

FEDERAL RESERVE BULLETIN

SEPTEMBER, 1925



ISSUED BY THE
FEDERAL RESERVE BOARD
AT WASHINGTON

Business and Banking Conditions
Belgian Debt Agreement
Guaranty of Bank Deposits



WASHINGTON
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1925

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THE FEDERAL RESERVE BULLETIN is the board's medium of communication with member banks of the Federal reserve system and is the only official organ or periodical publication of the board. It contains, in addition to the regular official announcements, the national review of business conditions, detailed analyses of business conditions, research studies, reviews of foreign banking, and complete statistics showing the condition of Federal reserve banks and member banks. The BULLETIN will be sent to all member banks without charge. To others the subscription price, which covers the cost of paper and printing, is \$2. Single copies will be sold at 20 cents. Outside of the United States, Canada, Mexico, and the insular possessions, \$2.60; single copies, 25 cents.

TABLE OF CONTENTS

The month:	Page
Review of the month—Business and banking conditions.....	599
Business conditions in the United States.....	605
Recent price movements in Europe.....	677
Belgian debt agreement.....	603
Guaranty of bank deposits.....	626
Official:	
Law department:	
State laws relating to the guaranty of bank deposits.....	641
Changes in State bank membership.....	669
Changes in national bank membership.....	670
Fiduciary powers granted to national banks.....	669
Business statistics for the United States:	
Revision of indexes of employment and pay rolls.....	668
Industrial activity.....	671
Commodity movements.....	674
Wholesale and retail trade.....	675
Estimate of crop production.....	670
Foreign banking and business conditions:	
Annual report of South African Reserve Bank.....	678
Financial statistics for principal foreign countries.....	680
Foreign trade of principal countries.....	683
Industrial statistics for England, France, Germany, and Canada.....	684
Price movements in principal countries—	
Federal Reserve Board wholesale price indexes.....	686
Wholesale prices in principal countries.....	687
Retail prices and cost of living in principal countries.....	688
Banking and financial statistics:	
Federal reserve banks—	
Condition of Federal reserve banks.....	689
Federal reserve note account.....	692
Holdings of earning assets.....	693
Discount and open-market operations of Federal reserve banks.....	694
Gold settlement fund.....	704
Discount rates of Federal reserve banks.....	704
Member banks—	
Condition of reporting member banks in leading cities.....	695
Bankers' balances at reporting member banks in Federal reserve bank cities.....	696
Deposits of all member banks.....	697
All member banks—Abstract of condition reports on June 30, 1925.....	698
Bank debits.....	702
Member banks and nonmember banks on par list and not on par list.....	703
Money rates in principal cities.....	705
Money in circulation.....	703
Gold and silver imports and exports.....	706
Foreign exchange rates and index.....	707

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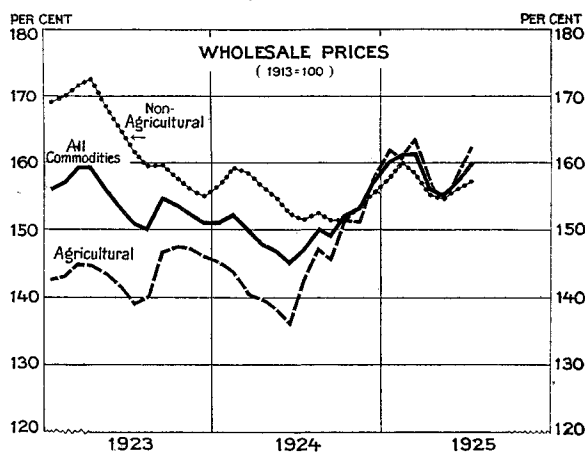
REVIEW OF THE MONTH

The course of business in recent months has been characterized by a rise in prices, a slight upturn in industrial production after several months of decline, a continued growth in building construction, and an increase in the volume of commodity distribution. This increase in business activity has reflected a sustained demand by domestic consumers, both rural and urban, and by foreign purchasers of American products, particularly grains and cotton. With commodity distribution in relatively large volume, stocks of commodities have continued to be at a comparatively constant level. Commercial demand for bank credit has recently increased, but the volume of loans for industrial and commercial purposes is still below that of the opening of the year. A large growth in the volume of loans on securities, however, has carried the total of loans and investments to a higher level than at any previous time. Conditions in the money market in recent months have been firmer than earlier in the year and money rates have remained considerably above the exceptionally low level of last year.

Wholesale prices in July were about 9 per cent higher than last summer, after advancing continuously since June, 1924, with the exception of a brief period of sharp recession last spring. The present average of prices is somewhat below the high point reached in March of this year, but slightly above the earlier peak of the spring of 1923. While the general price level is thus approximately the same as two years ago, there has been during this period a readjustment between the prices of different groups of commodities. Prices of nonagricultural commodities, which in 1923 were con-

Recent course of business and credit.

siderably above the general average for all commodities, have declined, while those of agricultural commodities have increased by 16 per cent and are at present above the general average. The chart shows the course of prices for the past three years, classified into agricultural and nonagricultural prices.



Bureau of Labor Statistics index of wholesale prices, with commodities classified as agricultural and nonagricultural.

A more detailed analysis of price changes during the past year on the basis of the nine commodity groups shown by the Bureau of Labor Statistics indicates that the 9 per cent rise in the average since July, 1924, reflects largely an advance of 15 per cent in farm products and foods, which together carry in the computation of the index about one-half of the weight of all commodities. In the table on the next page are shown price indexes of the nine commodity groups for July and October, 1924, and March, May, and July of the present year.

Of the first six groups shown in the table, which together comprise seven-eighths of the weight assigned to all commodities, farm products and foods are the only groups for which prices advanced materially during the past year. During this spring all of these

groups showed declines in prices, and all but two participated in the most recent price advance. Throughout the period, however, the principal factor in the changes of the general price level has been the movement in the prices of farm products and foods. The rise since last May has reflected primarily an advance in the price of hogs, following upon a decrease in the supply caused by heavy marketing last autumn, when corn was scarce and high, and in the price of cattle, particularly of corn-fed stock, as the result of a sustained demand for beef and increased demand from the cattle-feeding industry.

WHOLESALE PRICES

[1913 average=100]

	July, 1924	Octo- ber, 1924	March, 1925	May, 1925	July, 1925	Per- centage change since July, 1924
All commodi- ties.....	147	152	161	155	159	+8.7
Farm products.....	141	149	161	152	162	+14.8
Foods.....	139	152	159	153	157	+13.2
Cloths and clothing.....	188	188	191	189	189	+0.7
Fuel and lighting.....	173	162	174	168	172	-0.6
Metals.....	130	127	134	127	126	-3.1
Building material.....	169	171	180	175	170	+0.8
Chemicals and drugs.....	126	132	134	133	133	+5.4
House furnishings.....	171	171	170	171	169	-0.9
Miscellaneous.....	112	120	125	131	143	+27.6

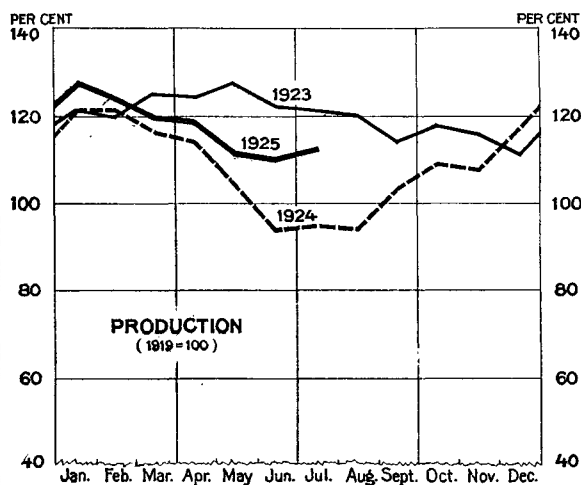
It appears that the recent price advance, as well as the present relatively high level, reflect chiefly an increase in the price of foodstuffs and other agricultural products rather than a general rise in the prices of all groups of commodities. Both the general course of prices in the United States and the rise in the price of foods has been paralleled by similar movements in the principal European countries, as is shown in an article elsewhere in this issue of the BULLETIN.¹

Following upon the recent upturn in prices there has been in July an increase in the output of industrial establishments.

Increased industrial activity.

The Federal Reserve Board's index of production in basic industries, after rising almost continuously during the latter part of 1924 and the beginning of

this year, declined sharply between January and June, but advanced about 2 per cent in July. The chart, on which the course of production in 1923, 1924, and 1925 to date is shown by separate curves for each year, indicates that production early in 1925 was larger than at any time the year before and as large as at the high point in 1923; that the decline this year started earlier than in 1924, but was not so rapid or so extensive, with the consequence that production has been throughout the period in larger volume than for the corresponding months of last year and was in July about 15 per cent above the level of a year ago. Important



Federal Reserve Board's index of production of 22 basic commodities, adjusted for seasonal variations

factors in the increasingly larger volume of production this year, as compared with last, more especially for the summer months, have been the increased output of automobile factories and of bituminous coal mines, and the greater activity in the building industry. Building contracts awarded in recent months have been more than one-third larger in value than for the same period last year, at about the same level of building costs, and this larger volume of construction has been reflected in the demand for basic materials, particularly iron and steel products, which are lower in price, and lumber, which is somewhat higher. Available information covering all parts of the country, except certain States of the far West,

¹ Page 377.

and representing about seven-eighths of the total volume of construction work in the United States, shows that there has been an increase in building activity over last year in all sections except in New York City, the increase ranging from 6 per cent in the Northwestern States and 9 per cent in Texas to 31 per cent in New England, 38 per cent in the Central West, and 60 per cent in the Pittsburgh section, which includes western Pennsylvania, West Virginia, Ohio, and Kentucky. The decline in New York City, where about one-sixth of the country's building usually takes place, was about 30 per cent, mostly in the class of residential buildings. For the country as a whole the increase has been in all classes of construction work, particularly residential and business buildings.

Automobile production, after declining throughout the larger part of 1924, increased rapidly this year and in the spring was in the largest volume on record, with prices in recent months considerably lower than a year ago. The output of the iron and steel industry has declined in volume since January, when it was exceptionally large, but throughout the period the volume of production has been larger than in 1924. Similarly, in the textile industry, factory consumption of cotton and wool, though declining since early in the year, has been larger than a year ago. In most of the principal industries the volume of activity in July was lower than in the early months of the year, but considerably above the low level of a year ago.

Increased industrial activity this year as compared with 1924 has been accompanied by a larger volume of trade, especially in recent months, reflecting the larger buying power of farmers and full employment in the building trades, with earnings of factory workers, though declining in recent months, at an average level for the first seven months as high as that of last year. During the early months of the year the Federal Reserve Board's index of wholesale trade, which is based on reports from about 750 representative

wholesalers and measures sales in dollar values, was somewhat lower than at the beginning of last year, but during recent months it has been consistently higher and has been rising, in contrast to the decline during this period a year ago. The increase is in part accounted for by higher prices for groceries and meats. Distribution of commodities by railroads, as measured by car loadings of miscellaneous freight, including merchandise in less than car load lots, has been larger this year than in the corresponding period of any other year. The volume of retail sales at department stores, and particularly at chain stores and mail-order houses, has also been greater. The increase of 11 per cent in mail-order sales and the large growth in the volume of sales of agricultural implements reflect larger purchases by farmers, who have had during the last year larger incomes than in recent years, in consequence of the higher level of agricultural prices and a larger foreign demand for wheat and cotton. Total exports of American products for the first seven months of the year were 14 per cent greater in value than a year ago, about one-half of this increase representing larger foreign takings of wheat, at a much higher level of prices, and of cotton, though at lower prices. Larger exports were shown for all the important commodity groups that enter into our foreign trade. Thus the larger volume of trade in recent months has reflected increased purchases by domestic consumers, both rural and urban, and larger takings by foreign importers of American products.

The sustained rate at which products have been distributed through the channels of trade during the current year, together with the widespread practice of merchants in buying ahead only for immediate requirements, has been reflected in a relatively constant volume of commodities kept in stock. Average stocks of department stores since the beginning of the year, representing over 300 stores in 100 cities in 10 Federal reserve districts, have had almost exactly the same value as in 1924, and stocks in July were less

Volume of trade.

Stocks of commodities.

than 1 per cent larger in value than a year ago. Stocks maintained by wholesale firms have averaged more than 7 per cent higher in value for groceries, owing in part to the advance in the price of foodstuffs, more than 14 per cent lower for dry goods and shoes, about 4 per cent lower for hardware and slightly higher for drugs, with stocks in July at about these same relative levels.

Available figures for stocks of several important commodities in physical units, shown in the table below, indicate that the stocks of most of these commodities are neither much smaller nor much larger than on corresponding dates of 1923 or 1924. Stocks are larger now than either last year or the year before for cement, newsprint, sugar, and gasoline, and smaller than in either of these years for face brick, pork, copper, and bituminous coal. As compared with last year the stocks of these commodities in recent months have been as much as 10 per cent larger for cement, newsprint, and sugar, and as much as 10 per cent smaller for pork and bituminous coal, with stocks of other commodities close to those of last year.

STOCKS OF SELECTED COMMODITIES IN JULY

	1923	1924	1925	Change in per cent in 1925 over—	
				1923	1924
Brick, face (in thousands).....	67,787	51,503	46,545	-31.3	-9.6
Cement (in thousands of barrels).....	8,081	12,319	13,920	72.3	13.0
Oak flooring (M feet).....	40,708	48,842	45,155	10.9	-7.5
Newsprint (tons).....	21,237	28,427	34,079	60.5	19.9
Pneumatic tires (thousands).....	6,471	5,138	15,432	-161	5.7
Beef (thousands of pounds).....	45,893	49,615	49,648	8.2	0.1
Pork (thousands of pounds).....	1,009,738	960,257	816,743	-19.1	-14.9
Sugar, raw (tons).....	228,840	321,238	323,649	41.4	0.8
Petroleum, crude (thousands of barrels).....	1,299,368	1,318,122	1,308,429	+3.0	-3.0
Gasoline (thousands of gallons).....	1,165,389	1,470,923	1,610,790	38.2	9.5
Bituminous coal (thousands of tons) ¹	42,000	51,000	38,000	-9.5	-25.5
Copper (tons) ²	358,420	354,126	1,339,612	-5.2	-4.1

¹ Stocks on June 30.

² Figures for 1923 cover stocks for the country as a whole, whereas those for 1924 and 1925 include only those east of California.

³ Stocks on June 1.

Growth of business activity in recent weeks has been reflected in an increased commercial Member bank demand for bank credit. Loans credit.

for commercial purposes at banks in leading cities, which had been declining for several months, increased after the beginning of July and on August 12 were in the largest volume for three months, though still over \$100,000,000 below the level in the opening weeks of the year. Loans on securities, on the other hand, continued until recently the rapid increase which began in the summer of 1924 and were in the middle of August at the highest level on record, with the single exception of the unusually large volume at the turn of the fiscal year. A factor in this continuous increase in security loans has been the increasing activity of the security market and the advance in security values. The banks' own investments in securities, after declining early in the year, increased sharply in March and have remained at a fairly constant level since the end of the first quarter. The total volume of member bank credit in use, including all classes of loans and investments, has been in recent weeks at the highest level on record, as is indicated both by the weekly reports of banks in leading cities and by the mid-year condition reports for all member banks which has recently become available and is shown elsewhere in this issue.¹

The growth in the volume of member bank credit during the past seven months has been

entirely outside of the banks in banks outside New York City. In fact, total of New York. loans and investments of reporting banks in New York City declined by \$233,000,000 between the middle of January and the middle of August, while at banks outside of New York City there was an increase in credit extended of \$406,000,000. Changes in the position of reporting member banks in New York City and outside between January 14 and August 12 are shown in the following table:

¹ Page 698.

MEMBER BANKS IN LEADING CITIES

(In millions of dollars)

	In New York City		Outside New York City		Increase (+) or decrease (-)	
	Jan. 14	Aug. 12	Jan. 14	Aug. 12	In New York City	Outside New York City
Loans on securities.....	2,009	2,047	2,869	3,211	+38	+342
All other loans.....	2,345	2,171	5,900	5,942	-174	+42
Investments.....	1,888	1,791	3,669	3,691	-97	+22
Total loans and investments..	6,242	6,009	12,438	12,844	-233	+406

Security loans increased by \$380,000,000 during the period, nearly all the growth being for banks outside of the financial center. This growth has been due in part to the use by correspondents in the interior of their New York balances to make loans on securities in that market rather than to leave the funds on deposit with the New York banks. The large growth of bank balances during the latter half of 1924 was due in part to the low level of stock exchange money rates, as compared with rates of interest received on balances, and with the firming of money rates outside banks once more placed a larger part of their balances in loans on securities. In general, the relatively higher level of bank loans and investments since the opening of this year has reflected a somewhat smaller volume of commercial loans and of investments and a considerable growth in loans on securities. In the most recent weeks, however, with the upward turn in business activity, there has been an increased demand for commercial credit, and the growth in commercial loans has been widely distributed throughout the different sections of the country.

This survey shows an active condition of business in the United States in recent months. At the same time there are indications of improvement in economic conditions in certain European countries. In the August issue of the BULLETIN there was given an account of the constructive factors in the economic situation of Germany under the operation of the Dawes plan, as described by the Agent General of Reparations in his first report. During

the month of August progress made in arrangements for settling the interallied debts further advanced the prospect of improvement in the general economic situation, affecting in its long-run consequences the United States as well as other countries. An important recent development has been an agreement between the American and Belgian commissioners with reference to the terms of the repayment of Belgium's debt to the United States, which is discussed below.

THE BELGIAN DEBT AGREEMENT

On conclusion of negotiations with the Belgium Debt Commission, the United States World War Foreign Debt Commission issued a statement setting forth the terms of an agreement which will be submitted to Congress and to the Belgian Government for ratification. Belgian indebtedness totaled \$417,780,000, including \$246,000,000 of indebtedness contracted since the armistice and \$171,780,000 contracted before the armistice. The general character of the settlement proposed is indicated in the following paragraphs of the official announcement of August 19:

Repayment of the postarmistice debt, amounting at date to about \$246,000,000, has been arranged on the general lines accorded to other countries. Installments on principal are spread over a period of 62 years and the rate of interest is to be 3½ per cent, beginning at the end of 10 years as in the other cases. In this case, however, interest payments during the first 10 years have been graduated in fixed amounts, as shown in the statement attached. Repayment on the principal and interest for the first year will be about \$3,000,000, increasing each year until the eleventh year, when the total amount repayable (annually) on principal and interest is about \$9,800,000.

The United States Debt Commission has not been able to accept the Belgian proposal that either Germany directly, or the proportion of the 5 per cent payable to Belgium under the Dawes plan and applicable to the American debt, should be substituted by Belgium for repayment of the prearmistice debt, and a specific act by Congress forbids such action. But the United States Debt Commission has felt that under all the circumstances the United States should not ask for more than the repayment of the principal of the prearmistice debt. This has been arranged upon the basis of installments payable over 62 years without interest, the obligation remaining directly upon Belgium. The amount of such annual installments is to be \$2,900,000, but with a portion deferred during the first six years for subsequent repayment. Thus, after the preliminary periods the total payments of Belgium to the United States will be about \$12,700,000 per annum.

The adjustments of early payments on the debts have been made to meet the present difficulties of

Belgium in obtaining foreign exchange because of the unfavorable balance of her commodity trade and the deficiencies in her income from foreign investments, tourist travel, and other forms of invisible exchange.

Aggregate payments contemplated in the proposed agreement in the period of 62 years on account of principal and interest will amount to \$727,830,500, distributed to accounts as shown in the following table:

Account	Aggregate payments in the period of 62 years			Payment in the eleventh year ¹
	Total	Principal	Interest	
Total.....	\$727,830,500	\$417,780,000	\$310,050,500	\$12,672,500
Prearmistice debt	171,780,000	171,780,000	-----	2,900,000
Postarmistice debt.....	556,050,500	246,000,000	310,050,500	9,772,500

¹ Approximately the amount of annual payments thereafter to 1987.

At the opening of negotiations for funding the Belgian indebtedness to the United States, His Excellency Baron de Cartier de Marchienne, the Belgian Ambassador, stated that the Belgian Commission had been designated to seek "an agreement inspired by the recollection of the nature and history of Belgium's debts as well as by the just comprehension of her economic and financial difficulties." In reply, on behalf of the American Commission, Secretary Mellon indicated the general principle in accordance with which negotiations should proceed. "On your part," he said, addressing the Belgian Commissioners, "you will not undertake what you can not fulfill. On our part we will not ask you to do the impossible." The funding of the debt within Belgium's "capacity to pay" would be, he continued, "recognition of the integrity of international obligations and the settlement of a question which might disturb the long friendship of our two nations."

That the funding of a foreign debt in accordance with a nation's economic capacity means far more than the mere payment and receipt of certain sums of money, is generally conceded by those administering international financial settlements. The Agent General for Reparations Payments, Mr. S. Parker Gilbert, in his recent report covering the first months of the operation under the Dawes plan, summarized in the August BULLETIN, observed of the plan as a whole that "broadly, it is an endeavor to stimulate confidence among peoples and to apply principles of reason and justice to a difficult, vital problem. The success of the plan will be measured not alone in terms of payments effected. It will be determined also

by the extent to which it helps to replace distrust and discord with confidence and conciliation." The aim has been "to remove from the field of controversy a subject which after all is largely economic in character."

A nation's economic capacity to pay is measured in the final analysis by its population's productive efforts as applied to the country's economic resources. In commenting upon the prospects of Germany's ability to meet the obligations imposed upon it by the Dawes plan, the Agent General for Reparations in an address before the International Chamber of Commerce said:

"It is important, in the first place, not to overlook the natural forces of growth and recuperation. If left to themselves, and not subjected to too much artificial interference, these forces alone may have an effect within the next few years far beyond what any of us now would dare to predict. They have already been a powerful factor in the recovery from the devastation and ruin left by the war, and they are still working for us. The recuperative powers of nature, the progress of science, and the multiplication of modern demand are capable of bringing about, even within a relatively short time, a substantial increase both of productive power and of purchasing capacity. Trade and industry have already made a marvellous recovery from the disorder and disorganization of the war, and it will not do to assume that we have reached the end of progress. The growth of international trade in a few years alone may confound all prophets and make us revise all our calculations."

This is in harmony with what economists of an earlier generation—notably among them, John Stuart Mill—have taken occasion to point out in explaining the "great rapidity with which countries recover from a state of devastation and the ravages of war" under conditions of modern industrialism. Mill stresses the point that the accumulated wealth of a country in its tangible physical volume represents, in fact, the productive efforts of the industrial community for a comparatively short period of time. Only in very small part does it represent the result of efforts expended over a period as long as a decade. There is abundant warrant in economic history for the belief that the natural recuperative powers inherent in the countries of Europe, which were the leading participants in the great war, will prove adequate to provide the means necessary to meet the requirements of any international debt agreements based upon the principle of national productive capacity.

BUSINESS CONDITIONS IN THE UNITED STATES

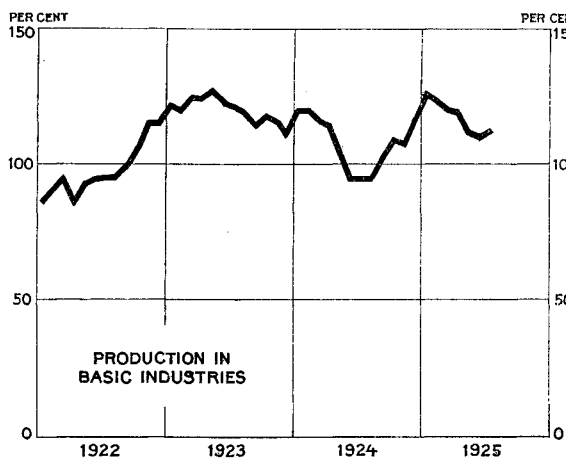
Production in basic industries turned upward in July after a continuous decline since January. Wholesale prices advanced further and the distribution of commodities continued in large volume.

Production.—The Federal Reserve Board's index of production in basic industries, which makes allowance for usual seasonal variations, advanced by over 2 per cent in July to a point nearly 20 per cent above the low level of a year ago. Increased output was shown for lumber, coal, and cement, cotton consumption declined less than usual at this season, while the output of the iron and steel industry and the activity in the wool industry continued to decrease. In nearly all the industries activity was greater than in July of last year. Among industries not represented in the index the production of automobiles, rubber tires, and silk continued to be large. Volume of factory employment and earnings of industrial workers declined further in July, seasonal increases in the clothing, shoe, and meat-packing industries being more than offset by decreases in the other industries. Building contracts awarded in July were in only slightly smaller volume than the exceptionally large total reached in June and the total for the first seven months of this year exceeded that for any previous corresponding period.

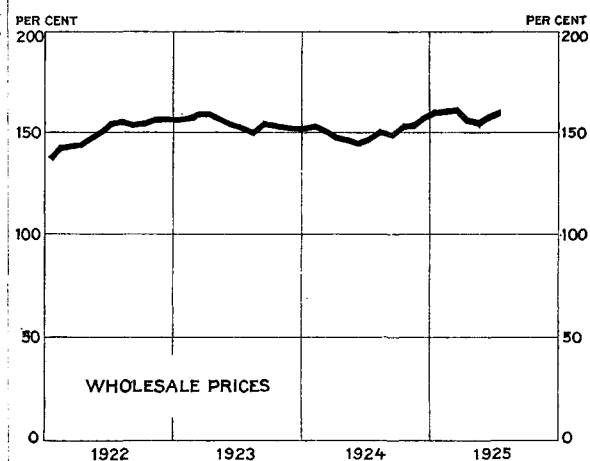
Estimates by the Department of Agriculture indicated a less favorable condition of all crops combined on August 1 than a month earlier. Expected yields of corn, wheat, rye, tobacco, and hay were somewhat smaller than in July, while the indicated production of oats, barley, and white potatoes was larger. According to present indications the yields of all principal crops, except corn and barley, will be smaller than last year. The mid-August cotton crop estimate was 13,990,000 bales as compared with a forecast of 13,566,000 bales on August 1.

Trade.—Freight car loadings during July were larger than in June and exceeded those of any previous July, and weekly figures for August indicated a continued large volume of loadings. Sales at department stores showed less than the usual seasonal decline in July and were over 4 per cent larger than a year ago, and mail-order sales were considerably above those of July, 1924. Wholesale trade continued at the June level and was 6 per cent above the corresponding period a year ago.

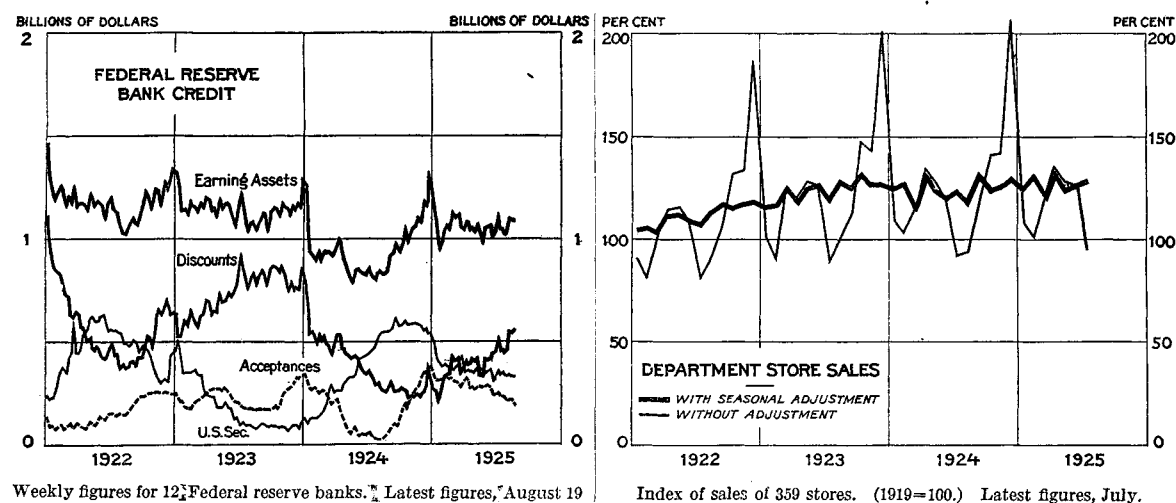
Prices.—Wholesale prices advanced further by nearly 2 per cent in July, according to the index of the Bureau of Labor Statistics. Prices of farm products and of miscellaneous commodities rose over 4 per cent, reflecting chiefly increases in livestock and rubber, while in the other commodity groups price changes were relatively small. The general level of prices in July was 9 per cent higher than a year ago, the rise being chiefly in agricultural commodities. In August raw sugar, potatoes, silk, metals, and fuels advanced, while grains, leather, hogs, and rubber declined.



Index of 22 basic commodities adjusted for seasonal variations. (1919=100.) Latest figure, July, 113.



Index of United States Bureau of Labor Statistics. (1913=100, base adopted by bureau.) Latest figure, July, 159.9.



Bank credit.—Demand for commercial credit at member banks in leading cities increased in August and the volume of commercial loans on August 12 was larger than at any time since the middle of May, but still considerably below the level at the beginning of the year. Loans on securities increased between the middle of July and the middle of August, while the banks' investments showed little change for the period.

Discounts for member banks increased at all the reserve banks in recent weeks and the total on August 19 was the largest in more than a year and a half. The reserve banks' holdings of securities and bills bought in the open market continued to decline, but total earning assets in the middle of August were near the high point of the year.

During the latter part of July and the first half of August conditions in the money market were somewhat firmer. The prevailing rate on prime commercial paper, which had remained at $3\frac{3}{4}$ to 4 per cent since early in May, advanced in August to $4\frac{1}{4}$ per cent.

BUSINESS INDEXES OF THE FEDERAL RESERVE BOARD

[Monthly average 1919=100]

Year and month	Production in basic industries ¹	Factory employment	Factory pay rolls	Building contracts awarded ¹	Railroad-car loadings ¹	Wholesale trade	Department-store sales ¹		Department-store stocks ¹		Bank debits outside of New York City ¹
							Unad-justed	Ad-justed	Unad-justed	Ad-justed	
1924											
January.....	121	100	108	170	118	80	110	126	116	132	105
February.....	121	101	114	163	125	78	102	128	127	135	109
March.....	117	101	113	164	115	80	115	115	139	137	108
April.....	114	99	111	150	121	78	133	131	141	136	111
May.....	104	96	105	129	117	77	127	123	136	136	109
June.....	94	93	100	125	103	76	120	120	127	134	103
July.....	95	89	92	121	111	78	91	123	123	131	108
August.....	94	89	96	133	111	83	93	118	126	126	108
September.....	103	91	99	150	117	92	119	131	137	128	107
October.....	109	93	103	166	120	95	141	124	148	132	112
November.....	107	92	101	196	116	84	141	126	148	132	107
December.....	117	94	106	180	124	79	210	131	124	133	112
1925											
January.....	127	94	103	168	123	79	108	124	119	134	120
February.....	124	96	109	159	125	76	101	131	127	135	121
March.....	120	96	110	178	117	83	121	121	139	137	120
April.....	119	96	108	176	129	79	136	133	141	136	122
May.....	111	95	108	151	123	79	128	124	136	136	119
June.....	110	94	105	171	117	83	126	126	129	135	122
July.....	113	93	103	189	122	83	96	128	124	133	125

¹ The indexes of production in basic industries, building contracts, car loadings, and bank debits are adjusted to allow for seasonal variations; the indexes of department-store sales and stocks are shown both with and without seasonal adjustments.

BANK CREDIT

During the first half of August there was an increase in the demand for commercial and agricultural credit at member banks in leading cities, and on August 12 "all other loans" were more than \$100,000,000 above the low point for the year, which was reached at the end of June. Loans on securities declined during July from the high point reached at the beginning of the month, but advanced again in the first two weeks of August. The banks' investment holdings continued practically unchanged, and total loans and investments at the middle of August were in about the same volume as at the high point at the beginning of July. Net demand deposits on August 12, although somewhat lower than a month earlier, were about \$300,000,000 above the low point for the year. The following table shows the principal resources and liabilities of member banks in leading cities for each week between July 15 and August 12, as well as changes for the four weeks and for the year ending August 12:

LOANS, INVESTMENTS, AND DEPOSITS OF MEMBER BANKS IN LEADING CITIES

[In millions of dollars]

Date	Loans and investments				Deposits	
	Total	Loans, on securities	All other loans, largely commercial	Investments	Net demand	Time
July 15.....	18,769	5,229	8,057	5,483	12,987	5,164
July 22.....	18,747	5,202	8,038	5,507	12,833	5,164
July 29.....	18,723	5,204	8,013	5,506	12,818	5,174
Aug. 5.....	18,792	5,238	8,071	5,483	12,834	5,178
Aug. 12.....	18,853	5,258	8,113	5,482	12,903	5,183
Increase (+) or decrease (-):						
Four weeks ending Aug. 12.....	+84	+29	+56	-1	-84	+19
Year ending Aug. 12.....	+1,417	+789	+179	+449	+478	+629

Between July 22 and August 19 member-bank borrowing at the reserve banks increased in all except the Richmond district, and at the end of the period the total volume of discounts was higher than at any time since early in 1924. Notwithstanding slight declines in the banks' holdings of acceptances and of United States securities, total earning assets on August 19 were only slightly below the previous high point for the year. The principal resources and liabilities of the Federal reserve banks for the period between July 22 and August 19 and

changes for this period and since August 20, 1924, are shown in the following table:

PRINCIPAL RESOURCES AND LIABILITIES OF FEDERAL RESERVE BANKS

[In millions of dollars]

Date	Earning assets				Total cash reserves	Total deposits	Federal reserve note circulation
	Total ¹	Bills discounted	Bills bought in open market	Government securities			
July 22.....	1,015	443	225	335	2,935	2,200	1,605
July 29.....	1,021	468	210	330	2,937	2,201	1,598
Aug. 5.....	1,102	544	212	333	2,914	2,266	1,606
Aug. 12.....	1,091	538	212	329	2,911	2,236	1,618
Aug. 19.....	1,091	559	195	323	2,905	2,237	1,616
Increase (+) or decrease (-):							
Four weeks ending Aug. 19.....	+76	+116	-30	-12	-30	+37	+11
Year ending Aug. 19.....	+263	+300	+169	-218	-308	+79	-122

¹ Including foreign loans on gold and all other earning assets.

CONDITION OF ALL MEMBER BANKS

The volume of member-bank credit outstanding, which has been increasing for more than a year, showed further growth between April 6 and June 30, 1925. At the end of that period aggregate loans and investments of all member banks, as shown by their condition reports,¹ were \$29,703,000,000, the highest total on record, representing an increase of \$418,000,000 for the quarter. The increase was entirely in the banks' loans and discounts, as the investment holdings of these banks declined slightly during the period. As compared with June, 1924, the volume of loans was more than \$1,500,000,000 larger, and investments were nearly \$1,000,000,000 larger.

Total deposits, including demand, time, and United States Government deposits, and balances due to banks, were higher than ever before, showing an increase of \$1,194,000,000 for the quarter. This increase, which occurred principally in demand deposits, is attributable in large part to the accumulation at midyear of a considerable volume of checks for clearing or collection. When total deposits are adjusted by deducting exchanges held for clearing and checks on banks in the same place the increase for the period is reduced to about \$500,000,000. Following are the June 30 totals for principal resources and liabilities of all member banks, and changes since April 6, 1925, and since the middle and end of 1924:

¹ Page 698.

PRINCIPAL RESOURCES AND LIABILITIES OF ALL MEMBER BANKS ON JUNE 30, 1925

[In millions of dollars]

	June 30, 1925	Increase (+) or decrease (-) since—		
		Apr. 6, 1925	Dec. 31, 1924	June 30, 1924
Total loans and investments.....	29,703	+418	+676	+2,441
Total loans.....	20,814	+424	+633	+1,550
Total investments.....	8,889	-6	+43	+891
United States Government securities.....	3,803	-113	-130	+195
Other securities.....	5,086	+107	+143	+696
Total deposits.....	32,421	+1,194	+59	+2,891
Demand (including certified and cashiers checks).....	17,845	+1,238	+78	+1,552
Time.....	10,381	+254	+577	+1,177
United States Government.....	177	-235	-70	-2
Due to banks.....	4,018	-63	-526	+164
Bills payable and rediscounts.....	718	+18	+61	+215

MONEY RATES

Somewhat firmer conditions in the New York money market accompanying increased loans and loss of funds to the interior were evidenced in August by a rise in the rate on prime commercial paper of 4-6 months maturities from $3\frac{3}{4}$ to 4 per cent to a flat 4 per cent and later to $4\frac{1}{4}$ per cent, the highest rate prevailing since last May. Very light demand for commercial paper at the lower rates resulted in an accumulation of supplies of unsold paper by dealers, which, however, were reduced by the increasing demand from the interior and eastern country banks after the rise in rates. The acceptance market continued dull and rates were unchanged until the end of August, when 90-day bills were offered at $3\frac{1}{2}$ per cent. Early in the month the prices of Government securities, both short and long term, continued the gradual decline which began in July, but advanced slightly later in August, with a consequent lowering of their yields. The renewal rate on call loans advanced from 4 to $4\frac{1}{4}$ per cent on August 3 and continued at that quotation until August 13, when it again declined to 4 per cent, but recovered to $4\frac{1}{2}$ per cent toward the end of the month, making the average August rate higher than for any month since April, 1924. The table below shows the money rates prevailing in the New York market during the past three weeks:

MONEY RATES IN NEW YORK

	Prime commercial paper, 4-6 months	Prime bankers' acceptances, 90 days	Yield on certificates of indebtedness, 4-6 months ¹	Average yield on $4\frac{1}{4}$ per cent Liberty bonds	Renewal rate on call loans
June, 1925.....	$3\frac{3}{4}$ -4	$3\frac{1}{4}$	2.86	3.90	3.97
July, 1925.....	$3\frac{3}{4}$ -4	$3\frac{1}{4}$	3.06	3.95	4.09
Aug., 1925.....	4- $4\frac{1}{4}$	$3\frac{1}{4}$	3.01	3.98	4.19
Average for week ending—					
Aug. 1.....	$3\frac{3}{4}$ -4	$3\frac{1}{4}$	3.03	3.98	4.00
Aug. 8.....	4	$3\frac{1}{4}$	3.06	4.00	4.25
Aug. 15.....	4	$3\frac{1}{4}$	3.02	4.00	4.15
Aug. 22.....	4- $4\frac{1}{4}$	$3\frac{1}{4}$	2.96	3.97	4.00
Aug. 29.....	$4\frac{1}{4}$	$3\frac{1}{4}$ - $3\frac{1}{2}$	2.99	3.88	4.35

¹ Issues maturing Dec. 15, 1925.

In the London market, money rates showed a weakening tendency through July and declined markedly the first week in August, when the Bank of England lowered its official rate from 5 to $4\frac{1}{2}$ per cent on August 6. This is the first change in the bank rate since it was raised from 4 to 5 per cent on March 5. The average weekly market rate on 3 months' bank bills was $4\frac{1}{8}$ per cent the first week in August, as compared with $4\frac{1}{2}$ per cent the first week in July, and Treasury bills were tendered at an average of 4, as compared with 4.51 per cent at the earlier date.

ACCEPTANCES

The acceptance market continued seasonally quiet during most of the five weeks ending August 19. New York dealers reported the smallest average volume of weekly transactions since the four-week period ending September 10 last year. The small supply of bills offered in all markets was just about covered by the demand, silk bills being in largest volume. Dealers' portfolios showed but slight changes until the last few days of the period, when some improvement in demand, chiefly for 90-day maturities for the investment of foreign money, reduced them substantially. Rates were unchanged throughout the period and on August 19 were quoted in the New York market as $3\frac{1}{8}$ bid and 3 per cent offered on 30-day bills, $3\frac{1}{4}$ bid and $3\frac{1}{8}$ per cent offered on 60-day bills, $3\frac{3}{8}$ bid and $3\frac{1}{4}$ per cent offered on 90-day bills, with $3\frac{3}{4}$ bid and $3\frac{5}{8}$ per cent offered on the longest maturities.

CAPITAL ISSUES

Domestic capital issues during June, 1925, were somewhat smaller than in May, but those of July exceeded the volume put out in either May or June. Large foreign issues in both June and July brought the total flotations for these months above any other month of the current year. New domestic issues amounted to \$437,000,000 in July and \$429,000,000 in June, as compared with \$472,000,000 in May and refunding issues to \$93,000,000, \$69,000,000, and \$39,000,000 in July, June, and May, respectively. Corporations put out \$25,000,000 more securities in July than in June, and almost \$100,000,000 more than in May, including refunding issues, while municipal and farm loan offerings declined considerably after May. The growth of new corporate flotations occurred chiefly in the industrials, which were twice as large in July as in May and made up nearly 60 per cent of the total in the former month. Railroad issues, after declining in June, increased again in July, while those of public utilities increased in June, but were smaller in July than in May.

The following table shows the domestic securities issued in July, 1925, as compared with those of the previous month and of July, 1924:

DOMESTIC CAPITAL ISSUES
(In millions of dollars)

	July, 1925		June, 1925		July, 1924	
	New	Re-fund-ing	New	Re-fund-ing	New	Re-fund-ing
Total corporate.....	305.1	74.7	287.7	67.7	158.6	46.2
Long-term bonds and notes.....	179.8	32.2	189.4	47.5	96.9	41.2
Short-term bonds and notes.....	18.9	8.6	9.9	2.4	23.8	3.0
Stocks.....	106.4	33.9	88.4	17.8	37.9	2.0
Farm loan issues.....	3.0	6.0	2.2		13.9	
Municipal.....	129.4	12.2	138.9	1.2	115.3	1.8
Total.....	437.5	92.9	428.8	68.9	287.8	48.0

The total volume of foreign securities issued in the United States during July, 1925, amounted to \$168,550,000, the largest offering of the current year next to those of June, which were \$176,120,000, according to the compilation of the Federal Reserve Bank of New York. The larger issues in June were Government offerings from Argentina, Belgium, and Norway, and mortgage bonds from Chile. In July all other issues were overshadowed by the \$75,000,000 Australian Government loan and the \$26,500,000 Danish Government loan.

Capital issues during the six months ending June 30, 1925, exceeded both those of the previous six months and of the first six months of 1924. Domestic corporate issues account chiefly for the excess over the last half of 1924, when foreign issues were even larger than during the first half of 1925, but foreign as well as domestic issues during the past six months have been larger than those of the corresponding period a year ago. Below is a table summarizing the capital issues during the six months ending with June, 1925, as compared with those of the six months ending with June, 1924, and with December, 1924.

NEW CAPITAL ISSUES
(In millions of dollars)

	Six months ending—		
	June, 1925	December, 1924	June, 1924
Domestic ¹	2,740	1,953	2,608
Corporate.....	1,910	1,332	1,696
Farm loan.....	102	49	130
Municipal.....	728	572	782
Foreign ²	572	829	385
Total.....	3,312	2,782	2,993

¹ Refunding issues are not included in these figures, compiled by the Commercial and Financial Chronicle.

² Refunding issues are included in these figures, compiled by the Federal Reserve Bank of New York.

SECURITY PRICES

After declining somewhat early in August from the high level of the last week of July, prices of representative common stocks advanced again in the middle of the month. The price index of 232 common stocks computed by the Standard Statistics Co. reached a new high point on August 24, chiefly on account of the advance of about five points in the index of railroad stocks. Among the industrials, movements were various, certain groups of stocks, including those of chain stores, electric equipment, farm machinery, and machine manufacturing companies, showing advances, and others, such as the petroleum, sugar, rubber, traction, gas, and power stocks showing declines through the first three weeks of August. The average of industrial stock prices on August 24 was about the same as on July 27. Stock-market activity, as indicated by the volume of average daily sales, lessened early in August but increased markedly during the two weeks ending August 21. The bond market weakened somewhat further in August, and the average prices of 40 bonds computed by Dow, Jones & Co. fell to a level

about one and one-half points below the high point reached in June. The last week in the month, however, saw some recovery in bond prices and a slight decline in stock prices. The following table gives indexes of stock prices computed by the Standard Statistics Co. of New York, the average prices of 40 bonds computed by Dow, Jones & Co., and the average number of shares of stock sold daily on the New York Stock Exchange for the last five months:

INDEX NUMBERS OF SECURITY PRICES

	Price indexes of— ¹			Average price of 40 bonds ²	Average number of shares of stock sold daily (000 omitted) ³
	201 industrial stocks	31 railroad stocks	232 stocks		
Average for—					
April, 1925.....	123.4	107.7	118.8	91.62	1,088
May, 1925.....	127.8	110.0	122.5	92.79	1,607
June, 1925.....	131.0	109.7	124.7	93.14	1,313
July, 1925.....	135.0	111.0	128.1	92.50	1,353
August, 1925.....	136.0	114.3	129.7	91.70	1,458
Average for week ending—					
July 27, 1925.....	137.0	111.3	129.5	92.33	1,278
Aug. 3, 1925.....	135.8	111.5	128.8	91.94	1,526
Aug. 10, 1925.....	134.7	112.9	128.4	91.57	1,350
Aug. 17, 1925.....	135.8	116.1	130.1	91.50	1,415
Aug. 24, 1925.....	137.5	116.1	131.3	91.69	1,619
Aug. 31, 1925.....	146.3	114.7	130.0	92.03	1,528

¹ For the industrial stocks, the average of 1917-1921 prices equals 100; for the rails the average of the high and low prices made in the 10 years, 1913-1922, equals 100. The indexes are weighted by the number of shares of each stock outstanding. Prices used are closing quotations on Monday.

