....	11	1.1	63	11.4	69	26.1	56	45.5	75	135.6	26	103.8	10	67.2	1	10.2	311	400.9	3.0
Minneapolis.....	34	1.0	93	16.1	131	48.1	182	129.8	166	243.4	53	166.4	23	137.6	5	52.6	687	795.0	5.9
Kansas City.....	3	.3	14	2.6	27	10.3	40	29.3	39	60.5	32	118.1	13	82.1	2	30.4	170	333.5	2.5
Dallas.....	284	18.8	814	135.3	531	190.3	342	253.4	349	571.4	187	706.6	59	428.6	11	172.7	2,577	2,477.1	18.5
San Francisco.....			21	3.4	31	11.3	52	36.5	69	116.7	46	180.4	42	217.2	20	294.7	281	860.2	6.4
Total.....	1,069	77.4	2,363	404.5	2,191	827.3	1,861	1,443.5	1,793	3,028.5	1,049	4,074.7	325	2,273.1	83	1,275.0	10,734	13,404.0	100.0

PERCENTAGES OF AMOUNTS OF EACH CLASS TO TOTAL.

	To \$100.	Over \$100 to \$250.	Over \$250 to \$500.	Over \$500 to \$1,000.	Over \$1,000 to \$2,500.	Over \$2,500 to \$5,000.	Over \$5,000 to \$10,000.	Over \$10,000.	Total.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Boston.....			3.3	5.8	9.9	42.4	19.7	18.9	100.0
New York.....	1.4	8.0	12.9	13.7	20.1	32.7	11.2		100.0
Philadelphia.....		1.4	5.6	9.9	20.4	42.4	17.0	3.3	100.0
Cleveland.....	.2	.5	1.7	5.4	15.9	37.4	20.4	18.5	100.0
Richmond.....	.8	2.4	6.2	12.1	22.7	32.1	16.9	6.8	100.0
Atlanta.....	.8	4.2	7.5	10.6	21.7	30.5	13.9	10.8	100.0
Chicago.....	.1	1.2	5.5	13.3	34.8	30.7	10.6	3.8	100.0
St. Louis.....	.3	2.9	6.5	11.3	33.7	25.9	16.8	2.6	100.0
Minneapolis.....	.1	2.0	6.1	16.3	30.7	20.9	17.3	6.6	100.0
Kansas City.....	.1	.8	3.1	8.8	18.1	35.4	24.6	9.1	100.0
Dallas.....	.8	5.5	7.6	10.2	23.1	28.5	17.3	7.0	100.0
San Francisco.....		.4	1.3	4.2	13.6	21.0	25.2	34.3	100.0
Total.....	.6	3.0	6.2	10.7	22.6	30.4	17.0	9.5	100.0

Commercial paper rediscounted during June by each of the Federal reserve banks, distributed by States and maturities as of date of rediscount.

(In thousands of dollars.)

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper rediscounted.
District No. 1—Boston:							
Connecticut.....	74	2	10.7	18.3	13.4		42.4
Maine.....	70	1		8.9	4.8	2.9	16.6
Massachusetts.....	170	5	141.6	70.5	10.0		222.1
New Hampshire.....	56	1	3.0	4.6	3.4	.4	11.4
Rhode Island.....	18	0					
Vermont.....	48	4	7.3	40.9	6.7		54.9
Total.....	436	13	162.6	143.2	38.3	3.3	347.4
District No. 2—New York.....	479	20	136.8	82.0	169.3	1.4	289.5
District No. 3—Philadelphia:							
Delaware.....	24	1			3.0		3.0
New Jersey.....	201	12	71.8	86.7	67.4		225.9
Pennsylvania.....	533	13	133.5	62.3	25.1		225.9
Total.....	758	26	210.3	149.0	95.5		454.8

1 Including 4.5 of paper, maturing within 10 days.

Commercial paper rediscounted during June by each of the Federal reserve banks, distributed by States and maturities as of date of rediscount—Continued.

[In thousands of dollars.]

