FEDERAL RESERVE BULLETIN

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FEDERAL RESERVE BOARD

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FEDERAL RESERVE BOARD.

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WORK OF THE BOARD.

During the month of September the work of the Federal Reserve Board included the following principal elements:

(1) Preparation and transmission of a circular and regulation relating to the establishment of a special rate for "commodity paper," and the completion of arrangements for the introduction of this rate at several Federal Reserve Banks.

(2) Revision and distribution of the circular and regulation relating to bankers' acceptances, the action taken being intended to facilitate commercial export transactions.

(3) Establishment of a plan for the receipt of gold deposits for Federal Reserve Agents from the gold settlement fund, thereby permitting transfers on the books of the fund from reserve banks to reserve agents, as well as transfers to and from the Treasury (redemption fund or public deposits) on behalf of either the banks or the agents.

(4) Investigation and preliminary action on several subjects calling for the issue of circulars and regulations at a later date.

The establishment of the commodity rate at Federal Reserve Banks has been undertaken thus far by the banks of Richmond, Atlanta, Dallas, St. Louis, Minneapolis, and Philadelphia, for which a 3 per cent rate has been approved. Higher rates have been established at Boston and San Francisco. Several of the other Federal Reserve Banks have the subject under consideration. The granting of the 3 per cent rate in the Board's circular was conditioned upon the establishment of a 6 per cent rate by the member bank receiving the accommodation in favor of the ultimate borrower. The action thus taken was based upon the circumstance that the loans in question were to be protected by warehouse receipts of unquestionable security, and that if correspondingly low accommodation was to be granted by Federal Reserve Banks, there should be some assurance that the benefits thereof were transmitted to the user of the loan. In the case of Government deposits where funds were placed with the several banks without interest, the argument in favor of securing the transfer of some of the benefits of the low rate to the ultimate borrower was considered most obvious. Simultaneously with the establishment of the commodity rate by the southern banks the Secretary of the Treasury announced that he had placed the sum of $5,000,000 each with the banks of Richmond, Dallas, and Atlanta. This deposit, with the exception of $1,000,000 of the amount deposited for the Dallas bank, was effected through the gold-settlement fund, and the expenses of transferring were correspondingly reduced or eliminated.

The Federal Reserve Board has had the question of bankers' acceptances under consideration for some time past, and, preliminary to the action of the past month, had already rendered an interpretation of the national bank act and of the Federal Reserve Act provisions on the subject in so far as related to the making of acceptances by national banks. This was published in the Federal Reserve Bulletin for September (p. 269). Having thus taken action with respect to the initial making of acceptances the revision of the circular and regulation outstanding became an immediate necessity. Hence the publication of the revised draft of the circular and regulation in question, issued on September 7. With reference to this the Board said:

> It has been the aim of the Board to do everything in its power to create for the American acceptance—that is, dollar exchange—a dominating position in the world market. Present conditions offer in this respect a great opportunity. In widening somewhat the facilities of the Federal Reserve Banks in dealing with American bankers' acceptances, the Board is attempting to give the member banks a larger opportunity for developing their sphere of usefulness in this respect.

The United States should do now what Europe has done for many generations for the United States; that is to say, the bank facilities of the United States should be used for the carrying of import and export transactions for foreign countries just as much as Europe up to now carried by its acceptances the import and export transactions of the United States.

With a view to the improvement of the clearance system at Federal Reserve Banks, the Board authorized the holding of a special meeting of the Federal reserve agents' committee on clearance at Boston on September 17-18. Conferences with committee of the governors of reserve banks also occurred during the month, and further revision of the present system of clearance is expected to develop as a result of this exchange of views.

The movement of State banks into the Federal reserve system has continued slowly during the month, three being actually admitted as elsewhere noted, while several have made applications which are under consideration.

Applications for the exercise of fiduciary functions have continued to be numerous, and a considerable list has been granted during the month of September.

Opening of the New Orleans Branch.

On September 10 the branch of the Federal Reserve Bank of Atlanta located at New Orleans, was definitely opened with an adequate staff in charge.

As noted in the Bulletin for September, Mr. Marcus B. Walker has been named managing director of the branch. Mr. Walter Wellborn has since been named custodian representing Mr. M. B. Wellborn, Federal reserve agent at Atlanta, in the receipt of Federal reserve notes and custody of collateral. The Federal Reserve Board has directed the transmission of a sufficient supply of Federal reserve notes to the subtreasury at New Orleans, and it has arranged for the release of these notes direct to the custodian at the New Orleans branch upon the usual application and certification, so that there need be no delay in conducting operations at the branch.

NEGLECTED ELEMENTS OF STRENGTH OF FEDERAL RESERVE ACT.

ADDRESS OF VICE GOV. F. A. DELANO, FEDERAL RESERVE BOARD, AT A MEETING OF THE AMERICAN BANKERS' ASSOCIATION, SEATTLE, WASH., SEPTEMBER 8, 1915.

Much has already been said, and well said, about the Federal reserve act, and it is doubtful if I can add anything new. I wish, however, to call attention to some important features which have been accepted as mere commonplaces, but which are really deserving of more notice than they have received.

First, it should be borne in mind that it was necessary to frame the new law so as to provide for a complete change in our note issuing and credit basis, yet at the same time, so accomplish this as to cause no disturbance in business by the upsetting of our existing banking system. It was like the problem of reconstructing a great office building, changing an antiquated construction and substituting therefor steel and marble, yet accomplishing it all without serious inconvenience to the tenants.

The task was necessarily a difficult one, and the law provided three years for its accomplishment.

Under the old law banks were all independent of each other, reporting direct to the Comptroller of the Currency at Washington, but each bank for itself. The ownership of branches was forbidden, and thus it was that when the law went into effect there were 7,600 separate and distinct national banks, varying in capital from $25,000 to $25,000,000, and, in addition, approximately 18,000 State banks, trust companies, and savings banks. These banks were not organized or grouped in any way except that those in three large cities (New York, Chicago, and St. Louis) were classed as central reserve banks and were allowed to hold a large share of the reserve deposits of national banks in other cities, while another group was formed of banks in some 50 cities known as reserve cities, which were allowed to hold a considerable share of country bank deposits and in turn deposit one half their reserves in central reserve banks. A third group represented all the banks in other and smaller cities, towns, and villages, which were classed as nonreserve city or country banks. These were allowed to hold a minimum of reserves (15 per cent) and deposit three-fifths of it in reserve and central reserve cities.

LACK OF UNITY.

This loosely formed grouping of the banks did not bring about any real unity of action or an effective organization, and even though some coordination of effort was accomplished by bankers associations, clearing house associations, and similar voluntary organizations of banks and bankers, the fundamental idea underlying the American banking system was "Every one for himself and the devil take the hindmost." The framers of the new law were face to face with the problem of devising a way to retain the advantages of competition between banks yet so to group and assemble the banks as to make it possible to use reserve resources jointly and effectively for the benefit of all and for the protection of the public. This was accomplished by creating 12 different central joint stock banks, each of them the dominating or central bank of a large area. These banks as established represent from 385 to 982 member banks with a nominal capital ranging from $4,808,000 to $21,624,000, only one-half of which has been paid in. These central banks were not created to transact business with the public, but primarily, as their name implies, for the purpose of holding the reserve deposits of their owning banks. Among the important services which they may render to their member banks, the most important is the right to rediscount their paper and issue bank notes against it.

Manifestly, then, the first great result of creating 12 banks has been to bind together all the national banks of the country into 12 strong regiments thereby creating an effective solidarity. Who can doubt the immense gain in doing that, even if nothing else had been accomplished by the act? It is as if a man were asked to organize an effective police force in this splendid city, and found 7,600 policemen all reporting to one chief. The first thing he would do would be to divide the force into divisions with suitable headquarters and a competent officer in charge of each. Indeed, without developing the simile further it should be apparent without elaborate argument that the creation of 12 central reserve banks was, from the standpoint of efficiency of operation alone, the greatest step in advance which has been made in the banking history of this country.

Reference has been made to the fact that under the old system in effect for 50 years there had been developed a system of depositing reserves of smaller banks with other and larger banks. This had led not only to serious duplication of reserves, which rapidly evaporated in times of stress, but in addition to this the results of active competition for deposits led to many vicious practices, such as paying high rates of interest or granting special facilities or favors. Banks kept reciprocal balances with each other, and by a system which might be likened to the time-honored plan of "you tickle me, I tickle you," they got ahead, at least on paper. However, these methods were not conducive either to safe banking or to low and stable interest rates for the public. Hence it was that one of the objects of this new law was to make banking less hazardous, make profits surer, but to accomplish it in such a way that the investor, the manufacturer, the merchant, each and all, could count on banking facilities in good times and bad, and also a fair stability of interest rates.

Banking which has to recoup big losses with big gains may be expected in a new and raw community, but should not exist in a well-established, orderly community such as ours. I am not a banker by training, but I believe that the principles which apply to banking are similar to those which apply to business generally, and require that losses must be compensated by gains. It has been repeatedly pointed out that the only way a merchant or manufacturer can permanently reduce his premium payments is by reducing actual losses. So it is that a Federal reserve bank can only be an effective instrument for improving the condition of the district of its domicile by protecting its member banks against loss, by relieving necessity, and by intelligently foreseeing and forecasting events.

COMPENSATING ADVANTAGES.

Of course during the first three years, when reserve deposits are being gradually shifted from the reserve and central reserve city banks, we shall hear grumbling; but the farseeing banker already appreciates that the immense advantages of the new system will more than compensate him for the loss of reserve deposits. But I may assume that there are some skeptics in this audience, some gentlemen from Missouri, perhaps, who want to be shown. To them I must say, first, you must admit that the old scheme of reserves was, to say the least, very faulty. When you needed it most you did not have it, and in fact, as most of it was counted twice as reserve, there really wasn't enough to go around when, as in the fall of 1907, everyone called for it at once.

The new plan seeks to put the reserves where you can count on them. In a bank of which you and the other contributing banks of the district are the sole stockholders your stock is assured a 6 per cent return and all earnings above that go to the Government, after the central bank's own reserves have been strengthened. The reserves in the (central) reserve bank of the district are used expansively as the basis of note issue, so that instead of these reserves being unavailable in time of need they are at once available to the fullest extent.

The operation, simple enough to most of you, consists in allowing member banks to bring around their commercial paper, and, provided it complies with the not onerous provisions of the law and rules of the Federal Reserve Board, you are given a credit on the books of the bank or, at your option, the Federal reserve notes for the full amount. When issuing notes to you, the Federal reserve bank deposits against such note issue, and as additional security above the commercial paper bearing your indorsement, 40 per cent in gold. In other words, the reserve deposits which your bank and others have contributed become potentially capable of sustaining a paper circulation two and one half times its face value—or, stated in another way, if allowance is made for 35 per cent reserve against all deposits and 40 per cent reserve against note issue, each $100 of reserve money is capable of expansion, when you bring in your commercial paper, to $162.50. Here, then, is a service which no central reserve or reserve city bank in the past was ever able to perform. Here is a real insurance, and something which fully compensates you for loss of interest on a portion of your reserve deposits.

Under the old system every national bank was required to hold United States Government bonds and these in turn were the basis for bank-note circulation. The fundamental idea underlying that system was to make a market for United States bonds. The law served its purpose admirably and the banks who were among the first to enter the system made great profits from the appreciation of value of their bonds and made money with their bank-note circulation as well, but it has long been recognized as a very rigid, inelastic system, which led to a shortage of note circulation in busy times and a superabundance or redundance in dull times.

RETIREMENT OF BONDS.

The new law leaves the national bank note currency pretty much alone, provides for the gradual retirement of United States bonds through a period of 20 years and supplements it with an elastic currency known as Federal reserve notes, based, not on United States bonds, but on short-time commercial paper, as heretofore described. This feature of the law is something with which American banks of this generation have had no experience and it is perhaps not easy for them to adjust themselves to it. Many of them have been taught to believe that loans should be made preferably against securities as collateral, such for example, as well-known stocks and bonds. To them the new plan seems revolutionary, or at least difficult to comprehend. In point of fact it is the basis upon which banks of issue in our own country, before the Civil War, and of practically all European countries, have operated.

The theory upon which the issue of notes on short-time paper is justified and preferred to the idea of issuing notes against good bonds, is that if bank-note currency is to be really flexible it must expand or contract in volume exactly as the business of the country expands and contracts. Furthermore, it must be based on articles of daily use and necessity, articles which, like food and clothing, are being consumed, and therefore bought and paid for every day. This, experience here and abroad has taught, is a better basis for currency than Government bonds, or any other slow or long-time investment security.

NEGLECTED ELEMENTS OF STRENGTH.

In what I have said I have tried to explain briefly some neglected features of strength in the new banking law. To me they are important. Experience has taught me that the greatest necessity in modern industrial life is intelligent organization. Without it we can not secure cooperation or efficiency. It was a misnomer to call the old banking system a *system*. If it was a system, it was so against the spirit of the law which created it, and came about by purely adventitious methods. Now we have what can really be called a system—7,600 or more banks grouped into 12 districts, each district headed by a central bank which, being the mutual, jointly owned bank of all the member banks of the district, should serve the necessary purpose of creating an organization in a hitherto unorganized aggregation of units.

These reserve banks belong to the banks so largely represented here. They are created and managed by your directors. The Federal Reserve Board, a quasi governmental body, has no desire to interfere with their management. It is obviously our aim to have the spirit of the law complied with, and our duty to have the letter of the law obeyed, but we have no thought that it will ever be necessary to adopt harsh or arbitrary methods to accomplish that purpose. We are glad to exchange views with you, glad of your suggestions and criticisms. While only two of our number are bankers of experience and training, all are equally desirous of making the system a success, and we know full well that success can not be had unless the member banks as well as the business men of the country fare well under its operation. We hear much of the danger of competition of the Federal reserve banks with member banks. It isn't strange, perhaps, that in a time when business is poor and a plethora of money exists, there should be those who resent the fact that reserve banks are permitted to enter the open market, but those who really study the question will soon realize that these open market operations at most are negligible when compared to the aggregate of such operations by State and national banks. The rediscounting of commercial paper of member banks by the reserve banks is the chief function of these banks, and while it creates some competition in dull times with large banks who have heretofore rendered this service for their correspondents, it, too, is negligible in volume and in busy times would be welcomed. The fact that the new law lowered reserve requirements of course released reserve money which competed with previously existing funds and tended to lower interest rates, but that will soon adjust itself when business improves.

Per contra and over against all the arguments which the skeptic and the grumbler may assert, I ask you to consider the benefits of organization and coordination of effort resulting from the grouping of banks into districts, each under a strong mutually owned bank.

LOYAL SUPPORT NEEDED.

If you gentlemen who are complaining of the ruinous effect of competition brought about by the reserve system will apply yourselves loyally to the task you can make this Federal reserve system, chartered as it is under Federal law, the bulwark against the fiercest kind of competition, unfair competition, competition which makes for payment of high rates of interest for bank or individual deposits, or else retains or encourages other equally absurd practices.

You know these things better than I, and I believe you can find a way to abolish many of these absurd schemes and by means of your reserve bank create a real system—a system in fact as well as in name, which will make for better banking, safer banking, more stable profits for the owner, and more uniform interest rates and certain accommodation for the merchant, manufacturer, or producer who are your clients.

I am willing to give up some valuable years in my life to bring this about, and I hope I may appeal to the enlightened self interest of this association to cooperate.

PUBLIC DEPOSITS IN RESERVE BANKS.

As announced in the monthly review of the work of the Board (page 297), public deposits were made by the Secretary of the Treasury on September 4–7 in the Federal reserve banks of Richmond, Atlanta, and Dallas at the rate of $5,000,000 for each bank. These deposits are of special interest because they are the first that have as yet been made in Federal reserve banks, and also because of the method of transferring the funds, such transfers being effected through the gold settlement fund mechanism of the Board. The deposits of the Secretary of the Treasury when authorized, except in the case of Dallas, which drew $1,000,000 in currency, simply increased the balance of each Federal reserve bank in the gold settlement fund by $5,000,000 in gold order certificates, that amount being transferred by Treasury to the gold settlement fund. This method of making the deposits has proved to be especially speedy and economical, in view of the establishment of gold settlement balances for Federal reserve agents. Under this, funds placed with the Federal reserve agent to protect Federal reserve notes may be withdrawn by Federal reserve banks at will, a transfer of equal amount on the books of the gold settlement fund being made in favor of the Federal reserve agent by telegraph. The greatest possible fluidity and economy in transportation have thus been secured, and definite machinery has been established for economizing on future transfers from the Treasury to the banks and back again.

In speaking of the deposits which he had authorized, the Secretary of the Treasury made the following statement on September 3:

After a conference with my colleagues in the Federal Reserve Board I have concluded that the best plan for extending aid to the cotton producers of the South is to deposit the $30,000,000 in gold, concerning which I made an announcement a short time ago, in the three Federal reserve banks located at Richmond, Atlanta, and Dallas instead of in the member banks of the Federal reserve system.

Five million dollars ($5,000,000) will be deposited immediately in each of these banks, making a total initial deposit of $15,000,000. The Federal reserve banks have the organization, the knowledge of local conditions, and the powers under the Federal reserve act and the regulations of the Federal Reserve Board through which the proposed aid may be most effectively rendered.

To-day the Board adopted regulations concerning "commodity paper." Under these regulations all national banks and State banks which are members of the Federal reserve system, which may lend money to farmers or others on notes secured by cotton, properly warehoused and insured, at a rate of interest, including commissions, not exceeding 6 per cent per annum, may rediscount such notes with the Federal reserve bank of their district. To illustrate how the proposed relief is available to the cotton producer the following is given as an example: A borrower asks his local bank for a loan on his note, secured by warehouse receipts for cotton. If the bank is satisfied that the cotton is in a responsible warehouse, properly insured, and that the note is good, it may make the loan. If the local bank charges the borrower a rate of interest, including commission, not exceeding 6 per cent per annum, it may indorse the note over to the Federal reserve bank of its district, and the Federal reserve bank may advance to the local bank the full amount of the loan. The rate of interest which the Federal reserve bank will charge the local bank will be sufficiently low, say 3 per cent, to enable the local bank to make loans at a rate of interest not exceeding 6 per cent per annum, and have a liberal margin of profit on such transactions.

It must not be inferred that the regulations adopted by the Federal Reserve Board concerning commodity loans apply only to cotton. These regulations apply to all nonperishable and staple commodities in all parts of the country and like credit facilities are available to producers in all parts of the country.

The deposit of Government funds in the South to aid in moving the cotton crop is simply carrying out the policy adopted by the Treasury Department in 1913, when the first crop-moving deposits were made. In 1913 and 1914 Government deposits were made to assist in moving the grain crops in the West and Northwest, as well as the cotton crop in the South. This year the South is the only section of the country where Government deposits would appear to be helpful; but if it should develop that crop deposits are needed in any other section of the country the Treasury

Department will be just as ready to extend assistance within the limit of its available resources to other sections of the country as it has been to the South.

Subsequently Secretary McAdoo announced that the Federal reserve banks of Kansas City, Minneapolis, and St. Louis had advised him, in response to his offer to deposit Government funds with those banks if needed in the moving and marketing of crops, that such funds are not necessary at this time and that they have ample resources for these purposes.

The offer was in pursuance of the recent statement that in addition to depositing Government funds in the South to assist in the cotton situation, the Secretary would make like deposits in Federal reserve banks in other sections of the country if they should be in need of funds or if they could be employed with advantage in the moving and marketing of the crops.

Following is a copy of the correspondence between the Secretary and the Federal reserve banks of Kansas City, Minneapolis, and St. Louis:

WASHINGTON, D. C.,
September 9, 1915.

DEAR SIR: As you doubtless know, I have recently deposited Government funds in the Federal reserve banks at Richmond, Atlanta, and Dallas for the purpose of assisting in the moving and marketing of the cotton and other crops in that section of the country, and I have also announced my willingness to make deposits for like purposes in the Federal reserve banks in other sections of the country, if they should be in need of such funds or if they can be employed with advantage in the moving and marketing of the crops. Will you please advise me if the Federal reserve bank of Minneapolis is in need of Government deposits for the purpose of assisting in the moving and marketing of the crops in the Ninth Federal reserve district? If so, please let me know the amount of deposits you will require and the date or dates when the same should be available.

Faithfully, yours,
(Signed) W. G. MCADOO.

FEDERAL RESERVE BANK
OF MINNEAPOLIS,
September 13, 1915.

DEAR MR. SECRETARY: I am very appreciative of your offer of the 9th inst. to place on deposit in this bank funds of the Government to be used in assisting the moving and marketing of the northwestern crops. At this time the Northwest is amply supplied with funds and rates for money are very low. This bank has ample resources to meet the current demands upon it and still provide a very considerable reserve against any emergency that may arise before the crop has reached its markets. What proportion of our own resources we will be able to employ for this purpose is, I regret to say, still something of a question with us, and there would seem to be no purpose in requesting the deposit of large funds of the General Government until there is a sufficient demand upon us to indicate the approach of a period when such aid can be profitably employed. Should such a period of heavy demand come upon us, affording an opportunity to effectively employ Government funds, there will undoubtedly be indications in advance that will permit me to advise you of the opportunity to utilize Government funds in such a way as to afford practical assistance to the agricultural interest of this district. In such an event I shall be glad to take advantage of your kind offer and would, therefore, suggest that this subject be held open for determination at a later date and in accordance with such situation as may then develop.

Very truly, yours,
(Signed) JNO. H. RICH,
Federal Reserve Agent.