² Arithmetic average of daily peak and low prices, as published in the Wall Street Journal. Weekly averages are for week ending with Saturday, preceding date given.

³ Saturdays omitted. Weekly averages are for five days ending with Friday, preceding date given.

AGRICULTURAL CREDIT

During July the intermediate credit banks made direct loans amounting to \$3,060,000, somewhat less than in June, and rediscounts totaled \$3,159,000, or 20 per cent less than during the previous month. Slightly less than one-half of the direct loans were made by the Federal Intermediate Credit Bank of Baltimore to cooperative marketing associations, while 40 per cent of the total rediscounts were at the Federal Intermediate Credit Bank of Houston, and represented borrowing principally by livestock loan companies. Of the total of \$24,000,000 direct loans outstanding at the middle of August, \$17,000,000 were made on tobacco, about \$4,000,000 on raisins, and \$1,715,000 on wool. Total rediscounts outstanding, which represents mainly loans to agricultural credit corporations for production purposes and to livestock loan companies, continued in about the same volume during the last two weeks of July and the first weeks of August. Growth in the volume of rediscounts

since last year has occurred principally at the Federal Intermediate Credit Banks of Columbia and Spokane. At the Federal Intermediate Credit Bank of Columbia agricultural credit corporations have increased their borrowings approximately \$6,800,000 since July, 1924, and at the end of July this year 25 per cent of total rediscounts of all intermediate credit banks were at the Intermediate Credit Bank of Columbia.

The following table shows the volume of direct loans outstanding on August 15, the latest available date, as compared with a month and a year earlier, classified by commodities on which such loans were based. The rediscounts outstanding on the same dates are also given and are classified by types of rediscounting institutions.

INTERMEDIATE CREDIT BANKS

[In thousands of dollars]

	Aug. 15, 1925	July 18, 1925	Aug. 16, 1924
Direct loans outstanding on—			
Cotton.....			2,470
Tobacco.....	17,085	18,113	16,555
Wheat.....	790	90	624
Canned fruits and vegetables.....	768	260	869
Raisins.....	3,850	4,000	5,000
Prunes.....		536	107
Peanuts.....	164	190	
Wool.....	1,715	1,494	565
Rice.....			29
All others.....	96	62	
Total.....	24,468	24,745	26,219
Rediscounts outstanding for—			
Agricultural credit corporations.....	22,201	22,067	12,540
National banks.....	3	3	96
State banks.....	616	631	1,858
Livestock loan companies.....	10,593	10,803	7,339
Savings banks and trust companies.....	83	83	198
Total.....	33,496	33,587	21,531

Below is given a table which shows the net mortgage loans outstanding by the 12 Federal land banks, the joint stock land banks, and the mortgage holdings of 41 life insurance companies which hold more than 82 per cent of the assets of all life insurance companies. The total mortgage holdings of these three sets of institutions is estimated to be about one-third of the total farm mortgages outstanding in the United States.

NET FARM MORTGAGE LOANS OUTSTANDING

[In thousands of dollars]

	July 31, 1925	June 30, 1925	July 31, 1924
Total all joint stock land banks.....	508,800	501,673	423,144
Total 12 Federal land banks.....	980,638	975,175	890,394
Insurance companies.....	1,507,000	1,500,000	1,416,156

AGRICULTURE

A decline in the composite condition of all crops, more definite information indicating a slightly smaller production of most crops except corn and cotton than last year, a seasonal increase in the marketing of the new crop, and a continuation of average farm prices at a level more than 10 per cent higher than in 1924 were the principal factors characterizing the agricultural situation in July. Preliminary estimates indicate that the final yield of winter wheat is 416,000,000 bushels, as compared with a harvest of 590,000,000 bushels last year, which, together with a decline of 20,000,000 bushels in the expected production of spring wheat, has resulted in a total wheat crop approximately 200,000,000 bushels, or 22 per cent less, than last year. The August mid-month report indicated a final cotton production of 13,990,000 bales, an increase of 424,000 bales from the previous report and 362,000 bales from the final harvest of 1924. Improvement in the condition of livestock on pastures and ranges followed more favorable weather conditions, and in recent months farm prices of cattle have been higher than at any time since 1920.

Marketing of agricultural and livestock products was in a volume seasonally larger in July than in June, but the aggregate volume was 12 per cent smaller than last year. Grains, animal products, and vegetables were marketed in considerably smaller volume than in July, 1924, but livestock and citrus fruits receipts were greater. Total exports of all agricultural products were slightly less than in July, 1924, but for the crop year ending June 30 exports of all agricultural products amounted to \$2,141,000,000, as compared with \$1,742,000,000 last year, and constituted 45 per cent of the value of all exports from the United States. A larger volume of grain and grain products at higher prices and a considerable increase in the volume of raw cotton exports mainly accounted for the increase in total exports of farm products.

Farm prices have been comparatively stable since January, the Department of Agriculture index varying from 151 in March to 146 in May, and have averaged approximately 11 per cent higher than last year. In July prices of all groups of products except cotton and miscellaneous commodities were higher than a year ago.

Grain.

The August crop report indicated that the total yield of winter wheat was 416,000,000

bushels, a net gain of 12,000,000 bushels from the July forecast. Last year's winter wheat crop amounted to 590,000,000 bushels. The total wheat crop for 1925 was estimated on August 1 at 678,000,000 bushels, a reduction of 2,000,000 bushels from the July figures, and 195,000,000 bushels less than last year's total crop. The July estimate of spring wheat was reduced some 13,000,000 bushels. The August 1 forecast of spring wheat was 263,000,000 bushels and is 20,000,000 bushels under the 1924 crop. The August estimate of Canadian wheat was 10,000,000 bushels above the July 1 forecast and about 113,000,000 bushels above the 1924 yield. Conditions in Europe outside of Great Britain are generally favorable to larger wheat and rye crops, the expected increase being more than enough to offset the decrease in the American crop.

The August forecast reduced the estimated yield of corn below 3,000,000 bushels. The new figure is 2,950,000,000 bushels and is 145,000,000 bushels below the July figures. Crops in the western area of the Corn Belt were severely injured by drought. However, the new crop is expected to be above the average of the past five years, and to be about 500,000,000 bushels larger than the 1924 crop.

Prices continued to fluctuate with the weather and crop condition reports throughout July and August. On July 24 No. 2 Red Winter wheat was quoted at \$1.56 per bushel. A month later it had risen to \$1.69 per bushel. A year ago this grade was quoted at \$1.30 per bushel. No. 1 northern spring wheat at Minneapolis was quoted August 21 at \$1.62 per bushel; a month earlier it stood at \$1.59 and a year ago at \$1.31 a bushel. Corn dropped from \$1.10 per bushel a month ago to \$1.06 on August 21. Last year at this time it was \$1.19 a bushel.

The movement of wheat, as usual, increased in July over June, but receipts were readily absorbed by mills. Receipts during July of all wheat at 17 interior markets were 43,000,000 bushels, an increase of 21,000,000 bushels over June, but 4,000,000 bushels short of the receipts during last July. The spring wheat crop is light in weight per measured bushel, averaging so far only 54 pounds per bushel. Interior mills are reported to be buying grain as far west as Idaho.

Cotton.

More favorable weather early in August than in July, together with rains in certain areas where the drought had become serious, resulted in some improvement in the prospects for the

1925 cotton crop. On the basis of the condition of the crop on August 16, estimates by the Department of Agriculture indicate a final yield of 13,990,000 bales, as compared with an expected yield of 13,566,000 bales two weeks earlier and a final yield of 13,628,000 bales in 1924. Increases from last year are expected in all Federal reserve districts except Dallas, where the crop is more than 1,000,000 bales less than in 1924. Statistics showing the expected yields in the several Federal reserve districts are shown in the following table:

PRODUCTION OF COTTON, BY FEDERAL RESERVE DISTRICTS

[In thousands of bales]

	Forecast of Aug. 16, 1925	Final census ginnings, 1924
Richmond.....	2,097	1,671
Atlanta.....	2,566	2,455
St. Louis.....	12,909	2,231
Kansas City.....	1,690	1,442
Dallas.....	4,547	5,654
San Francisco.....	181	175
United States.....	13,990	13,628

¹ Includes 17,000 bales grown in miscellaneous territory.

² Includes 12,000 bales grown in miscellaneous territory.

Continuation of the drought in many areas resulted in early maturity of the crop, and picking and marketing began considerably earlier than last year. Ginnings prior to August totaled 578,000 running bales, as compared with 136,000 last year, and receipts at southern markets during the first two weeks of August were about 50 per cent larger than during the same period last year.

Final statistics showing the distribution of the 1924 crop indicate that domestic consumption was approximately 6,190,000 bales, an increase of 500,000 bales over the previous year. Exports totaled 8,196,000 bales, an increase of 2,424,000 bales, and it was due mainly to this improvement in the foreign demand that the large 1924 crop was marketed at an exceptionally steady level of prices, as shown below:

AVERAGE WEEKLY PRICES OF COTTON, AUGUST, 1924, TO JULY, 1925

August.....	27.3	February.....	24.7
September.....	22.7	March.....	25.5
October.....	23.7	April.....	24.5
November.....	24.0	May.....	23.6
December.....	23.5	June.....	23.9
January.....	23.9	July.....	24.0

Tobacco.

A decline in the condition of the tobacco crop from 79.8 per cent at the beginning of July to 74.8 per cent at the beginning of August resulted in a decline of 49,000,000 pounds in the expected yield, which is now smaller than the final harvest of 1,241,000,000 pounds last year. In Virginia the crop deteriorated rapidly on account of the dry weather and the expected yield was reduced from 107,749,000 pounds to 82,280,000 pounds, and in North Carolina there was a reduction of 36,000,000 pounds in the estimated yield because of the dry weather throughout the growing sections of the State. In nearly all other States, however, the crop improved and the expected yields are larger now than at the beginning of July. Marketing of the new crop began in Georgia and South Carolina in August, but the quality of the early sales was inferior to that of last year and prices were slightly lower.

Stocks of leaf tobacco held by manufacturers and dealers on July 1, according to the quarterly report by the Department of Commerce, were seasonally smaller than on April 1, but they exceeded those of last year and were larger than for any previous July on record. Detailed statistics of stocks of the principal types of tobacco on July 1, 1924 and 1925, are as follows:

STOCKS OF PRINCIPAL TYPES OF TOBACCO IN HANDS OF DEALERS AND MANUFACTURERS

[Millions of pounds]

Types	July 1, 1925	July 1, 1924
Chewing, smoking, and export types, total.....	1,338	1,328
Burley.....	498	482
Dark—Kentucky and Tennessee.....	311	314
Bright—Virginia, North Carolina, South Carolina, and Georgia.....	462	477
Cigar types, total.....	424	443
New England.....	112	107
Pennsylvania.....	122	120
Wisconsin.....	110	116
Aggregate—all tobaccos.....	1,847	1,844

Fruits and vegetables.

Summer shortages of potatoes and the lighter movement of melons, early western apples, and grapes resulted in a 9 per cent reduction in carlot supplies of fruits and vegetables in July from last year. Prices on the whole were a little lower in August than in July, but prices of potatoes, peaches, and lettuce were well maintained. The melon and cantaloupe market slumped badly, and more than seasonal declines occurred in the prices of onions, apples, celery, cabbage, and sweet potatoes.

The Department of Agriculture's forecast reported improvements in fruits and vegetables. Early reports on onions showed the smallest acreage and poorest conditions in five years, but the August forecast showed increases in both acreage and condition. Potatoes, also, showed an improvement in condition, gaining 3,000,000 bushels during the month of July, but if the yield is as forecasted it will still be 65,000,000 bushels below the average for the last five years. Because of better showing of eastern apples, principally in New York State, the commercial apple crop is expected to be a million barrels larger than the July forecast. The western box apple crop deteriorated during July. The loss is placed at 500,000 barrels. "Pears and peaches and fruit in general," states a Department of Agriculture report, "continue to promise about an average market crop; light enough to be worth fair prices but without scarcity in most sections."

Supplies of potatoes are showing some gains. Shipments, around 3,000 cars a week, are but 75 per cent of the normal August requirements and shipments. Late watermelons were being marketed rapidly and in larger quantities than usual. Shipments of cantaloupes in July were 2,000 cars larger than in July, 1924, and continued heavy early in August. California's peach shipments were about 60 per cent heavier than last year, and in part made up for lighter crops elsewhere. Because of earlier maturity in midwestern and southern sections the peach movement is declining more rapidly than usual.

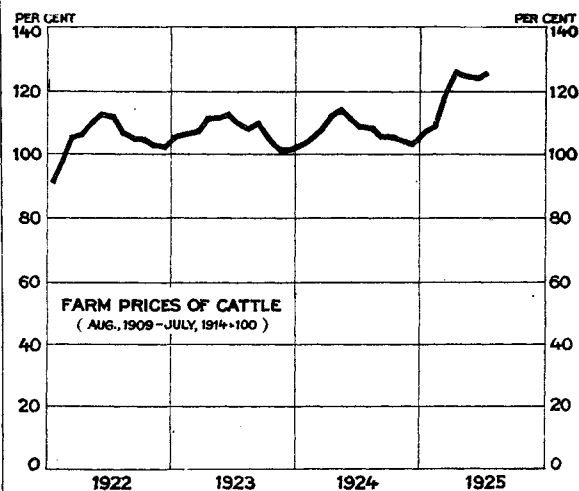
Livestock.

Condition of ranges declined slightly during July, according to reports by the Department of Agriculture, which stated that ranges were 83 per cent of normal on August 1, as compared with 86 per cent on July 1 and 79 per cent of normal on August 1, 1924. Beneficial rains fell in the eleventh district and in the Southwest generally. Ranges in the twelfth district are the best in years. Feed conditions are very good in the ninth district and in Wyoming and are generally better than last year. Range cattle in the coast, intermountain, and northern Rocky Mountain States are in good to excellent condition, with prospects of plenty of feed for fall range. In the Dallas district and other sections of the Southwest cattle are thin, but should show improvement due to rain and better feed. The condition of cattle on August 1 was 88 per cent of normal compared with 87 per cent last month and 89 per cent a year ago.

Sheep, except in the areas which have been suffering from drought, are in very good condition, and in the San Francisco district are in the best condition in years.

The lamb survey of the Department of Agriculture states that there has been a tendency to expand the sheep industry and that this season's increase in the lamb crop took place in the "native" sheep States, the "western" farm flocks, and in small flocks of the western States. The decrease in the western lamb crop was due largely to severe weather last December and poor feed conditions in 1924.

With the movement from the ranges gaining in volume as fall approaches, receipts of cattle and lambs at primary markets showed the usual increase in July over the previous month. Arrivals of hogs were seasonally less than in June, but receipts of cattle were approximately 10 per cent over both the previous month and



Department of Agriculture's index of relative farm prices of cattle.
Aug., 1909-July, 1914=100.

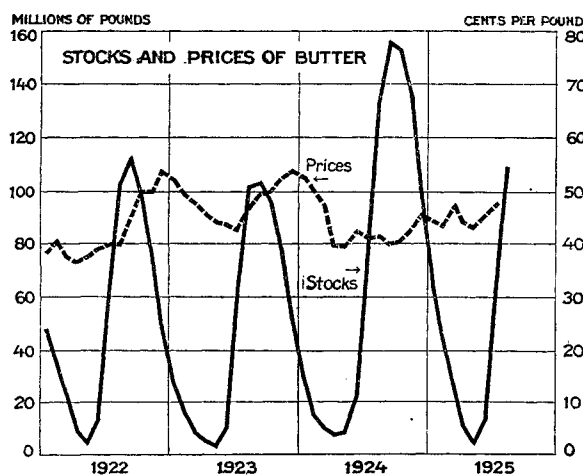
July, 1924. There is an increased demand for feeder and stocker cattle in nearly all markets. Sheep showed little variation from either last July or June of the present year. July hog receipts were 20 per cent below June receipts and totaled but 68 per cent of last July's figures.

Prices of hogs declined from \$14.10 to \$13.60 per hundred pounds during the month; a year ago the quotation was \$9.75 per hundred pounds. Sheep prices rose from \$13 per hundred pounds to \$13.60. Prices on choice steers have risen from \$13 to \$14 per hundred pounds since the middle of July. A year ago the quotations on similar grades were \$10.25 per hundred pounds. The accompanying chart shows the fluctuations of farm prices of cattle since January, 1922.

Dairy products.

Pastures were improved after the first of August in the central valley States, but rain was needed in Minnesota, South Dakota, and some parts of the South. Drought and hot weather in July lowered the condition of the hay crop, which was estimated at 91,000,000 tons in August, as compared with the 112,000,000 ton crop of 1924 and an average yield of 107,000,000 tons the past five years.

Production of butter, as indicated by receipts at five leading markets, showed the usual seasonal decline from June and was about 10 per cent below that of July a year ago. However, it should be noted that the 1924 peak came in July instead of June, the usual month for the butter production peak, with the consequence that the into-storage movement was not as great as a year ago. While receipts of butter were only 10 per cent smaller, the



Monthly stocks of butter at 5 principal markets. Average monthly wholesale price as reported by the Bureau of Labor Statistics

net increase of stocks this year was 24 per cent smaller, indicating that consumption has continued at the high level that was evident during the early months of the year.

Cheese receipts were 8 per cent greater in July than in June and were slightly in excess of receipts for July of the previous year. Stocks in storage increased 82 per cent in the month and were 27 per cent larger than a year ago.

Butter prices showed but slight variations during the month. On August 2, 92-score butter at New York was quoted at 43.5 cents a pound, the same figure as for July 17. A year ago the price of butter was 39 cents a pound.

The accompanying chart shows the monthly changes in stocks and prices of butter since January, 1922.

MINING**Coal and coke.**

With marked improvement in production and higher prices, the markets for both bituminous and anthracite coal exhibited a stronger tendency during the last half of July and the first half of August. Prices for bituminous coal rose throughout the period and on August 17 the Coal Age index of spot prices reached \$2.02, in contrast to the low point of \$1.93 established a month earlier. This is the highest point since March of the current year and somewhat above the corresponding date in 1924, when the index was \$2. July production of bituminous rose 6 per cent over June to 39,582,000 net tons, the largest monthly total of the present year with the exception of January, and 19 per cent above July of last year. Average daily output of bituminous continued to expand during the first half of August, the figure for the week ending August 15 being 1,707,000 net tons, as compared with 1,438,000 net tons during the week ending July 11 and 1,361,000 net tons during the corresponding week of 1924. Total 1925 production of bituminous coal, which on June 13 was about equal to output during the same period of 1924, reached 295,751,000 net tons on August 15, nearly 13,000,000 tons greater than the corresponding figures of last year.

Affected to some extent by the threatened suspension of operations, production of anthracite coal during July totaled 8,544,000 net tons, 9 per cent higher than in June and the largest monthly output since October, 1923. Weekly output reached a peak during the week ending August 1, when 2,087,000 net tons were produced, as compared with 1,854,000 net tons for the week ending July 11, but fell off subsequently to 1,904,000 net tons for the week ending August 15. Both company and independent prices again rose over the end of the month.

Total coke production during July was 3,700,000 short tons, 51,000 tons less than in June. This was the smallest monthly output since November, but 30 per cent above July, 1924. A decrease of 64,000 tons in the output of beehive coke accounted for the smaller total, as July production of by-product coke was slightly larger than in the preceding month. Weekly production of beehive coke touched a low point of 122,000 tons during the week ending August 1 as compared with 129,000 tons during the week ending July 11, but subsequently increased to 123,000 tons in each of the two succeeding weeks. Prices rose during the latter part of July and in the first week of August.

Petroleum.

Production of crude petroleum declined each week in July, and for the week ending July 25 it was in the smallest volume since the middle of April. The total output for the month was 67,318,000 barrels, as compared with 66,675,000 barrels in June and 61,083,000 barrels in July last year. Declines in the heavy oil output at the Smackover (Ark.) field, which approximated a daily average flow of 415,200 barrels during the last week of May and only 201,400 barrels for the week ending August 1, mainly accounted for the decline in total production. Prices advanced slightly in July and, according to the Oil, Paint, and Drug Reporter, averaged \$2.48 as compared with \$2.47 in June and \$2.00 in July, 1924.

Production at refineries was in record volume in June, and the total output of gasoline, gas, and fuel oils was the largest in the history of the industry. Weather during the spring and early summer was exceptionally favorable for motoring and as a result the demand for gasoline has been heavy. Notwithstanding the increase in production, stocks of gasoline at the end of June were smaller than a month earlier. As compared with last year, however, the increase in production has been relatively greater than consumption, and stocks at the end of June were 5 per cent larger than for the same date in 1924. Stocks of fuel oils were larger at the end of June than a month earlier, but, unlike gasoline, they were 33 per cent smaller than last year.

After rising rapidly during the spring months to an average of 16.96 cents a gallon, in June according to the Oil, Paint, and Drug Reporter, prices of gasoline declined to an average of 15.13 cents in July. Further reductions were made in August by leading companies and ranged from 1 to 2 cents a gallon in many sections of the country. Prices of fuel oils in August advanced partly because of the expected coal strike in the early autumn and partly by reason of the fact that consumers were placing contracts for forward delivery.

Nonferrous metals.

Nonferrous metals continued in active demand during the five weeks ending August 19, and quotations for copper, zinc, lead, tin, and silver, all advanced to the highest levels since early in the present year. The price of refined electrolytic copper delivered in New York closed the period at 14 $\frac{7}{8}$ cents, as compared with 14 $\frac{3}{8}$ on July 16. This closing figure was only one-fourth cent under the high

for the year in January and 1 $\frac{5}{8}$ cents above the low on April 20. In spite of the active demand, production of copper in the United States during July fell off to 135,296,000 pounds, the lowest monthly total with the exception of December, since September, 1924, and estimates of stocks of refined copper, which at the end of June were at the lowest levels since the war, showed a further reduction during July. Prices of both lead and zinc rose steadily through the period to the highest levels since early February, while production of lead in the United States during July fell off 2 per cent from the June levels and output of zinc rose about 4 per cent. Shipments of slab zinc from refineries were the largest since March and in excess of production, with the result that stocks on hand at the end of July of 20,771 tons showed the first reduction since February. As compared with July of last year, output of both lead and zinc registered an increase in July, 1925, which amounted to 8 per cent in the case of the former and 11 per cent for the latter.

Quotations for bar silver in New York made a new high for the year of 70 $\frac{3}{4}$ cents August 17, the highest since October, 1924, and 4 $\frac{5}{8}$ cents above the low for the year on April 6. Subsequently the market eased off somewhat, and on August 19 silver was quoted at 70 $\frac{1}{8}$ cents, up one-half cent as compared with July 16. Deliveries of tin into the United States during July were the highest since April and stocks at the end of the month in New York were the largest since March. Prices continued the rise which began in the middle of April, and during the first week in August Straits tin was quoted at 59 $\frac{3}{8}$ cents, the highest since January 12 and only 1 $\frac{1}{8}$ cents under the high for the year on January 3. During August prices reacted, however, and on August 19 Straits tin was quoted at 57 $\frac{1}{2}$ cents, as compared with 57 $\frac{7}{8}$ cents on July 16.

MANUFACTURING**Food products.**

Reports from all the principal flour milling centers, except those on the Pacific coast, indicate a very satisfactory milling business. Some mills report some foreign trade, though little with Europe. There is still evidence that the trade is purchasing only for near-by requirements, but the total of these, with occasional large orders, is considerably more than the capacity of the mills, reports the Northwestern Miller. There was a considerable increase in production over that of June

and it practically equaled that of July, 1924. The July production totaled 10,377,000 barrels and was 1,460,000 barrels greater than June's total. Prices of standard patents at Minneapolis declined from \$9 per barrel in the middle of July to \$8.70 per barrel on August 21, but were still in excess of last year's prices by \$1.55 per barrel. Exports of flour for the month of July were below those of June by 44,000 barrels, and amounted to 775,000 barrels. However, this figure is very little below July, 1924.

Sugar meltings in July were about the same as in June and amounted to 483,000 long tons. The July figure, however, is 20,000 long tons below the meltings of July, 1924. Stocks of sugar decreased by over 50,000 long tons from those held at the end of June, and at the end of July were 324,000 long tons. Prices were firm during the month and showed slight gains. On August 21 the quotation was 5.4 cents a pound for refined sugar, as compared with 5.35 cents about the middle of July, but was 1.40 cents a pound lower than one year ago. During the month raw sugar rose from 4.27 cents a pound to 4.37 cents a pound. Last year at this time raw sugar was quoted at 5.53 cents per pound.

The number of animals slaughtered in July was 12 per cent less than the number slaughtered in June and was also 18 per cent less than in July, 1924. The decrease in both instances was caused by smaller slaughterings of hogs, as cattle made considerable gains, while calves and sheep varied but little. The domestic demand for meat products, as reflected in the sales by 42 packers reporting to the Chicago Federal Reserve Bank, was 3.6 per cent less in July than for the previous month, but increased 15.5 per cent over that of July, 1924. August 1 inventories at packing houses and cold-storage warehouses in the United States aggregated less than at the beginning of July and were under corresponding figures for last year or the five-year average to date.

Textiles.

Signs of improvement have continued to be noted in textile industries during recent weeks. Some usual seasonal dullness, it is true, has been evident, and many branches of the industry are less active than at any time since last summer, but declines in production have slackened or ceased, and prices are generally firmer. Silk continues to be the most active of all textile fabrics; the new lines of woolens and worsteds are apparently being favorably received; talk of curtailment among cotton mills

is less prevalent; and knit goods are in fair demand for this season of the year.

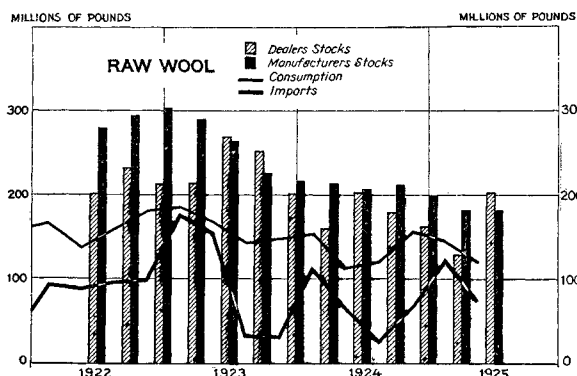
Buying of cotton goods and yarns increased somewhat the latter part of July, but during August the market has been only fairly active, owing partially to seasonal slackening of orders and uncertainty regarding the final cotton crop. Colored goods and gingham in particular have been in rather slight demand. Prices of both goods and yarns, which, according to the Fairchild indexes, reached a low point in the week of July 11, have since risen slightly. They remain, however, at close to the lowest levels since 1922. Production has been fairly well maintained. Spindle activity and consumption of raw cotton were smaller than in June, but by no more than the usual seasonal amount, and both were considerably greater than during last July. The decline from June to July practically all occurred in the Southern States, as activity among New England mills was well maintained. Orders received by cotton finishers increased during July as compared with June, while production and shipments decreased very slightly.

In the woolen and worsted industry new lines of goods have been opened for next spring by most producers. Men's wear have been in good demand, with many lines especially popular with buyers. Women's dress goods, however, which were opened earlier than usual this year, have not sold as well. The following table shows the trend of prices of woolen and worsted goods in recent years, as indicated by the Fairchild indexes. The figures show the rise of prices accompanying advances in raw wool following the opening a year ago, and also the extent of the reductions made at the recent opening. New prices on worsteds are lower than they were a year ago, whereas prices of woolens, although reduced from more recent figures, are still higher than were quotations on spring, 1920, goods. Data are shown for openings of the 1922, 1923, and 1924 spring lines, which were made in the preceding autumns and correspond to the current figures quoted.

FAIRCHILD WOOLEN AND WORSTED PRICE INDEXES
FOR SPRING NUMBERS

	Worsteds	Woolens
Spring, 1926, Aug. 15, 1925.....	249.010	240.833
Spring, 1925:		
Jan. 15, 1925.....	273.773	249.443
Sept. 13, 1924.....	255.440	231.666
Spring, 1924.....	278.980	231.250
Spring, 1923.....	242.790	210.776
Spring, 1922.....	230.973	201.526

Consumption of raw wool and the activity of combs and of worsted spindles increased somewhat in July, according to preliminary figures, while woolen spindles, cards, and looms were less active. The increase in worsted spindles is rather significant, as this branch of the industry has been particularly dull recently. Imports of raw wool during July were in practically the same volume as in May and June and much larger than a year ago. Stocks of raw wool held by dealers and manufacturers on June 30 were somewhat larger than on March 31, owing to seasonal increases in supplies of domestic wool in dealers' hands. Stocks of foreign wool were the smallest since September 30, 1924. The accompanying chart shows for the past three years stocks of wool held by manufacturers and dealers at the end of each quarter and the quarterly consumption and imports of raw wool. Raw wool markets have been rather quiet recently and



prices have declined somewhat. The Department of Agriculture estimates this year's domestic wool clip to be about 250,000,000 pounds, the largest clip since 1919.

Silk markets continue to be exceedingly active, and increased buying of fall goods is in evidence. Imports of raw silk continued large, but mill takings during July were even greater, being the second largest on record, and warehouse stocks were reduced to the smallest volume since last August. Early in the year stocks were abnormally large. Operations of silk mills, according to statistics of spindle and broad and narrow loom activity, have increased almost steadily since last summer, and are at the highest level since the figures began in 1922. Employment and earnings of workers in the industry are also at approximately the maximum points since 1920. Raw silk has continued in demand, and

prices, which declined slightly in July, rose again in August.

Knit-goods markets have recently been rather quiet, but no more so than is usual at this season of the year. Operations have been fairly well maintained, and prices are unchanged. Preliminary figures for July indicate a decrease as compared with June in orders for hosiery, particularly for women's full-fashioned goods. Production appears to have been slightly smaller, whereas the trend of shipments varied among the different types of hose.

Iron and steel.

Betterment in the iron and steel industry has been evidenced in August by slight increases in buying, in mill operations, and in pig iron and scrap prices. In July production of both pig iron and steel ingots were further reduced to the smallest amounts for any month this year. The rate of output, however, continued well in excess of that of a year ago. Merchant furnaces actually increased their production in July, and since August 1 several blast furnaces which were previously inactive have been blown in. The decrease in steel-ingot production during July was the smallest recorded since the decline began in April. In this branch of the industry, likewise, there have been evidences of increasing operations since August 1. Unofficial reports indicate that before the end of the month steel mills were running at between 70 and 75 per cent of capacity, as compared with an average of 68 per cent in July and 56 per cent in August, 1924.

Owing to reductions in bars and plates, the Iron Age composite finished steel price declined in the week of August 18 from 2.439 cents a pound to 2.396 cents, the lowest figure recorded in three years. The pig-iron composite has risen very slightly since the last of July. Although buying of steel has increased, most of it is still for current needs and there is little evidence of any appreciable volume of forward buying. Pig-iron producers, however, report a steady flow of orders for the fourth quarter. As in previous months, the most active sources of demand for iron and steel are the construction, automobile, and farm-implement industries. Although structural steel orders in July were smaller than in June, the maximum since 1923, they continued to be large, and shipments were the greatest on record. The chart on page 620, showing sales by producers of agricultural implements, illustrates

the recent increase of activity in that industry. Buying by railroads continues considerably limited in volume.

Automobiles and tires.

During July and August important developments in the automobile industry were the announcement of new models, price reductions, steady demand, and large production. A majority of the large producers placed new models on the market around August 1 in nearly all cases at prices lower than those previously in effect. Furthermore, in many instances where models have remained unchanged prices have been lowered. Reductions were greatest on closed models. An analysis by the Federal Reserve Bank of Cleveland showed for 20 standard makes of cars price decreases averaging about 5 per cent on coupes and 7 per cent on sedans since July 1 of this year and of 8 per cent and 12 per cent, respectively, since August 1, 1925.

Production of passenger cars in the United States during July totaled 346,728. This figure was seasonally smaller than that for June, but the largest ever recorded for July. Production of trucks increased, which is unusual for this season of the year. Reports by dealers to the Federal Reserve Banks of Chicago and Philadelphia indicate a seasonally smaller volume of retail sales in July than in June, but increases in sales by wholesalers. On the other hand, the Chicago figures show larger sales at both wholesale and retail than a year ago and smaller stocks of new cars. Sales of General Motors Corporation cars to dealers and to users in July were the smallest since February, but greater than in any previous July. Dealers' sales to users were larger than their purchases from manufacturers.

The crude-rubber market broke late in July and quotations, after advancing to \$1.20, the highest figure in 10 years, dropped to 74 cents a pound. After the middle of August the market strengthened and the price advanced to as high as 91 cents. July imports totaled 72,699,696 pounds, about the same as the June figure, but the largest total for July recorded in recent years. Production and shipments of tires and tubes continued large in July and stocks were further reduced.

Lumber.

As reported to the National Lumber Manufacturers Association by 528 mills, lumber cut in July totaled 1,412,385,000 feet, exceeding the June total by 11,414,000 feet, and the total

for July of 1924 by 210,901,000 feet. Shipments in July totaled 1,391,897,000 feet, running above shipments in the preceding month by 86,309,000 feet and above shipments in July a year ago by 200,236,000 feet. Shipments of Douglas fir continued to run above production in July as in each of the three preceding months of this year, and shipments of southern pine continued in July as in each of the three preceding months to run in nearly the same volume with production. In the first week of August orders as reported by six associations ran well above production and shipments, but fell below both in the second week of this month. Extensive curtailment of production beginning late in July and continuing in August throughout the hardwood lumber producing area, by closing down mills and running short time, appears to have affected market conditions. Prices of hardwoods, according to the Southern Lumberman, "reacted sharply upward" in the opening week of August, and the Lumber Manufacturer and Dealer for August 21, in its trade review, notes evidences of increasing activity in the lumber market generally, with softwoods moving in response to sustained demands originating in the building industries.

Hides, leather, and shoes.

Hide and leather markets have been moderately steady recently, and the buying of shoes has also been rather active. Hide markets continued strong during August, and prices were maintained at the high levels reached in July. Stocks of hides at the end of June were the smallest recorded since the statistics were begun in 1920, but stocks of skins have increased in recent months. Leather markets have likewise shown increased activity, with prices firm. Production of sole leather, according to preliminary figures, totaled 1,309,864 backs, bends, and sides in July, as compared with 1,343,734 in June, the largest figure recorded this year. Output of upper leather from cattle sides and calfskins increased in June, but decreased slightly in July. Production of sheep and lamb and goat and kid leather decreased. Stocks of most kinds of leather were somewhat larger on June 30 than a month earlier, but with the exception of calf uppers, smaller than a year before.

Production of shoes during July totaled practically the same as in June, and was somewhat greater than during July, 1924. The increase was noted chiefly in the Boston and St. Louis Federal reserve districts. Buy-

ing of shoes for fall has been reported by manufacturers to be generally satisfactory, and production schedules have been increased since August 1. Wholesale and retail shoe sales were seasonally smaller in July than in June, but larger than a year ago.

BUILDING

A seasonally large volume of contemplated building is indicated in the compilations covering the value of building permits issued in July. The value of permits issued in 168 selected cities totaled \$336,000,000, running in nearly the same volume in July as in June. Last year the value of permits issued in these cities fell off from \$261,000,000 in June to \$229,000,000 in July. The increase over 1924 for July permits amounted nearly to \$107,000,000, or 47 per cent. To this increase, it may be noted, New York City—with July totals of \$88,000,000 this year and \$40,000,000 last year—contributed \$48,000,000, the net increase, July over July, for the other 167 cities being \$59,000,000. Of 205 representative cities for which data are compiled by the F. W. Dodge Co., 124 showed gains and 81 losses, on comparison of July totals for permit values this year with last.

In the aggregate for all classes of construction, the volume of contracts awarded in 11 Federal reserve districts in July was only 2.5 per cent below the June figure, and was 52.7 per cent above that for July of last year, and in each of the 11 districts contracts awarded in July covered a larger construction value this year.

July awards in 27 Northeastern States, according to compilations by the F. W. Dodge Co., called for 67,895,000 square feet, a total 2 per cent above that for June and 64.9 per cent above that for July of 1924. In square feet contracted for July, awards this year ran above 1924 for each class of construction except public building. Contracts for residential construction called for 40,450,000 square feet in July of this year, or nearly twice the figure for July a year ago, and represented 60 per cent of the total for all classes of building, the corresponding proportion for July, 1924, being 51 per cent.

Cost of construction and prices, according to the Monthly Survey of S. W. Straus & Co., were maintained in July nearly at the June level. The Bureau of Labor Statistics wholesale price index for building materials shifted slightly downward in July, from 170.7 in June to 170.1, which is close to the figure, 168.8, for July of last year.

TRANSPORTATION

Aggregate car loadings for all classes of freight combined, as reported by the car service division of the American Railway Association, have exceeded the corresponding figure for 1924 in each of the 32 weeks of this year to August 8, excepting only one week in January and two weeks in February, and in each of the last four weeks of this period, loadings this year have run above 1,000,000 cars. Total loadings in July of this year, as in June, exceeded loadings in the corresponding month of the preceding six years for which data are compiled, and for each class of commodity, except livestock and grain and grain products, July loadings this year ran above 1924. Geographically the increase is widely distributed, each of the seven districts showing an excess for July loadings this year as compared with last. In each month of this year loadings of manufactured products (miscellaneous and less-than-carload freight) have exceeded loadings for this class of freight in the corresponding months of earlier years over the period covered by the data.

During July, as in each preceding month of this year, the roads, although handling continuously a very large volume of traffic, have nevertheless maintained a large surplus of cars available for service and have avoided the development of any appreciable shortages. For the first quarter of August the roads reported surpluses totaling 238,000 cars, including 126,000 box and 72,000 coal cars. Surpluses in July averaged nearly 300,000 cars, the average for earlier months of this year ranging from 245,000 to 342,000 cars.

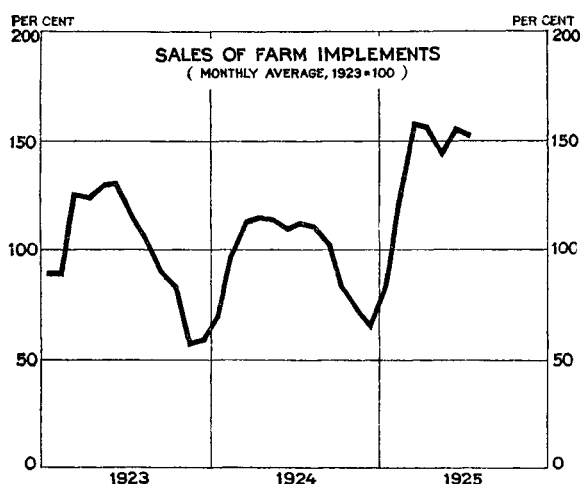
Operating revenues in June were 8.8 per cent and operating expenses 3.2 per cent above 1924, and as a result of the relatively greater increase in revenues, the operating ratio, or percentage of expenses to revenues, decreased from 78.22 per cent in June, 1924, to 74.18 per cent in June of this year. Gross revenues of the roads in the first six months of 1925 totaled \$2,895,216,468, which exceeds the average for this period in the six years 1919 to 1924, as computed by the Bureau of Railway Economics, by 6 per cent. Expenses in these months, other than taxes, totaled \$2,287,843,000, being 2.7 below the six-year average. Rate of return earned on property investment of the carriers was equivalent to 4.46 per cent. In the eastern district the carriers earned 5.10 per cent, in the southern 5.55, and in the western, 3.33 per cent.

TRADE

Wholesale trade.

Total sales of wholesale firms, as measured by the Federal Reserve Board's general index, were in about the same volume in July as in June. Sales of groceries, dry goods, and drugs were larger than in June, while sales of meats, shoes, and hardware were smaller. Grocery sales were heavier than in June in all Federal reserve districts except Boston, Cleveland, and San Francisco, and sales of drugs were larger in all districts except New York, Philadelphia, and Chicago.

When compared with July of last year, the aggregate volume of wholesale trade was 6 per cent greater. Sales in all leading lines were larger than in July, 1924, but those of meats, dry goods, and shoes showed the largest increases. Groceries, shoes, and hardware were sold in larger volume in nearly all Federal



reserve districts, the greatest increases being 11 per cent for groceries in Richmond, 25 per cent for shoes in Minneapolis, and 14 per cent for hardware in Kansas City.

Total domestic sales of all farm machinery, as reported by the Department of Commerce, approximated \$283,414,000 in 1924, as compared with \$312,044,000 in 1923. About 70 per cent of total yearly sales are reported to the Federal Reserve Bank of Chicago, and on the basis of these data sales in July were 35 per cent greater than last year, and for the seven months ending with July they were 33 per cent larger than for the same period last year. The chart shows sales of farm implements since January, 1923.

Value of total merchandise stocks at wholesale firms at the end of July was about the same

as at the end of June, but it was 9 per cent higher than at the end of July, 1924. Stocks of groceries, dry goods, shoes, and drugs were larger than in June, but those of meats and hardware were smaller. As compared with last year, stocks of groceries, meats, and drugs were considerably larger, but those of dry goods, shoes, and hardware were smaller. Accounts receivable at the end of July were smaller than a year earlier for groceries and dry goods, but were somewhat larger for drugs and shoes.

Retail trade.

Retail trade in July reflected the usual mid-summer dullness, but the decline in sales of department stores, grocery, and music chain stores was not so large as that which usually occurs between June and July. Compared with a year ago, sales at department stores, mail-order houses, and all chain stores were greater. Mail-order sales were 29 per cent larger than in July, 1924, and department store sales 4 per cent larger.

When compared with July of last year, total sales were larger in nearly all Federal reserve districts, the most substantial increases being in the Richmond and Chicago districts. Statistics showing sales by departments from stores in seven Federal reserve districts indicate that sales were more than 15 per cent larger than in July of last year for women's coats, juniors' and girls' ready-to-wear, furs, furniture, toys, and sporting goods, luggage, musical instruments, and radios, and more than 15 per cent smaller for departments selling cotton dress goods, laces, trimmings, and embroideries, neckwear and veilings, ribbons, women's suits and skirts, waists, and blouses, gloves, and sweaters.

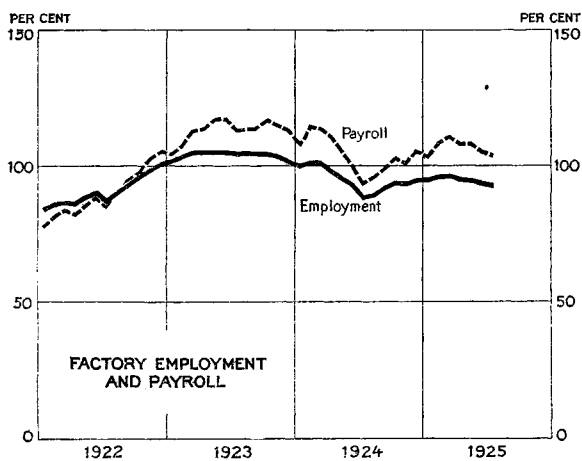
Stocks of merchandise at department stores were further reduced in July, and at the end of the month they were about the same as a year ago. Analysis of stocks, by departments, shows that inventories of ribbons, women's suits and skirts, sweaters, waists and blouses, and men's and boys' shoes were more than 12 per cent smaller than last year, and total stocks at no department for the country as a whole showed an increase of more than 8 per cent, although stocks of some departments at stores in the Philadelphia district were considerably greater than last year.

With a larger volume of sales than last year and with stocks in about the same volume, the rate of stock turnover in July exceeded that of last year, and for the seven months ending with July the rate at which stocks were turned over

continued faster than last year and amounted to 1.85 times as compared with 1.80 last year. Stores in all Federal reserve districts except Philadelphia reported a slightly higher turnover for the seven months than during the corresponding period in 1924.

EMPLOYMENT

Further decreases, largely seasonal but continuing the general decline which began last April, occurred during July in the employment and earnings of factory workers. The Federal Reserve Board's employment index for July was 93.1, as compared with 96.4 last March, and the pay-roll index was 102.7, compared with the March figure of 110.4. Earlier in the year the volume of employment and pay rolls was somewhat smaller than during the corresponding months of 1924, but the declines this year have not been so great as last, and in



recent months the indexes have been higher than they were last summer. Consequently the averages for the first seven months of the two years are practically the same for pay rolls, and employment so far this year has averaged only slightly less than in the same period of 1924. The accompanying chart shows the trend of the two indexes for recent years.

Seasonal increases of both employment and earnings were noted during July in the milling, meat-packing, clothing, and shoe industries. In nearly all other industries, except silk and rubber tires, employment or pay rolls, or both, declined. Decreases between June and July are usual in most industries, as July is ordinarily a month of slack markets, when mills are

partially closed for inventory taking, repairs, and vacations. As compared with July, 1924, decreases were noted in most of the food-products industries, but in nearly all others both employment and earnings had increased. The increases were largest in automobiles, textiles, and iron and steel, which were particularly depressed a year ago. According to figures of the Bureau of Labor Statistics, there were no wage changes of importance in the period between June 15 and July 15. Road and house building and farm demands for labor are seasonally large. Operations of bituminous coal mines have increased recently, but unemployment in many mining sections is still rather large. Anthracite mines have been rather active because of the threatened strike for September.