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper re-discounted.
District No. 4—Cleveland:							
Kentucky.....	72	6	58.7	87.9	16.7	.....	163.3
Ohio.....	378	12	72.3	51.7	20.6	.....	144.9
Pennsylvania.....	301	18	52.0	56.7	12.2	5.0	125.9
West Virginia.....	9	1	.....	4	7	.....	1.1
Total.....	760	37	183.0	196.7	50.2	5.3	435.2
District No. 5—Richmond:							
District of Columbia.....	13	1	35.2	123.2	50.4	.....	208.8
Maryland.....	100	3	37.0	8.0	12.6	.....	53.1
North Carolina.....	80	27	88.0	357.1	661.1	85.1	1,192.2
South Carolina.....	71	21	302.8	463.5	526.1	252.4	1,544.8
Virginia.....	136	41	133.5	280.5	377.9	65.8	862.7
West Virginia.....	108	9	35.5	62.2	39.2	8	137.7
Total.....	508	102	637.9	1,294.5	1,667.3	404.6	4,004.3
District No. 6—Atlanta:							
Alabama.....	92	26	16.7	75.9	100.4	101.8	294.8
Florida.....	56	16	40.5	86.2	349.5	16.3	492.5
Georgia.....	113	52	77.7	226.3	402.9	208.4	915.3
Louisiana.....	5	1	20.5	.....	4.1	.....	24.6
Mississippi.....	18	1	1.3	11.7	39.0	.....	52.0
Tennessee.....	97	32	42.8	325.3	196.8	13.9	578.8
Total.....	331	128	199.5	725.4	1,092.7	340.4	2,358.0
District No. 7—Chicago:							
Illinois.....	313	11	3.7	47.1	53.5	42.4	146.7
Indiana.....	197	10	9.1	34.1	52.6	17.5	113.3
Iowa.....	348	32	26.4	68.5	100.1	167.0	362.0
Michigan.....	73	3	16.5	2.0	6.6	.....	25.1
Wisconsin.....	49	1	.....	.....	.....	1.0	1.0
Total.....	980	57	55.7	151.7	212.8	227.9	648.1
District No. 8—St. Louis:							
Arkansas.....	60	6	1.3	3.4	14.7	27.7	47.1
Illinois.....	166	15	14.1	27.8	50.5	30.2	122.6
Indiana.....	61	2	5.0	13.0	8.3	.....	26.3
Kentucky.....	69	4	8.1	12.7	6.3	.....	27.1
Mississippi.....	17	1	.....	.....	3.0	11.6	14.6
Missouri.....	79	8	4.0	15.3	20.8	6.5	46.6
Tennessee.....	20	5	19.8	41.1	55.7	.....	116.6
Total.....	462	41	52.3	113.3	159.3	76.0	400.9
District No. 9—Minneapolis:							
Michigan.....	31	2	12.5	23.2	3.0	.....	38.7
Minnesota.....	277	24	.....	2.5	13.4	149.9	165.8
Montana.....	65	19	.9	4.9	47.1	72.6	125.5
North Dakota.....	153	25	.5	2.9	19.2	166.6	189.2
South Dakota.....	111	15	.....	.....	1.5	51.6	53.1
Wisconsin.....	87	11	32.1	70.3	103.1	17.2	222.7
Total.....	724	96	46.0	103.8	187.3	457.9	795.0
District No. 10—Kansas City:							
Colorado.....	122	3	5.1	2.1	4.5	2.1	13.8
Kansas.....	216	8	2.5	30.5	25.5	28.3	86.8
Missouri.....	52	3	6.2	83.3	.....	1.8	91.3
Nebraska.....	212	11	.....	16.3	24.1	23.7	64.1
New Mexico.....	10	2	.....	.....	.....	3.2	3.2
Oklahoma.....	188	11	7.8	30.7	11.4	24.4	74.3
Wyoming.....	33	.....	.....	.....	.....	.....	.....
Total.....	833	38	21.6	162.9	65.5	83.5	333.5
District No. 11—Dallas:							
Arizona.....	6	.....	.....	.....	.....	.....	.....
Louisiana.....	25	8	37.8	58.8	149.1	76.1	321.8
New Mexico.....	28	6	.....	12.3	23.5	33.8	69.6
Oklahoma.....	163	18	2.3	47.2	31.5	63.2	144.2
Texas.....	537	134	63.4	479.2	755.2	643.7	1,941.5
Total.....	759	166	103.5	597.5	959.3	814.8	2,477.1

¹ Including 5.0 of paper, maturing within 10 days.