Hon. WM. G. MCADOO,
Secretary of the Treasury,
Washington, D. C.

FEDERAL RESERVE BANK,
Kansas City, Mo., September 13, 1915.

DEAR SIR: We are in receipt of yours of the 9th instant, in which you offer to deposit Government funds with the Federal Reserve Bank of Kansas City. Beg to advise that I do not anticipate we will need the assistance of Government funds this season. Our district has been full of money, so to speak, and, while the demand is increasing now, I do not think it will reach the point where we will be unable to handle it with our own resources.

Thanking you for your kind offer, and assuring you we will not hesitate to request a deposit of Govenment funds in case the necessity arises, I beg to remain,

Yours, very truly,
(Signed) ASA E. RAMSAY,
Deputy Federal Reserve Agent.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury,
Washington, D. C.

FEDERAL RESERVE BANK OF ST. LOUIS,
September 14, 1915.

Hon. W. G. McADOO,
Secretary of the Treasury,
Washington, D. C.

DEAR MR. SECRETARY: We greatly appreciate your letter of the 9th instant, asking if we will need Government funds for the purpose of assisting in the moving and marketing of the cotton and other crops in this section of the country.

At the present time this bank has in its possession all of the funds that there seems any possibility of it needing adequately to care for district No. 8. As you are aware, we have established a 3 per cent commodity rate, and there is no reason why the banks in this district should not obtain from this bank all of the funds necessary to meet local conditions.

If there should come any change in the situation, indicating the possibility of pressure on this bank, I will promptly advise you.

Yours, sincerely,
(Signed) WM. McC. MARTIN,
Chairman of the Board.

Meeting of Advisory Council.

Following a meeting of its executive committee, held in New York, the Advisory Council of the Federal Reserve Board met in the board room in Washington Tuesday, September 21, in its quarterly session. In the afternoon of that day a meeting was held with the Federal Reserve Board, at the conclusion of which the following statement to the press was issued:

The Federal Advisory Council to-day held a joint session with the Federal Reserve Board in the board room. All members of the council were present with the exception of Messrs. Morgan, of New York, and Swinney, of Kansas City. The session was devoted to the discussion of subjects previously agreed upon as a basis for consideration, some of the principal being as follows: Differential rates for trade acceptances; special rates for commodity paper; probable future course on discount rates; access of Federal Reserve Banks to national-bank examiners' reports; establishment of joint foreign agencies; and liberalization of national-bank act.

The discussion took a wide range, and was informal in character. There was a general expression of views with respect to business conditions, which, in the main, were reported as being favorable.

GOLD SETTLEMENT FUND.

Important developments have marked the progress of the gold settlement fund during September. After careful consideration the Federal Reserve Board determined to make transfers at Washington between the gold settlement fund balances of the Federal Reserve Banks and the Federal reserve agents. The matter had been under consideration for some time.

While the extension had been advocated by several banks, the Federal Reserve Bank of Atlanta was the first to make such a transfer, on September 8, when $2,500,000 passed from the account of the bank in the gold settlement fund to the credit of the Federal Reserve Agent, releasing to the bank a corresponding amount of funds held by the agent. The second bank to make use of the new facility was the Federal Reserve Bank of Richmond, the amount of its transfer being $2,600,000. The total of the Federal reserve agents' balances as of September 23, 1915, was $9,200,000, made up as follows: Federal reserve agent, Richmond, $3,700,000; Federal reserve agent, Atlanta, $5,500,000.

The total amount in the gold settlement fund was materially increased during the month by the deposit of $14,000,000 of the $15,000,000 placed by the Secretary of the Treasury in the Federal Reserve Banks of Richmond, Atlanta, and Dallas. The Federal Reserve Banks at Richmond and Atlanta requested that the full amounts be placed to their credit in the gold settlement fund. The Federal Reserve Bank of Dallas asked to have $4,000,000 of its $5,000,000 allotment placed in the fund.

There has been increased activity in connection with the fund on the part of the Southern banks, by which it has been used to make deposits with the Treasurer of the United States against which shipments of fractional currency have been made from the nearest subtreasuries.

Below is given the resolution adopted by the Federal Reserve Board under which accounts with Federal reserve agents have been opened:

Whereas under the provisions of regulation L, series 1915, adopted by the Federal Reserve Board, there has been established a gold settlement fund; and

Whereas by resolution of the Board adopted May 26, 1915, a settling agent and a deputy settling agent were duly appointed and regulations governing the administrative management of the said fund and the conduct of the business under it were adopted; and

Whereas it appears to the Board to be necessary and advisable to permit the settling agent and the deputy settling agent provided for in section 4 of said regulation to open and maintain separate accounts for each Federal reserve agent for the purpose of facilitating the adjustment of accounts between the several Federal Reserve Agents and the Federal Reserve Banks: Now, therefore, be it

Resolved, That the settling agent and the deputy settling agent be, and they are hereby, authorized, empowered, and directed to open and maintain on the books and records of the said settling agents a distinct and separate account for each Federal Reserve Agent, and to receive from said agents, or from the Federal Reserve Banks for the account of such agents, deposits of gold certificates to be held subject to the order of the Federal Reserve Agent for whom such deposit has been made.

Resolved further, That the safe-keeping of all deposits so received and the withdrawal or transfer of said deposits, or any part thereof, to the account of the Federal Reserve Bank, or to the redemption fund account held by the Treasurer of the United States, upon the order of the said Federal Reserve Agent, and all indorsements of gold order certificates made for the purpose of making withdrawals or transfers of said fund shall be subject to the same regulations, restrictions, and limitations, *mutatis mutandis*, as have been adopted by the Federal Reserve Board in connection with the operation of the gold settlement fund.

Be it further resolved, That the accounts and records pertaining to the deposits, withdrawals, or transfers of funds to the credit of the several Federal Reserve Agents shall be at all times kept separate and distinct from those relating to Federal Reserve Banks and separate and distinct from each other.

The total amount held in the gold settlement fund September 23 was $58,750,000. The amount of clearings for each settlement since the report published in the September issue of the Bulletin is shown in the following table, the total from the first settlement on May 20 to and including September 23 being $428,500,000, and the total balances $87,355,000, or 20.39 per cent of the total clearings. The net change in ownership of the gold held in the fund has amounted to $19,871,000, or 4.64 per cent of the total clearings.

Amount of clearings.

	Total clearings.	Balances.
Previously reported	$333,729,000	$68,955,000
Settlement of—		
Sept. 2	21,254,000	3,494,000
Sept. 9	20,903,000	5,761,000
Sept. 16	24,331,000	3,220,000
Sept. 23	28,283,000	5,925,000
Total	428,500,000	87,355,000

Changes in ownership of gold.

Federal reserve bank.	Total net deposits.	Balance Sept. 23, 1915.	Increase.	Decrease.
Boston	$3,230,000	$3,228,000		$2,000
New York	15,000,000	8,789,000		6,211,000
Philadelphia	11,950,000	2,808,000		9,142,000
Cleveland	2,580,000	4,813,000	$2,233,000	
Richmond	4,870,000	6,396,000	1,526,000	
Atlanta	−240,000	2,483,000	2,723,000	
Chicago	5,770,000	12,454,000	6,684,000	
St. Louis	3,220,000	5,124,000	1,904,000	
Minneapolis	1,400,000	2,658,000	1,258,000	
Kansas City	3,480,000	3,028,000		452,000
Dallas	1,510,000	5,053,000	3,543,000	
San Francisco	5,980,000	1,916,000		4,064,000
Total	58,750,000	58,750,000	19,871,000	19,871,000

Gold settlement fund—Summary of transactions Sept. 2, 1915, to Sept. 23, 1915.

Federal Reserve Bank of—	Balance last statement, Aug. 26, 1915.	Gold.		Transfers.		Settlement of Sept. 2, 1915.				Sept. 2, 1915, balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$4,831,000				$100,000	$1,325,000	$5,196,000	$3,871,000		$3,606,000
New York	15,736,000				1,058,000		4,700,000	5,915,000	$1,215,000	18,009,000
Philadelphia	1,244,000		$1,950,000			2,029,000	3,605,000	1,576,000		1,165,000
Cleveland	3,995,000			$80,000			198,000	212,000	14,000	3,929,000
Richmond	4,370,000						717,000	907,000	190,000	4,560,000
Atlanta	1,415,000					46,000	441,000	395,000		1,369,000
Chicago	12,326,000						2,906,000	2,996,000	90,000	12,416,000
St. Louis	2,512,000						2,063,000	2,958,000	895,000	3,407,000
Minneapolis	1,047,000						110,000	371,000	261,000	1,308,000
Kansas City	3,523,000					94,000	470,000	376,000		3,429,000
Dallas	3,621,000						836,000	897,000	61,000	3,682,000
San Francisco	1,310,000			1,078,000			12,000	780,000	768,000	1,000,000
Total	55,930,000		1,950,000	1,158,000	1,158,000	3,494,000	21,254,000	21,254,000	3,494,000	57,880,000

Federal Reserve Bank of—	Balance last statement, Sept. 2, 1915.	Gold.		Transfers.		Settlement of Sept. 9, 1915.				Sept. 9, 1915, balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$3,606,000						$1,873,000	$2,588,000	$715,000	$4,321,000
New York	18,009,000				$500,000	$5,140,000	8,268,000	3,128,000		13,369,000
Philadelphia	1,165,000						2,890,000	4,121,000	1,231,000	2,396,000
Cleveland	3,929,000		$60,000		9,000		215,000	377,000	162,000	4,160,000
Richmond	4,560,000		5,000,000			79,000	750,000	671,000		9,481,000
Atlanta	1,369,000	[1] $2,500,000	5,000,000				179,000	1,015,000	836,000	4,705,000
Chicago	12,416,000			$9,000			3,044,000	3,127,000	83,000	12,490,000
St. Louis	3,407,000					542,000	2,206,000	1,664,000		2,865,000
Minneapolis	1,308,000						92,000	429,000	337,000	1,645,000
Kansas City	3,429,000						660,000	1,059,000	399,000	3,828,000
Dallas	3,682,000	1,030,000	4,000,000				714,000	1,355,000	641,000	7,293,000
San Francisco	1,000,000			500,000			12,000	1,369,000	1,357,000	1,857,000
Total	57,880,000	3,530,000	14,060,000	503,000	509,000	5,761,000	20,903,000	20,903,000	5,761,000	68,410,000

Federal Reserve Bank of—	Balance last statement, Sept. 9, 1915.	Gold.		Transfers.		Settlement of Sept. 16, 1915.				Sept. 16, 1915, balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$4,321,000					$2,056,000	$4,133,000	$2,077,000		$2,265,000
New York	13,369,000				$500,000	337,000	5,930,000	5,593,000		13,532,000
Philadelphia	2,396,000					187,000	3,119,000	2,932,000		2,209,000
Cleveland	4,160,000		$100,000				540,000	847,000	$307,000	4,567,000
Richmond	9,481,000	[1] $2,600,000					1,052,000	1,477,000	425,000	7,306,000
Atlanta	4,705,000	[1] 2,000,000			26,000		778,000	785,000	7,000	2,738,000
Chicago	12,490,000				47,000	216,000	4,156,000	3,940,000		12,321,000
St. Louis	2,865,000						2,788,000	4,245,000	1,457,000	4,322,000
Minneapolis	1,645,000						61,000	627,000	566,000	2,211,000
Kansas City	3,828,000					368,000	852,000	484,000		3,460,000
Dallas	7,203,000	1,020,000		$73,000		56,000	913,000	857,000		6,144,000
San Francisco	1,857,000			500,000			9,000	467,000	458,000	1,815,000
Total	68,410,000	5,620,000	100,000	573,000	573,000	3,220,000	24,331,000	24,331,000	3,220,000	62,890,000

Federal Reserve Bank of—	Balance last statement, Sept. 16, 1915.	Gold.		Transfers.		Settlement of Sept. 23, 1915.				Sept. 23, 1915, balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$2,265,000						$2,719,000	$3,682,000	$963,000	$3,228,000
New York	13,532,000				$750,000	$5,493,000	9,478,000	3,985,000		8,789,000
Philadelphia	2,209,000						4,039,000	4,638,000	599,000	2,808,000
Cleveland	4,567,000	$50,000			18,000		560,000	838,000	278,000	4,813,000
Richmond	7,306,000	[1] 1,100,000	$100,000				1,275,000	1,365,000	90,000	6,396,000
Atlanta	2,738,000	[1] 1,000,000					429,000	1,174,000	745,000	2,483,000
Chicago	12,321,000			$18,000			4,394,000	4,545,000	151,000	12,454,000
St. Louis	4,322,000						3,597,000	4,399,000	802,000	5,124,000
Minneapolis	2,211,000						69,000	516,000	447,000	2,658,000
Kansas City	3,460,000					432,000	1,206,000	774,000		3,028,000
Dallas	6,144,000	2,090,000					506,000	1,505,000	999,000	5,053,000
San Francisco	1,815,000			750,000			11,000	862,000	851,000	1,916,000
Total	62,890,000	4,240,000	100,000	768,000	768,000	5,925,000	28,283,000	28,283,000	5,925,000	58,750,000

[1] Transfer to Federal reserve agent.

INFORMAL RULINGS OF THE BOARD.

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

Cost of Forwarding Notes.

Your letter of July 29, with reference to the interpretation of Regulation O, covering the issuance and redemption of Federal reserve notes, came duly to hand.

I note your inquiry as to how a Federal reserve agent who forwards unfit notes of other Federal reserve banks than his own to Washington for redemption is to be reimbursed for these notes.

Your interpretation that the bank forwarding the notes for redemption has the right to charge the issuing bank's account for the amount of notes so forwarded is not in accord with the purpose of the regulation and the practice. When you, as Federal Reserve Agent, forward unfit notes of other Federal reserve banks for redemption you will be credited with the amount of these notes and the proper charge made against the bank of issue.

July 31, 1915.

Policy as to National-Bank Notes.

Your letter to the Federal Reserve Board of August 3 calls attention to the practice of some of the national banks in your district of throwing upon the Federal reserve bank the burden of forwarding their national-bank notes to Washington for redemption, thus saving themselves the expense and labor incident to such forwarding, and virtually converting the Federal reserve bank into a redemption agency for national-bank notes. You also express the opinion that the volume of national-bank notes which will thus be sent to you will greatly increase in the early winter when the flow of currency from the interior to the centers will be in process; and you ask whether "as a matter of expense to ourselves in forwarding nationals to Washington for redemption we could in any way check the practice if abused."

In reply, I have to inform you that the Board has been advised by its counsel "that the Federal Reserve Bank of Richmond may properly refuse to accept for deposit national-bank notes which are being offered to it for no other purpose than to force it to pay the expense of forwarding such notes to Washington for redemption, it being clear that such a practice amounted to an abuse of one of the privileges which Federal reserve banks are authorized by the act to extend to member banks."

The Board concurs with this construction of section 13, which provides "that any Federal reserve bank may receive from any of its member banks and from the United States deposits of current funds in lawful money, national bank notes * * *"; and believes that it will provide an adequate remedy wherever Federal reserve banks need to have protection against abuse of the privileges of its members when more moderate and usual methods of checking the abuse have been tried and fail. The Board counsels you to exercise tact in the application of this remedy, which should be regarded as a last resort and which, it is to be hoped, will not be necessary.

August 9, 1915.

Insurance on Unfit Notes.

Your letter of August 17, forwarding a letter to you of August 12, is received.

I note the question raised, whether, in view of the decision of the Postmaster General that currency can not be shipped under the frank, the apparent benefit to be gained by cutting and canceling unfit currency will be lost.

If the currency is not to be made unfit for use before sending, you would certainly wish to insure it before transmitting it in the mail. You are therefore saved the amount of this insurance through forwarding it as directed in the instructions of July 22.

If this does not cover the matter to your satisfaction, please give me your views more in detail.

August 19, 1915.

Investment of Trust Funds.

I wish to acknowledge receipt of your letter of August 31, relating to the question of the investment of trust funds by national banks.

You are advised that the Federal Reserve Board has not put any restrictions upon the investment of trust funds. National banks which exercise the functions conferred by section 11 (*k*) are, therefore, restricted in the investment of such funds only by the laws of the State in which they are located, though, of course, it must be understood that the Federal Reserve Board has reserved the right, in case it deems it necessary, to amend its regulations relating to national banks acting in fiduciary capacities.

SEPTEMBER 1, 1915.

Commodity Paper.

The Board recently received from a southern bank a telegram as follows:

"We understand the 3 per cent cotton money only applies to producers' paper. Please answer as to correctness."

In answer the following reply was sent:

"Board places a broader construction on commodity paper regulation than your telegram to Secretary McAdoo indicates. Would include paper of merchants and others when secured as required in regulation when not carried for speculative or purely investment purposes."

This is to be regarded as an interpretation of the circular and regulation relating to commodity paper, and is to be given effect as such.

SEPTEMBER 8, 1915.

Meeting of Clearing Committee.

By direction of the Federal Reserve Board I am writing to suggest that a meeting of the clearing committee of Federal reserve agents named at the session held in Washington last spring be called at some convenient date in the near future, said committee to consider the existing status of the intradistrict clearing system and to formulate any suggestions for its improvement that may be deemed wise. It is further suggested by the Board that this committee communicate with the clearing committee of governors, and obtain such joint action as may seem to be feasible or desirable.

SEPTEMBER 8, 1915.

NOTE.—This meeting was held in Boston on September 17 and 18.

Apportionment of Assessments.

Your letter of September 1, in which you suggest the introduction of a plan under which you can remit monthly for assessments levied upon you instead of in two installments as at present, was presented to the Board at its meeting yesterday.

The subject was fully discussed, and I was instructed to say that the Board believes the present arrangement is probably the best, and thinks that the change which you propose would result in throwing our own accounting system here into confusion. It is believed, however, that you can attain the object which you have in mind by establishing a special account representing payments made to the Board, and transferring to this account from current expenditures at the beginning of each month the due proportion for the month then current.

SEPTEMBER 9, 1915.

Clearing-House Examinations.

The attention of the Federal Reserve Board has been called to a resolution passed by your directors, which reads as follows:

"That the directors ask for and they will expect the Federal reserve bank to get the full advantage of its membership in the clearing-house association in respect to independent audits and examinations and that such examinations be considered for the benefit of the directors of this bank."

I am directed to state that it does not appear advisable to the Board to have your Federal reserve bank examined by a clearing-house examiner, or by any examiner representing a member bank or group of member banks.

The reserve banks are granted unusual powers for the acquirement of information concerning the standing of member banks and of customers dealing with member banks, which information must be carefully safeguarded. Your Federal reserve bank includes members which are not subject to examination by the clearing-house examiner, and it would appear entirely justifiable that those banks should raise objection to their credit files being subjected to the inspection of a clearing-house examiner with whom they had no relations. It is very desirable, however, that a friendly cooperative spirit should exist between your Federal reserve bank and the clearing-house examiner.

You are requested to bring this letter to the attention of the directors, in order that they may be acquainted with the views of the Board.

SEPTEMBER 9, 1915.

Rebates of Discount.

Your letter relating to rebates of discount and stating the practice among banks in your city came before the Board yesterday for action.

At that time it was determined, if rebates such as you speak of are granted, there should be some good reason for such action and that the benefits should accrue to the borrower. As there is frequently a differential in rates for 30, 60, and 90 day maturities, it was held that the rebate of interest for the unexpired term of a note paid before maturity should be made not at the rate originally paid but at the prevailing rate of discount for paper running the same length of time as the unexpired term of the paper paid before maturity. For instance, if paper running 90 days has been discounted at a 90-day rate, and it should be paid 28 or 29 days before maturity, the rebate should be made at the prevailing rate of discount for 30-day paper.

SEPTEMBER 9, 1915.

Applications for Trustee Powers.

By direction of the Board this letter is sent for your guidance in passing upon the applications of national banks for the privilege of exercising the powers of trustee, registrar, executor, and administrator.

All applications from applying banks must be transmitted first to the Federal reserve agent of the district in which the bank is located who will forward the applications with his recommendations to the Federal Reserve Board. The Federal reserve agent in making his recommendations is expected to take into consideration the general standing of the bank, character of its management and its fitness to exercise the fiduciary powers applied for, as well as the benefits that the community in which the bank is located will be apt to receive from the exercise of such powers by the bank. Special weight will be given by the Federal Reserve Board to the approval or disapproval of the Federal reserve agent. Applications that are recommended by him for approval will be referred by the Board to a committee which, after a careful examination of the records on file in the office of the Comptroller of the Currency relating to the business and the management of the bank, will report to the Board favorably or adversely, as the case may be, upon the application.

In addition to the points above outlined, the Board's committee considers the strength of the bank as shown by its statements and by the examiner's reports, and especial weight is attached to the observance on the part of the bank of the requirements of law and of the regulations and admonitions which are sent out from time to time by the Comptroller's office.

It is not, as a rule, deemed advisable to grant permits for the exercise of fiduciary powers to a national bank.

(1) Where its surplus does not amount to at least 20 per cent of its capital stock.

(2) Where reports show that it is carrying an excessive amount of past due or doubtful paper.

(3) Where it is carrying real estate loans not authorized by law.

(4) Where it is shown that the bank is in the habit of granting excessive overdrafts continuously.

(5) Where the loans of the bank are not well distributed, by reason of an excessive proportion of the total loans having been granted to a few interests or where loans made to officers and directors are too large in proportion to the total amount of loans, or are not well secured.

(6) Where the examiners have reported that the directors do not direct or are lax or negligent in their attendance at board meetings or in giving attention to the bank's management and direction.

