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

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VOL. 4 NOVEMBER 1, 1918. No. 11

REVIEW OF THE MONTH.

Fourth Liberty loan.

The fourth Liberty loan campaign, which closed on October 19, has resulted in placing the $6,000,000,000 of bonds offered by the Secretary of the Treasury, with an oversubscription of $866,416,300. A statement issued by the Treasury Department immediately upon completing the compilation of the figures, shows the following results by Federal Reserve districts:

District.	Quota.	Subscription.	Per cent of subscription to quota.
Boston	$500,000,000	$632,221,850	126.44
Richmond	280,000,000	345,000,000	123.22
Philadelphia	500,000,000	598,500,000	119.68
Cleveland	600,000,000	696,536,000	116.09
Minneapolis	210,000,000	239,616,350	114.00
St. Louis	260,000,000	295,117,900	113.50
Atlanta	192,000,000	215,653,250	112.32
Dallas	126,000,000	140,744,600	111.69
New York	1,800,000,000	2,000,000,000	111.11
Chicago	870,000,000	959,529,250	110.29
Kansas City	260,000,000	284,958,350	109.59
San Francisco	402,000,000	426,000,000	105.97
Treasury		32,538,750	
Total	6,000,000,000	6,866,416,300	114.44

According to the statement issued by the Secretary of the Treasury on November 1, "the estimated number of subscribers is in excess of 21,000,000. In the first loan the number of subscribers was 4,500,000, in the second loan 9,500,000, and in the third loan 18,300,000. Final figures both as to the total amount of subscriptions and the number of subscribers are still lacking, but results will not be less than now reported. The distribution of the loan among investors can not be stated at the moment, but details will be furnished as soon as final reports are received."

Situation at close of loan.

As already stated in the October issue of the FEDERAL RESERVE BULLETIN, there had been issued and sold, in anticipation of the floating of the fourth Liberty loan, an aggregate of certificates of indebtedness amounting to over $4,600,000,000. These certificates constitute a charge upon the proceeds of the loan and consequently reduce it to a net available amount of a little more than $2,000,000,000. The general program of finance projected by the Secretary of the Treasury at the opening of the current fiscal year was predicated upon an estimated expenditure for the fiscal year of $24,000,000,000. During the month of October a deficiency appropriation bill was passed by Congress and became law. This bill adds, in round numbers, the sum of $6,300,000,000 to the amounts already estimated as necessary to the conduct of the Government during the fiscal year 1918–19. It is thus seen that, assuming the new war revenue bill will yield $9,000,000,000, and assuming further that the original program of expenditure will be carried out, there would remain to be provided, before the close of the fiscal year, June 30, 1919, approximately $15,000,000,000.

The arrival of peace at a date earlier than had a short time ago seemed possible, may result in somewhat curtailing these heavy requirements, but such curtailment or reduction can not, in the nature of things, take place in large degree at any very early moment. The Nation now has more than 2,000,000 men on the fighting front in France, and it must prepare to provide for their maintenance and other essential military and naval expenditures for a good while to come, no matter whether there be an early peace or continuation of the war. Relaxation of our financial endeavors to-day would therefore mean only impairment of our readiness to meet the inevitable requirements of the Treasury in the event of the continuation of the war or failure to make adequate preparation for the adjustment of the nation's outstanding obligations at the end of the war. For some time to come banking and public finance must be influenced to a large extent by the necessary provision for the very large

Government expenditures, and no great modification of the policies already mapped out as fundamental to war finance can at once be experienced.

National requirements.

The question of providing for the national requirements during the remainder of the fiscal year is thus of a serious and important nature. What new light will be thrown upon the borrowing power of the country by the results of the fourth Liberty loan is as yet uncertain. The distribution of the great masses of securities which will necessarily have to be placed in the hands of the public during the coming months must, however, remain for some time a continuing problem. The view of the War Industries Board, as plainly expressed in the announcement made public in the FEDERAL RESERVE BULLETIN for October, emphasized "the great necessity for conservation in every possible way of men, material, transportation, and all energies that go to placing the United States with all its power and resources behind its men at the front." More recently still the War Trade Board in an official announcement, printed elsewhere in this issue, has declared that it will be difficult or impossible to attain the desired ends in the war and to bring about a reduction in domestic consumption without energetic cooperation on the part of all Americans. Existing methods and practices in regard to saving must, in short, be so remodeled as to warrant the expectation that the new securities to be offered by the Government will be taken by the public rather than held by the banks and more or less permanently "carried" by them, whether the coming months mean peace or war. Elsewhere in this issue of the BULLETIN there is published an analysis showing the increase in the amounts of war paper now in the hands of the banks. The results of the fourth Liberty loan show that there has been a material increase in the volume of this war paper, and past experience has shown that during the few weeks following the conclusion of a loan campaign further large additions to the volume of war paper rediscounted by the banks are usually made. The following tabular comparison gives some indication of the situation with respect to the holdings of war securities and war paper existing in the Federal Reserve system about the dates of each of the Liberty loans:

[000 omitted.]

	Federal Reserve Banks.	Reporting member banks.[4]	
		United States war obligations.	War paper.
June 22, 1917	[1] $98,184	No data.	No data.
Nov. 23, 1917	[1] 365,392		
May 10, 1918	[2] 612,324	$1,848,628	$483,736
Oct. 25, 1918	[2] 1,092,417	1,966,326	1,163,970

[1] Collateral notes secured by United States war obligations.
[2] Total war paper held, including customers' paper secured by United States war obligations.
[4] Holding between 40 and 45 per cent of all United States war obligations held by all member banks.

Growth of public debts.

The successful placing of the fourth Liberty loan, by far the greatest public debt operation of the kind in history, calls attention to the continuous and extensive increase of the obligations of the belligerent countries as the war proceeded. While final figures are in most cases available only up to a relatively recent date and while therefore an element of estimate must be employed in every computation which seeks to show the present status of public obligations, it may be stated in round numbers that the war indebtedness of all kinds incurred by the belligerents on both sides is probably not far from $175,000,000,000. As compared with the total estimated wealth of the world prior to the outbreak of the European war, this figure therefore represents a very material proportion. It would have been pronounced impossible before the war for the nations of the world to borrow and expend any such sum in the course of the four war years which have recently closed. The borrowing process has been accompanied by a general advance of prices through the process of what is ordinarily described as "inflation." Both wealth and income as stated in terms of money are now on a very much higher level than before the war—a fact which in itself shows the serious limitations of such estimates, since otherwise the war would appear to have rendered participants in it more prosperous and better off. In fact, progress in the construction of public works and the creation of fixed capital has been practically brought to a close throughout the world, and especially in the territory of the belligerents, while in restricted areas actual direct destruction has made great inroads into the local provision of fixed forms of wealth. The close of the war will in any event leave all the belligerent countries, our own among them, with a very difficult price and credit situation, as a consequence of the inflated state of credit throughout the world. It is therefore obviously the interest of any country which can do so to avoid any aggravation of conditions by careful adjustment of its financial program to the underlying economic factors. There is nothing that can be accomplished by inflation that can not be better accomplished in other ways less objectionable in their economic effects.

Volume of surplus wealth.

The dangers of the situation just pointed out once more emphasize from a new angle the necessity that everyone recognize the importance of his paying as much of the current cost of the war as possible out of current savings drawn from new income. The extent to which such saving can be made depends upon the extent to which the savings margin of the community or the surplus of current production over consumption can be raised. This margin can only be approximately estimated by existing statistical methods or with the use of existing statistical data. As has been stated in former numbers of the BULLETIN, it has been placed by some economists as high as $18,000,000,000 per annum. This estimate, whatever may be thought of the methods by which it has been reached, is at all events a high figure. Before the coming on of the European war it was supposed that some $5,000,000,000 to $7,000,000,000 probably represented the annual savings fund of the country, and a large part, at least, of the enlargement in the current estimate of what is available has been due to the rise of prices which has accompanied the war. In the absence of authoritative estimates or analyses showing the amount of this current margin of saving it is possible only to form general opinions or conjectures with reference to its amount—but, whatever that amount may be, it is undoubtedly a fact that in order to carry an actual budget such as must now be met there must be an adequate decrease in consumption in order to bring savings up to the amount of estimated needs. How is this decrease in consumption to be brought about? Shall it be by voluntary rationing, by compulsory rationing in some form, by consumption taxes, or by inflation? As an economic expedient inflation is to be viewed as a method of enforcing saving. Whenever governments, either of choice or necessity, resort to this method of acquiring the goods and services of which they stand in need they practically force upon the community a kind of compulsory saving in two ways. By the use of new bank credit for the purchase of goods they take these goods off the market and thus render them inaccessible to the ordinary consumer who finds himself met by a shortage of the goods he would gladly buy. Government purchases, moreover, enhance prices through the natural method of demand acting upon a stationary or only slowly increasing supply. Both through the actual deficiency of commodities, therefore, and through the higher charge for the goods which he must purchase the consumer finds himself compelled to go without—that is, save—whether willingly or otherwise. The Board's wholesale price index shows the continued upward tendency of prices, and this tendency will be inevitably greatly accentuated should the additions to bank credit, recently and currently arranged, be permitted to continue their growth unless accompanied and offset by price control.

Source of inflation.

In the last issue of the FEDERAL RESERVE BULLETIN evidence was submitted to show that the belief in a great inflation of the currency has relatively little to support it. Primarily, it is not the issue of notes, but the creation of deposit credits on the books of the banks, for the purpose of enabling borrowers to buy and carry Government bonds, and rendered necessary because of the failure of the public to save sufficiently, that creates the buying power which advances prices. The following figures show in an approximate way the progressive increase in the deposits and investments of the banks, both member and Federal Reserve, as well as the declining ratio of reserve to outstanding liabilities of the latter, which is a consequence of borrowing instead of more intensive saving:

[000 omitted.]

	Investments.		Deposit liabilities.		Reserve percentage of Federal Reserve Banks.
	Federal Reserve Banks.	Reporting member banks.	Federal Reserve Banks.	Reporting member banks.	
					Per cent
June 22, 1917	$552,649	....	$1,241,210	....	71.6
Nov. 9, 1917	788,538	[1] $11,562,007	1,407,547	[1] $9,636,993	69.4
Apr. 18, 1918	1,286,162	12,405,743	1,556,303	11,278,704	61.3
Oct. 25, 1918	2,295,122	14,022,210	1,580,802	11,731,221	51.1

[1] Figures of Dec. 7 for 653 reporting banks. Deposits, exclusive of Government deposits.

Precisely what effects may be expected from this process of credit expansion should be definitely understood in order that the Nation as a whole may choose between the policy of steadily adding to its outstanding bank obligations and that of curtailing them by regularly reducing its indebtedness through saving and the cancellation of its borrowings at the banks. The Board, in former issues of the BULLETIN, has defined inflation as the increase of current purchasing power, "whether in the form of actual currency or in the form of credit—faster than the volume of available goods," and this is manifestly the process which is now going on as a result of methods of subscribing and paying for Government bonds, which are not based upon real savings.

The banks and the public.

Probably the feature of the present financial situation of the country which most requires correction is this increase in disposition on the part of the public to rely too largely upon the banks as sources from which to obtain the necessary funds for use in financing the requirements of the Government. Figures are not available to indicate the extent to which banking credit has been drawn upon either directly or indirectly in the process of placing the bonds of the fourth Liberty loan. Such indications as are given by weekly reports of Federal Reserve Banks and of reporting member banks appear to show that greater use has been made of banking credit in connection with the fourth loan than in any of its predecessors. Whatever the volume of commitments made on this account, their existence means that in order to reduce the dependence upon banks, and still more in order to provide for the taking up of additional loans when offered, it will be inevitably necessary that the public address itself with greater earnestness to the problem of saving and applying its income to public requirements. Advices from many quarters show that while progress is being made in this matter, the mounting necessities of the Government are equally conclusive evidence to the effect that what has already been done must be continued and added to and that further and more successful efforts must be made if the banks are not to be obliged to take and hold an undue proportion of the obligations issued by the Government.

Prices and credit expansion.

The relation between prices and credit expansion has been frequently referred to by the Board, but may be restated somewhat as follows: Bank credit when granted by commercial institutions upon the strength of, or for the purpose of liquidating, commercial transactions of early maturities, serves as a means of facilitating the flow of commodities from producer to consumer and the return of purchasing power from the consumer to the producer through the various channels of circulation. This process enables goods to act as a means of purchase and payment for other goods, and when the maturity of the average loan granted (or "credit" allowed) is no longer than that of the productive processes in which the community is engaged, the effect of it is only that of facilitating and promoting production and distribution. When the loans granted or credit extended by the banks are in excess of the normal value of the goods offered for exchange, there is brought into existence an additional or surplus volume of purchasing power which has the same effect upon the prices of commodities as does a corresponding addition to the money supply, inasmuch as it may be offered for commodities and may thus create a demand for them. Credit expansion becomes inflation when the increase of prices it produces brings no commensurate or offsetting increase of production. Such excessive credit will be granted ordinarily by prudent bankers only under apprehension of severe stress of circumstances. When the public treasury obtains credit from the banks by placing its obligations with them for the purpose of employing the proceeds for unproductive or noneconomic ends, the result is to create a volume of purchasing power on the books of the banks which will advance prices unless it is promptly "absorbed" by the public's giving up some of the dollars that belong to it in exchange for the dollars that have been created by the banks on their books. The public, in other words, is called upon to abstain from spending the dollars which it has to an amount equal to the securities which are thus offered to it. By so doing it places in the hands of the Government the goods which are required for the public service and at the same time it retains in its own possession claims upon future wealth and income in the form of Government obligations. Should the banks be unable to dispose of their Government securities to the public, and should they find themselves compelled to fund their short-term notes or certificates by purchasing long-term bonds, the result will be to create a volume of additional purchasing power which was not called for by the necessities of exchange on the part of the community and whose effect has been to buy goods in competition with the general rank and file of purchasers. This is credit inflation, and its immediate sign is seen in the advance of prices due to the use of the deposits created by the banks on their books on behalf of the public treasury and not offset by corresponding purchases of bonds on the part of the public. This was stated by the Select Committee on National Expenditure of the British House of Commons on November 13, 1917, in language as applicable to conditions in the United States as to those in Great Britain: "There have been, indeed, very large increases in taxation, and vast loans have been raised from the savings of the people. But to the extent to which this policy has not been pursued, and, instead, fresh credits have been created, the Government has given the power to the public to spend more freely on things. And the public, so far as it spends more freely on things, instead of investing in Government securities, raises prices against itself. If these two processes go further, prices will tend to rise still further. If these two processes are checked, one important cause of the rise in prices will be removed."

As has recently been pointed out by Governor Harding, the too free use of credit affects the situation in the following important respects as well as in others. "(1) It will make credit for war purposes more difficult to obtain and consequently higher in price. (2) It will tend to force prices to greater heights, because civilian business will then be able to compete with the Government and they will bid against each other. This will increase the cost of living and also the cost of the war."

Importance of reserves.

The reason why the public, and especially the banking community, looks with so much interest to the reserves of the banks is understood when the nature of credit expansion is carefully considered. Ordinary extensions of credit made for the purpose of facilitating the exchange and circulation of goods require little or no addition to the reserve funds of the banks, because the credits thus granted in the main offset and cancel one another, leaving an unimportant margin to be redeemed in cash. When the credit structure of the community is enlarged by the extension of bank loans not accompanied by a corresponding increase in production and the proceeds are employed in the way just described for the purchase of commodities or for buying them away from the consumers who would otherwise purchase them, the claims to the bank credit thus brought into existence keep on passing from hand to hand. The Government transfers them to contractors who furnish it with goods and to persons who supply it with services. Both these classes pass on the credit claims to others in exchange for goods which they desire and they remain outstanding, representing in effect an addition to the purchasing media of the community. There is no means of permanently canceling or digesting such outstanding credits except one—their use by those into whose hands they come for the purchase of the securities against which the credits were extended, notably Government bonds in our present situation. Ordinary commercial credits furnish their own means of cancellation through the maturing of the paper upon which they were based and the completion of the productive process to finance which they were extended. Credits based upon noncommercial operations or investment securities possess no such quick self-reducing quality. As they increase, therefore, they tend to make a more or less lasting addition to the outstanding volume of bank liabilities and thereby increase the superstructure of bank credits which rests upon the underlying reserve money of the country. During the last year there has been a decrease in the percentage of gold cover to the aggregate banking liabilities of the country, mainly the result of the process above outlined. This decline has not been occasioned by any falling off in the aggregate gold holdings of the American banking system, which indeed have shown some increase. It is due altogether to the rapid increase in the outstanding volume of bank liabilities. It is this feature of the situation which gives to the decline of the gold percentage its significance. That is to say, the decline of this percentage is an important index of our changing position, not because of any inadequacy of gold but because of undue or disproportionate expansion of the credit structure which the gold reserve of the Nation is required to support and protect in consequence of inadequate saving by the people. Decline of the reserve percentages of the central banking institutions has been a general phenomenon in all of the belligerent countries since the opening of the war and has everywhere been admitted to be undesirable. As shown in the studies of public debt and currency, published elsewhere in this issue of the BULLETIN, it reflects the disposition of these countries to rely upon borrowing and when necessary upon direct borrowing from the banking institutions—the public being either too little able or too little willing to furnish out of its current consumption either in the form of taxes or of direct loans to the Government the sums necessary to avoid credit inflation and to hold reserves at a normal percentage level. The great gold strength of the United States, largely due to the heavy accessions to our national stock of gold in the two years preceding our entry into the war, has, it is true, placed this country in an exceptional and peculiar position; and to this extent the character of the credit inflation experienced in the United States differs from that existing in other countries and has been less easy to realize. But it would be a mistake for us to proceed on the assumption that inflation in the United States is, therefore, different in its essential character from what it is elsewhere. Here, as elsewhere, the decline in percentage of reserve holdings to outstanding liabilities reflects the relative increase of the latter as compared with the means of their direct conversion on demand and the problem presented is the problem of controlling the growth of banking credits.

Operations of Federal Reserve Banks.

Further increases in the holdings of war loan paper and acceptances partly offset by curtailment in the holdings of other discounted paper are indicated by the comparative weekly figures of principal earning assets of the Federal Reserve Banks for the four-week period September 20 to October 18.

The period under discussion saw the placing of the seventh (October 1) issue of Treasury certificates of about 641 millions. The effect is seen in an increase of 30.3 millions in the amounts of war-loan paper held on October 4 and in a further increase in these holdings of 52.6 millions on October 11, all the Federal

Reserve Banks, except those at Chicago and Minneapolis, reporting substantial additions to their holdings between these two dates. Corresponding figures for October 18 show a decrease of 41.6 millions, the New York bank reporting largest liquidation of this paper for the week. Total holdings of war paper, 1,262.7 millions, are 116.3 millions larger than on September 20 and about 650 millions in excess of holdings on May 10, the Friday following the consummation of the third Liberty loan. Other discounted bills on hand fell off 88.0 millions, largely at the New York and Chicago banks. Between September 20 and October 18 the proportion of war paper in the total discounts on hand went up from about 69 to almost 75 per cent. For the New York and Boston banks this percentage shows an increase from 80 to 85 per cent.

Acceptances on hand show an increase from 250 to 370.1 millions, following large purchases of this class of paper in the open market and from the New York bank. As a result the New York bank's share in the total acceptance holdings shows a decline from about 53 to less than 35 per cent.

An increase of 25.8 millions in United States short-term securities represents largely investments in one-year 2 per cent Treasury certificates to secure Federal Reserve bank notes, the circulation of which increased during the period by 22.4 millions. United States bond holdings show a further decline of 0.8 millions. The Federal Reserve Banks hold but small amounts of Liberty bonds for the accommodation of their members, the bulk of their holdings being composed of bonds deposited with the United States Treasurer to secure circulation.

During the period under review the banks' gold reserves increased from 2,023.6 to 2,035.3 millions, while their net deposits declined from 1,629.3 to 1,580.8 millions. Federal Reserve notes in actual circulation show an increase from 2,295 to 2,502.5 millions, or at the rate of 51.9 millions per week, as against an average of over 65 millions for the preceding four weeks. The ratio of cash reserves to aggregate net deposit and Federal Reserve note liabilities declined from 52.9 to 51.1 per cent.

In the following table are shown the changes between September 20 and October 18, 1918, in the total discounted and purchased bills held by each of the Federal Reserve Banks, as well as changes between the two dates in the holdings of other classes of investments:

[000 omitted.]

Federal Reserve Bank.	Sept. 20.	Oct. 18.	Net increase.	Net decrease.
Boston	$113,370	$138,129	$24,759	....
New York	789,365	771,003	....	$18,362
Philadelphia	110,683	132,469	21,786	....
Cleveland	121,033	140,038	19,005	....
Richmond	70,426	74,044	3,618	....
Atlanta	72,397	92,427	20,030	....
Chicago	255,720	290,046	34,326	....
St. Louis	70,047	86,767	16,720	....
Minneapolis	71,000	54,612	....	16,388
Kansas City	71,322	84,161	12,839	....
Dallas	52,284	58,367	6,083	....
San Francisco	112,531	136,629	24,098	....
Total	1,910,178	2,058,692	148,514	....
United States long-term securities	29,022	28,205	....	817
United States short-term securities	41,878	67,738	25,860	....
Other earning assets	84	197	113	....
Total investments held	1,981,162	2,154,832	173,670	....

Condition of member banks.

Between September 13 and October 18 member banks in leading cities report an increase in their holdings of Treasury certificates from 1,188.4 to 1,729.9 millions, the increase of 541.5 millions constituting about 43 per cent of the two additional certificate issues of September 17 and October 1. For the central reserve city banks an increase from 662.8 to 938.2 millions is noted, of which 808.8 millions or about 47 per cent of the total reported holdings, are shown for the member banks in Greater New York. Between June 21, the Friday preceding the first certificate issue under the latest Liberty loan, and October 18, the eve of the closing of this loan, reporting member banks show a net increase in their certificate holdings of over one billion dollars, notwithstanding the redemption during the period of all certificates issued in anticipation of the third loan. On October 18 approximately 37 per cent of the 4,660 millions of fourth loan certificates issued were held on their own account by reporting member banks.

Until the beginning of October 4 but little change is shown in the reporting banks' holdings of United States bonds. Since then these holdings, chiefly Liberty bonds, have increased somewhat, the total holdings of bonds, other than circulation bonds, 526.9 millions, being 37.8 millions, or nearly 8 per cent larger than on September 13. A similar development is shown by loans secured by United States war bonds and certificates, the October 18 total of 500.3 millions showing an increase of 27.2 millions over the corresponding September 13 figure. For the Greater New York banks the October 18 total of such loans shows but a very slight increase over the September 13 total of 195.5 millions. Between these two dates aggregate holdings of United States war securities and loans supported by such securities went up from 2,151 to 2,757.2 millions. For member banks in central reserve cities a corresponding increase from 1,151.0 to 1,454.2 millions is reported, and for member banks in Greater New York an increase from 967.1 to 1,218.8 millions.

Aggregate loans and investments, excluding permanent investments, of all reporting banks show an increase from 12,998.5 to 13,534.3 millions, while the combined ratio of United States war securities and loans supported by such securities to the totals just given rose from 16.5 to 20.4 per cent. For the central reserve city banks a rise of this ratio from 18 to 22.3 and for the Greater New York members a rise from 19.5 to 23.9 per cent may be noted.

Substantial gains in Government deposits are shown only for September 20 and October 4, the Fridays following the certificate issues. The October 18 total of 459.6 millions is but 18.6 millions in excess of the figure shown five weeks earlier. Central reserve city banks show an increase under this head from 239.9 to 249.5 millions, and the Greater New York banks an increase from 203.2 to 209.9 millions. Net demand deposits of all reporting banks show almost continuous growth from 9,451.5 to 9,796.3 millions, or a gain for the period of 344.8 millions, of which 112.8 millions represents the gain at the central reserve city banks and 65.9 millions the gain at Greater New York banks. Aggregate time deposits show a slight reduction from 1,462.1 to 1,441.2 millions.

Small increases are indicated in the totals of reserve balances (all held with the Federal Reserve Banks) and of cash in vault. The ratio of combined reserve and cash to deposits fluctuated during the period between 14.7 and 15.1 per cent, and stood at 14.9 per cent on October 18. For the banks in the central reserve cities this ratio shows a fluctuation between 15.8 per cent and 16.3 per cent, the former percentage obtaining on both September 13 and October 18. "Excess reserves," which were as low as 46 millions on September 13, reached the high level for the period on the following Friday when a total of 99.5 millions is shown, the corresponding figure for October 18 working out at 56.8 millions. For the central reserve cities a similar development is shown, the maximum of 76.3 millions obtaining on September 20 as against 29.7 millions the week before and 30.6 millions on October 18.

Restriction of production.

Carrying further the plan of rationing industry already discussed at length in the FEDERAL RESERVE BULLETIN for October, the War Industries Board has extended its list of commodities subject to restriction, thereby narrowing and tightening the lines already drawn with a view to eliminating unessential industry through the process of rationing manufacturing establishments in respect to their fuel, transportation, materials, and other necessities. Further effort along the same line has been made by the development of a program for the immediate diversion of labor from the less essential industries to those engaged in war production, an industrial labor survey being undertaken by the board as a basis for its plan. Among the other proposals of this kind put forward by the board is that of further restricting the construction of new buildings for the continuance of the war in order to save both material and labor which would otherwise be devoted to the production of permanent and semipermanent forms of wealth. These further developments of the program of the War Industries Board bear out the views expressed in the FEDERAL RESERVE BULLETIN for October and point the way toward the eventual rationing of industry by a general and complete application of the principle of priority. It is worthy of note, however, that the plan of the War Industries Board—effective as it necessarily must be and superior as it unquestionably is to the simpler plan of control of expansion through banks and other credit-granting institutions—is negative in its scope. In order to make its results positive the direct cooperation of the public must be secured, individuals not only recognizing the necessity they are under of observing the orders of the board but cooperating with it by continuing to produce as actively as if they were engaged in their original occupations and by applying the proceeds of their industry to the support of the Government through the purchase of its obligations. Were the working members of the community to be merely shifted from so-called unessential occupations to essential industries, only one part of the object aimed at would have been attained. "Man power" would have been withdrawn from unessential business and would have been devoted to essentials but the question would still remain whether the earnings of the individuals thus transferred were being maintained at their original level through the exercise of industry and assiduity or whether they were being applied to the purchase of goods or services of an unessential character but not yet reduced or limited through the complete operation of the rationing principle.

Restriction of foreign trade.

A further development of the plan of the War Industries Board is seen in its application of the same idea of priority, or limitation, to foreign trade. For some time past various agencies of the Government have been assuming control of foreign trade. The War Trade Board has by a system of licenses practically determined what goods should and what should not go abroad or be imported, while the Shipping Board has regulated the use of tonnage through its gradual diversion of ships to war purposes. A rough system of priority or of discrimination between essentials and nonessentials has thus been evolved but the definite application of the plan has been left for the War Industries Board as a further evolution of its general priority system of restricting unessentials. Great Britain has long since put into effect a similar system, being compelled thereto by the essential need of ships, and by the fact that so large a share of her home consumption was drawn from foreign countries. The effect of such restriction is not only to curtail the use of productive means, and facilities for transportation used in the movement of unessentials, but is to take off the market a distinct share of the goods more or less commonly ranked as luxuries which would otherwise constitute an opportunity for the expenditure of the current income of the public. Such a measure is practically essential as complementary to the domestic restrictions already applied in the priority plan. It will have the further effect of tending to rectify those balances of trade between the United States and other countries which until recently have tended to be unfavorable.

Savings and bond purchases.

Reports of business conditions from the several districts strongly sustain the opinion, based upon other evidence, that the process of saving is proceeding, but not with sufficient speed, and that it is still very much behind the rate of consumption fixed by the requirements of the Government. Retail trade is everywhere reported satisfactory and in some regions is apparently more active even than in the past. Demand for commodities originates largely with the economic groups which are earning high war wages. The significance of this situation is found in the fact that, although the policy of rationing "unessential" industry has been actively undertaken through regulation of the supply of fuel, transportation, and labor, it remains true that many distributors and retailers had accumulated large stocks of goods prior to the period when the new system went into technical effect; while it is further to be noted that time has not yet been sufficient to permit the full application or enforcement of the plan itself. Even if already developed to a point where it would effectually check unessential production, it would not, therefore, thus far have been successful in bringing about the objects aimed at when it was formulated. The fact thus remains that the process of saving is not being actively pressed by those members of the community whose aggregate consumption is most important with respect to staples and goods of general use. In order to bring about a more thorough application of the plan of conserving goods and credit a wider popular cooperation will be necessary. The form which this individual saving should take would be that of early settlement for bond purchases out of current income, and consequent release of the banks from the necessity of carrying large quantities of Government obligations on behalf of customers subject to renewal of notes made for the purpose of paying these subscriptions. Some months will probably be required to test the general disposition of the community to apply their means to the uses of the Government through the process of using surplus income for the cancellation of funds borrowed for the purchase of bonds.

Gold imports and exports.

During the month ending October 10 the net inward movement of gold was $284,000, as compared with a net outward movement of $1,768,000 for the month ending September 10. Gold imports for the month, amounting to $2,043,000, came largely from Canada, Mexico, and Colombia, while gold exports, totaling $1,759,000, were consigned chiefly to Mexico.

The gain in the country's stock of gold since August 1, 1914, was $1,072,906, as may be seen from the following exhibit:

[000 omitted.]

	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914	$23,253	$104,972	[1] $81,719
Jan. 1 to Dec. 31, 1915	451,955	31,426	420,529
Jan. 1 to Dec. 31, 1916	685,745	155,793	529,952
Jan. 1 to Dec. 31, 1917	553,713	372,171	181,542
Jan. 1 to Oct. 10, 1918	57,175	34,573	22,602
Total	1,771,841	698,935	1,072,906

[1] Excess of exports over imports.

The acceptance situation.

During the month of October the Federal Reserve Bank of New York announced definite rates for the discount of bankers' acceptances classified or grouped in accordance with the varying maturity of the paper to be presented. This action was taken with a view to promoting the development of a discount market for acceptances in New York. In pursuance of the idea of developing a local discount market in each district, the Board, on October 8, addressed each Federal Reserve Bank with reference to the practicability of action on the part of such banks in establishing an open market for bankers' acceptances in the several districts. The Federal Reserve Bank of Boston has been successful in establishing such an open market for acceptances, while in New York City the acceptance business has developed to such an extent that it is desirable to share the burden between New York and the other districts. Federal Reserve Banks generally have indicated a willingness to relieve the New York bank of acceptances originating in their respective districts, but a plan more in keeping with the regional plan of the system would be that of localizing the business in the several reserve districts by developing a discount market for acceptances at the several points where Federal Reserve Banks are situated It was the original purpose of the Federal Reserve Act to develop, so far as practicable, a discount market organization generally throughout the country, with a view to decentralizing credit. The events of the war and other unforeseen conditions have militated strongly against the growth of such local discount markets. With the return of peace there will be once more an approach to more normal conditions. In the opinion of the Board, the time has come for making well-judged preparations looking to growth along the lines originally indicated—the upbuilding of the discount market throughout the United States, centralizing operations so far as practicable at the reserve banking points.

Election of directors.

On October 3 the Federal Reserve Board addressed to Federal Reserve Banks a letter designating Tuesday, November 19, as the date for opening the polls for the election of directors to succeed those whose terms expire December 31, 1918. In each case the Board classified the electoral groups for class A and B directors in the manner specified in the act amendatory to the Federal Reserve Act, which became law on September 26, requesting the chairman of each Federal Reserve Bank to guide himself accordingly in his grouping of members. As is well known, the purpose of the provision carried in the act of September 26 has been that of bringing about a more representative selection of directors. The old method described in the Federal Reserve Act had, as was pointed out in the FEDERAL RESERVE BULLETIN for December, 1917, practically failed of its purpose in so far as obtaining a really representative choice of directors. Comparatively few votes were cast, as the figures then compiled clearly showed. It was believed that a regrouping of banks in accordance with the peculiarities of the several districts might result in the creation of more nearly representative groups, and this has been attempted by the Board. The following table shows by districts the classification or grouping of member banks as prescribed by the Board in its letters to the several Federal Reserve Banks.

Federal Reserve district.	Group 1.	Group 2.		Group 3.
	Capital and surplus over—	Maximum capital and surplus.	Minimum capital and surplus.	Capital and surplus under—
1. Boston	$999,000	$999,000	$300,000	$300,000
2. New York	1,999,000	1,999,000	201,000	201,000
3. Philadelphia	999,000	999,000	250,000	250,000
4. Cleveland	999,000	999,000	200,000	200,000
5. Richmond	599,000	599,000	150,000	150,000
6. Atlanta	599,000	599,000	100,000	100,000
7. Chicago	999,000	999,000	200,000	200,000
8. St. Louis	599,000	599,000	100,000	100,000
9. Minneapolis	399,000	399,000	60,000	60,000
10. Kansas City	499,000	499,000	75,000	75,000
11. Dallas	399,000	399,000	100,000	100,000
12. San Francisco	599,000	599,000	125,000	125,000

New reserve requirements.

An act amendatory to the Federal Reserve Act which became law on September 26 provided that banks located in outlying districts of reserve cities, or in territory added to such cities by the extension of their corporate charters, may by the affirmative vote of five members of the Federal Reserve Board hold and maintain the reserve balances prescribed for banks outside reserve cities. It was further specified that banks located in the outlying districts of central reserve cities may, under similar conditions, be permitted to hold reserves equal to those required of banks in reserve cities. Acting in accordance with these provisions of the law, the Board has voted that it will not attempt to define such outlying sections in cities in districts other than Boston and New York, but that it will give consideration to individual applications received from such banks as may feel entitled to a change of reserve requirements, pursuant to the terms of the new law, such applications to show location of bank, capital, surplus and profits, and deposits, the latter divided as follows: Individual deposits and collection account of local banks and trust companies, and deposits of out of town banks; applications when completed to be submitted through and accompanied by recommendation of the Federal Reserve agent. It has further been voted that Federal Reserve agents be authorized to submit direct to the Federal Reserve Board general applications in behalf of all such banks in their respective districts without awaiting individual action of banks concerned.

Difficulties in rediscounting.

The so-called Bond Act, adopted by Congress on September 24 last, created through section 6, which modified section 5200, Revised Statutes, a change in the methods of rediscounting by including among the classes of loans not subject to the so-called 10 per cent limitation notes secured by bonds and certificates of indebtedness. This legislation was not referred to the Federal Reserve Board for its consideration and apparently through oversight provision was not made permitting Federal Reserve Banks to rediscount for member banks their full lines of paper secured by Government obligations. Federal Reserve Banks are consequently obliged to limit their rediscounts for any national bank to an amount for any one name not exceeding 10 per cent of the borrowing bank's capital and surplus. This matter has been the subject of discussion between the Board and various Federal Reserve Banks and the attention of the Board has been called to a circular recently issued by the secretary of the New York State Bankers Association in which the suggestion was made that banks obtain the consent of their borrowers, through a clause inserted in the body of the note, to pledge separately the collateral against such notes. This would enable the member banks to use bonds upon which they had made loans as security for their own 15-day notes with the Federal Reserve Banks. There are evident objections to the plan for the reason that many individuals may be unwilling to give such permission to the bank from which they borrow on their bonds. The question of obtaining additional legislation intended to correct the oversight in the act of September 24 has accordingly been considered and it is expected that some provision covering this point will be made in the near future.

Charges for collections.

On October 1 an amendment to the New York Clearing House Association's rules relating to collections became effective. This requires that members shall not pay a higher charge for the collection of items on the Federal Reserve par list than would be incurred in collecting such items through the Federal Reserve Bank of New York. Largely as the result of this change the daily average of items handled by the Federal Reserve Bank has shown an important increase, although experience with the rule since it has become effective has not yet been sufficiently long to show the actual extent of the increase. The rule, however, besides diverting many more items to the Federal Reserve Bank of New York for collection, is expected to result in considerable withdrawals of funds which have been carried by other institutions on deposit with New York banks under reciprocal clearing arrangements or under arrangements whereby the out-of-town bank receives payment for collecting and remitting to the New York institution. Similar developments elsewhere will produce parallel tendencies, no doubt, at other Federal Reserve Banks. One result of them will probably be the further expansion of the transit departments in order to handle the corresponding enlargement of the volume of operations.

New member of Board.

On October 26 Mr. Albert Strauss took the oath of office as member of the Federal Reserve Board, succeeding Hon. Paul M. Warburg, who retired on August 9. Mr. Strauss, is 54 years of age, was born in the city of New York, and was educated in the schools and College of the City of New York, after leaving which he entered upon the career of banking. In 1882 he entered the banking house of J. & W. Seligman & Co., of New York, becoming a member of the firm in 1901. During the last year Mr. Strauss has been in Washington representing the Treasury Department on the War Trade Board and the gold export committee of the Federal Reserve Board. Mr. Strauss has been appointed for the full term of 10 years and has been designated by the President as vice governor of the Federal Reserve Board.

Little Rock Branch Organized.

The Federal Reserve Board, on October 3, announced the following-named gentlemen as directors of the Little Rock (Ark.) branch of the Federal Reserve Bank of St. Louis: Moorehead Wright, president Union Trust Co., Little Rock; George W. Rogers, vice president Bank of Commerce, Little Rock; Ed Cornish, vice president American National Bank, Little Rock; W. L. Hemingway, president Mercantile Trust Co., Little Rock; John M. Davis, bank commissioner of State of Arkansas.

Messrs. Wright and Rogers are the directors appointed by the Federal Reserve Board, while the last three gentlemen are the directors appointed by the Federal Reserve Bank of St. Louis. Mr. Davis, who will resign his present office as bank commissioner of the State of Arkansas, will be manager of the branch.

WAR FINANCE.

In the following chapter are presented facts and data drawn from various sources, bearing upon the war debts of the principal countries. Figures have been added giving the debts of the principal European countries for the most recent available dates, also data of bank note circulation, gold cover, and other financial information in continuation of similar figures shown on pages 267 to 287 of the April, 1918, FEDERAL RESERVE BULLETIN.

I. THE BALANCE SHEET OF THE WAR, 1914–1918.[1]

Summary: General survey. The cost of the war. The meeting of the war expenses (loans; forms and success of the loans; taxes). Résumé.

Supplement: Statistics of the consolidated loans issued by the principal belligerent governments since August, 1914. Financial details of the different countries (budgets, debts, etc.). Details of the cost of the war. Estimates of the cost of the war. Comparison with several previous wars.

GENERAL SURVEY.

The financial problems caused by the war are, broadly speaking, the same in belligerent as in neutral countries. Everywhere means are sought of restoring the equilibrium of the budget—resort is had to help from the treasury, to loans, or to more or less permanent fiscal measures.

In this study the principal data of war finance which have been officially published at intervals by most of the belligerent governments have been classified under the head of cost of the war, annual accounts, character and proceeds of the loans issued, and revenue from taxes.

In the monthly bulletins of the Société de Banque Suisse for December, 1915, January, 1916, February and June, 1917, the reader will find information for the years 1914–1916 on "The finances of the war" and "The banks of issue," the latter having played a preponderant rôle in the financial operations of the war.

It has not always been possible to make use of the latest official documents in securing statistics, and often it has been necessary to give merely an approximate estimate. Moreover, recent detailed financial data concerning Russia are lacking; the statistics given for the country stop with the autumn of 1917. In regard to certain belligerent countries (Belgium, Serbia, Roumania, Portugal, and Montenegro, on the one hand, and Bulgaria and Turkey on the other) exact details are likewise lacking. It will suffice to say that the bulk of their war expenses have been borne by their allies. For the first time account has been taken in these statistics of the very heavy war expenses of the autonomous British colonies.

In the calculations foreign moneys have been reduced to Swiss francs on the basis of metallic parity. Given the actual state of the market, this method of procedure lends itself to criticism. However, it is the only one that can be carried out in actual practice. In the supplement, by way of compensation, the official data have been stated in the legal money of each country.

Great Britain, France, Italy, and, since its entry into the war, the United States, are the countries which publish most promptly detailed and satisfactory reports of their war expenditures and their means of meeting them.

The extension of military operations has necessitated larger forces and an increase in the output of war industries. The enormous consumption by the Army of provisions, raw materials, and manufactured articles, and the scarcity of labor, have caused a considerable rise in the prices of all merchandise. The high cost of living is being accentuated from day to day and has helped greatly to increase the war expenses. According to the index numbers published in the Economist, prices have almost tripled since June, 1914. Bradstreet's Index number, which gives wholesale and retail prices in New York, shows the same conditions. The intervention of the Government, the principal consumer, in taking over the various branches of industry and commerce, has not sufficed to restrain the universal and inevitable rise.

Other expenses, resulting from war conditions, are grafting themselves on the expenses which fall directly in the so-called war budget—the payment of those in service, the allotments to the families of soldiers and officers, pensions to families which have suffered as a result of the war (widows, orphans, cripples, etc.), the increasing cost of the war loans, the Government's share in the cost of providing for civilians, etc.

COST OF THE WAR.

It is, and probably will continue to be, impossible to prepare a complete and exact state-

[1] Translation of article in Bulletin Mensuel No. 5, 1918, of the Société de Banque Suisse, entitled "Le bilan de guerre, 1914-1918."

ment of the actual cost of the war. The various ways of public financing and accounting explain somewhat the lack of definite statistical data regarding this important point. Besides, it is quite certain that part of the deficits of the budget which are very indirectly attributable to the war, have been entered as war expenses in the public accounts. What we can determine exactly are the credits voted and the war loans. On the other hand, it is impossible to determine the concomitant expenses resulting from the war, especially in those countries where the cost is borne either by the localities or the confederated states, or by local organizations. Finally, no estimate is practicable of the losses of all kinds which people, individually and collectively, have suffered in the course of the war. In order to obtain the total cost of the war it would be necessary to keep account of the cost of mobilization of neutral countries.

In order to calculate the cost of the war up to the end of July, 1918 (and very imperfectly at that), there have been taken as a basis the war expenditures which have been published at regular intervals by the various ministers of the Treasury (Great Britain, the United States, France, and Italy), representing often simply the authorized, and not the actual, expenditures. For the countries where these data were lacking, recourse was had to the credits voted, figures of the war debt, the various amounts advanced to the Treasury, etc. The total thus obtained does not necessarily indicate the direct cost of the war. Indeed, we must, on the one hand, eliminate the advances made between the allies, which would otherwise cause duplication, as well as the cost of providing for the civil population, which ought, rather, be put on the regular budget, and, on the other hand, we must add incidental war expenses. But, under the actual circumstances, exact information in regard to these different elements of credits and debits is difficult to obtain. Moreover, account must be taken of the fact that the proceeds from the war loans, even from the great consolidated loans, are only gross proceeds; it is necessary to deduct subscriptions in the form of securities of former war loans and of Treasury bills, as well as the conversion of prewar debts. The definite results—that is to say, the net proceeds in new money—have not always been published.

Even by keeping account, as far as possible, of all these elements, it is evident that the expenses pertaining to one country are not absolutely comparable with those of others. Even before the war there was much to be desired in regard to the transparency of the budgets, and war conditions have not served to ameliorate this situation.

To the war expenses, properly speaking, are added the civil expenses (regular budget), which, in spite of efforts made from the outset, could be restricted very little.

In certain countries the direct cost of the war has been appreciably increased by the sums advanced to the allies. Thus, Great Britain and France have made large advances to Russia, to Belgium, and to the small Balkan States. Great Britain, which acted as clearing house for the allies during the first three years of the war, has also extended important credits to France and Italy, with a view to facilitating the purchase of merchandise and munitions made in England and the United States. She has, in addition, made large advances to the British dominions. At the present writing the total advances made by Great Britain and France probably exceed 45 billion francs. Advances made by Germany to her allies are also considerable. These advances should, in so far as they are recoverable, be deducted from the war debt. Before the entry of the United States into the war England and, in a lesser degree, France and Italy also, opened large commercial credits in the United States and in various neutral countries against pledge of securities. According to the calculations of the National City Bank of New York the total of the credits extended abroad (temporarily consolidated in the form of publicly issued loans) by the New York market alone, amounted, at the end of 1916, to 2,050 million francs, to which sum should be added important commercial and exchange credits opened by the New York banks.

Since the spring of 1917 the rôle of banker for the Entente has been assumed by the United States. On April 24, 1917, the American Government was authorized to advance to the allies the sum of 3 billion dollars; these figures have been raised to 7 billion dollars since September 24, 1917. In other words, the allies[1] derive great benefit from the excellent credit which the United States Treasury has in its country.

In the table following we give the condition, at the end of June, 1918, of the credits extended by the United States to the principal powers of the Entente since April, 1917.

[1] The allies, indeed, paid in the beginning 3 per cent on the American loans, a rate which has gradually been raised to $3\frac{1}{2}$, 4, $4\frac{1}{4}$, and even 5 per cent, this increase being explained by the increase in the rate applied to the bonds of the American Treasury.

[In millions of dollars.]

Country.	Credits extended.		Credits used.	
	June 26, 1918.	Nov. 1, 1917.	June 26, 1918.	Nov. 1, 1917.
Great Britain	3,170	1,425	3,055	1,425
France	1,665	820	1,645	820
Italy	650	500	580	255
Russia	325	325	187.7	159.7
Belgium	122.8	58.4	114.1	54.5
Cuba	15		5	
Serbia	9	3	7.6	3
Greece	15.8			
Total	[1] 5,972.6	3,131.4	5,594.4	2,717.2

[1] At the end of July, 1918, this figure was $6,379,000,000.

In addition, a credit of $6,666,666 was extended to Roumania which has not been utilized.

At the end of July, 1918, the proportion of American loans advanced to the different countries, in relation to the total credits issued, was as follows: 53 per cent to Great Britain, 27.85 per cent to France, 10.8 per cent to Italy, and 5.43 per cent to Russia; this last-named country having used nothing since last March.

On the side of the Central Empires, Germany has been the great purveyor of funds for her allies. The exact total of the loans issued by the German Treasury and by the respective German banks is unknown to us. She had advanced to Austria, at the end of June, 1917, 2,010 million marks. In addition, important sums have been advanced to Hungary, Bulgaria, and Turkey.

According to our calculations, the direct cost of the war, since the outset, can be estimated at an amount somewhere between 850 and 900 billion francs—not taking into account the amortization of the debt or the total of indemnities.

We have estimated the total cost of mobilization and the carrying on of the war at about 50 billion francs for the first five months; the year 1915 cost at least 130 billion, 1916 probably 190 billion, and 1917 nearly 300 billion francs. This progression is even more pronounced during the current year, so that we have for the first four years of the war an average monthly cost of 18¼ billion francs, with a total of perhaps 875 billions. Calculated on the basis of 5½ per cent interest and ½ per cent monthly amortization (which is certainly a minimum) we reach an annual cost of 52½ billion francs, as against 22½ billions at the end of 1916.

The immensity of these figures is more forcibly realized when one recalls that before the war the total debt of the seven principal belligerents did not exceed 125 billion francs; that the annual cost of supporting the debt, including amortization, was only 5½ billion francs, and that the entire wealth, both public and private, of Great Britain, France, Germany, Austria-Hungary, and Italy was not more than 1,275 billion francs. Finally, let us mention, as other points of comparison, that, according to recent calculations by the French statistician M. A. Neymarck, the aggregate of negotiable securities circulating in the world at the close of 1912 was about 850 billion francs; on the same date, the total amount of gold and silver extracted from the earth since the beginning of the world hardly exceeded 150 billion francs, while government paper money of all the countries in the world totaled about 41 billion francs.

In short, the war has necessitated the creation, on a vast scale, of new debts and resources, both temporary and permanent. This state of affairs has completely transformed the economic and financial structure of every country. A return in the near future to former conditions of production, consumption, and credit can not be expected.

COVERING OF WAR EXPENSES.

The financing of the war is, primarily, an economic problem. It has to do with managing and developing the forces of the country and keeping intact domestic and foreign credit, as well as the spirit of initiative.

In order to meet the war expenses recourse was had everywhere to well-known means employed in former wars. Civil expenditures have been cut down, all those that were not urgent being postponed *sine die;* economy has been preached more or less successfully; part of the resources of the regular budget has been set apart for war expenses; there have been requisitions; there has been great recourse to banks of issue; there has been borrowing on a large scale, both at home and abroad, in the form of consolidated and floating loans, extension of credit, etc. At an early date the resources were enlarged by the creation of new taxes, permanent and temporary, designed to meet new interest charges on the war debt. In certain countries, England and the United States among others, a more or less important fraction of the war expenses has been met by resorting to taxation. Nevertheless, it is safe to say that the greater part of the cost—according to our calculations, more than four-fifths—has been covered by the operations of the Treasury and by loans, of more or less distant maturities.

Furthermore, each country has financed its war needs according to its preparation and its financial power, according to the habits and custom, in vogue among its capitalists and the saving public. Although it has undergone profound changes since 1914, the method of procedure followed before the war has not been abandoned.

The means of providing the cost of mobilization and the first military operations have been furnished to the treasuries by the banks of issue, which were generally well prepared for their tremendous task. Even after the issue of the first consolidated loans, the advances of the banks of issue were used, and often misused, a fact which is comprehensible inasmuch as it is apparently the least costly way of financing the war. We say apparently, for these advances have caused a manifestly excessive increase in fiduciary circulation which has helped appreciably to raise the cost of living. In reality, recourse to paper money or (what amounts to the same thing) to forced issues of bank notes is the most costly way of getting money.

In certain countries, moreover, special funds ("Trésors de guerre," etc.) and the surplus from loans have been used to cover a small fraction of the cost of mobilization.

But everywhere the method of borrowing is used as a means of making appeal to the market for capital. Germany began in September, 1914; Austria and Hungary, then Great Britain, Italy and Russia followed, with more or less success. Until the autumn of 1915 France resorted to short-term loans (bills and obligations of national defense). Since then, consolidated loans have followed at more or less regular intervals. In Germany, Austria-Hungary, Italy, and also in the United States, these consolidation operations have occurred at a more or less fixed date, usually every six months. Thus, Germany, Austria and Hungary have each issued eight loans up to the present time; Italy has issued five, and the United States is planning the fourth Liberty loan for this autumn. England and France have been less regular in this respect. Up to the present time, each of these two countries has issued only three large consolidated loans, the last of which dates back, in Great Britain, to January, 1917, and to December, 1917, in France. Meanwhile, a large short-term debt has accumulated in these countries, a debt, which at the end of June, 1918, amounted to £3,873 million, or 97½ billion francs for England, and up to the end of last January, to almost 46 billion francs for France. A fairly large fraction of this debt, however, has been contracted abroad.

As a general thing, loans of distant maturities have been placed exclusively at home, while neutral markets, especially the United States, have confined themselves to absorbing short-term treasury securities. Aside from the Anglo-French loan, which was placed in New York in the autumn of 1915 and which has a duration of only five years, no loan on a fairly long-term basis could be issued abroad since the beginning of hostilities.[1] Each financial market has therefore had to rely upon its own resources. In spite of the attraction which the low level of the exchanges has offered, the people of the neutral countries have subscribed very little to the war loans of the belligerents, the neutral financial markets having had to contribute largely to their own needs.

In the statistical exhibit on page 1062 the reader will find as complete a table as it is possible to construct of the consolidated loans that have been issued by the principal belligerents since the beginning of hostilities. In the table on the following page are shown the rates, the actual proceeds, the cost of issue, and the success attained by most of these loans. It should be noted, however, that in certain instances the results are provisional and subject to correction.

From August, 1914, to the end of July, 1918, the debts of the principal belligerents, including the British colonies, had increased by 675 billion francs, 225 billions of which, approximately, are charged to the Central Powers and 450 billions to the allies. It is generally conceded that the expenses of the war are appreciably greater for the Entente than for the Central Powers, a fact which is explained, in part, by the geographic situation of the former and by the possibility and the necessity which confronts them of obtaining supplies from abroad.

These figures include only a fraction of the treasury bills issued abroad and do not comprise all the floating debt contracted at home, the consolidation of which will have to be considered sooner or later. For the six great powers included in our calculations, the

[1] France, however, issued regularly part of the national defense certificates on the London market.

gross debt per capita has increased from 300 francs before the war to almost 2,000 francs at the end of July, 1918, the increase by countries being shown in the table on page 1064. By way of comparison, we have also indicated the quite considerable growth of indebtedness of the several neutral European countries.

The growth of the consolidated and floating war debt has been especially great in Great Britain, Germany, and France; the same is true of the United States since its entry into the war at the beginning of April, 1917. As has already been said, the sums, often very important, which have been advanced to the Allied Governments, must be deducted from these totals.

So far as the neutral countries are concerned, the growth of indebtedness has been least in Spain.

The proceeds of the loans have generally served to consolidate a more or less important fraction of the floating debt, contracted in the form of treasury bills and intended for the temporary redemption of part of the sums advanced by the banks of issue. The results may be seen by studying the balance sheets of some of these banks (Reichsbank, Bank of France, etc.) during the period of issue of the consolidated loans.

On the subject of the form of the loans there is little to be added to what has already been said (see monthly bulletin No. 2197 of the Société de Banque Suisse, p. 8). Each country has followed its own line of conduct, as in times of peace.

Nowhere has there been recourse to forced loans. On the contrary, governmental pressure has been exerted everywhere with more or less discretion, especially in the case of the army and navy contractors who have contributed largely to the total of the subscriptions. The plan, which was long discussed in England, of issuing war loans with the lottery feature attached, has likewise been abandoned.

Certain countries have continued to employ the types or forms of loan, including the "rente" type[1] used before the war, favoring these types as on the whole assuring the most favorable yields.

Thus, England and France have continued to issue loans of the perpetual "rente" type, terminable by the State after a comparatively short definite date. On the contrary, Austria and, in the beginning, Italy, also, adopted the amortization form of loan, the first of these countries apparently for reasons of a legal nature. Indeed, in Austria the consolidated debt was subject to the approval of Parliament. In the temporary absence of parliamentary régime the issue of obligations, to be extinguished at a fairly distant date, was resorted to, in the hope, probably, of being able to convert them into a permanent debt after the war.

[In millions.]

Public debt.	Before the war.			Last known date.		
	Date.	Amount.		Date.	Amount.	
		Foreign money.	Swiss money.[2]		Foreign money.	Swiss money.
			Francs.			*Francs.*
Great Britain	August, 1914	£710	17,907	June, 1918	£6,434	162,275
Australia	June, 1914	£19	479	March, 1918	£194	4,892
Canada	March, 1914	£69	1,740	February, 1918	£208	5,246
New Zealand	March, 1914	£92	2,320	March, 1917	£126	3,177
South Africa	March, 1914	£119	3,001	March, 1916	£151	3,808
France	July, 1914	fr. 34,188	34,188	January, 1918	fr. 127,050	127,050
Italy	June, 1914	Lire 14,467	14,467	December, 1917	Lire 34,590	34,590
Russia	January, 1914	Rb. 9,888	26,369	September, 1917	Rb. 49,288	131,436
United States	March, 1917	$1,208	6,261	January, 1918	$7,758	40,207
Total			106,732			512,681

[1] The "rente" loan provides merely for annual interest or "rente" payments by the Government, containing no stipulation regarding the retirement of the capital amount of the bond. In the case of a perpetual "rente" loan no date of redemption is set, the government reserving the privilege of redeeming the loan in part or in toto at a time when market conditions prove most favorable. At times there is a provision to the effect that redemption will not be undertaken before a certain future date. [Editor's note.]

[2] Foreign moneys have been reduced to Swiss francs on the basis of metallic parity.

[In millions of francs.]

Country and form of loan.	Issued in—	Amounts subscribed or offered.[1]	Price at which issued.	Yield.[2]
I. Germany:				
(1) 5 per cent Treasury bonds	September, 1914	1,234	97.50	5.63
5 per cent Imperial debt		4,311	97.50	5.13
(2) 5 per cent Treasury bonds	February–March, 1915	958	98.50	5.30
5 per cent Imperial debt		10,284	98.50	5.07
(3) 5 per cent Imperial debt	September, 1915	15,014	99.00	5.05
(4) 4½ per cent Treasury bonds	March, 1916	1,941	95.00	5.25
5 per cent Imperial debt		11,352	98.50	5.07
(5) 4½ per cent Treasury bonds	September–October, 1916	1,325	95.00	5.29
5 per cent Imperial debt		11,826	98.00	5.10
(6) 4½ per cent Treasury bonds	March–April, 1917	1,685	98.00	Diff.
5 per cent Imperial debt		14,516	98.00	5.10
(7) 4½ per cent Treasury bonds	September–October, 1917	1,609	98.00	Diff.
5 per cent Imperial debt		13,979	98.00	5.10
(8) 4½ per cent Treasury bonds	March–April, 1918	1,814	98.00	Diff.
5 per cent Imperial debt		16,416	98.00	5.10
Total		108,264		
II. Austria:				
(1) 5½ per cent Treasury bonds	November, 1914	[3] 2,311	97.50	6.15
(2) 5½ per cent war loan	May, 1915	[3] 2,823	95.25	6.35
(3) 5½ per cent war loan	October–November, 1915	[4] 4,414	93.60	6.35
(4) 5½ per cent amortizable loan	April–May, 1916	2,483	93.00	6.25
5½ per cent Treasury bonds		2,263	95.50	6.45
(5) 5½ per cent amortizable loan	November, 1916–January, 1917	2,126	92.50	6.30
5½ per cent Treasury bonds		2,565	96.50	6.40
(6) 5½ per cent amortizable loan	May–June, 1917	2,751	92.50	6.30
5½ per cent Treasury bonds		2,698	94.00	6.55
(7) 5½ per cent amortizable loan	November–December, 1917	6,346	92.50	6.30
5½ per cent Treasury bonds			94.50	6.41
(8) 5½ per cent amortizable loan	May–July, 1918	[3] 6,051	92.50	6.30
5½ per cent Treasury bonds			96.00	6.90
Total		[4] 36,347		
III. Hungary:				
(1) 6 per cent debt	November, 1914	1,235	97.50	6.50
(2) 6 per cent debt	May, 1915	604	97.50	6.50
5½ per cent debt		585	90.80	6.05
(3) 6 per cent debt	October–November, 1915	2,085	97.10	6.75
(4) 6 per cent debt	April–May, 1916	696	97.20	6.20
5½ per cent amortizable loan		1,354	91.90	6.90
(5) 6 per cent debt	November–December, 1916	[5] 2,415	97.70	6.25
5½ per cent amortizable loan			96.00	6.40
(6) 6 per cent debt	May–June, 1917	[5] 2,625	96.00	6.28
(7) 6 per cent debt	November–December, 1917	[5] 3,780	96.10	6.27
5½ per cent debt			91.25	6.06
(8) 5½ per cent debt	June–July, 1918	([6])	91.50	6.05
Total		15,379		
IV. Great Britain:				
(1) 3½ per cent first war loan	November, 1914	8,750	95.00	App.3.95
(2) 4½ per cent second war loan	June–July, 1915	[4] 14,800	100.00	App.4.50
(3) 5 per cent third war loan	January–February, 1917	[3] 52,133	95.00	App.5.41
4 per cent third war loan (ret.)		132	100.00	Ret. 4.00
(4) National war bonds—				
5 per cent, payable at 102 per cent	Indeterminate maturity on and after October, 1917.	20,957	100.00	App.5.40
5 per cent, payable at 103 per cent			100.00	App.5.43
5 per cent, payable at 105 per cent			100.00	App.5.50
4 per cent, payable at 100 per cent (ret.)			100.00	Ret. 4.00
Total		[7] 73,222		
V. France:				
(1) 5 per cent national defense debt	December, 1915	[3] 15,139	88.00	5.68
(2) 5 per cent national defense debt	October, 1916	[3] 11,509	88.75	5.63
(3) 4 per cent national defense debt	December, 1917	[3] 14,750	68.60	5.85
(4) 5 per cent national defense obligations	Indeterminate maturity	520	Variable.	5.60–5.75
Total		[4] 41,918		
VI. England–France:				
(1) 5 per cent joint loan	October, 1915	2,590	98.00	5.45

[1] Amounts subscribed in foreign money have been reduced to Swiss money on the basis of metallic parity.

[2] In the calculations of the actual yield account was had of the premium for par reimbursement at the final date fixed for reimbursement. In the case of "rente" loans, no account could be taken of the period of inconvertibility.

[3] Including conversion of old loans and Treasury bonds.

[4] Not including conversion of old loans and Treasury bills.

[5] Provisional figures.

[6] Subscription not yet ended or result not finally known.

[7] Without the first two loans generally converted.

[In millions of francs.]

Country and form of loan.	Issued in—	Amounts subscribed or offered.	Price at which issued.	Yield.
VII. Italy:				
(1) 4½ per cent loan (military preparation)	December, 1914–January, 1915	1,000	97.00	4.70
(2) 4½ per cent national loan	July, 1915	1,146	93.95	4.85
(3) 5 per cent national loan	January–February, 1916	[1] 3,014	97.50	5.18
(4) 5 per cent consolidated debt	January–February, 1917	[1] 3,986	90.00	5.55
(5) 5 per cent consolidated debt	January, 1918	[1] 5,630	86.50	5.80
VIII. United States:				
(1) 3½ per cent first Liberty loan	May–June, 1917	10,360	100.00	3.50
(2) 4 per cent second Liberty loan	October, 1917	[2] 19,730	100.00	4.00
(3) 4¼ per cent third Liberty loan	April–May, 1918	[2] 21,612	100.00	4.25
Total		[2] 51,702		
IX. Russia:				
(1) 5 per cent interior loan	October, 1914	1,330	95.00	5.30
(2) 5 per cent interior loan	March, 1915	1,330	94.00	5.35
(3) 5½ per cent interior loan deferred	May, 1915	2,660	99.00	5.70
(4) 5½ per cent interior loan	December, 1915	2,660	95.00	6.25
(5) 5½ per cent interior loan	April–June, 1916	5,320	95.00	6.25
(6) 5½ per cent interior loan	November, 1916–January, 1917	[3] 8,000	95.00	6.25
(7) 5 per cent liberty loan	April–June, 1917	[3] 8,533	85.00	5.95

[1] Provisional figures.
[2] Not including conversion of old loans and Treasury bills.
[3] Subscription not yet ended or result not finally known.

With a view to amalgamating the war debt and the prewar debt and to strengthening public credit, the holders of old loans have often been accorded the privilege of converting the latter into new war loans, issued at more advantageous rates of interest or terms of redemption. These conversion operations carried on in the midst of war have usually been successful, especially in England.