SAVINGS DEPOSITS

Savings deposits reported by 902 banks distributed throughout the United States totaled \$7,903,190,000 on August 1, compared with \$7,980,905,000 on July 1 and \$7,399,605,000 on August 1, 1924. As is usual at this vacation season, following the crediting of accrued interest at the mid year, small declines in deposits occurred in nearly all districts between July 1 and August 1. All districts showed increases over the August 1, 1924, figures, however, varying from 4 per cent in Chicago to 11 per cent in San Francisco, that for the country as a whole amounting to 7 per cent. A comparison of savings deposits on August 1, 1925, with a month and a year previous is shown, by Federal reserve districts, in the following table. In the Boston and New York districts the figures represent only deposits of mutual savings banks; in all other districts where there are but few mutual savings banks, savings deposits of other banks are included.

SAVINGS DEPOSITS, BY FEDERAL RESERVE DISTRICTS
[In thousands of dollars]

Federal reserve district	Number of banks	Aug 1, 1925	July 1, 1925	Aug. 1, 1924
Boston.....	64	\$1,324,310	\$1,322,249	\$1,256,927
New York.....	30	2,098,522	2,108,961	1,974,972
Philadelphia.....	79	525,637	524,176	488,792
Cleveland.....	68	846,961	867,166	803,235
Richmond.....	87	352,248	355,571	317,767
Atlanta.....	93	244,953	254,650	228,367
Chicago.....	196	938,799	958,863	905,629
St. Louis.....	31	139,720	143,883	130,176
Minneapolis.....	26	106,540	106,715	98,804
Kansas City.....	54	107,228	108,181	100,724
Dallas.....	104	102,634	104,647	93,182
San Francisco.....	70	1,115,638	1,126,843	1,001,030
Total.....	902	7,903,190	7,980,905	7,399,605

PRICES

Wholesale prices, according to the index of the Bureau of Labor Statistics, rose further by 1.6 per cent in July to approximately the level of the first quarter of this year. Farm products and the miscellaneous group each rose by over 4 per cent, the former reflecting chiefly higher livestock prices and the latter higher quotations for rubber. Foods rose over 1 per cent, largely on higher meat prices. The other groups were almost unchanged.

Wholesale prices are now 8.7 per cent above the level of a year ago, almost entirely due to an advance of three groups—farm products, up by 15 per cent; foods, up 13 per cent; and miscellaneous commodities. Chemicals and drugs are higher, and building materials and cloth and clothing show a slight advance, with the house furnishings, fuel and lighting, and metal groups somewhat lower.

As regrouped by the Federal Reserve Board, raw materials in July increased 2.5 per cent over June, while producers' goods and consumers' goods advanced slightly. Among the subgroups of raw materials there was a decline of 1.3 per cent in crop prices, which are slightly lower than a year ago, while animal products rose nearly 9 per cent over June and are 35 per cent higher than a year ago.

In the following table are shown index numbers of wholesale prices in the United States as grouped by the Bureau of Labor Statistics and as regrouped by the Federal Reserve Board:

WHOLESALE PRICES IN THE UNITED STATES

[1913=100]

	1925			1924
	July	June	May	July
All commodities.....	160	157	155	147
Bureau of Labor Statistics groups:				
Farm products.....	162	155	152	141
Foods.....	157	155	153	139
Cloths and clothing.....	189	188	188	188
Fuel and lighting.....	172	173	168	173
Metals.....	126	126	127	130
Building materials.....	170	170	175	169
Chemicals and drugs.....	133	133	133	127
House furnishings.....	169	171	170	171
Miscellaneous.....	143	138	131	112
Federal Reserve Board groups:				
Raw materials.....	166	162	160	152
Crops.....	173	175	176	176
Animal products.....	154	141	134	114
Forest products.....	180	181	189	176
Mineral products.....	168	167	167	167
Producers' goods.....	137	135	131	130
Consumers' goods.....	167	165	164	153

Price movements during the year ending with July are given in percentage terms in the following table for each of the groups of commodities used by the Bureau of Labor Statistics in calculating the index of wholesale prices, together with the weight assigned to each group. The periods distinguished within the year are from July to October, when agricultural commodities were rising and non-agricultural commodities were falling; from October to March, when all principal groups were rising; from March to May, when they were all falling; and from May to July, the period of the recent advance.

PERCENTAGE CHANGES IN COMMODITY PRICES, JULY, 1924 TO JULY, 1925

	July to October	October to March	March to May	May to July	July to July	Approximate weight
All commodities.....	+3.3	+6.0	-3.6	+3.0	+8.7	100
Farm products.....	+5.9	+8.1	-5.8	+6.4	+14.8	28
Foods.....	+9.1	+4.8	-3.7	+2.7	+13.2	22
Cloth and clothing.....	+0.5	+1.2	-1.2	+0.2	+0.7	10
Fuel and lighting.....	-6.4	+7.6	-3.6	+2.3	-0.6	14
Metals.....	-2.5	+5.1	-4.9	-0.6	-3.1	9
Building material.....	+1.1	+5.3	-2.6	-2.9	+0.8	6
Chemicals and drugs.....	+4.5	+1.5	-0.8	+0.2	+5.4	2
House furnishings.....	+0.1	-0.5	+0.2	-0.8	-0.9	3
Miscellaneous.....	+6.6	+4.6	+4.7	+9.2	+27.6	6

In August, raw sugar, potatoes, silk, metals, and fuel advanced, while grains, leather, hogs, and rubber declined.

Retail food prices in July, according to the Bureau of Labor Statistics, reached 160, the highest figure touched since January, 1921. It represented a 3 per cent advance over June of this year, and 12 per cent over July, 1924.

The cost of living index for July, computed by the National Industrial Conference Board, stood at 168.7, the highest in over four years. This represented an increase of more than 1 per cent over June, and about 4 per cent over July of last year. This rise is almost entirely traceable to higher food prices, although clothing is somewhat above last year. The advance in these items has been partially offset by the decline in the cost of "shelter," which has fallen nearly 4 per cent from July of last year.

COMMERCIAL FAILURES AND BANK SUSPENSIONS

There were declines both in the number of commercial failures and in the liabilities involved during July as compared with June.

Insolvencies, numbering 1,685, with liabilities amounting to \$34,505,191, were reported by R. G. Dun & Co. for the month. Although the total number of failures was slightly larger than in July last year, the aggregate indebtedness in default was about 6 per cent smaller than in that month. The decline in total indebtedness over the year was the result, largely, of a decline in the number of large manufacturing failures; there were in July of this year 24 failures of manufacturing establishments, with indebtedness of \$100,000 or more each, which together involved liabilities aggregating about \$6,000,000, whereas in the same month last year there were 36 such failures with an aggregate indebtedness of more than \$14,000,000. The most marked decreases in liabilities were shown for the manufacturers of machinery and tools, of hats, gloves, and furs, and of liquor and tobacco.

The number of failures was smaller in July than in June for each of the three classes of enterprise—manufacturing, trading, and agents and brokers. Total liabilities were smaller for the first two classes, but larger for the last. Comparing July of this year and last there were increases in the number of each class of failures, and increases also in the indebtedness involved except in the case of failed manufacturing establishments, the aggregate liabilities of which were about half as large for July this year as for the same month last year. Insolvencies for July of this year and last, by class of enterprise, are presented below:

COMMERCIAL FAILURES, CLASSIFIED FOR JULY, 1924 AND 1925

	Number		Liabilities	
	1925	1924	1925	1924
All classes.....	1,685	1,615	\$34,505,191	\$36,813,238
Manufacturing.....	418	416	10,931,798	20,022,429
Trading.....	1,184	1,124	15,961,174	12,420,599
Agents, brokers, etc.....	83	75	7,612,219	4,370,210

Failures were more numerous in July than in the month before only in the Cleveland, Richmond, Atlanta, and Chicago districts, and liabilities were higher only in the New York, Richmond, Atlanta, and St. Louis districts. As compared with the same month last year the number of failures in July was larger in the Boston, Cleveland, Richmond, Chicago, and San Francisco districts, and the liabilities were larger in all except the New York, Philadelphia, Cleveland, Kansas City, and San Francisco districts. In the Dallas district the number of

insolvencies was the lowest since August, 1920. Comparative data by districts for the month of July are presented in the following table:

FAILURES DURING JULY

Federal reserve district	Number		Liabilities	
	1925	1924	1925	1924
Boston.....	155	131	\$2,185,740	\$1,539,996
New York.....	288	329	9,503,272	12,717,797
Philadelphia.....	70	74	1,802,298	3,057,346
Cleveland.....	191	155	3,986,465	5,947,876
Richmond.....	156	123	3,207,713	2,675,646
Atlanta.....	81	102	2,457,950	1,299,886
Chicago.....	280	213	5,038,051	3,777,361
St. Louis.....	60	64	940,025	579,643
Minneapolis.....	75	81	1,765,878	1,427,184
Kansas City.....	91	106	896,131	1,150,169
Dallas.....	33	40	350,729	242,424
San Francisco.....	205	197	2,370,939	2,398,010
Total.....	1,685	1,615	34,505,191	36,813,238

The number of bank suspensions declined again in July, the total being lower than for any of the past months of this year or last. There were 25 banks, with capital and surplus of \$1,054,000, reported to the Federal reserve banks during the month as having been closed or declared insolvent, as against 32 banks in the preceding month and 50 banks in July, 1924. Of the total number of suspensions for the month, 3, with capital and surplus of \$264,000, were national banks (as compared with 33 member banks for January, 1925, and 9 for July of last year) and 22, with capital and surplus of \$790,000, were non-member banks (as against 63 for January of this year, and 41 for July, 1924). One national bank, in the Cleveland district, which had previously been closed, was reported to have resumed operations during the month. The figures for closed banks represent, so far as could be determined, banks which have been declared insolvent or have been closed by order of supervisory authorities, and it is not known how many of the latter institutions may ultimately prove to be solvent.

BANKS CLOSED DURING JULY, 1925

	All banks		Member (national)		Nonmember	
	Number	Capital and surplus	Number	Capital and surplus	Number	Capital and surplus
All districts.....	25	\$1,054,000	3	\$264,000	22	\$790,000
Cleveland.....	1	32,000	—	—	1	32,000
Richmond.....	3	118,000	1	74,000	2	44,000
Atlanta.....	1	50,000	—	—	1	50,000
Chicago.....	4	172,000	—	—	4	172,000
St. Louis.....	2	44,000	—	—	2	44,000
Minneapolis.....	8	289,000	1	90,000	7	199,000
Kansas City.....	4	254,000	1	100,000	3	154,000
Dallas.....	2	95,000	—	—	2	95,000

FOREIGN TRADE

Imports of merchandise during July were \$326,000,000, showing very little change from the figures of the two previous months, and comparing with \$278,594,000 during July, 1924. Exports of merchandise during July were \$338,000,000, an increase of almost \$15,000,000 over the June exports and of somewhat more than \$61,000,000 over the exports for July of last year. Net exports were \$12,000,000, compared with net imports of \$1,835,000 for June and of \$1,945,000 for July, 1924.

For the seven months ended July, 1925, imports of merchandise were \$2,389,768,000, an increase of \$261,583,000 over the corresponding period of 1924. Exports of merchandise were \$2,701,478,000, an increase of \$335,103,000. Net exports were \$311,710,000, an increase of \$73,520,000 over the 1924 period.

Owing to the large decrease in gold imports, total visible imports for the seven months of 1925 were only \$63,000,000 larger than for the same period a year ago, while total visible exports increased by about \$524,000,000 over the similar period of last year; this resulted in a net export balance of \$477,632,000, an increase of somewhat more than \$461,000,000.

MERCHANDISE TRADE BALANCE OF THE UNITED STATES

[In thousands of dollars]

Month	Imports	Exports	Excess of imports	Excess of exports
1924				
January.....	295,506	395,172		99,666
February.....	332,323	365,775		33,452
March.....	320,482	339,755		19,273
April.....	324,291	346,936		22,645
May.....	302,988	335,099		32,111
June.....	274,001	306,989		32,988
July.....	278,594	276,649	1,945	
August.....	254,542	330,659		76,117
September.....	287,144	427,460		140,316
October.....	310,752	527,172		216,420
November.....	296,148	493,573		197,425
December.....	333,192	445,748		112,556
Year.....	3,609,963	4,590,987		981,024
1925				
January.....	346,165	446,443		100,278
February.....	333,457	370,676		37,219
March.....	385,379	453,653		68,274
April.....	346,081	398,245		52,164
May.....	327,519	371,129		43,610
June.....	325,167	323,332	1,835	
July.....	326,000	338,000		12,000

TRADE BALANCE OF THE UNITED STATES FOR SEVEN MONTHS ENDED JULY, 1924 AND 1925

[In thousands of dollars]

	Merchandise	Gold	Silver	Total
1924				
Imports.....	2,128,185	245,077	41,646	2,414,908
Exports.....	2,366,375	4,182	60,768	2,431,325
Net imports (-) or exports (+).....	+238,190	-240,895	+19,122	+16,417
1925				
Imports.....	2,389,768	50,871	37,419	2,478,058
Exports.....	2,701,478	195,353	58,859	2,955,690
Net imports (-) or exports (+).....	+311,710	+144,482	+21,440	+477,632

GOLD MOVEMENTS

UNITED STATES

Total gold imports during July were \$10,204,000, compared with \$4,426,000 during June, an increase of almost \$6,000,000. Of the July total, about two-thirds, or \$6,004,000, came from France. Total monthly exports of gold have declined each month since last January, and during July were the smallest shown since October, 1924. July exports totaled \$4,416,000, compared with \$6,712,000 during June, a decline of about \$2,300,000. Of the July total, about two-thirds, or \$2,922,000, were sent to Mexico. Exports to Hongkong declined from \$3,640,000 during June to \$233,000 in July. Net imports were shown during July for the first time since November, 1924, and totaled \$5,788,000, compared with net exports of \$2,286,000 during June.

For the seven months ended July, 1925, total gold imports were \$50,871,000, a little more than one-fifth of the amount shown for the corresponding period in 1924. Imports from all the countries listed showed declines with the exception of Mexico, which showed a very slight increase. Imports from England declined by \$119,314,000, from the Netherlands by \$24,414,000, from Canada by \$9,578,000, and from Argentina by \$8,463,000. Total exports for the 1925 period were \$195,353,000, almost forty-seven times as large as the figure shown for 1924. The largest items were exports to Germany, \$67,039,000; to British India, \$56,334,000; and to Australia, \$26,925,000. Net exports were \$144,482,000 for the seven months of 1925, compared with net imports of \$240,895,000 for the similar period of last year.

GOLD IMPORTS INTO AND EXPORTS FROM THE UNITED STATES

[In thousands of dollars]

	1925		Seven months ended July—	
	July	June	1925	1924
IMPORTS FROM—				
England.....	1	4	4,818	124,132
France.....	6,004	-----	6,564	10,101
Germany.....	-----	-----	2	4,819
Netherlands.....	-----	-----	10,085	34,499
Canada.....	2,943	2,841	18,899	28,477
Mexico.....	358	485	3,330	3,286
Argentina.....	-----	-----	-----	8,463
China.....	-----	-----	120	3,476
All other.....	898	1,096	7,053	27,824
Total.....	10,204	4,426	50,871	245,077
EXPORTS TO—				
England.....	-----	-----	6,160	-----
France.....	-----	-----	1,339	-----
Germany.....	122	207	67,039	-----
Netherlands.....	-----	-----	4,318	-----
Canada.....	108	82	2,594	899
Mexico.....	2,922	1,147	6,349	1,862
Argentina.....	-----	-----	5,460	-----
Colombia.....	-----	-----	2,000	-----
Uruguay.....	-----	-----	802	-----
Venezuela.....	100	-----	2,160	1,101
British India.....	31	104	56,334	-----
Hongkong.....	233	3,640	6,870	108
Australia.....	-----	-----	26,925	-----
All other.....	900	1,532	7,003	212
Total.....	4,416	6,712	195,353	4,182
Net imports.....	5,788	-----	-----	240,895
Net exports.....	-----	2,286	144,482	-----

GREAT BRITAIN

Total imports of gold into Great Britain during June were £5,620,000, almost double the figure shown for May. Of the June total, £3,305,000, or 59 per cent, came from the Transvaal, as compared with negligible imports from that country during May, and £2,007,000, or 36 per cent, from the Netherlands, as compared with none during May. Imports from Russia, which during May were £2,149,000, or 81 per cent of the total, declined during June to £34,000. Total exports of gold during June were £1,616,000, a decline of somewhat more than £1,000,000 as compared with May. Exports to British India declined from £1,026,000 during May to £840,000 during June; to Switzerland, from £654,000 to £76,000; and to the United States from £356,000 to none. Net imports were £4,004,000, as compared with £16,000 for the previous month.

For the six-month period ended June, 1925, total imports were £17,843,000, compared with £21,264,000 for the similar period of last year. Imports from the Transvaal declined from £19,135,000 to £7,493,000, a decline of

£11,642,000. Imports from the United States rose from £17,000 to £4,271,000; from Russia, from no imports to £2,182,000; and from the Netherlands, from £87,000 to £2,075,000. Total exports for the 1925 period were £17,879,000, compared with £34,460,000 in 1924, a decline to slightly more than one-half of the earlier figures. Exports to the United States declined from £25,074,000, or 73 per cent of the total, to £956,000; and to Egypt, from £1,331,000 to £340,000. Exports to British India rose from £5,846,000 to £9,512,000; to Switzerland, from £132,000 to £1,126,000; and to Russia, from no exports to £381,000. Net exports for the six months of 1925 were £36,000, compared with £13,197,000 for the six months of 1924, or about 0.03 per cent of the amount shown for last year.

GOLD IMPORTS INTO AND EXPORTS FROM GREAT BRITAIN

	1925		6 months ended June—	
	June	May	1925	1924
IMPORTS FROM—				
France.....	£42,493	-----	£100,990	£600
Netherlands.....	2,007,411	-----	2,075,275	87,081
Rhodesia.....	128,389	£217,101	1,057,094	1,198,294
Russia.....	33,531	2,148,854	2,182,385	-----
Transvaal.....	3,304,605	129,208	7,492,775	19,135,035
United States.....	6,176	6,360	4,271,331	16,923
West Africa.....	69,476	141,451	590,456	725,406
All other.....	28,378	7,250	73,018	100,326
Total.....	5,620,459	2,650,224	17,843,324	21,263,665
EXPORTS TO—				
Belgium.....	750	11,862	114,274	55,081
British India.....	839,756	1,025,565	9,512,352	5,846,310
Egypt.....	37,650	64,812	339,529	1,330,975
France.....	32,319	2,630	97,920	239,038
Netherlands.....	87,554	77,999	682,908	940,211
Russia.....	6,444	7,586	380,648	-----
Straits Settlements.....	2,000	14,018	61,309	172,121
Switzerland.....	76,216	654,305	1,126,116	132,384
United States.....	-----	355,858	956,358	25,074,170
West Africa.....	-----	-----	43,642	14,086
All other.....	533,766	419,758	4,564,090	655,833
Total.....	1,616,455	2,634,393	17,879,146	34,460,209
Net imports.....	4,004,004	15,831	-----	-----
Net exports.....	-----	-----	35,822	13,196,544

FOREIGN EXCHANGE

Sterling exchange during the month of August averaged slightly lower than during July, and fluctuated within a narrower range. French francs averaged 4.69 cents per franc, showing practically no change from the July average and comparing with an average of 5.46 cents for August of last year. Belgian francs averaged 4.53 cents per franc, compared with 4.62 cents during July and 5.02 cents a year ago. Italian lire averaged 3.66 cents during August, compared with 3.67 cents

during July and with 4.44 cents last August. Danish kroner advanced from 22.30 cents per krone on August 1 to 25 cents on August 31, and for the month averaged 23.30 cents, compared with 21.37 cents for July and 16.21 cents for August, 1924. Norwegian kroner advanced from 18.16 cents on August 1 to 20.82 cents on August 31, and averaged 18.80 cents, compared with 18.07 cents for July and with 13.87 cents for last August. Swedish kroner and Swiss francs maintained about the same levels above parity as for several months past. Netherlands florins, Spanish pesetas, and Canadian dollars showed little change. The Polish zloty declined from 19.20 cents per zloty on July 1 to 18.05 cents on July 29; by August 1 it rallied to 18.90 cents and then declined to 16.77 cents on the 22d, but rose to 18.21 cents on the 31st.

South American exchanges showed slight advances, while Far Eastern currencies showed little change.

FOREIGN EXCHANGE RATES

[In cents]

Exchange	Par value	August, 1925		July, 1925			July, 1924, average
		Low	High	Low	High	Average	
Sterling.....	486.65	485.43	485.81	485.44	486.12	485.96	437.04
French franc.....	19.30	4.66	4.74	4.46	4.75	4.70	5.12
German reichsmark	23.82	23.80	23.80	23.80	23.80	23.80	-----
Italian lira.....	19.30	3.58	3.77	3.35	3.80	3.67	4.30
Netherlands florin..	40.20	40.14	40.30	40.04	40.18	40.10	37.94
Swedish krona.....	26.80	26.84	26.88	26.80	26.91	26.86	26.60
Swiss franc.....	19.30	19.37	19.42	19.40	19.42	19.41	18.19
Canadian dollar.....	100.00	100.01	100.07	100.00	100.11	100.03	99.26
Argentine peso.....	96.48	90.90	91.93	91.60	91.89	91.75	74.12
Shanghai tael.....	66.85	76.59	78.29	76.18	76.92	76.56	71.67

GUARANTY OF BANK DEPOSITS

Since Oklahoma, within a month after its admission as a State, and while the panic of 1907 was running its course, enacted its guaranty law in the confident expectation that a guaranty system would prove effective in preventing the recurrence of panics and bank failures, seven other States have followed its lead—Kansas in 1909, Texas in 1910, Nebraska in 1911,¹ Mississippi in 1914, South Dakota in 1915, and North Dakota and Washington in 1917. Outside of this territory the area of recurrent agitation and controversy in recent years over the proposal to guaranty deposits would embrace perhaps a dozen States, including those in which political parties have from time to time pledged themselves to secure deposit insurance legislation, those in which bills to provide this sort of insurance have been introduced at a special session of the legislature called to draft and enact such a bill, and in general those in which bank deposit insurance under State supervision and control has constituted the subject of legislative inquiry, of popular agitation, and of official recommendation.

It is nearly a century since New York State initiated its experiment with a safety-fund law, covering deposit liabilities along with all other debts of banks—although the plan was devised particularly for the protection of note holders rather than of depositors. This early law was similar in some of its provisions to the guaranty laws enacted in recent years, and it is perhaps not surprising that the experience of New York under it should have been very like

that of the several States under their guaranty laws since 1907. Under the New York law no failures of safety fund banks occurred for a period of some 12 years. Then in the course of a few months, on account of a rapid succession of bank failures, obligations piled up against the fund considerably in excess of its immediately available resources. Recent experience under guaranty laws has been quite similar in several States. Generally the laws have seemed to work well for a period, winning popular favor by providing for prompt discharge of all deposit liabilities of failed banks. Generally the laws have been commended from year to year by the State bank commissioners or superintendents in their annual reports as providing precisely the guaranty originally intended; and generally, also, in the past three or four years, as in the early forties under the New York safety fund law, bank failures have piled up obligations against the funds in excess of resources immediately, or in some cases, as it would appear, ultimately available under the law, with the result that those administering the fund have resorted to borrowing, as was the case also under the New York law, or to the issue of certificates of indebtedness to depositors.

In this early historical instance one further parallelism to recent experience is found in the competition which developed between the old chartered banks operating under the safety fund law and the banks organized under New York's free banking law of 1838 which provided a bond-deposit security for note issues, and did not require banks organized under it to participate in the fund main-

¹ Law enacted in 1909, but suspended by injunction until 1911.

tained by the old chartered banks for the guaranty of their debts. A somewhat similar condition has developed under the guaranty laws enacted since 1907, with State institutions operating under cover of a guaranty fund in active competition with national banks operating within the State but entirely outside of the guaranty system.

Guaranty of bank deposits appears to have become a subject of popular agitation in the years following the panic of 1893, particularly in Nebraska and Kansas as an item on the Populist program of reform legislation, persistently urged as a remedy for the evils of bank failures. It is noted that the Kansas Legislature, convened in special session by a Populist governor in 1898, failed to enact a deposit guaranty law by the narrow margin of only four votes. Experience of the same evils again in the period following the panic of 1907 gave rise to agitation for the same remedy, and it may be noted that the widespread prevalence of bank failures during the past three or four years has once more given rise to agitation in several States for this remedy for losses by depositors of failed banks.

Governors of two States in January of this year included in their annual messages a recommendation that legislation be enacted guaranteeing depositors in State banks against loss. Governor Erickson of Montana, in his message, expresses the opinion that the time has come in Montana "when some sort of legislation is demanded that will protect the depositor and at the same time be just and fair to the banker," and he quotes the platform upon which he was elected as pledging the legislature "to make a study of the laws relating to the guaranty of bank deposits now in operation in several States and to the speedy enactment of a law that will insure bank depositors from losses through bank failures." Governor Hunt of Arizona, also, in his message last January as in his message two years ago, urges the advisability of legislation for protection of the depositor. And deposit guaranty bills have recently been introduced in the legislatures of Minnesota and North Carolina.

ESSENTIAL SIMILARITY OF STATE PLANS

On examination of the text of State guaranty laws, printed in another section of the BULLETIN, essential similarities will be noted in respect to the character of the guaranty provided in the laws, the basis of assessment of banks for the benefit of guaranty funds, and the larger aspects of administrative control.

In no instance has a State assumed direct liability for payment of deposits in failed banks except such liability as may under the provisions of the particular statute be implied in the administration of the law. On the contrary, the guaranty is strictly limited and conditioned upon assessments to be levied upon the banks. The State functions through a designated agency in an administrative capacity only—levying and collecting assessments, taking custody of the fund, approving claims of depositors, paying those claims out of the fund, and as may be provided in the law borrowing on the credit of the fund, issuing certificates of indebtedness to depositors, taking over closed banks, liquidating their assets, and winding up their affairs; but in no case contributing to the fund out of the proceeds of tax levies or of borrowing on the credit of the State.

Banks have accordingly been required to preserve a nice discrimination of phrase in their advertising. They have been required to display conspicuously in their places of business an official certificate advertising that they have complied with the guaranty laws of the State, and they have been permitted to advertise freely to the effect that depositors are protected by the depositors' guaranty fund of the State, but not—on penalty of fine or imprisonment—that depositors are protected by the State. In case maximum assessments permitted under the law to be levied upon solvent banks are insufficient to pay the proved claims of depositors in failed banks, or interest charges on account of funding or deferment of these claims, the fund eventually becomes insolvent without recourse to the State. Proposals to provide out of general tax levies or special bond issues for liabilities accumulated against a fund in excess of its resources have been in several instances consistently voted down, and it has been made clear to depositors—who may have given little consideration to the saving clauses of the statute and to the precise wording of advertisements and posted official certificates—that liabilities accumulated against a depositors' guaranty fund administered by the State are not liabilities assumed by the State for the protection of depositors. The validity of the guaranty is in no case determined by the solvency and good faith of the State, or even by that of the participating banks, but only by the solvency of the fund under the specific provisions of the law.

As set up in these laws the deposit insurance scheme is in bare outline one for levying assess-

ments upon all participating banks to build up and maintain a fund out of which to pay the losses of depositors in failed banks—a State-administered flat-rate insurance scheme covering the deposit liability of banks. In five States—Oklahoma, Nebraska, Mississippi, and the two Dakotas—participation in this insurance has been made compulsory for all State banks; in Kansas and Washington participation is voluntary; and in Texas it is optional with a bank to operate under either a guaranty fund or a bond security system.

Without exception—to note another general similarity of the laws—assessments are based upon deposits under a percentage rate designated in the law. Presumably the rate authorized to be levied is sufficiently high to cover the risk of loss to depositors. This risk over any considerable period of time is not easily determined under any conditions, and the conditions prevailing in the group of pioneer States which initiated the experiment in deposit insurance were far from being favorable for arriving at a fair estimate of it. It would appear, from experience under the guaranty laws, that the risk was in fact generally underestimated. The small percentage of loss to depositors in national banks—estimated to have averaged only one-twentieth of 1 per cent over a period of 43 years—was accepted as indicating that the cost of deposit insurance would not be burdensome, but this assumption left out of account such important factors as concentration of losses in certain periods, the size of individual risks covered, and special local conditions which could not be represented in any general average for the country as a whole.

A maximum rate which may be levied upon solvent banks in any one year under regular or special assessments is commonly designated in the statutes, and, further, a maximum amount for the fund, with provision that assessments shall be discontinued when the fund has accumulated to this amount, and shall be resumed and continued thereafter as may be required to bring the fund back to the designated maximum.

INITIATION OF THE EXPERIMENT

It is noted that a proposal to include in the State constitution a provision guaranteeing bank deposits had been presented to the banking committee of the Oklahoma Constitutional Convention in 1906 and had been rejected in

the committee by a vote of 7 to 6 on the ground principally that it was legislative in character. Oklahoma became a State on November 16, 1907. Its first legislature convened on December 2, and on December 17, acting upon the urgent recommendation of the governor, it enacted a guaranty law.

This statute set up a fairly complete scheme of deposit insurance, and one which has been adopted with modifications in each of the seven States which have since legislated along this line. Specifically it created an administrative board and provided that this board should levy an assessment against the capital stock of all State banks equal to 1 per cent of average daily deposits to be paid into a fund for the guaranty of deposits; it provided that depositors in failed banks should be paid immediately in full, using the quick assets of the insolvent institution and drawing upon the fund in such amount as might be required; that the board should levy special assessments to cover deficiencies in the fund and bring it back to 1 per cent of deposits; that payments out of the fund should constitute a prior lien on the assets of failed banks, and that recoveries in liquidation of these assets should be paid into the fund, and—to the amount of any excess accumulation over 1 per cent in the fund—should be paid back to the banks in proportion to any special assessments which may have been levied upon them.

It was provided further, as it has been in the statutes of several other States, that national banks might participate in the State guaranty plan, with the privilege of withdrawing in case the Federal Government set up a fund guaranteeing deposits in national banks. Under this provision, 97 national banks were examined, and 57 of these signed contracts to comply with the law, but were compelled to withdraw on order of the Comptroller of the Currency under a ruling of the Attorney General that national banks could not legally participate. Some of these banks surrendered their charters in order to reorganize as State banks under the fund. National banks, it may be noted, have not been permitted to participate in any State plan.

Amendments in 1909 raised the amount of the fund from 1 to 5 per cent of average deposits, the accumulation above 1 per cent to be by annual assessments of one-fourth of 1 per cent over a period of 16 years. In 1913 the amount of the fund was reduced to 2 per cent, but this statutory maximum proved to be of small practical consequence since the fund

did not in fact at any time nearly approach its limit.

A much more important provision of the original law was that making banks liable for assessments—additional to the 1 per cent levied to create the fund—in such amounts as might be required for the immediate payment in full of depositors in failed banks. In the law as amended in 1909 a limit was put upon these additional assessments by providing that they should not exceed 2 per cent in any one calendar year, and in 1913 assessments were limited to one-fifth of 1 per cent annually until the fund should amount to 2 per cent of deposits, and thereafter to such amounts, not exceeding one-fifth of 1 per cent, in any one year, as might be required to maintain the fund at 2 per cent, with the provision that during the fiscal years ending in 1914, 1915, and 1916 the State banking board might levy an additional one-fifth of 1 per cent each year.

The provision that depositors in failed banks were to be paid immediately in full the amount of their proved claims, leaving the fund to benefit by such recoveries as might be realized in subsequent liquidation of the assets of such banks, was retained in the law to the end. The fund rather than the depositor was to do the waiting involved in the process of winding up a bank's affairs, and consistently with this plan the original law authorized special assessments from year to year in such amounts as might be required. The restriction of these assessments under the amendments of 1909 and 1913 necessitated a further modification of the law to indicate the procedure to be followed in case the proceeds of the authorized special assessments should be insufficient for immediate payment in full of all depositors. Accordingly, it was provided in the 1909 amendments that in such eventuality the State banking board should issue to depositors certificates of indebtedness for the amounts of their unpaid deposits, the certificates to bear interest at 6 per cent, and to be payable serially in order of issue on call of the board out of subsequent emergency levies. These were to be continued at 2 per cent from year to year until all certificates were taken up, principal and interest. The certificates, it was believed, would be practically equivalent to cash, and they would enable the board to spread payments on account of exceptionally large losses in any year over a period of several years until assessments should catch up. In the law as finally amended, restricting assessments after 1916 to one-fifth of 1 per cent of deposits, the board was au-

thorized to "negotiate or otherwise dispose of" such certificates to be known as depositors' guaranty fund warrants of the State of Oklahoma, "at not less than par value, in such manner as it may see fit to facilitate liquidation of failed banks."

These modifications of the law—both the limitation of annual assessments to a designated percentage of deposits and the consequent authorization of interest bearing certificates or warrants to cover balances of claims in excess of current assessments permitted—were of fundamental importance. It could not fairly be assumed that assessments restricted to one-fifth of 1 per cent of average deposits a year, would be sufficient in the long run to pay depositors' losses, even under the provision which in effect permitted the board to discount future assessments to the limit of its credit. Interest charges on any accumulated indebtedness would in fact diminish the resources available for the payment of losses and the experience of the State may be anticipated by observing that such charges were in the end a large factor in rendering the fund inoperative.

EXPERIENCE UNDER THE OKLAHOMA LAW

The number of State banks on December 11, 1907, just prior to approval of the act, is given as 468, and in the interval of 60 days between approval of the act and levying the 1 per cent assessment, these banks were examined under an order of the bank commissioner that "those whose condition or past record did not justify a continuation in business" should discontinue receiving deposits and be liquidated. Under the time limitation imposed by the act, however, the completion of any effective examination of hundreds of widely scattered institutions was clearly an impossible task for the newly organized banking department. Commissioner Lankford, who served as commissioner from 1911 to 1919, in one of his reports comments as follows on this initial procedure: "It is a well-known fact that the Oklahoma bank guaranty law was seriously wounded at its very inception, in that unbusinesslike methods were adopted in placing the system in operation. Nothing more fatal to the success of this law could have been devised than the method of spreading over all banks in the State a blanket insurance."

The three or four years immediately following enactment of the guaranty law were for Oklahoma years of reckless speculation in land values, building projects, and oil-

field development schemes. Population was increasing rapidly. Data from the Department of Agriculture Yearbook, as quoted by Dr. T. B. Robb in his account of the Oklahoma system, indicate that the years 1906, 1907, and 1908 were years of bumper crops, that yields fell off in the two years following, and that 1911 was a year of crop failure. It is conservatively estimated according to Doctor Robb that "the inflated values of 1910 had shrunk nearly 50 per cent by 1912 and 1913." The value of building permits issued in Oklahoma City is given as being well above \$5,000,000 in each of the years 1909 and 1910, and as having diminished to \$175,000 in 1913. Many banks were caught in the collapse of 1912 and 1913. The following table giving the number of bank failures in the years 1909-1920 and the amount of capital and deposits of the failed institutions has been made up from reports of the State bank commissioner, and the amount of assessments each year under the guaranty law is made up from a table prepared by Doctor Robb,¹ who estimates these assessments over the 12-year period to be equivalent roughly to an annual levy of 3 per cent on capital stock, or 36 per cent for the whole period, and for the four years 1908-12 to 5 per cent of capital stock each year.

STATE BANK FAILURES IN OKLAHOMA AND ASSESSMENTS UNDER THE GUARANTY LAW

Year	Number of failures	Capital	Deposits	Assessments
1908.....				\$198,836.63
1909.....	3	\$230,000	\$1,575,000	327,387.68
1910.....	2	55,000	205,000	285,433.44
1911.....	8	203,000	1,058,000	600,537.52
1912.....	4	165,000	1,372,000	511,054.04
1913.....	16	414,000	1,745,000	201,824.66
1914.....	5	105,000	398,000	148,084.00
1915.....	5	75,000	312,000	161,817.29
1916.....	1	10,000	40,000	89,963.65
1917.....	2	20,000	85,000	133,355.69
1918.....	3	150,000	1,199,000	208,800.00
1919.....	5	90,000	803,000	231,962.00
1920.....	8	155,000	1,585,000	301,658.00

¹ Two institutions only.

Even with these heavy assessments the 6 per cent warranted indebtedness of the fund increased rapidly. Governor Cruce is quoted as recommending a general tax levy in 1913 to cover this indebtedness, but no such provision was made, and by September of 1914, according to Doctor Robb, the amount of the

indebtedness exceeded \$800,000. Conditions changed materially upon the advent of the World War—in Oklahoma as in other States—and in his biennial report for 1915-16 Commissioner Lankford reported that the law "founded on the great principle of fairness, equity, and justice" was "working with entire satisfaction both to the depositor and the banker." The warranted indebtedness of the fund had been reduced to \$666,000 and there was a net balance of nearly \$154,000 in the fund. Two years later, in 1918, he could report that all depositors in failed banks had been promptly paid in full. This did not mean that the fund had gotten entirely out of debt, but the amount of outstanding warrants had been in fact materially reduced, and by 1920 this indebtedness was entirely paid off, with the fund showing a small cash balance. Evidence of increasing confidence in the integrity of the banks was found, according to the commissioner, in the "phenomenal" increase in deposits. "Doubt and apprehension," he writes, "has given way to a feeling of good will and security."

Nevertheless, within a very few months the situation was completely changed. A succession of bank failures, occurring in consequence of the disastrous collapse of credit and values in 1920, brought upon the guaranty fund once more an accumulation of liabilities, and this time an accumulation for which resources in hand or prospectively available under the fixed one-fifth of 1 per cent assessment upon deposits were quite inadequate.

The guaranty system became inoperative in the fall of 1921. A condition characterized by State authorities as one of practical insolvency had developed, and for a period of some 18 months following the system continued inoperative, until on March 31, 1923, the act formally repealing the guaranty law became effective.

In some of its aspects the story is a repetition of that covering the earlier experience. Mr. Thornton Cooke notes, for example, the following important factors in the situation: That comparing 1919 with 1920 the value of the Oklahoma wheat crop fell off from \$107,000,000 to \$73,000,000; of the corn crop, from \$94,000,000 to \$42,000,000; and of the cotton crop, from \$209,000,000 to \$96,000,000.

According to reports of the Comptroller, 10 Oklahoma State banks failed in the fiscal year ended June 30, 1921, and 37 and 13 in the two years following, respectively. Developments in 1921, as summarized by Mr. Thornton

¹ The guaranty of bank deposits, by Thomas Bruce Robb, Ph. D., p. 74.

Cooke, were as follows: "The Farmers State Bank of Ada, closed in January, cost the guaranty fund \$50,000. Both banks in Kiefer closed on the same day and cost the fund \$424,000. * * * The Oklahoma State Bank of Guthrie closed in October cost the fund \$589,000. Warrants for \$2,196,000 were issued in 1921 to cover the deposits of 13 banks; and then the Bank of Commerce of Okmulgee failed November 1, with deposits of \$1,732,540. * * * Seven other banks failed about the same time whose deposits, added to those of the Okmulgee institution, made \$2,316,000.¹

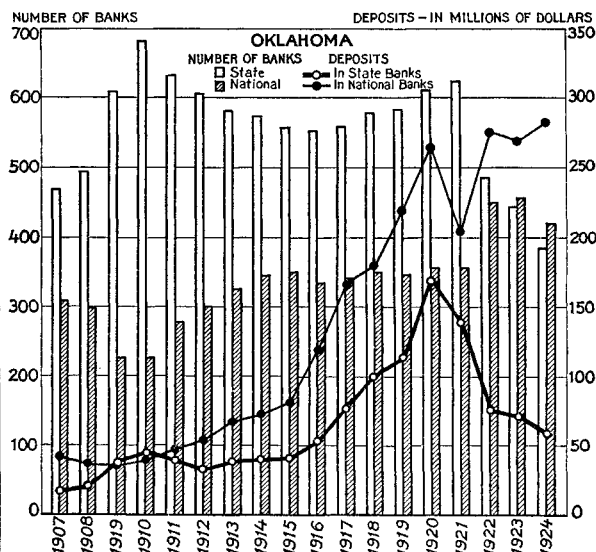
In March, 1923, when the law was repealed, the assumed liabilities of the fund included interest-bearing warrants outstanding, and in addition there were the unpaid deposits in banks which became insolvent in the period from October, 1921, when the system became inoperative, to March, 1923. On the warrants outstanding no interest had been paid since their issue and the amount still outstanding in 1925 is given by the State office as \$1,330,000. The unpaid deposits totaled approximately \$6,000,000, and it is stated that no provision has been made for the payment of these deposits except in such amounts as are realized from liquidation of the assets of the particular banks. The fund has on hand a small cash balance, given recently as \$79,000. Unliquidated assets of banks which failed during the life of the guaranty fund having a nominal value of approximately \$3,000,000 were left in the hands of the banking department. Ultimate recoveries on these assets are expected to be "very small." The interest-bearing warrants outstanding are largely held by State banks, and these banks stand to lose both principal and interest on their investment. It is noted, however, that the warrants are widely distributed and that there will be no serious concentration of loss in individual banks.

During the life of the guaranty law, from February of 1908 to March of 1923, State banks paid into the fund assessments totaling \$3,729,937; a total of \$2,195,137 was realized from liquidation of the assets of failed banks taken over by the department, and approximately \$6,000,000 was paid out to depositors.

In February of 1920 aggregate deposits in the 606 State banks exceeded \$170,000,000. By June of the year following, although the number of banks had increased to 622, aggregate deposits had fallen off to \$139,000,000. Reports for June of 1922 give the number of

banks as 486 and the amount of their deposits as \$76,000,000, and corresponding figures for June of 1923 were 443 for the number of banks and \$71,000,000 for deposits. Assessments at the statutory rate of one-fifth of 1 per cent on average daily deposits, with deposits running in the volume shown for 1922 and 1923, could not yield more than \$150,000, and this amount would clearly be insufficient to provide even for the interest charges on any volume of indebtedness which would necessarily be assumed in providing for the \$6,000,000 of unpaid deposits, making the most liberal allowance for the value of quick assets immediately available in the failed banks. Certificates of indebtedness issued under these conditions would have had little value, and depositors naturally preferred and have been allowed to take their chances under independent liquidations of the assets of the particular banks, since the guaranty of the fund could have no real validity.

In the period from November 1, 1908, to December 31, 1914, according to the State reports, 187 State banks converted into national banks. In the six calendar years, 1915 to 1920, inclusive, only six such conversions are reported and 16 national banks joined the



State system. The report of the comptroller for the year ended October, 1921, shows only two conversions of State banks into national banks in that year. The breaking away from the State system came principally in the year following, during which 72 State institutions took out national charters. In 1923 the

¹ Quarterly Journal of Economics, March, 1923, p. 112.

number of such conversions fell off to 9 and in 1924 to 2. Changes in the number of State banks and in the amount of their deposits from year to year during the guaranty period are illustrated by the accompanying chart, on which are shown corresponding data for national banks. Throughout this period, it may be noted, a large proportion of the State banks have been small institutions operating with a capital of less than \$25,000, the minimum capital required for a national bank. There were 386 such institutions in a total of 623 State banks operating under the guaranty law in December of 1920.

VOLUNTARY PARTICIPATION

Under the laws of two States—Kansas and Washington—participation in the guaranty fund is optional. Under the Kansas law only banks with an unimpaired surplus of 10 per cent and generally only those which have been actively engaged in business for at least one year have been permitted to qualify for participation in the guaranty fund. These safeguarding provisions of the law were intended to prevent extension of the guaranty to unsound institutions, and that they were fairly effective may be inferred from the fact that only three banks came on the fund in the first 10 years of its operation. A bank entering the system is required to deposit bonds or cash in lieu of bonds, as evidence of good faith, in the amount of \$500 for every \$100,000 of its average deposits eligible for guaranty, deducting from such deposits the amount of its capital and surplus. The bonds or cash so deposited are to be carried in its assets under the heading "Guaranty fund with State treasurer." In addition the bank is required to pay one-twentieth of 1 per cent of its average deposits (less capital and surplus) to be credited to the bank depositors' guaranty fund, and to pay also an amount equal approximately to its proportionate share of money in the fund after deducting losses. Participating banks are assessed annually one-twentieth of 1 per cent of average deposits less capital and surplus, but not less than \$20 as a minimum assessment, until the cash fund amounts to approximately \$1,000,000 (not including cash deposited in lieu of bonds), when assessments are to be discontinued. Whenever the cash fund is reduced below \$500,000 additional assessments of one-twentieth of 1 per cent must be levied to pay losses matured and claims payable, but not

more than five such assessments in any one year. The number of banks participating and the amount of the depositors' fund as given in the State reports are as follows:

Year	Number of banks		Depositors' fund		
	Total	Participating	Total	Cash	Bonds
1912.....	902	457			
1914.....	939	499	\$527,838	\$117,537	\$410,301
1916.....	987	539	679,568	191,005	488,563
1918.....	1,044	604	1,065,566		
1920.....	1,113	676			
1922.....	1,094	703	1,876,722	733,430	1,143,292

In reply to inquiries recently submitted to the Kansas banking department it is stated that the number of participating banks in May, 1925, was 649. The Kansas law does not require immediate payment in full of deposits in failed banks. When any bank is found to be insolvent, the bank commissioner takes charge of its affairs and issues certificates upon which dividends are paid as the assets of the bank are liquidated, the fund being drawn upon for any balances left unpaid after the resources of the bank have become exhausted. In May of the present year the department had in hand 60 estates of failed banks in process of liquidation, and the amount in the fund included only a balance applicable to the payment of certificates issued on account of one failed bank, and it is stated that one or possibly two assessments would be required to complete payment on this estate. According to the last State report, 20 State banks, including 16 institutions participating in the guaranty fund, failed in the two years ended September 1, 1922. As only three banks had come on the fund prior to 1920, it is apparent that a large proportion of the 60 estates now in process of liquidation in the department represent failures during 1923 and 1924.