Federal reserve agents, in making their recommendations, are expected to pay particular attention to the strength of the management of the bank from a moral standpoint, and should decline to recommend any application where they feel that the officers of the bank as individuals, would not be worthy of being entrusted with the management of trust funds or the administration of estates.

SEPTEMBER 10, 1915.

Branch Banks in South America.

I wish to acknowledge receipt of your letter of August 26, asking whether two or more national banks may establish a joint branch in South America.

You are advised that this question was tentatively considered by members of the Board some time ago and the conclusion was reached that while section 25 of the Federal reserve act authorizes national banks individually to establish branches in foreign countries, there is no authority in law, either expressed or implied, which would permit of a joint branch.

A branch, as the name implies, is an integral part of the parent bank, and the act, in authorizing each bank separately to establish a branch, can not be construed to imply that two or more corporations separate and distinct in law may form a joint branch.

While the matter has not been officially passed upon by the Board, I feel fully justified in advising you that without an amendment to the Federal reserve act the course suggested by you can not be legally followed.

SEPTEMBER 10, 1915.

Real Estate Loans.

Your letter of July 12 relative to the question of loans on farm lands under the Federal reserve act, has been duly considered by counsel of the Board and by the Board itself.

While it is the opinion of the Board that, as a matter of sound business policy, banks should not be interested in real estate to an extent greater than the limit prescribed by section 24, the Board feels that the law is such that neither the Board nor the Comptroller of the Currency can require banks that may choose to make loans under section 24, to include as a limitation under that section the aggregate of real estate loans which they may have acquired under section 5137, R. S.

SEPTEMBER 13, 1915.

Reports from State Banks.

Your letter of September 9 regarding the reports by State member banks has just been received. I am inclosing you herewith copy of an opinion of counsel on this subject. The feeling of the Board is that where the call for condition made by State authorities falls on the same date as that made by the comptroller, State member banks may merely mail a sworn-to duplicate of their State report to the comptroller, but that where the dates fall differently, the reports called for by the comptroller must be rendered in addition to those called for by State authorities.

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I am informed that the Comptroller of the Currency desires in all States where that is possible to make arrangements with State authorities for simultaneous calls. This has already been done in a good many States, and no doubt others will shortly follow.

SEPTEMBER 16, 1915.

Commission on Warrants.

We have been informed that bills for commissions on warrants and acceptances bought have been received by several Federal reserve banks, and in reply to inquiries regarding the proper method of reporting the amounts, for which these bills were rendered, we would suggest that these amounts be reported on Form 34 under a new caption "Commissions paid" (code word "come"), this account to be kept open until December 31, when it should be carried to profit and loss with the closing of your books for the first year. In your monthly statement of earnings and expenses on Forms 286a and 287a the amounts should not be segregated by months but should be reported as a whole as a deduction from earnings prior to September 30.

In case of future purchases of warrants and acceptances it is understood that the commission charged to Federal reserve banks by the broker or purchasing bank is to be included as part of the purchase price or cost. This will be tantamount to lowering the basis at which the paper or securities were acquired by the Federal reserve bank.

Under the plan suggested by the Board and accepted by the Federal reserve banks warrants are carried at maturity value. In accordance with that plan the difference between the amounts paid by the Federal reserve bank and the maturity value is credited to unearned interest. The division of the item "unearned interest" by the number of days to maturity gives the daily earnings on the warrant purchased. Transfers are made to item "interest on investment earned" either daily, or at less frequent intervals. By this method uniform treatment is provided for all warrants, acceptances, and rediscounts. The chief advantage of the method is that it provides for the automatic adjustment of the accounts at maturity of the paper or security.

SEPTEMBER 22, 1915.

CIRCULARS AND REGULATIONS.

The circulars and regulations given below were issued by the Board during September:

CIRCULAR NO. 17, SERIES OF 1915.

WASHINGTON, *September 3, 1915.*

COMMODITY PAPER.

In Regulation B, series of 1915, the Board has established the policy of encouraging transactions of Federal reserve banks in the trade acceptances and in commodity paper by admitting these kinds of paper to be rediscounted by Federal reserve banks with the waiver of the particular requirements with reference to statements.

In pursuance of this policy, the Board has issued a regulation (P, series of 1915) laying down the conditions under which trade acceptances may be discounted by Federal reserve banks at a special rate to be published for this kind of paper. In further pursuance of the same policy, the Board in the appended regulation (Q, series of 1915) has authorized special rates on commodity paper.

It is expected that this new class of paper with its special rates will prove of particular efficacy in meeting the seasonal demands for credit facilities in the crop-producing districts, and the Board in authorizing these special rates will rely on the Federal reserve banks to adopt a policy which will result in securing for the ultimate borrowers the extension of credit on moderate terms by member banks. As in the case of trade acceptances, the rates to be established for commodity paper may be expected to be lower than the rates established for ordinary commercial paper. It will be left to the discretion of the Federal reserve banks to determine whether different rates should be established for trade acceptances and commodity paper. Uniformity of rate may appear to be desirable in districts where there are transactions in both kinds of paper.

REGULATION Q, SERIES OF 1915.

WASHINGTON, *September 3, 1915.*

COMMODITY PAPER.

In this regulation the term "commodity paper" is defined as a note, draft, or bill of exchange secured by warehouse terminal receipts, or shipping documents covering approved and readily marketable, nonperishable staples properly insured.

Commodity paper, to be eligible for discount by a Federal reserve bank under section 13, at the special rates hereby authorized to be established for commodity paper below the usual commercial rates, must (a) comply with all the requirements of Regulation B, series of 1915, paragraphs I and II, or with the requirements of Regulation C, series of 1915; (b) and be paper on which the rate of interest or discount, including commission charged the maker, does not exceed 6 per cent per annum; and also (c) comply with such regulations as may be issued by Federal reserve banks covering requirements as to warehouse or terminal receipts, shipping documents, insurance, etc., adapted to the particular needs of its district as a condition of the special rate herein authorized.

Federal reserve banks are now authorized to submit rates for the discount of commodity paper in accord with this regulation for review by the Board.

CIRCULAR NO. 18, SERIES OF 1915.

(Supersedes Circular No. 11 of 1915.)

WASHINGTON, *September 7, 1915.*

BANKERS' ACCEPTANCES.

In its circular of February 8, 1915, accompanying publication of its first comprehensive regulation (Regulation D, series of 1915) on acceptances, the Board used the following language:

"The acceptance is still in its infancy in the field of American banking. How rapid its development will be can not be foretold; but the development itself is certain. Opportunity is given by the Federal reserve act to assist the movement in this new direction; the present regulations are to be regarded as a first step and will be extended as circumstances and a reasonable regard for the other uses and needs of the credit facilities of the Federal reserve system may warrant."

In pursuance of this policy the Board, after prolonged and careful consideration of the matter in all its phases, has reached the conclusion that the time is at hand for an extension of its acceptance regulation, as provided in the appended regulation (R).

REGULATION R, SERIES OF 1915.

(Superseding Regulation J of 1915.)

WASHINGTON, *September 7, 1915.*

BANKERS' ACCEPTANCES.

I. *Definition.*

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

II. *Statutory requirements under sections 13 and 14.*

Section 13 of the Federal reserve act as amended provides that—

(a) Any Federal reserve bank may discount acceptances—

(1) Which are based on the importation or exportation of goods;

(2) Which have a maturity at time of discount of not more than three months; and

(3) Which are indorsed by at least one member bank.

(b) The amount of acceptances so discounted shall at no time exceed one-half the paid-up capital stock and surplus of the bank for which the rediscounts are made, except by authority of the Federal Reserve Board and of such general regulations as said Board may prescribe, but not to exceed the capital stock and surplus of such bank.

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

Section 14 of the Federal reserve act permits Federal reserve banks, under regulations to be prescribed by the Federal Reserve Board, to purchase and sell in the open market bankers' acceptances, with or without the indorsement of a member bank.

III. *Ruling.*

The Federal Reserve Board, exercising its power of regulation with reference to paragraph II (b) hereof, rules as follows:

Any Federal reserve bank shall be permitted to discount for any member bank "bankers' acceptances" as hereinafter defined up to an amount not to exceed the capital stock and surplus of the bank for which the rediscounts are made.

IV. *Eligibility.*

The Federal Reserve Board has determined that, until further order, to be eligible for discount under section 13, by Federal reserve banks, at the rates to be established for bankers' acceptances:

(a) Acceptances must comply with the provisions of paragraph II (a), (b), (c) hereof.

(b) Acceptances must have been made by a member bank, nonmember bank, trust company, or by some firm, person, company, or corporation engaged in the business of accepting or discounting. Such acceptances will hereafter be referred to as "bankers'" acceptances.[1]

(c) A banker's acceptance must be drawn by a purchaser or seller or other person, firm, company, or corporation directly connected with the importation or exportation of the goods involved in the transaction in which the acceptance originated, or by a "banker." The bill must not be renewed after the goods have been surrendered to the purchaser or consignee, except for such reasonable period as may have been agreed upon at the time of the opening of the credit as a condition incidental to the importation or exportation involved, provided that the bill must not contain or be subject to any condition whereby the holder thereof is obligated to renew the same at maturity.

(d) A banker's acceptance must bear on its face or be accompanied by evidence in form satisfactory to a Federal reserve bank that it originated in, or is based upon, a transaction or transactions involving the importation or exportation of goods. Such evidence may consist of a certificate on or accompanying the acceptance to the following effect:

> This acceptance is based upon a transaction involving the importation or exportation of goods. Reference No. ——. Name of acceptor ——.

(e) Bankers' acceptances, other than those of member banks, shall be eligible only after the acceptors shall have agreed in writing to furnish to the Federal reserve banks of their respective districts, upon request, information concerning the nature of the transactions against which acceptances (certified or bearing evidence under IV (d) hereof) have been made.

(f) A bill of exchange accepted by a "banker" may be considered as drawn in good faith against "actually existing values," under II (c) hereof, when the acceptor is secured by a lien on or by transfer of title to the goods to be transported or by other adequate security.

(g) Except in so far as they may be drawn in good faith against actually existing values, as under (f), the bills of any one drawer drawn on and accepted by any firm, person, company, or corporation (other than a bank or trust company) engaged in the business of discounting and accepting, and discounted by a Federal reserve bank, shall at no time exceed in the aggregate a sum equal to a definite percentage of the paid-in capital of such Federal reserve bank: such percentage to be fixed from time to time by the Federal Reserve Board.

(h) The aggregate of acceptances of any firm, person, company, or corporation (other than a bank or trust company) engaged in the business of discounting or accepting, discounted or purchased by a Federal reserve bank, shall at no time exceed a sum equal to a definite percentage of the paid-in capital of such Federal reserve bank; such percentage to be fixed from time to time by the Federal Reserve Board.

To be eligible for purchase by Federal reserve banks under section 14, bankers' acceptances must comply with all requirements and be subject to all limitations hereinbefore stated, except that they need not be indorsed by a member bank: *Provided, however,* That no Federal reserve bank shall purchase the acceptance of a "banker" other than a member bank which does not bear the indorsement of a member bank, unless a Federal reserve bank has first secured a satisfactory statement of the financial condition of the acceptor in form to be approved by the Federal Reserve Board.

V. *Policy as to purchases.*

While it would appear impracticable to fix a maximum sum or percentage up to which Federal reserve banks may invest in bankers' acceptances, both under section 13 and section 14, it will be necessary to watch carefully the aggregate amount to be held from time to time. In framing their policy with respect to transactions in acceptances, Federal reserve banks will have to consider not only the local demands to be expected from their own members, but also requirements to be met in other districts. The plan to be followed must in each case adapt itself to the constantly varying needs of the country.

[1] Drafts and bills of exchange eligible for rediscount under section 13, other than "bankers'" acceptances, have been dealt with by Regulation B, series of 1915.

PRESS STATEMENTS.

It was announced at the Federal Reserve Board to-day that Mr. E. O. Tenison, chairman of the board of directors of the Federal Reserve Bank of Dallas, who some time ago offered his resignation, subject to the pleasure of the Federa Reserve Board, had at the request of the Board, made during a recent visit, agreed to withhold the proposed resignation.

SEPTEMBER 2, 1915.

The Federal Reserve Board has adopted regulations authorizing Federal reserve banks to give special rates for rediscount on commodity paper, i. e., promissory notes having not more than 90 days to run which are specifically secured by warehouse receipts for staple and readily marketable commodities of a non-perishable character, properly insured. It is believed that preferential rates on this class of paper will be of especial service at this time in aiding in the gradual and orderly marketing of the cotton and other crops. In order that producers may be directly benefited by the low rates authorized, the Board has made it a condition that paper offered by member banks for rediscount at the preferential rate shall be paper on which the makers have paid or have contracted to pay in the way of interest or discount, including commissions, a rate of not exceeding 6 per cent per annum. The Secretary of the Treasury has announced his intention of making deposits in the Federal reserve banks which are located in the cotton growing sections, in order that they may have enlarged resources to assist the crop situation.

While it is gratifying to note that a large number of member banks throughout the Southern States have announced their intention of making loans on cotton at rates not to exceed 6 per cent interest, yet there are many banks which hesitate to make any material reduction in the rates they have been in the habit of charging on such loans. The Board feels, therefore, that by making the preferential rates on commodity paper apply only to notes which have been taken by member banks at rates not exceeding 6 per cent per annum, the banks will be encouraged to do their part in promoting orderly methods of crop marketing, and to a greater extent than would otherwise be the case. The benefits of the Federal reserve act were intended by Congress to apply to those having dealings with banks as well as to the banks themselves.

A rate of 3 per cent for special "commodity paper" has been proposed by the Federal reserve banks of Atlanta and Dallas, to which the substance of the proposed regulation had been communicated and this 3 per cent rate was approved at the meeting to-day. This means that the member bank which applies for a rediscount of paper secured by properly insured staples will obtain the funds asked for at 3 per cent provided that the total charge made by such member bank to the maker of the paper did not originally exceed 6 per cent per annum including commission.

SEPTEMBER 3, 1915.

The main feature of the new acceptance regulation, prepared by the Board, is seen in the fact that under subsection (c) of Section IV of the regulation the power of renewal under specified conditions is granted. This broadening of the conditions upon which acceptances are based is intended to comply with existing mercantile customs, and to permit the development of the business more freely than at present, particularly through the use of drafts drawn in American currency. These matters have been under consideration by the Board for nearly or quite two months, and the complete draft has been effected in pursuance of the Board's general policy, announced when the subject was first taken in hand, of broadening the conditions attendant upon the use of the acceptance, when circumstances permit, as justified by experience.

It has been the aim of the Board to do everything in its power to create for the American acceptance, that is, dollar exchange, a dominating position in the world market. Present conditions offer in this respect a great opportunity. In widening somewhat the facilities of Federal reserve banks in dealing with American bankers' acceptances, the Board is attempting to give the member banks a larger opportunity for developing their sphere of usefulness in this respect.

The United States should do now what Europe has done for many generations for the United States; that is to say, the bank facilities of the United States should be used for the carrying of import and export transactions for foreign countries just as much as Europe up to now carried by its acceptances the import and export transactions of the United States. In order to do this with the exchange market disorganized it was thought that it would facilitate foreign transfers if liberal conditions should be allowed for the renewal of such drafts so as to enable these foreign countries to have ample time to procure the necessary cover against the acceptances drawn by them.

SEPTEMBER 10, 1915.

Branch Banks in South America.

The Secretary of the Treasury in a report, under date of September 6, to the President of the United States concerning the recent Pan-American Conference, made the following recommendations concerning the establishment of branches or agencies of Federal reserve banks in South American countries:

The Federal reserve act has so consolidated and organized our credit resources that our bankers are, for the first time in our history, able to engage in world-wide financial operations. We now have the available resources. It is merely a question of their intelligent use.

The first step should be the establishment of the necessary branches or agencies in the leading cities of all of the countries of South and Central America by a bank or banks having the necessary resources to take the business that is open to them. One of our largest banks has had the enterprise to establish branches in some of the largest cities in South America, but manifestly the resources of a single bank or of several of our largest banks are insufficient to meet the demands of the situation as it now exists and as it will develop in the future. What is needed is the use of the consolidated banking power of the United States applied through agencies established in the leading cities of Latin America.

The Federal reserve act has supplied the necessary authority, and it only remains for the Federal reserve banks, with the approval of the Federal Reserve Board, to make practical use of that power. Section 14 (paragraph e) of said act gives every Federal reserve bank the right—

"To establish accounts with other Federal reserve banks for exchange purposes and, with the consent of the Federal Reserve Board, to open and maintain banking accounts in foreign countries, appoint correspondents, and establish agencies in such countries wheresoever it may deem best for the purpose of purchasing selling, and collecting bills of exchange, and to buy and sell with or without its indorsement, through such correspondents or agencies, bills of exchange arising out of actual commercial transactions which have not more than ninety days to run and which bear the signature of two or more responsible parties."

In addition to these powers, the Federal reserve banks may, "under rules and regulations prescribed by the Federal Reserve Board, purchase and sell in the open market, at home or abroad, either from or to domestic or foreign banks, firms, corporations, or individuals, cable transfers and bankers' acceptances and bills of exchange of the kinds and maturities by this act made eligible for rediscount with or without the indorsement of a member bank," and may "deal in gold coin and bullion at home or abroad, make loans thereon," etc., and "buy and sell, at home or abroad, bonds and notes of the United States," etc. Enlargement of these powers would be desirable to increase the usefulness of foreign agencies of Federal reserve banks and it is probable that the Congress would grant such enlarged powers upon good cause shown.

The 12 Federal reserve banks could, with the consent of the Federal Reserve Board, establish joint agencies in each of the countries of Latin America, their interest in such agencies to be in proportion to the capital stock and surplus of each participating Federal reserve bank. The combined capital stock and resources of our Federal reserve banks, utilized in this way for the extension and promotion of our foreign commerce, would give them unrivaled financial power. They could maintain themselves in foreign fields in competition with the world and perform a service of incalculable value to the American people.

During the Pan American Financial Conference the suggestion was made by some of our leading bankers that the national-bank act might be amended so as to permit a number of the national banks to become stockholders in an independent bank organized for the purpose of doing business in foreign countries. This plan, even if it were not open to objection, would be manifestly inferior to the agency of the combined Federal reserve banks. The Federal reserve banks comprise in their membership every national bank in the United States, as well as a number of our leading State banks and trust companies. They constitute a financial organization of unequaled strength, and their operations in foreign countries will be for the common benefit of all of the national banks, State banks, and trust companies composing the Federal reserve system. These agencies in foreign countries could, in addition to their banking business, render a great service to American business men and bankers by furnishing credit reports and general information about trade and finance in the various countries in which they operate.

The power of the Federal reserve banks to establish such joint agencies in foreign countries, with the consent of the Federal Reserve Board, appears to be beyond question. The initiative rests with the Federal reserve banks. While they can not be compelled to establish such agencies, I believe that upon a careful study of the situation and with the encouragement of the Federal Reserve Board they will be prompted to take this important step.

The establishment of Federal reserve agencies will not prevent the member banks from carrying on and enlarging the business they are now doing in foreign countries. It is gratifying to note that many of our national banks and trust companies are showing commendable enterprise in supplying credits to Latin America.

Increased Demand for Currency.

This statement was issued on September 17 by the Secretary of the Treasury:

Owing to the increased demand for currency arising out of greatly improved business conditions, Secretary McAdoo to-day approved the recommendation of Director Ralph to increase the output of the Bureau of Engraving and Printing. This action fortunately will permit the reinstatement of the 25 plate printers whom it was found necessary to drop on July 1, last.

There has been a large increase in the demands on the Treasurer of the United States for United States notes, silver certificates, and gold certificates of all denominations. To meet this demand the Secretary, on the recommendation of the Director, to-day authorized the delivery to the Treasurer of 300,000 sheets daily instead of 275,000 sheets as heretofore. Within the next few months the bureau will also be called upon to print diplomas for the Panama-Pacific Exposition, together with a large amount of other work, including Federal reserve notes.

The Secretary expressed pleasure that demands on the bureau had so increased that it was possible to reinstate the printers recently released.

State Banks Admitted.

The following State banks have been admitted to the Federal reserve system during the month of September, the number of such institutions which have joined the system now being 27: Fruit Growers State Bank, Saugatuck, Mich.; Bank of Lewellen, Lewellen, Nebr; Central State Bank and Trust Company, Dallas, Tex.

Assignment of 2 Per Cent Bonds.

The Federal Reserve Board has received letters from various banks desirous of disposing through the Treasury of the United States of United States 2 per cent bonds belonging to them.

Section 18 of the Federal Reserve Act provides:

"After two years from the passage of this act * * * any member bank desiring to retire the whole or any part of its circulating notes may file with the Treasurer of the United States an application to sell for its account, at par and accrued interest, United States bonds securing circulation to be retired.

"The Treasurer shall, at the end of each quarterly period, furnish the Federal Reserve Board with a list of such applications, and the Federal Reserve Board may, in its discretion, require the Federal Reserve Banks to purchase such bonds from the banks whose applications have been filed with the Treasurer at least ten days before the end of any quarterly period at which the Federal Reserve Board may direct the purchase to be made."

This provision will not become effective until December 23, 1915. The end of the first quarterly period following that date is December 31, 1915. In order to comply with the terms of the statute, applications would have to be filed with the Treasurer ten days before this time, or by December 21, 1915. In other words, the application would have to be filed at a time when this particular provision of the act is not in operation.

The Board has now determined that it will not undertake to require banks to purchase any bonds for the retirement of circulation prior to the end of the quarterly period closing March 31, 1916. It will, however, permit banks to begin filing applications as soon as they see fit, notwithstanding that assignments will not be made until the date already indicated.