As was the case in the beginning, most of the war loans contracted from 1914 to 1918 have been for an unlimited amount; in other words, the maximum was not fixed in advance, as the governments wished to draw as much capital as possible into the vaults of the treasury. After a few months, however, a tendency to abandon this method of procedure is always noted. For example, the actual amount desired in the last French loan was fixed in advance at 10 billion francs; as the amount subscribed exceeded this figure the large subscriptions were consequently reduced. In the United States the amount of the first two Liberty loans was likewise limited; but even in the second loan half of the subscriptions which exceeded the amount demanded were accepted, the small subscribers being likewise favored and allotted the entire amount subscribed at the time of allotment. On the other hand, in the last Liberty loan it was announced at the beginning of the issue that all subscriptions would be fully accepted.

In the course of the last two years the period of subscription has often been extended.

The fixing of the date of issue has played only a secondary rôle, as an abundance of money has continued to reign in all the markets, for well-known reasons, among which we may mention the inflation of note issues and the reduction of stocks of raw materials and merchandise.

The rate of interest upon the loans has varied from 3½ per cent for the first British war loan and the first American Liberty loan (a rate which has been abandoned since, in spite of its initial success) to 5½, and even 6 per cent. From the two columns of the table showing the rate of interest and the actual proceeds from the various loans a clear idea is obtained of the diversity of credit which the several governments were able to obtain from their own citizens and the requirements of the lenders in each State. Everywhere a gradual and very considerable increase in the cost of loans may be noted. To be sure, this is not the net cost to the Treasury, for most of the war loans, except those in France, Italy, and Austria-Hungary are subject to direct taxation, which has been greatly increased during the past three years. In order to make a satisfactory comparison of the actual proceeds, it would be necessary to keep account of these taxes, an impracticable thing, owing to the inequality of the rates levied according to the amount of available incomes and fortunes. In England and in different British colonies—Australia and Canada, for example—the simultaneous issue of two kinds of loans has been tried, one of them subject to taxation and the other exempt, the former carrying a substantially higher rate of interest.

[In millions.]

Public debt.	Before the war.			On last known date.		
	Date.	Amount.		Date.	Amount.	
		Foreign money.	Swiss valuation.[1]		Foreign money.	Swiss valuation.[1]
A. BELLIGERENT STATES.						
Entente:			*Francs.*			*Francs.*
Great Britain	August, 1914	£710	17,907	June, 1918	£6,434	162,275
Australia	June, 1914	£19	479	March, 1918	£194	4,892
Canada	March, 1914	£69	1,740	February, 1918	£208	5,246
New Zealand	do	£92	2,320	March, 1917	£126	3,177
South African Union	do	£119	3,001	March, 1916	£151	3,808
France	July, 1914	Fr. 34,188	34,188	January, 1918	Fr. 127,050	127,050
Italy	June, 1914	Lire 14,467	14,467	December, 1917	Lire 34,590	34,590
Russia	January, 1914	Rb. 9,888	26,369	September, 1917	Rb. 49,288	131,436
United States	March, 1917	$1,208	6,261	January, 1918	$7,758	40,207
Total			106,732			512,681
Central powers:						
Germany	October, 1913	M. 4,891	6,038	December, 1917[2]	M. 106,605	131,661
Austria	July, 1914	Kr. 13,029	13,682	June, 1917	Kr. 55,105	57,866
Hungary	July, 1913	Kr. 6,638	6,970	December, 1917[2]	Kr. 28,150	29,560
Total			26,690			219,087
Total belligerents			133,422			731,768
B. NEUTRAL STATES.						
Denmark	March, 1913	Kr. 361	501	March, 1917	Kr. 583	811
Spain	January, 1914	Pes. 9,785	9,785	January, 1918	Pes. 10,298	10,298
Holland	January, 1914[2]	Fl. 1,148	2,392	January, 1918[2]	Fl. 1,609	3,351
	January, 1914[3]	Fl. 20	41	November, 1917[4]	Fl. 287	598
Norway	June, 1914	Kr. 357	496	June, 1916	Kr. 423	587
Sweden	December, 1913	Kr. 718	997	December, 1917[2]	Kr. 1,326	1,842
Switzerland	do	Fr. 146	146	December, 1917	Fr. 1,064	1,064
Total neutrals			14,358			18,551

[1] Foreign moneys have been reduced to Swiss francs on the basis of metallic parity.
[2] Approximately.
[3] Consolidated debt.
[4] Floating debt.

The success of this experiment has not wholly come up to expectations, and it is possible that, as was the case in Australia, this method will be abandoned on subsequent occasion.

As for the prices of issue, they can not be compared, owing to the variety of methods employed. In each country gradual concessions to the capitalists, who have become more and more exacting, are made—concessions which are necessary since the success of the loans above all must be assured. In order to maintain an apparently reasonable rate of interest, the price of issue has often been lowered to a level that would have been unthinkable before the war.

The detail work of issuing the loans and the propaganda carried on to assure success have improved with each new issue.

The forms of the loans have been adapted to meet the new exigencies of the public. The number of subscription places has been increased; in addition to the banks, the post offices, savings banks, etc., have played an increasingly important part. Payments have been carefully distributed in such a way as to cause a minimum of inconvenience to the money market, which has been admirably prepared, months in advance, for each new issue.

Temporary investment in short-term Treasury bills has been popular with the public, which has thus been able to keep intact the power of realization, so precious to manufacturers and traders, who are thus able to resume at any time the activity which has been temporarily restrained by the war. Facilities for the discounting of this paper have usually been offered.

Banks of issue, and banks and bankers generally have, moreover, facilitated the purchase on the installment plan of war obligations and have granted favorable terms for the pledging of securities. At times subscribers were permitted to pay certain taxes, among others the tax on war profits, by means of recently issued loan securities.

Let us mention, in passing, the part played by the loan offices in Germany and in Austria-Hungary in financing the war. The loans of these offices were used for subscribing to the war loans, but in decreasing volume, especially in Germany. The War Finance Corporation, recently established in the United States with an initial capital of $500,000,000, furnished wholly by the American Treasury, will indirectly aid in subscriptions to the war loans—American industry and trade are, in fact, sure of finding in this organization the capital which they need for the development of their manufactures. This will allow them to place very important resources at the disposal of the Treasury. Let us emphasize, finally, the part played in all countries by the commercial banks, by the insurance companies, and by the cooperative associations, all of which have contributed in a large measure in directing part of their available resources into the Treasury.

In England and in the United States all possible means have been sought of attracting the regular flow of small savings of farmers, laborers, and workmen; thus, new loans in the form of very small denominations have made their appearance. According to the second annual report of the National War Savings Committee, recently published for 1917, total subscriptions during the past two years, in the form of war-savings certificates (redeemable in five years at par, but issued at 15s. 6d.), amounted (exclusive of reimbursements) to £105,771,354, which is a very good record. In the United States, likewise, the act relative to the second war loan authorized the issue of two billion dollars of war-savings certificates, maturing in five years. The first issue was made at the beginning of 1917; at the end of last March the amount subscribed had reached $150,000,000. War-savings stamps have also been issued. Although these issues complicate and add to the task of the Treasury, it is nevertheless certain that the propaganda waged by the thousands of local societies, which have been organized almost everywhere in order to accelerate universal investment in these certificates, has helped greatly to foster in the masses of people the habit of saving (37,840 societies, with four million members, now exist in the United Kingdom). Elsewhere the small savings have been attracted simply by the issue of small demoninations of bonds, and by facilities for the gradual payment of the amounts subscribed. In Germany municipal savings banks have instituted special war-savings obligations, which permit the subscription of very small sums, even in advance. In short, no means of assuring the success and the distribution of the war loans have been overlooked. Everywhere an effort is made for genuine democratization of the government securities, as can easily be seen from the enormous number of subscribers. Thus, in 1914 the British debt was concentrated in the hands of 345,100 holders; at the present time it is divided among more than 16¾ million large and small holders, of whom 2,228,300 subscribed through the Bank of England to the war loans, 4,000,000 subscribed through the post office, and more than 10,500,000 possess war-savings certificates.

Nevertheless, one notices in the countries supplying exact data on this subject—in Germany and Austria, for example—a gradual change in the way of increasing subscriptions from large industries and a relative decline of small subscriptions.

Trouble in regard to the distribution of securities has led, here and there, to the extending of more favorable conditions for registered ("bloqués") securities; that is to say, those entered on the "Grand-Livre de la Dette"; there has been extensive use of this privilege in Germany.

Is the distribution of war loans final? We do not think so; it is certain that large amounts will come on the market, sooner or later, when industrial and commercial concerns which have subscribed liberally to issues, on long and on short terms, will have to replenish their stocks of merchandise that are almost entirely exhausted.

In the United States every possible means has been used to avoid an accumulation of Liberty bonds in the banks, which have other war functions to fulfill. The idea was to avoid excessive inflation and to save the banks' capacity of absorption for the Treasury certificates. The same thing has been done in most other countries. Nevertheless, in the absence of good discount paper, the credit organizations of every country are holding a very large portfolio of Treasury securities. On the other hand, savings banks, insurance companies, cooperative societies, etc., have often absorbed considerable amounts of the war loans, not without endangering their liquidity.

SUCCESS OF THE LOANS.

Has the success of the loans come up to expectations and has this success been real? One can, on the whole, answer in the affirmative. Nevertheless, although the number of subscribers has increased greatly, it has taken a little longer to effect the distribution of the last loans than of the first issues.

It is also evident that the distribution is not final, which is explained by the inevitable supersaturation of the financial markets.

How is this ease of absorption to be explained, especially when one recalls the difficulties which presented themselves before the war, in connection with issues of amounts which to-day appear insignificant?

The so-called "rentiers," who are suffering from the effects of stationary incomes and the high cost of living, are no longer the principal subscribers to the loans; the better part of the subscriptions comes from the trades which have benefited, directly or indirectly, by the war, either on account of their products (farmers and manufacturers) or on account of their services (workmen, shipbuilders, underwriters, etc.).

Everything has been done to insure success; the financial markets have all been monopolized, with a single aim—to finance the war. The legal-tender quality of notes has been decreed; gold has been concentrated in the vaults of the banks of issue; postal and telegraphic censorship has been established; the exchange markets have been regulated; the exportation of gold, notes, securities, and capital, in the broad sense of the term, has been prohibited; the purchasing of merchandise not essential for supplies or the pursuit of the war has been reduced. All placing of foreign loans has been strictly forbidden and foreign securities have been requisitioned. The Allies and the Central Powers have controlled and restricted public issues (in Germany, even the loans of the confederated states), transactions of the stock exchange, and speculative activity. In short, available capital really was compelled to devote itself, in large measure, to war loans and Treasury bonds, the rates offered by banks for deposits at sight or on short term on current account being greatly reduced, a fact which has often been due to the intervention of the Treasury. The monopolization by the State of important branches of industry has also caused a marked reduction in the circulating funds of private industries, which had been already reduced because of the physical impossibility of replenishing their stocks. The absence of good discount material has increased the plethora of money, the London market, for example, ordinarily absorbing, partly on foreign account, 10 to 12 billions of francs.

After Government pressure, in all its forms, had contributed to the immediate success of the first loans, the formation of new capital assured the continuance of this success. Finally, let us not forget, as other factors of success, the assistance of the banks of issue, the active propaganda carried on by the Treasury, and the support of banks and private organizations.

TREND OF QUOTATIONS.

This avalanche of new loans offered under attractive conditions has not left unaffected the quotations of the older securities. The following tables show the profound changes which have occurred in the rates of capitalization during the four years of war. Securities of neutral countries have suffered as much as those of belligerent countries. Since the prolongation of hostilities, the loans issued during the first years of the war have also suffered, and to the extent that they have not been converted, they are quoted considerably below their issue prices. But in order to assure the success of future operations, it is essential to prevent the rate from falling because of lack of demand.

At first nothing was done to check this decline. Trusting to the patriotism of the subscribers to the first loans, the Government considered this distribution final. Moreover, thanks to the facilities of banking accommodations granted, it was hoped to avoid too many selling orders. But the prolongation of the war and the higher cost of living, while making capital more exacting, have brought about very high rates of interest. There was hardly any uneasiness at first over this situation, except that the privilege had been extended of converting the first war loans and, in France and England, also the old "rentes" ($2\frac{1}{2}$ per cent consols and 3 per cent "rentes perpetuelles") into new securities, offered at more favorable terms. Gradually, however, the expedient of maintaining the average market quotation for the securities by means of sinking funds has been resorted to. Thus in their last loan prospectuses, England, France, and the United States set apart certain sums for the buying of securities below the rate of issue, special so-called depreciation funds being created for that purpose. It is quite likely that this may become the general practice.

In Germany, Austria, Italy, and elsewhere the maintenance of the price of war securities after the end of hostilities is being seriously considered. One notices in almost all the belligerent countries the formation of powerful financial groups which will certainly have an influence on the consolidation and the final distribution of the war debt during the period of transition which will follow the end of hostilities.

Security.	Stock Exchange.	Current price.						Yield.					
		End of Dec. 1913.	End of June 1914.	End of Dec. 1916.	End of June 1917.	End of Dec. 1917.	End of June 1918.	End of Dec. 1913.	End of June 1914.	End of Dec. 1916.	End of June 1917.	End of Dec. 1917.	End of June 1918.
		Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
2½ per cent English consols	London	71.60	75.00	55.10	54.60	55.20	55.85	3.49	3.33	4.53	4.58	4.53	4.47
3 per cent French rente	Paris	85.40	83.00	61.00	60.20	58.50	60.55	3.51	3.61	4.91	4.98	5.13	4.95
3 per cent German rente	Berlin	76.00	76.75	[2]66.50	[2]66.50	[2]70.25	69.00	3.94	3.91	4.51	4.51	4.27	4.35
3½ per cent Italian rente	Milan	98.90	97.00	83.00	80.55	80.70	80.30	3.53	3.60	4.21	4.34	4.33	4.35
4 per cent Austrian rente (crowns)	Vienna	83.50	82.00	[2]75.50	76.50	78.00	77.00	4.79	4.87	5.29	5.22	5.12	5.19
5 per cent Russian debt, 1906[1]	Paris	103.15	102.00	84.00	73.50	55.00	49.00	4.84	4.90	5.95	6.80	9.09	10.20
3 per cent United States (Panama bonds)	New York	97.50	96.75	102.00	80.00	80.00	85.00	3.07	3.10	2.94	3.75	3.75	3.52
3½ per cent Federal Railways, Series A-K	Basel	89.70	90.75	78.65	77.40	73.60	72.15	[3]3.90	3.85	4.45	4.52	4.75	[3]4.85

[1] Payable in 1956 at latest. The yield is shown without taking account of the premium for par reimbursement.
[2] Officially estimated price, daily quotations not being published.
[3] Taking into account the premium for par reimbursement in 1948 at latest, the actual yield stood at 4.15 per cent at the end of 1913, and at 5.45 per cent at the end of June, 1918.

TAXATION.

To insure the regular maintenance of interest upon the new loans and to meet the deficits in the ordinary budgets, taxes have had to be altered and increased. It is impossible to give, in the restricted limits of this article, even an incomplete idea of the principal fiscal measures passed in all the countries to meet the direct and indirect costs of the war. We must confine ourselves to a few generalities.

Never has the task of the financial ministers been more ungrateful! It is no longer a question of voting a tax, or even a series of taxes; everywhere a fundamental financial reorganization becomes imperative, at a time when the economic and financial organism is visibly weakened.

Great Britain and the United States, in accordance with traditions which have been tested in former wars, have succeeded in meeting a quite considerable part of their war debt by resorting to taxation. The income tax, for example, has shown remarkable elasticity. In most other countries, Italy particularly, new interest charges, pensions, etc., have been covered, simply by the creation of permanent resources, which is already a great step in advance. The means for amortization of the war debt will be considered later.

Given the enormous extent of the needs, it is difficult to find, among the numerous fiscal systems, those which least embarrass and interfere with economic life.

Everywhere effort has been made to increase the revenue from the public services by raising very appreciably the postal rates and those of the telegraph and telephone, also of the railroads, wherever the latter are under national control.[1]

[1] In England and the United States the governments have assumed control of the railroads for the duration of the war.

These services had not only to clear their expenses, but also to aid in the partial covering of the general deficit. This increase in rates, which is partially justified by the inevitable increase in the cost of operation, has been almost entirely borne by commerce and industry. Will the day come when it will be possible to consider a gradual and salutary reduction of these new taxes, which are a part of the high cost of living? Most of the taxes and duties existing in all the countries have also been altered, and new taxes have, moreover, been instituted. Finally, everywhere, in France and England especially, stringent, even drastic, measures have been taken against financial fraud and the evasion of capital.

It has been attempted, not always with complete success, to maintain a fixed ratio between the direct and indirect taxes, but the balance leans in favor of the direct taxes which are more immediately productive. Often the taxes on incomes, property, inheritances—in short, most of the taxes affecting wealth—have reached a level where the formation of new capital becomes impaired, which is a great economic mistake.

Among the new financial measures gradually adopted, in imitation of Great Britain, by all the belligerents and even by a number of the neutral countries, let us mention, as the most productive, the excess profits duty. This tax, which was originally 50 per cent, has been raised to 60 and 70 per cent, and has finally reached 80 per cent in certain countries (Great Britain, France, etc.). Thus, the concerns subject to this tax, which are evidently deriving great profits from the war, must return four-fifths of these profits to the Treasury, allowance being made for the usual and unusual write offs permitted by law. In England this tax has yielded

£220,215,000 during the fiscal year 1917–18. It is worth mentioning that, in his last address introducing the 1918–19 budget, the British Chancellor of the Exchequer justified the maintenance of the rate of this tax at 80 per cent, declaring that any new increase would call forth fiscal evasion, at the same time hampering the industrial development so indispensable for carrying on the conflict in which the nation was engaged.

Let us add that this tax should be looked upon merely as a temporary resource of the Treasury, destined to disappear with a return to even slightly normal conditions. After the war, whether they will or no, it will be necessary to devise other sources of revenue to balance the budget.

In the class of indirect taxes let us mention, in the first place, the increases in the rates of excise and tariff duties placed on the consumption and importation of numerous articles which are not considered as necessaries (tea, coffee, cocoa, chocolate, objects of luxury, etc.). In addition, beverages have been heavily taxed (alcoholic drinks, wines, beer, etc.). The taxes to which transactions of all kinds are subjected (securities, documents, receipts, commercial paper and checks) have been generally increased, more or less. England, for example, has abandoned penny postage and has doubled the tax on checks (2d. vs. 1d.). Not only goods, but services, have been taxed; some countries have even gone so far as to tax the interest paid by the banks to depositors on current accounts.

As a financial innovation the war has caused the creation, in France, Great Britain, Germany and Italy, of a tax applied to so-called articles of luxury. It is possible that this will furnish a very good source of revenue, the use of which will later become general, in spite of the inconveniences which attend it, especially in countries like France and Switzerland, where the manufacture of luxuries has attained great importance. Moreover, the formation of a list of articles subject to this tax is a very delicate task. In general, the list includes, at the present time, precious stones and metals, jewelry and gold and silver ware, perfumes, touring cars, pianos, certain works of art, furs, tapestries, etc. Probably this list will lengthen as financial needs increase. The luxury tax has been supplemented by a consumption tax in hotels and so-called luxurious establishments.

In Germany the financial task of the Imperial Government is complicated by the fact that direct taxation is the prerogative of the Confederated States.

Up to the present there has been little recourse to monopolies, a fact which is explained by the long preparatory study which each new monopoly demands. Moreover, the returns are not so sure and prompt as those from taxation.

Following is the balance sheet, a very approximate estimate and given with all reserve of the cost of the war and the debts contracted by the principal belligerent countries from the end of December, 1916, to the end of July, 1918:

[In millions of francs.]

Estimates.	Aug., 1914–Dec., 1916 (29 months).	Aug., 1914–July, 1918 (48 months).
I. Cost of the war	375-385	[1] 850-875
Military expenses, properly speaking	325-330	[1] 650-660
II. Meeting the war expenses:		
Consolidated debt [2]	152-155	455-460
Floating debt	130-135	215-220
Total	282-290	670-680
Taxes [3]	8- 10	15- 20
Advances by banks of issue	40- 45	75- 80
Commercial and exchange credits	5- 10	35- 55
Interallied advances, allowing for duplication	25- 30	55- 60

[1] The great difference between the two totals will increase with the prolongation of hostilities and is explained by the fact that we have kept account, in the cost of the war, of the interest on the so-called war debt.
[2] Exclusive of conversions.
[3] To the extent that the proceeds from these taxes were used to meet war expenses, properly speaking, and not to meet the supplementary interest charges.

To sum up, it may be said that, up to the present, thanks to the many forms which appeals for credit have assumed, the financing of the war has been accomplished. The experience of all countries goes to prove that both productive power and resources have exceeded all expectations. The loans at home have been easily subscribed, owing to the abundance of paper and the monopolization of the financial market for the needs of the Government. Abroad, different countries have obtained commercial and exchange credits upon rather easy terms (the allies, especially, since the entry of the United States into the war), without which they could not have provided for their war needs. All the great belligerents, except Russia, have been able, up to now, to meet the charges on their new debts.

But this absolutely abnormal financial mobilization has produced some bad results. The banks of issue, which have had to make considerable advances to the treasuries, have swamped the countries with their notes to such a degree that for years to come they will be subject to legal-tender circulation. The pernicious influence of inflation on the price of goods is patent. The floating debt, the credits opened, and the international obligations, suspended before and during the war, have reached in the course of the last four years a stage much more dangerous because having been, in part, contracted abroad, their consolidation will become necessary at a time when commerce and industry will require considerable capital. By bleeding acquired wealth white, it became possible through new taxes and the raising of the old taxes to meet the new demands of the budget resulting from the war. Finally, a good share of the war expenses has been covered by means of money advanced at very low rates by the banks of issue; when it is consolidated, granted that it can be, this money will cost a great deal more.

The formation of new capital is slackened, if not stopped; in certain countries they speak openly of conscription of capital.

It is most likely that the end of the war, from a financial point of view, will mark the advent of a painful era of transition and liquidation. Unusual measures will be inevitable, if inflation is to be reduced. Must we despair of the future, expect universal impoverishment and general bankruptcy? This will depend almost entirely on political and economic readjustment.

The war has destroyed only a part of people's wealth; in certain countries this wealth even remains intact; in others, it is simply displaced. But what does all this diminution of material things amount to when compared with the loss of the combatants, mowed down in battle or stricken by disease?

EXPLANATION OF WAR LOAN SUMMARY CHART ON PAGES 1070 AND 1071.

DATES OF LOANS.—The dates of the loans are, as far as it has been possible to determine, those from which the first regular interest payment is figured. Installment payments and frequently payments in full were made considerably in advance of the first interest dates shown, as, for example, some of the British, German, Indian, New Zealand, and Australian loans.

OPTIONAL REDEMPTION DATES.—The chart shows the earliest dates, if any, on or after which the loans may be redeemed in whole or in part.

DUE DATES.—In many loans, notably those of France and some of the Hungarian, Italian, and German, no maturity dates are fixed, nor do the Governments specifically obligate themselves to redeem the loans, but merely reserve the right of redemption on or after certain dates. The German word "unkundbar" referred to in the résumé of the German loans his caused considerable discussion even in Germany. The fairest interpretation of the meaning of this word appears to leave the German Government with the right to make the 5 per cent bonds perpetual or defer payment of principal to any future date best suited to the convenience of the Government.

ISSUE PRICE.—The treatment of interest in connection with the issue price divides itself into three main classes, as follows:

1. Issue price with accrued interest added to payments made after the interest bearing date. This class includes most of the war loans contained herein, namely, all loans of the United States, Italy, France, Holland, Russia, first three Austrian, second, fourth, fifth, seventh, and eighth Swiss and the first German war loan.

2. Issue price without accrued interest in two classes:

(a) Payments made without accrued interest after the interest bearing date, resulting in an interest bonus. In this class are included all Canadian, the first three Australian, and the second British war loans.

(b) Payments of interest on payments made before the interest bearing date, as in the first and third British, fourth, fifth, and sixth Australian, second New Zealand and Indian war loans.

3. Price discounted or reduced instead of paying interest on payments made before the interest bearing date, which includes the fourth Austrian and the third and sixth Swiss and all German loans except the first.

A variation from the above methods is furnished by the first and second Hungarian and first Swiss loans, where subscriptions paid by installments subsequent to the interest-bearing dates were without accrued interest, but the issue prices for installment allotments were higher than for fully paid allotments. In reality this practice was only another way of charging accrued interest on payments made after the interest-bearing dates.

YIELDS.—All interest yields are calculated on a semi-annual basis from the time the loans are dated to the maturity dates where fixed, and where not fixed the loans are assumed to be perpetual and consequently are figured on a stock yield basis. These latter yields are designated by the letter "P" on the chart. An exception has been made in the case of bonds of the German war loans which do not have fixed maturity dates, but whose yields are nevertheless figured on the assumption that redemption will take place October 1, 1924. If these loans were treated as perpetual the yields would be slightly less than those shown on the chart. Yields designated by the letter "S" are average yields for loans issued in series and having definite dates of redemption. The $4\frac{1}{2}$ per cent treasury certificates of the sixth, seventh and eighth German loans are considered as wholly redeemable at their ultimate maturity date at 110, although provision was made for yearly redemptions by drawings.

Some of the loans issued at 100 show yields greater than the coupon rate. In these loans, which include the second British, all Canadian and Australian loans, subscribers were given an interest bonus, which reduced the cost to a little below par.

AMOUNTS.—The total amounts subscribed to the different war loans included in many cases conversions from previous long term war loans issued during the course of the present war, as well as conversions from long-term loans issued prior to 1914. That the amounts subscribed might be comparable as between the loans of the different nations, such conversions have been deducted from the totals where possible to obtain data. In the cases of Great Britain, France and Italy conversions from relatively short-term issues, such as the exchequer bonds of Great Britain, the national defense obligations of France, and Treasury bonds of Italy, have also been deducted. It is debatable

II. Internal War Loan Summary Chart.[1]

Country.	Title.	Interest rate.	Issue price, per cent.	Approximate yield.	Dated.	Optional redemption date.	Due.	Subscription period.	Amount allotted against cash subscriptions.[2]	Number of subscribers.	Ratio subscribers to population.	Amount per capita.
United States...	First Liberty Loan......	3½	100.00	3.50	June 15, 1917	June 15, 1932	June 15, 1947	May 14–June 15......	$2,000,000,000	4,500,000	1 to 23.3	$19.0
Do..........	Second Liberty Loan....	4	100.00	4.00	Nov. 15, 1917	Nov. 15, 1927	Nov. 15, 1942	Oct. 1–Oct. 27.......	3,808,766,150	9,600,000	1 to 10.9	36.3
Do..........	Third Liberty Loan.....	4¼	100.00	4.25	May 9, 1918	None.	Sept. 15, 1928	Apr. 6–May 4........	4,170,019,650	17,000,000	1 to 6.2	39.7
Do.[3]	War-savings stamps.....	....	82.40	3.91	Jan. 2, 1918	None.	Jan. 1, 1923	Continuously from Dec. 3, 1917.	242,204,760	....	....	2.3
Great Britain...	First war loan...........	3½	95.00	4.00	Mar. 1, 1915	Mar. 1, 1925	Mar. 1, 1928	Nov. 17–Nov. 24.....	1,703,000,000	100,000	1 to 453.7	37.5
Do..........	Second war loan.........	4½	100.00	4.57	June 1, 1915	Dec. 1, 1925	Dec. 1, 1945	June 21–July 10......	2,883,000,000	1,100,000	1 to 41.2	63.5
Do..........	Third war loan..........	4	100.00	4.00	Apr. 15, 1917	Oct. 15, 1929	Oct. 15, 1942	Jan. 11–Feb. 16......	4,811,000,000	5,289,000	1 to 8.6	106.0
Do..........	.....do.................	5	95.00	5.34	June 1, 1917	June 1, 1929	June 1, 1947	.....do...............				
Do.[4]	National war bonds.....	4	100.00	4.00	Purchase date.	None.	Oct. 1, 1927	Continuously from Oct. 2, 1917.				
Do..........	.....do.................	5	100.00	5.35	.....do.......	None.	Oct. 1, 1922	.....do...............	3,373,457,000	....	....	74.4
Do..........	.....do.................	5	100.00	5.36	.....do.......	None.	Oct. 1, 1924	.....do...............				
Do..........	.....do.................	5	100.00	5.38	.....do.......	None.	Oct. 1, 1927	.....do...............				
Do.[5].......	War-saving certificates..	....	77.50	5.16	.....do.......	None.	Five years.	Continuously from Feb., 1916.	712,942,000	....	....	15.7
France..........	First war loan...........	5	88.00	P 5.68	Nov. 16, 1915	Jan. 31, 1931	Not fixed.	Nov. 25–Dec. 15.....	1,894,000,000	3,133,489	1 to 12.6	47.8
Do..........	Second war loan.........	5	88.75	P 5.63	Aug. 16, 1916	Nov. 31, 1931	.....do.......	Oct. 5–Oct. 29.......	1,981,000,000	3,100,000	1 to 12.8	50.0
Do.[6].......	Third war loan..........	4	68.60	P 5.83	Dec. 16. 1917	Jan. 1, 1943	.....do.......	Nov. 26–Dec. 16.....	2,914,000,000	....	....	73.6
Do.[7].......	National defense bonds..	5	96.50	5.60	Purchase date	Feb. 16, 1920	Feb. 16, 1925	Continuously from Feb. 25, 1915......				
Do..........	..... do................	5	100.00	5.58	.....do.......	None.	Five years ...	Continuously from Mar. 1, 1917.......	19,300,000	....	....	.5
Russia..........	First war loan...........	5	94.00	5.34	Sept. 14, 1914	Mar. 14, 1925	Sept. 14, 1965	Nov. 6–Nov. 7.......	257,000,000	....	....	1.4
Do..........	Second war loan.........	5	94.00	5.35	Mar. 14, 1915	.....do.......	Mar. 14, 1965	Mar. 5–Mar. 15......	257,000,000	....	....	1.4
Do..........	Third war loan..........	5½–5	99.00	5.70 5.19	May 14, 1915	May 14, 1927	May 14, 1921–1996	May 16–May 29......	515,000,000	....	....	2.8
Do..........	Fourth war loan........	5½	95.00	6.17	Nov. 14, 1915	None.	Nov. 14, 1925	Nov. 18–Dec. 3......	515,000,000	....	....	2.8
Do..........	Fifth war loan..........	5½	95.00	6.17	Feb. 14, 1916	None.	Feb. 14, 1926	Mar. 21–May 26......	1,029,000,000	....	....	5.6
Do..........	Sixth war loan..........	5½	95.00	6.17	Oct. 14, 1916	None.	Oct. 14, 1926	Nov. 2–Feb. 3.......	1,544,000,000	....	....	8.5
Do.[6].......	Seventh war loan........	5	85.00	5.93	Mar. 29, 1917	Mar. 29, 1927	Mar. 29, 1971	Apr. 19–June 14......	2,058,000,000	....	....	11.3
Italy............	Mobilization loan........	4½	97	4.71	Jan. 1, 1915	Jan. 1, 1925	Jan. 1, 1940	Jan. 4–Jan. 11.......	193,000,000	135,627	1 to 270.0	5.3
Do..........	First war loan..........	4½	93 95	4.99 4.85	July 1, 1915	.....do.......	.....do.......	July 1–July 18.......	221,000,000	245,414	1 to 149.0	6.0
Do..........	Second war loan.........	5	97.50	5.18	Jan. 1, 1916	Jan. 1, 1926	Jan. 1, 1941	Jan. 10–Feb. 10......	473,000,000	489,500	1 to 74.7	12.9
Do..........	Third war loan..........	5	90	P 5.55	Jan. 1, 1917	Dec. 1, 1931	Not fixed.	Feb. 5–Feb. 25.......	500,000,000	....	....	13.7
Do.[6].......	Fourth war loan.........	5	86.50	P 5.78	Jan. 1, 1918	Dec. 31, 1931	Not fixed.	Jan. 15–Mar. 10......	1,158,000,000	....	....	31.7
Canada..........	First war loan...........	5	97.50	5.49	Dec. 1, 1915	None.	Dec. 1, 1925	Nov. 22–Nov. 30.....	100,000,000	24,862	1 to 327.0	12.3
Do..........	Second war loan.........	5	97.50	5.30	Oct. 1, 1916	None.	Oct. 1, 1931	Sept. 12–Sept. 23....	100,000,000	34,526	1 to 236.0	12.3
Do..........	Third war loan..........	5	96	5.40	Mar. 1, 1917	None.	Mar. 1, 1937	Mar. 12–Mar. 23.....	150,000,000	40,800	1 to 199.0	18.4
Do..........	Fourth war loan.........	5½	100	5.81	Dec. 1, 1917	None.	Dec. 1, 1922	Nov. 12–Dec. 1......				
Do..........	.....do.................	5½	100	5.68	.....do.......	None.	Dec. 1, 1927	.....do...............	400,000,000	820,000	1 to 9.9	49.2
Do..........	.....do.................	5½	100	5.61	.....do.......	None.	Dec. 1, 1937	.....do...............				
Do.[8].......	War-savings certificates.	....	86	5.08	....	None.	Three years.	....	12,226,340	....	....	1.5
Australia.......	First war loan...........	4½	100	4.70	June 15, 1915	None.	Dec. 15, 1925	July 24–Aug. 31.....	65,000,000	18,748	1 to 262.0	13.3
Do..........	Second war loan.........	4½	100	4.68	Dec. 15, 1915	None.	.....do.......	Dec. 1–Jan. 31.......	105,000,000	28,945	1 to 169.5	21.4
Do..........	Third war loan..........	4½	100	4.67	June 15, 1916	None.	.....do.......	June 1–Aug. 1.......	115,000,000	102,042	1 to 48.1	23.4
Do..........	Fourth war loan.........	4½	100	4.70	June 15, 1917 Dec. 15, 1917	None.	.....do.......	Dec. 23–Apr. 2......	104,000,000	66,960	1 to 73.2	21.2
Do..........	Fifth war loan..........	4½	100	4.67	June 15, 1917	None.	Dec. 15, 1927	Sept. 15–Nov. 2.....	99,000,000	216,965	1 to 22.6	20.2
Do.[6].......	Sixth war loan..........	4½	100	4.69	Dec. 15, 1917	None.	.....do.......	Feb. 18–Apr. 10.....	185,000,000	....	....	37.7
Do..........	.....do.................	5	100	5.19	.....do.......	None.	.....do.......	.....do...............				
Do..........	War-savings certificates.	....	87.50	4.50	Purchase date.	None.	Three years.	....	....	....	....	....
New Zealand....	First war loan...........	4½	100	4.50	Sept. 1, 1916	Sept. 1, 1930	Sept. 1, 1941	August, 1916........	38,932,000	....	....	33.5
Do..........	Second war loan.........	4½	100	4.50	Sept. 2, 1917	None.	Nov. 15, 1938	August and September, 1917.	58,398,000	....	....	50.3
Do..........	War-savings certificates.	....	80	4.50	Purchase date.	None.	Five years.	....	....	....	....	....
India [9].........	War loan...............	5	95	5.34	Aug. 15, 1917	Aug. 15, 1929	Aug. 15, 1947	Mar. 15–June 15.....				
Do..........	War bonds..............	5½	100	5.50	.....do.......	None.	Aug. 15, 1920	.....do...............				
Do..........	.....do.................	5½	100	5.50	.....do.......	None.	Aug. 15, 1922	.....do...............	171,000,000	....	....	0.7
Do..........	Post office five-year certificates.	....	77.50	5.16	Purchase date.	None.	Five years.	Continuously from Apr. 1, 1917.				

Germany	First war loan	5	97.50	S 5.59	Oct. 1, 1914	None.	Serial to 1920.	Sept. 10–Sept. 19	1,067,000,000	1,177,235	1 to 58	15.7
Do	do	5	97.50	5.32	do	Oct. 1, 1924	Not fixed.	do				
Do	Second war loan	5	98.50	S 5.29	July 1, 1915	None.	Serial to 1922	Feb. 27–Mar. 19	2,169,000,000	2,694,063	1 to 25	32.0
Do	do	5	98.50	5.20	do	Oct. 1, 1924	Not fixed.	do				
Do	Third war loan	5	99	5.15	Apr. 1, 1916	do	Not fixed.	Sept. 4–Sept. 22	2,897,000,000	3,966,418	1 to 17	42.7
Do	Fourth war loan	4½	95	S 5.11	July 1, 1916	None.	Serial to 1932	Mar. 4–Mar. 22	2,565,000,000	5,279,645	1 to 13	37.8
Do	do	5	98.50	5.22	do	Oct. 1, 1924	Not fixed.	do				
Do	Fifth war loan	4½	95	S 5.14	Jan. 1, 1917	None.	Serial to 1932.	Sept. 4–Oct. 5	2,549,000,000	3,810,696	1 to 18	37.5
Do	do	5	98	5.31	do	Oct. 1, 1924	Not fixed.	do				
Do	Sixth war loan	4½	98	4.66	July 1, 1917	July 1, 1927	July 1, 1967	Mar. 15–Apr. 16	3,042,000,000	7,063,300	1 to 9.6	44.8
Do	do	5	98	5.33	do	Oct. 1, 1924	Not fixed.	do				
Do	Seventh war loan	4½	98	4.66	Jan. 1, 1918	July 1, 1927	July 1, 1967	Sept. 19–Oct. 18	3,005,000,000	5,213,003	1 to 13	44.2
Do	do	5	98	5.37	Apr. 1, 1918	Oct. 1, 1924	Not fixed.	do				
Do[6]	Eighth war loan	4½	98	4.66	July 1, 1918	July 1, 1927	July 1, 1967	Mar. 18–Apr. 18	3,520,000,000	6,510,278	1 to 10	51.9
Do	do	5	98	5.38	do	Oct. 1, 1924	Not fixed.	do				
Austria	First war loan	5½	97.50	6.02	Nov. 1, 1914	Any time.	Apr. 1, 1920	Nov. 12–Nov. 24	446,000,000			15.3
Do	Second war loan	5½	95.25	6.14	May 1, 1915	Any time.	May 1, 1925	May 8–May 29	545,000,000			18.7
Do	Third war loan	5½	93.60	6.16	Oct. 1, 1915	Any time.	Oct. 1, 1930	Oct. 7–Nov. 6	852,000,000			29.2
Do	Fourth war loan	5½	95.50	6.30	June 1, 1916	None.	June 1, 1923	Apr. 17–May 15	916,000,000			31.4
Do	do	5½	93	5.96	do	June 1, 1926	June 1, 1956	do				
Do	Fifth war loan	5½	96.50	6.16	Dec. 1, 1916	None.	June 1, 1923	Nov. 20–Jan. 11	905,000,000			31.0
Do	do	5½	92.50	6.00	do	1922	1956	do				
Do	Sixth war loan	5½	94	6.32	May 1, 1917	Any time.	May 1, 1927	May 10–June 8	1,073,000,000	296,134	1 to 99	36.7
Do	do	5½	92.50	6.00	Apr. 1, 1917	1923	1957	do				
Do	Seventh war loan	5½	93	6.59		Any time.	Aug., 1926	Nov. 3–Dec. 2	1,177,000,000			40.3
Do	do	5½	91	6.08		1923	1957	do				
Hungary	First war loan	6	97.50	6.51	Nov. 1, 1914	Any time.	Not fixed.	Nov. 16–Nov. 23	238,000,000			11.4
Do	Second war loan	5½	91.20	6.72	June 1, 1915	Any time.	Not fixed.	May 12–May 26	229,000,000			11.0
Do	Second war loan	6	98.00	6.41	May 1, 1915	Any time.	Not fixed.	do				
Do	Third war loan	6	98.00	P 6.12	1915	May 1, 1921	Not fixed.	Oct. 17–Nov. 17	402,000,000			19.2
Do	Fourth war loan	5½	91.90	6.62	1916	None.	June 1, 1926	Apr. 20–May 23	405,000,000			19.4
Do	Fourth war loan	6	97.20	P 6.17	1916	Nov. 1, 1921	Not fixed.	do				
Do	Fifth war loan	5½	96.25	5.77			1922–1942	Nov. and Dec., 1916.	466,000,000			22.3
Do	Fifth war loan	6	98.00	P 6.12		None.	Not fixed.	do				
Do	Sixth war loan	6	96.00	P 6.25	1917	Aug. 1, 1922	Not fixed.	May 12–June 26	506,000,000			24.3
Do	Seventh war loan	5½	91.25	P 6.03	Dec. 1, 1917	June 1, 1925	Not fixed.	Nov. 15–Dec. 31				
Do	Seventh war loan	6	96.10	P 6.25	Feb. 1, 1918	Aug. 1, 1922	Not fixed.	do				
Switzerland	First mobilization loan	5	99.00	5.45	Aug. 26, 1914	None.	Feb. 26, 1917	Aug. 20	5,790,000	16,662	1 to 233	1.5
Do	Second mobilization loan	5	100.00	5.00	Dec. 1, 1914	Dec. 1, 1919	Dec. 1, 1934	Nov. 2–Nov. 9	9,650,000	28,295	1 to 137	2.5
Do	Third mobilization loan.	4½	96.50	4.70	Sept. 30, 1915	Sept. 30, 1926	Sept. 30, 1955	July 16–July 23	19,300,000			5.0
Do	Fourth mobilization loan	4½	97.50	5.07	Feb. 15, 1916	None.	Feb. 15, 1921	Feb. 1–Feb. 9	19,300,000	24,496	1 to 158	5.0
Do	Fifth mobilization loan	4½	97.00	4.88	July 15, 1916	None.	July 15, 1926	June 27–July 4	19,300,000	21,283	1 to 182	5.0
Do	Sixth mobilization loan	4½	96.00	4.87	June 30, 1917	Dec. 31, 1925	June 30, 1932	Jan. 22–Jan. 30	19,300,000	25,968	1 to 149	5.0
Do	Seventh mobilization loan.	4½	96.00	4.85	June 30, 1917	Dec. 31, 1925	June 30, 1934	June 26–July 4	19,300,000	23,681	1 to 164	5.0
Do	Eighth mobilization loan	5	100.00	5.00	Jan. 31, 1918	Jan. 31, 1928	Jan. 31, 1948	Jan. 7–Jan. 16	28,950,000	31,601	1 to 123	7.5
Holland	First mobilization loan	5	100.00	5.00	Feb. 1, 1915	Jan. 1, 1918	Dec. 31, 1929	Jan. 2–Jan. 11	111,000,000			17.2
Do	Second mobilization loan	4½	100.00	4.50	May 1, 1916	Any time.	May 1, 1941	Mar. 27–Mar. 29	50,250,000			7.8
Do	Third mobilization loan.	4	97.00	4.15	Feb. 1, 1917	Any time.	Feb. 1, 1944	Jan. 2–Jan. 4	50,250,000			7.8
Do	Fourth mobilization loan	4½	100.00	4.50	Feb. 1, 1918	Any time.	Feb. 1, 1958	Jan. 2–Jan. 4	201,000,000			31.3
Spain	Consolidated loan	5	90.00	5.60	May 15, 1917	Drawings.	May 15, 1967	Mar. 31, 1917	195,000,000			9.6

[1] From National City Bank Monograph on "War loans of belligerent countries."
[2] Cash includes short-term obligations converted. See explanation of chart.
[3] Sales to May 27, 1918, as computed by the War-Savings Committee.
[4] Sales to May 4, 1918, as reported by the London Statist.
[5] Amount realized to May 4, 1918, as reported by the London Statist.
[6] Amount of subscriptions shown are not final.
[7] Amount outstanding on Dec. 31, 1917, as estimated by Minister of Finance.
[8] Sales to Dec. 1, 1917, as officially reported.
[9] Amount of subscriptions to Feb. 28, 1918, as officially reported.

whether conversions of some of these relatively short-term issues should not be included, because in cases where the issues had either matured or were about to mature their conversion into long-term loans practically amounted to refunding operations which if not effected would have involved payments in cash. These conversions might logically be considered as the equivalent of new money. However, as there were relatively only small amounts which had matured and as exact information regarding them is somewhat meager, it has been thought advisable to deduct all conversions of these relatively short-term issues from the loan totals. Conversions of temporary short-term Treasury obligations with maturities of one year or less, such as the British treasury bills the French national defense notes, United States certificates of indebtedness, etc., may be considered quite correctly as new money. Such conversions have therefore been included in the total. Complete information regarding conversions into the third French loan and the last Italian loan is not available and the totals given include conversions, which in the case of the last Italian consolidated loan were without doubt considerable. The first five German loans did not provide for conversions from previous war loans or other Government obligations except treasury bills. The sixth, seventh and eighth German loans did provide for conversions, but in the absence of reliable data the figures shown are those given out in press dispatches emanating from German sources and may or may not include conversions.

Of the six Australian loans, only the last one provided for conversion from previous long term issues. The amount shown as subscribed to the sixth loan is not final and conversions have not been deducted. There is doubt as to the amount of new money subscribed to the Austrian and Hungarian loans, and the amounts shown are those reported in various press dispatches and may or may not include conversions from previous issues. Only two of the Russian loans included a conversion privilege from preceding long-term loans.

In every case, as far as it has been possible to determine, the par value of amounts issued against cash subscriptions and conversions of short-term securities has been given.

III. Recent Estimates of War Debts of Principal European Countries.

GREAT BRITAIN.

According to the London Economist (Sept. 28, 1918, p. 390) the national debt of the United Kingdom shows the following growth since August 1, 1914:

[In millions of pounds].

	Aug. 1, 1914.	Mar. 31, 1915.	Mar. 31, 1916.	Mar. 31, 1917.	Mar. 31, 1918.	Sept. 21, 1918.	Change since Aug. 1, 1914.
Funded debt	586.7	583.3	318.5	317.8	317.8	317.8	− 268.9
Term annuities	29.6	28.0	26.1	24.0	24.0	24.0	− 5.6
Unfunded debt:							
3½ per cent war stock		349.1	62.8	62.7	62.7	62.7	+ 62.7
4½ per cent war stock			900.0	20.0	20.0	20.0	+ 20.0
4 and 5 per cent war stock				1,962.4	2,073.0	2,034.4	+2,034.4
National war bonds					614.2	1,085.1	+1,085.1
Treasury bills	15.5	77.2	566.8	463.7	972.6	1,093.2	+1,077.7
Exchequer bonds	20.5	67.4	177.0	320.3	414.6	415.3	+ 394.8
War savings certificates			1.4	74.5	136.7	180.4	+ 180.4
War expenditure certificates				23.6	22.9	7.4	+ 7.4
Other debt			9.2	316.5	936.9	1,189.2	+1,189.2
American loan			51.4	51.4	51.4	51.4	+ 51.4
Temporary advances	1.0		19.9	217.5	192.2	328.8	+ 327.8
	653.3	1,105.0	2,133.1	3,854.4	5,839.0	6,809.7	+6,156.4
Other capital liabilities	57.2	57.0	56.7	52.2	51.2	51.0	− 6.2
Total liabilities	710.5	1,162.0	2,189.8	3,906.6	5,890.2	6,860.7	+6,150.2

Of the total war-time expenditure of £8,268,332,809, according to the Economist, £2,119,214,607, or 25.6 per cent, was met by revenue and £6,149,118,202, or 74.4 per cent, by net borrowings. Expenditures include advances of the British Government to allies and dominions, which according to official announcement (see London Statist, Aug. 3, 1918, p. 175) by the end of July, 1918, had reached a total of £1,610,500,000, composed of £1,275,500,000 advanced to the allies, of £208,000,000 advanced to dominions, and £126,500,000 of accrued interest, etc.

Loans to allies show the following distribution:

Russia	£568,000,000
France	402,000,000
Italy	313,000,000
Belgium, Serbia, Roumania, and Greece	119,000,000
	1,402,500,000

For the financial year 1918–19 it is estimated loans to allies will increase by £300,000,000 and loans to dominions by £50,000,000.

FRANCE.

According to the Economiste Européen (Oct. 4, 1918) credits to the Government voted by the French Chambers for the current year aggregate 53,355 million francs. This amount, added to the total credits granted for the period August 1, 1914, to the end of 1917 (as shown in the April number), 104,412 millions, makes a total of 157,767 million francs. It is estimated that actual disbursements of the Government were about 20 per cent less than the expenditures authorized. The French publication gives the following main reasons of the progressive increase of the war expenses:

1. Increase in the number of the mobilized troops.
2. Intensification in the production of articles for war purposes, viz, munitions, armament, clothing, equipment, etc.
3. General rise in the prices of articles necessary for the feeding of the troops and of the raw materials used in the war industries.
4. Increases of subventions to the families of mobilized soldiers, of pay to combatants, of salaries of the various classes of state employees etc., caused largely by the high cost of living.
5. Progressive increase of the interest on the public debt and foreign exchange charges.

Government borrowings since the outbreak of the war to August 31, 1918, are classed as follows:

	Million francs.
a Domestic:	
Funded loans	32,187
National defense Treasury bills	26,453
Short-term bonds	679
Advances of the Bank of France and the Bank of Algeria	19,415
Total	78,734
b Foreign:	
Loans contracted in—	
England	12,553
United States	11,887
Argentina	471
Spain	326
Japan	197
Switzerland	97
Holland-Norway-Sweden	147
Total	25,678

At the beginning of 1914 the French consolidated public debt stood at 28,776 million francs, which through gradual conversion into or exchange for war obligations bearing higher interest rates was reduced to 25,715 millions. Combining this amount with the total war obligations contracted by the Government at home and abroad the Economiste Européen obtains a total national indebtedness on August 31, 1918, of 130,127 million francs, or of $25,115,000,000. Of this total 104,412 million francs represent amounts of war loans raised by the Government. To this total should be added about 22 billions revenue receipts proper for the war period August 1, 1914, to August 31, 1918. This would give about 126,412 millions, which is about 80 per cent of the total credits voted to the Government for the period.

ITALY.

Details of the public debt on June 30, 1918, in continuation of similar figures as at December 31, 1917, together with interest rates are given below. It should be noted that Italian public debt obligations are largely of the perpetual "rente" class, providing merely for the payment of annual interest. The capital amounts given represent therefore largely capitalized interest in accordance with prevailing rates of interest.

	Capital amount.	Rente or interest.
I. Debt administered by the public debt service.		
Public debt inscribed in the "Gran Libro" on June 30, 1918:		
(a) Consolidated debt—	*Lire.*	*Lire.*
Rentes 3½ per cent net, 1906 (ex 3¾ per cent net)	8,097,712,038	283,419,921
Rentes 3 per cent	160,070,866	4,802,126
Rentes 3½ per cent net (Cat. A-1902)	943,504,803	33,022,668
Rentes 4½ per cent in favor of public charitable institutions	721,108,843	32,449,898
Rentes 5 per cent net, 1917	13,829,503,000	691,475,150
Total	23,751,899,550	1,045,169,763
(b) Redeemable debt—		
3½ per cent net, 1908 obligations due in 1960	139,640,000	4,887,400
3 per cent net, 1910 obligations due in 1960	326,240,000	9,787,200
4½ per cent net, 1914-15 obligations due in 1940	249,742,600	11,238,417
5 per cent net, 1915-16 obligations due in 1940	1,249,325,400	62,466,270
Total	1,964,948,000	88,379,287
(c) Permanent annuity to Holy See	64,500,000	3,225,000
(d) Debts separately inscribed in the "Gran Libro"—		
5 per cent, redeemable in 1940 and 1959	65,399,000	3,209,950
3 per cent, redeemable in 1948 and 1961	108,372,500	3,251,175
Total redeemable	173,771,500	6,521,125
3 per cent, perpetual (feudal), 1825	465,446	13,963

	Capital amount.	Rente or interest.
I. Debt administered by the public debt service—Continued.		
Public debt not inscribed in the "Gran Libro:"		
Sundry redeemable railroad and public service obligations—		
3 per cent, payable in 1953-54-56-64-85	*Lire.* 1,037,860,540	*Lire.* 31,135,816
5 per cent, payable in 1934-36-42-44-58-59-64	216,294,000	10,790,550
2.4 per cent, payable in 1959	3,568,000	85,632
Common railroad stock, redeemable in 1964	7,570,000	
Total	1,265,292,540	42,011,998
Perpetual debt—		
3 per cent old provincial and communal debts	22,964,416	688,932
5 per cent old communal and corporate Sicilian debts	40,749,138	2,037,457
Total	63,713,654	2,726,389
II. Debt administered by the treasury.		
Annuities due to the South-Austrian railroads terminable in 1968	818,444,864	22,539,709
3.65 per cent railroad credit certificates of 1905 due in 1946	221,095,531	8,069,987
3.5 per cent railroad credit certificates of 1906-7 due in 1947 and following	524,708,254	18,364,789
3.5 per cent treasury bills of 1901 due in 1926	17,125,000	599,375
4 per cent 5-year treasury bills due in 1920	154,370,000	6,174,800
5 per cent 3 and 5 year treasury bills due in 1919 and 1921	2,923,305,460	146,165,273
Special treasury bills placed abroad	8,103,811,800	368,665,175
Credits opened by the U. S. Government	3,367,000,000	151,515,000
Total	16,129,860,909	722,094,108
Recapitulation.		
I. Debt administered by the public debt service:		
Debt inscribed in the "Gran Libro"	25,955,584,495	1,143,279,138
Debt not inscribed in the "Gran Libro"	1,329,006,094	44,738,388
Total	27,284,590,589	1,188,017,526
II. Debt administered by the treasury	16,129,860,909	722,094,108
Total public debt, June 30, 1918	43,414,451,498	1,910,141,634
Total public debt, June 30, 1917	30,200,453,550	1,278,037,947
Increase	13,213,997,948	632,103,687

During the present year the Italian national debt shows an increase of about 8,824 million lire, or about 1,703 million dollars (at the nominal rate of 1 lira = 19.3 cents), represented largely by the proceeds of the fourth war loan issued in February; of treasury bills placed abroad, largely in England, and the advances received from the United States Government. Since the middle of 1914 the debt has more than trebled, while the annual debt charges have increased almost fourfold.

FIDUCIARY CIRCULATION.

Between the beginning and May 20 of the present year the total bank-note circulation has gone up from 7,673,642,300 to 9,425,904,025 lire. The latter total is composed of the following issues of the three note banks:

	Lire.
Bank of Italy	7,336,056,225
Bank of Naples	1,718,385,150
Bank of Sicily	371,462,650
Total	9,425,904,025

On July 20 the Bank of Italy's note circulation of 7,949,723,000 lire was secured by 18.3 per cent of total reserve, including 10.3 per cent of gold, as against 21.5 per cent of total reserve, including 12.8 per cent of gold reserve on December 31, 1917. Of the total Bank of Italy notes outstanding on that date 63.1 per cent had been issued for account of the Government, as against 66.2 per cent on December 31, 1917, indicating a relatively smaller reliance of the Government upon the banks of issue during the present year than for the earlier periods of the war.

GERMANY.

Since December, 1917, the Reichstag has voted 30 billion marks of further credits to the Government, as follows: March, 1918, 15,000,000,000 marks; July, 1918, 15,000,000,000 marks. This increases the total of credits granted by the Reichstag to 130 billion marks, or 30.9 billions of dollars (at the nominal rate of 23.8 cents per mark). During March–April of the present year the eighth war loan was issued which yielded 14,766 million marks. There were 6,510,278 subscriptions, of which 4,693,516 were small subscriptions of 500 marks and less. These small subscriptions totaled 640,490,161 marks or 4.34 per cent of the total loan. Large subscriptions, i. e., in amounts of 500,000 marks and over, aggregated 4,692,490,161 marks or 31.76 per cent of the loan.

Subscriptions for a ninth war loan were to terminate about the end of October.

A GERMAN ESTIMATE OF THE COST OF THE WAR.

On the assumption that the war will be terminated by the end of the year 1918, a a German financial authority (Georg Bernhard), quoted by the London Economist (July 27, 1918, number), gives the following estimates of the direct financial burden of the war to Germany:

	Million pounds.
Cost of mobilization	50
Military expenses, proper	5,800
Feeding the nation, etc	500
Aid to invaded districts	250
Reconstruction of army and fleet	300
Pensions to invalided soldiers and the families of killed soldiers	1,250
Total	8,150

FIDUCIARY CIRCULATION.

As may be seen from the table below, the national note circulation increased between the end of 1917 and the end of August of the present year by 4,158 million marks, of which about 2,172 millions represents the increase in the circulation of Reichsbank notes and 1,990 millions the increase in the circulation of loan bank notes. The gold cover of these notes held by the Reichsbank meanwhile decreased by about 58 million marks. Recent press advices presage an increase in the bank's gold reserve through the receipt of the first installments of the Russian war indemnity.

Note circulation in Germany.

(Compilation of figures given in London Economist.)

[Millions of marks.]

	Dec. 31, 1917.	Jan. 31, 1918.	Feb. 28, 1918.	Mar. 30, 1918.	Apr. 30, 1918.
Reichsbank notes	11,468	11,138	11,310	11,978	11,820
Treasury notes	350	348	348	348	346
Loan-bank certificates	6,266	6,288	6,532	6,670	6,938
Total	18,084	17,774	18,190	18,996	19,104
Gold	2,406	2,406	2,406	2,408	2,344

	May 31, 1918.	June 30, 1918.	July 31, 1918.	Aug. 31. 1918.
Reichsbank notes	12,002	12,510	12,705	13,640
Treasury notes	346	346	346	346
Loan-bank certificates	7,170	7,582	7,736	8,256
Total	19,518	20,438	20,787	22,242
Gold	2,346	2,346	2,347	2,348

AUSTRIA-HUNGARY.

The following recent data relative to the Austrian budget, war debt, note circulation, etc., are taken from the July 28 number of the Frankfurter Zeitung:

Budget estimates for the current and immediately preceding fiscal years are as follows:

[In thousands of crowns.]

	1917-18	1918-19
Ordinary expenditures (dauernde Ausgaben)	5,672,500	6,439,300
Extraordinary expenditures (vorübergehende Ausgaben)	18,150,700	17,881,800
Total	23,823,200	24,321,100
Ordinary revenues	4,062,600	4,540,900
Extraordinary revenues	798,300	313,800
Total	4,860,900	4,854,700
Estimated deficit	18,962,300	19,466,400

Extraordinary expenses are composed chiefly of war expenses or other projected outlays traceable more or less directly to the war. The cost of maintaining the armed forces of the monarchy is estimated, the same as for the preceding year, at 12,000 million crowns; special war expenses at 4,984 millions, including assistance to the families of drafted men, 3,501.8 millions (an increase of 59.8 millions over the preceding year); relief of war refugees, 541 millions (decrease of 448.2 millions); assistance to the needy classes of the population (zur Erleichterung der Lebensführung der Minderbemittelten), 201 millions (decrease of 181.4 millions); temporary aid to Government employees, 731.8 millions (decrease of 23.8 millions), etc. There is also provided an amount of 751 millions for the rehabilitation of the war-ridden zones (an increase of 386.6 millions).

The bulk of the extraordinary revenues is made up of the estimated proceeds of the war-profits tax, 300 millions.

Several hundred millions of expenditures certain to be made during the current year do not figure in the budget, as these expenditures have not yet been legally sanctioned. Accordingly, the Government requests authority for 21,000 millions of loan operations, the same amount as for 1917–18. On the other hand there were also before Parliament bills providing for additional taxes with an estimated total yield of about 500 million crowns; also a bill for an increase of the railway tariffs, which is to bring in another 500 million crowns. This amount, however, has already been used up through the salary increases granted. Later in the fall further tax bills were to be presented providing for still further 500 millions of revenue. All of this would cover the deficit in the ordinary budget, though not the steadily increasing interest on the war debt, support of the invalided soldiers, etc. It is thought that the revenues are estimated very conservatively and that particularly the high consumption taxes, whose yields are at present at a low level, will show large increases in peace times.

Among the ordinary expenditures the charges on account of the debt service hold first place. Since 1913 the cost of this service has increased from 491.1 millions to 2,450.2 in the budget estimate of 1917–18 and to 3,065.5 millions in the 1918–19 estimate, constituting 47½ per cent of the total ordinary expenditures for the latter year. The war-debt service will require 2,510.1 millions, including 415 millions on account of the eighth war loan. By June 30, 1918, the war debt proper is estimated to have increased to 57,201.5 million crowns, of which 29,255 millions represent funded war loans (exclusive of the eighth loan). The war debt includes besides—

	Thousands of crowns.
Advances of the Austro-Hungarian Bank	17,669,100
Advances of the bank syndicate	7,030,200
Loans (in marks) against Treasury bills	3,124,900
Loans in foreign currency	122,400

Since then a further advance of 954 million crowns has been received from the Austro-Hungarian Bank. The total Austrian debt to the bank is 18,670 millions, of which a considerable amount is still held with the bank on giro account. The Hungarian Government is sharing in these advances according to its quota (which was 36.4 per cent up to 1917) but probably has drawn upon its credits relatively less than the Austrian Government.

Total bank notes in circulation, according to a statement of the minister of finance, were 24,000 millions about the end of June, as against 17,705 millions on December 17, 1917, the date of the latest report of the bank made public.

Since the beginning of the war credit operations yielded a total of 52,800 million crowns, while ordinary State revenues were 14,860 millions. Expenses on account of the armed forces were 39,300 millions, and all other expenses—28,400 millions, including 7,100 millions for support of the indigent classes.

Details regarding financial conditions in Hungary are lacking. Under date of September 14 the London Economist gives the following figures of the proceeds of 8 Hungarian war loans.

	Million crowns.
First loan	1,175
Second loan	1,132
Third loan	1,970
Fourth loan	2,000
Fifth loan	2,300
Sixth loan	2,500
Seventh loan	3,690
Eighth loan	3,860
Total	18,627

Comparative table showing total note circulation, deposits, and gold and silver holdings of principal banks of issue, at the outbreak of the war and about August–September, 1918.

[Rates of conversion: 1 lire, franc, or peseta = 19.3 cents; 1 mark = 23.8 cents; 1 pound = $4.8665; 1 ruble = 51.5 cents; 1 Austrian crown = 20.3 cents; 1 Dutch florin = 40.2 cents; 1 Scandinavian crown = 26.8 cents; 1 yen = 49.85 cents.]

A. ALLIED POWERS.

[In thousands of dollars.]