Experience under the only other voluntary system, that of Washington, is briefly as follows: The law was enacted in 1917, and by June of 1921 the number of participating banks had increased to 120, with deposits eligible for guaranty totaling \$71,000,000. There had been no failures, and assessments from year to year had built up a fund of \$525,000. On June 30, 1921, the Scandinavian American Bank in Seattle failed with guaranteed deposits amounting in round numbers to

\$9,000,000. All banks in the system immediately withdrew, taking their losses as prescribed by law. Amounts realized on the assets of this bank to a recent date totaled \$5,115,000; assets not yet liquidated had a book value of \$3,681,000; the amount of cash on hand in the fund was approximately \$25,000; and the amount due on outstanding warrants, not including interest, was \$2,537,000. It is stated that any balance due on these warrants after liquidation of the Scandinavian American Bank will never be paid, "as there will be no source from which the money can be obtained." The last assessment was levied in December of 1921. Depositors in the failed bank have been paid the amount accumulated in the fund and such amounts as have been realized from liquidation of the assets taken over.

OPTIONAL PARTICIPATION

In February Texas modified its guaranty law by enacting legislation under which banks are permitted to shift over from the State's guaranty fund system to its alternative bond-security system. The act declared an emergency to exist in that many banks desired to make this change. Upon initiation of the Texas system in 1910 banks were permitted to elect between these systems, and the option has been presented to banks which have organized from year to year during the guaranty period. Very few banks had, in fact, elected to deposit security bonds, the number of such banks as given in the State report for 1922 being only 33 in a total of some 900 State institutions. Since February, however, a very considerable number of banks have shifted over to the bond-security system. Temporarily something in the nature of a "rush away from the guaranty fund" is reported to have developed, in the course of which many banks withdrew from the fund and deposited bonds. It may be noted that, while 33 State banks had taken national charters in three years ended October 31, 1924, a large proportion of the State institutions—330, or approximately one-third in 1922—are operating with a capital of less than \$25,000 and are therefore not eligible for nationalization. Changes in the number of State banks and in the volume of their deposits during the guaranty period are indicated in the following table, which gives corresponding data for national banks:

Year	Number of banks		Deposits (in thousands of dollars)	
	State	National	State	National
1910.....	533	519	27,573	145,249
1914.....	789	519	52,219	174,033
1920.....	908	561	211,460	524,544
1921.....	937	553	163,694	365,372
1922.....	905	558	156,793	495,383
1923.....	881	569	155,409	532,309
1924.....	867	576	176,393	594,402

By May 1, 1925, the number of banks participating in the guaranty fund had fallen off to 617. Undoubtedly the decrease is accounted for primarily by defection to the bond-security system. On this date non-interest bearing, unsecured deposits protected by the fund, totaled \$115,000,000. The amount of deposits in banks which have failed during the guaranty period is given as follows:

From Sept. 1, 1910, to Sept. 1, 1920.....	\$881,500
Year ended Sept. 1—	
1921.....	3,998,441
1922.....	4,277,587
1923.....	1,917,708
1924.....	1,743,420
From Sept. 1, 1924, to Apr. 29, 1925.....	4,029,351

Theoretically, it is stated in reply to recent inquiry, the banks have been assessed and depositors have been paid in these amounts. In the 10 years ended September 1, 1920, a total of \$571,000 was realized upon the assets of failed banks, and in the period from September 1, 1920, to December 15, 1924, a total of \$2,717,845. Cash on hand in the fund on May 1, 1925, amounted to \$968,556, and there was \$3,085,889 on deposit in banks subject to check of the State banking board. Under the Texas statute assessments are limited to a maximum of 2 per cent of deposits in any one year, and no authority has been granted for levying emergency assessments. Banks are required to contribute one-fourth of 1 per cent to the "regular or capital fund" until it amounts to \$5,000,000. On May 1 assets of failed banks in the hands of the commissioner totaled \$23,196,892. The liability of the fund to depositors on account of failed banks totaled \$181,052, covering losses in two recently failed institutions for which assessments had not been levied. There were no unpaid warrants or certificates outstanding and never had been any. Administrative practice in paying off

depositors, it is explained, has varied under different administrations, the records showing that from 30 days to 9 months have elapsed in individual cases before beginning to pay depositors.

It will be apparent that the Texas law has imposed heavy burdens upon participating banks. These burdens have been carried by the banks, but the recent breaking away from the fund system may be interpreted as one effect of the high costs of this sort of insurance.

NEBRASKA EXPERIENCE

In Nebraska, as in other guaranty States, assessments on account of failed banks have in recent years imposed heavy burdens upon participating banks. During the guaranty period to the end of 1924 assessments (less refunds) and amounts paid to depositors in failed banks have been in the following amounts:

	Assessments	Paid to depositors
1911-1919.....	\$2,367,280	\$239,390
1920-1924.....	7,694,042	8,730,645

Assessments levied in the single year 1921 excluded total assessments during the nine years 1911-1919, and amounts paid to depositors in this year totaled \$2,741,719. Assessments and payments continued in large amounts in 1922 and 1923. Fifty-seven State banks failed in the three years ended June 30, 1923, and it appears that approximately that number of other banks were known to be on the verge of failure. Under these conditions State bankers became interested in the administration of receiverships, and in ways and means of tiding over weakened banks into a condition of assured solvency. In recognition of their interests, a law which became effective April 7, 1923, created a guaranty fund commission composed of State bankers, and authorized an assessment, not to exceed one-fourth of 1 per cent of deposits in any one year, to be paid into a bankers' conservation fund. Banks found to be in a weakened condition were to be turned over to the new commission which, utilizing the conservation fund, was authorized in its discretion to operate such institutions as going concerns, without regard to their solvency. Some 57 receiverships, with liabilities aggregating approximately \$10,000,000, were taken over by the new commission, and as a result of putting "good collectors" in the

banks and of adopting improved methods it is asserted that material savings have been effected by which the guaranty fund has benefited. In an address before Nebraska State bankers in April, 1924, the secretary of the commission stated that assets in the hands of the commission included "everything from a 20-ton safe down to pen points," every article being "for sale at the right price." Among other assets the commission had in hand "around 200 farms to sell," and it was also extensively engaged in litigation, with "about 1,500 cases in the courts."

It is stated in reply to inquiries submitted to State authorities that depositors in failed banks have been paid in full, and that in May of the present year there were no outstanding liabilities of the fund to depositors. Deposit credits to the account of the guaranty fund carried in the 922 participating banks totaled \$2,689,340, and guaranteed deposits in those banks exceeded \$250,000,000. Certificates issued on the security of the assets of failed banks were outstanding at 6 and 7 per cent interest, in the amount of \$1,705,699, but the fund was sufficient to pay these certificates in full and leave a balance of \$1,000,000 in the fund. Assets in failed banks not yet liquidated, however, at this time totaled \$11,000,000, and it will be apparent that the cost of deposit guaranty in Nebraska to date will be determined largely by the amount of recoveries realized under the administration of the Bankers' Conservation Commission on this large volume of unliquidated assets.

CONDITION OF GUARANTY FUNDS IN OTHER STATES

Deposits in Mississippi State banks on December 31, 1924, totaled \$143,000,000. To April, 1925, a total of \$3,162,748 guaranty certificates had been issued, of which \$1,940,766 were outstanding in June of this year. It is estimated that six or seven years will be required at the present rate to retire these certificates. Assessments during the ten years 1915 to 1925 totaled \$1,395,979, and amounts paid to depositors in failed banks during this period totaled \$1,766,769. Approximately \$429,384 had been realized from the assets of failed banks. The amount of the guaranty fund was \$338,825, and the State board held approximately \$2,000,000 of assets of failed banks, valued at \$742,000. Complete liquidation of failed banks has required in individual cases from three to seven years.

Guaranteed deposits in North Dakota State banks on March 14, 1925, amounted nearly to \$86,000,000. In the eight years 1917 to 1924 participating banks had paid assessments totaling \$1,274,000. Complete settlements had been effected in the case of two failed banks by the payment of \$169,156, and 10 per cent dividend payments to depositors in 58 closed banks had been made totaling \$212,710. The number of participating banks is given as 504; the amount in the fund as \$915,505, and the amount of outstanding certificates of indebtedness as approximately \$21,000,000. No estimate, it is stated, can be made of the amount of guaranteed deposits in failed banks. Recoveries realized on the assets of closed banks have amounted approximately to \$200,000. Assets in the hands of receivers total approximately \$35,000,000 and are estimated to be worth not more than 40 per cent of this value. Under present arrangements a very long period of time would be required to provide out of assessments for claims admittedly valid against the fund.

The 1925 Legislature of South Dakota repealed its guaranty law, the repeal to become effective January 1, 1926. A petition has, however, been filed that the repeal act be submitted to a referendum vote at the next general election in 1926, and pending this referendum the original law continues in effect. In June of the present year 432 banks were operating under the law; depositors in some 15 failed banks had been paid in full, and claims had been filed for payment of depositors in 142 other closed banks. Guaranteed deposits in participating banks totaled \$122,000,000. Unpaid guaranteed deposits in failed banks totaled \$34,000,000. In the 10 years 1915 to 1924, inclusive, participating banks paid assessments totaling approximately \$3,000,000, and nearly this amount had been paid out to depositors in failed banks. Assets of failed banks not yet liquidated in the hands of the State board totaled \$44,000,000. Unpaid warrants or certificates of indebtedness were outstanding in the amount of nearly \$27,000,000, with interest payable to the amount of \$5,000,000. To date it is stated none of the banks had been completely liquidated.

COMPETITIVE VALUE OF DEPOSIT GUARANTY

Some drift of banks and of deposits, as between State and national systems, has been in evidence from year to year in the guaranty States. Such changes have not, however, been confined to these States, and many accidental influences other than deposit insurance must be taken into account. When, however,

a decided drift out of the national into the State system has developed immediately following the institution of a guaranty plan, it may be inferred that national bankers have at least anticipated if they have not in fact experienced difficulty in holding their volume of deposits unprotected by the fund. And similarly a drift out of the State system following any period of a concentration of bank failures, may fairly be associated with the guaranty scheme. Of course, any accumulation of liabilities which has tended to impair the solvency of the fund has tended to impair not only the competitive but also the actual value of the guaranty. If 1920 be taken as a critical year in recent banking experience, it will be found that with some exceptions State systems in the guaranty States have in the guaranty period down to 1920 shown, as compared with the national system, higher percentages of increase both in number of banks and in amount of deposits, and that in the period since 1920 the national system has grown more rapidly than the State. Rates covering these two periods are given in the accompanying tables. Detailed evidence appears to be conclusive that deposit insurance and the condition of the guaranty funds has been a real influence affecting these rates.

PERCENTAGE CHANGE IN NUMBER AND DEPOSITS OF STATE AND NATIONAL BANKS IN GUARANTY PERIODS.

State	Guaranty period	Percentage change during guaranty period			
		To 1920		1920 to end of period	
		State banks	National banks	State banks	National banks
		In number of banks			
Oklahoma.....	1907-1923	70	17	-27	28
Kansas.....	1909-1924	43	23	-6	(1)
Texas.....	1910-1924	70	8	-4	3
Nebraska.....	1911-1924	58	-24	-8	-7
Mississippi.....	1914-1924	22	-21	-1	17
South Dakota.....	1915-1924	15	17	-23	-17
North Dakota.....	1917-1924	3	16	-27	-10
Washington.....	1917-1921	11	17	-3	8
		In amount of deposits			
Oklahoma.....	1907-1923	97	53	-58	2
Kansas.....	1909-1924	25	145	-27	-3
Texas.....	1910-1924	67	261	-17	13
Nebraska.....	1911-1924	318	79	-12	-26
Mississippi.....	1914-1924	306	124	-14	52
South Dakota.....	1915-1924	224	107	-37	-15
North Dakota.....	1917-1924	38	34	-42	4
Washington.....	1917-1921	50	48	-19	-10

¹ 0.4 per cent.

Following is a condensed summary of the guaranty laws in the different States, prepared by the board's counsel. A more complete summary of these laws appears on pages 641-668 of this issue.

CONDENSED SUMMARY OF GUARANTY LAWS

OKLAHOMA

(Law repealed Mar. 31, 1923)

Institutions included.—Every bank and savings departments of trust companies.

Participation.—Compulsory.

Character of deposits guaranteed.—Deposits of failed banks, but no deposit otherwise secured, nor any deposit on which a greater rate of interest is allowed than is permitted by the rule of the bank commissioner.

Basis and rate of (a) regular and (b) special assessments.—(a) One-fifth per cent of average daily deposits annually until guaranty fund amounts to 2 per cent of average deposits of the banks; thereafter such 2 per cent shall be maintained by assessments from time to time but such assessments shall not exceed one-fifth per cent of the average daily deposits in any one year. (b) One-fifth per cent of average daily deposits during fiscal years ending in 1914, 1915, and 1916, in discretion of banking board.

Method of payment of depositors.—Funds from guaranty fund or by sale of guaranty fund warrants issued by the banking board.

Powers of State board or commissioner.—Supervise and control the guaranty fund and adopt all necessary regulations not inconsistent with law for the administration of such fund. Such board may also issue warrants when the guaranty fund is insufficient to pay depositors of failed banks and may levy special assessments in fiscal years ending in 1914, 1915, and 1916. The bank commissioner is authorized to take charge of and wind up the affairs of insolvent banks.

Disposition of guaranty fund.—Paid to banking board in cashiers' checks which shall be held by such board until in its judgment it is necessary to collect the same.

Maximum assessment in any one year.—One-fifth per cent and in fiscal years ending in 1914, 1915, and 1916 an additional one-fifth per cent special assessment.

Rate of interest on outstanding warrants or certificates of indebtedness.—Six per cent.

NOTE.—The State of Oklahoma, in addition to the contributions to the guaranty fund, as set out above, required each bank to deposit with the banking board, as security for its liabilities to the guaranty fund, certain securities (enumerated in the act) in an amount equal to 1 per cent of its average daily deposits, and no bank might deposit less than \$500 of such securities with the board.

KANSAS

Institutions included.—Any bank doing business in the State with an unimpaired surplus of 10 per cent of its capital and any bank authorized to do business in the State after the passage of the act which shall have been actively engaged in business for one year and having such surplus.

Participation.—Voluntary.

Character of deposits guaranteed.—All deposits not otherwise secured; but the guaranty shall not apply to

a bank's obligations as indorser upon bills rediscounted, to bills payable, to money borrowed, from its correspondents or others (any deposit on which a greater rate of interest is paid than the rate approved by the bank commissioner shall be considered money borrowed), or deposits or credits obtained by fraud or in violation of law or evidence of debts fraudulently issued.

Basis and rate of (a) regular and (b) special assessments.—(a) One-twentieth per cent of average guaranteed deposits less capital and surplus, minimum assessment \$20 annually. (b) When the guaranty fund falls below \$500,000 additional assessments may be made to pay losses that have matured and become claims payable on demand against the guaranty fund. Not more than five such additional assessments of one-twentieth per cent shall be made in any one year. An initial assessment of one-twentieth per cent of average deposits eligible to guaranty less capital and surplus is made on banks entering this system at its inauguration, and banks entering later are required to contribute their proportionate share of money then in the guaranty fund after all losses have been paid.

Method of payment of depositors.—Bank commissioner shall at earliest moment issue to each depositor a certificate upon proof of claim. Any balance due on such certificate after assets of bank have been realized and all dividends declared shall be paid by checks drawn on the depositors' guaranty fund. If the guaranty fund is not sufficient to pay all depositors of the bank, the special assessments provided for having been made, then the depositors shall be paid pro rata and the balance due shall be paid when the next assessment is available.

Powers of State board or commissioner.—The bank commissioner is authorized to levy assessments each year until the fund is \$1,000,000, and thereafter, if the fund falls below \$500,000, he is authorized to levy additional assessments, not exceeding five in any one year, in sufficient amounts to pay losses that have matured and become claims payable against the guaranty fund. The commissioner is also authorized to take charge of insolvent banks and wind up the affairs of such banks and to issue certificates to depositors upon proof of claim. The commissioner is also authorized to examine banks failing to pay assessments, and if such banks are insolvent to liquidate them and if solvent to cancel their certificate as guaranteed banks. In case of violations of the act the commissioner is authorized to require compliance and if compliance is not had to cancel the certificate of membership of the bank.

Disposition of guaranty fund.—The guaranty fund shall be deposited with the State treasurer subject to the order of the bank commissioner.

Maximum assessment in any one year.—Not more than five assessments of one-twentieth per cent each of the average guaranteed deposits less capital and surplus shall be made in any one year.

Rate of interest on outstanding warrants or certificates of indebtedness.—Six per cent unless a contract rate exist on the deposit, then the certificate shall bear the contract rate.

NOTE.—The State of Kansas, in addition to the contributions to the guaranty fund as set out above, requires each bank to deposit and maintain with the State treasurer as an evidence of good faith certain securities (enumerated in the act) to the amount of \$500 for every \$100,000 or fraction thereof of its average deposits eligible to guaranty less capital and surplus.

NEBRASKA

Institutions included.—Every corporation engaged in the business of banking.

Participation.—Compulsory.

Character of deposits guaranteed.—The guaranty fund is for the protection of depositors, but no money deposited in any bank upon any collateral agreement other than an agreement for length of time to maturity and rate of interest shall be guaranteed by the depositors' guaranty fund. No claim of priority in the assets of a failed bank shall be allowed which is based on evidence of indebtedness in the hands of or issued to a stockholder, officer, or employee of a failed bank which represents money obtained by such stockholder, officer, or employee for the purpose of effecting a loan to such failed bank.

Basis and rate of (a) regular and (b) special assessments.—Banks organized since April 4, 1919, are assessed 4 per cent of their capital stock and thereafter are subject to the same assessments as banks organized after the enactment of the act. Banks organized after the passage of the act are required to pay 4 per cent of their capital and this payment together with the first two semiannual assessments must equal at least 1 per cent of the average daily deposits of such banks as shown by their first two semiannual statements. (a) All banks which have completed their initial payment of not less than 1 per cent shall be assessed $\frac{3}{4}$ per cent of their average daily deposits exclusive of public money otherwise secured, semiannually, until the guaranty fund reaches the sum of $1\frac{1}{2}$ per cent of such deposits. When the fund is depleted below 1 per cent of said deposits the necessary assessments may again be levied. (b) If the guaranty fund is reduced to less than 1 per cent of such deposits the department of trade and commerce shall levy a special assessment of not exceeding 1 per cent of said deposits for 1923 and thereafter not exceeding $\frac{1}{2}$ per cent of such deposits in any one year.

Method of payment of depositors.—Upon proof shall be paid immediately out of available cash in hands of receiver, and if the sum in the hands of the receiver is insufficient the amount needed shall be certified to the department of trade and commerce and drawn by it from the guaranty fund and forwarded to the receiver for payment to depositors and holders of exchange.

Powers of State board or commissioner.—A guaranty fund commission is created for the purpose of assisting in conserving and administering the guaranty fund and providing a more complete supervision of State banks. The act provides in detail for the taking over and managing of banks in an unsafe condition and for the winding up of the affairs of such banks as it is impossible to save. The court in which a receivership is pending may authorize the receiver to issue and sell receivers' certificates in amount not exceeding the amount required to supply the deficiency for the payment of depositors in the failed bank.

Disposition of guaranty fund.—Banking corporations against which levies are made shall set apart, keep, and maintain in such banks the amounts levied against them payable to the department of trade and commerce.

Rate of interest on outstanding warrants or certificates of indebtedness.—Rate of interest shall be fixed by the court.

TEXAS

Institutions included.—Every corporation hereafter incorporated under the laws of Texas with banking and discounting privileges and banking and trust com-

panies heretofore incorporated under the Texas banking law or hereafter incorporated.

Participation.—Compulsory. Banks may elect whether they will secure their depositors by the guaranty-fund system or the bond-security system, but such depositors must be secured by one or the other of such systems.

Character of deposits guaranteed.—All deposits, provided, however, no deposit upon which interest is being paid or contracted to be paid; no deposit secured in any way; no certificate of deposit, whether interest bearing or not, that shall have been changed to a non-interest-bearing unsecured deposit within 90 days prior to the closing of the bank by the commissioner; no deposit of public funds, whether interest bearing or not; and no deposit made by a creditor for the purpose of converting a loan held against the debtor bank into a noninterest-bearing unsecured deposit shall be protected or insured by the guaranty fund. Cashiers' checks, bank drafts, or exchange issued against or arising from bona fide unsecured noninterest-bearing deposits shall be protected under the guaranty fund. Noninterest-bearing certificates of deposit issued by State banks and trust companies are not protected or insured by the guaranty fund.

Basis and rate of (a) regular and (b) special assessments.—(a) One-fourth per cent of daily average deposits not including United States, State, and other public funds otherwise secured annually until fund amounts to \$5,000,000. (b) If the guaranty fund is depleted so that it falls below \$5,000,000 or below the amount of the guaranty fund on January 1 preceding, or in event of emergency at any time, the banking board is authorized to require the payment for the current year of 2 per cent of the average daily deposits, or such part thereof as is necessary to restore the fund to the maximum above named or to its amount as of January 1 preceding, or to meet the emergency. An initial deposit of 1 per cent of the average daily deposits is required of banks entering the system at the time of its inauguration, and banks formed since that time and entering the guaranty fund are assessed 3 per cent of their capital and surplus, subject to adjustment on the basis of their deposits as provided for banks already existing at the end of the year.

Method of payment of depositors.—Depositors shall be paid in full out of the cash in the failed bank or trust company that can be made immediately available and the remainder shall be paid out of the depositors' guaranty fund.

Powers of State board or commissioners.—The State banking board shall have control and management of the depositors' guaranty fund and shall have power to adopt rules and regulations for the management of such fund and shall have control and supervision of all State banking corporations and trust companies. The bank commissioner is authorized to wind up the affairs of any State bank or trust company which shall become insolvent and shall voluntarily or by law come into his hands. The board is also authorized to levy special assessments, as set out above.

Disposition of guaranty fund.—Twenty-five per cent of each guaranty fund payment shall be paid to the State banking board in cash and shall by it be deposited with the State treasurer for safe-keeping. The remaining 75 per cent of each such payment shall be paid by each bank crediting the State banking board with such amount as a demand deposit subject to check upon the order of the board. The board shall keep at all times 25 per cent of the amount of the guaranty fund on deposit with the State treasurer.

Maximum assessment in any one year.—Two per cent of average daily deposits; but this limitation not applicable to first payment to the guaranty fund required of any bank which shall hereafter elect to secure its deposits in the depositors' guaranty fund.

NOTE.—The laws of Texas provide also for the security of depositors by means of security bonds taken out by the banks in favor of such depositors, and it is optional with the Texas banks whether they will secure their depositors by means of the guaranty-fund system or by means of the bond-security system, but they must secure their depositors by one or the other of these systems. Only the law relating to the guaranty fund system has been considered in the above.

MISSISSIPPI

Institutions included.—Every bank organized and existing under the laws of Mississippi.

Participation.—Compulsory.

Character of deposits guaranteed.—All deposits not otherwise secured and all cashiers' checks, certified checks or sight exchange issued by banks operating under the guaranty fund act. The guaranty shall not apply to a bank's obligations as endorser, upon bills rediscounted, nor to bills payable nor to money borrowed from its correspondents or others, nor to deposits bearing a greater rate of interest than 4 per cent per annum.

Basis and rate of (a) regular and (b) special assessments.—An initial assessment of one-twentieth per cent of the average daily deposits eligible to guaranty less capital and surplus is required of banks entering the guaranty fund. (a) One-twentieth per cent of the average guaranteed deposits, less capital and surplus, annually until the fund amounts to \$500,000, when such assessments shall be discontinued. Minimum assessment, \$20. (b) Should such funds become depleted the superintendent of banks shall make additional assessments from time to time as may be necessary to maintain same, but not more than five such assessments of one-twentieth per cent each may be made in any one calendar year.

Method of payment of depositors.—Payments to be made in manner determined by superintendent of banks.

Powers of State board or commissioner.—The superintendent of banks is authorized to examine banks applying for membership in the guaranty fund and if such banks are found to be solvent and properly managed and after they have made the deposits required by the act to issue to such banks certificates stating that such banks have complied with the act and that its deposits are guaranteed by the guaranty fund. The superintendent is authorized to levy the regular and special assessment as set out above. The payment of depositors of failed banks out of the guaranty fund is put under the control of the superintendent.

Disposition of guaranty fund.—The State treasurer shall hold the guaranty fund subject to the order of the superintendent of banks, and when the guaranty fund amounts to \$10,000 or multiples of \$10,000 he may at the option and order of the superintendent of banks invest the fund in certain securities (enumerated in the act), and whenever the demands upon the fund exceed the cash on hand the State treasurer shall by order of the superintendent sell or hypothecate such of the bonds as he may deem necessary or expedient.

Maximum assessment in any one year.—Five assessments of one-twentieth per cent each.

NOTE.—The State of Mississippi, in addition to the contributions to the guaranty fund as set out above,

requires each bank to deposit and maintain with the State treasurer as an evidence of good faith certain securities (enumerated in the act) to the amount of \$500 for every \$100,000 or fraction thereof of its average deposits eligible to guaranty less capital and surplus.

SOUTH DAKOTA

Institutions included.—Every bank engaged in the business of banking under the laws of South Dakota.

Participation.—Compulsory.

Character of deposits guaranteed.—All deposits not otherwise secured shall be secured by the guaranty fund but such guaranty shall not apply to a bank's obligations as indorser upon bills rediscounted, nor to bills payable, nor to money borrowed from its correspondents or others. Banks which have fully complied with the provisions of the guaranty fund act are not required to give any further security for the purpose of being a depository of public funds, but such funds shall be secured in the same way private funds are secured.

Basis and rate of (a) regular and (b) special assessments.—(a) One-fourth per cent of the average daily deposits less the amount of deposits not eligible to guaranty, annually, until the fund amounts to $1\frac{1}{2}$ per cent of the average daily deposits. When the fund reaches $1\frac{1}{2}$ per cent of the average daily deposits assessments shall cease until the fund is depleted below 1 per cent of such deposits, when the necessary assessments may again be levied at $\frac{1}{4}$ per cent per annum until the said fund reaches $1\frac{1}{2}$ per cent of the average daily deposits.

Any bank hereafter organized shall pay into the depositors' guaranty fund an amount equal to 4 per cent of its capital stock, and the commission is authorized to adjust the assessments on such banks so that the first two assessments together with such 4 per cent will place it on an equal basis with other banks heretofore admitted.

Method of payment of depositors.—The amount necessary to pay the guaranteed depositors and holders of exchange shall be certified to the commission, which shall draw out of the guaranty fund the required amount and transmit it to the superintendent of banks to be paid to the depositors and holders of exchange. If the guaranty fund is not sufficient to pay such claims the commission shall issue a certificate of indebtedness in favor of the bank, payable on the 1st day of March next succeeding the date of issue, out of the first money accruing to the guaranty fund. Such certificates may be sold and the proceeds used to pay deposits which are legitimate claims against the guaranty fund. In the discretion of the commission such certificates may be issued payable to the depositors for the amount of their approved claims.

Powers of State board or commissioner.—It shall be the duty of the commission to pass upon the qualifications of banks for admission to the guaranty fund and such commission is authorized to levy assessments and issue certificates as explained above. If any bank after due notice fails to pay over or credit any assessment to the depositors' guaranty fund, the superintendent of banks is authorized to take possession of its affairs and liquidate its business.

Disposition of guaranty fund.—Banks assessed shall set apart, keep, and maintain the amount so levied against them, payable to the depositors' guaranty fund commission on demand.

Rate of interest on outstanding warrants or certificates of indebtedness.—If issued in favor of the

bank to be sold by the superintendent of banks and proceeds paid to depositors, not more than 7 per cent, but if issued payable to the depositors for the amount of their claims, 5 per cent.

NORTH DAKOTA

Institutions included.—Every corporation, except national banks, whose business in whole or in part consists of the taking of deposits or buying and selling exchange, shall be subject to the provisions of this act, and trust companies doing a general banking business separate and apart from the writing of surety bonds and other general business, and building and loan associations receiving savings deposits shall also be subject to the provisions of this act.

Participation.—Compulsory.

Character of deposits guaranteed.—All deposits for which money or its equivalent, and for which full value has been received by the bank wherein such deposit is made shall be guaranteed, but the guaranty provided for in the act shall not apply to a bank's obligations as indorser upon bills rediscounted nor to bills payable, nor to money borrowed from its correspondents or others, nor deposits otherwise secured, nor deposits upon which compensation in any manner or form or by whatever device has been promised or paid in excess of the rate of interest as limited in this act.

Basis and rate of (a) regular and (b) special assessments.—(a) One-twentieth of 1 per cent of the average daily deposits annually until the fund reaches 2 per cent of the average daily deposits, when the assessments shall cease until such time as the guaranty fund is depleted below $1\frac{1}{2}$ per cent of the average daily deposits, when the necessary assessment may be again levied at one-twentieth of 1 per cent per annum until the fund again reaches 2 per cent of the average daily deposits. (b) The commission is authorized to levy additional assessments of one-twentieth of 1 per cent, but not to exceed four such additional assessments shall be made in any one year. New banks admitted to the system shall pay in an amount equal to 3 per cent of their capital, and the assessments on such banks shall be so adjusted that the first two assessments, together with the 3 per cent payment, shall equal at least one-half of 1 per cent of the average daily deposits as shown by the first annual statement. National banks that have reorganized as State banks shall set apart and credit to the depositors' guaranty fund such amount as will place them on an equal footing as respects such fund with other State banks.

Method of payment of depositors.—The secretary of the commission shall issue certificates of indebtedness to the persons entitled thereto for the amount of all accepted deposits. If there are not sufficient funds in the guaranty fund to pay such certificates, such certificates shall be payable out of such fund pro rata. To the extent of the deposits accepted and allowed as guaranteed the commission shall be subrogated to all the rights of the guaranteed depositors to participate in the assets of the bank and as such assets are collected they shall from time to time be distributed pro rata among the holders of certificates issued to the guaranteed depositors until full payment is made to the holders of the certificates.

Powers of State board or commissioner.—The commission shall have the supervision and control of the guaranty fund and shall have power to adopt all necessary rules and regulations not inconsistent with

law for the management of such fund. (1) The commission is authorized to examine at any time banks admitted to the guaranty fund. The act provides in detail for the taking charge of banks in bad condition by the commission and if necessary the winding up of the affairs of such banks. The commission is authorized to levy assessments as set out above. If a bank fails to pay any assessments as provided in the act, the commission is authorized to liquidate it as in the case of insolvent banks.

Disposition of guaranty fund.—Assessments levied on banks shall be set apart, kept and maintained in such banks payable to the depositors' guaranty fund commission on demand, and shall constitute the depositors' guaranty fund.

Maximum assessment in any one year.—Five assessments of one-twentieth of 1 per cent each of the average daily deposits.

WASHINGTON

Institutions included.—Any corporation organized under the laws of Washington authorizing the organization of banks or trust companies, except mutual savings banks, and engaged in the banking business in this State.

Participation.—Voluntary.

Character of deposits guaranteed.—Deposits not otherwise secured, but the guaranty provided for in this act shall not apply to a bank's obligations as an indorser upon bills rediscounted, nor to bills payable, nor to money borrowed from its correspondents or others, nor deposits of public money in excess of its capital and surplus. The guaranty of the guaranty fund shall extend to public funds of, or under the control of the State, of any county or municipality within the State deposited in guaranteed banks to an amount equal to but not in excess of the capital and surplus of such bank if the custodian of such fund shall elect to deposit the same under the guaranty of such fund.

Basis and rate of (a) regular, and (b) special assessments.—*Contingent fund.*—(a) An assessment of one-tenth of the deposits eligible for guaranty the preceding year, for 1921, and each year an assessment shall be made of not exceeding one-tenth of the average deposits eligible for guaranty for the preceding year until the contingent fund shall equal 3 per cent of all deposits eligible for guaranty in all member banks.

Guaranty fund.—(a) Each guaranteed bank shall each year deposit to the credit of the guaranty fund board, upon notice from such board, for the current calendar year, an amount equal to 1 per cent of its average deposits eligible for guaranty for the preceding calendar year. (b) Should this fund be impaired by losses or otherwise the board may in its discretion levy an assessment of not exceeding one-half per cent of the deposits eligible for guaranty for the preceding year.

Method of payment of depositors.—The examiner shall, as soon as possible, issue to each guaranteed depositor, upon proof of claim, a warrant, drawn upon and payable out of the guaranty fund, for the amount of the depositor's claim, which warrant, if there be not sufficient money in the guaranty fund to pay the same, shall bear interest at the rate of 5 per cent per annum from date until called.

Powers of State board or commissioner.—The board shall have power to adopt reasonable rules and regulations governing the admission of banks as members of

the fund and defining the duties of member banks not inconsistent with law. The board shall pass on applications of banks for membership in the fund. The board is authorized to levy the assessments authorized above. The board is authorized in certain cases to cancel the membership of banks.

Disposition of guaranty fund.—The board is authorized to designate guaranteed banks as depositaries of moneys in the guaranty fund and in the contingent

fund or to invest the contingent fund in such securities as are eligible for postal savings funds. The act also provides that when member banks have been advised of the amount which they shall deposit to the credit of the guaranty fund board they shall credit such amount to its account at once.

Rate of interest on outstanding warrants or certificates of indebtedness.—Five per cent if there is not sufficient money in the guaranty fund to pay them.

LAW DEPARTMENT

State laws relating to guaranty of bank deposits

The following is a digest of laws relating to the guaranty of bank deposits enacted in each State which has adopted legislation on this subject. This digest was prepared in the office of counsel of the Federal Reserve Board with the assistance of counsel of the several Federal reserve banks. It should be noted that the Oklahoma law on this subject was repealed in 1923. This repealing act is set out at the end of the section devoted to Oklahoma.

OKLAHOMA

[Ch. 34, Art. 3, Compiled Statutes Okla., 1921]

Sec. 4161. State Banking Board.

The law provides that the banking board shall be composed of the bank commissioner and three other persons appointed by the governor, by and with the advice and consent of the senate, no one of whom shall be an officer or director in a national bank. The bank commissioner shall be chairman of such board and the board shall have the supervision and control of the depositors' guaranty fund and shall have the power to adopt all necessary rules and regulations not inconsistent with law for the administration of such fund. The governor shall fill vacancies by appointment.

Sec. 4162. Depositors' guaranty fund—Assessments—Warrants.

"(a) There is hereby levied against the capital stock of each and every bank organized and existing under the laws of this State an annual assessment equal to one-fifth of 1 per cent, and no more, of its average daily deposits during its continuance as a banking corporation for the purpose of creating a depositors' guaranty fund: *Provided*, That the State banking board, in their discretion, may levy an additional special assessment of one-fifth of 1 per cent, as provided herein, during the fiscal years ending June 30, 1914; June 30, 1915; and June 30, 1916. Such fund so created shall be known as the depositors' guaranty fund of the State of Oklahoma, and shall be used solely for the purpose of liquidating deposits of failed banks and retiring warrants provided for in this act.

"(b) The assessment for the year 1913 shall be payable immediately after this act takes effect, and thereafter the annual assessment shall become due and payable on the 11th day of March of each year, and all assessments shall be computed on the average daily deposits for the preceding year. Such assessments shall be paid by cashier's checks, which checks shall be held by the banking board, until in its judgment it is necessary to collect the same, but such checks shall not bear interest during the time they are so held.

"(c) It shall be the duty of the banking board to keep an accurate account of the condition of the depositors' guaranty fund * * * and to send each bank operating under the laws of this State a quarterly financial statement showing the exact condition of the depositors' guaranty fund.

"(d) When the depositors' guaranty fund shall amount to as much as 2 per cent of the average daily

deposits of the State banks, computed upon the last preceding annual statements of such average deposits of said State banks, over and above all certificates of indebtedness, or other obligations chargeable against the same, the annual assessment herein provided for shall cease, and thereafter it shall be the duty of the State banking board to keep and maintain said depositors' guaranty fund to the amount of 2 per cent of such average daily deposits by making from time to time assessments against the capital stock of State banks operating under the banking laws of this State, but such assessments shall not exceed one-fifth of 1 per cent of the average daily deposits of any bank in one year except as otherwise herein provided during the fiscal years ending June 30, 1914, June 30, 1915, and June 30, 1916; and authority to make such assessments is hereby expressly conferred upon the said State banking board, and said board shall have authority to make all necessary rules and regulations not inconsistent with the laws of this State for the purpose of collecting and equalizing the assessments and the amount paid thereon among the banks operating under the banking laws of this State.

"(e) If at any time the depositors' guaranty fund on hand shall be insufficient to pay the depositors of failed banks, or other indebtedness properly chargeable against the same, the banking board shall have authority to issue certificates of indebtedness to be known as 'Depositors' guaranty fund warrants of the State of Oklahoma,' in order to liquidate the deposits of failed banks, or any other indebtedness properly chargeable against said depositors' guaranty fund.

"(f) Depositors' guaranty fund warrants of the State of Oklahoma shall bear 6 per cent interest from date of issue, payable annually, and shall be issued in such form as may be prescribed by the banking board, and shall constitute a charge and first lien upon the depositors' guaranty fund when collected, as well as a first lien against the capital stock, surplus, and undivided profits of each and every bank operating under the banking laws of the State of Oklahoma to the extent of liability of any such bank to the depositors' guaranty fund under the provisions of this act, and said banking board shall have authority to negotiate or otherwise dispose of such depositors' guaranty fund warrants, at not less than par value, in such manner as it may see fit to facilitate the liquidation of failed banks.

"(g) All warrants heretofore issued by the banking board shall be paid serially in the order of their issuance from any funds on hand when this act takes effect or provided for by the terms of this act, and all warrants hereafter issued shall be in numerical order and retired in like order. As rapidly as the assets of failed banks are liquidated and realized upon by the bank commissioner, the proceeds thereof, after deducting the expenses of liquidation, shall be paid to the State banking board and by said board credited to the depositors' guaranty fund. Quarterly, and on the dates provided for financial statements in this act, or oftener if deemed advisable, the banking board shall call for payment such outstanding warrants, if any, as can be liquidated from the available funds on hand. No corporation doing a trust business shall be liable for assessments to create or main-

tain the depositors' guaranty fund, nor participate in the protection thereof in any manner whatsoever."

Sec. 4164. Banks organized subsequent to the enactment of this act—

"Shall pay into the depositors' guaranty fund 3 per cent of the amount of their capital stock when they open for business, but said 3 per cent shall not be required for new banks formed by the reorganization or consolidation of banks which have previously complied with the banking laws of this State."

Sec. 4165. Bank commissioner to wind up affairs of bank, when.

Whenever any bank or trust company voluntarily places itself in the hands of the bank commissioner, or whenever such bank or trust company is adjudged insolvent or the bank commissioner becomes satisfied of its insolvency, or whenever its right to conduct a banking business under the laws of Oklahoma shall have been adjudged to be forfeited, the bank commissioner is authorized after examination of its affairs to take possession of such bank or trust company and its assets and proceed to wind up its affairs and enforce the personal liability of the stockholders, officers, and directors.

Sec. 4166. Commissioner to wind up affairs of banks—Depositors to be paid, how.

"In the event that the bank commissioner shall take possession of any bank or trust company which is subject to the provisions of this chapter, the depositors of said bank or trust company shall be paid in full, and when the cash available or that can be made immediately available of said bank or trust company is not sufficient to discharge its obligations to depositors, the said banking board shall draw from the depositors' guaranty fund and from additional assessments, if required, as provided in section 300, the amount necessary to make up the deficiency; and the State shall have for the benefit of the depositors' guaranty fund, a first lien upon the assets of said bank or trust company, and all liabilities against the stockholders, officers, and directors of said bank or trust company and against all other persons, corporations, or firms. Such liabilities may be enforced by the State for the benefit of the depositors' guaranty fund."

Sec. 4167. Assets collected, etc.

"The bank commissioner shall take possession of the books, records, and assets of every description of such bank or trust company, collect debts, dues, and claims belonging to it, and upon order of the district court, or judge thereof, may sell or compound all bad or doubtful debts, and on like order may sell all the real or personal property of such bank or trust company upon such terms as the court or judge thereof may direct, and may, if necessary, pay the debts of such bank or trust company, and enforce the liabilities of the stockholders, officers, and directors: *Provided, however,* That bad or doubtful debts as used in this section shall not include the liability of stockholders, officers or directors."

Sec. 4168. Certificate of guaranty—Advertisements.

The bank commissioner shall deliver to each bank or trust company that has complied with the provisions of the guaranty fund law a certificate so stating, and stating that safety to the depositors of such bank or trust company is guaranteed by the depositors' guaranty fund of the State of Oklahoma; such certificate shall be displayed in its place of business and

such bank or trust company may advertise that its depositors are protected by the depositors' guaranty fund of the State of Oklahoma, but no bank shall advertise its depositors as guaranteed by the State of Oklahoma, and any bank or its officers or employees who shall be convicted of so advertising shall be subject to a fine of not exceeding \$500 or by imprisonment for 30 days or by both such fine and imprisonment.

Sec. 4169. Stockholders may repair loss—Bank reopened.

"After the bank commissioner shall have taken possession of any bank or trust company which is subject to the provisions of this chapter, the stockholders thereof may repair its credit, restore or substitute its reserves, and otherwise place it in condition so that it is qualified to do a general banking business as before it was taken possession of by the bank commissioner; but such bank shall not be permitted to reopen its business until the bank commissioner, after a careful investigation of its affairs, is of the opinion that its stockholders have complied with the laws, that the bank's credit and funds are in all respects repaired, and all advances, if any, made from the depositors' guaranty fund fully repaid, its reserve restored or sufficiently substituted, and that it should be permitted again to reopen for business; whereupon said bank commissioner is authorized to issue written permission for reopening of said bank in the same manner as permission to do business is granted after the incorporation thereof, and thereupon said bank may be reopened to do a general banking business."

Sec. 4174. Depositors' guaranty fund—Deposit of securities with banking board.

"From and after the passage of this act no charter or authority to engage in the banking business in this State shall be issued, and no bank shall be permitted to engage in business, except on certificate issued by the bank commissioner upon the approval of the banking board. The issuance of such certificate shall rest solely in the discretion of the bank commissioner and the banking board. Each and every State bank operating under the laws of this State shall deposit with the State banking board as security for all of its liabilities to the depositors' guaranty fund, bonds or warrants of the State of Oklahoma, county, municipal, or school district bonds or warrants, to be approved by the banking board, in an amount equal to not less than 1 per cent of its average daily deposits, computed as herein provided, and shall at all times maintain with said banking board bonds or warrants for an amount equal to its pro rata share of all outstanding warrants; provided, no bank shall deposit less than \$500 of such securities with said banking board. Such bonds or securities shall not be charged out of the assets of the bank, but shall be carried in its assets under the heading 'Securities with the State banking board,' until such time as said bank shall default in the payment of any of its liabilities to the depositors' guaranty fund. The bonds or securities, so deposited with the banking board, shall be converted into cash whenever the bank shall make default in any liability to the depositors' guaranty fund, upon official notice and failure of the bank to cover such liability. Whenever any State bank shall liquidate, or cease to operate under the banking laws of this State, it shall be liable for its pro rata share of any existing indebtedness against the said depositors' guaranty fund or any unpaid assessments. Whenever such securities shall have been converted into cash by the banking board, the

proceeds thereof shall be applied to the payment of any defaulted assessments or pro rata liability of any such bank to the depositors' guaranty fund of the State of Oklahoma."

Sec. 4175. Deposits not protected by guaranty fund.

"No deposit in a State bank, otherwise secured, shall be protected by or paid out of the depositors' guaranty fund created under the laws of the State of Oklahoma, nor included in the computation of average daily deposits as a basis for assessments. No deposit in any State bank on which a greater rate of interest is allowed or paid, either directly or indirectly, than is permitted by the rules of the bank commissioner, shall participate in the benefits of the guaranty fund."

Sec. 4188. Guaranty fund warrants—Bank investment privilege.