LAW DEPARTMENT.

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

Deduction of Federal reserve bank stock from tax assessments levied on shareholders of member banks.

Where the State imposes a tax on the shares of a bank, whether State or National, as the property of the shareholder, and such tax is not assessed against the corporation as such, the right to deduct nontaxable securities, in making the return of the value of the shares for taxation, has not been recognized by the courts.

SEPTEMBER 14, 1915.

SIR: Section 7 of the Federal reserve act provides in part as follows:

Federal reserve banks, including the capital stock and surplus therein and the income derived therefrom, shall be exempt from Federal, State, and local taxation, except taxes upon real estate.

This provision has been made the basis of a number of inquiries submitted by national banks which have been referred to this office for consideration. In the main such inquiries relate to the right of States to tax the property of national banks and the right of national banks to deduct from their assets stock in Federal reserve banks when making return to the State authorities of the value of their own capital stock for the purpose of taxation.

While it is not within the province of the Federal Reserve Board to judicially determine the questions involved, it is necessary, in order to reply to the inquiries submitted, to discuss the legal phases of the situation and particularly to review the decisions of the Supreme Court of the United States which deal with this subject.

As to the right of the States to tax national banks, it appears from a long line of cases that the States' only authority rests upon section 5219 of the Revised Statutes of the United States. One of the leading cases on this subject is Owensboro National Bank *v.* Owensboro (173 U. S., 664). In this case an action was brought to restrain the city of Owensboro from enforcing a franchise tax on a national bank. Justice White, in delivering the opinion of the court, said:

"Early in the history of this Government, in cases affecting the Bank of the United States, it was held that an agency, such as that bank was adjudged to be, created for carrying into effect national powers granted by the Constitution, was not in its capital, franchises and operations subject to the taxing powers of a State. (McCulloch *v.* Maryland, 4 Wheat. 316; Osborn *v.* Bank of the United States, 9 Wheat. 738.)

"The principles settled by the cases just referred to and subsequent decisions were thus stated by this court in Davis *v.* Elmira Savings Bank, 161 U. S. 283: "National banks are instrumentalities of the Federal Government, created for a public purpose, and as such necessarily subject to the paramount authority of the United States. * * *" It follows then necessarily from these conclusions that the respective States would be wholly without power to levy any tax, either direct or indirect, upon the national banks, their property, assets or franchises, were it not for the permissive legislation of Congress."

In the same case the court, in speaking of section 5219, which constitutes the permissive legislation referred to, says:

"This section, then, of the Revised Statutes is the measure of the power of a State to tax national banks, their property or their franchises. By its unambiguous provisions the power is confined to a taxation of the shares of stock in the names of the shareholders and to an assessment of the real estate of the bank. Any State tax, therefore, which is in excess of and not in conformity to these requirements is void."

See also Mayor *v.* First Nat. Bk. of Macon, 59 Georgia, 648; City of Carthage *v.* First National Bank of Carthage, 71 Mo., 508; National Bank of Chattanooga *v.* Mayor, 1 N. B. C., 903.

Section 5219, Revised Statutes, provides in terms that—

Nothing herein shall prevent all the shares in any association from being included in the valuation of the personal property of the owner or holder of such shares in assessing taxes imposed by authority of the State within which the association is located; but the legislature of each State may determine and direct the manner and place of taxing all the shares of national banking associations located within the State, subject only to the two restrictions, that the taxation shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State, and that the shares of any national banking association owned by nonresidents of any States shall be taxed in the city or town where the bank is located, and not elsewhere. Nothing herein shall be construed to exempt the real property of associations from either State, county, or municipal taxes to the same extent, according to its value, as other real property is taxed.

This, according to the decisions above quoted, gives to the States the right to tax the shares of national banks as the personal property of the owner and the right to tax the real estate of the banks.

It has been frequently contended, that a tax upon the shares of a national bank is in effect a tax against the property of the bank, and accordingly in determining the value of such shares, in order to make a return for taxation, banks have claimed the right to deduct those assets which are exempt by law from taxation.

The right to make this deduction, however, does not appear to have been recognized by the Supreme Court of the United States. One of the earliest cases which deals specifically with section 5219, Revised Statutes, is that of Van Allen *v.* The Assessors, reported in 3 Wall., 573. Section 5219, Revised Statutes, was not incorporated in the original act of 1863 creating national banks, but constituted one of the amendments to this act when it was amended and reenacted in 1864.

In the following year, 1865, the right of the State of New York to tax shares of national banking associations was contested—one of the grounds being that such associations had part or all of their capital invested in national securities declared by the statutes authorizing them to be "exempt from taxation by or under State authority."

The court, in denying the right of the banks to deduct such securities and in discussing the question under consideration, said:

"The tax on the shares is not a tax on the capital of the bank. The corporation is the legal owner of all the property of the bank, real and personal; and within the powers conferred upon it by the charter, and for the purposes for which it was created, can deal with the corporate property as absolutely as a private individual can deal with his own."

In the case of the Cleveland Trust Company *v.* Landers, 184 U. S., 111, the trust company, in making its return for the purpose of taxation, claimed the right to deduct from its assets nontaxable United States bonds. In delivering the opinion of the court, Mr. Justice McKenna said:

"The plaintiff concedes the distinction between the property of the corporation represented by its capital stock and the property of the shareholders represented by their shares, and bases an argument upon that distinction, and yet excludes from consideration, as immaterial to the question at issue, the laws of Congress governing the taxation of the shares * * *. In other words, the contention is that the tax on the shares being equivalent to a tax on the property of the trust company, there must be deducted from the value of the shares that portion of the capital of the company invested in the United States bonds. The answer to the contention is obvious and may be brief. The contention destroys the separate individuality recognized, as we have seen, by this court, of the trust company and its shareholders, and seeks to nullify one provision of the Revised Statutes of the United States (sec. 5219) by another (sec. 3701), between which there is no want of harmony * * *. The manner of taxation being legal under the statutes of the United States, its effect can not be complained of in a Federal tribunal."

In the case of Hager *v.* American National Bank, 159 Fed. Rep., 396–401, it is held that—

"Section 5219, Revised Statutes, permits the States to assess and tax the shares of shareholders in national banks, only providing "that the taxation shall not be at any higher rate than is assessed upon other moneyed capital in the hands of individual citizens of such

States." That the value of shares included value due to nontaxable United States bonds owned by the bank is no objection to an assessment upon such shares without excluding such value. This has been more than once decided."

See also Charleston National Bank *v.* Melton, 171 Fed., 743-747; Home Savings Bank *v.* Des Moines, 205 U. S., 503, 518; People *v.* The Commissioners, 71 U. S., 224; Van Allen *v.* The Assessors, supra, 37 Cyc., 838; Exchange National Bank *v.* Miller, 19 Fed., 372; National State Bank *v.* Burlington, 119 Ia., 696.

As indicated, these questions have arisen in connection with the claim of banks to deduct nontaxable United States bonds from their assets in making a return for taxation of the shares of capital stock of such banks. By analogy the same principles would seem to apply to stock of Federal reserve banks held by member banks, which is likewise nontaxable. In the case of Home Savings Bank *v.* Des Moines (supra), the court held that under the Iowa statutes involved banks were entitled to deduct nontaxable United States securities, but distinguished this case from the Van Allen and other cases above quoted.

The Iowa statute provided in terms that—

Shares of stock of State and savings banks and loan and trust companies shall be assessed to such banks and loan and trust companies and not to individual stockholders.

The court, in distinguishing the Van Allen and other cases, said:

"The Van Allen case has settled the law that a tax upon the owners of shares of stock in corporations in respect of that stock is not a tax upon United States securities which the corporations own. Accordingly, such taxes have been sustained by this court, whether levied upon the shares of national banks by virtue of the congressional permission or upon shares of State corporations by virtue of the power inherent in the State to tax the shares of such corporation. The tax assessed to shareholders may be required by law to be paid in the first instance by the corporations themselves as the debt and in behalf of the shareholder, leaving to the corporation the right to reimbursement for the tax paid from their shareholders, either under some express statutory authority for their recovery or under the general principle of law that one who pays the debt of another at his request can recover the amount from him. (National Bank *v.* Commonwealth, 9 Wall., 353; Lionberger *v.* Rouse, 9 Wall., 468; Aberdeen Bank *v.* Chehalis County, 166 U. S., 440; Merchants Bank *v.* Pennsylvania, 167 U. S., 461; Cleveland Trust Company *v.* Lander, 184 U. S., 111.) The theory sustaining these cases is that the tax was not upon the corporations' holdings of bonds, but on the shareholders' holdings of stock, and an examination of them shows that in every case the tax was assessed upon the property of the shareholders and not upon the property of the corporation. There is nothing in them which justifies the tax under consideration here, levied, as has been shown, on the corporate property. Without further review of the authorities it is safe to say that the distinction established in the Van Allen case has always been observed by this court, and that, although taxes by States have been permitted which might indirectly affect United States securities, they have never been permitted in any case except where the taxation has been levied upon property which is entirely distinct and independent from these securities. On the other hand, whenever, as in these cases, the tax has been upon the property of the corporation, so far as that property has consisted of such securities, it has been held void."

As stated, while it is not within the province of the Federal Reserve Board to judicially determine the questions under consideration, it has been necessary to review at some length the decisions of the Supreme Court of the United States relating to this subject in order that it may be made clear to those member banks submitting inquiries:

First. That in the case of national banks, where the State law imposes a tax against such banks or their assets, other than real estate, the legality of the tax imposed may properly be contested. In such case the question of the right to deduct nontaxable securities owned by the bank is not involved, since all assets of national banks, other than real estate, are exempt from State taxation.

Second. In the case of State banks and trust companies, where the State law imposes a tax against the capital of such banks or trust companies, and the tax is assessed against the corporation and not against the shareholders, such banks may properly claim the right to deduct any nontaxable securities, including United States bonds and Federal reserve bank stock, when making a return for taxation of their capital.

Third. When, however, the tax imposed by the State law is assessed against the shareholders of national banks, pursuant to the authority of section 5219, Revised Statutes, or is assessed against the shareholders of State banks or trust companies under authority of State law, and such tax is paid by the bank for the shareholders, the bank having recourse against the shareholders for whom the tax is paid, the right to claim a deduction of nontaxable securities owned by national banks, State banks, or trust companies does not appear to have been recognized by the courts.

Respectfully,

M. C. ELLIOTT, *Counsel.*

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

Federal Reserve Notes and National-Bank Notes as Reserve for State Member Banks.

State banks and trust companies which have become members of a Federal reserve bank may count Federal reserve notes and national-bank notes as part of their lawful reserve, provided the State laws permit it.

SEPTEMBER 10, 1915.

SIR: This office has been requested to give an opinion on the question of whether or not Federal reserve notes and national-bank notes may be counted as part of the lawful reserve of State banks where the laws of the State in which such banks are located permit this.

Section 19 of the Federal reserve act provides that every subscribing bank shall establish and maintain reserves as specified in that section.

Section 9 of the Federal reserve act, in dealing with the subject of State banks as members, provides that—

> The organization committee or the Federal Reserve Board shall establish by-laws for the general government of its conduct in acting upon applications made by the State banks and banking associations and trust companies for stock ownership in Federal reserve banks. Such by-laws shall require applying banks not organized under Federal law to comply with the reserve and capital requirements and to submit to the examination and regulations prescribed by the organization committee or by the Federal Reserve Board.

The reserve requirements prescribed by the Federal reserve act in section 19 relate entirely to the amount of reserve to be carried and its location. That is to say, it provides that banks shall maintain a specific amount of reserve, part of which may consist of balances due from Federal reserve banks, part balances due from other reserve agents for a period of three years, and the balance to be carried in the vault of the bank. It does not contain any provision as to the character of reserve to be carried in the vault. This is controlled, so far as national banks are concerned, by section 5191 of the Revised Statutes of the United States.

The act further provides in substance that bank balances which may be counted as reserve under the State law by State bank members may likewise be counted as part of the reserve under the Federal reserve act, thus indicating an intention on the part of Congress to permit the State laws to control in so far as the character of the reserve required is concerned.

In the absence, therefore, of any specific provision requiring the amount carried in the vaults of State banks as members of the Federal reserve system to comply with the provisions of section 5191, Revised Statutes, the Board appears to be fully justified in assuming that Congress did not intend to prohibit State banks from counting as part of their lawful reserve national-bank notes or Federal reserve notes in the vaults of such banks, provided, of course, that the laws of the State permit such notes to be counted as part of the lawful reserve.

Respectfully,

M. C. ELLIOTT, *Counsel.*

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

Statements of Condition of State Banks.

State banks which become member banks must make reports of condition to the Comptroller of the Currency, as provided in Section 5211, U. S. Revised Statutes.

September 14, 1915.

Sir: This office has been requested to give an opinion on that part of section 9 of the Federal reserve act which relates to publication of statements of conditions of State banks which become members of the Federal reserve system. This section reads in part as follows:

> The member banks shall also be required to make report of the conditions and of the payments of dividends to the comptroller, as provided in sections 5211 and 5212 of the Revised Statutes, and shall be subject to the penalties prescribed by section 5213 for the failure to make such report.

Section 5211 Revised Statutes reads as follows:

> Every association shall make to the Comptroller of the Currency not less than five reports during each year, according to the form which may be prescribed by him, verified by oath or affirmation of the president or cashier of such association, and attested by the signature of at least three directors. Each such report shall exhibit, in detail and under appropriate heads, the resources and liabilities of the association at the close of business on any past day by him specified; and shall be transmitted to the comptroller within five days after the receipt of a request or requisition therefor from him, and in the same form in which it is made to the comptroller shall be published in a newspaper published in the place where such association is established, or if there is no newspaper in the place, then in the one published nearest thereto in the same county, at the expense of the association; and such proof of publication shall be furnished as may be required by the comptroller. The comptroller shall also have power to call for special reports from any particular association whenever in his judgment the same are necessary in order to a full and complete knowledge of its condition.
>
> That the oath or affirmation required by section 5211 of the Revised Statutes, verifying the returns made by national banks to the Comptroller of the Currency, when taken before a notary public properly authorized and commissioned by the State in which such notary resides and the bank is located, or any other officer having an official seal, authorized in such State to administer oaths, shall be a sufficient verification as contemplated by said section 5211: *Provided*, That the officer administering the oath is not an officer of the bank.

Section 9 deals with the subject of State banks as members of the Federal reserve system and it is entirely clear that the words "member bank," as used in this section, are intended to refer to State banks or trust companies which become members of the system since national banks are already subject to the provisions of the Revised Statutes referred to. The language used is mandatory and there seems to be no discretion, either in the Comptroller of the Currency or the Federal Reserve Board, to waive such provisions.

While it may prove an additional expense and some hardship to member banks to publish these reports in addition to those required by State authorities, there does not appear to be any method by which this can be avoided unless the comptroller and the State authorities can arrange for simultaneous calls, or unless under the laws of any particular State the State commissioners may accept the publication of these reports in lieu of others required by the statutes of the State.

Respectfully,

M. C. Elliott, *Counsel.*

Hon. Charles S. Hamlin,
Governor, Federal Reserve Board.

Eligibility of National Banks in Oregon to Act as Trustee, etc.

The following opinion, relating to the eligibility of national banks located in Oregon to act as trustee, executor, administrator, and registrar of stocks and bonds, as provided by section 11 (k) of the Federal Reserve Act, has been rendered by the attorney general of Oregon:

Salem, *March 19, 1915.*

Mr. S. G. Sargent,
Superintendent of Banks, Capitol Building.

Dear Sir: I have your favor of the 6th inst., inclosing letter of Mr. C. H. Abercrombie, attorney for the Security Savings & Trust Co. of Portland, Oreg., together with circular of the Federal Reserve Board, and opinion of this office to you of November 4, 1914, all of which I return herewith.

Answering the inquiry contained in Mr. Abercrombie's letter to which you ask an answer, whether national banks are required to deposit the bonds required of trust companies before they are permitted to act as fiscal or transfer agent, executor, administrator, trustee, etc., as authorized by the Federal reserve act, I beg to say it depends upon the construction to be given to chapter 354 of the General Laws of Oregon of 1913, known as the trust company act. Unless national banks are prevented by said chapter from transacting a trust business, there is no other State law which would interfere with their doing so.

The Federal reserve act provides:

SEC. 11. The Federal Reserve Board shall be authorized and empowered:

(*k*) To grant by special permit to national banks applying therefor, when not in contravention of State or local law, the right to act as trustee, executor, administrator, or registrar of stocks and bonds, under such rules and regulations as the said board may prescribe.

It is therefore clear that unless prevented by said chapter 354, Laws of Oregon, 1913, national banks may transact the business above mentioned so far as the State laws are concerned.

In the case of the Pacific Title and Trust Company *v.* Sargent, 144 Pacific Reporter, 452, said chapter was construed as to what companies are included within its purview, and at page 455 the court, speaking by Mr. Justice Burnett, uses the following language:

In section 2 quoted above there are two classes of corporations which are to be known as trust companies. One is a bank incorporated under the laws of the State providing for "the incorporation and organization of banks," which is authorized by its charter to act in certain fiduciary capacities named in the act; and the other is a corporation organized under section 1 of the act in question. Such corporations alone are subject to the provisions of the act under the principle of the mention of one being the exclusion of the other. In other words, the act concerns only those corporations defined by its own terms. * * * It was within the province of the legislature to supply a definition of the term "trust company" for the purposes of the act, and it has done so in section 2, thus limiting the appellation to two certain classes of corporations, to neither of which the plaintiffs belong. This being a penal statute subject to strict construction, it can not be extended beyond its express terms, * * *.

It will be seen from the above quotation that the Trust Company Act does not apply to national banking associations, inasmuch as they are not incorporated under the laws of the State of Oregon providing for the incorporation and organization of banks nor under the Trust Company Act itself, but under the national banking law.

I am of the opinion, therefore, that, notwithstanding the fact that national banks are only authorized to do a trust business by the Federal reserve statute enacted by Congress since the passage of the State trust company act, they are nevertheless not prohibited by said trust company act from exercising the powers conferred upon them by the Federal reserve act because not included in the provisions of said trust company law.

Very respectfully, yours,

(Signed) GEO. M. BROWN,
Attorney General.

Trustee Powers.

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

DISTRICT No. 1.

Trustee, executor, administrator, and registrar of stocks and bonds:
- Greylock National Bank, Adams, Mass.
- Cape Ann National Bank, Gloucester, Mass.

Trustee, and registrar of stocks and bonds:
- Mechanics National Bank, Concord, N. H.

Registrar of stocks and bonds:
- City National Bank, Danbury Conn.

DISTRICT No. 3.

Trustee, executor, administrator, and registrar of stocks and bonds:
- First National Bank, Frederica, Del.
- Miners National Bank, Blossburg, Pa.
- Merchants National Bank, Harrisburg, Pa.
- Mountville National Bank, Mountville, Pa.
- Farmers National Bank, Lititz, Pa.
- First National Bank, Stroudsburg, Pa.
- Industrial National Bank of West York, York, Pa.
- Grange National Bank, Tioga, Pa.
- Penn National Bank, Reading, Pa.

Trustee, executor, and administrator:
- Belleville National Bank, Belleville, Pa.
- Farmers National Bank, Ephrata, Pa.

DISTRICT No. 5.

Trustee, executor, administrator, and registrar of stocks and bonds:
- Jefferson National Bank, Charlottesville, Va.

DISTRICT No. 7.

Trustee, executor, administrator, and registrar of stocks and bonds:
- First National Bank, Odebolt, Iowa.
- Citizens National Bank, Tipton, Ind.

DISTRICT No. 9.

Trustee, executor, and administrator:
- National Manufacturers Bank, Neenah, Wis.

DISTRICT No. 11.

Trustee, executor, and administrator:
- First National Bank of Marshall, Marshall, Tex.

DISTRICT No. 12.

Registrar of stocks and bonds:
- First National Bank, Calexico, Cal.
- Farmers & Merchants National Bank, Fullerton, Cal.
- First National Bank, Orland, Cal.
- First National Bank, Mountain View, Cal.
- Continental National Bank, Los Angeles, Cal.
- First National Bank, Pleasanton, Cal.
- First National Bank, Visalia, Cal.
- First National Bank, Wilmington, Cal.

Intradistrict Clearing System.

The following are additions to and withdrawals from the intradistrict clearing system since the publication of the list of banks in previous issues of the Bulletin.

There have been 45 additions and 17 withdrawals, as follows:

DISTRICT No. 2.

Additions:
- First National Bank, Gouverneur, N. Y.
- Tottenville National Bank, Tottenville, N. Y.
- Seacoast National Bank, Asbury Park, N. J.
- Boonton National Bank, Boonton, N. J.
- Hunterdon County National Bank, Flemington, N. J.
- National Iron Bank, Morristown, N. J.
- Peoples National Bank, New Brunswick, N. J.
- First National Bank, Secaucus, N. J.
- First National Bank, South River, N. J.
- First National Bank, Spring Lake, N. J.

Withdrawals:
- Manufacturers National Bank, Newark, N. J.

DISTRICT No. 3.

Withdrawals:
- First National Bank, Bordentown, N. J.
- Ocean County National Bank, Point Pleasant, N. J.
- First National Bank, Princeton, N. J.
- Citizens National Bank, Lewistown, Pa.

DISTRICT No. 4.

Withdrawals:
- First National Bank, Russell, Ky.

DISTRICT No. 5.

Additions:
- Citizens National Bank, New Market, Va.