	At outbreak of the war.				About August–September, 1918.			
	Total note circulation.	Total deposits.	Gold and silver holdings.	Ratio of gold and silver to total note and deposit liabilities.	Total note circulation.	Total deposits.	Gold and silver holdings.	Ratio of gold and silver to total note and deposit liabilities.
				Per cent.				*Per cent.*
France	1,289,855	256,716	919,968	59.5	5,775,018	612,052	718,218	11.2
Great Britain	144,566	326,699	185,567	39.4	289,060	818,002	341,872	30.9
Japan	212,342	61,367	112,296	41.0	395,878	454,679	329,051	38.7
Italy [1]	324,824	37,403	232,965	64.3	1,534,297	305,473	172,726	9.4
Russia [2]	841,174	592,522	863,371	60.2				
Total [3]	1,971,587	682,185	1,450,796	54.7	7,994,253	2,190,206	1,561,867	15.3
United States					2,502,488	1,580,802	2,087,685	51.1

B. CENTRAL POWERS.

Austria-Hungary [4]	432,341	59,419	311,963	63.4				
Germany	692,442	299,515	363,670	36.7	[5] 3,417,402	2,171,413	600,151	10.7
Total [6]	692,442	299,515	363,670	63.4	[6] 3,417,402	2,171,413	600,151	10.7

C. NEUTRAL POWERS.

Denmark	39,525	5,496	24,410	54.2	105,958	2,759	51,113	47.0
Netherlands	124,796	1,904	68,477	54.0	387,412	24,172	290,121	70.5
Norway	32,859	3,859	14,405	39.2	102,829	20,712	32,849	26.6
Spain	370,372	96,104	245,747	52.7	580,454	224,659	548,705	68.2
Sweden	54,367	18,440	26,154	35.9	172,537	20,284	70,924	36.8
Switzerland	51,708	9,777	38,409	62.5	147,236	27,613	84,458	48.3
Total	673,627	135,580	417,602	51.6	1,496,426	320,199	1,078,170	59.4

[1] These figures refer to the Bank of Italy. On May 20, 1918, there were also in circulation notes of the Bank of Sicily, 371,462,650 lire; notes of the Bank of Naples, 1,718, 385, 150 lire; also treasury notes (on May 31), 1,937,000,000, a total of 3,655,647,800 lire, or $777,181,600, as against $197,053,400 on July 20, 1914.

[2] Latest available figures for Russia are those of Oct. 16 and 29, 1917, for which see Federal Reserve Bulletin, April, 1918, p. 269.

[3] Exclusive of figures for Russia.

[4] Latest available figures for Austria-Hungary are those of Dec. 7, 1917, for which see Federal Reserve Bulletin, April, 1918, p. 269.

[5] There were also outstanding the following issues:

	Million marks.
Treasury notes (Aug. 31, 1918)	346
Loan bank certificates (Aug. 31, 1918)	8,256
Bank of Bavaria notes (July 31, 1918)	68
Bank of Saxony notes (July 31, 1918)	42
Bank of Württemberg notes (July 31, 1918)	24
Bank of Baden notes (July 31, 1918)	26
Total	8,762

or $2,085 million dollars, at the nominal rate of 1 mark = 23.8 cents.

[6] Exclusive of figures for Austria-Hungary.

Conservation of Productive Power and Credit.

The following statement regarding curtailment of less essential productive activities was made by the War Trade Board on October 8:

The War Industries Board having invited an expression of judgment concerning a program for the curtailment of the less essential productive activities of the country, more particularly with reference to the position which the export trade should occupy in such a program, the War Trade Board records its judgment as follows:

That all commodities, labor, and transportation facilities of the United States should be employed—

1. For the production of all commodities directly needed in the prosecution of the war by the United States and its associates, and commodities for export to neutral countries when needed by them to produce articles required by this country and its associates in the fulfillment of the war program.

2. For the production of such articles as are absolutely necessary to supply the domestic civilian needs, not on the basis of prewar consumption but on the basis of the minimum quantities necessary for the vital needs of the country.

3. For the production of articles for export to neutrals, limited in amount to the space available on the outgoing voyage of ships bringing to this country articles required for the purposes set forth in sections 1 and 2 above. No labor, fuel, or transportation facilities shall be used in production for export if such use will interfere with those requirements. Subject to the maintenance of the economic life of the neutrals, exports should preferably consist of articles of small bulk and high value.

The above program should be followed without unnecessary interference with business, and with a view to its stabilization and preservation despite the industrial changes occasioned thereby. Every force, every enterprise, every resource, however, must be employed to the utmost in a supreme effort quickly to win the war.

To this end all shipping should be devoted primarily to war purposes. Every ship under the control of the United States should be employed in transporting troops and supplies to the front or in bringing to this country only articles required for the fulfillment of this program. No steamers or sailing vessels suitable for transocean work should be employed for coastal trading or on routes to contiguous or near-by countries.

The priorities committee of the War Industries Board is setting up a rigid control of industrial production by which the several classes of industry are accorded their relative importance, under a rationing system, giving priority first to the needs of the war program, and second to the more essential civilian requirements. The business community is giving unselfish and patriotic support to these efforts.

The curtailment of unnecessary industrial production in conjunction with the curtailment of domestic consumption affords the quickest and surest method of giving decisive support to all the fighting forces.

What can be accomplished by a voluntary lessening of consumption is illustrated by the generous response during the past year to the appeals for a saving of food products. Such reduction made available a supply of food for our associates in the war without which they might have been seriously weakened. This response of the American people has been an important factor in the military achievements thus far recorded.

What has been done with respect to the saving of food can be accomplished along every other line of domestic consumption. If the people will make a similar response with respect to the consumption of industrial commodities, existing obstructions will be overcome and the war program materially advanced. A few typical instances will illustrate what can be done.

The basic commodities employed in the military program are iron and steel. The needs of the War and Navy Departments, the Emergency Fleet Corporation, and the Aircraft Production Board are so extensive as to make an unprecedented demand upon the producing capacity of the country. This demand can be met fully and promptly only by a curtailment of consumption on the part of civilians. Therefore, if the civilian population will pause before buying any unnecessary article which contains iron or steel in any form whatsoever and realize that to make such purchases will involve a draft upon the supply needed for the war program, they will just as willingly practice this economy as they have that with respect to the saving of food.

The amount of wool required adequately to clothe our rapidly expanding Army is in excess of the capacity of existing shipping to bring it from overseas, and therefore a curtailment in the purchase of clothing will benefit the war program.

There is hardly an item which goes to make up the daily requirements of the population which does not have a bearing on the war program, and if the civilian population will restrict its purchases along practically every line the aggregate effect of such economies will play an important part in winning the war.

The construction of new buildings throughout the country has been considerably curtailed, but large quantities of materials required in such construction are still being used. A further curtailment of activity in this direction is imperative.

A reduction in the consumption of all material products by the practice of economies as herein above mentioned, and the abandonment of all unnecessary use of transportation facilities for pleasure or convenience, will not only help greatly in the accomplishment of the purposes noted but will likewise tend to lessen the strain upon the overburdened railroads and alleviate the fuel shortage. Such patriotic compliance will likewise release labor from nonessential employment and make it available for the vital needs of those industries exclusively devoted to the production of equipment and supplies required for the fulfilment of the war program.

There is a moral responsibility resting upon the American people so to curtail their consumption of all goods that the United States will be in position to share its resources first with its associates in the war, and second with friendly neutrals to such extent as may be consistent with our own and the war needs of our allies. This will not only alleviate suffering but help those nations to maintain their economic existence.

Examinations of State Bank Members.

Every State bank and trust company, while a member of the Federal Reserve system, is subject to examinations to be made by direction of the Federal Reserve Board or of the Federal Reserve Bank by examiners selected or approved by the Federal Reserve Board. As heretofore announced, in order to avoid duplication, examinations by State authorities will be accepted in lieu of examinations by examiners selected or approved by the Board wherever such examinations are satisfactory to the directors of the Federal Reserve Bank and where, in addition, satisfactory arrangements for cooperation in the matter of examination between the Board and the State authorities have been effected. Such arrangements have been effected with State authorities in practically all States whereby examiners from the staff of the Board or of the Federal Reserve Bank may act with the examination staff of the State. In order that uniformity may be attained in the standard of examinations, it is purposed in future to conduct cooperative examinations in all States where the above arrangements have been effected and in which such examinations have not heretofore been made, and, in addition, to make from time to time special independent credit examinations of State bank members of the system.

Foreign Banking Operations of First National Bank of Boston.

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

Boston has maintained trade relations with South America for more than 100 years. As early as 1802, 22 vessels arrived at Buenos Aires from the port of Boston, and the relations between the two cities have continued uninterruptedly ever since. The volume of trade has grown to enormous proportions. Immense quantities of wool, hides, and skins are imported annually by Boston from the Argentine through Buenos Aires, and various products of New England are shipped to the Argentine in return. The fact that Boston vessels were the first in the trade with Argentina doubtless has been largely responsible for the position which Boston has held for many years at the head of the wool and hide industries. The bulk of the imports of these products for the United States comes to Boston.

Scope of Business.

Because its customers include the leading wool, hide, and leather houses of New England, the First National Bank of Boston has been called upon to finance a large percentage of this business. Believing that the business could be handled to greater advantage to itself and its customers if the bank had a direct connection in Argentina, the management of the First National Bank of Boston sent Mr. F. Abbot Goodhue, one of its vice presidents, to

Buenos Aires to study the possibility of the establishment of a branch in that city. Mr. Goodhue reported favorably on the plan, and on July 14, 1917, the First National Bank of Boston opened its Buenos Aires branch under the management of Mr. Noel F. Tribe, an experienced banker, prominently identified with the business and financial affairs of Buenos Aires for the past 20 years. Mr. Tribe has called into the service of the bank a large corps of trained employees, and several department specialists, familiar with banking and business methods in the United States, have joined this corps from the parent institution, with the result that the branch is thoroughly equipped to give the maximum of intelligent service.

The branch was a success from the start and commanded the confidence of the business interests of the Argentine. At the end of the first month of operation it had deposits of $7,000,000 Argentine paper, the equivalent of nearly $3,000,000 American gold. At the end of the first year the deposits had reached $55,488,000 Argentine paper, of which over $21,000,000 was cash on hand. This position was attained under active competition and affords ample proof of the need of such an institution to handle the business between New England and Argentina. Measured by their mutual trade relations, Boston and Buenos Aires are the leading cities of North and South America. Business between the two cities is steadily increasing, although temporarily disturbed by the shortage of shipping. Notwithstanding this condition, the First National Bank of Boston and its Buenos Aires branch recently financed the largest single importation of wool in the history of the United States.

SERVICE DEPARTMENT.

In order to facilitate the handling of this growing foreign business and to supply the steady increase in demand for information regarding markets for various products in other countries, the First National Bank of Boston has established a commercial service department. This has become an important feature of the bank's activities and is much appreciated by houses engaged in foreign trade or considering such extension of their business.

Through this department the bank undertakes to supply information regarding trade and financial matters here and abroad, but particularly to aid in the extension of foreign business. It collects and tabulates facts and figures along these lines, which information is placed at the disposal of any to whom they could be of value, whether a customer of the bank or not. This information includes statistics relative to the demand for or production of various products in foreign countries, the methods of transacting business, the rules and regulations to which business interests must conform, other facts that will be found of value in the prosecution of foreign business, and helpful suggestions derived from actual experiences.

In connection with this work the commercial service department has issued circulars and pamphlets covering the patent and trade-mark laws of Argentina and Chile, the forms of powers of attorney for use in Latin-American countries, and special reports on various subjects. It plans to issue other valuable and timely information designed to aid in the strengthening and extension of the foreign trade of the United States, and will supply specific information upon request. The commercial service department is prepared to assist business houses to obtain reliable representatives in foreign countries, and to place importers and exporters here and abroad in communication with houses that can handle their products. The department is taking a large part in the development and extension of the foreign trade of New England along sound, conservative, and profitable lines.

FOREIGN CREDITS AND INFORMATION.

The foreign exchange department of the bank has issued circulars on South American trade, dollar credits, and other subjects. It is under the direction of experts, and handles a large and increasing volume of business, in addition to the financing of foreign trade directly through the bank. Recent figures compiled by the industrial bureau of the Boston Chamber of Commerce place the First National Bank of Boston second on the list of 7,250 national banks of the United States in regard to volume of foreign business.

The credit department has an important part in the encouragement of foreign trade through its work of supplying to importers and exporters reliable and up-to-date information regarding the credit of business men and houses in South America and throughout the world. The branch at Buenos Aires places the department in position to obtain most dependable South American information promptly. The management of the First National Bank of Boston believes that with the resumption of normal conditions following the war the merchants and manufacturers of the United States will engage in foreign trade to a greater extent than ever before, and that as this is to many of them a new field they will require such facts and figures as will enable them to compete successfully with interests in other countries that enjoy the benefit of long experience. The management of the bank purposes to establish additional branches in South America and in other parts of the world, which will add materially to its facilities for the financing of foreign trade and to its power to serve business interests.

FIRST NATIONAL CORPORATION.

The development of the foreign business of the bank during the past five years was so pronounced that the necessity of some supplementary organization became apparent. Under the authority of section 25 of the Federal Reserve Act, therefore, the bank, with the approval of the Federal Reserve Board, invested 10 per cent of its capital and surplus in the First National Corporation, chartered under the laws of Massachusetts with a cash capital of $2,250,000, all of which is owned by the

First National Bank of Boston. The corporation entered into an agreement with the Federal Reserve Board to conduct its business in such manner and under such limitations and regulations as the Board may prescribe.

Mr. Daniel G. Wing, president of the First National Bank of Boston, is also president of the First National Corporation, and all other officers and directors of the corporation are officers, directors, or stockholders of the bank. The general interest in the work of this corporation is indicated by the personnel of its board of directors, which is as follows:

Edwin P. Brown, president, United Shoe Machinery Co.; Robert F. Herrick, Herrick, Smith, Donald & Farley; Henry Hornblower, Hornblower & Weeks; John R. Macomber, Harris, Forbes & Co.; Andrew W. Preston, president, United Fruit Co.; C. G. Rice, U. S. Smelting, Refining and Mining Co.; Edwin S. Webster, Stone & Webster; Albert B. Wells, treasurer, American Optical Co.; Daniel G. Wing, president of the First National Bank of Boston.

OFFICE IN NEW YORK.

A branch office of the corporation is maintained at 14 Wall Street, New York City, in charge of Mr. Arthur K. Hunt. As business develops, the corporation will establish other branches and agencies in foreign countries where they will be able to conform closely to the banking practices of their respective localities, as under the terms of its charter the corporation can readily adapt itself to varied conditions. Although operations have been conducted for only a few months, the corporation, through its acceptance facilities, has already rendered substantial service to our merchants engaged in foreign trade. A considerable volume of imports from and exports to South America, large shipments of silk from the Far East, sugar from the West Indies, wool and hides from Argentina, and various consignments for Europe have been handled in this manner or through commercial letters of credit opened by the corporation.

With a view to the development of our discount market, particularly in New England, the corporation conducts active operations in the purchase and sale of prime acceptances. An offering list is printed and distributed daily to its customers throughout the country, and the closest cooperation between the New York and Boston markets is maintained by a private wire between these two offices of the corporation.

Report of War Finance Corporation.

Following is the second quarterly report of the War Finance Corporation submitted to Congress, for the quarter ending September 30, 1918:

	July 1, 1918.	Aug. 1, 1918.	Sept. 1, 1918.
Total capital paid in	$55,000,000	$70,000,000	$140,000,000.00
Total bonds issued			
Total bonds outstanding			
Total advances under following sections:			
Section 7—			
Paragraph 1			613,292.49
Paragraph 2		155,550	1,498,800.00
Section 8		250,000	550,000.00
Section 9	3,074,000	5,173,000	40,540,500.00
Total advances	3,074,000	5,578,550	43,202,592.49
Collateral securities taken under the following sections:			
Section 7, paragraph 1—			
(*a*) United States Government bonds			
(*b*) Municipal bonds and notes			
(*c*) Other bonds and notes			833,097.12
(*d*) Stocks			
Total			833,097.12
Section 7, paragraph 2—			
(*a*) United States Government bonds			
(*b*) Municipal bonds and notes			
(*c*) Other bonds and notes		244,000	2,490,600.00
(*d*) Stocks			
Total		244,000	2,490,600.00
Section 8—			
(*a*) United States Government bonds			
(*b*) Municipal bonds and notes			
(*c*) Other bonds and notes		335,379	768,812.91
(*d*) Stocks			
Total		335,379	768,812.91
Section 9—			
(*a*) United States Government bonds	800,000	800,000	800,000.00
(*b*) Municipal bonds and notes			
(*c*) Other bonds and notes	3,339,000	6,558,000	59,141,246.40
(*d*) Stocks			
Total	4,139,000	7,358,000	59,941,246.40
Total amount of advances outstanding under the following sections:			
Section 7—			
Paragraph 1			613,292.49
Paragraph 2		140,550	1,483,800.00
Section 8		246,500	533,410.27
Section 9	3,074,000	5,173,000	21,553,000.00
Total	3,074,000	5,560,050	24,183,502.76

NOTE.—The collateral securities listed above are given at their respective face amount and figures are as of the opening of business on the day stated.

State Bank Membership in New England.

A study of "Banks Incorporated Under State Laws as Members of the Federal Reserve System" has been prepared by Russell B. Spear, assistant Federal Reserve agent, of

Boston. This study contains some discussion with reference to the actual conditions of membership in the Federal Reserve system, applicable to New England banks, and also a brief statement of the practice of the Federal Reserve Bank of Boston in regard to some important phases of its relationship with member banks. Extracts from the study are herewith given, as follows:

There are two cardinal reasons why the present is a most propitious time for a State bank or trust company to make application for admittance to the Federal Reserve system: First, it is probable that before the war has progressed much further all banks will need the support of the Federal Reserve system. Second, in order to properly finance the war the Federal Reserve system needs the support of the present nonmember banks.

Most trust companies are coming to realize that "in union there is strength," and there is hardly a day passes but what some trust company makes inquiries in regard to membership. It is to answer these questions as concisely as possible that this article is written.

Speaking briefly on the first reason for joining the system, it must be borne in mind that the United States Government is at present spending for war $1,500,000,000 per month. This money can be raised in only two ways, namely, taxes and loans. Both of these methods of necessity cause a large shifting of funds in the banks. Long-time loans can best be floated in large blocks at as infrequent periods as possible. Between loans, temporary financing must be done by means of certificates of indebtedness. These, from their nature, can not be placed directly with the general public, but must be purchased by the banks and resold by them to the private investor. This means that banks must sell securities, curtail their commercial loans, or borrow. As the war goes on this will become more necessary, and the need of recourse to the Federal Reserve bank must become more acute, both to care for these purchases which must be made and for commercial borrowers whose needs are essential to the prosecution of the war, to say nothing of the ever-increasing loans to carry Liberty bonds. Many banks are now being obliged to borrow for the first time in their history.

The second reason for joining the system is closely allied with the first. As the burden of financing the war becomes heavier, the weight must of necessity fall on the Federal Reserve Banks. Nonmembers must borrow from members and members from the Federal Reserve Bank of their district. The expansion power of the Federal Reserve system is limited by the amount of cash which is available for reserve. A reserve of 35 per cent must be maintained against deposits and 40 per cent against Federal Reserve notes. This means that, roughly, a Federal Reserve Bank can expand about two and a half times its cash resources. Every dollar added to its deposits means that in its place two and one-half dollars can be loaned without impairing the reserves of the Federal Reserve Bank.

The need of a united banking system is best stated by President Wilson himself when, on October 13, 1917, he urged the officers and directors of all nonmember State banks and trust companies eligible for membership in the Federal Reserve system to unite with it. Many banks did so, and applications have been coming in more or less continuously ever since. There are now about 500 banks, other than national banks, members of the system.

In the district covered by the Federal Reserve Bank of Boston, 197 State banks are eligible for membership, having resources of about $969,020,000. Of these, 24 are now members, having resources of $529,724,000. It will therefore be seen that while only 12½ per cent of the eligible State banks are members, their resources are about 55 per cent of the total.

The cost of membership can not be estimated abstractly, but the case of each individual bank must be considered separately, taking into consideration its State laws, the requirements of its customers, and the nature of its investments. During the last three years in figuring the cost of membership for many banks, both State and National, we have found but few cases where the cost was excessive, and have often found banks where as members their earnings were actually increased. We are only too glad to analyze the figures of any bank considering making application. The question in these unprecedented times is not, "Can a bank afford to be a member?" It is, "Can a bank afford not to be a member and not to give its customers, its depositors, and its country the support and protection to which they are entitled?"

STATE REQUIREMENTS.

Maine.—The laws of this State require 15 per cent of deposits on demand or within 10 days. Two-thirds may be in reserve banks and one-third may be in United States or certain State bonds. A trust company joining the Federal Reserve system substitutes the requirements of the Federal Reserve Act for the above State requirements.

New Hampshire.—The laws of this State require 15 per cent of aggregate deposits in commercial department. One-third must be in cash and two-thirds may be in reserve banks. Members of the Federal Reserve system may substitute reserve requirements of the Federal Reserve Act for the above State requirements.

Vermont.—The laws of this State require 15 per cent of commercial deposits and 3 per cent of savings deposits. One-fifth must be in cash, or one-tenth cash and one-tenth in national banks in same county; two-fifths may be in reserve banks, and two-fifths may be in certain bonds. There is no enabling act, so that a bank joining the system must continue to comply with the above requirements.

Massachusetts.—The laws of this State require 15 per cent of demand deposits outside of Boston and 20 per cent of demand deposits in Boston. Two-fifths must be in cash; three-fifths may be in reserve banks, of which one-third may be in United States or Massachusetts bonds at market. Members of the Federal Reserve system may substitute reserve requirements of the Federal Reserve Act for the above State requirements.

Rhode Island.—The laws of this State require 15 per cent of demand deposits. Two-fifths must be in cash and the balance may be with reserve agents. There is no provision for substituting the requirements of the Federal Reserve Act; therefore, a State member bank must carry both State reserve and that of the Federal Reserve Act.

However, as the Federal Reserve Act requires only 7 per cent of demand deposits and 3 per cent of time deposits, as compared with State requirements of 15 per cent of demand deposits, and as the bank commissioner of Rhode Island has ruled that the Federal Reserve Bank is a legal reserve agent, it is possible that no additional reserve need be carried after joining the Federal Reserve system.

Connecticut.—The laws of this State require 12 per cent of demand deposits and 5 per cent of time deposits, not including savings. Of this, one-third must be in cash, the remaining two-thirds with reserve agents. Of the latter amount one-fourth may be in bonds legal for savings banks to purchase.

There is no provision for substituting requirements of the Federal Reserve Act, and therefore a member bank will be required to carry both reserves. However, the Federal Reserve Bank is a legal reserve agent under the Connecticut law, and as the reserve requirements of the Federal Reserve system are smaller than those of the State, there would possibly be no additional reserve required.

It has been found in those States where the Federal Reserve Act requirements are substituted for the State requirements, that many banks have been able to reduce their reserve to a point where a part could be loaned at rates of interest that would more than recompense them for the loss in interest on balances carried with the Federal Reserve Bank.

We have yet to hear of a State bank which finds membership burdensome, and it is not infrequent to find bank officials who state that the loss of interest is much less than they anticipated when joining and is more than offset in other ways.

REDISCOUNTS.

Any paper issued for industrial, commercial, or agricultural purposes having in the case of commercial and industrial paper not over 90 days to run from date of rediscount, and in the case of agricultural paper not over 6 months to run from the date of rediscount, is eligible for that purpose; provided, however, that the note is issued for carrying on business and not for capital purposes. The test of eligibility is that the quick assets must be a reasonable amount in excess of current liabilities. This does not, however, mean that they must be two for one. The size of the note does not enter into the matter, and notes as small as $19.75 and as large as $1,000,000 have been rediscounted.

In making application for rediscount a bank must have in its files a financial statement of the borrower when his notes rediscounted aggregate $5,000 or more, or over 10 per cent of the bank's capital, and it is very probable that the Federal Reserve Bank will ask for a copy for its confidential files. A copy of a signed statement is sufficient, and it need not be made by a professional accountant. A bank may borrow on its own note for not exceeding 15 days secured by Liberty loan bonds, certificates of indebtedness, or by paper eligible for rediscount.

It must not be assumed that rediscounting is surrounded by "red tape" in any way. This bank is conducted on the same basis as a commercial bank and applications for rediscount are acted on promptly and the proceeds are immediately placed to the credit of the member bank, so that a bank sending in paper for rediscount knows that it will receive credit the same day.

CURRENCY.

The Federal Reserve Bank is ready at all times to supply its member banks with currency of all denominations. A large supply of Federal Reserve notes is kept printed, the total at present approximating $100,000,000. These cover all denominations from $5 to $100. In addition, a supply of bills of smaller and larger denominations is on hand, and it is expected soon to issue Federal Reserve notes in denominations of $1, $2, and $5. Specie can also be provided immediately on request. With this reservoir to draw from, members in States which have no required cash reserve (Maine, New Hampshire, and Massachusetts) can often maintain a large part of their reserve in the Federal Reserve Bank from the cash formerly required as vault reserve.

A member bank can send to the Federal Reserve Bank of Boston for immediate credit bills unfit for further circulation. At the present time we are providing currency at the rate of over $1,000,000 a day to as many as 50 different banks.

The following carrying charges are paid by the Federal Reserve Bank of Boston:

1. On gold or gold certificates shipped to us.
2. On Federal Reserve notes shipped in exchange for gold or gold certificates.
3. On currency sent to us for credit in payment of remittance letters.
4. After the issuance of Federal Reserve bank notes (probably about August 15) on silver certificates shipped to us to be exchanged for Federal Reserve bank notes.
5. On Federal Reserve bank notes shipped in exchange for silver certificates.

CONCLUSION.

In addition to points particularly outlined above, the Federal Reserve Bank of Boston endeavors to give its member banks e ery service which it consistently can. With this in mind, a department has recently been established for the holding of securities in safe keeping, where bonds are held and coupons cut as done by regular city correspondents. This has proved of benefit to member banks, many of which are keeping an amount of bonds or commercial paper available at this bank for immediate use either for rediscount or as collateral for Government deposits.

The Attorney-General of the United States has ruled that State banks joining the Federal Reserve system do not come under the scope of the Clayton Act, and, therefore, no change need be made in a board of directors by reason of becoming a member of the system.

New accounts for deposit of postal savings funds can not be opened in a nonmember bank, and many of the industries now under Government control will not or can not deposit money with a nonmember. For this reason some banks have found that joining the system has been the means of their securing considerable deposits of funds of this nature.

It should be remembered that member banks are the stockholders of the Federal Reserve Banks and that six of the nine directors are elected by members. The idea that the Federal Reserve Bank is a Government institution, out of the reach of its members, is fast disappearing, and we believe that member banks in the first Federal Reserve District have always found their connection with the Federal Reserve Bank of Boston agreeable.

The Philippine National Bank.

In the Federal Reserve Bulletin for August, 1918, there was printed the charter or act of the Philippine Legislature creating the Philippine National Bank as amended up to date. While the Philippine National Bank is not technically speaking a foreign institution, it is performing the same functions as American banks which are engaged in developing our foreign trade while its methods are necessarily those of foreign-trade banking. The act already reprinted furnishes much of the information that is required by the student of American foreign banking, and this need not be recapitulated here. A few additional data are, however, supplied as a part of the Board's series of monographs or studies relating to foreign banking.

In the original by-laws adopted by the board of directors of the Philippine National Bank there was contained the following provision:

Sec. 41. Not to exceed two branches or agencies of the bank may be established in the United States, and branches or agencies may be established in provincial capitals and municipalities of the Philippine Islands, at such points as the board of directors may determine upon.

The salaries and duties of each of the officers of said branches shall be fixed in accordance with subsection (e) of section 28 of these by-laws.

Sec. 42. The branches or agencies in the United States, of which there shall in no case be more than two, shall have the following functions:

(a) To receive, transmit, and disburse any funds of the Philippine Government payable in the United States.

(b) To receive, transmit, and disburse any funds of the United States Government which may be placed on deposit with or entrusted to it.

(c) To receive, transmit, and disburse any funds of individuals, firms, companies, or corporations engaged in business with the Philippine Islands, or having interests therein.

(d) To engage in business to the extent permitted by law of the United States with the Federal Reserve Bank of the district in which said branches or agencies may be located, and to conduct a deposit and discount business with the said Federal Reserve Bank in accordance with the law of the United States and under the instructions of the board of directors of the Philippine National Bank.

(e) To exercise any other functions authorized by the board of directors.

Sec. 43. The branch banks in the Philippine Islands shall exercise only the powers conferred upon them by the board of directors, shall make detailed daily reports of their transactions to the central office at Manila, and shall at any time be subject to examination by an examiner or examiners to be designated by the board of directors.

Under this provision the Philippine National Bank has now established 48 agencies and branches as follows:

BRANCHES.

In the United States: New York City, N. Y.

In the Philippine Islands: Bacolod, Occidental Negros; Cebu, Cebu; Cabanatuan, Nueva Ecija; Davao, Mindanao; Corregidor; Aparri; Iloilo, Iloilo.

The following agencies will shortly be converted into branches according to announced plans: Lucena, Tayabas; Zamboanga, Zamboanga; Albay, Albay.

The following agencies are in full operation as such:

Butuan, Agusan.
Albay, Albay.
Naga, Ambos Camarines.
San Jose, Antique.
Baguio, Benguet.
Balanga, Bataan.
Basco, Batanes.
Tagbilaran, Bohol.
Malaybalay, Bukidnon.
Malolos, Bulacan.
Tuguegarao, Cagayan.
Capiz, Capiz.
Cavite, Cavite.
Batangas, Batangas.
Cotabato, Cotabato.
Laoag, Ilocos Norte.
Vigan, Ilocos Sur.
Ilagan, Isabela.
Santa Cruz, Laguna.
Dansalan, Lanao.
San Fernando, La Union.
Tacloban, Leyte.
Calapan, Minforo.
Cagayan, Misamis.
Bontoc, Mountain Province.
Dumaguete, N. Oriental.
Bayombong, Nueva Viscaya
Puerto Princesa, Palawan.
San Fernando, Pampanga.
Lingayen, Pangasinan.
Pasig, Rizal.
Catbalogan, Samar.
Sorsogon, Sorsogon.
Jolo, Sulu.
Surigao, Surigao.
Tarlac, Tarlac.
Lucena, Tayabas.
Iba, Zambales.
Zamboanga, Zamboanga.

The condition of the Philippine National Bank, as announced by it at the close of business June 30, 1918, was as follows:

Condensed statement of condition as at the close of June 30, 1918 (Estado condensado de condiciones en 30 de Junio, 1918).

RESOURCES (ACTIVO).

Loans and discounts (préstamos y descuentos)	₱103,665,858.96
U. S. and Philippine Government bonds (bonos de los Gobiernos de EE. UU. y Filipinas)	5,818,499.00
Furniture and fixtures (mobiliario y enseres)	125,254.47
Exchange for future delivery (cambios para entregas futuras)	10,320,276.83
Due from branches (a cobrar de los sucursales)	1,761,042.33
Due from banks and bankers (a cobrar de los bancos y banqueros)	21,734,000.85
Cash in vault and with treasurer of Philippine Islands (efectivo en caja y en poder del Tesorero I. F.)	26,065,507.25
Customers' liability L/C and acceptances (cartas de crédito y aceptanciones)	41,452,056.18
	210,942,495.87

LIABILITIES (PASIVO).

Capital (capital)	₱9,207,830.00
Reserve funds (fondos de reserva)	2,346,946.58
Dividends unpaid (dividendos por pagar)	446,501.19
Circulation (circulación)	5,760,000.00
Acceptances (aceptaciones)	11,443,629.48
Exchange contracts (contratos de cambio)	10,320,276.83
Commercial credits (cartas de crédito)	25,841,663.33
Deposits (depósitos)	145,575,648.46
	210,942,495.87

The Philippine National Bank has undertaken the investigation of the question of establishing agencies on the China coast. It already possesses a considerable Japanese and Chinese business, and finances the movement of staples from Java and elsewhere in the East Indies to the United States. In general, its foreign trade functions are the opening of export and import credits between the United States and the East, and of course chiefly between the United States and the Philippine Islands, and the transmission of funds. At its local branches in the Philippine Islands it transacts a complete banking business, including both direct loans to business men, the sale and purchase of foreign exchange, and under the direction of home office the opening of export and import credits.

The Philippine National Bank, being vested with the power of note issue, is able at its local branches to exercise the function of providing an elastic currency and redeeming the notes when presented.

Changes in Reserve Requirements.

The Federal Reserve Bank of New York on October 30 sent the following letter to member banks in reserve and central reserve cities in District No. 2:

The Federal Reserve Board, pursuant to the provisions of section 19 of the Federal Reserve Act, as amended by the act of September 26, 1918, has approved a recommendation with respect to outlying districts of central reserve and reserve cities in this district and the reserves to be carried by banks located therein, as follows:

RESERVE CITIES.

Albany, N. Y., and Buffalo, N. Y.—No change to be made in the status of Albany and Buffalo as reserve cities, and all member banks located therein will be subject to the reserve requirement of paragraph "b" of section 19 of the Federal Reserve Act, namely, 10 per cent of aggregate demand deposits and 3 per cent of time deposits.

CENTRAL RESERVE CITY.

New York City.—Member banks located in the borough of Manhattan or located in other boroughs and having branch offices in Manhattan will be subject to the reserve requirement of paragraph "c" of section 19 of the Federal Reserve Act, namely, 13 per cent of aggregate demand deposits and 3 per cent of time deposits.

Member banks located in the boroughs of Brooklyn and Bronx will be subject to the reserve requirement of paragraph "b" of section 19 of the Federal Reserve Act, namely, 10 per cent of aggregate demand deposits and 3 per cent of time deposits.

Member banks located in the boroughs of Richmond and Queens will be subject to the reserve requirement of paragraph "a" of section 19 of the Federal Reserve Act, namely, 7 per cent of aggregate demand deposits and 3 per cent of time deposits.

Trust Powers for National Banks.

In connection with applications of national banks to exercise fiduciary powers under the recent amendment to the Federal Reserve Act, the following press statement was issued by the Board under date of October 24:

By recent amendment to section 11 (k) of the Federal Reserve Act, the fiduciary powers that may be exercised by national banks with the permission of the Federal Reserve Board have been materially broadened, and this section, as amended, will enable national banks to exercise fiduciary powers under conditions substantially similar to the conditions under which such powers are exercised by competing State banks and trust companies. As a result of this amendment a number of national banks which have not heretofore been granted permission to exercise fiduciary powers have filed applications in accordance with the statute, and are arranging to open trust departments. In order that applications filed up to and including November 15 may receive consideration at the same time, the Federal Reserve Board has fixed its first meeting in December as the date on which these applications will be acted upon. All such applications must, as heretofore, be transmitted through the Federal Reserve Agent of the district in which the applying bank is located, and unless received by the Board by November 15 they will probably not be acted upon until some meeting subsequent to the first meeting in December.

The form of application prescribed by the Board may be obtained either from the Federal Reserve Board or the Federal Reserve Agent. New regulations made necessary by the recent amendments to the act will be issued in the near future.

Financial Preparations for After-War Trade.

A lengthy study on "Economic Reconstruction—Analysis of Main Tendencies in the Principal Belligerent Countries of Europe" has been prepared by the Department of Commerce. This study contains a review of bank and financial legislation and reorganization intended to meet the problems of export trade immediately following the close of the war. The principal sections of the study bearing upon the banking phase of the after-war reconstruction are as follows:

GREAT BRITAIN.

Among private organizations the outstanding tendency has been toward cooperation and concentration—policies that are receiving considerable encouragement from the Government, influenced more or less by similar economic tendencies in other countries, particularly in the United States. It is stated that the board of trade has sent representatives to some of the industrial centers to arouse interest in combinations for export trade. Some of the board of trade committees investigating various industries with a view to determining the changes that it may be necessary to make in their foreign-trade methods after the war have reported in favor of some form of combination or association for export trade for the following industries: Iron and steel, engineering, shipbuilding and marine engineering, electrical, and textile.

Banking amalgamation.—Concentration has been most pronounced among British banks and has aroused some alarm in business circles. At the recent meeting of the Associated Chambers of Commerce of the United Kingdom a resolution was submitted criticizing the recent bank amalgamations, but was modified under the influence of Sir Edward Holden, who stated that only big banks would be in a position to stand the gold drain that is bound to set in after the war. The resolution finally adopted approves amalgamations, but recommends that the board of trade be given power to guard against injury to commercial interests. The attention of the chancellor of the exchequer was called to the matter, and a committee was appointed to investigate it. In its report of May 21, 1918, the committee made a recommendation for legislation providing for a statutory committee representing the Treasury Department and the board of trade which should have the authority to pass on proposed amalgamations. The recommendation of the committee has been accepted by the Government, and a standing committee appointed. Some of the institutions figuring in recent amalgamations or rumors of amalgamations are London County and Westminster, Parr's, London City and Midland, London Joint-Stock Bank, London and Southwestern, and London and Provincial. The recent announcements of the London Provincial and Southwestern are of particular importance, as they concern the development of British banking in South America and closer financial connections with the United States. This bank and the British Bank of South America, with branches in Argentina, Brazil, and Uruguay, have just made an arrangement to act as agencies for each other. It has also entered into an arrangement with the Irving National Bank of New York to act as its agent in the United Kingdom, while the latter bank is to represent the London Bank in New York. According to a recent statement in the London Economist, of the total deposits in English joint-stock banks nearly 83 per cent is held by eight companies.

CENTRAL POWERS.

The tendency toward concentration in banking has manifested itself in Germany as well as in Great Britain. The most striking illustration is found in the absorption by the Deutsche Bank of the Schlesischer Bankverein and the Norddeutsche Kreditanstalt for the purpose of extending its sphere of activity into the eastern Provinces of Silesia, Pomerania, Posen, and East and West Prussia. This movement may be of considerable importance when taken in connection with the late political developments along the eastern frontier. As a result of this invasion of the eastern Provinces by the Deutsche Bank, the Danziger Privatbank has entered into closer relations with the Berliner Handelsgesellschaft. Another example of the amalgamation movement is furnished by the agreements entered into by the Austrian Credit-anstalt in Vienna and the Hungarian Allgemeine Credit-Bank in Budapest with the Disconto-Gesellschaft and the Norddeutsche Bank for closer relations in regard to overseas trade. These agreements will give the Austrian and Hungarian institutions representation on the boards of some of the South American branches of the Disconto-Gesellschaft. According to a recent announcement in the Frankfurter Zeitung, the Disconto-Gesellschaft is taking over five provincial banks in central and western Germany, which is regarded as a continuation of the policy underlying the absorption of the Schaffhausener Bankverein in 1914 and of the Königsberg Bankverein in 1916. The Dresdner Bank has greatly improved its representation in the Rhineland and Westphalia by the absorption of the Rheinisch-Westfalische Disconto-Gesellschaft in Aix-la-Chapelle, with a capital of 95,000,000 marks and valuable connections in the textile and milling industries.

Export trade organization.—A recent announcement in the Hamburger Nachrichten relates to the formation of a corporation for foreign and domestic enterprises (Aktien-Gesellschaft für In- und Auslands-Unternehmungen), somewhat along the lines of the British Trade Corporation. The corporation, which is capitalized at 25,000,000 marks, is to undertake the construction and operation of railroads, irrigation plants, harbors, electric plants, as well as factories; to operate plantations and mines; and to form and participate in subsidiary concerns. Among the German firms represented on the board of directors are the Norddeutsche Bank, Dresdner Bank, the Hamburg-American Line, Hugo Stinnes (Ltd.), Rheinish-Westphalian Coal Syndicate, Krupps, and Siemens & Schuckert. There has also been some movement in trading circles for the establishment of a special bank for export trade, on the ground that after the war the smaller German concerns may be unable to get the acceptance credits they formerly enjoyed in countries now at war with Germany. It is stated that the banks are not very favorably inclined toward the creation of the new institution.

Compulsory syndication.—The war, with its resulting shortage of labor and raw materials, has led the German Government to adopt the policy of compulsory syndication of a number of very important industries, with the result that the less efficient plants were usually closed down and production concentrated as much as possible in those fit to survive. In some cases amalgamation has been brought about in a voluntary manner at the suggestion of the Government, but where the interests involved were too divergent compulsory syndication had to be resorted to. In many cases the machinery from the closed plants has been transferred to those in operation. In a recent issue of a German trade publication it is stated that the Belting Release Bureau (Riemen-Freigabestelle) proposes to commandeer shortly all the belting from the closed textile mills, which would result in rendering four-fifths of the German textile mills incapable of any output for some time after the war. According to a recent letter by a prominent manufacturer in the Norddeutsche Allgemeine Zeitung, only 70 out of 1,700 spinning and weaving mills are still running at high pressure, 1,400 boot and shoe factories have been amalgamated into 300, the oil industry has been concentrated in 15 mills out of 720 in operation under normal conditions, and in the silk industry the number of spindles has been reduced from 45,000 to 2,500. This policy has resulted in great hardships for the smaller concerns, and it is feared that some of them will not be in a position to reopen after the war. It is also maintained by the critics of the policy that the methods adopted by the Government were in some cases arbitrary and that action has been taken without consulting the interests of the entire trade. Some writers interpret this policy of the Government as a preliminary step toward the establishment of Government monopolies after the war. Several organizations have been formed for the protection of the interests of the owners of the closed industrial establishments, particularly with a view to securing adequate representation in the war economy offices and proper indemnification for removed equipment.

Guaranteed Price of Wheat.

The following letter was transmitted by the Governor of the Federal Reserve Board to all Federal Reserve agents, under date of October 5:

In view of the large amount of acceptances now outstanding drawn by the United States Grain Corporation, I think that some of your member banks will be interested in the following information which is contained in a letter addressed to me by Mr. Herbert Hoover, United States Food Administrator, under date of the 4th instant.

Mr. Hoover states in his letter that the Grain Corporation has on hand 120,000,000 bushels of wheat, costing approximately $260,000,000, and that it has outstanding obligations against this wheat of about $110,000,000. Mr. Hoover also says that "if by any chance the price of wheat should fall by one dollar a bushel, the capital of the Grain Corporation would be almost sufficient to liquidate their maximum possible holding of 170,000,000 bushels."

The food act provides for the establishment of a price at principal terminals in the United States, and contains this language: "The guaranteed prices for the several standard grades of wheat for the crop of nineteen hundred and eighteen, shall be based upon number one northern spring or its equivalent at not less than $2 per bushel at the principal interior primary markets. This guaranty shall not be dependent upon the action of the President under the first part of this section, but is hereby made absolute and shall be binding until May first, nineteen hundred and nineteen."

After providing for the establishment of grades and markets the act continues as follows: "Thereupon the Government of the United States hereby guarantees every producer of wheat produced within the United States, that, upon compliance by him with the regulations prescribed, he shall receive for any wheat produced in reliance upon the guarantee within the period, not exceeding 18 months prescribed in the notice, a price not less than the guarantee price therefor as fixed pursuant to this section."

Mr. Hoover regards this as a positive obligation on the part of the United States which should in itself constitute some measure of security. He desires that the banks be informed that there is no wheat in the Black Sea region, that there has been a crop failure in Bulgaria, Roumania, and the Ukraine, and that, with the opening of the Dardanelles, it will be necessary for the allied Governments to furnish wheat from the United States in order to maintain the populations of those countries and protect them from starvation during the coming winter.

New Rules for Obtaining Export Licenses.

The War Trade Board issued the following press statement under date of October 9:

1. The War Industries Board and the War Trade Board announce in a new ruling (W. T. B. R. 258) that they have jointly adopted the following rules and regulations for the purpose of simplifying the procedure of obtaining export licenses from the War Trade Board, priority certificates from the priorities committee of the War Industries Board, and permits from the director of steel supply of the War Industries Board.

2. The War Industries Board announces the withdrawal of its regulations as set forth in P. C. Form No. 18, July 3, 1918, paragraph 6, requesting that applications for licenses to export iron or iron and steel products should not be filed with the War Trade Board unless the orders are covered by either priority certificates or permits from the director of steel supply.

FORM OF APPLICATION.

3. On and after October 14, 1918, applications for licenses to export any article on schedule "XP," annexed hereto, should be filed with the War Trade Board and must include the following papers properly executed:

(a) One application, Form X, to which should be attached—

(b) One each of such supplemental information sheets as may be required by the rules and regulations of the War Trade Board to be used in connection with shipments of certain commodities and shipments to certain countries; and

(c) New supplemental information sheet, Form X-26, which will be ready for distribution by the War Trade Board on and after October 14, 1918.

4. Applications which have Form X-26 attached will not require Form X-2.

PRIORITY CLASSIFICATIONS.

5. The priorities committee of the War Industries Board has awarded priority classification "C" to all articles (on which priorities are issued) which are on the export conservation list of the War Trade Board and are covered by export licenses issued on and after October 16, 1918. No class "C" certificates will be issued with such licenses. If the article specified on the licenses is one on which priorities are issued, and if no individual priority certificate accompanies the export license, the license itself will be evidence that the articles covered by it have been automatically awarded priority classification "C."

6. Export licenses issued on and after October 16, 1918, under these regulations, covering commodities on which priority certificates are issued, will be accompanied by individual priority certificates of the priorities committee when in the opinion of the priorities committee a higher rating than class "C" is warranted. These priority certificates will be issued by the priorities committee and forwarded with the export license without further request from the applicant.

LICENSES CONSTITUTING PERMITS.

7. Export licenses issued on and after October 16, 1918, for the exportation of iron or steel, or the products or manufactures thereof, which are not covered by priority classification, will in themselves constitute a permit and approval from the director of steel supply for the filling of the orders for the quantity of iron or steel specified in such export license to the extent that such delivery will not interfere with the delivery when and as required of orders covered by priority.

8. It is the policy of the War Industries Board and the War Trade Board to discourage and prevent exporters and manufacturers from purchasing, manufacturing, or producing articles on the export conservation list for the fulfillment of specific export orders until an appropriate export license has been issued. Instances have come to the attention of the War Trade Board in which manufacturers before obtaining export licenses have manufactured articles for specific export orders which articles, while useless for domestic consumption, could not under the regulations of the War Trade Board be exported. It is essential for the proper conservation of commodities in the United States that this practice be stopped, and it is the purpose of the War Trade Board to refuse licenses to exporters who do not conform to this policy.

PRIORITY IN CERTAIN PRODUCTS.

9. The priorities committee announces that it undertakes where necessary to administer priority in the production of all raw materials and finished products save foods, feeds, and fuel. The preference list promulgated by the priorities board forms the basis for the distribution of fuel. Priority is being administered generally on iron and steel products, copper and brass products, electrical equipment, and the products of which any of the above form an integral part. Priority is not being administered at this time on lumber or lumber products, paper or paper products, chemicals, brick, cement, lime, hides, pig tin, tin plate, mine products, and numerous other items which can not well be enumerated. It is not possible to prepare lists in detail covering either prioritied or nonprioritied products, and even in those mentioned above exceptions will from time to time occur. Any inquiries with respect to the commodities upon which priority is being administered should be addressed to the priorities committee of the War Industries Board.

SCHEDULE "XP."

Pig iron.

Ferrosilicon.

Spiegeleisen (frequently described as specular iron and mirror iron).

Iron and steel: Scrap; ingots; billets; blooms; slabs; sheet bars; skelp; wire rods; alloy steel; high-speed steel; tool steel; bars (including flats 6 inches wide and narrower); hoops and bands (including hot and cold rolled strip steel); shapes (including beams, angles, channels, tees, and zees); fabricated structural steel (including beams, angles, channels, tees, zees, or plates one-eighth of an inch thick or heavier, punched or shaped, including tanks made of plates one-eighth of an inch thick or heavier); plates (all classes, one-eighth of an inch thick and heavier and wider than 6 inches and circles over 6 inches in diameter; this includes No. 11 United States gauge but not No. 11 B. W. gauge); sheets (all classes under one-eighth of an inch thick); boiler tubes; mechanical tubes; boring tubes; oil-well casing; line pipe; drive pipe; cast-iron pipe; wrought-iron and steel pipe; poles; wire rope cable and strand, consisting of 6 wires or more; rails and splice bars; frogs and switches; railroad tie plates; railroad track spikes; railroad track bolts; boat spikes; wire; wire nails; wire spikes; cut nails.

A New Priorities Ruling.

An additional ruling of the priorities division of the War Industries Board has been directed to the agricultural implement and farm operating equipment industry, curtailing the consumption of iron and steel by the industry 25 per cent during the year beginning October 1, 1918, over its consumption of iron and steel for the corresponding 12 months beginning October 1, 1917. This will effect a saving in iron and steel for the direct war program of about 500,000 tons.

FARM TRACTOR SITUATION.

The farm tractor situation presents one of the most striking illustrations of the necessity for flexibility in the plan for curtailment, although it is probable that producers of other products may also require similar treatment, continues the priorities commissioner.

Special rulings governing the output of farm tractors restrict makers who produced less than 10 tractors last year to the production of not more than 10 tractors the coming year; makers who produced and had in field operation 10 and less than 50 tractors may not produce over 50 tractors; makers who produced and sold 50 or more tractors will have their consumption of iron and steel reduced 25 per cent.

Signed pledges will be exacted from the manufacturers to use materials on hand that may come into their possession for the manufacture of tractors and farm operating equipment and parts, to reduce the tonnage of iron and steel as directed, to comply with the regulations of the conservation division of the War Industries Board as to economies and substitutions, and to produce only the more essential farm operating equipment and parts and to distribute the products only for essential uses.

"AN INDIRECT WAR INDUSTRY."

After an announcement that the greatly enlarged war program will absorb the greater portion of the iron and steel production of the Nation, that reductions in allotments of iron and steel to industries is necessary to prevent the industrial consumption from obstructing the war program, and that adjustments are being made after careful surveys that the most vital civilian demands may be supplied, Judge Parker says to the agricultural implement and farm operating equipment industry:

"Yours is clearly not only an essential, but an indirect war industry, and will be dealt with as such. The Nation must produce a maximum of foods and feeds, but through rigid economies and increased efficiency of the farmers, the dealers, and the manufacturers this production must be accomplished with a reduced consumption of materials and labor required to meet the war program. Speaking generally, the use of modern farm implements conserve labor, but it must be constantly borne in mind that the time element is more controlling now in connection with any conservation program than ever before. The results must be practically immediate in order to contribute to the industrial drive which must sustain the military drive on the battle fields of Europe. The use of a machine, in the manufacture of which large quantities of material and labor are consumed, may be economically sound and in normal times its manufacture and use should be stimulated; but if its production at this crisis requires more labor than will be saved in one season's use, it should—generally speaking—be substituted by other machines or implements, in order to accomplish the immediate conservation of labor and materials.

LARGE AND VARIED INTERESTS.

"Your industry is so large, so varied, and so important that the priorities division must in the future, as in the past, avail itself of the efficient and patriotic assistance of your farm implements committee in administering the program here outlined. It will aslso with confidence rely upon the whole-hearted cooperation of each member of your industry with such committee and with this division in determining upon a manufacturing program and a basis for the distribution of your products which will result in a maximum conservation of labor and materials and a maximum production of foods and feeds, being assured that when the war shall have been won the problems which now confront us will have been solved."

PRIORITIES DIVISION RULING.

Following is the ruling of the Priorities Division:

Reference herein will be made to periods of 12 months each; that from October 1, 1917, to September 30, 1918, will be designated "First period." A careful survey of your industry in connection with the urgent war requirements has led to the decision that in the public interest your iron and steel consumption for the second period should be 75 per cent of your consumption during the first period, when it approximated 2,000,000 tons of iron and steel. The effect of a release of 25 per cent of your consumption during the past 12 months will be immediately felt on the war program. It is with confidence that the War Industries Board relies upon your indispensable industry lending the same whole-hearted and patriotic assistance in accomplishing these economies that it has always rendered in response to previous appeals. While the importance of your industry and your place in the program for the production of food for this Nation and its allies can hardly be overstated, yet the supreme concern at this critical period is that every possible contribution be made immediately and enthusiastically to the end that the war may be shortened and the victory made decisive.

The necessity of reducing the allotments of iron and steel to your industry places upon you and the farm-implements committee the responsibility of so applying the curtailment that your more essential products shall be produced in sufficient quantities to meet all legitimate demands for them and that your less essential products shall be produced in greatly diminished quantities or not at all. The Priorities Division does not undertake to direct you in the formulation or execution of a program of such responsibility. This is your problem. You are equipped to solve it; and with your experience and ripe judgment you will, through teamwork, so adjust your manufacturing program and utilize the curtailed allotment of materials that the theoretical injury may not prove real.

The plans for curtailment must, among other things, take account of the varying situation of the manufacturers who have been in production for considerable periods, as contrasted with those whose production period has been relatively so short that they are still virtually in the experimental stage. To apply to both of such groups an arbitrary percentage tonnage allotment plan would be inequitable.

For your guidance you are advised that the Priorities Division has decided:

(a) That the tractor makers who have produced less than 10 tractors during the "first period" are in the secondary development stage, and that they are not to produce over 10 tractors during the "second period."

(b) That the tractor makers who have produced and had in field operation 10 or more, and less than 50, tractors during the "first period" are in the secondary development stage, and that they are not to produce over 50 tractors during the "second period."

(c) That makers of products other than farm tractors whose development situation shall be comparable to those of the tractor makers described in the preceding paragraphs are to produce according to the same rules.

(d) That the tractor makers who have produced and sold 50 or more tractors during the "first period" and all other manufacturers of farm-operating equipment who are past their primary and secondary development stages will receive during the "second period" not exceeding 75 per cent of their consumption of iron and steel during the 'first period."

Swedish Prices and Capital Problems.

Conditions in Sweden affecting the status of prices and capital issues afford an interesting parallel to those in the United States. Some time ago a committee was appointed composed of the president of the State Bank, two professors of political economy, and a number of bank directors, comprising eight in all, to look into the general situation. A review of Swedish experience is given, as follows:

CIRCULATION OF BANK NOTES AND ITS EFFECT UPON MARKET PRICES IN GENERAL.

An attempt has been made to point out that an increase in the circulation of bank notes indirectly connected with an increase in the market prices led to considerable discussion. In comparing these two subjects the experts agreed that as a rule it was the advance in prices which caused the necessity of an increased note circulation, and only in case of a real surplus in bank notes, that is, a surplus greater than the market could absorb for its actual needs, would the increase of circulation be the primary cause and occasion an inflation in price.

The reasons for the high level of prices in Sweden would seem to be due to the general price inflation all over the world; and the restriction of imports, which caused further advance in prices in the home market. Against these two powerful factors the embargo against the importation of gold and the overcautious policy of credit on the part of the State Bank only served as a weak counter-measure.

THE STATE BANK RATE OF DISCOUNT.

The bank experts do not believe that a reasonable increase in the present bank rate, which is 7 per cent, would be a possible method of easing present financial conditions, while a considerable increase would seriously damage legitimate business. Their idea is that the pressure which the rate of discount usually exerts has lost its prestige under the extraordinary conditions prevailing. A reduction in the discount rate from 7 per cent to 6 per cent, on the other hand, would mean a noticeable facilitation to the economic life. The national economists, however, do not care to disturb the present rate of discount; but if any alteration is made, they prefer an increase, and caution against any decrease in the rate so long as indications do not point to a fall in the market prices.

THE GOLD EMBARGO.

The bank directors are of the opinion that the State Bank should take a less stringent attitude against the importation of gold, while the political economists demand the strictest sort of embargo to be kept up, the economists no doubt believing that foreign countries should be compelled to liquidate their indebtedness to Sweden through shipments of commodities and not through shipments of gold, of which there seems to be sufficient reserve in Sweden.

FOREIGN CREDITS.

The committee believes that in order to bring about a better regulation in the granting of credit to foreign countries permission to export prohibited articles be given only after the exporter has shown that the transaction has taken place against prescribed conditions of payment, and for the export of unprohibited articles a declaration be shown to the customs authorities that these specified conditions have been adhered to. Thus the granting of credit to foreign customers may be safely restricted.

RATIONING CAPITAL.

It was generally agreed between all parties that the best method to secure a stable financial market would be to restrict the circulation of bank notes, and at the same time a control be exercised on the part of the financial council, to ration, so to speak, the capital of the country, thus discouraging stock issues not absolutely necessary during the war. The consent of the financial council should be secured on all stock and bond issues and loans. Communities should not be permitted to issue bonds unless an actual necessity for public works is shown. Stock companies should not be permitted to be formed at the present time unless such an enterprise can be shown to be a necessity or a help to the country in general. Each case should be thoroughly examined by the financial council before permission is granted. All the granting of credit on the part of the banks should also be considerably restricted.

This committee also suggests that the import of articles of luxury should be controlled and limited through import prohibitions.

CONTROL OF IMPORTS AFTER THE WAR.

The economic experts also point out the necessity to control the imports on all articles for a short period after the war. The keen competition which is certain to take place when peace is declared for the import of every sort of commodity, it is feared will lead to further inflation of prices, or will tie up unnecessarily the available foreign credit of Sweden. Comprehensive and effective control must therefore be exercised at that time over all imports.

All the above tends toward Government monopolization of finances, which in the case of Sweden hardly seems necessary and in reality is nothing more than a system based upon the German model of war finances. Increased circulation of State bank notes seems to be necessary in all countries on account of present high level of prices, where the method of payment by a draft against a personal account is not a general usage. On the other hand, it is usually the case that in countries where the check payment is limited, the use of commercial acceptances is much more prevalent.

The financial expert of the Frankfurter Zeitung, in their issue No. 226, August 16, 1918, commenting upon this proposed action in Sweden, points out the disadvantages of this financial control. He believes that all control of this sort destroys the personal initiative and the quick conclusions necessary for the prosperity of the business man. He points out that the promotion of important enterprises should not be subject to control or investigation of bureaucratic officials, and that their decision with regard to the rationing of capital would be of a procrastinating and injudicious character. He also asks whether the promotor is likely to submit his business secrets for the investigation of a body of Government officials. It is also likely that ways and means would be found to avoid any such regulations of this sort which would not enhance the business morale of the country. On the other hand, he believes that a sharp control and investigation in the issue of loans on the part of the Government and municipalities, in order to limit this to some extent, would be desirable. The editor of the Frankfurter Zeitung further comments on the entire matter as follows:

"The Swedish plans are in fact very remarkable; they remind one, in a small measure, it is true, of the concessioning of capital in Germany, but on the other hand differ considerably from this. With us the issue of new stock and the formation of new stock companies is entirely subjected to Government approval, and indeed to the release of a specified minimum amount, while the other employment of capital, the granting of credit, namely, the use of personal moneys, is exempt, but in Sweden this shall all come under regulation. Even though it must be granted that the Swedish proposal is of greater importance in comparison with the German, at the same time the fettering of the spirit of enterprise, which already is not inconsiderable, is carried to the highest point in Swedish plans."

Election of Directors.

Pursuant to the powers vested in it under the provisions of the so-called Phelan bill, which became law on September 26, the Federal Reserve Board has reclasssified the electoral groups for the election of class A and B directors of the several Federal Reserve Banks.

Tuesday, November 19, has been designated by the Board as the date for opening polls for the election of directors to succeed those whose terms expire on December 31, 1918. The polls will remain open for 15 days as required by law. Instructions in connection with the election of directors, together with the recent amendment to the act relating thereto, were printed in the October Bulletin. The list of directors of all classes whose terms expire on December 31 follows:

DIRECTORS OF FEDERAL RESERVE BANKS WHOSE TERMS EXPIRE DECEMBER 31, 1918.

District No. 1—Boston:
- Class A—A. M. Heard, Manchester, N. H.
- Class B—Chas. G. Washburn, Worcester, Mass.
- Class C—Allen Hollis, Concord, N. H.

District No. 2—New York:
Class A—F. D. Locke, Buffalo, N. Y.
Class B—L. R. Palmer, Croton-on-Hudson, N. Y.
Class C—Geo. F. Peabody, Lake George, N. Y.
District No. 3—Philadelphia:
Class A—W. H. Peck, Scranton, Pa.
Class B [1]—
Class C—Chas. C. Harrison, Philadelphia, Pa.
District No. 4—Cleveland:
Class A—S. B. Rankin, South Charleston, Ohio.
Class B—John Stambaugh, Youngstown, Ohio.
Class C—H. P. Wolfe, Columbus, Ohio.
District No. 5—Richmond:
Class A—H. B. Wilcox, Baltimore, Md.
Class B—Edmund Strudwick, Richmond, Va.
Class C—Howard Bruce, Baltimore, Md.
District No. 6—Atlanta:
Class A—L. P. Hillyer, Macon, Ga.
Class B [2]—J. A. McCrary, Decatur, Ga.
Class C—Edward T. Brown, Atlanta, Ga.
District No. 7—Chicago:
Class A—Geo. M. Reynolds, Chicago, Ill.
Class B [3]—A. H. Vogel, Milwaukee, Wis.
Class C—Wm. A. Heath, Chicago, Ill.
District No. 8—St. Louis:
Class A—F. O. Watts, St. Louis, Mo.
Class B—David C. Biggs, St. Louis, Mo.
Class C—W. McC. Martin, St. Louis, Mo.
District No. 9—Minneapolis:
Class A—J. C. Bassett, Aberdeen, S. Dak.
Class B—F. P. Hixon, La Crosse, Wis.
Class C—Wm. H. Lightner, St. Paul, Minn.
District No. 10—Kansas City:
Class A—J. C. Mitchell, Denver, Colo.
Class B—T. C. Byrne, Omaha, Nebr.
Class C—R. H. Malone, Denver, Colo.
District No. 11—Dallas:
Class A—J. T. Scott, Houston, Tex.
Class B—Frank Kell, Wichita Falls, Tex.
Class C—W. B. Newsome, Dallas, Tex.
District No. 12—San Francisco:
Class A—Alden Anderson, Sacramento, Cal.
Class B—J. A. McGregor, San Francisco, Cal.
Class C—Walton N. Moore, San Francisco, Cal.

Transfers of Currency.

The Board, on October 2, sent out the following letter regarding payment by Federal Reserve Banks of expense incident to transfers of currency to and from Federal Reserve Banks:

Confirming telegram of even date, I beg to advise that the Board has authorized the inauguration at the earliest possible date of the plan outlined in its circular letter (X-1216) under date of September 20, with modifications as hereinafter indicated:

Member banks.—(a) Payment of all postage, expressage, insurance, etc., incident to shipments of currency [4] to and from member banks.

(b) Payment of charges on all telegrams received from or sent to member banks in connection with currency, exchange transfers, and deposit transactions.

[1] Vacancy caused by death of G. W. F. Gaunt.
[2] Class B director also to be elected to fill unexpired term of Edgar B. Stern, resigned.
[3] Class B director also to be elected to fill unexpired term of M. B. Hutchison, deceased.
[4] Currency does not include silver or subsidiary coin.

Nonmember banks maintaining clearing accounts with Federal Reserve Banks.—(a) Payment of postage, insurance, and expressage in connection with shipments of currency in settlement of clearing balances.

Nonmember banks on par list.—(a) All postage in connection with remittances made to cover collections (to be provided for by inclosing return stamped envelope).