"Any bank engaged in the banking business under the laws of the State of Oklahoma, may invest in depositors' guaranty fund warrants that portion of its capital stock equal to its pro rata share of outstanding depositors' guaranty fund warrants and its pro rata share of depositors' guaranty fund warrants issued after the passage and approval of this act. The amount and extent to which any bank may so invest its capital stock shall be ascertained from time to time by the banking board: *Provided, however,* That no bank organized under the laws of this State shall be permitted to invest more than 10 per cent of its capital stock in such warrants, and any such bank, in addition to such investment of its capital, may invest all, or any part of its surplus, in depositors' guaranty fund warrants: *Provided, however,* That nothing in this section shall be construed to exempt any bank operating under the banking laws of this State from paying in cash any assessment under the laws of the State of Oklahoma, or by the State banking board, pursuant to said laws."

Sec. 4189. Failed banks—Bank commissioner control—Rights of surety companies.

"On and after the passage and approval of this act, in all cases where a surety company is compelled to pay, or voluntarily pays, a deposit of any State, county, municipal, or other public funds for which it is liable in a failed bank, operating under the banking laws of this State, such surety company shall be entitled to participate in a pro rata division of the proceeds of the assets of any such bank with the depositors' guaranty fund; and the bank commissioner shall have exclusive control of the administration and collection of the assets of failed banks, in which any part of the depositors' guaranty fund has been used for payment of deposits, until the depositors' guaranty fund is fully reimbursed and the banking board shall pay to such surety company its pro rata share of the proceeds of such assets from time to time as collections from such assets are made; and such surety company in writing a depository bond for any such bank specifically agrees to such administration and that the bank commissioner's jurisdiction shall be exclusive. All public deposits secured by surety company bonds or by the assets of any bank shall be included in the computations of average daily deposits as a basis for assessments for the depositors' guaranty fund."

Sec. 4223. Savings accounts of trust company—Supervision and control.

"The savings department of a trust company created under the provisions of this act shall be under the supervision and control of the State bank commissioner of the State of Oklahoma, and be subject to all rules and

regulations of the State banking board and State bank commissioner of the State of Oklahoma: *Provided,* That the depositors' guaranty law of the State of Oklahoma shall apply to the savings department of a trust company, in the same manner and to the same extent that said law now applies to State banks."

REPEAL OF OKLAHOMA GUARANTY FUND LAW

[Chap. 137, Laws of Oklahoma, 1923]

Depositors' guaranty fund—Repeal.

"Sec. 10. That section 4162 of the Compiled Oklahoma Statutes, annotated, 1921, relating to the creation of the depositors' guaranty fund and assessments therefor, and depositors' guaranty fund warrants is hereby repealed: *Provided,* That the provisions of this section shall not relieve or release any bank, firm, or corporation, or any officer, stockholder, or director, or any other person from any obligation, assessment, or liability to the depositors' guaranty fund or to the depositors or creditors of any failed State bank, which obligation, assessment, or liability existed at the time of the passage and approval of this act.

"Sec. 11. That section 4163 of the Compiled Oklahoma Statutes, annotated, 1921, relating to the emergency assessments for the depositors' guaranty fund be and the same is hereby repealed.

"Sec. 12. That section 4168 of the Compiled Oklahoma Statutes, annotated, 1921, relating to certificates of guaranty and advertisement thereof, be and the same is hereby repealed."

Sections 4161, 4169, 4174, and 4175 of the Compiled Oklahoma Statutes are amended so as to eliminate provisions relating to the depositors' guaranty fund.

Section 4166 of the Compiled Oklahoma Statutes is amended so as to eliminate the provisions relating to the depositors' guaranty fund and to provide a method of liquidating and winding up the affairs of insolvent banks, and it is provided that this amendment shall only apply to insolvent State banks within the possession of the bank commissioner or those failed subsequent to the passage and approval of the amendment, and it is also provided that nothing in this amendment shall operate to deprive the State of Oklahoma of any lien it may have on the assets of any bank that may have been adjudged insolvent prior to the passage and approval of the amendment.

Section 4189 of the Compiled Oklahoma Statutes is amended so as to eliminate the provisions relating to the depositors' guaranty fund, and it is provided that the provisions of this section as amended shall not apply to State banks that failed prior to the passage of the amendment.

KANSAS

[Article 2 of Chapter 9 of Revised Statutes of Kansas of 1923]

Sec. 9-201. Application of guaranty act.

"Any incorporated State bank doing business in this State under the general banking laws of Kansas, having a paid-up and unimpaired surplus fund equal to 10 per cent of its capital, and any bank which may after the passage of this act be authorized to do business in this State, and which shall have been actively engaged in the business for at least one year, and having such surplus fund, is hereby authorized and empowered to participate in the assessments and benefits and to be governed by the regulations of the bank depositors' guaranty fund of the State of Kansas hereinafter provided for: *Provided,* That before any

bank shall become a guaranteed bank within the meaning of this act, a resolution of its board of directors, authorized by its stockholders, duly certified by its president and secretary, asking therefor, in form to be provided by the bank commissioner, shall be filed with said bank commissioner, who shall, upon the filing of such resolution, make a rigid examination of the affairs of such bank, and if it is found to be solvent, to be properly managed, and conducting its business in strict accordance with the banking law, he shall, after the bank shall have deposited with the State treasurer bonds or money, as hereinafter provided, issue to such bank a certificate stating in substance that said bank has complied with the provisions of this act, and that its depositors are guaranteed by the bank depositors' guaranty fund of the State of Kansas, as herein provided."

Sec. 9-202. Deposit of bonds or money—Assessments—Guaranty of deposits.

"Before receiving such certificate from the bank commissioner each bank entitled to the same according to the preceding section shall, as an evidence of good faith, deposit, and shall at all times maintain with the State treasurer (subject to the order of the bank commissioner, when countersigned by the auditor of state) United States bonds, Kansas State bonds, or the bonds of any county, township, school district, board of education or city within the State of Kansas, to the amount of \$500 for every \$100,000 or fraction thereof of its average deposits eligible to guaranty (less its capital and surplus) as shown by its last four published statements: *Provided*, That each bank shall so deposit not less than \$500 and the State treasurer shall issue his receipt therefor in triplicate, one to the bank, one to the auditor of state, and one to the bank commissioner. Such bonds only shall be accepted as the school fund commissioners of the State of Kansas are permitted to buy, and shall bear the certificate of the attorney general of the State of Kansas stating that in his opinion said bonds have been legally issued. Said bonds, or cash in lieu thereof, shall not be charged out of the assets of the bank, except as hereinafter provided, but shall be carried in its assets under a heading 'Guaranty fund with State Treasurer,' until such time as said bank shall default in payment of assessments hereinafter provided for. In lieu of bonds, the bank at its option may deposit money, which deposit shall be exchangeable for acceptable bonds when the bank elects to make the substitution. In addition to above, each bank shall pay in cash an amount equal to one-twentieth of 1 per cent of its average deposits eligible to guaranty less its capital and surplus, and the same shall be credited to the bank depositors' guaranty fund with the State treasurer subject to the order of the bank commissioner, and the State treasurer shall issue his receipt therefor in triplicate, one to the bank, one to the auditor of state, and one to the bank commissioner: *Provided*, That the minimum assessment to be required from any bank shall be \$20: *Provided further*, That any bank seeking to participate in the assessments and benefits of this act after the first annual assessment for the year 1910 shall have been made, shall be assessed an amount approximately equal to its proportionate share of the money then in the bank depositors' guaranty fund after all losses shall have been deducted, the amount of such assessment to be determined by the bank commissioner. The last above-mentioned assessment, however, shall not be required of new banks formed by the reorganization or consolidation of banks which have previously complied with the terms of this act.

Upon the deposit and acceptance of such bonds (or money) and the payment of said assessment, then the payment of such deposits of said bank as are specified in this act shall be guaranteed as herein provided and the bank entitled to its certificate."

Sec. 9-203. Guaranty fund—Annual assessments.

"The bank commissioner shall, during the month of January of each year, make assessments of one-twentieth of 1 per cent of the average guaranteed deposits, less capital and surplus of each bank (the minimum assessment in any case to be \$20), until the cash fund accumulated and placed to the credit of the bank depositors' guaranty fund shall be approximately \$1,000,000 over and above the cash deposited in lieu of bonds, when he shall discontinue such assessments. Whenever said cash fund has been reduced below \$500,000, additional assessments shall be made as herein provided and then only in sufficient amounts to pay losses that have matured and have become claims payable on demand against said guaranty fund: *Provided*, That not more than five such assessments of one-twentieth of 1 per cent each shall be made in any one calendar year. The treasurer of the State of Kansas shall hold this fund in the State depository banks as provided by law governing other State funds, subject to the order of the bank commissioner, to be countersigned by the auditor of state, for the payment of depositors of failed guaranteed banks, as hereinafter provided. The State treasurer shall credit this fund quarterly with its proportionate share of interest received from State funds, upon the average daily balance of said funds."

Sec. 9-204. Insolvency.

"When any bank shall be found to be insolvent by the bank commissioner, he shall take charge of such bank, as provided by law, and proceed to wind up its affairs; and he shall at the earliest moment, issue to each depositor a certificate upon proof of claim, bearing 6 per cent interest per annum, upon which dividends shall be entered when paid, except where a contract rate exists on the deposit, in which case the certificate shall bear interest at the contract rate. Notice of the amount of each dividend to be paid creditors and the date when such payment is to be made shall be published in two consecutive issues of a paper of general circulation in the county or city in which said failed bank is located, and a corresponding notice posted on the door of the receivers' office, and interest shall cease on each dividend on the day named in such notice. The bank commissioner shall likewise publish a notice of the date upon which he will make payments of any balance due on such proof of claim, and interest shall cease on the day so advertised and said proof of claim shall so state. After the officer in charge of the bank shall have realized upon the assets of such bank, and exhausted the double liability of its stockholders, and shall have paid all funds so collected in dividends to the creditors, he shall certify all balances due on guaranteed deposits (if any exist) to the bank commissioner, who shall then, upon his approval of such certification, draw checks upon the State treasurer, to be countersigned by the auditor of state, payable out of the bank depositors' guaranty fund in favor of each depositor for the balance due on such proof of claim as hereinafter provided. If at any time the available funds in the bank depositors' guaranty fund shall not be sufficient to pay all guaranteed deposits of any failed bank, the five assessments herein provided for having been made, the bank commissioner shall pay depositors pro rata and the remainder shall be paid when the next assessment is available: *Provided, however*, That whenever the bank

commissioner shall have paid any dividend to the depositors of any failed bank out of the bank depositors' guaranty fund, then all claims and rights of action of such depositors so paid shall revert to the bank commissioner for the benefit of said bank depositors' guaranty fund, until said fund shall have been fully reimbursed for payments made on account of such failed bank, with interest thereon at 3 per cent per annum."

Sec. 9-205. Failure to pay assessments.

"A penalty of 50 per cent of the amount of said assessments shall be added to the assessment of any bank not remitting as aforesaid within 30 days after receipt of notice of such assessment from the bank commissioner, and if any bank, which shall have been assessed and notified as aforesaid, shall fail to remit the amount of said assessment as herein provided, a sufficient amount of its bonds (together with the unexpired coupons) shall be immediately sold by the bank commissioner at public sale and the proceeds used to pay said assessment. Any balance remaining from the proceeds of such sale after the payment of such assessment shall remain to the credit of the bank in the depositors' guaranty fund. The said balance, together with the remainder of the bonds (or cash in lieu thereof) shall be forfeited to the bank depositors' guaranty fund if the bank does not, within 60 days from default in payment of such assessment, remit the full amount of such assessments and penalty to date, and restore the amount of its bonds, or money pledged, as evidence of good faith. Upon the bank's failure to remit its assessments, according to the terms of this act, the bank commissioner shall immediately examine such bank, and if it is found in his judgment to be insolvent, he shall take charge of and liquidate said bank according to law. If said bank be found solvent, the bank commissioner shall cancel its certificate as a guaranteed bank, and cause to be displayed in its banking rooms, in a conspicuous place, continuously for six months, a card not smaller than 20 inches by 30 inches, and in large, plain type, reading as follows: 'This bank has withdrawn from the bank depositors' guaranty fund and the guaranty of its deposits will cease on and after _____. The date on this card shall be a date six months after the first posting of such card.

"Any bank electing to withdraw from the bank depositors' guaranty fund may do so by giving notice to the bank commissioner and displaying a card as aforesaid, and at the expiration of the six months as aforesaid may receive its bonds (provided always that said bank shall have paid assessments in full to date) when the affairs of all failed banks in liquidation at the expiration of said six months shall have been closed up and the bank shall have paid its assessments on account of same."

Sec. 9-206. What deposits secured.

"All deposits not otherwise secured shall be guaranteed by this act; but such guaranty shall not apply to a bank's obligations as indorser upon bills rediscounted, to bills payable, to money borrowed, from its correspondents or others, and any deposit on which a greater rate of interest is paid directly or indirectly by any one than the rate approved by the bank commissioner, shall for the purpose of this act be considered money borrowed; or deposits or credits obtained by fraud or in violation of law or evidence of debt fraudulently issued. Each guaranteed bank shall certify under oath to the bank commissioner at the date of each called statement the amount of money it has on

deposit not eligible to guaranty under the provisions of this act, and in assessing such bank this amount shall be deducted from the total deposits."

Sec. 9-207. Record of deposits; rate of interest.

"Each guaranteed bank, and each State or private bank not guaranteed by this act, shall keep a correct record of the interest rate and terms of each deposit on which it has paid or agreed to pay interest, and shall make a statement thereof under oath to the bank commissioner quarterly. After the passage of this act any officer of any bank who shall pay interest on different terms or in excess of a rate (which rate shall be uniform within each county) that shall be approved by the bank commissioner from time to time, on any form of deposits or pays any interest on any savings deposit withdrawn before July 1, or January 1, next following the date of the deposit, or on any time certificate cashed before maturity, shall be deemed to be reckless and may be removed from office as provided by law, and such bank shall not be permitted to participate in the benefits of this act: *Provided, however,* That any existing contract for higher rates of interest entered into before the passage of this act may be carried out unimpaired, and such existing contract shall not disqualify a bank from participating in the benefits of this act. Any managing officer of any bank guaranteed under this act, or any person acting in its behalf or for its benefits, who shall hereafter pay or promise to pay any depositor, either directly or indirectly, any rate of interest on different terms or in excess of or in addition to the maximum rate of interest permitted by this act, or who shall, with intent to evade any of the provisions of this act, pledge the time certificate or other obligation of such bank as security for the personal obligation of himself or any other person, or who shall display any card or other advertising tending to convey the impression that the deposits of the bank are guaranteed by the State of Kansas, either directly or indirectly, shall disqualify the bank from further participation in the bank depositors' guaranty fund and forfeit its bonds or money deposited in lieu thereof with the State treasurer for the benefit of such fund. Any managing officer of any bank, or any person acting in its behalf or for its benefit, who shall display any card or advertisement, or make any statement to the effect that its deposits are guaranteed by the bank depositors' guaranty fund of the State of Kansas, when the bank is not authorized so to do under the provisions of this act, shall be guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not less than \$500 nor more than \$1,000."

Sec. 9-208. Reorganizations.

"Any trust company heretofore organized under the laws of this State, and now in operation, may reorganize as a State bank, under the laws of this State, by filing with the secretary of state an amended charter signifying such purpose, to be approved by the charter board, and any private bank or national bank having the required capital and being otherwise qualified, may reorganize as a State bank, or any newly organized bank taking over the business of another bank, otherwise qualified, may immediately become a guaranteed bank by depositing bonds or money and paying its assessments and otherwise complying with the provisions of this act."

Sec. 9-209. Bank retiring from business.

"A solvent guaranteed bank, upon retiring from business and liquidating its affairs, shall be entitled to

receive back from the State treasurer its bonds or money pledged, after all depositors in such bank and all assessments on account of the guaranteed banks in liquidation have been paid in full, but not any part of any unused assessments that may be in the bank depositors' guaranty fund."

Sec. 9-210. Exchange of bonds or cash pledged.

"Banks may be permitted, in the discretion of the bank commissioner, to exchange their bonds for others acceptable under this act, or be allowed to deposit in lieu thereof an equal amount in cash, which may in turn be withdrawn upon the substitution of bonds acceptable under this act."

Sec. 9-211. Violations of act.

If a guaranteed bank shall violate any provision of the guaranty fund act, the bank commissioner shall require it to comply within 30 days with such provisions and if compliance is not had the bank commissioner shall cancel its certificate of membership in the guaranty fund and forfeit to said guaranty fund its bonds deposited with the State treasurer. Such cancellation of membership shall not relieve the bank from the payment of assessments levied on account of banks that failed or that were in charge of the bank commissioner prior to the cancellation of such membership.

Sec. 9-212. Duties and liability of State treasurer.

"All bonds placed in the State treasury under this act shall be kept in said treasury separate from all other bonds and moneys and to the credit of the bond account of the bank depositors' guaranty fund and shall be used for no other purpose. The State treasurer shall cause the coupons upon the said bonds to be cut 30 days before maturity and sent or delivered to the bank which deposited them, provided said bank shall have paid all assessments in full to date. The State treasurer shall deposit all moneys deposited in lieu of bonds under the provisions of this act in some bank the deposits of which are guaranteed under the provisions of this act, and all interest received thereon shall be credited to the bank depositors' guaranty fund. The State treasurer shall not be personally liable for any money so deposited by him in a guaranteed bank."

Sec. 9-213. National banks.

Any national bank doing business in Kansas upon the approval of the State banking commissioner as to its financial condition may participate in the assessments and benefits of the guaranty fund upon the same terms and conditions as apply to State banks, provided such national bank shall forward to the bank commissioner detailed reports of its condition on the dates of the usual call statements of State banks, and shall submit to examination each year by his department as provided by the banking laws of Kansas, and pay the usual fees therefor. Should a national bank refuse to comply with any recommendations made by the bank commissioner in conformity with the provisions of the guaranty fund act, it shall be subject to the penalties of the act and its certificate of membership in the guaranty fund shall be canceled.

Sec. 9-216. Bonds not required from depositors.

"That all officers in this State having the custody of county, township, city, or school funds, or who may be charged by law with the duty of requiring specific bonds for the security of such funds, when deposited in banks or trust companies of this State, shall not require such bonds from banks or trust com-

panies participating in the bank depositors' guaranty fund of the State of Kansas, or from banks or trust companies whose entire deposits are guaranteed by a bond of indemnity issued by any surety company authorized by the insurance commissioner of this State, whenever such funds are protected by such guaranty fund or surety company bond of indemnity."

Sec. 9-217. Officer requiring bond in violation of act.

"Any officer violating any of the provisions of section 1 of this act, upon complaint made by any person interested to the county attorney of the county in which such officer has his office or resides, shall be removed from his office, and it is made the duty of such county attorney to forthwith commence and prosecute an action in the district court of his county for his removal, and upon conviction thereof such court shall, by its decree, remove such officer from his office and declare said office vacant."

NEBRASKA

[Compiled Statutes of Nebraska, 1922]

Sec. (7995). Reports—Approval—Certificates.

"Every corporation hereafter organized for transacting a banking business under the laws of this State shall file with the department of trade and commerce a full, complete, and detailed report of its condition, as provided in section 7996 of this article, and the department, upon examination of the report and approval of the same, if satisfied that such corporation has complied with the requirements of this article, shall issue to said banking corporation a certificate stating that said banking corporation has complied with the laws of this State for the protection of bank depositors, and that its depositors are protected by the depositors' guaranty fund of the State of Nebraska. Every banking corporation receiving such certificate shall conspicuously display the same in its place of business and said banking corporation may print or engrave upon its stationery words to the effect that its depositors are protected by the depositors' guaranty fund of the State of Nebraska. The printing or engraving by any bank or a false statement advertising such guaranty is hereby declared to be a violation of the provisions of this article."

Sec. (7996). Preliminary statement.

"Every corporation organized for and desiring to transact a banking business shall before commencing such business, make under oath, and transmit to the department of trade and commerce a complete detailed statement of:

"First, the name of the proposed bank;

"Second, a certified copy of the articles of incorporation;

"Third, the names of the stockholders;

"Fourth, the county, city, or village in which the said proposed bank is located;

"Fifth, the nature of the proposed banking business, whether commercial, cooperative, or saving;

"Sixth, the amount of paid-up capital stock, the items of money and property included in said amount."

Sec. (8024). Guaranty fund.

"For the purpose of providing a guaranty fund for the protection of depositors in banks, every corporation engaged in the business of banking under the laws of this State shall be subject to assessment to be levied, kept, collected, and applied as hereinafter provided. Provided, such guaranty fund assessed against co-

operative banks shall be kept separate and apart from that assessed against commercial and savings banks, and shall be known and referred to as 'cooperative bank protective fund' and shall be applied solely to the benefit of the depositors in cooperative banks who shall be limited to the benefits of such guaranty fund which shall be levied and applied in all respects and manner as the guaranty fund required of commercial and savings banks. The term guaranty fund or depositors guaranty fund as used in this article shall, when having reference to cooperative banks, be designated, called, and construed to mean 'cooperative bank protective fund.'"

Sec. (8025). Same—Assessment.

"On the first day of June and December of each year every corporation engaged in banking under the provisions of this article shall make and file with the department of trade and commerce a statement in writing verified by the oath of its president, vice president, or cashier showing the average daily deposits in its bank for the preceding six months exclusive of public money otherwise secured. Any bank commencing business and receiving deposits less than six months prior to the date when the statement referred to in this section is required to be made and filed, shall show the average daily deposits for that portion of the said semiannual period during which it has been engaged in business and receiving deposits. Any person making oath to any of the statements herein required, knowing the same to be false, shall be deemed guilty of a felony, and be punished by a fine of not less than \$100 nor more than \$1,000, or be imprisoned in the penitentiary for a term of not less than one nor more than five years, or both."

Sec. (8026). Credit fund—Assessments.

"Any bank organized subsequent to the date when this article takes effect shall pay into the depositors' guaranty fund an amount equal to 4 per cent of the amount of the capital stock, when such bank opens for business, which amount shall constitute a credit fund, subject to adjustment on the basis of said bank's average daily deposits, as shown by the first two semiannual statements required by section 8025 of this article. The department of trade and commerce is authorized and empowered to make such an adjustment of the rates of assessments to be paid by any bank which engages in the banking business subsequent to the time when this article takes effect, as shall require such bank to contribute to the depositors' guaranty fund a just and equitable sum, and the department of trade and commerce shall adjust assessments of such bank so that the first two assessments, together with the credit of an amount equal to 4 per cent of the capital stock paid in by said bank when it begins business shall at least equal 1 per cent of the average daily deposits of said bank as shown by the first two semiannual statements required by section (8025) of this article. Such payment shall not be required of new banks formed by the reorganization or consolidation of banks which have, prior thereto, complied with the law with reference to the payment of assessments. When any bank hereafter organized shall acquire the business and resources of any national banking association, such bank shall pay into the depositors' guaranty fund not less than 1 per cent of said national banking association's average daily deposits as shown by the report to the Comptroller of the Currency for the preceding year. On the first day of July and January of each

year the department shall levy on all banks then engaged in banking under this article, which have completed their initial payments of not less than 1 per cent of their average daily deposits as provided in this section, one-twentieth of 1 per cent of the average daily deposits as shown by the statements required to be made and filed next preceding such assessments.

"Every corporation to which a charter has been granted since April 4, 1919, to conduct the banking business shall pay into the guaranty fund an amount equal to 4 per cent of its capital stock within 30 days after the taking effect of this act and thereafter shall be subject to assessment in the same manner as banks hereafter established."

Sec. (8027). Assessment—Levy—Notification.

"As soon as said assessments are respectively levied the banking corporations against which the same are levied shall be notified of the amount of such assessment levied against them respectively by the department of trade and commerce, and said banking corporations shall thereupon set apart, keep, and maintain in their said banks the amount thus levied against them, and the amounts thus levied, kept, and maintained shall be and constitute what shall be designated as a depositors' guaranty fund, payable to the department of trade and commerce on demand for the uses and purposes hereinafter provided. When the depositors' guaranty fund reaches the total sum of $1\frac{1}{2}$ per cent of the average daily deposits, said assessments against the deposits of said banks shall cease until such time as the guaranty fund is depleted below 1 per cent of the average daily deposits, when the necessary assessments may again be levied. No bank which has complied in full with all of the provisions of this article shall be required to give any further security or bond for the purpose of becoming a depository for any public funds, but depository funds shall be secured in the same manner that private funds are secured."

Sec. (8035). Reimbursement of guaranty fund.

"To the extent of the amount paid from said guaranty fund to satisfy the claims of creditors, the department of trade and commerce, for the use and benefit of said fund, shall be subrogated to all the right of the creditors thus paid, to participate in the assets of such bank, and the same shall be enforced and collected by the receiver accordingly, and when collected shall be placed in said fund and deposited by the department of trade and commerce in the solvent banks subject to the provisions of the depositors' guaranty fund, proportionate to the several deposits to the assessments levied against each of said banks."

SESSION LAWS OF 1923, HOUSE RULE NO. 272

Sec. 1. Guaranty fund commission.

"There is hereby created the guaranty fund commission for the purpose of assisting in conserving and administering the depositors' guaranty fund of the State of Nebraska, and providing a more thorough and complete supervision of State banks. The guaranty fund commission shall be selected in the following manner:

Sec. 2. State divided into banking groups.

For the purpose of the act the State is divided into seven banking groups. The act describes in detail the counties of Nebraska which shall compose each of these groups.

Sec. 3. Governor to appoint commission.

"Within 10 days after this act becomes a law the governor, by and with the advice and consent of the senate, shall appoint the guaranty fund commission, which shall consist of one executive officer of a State bank from each of the banking groups mentioned in section 2 of this act, who has been for not less than five years preceding the date of his appointment an active executive officer of a State bank in the State of Nebraska. Such members shall serve until their successors are elected and have qualified. The secretary of the department of trade and commerce shall be ex officio a member of the guaranty fund commission and chairman thereof."

Sec. 4. Members—Who and how chosen.

The act provides in detail for the election by each of the bank groups as provided under section 2 above of three persons eligible for membership on the guaranty fund commission, and the governor shall, within 10 days after such election, appoint from each group one of the persons so selected as a member of the guaranty fund commission. Upon the termination of the term of office of such members new members shall be elected in a similar manner. The term of office of the members of the guaranty fund commission is provided for at length, and each such member shall be required to give bond for \$25,000 running to the department of trade and commerce.

Sec. 5. Permission—Organization—Meetings.

The act provides in detail for the organization of the guaranty fund commission and selection of officers, and the date of holding and manner of calling meetings of such commission.

Sec. 6. Vacancies—How filled.

Vacancies in the guaranty fund commission caused other than by the expiration of the term of a member shall be filled by appointment by the governor, such appointee holding office until the first annual election thereafter, at which time the successor shall be selected in the manner provided above.

Sec. 7. Employees—Selection—Rules and regulations.

"The commission shall have power to engage and discharge employees and make all rules and regulations necessary for the conduct of the business of the commission and the government of its employees. The guaranty fund commission shall at all times during business hours have access to any part of the records in the bureau of banking in the department of trade and commerce relating to receiverships. The secretary of the department of trade and commerce shall lay before the guaranty fund commission at the earliest opportunity all examiners' reports showing any of the conditions enumerated in section 11 of this act upon the failure of such bank to comply with the law or to remedy such conditions within 60 days from the date of the report, and such other matters as he may deem proper to lay before the commission: *Provided*, The guaranty fund commission shall have no jurisdiction over, nor be permitted to examine, nor have access to the records of, nor concerning cooperative banks, but such banks shall be governed by the law existing prior to the passage of this act. The secretary of the department of trade and commerce shall at all times during business hours have access to any part of the records of the guaranty fund commission. This section shall not be construed as depriving the department of trade and commerce of

any power or authority over banks, and the guaranty fund commission shall have no jurisdiction over going banks except in an advisory capacity."

Sec. 9. Administrative fund.

The guaranty fund commission may, unless an appropriation is provided by law, make an estimate of the amount necessary for the proper functioning of said commission not to exceed \$15,000 in any one year, certify said amount to the secretary of the department of trade and commerce, and such secretary shall thereupon levy and collect an assessment on all State banks for the amount due from each. Such levy will be based on the average daily deposits as shown by the last semiannual statement of such banks.

Sec. 10. Compensation of commission.

"Each member of the commission shall receive an amount to be fixed by the commission at not more than \$10 per working day and his expenses actually incurred in the performance of his duties as a member of the commission."

Sec. 11. Impaired capital, failure to make reports.

"Whenever it shall appear to the department of trade and commerce, from any examination or report provided for by this article, that the capital of any corporation transacting a banking business under this article is impaired, that such corporation is conducting its business in an unsafe or unauthorized manner, or is endangering the interests of its depositors, or upon the failure of such corporation to make any of the reports or statements required by the provisions of this article, or if the officers or employees of any such bank shall refuse to submit its books, papers, and affairs to the inspection of any examiner, or if any officer thereof shall refuse to be examined upon oath touching the affairs of any such bank, or if from any examination or report provided for by law the department of trade and commerce shall have reason to conclude that such bank is in an unsafe or unsound condition to transact the business for which it is organized, or that it is unsafe and inexpedient for it to continue business, or if any such bank shall neglect or refuse to observe any order of the department of trade and commerce, such department shall forthwith take possession of the property and business of such bank, and retain possession of all money, rights, credits, assets, and property of every description belonging to such bank, as against any mesne or final process issued by any court against such bank or corporation whose property has been taken, and may retain such possession for a sufficient time to make an examination of its affairs, and dispose thereof as provided by law. Any attachment lien against such property acquired within 30 days next preceding the taking of such possession shall be thereby released and dissolved."

Sec. 12. Payments to State treasurer by commission or receiver.

"For each day the department of trade and commerce or the guaranty fund commission shall so hold possession, such bank shall pay to the State treasurer for account of the general fund a fee of \$10, and for each day a receiver shall so hold possession, such bank shall pay such receiver such compensation for his services as may be fixed by the department of trade and commerce, subject to the approval of the guaranty fund commission, and in each case, in addition to said amount, the necessary clerk hire and attorneys' fees, to be determined in the same manner."

Sec. 17. Inventory of assets and liabilities required.

"Upon taking possession of the property and assets of any bank, the department of trade and commerce shall immediately notify the secretary of the guaranty fund commission and make an inventory of the assets of such bank, in duplicate, one to be filed in the office of the secretary of the guaranty fund commission, and one in the office of the department of trade and commerce; such inventory to consist of a list of all assets and liabilities of the institution so far as they can be ascertained."

Sec. 18. Management by guaranty fund commission—Liquidation.

"Upon taking possession of the property and business of any bank the department of trade and commerce shall place such bank in charge of the guaranty fund commission to ascertain if such bank may be maintained as a going concern, such commission may thereupon, with the consent and assignment of the owners of a majority of the capital stock of said bank take charge and control of the property and business with such bank and open it and manage it as a going concern, without regard to its solvency, and through employees perform all duties and acts of the officers and directors of such bank while managing the same, and all salaries and expenses in connection therewith shall be paid by the bank. If any such stockholders shall abscond or conceal themselves for the purpose of evading service of process upon them, or any of them, then they shall be deemed to have consented to the assignment of their stock. The assignment of the stock to the guaranty fund commission shall in no manner relieve or diminish the obligations of the stockholders under the laws of this State or in any manner absolve the owners of such stock or the officers or directors of any liability under the civil or criminal laws of the State. If the stockholders of such bank decline to assign such stock and refuse to place the property and business of such bank in the hands of the guaranty fund commission, and if the guaranty fund commission shall determine that it is impossible to preserve such institution as a going concern, then the department of trade and commerce shall proceed to liquidate such bank as by law provided."

Sec. 19. Bond of receiver or agent.

The secretary of the department of trade and commerce shall require every receiver or agent of the guaranty fund commission placed in charge of a bank to give a bond in a reasonable amount subject to the approval of such secretary before the assets of such bank are surrendered. Such bond shall be for the benefit of all creditors and stockholders of the bank.

Sec. 20. Procedure for liquidation.

If at any time the guaranty fund commission or the department of trade and commerce shall determine that it is impossible to preserve as a going concern any bank of which the guaranty fund commission has taken charge, then the department of trade and commerce shall communicate the facts to the attorney general who shall cause an application to be made to the proper district court for an order directing the department of trade and commerce to take charge of the business assets and property of every kind of such bank and to wind up its affairs. If, after a hearing, the court shall find that such bank is insolvent or that it has violated any of the provisions of law authorizing the department of trade and commerce to take possession of the affairs of such bank then the court shall direct the guaranty fund commission to proceed to

liquidate the affairs of such bank through a receiver to be named by such commission: *Provided, however,* The court may authorize the guaranty fund commission to continue such bank as a going concern under the provisions of section 18 of the act.

Secs. 21, 22, 23. Limit for filing claims—Listing and classification of claims—Hearing of claims.

The act provides in detail for limiting the time in which claims may be filed with the receiver or clerk of the court and for the listing and classification of claims by the receiver and presentation to the court, and the hearing by the court of claims so filed by the receiver.

Sec. 24. Priority of claims—Payment by depositors' guaranty fund.

"The claims of depositors for deposits, and claims of holders of exchange, shall have priority over all other claims, except Federal, State, county, and municipal taxes, and, subject to such taxes, shall at the time of the closing of a bank be a first lien on all the assets of the banking corporation from which they are due and thus under receivership, including the liability of stockholders, and, upon proof thereof, they shall be paid immediately out of the available cash in the hands of the receiver. If the cash in the hands of the receiver available for such purposes be insufficient to pay the claims of depositors, and holders of exchange, not given for a previously existing debt of the bank other than a deposit, the court in which the receivership is pending, or a judge thereof, upon the hearing shall determine the amount required to supply the deficiency and cause the same to be certified to the department of trade and commerce, which shall thereupon draw against the depositors' guaranty fund in the amount required to supply such deficiency and shall forthwith transmit the same to the receiver, to be applied on the said claims of depositors and holders of such exchange: *Provided,* Holders of certificates of deposit shall not be entitled to payment until their maturity, according to their terms. No part of the depositors' guaranty fund shall be used to supply the deficiency that may accrue by the failure of any bank now transacting business, or which may be hereafter organized, which bank has not filed the report provided for in section 7996 of the Compiled Statutes of Nebraska for 1922, and received the certificate provided for in section 7995 of the Compiled Statutes of Nebraska for 1922. Such drafts against the depositors' guaranty fund shall be prorated, as nearly as may be, among the several solvent banks wherein the same is as aforesaid kept and maintained, in accordance with the amounts thereof held by such banks respectively. No claim to priority shall be allowed which is based upon any evidence of indebtedness in the hands of or originally issued to any stockholder, officer, or employee of such bank, which represents money obtained by such stockholder, officer or employee, from himself or some other person, firm, corporation, or bank in lieu of or for the purpose of effecting a loan of funds to such failed bank."

Sec. 25. Bankers' conservation fund.

"For the purpose of preventing the closing of banks and conserving the guaranty fund, the bankers conservation fund is hereby created. The bankers conservation fund shall at all times belong to the banks contributing thereto, subject to the provisions of this act, and the assessments therefor shall not exceed one-fourth of 1 per cent of the average daily deposits of said bank during any one year and said fund shall never

exceed one-third of 1 per cent of the average daily deposits of said bank at any time, based upon the last report of average daily deposits filed before making such levy. Whenever, under the law, it shall be proper to assemble and use any part of the bankers' conservation fund the secretary of the department of trade and commerce shall make an assessment on each of the solvent banks in the State for its proportion of the amount needed, based on the average daily deposits of such banks as shown by the last semiannual statement thereof, filed with the department of trade and commerce, by drawing a draft for such amount and transmitting the same as provided by law. The banks may carry the amount remitted on such draft on their books as an asset, debited to the 'bankers' conservation fund,' until such time as it may be repaid to said bank or charged off against the profits of the bank not needed for any purpose other than the payment of dividends."

Sec. 26. Depletion of depositors' guaranty fund.—Special assessment.

"If the depositors' guaranty fund shall, from any cause, be depleted or reduced to any amount less than 1 per cent of the average daily deposits as shown by the last semiannual assessment statement thereof filed, the department of trade and commerce shall levy a special assessment against the capital stock of the corporations governed by the provisions of this article, to cover such deficiency, which special assessment shall be based on the said average daily deposits, and, when required for the purpose of immediate payment to depositors, said special assessment may be for any amount not exceeding 1 per cent of said average daily deposits for the year 1923 and thereafter not exceeding one-half of 1 per cent of said average daily deposits in any one year."

Sec. 27. Assessment on and repayment to bankers' conservation fund.

"Whenever any bank shall have been placed by the department of trade and commerce in the hands of the guaranty fund commission, under the provisions of section 18 of this act, said guaranty fund commission may at any time certify to the department of trade and commerce an amount of money which it desires to use in conducting the affairs of such bank which has been so taken over under the provisions hereof, and the department of trade and commerce shall immediately levy an assessment and draw upon the bankers' conservation fund for such amount and transmit the same to the agent or representative of the guaranty fund commission in charge of such bank to be used by him as a deposit and for no other purpose. Provided, however, such receiver may, with the consent of the department of trade and commerce, borrow any part of said amount for the use of such bank and repay said borrowed money when the money is received from the department of trade and commerce. The department of trade and commerce or the guaranty fund commission may close said bank at any time for the purpose of liquidation as provided by law, or may return the management of its affairs to its proper officers whenever such deposit, with interest at the rate of 5 per cent per annum, has been fully paid to the bankers' conservation fund, and the reason for retaining the management and control thereof no longer exists."

Sec. 32. Sale of assets—Publication—Refund.

"The department of trade and commerce may at any time apply to any court in which a receivership for a bank is pending at the time this act takes effect for

an order directing the receiver to sell all or any part of the assets of every kind and description in his possession, or under his control. Notice of the hearing on said petition shall be given to all parties interested by publication once each week for two weeks in a newspaper designated by the court, which notice shall state the fact of such petition being filed, and the date of hearing thereon. At such hearing, if it shall appear to the court from the evidence offered that the assets in such receivership available for the payment of creditors of such bank are insufficient to pay the claims of depositors if unpaid, or to reimburse the depositors' guaranty fund for the amount drawn therefrom for the payment of the claims of depositors for deposits, then the court shall enter an order directing the receiver to sell all of such assets at public sale, and shall fix the time of such sale and the notice which shall be given thereof. Such sale shall be held on the date so fixed by the court, or at such other time as the same may be adjourned to by the receiver, which shall not be more than 10 days from the date fixed by the court. At such sale the secretary of the department of trade and commerce, or his representative, may bid on such assets, and if such bid shall be the highest bid offered for the assets, the receiver shall deliver to such secretary or his representatives, all of such assets and take a proper receipt therefor, which shall be filed in the office of the clerk of the district court in the files of such receivership. The delivery of such receipt shall constitute payment in full to the receiver for such assets. If the money in the hands of the receiver after the sale of such assets to the department of trade and commerce shall be insufficient to pay the costs and expenses of such receivership remaining unpaid, then the court or a judge thereof shall fix the amount of such unpaid costs and expenses, certify the same to the department of trade and commerce, and the department of trade and commerce shall refund to such receiver such amount out of the proceeds of the assets of such receivership, or shall drawn against the depositors' guaranty fund for such amount and transmit the same to the receiver for the payment of such claims. The department of trade and commerce, upon receiving the assets of such receivership, shall transfer the same to the guaranty fund commission, which shall place a representative in charge thereof and cause the same to be liquidated for the benefit of the guaranty fund, and after paying the expenses of such liquidation, shall place the balance in the depositors' guaranty fund in the several banks in the same proportion as it was drawn therefrom."

Sec. 35. Records—Secrecy.

No one connected with the guaranty fund commission shall in any instance disclose the name of any depositor or debtor of any bank of the amount of his deposit or debt to anyone except in so far as may be necessary in the performance of his official duty.

Sec. 39. Deposits not guaranteed—Certificates non-negotiable.

"No State bank shall receive any deposit upon any collateral agreement or condition other than an agreement for length of time to maturity and rate of interest, and no money deposited in any such bank, upon any such collateral agreement or condition shall be guaranteed by the depositors' guaranty fund. On or after July 1, 1923, certificates of deposit shall be nonnegotiable and drawn payable to the depositor or assigns, and every certificate shall bear on its face in prominent type 'nonnegotiable'."

Sec. 41. Court may authorize receiver to borrow on receiver's certificate.

"The court in which a receivership of a State bank is pending, or any judge thereof, may, upon the application of the receiver, in open court or sitting at chambers anywhere within his district, without notice or upon such notice as he may direct, authorize and direct such receiver to borrow money and for that purpose, to issue and sell, assign, or hypothecate one or more receivers' certificates in an aggregate amount not exceeding the amount required to supply the deficiency for the payment of depositors in any failed bank. Such receivers' certificates may be authorized and negotiated either before or after the amount shall have been drawn from the depositors' guaranty fund and from banks heretofore in receivership. If authorized after the draft on the guaranty fund, the amount shall not be greater than the market value of the assets remaining in the receivership. The rate of interest shall be fixed by the court. Such receivers' certificates, with the interest thereon, shall be subrogated to all the rights of the depositors thus paid or to the rights of the department of trade and commerce, to participate in the assets of such bank, and shall be a first lien on all the assets in the hands of the receiver and on the rights of the depositors in the depositors' guaranty fund and shall be enforced and collected by the receiver accordingly. All money derived from the sale or transfer of such receivers' certificates shall be used for the payment of depositors if such receivers' certificates are sold prior to the drawing of the money from the guaranty fund, and shall be used to reimburse the guaranty fund if sold after the drawing of the money and payment of the depositors from such guaranty fund."

Sec. 42. Cash to pay receiver's certificate.

"If the cash in the hands of the receiver be insufficient to pay such receivers' certificates with interest thereon, as fixed by the court, when the same become due, the court, or a judge thereof, shall determine the amount necessary to pay the face value of such receivers' certificates with interest thereon to the date of payment and cause the same to be certified to the department of trade and commerce, which shall thereupon draw against the guaranty fund in the amount required to supply the deficiency, and shall forthwith transmit the same to the receiver to be applied on the payment of such receivers' certificates. Provided a new issue of certificates may be authorized by the court if application is made therefor."

Sec. 43. Registration of receivers' certificate.

"Receivers' certificates issued under this act shall be presented to the secretary of the department of trade and commerce and he shall certify thereon that such certificates are payable out of the depositors' guaranty fund of the State of Nebraska, and register them in a book to be provided therefor in his office. The secretary of the department of trade and commerce shall prescribe the form of receivers' certificates and shall fix the due date of each issue thereof, and they shall be paid in the order of registration."

Sec. 48. Annual statement of funds.

"The secretary of the department of trade and commerce shall in the month of July of each year prepare and mail to each State bank a report pertaining to the guaranty fund, the bankers' conservation fund, and the bankers' administrative fund showing the following data: (1) Names of drawee banks; (2) average deposits on basis of which each assessment was made for the benefit of each bank; (3) amount of such assess-

ment on each bank for each bank for benefit of guaranty fund; (4) average deposits on basis of which each assessment was made for benefit of bankers' conservation fund; (5) amount of each assessment on each bank for each bank for benefit of bankers' conservation fund; (6) amount of average deposits on basis of which each assessment was made for benefit of bankers' administrative fund; (7) amount of such assessment on each bank for benefit of bankers' administrative fund; (8) amount reimbursed to each bank from each bank for benefit of guaranty fund; (9) amount reimbursed from each bank to each bank for benefit of bankers' conservation fund; (10) disbursements of bankers' administrative fund; (11) statement of assets and liabilities of each bank, as shown by last statement published before such bank's coming into the hands of the guaranty fund commission; (12) detailed expense account of each bank operated by the guaranty fund commission; (13) amount realized from sale of real estate and furniture and fixtures of each bank in hands of guaranty fund commission; (14) amount realized from other assets of each bank in hands of guaranty fund commission, listing same in detail. In addition to the foregoing such report shall contain such other data as the guaranty fund commission and the secretary of the department of trade and commerce may deem proper."

SESSION LAWS OF 1923—HOUSE RULE NO. 237

Sec. 28. Sale of assets by guaranty fund commission.

"Whenever a receiver or representative shall be in charge of a bank or receivership under the direction of the guaranty fund commission, and such receiver or representative can procure lawful purchasers for the assets and capital stock of such bank, then such receiver or representative may, with the approval of the guaranty fund commission, and the secretary of the department of trade and commerce, petition the district court of the county in which said bank or receivership is located for an order decreeing such bank to be insolvent, if a going bank, and directing the sale of all the property and corporate rights of such corporation upon such terms and conditions as to the court may seem proper. Notice of such hearing shall be in the same manner as for the appointment of a receiver under this act. If the court, upon the hearing thereof, shall find that such bank is insolvent, or in receivership, and it is for the best interest of all creditors of such corporation, then the court shall issue an order directing the receiver or representative in charge, as receiver, to sell such banking corporation and its assets as prayed. The court shall determine at such hearing the rights of the creditors, including depositors, as nearly as possible, and shall direct the notice to be given and the pleadings to be filed for the determination of the rights of creditors whose claims are not allowed at such hearing. The court shall authorize and direct the receiver to issue from the stock book of such corporation, certificates of stock to the purchasers thereof, and upon the delivery thereof and the compliance with the terms of such sale; such purchasers shall be and become the only lawfully constituted stockholders of such corporation, and as such shall proceed to organize with the proper officers and directors for conducting a banking business. The department of trade and commerce shall require the officers to file the report provided for in section 7996, Compiled Statutes for 1922, and if upon examination the department finds that such corporation has complied with all of the requirements of law it shall issue

to such corporation the certificate provided for in section 7995, Compiled Statutes of Nebraska for 1922, and shall return the charter of such bank to the corporation herein provided for: *Provided*, no sale shall be ordered if the owners of the majority of the capital stock whose acts do not show criminal liability, shall object and show to the court that there is a reasonable probability of the bank becoming solvent by restoration of its assets and of the former owners regaining possession thereof within one year from the date of taking over the bank by the department of trade and commerce."