DISTRICT No. 7.

Additions:
- First National Bank, Mayville, Wis.
- First National Bank, Charleston, Ill.
- Atlas Exchange National Bank, Chicago, Ill.

Withdrawal:
- National Brookville Bank, Brookville, Ind.

DISTRICT No. 8.

Additions:
- First National Bank, Rosedale, Miss.

Withdrawals:
- First National Bank, Eldorado, Ill.
- First National Bank, Mounds, Ill.

Withdrawals—Continued.
- First National Bank, Odin, Ill.
- First National Bank, Fulton, Ky.
- Third National Bank, Union City, Tenn.

DISTRICT No. 9.

Additions:
- First National Bank, Shakopee, Minn.
- Brule National Bank, Chamberlain, S. Dak.
- First National Bank, Colman, S. Dak.
- First National Bank, Custer, S. Dak.
- First National Bank, Florence, S. Dak.

Withdrawals:
- First National Bank, Barkers Prairie, Minn.

DISTRICT No. 11.

Additions:
- First National Bank, Burkburnett, Tex.
- First National Bank, Cleveland, Tex.
- Farmers & Merchants National Bank, Comanche, Tex.
- First National Bank, Comanche, Tex.
- Citizens National Bank, Daingerfield, Tex.
- First National Bank, Farmersville, Tex.
- First National Bank, Gilmer, Tex.
- Farmers National Bank, Hillsboro, Tex.
- First National Bank, Lometa, Tex.
- Citizens National Bank, Longview, Tex.
- First National Bank, Longview, Tex.
- City National Bank, San Antonio, Tex.
- First National Bank, Santa Anna, Tex.
- First National Bank, Venus, Tex.
- Citizens National Bank, Waco, Tex.
- Waxa National Bank, Waxahachie, Tex.
- City National Bank, Wichita Falls, Tex.

Withdrawals:
- First National Bank, Lake Charles, La.
- Merchants National Bank, Dallas, Tex.
- Stockyards National Bank, Fort Worth, Tex.
- First National Bank, Granger, Tex.

DISTRICT No. 12.

Additions:
- Citizens National Bank, Alameda, Cal.
- First National Bank, Colusa, Cal.
- First National Bank, Glendale, Cal.
- First National Bank, Lemoore, Cal.
- Peoples National Bank, National City, Cal.
- First National Bank, Walnut Creek, Cal.
- The Bank of California N. A., Portland, Oreg.
- First National Bank, Kelso, Wash.

GENERAL BUSINESS CONDITIONS.

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

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

DISTRICT NO. 1—BOSTON.

There is a general improvement in all lines of trade over last month. This improvement is very slight and reports from same lines vary and are "spotty." It is encouraging to note that this improvement is apart from and in addition to the European orders, which have affected so many classes of industry in this district. There is little doubt that the profits and activities of those orders are being felt, together with the profits accruing from our abundant crops.

The money market, on the other hand, continues much the same, and as yet not only is the usual seasonal demand for money absent, but if anything rates are slightly softer than they have been at any time during the present year.

The statement of the associated banks of Boston as compared with the preceding month show a large increase in deposits (exclusive of those of the Old Colony Trust Co., which has joined the Boston Clearing House Association during the past week); in fact, the deposits of the Boston banks are considerably higher than they have ever been since the inauguration of the Boston Clearing House, and while the loans and discounts of the Boston banks show an increase during the same period the demand from borrowers is such that an increased excess cash reserve is also shown.

Money rates: Call money to brokers is freely offered at 3 per cent; six months commercial paper from 3¼ to 4 per cent; maturities this side of the new year, 2¾ to 3 per cent; loans to country banks, 3 to 4 per cent; town notes, 2½ per cent from January 1 and 2½ per cent for longer maturities; bank acceptances, 2⅛ per cent.

The wool trade, apart from European orders, shows quite an improvement in the regular lines, but the labor and dye situation, however, as in all lines of trade, is causing much concern.

The shoe and leather trade reports that while business is still below normal a slight improvement is being felt in most lines.

The cotton mill situation is much the same. Here again the labor and dye question are proving factors, and several of the larger mills have been obliged to reduce operations owing to a shortage of dyestuffs.

DISTRICT NO. 2—NEW YORK.

Correspondents report good harvests of wheat, rye, oats, and other crops. In some sections there was serious damage to winter grain, fruit, and tobacco from the excessive moisture, but the loss generally is not so great as was earlier feared.

While advices of poor retail business and slow collections are reported from certain sections, wholesalers consulted in New York City say that trade is expanding and they believe the outlook is good for fall and winter business. The industrial situation remains unchanged with continued activity in lines affected by foreign demand. Many reservists left the country during the past year and immigration has fallen to the lowest figures since 1899. There were fewer reports of labor unrest in August than in the early summer.

Statistics for August, 1915, compared with August, 1914, show the following: Exchanges through the New York Clearing House, $8,537,442,170, an increase of $3,956,241,575. The stock exchange was closed a year ago. New York City building permits, 43, for structures to cost $7,260,000, an increase of 11 in number and $3,651,100 in amount. New York State failures, 178, with liabilities $1,458,765, a decrease of 57 in number and $22,408,488 in liabilities.

During August $73,061,500 par value of bonds sold on the New York stock exchange, an increase of $16,572,000 over July, and

20,424,237 shares of stocks, an increase of 6,097,424. A compilation of railroad earnings for the first six months of 1915 shows gross $1,407,465,982 and net $394,683,548. Compared with the same period of 1914, gross decreased $39,998,560 and net increased $47,615,341. The export trade of the port of New York continues to exceed that of last year. The latest compilation shows exports of $975,288,040, against $602,812,384 last year and imports of $664,028,664 against $689,760,347.

New York Clearing House banks on September 18 reported loans, etc., $2,708,761,000, deposits $2,903,146,000, excess reserves $220,-373,000. Compared with July 31, loans, etc., have increased $130,817,000, deposits $207,-844,000, and excess reserves $39,988,950. Local money rates remain practically unchanged; bankers' acceptances at 2 to 2⅜ per cent; commercial paper at 3¼ to 4 per cent, with a fair volume of transactions at 3 per cent; time loans on collateral at 2½ to 3¼ per cent.

There has been extraordinary unsettlement in the foreign exchange rates. Sterling sight bills, after a long decline, dropped abruptly toward the end of August, and on September 1 reached the record low quotation of 4.50. Francs touched 6.02, marks 80½, lire 6.55, and roubles 32¾. This was followed by a quick rise of 21½ cents in sterling on a moderate volume of transactions, and the market has recently fluctuated between 4.63 and 4.73.

Other noteworthy happenings are the arrival from London between August 11 and September 8 of three shipments of gold and securities aggregating about $60,000,000 gold and about $84,000,000 securities; the loans by New York bankers of $6,000,000 to the Republic of Chile and $500,000 to the Santiago de Chile Water Co.; the establishment of a $20,000,000 credit to French bankers; and the arrival of the English and French commissioners to adjust exchange through the negotiation of a great loan.

DISTRICT NO. 3—PHILADELPHIA.

September has not proven a better month than August for business. There has been practically little, if any, change from conditions reported a month ago. General business conditions may be summarized as spotty, with unusual activity continuing in the manufacture of munitions. Domestic business is not up to normal, and the snap ordinarily counted upon at this season of the year is lacking. Concerns engaged in filling emergency orders are prospering. Labor is now better employed than during several months past, and its increased buying power ought soon to be felt.

Money-market conditions have remained quiet. Call loans are about 3½ per cent and time loans with collateral 3¼ per cent and 3½ per cent. There is a steady demand for high-grade commercial paper, but offerings are not large, quotations ranging from 3 to 4 per cent, with most business being done at 3½ per cent. Rates for investments available for this bank continue to decline, bankers' acceptances having been purchased as low as 2⅛ per cent and municipal warrants as low as 2 per cent, the average being about 2¼ per cent for both classes of investments. Money is abundant, and excess reserves in Philadelphia reached a new high record on September 20 of $57,166,000. There are no immediate prospects of higher rates.

The steel business is good, and the leading companies look for a continuance of the present rate of operation through the year. The outlook for pig iron is better than at any time during the past eight years. The locomotive and car industries continue much below normal.

Coal mining is quiet and unsatisfactory, although operations are increasing in some quarters. There is a scarcity of labor in some districts.

The petroleum industry has improved considerably, and the outlook is good. The large automobile business has helped much.

The cement business has dropped off considerably, although there are indications that it will improve again later in the year. The lumber situation is unchanged and far from good. Trading in hardware is firm, dealers reporting a better volume of business than during the corresponding period last year, and the outlook is good for the fall months.

Local wool market conditions remain unchanged, prices being firm and manufacturers confining themselves to small purchases for immediate wants. Business has fallen off somewhat with wool spinners. Cotton and cotton yarns have been somewhat less active, but conditions seem to be growing better.

Textile lines are handicapped more than ever by a shortage in dyestuffs, and they report no relief in sight. Hosiery manufacturers are offered plenty of business, much of which has to be declined because of the shortage in dyestuffs. New business on prints and similar cotton goods has been refused due to the fact that printers are unable to guarantee fast dyes. Tailors have been buying considerably more goods than at this time last year.

The leather market is firm and satisfactory; prices are high for good quality leather, with active demand. Sales in glazed kid are reported above normal, with strong demand. A large part of the finished product is being shipped to South American countries formerly supplied by Germany. Shoe dealers report fall business better in womens' and children's lines.

Manufacturers and jobbers of cigars report normal business and prospects bright. The demand for leaf tobacco is becoming more active.

The largest railroad in the district reports no idle good-order cars, and the total loaded car movement, eastbound and westbound, shows an increase of 16.9 per cent over last year.

Reports regarding crops are at variance. Taking the district as a whole, conditions seem to be satisfactory, but the estimated value of important products is nearly 1 per cent lower than last year. As to the condition of crops, Pennsylvania crops are reported as being 2 per cent above the 10-year average; New Jersey 6.3 per cent above that average, and Delaware about that average.

During the latter part of August and the first of September brief reports on business conditions were requested from about five hundred representative firms throughout this district. The following summary of their replies is given:

Name of industry.	Replies received.	Business normal.		Outlook.			
		Yes.	No.	Good.	Fair.	Poor.	Uncertain.
Iron and steel	25	10	15	9	10	2	4
Machinery, foundries, boilers, engines, etc.	36	11	25	11	14	4	7
Leather (including tanning, belting, etc.)	15	10	5	8	2	2	3
Woolens and felts	15	4	11	7	1	3	4
Locomotives and cars	2	......	2	......	1	1	......
Silk goods, laces, and millinery	18	5	13	9	3	5	1
Sugar refining	1	......	1	......	......	1	......
Lumber and timber products	16	2	14	7	3	6	......
Petroleum refining	5	3	2	5	......	......	......
Slaughtering and meat packing	9	6	3	5	2	1	1
Tobacco manufactures	12	5	7	6	1	4	1
Hosiery and knit goods	14	5	9	4	2	4	4
Flour and grist-mill products	4	......	4	1	2	......	1
Clothing	6	3	3	4	1	1	......
Cotton goods	8	2	6	3	1	3	1
Glass and glassware	4	......	4	......	1	2	1
Carpets, rugs and oilcloth	6	2	4	......	2	......	4
Shoes	7	3	4	3	3	......	1
Paper, wood pulp, and paper goods	6	2	4	2	1	2	1
Furniture and house furnishing goods	7	2	5	6	1	......	......
Chemicals (including fertilizers, drugs, medicines, etc.)	19	8	11	6	4	6	3
Paints	7	3	4	4	......	......	3
Confectionery	7	4	3	4	1	2	......
Pottery, fire-clay products, etc	6	1	5	1	2	3	......
Hats	3	......	3	......	......	......	3
Automobiles and parts, carriages, etc	4	1	3	2	......	......	2
Dyeing and finishing	4	1	3	......	......	2	2
Brass, bronze, copper, tin plate, etc	8	4	4	4	1	3	......
Canning, preserving, packing, etc	13	1	12	2	4	7	......
Wire rope, etc	3	2	1	1	......	2	......
Hardware	11	6	5	7	2	......	2
Shipbuilding	5	4	1	4	......	......	1
Rubber goods	8	2	6	1	3	......	3
Agricultural implements	6	......	6	2	1	2	1
Mining and quarrying	14	6	8	10	3	1	......
Textile manufactures	5	2	3	3	2	......	......
Builders' supplies	14	2	12	4	2	7	1
Department stores (outside Philadelphia)	6	6	......	5	1	......	......
Groceries, etc	5	2	3	2	1	1	1
Miscellaneous (hotels, jewelry, umbrellas, cordage, buttons, cork, pens, explosives, etc.)	11	5	6	5	3	3	......
Total	375	135	240	157	81	80	56

In considering the above summary, certain points should be taken into consideration, namely, (1) all replies, whether from large or small concerns, are given equal weight; (2) a small number of replies received from a particular industry might give an erroneous impression of conditions in that line; (3) reports of "Outlook good" might be due very largely to emergency orders. It is believed, however, that domestic business is not up to normal and that the above summary presents a fairly accurate picture of business conditions.

DISTRICT NO. 4—CLEVELAND.

Improved conditions heretofore confined to special lines have now found their way into general trade throughout the district. Reports received this month have a more uniform tone of improvement. While building operations for 1915 do not compare favorably with the figures of 1914 in the principal cities of this district, there have been a number of good-sized contracts placed during the last two weeks.

Coal is more active, being in better demand, but not much improvement in price is noted. The movement of ore and grain on the Great Lakes has been very large, exceeding early estimates of vessel owners, with the result that the lake business for the remainder of the season will be quite profitable. Returned coal cargoes are only fair.

The steel business continues to boom. The tendency of prices is still upward and the steel supply of the country is taken up at least for the remainder of the year. Very few steel makers have sold domestic business as yet into 1916. The only weak spot in the steel market is what is known as the pipe-line and oil-country goods which are no better to-day than they were last year. Authorities advise us that in order to stabilize the iron and steel prices at present levels there must be purchasing in volume by the railroads. Complaints of a shortage in cars in several instances from steel manufacturers and shippers of commodities indicates the volume of traffic as well as the straitened condition of railroads for suitable equipment. A tendency is noted here and there in the steel trade, on account of the splendid prices, to increase equipment to take care of emergency work, which may have an unfavorable effect later. Very few industrial plants need financing, their profits being sufficient to take care of their needs.

Jobbers who sell cotton goods, dry goods, shoes, millinery supplies, etc., state that the demand is much improved, prices are firmer, collections are better, and optimism prevails among buyers and sellers alike. Knit goods and women's wear manufacturers report a satisfactory season with excellent prospects. Candy manufacturers are doing the largest business in the history of the trade.

After a long wet season this section had ten to fifteen days of warmth and sunshine. Naturally, this condition is very favorable to the farmers and they report that the loss on grain in the shock is relatively slight and that corn is ripening well. Briefly stated, they expect very good returns on their crops, and are generally optimistic. Burley tobacco is improved by these weather conditions. Crops will not be quite as large as usual, but the improved quality will make up for the deficiency, so that the money return will be at least normal.

Cleveland post-office receipts for the month of August show a 10 per cent increase over the same month last year.

The usual fall demand for money has not materialized, and the supply of loanable funds in the banks remains at high level. Banks in the centers show every disposition to "place" loans. Rates on commercial paper and call loans are 3½ to 4 per cent; customers' loans, 4½ to 6 per cent. The nation-wide sentiment to encourage thrift among the people is very marked in this district. Newspaper articles and editorials are frequent, and it is a prominent topic in bank literature.

DISTRICT NO. 5—RICHMOND.

The near approach of the time at which cotton is to move finds general business in this district in a much more favorable position than could have been anticipated three months or more ago. At prices now prevailing for the staple, a large share of the crop will move from first hands, and consequent liquidation of seasonal trade obligations is apt to be in generous volume, either as the result of such actual sales or from the proceeds of loans negotiated upon some percentage of the crop.

In this district there seems to be no nervousness on the part either of the producer or consumer. All appreciate the practical value of banking facilities now at their command, the absence of which last year so largely contributed to the uncomfortable and excited conditions which prevailed. Not only are collection quite fair for this season of the year, but what is as essential, orders are being placed for the future in an increasing volume, which will be accentuated should present world conditions be maintained.

In tobacco, the possibility that the central Governments in Europe, which have stored in this country a material share of last year's purchases, may not during the present season be in the market as actively as heretofore, may later be a depressing influence. Meanwhile leaf prices are holding very well, while manufacturers are busy on favorable terms.

Cotton milling in several directions is beginning to feel the effect of the absence of a proper supply of dye stuffs.

Great improvement is noted in the furniture manufacturing lines, an industry of considerable proportions in this district, the movement helping lumber in some slight degree. Building operations, however, are far below normal.

Retailers are doing better and with the advent of cooler weather look for further and pronounced improvement. Labor is fully employed and in some neighborhoods is scarce.

Coal is continuing to hold the improved position it has gradually been occupying during the past 90 days.

Banks throughout the district are in an easy position, and in only a relatively few instances, to be found in strictly agricultural sections, is there any evidence of overborrowing. By far the greater number of banks are either rediscounting very modestly or have idle funds awaiting investment.

Conditions as a whole are sound and give excellent promise for the fall months.

DISTRICT NO. 6—ATLANTA.

The bright outlook in the cotton market, marked by the rapid and continued advance in the price of cotton, is the most important factor in the business situation in the sixth district. The knowledge that the Federal reserve system is now thoroughly organized and in position to render efficient aid to the agricultural, commercial, and industrial life of this section has had a marked effect in restoring confidence. The cotton surplus of last year has been financed and with the additional aid placed at the disposal of the Federal reserve bank through the large deposit of gold by the United States Treasury, the district is well fortified financially to prevent a calamity such as last year's.

The commodity rate of 3 per cent given to national banks, thereby enabling them to loan money to the farmers on their cotton at 6 per cent has been one of the strong elements in causing the rise in the price of cotton. While there is considerable selling, it is because the price is good and the producer is making money out of it in view of the reduction in the cost of producing this year's crop. The crop is somewhat below earlier reports owing to the boll weevil and dry weather during the maturing period. Export movement is below normal at southern ports. Among the cotton mills there is no lack of orders, but a number are handicapped in producing print materials owing to lack of dyestuffs.

Business in naval stores appears to improve, and, though the operations are conservative, a much stronger feeling prevails among the operators and jobbers.

Improvement is noted among the wholesalers and jobbers, and due to the cotton situation and renewed activity in the commercial and industrial affairs has there been created a buying demand and merchants are replenishing their stocks. Owing to the advance in raw cotton and other raw materials and the additional advance looked for with the advent of cooler weather, the wholesalers and jobbers in dry goods and clothing report quite an expansion in trade.

Bank clearings in Atlanta for week ending September 18 showed an increase of $2,000,000 over the corresponding week of 1914.

There has been a wonderful increase in grain throughout the district, the increase in corn alone for 1915 being over 50,000,000 bushels as compared with previous year.

Railroads report considerable increase in freight traffic. The commercial failures for the month were considerably less than during July and August. Real estate dealers state their business has made a better showing during the month of September than any month this year.

Reports from the tobacco belt indicate that the crop is in good condition and will average as good as if not better than last year.

Conditions continue exceedingly good in the Birmingham district, with pay rolls for the half month ending September 15 the largest since 1907. The steel mills, iron furnaces, etc., are operating in full force. The coal trade has not kept pace with the active movement in iron and steel, though coke has gained considerable during the past month and the output will continue to increase from now on.

With industrial operations steadily expanding and the number of unemployed and percentage of idle machinery being rapidly reduced, while general lines of trade are profiting through increased pay rolls, a feeling of optimism prevails.

DISTRICT NO. 7—CHICAGO.

So far as there is any change in general business conditions in this district it is for the better, and there appears to be a feeling of more confidence in the future.

Weather conditions have been an unfavorable factor. Iron and steel, both in the matter of output and price, are at a higher level than at any time since March, 1913. Idle capacity in other lines has been reduced and the immediate outlook is somewhat more encouraging.

Production at South Chicago and Gary is reported at the limit of capacity. At Detroit the automobile industry shows unusual activity; Grand Rapids reports improvement in the furniture manufacturing lines. Reports from Milwaukee indicate more activity at the factories. Indianapolis shows improvement in some lines. Iowa reports business generally stimulated by the good crops.

Retail trade, as a whole in this district, reports improvement. Commercial failures in this district are less in number than for a similar period for 1914, and a proportionate number of concerns rated over $5,000 also furnish smaller returns.

Farmers have been busy on fall work and improvements. The winter wheat acreage already plowed is estimated to be larger than a year ago. Corn in Illinois, Iowa, and Indiana approaches maturity, and unless affected by frosts or other unfavorable weather conditions excellent results are assured.

Money conditions show no material change. Discount rates at Chicago and other centers are at a low point and commercial paper rates continue at a very low figure, with demand in excess of the supply.

DISTRICT NO. 8—ST. LOUIS.

General business conditions in this district show the increased activity indicated by the improvement during July. This is particularly true of the wholesale trade. Jobbing houses in St. Louis report large increases in shipments. Manufacturers appear to be feeling the effect of this increased demand. Collections, especially in the South, show an improvement and in general may be said to be at least normal. Commercial failures show a decrease as compared to the previous months.

Weather conditions during August were not entirely favorable. The temperature throughout the district was below the normal, with an excess of rainfall. The storm which did so much damage at Galveston did some local damage, but the effect on the crop total seems to be immaterial. The composite condition of all crops shows a healthy condition, with the percentage several points above the normal. The wet, cool weather retarded the development of the cotton crop, and seasonable weather from now on seems necessary to insure its success.