Commercial paper rediscounted during June by each of the Federal reserve banks, distributed by States and maturities as of date of rediscount—Continued.

[In thousands of dollars.]

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper re-discounted.
District No. 12—San Francisco:							
Alaska.....	1						
Arizona.....	7						
California.....	265	39	65.4	124.5	404.5	64.1	658.5
Idaho.....	57	6		9.3	8.9	15.6	33.8
Nevada.....	10						
Oregon.....	86	9	5.7	22.0	40.6	2.6	70.9
Utah.....	23	1	6.0	25.5	15.3		46.8
Washington.....	78	6	24.0	2.0	20.4	3.8	50.2
Total.....	527	61	101.1	183.3	489.7	86.1	860.2
RECAPITULATION.							
Districts:							
No. 1—Boston.....	436	13	162.6	143.2	38.3	3.3	347.4
No. 2—New York.....	479	20	36.3	82.0	169.3	1.4	289.5
No. 3—Philadelphia.....	753	26	210.3	149.0	95.5		454.8
No. 4—Cleveland.....	760	37	182.0	196.7	50.2	5.3	435.2
No. 5—Richmond.....	508	102	637.9	1,294.5	1,667.3	404.6	4,004.3
No. 6—Atlanta.....	381	128	199.5	725.4	1,092.7	340.4	2,358.0
No. 7—Chicago.....	980	57	55.7	151.7	212.8	227.9	648.1
No. 8—St. Louis.....	462	41	52.3	113.3	159.3	70.0	400.9
No. 9—Minneapolis.....	724	96	46.0	103.8	187.3	457.9	795.0
No. 10—Kansas City.....	833	38	21.6	162.9	65.5	83.5	333.5
No. 11—Dallas.....	759	166	103.5	597.5	959.3	816.8	2,477.1
No. 12—San Francisco.....	527	61	101.1	183.3	489.7	86.1	860.2
Total.....	7,607	785	1,810.3	3,903.3	5,187.2	2,503.2	13,404.0
Per cent.....		10.3	13.5	29.1	38.7	18.7	100.0

Amounts of commercial paper held by each of the Federal reserve banks on the last Friday of the month of June, distributed by maturities.

[In thousands of dollars.]

Federal reserve bank.	Paper maturing within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total.
Boston.....	196.7	86.0	5.5	7.1	295.3
New York.....	215.5	212.9	109.4	2.6	540.4
Philadelphia.....	332.5	246.0	74.6		653.1
Cleveland.....	415.9	278.3	54.3	35.5	784.0
Richmond.....	2,952.9	2,417.5	1,300.1	707.4	7,377.9
Atlanta.....	1,693.9	1,249.7	827.7	628.5	4,399.8
Chicago.....	358.0	319.0	257.6	252.9	1,187.5
St. Louis.....	280.2	182.1	131.6	149.6	743.5
Minneapolis.....	193.4	187.2	153.9	547.8	1,082.3
Kansas City.....	207.7	171.7	95.5	135.8	610.7
Dallas.....	2,071.8	1,579.4	831.8	1,971.3	6,454.3
San Francisco.....	670.6	712.5	302.8	181.7	1,867.6
Total.....	9,589.1	7,642.3	4,144.8	4,620.2	25,996.4
Per cent.....	36.9	29.4	15.9	17.8	100.0

Resources and liabilities of each of the Federal reserve banks and of the Federal reserve system at close of business on Fridays July 2 to July 23.

[In thousands of dollars.]

RESOURCES.