(b) All expenses incident to shipments of currency to Federal Reserve Banks in payment of items sent for collection.

You will notice that paragraph (a) under "member banks" has been revised so as to omit, for the present at least, the payment of postage, expressage, insurance, etc., incident to shipments to and from member banks of "collateral notes and bills for rediscount and securities deposited as collateral to member bank promissory notes and notes rediscounted." Paragraph (b) has been revised so as to omit the payment of charges on all telegrams in connection with loans.

It is believed that payment by the reserve banks of these expenses will have the effect of more nearly equalizing the advantages offered member banks, and will also be helpful in our campaign for State member banks. The Board, of course, in adopting this plan reserves the right to modify or rescind it at any time upon reasonable notice should it be deemed advisable.

You were also advised in the telegram above referred to that the Federal Reserve Board appreciates the excellent results already attained by the Federal Reserve Banks in gathering gold from the banks in their respective districts, and strongly urges that efforts be continued to the end that all available gold be mobilized in the Federal Reserve Banks. The Board authorizes you to absorb the abrasion and to pay all expenses incident to the shipment of gold to your bank and shipment of Federal Reserve notes in exchange therefor.

Condition of National Banks.

The Comptroller of the Currency, on October 9, made the following statement:

According to the analysis of their sworn reports just completed, the resources of the national banks of the United States at the close of business on August 31, 1918, amounted to $18,043,605,000, exceeding by more than $1,500,000,000 the greatest resources ever shown by the national banks at this season of the year.

On May 1, 1917, immediately before the launching of the first Liberty loan, the resources of the national banks were $16,144,403,000. The amount of Liberty bonds and certificates of indebtedness which the Government has sold and collected for since that date, exclusive of certificates of indebtedness paid off during this period, is $14,275,000,000.

Subscriptions for the larger portion of all three issu es o the Liberty bonds were placed through the national banks of the country; and yet their reports show that these banks are to-day in stronger condition and have resources greater by nearly $2,000,000,000 than they held before the first Liberty bond was sold.

The increase over the total resources held June 29, 1918, was $204,103,000. The increase for the whole country, exclusive of New York City, since June 29, 1918, was $307,000,000, New York showing a reduction in this period of $103,288,000. Forty reserve and central reserve cities show in each city an increase in resources since the call of June 29, while in 23 cities there was a reduction.

The cities whose national banks show an increase in resources since the last call, of approximately $5,000,000 or over, were: Kansas City (Mo.), 36 millions; Chicago, 33 millions; Minneapolis and Baltimore, 15 millions each; St. Louis, Richmond, and Wichita, 8 millions each; Houston, 7 millions; Omaha, 6 millions; Indianapolis, Nashville, and Seattle, 5 millions each.

The only cities showing a reduction of $5,000,000 or more in resources were: New York, 103 millions; Boston, 54 millions; Pittsbugrh, 23 millions; San Francisco, 15 millions; Philadelphia, 9 millions; and Albany, 5 millions.

The total increase in resources in the reserve and central reserve cities, outside of New York City, was $60,000,000. The net increase in resources of national banks outside of the reserve cities was $248,000,000.

In 38 States the country banks increased their resources; in 10 States they show a reduction. The only State in which there was a reduction in resources of as much as one and three-quarter millions was Connecticut, where the reduction was $10,000,000.

The States in which the increase in resources of country banks amounted to approximately $5,000,000 or more were: Pennsylvania, 33 millions; Illinois, 32 millions; Teaxs, 25 millions; Ohio, 20 millions; Indiana, 18 millions; Kansas, 18 millions; Virginia, New Jersey, and California, 11 millions each; Iowa, New York, and Missouri, 8 millions each; Oklahoma, 6 millions; Nebraska, South Dakota, and North Carolina, 5 millions each.

It is particularly noticeable that the increase in national-bank resources is well distributed throughout the whole country and is confined to no special section.

Loans and discounts, on August 31, 1918, 9,493 million—a reduction since June 29, 1918, of 126 millions, and an increase as compared with September 11, 1917, of 438 millions.

Total deposits August 31, 1918, 13,885 million—a reduction since June 29, 1918, of 135 million, but an increase over September 11, 1917, of 651 million.

Bills payable and rediscounts, 1,294 million—an increase since June 29, 1918, of 410 million, and an increase over September 11, 1917, of 1,008 million, principally accounted or by increased investment by the banks in United States certificates of indebtedness.

United States bonds and certificates of indebtedness held August 31, 1918, were 2,455 million dollars—an increase over June 29, of 338 million, and an increase over September 11, 1917, of 1,296 millions. This increase is nearly all represented by the national banks' purchases of certificates of indebtedness.

Cash on hand and due from Federal Reserve Banks on August 31, 1918, was 1,671 million dollars—a reduction as compared with June 29 of 24 million, but an actual increase as compared with September 11, 1917, of $5,464,000.

The cash which the national banks had on hand and with Federal Reserve Banks on August 31, 1918, plus their holdings of United States bonds and certificates of indebtedness, amounted to $4,127,309,000. This amount, after deducting the United States bonds held as a basis for circulation, is nearly 25 per cent of the total deposits of all the national banks, but allowance should of course be made for that portion of the bonds and certificates of indebtedness which may be pledged against bills payable and rediscounts.

Loans Against Commodities in Warehouse.

At a conference on the subject of cotton warehousing, recently held at the offices of the War Finance Corporation, Mr. R. L. Nixon, of the Bureau of Markets of the Department of Agriculture, stated the situation as to cotton warehouse loans as follows:

"Some three or four weeks ago we had a preliminary conference with Mr. McLean in regard to the cotton warehouse act, which was passed here in 1916. I presume that most of us understand that this act is a permissive one, and it simply authorizes the Secretary of Agriculture to license warehouses for the storage of cotton, grain, flaxseed, tobacco, and wool. There has been a good deal of delay in starting the work under this act, but we are now actually engaged in inspecting and licensing warehouses.

"In approaching warehousemen—we have inquiries from three or four hundred, and we have applications from about 25 warehousemen—the great difficulty in interesting the warehousemen is to show them where they would derive any particular benefit from the Federal license.

SAFETY OF PAPER.

"The paper is much safer and sounder than the warehouse receipts issued at the present time, but this is a new proposition and many of the bankers, especially the local bankers, are not very much inclined to recognize a receipt from a warehouse licensed and supervised by the Government through our department and actually bonded through the Government to guarantee its obligations. So we are up against the proposition of asking warehousemen to go to the expense of a bond; to go to some trouble in changing their methods of accounting, and make other changes in their business arrangements, which naturally involves some considerable expense and some trouble, and if the bank doesn't recognize the receipts of the licensed warehousemen as more desirable security than the receipts issued by the present warehouseman, we haven't much of a talking point. I think it is a matter of the greatest importance to bring the bankers to realize the superiority of the receipts issued by licensed and bonded warehousemen.

"Recently I attended some of the meetings of the committee that came to Washington for the purpose of inducing the Government, through some agency, to establish what amounted to a minimum price on cotton. Quite a number of those people were bankers, and they stated definitely—many of them did in private conversation—that they had advanced large sums of money. One man stated that 95 per cent of his loans, amounting to thirteen or fourteen million dollars, was secured by cotton, and it had developed that most of this cotton was of a very low grade. You know that the warehouse receipts now, many of them, do not state the grade of cotton, and he loaned this money on the assumption that it would average middling. When the price of cotton was reduced very materially, and when the differences between high and low grades widened out to around 10 per cent, he and a number of other bankers realized that they had paid out immense sums of money on low-grade cotton, and it was on cotton that in many instances would not be worth the amount of the loan which the receipt was given to secure; and our extensive investigations have convinced us that a great deal of the financing is done on paper of that kind. A receipt, generally speaking, is issued for a bale of cotton. Now, under our act and under the regulations, and under the forms of receipts that we have devised, it would be necessary for the receipts to show the weight and grade, and they would be issued under proper bond, and we are certain that they would be superior.

"To repeat what I said in the beginning, we are up against the difficulty of getting the banker to recognize this superiority, as we claim it, for this receipt. But if we can get some Government agency that is intimately and responsibly connected with financing to take a definite position in favor of the receipts issued by licensed and bonded warehouses, then our work in licensing a large number of warehouses will be comparatively easy. As it is, it is difficult and will probably take two or three years to reach many people. It is too slow a process.

QUESTION OF INSURANCE.

"I went to Atlanta the other day to confer with the Southeastern Underwriters Association and Mr. Dargan on that. No agreement was reached there. One of the men in conference stated that the reduction in insurance rates to licensed warehouses should certainly not be less than 10 per cent. Another expressed the opinion that a reduction of not less than 25 per cent should be made. Now, then, those two agreed to have action taken on this proposed reduction. It would be submitted to the different State rating bureaus, and a definite decision would be made in a week or ten days. Now I have a feeling that in the next week—certainly early next week—we will be able to make some definite announcement, but the way it stands now the man who is in favor of the lowest reduction named 10 per cent as the minimum reduction, and the other man expressed himself as being in favor of 25 per cent, so I think it is safe to say that a licensed warehouse would have a reduction in insurance rate of not less than 10 per cent and possibly as much as 25 per cent.

"The warehouse charges vary greatly in the different sections. Now Oklahoma, I believe, has a State law which makes the maximum charge for the first month 75 cents, and 15 cents per month for each succeeding month. Incidentally, I understand that what they call the State and Warehouse Commission—or the Public Corporations Commission—has said that that charge ought to be raised, and it seems that this commission is of the opinion that it could advance the charges. The idea for that is that this 75 cents and 15 cents per month is to cover storage, weighing, and insurance. That charge, I understand, was based in 1914, when cotton was worth, say, \$30 or \$35 per bale. Now, with cotton worth \$150 or \$175 per bale, the warehouse with high insurance rates, \$3 per hundred, would find it impossible to insure a bale of cotton for a year for the amount of charges that they would collect on it under those old rates. The act itself states that the Secretary may cancel the license where a warehouseman makes an exorbitant or excessive charge. Now, as we see it, a charge that would be exorbitant in one case might be perfectly reasonable in another case."

THE WAREHOUSE ACT.

The appropriate sections of the Federal Warehouse Act are as follows:

Part C.

That this part, to be known as the United States warehouse Act, be and is hereby enacted, to read and be effective hereafter as follows:

"That this Act shall be known by the short title of 'United States warehouse Act.'

"Sec. 2. That the term 'warehouse' as used in this Act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which any agricultural product is or may be stored. The term 'agricultural product' wherever used in this Act shall be deemed to mean cotton, wool, grains, tobacco, and flaxseed, or any of them. As used in this Act, 'person' includes a corporation or partnership or two or more persons having a joint or common interest; 'warehouseman' means a person lawfully engaged in the business of storing agricultural products; and 'receipt' means a warehouse receipt.

"SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying according to grade and otherwise, weighing, and certification of agricultural products; upon application to him by any person applying for license to conduct a warehouse under this Act, to inspect such warehouse or cause it to be inspecteds at any time, with or without application to him, to inspec; or cause to be inspected all warehouses licensed under thit Act; to determine whether warehouses for which licenses are applied for or have been issued under this Act are suitable for the proper storage of any agricultural product or products; to classify warehouses licensed or applying for a license in accordance with their ownership, location, surroundings, capacity, conditions, and other qualities, and as to the kinds of licenses issued or that may be issued for them pursuant to this Act; and to prescribe, within the limitations of this Act, the duties of the warehousemen conducting warehouses licensed under this Act with respect to their care of and responsibility for agricultural products stored therein.

"SEC. 4. That the Secretary of Agriculture is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this Act and such rules and regulations as may be made hereunder: *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that such warehousemen agree, as a condition to the granting of the license, to comply with and abide by all the terms of this Act and the rules and regulations prescribed hereunder.

"SEC. 5. That each license issued under sections four and nine of this Act shall be issued for a period not exceeding one year and shall specify the date upon which it is to terminate, and upon showing satisfactory to the Secretary of Agriculture may from time to time be renewed or extended by a written instrument, which shall specify the date of its termination.

"SEC. 6. That each warehouseman applying for a license to conduct a warehouse in accordance with this Act shall, as a condition to the granting thereof, execute and file with the Secretary of Agriculture a good and sufficient bond other than personal security to the United States to secure the faithful performance of his obligations as a warehouseman under the laws of the State, District, or Territory in which he is conducting such warehouse, as well as under the terms of this Act and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount, shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this Act, including the requirements of fire insurance. Whenever the Secretary of Agriculture shall determine that a bond approved by him is, or for any cause has become, insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked.

"SEC. 7. That any person injured by the breach of any obligation to secure which a bond is given, under the provisions of sections six or nine, shall be entitled to sue on the bond in his own name in any court of competent jurisdiction to recover the damages he may have sustained by such breach.

"SEC. 8. That upon the filing with and approval by the Secretary of Agriculture of a bond, in compliance with this Act, for the conduct of a warehouse, such warehouse shall be designated as bonded hereunder; but no warehouse shall be designated as bonded under this Act, and no name or description conveying the impression that it is so bonded, shall be used, until a bond, such as provided for in section six, has been filed with and approved by the Secretary of Agriculture, nor unless the license issued under this act for the conduct of such warehouse remains unsuspended and unrevoked.

"SEC. 9. That the Secretary of Agriculture may, under such rules and regulations as he shall prescribe, issue a license to any person not a warehouseman to accept the custody of agricultural products and to store the same in a warehouse or warehouses owned, operated, or leased by any State, upon condition that such person agree to comply with and abide by the terms of this Act and the rules and regulations prescribed hereunder. Each person so licensed shall issue receipts for the agricultural products placed in his custody, and shall give bond, in accordance with the provisions of this Act and the rules and regulations hereunder affecting warehousemen licensed under this Act, and shall otherwise be subject to this Act and such rules and regulations to the same extent as is provided for warehousemen licensed hereunder.

"SEC. 10. That the Secretary of Agriculture shall charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this Act when such examination or inspection is made upon application of a warehouseman, and a fee not exceeding $2 per annum for each license or renewal thereof issued to a warehouseman under this Act. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

"SEC. 11. That the Secretary of Agriculture may, upon presentation of satisfactory proof of competency, issue to any person a license to classify any agricultural product or products, stored or to be stored in a warehouse licensed under this Act, according to grade or otherwise and to certificate the grade or other class thereof, or to weigh the same and certificate the weight thereof, or both to classify and weigh the same and to certificate the grade or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this Act and of the rules and regulations prescribed hereunder so far as the same relate to him.

"SEC. 12. That any license issued to any person to classify or to weigh any agricultural product or products under this Act may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to classify or to weigh any agricultural product or products correctly, or has violated any of the provisions of this act or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatsoever. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

"SEC. 13. That every warehouseman conducting a warehouse licensed under this Act shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

"SEC. 14. That any person who deposits agricultural products for storage in a warehouse licensed under this Act shall be deemed to have deposited the same subject to the terms of this Act and the rules and regulations prescribed hereunder.

"SEC. 15. That grain, flaxseed, or any other fungible agricultural product stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act shall be inspected and graded by a person duly licensed to grade the same under this Act.

"SEC. 16. That every warehouseman conducting a warehouse licensed under this Act shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if authorized by agreement or by custom, a warehouseman may mingle fungible agricultural products with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent, and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his cutsody mix fungible agricultural products of different grades.

"SEC. 17. That for all agricultural products stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act original receipts shall be issued by the warehouseman conducting the same, but no receipts shall be issued except for agricultural products actually stored in the warehouse at the time of the issuance thereof.

"SEC. 18. That every receipt issued for agricultural products stored in a warehouse licensed under this Act shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law: *Provided further*, That until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other class thereof may be stated in accordance with any recognized standard or in accordance with such rules and regulations not inconsistent herewith as may be prescribed by the Secretary of Agriculture; (h) a statement that the receipt is issued subject to the United States warehouse Act and the rules and regulations prescribed thereunder; (i) if the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership; (j) a statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof shall be sufficient; (k) such other terms and conditions within the limitations of this Act as may be required by the Secretary of Agriculture; and (l) the signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by the depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (g) of this section may be issued if it have plainly and conspicuously embodied in its written or printed terms a provision that such receipt is not negotiable.

"SEC. 19. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products in this act defined by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority of any other act of Congress shall be, and are hereby, adopted for the purposes of this Act as the official standards of the United States for the agricultural products to which they relate.

"SEC. 20. That while an original receipt issued under this Act is outstanding and uncanceled by the warehouseman issuing the same no other or further receipt shall be issued for the agricultural product covered thereby or for any part thereof, except that in the case of a lost or destroyed receipt a new receipt, upon the same terms and subject to the same conditions and bearing on its face the number and date of the receipt in lieu of which it is issued, may be issued upon compliance with the statutes of the United States applicable thereto in places under the exclusive jurisdiction of the United States or upon compliance with the laws of any State applicable thereto in any place not under the exclusive jurisdiction of the United States: *Provided*, That if there be in such case no statute of the United States or law of a State applicable thereto such new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this Act.

"SEC. 21. That a warehouseman conducting a warehouse licensed under this Act, in the absence of some lawful excuse, shall, without unnecessary delay, deliver the agricultural products stored therein upon a demand made either by the holder of a receipt for such agricultural products or by the depositor thereof if such demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such indorsements as would be necessary for the negotiation of the receipt; and (c) a readiness and willingness to sign, when the products are delivered, an acknowledgment that they have been delivered if such signature is requested by the warehouseman.

"SEC. 22. That a warehouseman conducting a warehouse licensed under this Act shall plainly cancel upon the face thereof each receipt returned to him upon the delivery by him of the agricultural products for which the receipt was issued.

"SEC. 23. That every warehouseman conducting a warehouse licensed under this Act shall keep in a place of safety complete and correct records of all agricultural products stored therein and withdrawn therefrom, of all warehouse receipts issued by him, and of the receipts returned to and canceled by him, shall make reports to the Secretary of Agriculture concerning such warehouse and the condition, contents, operation, and business thereof in such form and at such times as he may require, and shall conduct said warehouse in all other respects in compliance with this Act and the rules and regulations made hereunder.

"SEC. 24. That the Secretary of Agriculture is authorized to cause examinations to be made of any agricultural product stored in any warehouse licensed under this Act. Whenever, after opportunity for hearing is given to the warehouseman conducting such warehouse, it is determined that he is not performing fully the duties imposed on him by this Act and the rules and regulations made hereunder, the Secretary may publish his findings.

"SEC. 25. That the Secretary of Agriculture may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license issued to any warehouseman conducting a warehouse under this Act, for any violation of or failure to comply with any provision of this Act or of the rules and regulations made hereunder or upon the ground that unreasonable or exorbitant charges have been made for services rendered. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

"SEC. 26. That the Secretary of Agriculture from time to time may publish the results of any investigations made under section three of this Act; and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this Act and lists of all licenses terminated under this Act and the causes therefor.

"SEC. 27. That the Secretary of Agriculture is authorized through officials, employees, or agents of the Department of Agriculture designated by him to examine all books, records, papers, and accounts of warehouses licensed under this Act and of the warehousemen conducting such warehouses relating thereto.

"SEC. 28. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this Act.

"SEC. 29. That nothing in this Act shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, weighers, graders, or classifiers; but the Secretary of Agriculture is authorized to cooperate with such officials as are charged with the enforcement of such State laws in such States and through such cooperation to secure the enforcement of the provisions of this Act; nor shall this Act be construed so as to limit the operation of any statute of the United States relating to warehouses or warehousemen, weighers, graders, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States.

"SEC. 30. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture under this Act, or who shall violate or fail to comply with any provision of section eight of this Act, or who shall issue or utter a false or fraudulent receipt or certificate, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $500 or imprisoned not more than six months, or both, in the discretion of the court.

"SEC. 31. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50,000, available until expended, for the expenses of carrying into effect the provisions of this Act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, and he is authorized, in his discretion, to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this Act, and out of the moneys appropriated by this Act to pay the salaries and expenses thereof.

"SEC. 32. That if any clause, sentence, paragraph, or part of this Act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

"SEC. 33. That the right to amend, alter, or repeal this Act is hereby expressly reserved."

State Banks and Trust Companies Admitted.

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

Eight hundred and fifty-seven State institutions are now members of the system, having a total capital of $335,585,807, total surplus of $390,649,881, and total resources of $6,832,732,111.

	Capital.	Surplus.	Total resources.
District No. 2.			
Federal Trust Co., Newark, N. J.	$1,000,000	$500,000	$9,975,761
Bank of Hicksville, Hicksville, N. Y.	25,000	70,000	813,092
Citizens Bank, Perry, N. Y.	50,000	50,000	1,124,656
Alliance Bank, Rochester, N. Y.	500,000	500,000	13,025,982
Columbia Bank, New York, N. Y.	1,000,000	500,000	17,274,278
Farmers & Merchants Bank, Boonton, N. J.	75,000	25,000	410,975
District No. 3.			
Equitable Trust Co., Wilmington, Del.	500,000	500,000	5,202,745
District No. 4.			
Title Guarantee & Trust Co., Lexington, Ky.	150,000	15,000	985,234
Dollar Savings & Trust Co., Youngstown, Ohio.	1,500,000	500,000	19,672,796
Farmers Equity Bank, Brooksville, Ky.	25,000	12,500	299,972
District No. 5.			
Commercial and Savings Bank, Florence, S. C.	125,000	25,000	743,026
Bank of Georgetown, Georgetown, S. C.	100,000	100,000	1,072,895
District No. 6.			
The Hartwell Bank, Hartwell, Ga.	60,000	20,000	278,866
Pointe Coupee Trust & Savings Bank, New Roads, La.	60,000		60,000
American Bank & Trust Co., New Orleans, La.	200,000	20,000	434,785
District No. 7.			
The La Grange State Bank, La Grange, Ill.	50,000	25,000	1,034,221
Iowa Savings Bank, Audubon, Iowa.	50,000		146,136
Bellevue State Bank, Bellevue, Iowa.	30,000	10,000	712,301
Farmers State Bank of Ellsworth, Iowa.	25,000		160,412
Farmers Savings Bank, Roland, Iowa.	35,000	10,000	475,747
Farmers Savings Bank, Remsen, Iowa.	50,000	10,000	456,783
Charleston Trust & Savings Bank, Charleston, Ill.	80,000	12,000	746,068
Central State Bank, Des Moines, Iowa.	250,000	250,000	5,547,611
Lockridge Savings Banks, Lockridge, Iowa.	25,000	10,000	351,585
State Savings Bank, Logan, Iowa.	50,000	10,000	484,227
City State Bank, Ogden, Iowa.	50,000		555,816
Terril Savings Bank, Terril, Iowa.	25,000	1,000	132,438
Waterloo Bank & Trust Co., Waterloo, Iowa.	200,000	50,000	1,526,715

	Capital.	Surplus.	Total resources.
District No. 7—Continued.			
Williamston State Bank, Williamston, Mich.	50,000	10,000	350,217
Farmington State Savings Bank, Farmington, Mich.	25,000	5,000	359,477
Frankenmuth State Bank, Frankenmuth, Mich.	60,000	15,000	745,459
Fremont State Bank, Fremont, Mich.	25,000	28,000	539,349
Grosvenor Savings Bank, Jonesville, Mich.	50,000	25,000	517,050
Benton Harbor State Bank, Benton Harbor, Mich.	100,000	27,000	1,226,754
Big Rapids Savings Bank, Big Rapids, Mich.	50,000	10,000	698,745
Cass County State Bank, Cassopolis, Mich.	40,000	2,000	235,721
The United Savings Bank of Detroit, Mich.	300,000	150,000	5,742,078
Commercial State Savings Bank, Greenville, Mich.	50,000	10,000	704,278
Holland City State Bank, Holland, Mich	100,000	50,000	1,473,516
City State Bank, Lowell, Mich.	25,000	10,000	464,912
Peoples Bank, Manchester, Mich.	25,000	12,000	480,884
Commercial Savings Bank, Marshall, Mich.	100,000	20,000	1,053,209
Onsted State Bank, Onsted, Mich.	25,000	6,000	282,990
Citizens State Savings Bank, Otsego, Mich.	25,000	2,500	212,522
Paw Paw Savings Bank, Paw Paw, Mich	40,000	10,000	307,451
Redford State Savings Bank, Redford, Mich.	25,000	6,100	416,753
Citizens State Bank, South Haven, Mich.	50,000	45,000	232,355
District No. 8.			
Jonesboro Trust Co., Jonesboro, Ark.	100,000	50,000	927,629
State Bank of Holles & Sons, Greenville, Ill.	100,000	20,000	1,153,117
State Bank & Trust Co., Harrodsburg, Ky.	100,000	21,000	608,677
Kentucky Title Savings Bank & Trust Co., Louisville, Ky.	550,000	65,000	5,703,035
Pike County Bank, Bowling Green, Ky.	25,000	5,000	216,764
Camden County Bank, Linn Creek, Mo.	25,000	35,000	252,095
Farmers & Merchants Trust Co., St. Louis, Mo.	200,000	22,500	1,080,344
District No. 9.			
Security State Bank of Lewiston, Minn.	25,000	30,000	476,900
State Bank of New Richland, New Richland, Minn.	50,000	10,000	847,025
Reclamation State Bank, Newell, S. Dak.	25,000	....	181,807
District No. 10.			
Security State Bank, Ponca City, Okla.	100,000	10,000	1,227,532
American State Bank, Lincoln, Nebr.	100,000	....	751,705
District No. 11.			
First Guaranty State Bank, Collinsville, Tex.	25,000	6,000	268,579
First State Bank, Lorenzo, Tex.	25,000	....	107,631
First State Bank, Sabinal, Tex.	30,000	25,000	237,867
First State Bank, Terrell, Tex.	100,000	60,000	825,023
First Guaranty State Bank, Tioga, Tex.	30,000	7,500	208,447
The Guaranty State Bank, Trenton, Tex.	25,000	5,000	111,351
District No. 12.			
The Peoples Bank, Cambridge, Idaho.	40,000	3,000	276,202
Bank of Orofino, Orofino, Idaho.	25,000	3,500	236,392
Picabo State Bank, Picabo, Idaho.	25,000	....	38,460
Potlatch State Bank, Potlatch, Idaho.	30,000	10,000	359,959
Delta State Bank, Delta, Utah.	25,000	4,000	207,470
A. Mierson Banking Company, Placerville, Cal.	50,000	56,000	827,855
Union State Bank, Nezperce, Idaho.	50,000	9,500	278,422
Union Central Bank, May, Idaho.	30,000	400	79,847
Redmond Bank of Commerce, Redmond, Oreg.	25,000	5,000	236,898

NOTE.—The Farmers State Bank of St. Olaf, Iowa, has decided not to complete its membership by making payment on account of capital stock, and it is, therefore, not a member of the Federal Reserve System.

The Coalgate State Bank, Coalgate, Okla., has liquidated and consolidated with the First National Bank of Coalgate.

Commercial Failures Reported.

Each succeeding month discloses substantial reduction in the number of failures in the United States in comparison with all recent preceding years. During three weeks of October only 450 commercial insolvencies were reported to R. G. Dun & Co., against 692 in the corresponding period of 1917. The statement for September—the latest month for which complete statistics are available—shows 674 defaults for $17,407,130, as contrasted with 963 for $11,903,051 last year, and 1,154 in September, 1916, for $11,569,078. While it thus appears that the September liabilities, owing to several reverses of unusual magnitude, are considerably larger than in both 1917 and 1916, the number is materially less, and is, in fact, the smallest on record for the month. More than this, so few failures have not been reported in any previous month back to October, 1899. Separated according to Federal Reserve districts, the September returns disclose numerical decreases from last year in every instance, except in the seventh district, where an increase of 12 appears. The exhibit as to liabilities is not so favorable, for larger totals are shown by the first, second, third, seventh, eighth, and eleventh districts, and in most cases the expansion is quite marked.

Failures during September.

Districts.	Number.		Liabilities.	
	1918	1917	1918	1917
First	71	97	$1,978,500	$629,491
Second	126	181	5,188,489	4,291,834
Third	38	63	4,223,184	548,914
Fourth	58	80	582,903	978,433
Fifth	27	56	245.936	715,091
Sixth	32	85	257,383	631,417
Seventh	125	113	3,453,050	1,588,140
Eighth	38	56	395,975	200,577
Ninth	23	33	304,400	410,523
Tenth	27	45	182,859	567,860
Eleventh	33	42	272,521	223,142
Twelfth	76	112	321,930	1,117,620
Total	674	963	17,407,130	11,903,051

New National Bank Charters.

The Comptroller of the Currency reports the following increases and reductions in the number of national banks and the capital of national banks during the period from September 28, 1918, to October 25, 1918, inclusive:

	Banks.	
New charters issued to	6	
With capital of		$235,000
Increase of capital approved for	7	
With new capital of		2,735,000

	Banks.	
Aggregate number of new charters and banks increasing capital	13	
With aggregate of new capital authorized		$2,970,000
Number of banks liquidating (other than those consolidating with other national banks)	3	
Capital of same banks		155,000
Number of banks reducing capital	0	
Reduction of capital		0
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks)	3	
Aggregate capital reduction		155,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was		2,970,000
Against this there was a reduction of capital owing to liquidation (other than for consolidation with other national banks) and reductions of capital of		155,000
Net increase		2,815,000

In addition to the changes noted above, one bank, with capital of $200,000, was placed in the hands of a receiver during this period.

Acceptances to 100 Per Cent.

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

Bank of Pittsburgh, N. A. Pittsburgh, Pa.
Virginia National Bank, Norfolk, Va.
National State & City Bank, Richmond, Va.
First National Bank, Milwaukee, Wis.
Mechanics-American National Bank, St. Louis, Mo.
National Bank of Commerce, St. Louis, Mo.
Third National Bank, St. Louis, Mo.
State National Bank, Honey Grove, Tex.
Seattle National Bank, Seattle, Wash.
Exchange National Bank, Spokane, Wash.
Spokane & Eastern Trust Co., Spokane, Wash.
Harris Trust & Savings Bank, Chicago, Ill.
Central State National Bank, Memphis, Tenn.
Old National Bank, Spokane, Wash.
Fourth National Bank, Atlanta, Ga.

Fiduciary Powers.

The application of the following bank for permission to act under section 11(k) of the Federal Reserve Act has been approved since the issue of the October BULLETIN:

DISTRICT No. 2.

Registrar of stocks and bonds:
Chemical National Bank, New York City.

WHOLESALE PRICES.

In continuation of figures shown in the October BULLETIN there are presented below monthly index numbers of wholesale prices for the period January to September, compared with like figures for September of previous years, also for July, 1914, the month immediately preceding the outbreak of the great war. The general index number is that of the United States Bureau of Labor Statistics. In addition there are presented separate numbers for certain particular classes of commodities in accordance with plans announced in previous issues of the BULLETIN.

Quotations of two classes of worsted yarns, namely, 2–40's and 2–50's, had to be omitted. On the other hand, quotations for cabbage, which had been dropped temporarily, have been secured for the months of August and September, and the commodity is again included in the calculation of the index numbers for the latter month. Index numbers for September are provisional, due to the fact that certain of the data were not received in time to render them available for use in the calculations.

A further rise in prices between August and September is indicated in the table which follows. The general index number of the Bureau of Labor Statistics has increased from 202 to 207, the increase being due largely to the rise in the prices of consumers' goods, the index number of the latter group showing an increase from 205 to 209. Within the group, cotton textiles, potatoes, and corn meal are the only important commodities which have declined in price. This decline is, however, more than offset by a rise in the prices of certain classes of foodstuffs, notably granulated sugar, butter, milk and eggs, and meats.

For the group of raw materials an increase of the index number from 200 to 204 is shown. This increase is due entirely to the increase in prices of the farm and animal products. The numbers for both forest products and mineral products remain unchanged, the former at 143 and the latter at 180. The individual items of the former subgroup are practically unchanged in price, while in the mineral products group a slight increase in the price of anthracite coal has been offset by a decrease in the price of pig tin. The number for the animal products subgroup shows an increase from 215 to 219, due to an increase in the prices of cattle and hogs. The largest increase, from 246 to 255, is shown by the number for the farm products subgroup. In this group the rise in the price of cotton accounts for almost the entire increase in the index number, the fall in the price of corn being largely offset by the increase in the price of hay.

The index number for the group of producers' goods shows an increase from 199 to 203. Among the commodities included in the group, cotton yarns and certain of the drugs and chemicals have declined slightly in price. Rises in the price of raw sugar, also of cement, paper and wood pulp, cottonseed meal, and certain of the drugs and chemicals account for the increase in the index number for the group as a whole.

Index numbers of wholesale prices in the United States for principal classes of commodities.

(Average price for 1913=100.)

Year and month.	Raw materials.					Producers' goods.	Consumers' goods.	All commodities (Bureau of Labor Statistics index number).
	Farm products.	Animal products.	Forest products.	Mineral products.	Total raw materials.			
July, 1914	102	106	97	88	98	92	103	99
September, 1914	104	110	96	86	100	100	108	103
September, 1915	102	104	92	92	98	99	99	98
September, 1916	138	125	95	117	121	142	130	127
September, 1917	214	195	129	167	181	203	175	182
1918.								
January	240	174	130	171	183	181	192	185
February	242	176	131	172	184	184	193	187
March	249	178	135	172	187	187	189	187
April	243	193	137	170	190	190	193	191
May	226	201	138	173	189	192	194	191
June	232	198	138	171	189	194	197	193
July	237	209	140	180	196	196	202	198
August	246	215	143	180	200	199	205	202
September	255	219	143	180	204	203	209	207

In order to give a more concrete illustration of actual price movements there are also presented in the following table monthly actual and relative figures covering the same period for certain commodities of a basic character. The actual average monthly prices shown in the table have been abstracted from the records of the United States Bureau of Labor Statistics.

Average monthly wholesale prices of commodities.

[Average price for 1913=100.]

Year and month.	Corn, No. 3, Chicago.		Cotton, middling, New Orleans.		Wheat, No. 1, northern spring, Minneapolis.		Wheat, No. 2, red winter, Chicago.		Cattle, steers, good to choice, Chicago.		Hides, packers', heavy native steers, Chicago.	
	Average price per bushel.	Relative price.	Average price per pound.	Relative price.	Average price per bushel.	Relative price.	Average price per bushel.	Relative price.	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.
July, 1914	$0.7044	114	$0.1331	105	$0.8971	103	$0.8210	83	$9.2188	108	$0.1938	105
September, 1914	.7748	126	.0838	66	1.1364	130	1.1069	112	9.7313	114	.2100	114
September, 1915	.7269	118	.1053	83	.9811	112	1.0760	109	8.9500	105	.2650	144
September, 1916	.8522	138	.1532	121	1.6080	184	1.5344	156	9.8000	115	.2600	141
September, 1917	2.0613	335	.2160	170	2.2213	254	2.1775	221	14.9875	176	.3300	179
1918.												
January	1.6850	274	.3105	244	2.1700	248	2.1700	220	13.1125	154	.3280	178
February	1.6375	266	.3097	244	2.1700	248	2.1700	220	13.0750	154	.2925	159
March	1.5563	253	.3291	259	2.1700	248	2.1700	220	13.2313	156	.2625	143
April	1.5850	258	.3350	264	2.1700	248	2.1700	220	15.1750	178	.2719	148
May	1.5250	248	.2894	228	2.1700	248	2.1700	220	16.4167	193	.3110	169
June	1.5125	246	.3066	241	2.1700	248	2.1700	220	17.1750	202	.3300	179
July	1.5900	258	.2945	232	2.1700	248	2.2470	228	17.6250	207	.3240	176
August	1.6225	264	.3038	239	2.2231	255	2.2325	226	17.8250	210	.3000	163
September	1.5313	249	.3578	282	2.2169	254	2.2363	227	18.4100	216	.3000	163

Average monthly wholesale prices of commodities—Continued.

[Average price for 1913=100.]

Year and month.	Hogs, light, Chicago.		Wool, Ohio, $\frac{1}{4}$–$\frac{3}{8}$ grades, scoured.		Hemlock, New York.		Yellow pine flooring, New York.		Coal, anthracite, stove, New York tidewater.		Coal, bituminous, run of mine, Cincinnati.	
	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.	Average price per M feet.	Relative price.	Average price per M feet.	Relative price.	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.
July, 1914	$8.7563	104	$0.4444	94	$24.5000	101	$42.0000	94	$4.9726	98	$2.2000	100
September, 1914	9.0188	107	.4583	97	24.2500	100	42.0000	94	5.1794	102	2.2000	100
September, 1915	7.7000	91	.5714	121	20.5000	85	38.5000	86	5.1529	102	2.2000	100
September, 1916	10.7750	127	.6857	146	23.7500	98	38.0000	85	5.6625	112	2.5000	114
September, 1917	18.4250	218	1.3714	291	30.5000	126	57.0000	128	6.1303	121	3.3000	150
1918.												
January	16.2125	192	1.4545	309	30.5000	126	57.0000	128	6.5000	128	3.6000	164
February	16.6938	197	1.4545	309	30.5000	126	57.0000	128	6.5000	128	3.6000	164
March	17.4250	206	1.4545	309	30.5000	126	60.0000	135	6.4642	128	3.6000	164
April	17.5100	207	1.4545	309	33.5000	138	60.0000	135	6.2606	124	3.6000	164
May	17.5000	207	1.4182	301	33.5000	138	60.0000	135	6.3000	124	3.8500	175
June	15.5250	184	1.4182	301	34.5000	142	60.0000	135	6.3212	125	3.7500	170
July	18.0000	213	1.4365	305	34.5000	142	60.0000	135	6.5963	130	4.1000	186
August	19.7750	234	1.4365	305	....	....	63.0000	141	6.5992	130	4.1000	186
September	20.0700	237	1.4365	305	....	....	63.0000	141	6.9000	136	4.1000	186

Year and month.	Coal, Pocahontas, Norfolk.		Coke, Connellsville.		Copper, ingot, electrolytic, New York.		Lead, pig, desilverized, New York.		Petroleum, crude, Pennsylvania, at wells.		Pig iron, basic.	
	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per long ton.	Relative price.
July, 1914	$3.0000	100	$1.8750	77	$0.1340	85	$0.0390	89	$1.7500	71	$13.0000	88
September, 1914	3.0000	100	1.7250	71	.1238	79	.0388	88	1.4500	59	13.0000	88
September, 1915	2.8500	95	1.6750	69	.1775	113	.0490	111	1.6000	65	14.7500	100
September, 1916	4.0000	133	2.7500	113	.2775	176	.0650	148	2.3000	94	18.3100	125
September, 1917	3.9080	130	11.7500	482	.2525	161	1.0380	236	3.5000	143	42.7500	291
1918.												
January	4.4120	147	6.0000	246	.2350	149	.0684	155	3.7500	153	33.0000	224
February	4.4120	147	6.0000	246	.2350	149	.0706	160	3.9375	161	33.0000	224
March	4.4120	147	6.0000	246	.2350	149	.0724	165	4.0000	163	33.0000	224
April	4.2440	141	6.0000	246	.2350	149	.0698	159	4.0000	163	32.0000	218
May	4.2190	141	6.0000	246	.2350	149	.0691	157	4.0000	163	32.0000	218
June	4.2320	141	6.0000	246	.2350	149	.0728	165	4.0000	163	32.0000	218
July	4.6320	154	6.0000	246	.2550	162	.0802	182	4.0000	163	32.0000	218
August	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	32.0000	218
September	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	32.0000	218

Year and month.	Cotton yarns, northern cones, 10/1.		Leather, sole, hemlock, No. 1.		Steel, billets, Bessemer, Pittsburgh.		Steel, plates, tank, Pittsburgh.		Steel, rails, open hearth, Pittsburgh.		Worsted yarns, 2–32's, crossbred.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.
July, 1914	$0.2150	97	$0.3050	108	$19.0000	74	$0.0113	76	$30.0000	100	$0.6500	84
September, 1914	.1700	77	....	....	21.0000	81	.0120	81	30.0000	100	.6600	85
September, 1915	.1700	77	.3100	110	24.1000	93	.0135	91	30.0000	100	.8500	119
September, 1916	.2750	124	.3700	131	45.0000	174	.0350	236	35.0000	117	1.2000	154
September, 1917	.4200	190	.4800	170	66.2500	257	.0800	541	40.0000	133	1.7000	219
1918.												
January	.5363	242	.4900	174	47.5000	184	.0325	220	46.8000	156	2.0000	257
February	.5536	250	.4900	174	47.5000	184	.0325	220	57.0000	190	2.0071	258
March	.5745	260	.4550	161	47.5000	184	.0325	220	57.0000	190	2.1000	270
April	.6162	278	.4550	161	47.5000	184	.0325	220	57.0000	190	2.1500	277
May	.6332	286	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
June	.6437	291	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
July	.6412	290	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
August	.6400	289	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
September	.6100	276	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277

Average monthly wholesale prices of commodities—Continued.

[Average price for 1913=100.]

Year and month.	Beef carcass, good, native steers, Chicago.		Coffee, Rio No. 7.		Flour, wheat, standard patents, 1914-1917, standard war, 1918, Minneapolis.		Hams, smoked, Chicago.		Illuminating oil, 150° fire test, New York.		Sugar, granulated, New York.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per pound.	Relative price.	Average price per gallon.	Relative price.	Average price per pound.	Relative price.
July, 1914	$0.1350	104	$0.0882	79	$4.5938	100	$0.1769	106	$0.1200	97	$0.0420	98
September, 1914	.1438	111	.0763	69	5.9400	130	.1905	115	.1200	97	.0680	159
September, 1915	.1350	104	.0675	61	5.3313	116	.1447	87	.1200	97	.0506	119
September, 1916	.1375	106	.0988	89	8.4250	184	.1900	114	.1200	97	.0637	149
September, 1917	.1900	147	.0913	82	11.2625	246	.2675	161	.1300	105	.0823	193
1918.												
January	.1750	135	.0853	77	10.0850	220	.2950	177	.1600	130	.0744	174
February	.1750	135	.0833	75	10.3000	225	.2984	180	.1600	130	.0730	171
March	.1750	135	.0891	80	10.0938	220	.3028	182	.1600	130	.0730	171
April	.2050	158	.0903	81	9.9850	218	.3075	185	.1675	136	.0730	171
May	.2250	174	.0873	78	9.5250	208	.3025	182	.1700	133	.0730	171
June	.2338	181	.0841	76	9.8250	214	.2994	180	.1700	138	.0731	171
July	.2400	185	.0855	77	10.7020	233	.3025	182	.1710	139	.0735	172
August	.2420	187	.0853	77	10.2100	223	.3225	194	.1750	142	.0735	172
September	.2450	189	.0959	86	10.2100	223	.3281	197	.1750	142	.0845	198

REPORTS OF BANK TRANSACTIONS.

In the accompanying table are given figures of debits to deposit accounts of clearing-house banks in about 150 cities for the weekly periods ending Wednesday, October 2, 9, 16, 23, and 30, in continuation of similar tables in the October FEDERAL RESERVE BULLETIN, giving data for four weekly periods in the month of September.

The number of centers from which reports are received has been gradually increased. Among the important accessions to the list of centers are San Francisco, from which data were first obtained toward the close of the month of September, and Cleveland, which commenced to report during the past month. The only large centers from which no reports have as yet been secured are Washington, D. C., and Lincoln, Nebr. It is hoped that in the near future the reports will cover practically all the more important clearing-house centers of the country.

A recapitulation is added, giving comparative data for centers reporting for each of the five weeks included in the statement.

Debits to individual account show a perceptible decrease for the week ending October 9 as compared with the previous week. Decreases, which occur in practically all districts, are most marked in the eastern districts and the Chicago district. The latter and the Kansas City and Dallas districts afford the only marked instances of increases in debits to bank account, all other districts showing relatively slight changes. For the week ending October 16 debits to individual account differ but little from the figures for the previous week, increases in some districts being largely offset by decreases in others, while debits to bank account show a considerable decrease, chiefly in New York, Chicago, Kansas City, and Dallas. For the week ending October 23 considerable increases in debits to both individual and bank accounts are shown, the increases occurring in the majority of districts, but being especially pronounced in the eastern districts and Chicago and to a lesser degree in San Francisco. It is probable that a large portion of the increases are due to payments by check or draft made by subscribers to the fourth Liberty loan, and in the case of bank debits to the extraordinarily heavy movement of funds in connection with Liberty loan operations. Further increases in debits to bank account in practically all districts are shown for the week ending October 30, while for certain of the large centers there are also pronounced increases in debits to individual account. This is particularly true of New York, Boston, and Chicago. The further gain in the totals of bank transactions shown is due apparently to the continued large volume of checks and drafts handled by the banks in connection with the last Liberty loan.

Figures of reporting clearing houses by Federal Reserve districts are as follows:

Weekly figures of clearing-house bank debits to deposit account.

[In thousands of dollars; i. e., 000 omitted.]

District.	Debits to individual account.					Debits to banks' and bankers' account.				
	Oct. 2.	Oct. 9.	Oct. 16.	Oct. 23.	Oct. 30.	Oct. 2.	Oct. 9.	Oct. 16.	Oct. 23.	Oct. 30.
No. 1—Boston:										
Bangor	2,738	2,777	2,701	2,930	3,065	480	528	401	497	644
Boston	230,041	206,541	220,153	253,581	296,705	185,165	188,724	184,757	230,410	274,149
Fall River	8,573	9,199	6,859	10,562	8,924	506	572	274	773	310
Hartford	24,684	19,265	16,836	21,972	24,931	1,237	1,477	1,373	2,867	1,925
Holyoke	2,154	3,045	2,998	4,169	3,385	768	726	630	665	678
Lowell	5,108	5,251	5,003	6,469	7,449	362	539	296	557	670
New Bedford	6,063	5,465	7,496	7,213	6,124	691	143	160	295	118
New Haven	15,053	16,410	15,113	15,975	17,294	337	459	342	408	268
Portland	9,101	7,953	6,748	9,368	7,343	3,466	3,319	3,254	3,861	2,648
Providence	29,040	28,010	29,385	43,753	34,161	1,560	1,150	1,381	1,969	1,721
Springfield	12,540	11,577	11,543	18,448	12,408	187	211	212	303	533
Waterbury	7,284	6,820	7,081	9,727	6,880	466	1,127	327	519	505
Worcester	15,976	14,725	14,513	17,242	16,251	1,452	1,329	1,387	2,960	1,989
No. 2—New York:										
Albany	19,446	15,914	....	20,226	17,884	12,532	14,934	....	18,325	16,051
Binghampton	2,811	2,763	2,740	2,696	2,752	....	....	....	....	....
Buffalo	61,553	59,835	56,764	58,184	67,034	10,687	12,638	10,539	13,304	12,845
New York	3,831,077	3,406,518	3,453,918	4,221,573	4,820,106	1,590,618	1,588,561	1,412,480	1,630,875	1,749,750
Passaic	3,436	4,650	3,623	3,984	3,549	372	403	443	405	525
Rochester	27,114	23,832	24,306	28,960	28,470	463	446	1,042	1,490	1,418
Syracuse	9,123	12,600	10,368	14,707	12,542	132	682	462	677	847
No. 3—Philadelphia:										
Altoona	2,966	2,936	3,102	3,426	2,891	....	....	....	....	....
Chester	4,959	4,340	4,909	5,647	6,290	20	4	6	101	28
Harrisburg	6,985	6,045	5,292	6,125	5,673	41	1	31	1	39
Johnstown	3,348	3,129	3,119	3,254	3,100	68	225	248	317	186
Lancaster	4,762	4,557	4,656	5,802	4,660	44	68	25	47	66
Philadelphia	325,756	264,464	275,702	341,184	349,688	273,402	253,791	252,773	342,368	450,237
Reading	5,440	6,305	5,749	6,831	5,642	1	....	....	1	1
Scranton	14,616	11,538	11,621	12,106	15,058	1,719	1,916	1,732	2,407	3,049
Trenton	8,833	7,784	8,447	10,448	9,579	201	160	178	204	148
Wilkes-Barre	6,968	6,007	6,722	7,468	7,918	95	89	91	156	90
Williamsport	3,034	3,155	3,612	3,610	3,501	....	....	....	....	211
Wilmington	9,044	8,367	7,012	11,531	12,442	....	....	....	....	....
York	3,168	3,223	3,195	3,579	3,136	64	60	37	25	24
No. 4—Cleveland:										
Akron	12,388	13,144	13,300	15,940	15,772	218	118	71	228	160
Cincinnati	49,033	45,948	50,685	60,836	61,339	39,491	40,479	34,714	44,750	53,432
Cleveland	....	115,797	134,676	146,703	145,560	....	127,838	109,762	126,123	144,976
Columbus	20,675	23,816	26,047	28,194	24,682	2,759	3,457	3,683	4,151	4,829
Dayton	11,236	10,824	11,232	13,628	12,226	323	319	757	462	324
Erie	7,193	6,895	6,976	7,845	6,685	92	96	70	139	80
Greensburg, Pa	3,026	2,660	3,315	2,791	2,879	....	....	....	....	....
Lexington, Ky	4,142	3,420	3,360	3,327	3,656	2,509	2,210	1,767	2,217	2,085
Newcastle	2,189	1,837	2,140	2,317	2,896	1,329	1,517	1,306	1,650	1,814
Oil City	2,409	3,018	2,361	3,326	3,070	2,979	2,841	2,788	2,881	2,533
Springfield	3,324	2,594	3,055	2,675	2,991	2,874	2,292	2,745	2,102	2,816
Toledo	23,502	20,100	22,837	25,482	31,514	7,637	8,294	8,079	8,623	9,963
Wheeling	9,168	....	7,696	9,183	8,625	9,344	....	8,434	8,644	8,846
Youngstown	14,418	16,452	12,726	13,458	13,317	17	29	218	469	658
No. 5—Richmond:										
Baltimore	82,719	72,901	72,818	85,350	74,680	43,870	42,088	36,641	41,308	52,112
Charlotte	5,596	5,863	6,100	6,700	5,700	8,956	9,674	10,200	9,300	8,700
Columbia	....	7,723	6,449	7,963	8,087	....	3,497	2,040	4,344	4,761
Norfolk	16,295	16,314	17,644	19,789	16,118	23,584	25,072	24,453	26,886	28,088
Raleigh	3,207	4,415	3,372	4,579	3,888	3,272	3,485	3,115	3,429	4,141
Richmond	21,633	23,412	26,838	25,605	29,736	63,572	67,557	66,790	78,764	75,092
No. 6—Atlanta:										
Atlanta	25,391	24,400	27,329	27,075	24,575	27,853	30,927	31,731	31,901	34,340
Augusta	9,947	12,186	9,176	9,589	9,240	3,716	4,725	3,001	3,145	3,101
Birmingham	14,302	13,079	13,292	13,735	15,157	4,404	5,101	4,959	5,092	5,112
Chattanooga	8,920	8,532	8,680	9,777	8,877	4,483	4,453	4,733	4,774	5,349
Jacksonville	10,270	8,808	8,352	10,370	10,543	4,947	5,560	5,873	6,422	6,406
Knoxville	6,817	6,197	5,814	5,600	6,220	1,536	2,032	1,535	1,690	1,917
Macon	7,236	6,431	7,176	7,793	6,094	4,560	4,871	4,252	4,745	4,540
Mobile	7,086	8,058	7,395	7,110	6,334	889	786	861	800	806
Montgomery	4,423	5,426	5,105	4,969	5,019	703	863	1,150	1,159	1,232
Nashville	21,801	19,744	23,522	21,607	24,731	16,099	18,687	26,043	19,607	18,242
New Orleans	61,357	53,811	51,712	54,293	62,031	35,890	40,779	38,687	43,659	44,269
Pensacola	1,957	1,483	1,645	2,147	1,875	1,009	953	1,287	882	1,129
Savannah	17,408	19,669	16,804	20,662	15,338	14,292	14,069	14,408	15,421	12,607
Tampa	3,797	3,854	3,806	3,586	3,539	1,275	993	804	1,011	1,058
Vicksburg	1,665	1,920	1,693	1,730	1,700	154	224	276	189	223
No. 7—Chicago:										
Bay City	2,494	2,373	2,587	2,796	3,329	378	486	418	510	608
Bloomington, Ill	2,851	2,399	2,170	2,365	1,964	893	984	812	992	808
Cedar Rapids	a 15,353	a 16,350	a 13,720	a 15,278	a 13,136	....	....	....	....	....
Chicago	568,381	527,764	550,815	593,013	661,514	535,993	596,937	543,121	654,717	688,669
Davenport	9,153	8,452	6,349	6,983	6,683	1,355	1,553	1,390	1,678	3,021
Decatur, Ill	3,333	3,225	3,049	3,387	2,503	647	726	574	826	799
Des Moines	a 45,375	a 53,291	33,320	35,415	34,393	....	....	17,554	18,060	16,992

a Figures comprise debits to both individual as well as to banks' and bankers' account.

Weekly figures of clearing-house bank debits to deposit account—Continued.

[In thousands of dollars; i. e., 000 omitted.]

District.	Debits to individual account.					Debits to banks' and bankers' account.				
	Oct. 2.	Oct. 9.	Oct. 16.	Oct. 23.	Oct. 30.	Oct. 2.	Oct. 9.	Oct. 16.	Oct. 23.	Oct. 30.
No. 7—Chicago—Continued.										
Detroit	94,642	87,134	101,655	104,764	96,419	40,532	52,699	41,455	52,081	48,089
Dubuque	1,477	2,300	2,700	3,900	2,077	1,114	400	2,200	1,300	1,836
Flint	2,954	4,135	3,124	4,998	3,147	38	56	53	49	32
Fort Wayne	4,731	5,221	5,362	5,747	5,117	1,402	2,034	1,805	2,463	2,181
Grand Rapids	15,555	12,648	13,605	14,722	21,897	4,510	4,673	4,867	5,434	5,333
Indianapolis	29,166	29,171	31,143	33,491	30,462	22,958	23,989	21,526	27,025	25,113
Kalamazoo	3,320	3,074	2,884	2,919	3,043	460	472	487	703	572
Lansing	3,408	2,816	3,225	2,991	2,881	127	208	206	256	210
Milwaukee	50,479	55,742	57,768	58,854	53,756	28,630	32,952	30,502	33,031	35,345
Peoria	12,234	11,834	10,875	11,164	11,174	1,780	2,522	2,035	2,695	2,006
Rockford, Ill	2,454	4,683	4,848	5,463	4,826	135	200	156	232	149
South Bend	3,304	3,263	3,649	3,982	4,271	2,475	2,075	2,759	3,174	2,940
Springfield, Ill	4,565	3,525	4,732	4,144	4,831	2,380	2,033	2,298	2,211	2,447
Waterloo, Iowa	2,871	3,064	3,246	3,842	3,323	926	1,227	1,366	1,252	1,170
No. 8—St. Louis:										
Evansville	3,971	3,643	3,973	4,680	4,524	1,112	1,220	1,178	1,573	2,183
Little Rock	6,347	8,750	6,350	9,061	8,938	6,438	7,849	7,184	7,079	6,756
Louisville	28,912	25,562	29,431	48,954	40,702	14,459	15,227	18,744	29,085	26,371
Memphis	33,145	26,561	49,687	29,900	27,043	33,950	23,890	36,486	30,800	32,873
St. Louis	132,185	139,594	135,935	138,424	134,886	134,219	146,403	142,121	150,204	153,970
Springfield, Mo	2,627	3,380	2,869	3,751	3,809	1,425	2,589	3,397	2,583	3,334
No. 9—Minneapolis:										
Aberdeen	1,886	2,255	1,981	1,827	1,550	1,798	1,930	1,925	1,694	1,694
Billings	2,187	1,390	2,039	2,380	1,807	874	850	1,127	1,364	969
Duluth	67,964	66,884	61,194	56,895	56,698	5,165	6,263	6,231	6,349	6,334
Fargo	3,551	4,304	3,503	3,832	....	1,383	5,100	4,646	4,631	....
Grand Forks	1,983	1,854	1,757	1,832	1,426	2,257	2,322	2,311	2,555	2,508
Helena	3,287	2,645	2,822	2,774	2,244	3,199	3,701	3,812	4,192	3,824
Minneapolis	110,310	122,376	115,667	112,748	99,479	109,878	112,368	116,285	116,971	130,031
St. Paul	37,674	32,974	38,824	45,218	....	48,372	52,877	53,876	54,446	....
Superior	2,299	2,813	2,349	3,007	2,358	130	153	128	156	155
No. 10—Kansas City:										
Atchison	974	1,039	1,008	1,092	1,320	712	511	508	601	701
Bartlesville, Okla	2,257	1,536	2,021	1,763	1,751	190	295	208	214	295
Colorado Springs	2,242	2,685	2,681	2,827	2,774	689	1,501	564	488	523
Denver	32,155	26,345	28,985	28,992	30,267	20,148	23,884	22,392	23,142	22,204
Joplin	3,607	3,544	4,228	3,707	3,218	693	815	720	422	834
Kansas City, Kans	3,306	4,531	3,196	3,017	2,496	5,760	6,217	6,071	7,072	6,687
Kansas City, Mo	110,391	91,031	91,012	91,927	95,242	166,873	196,666	190,340	204,718	221,926
Muskogee, Okla	3,253	3,233	3,521	3,617	3,291	3,175	3,140	3,745	3,746	2,989
Oklahoma City	17,900	15,091	17,290	15,542	17,373	12,600	15,391	15,756	14,880	14,180
Omaha	63,288	65,394	62,842	62,744	59,873	71,305	70,085	51,948	65,539	70,942
Pueblo	4,333	4,934	4,568	4,138	2,431	665	1,044	930	874	1,262
St. Joseph	18,671	21,411	22,934	18,575	19,737	17,011	19,051	17,964	15,984	19,096
Topeka	4,254	4,815	4,456	4,574	4,357	1,964	2,061	1,822	2,084	1,599
Tulsa	15,959	16,791	21,006	19,624	20,562	8,607	6,500	5,655	6,556	6,318
Wichita	6,372	8,203	9,303	8,265	8,800	12,114	12,359	17,089	16,004	17,897
No. 11—Dallas:										
Albuquerque	....	1,253	1,501	1,439	1,336	....	....	2,879	3,327	3,558
Austin	3,436	4,099	3,212	3,100	2,699	4,000	2,318	2,580	1,880	2,802
Beaumont	3,218	4,216	3,855	4,430	3,539	356	399	465	379	537
Dallas	28,018	34,426	29,312	35,531	41,077	61,695	67,518	57,592	70,858	59,594
El Paso	5,872	5,930	5,205	6,390	5,225	8,125	7,148	6,309	8,357	7,780
Fort Worth	16,813	18,275	16,274	15,347	16,757	33,487	42,544	38,749	39,383	41,508
Galveston	8,913	11,553	5,941	8,556	6,995	6,913	7,667	5,322	6,939	6,216
Houston	26,942	26,516	24,114	29,493	26,031	66,041	56,176	47,412	56,097	69,210
San Antonio	[a] 7,312	[a] 8,188	[a] 7,360	[a] 7,047	[a] 5,674	....	....	....	....	....
Shreveport	6,300	6,391	5,434	6,292	5,720	4,172	4,894	3,884	4,438	4,723
Texarkana	1,111	1,162	1,448	1,738	1,832	500	564	431	369	591
Tucson	1,883	2,122	1,659	1,927	1,764	1,560	1,300	1,752	2,111	1,722
Waco	4,863	4,475	3,218	....	....	2,976	3,431	3,031	....	....
No. 12—San Francisco:										
Boise	....	....	2,390	2,907	2,172	....	....	4,035	3,856	4,434
Fresno	5,836	5,574	6,694	6,508	8,542	4,385	3,328	3,794	3,619	3,005
Long Beach	2,390	2,193	2,254	2,226	1,920	54	52	45	55	76
Los Angeles	52,608	50,465	51,805	59,678	53,753	30,689	35,636	34,651	42,389	39,836
Oakland	11,151	13,662	10,439	14,130	10,958	2,396	2,410	2,537	2,988	2,885
Ogden	4,261	3,774	4,074	3,655	3,544	4,646	5,556	5,916	5,078	5,352
Pasadena	2,098	2,689	2,185	2,253	1,982	259	186	148	334	245
Portland	44,790	49,357	48,350	52,706	46,015	27,506	28,550	29,353	31,693	31,875
Reno	1,947	2,518	1,776	2,120	1,704	1,540	1,748	1,483	1,691	1,314
Sacramento	12,921	14,358	11,850	11,726	10,657	5,760	6,415	4,917	6,709	6,284
Salt Lake City	16,422	14,447	17,447	18,347	14,951	18,188	20,088	21,803	21,466	22,278
San Diego	5,294	5,461	5,416	5,941	2,811	392	453	411	231	370
San Francisco	155,233	146,718	150,119	165,541	154,918	97,299	103,327	94,762	114,685	132,513
Seattle	54,156	51,158	51,880	56,702	54,953	33,495	31,719	27,692	38,169	25,707
Spokane	10,711	10,176	9,476	10,643	9,712	10,233	11,760	9,805	11,882	9,652
Stockton	4,509	4,497	5,398	4,498	5,015	3,303	2,327	3,368	2,271	3,424
Tacoma	14,343	11,466	12,836	12,178	12,321	12,417	10,813	7,756	11,065	6,415
Yakima	1,959	2,020	2,213	2,518	2,047	143	178	193	172	288

[a] Figures comprise debits to both individual as well as to banks' and bankers' account.

Recapitulation, showing figures for clearing-house centers reporting for each of the five weeks.

[In thousands of dollars; i. e., 000 omitted.]

District.	Number of centers included.	Debits to individual account.					Debits to banks' and bankers' account.				
		Oct. 2.	Oct. 9.	Oct. 16.	Oct. 23.	Oct. 30.	Oct. 2.	Oct. 9.	Oct. 16.	Oct. 23.	Oct. 30.
No. 1—Boston	13	368,355	337,038	346,429	421,409	444,920	196,677	200,304	194,794	246,084	286,168
No. 2—New York	6	3,935,114	3,510,198	3,551,719	4,330,104	4,934,453	1,602,272	1,602,730	1,424,936	1,646,751	1,765,385
No. 3—Philadelphia	13	399,879	331,850	343,138	421,011	429,578	275,655	258,314	255,121	345,627	454,079
No. 4—Cleveland	12	153,535	150,708	158,034	179,819	181,027	60,228	61,852	56,198	67,672	78,694
No. 5—Richmond	5	132,450	122,905	126,772	142,023	130,122	143,254	147,876	141,109	159,687	168,133
No. 6—Atlanta	15	202,377	193,598	191,501	200,043	201,273	121,810	135,023	139,800	140,497	140,331
No. 7—Chicago	20	832,725	789,173	827,506	884,803	936,353	646,733	726,227	658,028	795,269	821,328
No. 8—St. Louis	6	207,187	207,490	228,245	234,770	219,902	191,603	197,178	209,110	221,324	225,487
No. 9—Minneapolis	7	189,916	200,717	187,809	181,463	165,562	123,301	127,587	131,819	133,281	145,515
No. 10—Kansas City	15	288,963	270,583	279,051	270,404	273,490	322,506	359,520	335,712	362,650	387,453
No. 11—Dallas	11	109,818	122,878	103,814	119,851	117,313	127,449	190,528	164,496	190,811	194,683
No. 12—San Francisco	17	400,829	390,533	394,212	431,370	395,803	252,705	234,546	248,834	294,437	291,639
Total	140	7,220,948	6,627,671	6,738,230	7,817,070	8,429,796	4,064,193	4,269,485	3,959,677	4,604,090	4,958,886

DISCOUNT AND INTEREST RATES.