Indications are that the corn crop will be well above both the 1914 yield and the 10-year average. The same may be said of oats, hay, and other fodder crops. The condition of the tobacco crop in Kentucky and Tennessee is good. Small fruit and truck farm products are plentiful and prices remain below the normal.

There has been little change in banking conditions. The discount and commercial paper rates are still below the normal, with money plentiful and the demand not up to normal.

Conditions generally seem to show a distinct improvement. The feeling among merchants seems to have changed from one of doubt to one of confidence.

DISTRICT NO. 9—MINNEAPOLIS.

The ninth district will contribute between 290,000,000 and 300,000,000 bushels of hard wheat to the 1915 crop, as against a total of approximately 160,000,000 bushels a year ago. Early deliveries of wheat at terminals are light, showing a shortage of 6,194,000 bushels as compared with the same date a year ago. Minneapolis alone is 3,924,000 bushels behind last year's receipts and wheat is coming in from the grain districts very slowly.

This is attributable in part to the fact that the crop was fully 10 days late this year, and in part to weather unfavorable for threshing and hauling to local elevators. It is already clear that farmers are showing a disposition to hold wheat in the expectation of better prices. Threshing is everywhere general. Oats are an excellent crop. All small grains, in fact, are as good as could be expected with the exception of damage to rye, due to frost, and to flax, which has suffered severely in some localities. Early receipts of new wheat have been quickly absorbed by the mills and incoming grain has not been sufficient to satisfy current demands. No wheat has yet begun to find its way into terminal elevators, but it is expected that after mid-October, the storage houses will fill rapidly, and that with a surplus of from 130,000,000 to 140,000,000 bushels as compared with last year, considerable wheat will move all-rail late in the year to Chicago and Buffalo elevators and into storage at other points. These conditions have temporarily slackened the demand for money for crop-moving purposes and a weakening of the call from country points has been noticed both by the larger commercial banks and by the Ninth Reserve Bank. It is anticipated that the demand will become more pronounced after the first of the month, continuing in gradually increasing volume into December.

General business is prosperous and is moving at about normal. Interest rates have shown no particular change and are still low, although money is in better demand. Many lines are beginning to feel the favorable influence of a good crop as reflected in better orders from the agricultural districts. Collections are fair to good with the prospect of an improvement after the first of the month when grain shipping is more general and farmers begin liquidating their immediate obligations. The partial failure of the corn crop in the more northerly sections, and the prospect of a very large amount of soft corn which will have to be fed, to utilize it to the best advantage, has stimulated inquiry for cattle to place on winter feed. It is believed that the number of farmers with stock on feed will be very largely increased during the late fall and winter, which is regarded as a desirable development, encouraging more attention to stock.

DISTRICT NO. 10—KANSAS CITY.

Although financial conditions have slightly changed since the last published statements issued under call of the Comptroller of the Currency, September 2, yet those statements quite accurately reflect the true situation prevailing at this time throughout district No. 10.

An inspection of those statements, so far as they relate to the banks of Kansas City, the principal reserve city of the district, discloses that national-bank deposits decreased about $2,000,000 since the date of the last previous call, which was June 23, but that deposits in State banks and trust companies during the same period increased about $1,000,000. Less money has been loaned this year for crop moving than during the year 1914 up to this time, and the aggregate of deposits in Kansas City banks is in excess of $154,000,000, as compared with $139,000,000 on September 12, 1914. Generally speaking, the Kansas City situation reflects the conditions prevailing throughout the district; that is, the banks are carrying an excess of loanable funds and are in position to meet all legitimate local demands.

The continued wet weather has interfered with the threshing of wheat, although quite large quantities of this cereal are now reaching market. Farmers seem inclined to hold for better prices, so that the full movement has not yet started. If there be no killing frost throughout Nebraska and northern Kansas within the next week or 10 days, it is probable that one of the largest corn crops in the history of those sections will have matured.

The season just closed has been an epoch-making one in the sheep industry, not only on account of the large production of wool and mutton, the ready market for all wool produced, the high price the wool has brought on the eastern markets, but the generally excellent condition of the flocks at the close of the season.

Pastures pronounced dead beyond recuperation have been brought again into vigorous life by the rains, and there are more cattle in the country than ever before. Forage is so plentiful and cheap that it is hard to get cattlemen to ship in their stock, as the fattening process costs so little and the extra pounds added increase profit so rapidly.

The lead and zinc industry is very active, while coal mining is assuming normal proportions. The oil industry is experiencing great activity on account of the high price prevailing for crude oil, the price at this time being 80 cents per barrel, this representing a rise within the last few weeks of 100 per cent.

The district is practically free from labor disturbances.

DISTRICT NO. 11—DALLAS.

General conditions in this district since our August letter have shown some improvement, and the month of September has been favorable.

Clear, warm weather has materially advanced the picking of cotton. With a rising market the movement from the farmer and merchants to the exporters has not been as active as at this same period last year, although the market for middling cotton is 2 cents per pound higher than at this same date last year. There is an active market for cotton seed at an average of $25 per ton, against $12 to $14 at this same period in 1914.

From our best information, and from well-informed authorities, it is estimated that the Texas crop will not be over three and a quarter million bales. The increased price of both cotton and cotton seed in this district should promise a decided improvement in all lines of business.

Interior banks are anticipating a liquidation in their loans and an increase in deposits, and are amply prepared to extend facilities both to the producer and merchant in the marketing of the crop. The announcement of the preferential commodity rate 10 days ago created favorable comment and strengthens confidence as to the position of cotton. There will probably not be any large volume of commodity paper offered, as there may be a feeling on the part of producers and merchants that present prices are satisfactory and higher than they expected.

Most of the farmers' paper begins with October 1 maturities. If present prices keep up, the impression is that there will be a desire to move the crop more actively than the sales being made at this time indicate.

During the past three weeks this bank has been shipping daily from a half million to one and a half millions of currency to its members to supply their demands.

General rains in August throughout the entire district have put the ranges in good condition in the western section and cattle are in excellent shape.

Merchants and jobbers report an increased volume of business, and with seasonable weather anticipate an increasing volume. Manufacturers report good orders and are running on full time.

In the eastern section of this district, which is devoted largely to oil and lumber industries, there is renewed activity, with good demand at advancing prices.

DISTRICT NO. 12—SAN FRANCISCO.

Conditions in this district have not changed to any significant extent during the last 30 days. The lumber business is very slow, but the trade in Alaska is proving of increased importance for the extreme northwest. In the section just mentioned the wheat crop is unusual, but grain crops in the more southerly section of the district are not so good. Good prices are being received for the Washington and Oregon apple crops and for live stock while credit conditions are easy.

In Washington and Oregon 60 per cent of wage earners are employed in lumbering. Within two years lumber prices have declined from $13.50 base per 1,000 feet to $7.50, making a difference of $30,000,000 to $35,000,000 in market value of normal output. Wages constitute 75 per cent of lumber cost and 40 per cent of railroad transportation cost. The wages value in lumber far outweighs the timber value. An extreme illustration is a recent Puget Sound cargo sold at $9 average. Transportation cost, including insurance, was $42. Delivered in Europe the cost will be $51 per 1,000 feet of lumber, of which approximately $2.25 constitutes the timber value. Railroads, normally consumers of 25 per cent, are now taking only about 5 per cent of the lumber output. Lack of ships, canal tolls, and lack of railroad buying obviously affect tremenduously the commercial and industrial activity of such a lumbering section. In spite of present low prices, perhaps partly because of them, the lumber cut has considerably increased of late, weak concerns being forced to operate in order to meet steadily increasing taxes and other obligations, and strong concerns not hesitating to accumulate stock against an emergency demand which is expected to follow the close of the war.

Eastern Washington, Oregon, and southern Idaho have harvested an unusually heavy crop of wheat, aggregating about 70,000,000 bushels. From early prices around 95 cents per bushel there has been a decline to about 70 cents, at which farmers are disinclined to sell, so that the crop is moving slowly from first hands.

Grain crops in the great Sacramento and San Joaquin valleys of California have been disappointing, and the fruit crops, while abundant, have not in general yielded satisfactory profit.

Cattle, horses, mules, sheep, wool are all bringing remunerative prices.

The development of Alaska is a trade factor of increasing importance, especially for Seattle. The beginning of the construction of the Government railway marks an epoch. The Alaska salmon pack has been good this season, though that of Puget Sound has been disappointing.

The Washington and Oregon apple crop is large, due partly to increased acreage. Prices are excellent, approximating $1 per box, orchard run.

No material change in the depressed California petroleum industry is expected until the ratio of consumption to production is more favorable.

Copper mining is exceedingly active and prosperous.

Credit conditions are easy throughout the twelfth district, with no disturbing factors in prospect, except borrowing on unmarketed wheat, which seems unlikely to be important.

Expenses and Investments of Reserve Banks.

In the issue of the Federal Reserve Bulletin for August 1 there was presented a complete tabular showing of the expenses and incomes of Federal Reserve Banks for the period from the opening of the banks to and including June 30, 1915. Further information with reference to the expense situation in the banks as relates to income has been compiled in the accompanying table, which presents the capital, estimated expenses, and dividend requirements of each of the banks.

Paid-in capital, estimated expenses, and dividend requirements of the Federal reserve banks.

Bank.	Paid-in capital.	Reserve deposits.	Total capital and deposits.	Estimated yearly— Expenses.	Estimated yearly— Dividend requirements.	Total expenses and dividend requirements.
Boston	$5,162,000	$18,652,000	$23,814,000	$110,000	$310,000	$420,000
New York	10,982,000	147,299,000	158,281,000	300,000	659,000	959,000
Philadelphia	5,270,000	18,637,000	23,907,000	130,000	316,000	446,000
Cleveland	5,946,000	17,272,000	23,218,000	120,000	357,000	477,000
Richmond	3,366,000	7,544,000	10,910,000	100,000	202,000	302,000
Atlanta	2,419,000	5,202,000	7,621,000	100,000	145,000	245,000
Chicago	6,625,000	47,269,000	53,894,000	180,000	398,000	578,000
St. Louis	2,797,000	13,068,000	15,865,000	125,000	168,000	293,000
Minneapolis	2,487,000	8,736,000	11,223,000	86,000	149,000	235,000
Kansas City	3,020,000	10,191,000	13,211,000	120,000	181,000	301,000
Dallas	2,757,000	6,002,000	8,759,000	130,000	165,000	295,000
San Francisco	3,931,000	12,444,000	16,375,000	110,000	236,000	346,000
Total	54,762,000	312,316,000	367,078,000	1,611,000	3,286,000	4,897,000

Portion of funds to be kept employed to meet expenses.

Bank.	At 3 per cent net.	Per cent of paid-in capital.	At 4 per cent net.	Per cent of paid-in capital.	At 5 per cent net.	Per cent of paid-in capital.	At 6 per cent net.	Per cent of paid-in capital.	Funds invested on Sept. 3, 1915.	Per cent of paid-in capital.
Boston	$3,666,000	71	$2,750,000	53	$2,200,000	42	$1,833,000	35	$6,574,000	127
New York	10,000,000	91	7,500,000	68	6,000,000	55	5,000,000	45	15,181,000	133
Philadelphia	4,333,000	82	3,250,000	61	2,600,000	50	2,167,000	41	5,041,000	96
Cleveland	4,000,000	67	3,000,000	51	2,400,000	40	2,000,000	34	3,563,000	60
Richmond	3,333,000	99	2,500,000	74	2,000,000	60	1,666,000	50	8,463,000	251
Atlanta	3,333,000	137	2,500,000	103	2,000,000	83	1,666,000	69	5,312,000	220
Chicago	6,000,000	91	4,500,000	68	3,600,000	54	3,000,000	45	9,234,000	139
St. Louis	4,167,000	149	3,125,000	112	2,500,000	89	2,083,000	74	2,964,000	106
Minneapolis	2,866,000	115	2,150,000	86	1,720,000	69	1,433,000	58	4,120,000	166
Kansas City	4,000,000	133	3,000,000	99	2,400,000	79	2,000,000	66	3,686,000	122
Dallas	4,333,000	157	3,250,000	118	2,600,000	94	2,167,000	79	7,061,000	256
San Francisco	3,666,000	93	2,750,000	70	2,200,000	56	1,833,000	47	4,613,000	117

Portion of funds to be kept employed to meet expenses and dividend requirements.

Bank.	At 3 per cent net.	Per cent of paid-in capital.	At 4 per cent net.	Per cent of paid-in capital.	At 5 per cent net.	Per cent of paid-in capital.	At 6 per cent net.	Per cent of paid-in capital.
Boston	$14,000,000	271	$10,500,000	203	$8,400,000	163	$7,000,000	135
New York	31,967,000	291	23,975,000	218	19,180,000	175	15,983,000	145
Philadelphia	14,867,000	282	11,150,000	211	8,920,000	169	7,434,000	141
Cleveland	15,900,000	267	11,925,000	200	9,540,000	160	7,950,000	134
Richmond	10,067,000	299	7,550,000	224	6,040,000	179	5,033,000	150
Atlanta	8,167,000	338	6,125,000	253	4,900,000	202	4,084,000	169
Chicago	19,266,000	291	14,450,000	218	11,560,000	174	9,633,000	146
St. Louis	9,767,000	349	7,325,000	262	5,860,000	209	4,884,000	175
Minneapolis	7,833,000	315	5,875,000	236	4,700,000	189	3,916,000	157
Kansas City	10,033,000	332	7,525,000	249	6,020,000	199	5,017,000	166
Dallas	9,833,000	356	7,375,000	267	5,900,000	214	4,916,000	178
San Francisco	11,533,000	293	8,650,000	220	6,920,000	176	5,767,000	147

GOLD IMPORTS AND EXPORTS.

Imports of gold, by customs districts, Jan. 1 to Sept. 17, 1915.

[In thousands of dollars.]

	Maine and New Hampshire.	Maryland.	New York.	Porto Rico.	Florida.	New Orleans.	Arizona.	El Paso.	Laredo.	Alaska.	San Francisco.	Southern California.	Washington.	Buffalo.	Dakota.	Michigan.	St. Lawrence.	Vermont.	Total.
For week ending Aug. 27.																			
Ore and base bullion			352			19	2	1	1		5		82	43	8	52			565
United States mint or assay office bars																	173		173
Bullion, refined			276					2		135	200		163	85					861
United States coin			90										4						94
Foreign coin			129								4,403								4,532
Total			847			19	2	3	1	135	4,608		249	128	8	52	173		6,225
For week ending Sept. 3.																			
Ore and base bullion			18			3	9	2		4	16		81	133	3	33			302
Bullion, refined			282					13		108				62					465
United States coin	19,540		1																19,541
Foreign coin			129																129
Total	19,504		430			3	9	15		112	16		81	195	3	33			20,437
For week ending Sept. 10.																			
Ore and base bullion			30			8	21			3	42		81	169	4	59			417
United States mint or assay office bars																	174		174
Bullion, refined			179					3						51					233
United States coin	7,850																		7,850
Foreign coin	11,650		530								498								12,678
Total	19,500		739			8	21	3		3	540		81	220	4	59	174		21,352
For week ending Sept. 17.																			
Ore and base bullion			14			1	9	4			19		34	126	6	21			234
United States mint or assay office bars														1					1
Bullion, refined			212				4	9		208			125						558
United States coin										5			2						7
Foreign coin			978								4,468								5,446
Total			1,204			1	13	13		213	4,487		161	127	6	21			6,246
Jan. 1 to Sept. 17.																			
Ore and base bullion	1		737			291	305	102	9	243	514	7	2,894	4,095	96	1,218	1		10,513
United States mint or assay office bars														3			6,712		6,715
Bullion, refined			7,992		10		422	1,326		2,446	7,383		1,581	198			8,131		29,489
United States coin	48,390		19,855	1	8	1				5	22	1	11	49			86,556		154,899
Foreign coin	11,650	50	5,832		25			8			27,959		498				5,254	3	51,279
Total	60,041	50	34,416	1	43	292	727	1,436	9	2,694	35,878	8	4,984	4,345	96	1,218	106,654	3	252,895

Exports of gold, by customs districts, Jan. 1 to Sept. 17, 1915.

[In thousands of dollars.]

	Maine and New Hampshire.	New York.	Hawaii.	Alaska.	San Francisco.	Washington.	Buffalo.	Dakota.	Duluth and Superior.	Michigan.	Montana and Idaho.	St. Lawrence.	Vermont.	Total.
For week ending Aug. 27.														
Bullion, refined, domestic						1				1			1	3
United States coin		16			4	3						1		24
Foreign coin		250												250
Total		266			4	4				1		1	1	277
For week ending Sept. 3.														
Ore and base bullion						33								33
United States mint or assay office bars							21							21
Bullion, refined, domestic							5							5
United States coin		1,000	1			3	1							1,005
Foreign coin		260												260
Total		1,260	1			36	27							1,324
For week ending Sept. 10														
Ore and base bullion				5										5
Bullion, refined, domestic												1		1
Total				5								1		6
For week ending Sept. 17.														
Ore and base bullion														
United States mint or assay office bars							19							19
Bullion, refined:														
Domestic							1							1
Foreign														
United States coin		18			130									148
Foreign coin														
Total		18			130		20							168
Jan. 1 to Sept. 17.														
Ore and base bullion				13		223	1					1		238
United States mint or assay office bars							72					5		77
Bullion, refined:														
Domestic	2					15	11	4	1	7		6	13	59
Foreign							20							20
United States coin		6,415	24		195	74	8			1	1	4		6,722
Foreign coin		3,949					9					3		3,961
Total	2	10,364	24	13	195	312	121	4	1	8	1	19	13	11,077

DISTRIBUTION OF REDISCOUNTS.

The total amount of commercial paper, exclusive of banks acceptances, rediscounted with the Federal reserve banks during August was $12,233,700 compared with $13,238,200 in July and $13,404,000 in June. The number of notes rediscounted was 9,240, as against 10,155 in July and 10,734 in June. Of the total number of notes about 73.5 per cent and of the total amount more than 68.2 per cent was handled by the three southern banks.

The average size of all notes discounted by the Federal reserve banks during August was $1,324, as against $1,304 in July and $1,249 in June. The August average varies between $902 for the Boston bank and $3,339 for the Philadelphia bank. About 29 per cent of the total number of notes discounted during the month and 54.4 per cent of the total amount is represented by notes in amounts from $1,000 to $5,000. Corresponding proportions for the three southern banks are 26.4 and 55.5 per cent, respectively.

Small notes (in amounts up to $250) constituted 28.6 per cent of the total number, though only slightly over 3 per cent of the total amount of notes discounted during the month. For the three southern banks, which discounted over 80 per cent of the small notes, the corresponding proportions are 31.6 per cent for the number and 3.6 per cent for the amount of notes.

Of the total amount of notes rediscounted during the month 2.6 per cent as against 0.8 per cent in July was reported as 10-day paper, 11.3 per cent as against 12.2 per cent as 30-day paper, 40.8 per cent as against 34.1 per cent as 60-day paper, 36.9 per cent as against 40 per cent as 90-day paper, and 8.4 per cent as against 12.9 per cent as agricultural paper maturing after 90 days. It is thus seen that the banks handled during the past month a smaller amount of discounts, but of larger average size and shorter average maturity, than during the preceding month.

The above percentages vary for the individual banks, the average maturity of paper discounted being as a rule longer in the South than in the other sections of the country. Thus the proportion of discounted paper maturing within 30 days was 13.9 per cent of the total amount of notes discounted by all the reserve banks, whereas the corresponding proportions for the three Southern banks were as follows: Richmond 11.7 per cent, Atlanta 9.4 per cent, and Dallas 1.4 per cent. The amount of agricultural and live-stock paper with maturities exceeding 90 days discounted during the month was 40 per cent below the total shown for the preceding month and constituted 8.4 per cent of the total rediscounts for August as compared with 12.9 per cent in July and 18.7 per cent in June. The amount of 10-day paper discounted during the month was $320,200. About 90 per cent of this class of paper was handled by the Philadelphia bank.

The number of member banks accommodated during the month shows a slight decrease and stands now at 9.1 per cent of the total number of member banks.

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

NUMBER OF PIECES AND AMOUNTS.

[In thousands of dollars.]

Bank.	To $100.		Over $100 to $250.		Over $250 to $500.		Over $500 to $1,000.		Over $1,000 to $2,500.		Over $2,500 to $5,000.		Over $5,000 to $10,000.		Over $10,000.		Total.		Per cent.	
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.
Boston	...	......	6	1.1	31	12.3	26	18.0	15	18.7	5	20.6	1	5.1	...	......	84	75.8	0.9	0.6
New York	...	......	16	3.0	36	14.2	33	23.6	23	40.6	6	20.1	5	37.5	1	18.0	120	157.0	1.3	1.3
Philadelphia	10	0.8	31	5.5	25	9.3	17	13.3	52	99.8	69	317.7	27	242.1	5	99.5	236	788.0	2.6	6.5
Cleveland	22	1.5	41	7.2	29	10.5	23	17.0	30	55.0	20	75.9	8	59.8	3	49.2	176	276.1	1.9	2.3
Richmond	371	29.0	574	103.3	683	269.8	573	467.9	499	880.8	321	1,329.3	78	613.0	17	280.5	3,116	3,973.6	33.7	32.5
Atlanta	240	16.9	378	65.9	362	138.2	293	229.6	305	542.9	192	774.3	43	321.3	15	240.6	1,828	2,329.7	19.7	19.0
Chicago	2	.3	7	1.4	37	15.8	39	31.0	58	101.9	22	85.6	10	69.8	...	......	175	305.8	1.9	2.5
St. Louis	40	3.0	87	15.0	95	36.0	72	55.7	78	132.9	29	120.1	24	169.2	1	20.0	426	551.9	4.6	4.5
Minneapolis	...	......	50	8.3	51	18.8	72	51.3	107	166.2	40	134.4	19	106.5	2	21.6	341	507.1	3.7	4.1
Kansas City	27	2.0	117	20.1	143	50.9	145	103.4	149	244.5	50	161.9	17	114.3	6	78.7	654	775.8	7.1	6.3
Dallas	117	7.6	469	76.4	406	149.5	322	228.3	318	501.6	160	601.2	53	346.0	10	134.0	1,855	2,044.6	20.1	16.7
San Francisco	1	.1	35	5.9	40	14.8	39	27.6	58	91.4	37	135.8	13	89.0	6	83.7	229	448.3	2.5	3.7
Total	830	61.2	1,811	313.1	1,938	740.1	1,654	1,266.7	1,692	2,876.3	951	3,776.9	298	2,173.6	66	1,025.8	9,240	12,233.7	100.0	100.0

PERCENTAGES OF AMOUNTS OF EACH CLASS TO TOTAL.