	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Gold coin and certificates in vault:													
July 2.....	\$9,179	\$126,989	\$16,021	\$13,361	\$4,747	\$3,706	\$24,386	\$8,091	\$7,051	\$6,049	\$3,037	\$8,151	\$231,368
July 9.....	9,101	117,093	14,778	13,070	4,302	3,697	23,992	7,060	7,001	6,199	3,043	8,079	218,021
July 16.....	8,427	112,132	13,909	13,011	4,388	3,501	23,622	7,654	6,850	6,285	3,051	8,632	213,472
July 23.....	8,644	113,001	13,241	12,966	4,431	3,529	23,974	7,650	6,652	6,299	2,763	8,897	214,047
Gold settlement fund:													
July 2.....	3,817	2,356	1,822	3,520	2,695	1,640	5,837	1,384	1,107	3,702	2,913	1,047	31,840
July 9.....	6,474	5,846	1,459	3,033	3,259	1,447	13,968	1,384	1,317	3,539	3,162	1,618	47,106
July 16.....	7,641	7,125	1,364	4,351	3,434	1,511	10,271	1,256	1,235	3,697	3,756	1,019	46,680
July 23.....	7,707	10,151	1,671	4,256	3,212	1,304	9,329	1,657	1,187	3,611	3,998	367	48,450
Gold redemption fund:													
July 2.....	6	55	37	17	260	225	120	35	30	37	237	21	1,080
July 9.....	6	55	37	17	265	225	120	35	30	37	268	21	1,116
July 16.....	6	55	37	17	275	225	.....	35	30	37	298	21	1,036
July 23.....	6	55	37	17	300	225	.....	35	30	37	313	21	1,076
Legal tender notes, silver, etc.:													
July 2.....	194	16,123	2,581	848	107	323	2,433	1,050	4	471	690	17	24,841
July 9.....	430	12,710	2,473	856	106	190	3,560	990	4	472	692	11	22,494
July 16.....	171	17,601	2,953	974	111	207	2,431	974	4	490	565	11	26,492
July 23.....	170	16,301	3,027	1,024	130	340	2,989	846	4	493	568	21	25,913
Total reserve:													
July 2.....	13,196	145,523	20,461	17,746	7,809	5,894	32,776	10,560	8,192	10,859	6,877	9,236	289,129
July 9.....	16,011	135,704	18,747	17,582	7,932	5,559	41,640	10,069	8,352	10,247	7,165	9,729	288,737
July 16.....	16,245	136,913	18,283	18,353	8,208	5,444	38,324	9,919	8,119	10,519	7,670	9,683	287,680
July 23.....	16,527	139,508	17,976	18,263	8,073	5,398	38,292	10,188	7,873	10,440	7,642	9,306	289,486
Commercial paper:													
July 2.....	430	515	577	757	7,311	4,540	1,223	864	1,163	621	6,521	1,845	26,367
July 9.....	414	629	560	703	7,565	4,522	1,340	874	1,423	866	6,222	1,966	27,084
July 16.....	403	593	775	695	8,050	4,757	1,477	898	1,487	985	6,624	1,925	28,669
July 23.....	368	585	727	699	8,313	4,745	1,537	936	1,506	1,104	6,629	1,936	29,085
Bank acceptances:													
July 2.....	1,683	4,828	1,074	187	.....	.....	347	322	148	613	.....	618	9,820
July 9.....	1,520	4,835	1,305	142	.....	.....	297	287	91	558	.....	558	9,593
July 16.....	1,609	4,613	1,255	155	.....	.....	275	144	132	405	.....	383	8,971
July 23.....	2,097	5,103	1,467	201	.....	.....	348	189	166	353	.....	414	10,338
United States bonds:													
July 2.....	.....	.....	194	535	.....	.....	3,725	242	1,025	930	.....	1,001	7,652
July 9.....	.....	.....	340	635	.....	.....	3,725	242	1,025	930	.....	1,001	7,898
July 16.....	.....	.....	340	660	.....	.....	3,725	242	1,025	930	.....	1,001	7,923
July 23.....	.....	.....	340	660	.....	.....	3,725	242	1,025	930	.....	1,001	7,923
Municipal warrants:													
July 2.....	2,234	4,269	1,256	1,495	1	.....	1,383	408	368	214	.....	702	12,390
July 9.....	2,292	4,630	1,480	1,594	.....	.....	1,628	518	445	332	.....	976	13,895
July 16.....	2,287	4,936	1,571	1,556	.....	.....	1,690	568	445	342	.....	986	14,391
July 23.....	2,404	5,160	1,631	1,539	.....	.....	1,770	620	496	454	.....	1,036	15,110
Due from other Federal reserve banks, net:													
July 2.....	2,516	.....	773	1,482	1,125	264	11,979	1,256	210	63	373	1,230	19,862
July 9.....	1,736	.....	716	1,782	1,119	212	1,222	240	43	171	418	599	10,107
July 16.....	1,779	.....	748	737	310	120	2,965	1,224	113	429	345	903	15,855
July 23.....	.....	.....	427	1,166	623	303	2,996	.....	54	371	162	1,301	15,229
Federal reserve notes, net assets:													
July 2.....	568	2,965	39	249	.....	.....	2,320	63	89	.....	.....	1,308	7,601
July 9.....	443	3,807	71	215	.....	.....	2,333	87	100	.....	.....	1,323	8,379
July 16.....	430	5,474	53	288	.....	.....	2,351	98	79	.....	.....	1,180	9,953
July 23.....	453	4,584	58	308	.....	.....	2,353	107	183	.....	.....	1,181	9,227
All other resources:													
July 2.....	103	160	126	194	100	244	201	1,870	52	526	23	61	3,600
July 9.....	175	157	349	198	141	315	155	1,482	49	550	38	85	3,694
July 16.....	108	188	582	295	137	281	176	1,861	56	616	69	67	4,436
July 23.....	301	161	696	341	158	77	142	2,194	.....	535	22	81	4,765
Total resources:													
July 2.....	20,730	158,260	24,500	22,645	16,346	10,942	53,954	15,585	11,247	13,826	13,794	16,061	366,481
July 9.....	22,591	149,702	23,568	22,851	16,757	10,608	52,340	13,799	11,528	13,654	13,843	16,237	365,387
July 16.....	22,871	152,717	23,607	22,739	16,705	10,602	50,983	14,954	11,456	14,226	14,708	16,128	367,878
July 23.....	22,150	155,101	23,322	23,177	17,167	10,523	51,163	14,476	11,360	14,187	14,445	16,256	371,163