In the following tables are presented actual discount and interest rates prevailing in the various cities in which the several Federal Reserve Banks and their branches are located, during the 30-day periods ending September 14 and October 15, 1918. Quotations are given for prime commercial paper, both customers' and purchased in open market, interbank loans, bankers' acceptances, and paper secured by prime stock exchange or other current collateral. Separate rates are quoted for paper of longer and shorter maturities in the first-named and last-named classes. In addition, quotations are given for commodity paper secured by warehouse receipts and for cattle loans, as reported from centers in which such paper is current.

Quotations are also given of rates charged on ordinary loans to customers secured by Liberty bonds and certificates of indebtedness. Assistance to customers to enable them to purchase such Government obligations is generally extended at lower rates, either at the rate borne by such obligations or at a rate slightly higher. The table also shows quotations in New York for demand paper secured by prime bankers' acceptances, a type of paper which has made its appearance in the New York market during the past several months. Quotations for new types of paper will be added from time to time as deemed of interest.

The general upward movement of interest rates noted for the periods ending August 15 and September 15 seems to have abated during the month under review. Instead local conditions appear to have exercised a preponderating influence in causing increase in some rates and decline in others. However, the rates for bankers' acceptances, such as command a wide market, have shown a fractional increase. Moreover, ranges within which rates for prime commercial paper fluctuate have been narrowed in many cases, as shown by decreases in the high rates and increases in the low rates. Customary rates in general, with few exceptions, remain unchanged, movements in rates being confined largely to fractional changes in high or low quotations. Rates charged on loans to individuals, secured by Liberty bonds and certificates of indebtedness on the whole are lower than on ordinary commercial loans, or on loans secured by other collateral.

Discount and interest rates prevailing in various centers.

DURING 30-DAY PERIOD ENDING SEPT. 14, 1918.

District.	City.	Prime commercial paper. Customers. 30 to 90 days. H.	L.	C.	Customers. 4 to 6 months. H.	L.	C.	Open market. 30 to 90 days. H.	L.	C.	Open market. 4 to 6 months. H.	L.	C.	Interbank loans. H.	L.	C.
No. 1	Boston	6½	5¾	6	6½	5¾	6	6½	6	6	6½	6	6	5½	5½	5½
No. 2	New York[a]	6	4½	6	6	5½	6	6	5	6	6	5¾	6	6	5	5½
No. 3	Philadelphia	6	5½	6	6	5½	6	6	6	6	6	6	6	6	5	5½
No. 4	Cleveland	6	5	6	6	5	6	6	5	6	6	5	6	5	5	5
	Pittsburgh	6	5¾	6	6	6	6	6	6	6	6	6	6	6	6	6
	Cincinnati	6	6	6	6	6	6	6	6	6	6	6	6	6	5½	6
No. 5	Richmond	6	5½	6	6	6	6	6	5¾	6	6	6	6	6	5	5½-6
	Baltimore	6	5	5¾	6	5	5¾	6	5½	6	6	5½	6	6	5	5½
No. 6	Atlanta	7	5½	6	7	5½	6	7	6	6	7	6	6	6	5½	6
	Birmingham	8	6	6	8	6	6	8	6	6	8	6	6	8	6	6
	Jacksonville	8	6	7	8	6	7	6	6	6	6½	6½	6½	8	6	6
	New Orleans	6	5½	6	6	5½	6	6	6	6	6	6	6	5¾	5¾	5½
No. 7	Chicago	6	6	6	6	6	6	6½	6	6	6½	6	6	6	5½	6
	Detroit	6	5	6	6	5	6	6½	5¾	6	6½	5½	6	6	5	6
No. 8	St. Louis	6	5½	6	6	5½	6	6	6	6	6	6	6	6	5	5½
	Louisville	6	6	6	6	6	6	6	6	6	6	6	6	6	5	5
	Memphis	6	6	6	6	6	6	...	...	...	...	...	...	6	6	6
No. 9	Minneapolis	6	5½	6	6½	6	6	6	6	6	6	6	6	6	5½	6
No. 10	Kansas City	7	5	6	7	5	6	6	6	6	6	6	6	6	5	6
	Omaha	7	6	6	8	6	6	7	6	6	7	6	6	7	5½	6
	Denver	8	6	6	8	6	6	6	6	6	6	6	6	7	6	6
No. 11	Dallas	8	6	6	8	6	6	...	...	...	...	...	...	8	5	6
	El Paso	8	6½	8	8	6½	8	...	...	...	...	...	...	7	6	7
No. 12	San Francisco	8	5	5½-6	8	5	6	6½	5¾	6	6½	6	6	6	5	5-5½
	Portland	7	6	6	...	...	...	6	6	6	6	6	6	6	6	6
	Seattle	8	6	6	8	6	6	6½	6	6	6½	6	6	7	6	6
	Spokane	8	6	7	8	6	7	...	...	...	...	...	...	6	6	6
	Salt Lake	8	6	7	8	6	7	6	6	6	6	6	6	7	6	6

District.	City.	Bankers' acceptances, 60 to 90 days. Indorsed. H.	L.	C.	Unindorsed. H.	L.	C.	Collateral loans—Stock exchange or other current. Demand. H.	L.	C.	3 months. H.	L.	C.	3 to 6 months. H.	L.	C.	Cattle loans. H.	L.	C.	Secured by warehouse receipts, etc. H.	L.	C.	Secured by Liberty bonds and certificates of indebtedness. H.	L.	C.
No. 1	Boston	4 7/16	4 3/16	4 7/16	4⅝	4½	4½	6	6	6	6	6	6	6	6	6	...	...	...	...	...	...	5	4½	4½
No. 2	New York	4¾	4½	4½	6	4½	4¾	6½	5	6	6	4½	6	6	5½	6	...	...	...	...	...	...	6	4	4½-5
No. 3	Philadelphia	4½	4½	4½	4¾	4½	4 7/16	6	5	6	6	5	6	6	5½	6	...	...	...	...	...	...	5	4½	4¾
No. 4	Cleveland	...	...	...	4 7/16	4¾	..	6	5	6	6	5	6	6	5	6	...	...	...	...	...	...	5	4½	..
	Pittsburgh	4⅝	4½	4⅝	4 7/16	4⅝	4½	6	6	6	6	6	6	6	6	6	...	...	...	6	6	6	5½	4½	5½
	Cincinnati	4½	4½	4½	4½	4¾	4½	7½	6	6	7	6	6	7	6	6	...	...	...	...	...	...	5½	4¾	5
No. 5	Richmond	...	...	...	...	...	...	6	5	6	6	5½	6	6	5	6	...	...	...	...	...	...	6	4½	5
	Baltimore	6	6	6	6	6	6	6	5½	6	6	5½	6	6	5½	6	...	...	...	...	...	...	5½	4¾	5½
No. 6	Atlanta	6	6	6	6½	6	6½	7	5½	6	7	5½	6	8	5½	6	...	...	...	6	5½	6	7	5	5½
	Birmingham	...	...	...	...	...	...	8	6	6	8	6	7	8	6	6	...	...	...	8	6	7	8	6	6
	Jacksonville	...	...	...	8	8	6	7	6	7	8	6	7	8	6	7	...	...	...	8	5	6	8	5	6
	New Orleans	5½	5½	5½	8	8	8	6	5½	6	6	6	6	6	6	6	...	...	...	6½	6	6	6	5	5½
No. 7	Chicago	4 7/16	4½	4½	4 7/16	4½	4½	6½	6	6	6½	6	6	6½	6	6	...	...	...	...	...	...	6	6	6
	Detroit	...	...	...	...	...	...	6	5¾	6	6	5½	6	6	5½	6	...	...	...	...	...	...	6	4½	6
No. 8	St. Louis	6	4¾	6	6	4¾	6	6	5¾	6	6	5½	6	6	5½	6	...	...	...	...	...	...	6	4¾	5½
	Louisville	...	...	...	...	...	...	6	5	6	6	6	6	6	6	6	...	...	...	...	...	...	6	4	5
	Memphis	6	6	6	...	...	...	6	6	6	6	6	6	6	6	6	...	...	...	...	...	...	5	5	6
No. 9	Minneapolis	...	...	...	4½	4½	4½	7	6	6½	7	6	6	7	6	6½	...	...	...	6	6	6	6	5	5-5½
No. 10	Kansas City	...	...	...	...	...	...	7	6	6	7	6	6	7	6	6	8	6	8	...	...	...	6	5	6
	Omaha	...	...	...	...	...	...	8	6	6	8	6	6	8	6	6	8½	6	8-7	...	...	...	7	6	6
	Denver	...	...	...	...	...	...	8	6	6	8	6	6	8	6	6	8	6	6	...	...	...	6	4½	6
No. 11	Dallas	...	...	...	...	...	...	8	6	6	8	6	6	...	...	...	10	6	8	...	...	...	8	5	6
	El Paso	...	...	...	...	...	...	8	8	8	8	8	8	8	8	8	10	8	9	...	...	...	8	8	8
No. 12	San Francisco	6	4½	6	6	4½	6	7	5	6	7	5	6	7	6	6	...	...	...	...	...	...	6	4½	6
	Portland	...	...	...	5	4¾	..	...	...	...	7	6	6	...	...	...	...	...	...	...	...	...	...	...	...
	Seattle	4¾	4¾	4¾	4¾	4¾	4¾	8	6	6	8	6	6	8	6	6	...	...	...	...	...	...	6	4½	4½
	Spokane	...	...	...	...	...	...	...	...	...	8	6	7	8	6	7	...	...	...	...	...	...	8	4¾	6
	Salt Lake	...	...	...	...	...	...	8	6	7	8	6	7	8	6	7	...	...	...	...	...	...	6	5	6

DURING 30-DAY PERIOD ENDING OCT. 15, 1918.

District.	City.	Customers. 30 to 90 days. H.	L.	C.	Customers. 4 to 6 months. H.	L.	C.	Open market. 30 to 90 days. H.	L.	C.	Open market. 4 to 6 months. H.	L.	C.	Interbank loans. H.	L.	C.
No. 1	Boston	6½	6	6	6½	6	6	6½	6	6	6½	6	6	5½	5½	5½
No. 2	New York[b]	6	4½	5¾-6	6	5½	5¾-6	6	6	6	6	6	6	6	5	5-5½
No. 3	Philadelphia	6	5½	6	6	5½	6	6	6	6	6	6	6	6	4¾	5½
No. 4	Cleveland	6	5	6	6	5	6	6	6	6	6	6	6	5	5	5
	Pittsburgh	6	5¾	6	6	6	6	6	6	6	6	6	6	6	6	6
	Cincinnati	6	6	6	6	6	6	6	6	6	6	6	6	6	5½	6
No. 5	Richmond	6	4½	6	6	6	6	6	6	6	6	6	6	6	5	6
	Baltimore	6	5½	6	6	5½	6	...	...	...	...	...	...	6	5	5½
No. 6	Atlanta	7	5½	6	7	5½	6	...	...	...	...	...	...	6	5	5½-6
	Birmingham	8	6	6	8	6	6	8	5	6	8	5	6	8	6	6
	Jacksonville	7	6	7	7	6	7	6½	6½	6½	6½	6½	6½	7	6	6
	New Orleans	6	5¾	6	6	6	6	6	6	6	6	6	6	5¾	5	5
No. 7	Chicago	6	6	6	6	6	6	6	6	6	6	6	6	6	5½	6
	Detroit	6	5¾	6	6	5¾	6	6	6	6	6	6	6	6	4	5½
No. 8	St. Louis	6	5½	6	6	5½	6	6½	6	6	6½	6	6	6	5½	6
	Louisville	6	6	6	6	6	6	6	6	6	6	6	6	5	5	5
	Memphis	6	6	6	6	6	6	6	6	6	6	6	6	6	5	6

District.	City.	Indorsed. H.	L.	C.	Unindorsed. H.	L.	C.	Demand. H.	L.	C.	3 months. H.	L.	C.	3 to 6 months. H.	L.	C.	Cattle loans. H.	L.	C.	Secured by warehouse receipts, etc. H.	L.	C.	Secured by Liberty bonds and certificates of indebtedness. H.	L.	C.
No. 1	Boston	4 7/16	4 3/16	4 3/16	4½	4 7/16	4 7/16	6	6	6	6	6	6	6	6	6	...	...	...	...	...	...	5	4½	4½
No. 2	New York	4½	4½	4 7/16	6	4½	4 7/16	6½	4½	6	6	5	6	6	5½	6	...	...	...	...	...	...	5	4½	4½
No. 3	Philadelphia	4⅝	4½	4⅝	4¾	4½	4⅝	6	5	6	6	6	6	6	6	6	...	...	...	...	...	...	5	4½	4½
No. 4	Cleveland	4⅝	4½	4½	4 7/16	4 7/16	4 7/16	6	5	6	6	4½	6	6	5	6	...	...	...	...	...	...	6	4½	4⅝
	Pittsburgh	4⅝	4½	4⅝	4⅝	4½	4½	6	6	6	6	6	6	6	6	6	...	...	...	6	6	6	6	4½	5½
	Cincinnati	4½	4½	4½	4¾	4¾	4½	7½	6	6	7	6	6	7	6	6	...	...	...	...	...	...	5½	4½	5
No. 5	Richmond	...	...	...	...	...	...	6	6	6	6	6	6	...	...	...	...	...	...	...	...	...	5	4½	4½
	Baltimore	...	...	...	...	...	...	6	5	6	6	5	6	6	5	6	...	...	...	...	...	...	6	4½	5
No. 6	Atlanta	6	5½	6	6	5	5-6	7	5½	6	6	5½	6	6	5½	6	...	...	...	6	5½	6	6	4½	5-6
	Birmingham	...	...	...	...	...	...	8	6	6	8	6	7	8	6	6	...	...	...	8	6	7	c8	d6	6
	Jacksonville	...	...	...	7	6	6	7	6	7	7	6	7	7	7	7	...	...	...	7	5	7	7	5	6
	New Orleans	6	5	6	6	6	6	6	6	6	6½	6	6	6½	6	6	...	...	...	7	6	6	6	4½	5
No. 7	Chicago	4⅝	4 7/16	4 7/16	4¾	4 3/16	4 7/16	6½	6	6	6½	6	6	6½	6	6	...	...	...	...	...	...	6	6	6
	Detroit	6	4 7/16	6	6	6	6	6	5¾	6	6	4½	6	6	4½	6	...	...	...	...	...	...	6	4½	4¾
No. 8	St. Louis	6	4½	6	6	4½	6	7	5½	6	7	5½	6	7	5½	6	...	...	...	...	...	...	6	4½	5½
	Louisville	6	6	6	6	5½	5½	6	6	6	6	6	6	6	6	6	...	...	...	...	...	...		4¾	6
	Memphis	6	6	6	...	...	...	6	6	6	6	6	6	6	6	6	...	...	...	...	...	...	6	d6	6

[a] Rates for demand paper secured by prime bankers' acceptances, high 6, low 4½, customary 5½.
[b] Rates for demand paper secured by prime bankers' acceptances, high 6, low 4¾, customary 4½-6.
[c] Rate on small loans.
[d] Rate in connection with fourth Liberty loan, 4¼ per cent.

Discount and interest rates prevailing in various centers—Continued.

DURING 30-DAY PERIOD ENDING OCT. 15, 1918—Continued.

District.	City.	Prime commercial paper.												Interbank loans.		
		Customers.						Open market.								
		30 to 90 days.			4 to 6 months.			30 to 90 days.			4 to 6 months.					
		H.	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*
No. 9	Minneapolis	6	5½	6	7	6	6	6	6	6	6½	6	6	6	6	6
No. 10	Kansas City	7	5	6	7	5	6	6	6	6	6	6	6	6	5	6
	Omaha	7	6	6	8	6	6	7	6	6	7	6	6	7	5½	6
	Denver	8	6	6	8	6	6	6	6	6	6	6	6	7	6	6
No. 11	Dallas	8	6	6	8	6	6	...			...			6	5	6
	El Paso	8	6	8	8	6	8	6	6	6	6	6	6	7	6	7
No. 12	San Francisco	7	5½	6	6	5½	6	6½	5¾	6	6½	6	6	6	4¼	5½
	Portland	7	6	6	...			6	6	6	6	6	6	6	6	6
	Seattle	8	6	6	8	6	6	6	6	6	6½	6	6	6	6	6
	Spokane	8	6	7	8	6	7	...			...			6	6	6
	Salt Lake	8	6	7	8	6	7	6	6	6	6	6	6	7	6	6

District.	City.	Bankers' acceptances, 60 to 90 days.						Collateral loans—Stock exchange or other current.									Cattle loans.			Secured by warehouse receipts, etc.			Secured by Liberty bonds and certificates of indebtedness.		
		Indorsed.			Unindorsed.			Demand.			3 months.			3 to 6 months.											
		H.	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*	*H.*	*L.*	*C.*
No. 9	Minneapolis	4¾	4½	4¾	5	4¼	4½	7	6	6	7	6	6	7½	6	6	...			8	6½	7	...		
No. 10	Kansas City	...			...			7	6	6	7	6	6	7	6	6	8	6	8	...			6	5	6
	Omaha	...			...			8	6	6	8	6	6	8	6	6	8½	6	6–7	...			6	4½	6
	Denver	...			...			8	6	6	8	6	6	8	6	6	8	6	6	...			6	4¼	6
No. 11	Dallas	...			...			...			...			...			10	6	8	...			[a]8	5	6
	El Paso	...			...			8	8	8	8	8	8	8	8	8	10	8	8	...			8	7	8
No. 12	San Francisco	6	4⅞	6	6	5½	6	7	5	6	7	5	6	6	5½	6	...			...			6	3½	6
	Portland	...			6	6	6	...			7	6	6	...			...			...			...		
	Seattle	4½	4½	4½	4¾	4¾	4¾	8	6	6	8	6	6	8	6	7	...			...			6	4½	6
	Spokane	...			...			7	6	6	8	6	8	8	6	8	...			...			7	4¼	6
	Salt Lake	...			...			8	6	7	8	6	7	8	6	7	...			...			5	6	6

[a] Rate on small loans.

MEMBER BANK HOLDINGS OF UNITED STATES WAR SECURITIES AND WAR PAPER.

About the beginning of 1918 the 640 member banks which were then reporting regularly their principal asset and liability items to the Federal Reserve Board showed among their earning assets about 747 millions of United States war securities and 424 millions of loans supported by such securities. Of the total loans and investments reported by these banks, the aggregate of these two items was about 10.7 per cent.

At that time the holdings of United States securities included besides circulation bonds mainly tax certificates and Liberty bonds of the first and second issues, in which the banks had invested permanently for their own account or temporarily pending final settlement by subscribing customers.

Liquidation in some volume of Government securities is indicated by the figures for the subsequent weeks, until January 25, when following the resumption by the Government of certificates issued in anticipation of the third Liberty loan, the reported holdings resume their upward course. Weekly increases in certificate holdings continue practically unchecked until the second Friday in May, the total reported certificate holdings for the period immediately preceding the conclusion on May 9 of the third Liberty loan being in excess of 1,500 millions. Redemption of third loan certificates and retirement of these certificates received in payment for Liberty bonds, also the gradual disposal of tax certificates near the end of the fiscal year, caused a gradual decline in the bank holdings of the certificates, the low level in these holdings being reached on July 19, when 531.5 millions are shown, notwithstanding the issue on June 25 and July 9 of almost 1,600 millions of certificates under the fourth loan. On July 18 the last of the third loan certificates fell due, and increases in certificate holdings are again practically continuous to October 18, the eve of the conclusion of the fourth loan, when a total of over 1,700 millions is shown by 749 member banks, as against over 1 billion reported on March 1, by 676 banks. The conclusion on May 9 of the third Liberty loan is followed by an increase in United States war bond holdings from 375 to 679 millions. This is the largest amount of United States bonds (other than circulation bonds) reported. Subsequent purchases by customers are apparently responsible for the gradual reduction in these holdings, the low level of 474 millions on September 27 being, however, about 100 millions higher than the total on May 3, just prior to the termination of the third loan. On October 18 the total reported is in excess of 526 millions.

Loans secured by United States war obligations, which at the beginning of the year totaled 423.8 millions, show a gradual decline to 311.9 millions on May 3, the week before the termination of the third loan. During the following weeks the item reaches and even exceeds the 500-million level, fluctuating around this figure up to October 18, the eve of the conclusion of the fourth loan.

Between the opening of the year and the eve of the termination of the third loan, on May 3, the banks' holdings of United States war securities and so-called war paper, i. e., loans secured by United States war securities, had gone up from about 1,100 millions to 2,200 millions, or from 10.7 to 17.8 per cent of the total loans and investments of all reporting banks.

As a general rule the combined holdings of United States war bonds and war paper show relatively small changes during the intervals between loans. Larger increases in these holdings are reported chiefly on the dates immediately following the consummation of the loans, when the gains in these two items are in excess of the amounts of certificates retired. This holds true of both the third and fourth loans and accounts to some extent for the increasing proportion of United States securities and loans based on these securities in the total loans and investments of the banks. For the period between January 4 to October 18 the aggregate holdings of United States war securities and war paper never fell below 1 billion dollars and on the two dates before the conclusion of the fourth Liberty loan were in excess of 2 700 millions, constituting about 20.4 per cent of the total loans and investments of the reporting banks.

Larger relative amounts of United States war securities and war paper holdings are shown for the member banks in Greater New York, the respective percentages fluctuating between 13 and 26 per cent, as may be seen from the tables following and accompanying diagrams.

TOTALS FOR ALL REPORTING BANKS.

[In thousands of dollars.]

Date.	Number of reporting banks.	United States other than circulation bonds.	Treasury certificates of indebtedness.	United States securities other than circulation bonds.	Loans secured by United States war obligations.	Total United States securities other than circulation bonds and loans secured by United States war obligations.	Ratio of United States war obligations and paper secured by such obligations to total investments.
1918.							
Jan. 4	640	....	....	746,779	423,832	1,170,611	10.7
Jan. 11	659	....	....	703,739	391,711	1,095,450	10.0
Jan. 18	662	....	....	668,794	381,310	1,050,104	9.6
Jan. 25	671	....	....	802,395	374,276	1,176,671	10.6
Feb. 1	675	....	....	955,724	371,966	1,327,690	11.8
Feb. 8	670	....	....	993,391	371,636	1,365,027	12.2
Feb. 15	679	....	....	1,143,185	355,078	1,498,263	13.0
Feb. 21	686	....	....	1,300,731	341,715	1,642,446	14.2
Mar. 1	676	369,385	1,067,864	1,437,249	344,986	1,782,235	14.9
Mar. 8	682	371,243	1,012,924	1,384,167	328,134	1,712,301	14.4
Mar. 15	682	361,144	997,312	1,358,456	302,708	1,661,164	13.9
Mar. 22	682	353,316	1,217,470	1,570,786	314,428	1,885,214	15.6
Mar. 29	682	349,333	1,187,433	1,536,766	311,503	1,848,269	15.3
Apr. 5	679	344,893	1,111,116	1,456,009	318,302	1,774,311	14.8
Apr. 12	683	345,660	1,445,173	1,790,833	331,087	2,121,920	17.2
Apr. 19	685	342,841	1,503,605	1,846,446	320,168	2,166,614	17.4
Apr. 26	681	363,733	1,548,297	1,912,030	316,352	2,228,382	18.0
May 3	686	374,628	1,526,257	1,900,885	311,937	2,212,822	17.8
May 10	693	678,616	1,170,012	1,848,628	483,736	2,332,364	18.4
May 17	688	643,737	1,157,853	1,801,590	501,556	2,303,146	18.2
May 24	691	600,732	1,146,497	1,747,229	492,441	2,239,670	17.9
May 31	689	622,070	1,046,510	1,668,580	512,962	2,181,542	17.5
June 7	688	604,926	1,016,546	1,621,472	522,528	2,144,000	17.2
June 14	689	596,087	949,791	1,545,878	518,407	2,064,285	16.5
June 21	703	597,485	725,423	1,322,908	511,918	1,834,826	14.8
June 28	705	583,728	626,252	1,209,980	498,830	1,708,810	13.7
July 5	711	572,840	619,431	1,192,271	484,337	1,676,608	13.4
July 12	712	566,936	738,527	1,305,463	485,030	1,790,493	14.3
July 19	718	602,062	531,508	1,133,570	473,616	1,607,186	13.0
July 26	725	589,456	786,471	1,375,927	480,550	1,856,477	14.7
Aug. 2	725	576,434	794,878	1,371,312	501,669	1,872,981	14.7
Aug. 9	734	565,428	1,024,583	1,590,011	470,773	2,060,784	15.8
Aug. 16	735	559,991	981,999	1,541,990	469,437	2,011,427	15.5
Aug. 23	734	537,038	971,327	1,508,365	473,512	1,981,877	15.4
Aug. 30	734	525,110	942,637	1,467,747	455,031	1,922,778	15.0
Sept. 6	735	500,848	1,220,459	1,721,307	470,074	2,191,381	16.9
Sept. 13	737	489,059	1,188,408	1,677,467	473,136	2,150,603	16.5
Sept. 20	740	488,704	1,465,931	1,954,635	481,514	2,436,149	18.4
Sept. 27	747	474,023	1,444,242	1,918,265	475,496	2,393,761	18.0
Oct. 4	749	501,788	1,746,135	2,247,923	493,164	2,741,087	20.3
Oct. 11	749	494,140	1,777,156	2,271,296	489,608	2,760,904	20.4
Oct. 18	749	526,677	1,729,811	2,256,488	500,200	2,756,688	20.4

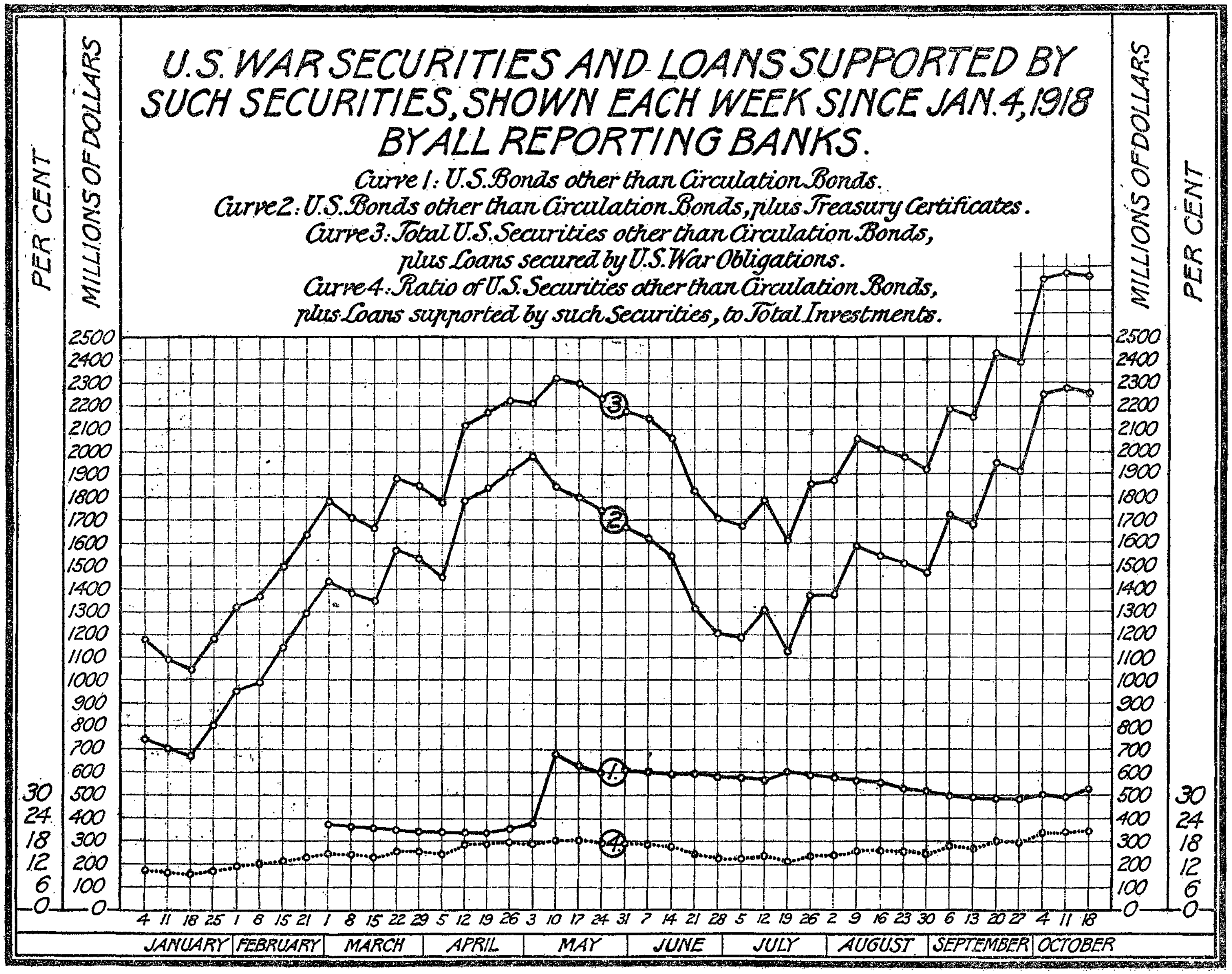
NOTE.—For the period Jan. 4 to Feb. 22, inclusive, the weekly reports did not specify amounts of United States bonds to secure circulation, and in order to arrive at the ratio of United States war obligations and paper secured by such obligations to total investments an average of 267,000,000 circulation bonds was deducted from the total United States securities held.

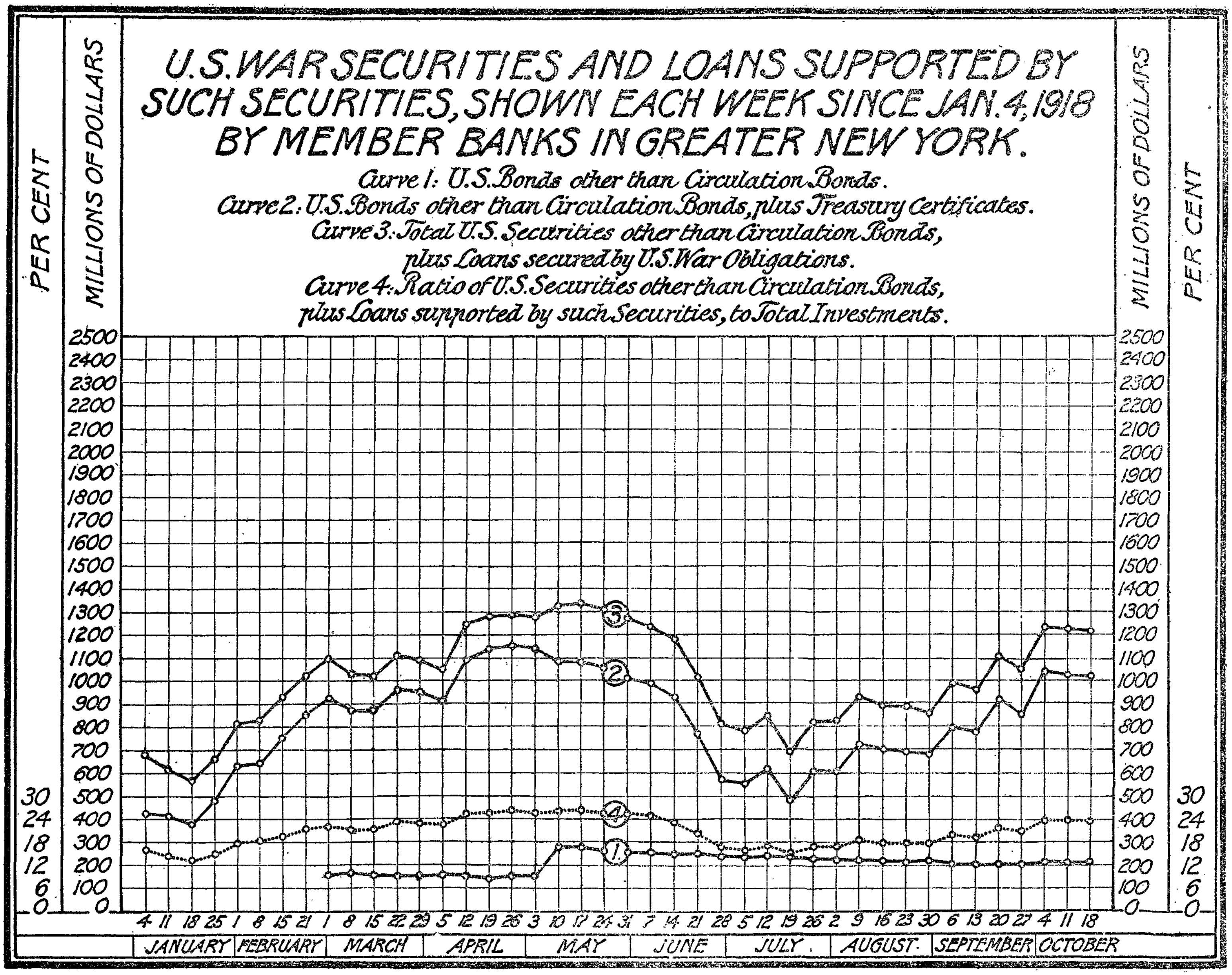
MEMBER BANKS IN GREATER NEW YORK.

[In thousands of dollars.]

Date.	Number of reporting banks.	United States other than circulation bonds.	Treasury certificates of indebtedness.	United States securities other than circulation bonds.	Loans secured by United States war obligations.	Total United States securities other than circulation bonds and loans secured by United States war obligations.	Ratio of United States war obligations and paper secured by such obligations. to total investments.
1918.							
Jan. 4	65			430,683	247,966	678,649	15.6
Jan. 11	65			412,793	212,373	625,166	14.6
Jan. 18	65			373,467	193,444	566,911	13.4
Jan. 25	66			481,666	178,624	660,290	14.9
Feb. 1	66			635,846	174,770	810,616	17.8
Feb. 8	66			645,963	185,437	831,400	18.3
Feb. 15	67			754,901	176,605	931,506	19.6
Feb. 21	67			852,350	174,321	1,026,671	21.6
Mar. 1	58	158,556	770,615	929.171	170,840	1,100,011	22.7
Mar. 8	58	164,498	711,173	875,671	155,326	1,030,997	22.1
Mar. 15	67	158,245	712,181	870,426	143,309	1,013,735	21.3
Mar. 22	66	157,949	807,592	965,541	151,484	1,117,025	23.2
Mar. 29	66	153,622	797,886	951,508	141,539	1,093,047	22.9
Apr. 5	66	152,767	757,119	909,886	139.763	1,049,649	22.2
Apr. 12	66	152,426	945,106	1,097,532	147,743	1,245,275	25.2
Apr. 19	66	149,770	991,952	1,141,722	135,623	1,277,345	25.6
Apr. 26	66	153,230	1,000,696	1,153,926	135,271	1,289,197	25.8
May 3	66	155,240	988,918	1,144,158	130,549	1,274,707	25.6
May 10	66	277,053	810,624	1,087,677	242,321	1,329,998	26.3
May 17	66	276,682	803,795	1,080,477	257,273	1,337,750	26.5
May 24	66	264,063	793,582	1,057,645	247,885	1,305,530	26.0
May 31	66	255,888	754,703	1,010,591	259,889	1,270,480	25.6
June 7	67	258,440	726,593	985,033	251,915	1,236,948	24.9
June 14	67	249,993	675,488	925,481	253,685	1,179,166	23.3
June 21	66	248,575	519,735	768,310	246,780	1,015,090	20.7
June 28	66	241,513	328,820	570,333	241,434	811,767	16.7
July 5	68	238,707	314,379	553,086	225,637	778,723	16.0
July 12	68	243,485	380.201	623,686	223,181	846,867	17.2
July 19	68	239,889	246,443	486,332	206,522	692,851	14.7
July 26	69	236,583	375,321	611,904	210,096	822,000	16.9
Aug. 2	69	229,258	380,638	609,896	218,265	828,161	16.8
Aug. 9	69	223,755	500,573	724,328	202,078	926,406	18.4
Aug. 16	69	220,632	476,199	696,831	196,828	893,659	17.8
Aug. 23	69	214,159	468,903	683,062	198,817	881,879	17.9
Aug. 30	69	222,537	448,452	670,989	184,052	855,041	17.5
Sept. 6	69	204,265	591,941	796,206	193,479	989,685	20.0
Sept. 13	69	206,666	564,944	771,610	195,468	957.078	19.5
Sept. 20	69	207,586	706,891	914,477	194,710	1,109,187	21.9
Sept. 27	70	206,885	651,319	868,204	185,945	1,054,149	21.0
Oct. 4	70	220,861	824,365	1,045,226	191,380	1,236,606	23.9
Oct. 11	70	212,261	816,466	1,028,727	195,610	1,224,337	23.9
Oct. 18	70	214,320	808,772	1,023,092	195,800	1,218,892	23.9

NOTE.—For the period January 4 to February 22, inclusive, the weekly reports did not specify amounts of United States bonds to secure circulation, and in order to arrive at the ratio of United States war obligations and paper secured by such obligations to total investments an average of 37,000,000 circulation bonds was deducted from the total United States securities held.


U.S. WAR SECURITIES AND LOANS SUPPORTED BY SUCH SECURITIES, SHOWN EACH WEEK SINCE JAN. 4, 1918 BY ALL REPORTING BANKS.
Curve 1: U.S. Bonds other than Circulation Bonds.
Curve 2: U.S. Bonds other than Circulation Bonds, plus Treasury Certificates.
Curve 3: Total U.S. Securities other than Circulation Bonds, plus Loans secured by U.S. War Obligations.
Curve 4: Ratio of U.S. Securities other than Circulation Bonds, plus Loans supported by such Securities, to Total Investments.
PER CENT
MILLIONS OF DOLLARS
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER


U.S. WAR SECURITIES AND LOANS SUPPORTED BY SUCH SECURITIES, SHOWN EACH WEEK SINCE JAN. 4, 1918 BY MEMBER BANKS IN GREATER NEW YORK.
Curve 1: U.S. Bonds other than Circulation Bonds.
Curve 2: U.S. Bonds other than Circulation Bonds, plus Treasury Certificates.
Curve 3: Total U.S. Securities other than Circulation Bonds, plus Loans secured by U.S. War Obligations.
Curve 4: Ratio of U.S. Securities other than Circulation Bonds, plus Loans supported by such Securities, to Total Investments.
PER CENT
MILLIONS OF DOLLARS
2500
2400
2300
2200
2100
2000
1900
1800
1700
1600
1500
1400
1300
1200
1100
1000
900
800
700
600
500
400
300
200
100
0
30
24
18
12
6
0
4 11 18 25 1 8 15 21 1 8 15 22 29 5 12 19 26 3 10 17 24 31 7 14 21 28 5 12 19 26 2 9 16 23 30 6 13 20 27 4 11 18
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER

ACCEPTANCE LIABILITIES OF NATIONAL BANKS AND STATE INSTITUTIONS.

Between June 29 and August 31 aggregate acceptance liabilities of national banks, as shown in the comptroller's abstracts, increased from $231,805,000 to $243,772,000, the latter date total being only slightly less than the record total of $250,323,000 reported on May 10 of the present year. Acceptance liabilities of the trust companies in New York, Boston, and Baltimore show about the same development, figures for August 31 invariably being in excess of like figures for June 29 and even those for May 10.

Acceptance liabilities of national banks in principal cities of the United States on specified dates.

[In thousands of dollars, i. e., 000 omitted.]

	Mar. 4.	May 10.	June 29.	Aug. 31.
New York	96,234	103,754	96,517	103,201
Boston	45,134	44,290	45,549	42,356
Philadelphia	14,694	17,789	18,315	19,418
Pittsburgh	2,502	3,336	3,485	2,896
Cleveland	7,936	7,002	5,283	7,478
Cincinnati	980	946	612	763
Richmond	4,402	3,182	3,085	2,721
Baltimore	2,492	4,198	2,369	4,412
Atlanta	588	1,000	715	500
New Orleans	2,663	1,345	821	348
Charleston, S. C	1,474	1,223	1,427	1,074
Chicago	15,764	22,493	18,857	20,967
St. Louis	3,913	3,724	1,786	1,179
Minneapolis	595	1,262	1,624	7,569
Dallas	2,850	4,295	1,900	419
San Francisco	7,185	8,608	9,474	11,057
All other	20,758	21,876	19,986	17,414
Total	230,164	250,323	231,805	243,772

Available data regarding acceptance liabilities of other banking institutions in leading cities on or about the dates of the last four calls made by the Comptroller of the Currency are given below:

[In thousands of dollars; i. e., 000 omitted.]

	Mar. 4.	May 10.	June 29.	Aug. 31.
All national banks	230,164	250,323	231,805	243,772
Trust companies in Greater New York	[1] 104,920	121,274	[2] 114,177	[3] 134,747
State banks in Greater New York	[1] 7,345	....	[2] 8,345	[3] 9,815
Trust companies in Boston	18,673	18,497	19,908	21,893
Trust companies in Baltimore	470	....	1,113	1,798
State banks and trust companies in St. Louis	5,122	9,280	7,072	4,832

[1] Mar. 14. [2] June 20. [3] Sept. 10.

During the period covered by the above exhibits a very considerable portion of the acceptances outstanding were bought by the Federal Reserve Banks, as may be seen from the following figures of their acceptance holdings on dates corresponding to those above given:

Mar. 1, 1918	$299,213,000
May 10, 1918	286,036,000
June 28, 1918	216,848,000
Aug. 30, 1918	232,603,000

Of late the acceptance holdings of the Federal Reserve Banks have shown a large increase, the October 25 figure being as high as $398,623,000.

Lost Liberty Bonds.

In the list given below is published the numbers of lost or stolen Liberty bonds that have been reported to the American Bankers Association within the last month. In the event that any of the bonds mentioned in the list should be presented or any information received relative to their recovery it would be appreciated if the data be reported to L. W. Gammon, manager Protective Department, American Bankers Association, 5 Nassau Street, New York City.

FIRST 3½ PER CENT BONDS DUE 1947.

Number.	Amount.	Number.	Amount.	Number.	Amount.
15798	$50	1487749	$50	6731497	$50
29150	50	1487750	50	6731498	50
30991	50	1487751	50	6786183	50
178794	50	1487752	50	6786184	50
243854	50	1487753	50	17137	100
349897	50	1487754	50	17138	100
360362	50	1487755	50	37257	100
360364	50	1487756	50	68253	100
421064	50	1487757	50	68260	100
468779	50	1487758	50	82313	100
506984	50	1487759	50	190416	100
592292	50	1487760	50	253570	100
636920	50	1487761	50	253571	100
677908	50	1487762	50	253572	100
695604	50	1487763	50	253573	100
695605	50	1490184	50	253574	100
761077	50	1602011	50	259686	100
838824	50	1613674	50	672505	100
843736	50	1827944	50	749998	100
1004875	50	1939010	50	947761	100
1119507	50	1943478	50	1246276	100
1240171	50	1943479	50	1305927	100
1264425	50	1943480	50	1539224	100
1414617	50	1984995	50	7078	500
1416504	50	1995386	50	67639	500
1487744	50	2782240	50	77950	500
1487745	50	2782241	50	155232	500
1487746	50	3689679	50	27826	1,000
1487747	50	4497430	50	44998	1,000
1487748	50	6731496	50	562487	1,000

FIRST 4 PER CENT CONVERTED BONDS DUE 1947.

Number.	Amount.	Number.	Amount.	Number.	Amount.
95181	$50	336377	$100	1382095	$100
379874	50	956131	100	1382096	100
1602011	50	1266846	100	1382097	100
1842651	50	1266847	100		
1842652	50	1266848	100		

SECOND 4 PER CENT BONDS DUE 1942.

Number.	Amount.	Number.	Amount.	Number.	Amount.
55216	$50	531069	$50	1027104	$50
59431	50	531070	50	1067381	50
72501	50	563623	50	1067382	50
73563	50	563624	50	1067383	50
75159	50	725597	50	1067384	50
83352	50	866045	50	1075664	50
160358	50	867016	50	1075665	50
208411	50	875784	50	1152370	50
208412	50	885255	50	1182375	50
208413	50	885256	50	1182376	50
231673	50	885257	50	1230391	50
313003	50	939017	50	1233928	50
322377	50	979308	50	1264362	50

SECOND 4 PER CENT BONDS DUE 1942—Continued.

Number.	Amount.	Number.	Amount.	Number.	Amount.
1277354	$50	3649627	$50	7706649	$50
1532738	50	3711300	50	1438	100
1548263	50	3749895	50	15608	100
1548264	50	3773888	50	27083	100
1669839	50	3786106	50	27087	100
1674541	50	3793553	50	32255	100
1708435	50	3834887	50	34532	100
1708436	50	3834679	50	45880	100
1708437	50	3835793	50	45881	100
1708438	50	3888913	50	101730	100
1768925	50	3907439	50	101731	100
1946963	50	3907440	50	101732	100
2004252	50	3907443	50	102697	100
2024395	50	3927034	50	102698	100
2075907	50	3956107	50	120021	100
2082151	50	3963318	50	120024	100
2082152	50	3994590	50	124361	100
2082153	50	4138654	50	138745	100
2082154	50	4253911	50	138746	100
2082155	50	4253912	50	139239	100
2082156	50	4292268	50	151909	100
2082157	50	4292269	50	151910	100
2082158	50	4458724	50	151911	100
2082159	50	4458725	50	151912	100
2082160	50	4458726	50	151913	100
2082183	50	4458727	50	151914	100
2082184	50	4458728	50	151915	100
2082185	50	4458729	50	151916	100
2082186	50	4458730	50	151917	100
2082187	50	4458731	50	151918	100
2082188	50	4458732	50	151919	100
2082189	50	4458733	50	164806	100
2082190	50	4458734	50	164807	100
2082191	50	4458735	50	164808	100
2082192	50	4458736	50	164809	100
2152829	50	4458737	50	164810	100
2160104	50	4458738	50	193425	100
2167397	50	4458739	50	198529	100
2283349	50	4458740	50	223106	100
2316665	50	4458741	50	239708	100
2420947	50	4458742	50	258051	100
2825758	50	4458743	50	280439	100
2838834	50	4458744	50	289704	100
2997759	50	4458745	50	303428	100
2997760	50	4458746	50	319955	100
2997761	50	4704042	50	319959	100
2997762	50	4783215	50	323117	100
3014906	50	4847107	50	349346	100
3023525	50	4948601	50	349347	100
3026869	50	4958510	50	358438	100
3078848	50	4968511	50	363235	100
3085943	50	5135026	50	363238	100
3135044	50	5145335	50	368798	100
3138497	50	5155032	50	370313	100
3143217	50	5191705	50	372183	100
3143220	50	5207982	50	373446	100
3145939	50	5218304	50	375843	100
3145940	50	5224642	50	394759	100
3145945	50	5348829	50	418263	100
3147040	50	5393391	50	418746	100
3148161	50	5413564	50	422283	100
3148851	50	5492092	50	423174	100
3149221	50	5492204	50	423175	100
3168937	50	5569633	50	424281	100
3189084	50	5642655	50	441862	100
3219411	50	5706075	50	444846	100
3223338	50	5827142	50	444876	100
3223339	50	5885360	50	460977	100
3223438	50	5885361	50	461456	100
3225890	50	6071567	50	465662	100
3329656	50	6101614	50	476563	100
3274714	50	6381705	50	482091	100
3288791	50	6530306	50	482092	100
3306547	50	6775126	50	499045	100
3326927	50	6799399	50	499046	100
3374582	50	6799400	50	499047	100
3375994	50	6799401	50	499048	100
3396304	50	6876125	50	499049	100
3423225	50	6876126	50	499050	100
3463172	50	6947398	50	544942	100
3469371	50	7055383	50	554593	100
3494452	50	7055384	50	554594	100
3501972	50	7091290	50	554790	100
3563318	50	7139411	50	582720	100
3572118	50	7301570	50	595362	100
3572119	50	7455036	50	596003	100
3611777	50	7466999	50	596454	100
3641447	50	7467259	50	600670	100

SECOND 4 PER CENT BONDS DUE 1942—Continued.

Number.	Amount.	Number.	Amount.	Number.	Amount.
606624	$100	2378840	$100	51244	$500
606625	100	2378841	100	51971	500
606693	100	2378842	100	112847	500
606694	100	2405034	100	130898	500
616363	100	2455075	100	139163	500
631687	100	2455076	100	156590	500
659818	100	2445301	100	191435	500
659819	100	2445302	100	191440	500
708984	100	2574540	100	192917	500
735897	100	2574541	100	197406	500
746151	100	2645610	100	216418	500
816795	100	2678103	100	254769	500
824070	100	2741881	100	254770	500
858659	100	2749064	100	259368	500
868042	100	2818414	100	272510	500
903597	100	2822853	100	355169	500
912271	100	2822854	100	355170	500
912272	100	2913058	100	355171	500
912273	100	2923840	100	431643	500
921405	100	2924878	100	431644	500
922420	100	2924879	100	431645	500
932246	100	2924880	100	431646	500
942098	100	2924881	100	503196	500
966012	100	2933152	100	519484	500
975906	100	3071141	100	4628	1,000
1025002	100	3206745	100	4629	1,000
1028159	100	3206746	100	18516	1,000
1048222	100	3206747	100	18517	1,000
1077016	100	3206748	100	18518	1,000
1087702	100	3308701	100	18519	1,000
1087778	100	3308702	100	18520	1,000
1115574	100	3308703	100	18521	1,000
1119260	100	3308704	100	18522	1,000
1127529	100	3308705	100	18523	1,000
1135317	100	3326681	100	18524	1,000
1141240	100	3486637	100	18525	1,000
1148893	100	3592207	100	89316	1,000
1153374	100	3677618	100	89317	1,000
1219060	100	3677619	100	95450	1,000
1264629	100	3691122	100	95451	1,000
1275464	100	3691123	100	95452	1,000
1275465	100	3702556	100	107709	1,000
1442710	100	3888209	100	129354	1,000
1442711	100	3888210	100	150405	1,000
1442712	100	3953280	100	230427	1,000
1442713	100	4089490	100	230328	1,000
1444152	100	4125501	100	230429	1,000
1454481	100	4125502	100	230430	1,000
1543797	100	4125503	100	230431	1,000
1547092	100	4125504	100	230432	1,000
1547093	100	4125505	100	230433	1,000
1587772	100	4125506	100	230434	1,000
1658149	100	4125507	100	230435	1,000
1680113	100	4125508	100	230436	1,000
1702380	100	4125509	100	230437	1,000
1720101	100	4125510	100	230438	1,000
1727039	100	4144062	100	230439	1,000
1750863	100	4197313	100	230440	1,000
1767357	100	4323707	100	230441	1,000
1784036	100	4323708	100	264341	1,000
1784037	100	4323709	100	313720	1,000
1784134	100	4323710	100	356780	1,000
1816269	100	4323711	100	356781	1,000
1816270	100	4323712	100	383791	1,000
1818706	100	4323713	100	383792	1,000
1818707	100	4323714	100	383793	1,000
1951085	100	4323715	100	383794	1,000
1960163	100	4323716	100	420460	1,000
2115381	100	4323717	100	420461	1,000
2115382	100	4409550	100	459848	1,000
2115383	100	4454964	100	485055	1,000
2115384	100	4507903	100	620846	1,000
2115385	100	4584250	100	620847	1,000
2115386	100	4664164	100	632034	1,000
2115387	100	2356	500	643264	1,000
2166976	100	9958	500	643265	1,000
2166977	100	12798	500	826635	1,000
2189787	100	12799	500	1135629	1,000
2364566	100	12800	500	1326327	1,000
2370919	100	12801	500	1414687	1,000
2370920	100	12802	500	1642769	1,000
2370921	100	12803	500		
2370922	100	22035	500		

SECOND CONVERTED 4¼ PER CENT BONDS DUE 1942.

Number.	Amount.	Number.	Amount.	Number.	Amount.
44962	$50	458600	$50	73978	$500
373358	50	805002	50	73979	500
406824	50	1172404	50	73980	500
458598	50	60498	500		
458599	50	73977	500		

THIRD 4¼ PER CENT BONDS DUE 1928.

Number.	Amount.	Number.	Amount.	Number.	Amount.
93468	$50	5148290	$50	5148360	$50
157702	50	5148291	50	5148361	50
249340	50	5148292	50	5148362	50
456603	50	5148293	50	5148363	50
643500	50	5148294	50	5148364	50
818079	50	5148295	50	5148365	50
892779	50	5148296	50	5152821	50
962388	50	5148297	50	5187626	50
1041213	50	5148298	50	5187627	50
1042712	50	5148299	50	5187628	50
1118482	50	5148300	50	5846330	50
1118483	50	5148301	50	6032458	50
1166579	50	5148302	50	6087115	50
1551049	50	5148303	50	6087126	50
1611366	50	5148304	50	6271756	50
1927038	50	5148305	50	6352578	50
1927039	50	5148306	50	6352579	50
1927040	50	5148307	50	6352580	50
2203408	50	5148308	50	6352581	50
2210556	50	5148309	50	6352582	50
2356839	50	5148310	50	6352583	50
2525566	50	5148311	50	6352584	50
2649011	50	5148312	50	6352585	50
2649012	50	5148313	50	6352586	50
2706568	50	5148314	50	6352587	50
2858300	50	5148315	50	6352588	50
2902653	50	5148316	50	6352589	50
3025874	50	5148317	50	6352590	50
3146077	50	5148318	50	6352591	50
3332088	50	5148319	50	6352592	50
3468624	50	5148320	50	6352593	50
3683419	50	5148321	50	6352594	50
3776980	50	5148322	50	6352595	50
4156211	50	5148323	50	6352596	50
4291985	50	5148324	50	6352597	50
4517233	50	5148325	50	6352598	50
4527171	50	5148326	50	6352599	50
4679969	50	5148327	50	6352600	50
4751048	50	5148328	50	6829925	50
4778648	50	5148329	50	7122141	50
4862632	50	5148330	50	7178780	50
5019133	50	5148331	50	7410190	50
5144362	50	5148332	50	7432693	50
5148207	50	5148333	50	7466999	50
5148208	50	5148334	50	7766056	50
5148209	50	5148335	50	8023722	50
5148266	50	5148336	50	8640423	50
5148267	50	5148337	50	9212548	50
5148268	50	5148338	50	10079695	50
5148269	50	5148339	50	11258646	50
5148270	50	5148340	50	11432818	50
5148271	50	5148341	50	77926	100
5148272	50	5148342	50	197018	(Reg)100
5148273	50	5148343	50	197019	(Reg)100
5148274	50	5148344	50	353135	100
5148275	50	5148345	50	413660	100
5148276	50	5148346	50	427578	100
5148277	50	5148347	50	441857	100
5148278	50	5148348	50	524740	100
5148279	50	5148349	50	621405	100
5148280	50	5148350	50	629866	100
5148281	50	5148351	50	681032	100
5148282	50	5148352	50	936253	100
5148283	50	5148353	50	998199	100
5148284	50	5148354	50	1292723	100
5148285	50	5148355	50	1323460	100
5148286	50	5148356	50	1548127	100
5148287	50	5148357	50	1548128	100
5148288	50	5148358	50	1548129	100
5148289	50	5148359	50	1548130	100

THIRD 4¼ PER CENT BONDS DUE 1928—Continued.

Number.	Amount.	Number.	Amount.	Number.	Amount.
1548131	$100	2268061	$100	2268122	$100
1677162	100	2268062	100	2268123	100
1854076	100	2268063	100	2268124	100
1898936	100	2268064	100	2268125	100
2027873	100	2268065	100	2268126	100
2129058	100	2268066	100	2268127	100
2129059	100	2268067	100	2268128	100
2129060	100	2268068	100	2268129	100
2129061	100	2268069	100	2268130	100
2129062	100	2268070	100	2268131	100
2129063	100	2268071	100	2268132	100
2129064	100	2268072	100	2268133	100
2129065	100	2268073	100	2268134	100
2263829	100	2268074	100	2268135	100
2263014	100	2268075	100	2268136	100
2268015	100	2268076	100	2268137	100
2268016	100	2268077	100	2268138	100
2268017	100	2268078	100	2268139	100
2268018	100	2268079	100	2268140	100
2268019	100	2268080	100	2268141	100
2268020	100	2268081	100	2268142	100
2268021	100	2268082	100	2268143	100
2268022	100	2268083	100	2268144	100
2268023	100	2268084	100	2268145	100
2268024	100	2268085	100	2268146	100
2268025	100	2268086	100	2268147	100
2268026	100	2268087	100	2268148	100
2268027	100	2268088	100	2268149	100
2268028	100	2268089	100	2268150	100
2268029	100	2268090	100	2268151	100
2268030	100	2268091	100	2268152	100
2268031	100	2268092	100	2268153	100
2268032	100	2268093	100	2268154	100
2268033	100	2268094	100	2268155	100
2268034	100	2268095	100	2268156	100
2268035	100	2268096	100	2268157	100
2268036	100	2268097	100	2268158	100
2268037	100	2268098	100	2351722	100
2268038	100	2268099	100	2389123	100
2268039	100	2268100	100	2408220	100
2268040	100	2268101	100	2483944	100
2268041	100	2268102	100	2888018	100
2268042	100	2268103	100	2888019	100
2268043	100	2268104	100	2888020	100
2268044	100	2268105	100	3486882	100
2268045	100	2268106	100	3501994	100
2268046	100	2268107	100	3501995	100
2268047	100	2268108	100	3501996	100
2286048	100	2268109	100	3501997	100
2286049	100	2268110	100	3501998	100
2286050	100	2268111	100	3501999	100
2268051	100	2268112	100	3502000	100
2268052	100	2268113	100	3757321	100
2268053	100	2268114	100	3848231	100
2268054	100	2268115	100	3885322	100
2268055	100	2268116	100	3885324	100
2268056	100	2268117	100	3885325	100
2268057	100	2268118	100	3885326	100
2268038	100	2268119	100	4261456	100
2268059	100	2268120	100	4435880	100
2268060	100	2268121	100	4435881	100

THIRD 4¼ PER CENT BONDS DUE 1928—Continued.

Number.	Amount.	Number.	Amount.	Number.	Amount.
5197246	$100	6521463	$100	588294	$500
5197247	100	6521464	100	588295	500
5197248	100	6521465	100	588296	500
5197249	100	6557984	100	588297	500
5197250	100	6570833	100	918089	500
5272267	100	193838	500	46606	1,000
5314573	100	500250	500	46607	1,000
5314574	100	517240	500	46608	1,000
6521461	100	584096	500	46609	1,000
6521462	100	588293	500	46610	1,000

RECOVERED LIBERTY BONDS.

Following is a list of the Liberty bonds which were previously reported lost and which have since been recovered and returned to the interested bank.

FIRST 3½ PER CENT BONDS DUE 1947.

Number.	Amount.	Number.	Amount.	Number.	Amount.
15798	$50	1942306	$50	3689679	$50
1504830	50	1942307	50	954797	100

FIRST CONVERTED 4 PER CENT BONDS DUE 1947.

Number.	Amount.	Number.	Amount.	Number.	Amount.
1382097	$100				

SECOND 4 PER CENT BONDS DUE 1942.

Number.	Amount.	Number.	Amount.	Number.	Amount.
979308	$50	6799400	$50	746151	$100
4958601	50	6799401	50	95450	1,000
5218304	50	7301570	50	95451	1,000
6799399	50	641905	100	95452	1,000

SECOND CONVERTED 4¼ PER CENT BONDS DUE 1942.

Number.	Amount.	Number.	Amount.	Number.	Amount.
458598	$50	73977	$500	73979	$500
458599	50	73978	500	73980	500
458600	50				

THIRD 4¼ PER CENT BONDS DUE 1928.

Number.	Amount.	Number.	Amount.	Number.	Amount.
249340	$50	5187628	$50	413660	$100
5187626	50	9212548	50	356958	1,000
5187627	50				

INFORMAL RULINGS OF THE BOARD.

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

Paper covering sale of agricultural implements.

(To an individual.)

Receipt is acknowledged of your letter of September 20.

You ask whether the six months' maturity privilege as applied to agricultural paper applies to any sales that a manufacturer of agricultural implements might sell to a dealer for resale by him to a farmer.

In reply you are advised that under the rulings of the Board such paper would have to be treated as commercial and not as agricultural paper and could not be rediscounted with a Federal Reserve Bank if it had a maturity of more than 90 days.

September 26, 1918.

Right to alter notes.

(To an individual.)

I am in receipt of your letter of September 27, in which you call attention to the fact that notes discounted by your bank include provision to the effect that such notes may be extended from time to time without notice.

You ask whether you would be justified in striking out this provision in notes already executed without consulting the makers or signers of such notes, in the event the Federal Reserve Bank of your district should reach the conclusion that they are not eligible for rediscount.

In reply you are advised that in the opinion of this office the holder has no right to effect any alteration in a negotiable note after it has been discounted, and to do so might have the effect of releasing some of the parties to the note.

In the opinion to which you refer, the conclusion is not reached that such notes are nonnegotiable, but inasmuch as the decisions of the various State courts are not uniform, the Board was advised that it should not approve for general use notes in this form.

October 2, 1918.

Applications for fiduciary powers under recent amendment to act.

(To an individual.)

In reply to your letter of October 1 you are advised that the Federal Reserve Board contemplates issuing very shortly a revised set of regulations governing the exercise of trust powers under authority of section 11 (k) of the Federal Reserve Act, as amended by the act of September 26, 1918.

Pending the issuance of these regulations it will not be necessary for you to file any further application for permission of the Board to exercise the powers referred to, although it may be advisable later to file a supplementary application if you desire to exercise any additional powers enumerated in the act of September 26.

October 4, 1918.

Fiduciary powers—Necessary capital and surplus.

(To a Federal Reserve bank.)

I am in receipt of your two letters of October 11 and 12, respectively, both of which relate to that part of the amendment to section 11 (k) of the Federal Reserve act which provides that "no permits shall be issued to any national banking association having a capital and surplus less than the capital and surplus required by State law of State banks, trust companies, and corporations exercising such powers."