Bank.	To $100.		Over $100 to $250.		Over $250 to $500.		Over $500 to $1,000.		Over $1,000 to $2,500.		Over $2,500 to $5,000.		Over $5,000 to $10,000.		Over $10,000.		Total.		Per cent.	
Boston	....	......	......	1.4	......	16.2	......	23.8	......	24.7	....	27.2	....	6.7	....	......	......	100.0	......	......
New York	....	......	......	1.9	......	9.0	......	15.0	......	25.9	....	12.8	....	23.9	....	11.5	......	100.0	......	......
Philadelphia	....	0.1	......	.7	......	1.2	......	1.7	......	12.7	....	40.3	....	30.7	....	12.6	......	100.0	......	......
Cleveland	....	.5	......	2.6	......	3.8	......	6.2	......	19.9	....	27.5	....	21.7	....	17.8	......	100.0	......	......
Richmond	....	.7	......	2.6	......	6.8	......	11.8	......	22.2	....	33.5	....	15.4	....	7.0	......	100.0	......	......
Atlanta	....	.7	......	2.8	......	5.9	......	9.9	......	23.3	....	33.3	....	13.8	....	10.3	......	100.0	......	......
Chicago	....	.1	......	.5	......	5.2	......	10.1	......	33.3	....	28.0	....	22.8	....	......	......	100.0	......	......
St. Louis	....	.5	......	2.7	......	6.5	......	10.1	......	24.1	....	21.8	....	30.7	....	3.6	......	100.0	......	......
Minneapolis	....	......	......	1.6	......	3.7	......	10.1	......	32.8	....	26.5	....	21.0	....	4.3	......	100.0	......	......
Kansas City	....	.3	......	2.6	......	6.6	......	13.3	......	31.5	....	20.9	....	14.7	....	10.1	......	100.0	......	......
Dallas	....	.4	......	3.7	......	7.3	......	11.2	......	24.5	....	29.4	....	16.9	....	6.6	......	100.0	......	......
San Francisco	....	......	......	1.3	......	3.3	......	6.2	......	20.4	....	30.3	....	19.9	....	18.6	......	100.0	......	......
Total	....	.5	......	2.6	......	6.0	......	10.4	......	23.5	....	30.9	....	17.7	....	8.4	......	100.0	......	......

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

[In thousands of dollars.]

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper rediscounted.
District No. 1—Boston:								
Connecticut	74	....	....	....	....	....	....	....
Maine	70	2	....	....	6.6	39.5	1.6	47.7
Massachusetts	171	1	....	13.0	....	....	....	13.0
New Hampshire	56	2	....	....	2.0	1.8	5.1	8.9
Rhode Island	18	....	....	....	....	....	....	....
Vermont	48	1	1.2	5.0	....	....	....	6.2
Total	437	6	1.2	18.0	8.6	41.3	6.7	75.8
District No. 2—New York:								
New Jersey	131	1	....	....	38.5	24.0	....	62.5
New York	481	9	....	2.9	54.2	37.4	....	94.5
Total	612	10	....	2.9	92.7	61.4	....	157.0
District No. 3—Philadelphia:								
Delaware	24	....	....	....	....	....	....	....
New Jersey	70	2	....	3.3	6.6	4.0	....	13.9
Pennsylvania	533	14	288.8	409.1	37.5	38.4	.3	774.1
Total	627	16	288.8	412.4	44.1	42.4	.3	788.0

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

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper rediscounted.
District No. 4—Cleveland:								
Kentucky	72	3		8.5	129.1	5.8		143.4
Ohio	376	8	.6	13.0	25.5	32.1	5.2	76.4
Pennsylvania	301	6		7.9	14.1	23.8	.9	46.7
West Virginia	14	1			5.3	4.3		9.6
Total	763	18	.6	29.4	174.0	66.0	6.1	276.1
District No. 5—Richmond:								
District of Columbia	14							
Maryland	99	2			22.4	20.9		43.3
North Carolina	80	39	11.5	175.3	570.7	534.2	40.3	1,332.0
South Carolina	72	43	3.0	122.4	740.0	424.1	26.5	1,316.0
Virginia	137	53		122.1	521.1	463.4	18.7	1,125.3
West Virginia	105	9		28.3	83.1	43.1	2.5	157.0
Total	507	146	14.5	448.1	1,937.3	1,485.7	88.0	3,973.6
District No. 6—Atlanta:								
Alabama	93	22		36.6	155.7	247.7	29.2	469.2
Florida	55	19		32.1	126.6	235.4	21.2	415.3
Georgia	115	48	7.7	62.4	388.4	487.1	15.1	960.7
Louisiana	5							
Mississippi	18	1		35.1	17.8	5.0		57.9
Tennessee	97	29		45.0	219.5	135.3	26.8	426.6
Total	383	119	7.7	211.2	908.0	1,110.5	92.3	2,329.7
District No. 7—Chicago:								
Illinois	313	5		5.0	8.8	11.6		25.4
Indiana	197	3		6.5	2.2	4.2	10.1	23.0
Iowa	347	25		1.1	57.1	51.3	93.2	202.7
Michigan	74	1		1.0	.9	2.8		4.7
Wisconsin	50	1		13.0	26.0	11.0		50.0
Total	981	35		26.6	95.0	80.9	103.3	305.8
District No. 8—St. Louis:								
Arkansas	60	11		3.4	17.3	33.0	13.0	66.7
Illinois	156	16	2.8	16.2	32.4	41.4	15.0	107.8
Indiana	61							
Kentucky	68	4			.1	24.9	8.0	33.0
Mississippi	17	5		.5	7.8	22.7	19.1	50.1
Missouri	80	8	1.6	7.8	36.0	18.8	8.0	72.2
Tennessee	20	7		8.8	141.1	72.2		222.1
Total	462	51	4.4	36.7	234.7	213.0	63.1	551.9
District No. 9—Minneapolis:								
Michigan	31							
Minnesota	277	18		12.2	15.6	16.5	55.3	99.6
Montana	64	6			17.4	18.7	32.4	68.5
North Dakota	152	19			26.9	40.2	21.8	88.9
South Dakota	112	10			23.8	19.2	17.9	60.9
Wisconsin	87	15	3.0	27.4	103.4	55.4		189.2
Total	723	68	3.0	39.6	187.1	150.0	127.4	507.1
District No. 10—Kansas City:								
Colorado	121	4		.4	1.5	16.5	33.2	51.6
Kansas	215	14		27.3	90.6	84.2	2.3	204.4
Missouri	34	2		.5	2.4	8.4	2.5	13.8
Nebraska	210	14		36.3	48.3	24.7	24.1	133.4
New Mexico	10							
Oklahoma	308	34		17.9	183.6	96.9	62.9	361.3
Wyoming	33	2		.8	1.0	3.3	6.2	11.3
Total	951	70		83.2	327.4	234.0	131.2	775.8
District No. 11—Dallas:								
Arizona	6							
Louisiana	26	7		5.7	13.8	106.5	14.5	140.5
New Mexico	28	5			35.3	35.1	83.2	153.6
Oklahoma	42	12		5.0	52.5	55.0	13.7	126.2
Texas	536	105		20.6	689.1	673.6	241.0	1,624.3
Total	638	129		31.3	790.7	870.2	352.4	2,044.6

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

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper rediscounted.
District No. 12—San Francisco:								
Alaska	1							
Arizona	7							
California	265	27		20.1	152.8	121.4	34.1	328.4
Idaho	56	5		9.0	8.3	13.9	1.9	33.1
Nevada	10							
Oregon	86	6			11.4	14.1	3.5	29.0
Utah	23							
Washington	78	5		11.6	18.8	15.3	12.1	57.8
Total	526	43		40.7	191.3	164.7	51.6	448.3

RECAPITULATION.

Districts and cities.	Number of member banks.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper rediscounted.	Per cent.
No. 1—Boston	437	6	1.2	18.0	8.6	41.3	6.7	75.8	.6
No. 2—New York	612	10		2.9	92.7	61.4		157.0	1.3
No. 3—Philadelphia	627	16	288.8	412.4	44.1	42.4	.3	788.0	6.5
No. 4—Cleveland	763	18	.6	29.4	174.0	66.0	6.1	276.1	2.3
No. 5—Richmond	507	146	14.5	448.1	1,937.3	1,485.7	88.0	3,973.6	32.5
No. 6—Atlanta	383	119	7.7	211.2	908.0	1,110.5	92.3	2,329.7	19.0
No. 7—Chicago	981	35		26.6	95.0	80.9	103.3	305.8	2.5
No. 8—St. Louis	462	51	4.4	36.7	234.7	213.0	63.1	551.9	4.5
No. 9—Minneapolis	723	68	3.0	39.6	187.1	150.0	127.4	507.1	4.1
No. 10—Kansas City	951	70		83.2	327.4	234.0	131.2	775.8	6.3
No. 11—Dallas	638	129		31.3	790.7	870.2	352.4	2,044.6	16.7
No. 12—San Francisco	526	43		40.7	191.3	164.7	51.6	448.3	3.7
Total for August	7,610	693	320.2	1,380.1	4,990.9	4,520.1	1,022.4	12,233.7	100.0
Per cent for August		9.1	2.6	11.3	40.8	36.9	8.4	100.0	
Per cent for July		10.5	.8	12.2	34.1	40.0	12.9	100.0	
Per cent for June		10.3	13.5		29.1	38.7	18.7	100.0	
Per cent for May		9.4	13.4		31.4	35.6	19.6	100.0	
Per cent for April		8.1	11.6		33.9	39.2	15.3	100.0	

Amount of commercial paper held by each of the Federal reserve banks on the last Friday of the month of August, 1915, distributed by maturities.

[In thousands of dollars.]

Federal reserve bank.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total.	Per cent.
Boston	40.9	72.0	54.0	37.0		203.9	0.7
New York	43.4	163.6	198.7	39.3		445.0	1.5
Philadelphia	160.7	247.1	78.7	25.1		511.6	1.7
Cleveland	61.1	133.7	157.4	51.4	17.7	421.3	1.4
Richmond	1,146.0	2,661.2	3,429.6	1,312.3	102.6	8,651.7	29.6
Atlanta	574.7	1,380.1	1,994.3	869.3	102.2	4,920.6	16.8
Chicago	132.3	334.8	344.4	155.4	260.0	1,226.9	4.2
St. Louis	131.6	254.8	428.8	298.4	72.0	1,185.6	4.1
Minneapolis	100.6	440.4	595.7	475.8	321.0	1,933.5	6.6
Kansas City	95.8	389.2	480.8	250.3	201.8	1,417.9	4.8
Dallas	631.1	1,059.8	3,198.6	1,404.7	594.5	6,888.7	23.6
San Francisco	169.3	389.9	549.9	254.4	104.9	1,468.4	5.0
Total	3,287.5	7,526.6	11,510.9	5,173.4	1,776.7	29,275.1	100.0
Per cent	11.2	25.7	39.3	17.7	6.1	100.0	

ACCEPTANCES.

Acceptances, by classes, held by the Federal reserve banks each we ek.

Date.	Member banks.	Nonmember banks.		Private banks.	Total.
		Trust companies.	State banks.		
1915.					
August 30	6,274	6,599	20	457	13,350
September 6	6,087	6,305	20	472	12,884
September 13	6,777	5,841	54	444	13,116
September 20	6,651	5,754	74	444	12,923

Acceptances indorsed by member banks: Private banks' acceptances, $12,000; total, $12,000.

Distribution of bankers' acceptances held by Federal reserve banks according to schedules on hand Sept. 20, 1915, by classe of acceptors and sizes.

Class of acceptors.	To $5,000.		Over $5,000 to $10,000.		Over $10,000 to $25,000.		Over $25,000 to $50,000.		Over $50,000 to $100,000.		Over $100,000.		Total.		Per cent.
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	
Member banks	163	$456,282	131	$1,085,580	114	$1,908,246	44	$1,768,079	13	$1,159,765	2	$273,000	467	$6,650,952	51.5
Trust companies	100	281,629	69	506,737	98	1,990,938	17	654,372	14	1,048,441	9	1,271,939	307	5,754,056	44.5
State banks	4	17,500	....	....	5	56,250	....	....	....	....	....	....	9	73,750	.6
Private banks	5	24,841	12	98,224	16	259,032	2	61,863	....	....	....	....	35	443,960	3.4
Total	272	780,252	212	1,690,541	233	4,214,466	63	2,484,314	27	2,208,206	11	1,544,939	818	12,922,718	100.0
Per cent	33.3	6.0	25.9	13.1	28.5	32.6	7.7	19.2	3.3	17.1	1.3	12.0	100	100.0	....

Amounts of acceptances held by the several Federal reserve banks at close of business on Fridays, Aug. 27 to Sept. 17, 1915.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Acceptances maturing within 10 days:													
Aug. 27	57	723	91	37	....	....	25	51	39	28	....	109	1,160
Sept. 3	185	957	89	49	....	....	26	15	15	....	....	5	1,341
Sept. 10	52	213	428	20	....	....	18	27	4	4	....	123	889
Sept. 17	233	668	264	20	....	....	20	8	20	....	....	30	1,263
Acceptances maturing after 10 days but within 30 days:													
Aug. 27	501	1,758	546	69	....	....	65	32	24	15	....	123	3,133
Sept. 3	300	1,193	688	20	....	....	38	32	20	15	....	118	2,424
Sept. 10	475	1,433	549	50	....	....	120	75	65	55	....	46	2,868
Sept. 17	355	1,061	307	70	....	....	160	95	132	93	......	66	2,339
Acceptances maturing after 30 days but within 60 days:													
Aug. 27	1,043	2,348	752	262	....	....	461	286	158	190	....	195	5,695
Sept. 3	1,054	2,361	526	276	....	....	545	311	158	207	....	214	5,652
Sept. 10	1,106	2,227	276	255	....	....	561	254	119	152	....	193	5,143
Sept. 17	1,447	2,484	351	337	....	....	680	305	120	341	....	342	6,407
Acceptances maturing after 60 days but within 90 days:													
Aug. 27	[1] 972	1,237	140	115	....	....	593	87	83	220	....	128	3,575
Sept. 3	1,032	985	235	115	....	....	610	87	87	202	....	270	3,623
Sept. 10	908	1,473	307	114	....	....	538	85	95	227	....	270	4,017
Sept. 17	511	1,199	327	84	....	....	531	73	43	42	....	166	2,976
Total acceptances bought:													
Aug. 27	2,573	6,066	1,529	483	....	....	1,144	456	304	453	....	555	13,563
Sept. 3	2,571	5,496	1,538	460	....	....	1,219	445	280	424	....	607	13,040
Sept. 10	2,541	5,346	1,560	439	....	....	1,237	441	283	438	....	632	12,917
Sept. 17	2,546	5,412	1,249	511	....	....	1,391	481	315	476	....	604	12,985

[1] Includes $167,000 of acceptances maturing after 90 days but within 3 months.

Total amount of acceptances purchased by each of the Federal reserve banks from Feb. 19 (date of first purchase) to June 30, and for the months of July and August, 1915, distributed by maturities.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Acceptances maturing within 30 days:													
Feb. 19 to June 30	....	539	109	64	....	....	141	67	10	41	....	61	1,032
July	....	....	43	....	....	....	....	....	....	....	....	....	43
August	39	103	42	37	....	....	....	36	29	28	....	....	314
Total	39	642	194	101	....	....	141	103	39	69	....	61	1,389
Acceptances maturing after 30 days but within 60 days:													
Feb. 19 to June 30	235	1,543	368	598	....	....	310	226	119	61	....	633	4,093
July	17	276	237	33	....	....	71	24	13	4	....	23	698
August	17	269	121	18	....	....	35	18	....	17	....	17	512
Total	269	2,088	726	649	....	....	416	268	132	82	....	673	5,303
Acceptances maturing after 60 days but within 3 months:													
Feb. 19 to June 30	2,899	8,145	1,876	732	....	....	1,524	162	397	634	....	1,112	17,481
July	1,046	1,977	521	265	....	....	426	276	178	190	....	120	4,909
August	931	1,443	140	115	....	....	593	87	87	202	....	347	3,945
Total	4,876	11,565	2,537	1,112	....	....	2,543	525	662	1,026	....	1,579	26,425
Total acceptances bought:													
Feb. 19 to June 30	3,134	10,227	2,353	1,394	....	....	1,975	455	526	736	....	1,806	22,606
July	1,063	2,253	801	298	....	....	497	300	191	194	....	143	5,740
August	987	1,815	303	170	....	....	628	141	116	247	....	364	4,771
Grand total	5,184	14,295	3,457	1,862	....	....	3,100	896	833	1,177	....	2,313	33,117

FEDERAL RESERVE BANK STATEMENTS.

Resources and liabilities of each of the Federal reserve banks and of the Federal reserve system at close of business on Fridays, Aug. 27 to Sept. 24, 1915.

[In thousands of dollars.]

RESOURCES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Gold coin and certificates in vault:													
Aug. 27	$11,858	$113,502	$11,693	$13,059	$4,119	$3,476	$24,497	$7,685	$5,858	$5,380	$3,051	$6,967	$211,145
Sept. 3	11,944	113,668	9,752	13,116	4,122	3,285	25,974	7,686	5,354	5,011	2,736	6,721	209,369
Sept. 10	12,002	113,558	10,002	12,718	3,565	4,895	26,804	7,650	5,379	4,811	4,117	6,629	212,130
Sept. 17	13,520	120,346	9,880	12,535	6,122	5,913	29,065	7,535	5,109	4,813	3,220	6,344	224,402
Sept. 24	14,529	131,027	7,393	12,031	5,892	6,003	28,971	5,850	3,758	4,569	3,501	6,448	229,972
Gold settlement fund:													
Aug. 27	4,831	15,736	1,244	3,995	4,370	1,415	12,326	2,512	1,047	3,523	3,621	1,310	55,930
Sept. 3	3,606	18,009	1,165	3,929	4,560	1,369	12,416	3,407	1,308	3,429	3,682	1,000	57,880
Sept. 10	4,321	13,369	2,396	4,160	9,481	4,705	12,490	2,865	1,645	3,828	7,573	1,857	68,690
Sept. 17	2,265	13,532	2,209	4,517	7,106	2,738	12,321	4,322	2,211	3,460	6,544	1,815	63,040
Sept. 24	3,228	3,189	8,408	4,813	6,296	2,483	12,454	5,124	2,658	3,028	5,453	1,916	59,050
Gold redemption fund:													
Aug. 27	6	55	37	....	345	225	....	35	30	37	313	21	1,104
Sept. 3	6	55	37	....	365	225	....	35	30	67	321	21	1,162
Sept. 10	6	55	37	....	375	225	....	35	30	72	331	21	1,187
Sept. 17	6	55	37	....	375	225	....	35	30	72	341	21	1,197
Sept. 24	6	55	37	....	375	225	....	35	30	77	341	21	1,202
Legal tender notes, silver, etc.:													
Aug. 27	648	10,823	3,166	1,058	122	460	2,197	372	5	465	555	7	19,878
Sept. 3	395	10,650	2,737	1,056	115	447	2,524	348	5	443	548	6	19,274
Sept. 10	257	12,657	2,584	970	94	377	2,057	344	5	443	440	7	20,235
Sept. 17	153	9,510	2,457	931	95	214	1,594	317	5	444	275	6	16,001
Sept. 24	401	16,594	2,446	933	89	132	1,292	251	4	440	331	7	22,920
Total reserve:													
Aug. 27	17,343	140,116	16,140	18,112	8,956	5,576	39,020	10,604	6,940	9,405	7,540	8,305	288,057
Sept. 3	15,951	142,382	13,691	18,101	9,162	5,326	40,914	11,476	6,697	8,950	7,287	7,748	287,685
Sept. 10	16,586	139,639	15,019	17,848	13,515	10,202	41,351	10,894	7,059	9,154	12,461	8,514	302,242
Sept. 17	15,944	143,443	14,583	17,983	13,698	9,090	42,980	12,209	7,355	8,789	10,380	8,186	304,040
Sept. 24	18,164	150,865	18,284	17,777	12,652	8,843	42,717	11,260	6,450	8,114	9,626	8,392	313,144

Resources and liabilities of each of the Federal reserve banks and of the Federal reserve system at close of business on Fridays, Aug. 27 to Sept. 24, 1915—Continued.