¹ Items in transit, i. e., total amounts due from minus total amounts due to other Federal reserve banks.

Resources and liabilities of each of the Federal reserve banks and of the Federal reserve system at close of business on Fridays, July 2 to July 23—Continued.

[In thousands of dollars.]

LIABILITIES.

	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Capital paid in:													
July 2.....	\$4,778	\$9,962	\$6,225	\$5,946	\$3,365	\$2,414	\$6,608	\$2,788	\$2,422	\$2,817	\$2,869	\$3,934	\$54,128
July 9.....	4,778	10,536	5,652	5,951	3,360	2,415	6,608	2,788	2,422	2,885	2,788	3,923	54,104
July 16.....	4,778	10,559	5,629	5,951	3,350	2,415	6,610	2,790	2,423	2,937	2,770	3,923	54,135
July 23.....	4,802	10,812	5,376	5,951	3,361	2,414	6,610	2,794	2,423	2,946	2,758	3,923	54,170
Reserve deposits, net:													
July 2.....	15,914	135,421	18,275	16,699	7,885	5,590	47,346	12,797	8,825	10,592	6,412	12,127	297,883
July 9.....	17,813	135,131	17,910	16,900	8,178	5,225	45,732	11,011	9,106	10,531	5,891	12,314	295,808
July 16.....	18,093	136,680	17,978	16,788	7,896	5,249	44,873	12,164	9,033	11,003	6,204	12,205	297,616
July 23.....	17,063	141,409	17,946	17,226	7,950	5,219	44,553	11,463	8,937	10,901	6,063	12,333	301,063
Federal reserve notes, net liability:													
July 2.....					5,009	2,892				417	4,479		12,797
July 9.....					5,137	2,920				178	5,140		13,375
July 16.....					5,368	2,858				286	5,700		14,242
July 23.....					6,757	2,837				340	5,587		14,521
Due to other Federal reserve banks, net:													
July 2.....		11,409											
July 9.....		2,151											
July 16.....		3,818											
July 23.....	285	1,660						219					
All other liabilities:													
July 2.....	38	1,463			87	46					34		1,673
July 9.....		1,944			82	48					26		2,100
July 16.....		1,710			91	50					34		1,855
July 23.....		1,220			99	53					37		1,409
Total liabilities:													
July 2.....	20,730	158,260	24,500	22,645	16,346	10,942	53,954	15,585	11,247	13,826	13,794	16,061	366,481
July 9.....	22,591	149,762	23,568	22,851	16,757	10,608	52,340	13,799	11,528	13,654	13,843	16,237	365,387
July 16.....	22,871	152,717	23,607	22,739	16,705	10,602	50,983	14,954	11,456	14,226	14,708	16,128	367,878
July 23.....	22,150	155,101	23,322	23,177	17,167	10,523	51,163	14,476	11,360	14,187	14,445	16,256	371,163

CIRCULATION OF FEDERAL RESERVE NOTES.