TEXAS

(Digest of banking laws. 1923, ch. 7)

Sec. 107. What banking, etc., corporations may protect depositors under provisions of this chapter.

"Each and every corporation which may hereafter be incorporated under the laws of this State, with banking and discounting privileges, and each banking and trust company in this State heretofore incorporated under the provisions of chapter 10 of the acts of the first called session of the Twenty-ninth Legislature, and known as the State banking law, or hereafter incorporated under the provisions of this title, shall, at its option, protect its depositors in the manner hereinafter prescribed, either by availing itself of the depositors' guaranty fund herein provided for, or by the depositors' bond security system hereinafter set forth."

Sec. 108. Such bank, etc., to have option of methods of securing deposits, must adopt one.

"Each and every bank and trust company, mentioned in Article 445, shall have the right and privilege at its option to secure its depositors by the manner, method, and under the terms, provisions, and regulations as set forth in this title for the depositors' guaranty fund or the bond security system: *Provided*, That all such banks and trust companies shall secure their deposits by one of said plans on January 1, 1910: *Provided further*, That such option shall be exercised on or before October 1, 1909; and provided that such option shall be exercised by the holders of the majority of the stock; and the president or cashier of such bank shall notify the banking commissioner by registered mail of such action."

Sec. 109. Bank, etc., electing guaranty fund method, to pay what and when for creation of fund.

"For the purpose of creating a depositors' guaranty fund, any such bank or trust company which shall elect to secure its deposits under the depositors' guaranty fund provided for by this chapter, if its application is approved by said board as prescribed in Article 451, shall pay to said banking board, on January 1, 1910, 1 per cent of its daily average deposits for the preceding year ending November 1, 1909, not including United States, State, or other public funds, if otherwise secured. Annually, after the first payment to said fund, each bank and trust company subject to the provisions of the guaranty fund plan of this chapter shall pay to said board one-fourth of 1 per cent of its daily average deposits for the year ending November 1 of the preceding year, as above defined, which amount shall be added to said guaranty fund: *Provided*, That when the amount available in said guaranty fund shall reach the sum of \$5,000,000 the banking commissioner shall notify all banks and trust companies subject to the provisions of this chapter, at

least 30 days before the next annual payment of that fact; and thereafter the banks and trust companies participating shall not pay any further amount into said fund until said fund be depleted. In the event of the depletion of said fund from any cause so that it falls below \$5,000,000 or below the amount of the guaranty fund on January 1 preceding, or in the event of necessity to meet an emergency at any time, said banking board shall have authority to require the payment for the current year of 2 per cent of such daily average deposits, or such part thereof as may be necessary to restore said fund to the maximum above named, or to its amount as of January 1 preceding, or to meet the emergency; but no bank or trust company coming under the provisions of this chapter shall ever be required to pay more than 2 per cent of said average daily deposits for any one year: *Provided further*, That first payment herein provided for by any bank which shall hereafter elect to secure its deposits under the depositors' guaranty fund shall be made by said bank to said banking board without reference to said maximum amount in said depositors' guaranty fund."

Sec. 110. Savings department deposits not included in estimate of payment into guaranty fund.

"In computing the aggregate amount of average annual deposits of any bank or banking and trust company, for the purpose of determining the amount required to be paid into the depositors' guaranty fund, as provided in this chapter, the deposits of its savings department as provided in chapter 4 of this title shall not be included."

Sec. 111. Voluntary liquidation or change to bond secured system—Return of assessment.

"In the event of the voluntary liquidation of any bank or trust company operating under the provisions of the depositors' guaranty fund, when it shall be made to appear to the State banking board that all depositors have been paid in full, said board shall return to such bank or trust company the pro rata part paid by it into such fund when unused. Or, in the event any bank or bank and trust company that has been operating as a guaranty fund bank shall have ceased to operate as a guaranty fund bank and adopted the bond security system under this chapter, its bond having been approved by the county judge and filed with the banking commissioner of Texas, as provided by law, said board shall return to such bank or trust company the pro rata part paid by it into such fund when unused." (Sec. 111, as amended by act of January 27, 1925.)

Sec. 112. Funds paid to whom and how—No diversion—Not State fund—Duty of board.

"The fund provided for in this chapter shall be paid to the State banking board as follows: Twenty-five per cent of each payment required of each such bank or banking and trust company shall be paid to said board in cash, and shall be by it deposited for safe keeping only with the State treasurer, as bailee for the State banking board, and shall be paid out by the State treasurer on warrants drawn by the order of said board; and said fund shall never be diverted from the purpose specified in this chapter, nor shall it ever be considered State funds. The remaining 75 per cent of each payment required shall be paid by each such bank or banking and trust company crediting the State banking board with such amount as a demand deposit subject to check upon the order of said board. It shall be the duty of said board to keep at all times

25 per cent of the amount of said fund deposited with the State treasurer in cash as provided herein."

Sec. 113. Certain bank and trust companies to pay what—Credit fund.

"State bank and trust companies, organized less than one year prior to the taking effect of this law, or hereafter organized on approval of their applications, as provided for in Article 451, shall pay into said guaranty fund 3 per cent of the amount of their capital stock and surplus, which amount shall constitute a credit fund, subject to adjustment on the basis of their deposits as provided for other banks now existing at the end of one year: *Provided, however*, That said payment shall not be required of banks and trust companies formed by the reorganization or consolidation of banks that have previously complied with the terms of this chapter."

Sec. 114. Board to admit, etc., only such banks, etc., as they deem solvent, etc.—Applications—Grounds of refusal to be stated.

"The State banking board shall admit to the benefits and protection of this chapter only such banks and trust companies as, in their opinion, are solvent and properly officered and conducted. * * *. Should said board decline the application of any bank and trust company, it shall state the ground of such declination to such institution, and whether the objection can be removed, and the condition thereof."

Section 115. National banks may avail of protection of guaranty fund; may withdraw, when.

Any national bank may avail its depositors of the protection of the guaranty fund in the same manner as provided for State banks, provided that if national banks should be required by Federal law to pay assessments to any Federal guaranty fund such national banks may withdraw from the depositors' guaranty fund of the State of Texas and have returned to them the unused portion of all assessments paid by such banks.

Sec. 116. Advertisements of guaranty fund regulated.

"All banks or bank and trust companies provided for by this chapter are hereby authorized and empowered to use any truthful method of advertising and in their advertisement to make any truthful statements as to the guaranty fund system or the bond secured system of the State banks of Texas, but if any State bank or State bank and trust company shall advertise any untruthful statement as to either of said systems the banking commissioner of Texas is hereby empowered to demand that said bank or bank and trust company immediately discontinue such untruthful advertising, and the banking commissioner shall be empowered to enforce said demand by removing any officer of such bank or bank and trust company who is found to be responsible for such untruthful advertising."

Sec. 141. Commissioner may wind up affairs of bank, by receiver, etc.—Bond—Notice.

"Whenever any State bank or trust company shall become insolvent and shall voluntarily, or by law, or in any manner as provided in this title, come into the hands of the banking commissioner of Texas, he may proceed to wind up its affairs, either through a receiver or through some competent person, who shall give bond as may be required by the board payable to the board, for the faithful performance of all duties imposed upon him. Said bond may be recovered upon for the benefit of said guaranty fund or any party at interest. On taking possession of the property and

business of any such State bank, the commissioner shall forthwith give notice of such fact to any and all banks, trust companies, associations and individuals holding or in possession of any assets of any such State bank."

Sec. 144. General powers and duties of commissioner.

"Upon taking possession of the property and business of such State bank, the commissioner is authorized to collect moneys due to such corporation, and do such other acts as are necessary to conserve its assets and business and shall proceed to liquidate the affairs thereof as provided in this chapter."

Details of liquidation by commissioner.

Sections 142, 143, 145-150, 152, 153, 155-157, 159-173 set out in detail the duties of the bank commissioner in winding up the affairs of insolvent banks.

Sec. 151. Notice to claimants and creditors.

"The commissioner shall cause notice to be given, by advertisement in such newspapers as he may direct, weekly for three consecutive months, * * * which notice shall also contain a statement in larger type than that in which the body of such notice is printed, specifically stating that all such claims of guaranteed depositors of the insolvent bank must be presented and legal proof thereof made at the place designated within 90 days after the date of the first insertion of such published notice, and that no claim of guaranteed depositors presented after expiration of 90 days from such date shall be entitled to payment of any portion thereof out of the depositors' guaranty fund. The commissioner shall mail a similar notice to all persons whose names appear as creditors upon the books of the State bank."

Sec. 154. Inventory of assets of bank; and list of claims; requisite filing; open to inspection.

"Upon taking possession of the property and assets of such insolvent State bank, the commissioner shall make an inventory of the assets of such bank in duplicate, one to be filed in the office of the commissioner and one in the office of the clerk of the county court of the county in which such State bank was located and transacting business; upon the expiration of the time fixed for the presentation of claims the commissioner shall make a full and complete list of the claims presented, including and specifying such claims as have been rejected by him, and showing fully all claims and amounts paid to guaranteed depositors out of the depositors' guaranty fund, and the amount to which said fund is entitled by reason of its subrogation to the rights of such guaranteed depositors so paid, and all amounts held by him on account of claims of guaranteed depositors which have been rejected or are in dispute, one to be filed in the office of the clerk of the county court of the county in which such State bank was located and transacted business. Such inventory and list of claims shall be open at all reasonable times to inspection."

Sec. 158. Guaranty fund to receive its portion of dividends with interest—How paid.

"In the declaration and payment of all such dividends, the depositors' guaranty fund shall be entitled to receive as its dividend such portions of the amounts due and payable to guaranteed depositors as shall have been paid to them out of the depositors' guaranty fund, together with 6 per cent interest thereon from the date or dates upon which checks were drawn upon all State banks, as hereinafter provided for the payment of the guaranteed deposits of such State banks;

and the commissioner shall forthwith distribute such dividends to State banks, upon which checks were drawn for such payment of guaranteed deposits, in proportion to the amounts of such checks, respectively."

Sec. 174. Depositors paid in full out of guaranty fund, etc., excepting interest-bearing and secured deposits, paid pro rata from assets.

"In the event the banking commissioner of Texas shall take possession of any bank or trust company subject to the depositors' guaranty fund plan of this chapter as herein provided, all the depositors of said bank or trust company as specified in Article 448, except as hereinafter provided, shall be paid in full out of the cash in said bank or trust company that can be made immediately available and the remainder shall be paid out of the depositors' guaranty fund through the said board in the event the cash available in said fund shall be insufficient: *Provided, however,* That no deposit upon which interest is being paid or contracted to be paid, either directly or indirectly by said bank, its officers or stockholders to the depositor and no deposit secured in any way shall be insured under this chapter. No certificate of deposit, whether bearing interest or not, that shall have been changed to a noninterest bearing and unsecured deposit within 90 days prior to the closing of a bank by the banking commissioner of Texas shall be insured under this chapter. No deposit of public funds of any kind or character, whether interest bearing or not, deposited in a State bank shall be insured under this chapter. By the term 'public funds' as herein used shall be meant funds belonging to the State of Texas, to any county or political subdivisions of the State, municipal corporation, road districts, school districts, drainage districts, levee districts, or bonded district of any kind: *Provided, however,* That the defining of public funds herein shall not be exclusive, and any funds coming fairly under the definition of said terms shall not be protected under this chapter. Cashier checks, bank drafts, or exchange issued against or arising from bona fide unsecured and noninterest bearing deposits shall be protected under the guaranty fund. No deposit made by a creditor for the purpose of converting a loan held against the debtor bank into a noninterest bearing and unsecured deposit shall be protected or insured under the guaranty fund. The owners of deposits not insured under this chapter shall only receive the pro rata amount that may be realized from the assets, resources, and collections of and from such banks and trust companies, and stockholders or directors."

Sec. 175. Issuance and guaranty fund protection denied noninterest-bearing certificates of deposit.

"No State bank or State bank and trust company organized and doing business under Title 14, Revised Civil Statutes of 1911, or any amendments thereto of the general laws of the State of Texas shall be allowed to issue any noninterest bearing certificates of deposit. In the event that any State bank or State bank and trust company shall issue any noninterest bearing certificates of deposit, such deposits, or certificates of deposit, shall not be insured or in any way protected by the guaranty fund law of the State banks of Texas, or the bond security law of the State banks of Texas."

Sec. 176. State to have first lien on assets, for benefit of guaranty fund.—Deposits not insured, etc., share in dividends of assets, etc.

"The State shall have, for the benefit of the depositors' guaranty fund, a first lien upon all assets of such bank or trust company and all liabilities owing or accruing to such bank or trust company, in the event of the closing, as provided by law, of any such State bank or trust company, operating under the depositors' guaranty fund plan; which lien shall attach and be in force from the time such bank or trust company is legally closed, upon all the property and assets then in possession of such bank or trust company: *Provided, however,* That any deposits on which said bank was paying interest and any other deposits or debts not insured under this chapter, and which are entitled to share in the assets shall share in the dividends and proceeds of such assets and collections pro rata or as may be provided by law."

Sec. 177. National bank receiver to refund amounts paid depositors out of guaranty fund.

"In the event the depositors' guaranty fund, or any part thereof, shall be used by said banking board to pay off the depositors of a national bank which has accepted the provisions of this law, then said banking board shall receive from the receiver, or other officer in charge of said bank, the pro rata share of the proceeds of the assets and collections which would be due said depositors to the amount so paid by the banking board."

Sec. 196. State banking board created; powers, etc.

"A State banking board is hereby created, which board shall be composed of the attorney general, banking commissioner, and the treasurer of this State. Said board shall have the control and management of the depositors' guaranty fund hereinafter provided for, and shall have the power to adopt all necessary rules and regulations in harmony with this chapter for the management of said fund. Said board shall have the general supervision and control of the depositors' bond security system provided for in this chapter, and shall have the power of the regulation, control, and supervision of all State banking corporations and trust companies as hereinafter provided in this title."

CHAPTER 8. BOND SECURITY OF BANK DEPOSITS

Banks electing bond security to file bond—Change from guarantee fund system to bond secured system.

"Each and every State bank or trust company now or hereafter incorporated under the laws of this State, which shall elect to come under the provisions of the bond security system of this chapter, shall, on January 1, 1910, and annually thereafter, file with the commissioner of insurance and banking and his successors in office, for and on behalf of the lawful depositors of such bank, a bond, policy of insurance, or other guaranty of indemnity in an amount equal to the amount of its capital stock, which said bond, policy of insurance, or other guaranty of indemnity shall be for and inure to the benefit of all depositors. Such instrument and the security thereby provided shall be approved by the county judge of the county in which such business is domiciled, and shall take effect and be in force from and after it is approved and filed in the office of the commissioner of insurance and bank-

ing. Every such corporation shall comply with the provisions of this chapter as herein provided, and every such corporation that may hereafter be incorporated shall comply with the provisions of this chapter as to the depositors' guaranty fund plan or the bond security system, on filing its charter, before it shall be permitted to receive deposits: *Provided*, That any bank or bank and trust company that may have elected to secure its deposits under the depositors' guaranty fund, provided for by this act shall have the right, upon making and filing the bond hereby provided for, to change its system of doing business and its mode of guaranteeing deposits from the guaranty system to the bonds security system, as provided by this chapter." (Sec. 117 as amended by act of Jan. 27, 1925.)

Sec. 118. Bond to secure depositors at time of filing and for 12 months thereafter.

"Every such bond or policy of insurance or other guaranty of indemnity filed as provided for in this chapter shall secure depositors at the time said bond is filed and approved, and all deposits made during the period of 12 months thereafter."

Sec. 119. Requirements in case of personal security.

"In case the bond herein provided for shall be executed by personal obligation or security, then in no event shall such bond be deemed adequate and sufficient unless and until it shall have been executed by at least three different persons or individuals of financial responsibility and solvency, satisfactory to the authorities herein authorized by this chapter to approve such bond."

Sec. 120. Who may make bonds, etc., and who may not.

"The bond or other form of guaranty provided for in this chapter may be made by any person, firm, or corporation authorized to execute the same, and any and all corporations incorporated under the provisions of articles 380 and 381 shall be and they are hereby authorized and empowered to execute such bonds or guaranties, either singly or collectively, subject to approval as herein provided for: *Provided*, That any such corporation which is at the time operating under the guaranty fund system provided for by this chapter shall not be accepted as a surety on any such bond."

Sec. 121. Who may take advantage of bond security system—Shall file bond—Requirements—Approval—Certificate.

"Any person, firm, or corporation other than as described in article 445, transacting lawfully a banking business in this State, or lawfully receiving funds on deposit, shall be authorized to take advantage of the provisions of the bond-security system of this chapter and to file with the banking commissioner a bond or policy or other guaranty of indemnity. Any such corporation shall, in such event, file a bond or policy of insurance or other guaranty of indemnity in like manner as it would be required to file if incorporated under the laws of Texas.

"Any such person or firm transacting the business of a private bank shall, in such event, file a bond or policy of insurance or other guaranty of indemnity in any amount to be fixed by the banking commissioner, which amount shall in no case be less than one-half the amount of the average of the daily deposits with such person or firm for the preceding period of 12 months: *Provided*, That no person or firm shall be permitted to take the benefit of this article unless such person or firm shall have been engaged in such business in the

State of Texas for a period of at least 12 months: *Provided*, That any such person, firm, or corporation shall submit to the commissioner of banking such reports and statements concerning its deposits and concerning the solvency of such bond or policy of insurance or other guaranty of indemnity as he may require, in order to enable him to determine the sufficiency of such bond or policy of insurance or other guaranty of indemnity, and shall pay all such reasonable expenses as may be incurred by him in the making of an examination thereof: *Provided further*, That such bond, policy of insurance, or other guaranty shall be approved by the county judge and filed with the banking commissioner as provided for in article 491.

"Upon the filing of such bond or other form of guaranty it shall be the duty of the commissioner to furnish a certificate of such fact."

Sec. 122. On default by bond, etc.—Secured bank—Duty of commissioner, etc.

"In the event of default by any person, firm, or corporation transacting such business or receiving deposits, which shall make, execute, or file the bond or policy of insurance, or other guaranty of indemnity provided for herein, in the payment of a deposit lawfully demanded, it shall be the duty of the banking commissioner, when such default shall be made known to him, to at once make an examination of such bank, and if in his judgment the bank is insolvent he shall take charge of such bank as provided by law for the liquidation of State banks. Upon taking charge of a bank as above provided, the banking commissioner shall at once give notice thereof to each and all persons who may be obligated by reason of such default, and of the conditions of such bond or policy of insurance or other guaranty of indemnity, and upon such notice the full amount of the same shall thereby become due and payable within 60 days."

Sec. 123. Sureties, etc., to pay commissioner full amount of bond, or, etc., in trust for depositors; to be paid pro rata to depositors, etc.

"When any bond or policy of insurance or other guaranty of indemnity provided for herein shall become due and payable in accordance with the provisions of this chapter, it shall be the duty of the makers and signers thereof to pay over the full amount of the same to the banking commissioner, or such part thereof as he may demand, to be held by him in trust for the depositors, with the person, firm, or corporation furnishing such bond or policy of insurance or other guaranty of indemnity. All proceeds thus arising, either from voluntary payment or otherwise, shall be payable to the banking commissioner and shall be by him promptly paid over pro rata to unpaid depositors upon presentation to him of satisfactory proofs of their claims, which proofs shall be received and filed before payment thereof shall be approved by him."

Sec. 125. Foreign corporation as surety refusing to pay—Permit subject to forfeiture.

If any corporation incorporated elsewhere than in the State of Texas shall be the maker or surety on a bond given under the provisions of this act and shall refuse to pay within 60 days after demand has been made by the bank commissioner the full amount of its liability upon such bond, permission shall be refused to such corporation to transact business in the State until it has fully discharged its liability upon such bond, upon which default was made.

Sec. 126. Suit by Attorney General, etc., in case of default on bond, etc.

"In the event such person, firm, or corporation shall default in the payment of a lawful demand, and shall so continue for the period of 90 days from the beginning thereof, and the obligations of such bond of insurance, or other guaranty of indemnity is not discharged, it shall be the duty of the attorney general, or any district or county attorney, acting at his instance, to bring suit upon such bond or policy of insurance or other guaranty of indemnity in the name of the governor, and for the benefit of all persons who may be beneficiaries thereof by reason of its terms and conditions."

Sec. 127. Venue of suit on bond—Limitation.

The act provides the venue in which suit shall be brought upon any bond upon which default has been made and also provides that such suit shall be brought within 12 months of the date fixed for the termination of such bond.

Sec. 128. Surety, etc.—Paying, subrogated to rights of depositors.

"Whenever any maker or signer of any bond, or policy of insurance, or other guaranty of indemnity, other than the principal therein, shall be required under the provisions of this chapter to pay over for the benefit of the depositors with any person or corporation any sum or sums of money such maker or signer making or participating in such payment shall thereby become subrogated to the rights of a depositor to the extent of the payments so made, and entitled to assert such right in accordance with the laws of the State secondary and subject to the rights of all depositors secured by such bond, or policy of insurance, or other guaranty of indemnity."

Sec. 129. Fees for examination of bank.

The act provides for the fees which the bank commissioner may charge for any examination which it is necessary to make in order to determine whether a bank is authorized to make the bond or to determine the amount of such bond provided for under this chapter.

Sec. 130. Form of guaranty bond.

The act sets out the form of bond which shall be required of banks availing themselves of the provisions of this chapter.

Sec. 131. Security may be divided into two or more bonds, etc.

"The security for the benefit of depositors provided for by this chapter may be divided into two or more bonds, policies of insurance, or other guaranties of indemnity, or any part thereof may be given in either of such forms of guaranty of indemnity; *Provided*, That the aggregate thereof shall be equal to the total amount of the security required in accordance with the provisions of this chapter."

Sec. 132. Additional security where deposits excessive (as amended by act of Jan. 27, 1925).

"Whenever the deposits of any Texas banking corporation which has filed a bond or other guaranty of indemnity with the commissioner in accordance with the provisions of this chapter shall exceed six times the amount of its capital and surplus, it shall be its duty to furnish additional security for the protection of its depositors in a sum or sums which shall in the aggregate be equal to the total amount of such excess

of deposits above six times the amount of the capital and surplus of such corporation. If any such corporation shall refuse or fail to comply with any provisions of this article, after demand by the commissioner, he shall report the facts to the attorney general, who shall thereupon institute suit in Travis County to forfeit the charter of such corporation; and such court shall, upon hearing and proof thereof, enter a decree and judgment therein forfeiting and annulling the charter of such corporation."

Sec. 133. Upon failure to give bond, etc., or avail of guaranty fund, suit to forfeit charter.

"If any corporation organized under the general laws of this State to do a banking business or to receive funds on deposit shall fail or refuse to file the bond, or policy of insurance, or other guaranty of indemnity, provided for in Articles 491, 492, 493, 494 hereof, in accordance herewith, or avail itself of the depositors' guaranty fund plan as provided in this chapter, it shall be the duty of the banking commissioner to promptly report such failure to the attorney general, who shall thereupon institute suit in the district court of Travis County to forfeit the charter of such corporation; and such court shall, upon hearing and proof thereof, enter decree and judgment therein forfeiting and annulling the charter of such corporation."

Sec. 134. New or additional security may be required, when—Penalty for failure to give—Powers of commissioner and attorney general.

"If at any time it shall appear to the State banking board that any bond, or policy of insurance, or other guaranty of indemnity, filed as provided for herein, by any corporation organized under the laws of Texas, is insufficient, they shall have the authority and it shall be their duty to require such corporation to file new or additional security in an amount sufficient to protect its depositors, in accordance with this chapter. In the event such corporation shall refuse or fail to comply with such requirements, they shall communicate the facts to the attorney general, who shall thereupon institute such proceedings and take such steps as the nature of the case may require. The banking commissioner and the attorney general shall, in such event, have an exercise, for the protection of depositors, all the authority conferred upon them by article 523, and all authority conferred by the provisions of this title."

Sec. 135. National bank may avail depositors of protection of bond security system.

"Any national bank in this State may voluntarily avail its depositors of the protection of the bond security system herein provided for State banks."

Sec. 136. Certain banks and trust companies created by special acts, may avail of provisions of this chapter.

"Any bank or trust company created by virtue of a special act of the Legislature of the State of Texas, now or hereafter engaged in the general banking business in Texas, and which at the time has only one place of business, and which has heretofore accepted or may hereafter accept one or more of the provisions of this title, thereby submitting itself to the jurisdiction of the State banking department, may, with the approval of the State banking board, avail itself of the provisions of this chapter, either as a bond security bank, or as a guaranty fund bank, by vote, as prescribed for State bank."

Sec. 202. Commissioner shall close banks when disapproved by board; procedure.

"The banking commissioner of Texas shall close all State banks which the State banking board shall disapprove and determine not entitled, under the laws of this State, to transact a banking business, and shall proceed in such cases in the manner provided by law with respect to insolvent banks, unless such banks shall go into voluntary liquidation."

MISSISSIPPI

[Hemingway's Code as amended by laws of Mississippi, 1922]

Sec. 40 (Sec. 3604). State banks shall make guarantee of deposits.

"On and after May 15, 1915, each and every bank organized and existing under the laws of this State shall guarantee its deposits under the provisions of this act relating to the guarantee of bank deposits, and such banks shall not be required to be examined for license or certificate to participate in the guaranty fund, provided they shall have been examined twice already and found to be solvent, and provided that within five days after May 15, 1915, each and every bank in the State of Mississippi which shall not then be operating under the provisions hereof relative to the guarantee of deposits shall file with the superintendent of banks a sworn statement of its condition on May 15, 1915, in form to be prescribed by said superintendent, and any such bank failing to comply with the provisions of this section providing for the guarantee of bank deposits shall be subjected to the same penalty theretofore provided for failure to pay any and all assessments for the purpose of creating a depositors' guaranty fund, and any officer of any bank making affidavit to the statement hereinbefore required who shall make therein any false and misleading statement, shall be guilty of a felony and, upon conviction thereof, be punished as for perjury."

Sec. 41 (Sec. 3605). Banks not heretofore guaranteed—What to do.

"For the purpose of providing for the guarantee of its deposits, it shall be the duty of every bank organized and existing under the laws of this State which shall not theretofore have elected to guarantee its deposits under the provisions of this act relating to the guarantee of bank deposits and which shall not have been examined twice during the 12 preceding months, to make within 15 days after May 15, 1915, application to the superintendent of banks for license to participate in the assessments and benefits and to be governed by the regulations of the bank depositors' guaranty fund of the State of Mississippi. Each such bank shall, by a resolution of its board of directors, duly certified by its president and secretary in form to be provided by the superintendent, and filed with said superintendent, request admission to participate in such assessments and benefits, and, upon the filing of such resolution the superintendent shall, as soon as possible, authorize himself or one of said examiners to make a rigid examination of the affairs of such bank, and if it is found to be solvent, to be properly managed, and conducting its business in strict accordance with the banking law, such superintendent or examiner, shall, after the bank shall have deposited with the State treasurer bonds or money, as hereinbefore provided to be deposited by the bank electing to come under the provisions of the bank depositors' guaranty fund, issue to such bank, a certificate stating in substance that said bank has complied with the provisions of this

act, and that its deposits are guaranteed by the bank depositors' guaranty fund of the State of Mississippi, as hereinbefore provided. Each bank coming under the provisions of this act after the 15th of May, 1915, shall be subject to the same requirements, liabilities, and conditions and entitled to the same privileges and benefits as hereinbefore provided for banks electing to come under the provisions of this act prior to said date. Any bank in the State of Mississippi which shall fail, neglect, or refuse to comply with the provisions of this act within 15 days after the 15th of May, 1915, providing for the guarantee of bank deposits, or which shall neglect, fail, or refuse to comply with the reasonable demands of the superintendent of banks shall be subjected to the same penalty heretofore provided for failure to pay any and all assessments for the purpose of creating a depositors' guaranty fund."

Sec. 31 (Sec. 3591). How any bank may become a guaranty bank.

This section authorizes but does not require banks to become members of the guaranty fund. This section apparently is superseded after May 15, 1915, by section 3604 above quoted.

Sec. 32 (Sec. 3592). Guaranteed banks—Amount and kind of securities to be deposited—Fees to be paid—Guaranty fund.

This section is substantially the same as section 9—202 of the Kansas act above quoted except that it omits the provision that new banks participating in the guaranty fund shall be assessed their proportionate amount of the sum in the guaranty fund at the time at which they are admitted and the following provision is also added:

"The fund provided for in section 31 and section 32 of this act shall be for the purpose of paying under the direction and control of the superintendent, the depositors of bonds (banks) that are declared insolvent by the superintendent or banks that shall fail, said payments to be made in the manner determined by the said superintendent. All payments made to the depositors of banks under the provisions of this act shall be repaid out of the assets of any bank whose deposits are paid out of this fund, and shall be a first lien on said assets: *Provided*, That notes, bonds, securities, or assets of any kind which any bank may deposit or hypothecate as collateral for funds borrowed shall be used first for the liquidation of the debt for which said collaterals are hypothecated, and any remaining (or funds therefrom) shall be delivered to the bank hypothecating them or to the superintendent of banks for the protection of the depositors of the said bank and for the guaranty fund."

Sec. 33 (Sec. 3593). Depositors' guaranty fund—How to be assessed and maintained.

This section is substantially the same as section 9—203 of the Kansas act above quoted except that the maximum of the guaranty fund is \$500,000 instead of \$1,000,000 and with the following addition:

"Whenever the said guaranty fund amounts to \$10,000 or multiples of \$10,000, the State treasurer shall, at the option of the superintendent of banks, and by his order and selection, invest the proceeds of said fund in United States bonds, Mississippi State bonds, bonds of any levee or drainage district, or the bonds of any county, township, or municipality or road district bonds within the State of Mississippi, or guaranteed certificates issued by the bank superintendent; and whenever the demands upon this guaranty fund shall exceed the cash on hand, the State treasurer shall, by

order of the superintendent, sell or hypothecate such of the bonds as he may deem necessary or expedient. The State treasurer shall credit the guaranty fund quarterly with its proportionate share of the interest received from State funds computed at the minimum rate of interest provided by law, upon the average daily balance of said fund, as well as interest earned on the investment of bonds."

Sec. 36 (Sec. 3596). What funds guaranteed by this act.

"All deposits not otherwise secured and all cashiers' checks, certified checks, or sight exchange issued by banks operating under this law shall be guaranteed by this act. The guaranty as provided for in this act shall not apply to a bank's obligations as indorser upon bills rediscounted, nor to bills payable, nor to money borrowed from its correspondent or others, nor to deposits bearing a greater rate of interest than 4 per cent per annum. Each guaranteed bank shall certify under oath to the superintendent of banks at the date of each call statement the amount of money it has on deposit not eligible to guaranty under the provisions of this act, and in assessing such bank this amount shall be deducted from the total deposits."

SOUTH DAKOTA

[Revised Code of 1919, article 3]

Sec. 9005. Commission—Compensation—Expense.

"The depositors' guaranty fund commission, heretofore created, shall continue to consist of the superintendent of banks and three other members, to be appointed by the governor, none of whom shall be an officer or director of any national bank. Such three members shall hold office for a period of two years or until their successors shall have been appointed and shall have qualified, unless for good cause they be sooner removed by the governor. Such commission shall select a secretary and treasurer, the latter of whom shall be one of its members. Each member of such commission, other than the superintendent of banks, shall be reimbursed for his actual and necessary expenses incurred and be paid \$5 for each day actually and necessarily engaged in the performance of his duties, to be paid out of the general fund of the State. The superintendent of banks shall be chairman and executive officer of such commission. Such commission shall have the supervision and control of the depositors' guaranty fund and shall have power to adopt all necessary rules and regulations, not inconsistent with the laws of this State, for the management and administration of such fund. Vacancies in such commission shall be filled by the governor, by appointment, from persons recommended as provided in the succeeding section."

Sec. 9006. Members—Appointment.

"The directors of each bank shall select one of their number to represent it in making recommendations to the governor for the appointment of members of the depositors' guaranty fund commission. Such persons so selected shall constitute a State bankers' association, and such association shall select an executive council of not less than 9 nor more than 15 members who shall, on or before the 10th day of January in each odd-numbered year, recommend to the governor the names of 12 persons having the qualifications prescribed in this chapter for members of such commission, from which to appoint members of such commission. Failure or refusal of such executive council to submit recommendations shall not be construed as in

any manner restricting or abridging the authority of the governor to appoint members of such commission."

Sec. 9007. Commissioners—Bonds—Oaths.

"Before entering upon the discharge of his duties each member of the depositors' guaranty fund commission, other than the superintendent of banks, shall take and subscribe the oath of office prescribed by the constitution, and shall take an oath to keep secret all the facts and information obtained in the performance of his duties, as provided for the superintendent of banks and subject to like penalties; and each shall give to the State a surety company bond in the amount of \$10,000, except such commissioner as shall be elected treasurer of the commission, who shall give a bond in the amount of \$25,000, except when the superintendent of banks shall be elected as such treasurer, in which case his bond as superintendent shall be deemed sufficient; and in all cases where bonds are required from the members of such commission for the faithful performance of their respective duties, the premium thereon shall be paid by the State upon compliance with section 7040. All such bonds shall be approved, recorded, and filed as the official bonds of other State officers."

Sec. 9008. Meetings, when and where held.

The act provides for the holding of regular and special meetings of the commission.

Sec. 9009. Duties.

"It shall be the specific duty of the depositors' guaranty fund commission to pass upon the qualifications of each bank for admission under the depositors' guaranty fund and its action shall be final, both as to immediate admission or what shall be further required of any bank in order to place it in a condition satisfactory to the commission so that it may be admitted later. When the condition of any bank admitted under the depositors' guaranty fund becomes such as to cause the superintendent of banks to doubt the advisability of permitting it to continue in business, it shall be within his power to require the advice and opinion of the commission and for that purpose a meeting of the commission may be called. If at any regular or called meeting of the commission there is not a full attendance of the membership, it shall be optional with a quorum whether or not any business shall be transacted, and such quorum may adjourn from time to time until such time as there shall be a full attendance."

Sec. 9010. Fund, how created.

"For the purpose of providing a depositor's guaranty fund for the protection of depositors in banks and holders of exchange, every bank engaged in the business of banking under the laws of this State shall be subject to assessment, to be levied, kept, collected, and applied as provided in this article."

Sec. 9011. Statements—Assessments.

"On the 1st day of January of each year every bank engaged in the business of banking in this State shall make and file with the depositors' guaranty fund commission a statement in writing, verified by the oath of its president, vice president, or cashier, showing its average daily deposits for the preceding 12 months; and on the 1st day of the month next succeeding the day fixed for the making and filing of such statements the depositors' guaranty fund commission shall levy assessments against the assets of each of said banks as follows: On the 1st day of February of each and

every year one-fourth of 1 per cent of the average daily deposits as shown by these statements required to be made and filed on the 1st day of January of each year until the total amount of money in the guaranty fund reaches $1\frac{1}{2}$ per cent of the average daily deposits. Due and legal notice of such assessment shall be deemed to have been given when such notice as shall be prepared by the secretary of the commission has been placed in an envelope, securely sealed, postage prepaid, directed to each of such banks and deposited in the United States mail: *Provided*, That when the depositors' guaranty fund reaches the total sum of $1\frac{1}{2}$ per cent of the average daily deposits, said assessment against the assets of said banks shall cease until such time as the guaranty fund is depleted below 1 per cent of the average daily deposits, when the necessary assessments may again be levied at one-fourth of 1 per cent per annum until said fund again reaches $1\frac{1}{2}$ per cent of the average daily deposits."

Sec. 9012. New banks—False statement—Penalty.

"Any bank commencing business and receiving deposits less than 12 months prior to the date when the statement referred to in the preceding section is required to be made and filed shall show the average daily deposits for that portion of such period during which it has been engaged in business and receiving deposits. Any person making oath to any of the statements required by this article, knowing the same to be false, shall be deemed guilty of a felony and upon conviction thereof shall be punished by a fine of not less than \$300 nor more than \$1,000, or by imprisonment in the State penitentiary for not less than one year or more than five years, or by both such fine and imprisonment."

Sec. 9013. Extent of guaranty.

"No bank which has fully complied with all the provisions of this chapter shall be required to give any further security or bond for the purpose of being a depository for any public funds, but public funds shall be secured in the same manner as private funds are secured; all deposits not otherwise secured shall be secured by the guaranty provided for in this article, but such guaranty shall not apply to a bank's obligations as indorser upon bills rediscounted, nor to bills payable, nor to money borrowed from its correspondents or others; and each guaranteed bank shall certify under oath to the depositors' guaranty fund commission, at the date of each January statement, the amount of money it has on deposit not eligible to guaranty under the provisions of this article, and in assessing such bank such amount shall be deducted from its total deposits."

Sec. 9014. Interest on deposits.

"No bank transacting a banking business under this chapter shall pay interest on deposits, directly or indirectly, at a greater rate than 5 per cent per annum, unless authorized by the depositors' guaranty fund commission, and in no case to exceed $5\frac{1}{2}$ per cent per annum; such commission shall have authority to grant permission to pay such higher rate, but the rate shall be uniform within any county. Any officer, director, or employee of a bank violating the provisions of this section, directly or indirectly, shall be deemed guilty of a felony, and upon conviction thereof shall be punished by a fine of not less than \$100 nor more than \$500, or by imprisonment in the State penitentiary for not less than one year nor more than three years, or by both such fine and imprisonment."

Sec. 9015. Liquidation or change to national bank.

"If any bank desires to go into voluntary liquidation or change to a national bank before the assessments provided for in this article become due and payable, such bank shall not be released from the payment of any assessments then due from it to the depositors' guaranty fund."

Sec. 9016. New banks—Adjustment of fund.

"Any bank hereafter organized shall pay into the depositors' guaranty fund an amount equal to 4 per cent of its capital stock when such bank opens for business, which amount shall constitute a credit fund subject to adjustment on the basis of such bank's average daily deposits, as shown by the first complete annual statement required by section 9011, at the time the second assessment required by the said section is due: *Provided*, That such 4 per cent shall not be required of new banks formed by the reorganization or consolidation of banks that have previously complied with the terms of this act with reference to the payment of assessments.

"The depositors' guaranty fund commission is authorized and empowered to make an adjustment of the rates of assessment to be paid by any bank which hereafter engages in the banking business by requiring such bank to contribute to the depositors' guaranty fund a just and equitable sum, so that the credit fund and the first two assessments will place it on an equal basis in such respect with other banks heretofore admitted."

Sec. 9017. Notice of assessment—Duty of bank.

"Whenever any bank shall receive notice of any assessment under this article, it shall set apart, keep, and maintain the amount so levied against it, which amount shall constitute a depositors' guaranty fund, payable to the depositors' guaranty fund commission on demand, for the uses and purposes provided for in this article."

Sec. 9018. Failure to credit guaranty fund.

"Whenever any bank after due notice shall fail, for a period of 10 days, to pay over or credit on its books to the depositors' guaranty fund any assessment, such bank shall be subject to a penalty of \$10 per day for each day it so refuses or fails to pay over or credit to such depositors' guaranty fund such assessment, and the superintendent of banks shall immediately thereafter take possession of the affairs of such bank and liquidate its business, as provided for making final disposition of insolvent banks."

Sec. 9019. Lien of guaranty fund—Exception.

"Whenever any bank doing business in this State under the provisions of this chapter shall suspend payment or become insolvent, the amount of money standing to the credit of the depositors' guaranty fund on deposit in such bank shall be a first lien upon the assets of such institution; except funds deposited in such institution by the superintendent of banks and belonging to the estate of any insolvent institution, which shall have preference over all other claims."

Sec. 9020. Deposits—Payment.

"When any bank doing business under the provisions of this chapter suspends or becomes insolvent, the superintendent of banks shall forthwith proceed to determine the amount necessary to pay the unsecured depositors and holders of exchange in good faith, in full, and cause the same to be certified to the depositors' guaranty fund commission, which shall thereupon

draw against the depositors' guaranty fund on deposit in the several banks in the amount thus certified, and the treasurer of such commission shall immediately transmit the amount to the superintendent of banks, to be applied in payment of the deposits and outstanding exchange due such depositors and holders of exchange in good faith; provided, that if there should not be sufficient funds in the depositors' guaranty fund to pay such claims, such commission shall issue a certificate of indebtedness, negotiable in form, against the depositors' guaranty fund, and in favor of such bank, drawing interest at the rate of not to exceed 7 per cent per annum, which certificate of indebtedness shall become due and payable on the 1st day of March next succeeding the date of issue thereof and shall be paid out of the first money accruing to the depositors' guaranty fund. Such certificates of indebtedness may be sold or assigned at not less than their face value by the superintendent of banks and the proceeds used by him for the purpose of paying the deposits of such which are legitimate claims against the depositors' guaranty fund. Such certificates may, however, in the discretion of the guaranty fund commission, be issued payable to the depositors of such bank for the amounts of their approved claims, drawing interest at a rate of 5 per cent per annum. Such drafts against the depositors' guaranty fund shall be prorated, as nearly as may be, among the several solvent banks wherein such fund is kept and maintained, in accordance with the amounts thereof held by such banks respectively."

Sec. 9021. Subrogation.

"To the extent of the amount paid from the depositors' guaranty fund pursuant to the preceding section, the depositors' guaranty fund commission shall be subrogated to all the rights of the depositors thus paid in the assets of such bank, for the use and benefit of such guaranty fund, and such rights shall be enforced by the superintendent of banks accordingly; and all amounts so derived from such assets shall be deposited by such commission in the solvent banks, subject to the provisions of this article, in proportion to the assessments levied against each such bank."

Sec. 9022. Reports.

"The superintendent of banks or examiner in charge of any suspended or insolvent bank, possession of which has been taken under the provisions of this chapter, shall make to the depositors' guaranty fund commission not less than one report quarterly, according to such form as may be prescribed by such commission, such report to be verified by his oath."

Sec. 9024. Notification—Certificate.

"Immediately after being passed upon favorably by the depositors' guaranty fund commission, the secretary shall notify each and every bank so admitted, by mailing a certificate to such bank showing such admission, the same to be signed by the chairman and attested by the secretary of the commission and bear the seal of the superintendent of banks. Such certificate shall be carefully preserved by the bank receiving the same, by being framed or otherwise properly protected, and shall at all times be displayed in a conspicuous position in the lobby of the bank."

Sec. 9028. National banks reorganized—Requirements.

"Any national bank that has reorganized as a State bank shall, before engaging in business under the provisions of this chapter, set apart and credit to the depositors' guaranty fund such an amount as will

place it on an equal basis in such respect with other State banks, computed on the averaged daily deposits of such bank during the preceding calendar year."

Sec. 9029. Federal guaranty law.

National banks are authorized to participate in the guaranty fund when they are permitted to do so by the Federal authorities and if such national banks are required to contribute to a Federal guaranty fund they may withdraw from the South Dakota guaranty fund and have returned to them 90 per cent of the unused portion of all assessments paid by such banks.

Sec. 9030. Assessments refunded.

"If any bank organized under the laws of this State, having paid any assessment or assessments to the depositors' guaranty fund, shall liquidate and go out of business, or shall desire to organize as a national bank and withdraw from the protection of such guaranty fund, the portion of such assessment or assessments which shall not have been used under the provisions of this chapter shall be refunded to such bank by the depositors' guaranty fund commission; provided, that no such bank shall be released from its proper proportion of all outstanding certificates of indebtedness of the depositors' guaranty fund, issued to the depositors of failed banks, nor until it shall have received permission in writing so to do from the superintendent of banks after an examination of its condition."

Sec. 9031. When business may be resumed.

"Any bank may, upon repayment of any money advanced by the depositors' guaranty fund to such bank, with the consent of the superintendent of banks, resume business upon such conditions as may be approved by him."

CHAPTER 136, SESSION LAWS 1921

Sec. 1. Taking charge of and managing unsafe banks.

"Whenever it shall appear to the guaranty fund commission that the business of any bank is being conducted in an unsafe or unauthorized manner, or that it is unsafe or inexpedient to continue business, or that its reserve is below the legal requirements, the superintendent of banks may, with the advice and consent of the guaranty fund commission, by himself or his deputy or any examiner designated by him for that purpose, take charge and control of the property and business of such bank, and manage it as a going concern. He, or such deputy or examiner, may perform all the duties and powers of the officers and directors of such bank while so managing the same, and all salaries and expenses of the department of banking and finance in connection therewith shall be paid by the bank."