You call attention to the fact that in Pennsylvania a trust company must have a capital of not less than $125,000 and ask whether, in the opinion of this office, a national bank having a capital of $50,000 and a surplus of $75,000 could be granted trust powers.

This question was submitted to the Board a few days ago and the inquiring bank was informed that a permit could not be granted. The terms capital and surplus have definite meanings in banking circles, and where the State law requires a fixed amount of capital it would, in my opinion, require a very forced construction of the act for the Board to hold that surplus could be treated as capital. The same question is involved in the case of State banks which have insufficient capital to become national banks, but whose capital and surplus is equal to the capital required of national banks.

The Board has consistently ruled in such cases that surplus could not be treated as capital.

October 16, 1918.

Acceptance of drafts by State bank members.

(To a State bank.)

Receipt is acknowledged of your letter of the 28th in reference to the condition attached to your membership in the Federal Reserve System to the effect "that in no event shall the aggregate amount of domestic acceptances outstanding at one time exceed 50 per cent of the capital and surplus of the bank."

This condition relates to drafts or bills drawn against your bank in domestic transactions and accepted by your bank. It does not relate to drafts drawn by an individual against some other drawee which are accepted by the drawee and discounted by you.

The Federal Reserve Board is without authority to permit a member bank to accept drafts drawn against it in domestic transactions in excess of 50 per cent of the capital and surplus of the accepting bank. It may authorize a member bank to accept drafts up to 100 per cent, which amount may include both those which grow out of transactions involving the exportation or importation of goods and those which grow out of domestic transactions; but the statute limits specifically the amount that may be accepted in domestic transactions to 50 per cent of the capital and surplus of the accepting bank.

October 5, 1918.

Draft drawn for purpose of creating dollar exchange.

(To a Federal Reserve agent.)

In response to your letter of October 29, I beg to inform you that the Federal Reserve Board has not rescinded its vote to permit member banks to accept drafts drawn upon them by banks or bankers in any Central or South American country, for the purpose of creating dollar exchange, under the provisions of section 13 of the Federal Reserve Act. The list of countries published in the October Bulletin is that of the specific countries for which, up to that date, applications had been made. Permission granted to a member bank with respect to any country entitles it to exercise similar accepting powers with respect to all countries that have been or may hereafter be designated by the Board as countries whose usages of trade require the furnishing of dollar exchange.

The Board expects soon to publish its regulations, series of 1918, which will contain a modification in this connection, but meanwhile the procedure should be followed as prescribed in Regulation B, Series of 1917.

November 1, 1918.

Reasonable time for holding draft after presentment.

(To a member bank.)

Your letter of September 21 addressed to Hon. W. J. Fowler, Deputy Comptroller of the Currency, was referred by him to the Federal Reserve Board and has received the careful consideration of the Board and its counsel.

You ask that the Board define what constitutes a "reasonable time" during which drafts can be held after presentation for payment. This question was discussed in an opinion approved by the Board and published on page 31 of the Bulletin for January, 1917. In that opinion the conclusion was reached that if a member bank holds demand and sight drafts for more than a reasonable time after acceptance, such drafts must be classed as overdue paper and considered in substance as promissory notes of the acceptor subject to the limitations imposed by section 5200. What constitutes a reasonable time must depend upon the facts in each case.

The Board has no authority, by regulation or otherwise, to permit member banks to carry demand or sight drafts for a period of thirty days. If accommodation for this length of time is needed, the note or draft should be drawn for the time desired and not at sight.

October 8, 1918.

Advertising "clearing member."

(To a Federal Reserve Agent.)

I do not think that it would be advisable to permit nonmember banks to use on their stationery the words "Clearing member of the Federal Reserve Bank."

Section 13 provides that "solely for the purposes of exchange or collection" Federal Reserve Banks may receive "from any nonmember bank or trust company deposits of current funds in lawful money, etc.," * * * provided such "nonmember bank or trust company maintains with the Federal Reserve Bank a balance sufficient, etc." * * *

You will observe that the term "clearing member" is not used in this section, but that the banks or trust companies which are not members, but which are permitted to maintain accounts with the Federal Reserve Banks are distinctly referred to as "nonmember banks." It is difficult, therefore, to see how a nonmember can be called a clearing member; then, again, if there is any prestige attached to the word "member," it should be given entirely to actual bona fide members.

I appreciate, however, the point which you raise regarding State banks, which are ineligible for membership, but would suggest that instead of using the words "clearing member" they put on their stationery the words "exchange and collection agent of the Federal Reserve Bank." The words "exchange and collection" appear in section 13 as descriptive of the bank with a nonmember account.

OCTOBER 10, 1918.

Limit on rediscounts.

(To a Federal Reserve Agent.)

I have received your letter of the 17th instant, and in reply would state that the recent amendment to section 5200, which authorizes the Comptroller to extend the limit to which a national bank may loan on United States bonds, does not amend section 13 of the Federal Reserve Act, consequently the Federal Reserve Banks, on rediscounting for member banks, must take care that the aggregate of notes, drafts, and bills bearing the signature of any one borrower rediscounted for any one bank shall at no time exceed 10 per cent of the capital and surplus of said bank, such restriction not applying to the rediscount of bills of exchange, etc.

In the case of State member banks, the Federal Reserve Banks are governed by the provisions of section 9, and are not "permitted to discount for any State bank or trust company notes, drafts, or bills of exchange of any one borrower who is liable for borrowed money to such State bank or trust company, in an amount greater than 10 per cent of the capital and surplus of such State bank or trust company; the discount of bills of exchange drawn against actually existing values * * * not to be considered as borrowed money within the meaning of this section."

OCTOBER 19, 1918.

Purchase of "finance bills" by Federal Reserve Bank.

(To a Federal Reserve Agent.)

I am in receipt of your letter of October 17. You ask for ruling of the Board on the question whether you are authorized to discount or purchase acceptances "drawn by ———, Argentina, at 90 days, in favor of ———, and accepted by the ——— Company, payable in New York."

You state that you are advised that these are finance bills, not having been secured at the time of acceptance by merchandise.

While it is not necessary for a draft drawn in a transaction involving the importation or exportation of goods to be secured by merchandise at the time of acceptance, if these drafts are finance bills they would not be eligible for purchase or rediscount by a Federal Reserve Bank. Section 13 specifically provides that bills of exchange which may be discounted must be issued or drawn for agricultural, industrial, or commercial purposes, or that the proceeds of such bills must have been used or must be intended for use of one of such purposes.

Section 14, which authorizes the purchase of such bills in the open market, specifies that they must arise out of commercial transactions as hereinbefore defined.

If you are satisfied, therefore, that these bills were not drawn for an agricultural, industrial, or commercial purpose, you are correct in your position that they are not eligible for rediscount or purchase by your bank.

OCTOBER 22, 1918.

RULINGS OF THE DIVISION OF FOREIGN EXCHANGE.

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

Class A reports.

Dealers who sell exchange to persons in the United States covering remittances to members of the American Expeditionary Forces should enter such transactions under column No. 12 (see Instructions to Dealers, p. 8).

MARCH 12, 1918.

Shipments of currency out of the country.

Dealers or other persons who desire to ship currency out of the United States must apply to the Federal Reserve Board through the Federal Reserve Bank of their district for license, stating at the time of the application the purpose for which the shipment is required and the total amount of currency involved, listing separately the various kinds of notes.

MAY 2, 1918.

Foreign dividend checks of foreign corporations.

Checks drawn by foreign corporations against their deposits in American banks to cover dividends earned abroad should have stamped upon the back thereof the following declaration:

This check or draft will not be paid unless the following declaration is executed by the person to whom it is sent for collection by the payee, or his agent, or by the person who acts as the agent in the United States for the payee.

From actual personal knowledge, or in reliance upon declarations or affidavits furnished the undersigned by the parties in interest, I (we) do hereby expressly declare that no enemy or ally of enemy of the United States is directly or indirectly interested in the proceeds of this check or draft and that such proceeds will not be made available for the use of an enemy or ally of enemy of the United States; that the stock upon which this dividend is paid (or the obligation upon which this interest is paid) is not and has not been owned by or held for account of an enemy or ally of enemy of the United States since January 26, 1918, and has not been purchased by the present owner from an enemy or ally of enemy or from a person acting for or on behalf of or for the benefit of an enemy or ally of enemy since February 3, 1917.

The above declaration should be executed where possible by the foreign correspondent to whom it is sent for collection by the payee, otherwise by the dealer in the United States upon whom the check is drawn, or by some duly authorized person in the United States who acts as agent of the payee.

JUNE 18, 1918.

Securities forwarded by express.

Persons other than dealers desiring to transport securities to or from the United States by express must file a declaration of nonenemy interest as prescribed by the Executive Order of January 26, 1918, and must obtain a certificate from the Federal Reserve Board through a Federal Reserve Bank that such declaration has been filed, in the same manner as is prescribed in the case of persons who desire to transport securities on their person or in their baggage.

AUGUST 8, 1918.

Occasional transactions in exchange.

A bank may accept occasional orders for exchange from its customers and transmit them to a dealer without having a registration certificate, but in such case the initiating bank must send to the dealer through whom the transaction is effected the usual customer's statement. It is necessary that banks having continual transactions of this order take out proper registration certificates.

AUGUST 14, 1918.

Securities.

No bonds, negotiable securities, or evidences of indebtedness of any kind, with the exception of letters of credit, may be taken out of the United States by travelers on their person or in their baggage, unless a license has been issued by a Federal Reserve Bank permitting such action. United States Liberty bonds, United States war savings certificates or stamps, as well as securities of foreign Governments, are included within the scope of the above ruling.

Collectors must make reports to the Division of Foreign Exchange of the Federal Reserve Board, 15 Wall Street, New York City, of all such bonds, securities, and other evidences of indebtedness taken out of the United States under license of a Federal Reserve Bank, or which are attempted to be taken out without such license. Such report should be made out immediately after the event.

OCTOBER 7, 1918.

Transfers of funds by telegraph.

Transfers of money by telegraph, or through the agency of telegraph companies, to persons outside of the United States are subject to the same conditions as are other transactions in foreign exchange, and a customer's statement must in every case be taken by the dealer as prescribed in the Executive Order of January 26, 1918. The "dealer" in such a transaction is the telegraph company, or any of its agents or agencies, effecting the transfer.

OCTOBER 23, 1918.

Declarations of foreign correspondents.

Sufficient time has now elapsed since the promulgation of the Executive Order, dated January 26, 1918, to enable dealers to secure and file with the Division of Foreign Exchange the declarations from their foreign correspondents. All such declarations not heretofore filed must be filed with the Division of Foreign Exchange, Federal Reserve Board, 15 Wall Street, New York City, on or before November 15, 1918, and transactions by dealers with correspondents after that date are conditioned upon the previous filing of the correspondent's declaration.

OCTOBER 26, 1918.

LAW DEPARTMENT.

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

Reserves of foreign branches.

Section 19 of the Federal Reserve Act, which prescribes reserves to be carried by member banks, does not apply to foreign branches of national banks; but, under the special power vested in the Federal Reserve Board by section 25 to prescribe conditions and regulations under which foreign branches may be established, it is authorized to prescribe the amount, character, and location of reserve to be maintained against deposits received in such branches.

OCTOBER 7, 1918.

SIR: Section 25 of the Federal Reserve Act, as amended by the act approved September 7, 1916, provides in part as follows:

"Any national banking association possessing a capital and surplus of $1,000,000 or more may file application with the Federal Reserve Board for permission to exercise, upon such conditions and under such regulations as may be prescribed by the said Board, either or both of the following powers: First, to establish branches in foreign countries, or dependencies or insular possessions of the United States, for the furtherance of the foreign commerce of the United States, and to act, if required to do so, as fiscal agent of the United States, * * *."

One of the national banks which has established branches in certain foreign countries under authority of this section has asked the Federal Reserve Board what reserve must be carried against deposits received in foreign branches and where such reserve must be carried.

You have requested the opinion of this office on the question submitted.

The bank in question is located in New York, which is a central reserve city. Section 19 of the act as amended, which prescribes reserve to be carried by member banks, provides in part that—

"Every bank, banking association, or trust company, which is, or which becomes, a member of any Federal Reserve Bank, shall establish and maintain reserve balances with its Federal Reserve Bank as follows: * * * (c) If, in a central reserve city as now or hereafter defined, it shall hold and maintain with the Federal Reserve Bank of its district an actual net balance equal to not less than 13 per cent of the aggregate amount of its demand deposits and 3 per cent of its time deposits."

The first question to be determined is whether this requirement applies to deposits received in foreign branches of a member bank. It is true that there is no separate corporate entity as between the parent bank and its branch. A deposit liability of a branch is, therefore, a liability of the parent bank, and if section 19 is interpreted literally the language is no doubt broad enough to cover deposits received in foreign countries through branches.

Section 25, however, provides that these branches may be established "upon such conditions and under such regulations as may be prescribed by the said Board" (i. e., the Federal Reserve Board).

It is obvious, therefore, that Congress recognized the fact that no rigid rule could be enforced governing the operations of foreign branches if these branches are to accomplish the purpose for which they are created, viz, to further the foreign commerce of the United States. Such branches are necessarily subject in their local operations to the laws of various sovereignties, and it was, therefore, necessary to vest in the Federal Reserve Board some discretion as to the restrictions to be imposed upon the operations of foreign branches in order that the interests of the parent bank might be safeguarded and the creditors in this country might be protected.

The reserve requirements of section 19 were clearly intended to protect primarily the domestic creditors of member banks.

By an amendment to this section, member banks were permitted to transfer their entire reserve to the Federal Reserve Bank. The Federal Reserve Banks directly, or through their branches, are enabled to supply the currency needs of member banks with little delay, and reserve carried with a Federal Reserve Bank may, therefore, perform one of its principal functions, viz, to meet the abnormal withdrawals of domestic depositors. It is manifest, however, that reserve carried with a Federal Reserve Bank can not adequately perform this function in so far as foreign creditors of a national bank are concerned. It must be assumed, therefore, that Congress did not intend to provide that reserve should be carried against foreign deposits in a place where such reserve could not perform the functions it is intended to perform.

That Congress recognized the fact that laws governing the local operations of national banks could not consistently be strictly applied to the operations of foreign branches is further indicated by that part of section 25 which provides that—

"Every national banking association operating foreign branches shall be required to furnish information concerning the condition of such branches to the Comptroller of the Currency upon demand."

If Congress had intended the operations of foreign branches to be subject to all provisions of existing laws which affect the local operations of national banks, it would have been unnecessary to incorporate this provision in the act, since laws in force at the time of the passage of this act and its amendments contain adequate provision for requiring national banks to furnish full information to the Comptroller of the Currency as to the condition of such banks.

It is the opinion of this office, therefore, that under the special power vested in the Board to prescribe conditions and regulations under which foreign branches may be established, it is authorized to prescribe the amount, character, and location of reserve to be maintained against deposits received in such branches.

Respectfully,

M. C. ELLIOTT, *Counsel.*

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

Reserve of banks in outlying districts of reserve and central reserve cities.

Under section 19 of the Federal Reserve Act as amended September 26, 1918, the fact that a bank is located in what may have been declared by the Federal Reserve Board to be an outlying district of a central reserve city does not of itself entitle the bank to carry a lower reserve, but the Board should act on each case and determine what amount of reserve should be carried against demand deposits by each bank so located.

OCTOBER 19, 1918.

SIR: Section 19 of the Federal Reserve Act, as amended by the act of September 26, reads in part as follows:

"Every banking association or trust company which is or which becomes a member of any Federal Reserve Bank, shall establish and maintain reserve balances with its Federal Reserve Bank as follows: * * *

"Subsection (c). If in a central reserve city as now or hereafter defined, it shall hold and maintain with the Federal Reserve Bank of its district, an actual net balance equal to not less than 13 per cent of the aggregate amount of its demand deposits and 3 per cent of its time deposits, *provided, however, that if located in the outlying districts of a central reserve city, or in territory added to such city by the extension of its corporate charter, it may upon the affirmative vote of five members of the Federal Reserve Board, hold and maintain the reserve balances specified in paragraphs A or B thereof.*"

The question has arisen whether the Federal Reserve Board may permit one member bank in the outlying district of a central reserve city to maintain a lower reserve than another bank in the same section of the city, or whether all banks in the outlying district must be placed on an equal basis.

It will be observed that in order for a bank located in a central reserve city to have its reserve status changed, two conditions must be met. First, the bank must be located in an outlying district; second, the Federal Reserve Board by an affirmative vote of at least five members, must specify whether such bank may be permitted to carry reserve specified in "A," i. e., 7 per cent against demand deposits or the reserve specified in "B," i. e., 10 per cent against demand deposits.

It is entirely conceivable that the character of business of a bank located in an outlying district may be such that the Board would not feel justified in reducing its reserve.

It was obviously the intention of Congress that the Board should exercise a discretion in this matter and should consider each case on its merits, since otherwise it would have provided merely that the Board should determine what constituted outlying districts of a central reserve city and would have expressly fixed the amount of reserve to be carried.

I am of the opinion, therefore, that the fact that the bank is located in what may have been declared by the Board to be an outlying district of a central reserve city does not of itself entitle the bank to carry a lower reserve, but that the Board should act on each case and determine what amount of reserve should be carried against demand deposits—i. e., whether 7 or 10 per cent. In this view, permission granted to one bank in an outlying district, does not carry with it permission to all other banks located in that district.

Respectfully,

M. C. ELLIOTT,
Counsel.

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

SUMMARY OF BUSINESS CONDITIONS OCTOBER 23, 1918.

District.	General business.	Crop conditon.	Industries of the district.	Construction, building, and engineering.	Foreign trade.	Money rates.	Railroad, post office, and other receipts.	Labor conditions.
No. 1—Boston	Good	Good	Busy	Inactive	Increasing in value.	Steady	Post office, increasing	Scarce.
No. 2—New York	Fairly active; profits decreasing; collections good.	Fair	Active; materials easier; labor short.	Much curtailed except Government construction.	September exports and imports about 5.5 per cent under August.	Firm and slightly higher.	Railroad, increase; post office, increase; Western Union, increase.	Great scarcity and turnover; aggravated by influenza.
No. 3—Philadelphia.	Good	Good	Very busy	Only essential building construction under way.		Firm	Increasing	Supply of labor deficient.
No. 4—Cleveland	Satisfactory	do	Busy	Very quiet except for Government needs.		Very firm	Increasing	Exacting.
No. 5—Richmond	Very active	Being marketed at high prices.	Limited only by supplies and labor.	Practically confined to Government work.	Restricted	Active demand, 6 per cent.	Railroad, continued improvement; post office, continued increase.	Seriously affected by prevailing influenza.
No. 6—Atlanta	Good	Good	Active	Construction inactive.	Very light	Stationary	Both railroad and post office receipts steady.	Fully employed; scarcity.
No. 7—Chicago	Very good	Satisfactory	Essential; very active.	Stagnant, except war purposes.		Increasing; firm at 6 per cent.	Post office receipts increase 6.8 per cent.	Unsatisfactory distribution.
No. 8—St. Louis	Good	Fair	Active	Very quiet		Firm	Post office receipts increase.	Demand increasing.
No. 9—Minneapolis.	do	Good	do	Slow		do	No change	Good.
No. 10—Kansas City.	Active	do	Busy, but short on materials in some lines.	Little doing		Steady and firm		Acute shortage.
No. 11—Dallas	Satisfactory	do	As active as the supply of material and labor permits.	Inactive	Inactive	Firm; no fluctuation in past 30 days.	Railroad, increase; post office, increase 39.5 per cent.	Unsatisfactory; caused by the draft.
No. 12—San Francisco.	Active	do	Very active	Increasing in industrial centers; decreasing elsewhere.	Increasing	Firm	Increasing	Fairly stable; shortage in shipyards and on farms.

GENERAL BUSINESS CONDITIONS.

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

DISTRICT NO. 1—BOSTON.

The epidemic of influenza which has prevailed during the past month has seriously interfered with business. Production of all kinds has been restricted. Retailers in large centers have had a material falling off in business, while those serving small local trade have to a considerable extent reaped benefits. Conditions are, however, rapidly returning to normal.

The fourth Liberty loan and the German peace proposals have occupied a prominent place in the general situation. Merchants and manufacturers have scanned carefully their inventories lest they be too heavily stocked with high-priced goods in a falling market. The danger of this has been so strongly emphasized, however, that merchants have, for the most part, less goods on their shelves than they have had for a long time.

Conflicting reports regarding activities are current in practically all lines and, taken as a whole, business at the moment is decidedly spotty. As soon as the loan is over and the present international situation is clearer, a more definite trend should be evident; but for the time being neither buyers nor sellers wish to commit themselves beyond their immediate needs. In the meantime there is no slackening on Government work except such as is caused by the depletion of labor through sickness.

The money market remains steady and restricted, with 6 per cent the basic rate for all transactions. Prime bankers' acceptances are $4\frac{5}{16}$ per cent, unindorsed, and $4\frac{3}{16}$, indorsed. Bankers are caring for their own customers who require accommodation for essential purposes, but are doing little else.

The market for commercial paper is extremely limited. The effect of the regulations of various committees in curtailing nonessentials is becoming more evident and, for the most part, these are being graciously accepted.

There has been little change in the wool situation since last month. The appraisal and allotment of the domestic clip is proceeding in an orderly manner. The new commission which has gone to South America to purchase wool for the Government has not yet arrived, and in the meantime the old syndicate continues to act.

No wool has yet been allotted for civilian purposes and this is causing considerable anxiety, as mills are only running 50 to 60 per cent on Government business, and machinery which is not adapted for Government needs is standing idle. Unless some wool is released for civilian manufacture, it is feared that mills will not be able to maintain their full organizations.

Cotton mills have been seriously retarded by shortage of labor due, to a considerable extent, to the illness of employees. For the present this is the most important factor superseding interest in price fixing and the possibility of Government regulation of cotton. Some mills have been obliged to notify buyers that deliveries will be delayed.

The print-cloth market has been quiet, with mills unwilling to transact any business other than that which they can easily handle on the spot or in the near future.

Inquiry for fine goods has increased, and mills could book a great deal of business if they were in a position to do so. However, with the needs of the Government for 1919 aircraft production taking precedence, the outlook for civilian production is not bright, especially as some mills are now running 80 per cent on Government orders.

It is reported that mills are revamping their machinery as much as possible in order to be able to manufacture economically when competition begins again in the after-the-war period.

Early frost hurt corn and garden vegetables in northern New England to some extent, but, as a whole, crop conditions in this district are good, grain yields in particular being of fine quality. The heavy rains during the first part of the month caused some damage, rot being reported in the potato crop.

It is estimated that boot and shoe manufactories are running at about 60 per cent to 80 per cent of full capacity, which is the most that conditions will permit. Retail business has been adversely affected by restrictions on shopping and by the weather. Restriction and standardization of styles and colors have proved beneficial to the retailer with a small capital who has been experiencing difficulty in maintaining a satisfactory stock at the prevailing level of prices. The leather market continues firm.

Boston Clearing House figures compare as follows:

	Oct. 11, 1918.	Oct. 5, 1918.	Oct. 13, 1917.
Loans and discounts	$521,285,000	$522,832,000	$449,806,000
Demand deposits	450,092,000	453,132,000	372,412,000
Time deposits	14,685,000	14,534,000	30,574,000
Due to banks	120,528,000	124,165,000	134,234,000
Exchanges	[1] 246,191,936	315,837,225	203,234,000

[1] Five days.

Building and engineering operations in New England from January 1 to October 17, 1918, amounted to $132,177,000, as compared with $167,935,000 for the corresponding period of 1917. It is estimated that between one-third and one-fourth of this amount is due to Government building operations.

The receipts of the Boston post office for September 1, 1918, show an increase of $109,-945.25, or about 16 per cent more than September, 1917. For the first 15 days of October, 1918, receipts were about 27 per cent, or $103,764.48 more than for the corresponding period of last year.

DISTRICT NO. 2—NEW YORK.

Business as a whole continues active and appears to have been fairly well adjusted to war conditions. Profits in almost every line of industry are reported as showing a decreasing tendency, due to higher wages, lower efficiency of labor, increased amount of capital required, and, in some instances, to smaller volume of business over which to distribute overhead. Collections are generally good. There is a growing tendency to shorten credits. Buying has become more conservative in many lines where it is felt that, if peace came, it would bring lower prices. On the other hand, an early autumn has stimulated trade in seasonal goods.

Labor.—Influenza has greatly hampered production in certain centers, although the situation is not yet as serious as reported in some of the other districts. The draft continues to draw on the labor supply, but conditions are mitigated somewhat by the increasing flow of women into industry. The turnover continues large. The August payroll in New York State, as reported by the State Department of Labor, was the largest on record, total wages paid being 128 per cent and the number of wage earners 33 per cent above those of August, 1914.

Agriculture.—Crops are generally satisfactory, although some damage was done by early frosts. The food situation is perceptibly improved. Stocks are larger, and prices have tended downward during the last three weeks. The local Federal Food Administrator states that, in his opinion, the high mark in prices has passed.

Building.—Government demand for building materials continues strong; but ordinary demand is far below normal, being materially affected by the order that permission must be received for all construction amounting to over $2,500. It is estimated, however, that in New York City nearly $100,000,000 of construction work is ready to apply for permits. Rental space is in strong demand.

Railroads.—The railroad situation is good. Deliveries are fairly prompt. Tonnage to eastern ports during September was 9.2 per cent above that of August. Increase in railroad receipts, however, is accounted for more by higher rates than by increased tonnage.

Foreign trade.—Exports at New York during September were 5.8 per cent under August and 19.5 per cent under September, 1917; imports were 5.5 per cent under August, but 16.6 per cent above September last year. War requirements practically monopolize export facilities. During September commercial exports filled only 13 per cent of the 1,651 cars carrying goods coastward for export, not taking into account those carrying exclusively United States Government war supplies.

Merchandising.—Retail and mail order sales continue heavy, with special demand for better class goods. Some reports indicate that the war-savings' movement is reducing sales in certain lines.

Textiles.—Prices of raw cotton have receded somewhat. The supply of cotton cloth is reported fair. The wool situation steadily grows more acute. Only old stocks of wool and yarns, or surpluses left at completion of Government orders, are available for civilian purposes. Carpet prices have risen. Raw silk is easier, but prices continue to advance. There is strong demand for seasonal goods.

Leather.—The volume of leather business is running above that of last year, but is not expected to continue so. The shoe trade has slowed up slightly. Both glove and shoe manufacturers report difficulties because of import and export restrictions.

Furs.—Fur supplies are low and prices rising. Demand for export is heavy. New supplies of raw furs are expected in December.

Coal.—The supply and quality of bituminous coal has improved. In anthracite there appears to be an oversupply of steam sizes but some shortage in domestic sizes. On the whole the fuel situation is fairly satisfactory.

Oil.—Domestic buyers tend to take supplies only for immediate use. Export demand is heavy. The gasoline and fuel oil situation is improved, but there is a shortage in kerosene.

Metals.—Metals are in comparatively good supply with the exception of steel and copper. Steel production has improved, September being the biggest month on record; but it still lags behind demand. The copper situation has been growing worse.

Rubber.—The rubber business is good and prospects for the next quarter are fair.

Watches and jewelry.—Demand in the watch trade is running far ahead of supply. The restriction on the use of gold for manufacturing purposes has caused a decided slowing up in the jewelry business.

Chemicals and paints.—The demand for chemicals and paints continues heavy. The supply of linseed is low temporarily, but is expected to be ample during the next six months.

Hardware.—The volume in the hardware trade is good except in building lines. The demand for tools runs especially strong. Prices continue upward.

Banking.—Loans and deposits of reporting banks have tended slightly upward, the former rising somewhat the more rapidly. Interest rates have continued very firm. Member banks have had occasion to increase their use of the rediscount facilities of the Federal Reserve Bank because of their subscriptions to the certificates of indebtedness issued in anticipation of the fourth Liberty loan and because of a large movement of gold to other districts through the gold settlement fund.

Exchange on European neutrals has dropped appreciably, due in part, no doubt, to the increasingly favorable war situation.

Securities.—Prices of stocks and bonds have tended upward since the middle of September, with the volume of trading increasing. On October 18, over 1,600,000 shares were dealt in. The German peace proposals have directed attention especially to railroad securities and others which a return to peace would presumably benefit.

DISTRICT NO. 3—PHILADELPHIA.

General prosperous conditions have continued throughout the district. There is a steady demand for all kinds of staple merchandise, but it is becoming increasingly difficult to replenish supplies and many concerns find it impossible to meet the full requirements of their customers.

Efforts to increase the output of the iron and steel plants and other industries which have large Government contracts are producing results, an improvement being shown in both the number of hands employed and in the quantity of production.

Retail trade shows a large increase during the month up to the beginning of the influenza epidemic. Since that time, however, the number of customers daily visiting the stores has decreased about one-third and the volume of sales from 30 to 50 per cent; and working forces of all business establishments, too, have been affected very much at times, as many as one-third of the employees having been unfit for duty.

Jobbers of dry goods and notions report that business is very satisfactory, although it also is being affected by the epidemic. There is a feeling, however, on the part of some that this may be beneficial, as there had been very vigorous buying and the present serious condition may cause conservative reaction.

The influenza epidemic had greatly affected the coal output. Conservative estimates show that it has caused a decline in the production of anthracite coal of from 250,000 to 300,000 tons per week, some of the collieries being compelled to close. The shipments of anthracite for September, as furnished to the Anthracite Bureau of Information, amounted to 6,234,395 tons, as compared with 6,372,756 tons for September of last year and 7,180,923 tons for August of this year. The small production in September, however, was due principally to the fewer number of working days, there being only 24 that month, whereas there were 27 in August. The average daily shipments in September of this year amounted to 259,766 tons, which is a record figure.

Bituminous production has been increasing and has reached a weekly production of more than 13,000,000 tons.

The requirements for steel for direct war purposes are increasing rapidly, and it has become necessary to seek additional means for conserving it. The scarcity of pig iron is growing more acute, there not being enough of any grade to take care of the demand. Stocks in furnace yards are becoming very low and many consumers have but a few days' supply. Results of the efforts to speed up pig iron production are reflected in the figures for September, which show a daily average of 113,942 tons, the highest in the history of the industry, as compared with 109,341 tons in August.

Building conditions continue very quiet. The extremely high cost of construction and the Government's control of materials are holding back a number of proposed improvements and preventing all but absolutely necessary work from being started.

The cotton yarn trade has been very good, due to the large Government orders for fabrics, which have been taking about 50 per cent of the production of the textile mills. Labor is still very scarce, the average mill running only about 75 per cent of normal. Prices continue high on account of the very short cotton crop.

Most of the underwear mills have sufficient Government work to keep them busy until the first of the year. As the Government has sufficient light-weight goods for the spring and summer of 1919, it is not expected that any contracts will be given for this line until next summer.

Silk mills are not attempting to proceed ahead of January and February supplies. Production is estimated at about between 50 and 60 per cent of normal.

Financial transactions have been overshadowed by the Liberty loan campaign. The minimum rate for commercial paper has remained at 6 per cent. Commercial failures continue at an extremely low level. During the month of September Bradstreet's reported 32 failures in this district, of which 28 consisted of concerns having capital of $5,000 or less.

During the month of September discount operations of the Federal Reserve Bank amounted to $167,231,191, of which 81 per cent was secured by obligations of the United States Government. The average daily amount of earning assets held by the bank during that month was $114,640,100.

Total loan and investment operations for the first nine months of the year amounted to $875,701,864, as compared with $329,743,478 for the entire year 1917.

DISTRICT NO. 4—CLEVELAND.

It was expected that the intensive campaign for subscriptions to the fourth Liberty loan would result in a very considerable slackening in business, but the few instances in which this condition is reported are as readily explained through other causes. As a result of allied victories there is an indication of a waiting mood which tends to curb activities until final results and consequent changes are known.

Manufacturing.—The steel and iron industries are now wholly confined to the manufacture of products essential to war work. The blast furnace output and ingot production reached the maximum in their history during the past month. Generally, all lines of steel and iron are as busy as conditions will permit and production is close to 100 per cent. Preference is shown to shipbuilders and car companies in distribution.

Considerable slackening in the work of sheet and tinplate mills is experienced and the output is not nearly up to the average maintained during the past months. Operating conditions show some improvement, and kindred lines generally are thought to be in a satisfactory situation.

Fuel.—Coal production in the larger centers is said to have gained, and in the outlying districts is at capacity. The most pronounced factor in restricting the output is labor shortage. So far the epidemic of influenza has had but little effect in curtailing production. The demand continues strong.

The Pittsburgh district reports that no headway is being made in producing more coal than was produced in the previous year. It is believed, however, that any shortage in the larger districts may in part be made up by the production from new fields and increased production by the smaller operators.

Agriculture.—The fall weather has been favorable for the corn crop, and in view of the fact that the frost did not appear until late in the season the corn is much better matured than last year's crop. Except in some localities in the northern part of the district there is very little soft corn.

Imported seed not adapted to the locality made luxuriant growth but failed to properly ripen. The buckwheat crop is being harvested and is large, with an acreage in excess of former years. Wheat seeding is completed, and universally throughout the district an acreage in excess of last year is reported to have been sown. Conditions for planting this crop were very favorable, the ground being in good condition, and light rains followed the planting.

One large tobacco-raising county in Kentucky reports an abnormal acreage that reached an unusual degree of maturity, and it is estimated that at the present prices the crop will bring into the county a sum equal to the resources of all the banks. So far the curing season has been favorable.

Farms generally are well stocked, and the number of pigs is in excess of previous years. Pasturage continues to be good, which aids materially in the fattening process.

Labor.—Labor conditions are better at this time than was expected. So far the epidemic of influenza has not contributed to any great extent in the labor shortage. Although labor is busy and overtime work continues to be the order of the day, it continues scarce, and in some quarters unrest is apparent and complaints are made that wages have not kept pace with the rise in the cost of living. Shifting of labor from nonessential to essential industries also makes for some disturbance by reason of changes of residence and environment. The employment of women continues to grow with satisfactory results.

Collections.—Although some large manufacturers report paper being offered in settlement, yet this is not in sufficient amount to cause any uneasiness, and collections generally continue to be very satisfactory. Promptness in settlement is in many cases a condition of sale.

Failures continue to decrease, a fact which evidences a very satisfactory situation.

Transportation.—Fewer complaints are registered as to transportation difficulties and it is believed that a considerable betterment has been accomplished. Deliveries are more prompt and in consequence manufacturing is being facilitated.

In a number of cases the car supply is reported adequate. The closing of schools, churches, etc., on account of the epidemic, has lessened passenger and street car traffic, and there is very little travel for pleasure.

Mercantile lines.—Wholesale and jobbing houses report very satisfactory business, with some recessions since October 1, due to unseasonable weather. Booking in spring business has been delayed in some instances by lack of samples. Advances in prices have led to hesitancy in buying on the part of jobbers.

Business in the retail line is good, but here also there is reported some let-up in buying since October 1, due possibly to the prevalent sickness.

In the dry-goods line considerable difficulty is experienced in obtaining deliveries of staples such as underwear, hosiery, etc. However, certain lines of goods, especially ready-to-wear garments, are easy to buy and deliveries are more prompt than heretofore.

Money and investments.—The purchases of fall and winter supplies of goods and the higher prices paid for them have compelled the borrowing of larger amounts than usual. Banks have been aided in taking care of this increased demand by a reduction in loans to borrowers engaged in nonessential lines. The banks of the districts are well fortified with certificates of indebtedness for payments to the fourth Liberty loan. The demand for money is strong and loans are closely scrutinized.

Building.—Building continues at a low ebb, and only in quarters where the location of new industrial plants has made it imperative is there any activity.

In the Pittsburgh district it is reported that plans for 15,000 workingmen's houses have been approved to take care of the needs of the workingmen in the ordnance plant on Neville Island.

DISTRICT NO. 5—RICHMOND.

The fourth Liberty loan has held the center of the stage, both in the minds and activities of the people of this district. Coming at the time of the marketing of our chief crops, cotton and tobacco, the allotment of these bonds to the district has naturally been increased over the requirements in other loans, and the expected total is $280,000,000. The prevailing epidemic of influenza has seriously interfered with public gatherings and crippled activities in every direction, including the force of almost every bank, and returns have been slow, particularly from country districts. Farmers do not appear to have responded to the extent which has been reasonably expected from them, considering the greatly enhanced returns which they have been reaping from their crops. Many banks are not making the response or putting forth the efforts which might be reasonably expected of them. The cities and towns are, however, responding admirably and no effort, as we go to press, is being spared to secure the full quota of this district.

The aggregate yield of tobacco throughout the district shows a considerable increase, and prices have ranged from 30 to 40 cents per pound. The average of 34½ cents to date, reported by one prominent tobacco market, may be taken as a fair criterion. The gross return is far beyond all reasonable expectations. The yield of the cotton crop is rather below the average, but 30 cents per pound, or more, again brings the gross return up to unprecedented figures. Manufacturers are probably running to about 75 per cent of capacity, owing to shortage in labor, and the export of cotton is being limited as heretofore by the scarcity of foreign freight room which exists, notwithstanding the fact that the staple is greatly needed abroad. One county in South Carolina estimates the value of its cotton and tobacco crops for the year at over $10,000,000, as compared with $4,000,000 in 1916. This increase is largely in the value of its tobacco crop.

Labor difficulties, high wages, and resulting inefficiency are prevalent. The scale of wages being paid by the Government has had a demoralizing effect and labor is correspondingly indifferent and inefficient. The difficulties of securing transportation and supplies of raw material continue to be an important factor.

Notwithstanding these hindrances, with the exception of the building trade, allied industries and the real estate markets, there has been great activity and widespread and unusual prosperity everywhere. Bank deposits are higher than in any period during the current year and financial conditions are said to be the best ever known.

Bank clearings and postal receipts continue to reflect a large increase, the latter probably due particularly to Government activities.

Much attention is being given, according to reports, to the improvement and increase in the stock of cattle and hogs, and in some localities of sheep.

A note of warning is sounded from a conservative source. Some large merchants have extensive, if not large, stocks of goods on hand, and while book profits appear to have been adequate, heavy taxes which they are required to pay in cash are depleting liquid resources. Should there be an early ending of the war, it is likely to affect inventory values, which may require adjustment on a more conservative basis. It would be well for this view of conditions to receive the thoughtful consideration to which it is entitled.

DISTRICT NO. 6—ATLANTA.

October was largely given over to concentration of effort in financing the fourth Liberty loan, with slight lessening of activities in commerce and industry. The loan campaign moved slowly, due to uncertainty of cotton prices and proposed peace parleys, but the Sixth Federal Reserve District oversubscribed its quota. However, business measures up to prevailing conditions, the shortage of labor, the epidemic of Spanish influenza, and the cotton-holding movement all playing a part as a slight disturbing element.

Weather conditions have been favorable for growing and harvesting of crops, which has proceeded rapidly despite the shortage of labor, but drought is interfering somewhat with fall plowing.

The season's results show that while there has been a decrease in some crops, this has been offset largely by an increase in others, with an aggregate result that the total value of crops in the sixth district show considerable gain. In Alabama alone the aggregate value of crops show, approximately, an increase of $100,000,000, or about 35 per cent increase in the gross income of the Alabama farmer.

Gathering crops is about completed, with cotton practically picked. Many cotton fields are being picked over the second time, with weather favorable for maturity of the small top crop indicated. There has been considerable change in the sea island cotton crop, it being of a much later maturity than upland cotton, and the boll weevil has had ample time to work destruction. Present indications favor a 40 per cent normal crop.

The cotton-holding movement is growing and will increase in effectiveness now that the fourth Liberty loan has been concluded. The producers have sold enough of their crop to satisfy crop indebtedness and appear in better financial shape for a holding movement than in former years. The mills are operating very much on a hand-to-mouth policy and the holding movement, it is felt, will be productive of higher prices.

There is increased preparation for winter wheat and oats and considerable planting of red and crimson clover. The peanut crop, which has grown to be quite a factor in the past two or three years, is somewhat at a standstill, as oil mills are crowded with cotton seed, and offers for peanuts are below values.

Tennessee planted about 75 per cent of an average tobacco crop and up to September 1 the average was not over 60 per cent, but the favorable season and much moisture has caused an increase in the outgrowth in the crop and they are now housing a splendid yield, being fully 80 per cent of an average. The Florida vegetable season is over and business is awaiting a movement of oranges and grapefruits. Advanced prices are good and conditions in the fruit sections should grow more favorable within 60 or 90 days. The crop is in splendid condition except in a few sections which have been damaged by rains and severe storms.

There is continued increased interest in cattle raising, sheep and hog breeding. In all the States in the Sixth Federal Reserve District large corporations are being formed and extensive tracts of lands leased or purchased for grazing purposes. The majority of these corporations are financed by outside capital and organized by experienced cattlemen, many of them from the West and Southwest. The cutover pine lands and the "hill country" of this section, well watered and partially timbered, afford splendid ranges for cattle and sheep. The distribution of stock in these corporations is largely on the basis of transfer of capital stock for cattle, thereby interesting the cattlemen of the western country in the adaptability and advantages of this section to profitable investment.

The Alabama coal output showed a considerable decrease in September, and the spread of the influenza, coupled with labor shortage, caused the October reduction, leaving the outlook far from bright. In the Birmingham iron and steel district there are practically no stocks on hand and furnaces are shipping as fast as iron is made. Coke remains a hand-to-mouth affair with most foundries, and scrap is being used in increased qı antities in lieu of pig iron.

Lı mber mills have orders sufficient to run them for 60 to 90 days, but production is being curtailed by lack of labor. A number of mills have shut down on account of labor conditions and others are offering their timber and mills for sale. A decrease in Government demands for lumber is looked for, but hope is entertained that this will be offset by railroad orders.

Naval-stores conditions have recovered considerably in the past month and have now reached a point of profit to the operators. There is an increasing demand with diminishing supply and decreasing stocks, as labor is extremely difficult to obtain in this particular line. Turpentine has not increased proportionately with rosin.

Prices in apparel lines have dropped to some extent but still remain considerably above prices asked at any former season. Government regulation of prices of shoes has led the purchasers to believe that regulation of other prices will be forthcoming and there is a delayed buying of fall and winter requirements. With a decrease in reasonable profits and stable prices there should be an early improvement in pı rchases.

Perhaps at no time has the banking business in the district shown so remarkable a record. Reports show a large increase in deposits, with increased clearings and very satisfactory collections. Crop moving is reqı iring a large amount of currency, the outstanding Federal reserve notes of the Sixth Federal Reserve District being $119,045,145, as of October 19. Demands for loans are not heavy, due to curtailment by banks to essentials; and interest rates remain normal, 6 to 8 per cent.

DISTRICT NO. 7—CHICAGO.

Business throughout the Middle West, and especially in the territory included in the Seventh Federal Reserve District, is exceedingly active and satisfactory as to results. Here and there are found spots which, because of local or other conditions, have not fully adjusted themselves to war production to the extent of their capacity. Taken as a whole, however, the Chicago Federal Reserve District may be said to be on a war-production basis.

There is evidence everywhere of greater activity and prosperity as the crop proceeds flow into business channels. The increased business of manufacturing enterprises engaged on war contracts is resulting in a larger and wider distribution of the proceeds of Liberty loans in the shape of wages and in payment for materials.

TREND IN INDIVIDUAL ECONOMY.

Careful inquiry, however, fails to reveal any marked increase in the direction of individual economy in buying among the wage-earning class, such as has been in evidence among the more well-to-do element. Those who have been accustomed to accumulate wealth out of their incomes are manifesting conservatism in personal expenditures, especially in the less essential lines, such as house furnishings, pianos, and ornaments, and this tendency toward prudence in buying is increasing.

The wage earners, especially in the munition and manufacturing centers, appear to be spending their incomes freely, although at the same time they are subscribing liberally for Liberty bonds. It is the consensus of opinion among those who come in contact with this element that patriotic appeal and education are the most effective means of developing greater thrift in this direction. The increase in the number of Liberty loan subscribers is the most assuring evidence that the development of thrift is progressing and spreading rapidly in the Middle West.

FARMERS' MERCHANDISE PURCHASES LIBERAL BUT PRUDENT.

The reports from the agricultural districts indicate that while the farmer is buying merchandise liberally, yet there is evidence of the exercise of prudence in his purchases. It is difficult to measure with any degree of accuracy the extent of his prosperity, other than through the increase in his individual deposits at the local banks. His methods of bookkeeping are too crude to embrace any system of cost accounting. He is, generally speaking, a Liberty bond buyer, however, and is contributing to the war by efforts to increase the volume of marketable farm products, as is indicated by the increase in wheat acreage seeded in Indiana, Illinois, and in the increased production of livestock, especially hogs.

CROP CONDITIONS.

Crop conditions throughout the Middle West are propitious. The weather has been favorable to fall plowing and seeding and the ground is in good condition. The quality of the corn that is being harvested is good, and in Illinois corn is said by producers to be the best in a number of years, while the yield in this State is above that of normal years. In Indiana, outside a strip in the northern part, the corn crop is better than the average. Iowa has a good corn crop in northern portions of the State, but that in the southern part reflects the damage caused in the early part of the growing season. Wisconsin is showing up well in crop production and in plowing for next year's crop.

Michigan farmers were delayed in harvesting by the cold weather. The corn crop in that territory, while somewhat below the average of former years, is better in quality and larger in quantity that than of last year. The Michigan bean crop is below the average owing to dry weather. The potato production in that State is below last year's yield but will be a fair crop. The barley and oat crops exceed the 10-year averge by 20 per cent, so that with an excellent quality of grain and a large acreage of buckwheat and a better apple production than for a number of years, Michigan's agricultural prosperity is assured.

Taking these conditions throughout the district, with the exception of southern Iowa, agricultural prosperity is sufficiently great to stimulate increased activity in other lines in support of the Government.

STRONG DEMAND FOR MONEY IN EVIDENCE.

Money continues in strong demand and rates are firm at 6 per cent. The banking position is reported satisfactory in view of the war financing and the requirements for essential business. Collections generally are good. The borrowing at the banks has resulted in a further increase in the loan items despite the restrictions placed on nonessential credits. This is traceable to Government financing. Corroborative evidence of this condition is found in the fact that a little less than one-third of the loans and rediscounts of the Federal Reserve Bank of Chicago is represented by paper involving other than Government securities. Advices from the agricultural districts indicate the country banks are in a position to handle business satisfactorily, and many country banks report that if cars were available for shipment of grain, their entire indebtedness could be liquidated at once.

The Liberty loan has been anticipated by the banks through the purchase of Treasury certificates of indebtedness. To the extent that subscribers borrow at the banks to meet payments as they fall due on Liberty bonds, there will be reflected, of course, an expansion in the loan items of the banks.

MERCHANDISING SHOWS INCREASE.

Merchandising in agricultural districts is estimated from 10 to 40 per cent greater in September than last year. Stocks of merchandise in the Middle West are reported generally larger than usual in the hands of retail merchants, but offsetting this is a steady demand and the limitations on prompt deliveries and supplies of materials and manufactures, caused by the war requirements.

It is the consensus of opinion that merchants' stocks are not excessively large under present conditions. The merchants all through the Middle West as a rule are proceeding with caution and conservatism in making commitments for the future, realizing the difficulty in quickly reducing stocks and the hazard of large stocks purchased at high prices should peace bring a sharp decline in the fabric market. The delays in obtaining merchandise, however, have an offsetting value through accumulating civilian requirements in steadying prices when peace comes and the war embargoes are removed.

CLOTHING TRADE SOUND.

Merchants in all parts of the country are providing in a normal way for their spring (1919) requirements of high-grade clothing. There has been a certain amount of speculation in other classes of merchandise, according to advices, but owing to high prices dealers have not speculated in high-grade goods.

The advices from this class of merchants is that the retail clothing business is on a healthy basis now and the accumulating requirements and present restrictions will keep it so until after the war.

MOVEMENT OF LIVE STOCK HEAVY.

Live-stock production has been stimulated by the high prices and the prospect for an abundant crop of corn and pasturage. The primary markets reflect a heavy run of both cattle and hogs in the depressing effect on the price. The substantial decline in the market price for live-stock, especially hogs, together with the influenza epidemic, affected the trade and caused a systematic decline in fresh-meat prices, although the trade in provisions is seasonable.

Receipts of live-stock at Chicago for the four weeks ending October 12, 1918, compare with a like period in 1917 as follows:

	Cattle.	Calves.	Hogs.	Sheep.
1918	372,892	41,490	462,060	699,389
1917	341,608	43,171	262,044	404,514

There appears to be a larger number of hogs preparing for the market earlier this year than usual, and the indications point to a large run for the coming season. Obviously this has a tendency to intensify the demand for funds at the banks. Certain heavy stock-growing counties in southwestern Iowa are long on cattle and hogs and short on corn, but this can be easily supplied comparatively near by. It is evident that the production forces of the Middle West are being directed toward an increase in the food supply. There is so much merchantable new corn all through the Middle West, however, that with recurring high prices there is a possibility that the corn may be marketed rather than fed, thus later curtailing live-stock production.

WAR INDUSTRIES BOARD RULINGS CHECKS BUYING.

Restricted allotments by the War Industries Board of raw material to agricultural-implement manufacturers is necessarily curtailing the output of farm machinery. This and the restriction on pleasure-automobile production is expected to force greater economy in buying all through the farming sections. The farmer will be forced to repair and use his old implements to a considerable extent.

Shortage of farm help contributes to an increase in the requirements of improved implements. The allotment of material to implement makers, however, is believed by manufacturers sufficient to care for the imperative demand.

Naturally the lumber industry is considerably affected by the embargoes on shipments for the less essential purposes and the further restriction on building construction. The movement of stocks of lumber through retail yards in the Middle West is estimated at about 50 per cent of normal.

FOOD PRODUCTS IN DEMAND.

Grocers report active business in food products throughout the entire line and a tonnage in the last month larger than a year ago. They are experiencing no difficulty in selling food products, but the trouble is to obtain them. The question of price apparently is not deterring the consumer in the Middle West from buying.

MIDDLE WEST COAL SUPPLY AMPLE.

The coal situation is reassuring in this district. Producers report a larger supply of Indiana and Illinois coal on hand in this territory than ever before at this time of the year. Consequently they see little prospect of any serious shortage this winter. The problem now giving the Fuel Administration and the coal operators most concern is, whether the zone for Indiana and Illinois coal is sufficient to absorb production during the next two months and at the same time not decrease production in other competing districts. The inability of concerns relying on coal from West Virginia, eastern Kentucky, and Pennsylvania is forcing them to buy the better grades of Indiana and Illinois coal.

Clearings in Chicago for the first 17 days of October were $1,290,095,988, being $27,687,286, or 2.1 per cent, greater than for the corresponding 17 days in October, 1917. Clearings reported by 19 cities in the district outside of Chicago amounted to $381,655,000 for the first 15 days of October, 1918, as compared with $298,818,100 for the first 15 days of October, 1917. Deposits in 12 central reserve city member banks in Chicago were $897,000,000 at the close of business October 17, 1918, and loans were $622,000,000. Deposits show an increase of approximately $15,000,000 over last month and loans a decrease of approximately $8,000,000.

DISTRICT NO. 8—ST. LOUIS.

The recent peace rumors have had little effect on business in this district. Government work is being prosecuted with unslackened vigor, and marked activity continues in all essential lines of industry.

Manufacturers of iron and steel products are operating at capacity, and manufacturers of shoes, clothing, etc., are also especially busy. Wholesalers of dry goods report an active demand for all classes of merchandise. Some distributors are finding it difficult to fill orders on account of the shortage of many of the staple articles. There is very little speculation going on. The spirit of conservatism seems to permeate all lines, and business men are moving carefully.

The influenza epidemic, and the measures taken to combat it, have had a disturbing effect on certain branches of business in this district. Theaters, schools, churches, and other meeting places have been closed entirely, and some of the large stores have been compelled to open later and close earlier than usual. This has especially handicapped retail trade, though other lines have also been affected. Some activities have suffered considerably on account of the depletion of their working forces through contraction of the disease.

The abundance of money in the rural districts, where crops are being marketed, and the high wages paid to labor in the cities, give promise of a large business this season.

The outstanding feature in financial circles during the past month has been the successful flotation of the Fourth Liberty Loan. This district oversubscribed its quota of $260,000,000, being the first one to do so.

The demand for money has continued active in this district. The rediscounts of the Federal Reserve Bank of St. Louis have steadily increased, until on October 19 it held $84,707,000 of paper discounted for member banks. In the larger cities the bank rate to customers remains firm at 6 per cent for practically all classes of loans, and in the country districts it is somewhat higher.

The commercial paper market has been exceedingly quiet, but now that the Liberty loan campaign is over some revival is anticipated among brokers. The commercial paper rate continues at 6 per cent for all names and maturities.

Practically all of the winter wheat has been sown in this district, and reports indicate a larger acreage than last year. With few exceptions, the ground has had sufficient moisture and the seed has been put in under the best conditions.

The present prospects of the corn crop in this district are more promising than a month ago. Rain has helped the late corn materially, and it is said to be yielding better than expected. In many sections the quality is reported to be better than last year. The condition of the corn in the seven States in this district was estimated by the Government on October 1 to be 66.7 per cent, which is 3 per cent better than the estimate of September 1. The condition of the corn in this district on October 1 was estimated to yield 138,544,000 bushels, which is 40,000,000 bushels below last year's crop, but about equal to the average for the past five years.

The oats crop continues to progress satisfactorily. The condition of oats in Indiana, Illinois, and Missouri was estimated by the Government on October 1 to be 93.3 per cent, which is 2.7 per cent better than the estimate of September 1 and 7 per cent better than the average.

Reports indicate that only a fair crop of cotton will be picked in this district. The condition of the cotton in Arkansas, Mississippi, Missouri, and Tennessee was estimated by the Government on September 25 to be 58.5 per cent, which is .7 per cent below the estimate of August 25 and 9 per cent below the 10-year average.

The condition of the tobacco in Kentucky and Tennessee was estimated by the Government on October 1 to be 84.5 per cent, which is 1 per cent better than the 10-year average. The condition of the tobacco in the two States named was estimated to yield 422,333,000 pounds, which is 27,354,000 pounds more than the estimate of September 1, but 86,077,000 pounds less than the estimate for last year and 4,364,000 pounds less than the average for the past five years.

The report of the St. Louis National Stock Yards for September shows substantial increases in the receipts and shipments of cattle, horses, and mules, both in comparison with the corresponding month last year and the previous month this year. The report also shows perceptible increases in the receipts and shipments of hogs in comparison with the corresponding month last year, but a slight decrease in comparison with August of this year.

Postal receipts during September in St. Louis, Louisville, Memphis, and Little Rock all show substantial increases in comparison with the same month last year. With the exception of St. Louis, the receipts in the cities named during September also show increases over August of this year.

Reports for September from leading cities in this district show perceptible decreases in the number of building permits issued and the estimated cost of construction, both in comparison with the previous month and the corresponding month last year. Practically no building is going on in this district except for Government needs and the extension of essential factory buildings.

DISTRICT NO. 9—MINNEAPOLIS.

War production is continually demanding a larger share of attention from industrial concerns of the district, which during the month has had the satisfaction of knowing that a single firm was able to ship more heavy gun carriages than all other private plants in the United States together for the same period. The same plant is producing a steadily increasing output of high-explosive shells, and is also engaged in the manufacture of ship winches and other miscellaneous material for the Government.

St. Paul is making large contributions of finished material for war work, some of which is of particular importance at this season. Stillwater has in successful operation the first large plant in the district capable of turning out forged blanks for 6-inch high-explosive shells, and is also engaged in the production of finished high-explosive shells and antisubmarine shells. In a number of the smaller cities of the district local concerns have also taken up war work and are steadily increasing their deliveries to the Government of supplies and material needed for war purposes. Although not a manufacturing district, the Ninth District is providing a very substantial weekly output of finished manufactured material, while the steel mills and industries of Duluth are contributing iron and steel supplies and ships, the mines in northern Minnesota large quantities of ore, and the farming country a large crop of highly important and necessary foodstuffs.

The work of further organizing the industrial resources of these States is being carefully and systematically developed, and wherever concerns are found to have proper organization and management and adequate manufacturing experience they are being brought in touch with Government orders for such materials as they can best supply.

The present policy of the Government is apparently to encourage the development of existing manufacturing resources and speed up the quantity of war material produced in existing concerns. Considering the district as a whole, and remembering that dairy products, live stock, grain, and other foodstuffs are quite as essential as manufactured products, the total that can be classified as war production is very large, and at this season of the year is putting back into circulation large disbursements of Government funds. With a comparatively small manufacturing output, this district has not been in a position, except in the crop-moving period, to receive the benefit of disbursements similar to those made by the Government in the more important manufacturing districts of the country. With the present heavy demand upon the northwestern grain supplies, the Government's expenditures have, however, become important, and will continue to be an important factor for the remainder of the year. Considerable amounts of wheat are being stored subject to Government order at terminal elevators, to be drawn upon as future demands may necessitate.

Banking and business conditions remain about the same. Deposits show the influence of seasonal liquidation, with a corresponding deduction in the outstanding obligations of banks scattered throughout the district. Rates are still firm, with no prospect of material change. A satisfactory year and extremely favorable fall have produced excellent conditions throughout the rural districts, where trade is in satisfactory volume and the outlook promising. Very favorable weather has permitted farmers to do a large amount of fall work. There has, however, been a shortage in the rainfall and the territory, as a whole, is in need of moisture. The late fall period has been accompanied by very few rains, and the ground throughout all of the grain-growing territory is very dry. This will be a handicap in the spring unless the deficiency of moisture is made up by late rains or a heavy winter snowfall.

DISTRICT NO. 10—KANSAS CITY.

In the Tenth District there is reported a maximum production of food, munitions, and supplies. The daily bookings of receipts show an unprecedented volume of live stock and grain in the markets. The output of mines and factories and the volume of traffic moving by rail have exceeded all former records.

Financial.—Bank clearings for the 17 clearing-house cities of the district totaled in

September $1,464,771,000, an increase of 44 per cent over the clearings for the corresponding month in 1917. A survey shows purchases well above the eighteen months' average, indebtedness below the average and collections better than the average, with a low per cent of business failures.

The demand for loans has continued strong and rates firm as a result of the sale in this district of an aggregate of $176,866,000 of Treasury certificates, anticipatory of the fourth Liberty loan, and the opening of the campaign on September 28 for the sale of $260,000,000 of fourth Liberty loan bonds. Seasonal demands from the cattle industry have also opened up heavily, and indications point to a continued active demand.

Progress of the Liberty loan campaign has been seriously impeded by the influenza epidemic, but assurances from committees throughout the district lead to the belief that the quota will nevertheless be subscribed.

Agriculture.—Weather conditions have been favorable for farming operations and the maturing of late crops. Early sown wheat has come up well, although in some districts moisture is needed. In the mountain States thrashing was delayed by rains with some resultant damage by sprouting. Sugar beets were two weeks late maturing, but with no injury to the crop. The cribbing of corn has started. The potato crop is good in the western section and poor in sections hit by drought. The same is reported of the apple crop.

Embargoes effective in mid-September checked the heavy movement of grain and have since operated to prevent congestion at market centers, as well as to hold back a reserve of wheat at home to provide against a possible shortage next year. Shipments of wheat are now secured by permits and since the embargoes were established have fallen to about 50 per cent of the amount of receipts in corresponding weeks last year. It is estimated that about 45 per cent of the wheat is still in farmers' hands. Very little of the Colorado and Wyoming crop has been moved as yet. On October 5, elevators at the Missouri River terminals held a total of 20,525,000 bushels of wheat, 1,421,000 bushels of corn, and 4,835,000 bushels of oats. Interior elevators and mills also held large stocks.

Domestic flour trade continues quiet, but in accordance with Government orders the mills are being operated this autumn at about 80 per cent capacity, with a 30 per cent increase of output over the same period last year.

Live stock.—New world records were established in the marketing of live stock at the six markets of this district in September. Receipts of cattle were 41 per cent larger than in September of last year, receipts of hogs 64 per cent larger, and receipts of sheep 24 per cent larger. Kansas City won world honors for the largest number of cattle ever received at a market in one month—415,887 cattle and 50,862 calves in September. That city also took high honors for the largest receipts of cattle for one week and for one day. Receipts for this fall indicate that the effort toward increased production of meat is, to some extent, successful. Proportionately fewer fat cattle and prime hogs were on the markets. Except at Omaha, where the average was 8 pounds heavier, the hogs on all markets averaged lighter than a year ago. Cattle prices generally were high, fancy steers bringing the record price of $18.40. Top hogs were around $18 and $19, and best lambs sold at $15 to $16. A feature of the trading was the large purchases of cattle for feeding.

Packers made the most of the opportunity to lay in beef. Their purchases of cattle were 43 per cent larger than in the same month last year. They also purchased 63 per cent more hogs and 123 per cent more sheep for slaughter.

Petroleum.—Production of crude oil is making slow progress in overtaking consumption, September showing a slightly larger output than August and 6 per cent less than September, 1917. By confining drilling operations to proven fields, without waste of materials and labor on misguided effort, operators are hoping to comply with the demand for increased production. This plan is encouraged by the fact that the Capital Issues Committee is withholding approval of speculative enterprises.

The fields of this district are aiding the production of gasoline for airplanes. As all crude oil is not suitable for the manufacture of aviation gasoline, the western refiners are producing a high-grade gasoline and shipping it to eastern refineries to be converted into a product available for airplanes.

Development work in September showed 1,136 completions and a new product of 46,153 barrels daily capacity. While these figures show a decrease rather than an increase in completions from August, satisfaction is found in the fact that there is a substantial increase in new work under way, which promises well for the future.

Mining.—The Government's effort to increase production of coal is finding hearty cooperation on the part of both operators and operatives. While greatly handicapped by shortage of labor, a substantial increase in the output is reported, and it is now believed the coal situation this winter will be less acute than it was last winter.

Excellent weather assisted materially in both the production and marketing of lead and zinc. Lead-ore prices were absolutely steady at $100 per ton through September. Shipments of lead for the four-week period amounted to 5,895 tons, and the surplus at the end of the month was 250 tons, as compared with 4,868 tons at the same time in 1917. The price of blend ores for the month ranged from $50 to $55 a ton for the major portion sold, while first-grade ores sold at the allocated price of $75 a ton. A smaller tonnage brought $65. The average price of all grades of blend ores for the month was $63.35, while the average price of all calamite ores was $38.35. Shipments of blend ores amounted to 41,433 tons for the four weeks and those of calamite to 1,600 tons. The surplus in the bins at the end of the month was 19,000 tons, as compared with 26,309 tons at the close of September, 1917.