	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Federal reserve notes is- sued to the banks:													
July 2.....	\$3,920	\$40,500	\$2,420	\$4,200	\$7,750	\$5,150	\$4,380	\$626	\$3,300	\$3,600	\$6,695	\$2,040	\$84,551
July 9.....	3,920	42,900	2,500	4,500	8,050	5,300	4,380	626	3,500	4,100	7,315	2,040	89,131
July 16.....	4,420	45,320	2,660	4,600	8,200	5,500	4,380	626	3,600	4,100	7,915	2,040	93,361
July 23.....	4,420	45,320	2,730	4,700	8,300	5,500	4,380	626	3,600	4,100	8,215	2,040	94,131
Federal reserve notes in the hands of the banks:													
July 2.....	568	3,145	30	249	191	308	2,320	63	89	223	266	1,308	8,769
July 9.....	443	3,987	71	215	163	430	2,333	87	100	512	225	1,323	9,889
July 16.....	430	5,674	53	288	132	462	2,351	98	79	404	265	1,180	11,416
July 23.....	453	4,784	58	308	243	513	2,353	107	183	350	178	1,181	10,711
Federal reserve notes in circulation:													
July 2.....	3,352	37,355	2,381	3,951	7,559	4,842	2,060	563	3,211	3,377	6,429	732	75,812
July 9.....	3,477	38,913	2,429	4,285	7,887	4,870	2,047	539	3,400	3,588	7,090	717	79,242
July 16.....	3,990	39,646	2,607	4,312	8,068	5,038	2,029	528	3,521	3,696	7,650	860	81,945
July 23.....	3,967	40,536	2,672	4,392	8,057	4,987	2,027	519	3,617	3,750	8,037	859	83,420
Gold and lawful money deposited with F. R. agents:													
July 2.....	3,920	40,320	2,420	4,200	2,550	1,950	4,380	626	3,300	2,960	1,950	2,040	70,616
July 9.....	3,920	42,720	2,500	4,500	2,750	1,950	4,380	626	3,500	3,410	1,950	2,040	74,216
July 16.....	4,420	45,120	2,660	4,600	2,700	2,150	4,380	626	3,600	3,410	1,950	2,040	77,656
July 23.....	4,420	45,120	2,730	4,700	2,800	2,150	4,380	626	3,800	3,410	2,450	2,040	78,126
Carried to net liabilities:													
July 2.....					5,009	2,892				417	4,479		12,797
July 9.....					5,137	2,920				178	5,140		13,375
July 16.....					5,368	2,858				286	5,700		14,242
July 23.....					6,757	2,837				340	5,587		14,521
Carried to net assets:													
July 2.....	568	2,965	39	249			2,320	63	89			1,308	7,601
July 9.....	443	3,807	71	215			2,333	87	100			1,323	8,379
July 16.....	430	5,474	53	288			2,351	98	79			1,180	9,953
July 23.....	453	4,584	58	308			2,353	107	183			1,181	9,227

Statement of Federal reserve agents' accounts at close of business Fridays, July 2 to July 23.

(In thousands of dollars.)