"The guaranty fund commission may at any time draw against the guaranty fund on deposit in the several banks of the State, and the treasurer of the commission shall immediately transmit the amount of such draft to the superintendent of banks to be used by him as a deposit in any bank managed by him under section 1 of this act, and for no other purpose: *Provided, however,* That the guaranty fund commission may direct that the amount so withdrawn be deposited in some bank or banks within or without this State, until such time as it may be necessary for the superintendent of banks to use such fund or any part thereof for the purpose of making deposits in the banks being managed by him. The total amount of money so withdrawn from the guaranty fund for the purposes of this act, shall never at any one time exceed 15 per cent of the total amount in such fund. Any deposit of funds from the State guaranty fund in banks being managed

by the superintendent of banks shall be a first lien on all the unpledged property and assets of the bank, and in case of suspension and liquidation, shall be paid out of such property and assets before any other claims against the bank are paid. The superintendent of banks may take charge of such bank at any time for the purpose of liquidation under the circumstances now authorized by law, or may return the management of its affairs to its proper officers whenever such deposit has been fully repaid to the guaranty fund, and the reasons for assuming control and management by the superintendent of banks under section 1 of this act no longer exist. The money so deposited, with interest, shall be paid back to the guaranty fund in whole or in part by the bank whenever the superintendent deems it advisable, and such deposit shall bear interest at a rate to be fixed by the guaranty fund commission. The treasurer of the commission shall issue a receipt to each bank from which funds are withdrawn from the guaranty fund under this act, showing the amount withdrawn. A report shall be made to all member banks annually on January 1, by the commission, showing the condition of the fund so withdrawn."

NORTH DAKOTA

[Laws of 1923, Senate Bill No. 250, chapter 200]

Sec. 1. Guaranty fund commission—Depositors' guaranty fund commission—Established—Compensation—Expense.

"There is hereby established a depositors' guaranty fund commission of the State of North Dakota to be composed of five members, viz, the governor of the State of North Dakota, the manager of the Bank of North Dakota, and three members to be appointed by the governor of the State. All appointments to membership of said commission, whether to fill a vacancy or otherwise, shall be made by the governor of the State of North Dakota from a list of names of nine men furnished by the banks directly affected by the provisions of this act. All members of this commission shall be residents of the State of North Dakota and all members except the governor shall have at least five years' experience in the management of some bank or banks located within the State of North Dakota. The present appointive members shall serve out the term for which they were appointed and each succeeding appointment, except to fill a vacancy caused by death, resignation or removal of a member, shall be for a period of three years. The governor shall be the chairman of said commission, and the attorney general shall be ex-officio the attorney for the commission, and the State treasurer shall be its treasurer, and the secretary shall be appointed by the commission, and the commission shall have power to fix the compensation of such secretary to be paid from the depositors' guaranty fund, which shall not in any case exceed the sum of \$2,000 per annum. The State examiner may be appointed as such secretary. The members of the commission, other than the governor, shall receive for their services \$5 per day for the time actually served and their actual expenses incurred in the performance of their duties, the same to be paid out of the general fund of the State. Said commission shall have the supervision and control of the depositors' guaranty fund and shall have power to adopt all necessary rules and regulations, not inconsistent with law, for the management and administration of said fund."

Sec. 2. Commissioners—Qualifications—Oaths

The act provides for the taking of the oath of office by members of the commission and an oath to keep secret information obtained in the performance of their duties; it also provides for the bonding of members of the commission.

Sec. 3. Regular and special meetings, how called, and where held.

The act provides for the holding of four regular meetings of the commission each year and also provides in detail for the calling and holding of special meetings.

Sec. 4. Depositors' guaranty fund commission—Duties.

This section is substantially the same as section 9009 of the South Dakota laws above quoted.

Sec. 5. Guaranty fund—Assessment.

"For the purpose of providing a depositors' guaranty fund for the protection of depositors in banks, every institution engaged in the business of banking under the laws of this State, shall be subject to assessment to be levied, collected, administered, kept and applied as hereinafter provided."

The balance of this section deals in detail with the appointment of inspectors by the guaranty fund commission and the adoption of reports of examination of banks of such inspectors by the State examiner's department.

Sec. 6. Expenses of examination.

This section sets out in detail the charges which the commission may make for the examination of banks.

Sec. 7. Information to be acquired by commission.

This section requires the commission to be informed of the condition and management of banks admitted to the guaranty fund in order to determine whether the interest of the guaranty fund is endangered by further guaranteeing the deposits of any bank.

Sec. 8. Manner of acquiring information.

"For the purpose of acquiring information as to the condition of any such banks, the commission, by its members or its inspectors, as provided for in this act, shall have full access to all the records and files of the banking department of the State; and it shall also, by its members or its said inspectors, have full power and authority to enter into any bank admitted under said fund, at any time, and take charge of its assets, papers, documents and records, for the purpose of examination and investigation, during such time as shall be necessary for the purpose of auditing its affairs, and ascertaining its condition and its methods of conducting business; and either the individual members of the commission or the inspectors of the commission shall have power and authority to call and put under oath, and examine any officer, stockholder or employee, creditor or debtor of any bank, in connection with the examination of its affairs, or to obtain explanation of anything connected with its business, records or management; and in case of the refusal of any such person to appear for the purposes of examination, any judge, clerk of court, or justice of the peace, within the jurisdiction of whom such bank is located, shall upon request of such commissioner or inspector issue a subpoena for such person, commanding him to appear at a time and place stated, and to submit to

such examination, and answer questions and sign his testimony, if reduced to writing, and if any person so subpoenaed shall fail to appear or to obey such order, the judge of the court from which such subpoena is issued, or the justice issuing the same, shall have authority and jurisdiction to punish such person for contempt. The testimony so taken may be, by the commissioner or inspector, reduced, or caused to be reduced, to writing, and at his direction shall be subscribed by the person examined.

"Whenever any member of the guaranty fund commission shall acquire information leading him to believe that the condition of any bank is such that an immediate examination of its affairs should be made, he shall have authority to immediately order an inspector or assistant inspector to enter upon an examination of the same, and if he deem it necessary, he may call upon the State examiner to furnish a deputy examiner to work with such inspector, and the two officers shall as far as practicable cooperate in the examination of such bank."

Sec. 9. Banks in bad condition—Examination and taking charge by commission—Winding up of affairs—Reorganization.

"Whenever the commission shall acquire information leading it to believe that any bank admitted under such fund is being irregularly or inefficiently, or dishonestly conducted, or is insolvent, as that term is defined by the banking laws, it shall be its duty to investigate the same as promptly as possible as in section 8 hereof provided; and at any time during the progress of such investigation if it appears that such bank is probably insolvent, such commissioner or inspector shall have authority to make an order requiring all deposits received during such examination to be set aside and held intact as 'special deposits,' which shall only be used to reimburse the depositor; and if at the close of such examination the commissioner or inspector shall find such bank to be insolvent within the meaning of the banking laws, he shall have authority to extend such order for such further period as shall be necessary to enable the commission to meet and take action with reference to the affairs of such bank; but such meeting and action must be taken within 30 days from the time of extending such order. Upon completing such examination, such commissioner or inspector shall immediately prepare a report of the result thereof, and submit the same to the commission and the State examiner.

"If from such report it shall appear to the commission that the bank is insolvent within the meaning of the banking laws, it shall have authority to immediately institute a proceeding in the district court of the county in which such bank is located (or in any other court that may be by any law then in force, given jurisdiction of such proceeding) to liquidate such bank as an insolvent corporation, and procure the appointment of a receiver to wind up its affairs, as provided for by article 3 of chapter 27 of the Code of Civil Procedure, and the general equitable jurisdiction of courts of equity to appoint receivers and wind up the affairs of insolvent corporations; or if by any law then in existence the exclusive right to institute such proceedings shall be vested in any particular officer or board, the commission shall certify the facts to such officer or board, as the case may be, who must thereupon institute such proceedings.

"In lieu of instituting such proceedings, the commission may, in its discretion, permit such bank, within a time to be prescribed by it, to comply with

such conditions as the commission shall deem necessary to make it a solvent institution, but as a condition of granting such time, such bank must, by a resolution of its directors, endorsed on its minutes, consent to the continuing of the order aforesaid limiting the right to receive deposits, and to such continued supervision of its affairs as the commission shall prescribe. The granting of such time to said bank to remedy its condition shall not abridge or limit the right of the commission to institute such court proceedings, at any time it shall appear to its satisfaction that such bank is hopelessly insolvent, or unable to comply with the conditions prescribed.

"*Provided, however,* The pendency of any proceedings for the liquidation of any such bank shall not be a bar to its reorganization or continuance as a banking institution, but at any time before the final disposition of such proceedings, such bank may make application to the guaranty fund commission for leave to reorganize or remedy its condition, and be readmitted under the guaranty fund, and the commission may thereupon prescribe the conditions as to assets, payment of liabilities, and the character and competency of the managing officers to be placed in charge of the affairs of such bank upon which it may be readmitted to said guaranty fund, which condition shall be submitted to the court having jurisdiction, and if it approves thereof, it may make an order to that effect, and thereupon and upon such bank complying with the said conditions to the satisfaction of the guaranty fund commission, it shall make an order readmitting the said bank, and the liquidation proceedings shall be thereupon discontinued on such terms as the court shall direct; but no deposits shall be received by such reorganized bank until final approval of the court is had, and the said proceedings actually dismissed. All expenses incident to such proceedings incurred by the commission shall be presented to and audited by the State auditing board and be paid out of the general funds of the State and there is hereby appropriated for the purpose of meeting such expenses the sum of \$1,000 per year, or so much thereof as shall be necessary."

Sec. 10. Filing statements—Assessments.

"On June 30 of each year, every State bank engaged in the business of banking in this State shall make and file with the depositors' guaranty fund commission, a statement in writing, verified by the oath of its president, vice president or cashier, showing the average daily deposits in its bank for the preceding 12 months.

"Immediately after the date fixed for the making and filing of such statements, the depositors' guaranty fund commission shall levy assessments against the assets of each of said banks as follows:

"One-twentieth of 1 per cent on the average daily deposits as shown by the statement of such average daily deposits to be made and filed by the provisions of this section.

"For each and every year thereafter one-twentieth of 1 per cent of the average daily deposits as shown by the statement required to be made and filed under the provisions of this act in each year, until the total amount of money in the guaranty fund reaches 2 per cent of the average daily deposits: *Provided, however,* That said depositors' guaranty fund commission shall have power to make and levy additional assessments of one-twentieth of 1 per cent, but not to exceed four such additional assessments shall be made in any one year.

"Due and legal notice of such assessment or assessments shall be deemed to have been given when such

notice as shall be prepared by the secretary of the commission has been placed in an envelope, securely sealed, and postage prepaid, directed to each of said banks and deposited, in the United States mail, and said banks shall thereupon set apart, keep and maintain in their said banks the amounts thus levied against them and the amounts shall be and constitute what shall be designated as the depositors' guaranty fund, payable to the depositors' guaranty fund commission on demand, for the uses, and purposes provided: *Provided*, That when the depositors' guaranty fund reaches the total sum of 2 per cent of the average daily deposits, said assessments shall cease until such time as the guaranty fund is depleted below $1\frac{1}{2}$ per cent of the average daily deposits, when the necessary assessment may be again levied at one-twentieth of 1 per cent per annum until said fund again reaches 2 per cent of the average daily deposits.

"The guaranty as provided for in this act shall not apply to a bank's obligation as indorser upon bills rediscounted nor to bills payable, nor to money borrowed from its correspondents or others, nor deposits otherwise secured, nor deposits upon which compensation in any manner or form or by whatever device has been promised or paid in excess of the rate of interest as limited in this act. All other deposits for which money or its equivalent, and for which full value has been received by the bank wherein such deposit is made, shall be guaranteed by this act. Each guaranteed bank shall certify under oath to the depositors' guaranty fund commission at the date of statements as hereinbefore provided the amount of money it has on deposit not eligible to guaranty under the provisions of this act, and in assessing such bank this amount shall be deducted from the total deposits."

Sec. 11. Interest on deposits.

"No bank transacting a banking business under this act shall pay interest on deposits, directly or indirectly, at a greater rate than 4 per cent per annum, unless authorized by the depositors' guaranty fund commission to pay a greater rate which in no case shall exceed 6 per cent per annum, and said depositors' guaranty fund commission is hereby authorized and empowered to grant permission to pay such higher rate: *Provided*, That the rate so granted shall be uniform within any county.

"Any officer, director, or employee of any bank violating the provisions of this section, directly or indirectly, shall be deemed guilty of a felony and on conviction thereof shall be punished by a fine of not less than \$100 nor more than \$500 or by imprisonment in the State penitentiary for a term of not less than one year nor more than three years, or both, in the discretion of the court."

Sec. 12. False statements, penalty.

The act provides that any person making oath to statements required by the act, knowing the same to be false, shall be guilty of a felony.

Sec. 13. Voluntary liquidation or change to a national bank.

This section provides that any bank liquidating or converting to a national bank shall not be relieved from the payment of any assessments then due from it to the depositors' guaranty fund nor from any liability to the bank due on account of losses in banks which are closed at the time.

Sec. 14. New banks and reorganized national banks.

"Any bank organized under the State law subsequent to the taking effect of this act, and admitted by the commission to participation under the depositors' guaranty fund, shall pay into such fund an amount equal to 3 per cent of its capital stock, which amount shall constitute a credit fund subject to adjustment on the basis of said bank's average daily deposits as shown by the first annual statement required by section 10 of this article. And any national bank that has reorganized as a State bank shall likewise, before engaging in business, set apart and credit to the depositors' guaranty fund such an amount as will place them on an equal footing as respects such fund, with other State banks.

"Immediately after being passed upon favorably by the depositors' guaranty fund commission, the secretary shall notify such new banks and the State examiner of such admission, which notification shall be in writing, in the form of a certificate, signed by the chairman and attested by the secretary of the commission. Such certificates shall be by the bank receiving the same framed and kept at all times displayed in a conspicuous place in the lobby of the bank.

"The depositors' guaranty fund commission is authorized and empowered to make an adjustment of the rates of assessment to be paid by any bank which engages in the banking business subsequent to the passage, approval, and taking effect of this act, which shall have been admitted hereunder and shall require such bank to contribute to the depositors' guaranty fund a just and equitable sum, and for that purpose shall adjust assessments of such bank so that the first two assessments, together with the credit fund of 3 per cent of the capital stock paid by said bank when it begins business, shall at least equal one-half of 1 per cent of the average daily deposits of said bank as shown by the first annual statement required by section 10 of this article: *Provided, however*, That said 3 per cent will not be required of the new banks formed by the reorganization or consolidation of banks that have previously complied with the terms of this act with reference to the payment of assessments."

Sec. 15. Assessment—Failure to credit.

"Whenever any bank, after due notice from the secretary of the depositors' guaranty fund commission, shall fail to pay over or credit on its books to the depositors' guaranty fund any assessment as herein provided, for a period of 20 days, such bank shall be subject to a penalty of \$10 per day for each day it so refuses or fails to pay over or credit to such depositors' guaranty fund such assessment and penalty, and at the expiration of 30 days from the date of notice of assessment herein provided, if said assessment and penalty still remains unpaid, the bank so delinquent may be deemed insolvent, and in the discretion of the commission may be liquidated and its business wound up as provided for by the State banking laws for the liquidating of insolvent banks."

Sec. 16. Depositors' guaranty fund — First lien — Exception.

"Whenever any bank doing business in this State under the provisions of this act shall suspend payment or become insolvent, the amount of money standing to the credit of the depositors' guaranty fund on deposit in such bank shall be a first lien upon the assets of such institution; save and except funds deposited in such institution and belonging to the estate of any insolvent

bank, deposited therein by the receiver or other person officially in charge, which shall have preference over all other claims."

Sec. 17. Deposits—Payment—Approval or rejection of liability—Issuance of certificates of indebtedness.

"When any bank doing business under the provisions of this act suspends or becomes insolvent and shall have closed, the commission shall, without unreasonable delay, cause each deposit in such closed bank to be examined, audited and shall determine such as may be qualified for guarantee under this act and certify the acceptance or rejection of each deposit to the secretary of the commission, who shall give notice, by registered mail, to the persons whose deposits have been rejected, at their last known post office address, or to each thereof, in care of the receiver of such closed bank. The action of the commission in certifying acceptance or rejection as herein provided shall be final unless, within ninety days from date of mailing notices of rejection, written demand for hearing is served upon the secretary of the commission."

Secs. 18, 19, 20. Filing and hearing of claims.

The act provides for the filing and hearing of claims of guaranteed depositors by the commission.

Sec. 21. Issuance of certificates of indebtedness by the commission.

"The secretary of the commission shall issue a certificate of indebtedness upon the treasurer to the person entitled thereto for the amount of all such accepted deposits.

"If there be not sufficient funds available in the fund to pay such certificate of indebtedness, the treasurer shall indorse the same 'presented for payment' and date and sign such indorsement, and such certificate shall thereafter be payable out of money in the guaranty fund, by order of the commission, pro rata, upon all outstanding certificates of indebtedness. Notice of the amount of each dividend to be paid upon such certificate, and the date when such payment is to be made, shall be published in a newspaper in the place where the closed bank was located. If no newspaper is published at the place where such closed bank was located, then such notice shall be published in an official newspaper of the county wherein such bank was located. Notice shall be published in like manner of the date upon which payment of any balance due on such certificate of indebtedness will be made."

Sec. 22. Subrogation.

"To the extent of the deposits accepted and allowed as guaranteed, the depositors' guaranty fund commission, for the use and benefit of said fund, shall be subrogated to all the rights of such guaranteed depositors thus accepted, to participate in the assets of such closed bank, and the same shall be enforced and collected by the secretary of the commission accordingly; and from time to time as collected shall be distributed pro rata as payment upon the certificates of indebtedness issued to the guaranteed depositors of the closed bank from which such payment had been received, until full payment is made to the holder of such certificate. Any surplus remaining after payment in full to holders of such certificates shall be turned into the depositors' guaranty fund and be thereafter held and distributed as herein otherwise provided.

"All moneys received shall be deposited in the solvent banks subject to the provisions of the depositors' guaranty fund, proportionate as to the several deposits to the assessment levied against each of said banks."

Secs. 23, 24, 25, 26, 27.

These sections provide for the reports by receivers of insolvent banks, notices not otherwise provided for, forms, penalties where not otherwise provided for, and provides that nothing in the act repealing former acts shall release anyone from punishment for acts heretofore committed.

Sec. 28. Federal guaranty law.

National banks are authorized to participate in the guaranty fund when they are permitted to do so by the Federal authorities, and if such national banks are required to contribute to a Federal guaranty fund they may withdraw from the North Dakota guaranty fund and have returned to them all of the unused portion of all assessments paid by them into such guaranty fund.

Sec. 29. Unappropriated assessments refunded—when.

"If any bank organized under the laws of this State, having paid any assessment or assessments to the depositors' guaranty fund shall liquidate and go out of business, or shall desire to organize as a national bank and withdraw from the protection of the depositors' guaranty fund for its depositors the portion of such assessment or assessments, which shall not have been used under the provisions of this act shall be refunded to any bank by the depositors' guaranty fund commission: *Provided*, That no such bank shall be released from its proper proportion of all outstanding certificates of indebtedness of the depositors' guaranty fund, issued to the depositors of failed banks under the provisions of this act, nor until it shall have received permission in writing so to do from the depositors' guaranty fund commission of this State and after an examination of its condition."

Sec. 30. May resume business.

"Such bank or trust company may upon repayment of any money advanced by the depositors' guaranty fund to such bank or trust company, with the consent of the depositors' guaranty fund commission, resume business upon such conditions as may be approved by said commission."

Sec. 31. Defining banks and banking for the purpose of this act.

"For the purpose of this act every corporation, except national banks whose business, in whole or in part, consists of the taking of deposits or buying and selling exchange shall be held to be and is hereby declared to be a bank, and as thus defined shall be subject to the provisions of this act: *Provided further*, That trust companies doing a general banking business as defined in this section separate and apart from the writing of surety bonds and other general business, and building and loan associations receiving savings deposits, shall be declared to be a bank and shall also be subject to the provisions of this act."

Sec. 32. Organizing.

"Any banks organized and authorized to do business under the provisions of the State banking laws on and after the passage, approval and taking effect of this act shall sell the capital stock thereof at \$3 per share above par and the amount received as a result of such advance shall be credited on the books of such bank to the depositors' guaranty fund as hereinbefore provided."

Sec. 33. Examination of closed banks and receivership.

"The depositors' guaranty fund commission shall have the right and authority to examine, by any member or inspector, the affairs of closed banks and investigate the conduct of the receivership thereof and make report thereon to the commission."

Sec. 34. Payment of expenses of commission.

"There is hereby appropriated out of the depositors' guaranty fund \$20,000 per year, or so much thereof as shall be necessary to meet the expenses of the guaranty fund commission herein provided for, and any amount of such appropriation not so used, shall be at the end of each year, covered into the said depositors' guaranty fund."

"The expenses of the guaranty fund commission herein provided for shall be presented to the State auditing board for allowance, as claims against the State are presented, and when allowed, shall be paid as other claims against the State are paid."

Sec. 38. Temporary powers of commission.

"The depositors' guaranty fund commission shall have the power and authority to employ any of the funds under its control for the purpose of paying off the claims of bills payable holders in closed banks whenever in its judgment and sound discretion the security behind such bills payable is sufficient to pay the same in full, and leave a substantial amount of security of the kind and character that could reasonably be expected to be collected upon and liquidated within one year from the expiration of the time limit of this section."

"The commission is empowered to deposit funds in banks operating under this act, temporarily in aid of open banks, in such amounts, and upon such terms and conditions, and upon such security as it may determine and designate. And such banks shall be required to conduct their affairs in accordance with and under the direction of the commission until such temporary aid has been withdrawn. It shall require the consent of four members of the commission before funds can be employed as provided for in this section."

"This section of this act shall continue in force and effect until July 1, 1927, unless sooner repealed, but at that time it shall expire and cease to be operative without any repeal and the powers and authorities conferred therein shall terminate without in any way limiting any other provisions of the act."

Sec. 39. Forbidding certain advertising.

"Any officer, director, stockholder, agent or employee, of a bank whose deposits are guaranteed under the provisions of this act, who shall state or represent in any advertisement, pamphlet, book, sign, or other manner, in writing or printing, that the deposits of such bank are guaranteed by the State of North Dakota shall be deemed guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not less than \$100 nor more than \$500."

WASHINGTON

[Remington's Code]

Sec. 3293. Definitions.

"The term 'bank,' wherever used in this act, shall be held and construed to mean and include any corporation organized under the laws of this State authorizing the organization of banks or trust companies, except mutual savings banks, and engaged in the bank-

ing business in this State; the terms 'guaranty fund' and 'fund,' wherever used in this act, shall be held and construed to mean the 'Washington bank depositors' guaranty fund' created under the provisions of this act; the term 'board,' wherever used in this act, shall be held and construed to mean the 'guaranty fund board' created under the provisions of this act; the term 'examiner,' wherever used in this act, shall be held and construed to mean the State bank examiner; the terms 'member,' 'member bank,' and 'guaranteed bank,' wherever used in this act, shall be held and construed to mean any bank that shall be admitted to, and assume the duties and participate in the benefits of, the guaranty fund; the terms 'deposits eligible to guaranty,' 'eligible deposits,' and 'guaranteed deposits,' wherever used in this act, shall be held and construed to mean money deposited in a bank, subject to check or other form of withdrawal and not specifically secured."

Sec. 3294. Depositors guaranty fund—Contingent fund.

"There shall be created, for the protection and security of depositors in banks, a fund which shall be known as the 'Washington bank depositors' guaranty fund' and shall consist of cash equal to 1 per cent of the total amount of annual average deposits, eligible to guaranty, of all such member banks, to be deposited with the fund by such member banks in proportion to their respective annual average deposits eligible to guaranty."

"There shall also be created a fund to be called the contingent fund from which shall be paid the expenses incurred by the guaranty fund board and also any losses which may be sustained through the failure of any member bank. An assessment of not to exceed one-tenth of 1 per cent of the average deposits eligible for guaranty for the preceding year shall be levied by the board on or before the 30th of January of each year, until such time as the contingent fund shall equal 3 per cent of all the deposits eligible for guaranty in all member banks: *Provided, however,* That within 30 days from the date upon which this act takes effect the guaranty fund board shall levy an assessment of one-tenth of 1 per cent of the deposits eligible for guaranty for the preceding year, which assessment shall be the only assessment made for the benefit of the contingent fund for the calendar year 1921. The guaranty fund board may appropriate from the contingent fund such funds as it may deem necessary to cover the authorized expenses of the board."

Sec. 3295. Guaranty fund board—Oath.

"The fund provided for in the preceding section shall be administered by a board consisting of the governor and the State bank examiner, ex officio, and three members to be appointed by the governor, two of whom, except the members first appointed under this act, shall be officers or directors of member banks, and none of whom shall be an officer or director of a national bank, which board shall be known as the 'guaranty fund board.' Within 15 days after the taking effect of this act the governor shall appoint the members of said board, and the members so appointed shall serve until and for the term of 1, 2, and 3 years, respectively, from and after the 1st day of January, 1919, and until their successors are appointed and qualified, and thereafter one member of said board shall be appointed annually on the 1st day of January for the term of three years. The appointive members of said board shall serve without compensation, but shall be entitled to receive their actual and necessary expenses incurred in the performance of their duties. The governor shall be, ex officio, the chairman, and the State bank

examiner shall be, ex officio, the secretary and executive officer, of the board. The attorney general shall be the legal adviser of the board. Each appointive member of the board shall, before entering upon his duties under the provisions of this act, take and subscribe an oath to faithfully perform such duties."

Sec. 3296. Powers and duties of board.

"Within 30 days after the taking effect of this act the board shall meet at the State capitol and organize, and shall have power from time to time to adopt, publish, and enforce reasonable rules and regulations governing the admission of banks as members of the fund and prescribing the duties of member banks, not inconsistent with the provisions of this act or the laws relating to banks, and defining the boundaries of banking districts and regulating the rate of interest to be paid by member banks in such districts, and shall have power to provide the necessary books, records, and other supplies and the necessary assistance, and pay the necessary expenses for carrying out the provisions of this act, and for the protection and development of the Washington bank depositors' guaranty fund, and the cost of all such supplies, assistance, and expenses shall be paid out of the contingent fund by resolution of the board authorizing the same and entered upon its minutes and upon vouchers approved by the chairman of the board. And the board shall have power to designate guaranteed banks as depositaries for all moneys in the funds provided for by this act, or to invest the contingent fund in such securities as are eligible for the security of postal savings funds, under such rules and regulations as the board may from time to time adopt: *Provided*, That income derived from the investments made under the provisions of this act shall be credited to the contingent fund."

Sec. 3297. Duty of bank examiner.

"Immediately upon the organization of the board and the adoption of the rules and regulations as provided in the preceding section, it shall be the duty of the examiner to cause to be printed in pamphlet form, this act and the rules and regulations adopted by the board, and to transmit a copy of such pamphlet, together with blank forms of application for membership in the fund, to each bank in the State."

Sec. 3298. Bank applications for membership—Examinations.

The act provides in detail for application by banks for membership and for examination of such applicant banks prior to admission.

Sec. 3299. Records of bank examiner—Penalty for divulging information.

This section of the act requires the State bank examiner to keep proper records of all acts done by him as secretary of the board and provides that it shall be unlawful for any member of the board or any deputy or clerk of the examiner, or any assistant examiner to disclose any information with reference to the affairs of any bank, obtained in the performance of his official duties except to certain designated parties.

Sec. 3300. Approval of application.

"If the board shall be satisfied with the report of the director of taxation and examination and with the condition and management of said bank and shall find that said applicant bank is conducting its business in strict accordance with the law under which it is organized, and the provisions of this act, and has an

unimpaired surplus equal to 10 per cent of its capital, it shall cause the secretary of the board to notify the applicant bank that its application has been approved, and that it will be admitted to membership in the fund, upon making with the board the deposits required by this act, and complying with all requirements made by the board, but no bank shall be eligible for membership in the fund unless it shall have been actively engaged in the banking business for at least one year prior to the date of its application for membership."

Sec. 3301. Admission withheld until compliance with conditions—Appeal to courts.

"If the board shall find from any such application for membership, and from the report of the director of taxation and examination that the applicant has not the required unimpaired surplus, or is not in sound financial condition, or is not conducting its business in accordance with the provisions of this act, or that its method of conducting its business is, in the opinion of the board, reckless or unsafe, the board shall cause the secretary to notify the applicant of the conditions upon which it may be admitted to membership. Any bank which shall fail or neglect for a period of 60 days to comply with the conditions imposed by the board and furnish proof of such compliance to the satisfaction of the board may have its application for membership rejected. Any bank which has been refused membership in the fund may, within 30 days from the date of such refusal by the board, appeal therefrom to the superior court of Thurston County by filing with the clerk of said court a notice of appeal and serving a copy thereof upon the secretary of the board, and such appeal shall be heard de novo by said court."

Sec. 3302. Certificate of guaranty—Extent.

"Upon the admission of any bank to membership in the fund the secretary of the board shall issue to such bank a certificate stating in substance that said bank has complied with the provisions of this act, and that its deposits not otherwise secured are guaranteed by the Washington bank depositors' guaranty fund, and from and after the issuance of such certificate such bank shall be governed by the rules and regulations adopted by the board, prescribing the duties of guaranteed banks, and shall be entitled to participate in the benefits of the guaranty fund and to advertise that it is a member of said fund, and that its deposits are guaranteed thereby, but no such bank shall advertise that its deposits are guaranteed by the State of Washington. The guaranty provided for in this act shall not apply to a bank's obligation as an indorser upon bills rediscounted, nor to bills payable, nor to money borrowed from its correspondents or others, nor deposits of public funds in excess of its capital and surplus. Every such guaranteed bank shall be entitled to act as a depository of any public funds of, or under the control of, the State, of any county or municipality within the State, and the guaranty of the guaranty fund shall extend to such public funds, so deposited to an amount equal to, but not in excess of, the capital and surplus of such bank, if the custodian of such funds shall elect to deposit the same under the guaranty of such fund, but as to any amount of such public funds deposited in excess of the capital and surplus of such bank, and as to any public funds deposited, in case the custodian making the deposit shall so elect, such guaranteed bank shall be required to give a surety company bond, in the amount provided by law as security therefor."

Sec. 3303. Annual bank reports as to deposits—Adjustments—Losses recovered credited.

"On or before the 10th day of January of each year, each guaranteed bank shall certify under oath to the secretary of the board, the amount of deposits eligible to guaranty under the provisions of this act, and the amount of deposits not eligible to guaranty, in such bank at the close of business as of the dates during the preceding year, upon which official calls for reports were made by the director of taxation and examination and the average deposits eligible to guaranty, and the average deposits not eligible to guaranty, for the preceding calendar year shall be based upon the average of the amounts shown upon call dates. On or before the 30th of January of each year, the guaranty fund board shall determine the amount which shall be deposited to the credit of the board for the current calendar year which amount shall be equal to 1 per cent of the average eligible deposits for the preceding calendar year, unless such fund has been impaired by losses which are not replaced by assessments as herein-after provided. When the member bank shall be advised of the amount which it shall deposit to the credit of the guaranty fund board, it shall at once enter such credit to the account of the guaranty fund board upon its individual ledger and shall charge a like amount on its general ledger, which account shall be known as interest in guaranty fund, and shall be so shown and reported at all times. The guaranty fund shall be adjusted each year, the member banks being charged or credited according to the amount of increase or decrease in deposits eligible to guaranty for the preceding year. Should this fund be impaired through losses or otherwise, the board may in its discretion levy an assessment of not to exceed one-half of 1 per cent per annum of the deposits eligible for guaranty for the preceding year; such assessments for the benefit of the guaranty fund may be made only for the purpose of making good impairments of such fund. Any funds in the guaranty fund may be used in paying the owners of guaranteed deposits in member banks, but not until the contingent fund shall have been depleted.

"Any losses which may be recovered from the converting of the assets of failed banks into cash, shall be credited first to the contingent fund, until the amount of such fund shall have reached the proportions it would have reached at that time, had there been no payments made from said fund on account of losses, the balance of such sums so realized from the assets of failed banks shall be credited to the guaranty fund: *Provided*, That no bank shall receive a benefit from any recoveries made from the collection of assets of failed banks in excess of the amount which such bank shall have contributed to the guaranty fund because of such failure."

Sec. 3304. Cancellation of membership—Forfeiture of deposits—Penalty.

"If after the passage of this act any guaranteed bank, or the board of directors, or any officer thereof, shall pay interest on any form of deposits on different terms than those, or at a rate in excess of that approved by the guaranty fund board from time to time, and that shall be uniform within each district, shall be deemed to be reckless, and its certificate as a member of the guaranty fund may, in the discretion of the board, be canceled: *Provided, however*, That any existing contract for higher rates of interest, entered into before the passage of this act, may be carried out unimpaired, and such existing contract shall not disqualify such bank

from becoming a member of the fund if it is, in the opinion of the board, otherwise eligible. If any managing officer of any guaranteed bank, or any person acting in its behalf or for its benefit, shall pay, or promise to pay, any depositor in such bank, either directly or indirectly, any interest, on different terms than those, or a rate in excess of, or in addition to the maximum rate, approved by the board for the district in which such bank is engaged in business, or shall, with intent to evade any of the provisions of this act, pledge the time certificate, or other obligation of such bank, as security for the personal obligation of himself or any other person, or shall display or publish any card or other advertisement tending to convey the impression that the deposits of such bank are guaranteed by the State of Washington, either directly or indirectly, the certificate of such bank as a member of the guaranty fund shall be canceled, and its cash deposited for the benefit of the guaranty fund shall be forfeited. Any managing officer of any bank, or any person acting in its behalf or for its benefit, who shall display any card, or publish any advertisement, or make any statement, to the effect that its depositors are guaranteed by the Washington bank depositors' guaranty fund, when such bank is not a member of such fund, or is not authorized so to do under the provisions of this act, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than \$500 nor more than \$1,000."

Sec. 3305. Violations of act by member bank.

The act provides for cancellation of membership and forfeiture of deposits with the guaranty fund board if a member violates the banking laws or the regulations of the board and fails to comply with such laws or regulations within 30 days after notice.

Sec. 3306. Failure of bank to remit assessments due—Withdrawal—Public notice.

"If any guaranteed bank shall fail or neglect, for a period of 30 days after any assessment has been made against such bank, as provided in this act, to remit or credit, as the case may be, the amount of such assessment to the secretary of the guaranty fund board, there shall be added to such assessment a penalty of not to exceed 50 per cent of the amount thereof, and such assessments shall constitute a first lien on all of the assets of said bank. Upon the failure of any guaranteed bank to remit, or credit, as the case may be, any assessment made against it in accordance with the provisions of this act, the director of taxation and examination shall immediately cause such bank to be examined, and if it is found to be insolvent, he shall take charge of and liquidate such bank according to law. Whenever the certificate of any guaranteed bank, as a member of the guaranty fund, shall be canceled as hereinabove provided, the secretary of the board shall cause to be displayed in a conspicuous place in the banking room of such bank, continuously for six months, a card not smaller than 20 by 30 inches, containing in large plain type the following words: 'This bank has withdrawn from the bank depositors' guaranty fund, and the guaranty of its deposits will cease on and after the — day of —, 19—. The date of such card shall be a date six months after the first posting of such card.'"

Sec. 3307. Increase of capital stock.

"Whenever the deposits in a guaranteed bank shall have, for a period of 90 days continuously, exceeded twenty times its capital and surplus the secretary of

the board shall notify such bank that it must within 90 days from the date of such notice increase its capital to such an amount that its combined capital and surplus shall equal or exceed one-twentieth of its average daily deposits for the preceding 90 days, and in case such bank shall fail and neglect for a period of 90 days from and after such notice to so increase its capital, its certificate as a member of the guaranty fund shall be canceled."

Sec. 3308. Voluntary withdrawal.

"Any guaranteed bank may withdraw from the guaranty fund upon giving notice to that effect in writing to the secretary of the guaranty fund board; upon displaying a card in a conspicuous place in its banking rooms as provided in section 3306, for a period of six months from the date of notice of withdrawal; upon paying all assessments and obligations made against it for the benefit of the guaranty and contingent funds, and upon depositing with the secretary of the guaranty fund board, in addition to the amount to the credit of the guaranty fund board in said bank, an amount equal to one-half of 1 per cent of its annual average deposits eligible to guaranty for the preceding year, which sum shall be retained as a guaranty for the payment of any assessments made for the benefit of the guaranty fund, for a period of 12 months from and after the date notice of withdrawal shall have been received by the secretary of the guaranty fund board, for which said assessments said bank shall be liable. Upon the expiration of the said 12 months' period, said bank shall be entitled to a refund of any unused portion of any deposits made for the benefit of the guaranty fund."

Sec. 3309. Guaranty warrants to depositors in insolvent banks.

"Whenever the State bank examiner shall take charge of and proceed to wind up the affairs of any guaranteed bank, as provided by law, he shall as soon as possible issue to each guaranteed depositor, upon proof of claim, a warrant, drawn upon and payable out of the guaranty fund, for the amount of the depositor's claim, which warrant, if there be not sufficient money in the guaranty fund to pay the same, shall bear interest at the rate of 5 per cent per annum from date until called."

Sec. 3310. Subrogation of director of taxation.

"Whenever the director of taxation and examination shall have issued warranty in payment of claims for guaranteed deposits of any failed bank, such claims and all rights of action and remedies of the depositors therefor shall inure to the director of taxation and examination for the benefit of the contingent and guaranty funds, and all sums realized therefrom shall be paid into such funds."

Sec. 3311. Associations formed by guaranteed banks.

"Any number of guaranteed banks may form an association, under such distinctive name as they shall choose, by making and adopting articles of association and by-laws, and filing copies thereof with the secretary of the guaranty fund board, and such association shall have power to examine the associated banks at such times, and by such methods, as may be determined by the by-laws of the association and approved by the secretary of the board, and may make such examination either independently of or in conjunction with the State bank examiner."

Sec. 3312. Admission of national banks.

"Whenever by act of Congress, or by ruling of the Treasury Department, national banking associations located and doing business within this State are permitted to avail their depositors of the protection of the guaranty fund provided for in this act, any such association, after examination at its expense by the State bank examiner, and upon the approval of the guaranty fund board, may become a member of the guaranty fund upon the terms and conditions provided in this act."

Revisions in Indexes of Employment and Pay Rolls

Owing to the addition of statistics representing employment and earnings of wage earners in the sugar refining industry, the board's employment and pay-roll indexes have been revised slightly. The new series for sugar refining were computed from three sets of statistics from the following sources: (1) New York State Department of Labor, 1919 to 1923; (2) United States Census of Manufactures, 1919, 1921, and 1923; and (3) Bureau of Labor Statistics, United States Department of Labor, May, 1923, to date. The census figures, which show monthly data for number employed and annual data for wages paid for the entire industry in the years 1919, 1921, and 1923, attest to the representativeness of the indexes as finally computed. The sugar refining relatives were incorporated into the indexes for the food products group, and the changes caused by these additions were carried on to the general indexes. The revised figures for the general and food products indexes for earlier years are given in the accompanying table; current figures are shown on pages 672 and 673.

	Employment		Pay roll			Employment		Pay roll		CHANGES			
	General index	Foods and products	General index	Foods and products		General index	Foods and products	General index	Foods and products		Capital	Surplus	Total resources
Average:													
1919.....	100.0	100.0	100.0	100.0	1921	79.6	86.0	78.9	95.4	<i>District No. 6</i>			
1920.....	103.2	95.6	123.5	112.8	July.....	80.7	86.4	81.3	94.4	Voluntary withdrawal: Farmers & Merchants Bank, Athens, Ala.....	\$80,000	\$50,000	\$1,013,167
1921.....	82.1	86.6	83.6	96.4	Aug.....	82.9	89.2	81.2	96.4	<i>District No. 8</i>			
1922.....	90.4	87.9	89.2	93.0	Sept.....	84.4	92.5	80.8	99.9	Absorbed by nonmember: Security Bank & Trust Co., Helena, Ark.....	250,000	50,000	1,543,800
1923.....	104.0	94.0	113.2	104.2	Oct.....	84.9	93.8	79.7	96.5	<i>District No. 9</i>			
1924.....	95.0	91.0	104.1	103.2	Nov.....	84.3	89.4	81.9	92.0	Voluntary withdrawals:			
					Dec.....					State Bank of Jeffers, Jeffers, Minn.....	25,000	25,000	435,741
1919										Polk County Bank, Balsam Lake, Wis.....	25,000	5,000	257,170
Jan.....	98.0	104.5	97.3	97.5	1922	83.9	84.8	77.6	88.7	<i>District No. 10</i>			
Feb.....	95.0	101.5	91.3	97.6	Jan.....	85.7	85.4	80.6	87.7	Absorption of nonmember: Farmers State Bank, Jamestown, Kans. (absorbed by Jamestown State Bank, Jamestown, Kans., a member).....	15,000	13,770	202,340
Mar.....	95.3	100.6	91.8	98.5	Feb.....	86.6	86.2	82.9	89.4	<i>District No. 11</i>			
Apr.....	95.7	96.5	91.5	93.9	Mar.....	86.2	82.1	81.5	83.6	Absorbed by nonmember: Merchants & Planters State Bank, Winnsboro, Tex.....	30,000	10,000	373,127
May.....	96.5	95.1	92.4	95.0	Apr.....	88.4	83.0	85.2	88.8	<i>District No. 12</i>			
June.....	97.6	96.4	94.8	97.8	May.....	89.9	84.7	88.4	92.2	Voluntary withdrawals:			
July.....	99.6	98.1	97.7	97.7	June.....	86.9	87.6	85.1	93.8	Monticello State Bank, Monticello, Utah.....	50,000	9,500	165,772
Aug.....	101.7	99.1	102.8	99.2	July.....	89.6	90.0	89.9	93.0	Picabo State Bank, Picabo, Idaho.....	25,000		197,466
Sept.....	103.8	100.7	108.3	103.0	Aug.....	92.5	89.6	94.3	96.9				
Oct.....	102.8	101.0	103.5	101.7	Sept.....	96.1	92.0	97.7	98.1				
Nov.....	105.4	102.6	109.7	107.2	Oct.....	98.7	95.3	102.0	103.2				
Dec.....	108.3	104.3	119.1	111.3	Nov.....	100.3	94.5	104.8	100.9				
1920					Dec.....								
Jan.....	109.7	100.1	123.7	110.2	1923	101.3	89.9	103.8	96.4				
Feb.....	108.7	97.0	121.8	106.5	Jan.....	103.1	90.9	107.4	96.7				
Mar.....	110.6	97.4	130.4	112.3	Feb.....	105.3	92.2	112.7	100.6				
Apr.....	109.1	95.2	127.3	104.5	Mar.....	105.3	89.4	113.5	97.6				
May.....	107.1	95.4	129.5	115.9	Apr.....	105.4	90.3	117.4	103.3				
June.....	105.9	96.4	131.1	119.5	May.....	105.4	92.8	117.4	106.6				
July.....	102.9	96.9	125.4	118.6	June.....	104.0	95.1	113.1	107.2				
Aug.....	102.6	96.6	127.8	117.3	July.....	104.1	95.2	113.4	104.0				
Sept.....	101.3	95.5	125.8	115.4	Aug.....	104.1	97.3	113.9	108.5				
Oct.....	98.9	94.1	122.3	113.9	Sept.....	104.0	100.0	116.9	109.9				
Nov.....	93.7	93.0	113.2	112.6	Oct.....	103.0	99.2	114.6	111.3				
Dec.....	87.1	89.7	104.3	107.0	Nov.....	101.4	96.2	113.1	108.1				
1921					Dec.....								
Jan.....	79.8	82.5	88.8	99.0	1924	100.1	92.6	108.1	103.0				
Feb.....	81.6	84.0	87.8	99.7	Jan.....	101.1	93.8	113.7	105.2				
Mar.....	82.3	85.4	88.7	100.6	Feb.....	101.1	92.3	113.3	103.8				
Apr.....	81.6	82.1	86.1	93.2	Mar.....	99.0	89.0	110.6	100.4				
May.....	81.7	83.5	84.4	95.9	Apr.....	95.6	88.3	105.4	101.3				
June.....	80.9	84.0	82.9	94.4	May.....	92.5	90.0	99.8	103.7				
					June.....								

Changes in State Bank Membership

The following list shows the State banks and trust companies which were admitted to membership in the Federal reserve system during the month ended August 21, 1925, on which date 1,473 State institutions were members of the system; also other changes affecting State bank membership:

ADMISSIONS

	Capital	Surplus	Total resources
<i>District No. 3</i>			
Citizens Savings & Trust Co., York, Pa.....	\$500,000	\$100,000	\$3,204,262
<i>District No. 7</i>			
Sumner State Bank, Stockland, Ill.....	50,000	10,000	244,795
<i>District No. 8</i>			
The Insurance Bank, St. Louis, Mo.....	200,000	25,000	871,023
<i>District No. 11</i>			
Teague State Bank, Teague, Tex.....	60,000	12,000	220,015

Change of title.—The Guaranty State Bank, Tahoka, Tex., has changed its title to The Security State Bank.

Fiduciary Powers Granted to National Banks

During the month ended August 21, 1925, the Federal Reserve Board approved applications of the national banks listed below for permission to exercise one or more of the fiduciary powers named in section 11 (k) of the Federal reserve act as amended, as follows: (1) Trustee; (2) executor; (3) administrator; (4) registrar of stocks and bonds; (5) guardian of estates; (6) assignee; (7) receiver; (8) committee of estates of lunatics; (9) in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located.