RESOURCES—Continued.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Commercial paper:													
Aug. 27	$204	$445	$512	$421	$8,652	$4,920	$1,226	$1,185	$1,934	$1,418	$6,889	$1,469	$29,275
Sept. 3	180	494	631	486	8,463	5,312	1,152	1,227	1,922	1,551	7,061	1,438	29,917
Sept. 10	181	532	740	618	8,606	5,315	1,130	1,207	1,831	1,657	7,126	1,397	30,340
Sept. 17	164	513	526	767	8,560	5,733	1,302	1,233	1,591	1,787	7,212	1,288	30,676
Sept. 24	180	501	385	748	8,404	6,046	1,410	1,397	1,625	1,929	7,493	1,255	31,373
Bank acceptances:													
Aug. 27	2,574	6,066	1,529	484			1,144	456	304	452		555	13,564
Sept. 3	2,571	5,495	1,538	461			1,219	445	280	424		606	13,039
Sept. 10	2,541	5,345	1,559	439			1,238	441	284	439		632	12,918
Sept. 17	2,547	5,412	1,249	511			1,391	480	315	476		604	12,985
Sept. 24	2,435	4,919	1,759	514	100		1,421	494	316	495		605	13,058
United States bonds:													
Aug. 27	491		340	852			3,951	244	1,027	931		1,000	8,836
Sept. 3	491		340	861			3,951	242	1,027	931		1,000	8,843
Sept. 10	491		340	861			3,960	242	1,027	931		1,000	8,852
Sept. 17	491		340	861			3,960	242	1,027	1,126		1,000	9,047
Sept. 24	491		340	887			3,986	242	1,027	1,355		1,000	9,328
Municipal warrants:													
Aug. 27	3,407	10,802	2,747	2,422			3,502	696	559	580		1,093	25,808
Sept. 3	3,332	9,192	2,532	1,755			2,912	1,050	891	780		1,509	24,013
Sept. 10	3,267	9,103	2,535	1,691			2,958	1,055	737	790		1,574	23,710
Sept. 17	3,547	9,058	3,043	1,722		5	2,933	1,035	737	790		1,574	24,444
Sept. 24	3,731	9,305	3,049	1,736		5	2,949	1,047	745	798		1,580	24,945
Federal reserve notes, net assets:													
Aug. 27	495	7,245	150	406			2,431					1,764	12,491
Sept. 3	259	8,156	30	265			2,450		116			1,665	12,941
Sept. 10	414	8,656	63	343			2,450					1,449	13,375
Sept. 17	349	7,600	188	51			2,317					1,976	12,481
Sept. 24	368	7,988	599	335			2,208	499	895			1,974	14,866
Due from other Federal reserve banks, net:													
Aug. 27			1,322	447	331	244	3,241	1,447	560	330	145	2,151	[1] 6,990
Sept. 3	45		4,566	1,030	156	576	1,160	801	228	888	555	2,277	[1] 7,761
Sept. 10			2,299	1,078	567	189	2,502	1,651	480	132	54	1,525	[1] 8,142
Sept. 17	542		2,942	926	379	462	1,337	1,977	447	138	1,348	1,640	[1] 8,533
Sept. 24			3,788	1,100	925	550	4,450	608	409	14	1,054	1,543	[1] 7,409
All other resources:													
Aug. 27	756	388	552	246	176	151	133	1,559	60	735	133	73	4,962
Sept. 3	985	399	579	259	200	33	136	725	62	575	50	72	4,075
Sept. 10	726	347	590	221	209	148	161	658	62	576	67	76	3,841
Sept. 17	726	362	723	152	230	130	129	203	65	540	35	82	3,382
Sept. 24	565	342	748	153	245	303	138	303	68	490	127	95	3,577
Total resources:													
Aug. 27	25,270	165,062	23,292	23,390	18,115	10,891	54,648	16,191	11,384	13,851	14,707	16,410	389,983
Sept. 3	23,814	166,118	23,907	23,218	17,981	11,247	53,894	15,966	11,223	14,099	14,953	16,375	388,274
Sept. 10	24,206	163,622	23,175	23,099	22,897	15,854	55,750	16,148	11,480	13,679	19,703	16,167	403,420
Sept. 17	24,310	166,383	23,599	22,973	22,867	15,420	56,349	17,379	11,537	13,646	18,975	16,350	406,188
Sept. 24	25,934	173,020	28,952	23,250	22,326	15,747	59,279	15,850	11,535	13,195	18,300	16,444	417,700

LIABILITIES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Capital paid in:													
Aug. 27	5,162	10,978	5,270	5,947	3,364	2,419	6,616	2,797	2,430	3,020	2,755	3,931	54,689
Sept. 3	5,162	10,982	5,270	5,946	3,366	2,419	6,625	2,797	2,487	3,020	2,757	3,931	54,762
Sept. 10	5,162	10,982	5,270	5,946	3,366	2,420	6,628	2,797	2,488	3,023	2,759	3,931	54,772
Sept. 17	5,162	10,982	5,270	5,947	3,361	2,417	6,629	2,780	2,488	3,023	2,759	3,931	54,749
Sept. 24	5,162	10,986	5,265	5,947	3,358	2,416	6,630	2,782	2,489	3,023	2,759	3,931	54,748
Government deposits:													
Aug. 27													
Sept. 3													
Sept. 10					5,000	5,000					5,000		15,000
Sept. 17					5,000	5,000					5,000		15,000
Sept. 24					5,000	5,000					5,000		15,000
Reserve deposits, net:													
Aug. 27	19,481	150,128	18,022	17,443	7,764	5,420	48,032	13,375	8,797	9,989	6,059	12,479	316,989
Sept. 3	18,652	147,299	18,637	17,272	7,544	5,202	47,269	13,068	8,736	10,191	6,002	12,444	312,316
Sept. 10	18,979	147,506	17,875	17,153	7,478	5,227	49,122	13,188	8,877	9,745	5,667	12,236	313,053
Sept. 17	19,148	149,079	18,329	17,026	7,444	5,230	49,720	14,473	8,869	9,554	5,662	12,419	316,953
Sept. 24	20,041	154,172	23,687	17,303	7,386	5,236	52,649	13,068	9,046	9,179	5,661	12,513	329,941
Federal reserve notes, net liability:													
Aug. 27					6,865	3,001		19	157	842	5,854		16,738
Sept. 3					6,950	3,573		101		888	6,158		17,670
Sept. 10					6,927	3,150		163	115	911	6,261		17,527
Sept. 17					6,931	2,714		126	180	1,069	5,542		16,562
Sept. 24					6,445	3,030				993	4,880		15,348

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

Resources and liabilities of each of the Federal reserve banks and of the Federal reserve system at close of business on Fridays, Aug. 27 to Sept. 24, 1915.—Continued.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Due to other Federal reserve banks, net:													
Aug. 27	$627	$2,601	......	......	......	......	......	......	......	......	......	......	......
Sept. 3	......	4,521	......	......	......	......	......	......	......	......	......	......	......
Sept. 10	65	2,270	......	......	......	......	......	......	......	......	......	......	......
Sept. 17	......	3,605	......	......	......	......	......	......	......	......	......	......	......
Sept. 24	731	6,301	......	......	......	......	......	......	......	......	......	......	......
All other liabilities:													
Aug. 27	......	1,355	......	......	$122	$51	......	......	......	......	$39	......	$1,567
Sept. 3	......	3,316	......	......	121	53	......	......	......	......	36	......	3,526
Sept. 10	......	2,864	......	......	126	57	......	......	......	......	21	......	3,068
Sept. 17	......	2,722	......	......	131	59	......	......	......	......	12	......	2,924
Sept. 24	......	2,461	......	......	137	65	......	......	......	......	......	......	2,663
Total liabilities:													
Aug. 27	25,270	165,062	$23,292	$23,390	18,115	10,891	$54,648	$16,191	$11,384	$13,851	14,707	$16,410	399,983
Sept. 3	23,814	166,118	23,907	23,218	17,981	11,247	53,894	15,966	11,223	14,099	14,953	16,375	388,274
Sept. 10	24,206	163,622	23,145	23,099	22,897	15,854	55,750	16,148	11,480	13,679	19,708	16,167	403,420
Sept. 17	24,310	166,388	23,599	22,973	22,867	15,420	56,349	17,379	11,537	13,646	18,975	16,350	406,188
Sept. 24	25,934	173,920	28,952	23,250	22,326	15,747	59,279	15,850	11,535	13,195	18,300	16,444	417,700

Circulation of Federal reserve notes at close of business on Fridays, Aug. 27 to Sept. 24, 1915.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal reserve notes issued to the banks:													
Aug. 27	$4,620	$52,820	$3,610	$5,200	$9,000	$5,600	$4,380	$836	$5,000	$5,580	$10,215	$3,040	$109,901
Sept. 3	4,620	55,220	3,590	5,200	9,200	6,150	4,380	836	5,600	5,980	10,715	3,040	114,531
Sept. 10	5,120	56,820	3,590	5,600	9,800	7,080	4,380	1,226	5,600	6,380	11,215	3,040	119,851
Sept. 17	5,120	56,820	3,870	5,800	10,100	8,280	4,380	1,225	5,900	6,380	12,125	4,000	124,000
Sept. 24	5,120	59,220	4,670	6,400	10,760	9,280	4,380	2,425	6,700	6,780	13,325	4,000	133,060
Federal reserve notes in the hands of the banks:													
Aug. 27	495	7,515	150	406	235	349	2,431	191	443	328	361	1,764	14,668
Sept. 3	259	8,426	30	265	350	127	2,450	109	716	382	257	1,665	15,036
Sept. 10	414	8,926	63	343	373	590	2,450	437	485	459	354	1,449	16,343
Sept. 17	349	7,870	188	51	369	1,066	2,317	288	420	301	183	1,976	15,378
Sept. 24	368	8,258	599	335	315	750	2,208	914	895	477	305	1,974	17,398
Federal reserve notes in circulation:													
Aug. 27	4,125	45,305	3,460	4,794	8,765	5,251	1,949	645	4,557	5,252	9,854	1,276	95,233
Sept. 3	4,361	46,794	3,560	4,935	8,850	6,023	1,930	727	4,884	5,598	10,458	1,375	99,495
Sept. 10	4,706	47,894	3,527	5,257	9,427	6,490	1,930	789	5,115	5,921	10,861	1,591	103,508
Sept. 17	4,771	48,950	3,682	5,749	9,731	7,214	2,063	937	5,480	6,079	11,942	2,024	108,622
Sept. 24	4,752	50,962	4,071	6,065	10,445	8,530	2,172	1,511	5,805	6,303	13,020	2,026	115,662
Gold and lawful money deposited with or to the credit of the Federal reserve agents:													
Aug. 27	4,620	52,550	3,610	5,200	1,900	2,250	4,380	626	4,400	4,410	4,000	3,040	90,986
Sept. 3	4,620	54,950	3,590	5,200	1,900	2,450	4,380	626	5,000	4,710	4,300	3,040	94,766
Sept. 10	5,120	56,550	3,590	5,600	2,500	3,340	4,380	626	5,000	5,010	4,600	3,040	99,356
Sept. 17	5,120	56,550	3,870	5,800	2,800	4,500	4,380	811	5,300	5,010	6,400	4,000	104,541
Sept. 24	5,120	58,950	4,670	6,400	4,000	5,500	4,380	2,010	6,700	5,310	8,140	4,000	115,180
Carried to net liabilities:													
Aug. 27	......	......	......	......	6,865	3,001	......	19	157	842	5,851	......	16,738
Sept. 3	......	......	......	......	6,950	3,573	......	101	......	888	6,158	......	17,670
Sept. 10	......	......	......	......	6,927	3,150	......	163	115	911	6,261	......	17,527
Sept. 17	......	......	......	......	6,931	2,714	......	126	180	1,069	5,542	......	16,562
Sept. 24	......	......	......	......	6,445	3,030	......	......	......	993	4,880	......	15,348
Carried to net assets:													
Aug. 27	495	7,245	150	406	......	......	2,431	......	......	......	......	1,764	12,491
Sept. 3	259	8,156	30	265	......	......	2,450	......	116	......	......	1,665	12,941
Sept. 10	414	8,656	63	343	......	......	2,450	......	......	......	......	1,449	13,375
Sept. 17	349	7,600	188	51	......	......	2,317	......	......	......	......	1,976	12,481
Sept. 24	368	7,988	599	335	......	......	2,208	499	895	......	......	1,974	14,866

Statement of Federal reserve agents' accounts at close of business on Fridays, Aug. 27 to Sept. 24, 1915.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal reserve notes received from the Comptroller:													
Aug. 27	$11,800	$58,800	$8,480	$7.000	$10.000	$9,100	$9,380	$3,400	$6,000	$8.000	$13,900	$10.000	$155,860
Sept. 3	11,800	58,800	8,480	7.000	11,300	9,100	9,380	3,400	6,000	8,000	13.900	10,000	157,160
Sept. 10	11,800	58,800	8,480	7,000	11,300	11,100	9,380	3,400	7,000	8,000	13,900	10,000	160,160
Sept. 17	11,800	60,800	9,280	7,000	11,300	12,100	9,380	3,400	7,000	8,000	15,340	10,000	165,400
Sept. 24	11,800	63,760	9,280	8,000	11,800	12,100	9,380	3,400	9,000	8,000	15,340	10,000	171,860
Federal reserve notes returned to the Comptroller:													
Aug 27	100	....	210	....	....	....	120	....	....	....	5	....	435
Sept. 3	100	....	230	....	....	....	120	....	....	....	5	....	455
Sept. 10	100	....	230	....	....	....	120	....	....	....	5	....	455
Sept. 17	100	....	270	....	....	....	120	....	....	....	15	....	505
Sept. 24	200	....	270	....	....	....	120	....	....	....	15	....	605
Amount of Federal reserve notes chargeable to the Federal reserve agent:													
Aug. 27	11,700	58,800	8,270	7,000	10,000	9,100	9,260	3,400	6,000	8,000	13,895	10,000	155,425
Sept. 3	11,700	58,800	8,250	7,000	11,300	9,100	9,260	3,400	6,000	8,000	13,895	10.000	156,705
Sept. 10	11,700	58,800	8,250	7,000	11,300	11,100	9,260	3,400	7,000	8,000	13,895	10,000	159,705
Sept. 17	11,700	60,800	9,010	7,000	11,300	12,100	9,260	3,400	7,000	8,000	15,325	10,000	164,895
Sept. 24	11,600	63,760	9,010	8,000	11,800	12,100	9,260	3,400	9,000	8,000	15,325	10,000	171,255
Federal reserve notes in the hands of the agent at close of business Friday:													
Aug. 27	7,080	5,980	4,660	1,800	1,000	3,500	4,880	2,564	1,000	2,420	3,680	6,960	45,524
Sept. 3	7,080	3,580	4,660	1,800	2,100	2,950	4,880	2,564	400	2,020	3,180	6,960	42,174
Sept. 10	6,580	1,980	4,660	1,400	1,500	4,020	4,880	2,174	1,400	1,620	2,680	6,960	39,854
Sept. 17	6,580	3,980	5,140	1,200	1,200	3,820	4,880	2,175	1,100	1,620	3,200	6,000	40,895
Sept. 24	6,480	4,540	4,340	1,600	1,040	2,820	4,880	975	2,300	1,220	2,000	6,000	38,195
Federal reserve notes issued to the Federal reserve bank, less notes returned to the agent for redemption and cancellation:													
Aug. 27	4,620	52,820	3,610	5,200	9,000	5,600	4,380	836	5,000	5,580	10,215	3,040	109,901
Sept. 3	4,620	55,220	3,590	5,200	9,200	6,150	4,380	836	5,600	5,980	10,715	3,040	114,531
Sept. 10	5,120	56,820	3,590	5,600	9,800	7,080	4,380	1,226	5,600	6,380	11,215	3,040	119,851
Sept. 17	5,120	56,820	3,870	5,800	10,100	8,280	4,380	1,225	5,900	6,380	12,125	4,000	124,000
Sept. 24	5,120	59,220	4,670	6,400	10,760	9,280	4,380	2,425	6,700	6,780	13,325	4,000	133,060
Held by the Federal reserve agent:													
In reduction of liability on outstanding notes—													
Gold coin and certificates—													
Aug. 27	4,620	52,550	3,610	4,940	1,900	2,250	4,260	626	4,400	4,410	4,000	3,040	90,606
Sept. 3	4,620	54,950	3,590	4,940	1,900	2,450	4,260	626	5,000	4,710	4,300	3,040	94,386
Sept. 10	5,120	56,550	3,590	5.320	2,500	3,340	4,260	626	5,000	5,010	4,600	3,040	98,956
Sept. 17	5,120	56,550	3,870	5,510	....	....	4,260	806	5,300	5,010	6,400	4,000	96,826
Sept. 24	5,120	58,950	4,670	6,080	....	....	4,260	2,005	6,700	5,310	8,140	4,000	105,235
Lawful money—													
Aug. 27	....	....	....	....	....	....	....	....	....	....	....	....	....
Sept. 3	....	....	....	....	....	....	....	....	....	....	....	....	....
Sept. 10	....	....	....	....	....	....	....	....	....	....	....	....	....
Sept. 17	....	....	....	....	....	....	....	5	....	....	....	....	5
Sept. 24	....	....	....	....	....	....	....	5	....	....	....	....	5
As security for outstanding notes—													
Commercial paper[1]—													
Aug. 27	....	270	....	....	7,100	3,350	....	210	600	1,170	6,215	....	18,915
Sept. 3	....	270	....	....	7,300	3,700	....	210	600	1,270	6,415	....	19,765
Sept. 10	....	270	....	....	7,300	3,740	....	600	600	1,370	6,615	....	20,495
Sept. 17	....	270	....	....	7,300	3,780	....	414	600	1,370	5,713	....	19,447
Sept. 24	....	270	....	....	6,760	3,780	....	415	....	1,470	5,185	....	17,880
Federal reserve agents' credit balances:													
In gold redemption fund—													
Aug. 27	....	....	....	260	....	....	120	....	....	....	....	....	380
Sept. 3	....	....	....	260	....	....	120	....	....	....	....	....	380
Sept. 10	....	....	....	280	....	....	120	....	....	....	....	....	400
Sept. 17	....	....	....	290	....	....	120	....	....	....	....	....	410
Sept. 24	....	....	....	320	....	....	120	....	....	....	....	....	440

Statement of Federal reserve agents' accounts at close of business on Fridays, Aug. 27 to Sept. 24, 1915—Continued.

	Boston.	New York.	Phila-delphia.	Cleve-land.	Rich-mond.	At-lanta.	Chicago.	St. Louis.	Minne-apolis.	Kansas City.	Dallas.	San Fran-cisco.	Total.
Federal reserve agent's credit balances—Continued.													
With Federal Reserve Board—													
Aug. 27													
Sept. 3													
Sept. 10													
Sept. 17					$2,800	$4,500							$7,300
Sept. 24					4,000	5,500							9,500
Total:													
Aug. 27	$4,620	$52,820	$3,610	$5,200	9,000	5,600	$4,380	$836	$5,000	$5,580	$10,215	$3,040	109,901
Sept. 3	4,620	55,220	3,590	5,200	9,200	6,150	4,380	836	5,600	5,980	10,715	3,040	114,531
Sept. 10	5,120	56,820	3,590	5,600	9,800	7,080	4,380	1,226	5,600	6,380	11,215	3,040	119,851
Sept. 17	5,120	56,820	3,870	5,800	10,100	8,280	4,380	1,225	5,900	6,380	[2] 12,113	4,000	[2] 123,988
Sept. 24	5,120	59,220	4,670	6,400	10,760	9,280	4,380	2,425	6,700	6,780	13,325	4,000	133,060
[1] Amount of commercial paper turned over to the Federal reserve agent:													
Aug. 27		270			7,506	3,359		212	602	1,170	6,231		19,350
Sept. 3		270			7,558	3,701		212	602	1,271	6,456		20,070
Sept. 10		270			7,332	3,744		602	602	1,371	6,625		20,546
Sept. 17		270			7,323	3,781		417	602	1,370	5,713		19,476
Sept. 24		270			6,843	3,787		417		1,471	5,325		18,113

[2] Deficiency of $12,000 offset by funds in the gold redemption fund.

DISCOUNT RATES.

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

	Date of last change of rate.	Maturities of 10 days and less.	Maturities of over 10 to 30 days, inclusive.	Maturities of over 30 to 60 days, inclusive.	Maturities of over 60 to 90 days, inclusive.	Agricultural and live-stock paper over 90 days.	Trade acceptances. To 60 days, inclusive.	Trade acceptances. Over 60 to 90 days, inclusive.	Commodity paper.
Boston	Sept. 24	3	4	4	4	5	3½	3½	[1] 3½
New York	July 22	3	4	4	4	5	3½	3½	
Philadelphia	Sept. 23	3	4	4	4	5	3	3	[1] 3
Cleveland	Sept. 10	3½	4	4	4½	5			
Richmond	Sept. 15		4	4	4½	5	3½	4	[1] 3
Atlanta	Sept. 24		4	4	4	5	3½	3½	3
Chicago	Jan. 23		4	4	4½	5			
St. Louis	Sept. 14	3	4	4	4	5	3½	3½	3
Minneapolis	Sept. 28		4	4	4½	5			3
Kansas City	Aug. 13		4	4	4	5	3½	3½	
Dallas	Sept. 8		4	4	4½	5	3½	4	3
San Francisco	Sept. 24	3	3½	4	4½	6	3	3½	(2)

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

Authorized rate of acceptances, 2 to 4 per cent.

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

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