	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Federal reserve notes re- ceived from the Comptroller:													
July 2.....	\$11,000	\$45,040	\$5,360	\$6,000	\$8,420	\$3,500	\$9,260	\$3,400	\$4,000	\$6,000	\$9,300	\$3,600	\$119,890
July 9.....	11,800	47,840	5,360	6,000	9,160	8,500	9,260	3,400	4,000	6,000	9,295	3,600	124,215
July 16.....	11,800	47,840	5,340	6,400	9,160	8,500	9,260	3,400	4,000	6,000	9,775	3,600	125,075
July 23.....	11,800	49,840	5,340	6,400	9,160	8,500	9,260	3,400	5,000	6,000	9,775	10,000	134,475
Federal reserve notes re- turned to the Comptroller:													
July 2.....											5		5
July 9.....			20										20
July 16.....													
July 23.....			30										30
Amount of Federal re- serve notes chargeable to Federal reserve agent:													
July 2.....	11,000	45,040	5,360	6,000	8,420	8,500	9,260	3,400	4,000	6,000	9,295	3,600	119,875
July 9.....	11,800	47,840	5,340	6,000	9,160	8,500	9,260	3,400	4,000	6,000	9,295	3,600	124,195
July 16.....	11,800	47,840	5,340	6,400	9,160	8,500	9,260	3,400	4,000	6,000	9,775	3,600	125,075
July 23.....	11,800	49,840	5,310	6,400	9,160	8,500	9,260	3,400	5,000	6,000	9,775	10,000	134,445
Federal reserve notes in hands of agent at close of business Friday—													
July 2.....	7,080	4,540	2,940	1,800	670	5,150	4,880	2,774	700	2,400	2,600	1,560	37,094
July 9.....	7,880	4,940	2,840	1,500	1,110	3,200	4,880	2,774	500	1,900	1,980	1,560	35,084
July 16.....	7,380	2,520	2,680	1,800	960	3,000	4,880	2,774	400	1,900	1,880	1,560	31,714
July 23.....	7,380	4,520	2,580	1,700	860	3,000	4,880	2,774	1,200	1,900	1,560	7,960	40,314
Federal reserve notes is- sued to Federal reserve bank, less notes re- turned to agent for re- demption and cancella- tion:													
July 2.....	3,920	40,500	2,420	4,200	7,750	3,350	4,380	626	3,300	3,600	6,695	2,040	82,781
July 9.....	3,920	42,900	2,500	4,500	8,050	5,300	4,380	626	3,500	4,100	7,315	2,040	89,131
July 16.....	4,420	45,320	2,660	4,600	8,200	5,500	4,380	626	3,600	4,100	7,915	2,040	93,361
July 23.....	4,420	45,320	2,730	4,700	8,300	5,500	4,380	626	3,800	4,100	8,215	2,040	94,131
Held by Federal reserve agent in reduction of liability on outstand- ing notes:													
Gold coin, and certifi- cates—													
July 2.....	3,920	40,320	2,420	4,200	2,550	1,950	4,380	626	3,300	2,960	1,950	2,040	70,616
July 9.....	3,920	42,720	2,500	4,500	2,750	1,950	4,380	626	3,500	3,410	1,950	2,040	74,246
July 16.....	4,420	45,120	2,660	4,600	2,700	2,150	4,260	626	3,600	3,410	1,950	2,040	77,536
July 23.....	4,420	45,120	2,730	4,700	2,300	2,150	4,260	626	3,800	3,410	2,450	2,040	78,006
Lawful money—													
July 2.....													
July 9.....													
July 16.....													
July 23.....													
As security for outstand- ing notes:													
Commercial paper 1—													
July 2.....		180			5,200	1,400				640	4,745		12,165
July 9.....		180			5,300	3,350				690	5,365		14,885
July 16.....		200			5,500	3,350				690	5,965		15,705
July 23.....		200			6,000	3,350				690	5,765		16,005
Total—													
July 2.....	3,920	40,500	2,420	4,200	7,750	3,350	4,380	626	3,300	3,600	6,695	2,040	82,781
July 9.....	3,920	42,900	2,500	4,500	8,050	5,300	4,380	626	3,500	4,100	7,315	2,040	89,131
July 16.....	4,420	45,320	2,600	4,600	8,200	5,500	4,260	626	3,600	4,100	7,915	2,040	93,241
July 23.....	4,420	45,320	2,730	4,700	8,300	5,500	4,260	626	3,800	4,100	8,215	2,040	94,011
Amount of commercial paper turned over to the Federal reserve agent:													
July 2.....		180			5,202	3,203				640	5,867		15,092
July 9.....		180			5,302	3,355				690	5,598		15,125
July 16.....		200			5,502	3,351				690	6,182		15,925
July 23.....		200			6,095	3,350				691	5,985		16,321

* Exclusive of \$120,000 in the gold redemption fund with the Treasurer of the United States.

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