Production of the common and precious metals has reached the lowest point in 20 years, with a further reduction imminent. The labor shortage developed very acutely in the mining sections of Colorado. In the metal mines an advance in wages of 50 cents per day was granted, effective September 1.

Construction.—Although the demand for buildings largely exceeds their construction, no relief is expected until the end of the war, as the Government's needs must first be considered. In September 751 permits were issued in the cities of the district for buildings estimated to cost $1,483,690—a decline of 43 per cent from September, 1917. These reports show only private work of an essential character and do not include the enormous amount of Government work at cantonments in the district. Many applications for permission to erect buildings are awaiting the decision of the War Priority Board. Government demand for lumber and building materials continues heavy, and the civilian trade is dull.

Labor.—Industry is less affected this season by labor troubles than earlier in the year. Wage advances have been general. The few disputes arising have been arbitrated. War requirements, however, are making it increasingly difficult to obtain skilled labor, while common labor is almost as scarce and the wage is about equal to the former wage of the skilled laborer. Government bureaus have helped wonderfully in the distribution of labor to essential industries, but there are many more jobs to be filled than there are men to fill them. There is a shortage of shovelers at the mines, and no solution is offered except by the introduction of mechanical shoveling machines, which are neither satisfactory nor economical. Oil operators report a scarcity of experienced well drillers and tool dressers. Organized effort by oil men and ore producers to secure exemption for their employees on industrial grounds is meeting with little success, owing to the desire on the part of the men to waive exemption on this ground, as they prefer actual military to industrial service.

Mercantile.—While the mercantile trade was good up to late August, there has since been greater activity in most lines. Wholesale dealers report that retailers are stocking up for the holidays, filling in broken lines, and placing orders for next spring. Department stores and retailers are having good sales. Mail-order houses are receiving and filling more orders than ever. The greatest activity is shown in the line of dry goods, shoes, and women's ready-to-wear clothing. Drugs, groceries, and provisions are in strong demand. Despite the lack of heavy flour and sugar sales—usually their mainstay—grocers are doing a large business. The food-conservation plan seems to have been misconstrued; instead of packing and preserving at home, people are buying more canned goods than ever before. An increase in the demand for repairs is in harmony with the Government's economy plea, the tendency being to repair rather than buy new machinery or implements. Manufacturing is decidedly active, but both materials and labor are becoming scarcer and production is curtailed.

DISTRICT NO. 11—DALLAS.

Unseasonably warm weather, accompanied by the influenza epidemic, has had a very serious effect on business in nearly all parts of the district during the past 30 days, and trade is generally inactive as a result.

Conservatism in all lines is still very pronounced. Outside of the developments above noted, but little change has occurred in trade conditions since a month ago. Wholesale dry goods firms report that the volume of business in September was unusually heavy. In fact, some of the largest wholesalers advise that the month's business was the greatest in their history. At the present writing there is a temporary lull, as with fall shipments out of the way and winter buying not yet started on account of warm weather it is "between seasons" with them. Cooler weather is needed to stimulate trade. The volume of orders with the large mail-order houses also reflects the effect of warm weather and the influenza epidemic, and a decrease is reported over the same period a month ago. In other wholesale lines, such as groceries, hardware, and drugs, business is very good, and the volume exceeds that of last year. Collections in the wholesale trade are fair and should greatly improve as the cotton and other fall crops are marketed. Manufacturing is active.

The Liberty loan campaign has overshadowed all other financial matters during the month, and, in spite of peace rumors and the general epidemic, subscriptions to the loan, at this writing, are approximately 70 per cent of this district's quota of $126,000,000. When the final returns are received, the total should be materially increased. Many of the counties in the drought-stricken sections have already raised their quota.

Of the six series of Treasury certificates (not including that of October 1) issued in anticipation of the fourth Liberty loan, of which this district's allotment was $86,400,000, we have subscribed $73,863,000, or a deficit of 14½ per cent of the total allotment.

The demand for funds is very heavy, and although at this season a general liquidation is to be expected, the same has not taken place up to this time. This is attributable to the slow marketing of the cotton crop. As a result, the loans and discounts of member banks have decreased but slightly, and deposits have not appreciably increased. Interest rates are firm, and the majority of loans are being made at prevailing rates of 6 to 8 per cent. This institution is encouraging member banks in every possible way to discriminate between essential and nonessential credits, and this counsel, according to our information, is being generally followed. The demand on this bank for the month ending October 15 has continued very heavy, and our loans and discounts have increased during that period approximately $11,000,000. In order to meet the same, we found it necessary to rediscount with other Federal Reserve banks.

Clearings at the principal cities of the district show an increase of 31 per cent in September over the same month of 1917.

Agricultural conditions continue to improve, as the result of additional rainfall over a large area of the district, especially those counties of central and west Texas, which have been heavy sufferers from the drought. Our correspondents advise that an unusually large acreage of wheat and oats will be sown. Prospects for a top crop of cotton have been somewhat improved during the past 30 days, by rains in north, northeast, and east Texas, as the moisture greatly revived the plant, permitting of the maturity of blooms and stimulating the plant. In a bulletin issued by the Texas representative of the United States Department of Agriculture on October 2, the condition of the Texas crop is estimated at 44 per cent of normal, against a condition at the same period last year, of 43 per cent. Based on this estimate, Texas will produce 2,820,000 equivalent 500-pound bales.

The sweet-potato crop of east Texas is now being marketed, and the yield promises to be generally satisfactory. At Winnsboro, which is one of the principal potato-producing centers, production will be materially curtailed owing to the scarcity of plants in the spring. Farmers who were able to secure plants are selling to their less fortunate neighbors, and as a result, only three cars have moved up to the present writing.

Building permits issued at the principal cities of the district in September show an increase of 182 in number, and an increase of $62,184 in valuation, or 11.4 per cent over the same month of 1917. Building operations are confined strictly to Government demands. The extreme shortage of labor is preventing the lumber mills from running over 50 per cent of the time. The embargo placed by the Government Railroad Administration against the shipment of lumber to points east of the Mississippi River or north of the Ohio River, except on written order, has largely decreased the shipments for the territory mentioned. The restrictions placed upon building operations by the War Industries Board, whereby no new buildings shall be started without a permit from that board (except farm buildings costing not more than $1,000) and no repairs to existing buildings which shall exceed a cost of $2,500, are very materially reducing the retail lumber trade. The price of lumber remains steady at the Government maximum list. The clay products industry and other lines of building material are marking time on account of the Government's building regulations.

The live-stock industry in Arizona is in a serious condition. Ranchmen, who are able to do so, are shipping their herds to other sections for pasturage, and a large number of cattle have been sent into Mexico. In Texas and New Mexico, live-stock conditions are somewhat improved, as rains during the past month have relieved range conditions.

Post-office receipts at the principal cities of the district for September show an increase of $129,257, or 39.5 per cent over the same month of 1917.

Labor conditions are about the same as previously reported, except that there is perhaps a greater shortage in skilled labor for all work. The influenza epidemic has retarded the activity of many concerns, and more especially the banking institutions.

Business conditions over the Eleventh District may be summarized as generally satisfactory. The present unsettled situation is largely attributable to special factors already mentioned, and the outlook is on the whole encouraging.

DISTRICT NO. 12—SAN FRANCISCO.

In order to meet Government demands, business in the industrial centers continues to be extremely active. War industries are continually enlarging their plants but are limited by a shortage of labor and inability to secure necessary materials. In the agricultural districts slow liquidation on grain crops is causing inconvenience to farmers and bankers. The seeding of grain crops has begun in Idaho, Washington, and Oregon. Wholesale and retail trade is reported good in most parts of the district, with small stocks on hand. Collections are good.

Interest rates continue firm at 6 per cent in industrial, and 7 per cent in agricultural centers.

Bank clearings for 19 principal cities of the district in September amounted to $1,085,790,000, an increase of 28 per cent over the corresponding month of 1917.

Building permits for the same 19 cities amounted to $5,188,000, an increase of 33 per cent over September, 1917. Seattle, Oakland, Portland, and Tacoma showed the only increases, with 217, 188, 159, and 121 per cent, respectively, due to extensions of industrial plants for war work and the erection of houses for workers.

During August, according to R. G. Dun & Co., there were only 88 commercial failures in this district, with liabilities of $769,760, as compared with 145 failures, with liabilities of $1,641,107, for the corresponding month of last year, which is a reduction of 53 per cent.

A crop of rice estimated at 6,458,000 bushels is now being harvested in California. This is 15 per cent of the country's total production. The 1917 crop was 5,600,000 bushels. The price fixed for the growers is $4.16 to $4.32 per 100 pounds, or $1.60 to $1.90 per bushel, according to the quality.

The California walnut crop this year is estimated at 16,500 tons, as compared with 15,000 tons in 1917. Prices are 28 cents per pound for the first grade, as compared with about 20 cents in 1917 and 15½ cents in 1916.

The almond crop is estimated at 4,875 tons, the largest ever produced. In 1917 the production was 3,800 tons.

Although the estimated production of apples for the whole country is nearly 10 per cent greater than last year, the crop in this district shows a reduction ranging from 4 per cent in California to 20 per cent in Utah and 85 per cent in Idaho. Quality, however, is better than usual and prices are from 15 to 25 per cent higher than last year. The following figures show the estimated crop, in boxes, on October 1, 1918, and the total production last year:

	1918	1917
Washington	12,039,000	13,860,000
California	3,380,000	3,520,000
Oregon	1,830,000	2,139,000
Utah	453,000	552,000
Idaho	390,000	2,718,000

Carload shipments of fresh fruits, including cherries, apricots, peaches, plums, pears, and grapes from California this year have been heavier than in any previous year. Following are the figures on October 5, 1918, and on the corresponding date for the past five years: 1918, 20,882; 1917, 16,759; 1916, 13,777; 1915, 11,979; 1914, 12,719; 1913, 10,856.

The damage to the California prune crop by untimely rains during September was more serious than indicated by early reports. Estimates of a normal crop of 150,000,000 pounds are now reduced to about 50,000,000 pounds. All sizes from 30 to 90 to the pound are to be taken by the Government, leaving for civilian consumption not more than 15,000,000 pounds of the larger and smaller sizes. Eighty per cent of the Oregon and Washington bumper crop, estimated at 50,000,000 pounds, will also be taken by the Government.

The rains in September also injured table, wine, and raisin grapes in California, but the extent of the damage has not yet been definitely determined. Earlier in the season a crop of raisins equal to the 1917 bumper crop of 163,000 tons was expected.

California's bean crop, now being harvested, was estimated on October 1 at 8,350,000 bushels, consisting of 2,610,000 bushels of limas and 5,740,000 bushels of all other varieties. The 1917 production was 8,091,000 bushels. The present crop is about 45 per cent of the country's total estimated yield. Prices received by growers vary from 6 cents per pound for the black-eye variety to 11½ cents per pound for limas. It is interesting to note that these prices are from 10 to 25 per cent lower than last year.

Lumber mills of the Pacific northwest furnished 16,875,000 feet of finished aircraft stock in September, as compared with 2,683,000 feet in September, 1917. The Government's monthly requirements have been increased from 10,000,000 feet to 30,000,000 feet. The mills are facing a serious situation through their inability to market the surplus side-cut lumber remaining from the production of aircraft stock and large ship timbers. As a result several smaller mills have shut down and others are reducing their crews. The yards are congested with stocks and have no additional storage space. It is asserted that this situation has been greatly aggravated by the fact that the War Industries Board has allotted orders for smaller timbers to other lumber-producing sections.

Production of crude petroleum in California during August was 8,712,860 barrels, a decrease of 24,769 barrels from July. The output of August, 1917, was 8,424,405 barrels. During the month of August stored stocks decreased from 25,632,823 to 25,464,970 barrels.

Reports from Alaska indicate that the output of gold in that Territory will not exceed $10,000,000 this year, as compared with $17,241,713 in 1916. The decrease is due in part to the scarcity of labor, the increased cost of supplies, and the flooding of the Alaska-Treadwell mine last year.

The Shipping Board recently announced that from August 3, 1917, to September 15, 1918, the shipyards of the Pacific coast had delivered 137 vessels, with a cargo capacity of 1,011,160 dead-weight tons, out of a total of 356 vessels, with a cargo capacity of 2,045,875 tons, which were delivered to it by all shipyards of the United States. Of vessels launched, but not delivered, the Pacific coast yards also produced 134, with a cargo capacity of 610,900 tons, out of a total of 264 vessels with a total tonnage capacity of 1,223,566 tons, for the whole country.

NOTICE.

With the view of economizing space and the labor of printing, it has been decided to publish certain statistical tables in the BULLETIN only at quarterly intervals and to condense other tables. Accordingly, tables headed—

"Bills discounted by each Federal Reserve Bank, distributed by rates of discount; also average maturities and rates of bills discounted by each bank during the month" (see p. 1024, October BULLETIN);

"Acceptances bought in open market and held by all Federal Reserve Banks on dates specified, distributed by classes of accepting institutions" (see p. 1025, October BULLETIN);

"Amounts of bills discounted and acceptances and warrants bought by each Federal Reserve Bank, distributed by maturities" (see p. 1026, October BULLETIN);

"Maturities of discounts, acceptances, and municipal warrants held by each Federal Reserve Bank" (see p. 1027, October BULLETIN);

"United States securities held by each Federal Reserve Bank, distributed by maturities" (see p. 1029, October BULLETIN);

also the gold settlement fund analysis and accompanying tables (see pp. 1019 and 1020, October BULLETIN) have been omitted from this issue. Of these tables "Bills discounted by each Federal Reserve Bank, distributed by rates of discount; also average maturities and rates of bills discounted by each bank during the month" will be printed in the January BULLETIN; "Amounts of bills discounted and acceptances and warrants bought by each Federal Reserve Bank, distributed by maturities" in the February BULLETIN; and the gold settlement fund analysis and accompanying tables in the March BULLETIN, and quarterly thereafter. Some rearrangement of the material has also been made with the view of bringing out more clearly the salient features of the monthly statistics. It is hoped that notwithstanding the substantial reduction in the amount of matter effected no essential data will be found missing.

DISCOUNT OPERATIONS OF THE FEDERAL RESERVE BANKS.

During the month of September discount operations of the Federal Reserve Banks aggregated $4,685,139,187, compared with $3,762,359,098 for August, $2,178,410,479 for April, 1918, the month preceding the close of the third Liberty loan, and $2,681,165,854 for October, 1917, the month preceding the closing of the second Liberty loan. Of the total bills discounted during the month the share of war paper, i. e., member banks' notes and customers' paper secured by United States war obligations was 87.1 per cent, compared with 83.1 per cent the month before and 83.2 per cent for April of the present year. About 61.8 per cent of the total discounts and over 65 per cent of the war paper discounted during the month are shown for the New York Bank. All the banks, except the Minneapolis Bank, report considerable increases in discount operations for the month, as compared with August, Boston reporting the largest relative increase in both total discounts and discounts of war paper.

Discounts of member banks' notes secured by eligible paper aggregated $35,178,979, compared with $56,476,330 the month before, the Chicago and Minneapolis banks reporting considerable liquidation of paper of this class. Trade acceptances discounted by the Federal Reserve Banks during the month totaled $21,202,888, as against $13,568,349 for August. Of the larger total $13,337,303, as against $11,774,139 in August, represented transactions in the domestic trade, and $7,865,585, as against $1,794,210 in August, transactions in the foreign trade. Over 46 per cent of the total discounted trade acceptances and nearly 94 per cent of the discounted foreign trade acceptances are reported by the New York Bank, while Cleveland leads all other banks in the amount of discounted domestic trade acceptances. The above totals are exclusive of $3,443,033 of foreign trade acceptances and $801,753 of domestic trade acceptances bought during the month in the open market by the New York, Cleveland, and San Francisco banks.

Over 95 per cent of all the paper discounted during the month was 15-day paper, i. e., maturing within 15 days from date of discount with the Federal Reserve Bank. For the New York Bank this percentage, because of the relatively large amount of collateral notes handled, runs as high as 99 per cent. All the western banks report large decreases in the amounts of 6-month paper discounted, the total for the month being $5,704,756, or almost one-third less than the unusually low total for August.

Average maturities of the paper discounted by all the banks, except those of St. Louis, Minneapolis, and Kansas City, were shorter than for the month before, the decrease of 2.32 days in the average maturity of all discounts being due largely to the shorter average maturity of the paper discounted by the New York Bank. Average rates of discount on the whole show slight declines since August, though the three banks showing the longer average maturities report also higher rates of discount. In the case of Minneapolis and Kansas City the higher average rates are due partly to the adoption by these banks of higher discount rates on certain classes of paper during the month. The higher average rate of discount shown by San Francisco, notwithstanding the very substantial decrease in the average maturity of the paper discounted during the month, is due exclusively to the higher discount rates put in force by the Federal Reserve Bank on August 29.

On the last Friday of the month the banks held a total of $1,713,430,000 as against $1,428,195,000 on the last Friday in August. Of the total discounts on hand the share of war paper was 71.2 per cent, compared with 62.7 per cent about the end of August and 70.8 per cent on the corresponding date in April of the present year. At the New York Bank this share was over 83 per cent. Similar percentages obtain at the Boston and Philadelphia Banks. Discounted trade acceptances on hand totaled $19,254,000, as against $15,487,000 the month before. Of the larger total $3,737,523 were foreign trade acceptances, all held by the New York Bank. Agricultural paper on hand totaled $35,440,000, compared with $38,293,000 on the last Friday in August, while live-stock paper holdings aggregated $48,703,000, of which over half was reported by the Kansas City Bank.

The month witnessed 90 accessions to membership, the total membership at the close of September being 8,543 banks. Slightly over 40 per cent of this number, or 3,464 member banks, as against 3,671 for August, discounted with their Federal Reserve Banks during the month under review.

In the following exhibit are given the number of member banks at the end of August and September, also the number of discounting banks during the two months.

Federal reserve bank.	Number of member banks in district.		Number of member banks accommodated.	
	Sept. 30.	Aug. 31.	September.	August.
Boston	421	417	211	215
New York	712	703	346	335
Philadelphia	655	653	305	270
Cleveland	806	796	185	144
Richmond	559	554	229	261
Atlanta	415	412	194	207
Chicago	1,281	1,251	589	562
St. Louis	505	503	190	170
Minneapolis	852	843	291	395
Kansas City	992	989	300	290
Dallas	720	715	355	436
San Francisco	625	617	269	386
Total	8,543	8,453	3,464	3,671

Total investment operations of each Federal Reserve Bank during the month of September, 1918 and 1917.

	Bills discounted for member banks.	Bills bought in open market.			Municipal warrants.			
		Bankers' acceptances.	Trade acceptances.	Total.	City.	State.	All other.	Total.
Boston	$229,342,264	$19,684,049		$19,684,049				
New York	2,893,616,076	112,427,086	[1] $3,347,402	115,774,488				
Philadelphia	161,218,400	2,741,791		2,741,791				
Cleveland	140,569,099	15,654,042	[2] 278,590	15,932,632				
Richmond	215,195,653	3,220,347		3,220,347				
Atlanta	117,969,176	4,713,695		4,713,695	$3,631		$5,133	$8,764
Chicago	455,999,674	7,427,475		7,427,475				
St. Louis	117,849,236	554,457		554,457				
Minneapolis	76,917,401	40,500		40,500				
Kansas City	78,625,854							
Dallas	74,681,393	1,580,000		1,580,000				
San Francisco	123,154,961	10,843,894	618,794	11,462,688				
Total, September, 1918	4,685,139,187	178,887,336	4,244,786	183,132,122	3,631		5,133	8,764
Total, September, 1917	548,164,104	104,162,500	4,883,966	109,046,466	11,756		10,000	21,756

	United States securities.					Total investment operations.	
	$3\frac{1}{2}$ per cent.	4 per cent.	$4\frac{1}{4}$ per cent.	United States certificates of indebtedness.	Total.	September, 1918.	September, 1917.[3]
Boston			$50		$50	$249,026,363	$42,643,906
New York				$71,858,000	71,858,000	3,081,248,564	382,032,483
Philadelphia				3,272,000	3,272,000	167,232,191	25,000,483
Cleveland			50	3,565,000	3,565,050	160,066,781	27,590,006
Richmond						218,416,000	53,156,900
Atlanta	$35,000	$61,000		1,000,000	1,096,000	123,787,635	9,642,351
Chicago			10,850	3,000,000	3,010,850	466,437,999	57,965,950
St. Louis				2,000,000	2,000,000	120,403,693	25,349,894
Minneapolis				170,000	170,000	77,127,901	4,452,325
Kansas City				235,000	235,000	78,860,854	28,260,858
Dallas				270,000	270,000	76,531,393	9,440,775
San Francisco				212,000	212,000	134,829,649	12,527,045
Total, September, 1918	35,000	61,000	10,950	85,582,000	85,688,950	4,953,969,023	
Total, September, 1917	20,830,650				[3] 20,830,650		678,062,976

[1] Includes $682,434 in the domestic trade.
[2] Includes $119,319 in the domestic trade.
[3] Exclusive of purchases of United States certificates of indebtedness.

Average amount of earning assets held by each Federal Reserve Bank during September, 1918, earnings from each class of earning assets and annual rates of earnings on basis of September, 1918, returns.

	Average balances for the month of the several classes of earning assets.				
	Bills discounted for members and Federal Reserve Banks.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.
Boston	$80,667,771	$30,169,666	$2,050,648	....	$112,888,085
New York	625,301,962	130,220,279	22,402,311	....	777,924,552
Philadelphia	100,833,261	9,830,323	3,976,517	....	114,640,101
Cleveland	92,136,622	29,575,075	4,512,400	....	126,224,097
Richmond	64,221,151	4,663,480	2,743,200	....	71,627,831
Atlanta	63,716,521	4,280,185	1,698,065	$67,959	69,762,730
Chicago	235,104,678	17,319,015	7,289,447	....	259,713,140
St. Louis	64,680,012	1,753,909	2,141,067	....	68,574,988
Minneapolis	69,476,400	207,300	1,134,300	....	70,818,000
Kansas City	64,675,490	135,926	10,173,898	....	74,985,314
Dallas	49,263,885	804,107	4,415,027	....	54,483,019
San Francisco	93,075,235	20,791,312	4,548,167	....	118,414,714
Total	1,603,152,988	249,750,577	67,085,047	67,959	1,920,056,571

Federal Reserve Bank.	Earnings from—					Calculated annual rates of earnings from—				
	Bills discounted for members and Federal Reserve Banks.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.	Bills discounted for members and Federal Reserve Banks.	Bills bought in open market.	United States securities.	Municipal warrants.	Total.
						Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Boston	$281,471	$105,980	$5,121	....	$392,572	4.25	4.28	3.04	....	4.23
New York	2,044,609	434,940	50,751	....	2,530,300	3.97	4.06	2.75	....	3.95
Philadelphia	363,644	34,365	9,483	....	407,492	4.38	4.25	2.90	....	4.32
Cleveland	331,658	102,875	11,523	....	446,056	4.32	4.24	3.16	....	4.30
Richmond	238,932	18,467	6,147	....	263,546	4.63	4.82	2.73	....	4.48
Atlanta	223,795	14,691	4,207	273	242,966	4.27	4.18	3.01	4.88	4.24
Chicago	833,953	62,342	16,686	....	912,981	4.46	4.38	2.79	....	4.28
St. Louis	228,258	6,678	4,592	....	239,528	4.32	4.68	2.64	....	4.27
Minneapolis	266,282	830	2,986	....	270,098	4.69	4.87	3.20	....	4.64
Kansas City	263,187	582	19,186	....	282,955	4.96	5.20	2.29	....	4.59
Dallas	198,681	2,788	9,140	....	210,609	4.90	4.22	2.51	....	4.70
San Francisco	353,297	74,657	10,101	....	438,055	4.62	4.37	2.67	....	4.50
Total	5,627,767	859,195	149,923	273	6,637,158	4.27	4.19	2.73	4.88	4.21

Bills discounted during the month of September, 1918, distributed by classes.

Federal Reserve Bank.	Customers' paper secured by Liberty bonds or United States certificates of indebtedness.	Member banks' collateral notes.		Trade acceptances.	All other discounts.	Total.	Average maturity in days.	Average rate (per cent).[1]
		Secured by Liberty bonds or United States certificates of indebtedness.	Otherwise secured.					
Boston	$13,957,411	$202,286,223	$2,300,000	[2] $1,038,799	$9,759,831	$229,342,264	10.06	4.22
New York	19,681,595	2,632,741,590	....	[3] 9,859,943	[4] 231,332,948	2,893,616,076	6.36	4.06
Philadelphia	7,334,050	128,688,408	7,500	347,038	24,841,404	161,218,400	15.19	4.06
Cleveland	3,268,382	105,430,433	20,000	3,284,223	28,566,061	140,569,099	16.50	4.23
Richmond	2,673,036	196,504,254	4,230,000	1,112,713	10,675,650	215,195,653	8.70	4.45
Atlanta	716,719	83,795,425	399,000	910,206	32,147,826	117,969,176	18.87	4.23
Chicago	2,535,951	324,088,650	16,458,624	893,103	112,023,346	455,999,674	17.10	4.22
St. Louis	868,113	90,094,550	100,000	1,059,996	25,726,577	117,849,236	18.86	4.27
Minneapolis	1,621,458	45,070,335	3,250,000	106,446	26,869,162	76,917,401	34.41	4.68
Kansas City	567,050	56,657,023	6,218,855	516,750	14,666,176	78,625,854	24.46	4.78
Dallas	772,147	61,890,485	2,195,000	90,321	9,733,440	74,681,393	21.66	4.40
San Francisco	2,281,982	96,146,167	....	1,983,350	[5] 22,743,462	123,154,961	23.05	4.57
Total	56,277,894	4,023,393,543	35,178,979	21,202,888	549,085,883	4,685,139,187	10.38	[6] 4.24

[1] Boston and New York calculated on a 365-day basis; all other Federal Reserve Banks on 360-day basis.
[2] Includes $496,967 in the foreign trade.
[3] Includes $7,368,618 in the foreign trade.
[4] Includes $6,489,684 of bankers' acceptances.
[5] Includes $57,725 of bankers' acceptances.
[6] Average discount rate on all paper discounted works out at 4.21 per cent if calculated on a 360-day basis, and at 4.27 per cent if calculated on a uniform 365-day basis.

Amounts of discounted paper, including member banks' collateral notes, held by each Federal Reserve Bank on the last Friday in September, distributed by classes.

[In thousands of dollars; i. e., 000 omitted.]

Banks.	Agricultural paper.	Live-stock paper.	Customers' paper secured by Liberty bonds or United States certificates of indebtedness.	Member banks' collateral notes.		Trade acceptances.	All other discounts.	Total.
				Secured by Liberty bonds or United States certificates of indebtedness.	Otherwise secured.			
Boston	1	....	33,291	37,955	....	697	14,896	86,840
New York	415	....	68,620	495,486	....	[1] 5,659	107,182	677,362
Philadelphia	342	545	27,520	59,198	....	599	19,626	107,830
Cleveland	67	513	5,443	45,150	20	3,651	30,135	84,979
Richmond	4,205	....	6,194	41,949	605	1,864	12,855	67,672
Atlanta	2,911	864	439	44,694	354	764	26,158	76,184
Chicago	5,437	....	8,010	161,035	28,091	1,906	37,183	241,662
St. Louis	412	606	986	48,740	....	1,265	25,172	77,181
Minneapolis	3,488	9,975	3,521	21,741	2,847	91	25,539	67,202
Kansas City	3,246	24,403	886	27,803	6,310	661	10,495	73,804
Dallas	7,083	6,859	....	29,527	1,366	....	11,173	56,008
San Francisco	7,833	4,938	3,355	48,898	....	2,097	29,585	96,706
Total	35,440	48,703	158,265	1,062,176	39,593	19,254	349,999	1,713,430
Per cent	2.1	2.9	9.2	62.0	2.3	1.1	20.4	100

[1] Includes $3,737,523 in the foreign trade.

Acceptances bought in open market and held by each Federal Reserve Bank on Sept. 30, 1918, distributed by classes of accepting institutions.

[In thousands of dollars, i. e., 000 omitted.]

	Member banks.	Non-member trust companies.	Non-member State banks.	Private banks.	Foreign bank branches and agencies.	Total.	Trade acceptances bought in open market.			Total acceptances.
							Domestic.	Foreign.	Total.	
Boston	29,873	100	181	6,107	247	36,508	323	....	323	36,831
New York	118,410	1,302	423	17,398	12,365	149,898	1,733	2,373	4,106	154,004
Philadelphia	7,438	....	425	131	....	7,994	....	....	....	7,994
Cleveland	26,626	1,446	770	2,181	360	31,383	519	154	673	32,056
Richmond	4,518	....	....	....	....	4,518	....	....	....	4,518
Atlanta	6,309	....	....	25	....	6,334	....	....	....	6,334
Chicago	20,862	....	18	....	....	20,880	....	....	....	20,880
St. Louis	2,002	....	....	....	....	2,002	....	....	....	2,002
Minneapolis	133	....	....	....	....	133	....	....	....	133
Kansas City	106	....	....	....	....	106	....	....	....	106
Dallas	1,810	....	....	....	....	1,810	....	....	....	1,810
San Francisco	15,839	11	662	1,709	1,027	19,248	170	3,234	3,404	22,652
Totals:										
Sept. 30, 1918	233,926	2,859	2,479	27,551	13,999	280,814	2,745	5,761	8,506	289,320
Aug. 31, 1918	188,366	1,717	8,264	19,167	8,450	225,964	2,201	6,605	8,806	234,770
July 31, 1918	154,614	1,129	7,302	18,082	8,975	190,102	1,994	5,787	7,781	197,883
June 29, 1918	173,698	1,992	459	21,478	12,315	209,942	....	7,418	7,418	217,360
Sept. 29, 1917	131,997	14,987	2,193	21,708	2,286	173,171	....	....	6,942	180,113
Sept. 25, 1916	40,309	22,636	711	10,795	....	74,451	....	....	2,796	77,247

Rediscounts and sales of discounted and purchased paper between Federal Reserve Banks from July 1 to Sept. 30, 1918.

Rediscounted or sold by Federal Reserve Bank of—	Rediscounted with or sold to Federal Reserve Bank of—				Total.
	Boston.	New York.	Philadelphia.	Cleveland.	
Richmond: August	...	...	[1] $5,056,000	[2] $5,053,000	$10,109,000
Chicago: August	...	[3] $9,984,000	...	...	9,984,000
St. Louis: July	$5,000,000	...	...	7,500,000	12,500,000
Minneapolis: August	2,499,000	12,499,000	4,999,000	5,000,000	24,997,000
Dallas:					
July	...	5,000,000	...	5,000,000	10,000,000
August	2,000,000	...	4,999,000	2,928,000	9,927,000
Total	9,499,000	27,483,000	15,054,000	25,481,000	77,517,000

[1] Includes $1,352,000 bankers' acceptances. [2] Includes $1,351,000 bankers' acceptances. [3] Bankers' acceptances.

Number of banks and of other subscribers, also amounts subscribed to the seven issues of certificates of indebtedness preceding the fourth Liberty loan, arranged according to Federal reserve districts.

Federal reserve bank.	National banks.			State banks.			Trust companies.			Other banks.		
	Number subscribing.	Per cent of total in district.	Amount.	Number subscribing.	Per cent of total in district.	Amount.	Number subscribing.	Per cent of total in district.	Amount.	Number subscribing.	Per cent of total in district.	Amount.
Boston	381	97.19	$220,968,500	...	...	...	237	90.11	$153,798,000	108	15.54	$6,304,000
New York	609	98.07	991,095,000	223	99.11	$130,767,500	193	98.47	494,334,500	144	80.90	20,643,000
Philadelphia	601	93.18	200,957,500	147	86.98	15,188,500	202	87.44	93,859,000	9	100.00	5,129,000
Cleveland	729	97.72	253,885,000	671	80.45	49,243,000	199	86.14	129,806,000	176	86.47	6,932,000
Richmond	379	72.61	73,289,000	365	29.15	18,582,500	59	29.95	18,473,000	10	43.48	7,335,000
Atlanta	315	80.00	69,015,500	832	47.46	44,658,500	7	70.00	803,500	...	...	...
Chicago	1,122	99.80	289,539,500	3,316	97.70	349,353,500	...	...	...	843	87.10	20,529,000
St. Louis	461	98.50	79,921,000	1,944	89.71	72,675,500	202	88.99	29,310,000	194	83.98	4,877,500
Minneapolis	744	96.62	69,877,500	2,273	78.27	52,796,000	...	...	...	...	...	...
Kansas City	852	88.38	106,536,000	2,451	78.53	56,755,000	58	69.04	11,085,000	...	...	...
Dallas	525	83.60	49,287,000	661	60.31	19,982,000	...	...	...	66	42.31	1,994,500
San Francisco	531	99.06	173,516,500	975	80.51	87,504,500	76	81.71	37,741,000	...	...	...
Total	7,249	92.82	2,577,888,000	13,858	78.46	897,506,500	1,233	80.48	969,210,000	1,550	62.85	73,744,000

Federal reserve bank.	Individuals, corporations, etc.		Total of seven issues preceding the fourth loan.				Total of six issues preceding the third loan.			
	Number subscribing.	Amount.	Number of banks subscribing.	Per cent of total in district.	Number of individuals, corporations, etc., subscribing.	Amount.	Number of banks subscribing.	Per cent of total in district.	Number of individuals, corporations, etc., subscribing.	Amount.
Boston	13	$82,000	726	53.65	13	$381,152,500	613	57.77	12	$214,417,000
New York	143	44,149,000	1,169	95.82	143	1,680,989,000	1,040	84.63	170	1,255,308,000
Philadelphia	33	886,000	959	90.99	33	316,020,000	896	75.17	148	196,500,000
Cleveland	37	703,000	1,775	88.08	37	440,569,000	1,743	96.14	49	238,033,500
Richmond	11	304,000	813	40.77	11	117,983,500	861	40.52	8	75,829,500
Atlanta	17	379,500	1,154	53.50	17	114,857,000	1,182	82.43	14	79,573,000
Chicago	175	3,782,000	5,281	96.30	175	663,204,000	4,541	82.82	189	325,355,000
St. Louis	15	179,000	2,801	90.56	15	186,963,000	2,376	76.07	18	133,584,500
Minneapolis	26	4,886,500	3,017	82.12	26	127,560,000	1,647	44.83	164	89,350,000
Kansas City	54	2,490,000	3,361	80.61	54	176,866,000	2,956	72.53	502	128,524,500
Dallas	358	12,056,500	1,252	66.59	358	83,320,000	...	...	...	90,925,000
San Francisco	40	6,258,000	1,582	85.98	40	305,020,000	1,392	75.65	228	172,790,500
Total	922	76,155,500	23,890	79.81	922	4,594,504,000	...	...	...	3,000,190,500

NOTE.—Figures for State banks, trust companies, and other banks are only approximately correct, since in some States no distinction is made between the several classes of banks operating under State laws.

RESOURCES AND LIABILITIES OF FEDERAL RESERVE BANKS.

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve system at close of business on Fridays, Sept. 27 to Oct. 25, 1918.

RESOURCES.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Gold in vault and in transit:													
Sept. 27	3,630	273,296	266	27,862	6,198	6,733	26,109	1,067	8,179	216	7,097	9,567	370,220
Oct. 4	3,756	274,210	157	29,792	6,232	6,794	26,032	2,151	8,225	193	6,065	9,648	373,255
Oct. 10	2,978	274,399	146	30,065	6,210	6,948	25,678	2,219	8,199	135	5,996	9,949	372,922
Oct. 18	3,463	275,318	153	35,180	6,239	7,054	25,716	2,281	8,332	214	8,173	10,037	382,160
Oct. 25	3,890	275,428	215	29,287	6,239	6,930	25,588	2,219	8,262	220	8,074	10,327	376,679
Gold settlement fund, Federal Reserve Board:													
Sept. 27	67,241	14,760	57,655	70,877	28,088	17,042	72,022	16,812	22,804	27,783	4,392	37,843	437,319
Oct. 4	47,239	79,002	66,113	46,167	29,263	5,828	45,725	16,233	25,064	21,303	6,978	30,750	419,665
Oct. 10	51,714	72,448	63,160	37,543	32,374	11,345	66,595	10,713	36,552	24,324	4,755	37,197	448,720
Oct. 18	47,600	41,186	69,171	39,258	29,668	6,398	62,466	20,750	37,948	31,768	5,799	24,401	416,413
Oct. 25	62,681	24,297	46,386	51,380	31,895	9,788	69,503	20,801	32,362	37,252	7,822	21,509	415,676
Gold with foreign agencies:													
Sept. 27	408	2,011	408	525	204	175	816	233	233	291	204	321	5,829
Oct. 4	408	2,011	408	525	204	175	816	233	233	291	204	321	5,829
Oct. 10	408	2,011	408	525	204	175	816	233	233	291	204	321	5,829
Oct. 18	408	2,011	408	525	204	175	816	233	233	291	204	321	5,829
Oct. 25	408	2,011	408	525	204	175	816	233	233	291	204	321	5,829
Gold with Federal Reserve agents:													
Sept. 27	58,925	286,671	110,208	153,479	47,293	36,340	206,111	56,615	29,378	57,489	24,286	94,936	1,161,731
Oct. 4	68,460	285,627	109,451	141,479	48,967	42,740	224,057	51,615	31,378	57,489	25,286	94,936	1,181,485
Oct. 10	68,267	285,627	108,412	148,386	50,967	45,844	200,880	44,992	31,232	52,322	25,215	94,856	1,157,000
Oct. 18	68,137	285,627	110,248	143,387	60,967	45,844	206,768	44,992	41,232	47,322	24,215	94,782	1,173,521
Oct. 25	67,971	285,627	119,189	149,324	60,968	45,844	193,672	48,992	48,232	47,322	24,215	93,642	1,184,998
Gold redemption fund:													
Sept. 27	5,017	14,893	5,500	1,231	614	3,259	5,577	2,820	2,900	1,247	2,146	510	45,714
Oct. 4	5,265	15,000	5,500	147	538	3,447	5,881	2,809	3,010	1,241	2,152	210	45,200
Oct. 10	5,445	14,821	6,000	645	437	3,818	6,089	2,804	3,061	1,237	2,167	241	46,765
Oct. 18	5,575	24,824	6,455	445	301	3,904	6,253	2,778	3,140	1,234	2,166	315	57,390
Oct. 25	5,755	24,841	6,500	330	201	4,116	10,097	3,165	3,210	1,261	2,159	315	61,950
Total gold reserves:													
Sept. 27	135,221	591,631	174,037	253,974	82,397	63,549	310,635	77,547	63,494	87,026	38,125	143,177	2,020,813
Oct. 4	125,128	655,850	181,629	218,110	85,204	58,984	302,511	73,041	67,910	80,517	40,685	135,865	2,025,434
Oct. 10	128,812	649,306	178,126	217,164	90,192	68,130	300,058	60,961	79,277	78,309	38,337	142,564	2,031,236
Oct. 18	125,183	628,966	186,435	218,795	97,379	63,375	302,019	71,034	90,885	80,829	40,557	129,856	2,035,313
Oct. 25	140,705	612,204	172,698	230,846	99,507	66,853	299,676	75,410	92,299	86,346	42,474	126,114	2,045,132
Legal tender notes, silver, etc.:													
Sept. 27	2,589	43,931	791	310	628	183	1,272	705	64	142	549	199	51,363
Oct. 4	2,585	44,981	460	335	628	156	1,050	780	59	203	502	198	51,937
Oct. 10	2,634	44,022	508	323	671	156	1,031	1,614	60	191	671	241	52,122
Oct. 18	2,745	43,508	771	403	677	170	1,117	1,788	73	155	827	138	52,372
Oct. 25	2,989	43,516	745	428	665	241	1,300	1,828	78	126	894	227	53,037
Total cash reserves:													
Sept. 27	137,810	635,562	174,828	254,284	83,025	63,732	311,907	78,252	63,558	87,168	38,674	143,376	2,072,176
Oct. 4	127,713	700,831	182,089	218,445	85,832	59,140	303,561	73,821	67,969	80,720	41,187	136,063	2,077,371
Oct. 10	131,446	693,328	178,634	217,487	90,863	68,286	301,089	62,575	79,337	78,500	39,008	142,805	2,083,358
Oct. 18	127,928	672,474	187,206	219,198	98,056	63,545	303,136	72,822	90,958	80,984	41,384	129,994	2,087,685
Oct. 25	143,694	655,720	173,443	231,274	100,172	67,094	300,976	77,238	92,377	86,472	43,368	126,341	2,098,169
Bills discounted:													
Secured by Government war obligations—													
Sept. 27	71,246	564,288	86,718	50,597	48,751	45,133	169,044	50,293	25,262	28,344	30,815	51,042	1,221,533
Oct. 4	76,516	546,522	88,904	54,396	52,414	49,522	187,576	54,164	23,268	29,647	27,703	61,155	1,251,787
Oct. 10	75,205	589,817	90,362	55,686	49,945	47,644	193,575	52,128	22,572	32,971	30,008	64,470	1,304,383
Oct. 18	67,306	547,420	91,648	59,054	51,948	52,365	188,736	54,536	20,704	37,320	29,009	62,711	1,262,757
Oct. 25	77,591	476,068	78,354	61,128	44,710	45,531	152,405	44,283	10,878	33,762	15,672	52,035	1,092,417
All other—													
Sept. 27	15,594	113,074	21,112	34,382	18,921	31,051	72,618	26,888	41,940	45,460	25,193	45,664	491,897
Oct. 4	13,139	99,157	19,718	30,136	18,702	30,104	66,974	27,808	34,122	47,658	25,155	41,746	454,419
Oct. 10	11,830	106,391	18,477	28,807	17,373	29,579	59,144	28,036	34,309	48,599	26,947	40,594	450,086
Oct. 18	11,079	96,543	14,739	24,755	15,776	30,188	64,015	27,365	30,792	41,814	27,658	41,075	425,799
Oct. 25	11,653	104,749	12,992	19,075	16,910	31,178	84,967	28,531	27,616	47,084	30,005	38,987	453,747
Bills bought in open market:													
Sept. 27	35,842	155,575	7,976	32,016	4,586	6,104	20,272	2,000	133	136	1,300	22,451	288,391
Oct. 4	46,968	112,506	21,754	52,602	4,866	7,648	34,047	4,233	115	270	1,910	23,898	310,817
Oct. 10	53,825	118,702	24,883	53,598	5,020	8,749	37,063	4,454	1,070	1,547	1,925	27,784	338,620
Oct. 18	59,744	127,040	26,082	56,229	6,320	9,874	37,295	4,866	3,116	5,027	1,700	32,843	370,136
Oct. 25	55,880	142,156	30,915	57,458	7,936	10,533	37,583	4,643	3,691	6,576	2,400	38,852	398,623
United States Government long-term securities:													
Sept. 27	538	1,410	1,348	1,291	1,233	631	4,519	1,153	116	8,868	3,977	3,461	28,545
Oct. 4	537	1,406	1,348	1,090	1,234	581	4,519	1,153	116	8,867	3,977	3,461	28,289
Oct. 10	537	1,408	1,348	1,090	1,234	506	4,509	1,153	116	8,867	3,977	3,469	28,214
Oct. 18	538	1,403	1,348	1,089	1,234	510	4,509	1,153	116	8,867	3,977	3,461	28,205
Oct. 25	537	1,401	1,348	1,089	1,234	520	4,509	1,153	127	8,867	4,005	3,461	28,251

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve system at close of business on Fridays, Sept. 27 to Oct. 25, 1918—Continued.

RESOURCES—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
United States Government short-term securities:													
Sept. 27	1,416	26,099	4,257	3,760	1,510	1,991	5,112	1,321	974	1,344	1,152	1,162	50,098
Oct. 4	2,416	25,450	4,277	8,383	1,510	1,991	5,112	2,321	1,030	1,083	1,672	1,259	56,514
Oct. 10	2,416	29,276	4,321	11,222	1,510	1,991	7,112	3,321	982	1,111	1,672	1,259	66,193
Oct. 18	2,416	29,981	4,252	11,642	1,510	1,991	8,112	3,321	938	1,101	1,172	1,302	67,738
Oct. 25	2,416	212,969	22,182	10,881	1,285	1,991	43,112	3,321	1,399	1,095	1,107	20,302	322,060
All other earning assets:													
Sept. 27	....	....	....	....	....	71	....	....	....	....	....	31	102
Oct. 4	....	....	....	....	....	61	....	103	....	....	....	38	202
Oct. 10	....	....	....	....	....	61	....	37	....	....	....	90	188
Oct. 18	....	....	....	....	....	55	....	12	....	....	....	130	197
Oct. 25	....	....	....	....	....	24	....	....	....	....	....	....	24
Total earning assets:													
Sept. 27	124,636	860,446	121,411	122,046	75,001	84,981	271,565	81,655	68,425	84,152	62,437	123,811	2,080,566
Oct. 4	139,576	785,051	136,001	146,607	78,726	89,907	298,228	89,782	58,651	87,525	60,417	131,557	2,102,028
Oct. 10	143,813	845,594	139,391	150,403	75,082	88,530	301,403	89,129	59,049	93,095	64,529	137,666	2,187,684
Oct. 18	141,083	802,387	138,069	152,769	76,788	94,983	302,667	91,253	55,666	94,129	63,516	141,522	2,154,832
Oct. 25	148,077	937,343	145,791	149,631	72,075	89,777	322,576	81,931	43,711	97,384	53,189	153,637	2,295,122
Uncollected items (deduct from gross deposits:)													
Sept. 27	40,973	155,649	71,399	56,364	45,540	32,643	73,153	50,483	17,884	54,521	17,328	33,511	649,448
Oct. 4	58,506	187,872	64,357	54,803	50,007	31,593	78,081	58,803	23,494	47,421	18,720	30,389	704,046
Oct. 10	54,396	162,449	80,434	55,659	51,229	37,023	80,242	74,397	19,581	55,525	20,611	51,884	723,430
Oct. 18	68,223	198,583	73,307	57,731	53,890	41,187	92,943	70,985	32,176	56,571	22,396	35,525	803,517
Oct. 25	59 213	192,881	86,307	77,218	61,400	46,355	97,526	69,875	27,817	70,744	27,099	40,488	856,923
5 per cent redemption fund against Federal Reserve bank notes:													
Sept. 27	34	1,024	200	62	50	47	305	22	50	412	144	97	2,447
Oct. 4	34	1,174	200	130	50	57	306	22	50	412	144	100	2,679
Oct. 10	71	1,374	200	180	50	76	355	52	88	431	160	140	3,177
Oct. 18	71	1,366	200	240	50	76	456	116	88	431	160	171	3,425
Oct. 25	121	1,366	200	240	75	76	554	137	88	481	182	172	3,692
All other resources:													
Sept. 27	1,052	2,000	1,643	569	920	789	1,300	565	186	945	1,635	1,254	12,858
Oct. 4	837	2,233	1,933	776	757	809	1,333	704	197	964	1,393	1,326	13,262
Oct. 10	945	2,475	1,987	733	982	831	1,415	688	207	969	847	1,406	13,485
Oct. 18	897	2,693	1,824	811	805	847	1,422	612	163	1,040	1,051	1,592	13,757
Oct. 25	1,132	2,862	1,945	893	2,404	836	1,485	882	231	1,078	987	2,144	16,879
Total resources:													
Sept. 27	304,505	1,654,681	369,481	433,325	204,536	182,192	658,230	210,977	150,103	227,198	120,218	302,049	4,817,495
Oct. 4	326,666	1,677,161	384,580	420,761	215,372	181,506	681,509	223,132	150,361	217,042	121,861	299,435	4,899,386
Oct. 10	330,671	1,705,220	400,646	424,462	218,206	194,746	684,504	226,841	158,262	228,520	125,155	313,901	5,011,134
Oct. 18	338,202	1,677,503	400,606	430,749	229,589	200,638	700,624	235,788	179,051	233,155	128,507	308,804	5,063,216
Oct. 25	352,237	1,790,172	407,686	459,256	236,126	204,138	723,117	230,063	164,224	256,159	124,825	322,782	5,270,785

LIABILITIES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Capital paid in:													
Sept. 27	$6,580	$20,184	$7,353	$8,785	$3,996	$3,143	$10,906	$3,732	$2,896	$3,600	$3,104	$4,523	$78,802
Oct. 4	6,580	20,184	7,362	8,805	4,001	3,149	10,959	3,734	2,897	3,600	3,108	4,524	78,903
Oct. 10	6,580	20,184	7,362	8,808	4,010	3,149	10,996	3,734	2,898	3,600	3,108	4,527	78,956
Oct. 18	6,580	20,217	7,362	8,808	4,013	3,160	11,031	3,734	2,899	3,611	3,115	4,527	79,057
Oct. 25	6,579	20,220	7,391	8,868	4,018	3,162	11,042	3,754	2,901	3,609	3,115	4,531	79,190
Surplus:													
Sept. 27	75	649	....	....	116	40	216	....	38	....	....	....	1,134
Oct. 4	75	649	....	....	116	40	216	....	38	....	....	....	1,134
Oct. 10	75	649	....	....	116	40	216	....	38	....	....	....	1,134
Oct. 18	75	649	....	....	116	40	216	....	38	....	....	....	1,134
Oct. 25	75	649	....	....	116	40	216	....	38	....	....	....	1,134
Government deposits:													
Sept. 27	22,388	24,645	14,020	22,586	8,103	12,370	22,513	9,560	14,587	11,433	10,338	19,080	191,623
Oct. 4	21,028	30,453	22,512	24,847	6,295	7,168	36,106	10,870	4,991	13,382	9,064	10,643	197,359
Oct. 10	28,319	42,240	24,924	27,030	7,372	10,146	14,435	14,563	9,673	19,441	7,514	25,232	230,889
Oct. 18	17,071	29,627	19,533	21,007	8,622	15,704	16,181	11,647	8,084	8,741	11,698	11,953	179,868
Oct. 25	13,297	8,523	2,308	5,050	13,624	2,284	6,546	10,919	3,477	8,704	5,098	[1] 1,612	78,218
Due to members—reserve account:													
Sept. 27	92,044	666,021	98,008	109,992	49,827	39,284	202,039	52,234	44,971	75,658	34,424	70,988	1,535,490
Oct. 4	100,415	638,931	89,448	115,672	48,561	38,368	202,678	53,719	43,297	58,625	32,964	74,137	1,496,815
Oct. 10	91,828	641,429	97,229	108,139	48,999	38,399	214,326	50,408	47,175	61,290	34,613	74,499	1,508,334
Oct. 18	99,545	623,262	81,595	114,844	50,040	36,048	212,239	52,976	57,712	68,032	33,782	76,652	1,506,727
Oct. 25	115,058	691,561	92,378	140,471	52,807	43,175	230,232	58,651	50,744	76,317	35,697	96,408	1,683,499
Collection items:													
Sept. 27	32,062	119,441	46,436	59,982	35,198	27,720	50,972	43,011	9,722	29,070	11,006	20,439	485,059
Oct. 4	41,711	141,137	55,679	37,898	41,106	23,697	48,990	46,042	15,948	31,537	11,185	17,297	512,227
Oct. 10	44,311	137,858	55,287	37,222	39,041	29,003	52,101	47,178	12,030	30,719	12,905	16,455	514,110
Oct. 18	54,117	135,138	70,971	43,536	45,528	28,077	63,293	54,927	22,109	34,779	12,808	19,807	585,090
Oct. 25	59,846	201,277	85,243	52,594	44,094	36,071	71,514	45,017	18,215	45,855	14,366	28,015	702,107

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve system at close of business on Fridays, Sept. 27 to Oct. 25, 1918—Continued.

LIABILITIES—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Other deposits, including foreign government credits:													
Sept. 27	....	99,007	....	295	....	34	2,206	412	21	....	....	2,590	104,385
Oct. 4	....	99,136	....	79	....	27	1,642	307	17	....	162	2,537	103,907
Oct. 10	....	103,048	....	1	....	33	1,873	192	24	....	165	2,920	108,256
Oct. 18	....	106,697	....	70	....	30	2,058	470	124	....	59	3,126	112,634
Oct. 25	....	111,210	....	312	....	75	2,191	357	41	....	35	2,780	117,001
Total gross deposits:													
Sept. 27	146,494	909,114	158,464	192,855	93,128	79,408	277,550	105,217	69,301	116,161	55,768	113,097	2,316,557
Oct. 4	163,154	909,657	167,639	178,496	95,962	69,260	289,416	110,938	64,253	103,544	53,375	104,614	2,310,308
Oct. 10	164,458	924,575	177,440	172,392	95,412	77,581	282,735	112,341	68,902	111,450	55,197	119,106	2,361,586
Oct. 18	170,733	894,724	172,099	179,457	104,190	79,859	293,771	120,020	88,029	111,552	58,347	111,538	2,384,319
Oct. 25	188,201	1,012,571	179,929	198,427	110,525	81,605	310,483	114,944	72,477	130,876	55,196	125,591	2,580,825
Federal Reserve notes in actual circulation:													
Sept. 27	148,053	699,650	199,772	228,082	105,499	97,941	358,816	100,170	76,421	97,350	57,191	180,381	2,349,326
Oct. 4	152,981	719,317	205,191	228,809	113,258	107,013	369,597	106,462	81,571	99,543	61,150	186,112	2,431,004
Oct. 10	155,320	727,384	211,234	237,403	116,401	111,640	375,749	107,506	84,272	103,135	62,373	185,961	2,478,378
Oct. 18	155,629	728,859	216,074	235,596	118,797	115,145	379,965	108,382	85,843	107,525	62,512	188,161	2,502,48
Oct. 25	151,792	721,939	214,793	244,571	118,810	116,582	385,037	107,164	86,531	111,045	61,942	187,706	2,507,912
Federal Reserve bank notes in circulation, net liability:													
Sept. 27	684	11,777	2,109	1,083	151	615	6,060	436	73	7,927	2,969	1,935	35,819
Oct. 4	1,120	13,342	2,420	2,039	305	920	6,349	510	242	8,108	2,992	1,958	40,305
Oct. 10	1,408	18,119	2,571	3,069	498	1,148	9,642	1,706	747	7,995	3,174	1,954	52,031
Oct. 18	2,260	18,364	2,953	3,995	648	1,155	10,167	2,025	807	8,036	3,183	2,073	55,666
Oct. 25	2,396	19,158	3,303	4,359	768	1,400	10,555	2,513	855	8,067	3,163	2,322	58,859
All other liabilities:													
Sept. 27	2,619	13,307	1,783	2,520	1,646	1,045	4,682	1,422	1,374	2,160	1,186	2,113	35,857
Oct. 4	2,756	14,012	1,968	2,612	1,730	1,124	4,972	1,488	1,360	2,247	1,236	2,227	37,732
Oct. 10	2,830	14,309	2,039	2,790	1,769	1,188	5,166	1,554	1,405	2,340	1,303	2,353	39,046
Oct. 18	2,925	14,690	2,118	2,893	1,825	1,279	5,474	1,627	1,435	2,431	1,350	2,505	40,552
Oct. 25	3,194	15,635	2,270	3,031	1,889	1,349	5,784	1,688	1,422	2,562	1,409	2,632	42,865
Total liabilities:													
Sept. 27	304,505	1,654,681	369,481	433,325	204,536	182,192	658,230	210,977	150,103	227,198	120,218	302,049	4,817,495
Oct. 4	326,666	1,677,161	384,580	420,761	215,372	181,506	681,509	223,132	150,361	217,042	121,861	299,435	4,899,386
Oct. 10	330,671	1,705,220	400,646	424,462	218,206	194,746	684,504	226,841	158,262	228,520	125,155	313,901	5,011,134
Oct. 18	338,202	1,677,503	400,606	430,749	229,589	200,638	700,624	235,788	179,051	233,155	128,507	308,804	5,063,216
Oct. 25	352,237	1,790,172	407,686	459,256	236,126	204,138	723,117	230,063	164,224	256,159	124,825	322,782	5,270,785

[1] Overdraft.

Maturities of bills discounted and bought, United States Government short term securities and municipal warrants.

	Within 15 days.	16 to 30 days.	31 to 60 days.	61 to 90 days.	Over 90 days.	Total.
Bills discounted:						
Sept. 27	$1,267,750	$136,005	$191,806	$105,652	$12,217	$1,713,430
Oct. 4	1,294,633	131,386	174,203	95,482	10,502	1,706,206
Oct. 10	1,360,308	137,435	170,627	73,641	12,458	1,754,469
Oct. 18	1,282,441	189,151	140,229	67,234	9,501	1,688,556
Oct. 25	1,128,383	151,494	138,672	115,387	12,228	1,546,164
Bills bought:						
Sept. 27	55,294	56,498	110,821	65,778	....	288,391
Oct. 4	66,167	45,955	93,446	105,249	....	310,817
Oct. 10	65,493	66,526	102,464	100,983	3,154	338,620
Oct. 18	60,880	60,946	125,787	122,523	....	370,136
Oct. 25	69,978	70,026	141,136	117,483	....	398,623
United States short-term securities:						
Sept. 27	14,300	10	467	669	34,652	50,098
Oct. 4	9,153	1,420	4,841	5,692	35,408	56,514
Oct. 10	10,750	5,412	707	8,104	41,220	66,193
Oct. 18	11,402	6,022	163	8,851	41,300	67,738
Oct. 25	250,906	117	42	8,676	62,319	322,060
Municipal warrants:						
Sept. 27	10	31	9	11	10	71
Oct. 4	31	....	9	11	10	61
Oct. 10	31	2	7	11	10	61
Oct. 18	33	....	7	5	10	55
Oct. 25	2	5	7	10	....	24

FEDERAL RESERVE NOTES.

Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, Sept. 27 to Oct. 25, 1918.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal Reserve notes received from agent—net:													
Sept. 27	151,048	770,177	210,755	237,359	113,563	101,342	370,985	107,317	78,014	103,342	58,223	192,080	2,494,205
Oct. 4	156,983	787,253	217,018	237,359	120,098	110,191	389,232	111,757	82,954	106,142	61,891	202,540	2,583,418
Oct. 10	159,790	793,644	224,420	245,546	121,939	114,765	391,055	111,234	84,988	109,121	63,337	203,500	2,623,339
Oct. 18	163,010	806,644	231,815	245,546	125,099	118,905	396,902	111,859	86,788	114,021	63,609	203,426	2,667,024
Oct. 25	165,884	813,244	230,756	253,347	126,819	119,565	403,807	111,859	87,488	119,221	62,814	202,286	2,697,090
Federal Reserve notes held by bank:													
Sept. 27	2,995	70,527	10,983	9,277	8,064	3,401	12,169	7,147	1,593	5,992	1,032	11,699	144,879
Oct. 4	4,002	67,936	11,827	8,550	6,840	3,178	19,635	5,295	1,383	6,599	741	16,428	152,414
Oct. 10	4,470	66,260	13,186	8,143	5,538	3,125	15,306	3,728	716	5,986	964	17,539	144,961
Oct. 18	7,381	77,785	15,741	9,950	6,302	3,760	16,937	3,477	945	6,496	497	15,265	164,536
Oct. 25	14,092	91,305	15,963	8,776	8,009	2,983	18,770	4,695	957	8,176	872	14,580	189,178
Federal Reserve notes in actual circulation:													
Sept. 27	148,053	699,650	199,772	228,082	105,499	97,941	358,816	100,170	76,421	97,350	57,191	180,381	2,349,326
Oct. 4	152,981	719,317	205,191	228,809	113,258	107,013	369,597	106,462	81,571	99,543	61,150	186,112	2,431,004
Oct. 10	155,320	727,384	211,234	237,403	116,401	111,640	375,749	107,506	84,272	103,135	62,373	185,961	2,478,378
Oct. 18	155,629	728,859	216,074	235,596	118,797	115,145	379,965	108,382	85,843	107,525	62,512	188,161	2,502,488
Oct. 25	151,792	721,939	214,793	244,571	118,810	116,582	385,037	107,164	86,531	111,045	61,942	187,706	2,507,912
Gold deposited with or to credit of Federal Reserve agent:													
Sept. 27	58,925	286,671	110,208	153,479	47,293	36,340	206,111	56,615	29,378	57,489	24,286	94,936	1,161,731
Oct. 4	68,460	285,627	109,451	141,479	48,967	42,740	224,057	51,615	31,378	57,489	25,286	94,936	1,181,485
Oct. 10	68,267	285,627	108,412	148,386	50,967	45,844	200,880	44,992	31,232	52,322	25,215	94,856	1,157,000
Oct. 18	68,137	285,627	110,248	143,387	60,967	45,844	206,768	44,992	41,232	47,322	24,215	94,782	1,173,521
Oct. 25	67,971	285,627	119,189	149,324	60,968	45,844	193,672	48,992	48,232	47,322	24,215	93,642	1,184,998
Paper delivered to Federal Reserve agent:													
Sept. 27	122,682	832,937	105,528	114,792	71,158	66,433	261,933	58,598	61,582	73,940	57,308	107,480	1,699,364
Oct. 4	136,623	758,185	119,936	115,409	74,038	78,288	288,597	75,077	51,719	77,575	54,768	112,218	1,942,433
Oct. 10	140,860	814,910	127,615	135,341	71,160	77,793	289,781	79,952	53,794	83,117	58,880	116,319	2,049,522
Oct. 18	138,112	771,003	125,120	138,730	72,419	85,630	290,046	77,947	47,679	84,161	58,367	123,713	2,012,927
Oct. 25	145,124	722,973	116,765	135,362	69,556	77,872	274,955	73,928	39,260	87,422	48,077	110,348	1,901,642

Federal Reserve note account of each Federal Reserve agent at close of business on Fridays, Sept. 27 to Oct. 25, 1918.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
FEDERAL RESERVE NOTES.													
Received from Comptroller:													
Sept. 27	210,300	1,121,520	268,500	276,400	149,780	151,340	447,680	132,920	97,040	133,700	91,020	205,940	3,286,140
Oct. 4	210,300	1,136,440	280,120	277,120	156,840	158,040	461,180	136,440	104,880	135,700	91,020	216,400	3,364,480
Oct. 10	218,540	1,142,840	283,160	278,960	160,080	161,240	471,860	138,780	107,160	137,700	96,460	217,440	3,414,220
Oct. 18	224,540	1,155,840	294,460	285,840	166,240	175,200	473,080	142,220	109,160	145,700	98,920	217,440	3,488,640
Oct. 25	226,580	1,162,440	294,460	289,840	168,280	175,200	484,920	147,800	109,880	149,700	98,920	217,440	3,525,460
Returned to Comptroller:													
Sept. 27	40,292	256,143	48,825	24,141	29,617	22,743	31,515	22,483	16,586	21,638	18,472	13,860	546,315
Oct. 4	41,357	257,187	49,582	24,141	29,942	22,744	32,128	22,483	16,636	21,638	18,519	13,860	550,217
Oct. 10	41,550	257,196	50,620	25,234	30,301	23,140	33,525	22,606	16,832	22,059	18,668	13,940	555,671
Oct. 18	42,330	257,196	50,785	25,234	30,301	23,140	34,038	22,606	16,832	22,059	18,911	14,014	557,446
Oct. 25	42,496	257,196	51,844	25,233	30,301	23,140	34,993	22,606	16,882	22,059	18,956	15,154	560,860
Chargeable to Federal Reserve agent:													
Sept. 27	170,008	865,377	219,675	252,259	120,163	128,597	416,165	110,437	80,454	112,062	72,548	192,080	2,739,825
Oct. 4	168,943	879,253	230,538	252,979	126,898	135,296	429,052	113,957	88,244	114,062	72,501	202,540	2,814,263
Oct. 10	176,990	885,644	232,540	253,726	129,779	138,100	438,335	116,174	90,328	115,641	77,792	203,500	2,858,549
Oct. 18	182,210	898,644	243,675	260,606	135,939	152,060	439,042	119,614	92,328	123,641	80,009	203,426	2,931,194
Oct. 25	184,084	905,244	242,616	264,607	137,979	152,060	449,927	125,194	92,998	127,641	79,964	202,286	2,964,600
In hands of Federal Reserve agent:													
Sept. 27	18,960	95,200	8,920	14,900	6,600	27,255	45,180	3,120	2,440	8,720	14,325	....	245,620
Oct. 4	11,960	92,000	13,520	15,620	6,800	25,105	39,820	2,200	5,290	7,920	10,610	....	230,845
Oct. 10	17,200	92,000	8,120	8,180	7,840	23,335	47,280	4,940	5,340	6,520	14,455	....	235,210
Oct. 18	19,200	92,000	11,860	15,060	10,840	33,155	42,140	7,755	5,540	9,620	17,000	....	264,170
Oct. 25	18,200	92,000	11,860	11,260	11,160	32,495	46,120	13,335	5,510	8,420	17,150	....	267,510
Issued to Federal Reserve Bank, less amount returned to Federal Reserve agent for redemption:													
Sept. 27	151,048	770,177	210,755	237,359	113,563	101,342	370,985	107,317	78,014	103,342	58,223	192,080	2,494,205
Oct. 4	156,983	787,253	217,018	237,359	120,098	110,191	389,232	111,757	82,954	106,142	61,891	202,540	2,583,418
Oct. 10	159,790	793,644	224,420	245,546	121,939	114,765	391,055	111,234	84,988	109,121	63,337	203,500	2,623,339
Oct. 18	163,010	806,644	231,815	245,546	125,099	118,905	396,902	111,859	86,788	114,021	63,009	203,426	2,667,024
Oct. 25	165,884	813,244	230,756	253,347	126,819	119,565	403,807	111,859	87,488	119,221	62,814	202,286	2,697,090
Collateral security for outstanding notes:													
Gold coin and certificates on hand—													
Sept. 27	5,000	163,740	....	18,813	....	2,503	....	....	13,102	....	11,081	....	214,239
Oct. 4	5,000	158,740	....	16,813	....	2,503	....	....	13,102	....	12,081	....	208,239
Oct. 10	5,000	158,740	....	16,812	....	2,503	....	....	13,102	....	12,010	....	208,167
Oct. 18	5,000	158,740	....	11,813	....	2,503	....	....	13,102	....	10,081	....	201,239
Oct. 25	5,000	158,740	....	17,750	....	2,503	....	....	13,102	....	10,081	....	207,176
In gold redemption fund—													
Sept. 27	7,925	12,931	10,744	14,666	1,293	2,567	1,892	2,985	1,976	3,129	3,020	10,235	73,363
Oct. 4	9,460	16,887	10,457	14,666	967	37,670	1,608	2,084	1,976	3,129	3,021	10,235	113,060
Oct. 10	9,267	16,887	11,457	13,574	967	2,171	2,025	2,861	1,830	2,962	3,321	10,155	77,477
Oct. 18	9,137	16,887	11,457	13,574	967	3,171	1,875	2,861	1,830	2,962	3,250	10,081	78,053
Oct. 25	8,971	16,887	12,457	13,574	968	3,171	1,596	2,862	1,830	2,962	3,250	10,081	78,609
Gold settlement fund, Federal Reserve Board—													
Sept. 27	46,000	110,000	99,464	120,000	46,000	31,270	204,219	53,630	14,300	54,360	10,185	84,701	874,129
Oct. 4	54,000	110,000	98,994	110,000	48,000	2,567	222,449	48,631	16,300	54,360	10,184	84,701	860,186
Oct. 10	54,000	110,000	96,955	118,000	50,000	41,170	198,855	42,131	16,300	49,360	9,884	84,701	871,356
Oct. 18	54,000	110,000	98,791	118,000	60,000	40,170	204,893	42,131	26,300	44,360	10,884	84,701	894,229
Oct. 25	54,000	110,000	106,732	118,000	60,000	40,170	192,076	46,130	33,300	44,360	10,884	83,561	899,213
Eligible paper (minimum required)[1]—													
Sept. 27	92,123	483,506	100,547	83,880	66,270	65,002	164,874	50,702	48,636	45,853	33,937	97,144	1,332,474
Oct. 4	88,523	501,626	107,567	95,880	71,131	67,451	165,175	60,142	51,576	48,653	36,605	107,604	1,401,933
Oct. 10	91,523	508,017	116,008	97,160	70,972	68,921	190,175	66,242	53,756	56,799	38,122	108,644	1,466,339
Oct. 18	94,873	521,017	121,567	102,159	64,132	73,061	190,134	66,867	45,556	66,699	38,794	108,644	1,493,503
Oct. 25	97,913	527,617	111,567	104,023	65,851	73,721	210,135	62,867	39,256	71,899	38,599	108,644	1,512,092

[1] For actual amounts see item "Paper delivered to Federal Reserve agents," on page 1151.

Amounts of Federal Reserve notes received from and returned to other Federal Reserve Banks for redemption or credit during the period Jan. 1 to Sept. 30, 1918.

	Boston.		New York.		Philadelphia.		Cleveland.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston			$15,699,300	$10,490,950	$1,127,200	$1,324,400	$1,112,400	$228,100
New York	$9,903,950	$14,812,300			16,989,590	27,767,750	9,026,700	6,069,900
Philadelphia	1,227,000	1,267,300	29,491,000	18,509,600			4,471,000	2,653,250
Cleveland	218,370	1,122,040	6,192,900	8,994,300	2,786,250	4,355,000		
Richmond	489,250	846,400	6,260,650	11,345,500	2,436,250	2,983,250	2,699,350	925,450
Atlanta	361,850	322,750	4,439,350	6,897,250	632,580	778,100	1,489,150	187,000
Chicago	731,000	1,151,810	8,028,500	8,844,300	1,149,000	1,882,000	4,107,500	1,794,800
St. Louis	279,965	225,900	2,617,870	2,010,350	464,360	438,500	1,520,200	238,550
Minneapolis	69,000	223,200	674,300	1,750,600	109,000	287,000	208,000	194,550
Kansas City	35,200	261,500	414,700	2,306,900	82,850	380,250	117,950	206,600
Dallas	353,800	114,000	2,398,950	1,399,100	322,750	199,650	1,097,650	98,500
San Francisco	146,605	246,800	1,022,380	4,319,300	182,845	337,260	277,050	118,500
Total	13,815,990	20,594,000	77,239,000	76,868,150	26,282,675	40,733,160	26,126,950	12,715,200

	Richmond.		Atlanta.		Chicago.		St. Louis.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston	$703,500	$505,750	$310,100	$374,550	$1,153,300	$903,500	$222,100	$291,555
New York	10,009,700	7,220,100	6,796,900	4,456,500	8,919,900	9,324,000	1,983,150	2,625,805
Philadelphia	2,534,000	3,310,250	770,000	648,850	2,058,000	1,448,000	427,000	476,060
Cleveland	901,950	2,652,350	184,500	1,487,150	1,819,300	5,170,500	231,050	1,546,350
Richmond			973,000	1,907,050	1,686,350	967,000	196,000	522,890
Atlanta	1,797,800	964,000			1,674,750	1,406,000	1,597,400	2,546,770
Chicago	767,500	1,708,350	1,378,000	1,675,500			3,297,500	7,978,010
St. Louis	523,890	302,250	2,565,755	1,647,900	7,978,010	3,582,500		
Minneapolis	52,500	302,000	59,000	340,800	2,493,800	5,176,000	182,000	747,230
Kansas City	134,100	480,250	137,550	724,200	561,200	5,774,500	546,550	4,324,655
Dallas	225,400	90,500	1,235,500	1,427,700	1,230,600	1,316,000	1,006,500	2,785,750
San Francisco	305,735	93,250	129,155	181,500	1,548,610	2,825,100	188,425	517,055
Total	17,956,075	17,629,050	14,539,460	14,871,700	31,123,820	37,893,100	9,877,675	24,362,130

	Minneapolis.		Kansas City.		Dallas.		San Francisco.		Total.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston	$217,400	$69,000	$389,200	$44,515	$112,000	$377,200	$241,000	$119,665	$21,287,500	$14,729,185
New York	1,722,100	655,800	3,214,550	548,700	1,377,100	1,716,400	4,205,300	1,039,150	74,048,940	76,236,405
Philadelphia	342,000	76,500	547,000	58,200	199,000	319,400	370,000	133,190	42,436,000	28,900,600
Cleveland	194,550	208,000	272,840	131,600	86,500	909,400	138,000	234,225	13,026,210	26,810,915
Richmond	308,250	63,000	533,240	64,090	94,500	208,900	85,500	291,475	15,762,340	20,125,005
Atlanta	340,800	64,000	923,400	187,250	1,408,550	1,290,250	211,000	112,830	14,876,630	14,666,200
Chicago	4,971,500	2,402,250	8,375,995	706,750	1,288,000	1,120,100	2,840,600	939,960	37,035,095	30,203,830
St. Louis	747,230	190,500	6,622,655	780,450	2,783,340	985,250	500,865	155,940	26,604,140	10,558,090
Minneapolis			856,500	394,900	85,500	176,800	950,750	405,825	5,740,350	9,998,905
Kansas City	261,500	645,500			505,350	1,573,750	176,150	1,020,490	2,973,100	17,698,595
Dallas	194,250	85,500	2,405,070	831,800			437,900	270,935	10,908,370	8,619,435
San Francisco	818,120	945,750	1,642,580	232,250	298,510	296,650			6,560,015	10,113,415
Total	10,117,700	5,405,800	25,783,030	3,980,505	8,238,350	8,884,100	10,157,065	4,723,685	271,258,690	268,660,580

MEMBER BANK CONDITION STATEMENT.

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities as at close of business on Fridays from Sept. 20 to Oct. 18, 1918.

1.—TOTAL FOR ALL REPORTING BANKS.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Number of reporting banks:													
Sept. 20	42	102	52	85	77	45	99	32	35	73	45	53	740
Sept. 27	44	103	52	85	80	45	100	32	35	73	45	53	747
Oct. 4	44	103	53	85	81	45	100	32	35	73	45	53	749
Oct. 11	44	103	53	85	81	45	101	32	35	73	44	53	749
Oct. 18	44	103	53	85	81	45	101	32	35	73	44	53	749
United States bonds to secure circulation:													
Sept. 20	14,352	50,873	11,492	42,489	24,251	15,465	18,461	17,676	6,382	13,730	17,929	34,480	267,580
Sept. 27	14,352	50,923	11,489	42,272	24,251	14,790	18,574	17,635	6,369	13,730	17,929	34,505	266,819
Oct. 4	14,352	50,923	11,492	42,385	24,251	15,465	18,847	17,677	6,369	13,710	17,238	34,515	267,224
Oct. 11	14,302	50,922	11,492	42,591	24,251	15,465	18,667	17,656	6,369	13,735	17,858	34,505	267,813
Oct. 18	14,352	50,972	11,492	42,733	24,252	15,465	18,866	17,657	6,369	13,736	17,629	34,505	268,028
Other United States bonds, including Liberty bonds:													
Sept. 20	11,625	228,953	30,392	47,683	26,842	22,105	47,457	14,026	7,876	13,211	14,914	23,620	488,704
Sept. 27	11,396	228,307	26,431	44,700	26,400	21,203	42,263	13,103	6,877	12,523	14,764	26,056	474,023
Oct. 4	13,657	243,337	29,994	48,353	30,028	21,479	43,592	15,162	7,147	13,513	12,979	22,547	501,788
Oct. 11	14,283	235,935	29,363	47,104	30,840	23,207	42,826	14,452	7,126	13,138	13,728	22,138	494,140
Oct. 18	19,289	238,074	32,652	48,417	33,066	26,800	53,281	17,639	8,205	13,021	13,563	22,670	526,677
United States certificates of indebtedness:													
Sept. 20	91,900	744,239	73,664	105,611	39,339	40,265	165,085	42,620	22,121	44,831	19,806	76,450	1,465,931
Sept. 27	95,928	697,193	76,249	111,266	42,434	40,508	167,393	42,825	24,211	46,928	20,093	79,214	1,444,242
Oct. 4	126,313	868,314	93,544	125,307	46,884	48,516	192,289	50,187	25,480	52,107	23,492	93,702	1,746,135
Oct. 11	123,665	861,368	94,052	124,256	50,273	78,801	192,831	47,419	29,798	55,120	22,633	96,940	1,777,156
Oct. 18	122,020	854,950	91,746	123,021	50,853	51,356	182,630	47,262	29,760	55,924	23,115	97,174	1,729,811
Total United States securities owned:													
Sept. 20	117,877	1,024,065	115,548	195,783	90,432	77,835	231,003	74,322	36,379	71,772	52,649	134,550	2,222,215
Sept. 27	121,676	976,423	114,169	198,238	93,085	76,501	228,230	73,563	37,457	73,181	52,786	139,775	2,185,084
Oct. 4	154,322	1,162,574	135,030	216,045	101,163	85,460	254,728	83,026	38,996	79,330	53,709	150,764	2,515,147
Oct. 11	152,250	1,148,225	134,907	213,951	105,364	117,473	254,324	79,527	43,293	81,993	54,219	153,583	2,539,109
Oct. 18	155,661	1,143,996	135,890	214,171	108,171	93,621	254,777	82,558	44,334	82,681	54,307	154,349	2,524,516
Loans secured by United States bonds and certificates:													
Sept. 20	46,022	213,457	47,043	36,400	19,714	9,785	62,628	14,824	12,231	5,985	4,948	8,477	481,514
Sept. 27	42,251	204,244	45,796	36,716	20,736	9,652	70,016	15,181	12,006	4,505	5,314	9,379	475,496
Oct. 4	40,475	209,416	51,926	34,717	20,220	14,086	76,369	14,514	11,827	4,784	5,686	9,144	493,164
Oct. 11	40,941	213,067	50,360	35,018	20,057	10,977	74,386	14,381	11,517	4,957	5,705	8,242	489,608
Oct. 18	41,814	213,080	56,675	35,869	20,562	10,982	74,784	14,756	11,991	5,006	6,921	7,760	500,200
Other loans and investments:													
Sept. 20	763,915	4,265,716	618,000	972,363	366,955	300,885	1,432,590	374,704	285,881	463,780	183,886	533,916	10,562,591
Sept. 27	768,203	4,275,554	620,941	961,056	375,770	308,896	1,453,271	376,778	286,528	461,391	185,217	542,480	10,616,085
Oct. 4	768,086	4,232,887	618,832	959,709	375,557	305,131	1,412,895	376,928	287,283	461,057	185,082	538,874	10,521,821
Oct. 11	773,938	4,204,428	615,665	955,598	377,880	316,431	1,392,207	379,696	286,153	460,538	183,625	545,298	10,491,457
Oct. 18	766,250	4,187,289	610,567	964,044	379,209	318,574	1,434,995	379,934	284,960	455,682	181,738	544,521	10,507,763
Total loans and investments:													
Sept. 20	927,814	5,503,238	780,591	1,204,546	477,101	388,505	1,726,221	463,850	334,491	541,537	241,483	676,943	13,266,320
Sept. 27	932,130	5,456,221	780,906	1,196,010	489,291	395,049	1,751,517	465,522	335,991	539,077	243,317	691,634	13,276,665
Oct. 4	962,883	5,604,377	805,788	1,210,471	496,940	404,677	1,743,992	474,468	338,106	545,171	244,477	698,782	13,530,132
Oct. 11	967,129	5,565,720	800,932	1,204,567	503,301	444,881	1,720,917	473,604	340,963	547,488	243,549	707,123	13,520,174
Oct. 18	963,725	5,544,365	803,132	1,214,084	507,942	423,177	1,764,556	477,248	341,285	543,369	242,966	706,630	13,532,479
Reserve with Federal Reserve Bank:													
Sept. 20	70,903	643,918	57,542	80,147	31,505	24,188	146,401	35,059	19,797	49,495	16,380	45,141	1,220,481
Sept. 27	65,756	628,734	65,596	76,371	32,701	27,046	145,417	33,400	21,819	51,710	17,617	44,928	1,211,095
Oct. 4	72,065	616,026	59,490	81,937	32,637	27,373	145,989	34,926	22,279	43,141	16,422	51,055	1,203,340
Oct. 11	63,765	620,203	65,034	88,291	34,109	28,908	150,115	35,386	26,729	46,172	16,516	49,543	1,224,771
Oct. 18	70,346	613,291	59,962	81,870	32,838	25,822	149,877	34,017	33,595	45,859	16,335	49,461	1,213,373
Cash in vault:													
Sept. 20	25,014	124,989	20,904	33,499	17,087	14,353	57,826	12,053	8,910	15,844	12,571	21,525	364,575
Sept. 27	24,414	122,523	19,479	29,389	17,733	15,229	56,556	12,254	8,412	15,312	11,749	22,025	355,075
Oct. 4	25,397	123,939	20,252	36,134	16,854	14,723	57,612	12,442	10,443	15,798	12,052	21,805	367,451
Oct. 11	24,954	125,446	19,590	28,266	17,263	18,247	58,097	13,549	8,915	16,308	12,232	22,020	364,887
Oct. 18	28,460	127,596	22,435	36,773	18,390	15,464	58,555	12,532	9,553	15,571	12,412	22,754	380,495
Net demand deposits on which reserve is computed:													
Sept. 20	682,142	4,444,168	616,738	728,200	308,457	217,935	1,077,689	265,143	187,646	369,289	150,606	407,370	9,455,383
Sept. 27	688,820	4,450,844	628,748	739,310	318,375	219,300	1,085,779	256,369	199,327	383,867	153,865	407,222	9,531,826
Oct. 4	683,727	4,434,285	627,357	749,665	322,695	220,213	1,063,784	264,230	210,100	375,295	153,559	416,336	9,521,346
Oct. 11	712,503	4,450,868	626,508	756,317	323,557	225,455	1,114,154	255,367	218,731	384,811	148,650	426,496	9,643,417
Oct. 18	709,872	4,541,486	621,904	765,812	322,038	227,042	1,123,825	269,758	235,520	390,433	157,787	429,833	9,795,310

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities as at close of business on Fridays from Sept. 20 to Oct. 18, 1918—Continued.

1.—TOTAL FOR ALL REPORTING BANKS—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Time deposits:													
Sept. 20	102,122	263,954	16,579	237,183	54,686	91,700	372,136	75,213	45,939	62,521	25,097	123,247	1,470,377
Sept. 27	99,799	263,664	16,391	238,258	54,224	91,774	372,439	73,334	44,757	62,532	24,275	122,660	1,464,107
Oct. 4	99,928	263,442	16,618	233,914	57,192	89,768	371,238	72,756	45,176	61,404	24,359	121,507	1,457,202
Oct. 11	99,307	257,610	14,440	227,119	60,921	94,369	372,450	81,864	45,115	60,967	27,332	123,980	1,465,474
Oct. 18	98,916	254,707	16,094	223,014	60,565	90,405	371,849	74,395	45,117	60,369	22,014	123,789	1,441,234
Total net deposits on which reserve is computed:													
Sept. 20	721,747	4,512,886	622,573	802,582	327,432	245,903	1,180,073	284,701	204,220	388,045	158,858	444,344	9,893,364
Sept. 27	728,204	4,519,722	634,510	814,029	337,177	247,280	1,188,210	275,355	215,510	402,626	161,752	444,020	9,968,395
Oct. 4	723,150	4,502,758	633,241	823,095	342,393	247,697	1,165,951	283,201	226,475	393,716	161,508	452,788	9,955,973
Oct. 11	751,696	4,517,953	631,723	827,714	344,980	254,268	1,216,609	276,242	235,088	403,101	157,561	463,690	10,080,625
Oct. 18	748,923	4,607,902	627,611	835,930	343,264	254,706	1,226,167	289,089	251,870	408,544	165,019	466,970	10,225,995
Government deposits:													
Sept. 20	62,709	316,892	37,897	63,313	12,771	14,110	69,130	20,943	11,252	24,183	6,748	....	639,948
Sept. 27	42,999	212,234	25,742	35,917	10,977	8,180	49,437	14,680	11,006	19,395	4,533	....	435,100
Oct. 4	68,815	384,262	38,540	50,903	14,473	7,892	66,125	21,643	15,467	19,343	5,757	....	693,650
Oct. 11	50,567	301,085	33,422	40,559	17,761	15,465	54,000	17,536	19,174	14,467	4,648	2,429	571,113
Oct. 18	42,653	234,365	26,793	33,112	15,274	14,560	38,817	18,500	18,177	9,354	2,754	5,205	459,564

2. MEMBER BANKS IN CENTRAL RESERVE CITIES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Number of reporting banks:													
Sept. 20		69					42	14					125
Sept. 27		70					43	14					127
Oct. 4		70					43	14					127
Oct. 11		70					44	14					128
Oct. 18		70					44	14					128
United States bonds to secure circulation:													
Sept. 20		36,679					1,132	10,576					48,387
Sept. 27		36,729					1,119	10,535					48,383
Oct. 4		36,729					1,119	10,577					48,425
Oct. 11		36,728					1,119	10,556					48,403
Oct. 18		36,778					1,119	10,557					48,454
Other United States bonds, including Liberty bonds:													
Sept. 20		207,586					19,825	8,665					236,076
Sept. 27		206,885					15,322	8,235					230,442
Oct. 4		220,861					17,053	9,110					247,024
Oct. 11		212,261					16,414	8,643					237,318
Oct. 18		214,320					25,645	11,854					251,819
United States certificates of indebtedness:													
Sept. 20		706,891					88,978	32,848					828,717
Sept. 27		661,319					90,499	32,647					784,465
Oct. 4		824,365					105,034	38,612					968,011
Oct. 11		816,466					105,213	35,862					957,541
Oct. 18		808,772					94,095	35,356					938,223
Total United States securities owned:													
Sept. 20		951,156					109,935	52,089					1,113,180
Sept. 27		904,933					106,940	51,417					1,063,290
Oct. 4		1,081,955					123,206	58,299					1,263,460
Oct. 11		1,065,455					122.746	55,061					1,243,262
Oct. 18		1,059,870					120,859	57,767					1,238,496
Loans secured by United States bonds and certificates:													
Sept. 20		194,710					44,825	11,798					251,333
Sept. 27		185,945					52,283	11,952					250,180
Oct. 4		191,380					57,829	11,264					260,473
Oct. 11		195,610					56,361	11,120					263,091
Oct. 18		195,800					57,285	11,120					264,205
Other loans and investments:													
Sept. 20		3,924,238					874,244	270,467					5,068,949
Sept. 27		3,934,618					897,685	273,422					5,105,725
Oct. 4		3,893,572					871,102	273,369					5,038,043
Oct. 11		3,863,504					839,310	273,875					4,976,689
Oct. 18		3,847,547					884,011	275,323					5,006,881
Total loans and investments:													
Sept. 20		5,070,104					1,029,004	334,354					6,433,462
Sept. 27		5,025,496					1,056,908	336,791					6,419,195
Oct. 4		5,166,907					1,052,137	342,932					6,561,976
Oct. 11		5,124,569					1,018,417	340,056					6,483,042
Oct. 18		5,103,217					1,062,155	344,210					6,509,582

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities as at close of business on Fridays from Sept. 20 to Oct. 18, 1918—Continued.

2. MEMBER BANKS IN CENTRAL RESERVE CITIES—Continued.

[In thousands of dollars, i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Reserve with Federal Reserve Banks:													
Sept. 20		614,371					102,922	26,590					743,883
Sept. 27		598,687					102,566	25,374					726,627
Oct. 4		587,867					103,551	27,197					718,615
Oct. 11		592,037					105,966	27,950					725,983
Oct. 18		585,449					104,394	25,593					715,436
Cash in vault:													
Sept. 20		112,268					34,120	5,708					152,096
Sept. 27		110,066					33,781	6,093					149,940
Oct. 4		110,326					34,245	6,058					150,629
Oct. 11		112,907					32,965	6,324					152,196
Oct. 18		113,844					34,278	6,560					154,682
Net demand deposits on which reserve is computed:													
Sept. 20		4,125,981					723,603	191,621					5,041,205
Sept. 27		4,134,468					734,681	188,823					5,057,972
Oct. 4		4,123,637					733,215	189,258					5,046,110
Oct. 11		4,136,830					755,568	182,158					5,074,556
Oct. 18		4,222,161					761,882	191,864					5,175,907
Time deposits:													
Sept. 20		210,783					141,857	54,237					406,877
Sept. 27		210,334					142,532	54,210					407,076
Oct. 4		211,842					141,148	51,924					404,914
Oct. 11		206,392					142,264	63,723					412,379
Oct. 18		203,484					141,326	53,681					398,491
Total net deposits on which reserve is computed:													
Sept. 20		4,174,623					756,339	204,137					5,135,099
Sept. 27		4,183,007					767,573	201,333					5,151,913
Oct. 4		4,172,524					765,788	201,240					5,139,552
Oct. 11		4,184,459					788,398	196,863					5,169,720
Oct. 18		4,269,119					794,496	204,252					5,267,867
Government deposits:													
Sept. 20		288,642					42,218	17,061					347,921
Sept. 27		192,866					30,968	11,672					235,506
Oct. 4		352,522					44,200	16,550					413,272
Oct. 11		272,751					36,857	12,578					322,186
Oct. 18		209,890					26,339	13,285					249,514

3. MEMBER BANKS IN OTHER RESERVE CITIES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Number of reporting banks:													
Sept. 20	19	7	39	61	45	39	52	12	15	73	35	53	450
Sept. 27	20	7	39	61	46	39	52	12	15	73	35	53	452
Oct. 4	20	7	39	61	47	39	52	12	15	73	35	53	453
Oct. 11	20	7	39	61	47	39	52	12	15	73	34	53	452
Oct. 18	20	7	39	61	47	39	52	12	15	73	34	53	452
United States bonds to secure circulation:													
Sept. 20	4,278	7,796	7,487	34,555	13,957	13,465	16,579	5,330	3,440	13,730	15,476	34,480	170,573
Sept. 27	4,278	7,796	7,487	34,555	13,957	12,790	16,705	5,330	3,440	13,730	15,476	34,505	170,049
Oct. 4	4,278	7,796	7,487	34,583	13,957	13,465	16,978	5,330	3,440	13,710	14,785	34,515	170,324
Oct. 11	4,228	7,796	7,487	34,789	13,957	13,465	16,798	5,330	3,440	13,735	15,405	34,505	170,935
Oct. 18	4,278	7,796	7,487	34,806	13,958	13,465	16,997	5,330	3,440	13,736	15,176	34,505	170,974
Other United States bonds, including Liberty bonds:													
Sept. 20	6,336	8,503	26,087	41,377	16,922	21,607	26,346	4,028	6,014	13,211	11,498	23,620	205,549
Sept. 27	6,360	8,747	22,224	39,474	16,727	20,721	25,787	3,524	5,032	12,523	11,858	26,056	199,033
Oct. 4	7,212	8,978	24,802	43,256	19,764	20,956	25,398	4,703	5,111	13,513	10,515	22,547	206,755
Oct. 11	7,834	10,457	24,105	41,970	19,843	22,675	25,524	4,420	5,204	13,138	10,988	22,138	208,296
Oct. 18	12,295	9,038	26,599	43,327	22,219	26,159	26,766	4,462	6,313	13,021	10,815	22,670	223,684
United States certificates of indebtedness:													
Sept. 20	66,188	17,909	61,425	94,951	30,251	39,274	74,342	7,618	11,926	44,831	17,791	76,450	542,956
Sept. 27	71,126	16,916	64,091	100,454	32,839	39,572	75,114	7,969	13,921	46,928	18,060	79,214	566,204
Oct. 4	95,314	21,648	79,745	112,933	36,144	47,085	85,375	9,198	14,216	52,107	21,852	93,702	669,319
Oct. 11	93,530	21,678	80,043	111,385	37,942	77,059	85,598	8,904	18,285	55,120	20,442	96,940	706,926
Oct. 18	91,737	22,713	77,447	109,802	38,832	49,714	86,484	9,179	18,336	55,924	20,925	97,174	678,267
Total United States securities owned:													
Sept. 20	76,802	34,208	94,999	170,883	61,130	74,346	117,267	16,976	21,380	71,772	44,765	134,550	919,078
Sept. 27	81,764	33,459	93,802	174,483	63,523	73,083	117,606	16,823	22,393	73,181	45,394	139,775	935,286
Oct. 4	106,804	38,422	112,034	190,772	69,865	81,506	127,751	19,231	22,767	79,330	47,152	150,764	1,046,398
Oct. 11	105,592	39,931	111,635	188,144	71,742	113,199	127,920	18,654	26,929	81,993	46,835	153,583	1,086,157
Oct. 18	108,310	39,547	111,533	187,935	75,009	89,338	130,247	18,971	28,089	82,681	46,916	154,349	1,072,925

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities as at close of business on Fridays from Sept. 20 to Oct. 18, 1918—Continued.

3. MEMBER BANKS IN OTHER RESERVE CITIES—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Loans secured by United States bonds and certificates:													
Sept. 20	32,808	8,804	45,530	35,408	16,969	9,667	17,270	2,291	11,921	5,985	4,348	8,477	199,478
Sept. 27	33,873	8,594	44,193	35,738	17,342	9,583	17,174	2,463	11,706	4,505	4,718	9,379	199,268
Oct. 4	32,256	8,232	50,353	33,720	16,924	14,011	18,028	2,441	11,224	4,784	4,996	9,144	206,113
Oct. 11	32,785	7,869	48,810	34,094	16,712	10,891	17,528	2,416	10,917	4,957	4,999	8,242	200,220
Oct. 18	33,193	7,870	54,941	33,997	17,168	10,903	16,981	2,546	11,262	5,006	6,199	7,760	207,826
Other loans and investments:													
Sept. 20	546,577	138,290	547,573	892,866	257,345	288,817	547,666	81,501	219,989	463,780	152,608	533,916	4,670,928
Sept. 27	532,861	137,883	552,925	877,986	260,995	296,713	544,586	80,467	219,699	461,391	153,276	542,480	4,661,262
Oct. 4	532,158	133,920	548,777	876,229	260,568	293,176	531,067	80,230	220,632	461,057	152,845	538,874	4,629,533
Oct. 11	535,875	136,204	545,438	872,232	262,875	304,101	542,159	81,746	218,837	460,538	151,353	545,298	4,656,656
Oct. 18	530,469	138,205	540,762	875,549	264,225	306,494	540,455	80,628	214,134	455,682	149,211	544,521	4,640,335
Total loans and investments:													
Sept. 20	656,187	181,302	688,102	1,099,157	335,444	372,830	682,203	100,768	253,290	541,537	201,721	676,943	5,789,484
Sept. 27	648,498	179,936	690,920	1,088,207	341,860	379,379	679,366	99,753	253,798	539,077	203,388	691,634	5,795,816
Oct. 4	671,218	180,574	711,164	1,100,721	347,357	388,693	676,846	101,902	254,623	545,171	204,993	698,782	5,882,044
Oct. 11	674,252	184,004	705,883	1,094,470	351,329	428,191	687,607	102,816	256,683	547,488	203,187	707,123	5,943,033
Oct. 18	671,972	185,622	707,236	1,097,481	356,402	406,735	687,683	102,145	253,485	543,369	202,326	706,630	5,921,086
Reserve with Federal Reserve Bank:													
Sept. 20	54,812	13,473	51,777	74,133	23,939	23,125	42,589	7,169	15,603	49,495	14,159	45,141	415,415
Sept. 27	51,851	12,714	59,892	70,473	25,205	26,062	41,986	6,635	17,445	51,710	15,632	44,928	424,533
Oct. 4	57,941	12,819	54,143	76,125	24,553	25,994	41,610	6,050	17,764	43,141	14,491	51,055	425,686
Oct. 11	49,943	14,543	59,730	82,271	25,483	27,905	43,332	6,079	21,736	46,172	14,499	49,543	441,236
Oct. 18	56,136	12,919	54,188	75,533	24,718	24,794	44,670	7,345	28,675	45,859	14,225	49,461	438,523
Cash in vault:													
Sept. 20	16,518	4,726	16,758	28,575	11,955	13,631	23,332	4,778	5,647	15,844	11,280	21,525	174,569
Sept. 27	15,431	4,833	15,838	24,978	12,003	14,484	22,481	4,667	5,068	15,312	10,385	22,025	167,505
Oct. 4	16,122	4,734	15,800	31,018	11,750	13,889	22,875	4,827	6,958	15,798	10,673	21,805	176,249
Oct. 11	15,522	4,352	16,176	23,938	11,834	14,980	24,798	5,668	5,612	16,308	11,045	22,020	172,253
Oct. 18	17,911	4,689	17,755	31,709	12,292	14,730	23,839	4,635	6,218	15,571	10,947	22,754	183,050
Net demand deposits on which reserve is computed:													
Sept. 20	523,215	127,350	543,106	656,194	222,259	206,904	345,239	56,737	140,191	369,289	127,965	407,370	3,725,819
Sept. 27	527,467	126,604	555,235	668,018	227,042	208,008	341,957	50,658	149,334	383,867	129,411	407,222	3,774,823
Oct. 4	518,411	126,375	551,366	678,971	231,019	208,452	321,567	57,207	158,503	375,295	130,666	416,326	3,774,168
Oct. 11	546,185	128,049	553,938	685,685	231,683	214,255	349,873	55,323	163,509	384,811	126,055	426,496	3,865,862
Oct. 18	543,155	131,793	547,449	691,006	230,437	216,197	353,226	60,653	175,592	390,433	133,747	429,833	3,903,521
Time deposits:													
Sept. 20	32,365	21,087	9,885	212,077	34,706	88,135	225,892	15,153	24,223	62,521	19,479	123,247	868,770
Sept. 27	26,340	19,573	9,823	213,046	34,502	88,292	225,496	13,371	23,326	62,532	19,576	122,660	858,537
Oct. 4	26,469	19,664	9,635	208,593	37,428	85,460	225,679	15,082	23,227	61,404	19,373	121,507	853,521
Oct. 11	26,190	19,398	7,573	201,750	36,449	90,461	225,765	12,483	23,161	60,967	21,798	123,980	849,975
Oct. 18	25,989	19,403	9,263	198,019	36,794	86,181	226,080	15,044	23,220	60,369	17,130	123,789	841,281
Total net deposits on which reserve is computed:													
Sept. 20	532,924	133,676	546,072	719,817	232,671	233,344	413,007	61,283	147,458	388,045	133,809	444,344	3,986,450
Sept. 27	535,369	132,476	558,182	731,932	237,392	234,496	409,606	54,669	156,332	402,626	135,284	444,020	4,032,384
Oct. 4	526,352	132,274	554,257	741,549	242,247	234,090	389,271	61,732	165,471	393,716	136,478	452,788	4,030,225
Oct. 11	554,042	133,868	556,210	746,210	242,618	241,393	417,603	59,068	170,457	403,101	132,594	463,690	4,120,854
Oct. 18	550,952	137,614	550,228	750,412	241,475	242,051	421,050	65,166	182,558	408,544	138,886	466,970	4,155,906
Government deposits:													
Sept. 20	50,032	11,622	34,072	60,349	10,978	13,990	26,626	3,452	8,686	24,183	6,522	....	250,512
Sept. 27	34,112	8,434	23,214	34,135	9,432	8,071	18,282	2,665	9,841	19,395	4,263	....	171,844
Oct. 4	52,702	13,933	34,020	48,288	11,957	7,691	21,692	4,542	13,241	19,343	5,445	....	232,854
Oct. 11	37,658	12,851	29,629	38,588	10,708	15,017	16,813	4,457	16,888	14,467	4,476	2,429	203,981
Sept. 18	31,723	10,133	22,943	31,415	12,162	14,368	12,156	4,826	16,104	9,354	2,667	5,205	173,056

4. MEMBER BANKS OUTSIDE RESERVE CITIES.

Number of reporting banks:													
Sept. 20	23	26	13	24	32	6	5	6	20	....	10	....	165
Sept. 27	24	26	13	24	34	6	5	6	20	....	10	....	168
Oct. 4	24	26	14	24	34	6	5	6	20	....	10	....	169
Oct. 11	24	26	14	24	34	6	5	6	20	....	10	....	169
Oct. 17	24	26	14	24	34	6	5	6	20	....	10	....	169
United States bonds to secure circulation:													
Sept. 20	10,074	6,398	4,005	7,934	10,294	2,000	750	1,770	2,942	....	2,453	....	48,620
Sept. 27	10,074	6,398	4,002	7,717	10,294	2,000	750	1,770	2,929	....	2,453	....	48,387
Oct. 4	10,074	6,398	4,005	7,802	10,294	2,000	750	1,770	2,929	....	2,453	....	48,475
Oct. 11	10,074	6,398	4,005	7,802	10,294	2,000	750	1,770	2,929	....	2,453	....	48,475
Oct. 17	10,074	6,398	4,005	7,927	10,294	2,000	750	1,770	2,929	....	2,453	....	48,609

Principal resources and liabilities of member banks located in central reserve, reserve, and other selected cities as at close of business on Fridays from Sept. 20 to Oct. 18, 1918—Continued.

4. MEMBER BANKS OUTSIDE RESERVE CITIES—Continued.

[In thousands of dollars; i. e., 000 omitted.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Other United States bonds, including Liberty bonds:													
Sept. 20	5,289	12,864	4,305	6,306	9,920	498	1,286	1,333	1,862	....	3,416	....	47,079
Sept. 27	5,036	12,675	4,207	5,226	9,673	482	1,154	1,344	1,845	....	2,906	....	44,548
Oct. 4	6,445	13,498	5,192	5,097	10,264	523	1,141	1,349	2,036	....	2,464	....	48,009
Oct. 11	6,449	13,217	5,258	5,134	10,997	532	888	1,389	1,922	....	2,740	....	48,526
Oct. 18	6,994	14,716	6,053	5,090	10,847	641	870	1,323	1,892	....	2,748	....	51,174
United States certificates of indebtedness:													
Sept. 20	25,712	19,439	12,239	10,660	9,088	991	1,765	2,154	10,195	....	2,015	....	94,258
Sept. 27	24,802	18,958	12,158	10,812	9,595	936	1,780	2,209	10,290	....	2,033	....	93,573
Oct. 4	30,999	22,301	13,799	12,374	10,740	1,431	1,880	2,377	11,264	....	1,640	....	108,805
Oct. 11	30,135	23,224	14,009	12,871	12,331	1,742	2,020	2,653	11,513	....	2,191	....	112,689
Oct. 18	30,283	23,465	14,299	13,219	12,021	1,642	2,051	2,727	11,424	....	2,190	....	113,321
Total United States securities owned:													
Sept. 20	41,075	38,701	20,549	24,900	29,302	3,489	3,801	5,257	14,999	....	7,884	....	189,957
Sept. 27	39,912	38,031	20,367	23,755	29,562	3,418	3,684	5,323	15,064	....	7,392	....	186,508
Oct. 4	47,518	42,197	22,996	25,273	31,298	3,954	3,771	5,496	16,229	....	6,557	....	205,289
Oct. 11	46,658	42,839	23,272	25,807	33,622	4,274	3,658	5,812	16,364	....	7,384	....	209,690
Oct. 18	47,351	44,579	24,357	26,236	33,162	4,283	3,671	5,820	16,245	....	7,391	....	213,095
Loans secured by United States bonds and certificates:													
Sept. 20	13,214	9,943	1,513	992	2,745	118	533	735	310	....	600	....	30,703
Sept. 27	8,378	9,705	1,603	978	3,094	69	559	766	300	....	596	....	26,048
Oct. 4	8,219	9,804	1,573	997	3,296	75	512	809	603	....	690	....	26,578
Oct. 11	8,156	9,588	1,550	924	3,345	86	497	845	600	....	706	....	26,297
Oct. 18	8,621	9,410	1,734	1,872	3,394	79	518	1,090	729	....	722	....	28,169
Other loans and investments:													
Sept. 20	217,338	203,188	70,427	79,497	109,610	12,068	10,680	22,736	65,892	....	31,278	....	822,714
Sept. 27	235,342	203,053	68,016	83,070	114,775	12,183	11,000	22,889	66,829	....	31,941	....	849,098
Oct. 4	235,928	204,895	70,055	83,480	114,989	11,955	10,726	23,329	66,651	....	32,237	....	854.245
Oct. 11	238,063	204,720	70,227	83,366	115,005	12,330	10,738	24,075	67,316	....	32,272	....	858,112
Oct. 18	235,781	201,537	69,805	88,495	114,984	12,080	10,529	23,983	70,826	....	32,527	....	860,547
Total loans and investments:													
Sept. 20	271,627	251,832	92,489	105,389	141,657	15,675	15,014	28,728	81,201	....	39,762	....	1,043,374
Sept. 27	283,632	250,789	89,986	107,803	147,431	15,670	15,243	28,978	82,193	....	39,929	....	1,061,654
Oct. 4	291,665	256,896	94,624	109,750	149,583	15,984	15,009	29,634	83,483	....	39,484	....	1,086,112
Oct. 11	292,877	257,147	95,049	110,097	151,972	16,690	14,893	30,732	84,280	....	40,362	....	1,094,099
Oct. 18	291,753	255.526	95,896	116,603	151,540	16,442	14,718	30,893	87,800	....	40,640	....	1,101,811
Reserve with Federal Reserve Bank:													
Sept. 20	16,091	16,074	5,765	6,014	7,566	1,063	890	1,300	4,194	....	2,221	....	61,183
Sept. 27	13,905	17,323	5,704	5,898	7,496	984	865	1,391	4,374	....	1,985	....	59,935
Oct. 4	14,124	15,340	5,347	5,812	8,084	1,379	828	1,679	4,515	....	1,931	....	59,039
Oct. 11	13,822	13,623	5,304	6,020	8,626	1,003	787	1,357	4,993	....	2,017	....	57,552
Oct. 18	14,210	15,023	5,774	6,337	8,120	1,028	813	1,079	4,920	....	2,110	....	59,414
Cash in vault:													
Sept. 20	8,496	7,995	4,146	4,924	5,132	722	374	1,567	3,263	....	1,291	....	37,910
Sept. 27	8,983	7,624	3,641	4,411	5,730	745	294	1,494	3,344	....	1,364	....	37,630
Oct. 4	9,275	8,879	4,452	5,116	5,104	834	492	1,557	3,485	....	1,379	....	40,573
Oct. 11	9,432	8,187	3,414	4,328	5,429	3,267	334	1,557	3,303	....	1,187	....	40,438
Oct. 18	10,549	9,063	4,680	5,064	6,098	734	438	1,337	3,335	....	1,465	....	42,763
Net demand deposits on which reserve is computed:													
Sept. 20	158,927	190,837	73,632	72,006	86,198	11,031	8,847	16,785	47,455	....	22,641	....	688,359
Sept. 27	161,353	189,772	73,513	71,292	91,333	11,292	9,141	16,888	49,993	....	24,454	....	699,031
Oct. 4	165,316	193,935	75,991	70,694	91,676	11,761	9,002	17,765	51,597	....	22,893	....	710,630
Oct. 11	166,318	185,989	72,570	70,632	91,874	11,200	8,713	17,886	55,222	....	22,595	....	702,999
Oct. 18	166,717	187,532	74,455	74,806	91,601	10,845	8,717	17,241	59,928	....	24,040	....	715,882
Time deposits:													
Sept. 20	69,757	32,084	6,694	25,106	19,980	3,565	4,387	5,823	21,716	....	5,618	....	194,730
Sept. 27	73,459	33,757	6,568	25,212	19,722	3,482	4,411	5,753	21,431	....	4,699	....	198,494
Oct. 4	73,459	31,936	6,983	25,321	19,764	4,308	4,411	5,750	21,949	....	4,986	....	198,867
Oct. 11	73,117	31,820	6,867	25,369	24,472	3,908	4,421	5,658	21,954	....	5,534	....	203,120
Oct. 18	72,927	31,820	6,831	24,995	23,771	4,224	4,443	5,670	21,897	....	4,884	....	201,462
Total net deposits on which reserve is computed:													
Sept. 20	188,823	204,587	76,501	82,765	94,761	12,559	10,727	19,281	56,762	....	25,049	....	771,815
Sept. 27	192,835	204,239	76,328	82,097	99,785	12,784	11,031	19,354	59,178	....	26,468	....	784,099
Oct. 4	196,798	207,622	78,984	81,546	100,146	13,607	10,892	20,229	61,004	....	25,030	....	795,858
Oct. 11	197,654	199,626	75,513	81,504	102,362	12,875	10,608	20,311	64,631	....	24,967	....	790,051
Oct. 18	197,971	201,169	77,383	85,518	101,789	12,655	10,621	19,671	69,312	....	26,133	....	802,222
Government deposits:													
Sept. 20	12,677	16,628	3,825	2,964	1,793	120	286	430	2,566	....	226	....	41,515
Sept. 27	8,887	10,934	2,528	1,782	1,545	109	187	343	1,165	....	270	....	27,750
Oct. 4	16,113	17,807	4,520	2,615	2,516	201	233	551	2,226	....	312	....	47,524
Oct. 11	12,909	15,483	3,793	1,971	7,053	448	330	501	2,286	....	172	....	44,946
Oct. 18	10,930	14,342	3,850	1,697	3,112	192	322	389	2,073	....	87	....	36,994

IMPORTS AND EXPORTS OF GOLD AND SILVER.

Gold imports and exports into and from the United States.

[In thousands of dollars: i. e., 000 omitted.]

	Ten days ending Sept. 20, 1918.	Ten days ending Sept. 30, 1918.	Ten days ending Oct. 10, 1918.	Total since Jan. 1, 1918.	Total, Jan. 1 to Oct. 12, 1917.
IMPORTS.					
Ore and base bullion	397	1,070	241	11,825	12,778
United States mint or assay office bars				6	114
Bullion, refined	47	134	141	38,387	383,859
United States coin				6,774	53,300
Foreign coin	9	5		183	95,042
Total	453	1,209	381	57,175	545,093
EXPORTS.					
Domestic:					
Ore and base bullion		5		115	179
United States mint or assay office bars	91		60	914	46,593
Bullion, refined		1		6,817	35,104
Coin	670	459	465	26,302	265,429
Total	761	465	525	34,148	347,305
Foreign:					
Bullion, refined					31
Coin		2	6	425	6,310
Total		2	6	425	6,341
Total exports	761	467	531	34,573	353,646

Excess of gold imports over exports since January 1, 1918, $22,602,000. Excess of gold imports over exports since August 1, 1914, $1,072,906,000.

Silver imports and exports into and from the United States.

[In thousands of dollars; i. e., 000 omitted.]

	Ten days ending Sept. 20, 1918.	Ten days ending Sept. 30, 1918.	Total, Jan. 1 to Sept. 30, 1918.	Total, Jan. 1 to Sept. 30, 1917.	Ten days ending Oct. 10, 1918.	Total, Jan. 1 to Oct. 10, 1918.
IMPORTS.						
Ore and base bullion	1,311	2,403	31,264	25,027	1,410	32,674
United States mint or assay office bars			50	131		50
Bullion, refined	165	250	19,138	5,590	247	19,385
United States coin	135	25	914	919	51	965
Foreign coin	11	12	3,423	1,383	166	3,589
Total	1,622	2,690	54,789	33,050	1,874	56,663
EXPORTS.						
Domestic:						
Ore and base bullion		2	14	72		14
United States mint or assay office bars			21,702	3,051		21,702
Bullion, refined	306	8,204	131,951	53,780	6,685	138,636
Coin	30	186	2,804	791	27	2,831
Total	336	8,392	156,471	57,694	6,712	163,183
Foreign:						
Bullion, refined		85	3,729	2,471	402	4,131
Coin	11	121	5,153	2,069	73	5,226
Total	11	206	8,882	4,540	475	9,357
Total exports	347	8,598	165,353	62,234	7,187	172,540

Excess of silver exports over imports since January 1, 1918, $115,877,000. Excess of silver exports over imports since August 1, 1914, $214,126,000.

Estimated general stock of money, money held by Treasury and by the Federal Reserve System, and all other money in the United States Oct. 1, 1918.

	General stock of money in the United States.	Held in the United States Treasury as assets of the Government.[1]	Held by or for Federal Reserve Banks and agents.	Held outside the United States Treasury and Federal Reserve System.	Amount per capita outside the United States Treasury and the Federal Reserve System.
Gold coin[2]	$3,079,094,009	$277,628,415	$1,423,814,839	$440,211,951	
Gold certificates			471,918,720	465,520,084	
Standard silver dollars	374,080,376	28,769,361		12,778,240	
Silver certificates			6,614,234	324,087,183	
Subsidiary silver	232,403,832	5,991,787	[3] 726,454	225,685,591	
Treasury notes of 1890				1,831,358	
United States notes	346,681,016	8,271,404	[4] 43,810,166	294,599,446	
Federal Reserve notes	2,525,432,760	38,370,746	122,056,065	2,365,005,949	
Federal Reserve Bank notes	42,798,560	224,605	4,957,426	37,616,529	
National-bank notes	721,933,170	20,989,885	10,876,993	690,066,292	
Total:					
Oct. 1, 1918	7,322,423,723	380,246,203	2,084,774,897	4,857,402,623	$45.69
Sept. 1, 1918	7,092,955,371	369,937,060	2,070,371,803	4,652,646,508	43.83
Aug. 1, 1918	6,895,089,799	390,798,058	2,054,455,993	4,449,835,748	41.97
July 1, 1918	6,742,225,784	356,124,750	2,018,361,825	4,367,739,209	41.31
June 1, 1918	6,615,007,782	348,322,704	1,983,796,097	4,282,888,981	40.51
May 1, 1918	6,540,954,630	321,192,308	1,909,594,674	4,310,167,648	40.82
Apr. 1, 1918	6,480,181,525	339,856,674	1,873,524,132	4,266,800,719	40.47
Mar. 1, 1918	6,351,548,056	330,927,176	1,827,126,208	4,193,494,672	39.83
Feb. 1, 1918	6,271,603,039	332,576,125	1,834,102,608	4,104,924,306	39.04
Jan. 1, 1918	6,256,198,271	277,043,358	1,723,570,291	4,255,584,622	40.53
Dec. 1, 1917	6,026,127,909	248,167,148	1,646,773,746	4,131,187,015	39.40
Nov. 1, 1917	5,823,854,335	242,265,377	1,546,124,691	4,035,464,267	38.54
Oct. 1, 1917	5,642,264,856	242,469,027	1,429,422,432	3,970,373,397	37.97
Sept. 1, 1917	5,553,661,154	239,654,267	1,373,987,061	3,940,019,826	37.73
Aug. 1, 1917	5,513,292,894	248,268,325	1,395,982,728	3,869,041,841	37.10
July 1, 1917	5,480,009,884	253,671,614	1,280,880,714	3,945,457,556	37.88

[1] Includes reserve funds against issues of United States notes and Treasury notes of 1890 and redemption funds held against issues of national bank notes, Federal Reserve notes, and Federal Reserve Bank notes.

[2] Includes balances in gold settlement fund standing to the credit of the Federal Reserve Banks and agents.

[3] Includes standard silver dollars.

[4] Includes Treasury notes of 1890.

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank approved by the Federal Reserve Board up to Oct. 31, 1918.

Federal Reserve Bank.	Maturities.							
	Discounts.						Trade acceptances.	
	Within 15 days, including member banks' collateral notes.	16 to 60 days.	61 to 90 days.	Agricultural and live-stock paper over 90 days.	Secured by U. S. certificates of indebtedness or Liberty loan bonds.		1 to 60 days, inclusive.	61 to 90 days, inclusive.
					Within 15 days, including member banks' collateral notes.	16 to 90 days.		
Boston	4	4¾	4¾	5	4	[2] 4¼	4½	4½
New York [1]	4	4¾	4¾	5	4	4¼	4½	4½
Philadelphia	4	4¾	4¾	5	4	4¼	4½	4½
Cleveland	4¼	4¾	4¾	5¼	4	4¼	[3] 4½	4½
Richmond	4¾	5	5	5¼	[2] 4¼	[2] 4¼	[4] 4½	4¾
Atlanta	4¼	4¾	4¾	5	4	[2] 4¼	4½	4½
Chicago	4	4¾	4¾	5½	4	[2] 4¼	4½	4½
St. Louis	4	4¾	4¾	5½	4	[2] 4¼	4½	4½
Minneapolis	4½	4¾	5	5½	4	4¼	4½	4½
Kansas City	4½	5	5	5½	[2] 4¼	[2] 4¼	4¾	4¾
Dallas	4½	4¾	5	5¼	4	4¼	4½	4½
San Francisco	4¼	5	5	5½	4¼	4¼	4¾	4¾

[1] Rate of 3 to 4½ per cent for 1-day discounts in connection with the loan operations of the Government. Rates for discounted bankers' acceptances maturing within 15 days, 4 per cent; within 16 to 60, days 4¼ per cent; and within 61 to 90 days, 4½ per cent.
[2] Rate of 4 per cent on paper secured by fourth Liberty loan bonds where paper rediscounted has been taken by discounting member banks at rate not exceeding interest rate on bonds.
[3] Rate for trade acceptances maturing within 15 days, 4¼ per cent.
[4] Rate for trade acceptances maturing within 15 days, 4½ per cent; 16–90 days, 4¾ per cent.

NOTE 1.—Acceptances purchased in open market, minimum rate 4 per cent.
NOTE 2.—Rates for commodity paper have been merged with those for commercial paper of corresponding maturities.
NOTE 3.—In case the 60-day trade acceptance rate is higher than the 15-day discount rate, trade acceptances maturing within 15 days will be taken at the lower rate.
NOTE 4.—Whenever application is made by member banks for renewal of 15-day paper, the Federal Reserve Banks may charge a rate not exceeding that for 90-day paper of the same class.

OPERATION OF THE FEDERAL RESERVE CLEARING SYSTEM, SEPT. 16 TO OCT. 15, 1918.

	Items drawn on banks in Federal Reserve city (daily average).		Items drawn on banks in district outside Federal Reserve city (daily average).		Total items drawn on banks in own Federal Reserve district (daily average).		Items drawn on banks in other districts (daily average).		Items handled by both parent bank and branches (daily average).		Items drawn on Treasurer of United States (daily average).		Number of member banks in district.	Number of nonmember banks on par list.
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.		
Boston	7,518	$19,685,483	65,395	$9,583,652	72,913	$30,269,135	7,663	$10,628,260	......	....	7,183	$4,914,486	421	245
New York	12,753	92,276,004	98,979	63,820,553	111,732	156,096,557	39,265	19,055,881	......	....	45,041	19,743,441	713	333
Philadelphia	13,908	25,267,046	31,593	4,870,927	45,501	29,137,973	16,145	12,264,358	......	....	6,778	4,456,282	629	328
Cleveland	3,193	6,933,761	49,456	21,505,728	52,649	28,439,489	3,265	4,759,548	1,833	$2,497,871	4,633	2,817,953	803	689
Richmond	1,987	6,256,700	39,202	14,621,168	41,189	20,877,868	6,012	7,642,452	186	612,276	2,244	570,405	559	351
Atlanta	2,002	2,404,179	19,747	6,839,629	21,749	9,243,808	2,247	3,302,822	3,111	2,692,492	5,532	1,652,998	415	317
Chicago	11,630	23,908,000	46,544	10,830,000	58,174	34,738,000	5,055	1,163,000	262	211,000	16,172	5,722,000	1,285	2,337
St. Louis	4,021	8,543,259	26,758	5,801,384	30,779	14,344,643	899	1,585,896	903	547,794	6,882	1,465,332	502	1,049
Minneapolis	2,746	10,300,697	18,205	2,097,854	20,951	12,398,551	952	2,238,280	......	....	1,151	286,393	850	1,100
Kansas City	2,913	8,262,406	46,929	12,334,467	49,842	20,596,873	5,237	5,417,895	3,524	2,499,012	4,551	498,682	989	2,227
Dallas	1,060	2,129,380	23,205	7,501,672	24,265	9,631,052	2,194	1,711,126	740	143,775	2,938	395,933	718	249
San Francisco	1,200	2,672,091	29,428	9,218,340	30,628	11,890,431	521	1,223,401	2,474	1,923,753	3,434	8,524,244	626	1,093
Totals:														
Sept. 16 to Oct. 15, 1918	64,931	208,639,006	495,441	169,025,374	560,372	377,664,380	89,455	70,992,919	13,033	11,127,973	106,539	51,048,149	8,510	10,318
Aug. 16 to Sept. 15, 1918	55,123	182,321,867	441,979	145,374,804	497,102	327,696,671	80,555	62,764,960	11,053	6,866,305	87,213	45,695,643	8,428	10,549
July 16 to Aug. 15, 1918	50,229	172,600,132	406,330	131,047,263	456,559	303,647,395	76,404	58,502,291	13,395	11,254,817	81,323	41,063,646	8,294	10,206
Sept. 16 to Oct. 15, 1917	40,591	128,271,466	212,935	47,476,204	253,526	175,747,670	40,216	44,984,581	......	....	26,797	13,518,566	7,747	9,052

FOREIGN EXCHANGE RATES.

Monthly ranges of exchange rates on leading foreign money centers, quoted in New York during the four months ending October, 1918.

	Exchange at par.	July.		August.		September.		October.	
		Low.	High.	Low.	High.	Low.	High.	Low.	High.
London:									
60-day bankers' bills............dollars for £1..	4.8665	4.7250	4.7250	4.7250	4.73125	4.72625	4.7275	4.72625	4.72625
Sight drafts..........................do........	4.8665	4.7530	4.7535	4.7535	4.76	4.7545	4.7550	4.7545	4.7550
Paris........................francs for 100 dollars..	518.1347	571.37	571.25	571	547.50	549.50	547	548.25	546
Milan..........................lire for 100 dollars..	518.1347	881	801	800.50	636.50	638	637	637.5	635
Madrid...................dollars for 100 pesetas..	19.30	26.75	27.55	23	26.50	22.70	23.38	20.45	22.65
Amsterdam................dollars for 100 florins..	40.20	50.25	52	51	52.75	47.25	49.50	42	46.75
Stockholm................dollars for 100 kroner..	26.80	35	35.80	34.75	36.25	32.40	33.75	28.25	31.80
Copenhagen.....................do..............	26.80	30.90	31.30	31.13	31.75	29.40	30.75	26.75	28.75
Zurich.......................francs for 100 dollars..	518.1347	399.50	394	425	391.50	452	437	505	462
Buenos Aires[1]..........dollars for 100 gold pesos..	96.48	98.15	99.26	98.52	99.01	98.04	99.01	97.09	99.01
Rio de Janeiro[1]......dollars for 100 paper milreis..	[2] 54.62	22.99	24.94	23.53	24.21	23	24	23.50	25.00
Valparaiso[1]..................dollars for 100 pesos..	36.50	32.57	33.39	31.37	33.08	30.08	32.21	25.30	30.17
Yokohama....................dollars for 100 yen..	49.85	52.90	53.75	53.75	54.63	54.50	54.63	54.35	54.75
Hongkong.......dollars for 100 Hongkong dollars..	....	78.50	80.50	80	88	86.75	90	80	87.75
Shanghai...........dollars for 100 Shanghai taels..	....	113.75	114.50	116.50	125	125	135	124	135
London average price of silver at nominal rate of £($4.8665)	....	1.7		1.0756		1.085		1.085	
New York average price of silver..................	....	0.996		1.0029		1.0113		1.0113	

[1] Cable rates on New York. [2] Rate for a gold milreis.

Course of German exchange in neutral markets, January to October, 1918.

[*From the London Economist.*]

	Amsterdam (florins for 100 marks).	Switzerland (francs for 100 marks).	Copenhagen (crowns for 100 marks).	Stockholm (crowns for 100 marks).	Christiania (crowns for 100 marks).
Exchange at par..............	59.26	123.45	88.88	88.88	88.88
January 2..............	47.10	[1] 85.90	62.00	58.00	....
January 30..............	42.25	82.50	[2] 69.25	[2] 55.25	....
February 27..............	43.80	88.00	65.50	60.50	....
April 4..............	41.05	82.20	62.00	58.25	....
May 1..............	40.65	81.70	62.60	58.00	....
May 29..............	39.425	79.40	62.85	57.75	....
June 27..............	34.35	69.00	56.00	49.25	....
July 4..............	34.10	70.10	56.75	49.25	....
July 11..............	[3] 33.70	69.25	56.50	50.00	....
July 18..............	33.75	[4] 69.30	55.75	49.50	....
July 25..............	32.55	66.50	52.50	47.00	....
August 1..............	32.30	65.85	53.15	57.00	....
August 9..............	32.35	66.35	53.75	46.85	....
August 15..............	32.20	66.25	53.50	46.95	....
August 21..............	31.45	69.25	52.45	46.50	....
August 29..............	31.40	68.70	50.25	45.00	....
September 6..............	31.55	68.00	51.00	46.00	50.25
September 13..............	31.45	68.75	50.50	45.35	49.50
September 20..............	31.95	68.90	51.00	45.75	50.25
September 27..............	31.25	66.80	50.50	45.25	50.25
October 4..............	32.35	67.75	52.00	48.00	52.25
October 10..............	33.275	70.25	52.75	48.00	51.75
October 17..............	37.00	77.75	55.00	47.00	54.00
October 24..............	36.10	75.30	54.50	48.50	56.50

[1] December 29, 1917. [2] January 31, 1918. [3] July 10, 1918. [4] July 16, 1918.

Monthly exchange rates in Switzerland on Berlin and Vienna for the period June, 1914, to June, 1918, are shown on page 838 of the September, 1918, Bulletin.

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