Location	District No.	Name of bank	Powers granted
Bath, Me.....	1	First National Bank.....	1 to 8.
Boston, Mass.....	1	National Rockland Bank.....	1 to 9.
Laconia, N. H.....	1	Laconia National Bank.....	1 and 4.
Hanover, N. H.....	1	Dartmouth National Bank.....	1 and 4 and 9.
Jenkintown, Pa.....	3	Citizens National Bank.....	1 to 7 and 9.
Philadelphia, Pa.....	3	Manayunk National Bank.....	1 to 9.
Paintsville, Ky.....	4	Paintsville National Bank.....	1 to 5 7 to 9.
Hamilton, Ohio.....	4	Second National Bank.....	1 to 9.
Lynchburg, Va.....	5	Lynchburg National Bank.....	1 and 4.
St. Petersburg, Fla.....	6	Alexander National Bank.....	1 to 9.
Harriman, Tenn.....	6	Harriman National Bank.....	1 to 9.
Chicago, Ill.....	7	Guardian National Bank.....	1 to 9.
Riverside, Ill.....	7	First National Bank.....	1 to 9.
La Fayette, Ind.....	7	National Fowler Bank.....	1 to 8.
Clay, Ky.....	8	Farmers National Bank.....	1 to 9.
Fort Morgan, Colo.....	10	Morgan County National Bank.....	1 to 9.
Fort Worth, Tex.....	11	Continental National Bank.....	1 to 9.
Ontario, Calif.....	12	Ontario National Bank.....	1 to 8.
Lodi, Calif.....	12	Lodi National Bank.....	1 to 9.

Changes in National Bank Membership

The Comptroller of the Currency reports the following increases and reductions in the number and capital of national banks during the period from July 25 to August 21, 1925, inclusive:

	Number of banks	Amount of capital
New charters issued.....	10	\$850,000
Restored to solvency.....	0	0
Increase of capital approved ¹	10	2,165,000
Aggregate of new charters, banks restored to solvency, and banks increasing capital.....	20	3,015,000

¹ Includes one increase in capital of \$1,500,000 incident to a consolidation under act of Nov. 7, 1918.

	Number of banks	Amount of capital
Liquidations.....	11	\$1,020,000
Reducing capital ²	1	25,000
Total liquidations and reductions of capital.....	12	1,045,000
Consolidations of national banks under act of Nov. 7, 1918.....	2	7,525,000
Aggregate increased capital for period.....		3,015,000
Reduction of capital owing to liquidations, etc.....		1,045,000
Net increase.....		1,970,000

² Incident to a consolidation under act of Nov. 7, 1918.

ESTIMATE OF PRODUCTION OF CROPS, BY FEDERAL RESERVE DISTRICTS

[On the basis of the August estimates by the Department of Agriculture]

[In thousands of units]

Federal reserve district	Corn (bushels)		Total wheat (bushels)		Winter wheat (bushels)		Spring wheat (bushels)	
	Yield, 1924	Forecast Aug. 1, 1925	Yield, 1924	Forecast Aug. 1, 1925	Yield, 1924	Forecast Aug. 1, 1925	Yield, 1924	Forecast Aug. 1, 1925
Boston.....	12,310	14,449	190	317			190	317
New York.....	28,956	35,809	7,757	8,181	7,505	7,870	252	311
Philadelphia.....	50,506	69,721	18,285	22,624	18,147	22,470	138	154
Cleveland.....	138,991	233,125	42,545	33,148	42,513	33,112	32	36
Richmond.....	136,114	146,553	27,497	31,110	27,497	31,110		
Atlanta.....	176,332	184,136	4,112	5,865	4,112	5,865		
Chicago.....	721,019	1,060,500	67,980	63,435	65,262	59,331	2,718	4,104
St. Louis.....	346,256	429,748	53,394	63,324	53,203	63,019	191	305
Minneapolis.....	268,121	317,392	257,976	194,529	14,921	6,614	243,055	187,915
Kansas City.....	452,646	395,317	295,244	152,596	284,992	142,255	10,252	10,341
Dallas.....	92,819	48,448	26,819	4,399	26,513	4,276	306	123
San Francisco.....	12,443	15,142	70,874	98,918	45,372	39,775	25,502	59,143
Total.....	2,436,513	2,950,340	872,673	678,446	590,037	415,697	282,636	262,749

Federal reserve district	Oats (bushels)		Hay (tons)		Tobacco (pounds)		Potatoes (bushels)	
	Yield, 1924	Forecast Aug. 1, 1925	Yield, 1924	Forecast Aug. 1, 1925	Yield, 1924	Forecast Aug. 1, 1925	Yield, 1924	Forecast Aug. 1, 1925
Boston.....	8,326	9,582	4,443	4,360	12,158	13,107	55,519	44,422
New York.....	36,015	38,322	7,789	6,403	38,802	42,773	52,581	38,937
Philadelphia.....	23,414	23,900	3,516	2,698	59,800	56,806	29,223	22,857
Cleveland.....	31,572	88,429	7,526	5,482	147,384	151,765	21,798	20,478
Richmond.....	22,643	23,327	4,258	2,111	488,240	470,206	37,455	26,070
Atlanta.....	12,728	16,803	2,927	2,436	110,326	127,769	12,661	9,998
Chicago.....	608,284	535,558	22,352	13,794	39,248	44,329	81,801	56,661
St. Louis.....	60,927	61,236	8,719	6,231	338,335	320,869	20,930	14,479
Minneapolis.....	432,684	366,642	18,527	17,393	2,200	2,568	76,808	54,127
Kansas City.....	174,026	167,709	17,655	13,733	4,020	3,904	31,159	27,306
Dallas.....	52,149	16,017	1,429	1,039			2,936	2,820
San Francisco.....	29,132	39,824	13,309	15,338			31,913	35,111
Total.....	1,541,900	1,387,349	112,450	91,015	1,240,513	1,234,096	454,784	353,266

BUSINESS STATISTICS FOR THE UNITED STATES

INDUSTRIAL ACTIVITY

Industrial production turned upward in July after several months of decline, and other indexes of business activity continued at rather high levels. Especially notable is the excess over the summer of 1924. Manufacturing and mining production and factory employment and pay rolls reached high levels in the early months of both 1924 and 1925, and subsequently declined. The decreases this year, however, were not as great as those of a year ago. Distribution of commodities, as evidenced by freight-car loadings and by wholesale and retail trade, has been greater during most of this year than in the corresponding months of 1924. Automobile production and building activity also have this year been unusually large.

July figures indicate a continuation, but at a slackened rate, of declining activity in the iron and steel industry. On the other hand, the output of automobiles, silk goods, rubber tires, and building materials continued large and substantial increases occurred in flour milling and coal mining. The cotton and wool and leather and shoe industries operated in July at practically the same rate as in June.

The index of production in basic industries, which is adjusted for seasonal variations, rose from 110 in June to 113 in July, which compares with 127, the high point of this year reached in January, and 94, the low point of last summer. The unadjusted manufacturing index also advanced slightly, although seasonal declines are usual between June and July. The mineral index, owing largely to the increase in coal production, anticipatory to the threatened anthracite strike, likewise increased nearly 2 per cent.

Movements of agricultural commodities to market showed a small seasonal increase in July but were not as large as in that month of recent years. The decline, as compared with previous years, was rather general among most of the important groups. Cotton sight receipts were the smallest for any July of the postwar period. Movement of cattle and sheep to markets compared favorably with previous years, but hog shipments were the smallest recorded since 1921. Receipts of corn were also uncommonly small, and wheat receipts, although seasonally larger than in June, did not equal those of July, 1924.



INDEX OF PRODUCTION IN BASIC INDUSTRIES¹

[Index and relatives for each industry adjusted for seasonal variations. Monthly average, 1919=100]

Year and month	General index	Iron and steel		Textiles		Food products								Lumber
		Pig iron	Steel ingots	Cotton	Wool	Wheat flour	Sugar meltings	Animals slaughtered						
								Cattle	Calves	Sheep	Hogs			
1924														
July.....	95	70	67	71	83	122	125	95	117	99	141	106		
August.....	94	71	87	72	82	100	104	94	118	91	136	105		
September.....	103	80	99	93	91	110	141	93	128	91	132	108		
October.....	109	93	104	109	100	97	141	94	143	93	121	120		
November.....	107	97	109	105	102	84	111	93	129	82	122	116		
December.....	117	119	133	111	102	82	91	99	155	87	130	128		
1925														
January.....	127	134	151	115	100	94	132	100	140	90	121	147		
February.....	124	143	150	114	99	103	104	96	157	91	107	125		
March.....	120	136	147	110	95	94	133	100	138	102	96	125		
April.....	119	128	128	121	92	90	134	104	124	120	101	123		
May.....	111	113	121	103	91	88	115	104	114	117	92	116		
June.....	110	107	115	98	88	102	117	95	126	105	101	117		
July.....	113	105	110	99	87	122	117	107	131	101	96	125		

Year and month	Coal		Nonferrous metals		Sole leather	News-print	Cement	Petroleum	Tobacco products		
	Bituminous	Anthracite	Copper	Zinc					Cigars	Cigarettes	Manufactured tobacco
1924											
July.....	89	106	133	109	63	102	193	185	98	155	97
August.....	87	95	132	106	62	101	190	190	95	157	93
September.....	103	105	130	104	68	107	186	191	100	162	98
October.....	110	95	133	108	71	110	183	185	97	158	99
November.....	104	91	140	108	71	104	187	183	96	145	89
December.....	116	100	137	121	76	103	182	182	92	170	94
1925											
January.....	125	104	148	128	68	106	243	192	91	188	105
February.....	109	116	147	119	72	108	193	191	88	171	97
March.....	95	96	142	131	70	110	199	187	86	170	89
April.....	105	106	136	124	69	115	199	194	87	178	95
May.....	99	106	* 135	127	64	112	193	212	88	175	96
June.....	101	101	* 136	117	66	110	197	210			
July.....	105	116	138	121	71	108	215	204	94	179	101

¹ This table contains for certain months the index numbers of production in basic industries which are shown in the chart at the bottom of page 605, together with the series of relatives used in constructing the index. In making the final index the relatives are adjusted to allow for seasonal fluctuations and are weighted. The methods of construction were described in detail and all relatives for each series since January, 1913, were published on pages 1414-1421 of the BULLETIN for December, 1922.

² Revised.

INDEX OF EMPLOYMENT IN MANUFACTURING INDUSTRIES¹

[Monthly average, 1919=100]

	General index ²	Metals and products		Textiles and products			Lumber and products	Rail- road vehicles	Auto- mobiles	Paper and print- ing	Foods and products ²	Leather and products	Stone, clay, and glass	To- bacco products	Chem- icals and prod- ucts	
		Group index	Iron and steel	Group index	Fabrics	Prod- ucts										
1924																
July.....	89.0	80.3	80.0	85.7	85.8	85.4	99.7	89.1	95.1	101.5	90.1	80.7	118.1	88.0	68.5	
August.....	89.5	79.1	78.9	87.4	87.4	87.4	99.9	88.4	96.4	101.5	90.0	84.8	121.3	87.4	68.7	
September.....	91.2	80.5	80.2	90.5	90.8	90.2	100.9	88.8	97.2	104.0	92.2	88.0	119.3	89.7	69.9	
October.....	92.7	82.5	82.1	93.6	95.4	91.4	101.9	89.8	98.6	104.5	92.2	89.2	118.8	83.3	71.9	
November.....	92.5	82.8	82.4	93.1	96.1	89.2	101.1	89.1	96.3	105.2	90.6	88.7	117.7	91.8	72.5	
December.....	94.1	85.7	85.2	96.2	100.0	91.2	101.0	89.7	99.3	105.9	91.1	87.9	116.1	91.1	74.1	
1925																
January.....	94.4	87.5	87.1	97.4	100.6	93.4	99.8	89.3	103.8	105.1	88.4	90.9	109.7	87.0	74.0	
February.....	95.8	89.6	89.1	99.9	101.4	97.9	100.4	89.8	105.1	104.9	88.5	92.5	110.7	87.7	74.6	
March.....	96.4	90.1	89.5	100.0	101.0	98.6	99.6	89.9	112.7	105.7	86.2	92.5	116.8	88.5	75.5	
April.....	95.9	89.2	88.7	98.9	100.8	96.5	100.6	88.8	121.7	104.7	83.0	88.8	123.2	81.7	75.4	
May.....	94.9	88.0	87.5	96.4	99.1	92.9	99.8	84.9	128.5	103.8	83.2	86.8	125.5	87.0	73.2	
June.....	94.2	86.9	86.3	95.4	97.5	92.8	100.1	84.7	122.8	103.5	85.6	83.0	125.9	85.8	72.9	
July.....	93.1	85.6	84.9	93.3	93.1	93.4	99.3	84.5	122.2	103.4	85.4	85.7	121.3	85.9	73.0	

¹ This table contains for certain months index numbers of employment, together with group indexes for important industrial components. The general index is a weighted average of relatives for 33 individual industries. The method of construction was described in detail and indexes for the above groups since January, 1919, were published on pages 324-325 of the BULLETIN for May, 1925.

² General index and food products group index revised; see p. 668 of this issue.

INDEX OF PAY ROLLS IN MANUFACTURING INDUSTRIES ¹

[Monthly average, 1919=100]

	General index ²	Metals and products		Textiles and products			Lumber and products	Rail road vehicles	Auto-mobiles	Paper and printing	Foods and products ²	Leather and products	Stone, clay, and glass	To-bacco products	Chemicals and products
		Group index	Iron and steel	Group index	Fabrics	Products									
1924															
July.....	92.2	75.4	75.0	85.8	85.3	86.4	102.1	88.6	99.9	128.2	103.7	80.7	142.0	90.4	87.9
August.....	96.0	78.6	78.3	92.3	91.5	93.4	105.0	91.6	107.6	128.0	101.5	91.0	148.4	90.2	89.9
September.....	99.1	80.7	80.1	98.3	97.5	99.3	107.8	90.3	111.8	133.4	106.1	95.9	146.0	93.9	91.1
October.....	102.6	84.9	84.7	103.0	105.6	99.8	111.2	97.6	116.8	135.6	103.2	96.2	149.6	85.5	95.4
November.....	100.8	85.1	84.5	99.1	104.5	92.5	110.2	94.6	111.4	136.0	102.5	87.9	145.1	97.9	95.5
December.....	105.6	91.6	91.1	107.5	113.9	99.7	111.9	97.4	114.5	139.9	104.5	91.5	143.6	100.0	98.2
1925															
January.....	102.9	92.9	92.6	108.6	112.9	103.3	103.1	91.5	99.9	138.2	100.4	95.3	128.8	93.5	97.0
February.....	108.8	96.3	95.8	113.4	114.2	112.4	108.5	100.0	132.1	137.5	103.9	99.7	136.4	87.0	99.7
March.....	110.4	97.2	96.5	114.4	114.2	114.7	109.7	100.2	142.9	139.4	102.7	100.0	143.4	88.3	101.6
April.....	107.5	94.4	93.9	108.0	111.7	103.5	107.9	95.4	156.2	137.1	97.6	91.5	149.9	74.2	97.6
May.....	107.7	94.6	94.0	105.0	109.9	99.0	108.6	91.6	163.9	136.7	100.9	90.3	154.6	90.9	98.4
June.....	105.1	91.1	90.4	101.6	103.9	98.8	109.7	90.4	161.2	135.5	103.8	85.1	154.3	90.3	95.7
July.....	102.7	86.8	86.1	101.2	100.9	101.6	105.9	86.7	150.0	133.8	102.8	89.0	145.9	89.0	95.6

¹ This table contains for certain months index numbers of pay rolls, together with group indexes for important industrial components. The general index is a weighted average of relatives for 33 individual industries. The method of construction was described in detail and indexes for the above groups since January, 1919, were published on pages 324-325 of the BULLETIN for May, 1925.

² General index and food products group index revised; see page 668 of this issue.

INDEXES OF INDUSTRIAL ACTIVITY ¹

[No seasonal adjustment. Monthly average, 1919=100]

Year and month	Agricultural movements							Mineral production									
	Total	Live-stock	Animal products	Grains	Cotton	Vegetables	Fruits	Tobacco	Total	Anthracite coal	Bituminous coal	Petroleum	Pig iron	Copper	Zinc	Lead	Silver
1924																	
July.....	100	96	166	118	21	137	148	2	113	106	86	194	70	129	109	138	95
August.....	121	90	127	218	38	107	144	63	116	97	92	196	74	132	106	139	104
September.....	152	109	107	195	175	165	163	127	124	106	109	189	81	126	104	146	117
October.....	189	123	100	230	278	226	248	165	134	105	125	190	97	137	108	148	119
November.....	160	120	105	156	271	136	157	148	122	92	108	179	99	136	109	145	119
December.....	143	132	121	120	231	86	86	184	130	101	119	180	116	135	121	143	120
1925																	
January.....	119	122	93	112	127	130	85	292	140	101	134	188	132	148	128	146	117
February.....	88	94	92	76	79	121	72	161	119	98	100	171	126	137	119	131	107
March.....	86	91	109	73	71	128	106	53	123	96	97	191	140	149	131	154	104
April.....	73	87	126	40	43	125	94	17	118	102	87	194	128	140	124	143	109
May.....	80	86	142	62	28	135	136	5	125	111	91	216	115	* 140	127	147	111
June.....	81	88	150	75	12	142	92	1	125	106	96	212	105	* 139	117	* 151	* 116
July.....	85	86	135	99	14	110	151	(¹)	127	116	102	204	105	134	121	149	123

Year and month	Manufacturing production											
	Total	Iron and steel	Auto- mo- biles	Tex- tiles	Food prod- ucts	Lum- ber	Paper and print- ing	Leather and shoes	Petro- leum	Cement and brick	To- bacco	Rub- ber tires
1924												
July.....	97	67	163	81	103	136	111	75	176	154	127	125
August.....	105	87	172	83	102	142	118	84	182	166	123	158
September.....	113	96	178	98	112	143	120	90	180	157	126	175
October.....	124	108	178	113	114	160	138	101	186	169	132	191
November.....	113	108	141	105	108	132	126	84	185	148	114	155
December.....	117	124	126	111	117	122	127	90	196	138	106	163
1925												
January.....	127	145	142	121	118	145	135	89	199	111	118	171
February.....	120	132	169	114	98	134	125	92	186	107	105	176
March.....	134	147	223	122	95	150	142	99	204	136	116	190
April.....	132	128	260	119	88	155	142	97	201	108	113	191
May.....	129	121	250	109	87	164	136	84	212	106	119	195
June.....	125	112	239	105	94	160	133	82	216	184	135	* 194
July.....	‡ 126	109	239	107	97	164	‡ 129	‡ 83	-----	186	135	-----

¹ For description and early figures see BULLETIN for March, 1924.

² Revised.

³ Preliminary.

⁴ Less than one-half of 1 per cent.

COMMODITY MOVEMENTS

With the March issue the publication in the BULLETIN of detailed statistics regarding movements and stocks of commodities was discontinued. Certain figures compiled by the board's division of research and statistics are still published in order that users of these data may continue to have comparable series of data. Information as to current figures for any of the discontinued series will be furnished upon request.

	July, 1925	June, 1925	July, 1924
Grain and Flour			
Receipts at 17 interior centers (000 omitted):			
Wheat (bushels).....	42,662	22,397	46,625
Corn (bushels).....	9,828	17,552	18,051
Oats (bushels).....	17,596	19,069	11,189
Rye (bushels).....	403	889	4,954
Barley (bushels).....	3,086	3,382	1,498
Total grain (bushels).....	73,575	63,289	82,315
Flour (barrels).....	2,713	2,492	2,739
Total grain and flour (bushels).....	85,783	74,500	94,642
Shipments at 14 interior centers (000 omitted):			
Wheat (bushels).....	22,435	17,956	21,762
Corn (bushels).....	9,299	12,658	9,663
Oats (bushels).....	18,247	18,254	8,212
Rye (bushels).....	3,381	1,475	8,138
Barley (bushels).....	1,998	2,711	1,155
Total grain (bushels).....	55,362	53,054	48,930
Flour (barrels).....	3,691	3,352	3,490
Total grain and flour (bushels).....	71,973	68,137	64,636
Stocks at 11 interior centers at close of month (000 omitted):			
Wheat (bushels).....	17,404	19,568	30,386
Corn (bushels).....	4,573	12,291	2,977
Oats (bushels).....	22,166	29,617	1,776
Rye (bushels).....	3,178	6,448	10,746
Barley (bushels).....	608	747	243
Total grain (bushels).....	47,930	68,671	46,127
Receipts at 9 seaboard centers (000 omitted):			
Wheat (bushels).....	9,782	8,606	7,942
Corn (bushels).....	662	923	1,101
Oats (bushels).....	2,166	3,197	3,349
Rye (bushels).....	864	186	1,476
Barley (bushels).....	5,030	3,186	1,755
Total grain (bushels).....	18,504	16,098	15,622
Flour (barrels).....	1,703	1,518	1,434
Total grain and flour (bushels).....	26,269	22,927	22,076
Stocks at 8 seaboard centers at close of month (000 omitted):			
Wheat (bushels).....	6,220	5,801	3,554
Corn (bushels).....	256	366	266
Oats (bushels).....	1,099	1,088	553
Rye (bushels).....	179	733	857
Barley (bushels).....	3,576	1,490	3,241
Total grain (bushels).....	11,330	9,478	8,472
Wheat flour production (barrels, 000 omitted)	10,377	8,917	10,395
Tobacco			
Tobacco sales at loose-leaf warehouses, (pounds, 000 omitted):			
Burley.....	27	19	113
Western dark.....	43	219	478

	July, 1925	June, 1925	July, 1924
Transportation			
Revenue freight loaded and received from connections (cars loaded, 000 omitted):			
Classified by nature of products—			
Grain and grain products.....	194	150	205
Livestock.....	119	116	131
Coal.....	740	676	624
Coke.....	41	40	31
Forest products.....	294	318	274
Ore.....	282	274	248
Merchandise, l. c. l.....	1,108	1,119	1,035
Miscellaneous.....	1,634	1,600	1,456
Total.....	4,411	4,302	4,004
Classified by geographical divisions—			
Eastern.....	1,044	1,023	940
Allegheny.....	899	879	810
Pocahontas.....	225	219	181
Southern.....	617	618	560
Northwestern.....	666	662	605
Central western.....	657	614	628
Southwestern.....	302	288	279
Total.....	4,411	4,302	4,004

BUILDING STATISTICS

Building permits issued in 168 cities, grouped by Federal reserve districts:			
Number of permits—			
Boston (14 cities).....	2,975	3,272	3,080
New York (22 cities).....	10,893	12,998	9,417
Philadelphia (14 cities).....	2,994	3,140	3,394
Cleveland (12 cities).....	6,226	6,358	5,786
Richmond (15 cities).....	3,298	4,058	4,363
Atlanta (15 cities).....	3,703	3,766	3,281
Chicago (19 cities).....	14,055	10,690	12,945
St. Louis (5 cities).....	2,870	2,990	2,698
Minneapolis (9 cities).....	1,945	2,155	1,880
Kansas City (14 cities).....	2,960	2,927	2,592
Dallas (9 cities).....	2,408	2,382	2,375
San Francisco (20 cities).....	10,602	10,813	10,331
Total.....	64,929	65,549	62,142
Value of permits (dollars, 000 omitted)—			
Boston (14 cities).....	12,014	15,701	11,485
New York (22 cities).....	110,290	99,765	55,164
Philadelphia (14 cities).....	36,338	20,253	16,584
Cleveland (12 cities).....	23,230	27,542	17,912
Richmond (15 cities).....	13,669	17,949	15,290
Atlanta (15 cities).....	16,256	15,881	9,995
Chicago (19 cities).....	60,118	64,102	45,031
St. Louis (5 cities).....	8,265	10,554	6,220
Minneapolis (9 cities).....	6,244	6,862	6,287
Kansas City (14 cities).....	9,989	14,490	7,394
Dallas (9 cities).....	6,627	6,587	7,185
San Francisco (20 cities).....	33,156	39,073	30,844
Total.....	336,196	338,759	229,391
Building contracts awarded, by Federal reserve districts (dollars, 000 omitted):			
Boston.....	55,319	41,211	27,996
New York.....	125,141	121,527	90,681
Philadelphia.....	44,354	35,168	27,915
Cleveland.....	88,737	52,881	37,721
Richmond.....	34,229	36,961	26,031
Atlanta.....	61,793	51,919	38,665
Chicago.....	69,232	127,387	54,610
St. Louis.....	24,540	38,876	22,415
Minneapolis.....	11,809	16,504	9,373
Kansas City ¹	10,688	16,811	9,312
Dallas.....	21,175	22,293	13,676
Total (11 districts).....	547,106	561,038	358,398

¹ Excluding Colorado.

WHOLESALE AND RETAIL TRADE

WHOLESALE TRADE IN THE UNITED STATES, BY LINES¹
[Average monthly sales 1919=100]

	General index	Groceries	Meat	Dry goods	Shoes	Hardware	Drugs
1924							
January.....	80	80	66	97	49	91	116
February.....	78	77	63	98	49	90	109
March.....	80	80	62	90	65	104	118
April.....	78	79	61	81	69	108	114
May.....	77	81	64	72	56	104	110
June.....	76	83	64	70	52	96	105
July.....	78	83	67	79	44	93	110
August.....	83	83	68	102	56	93	107
September.....	92	93	71	116	69	106	117
October.....	95	100	78	104	67	110	128
November.....	84	89	69	88	57	98	109
December.....	79	83	66	77	57	99	109
1925							
January.....	79	80	71	82	43	89	116
February.....	76	73	69	88	46	90	109
March.....	83	79	73	96	63	107	121
April.....	79	75	68	85	65	107	115
May.....	79	79	75	77	54	101	106
June.....	83	84	79	82	54	105	110
July.....	83	85	77	85	48	99	111

¹ For description of the wholesale trade index see FEDERAL RESERVE BULLETIN for April, 1923.

CHANGE IN CONDITION OF WHOLESALE TRADE, BY LINES AND DISTRICTS

	Percentage change in July, 1925, sales compared with—		Percentage change in stocks at the end of July, 1925, compared with ¹ —	
	June, 1925	July, 1924	June, 1925	July, 1924
Groceries:				
United States.....	1.2	2.1	0.8	7.0
Boston district.....	-5.3	-5.1	4.6	24.5
New York district.....	2.1	2.3	-----	3.8
Philadelphia district.....	1.6	0.3	2.9	-2.6
Cleveland district.....	-1.0	-3.3	-9.0	3.5
Richmond district.....	2.1	10.7	3.6	4.0
Atlanta district.....	2.4	6.9	-----	-----
Chicago district.....	4.3	0.1	-1.1	7.1
St. Louis district.....	4.7	9.2	5.9	30.7
Minneapolis district.....	2.7	0.6	-----	-----
Kansas City district.....	1.2	2.8	-----	-----
Dallas district.....	11.7	10.1	-0.8	12.9
San Francisco district.....	-1.0	-0.6	-----	-----
Dry goods:				
United States.....	3.5	7.8	9.9	-10.8
New York district.....	-9.2	20.3	-----	-----
Philadelphia district.....	-20.3	-4.1	18.7	-9.0
Cleveland district.....	-12.9	2.8	13.4	-9.7
Richmond district.....	3.5	-3.8	5.1	-14.5
Atlanta district.....	25.4	16.7	-----	-----
Chicago district.....	-8.4	-2.1	7.3	-11.8
St. Louis district.....	13.1	22.5	-3.3	2.4
Minneapolis district.....	-14.1	12.9	-----	-----
Kansas City district.....	30.4	23.6	-----	-----
Dallas district.....	20.6	-18.3	16.7	-5.4
San Francisco district.....	10.6	3.4	-----	-----
Shoes:				
United States.....	-11.9	7.3	3.8	-12.0
Boston district.....	-1.4	16.2	1.7	-1.1
New York district.....	-6.6	11.1	-----	59.5
Philadelphia district.....	4.2	19.8	7.7	7.6
Cleveland district.....	-33.4	-9.6	45.7	-18.8
Richmond district.....	-9.9	10.4	-2.5	-21.4
Atlanta district.....	7.8	21.9	-----	-----
Chicago district.....	-14.3	-9.6	5.6	-21.2

¹ Changes in total stocks for the United States are weighted averages computed on the basis of firms which have reported regularly to the Federal Reserve System since January, 1923.

CHANGE IN CONDITION OF WHOLESALE TRADE, BY LINES AND DISTRICTS—Continued

	Percentage change in July, 1925, sales compared with—		Percentage change in stocks at the end of July, 1925, compared with ¹ —	
	June, 1925	July, 1924	June, 1925	July, 1924
Shoes—Continued				
St. Louis district.....	-15.6	-34.9	11.9	0.2
Minneapolis district.....	-31.4	24.5	-----	-----
San Francisco district.....	-9.9	7.2	-----	-----
Hardware:				
United States.....	-5.8	5.9	-4.7	-5.5
New York district.....	-11.9	3.4	-----	-9.4
Philadelphia district.....	-15.9	-2.8	-3.2	-3.7
Cleveland district.....	-9.9	2.3	-1.8	-11.6
Richmond district.....	-0.8	-7.0	-1.8	-14.0
Atlanta district.....	1.5	12.6	-----	-----
Chicago district.....	-5.2	5.4	-4.8	-3.8
St. Louis district.....	10.1	3.4	19.2	-5.6
Minneapolis district.....	5.8	9.1	-----	-----
Kansas City district.....	-5.1	13.7	-----	-----
Dallas district.....	0.4	7.5	-1.0	0.9
San Francisco district.....	-3.7	9.5	-----	-----
Drugs:				
United States.....	0.9	1.2	0.2	6.3
New York district.....	-1.2	-7.7	-----	-----
Philadelphia district.....	-3.3	-0.5	-----	-----
Cleveland district.....	2.9	5.4	-----	-----
Richmond district.....	5.7	6.0	-----	-----
Atlanta district.....	7.0	6.2	-----	-----
Chicago district.....	-3.4	7.6	1.1	10.1
St. Louis district.....	1.4	-4.1	-----	-----
Kansas City district.....	3.7	4.4	-----	-----
Dallas district.....	0.9	-2.6	-0.4	0.4
San Francisco district.....	4.3	-3.1	-----	-----
Furniture:				
Richmond district.....	34.1	57.2	-7.8	-2.4
Atlanta district.....	-15.0	32.6	-----	-----
St. Louis district.....	19.3	0.8	-7.4	-1.2
Kansas City district.....	-16.3	9.7	-----	-----
San Francisco district.....	-0.5	8.9	-----	-----
Agricultural implements:				
United States.....	-1.4	34.6	-----	-----
Atlanta district.....	9.0	61.2	-----	-----
Minneapolis district.....	185.2	92.5	-----	-----
Dallas district.....	-31.0	-34.8	-2.2	-1.1
San Francisco district.....	13.5	99.0	-----	-----
Stationery and paper:				
New York district.....	-7.5	2.2	-----	-----
Philadelphia district.....	-0.9	-7.4	-0.6	8.7
Atlanta district.....	18.1	33.8	-----	-----
San Francisco district.....	1.0	1.3	-----	-----
Automobile supplies:				
San Francisco district.....	7.7	8.8	-----	-----
Clothing:				
New York district.....	167.4	42.9	-----	-----
St. Louis district.....	-31.1	-72.4	-----	-----
Cotton jobbers:				
New York district.....	12.4	9.6	-----	-22.1
Silk goods: ²				
New York district.....	-14.2	24.0	-----	-2.1
Machine tools:				
New York district.....	-13.5	56.6	-----	-----
Diamonds:				
New York district.....	17.3	15.6	-----	-----
Jewelry:				
New York district.....	-8.5	-3.2	-----	6.6
Philadelphia district.....	-19.9	-3.8	3.3	1.7
Electrical supplies:				
Philadelphia district.....	-22.3	-0.6	0.6	-3.0
Atlanta district.....	16.5	78.5	-----	-----
St. Louis district.....	53.6	-25.6	2.3	-2.7
San Francisco district.....	-5.8	8.0	-----	-----
Millinery:				
Kansas City district.....	58.8	12.8	-----	-----
Stoves:				
St. Louis district.....	0.3	66.8	21.4	-9.2

² Sales of agricultural implements for the United States are compiled by the Chicago Federal Reserve Bank from reports of leading implement manufacturers and include all their domestic business.

³ Stocks at first of month—quantity, not value.

⁴ Includes diamonds.

RETAIL TRADE, BY REPORTING LINES¹

[Average monthly sales 1919=100]

Year and month	Sales without seasonal adjustment									Sales with seasonal adjustment								
	Department stores (359 stores)	Mail-order houses (4 houses)	Grocery chains (27 chains) ²	Five-and-ten-cent chains (5 chains)	Drug chains (9 chains)	Cigar chains (3 chains)	Shoe chains (6 chains)	Music chains (4 chains)	Candy chains (5 chains)	Department stores (359 stores)	Mail-order houses (4 houses)	Grocery chains (27 chains) ²	Five-and-ten-cent chains (5 chains)	Drug chains (9 chains)	Cigar chains (3 chains)	Shoe chains (6 chains)	Music chains (4 chains)	Candy chains (5 chains)
1924																		
June.....	120	89	200	162	143	131	140	75	169	120	104	203	176	146	134	132	94	181
July.....	91	69	206	163	148	128	113	72	177	123	93	214	179	147	129	123	97	181
August.....	93	74	201	172	152	138	108	91	180	118	98	211	181	151	141	138	102	179
September.....	119	106	210	169	145	137	124	110	189	131	112	221	183	147	137	129	110	192
October.....	141	141	240	203	159	144	138	124	199	124	109	234	188	156	137	122	102	194
November.....	141	131	232	199	145	138	146	111	186	126	105	230	191	154	139	134	89	195
December.....	210	148	253	366	187	192	186	184	282	131	123	242	198	153	142	142	98	188
1925																		
January.....	108	108	250	151	155	122	107	92	162	124	110	249	207	161	141	141	112	193
February.....	101	105	233	156	146	119	100	99	175	131	116	243	209	161	140	149	120	207
March.....	121	119	252	177	160	131	127	105	188	121	103	233	185	159	135	127	116	186
April.....	136	117	258	195	159	134	177	107	210	133	114	255	208	164	139	152	126	210
May.....	128	95	254	191	163	143	149	96	195	124	106	254	201	166	140	129	116	202
June.....	126	102	257	187	167	134	152	99	184	126	120	261	203	170	137	142	125	197
July.....	96	89	262	183	166	136	122	104	181	128	119	272	201	164	137	134	140	185

¹ For description of the retail trade indexes see Federal Reserve Bulletins for January and March, 1924.² Index of sales of grocery chains revised. Comparable index numbers for all months since January, 1919, may be obtained from Division of Research and Statistics, Federal Reserve Board

DEPARTMENT STORE SALES, BY FEDERAL RESERVE DISTRICTS

[Average monthly sales 1919=100]

Federal reserve district	Number of reporting firms	Sales without seasonal adjustment						Sales with seasonal adjustment							
		1925					1924		1925					1924	
		July	June	May	Apr.	Mar.	July	June	July	June	May	Apr.	Mar.	July	June
United States.....	359	96	126	128	136	121	91	120	128	126	124	133	121	123	120
Boston.....	24	92	134	128	136	110	89	131	129	128	120	129	110	124	123
New York.....	63	94	132	132	140	124	93	127	134	131	129	136	122	133	127
Philadelphia.....	22	85	127	121	134	125	82	123	126	123	117	122	135	122	119
Cleveland.....	54	98	128	132	142	125	94	126	127	126	126	139	123	122	124
Richmond.....	23	93	123	117	132	119	85	118	127	119	116	129	115	116	114
Atlanta.....	35	78	98	104	109	99	73	95	103	104	99	106	100	96	100
Chicago.....	63	107	139	139	149	127	99	125	141	141	133	146	127	130	126
Minneapolis.....	23	81	103	107	116	97	80	99	99	102	106	110	99	98	98
Dallas.....	21	72	98	108	110	107	71	95	102	102	107	116	101	101	100
San Francisco.....	31	123	134	148	146	142	116	125	147	143	143	153	143	139	133

DEPARTMENT STORE STOCKS, BY FEDERAL RESERVE DISTRICTS

[Average monthly stocks 1919=100]

Federal reserve district	Number of reporting firms	Stocks without seasonal adjustment						Stocks with seasonal adjustment							
		1925					1924		1925					1924	
		July	June	May	Apr.	Mar.	July	June	July	June	May	Apr.	Mar.	July	June
United States.....	314	124	129	136	141	139	123	127	133	135	136	136	137	131	134
Boston.....	24	110	112	125	127	126	116	119	119	118	124	124	127	126	125
New York.....	63	120	128	134	139	135	115	122	130	134	134	134	132	125	128
Philadelphia.....	13	160	174	172	186	185	141	146	171	180	176	183	182	151	151
Cleveland.....	52	120	129	136	140	137	120	128	127	132	135	135	136	127	131
Richmond.....	19	120	123	124	132	131	113	122	127	131	126	128	125	120	130
Atlanta.....	22	101	104	112	114	113	109	113	108	109	115	112	112	116	119
Chicago.....	51	142	145	153	157	156	142	145	152	153	155	152	158	152	154
Minneapolis.....	22	106	109	115	116	117	102	106	112	114	111	112	112	108	111
Dallas.....	19	111	114	123	126	125	110	114	120	120	122	126	124	118	119
San Francisco.....	29	128	129	134	140	136	132	134	134	135	133	135	134	138	141

FOREIGN BANKING AND BUSINESS CONDITIONS

RECENT PRICE MOVEMENTS IN EUROPE

Gold prices of the larger industrial countries of Europe have moved during the past year in the same direction as those in the United States. Starting in the early summer of 1924, they advanced until about the end of the year; from that time a rather sharp downward movement set in which ran nearly through the second quarter. In June prices in a number of countries rose and in July the upward movement became more general. At midsummer gold prices in most countries of Europe were between 5 and 10 per cent above those of June of last year. Stated in terms of the several domestic currencies, price movements showed individual differences in those countries whose exchanges moved up or down during the past year, so that in England and Switzerland, for example, the averages of actual prices are somewhat below those of a year ago. Gold prices, however, are a more satisfactory basis for international comparison, particularly in relation to international trade, and the present discussion deals with prices for the different countries reduced to a uniform gold basis.

The accompanying table shows the price movements over the past 12 months in the principal industrial countries of Europe and in the United States:

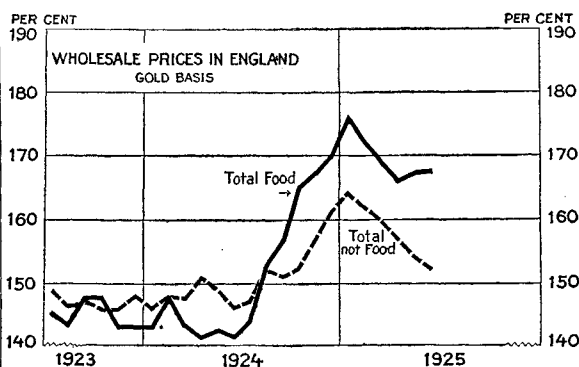
WHOLESALE PRICES IN SELECTED COUNTRIES

[On gold basis. Pre-war=100]

Country	June, 1924	December, 1924	June, 1925	Percentage change between June, 1924 and 1925
United States (B. L. S.).....	145	157	157	+8.3
England (B. T.).....	145	164	157	+8.3
France (S. G.).....	126	142	134	+6.3
Germany.....	116	131	134	+15.5
Belgium.....	134	146	135	+7
Italy.....	127	143	135	+6.3
Netherlands.....	141	161	153	+8.5
Poland.....	101	118	119	+17.8
Sweden.....	148	164	159	+7.4
Switzerland.....	163	171	162	-.6

The advance from June to June was substantially the same in the United States, England, France, Italy, Holland, and Sweden. In Germany and Poland the advance was greater and served to bring the levels of prices in those countries nearer to those of other countries. For Switzerland a slight decline

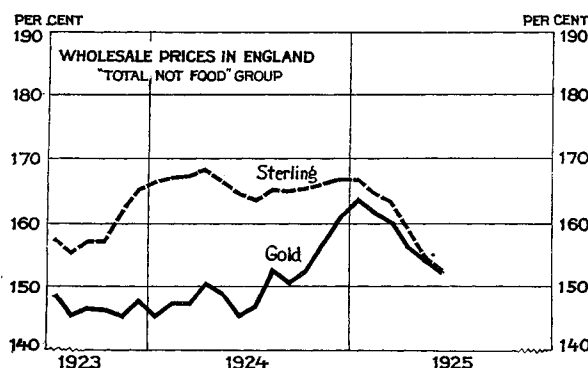
is recorded, but the Swiss index was well above the others a year ago, while at present the difference between the Swiss index and that of England or the United States is comparatively small. The difference in the price level between certain countries, however, is still considerable. The list of countries in the table falls into two distinct groups—the first comprising those whose currencies at no time have been seriously deranged and are now quoted at parity and the second comprising those which have experienced great monetary disorder. Prices are higher in the former group, in none of which the price index is below 150, while in the countries which have gone through serious monetary disturbances the price level is in no case as high as 150 per cent of the pre-war average.



The upturn in the indexes over the past year reflects primarily, for several European countries as for the United States, the advance in the prices of farm products and foodstuffs. For England the indexes of the board of trade reduced to a gold basis show that the "total food" group rose from 141 in June, 1924, to 167 in June of this year, while the "total not food" rose only from 146 to 152. For Germany the index of "industrial products" fell from 150 in June, 1924, to 135 in June, 1925, while "lebensmittel" (foodstuffs) rose in the same time from 98 to 133. In Switzerland the index of "industrial products" fell from 184 in June, 1924, to 159 a year later, while agricultural products rose from 116 to 118.5. These figures show for these countries a very marked rise in foods and agricultural products relative to industrial commodities, a readjustment which has not occurred in France or Italy. The accompanying chart shows the movement of these

groups of the Board of Trade index for England, adjusted to a gold basis.

This readjustment is of special significance for certain European countries which are large importers of foods and large exporters of industrial products, notably Great Britain. Its nature can be further indicated by observing the movement of the "total food" and the "total not food" groups of the wholesale price index of the British Board of Trade stated in terms of British currency. The "total not food" group includes cotton, other textiles, iron and steel, other metals and minerals, and other articles. In June, 1924, the "total food" group stood at 159 and the "total not food" at 164. A year later wholesale food prices had risen to 167, while the industrial commodities had fallen to 152. In 12 months food prices had risen nearly 6 per cent and wholesale prices of industrial commodities had fallen over 7 per cent; that is, food prices had risen nearly 13 per cent relative to the average of industrial commodities.



While this readjustment of British prices was in part incidental to the advance of sterling exchange to gold parity from a level some 10 per cent below, it did not occur during the actual advance of the exchange, which was virtually completed between June, 1924, and the middle of January, 1925, a period during which prices in sterling of the "total not food" group were steady, but in terms of gold were advancing very sharply. The above chart shows the movement of the "total not food" groups of the board of trade wholesale index, both on the basis of the pound sterling and on the basis of gold, computed by allowing for the position of sterling exchange.

This chart shows that sterling prices of this group of commodities were stable at about 165 for the entire year 1924. But, commencing

with the middle of the year, the advance of sterling exchange in terms of gold was reflected in a rise of the gold index of the group by 12 per cent in about six months. That is, during the year 1924 the average prices of British industrial products, in so far as they are represented in this index, maintained a steady level in sterling, but after the mid year were rising rapidly for all of Britain's customers whose currencies were stabilized in terms of gold, while at the same time foreign commodities whose prices were quoted in such currencies tended to become cheaper to the British purchaser. The more recent decline in British industrial prices has placed British exporters in a more favorable position to compete in world markets, and the advance since last year in agricultural prices has tended to increase the purchasing power of the agricultural communities which import British products, notably Asia, South America, Africa, Australia, and Canada.

ANNUAL REPORT OF THE SOUTH AFRICAN RESERVE BANK

The annual report of the South African Reserve Bank for the financial year ended March 31, 1925, shows few changes from the previous report, but these are of considerable interest. A condensed statement appears below:

CONDITION OF THE SOUTH AFRICAN RESERVE BANK

[In thousands of pounds sterling]

	Mar. 31, 1924	Mar. 31, 1925
ASSETS		
Cash and bullion on hand.....	10,702	12,490
Balance with Bank of England.....	70	114
Bills discounted:		
Domestic.....	2,628	588
Foreign.....	1,640	3,917
British treasury bills.....	1,305	590
Union treasury bills.....	12	---
Loans and advances to Government.....	1,000	---
Investments.....	17	223
Other assets.....	18	7
	17,392	17,929
LIABILITIES		
Capital.....	1,000	1,000
Reserve fund.....	40	153
Notes in circulation.....	10,848	11,195
Notes of other banks in circulation.....	---	313
Deposits:		
Bankers' reserve accounts.....	4,701	4,470
Bankers' current accounts.....	581	515
Other accounts.....	12	9
Other liabilities.....	210	274
	17,392	17,929

The item "Notes of other banks in circulation," which did not appear in the 1924 statement, is due to the fact that under the currency and banking act of 1920 other banks were required to pay to the reserve bank the amount of their outstanding note circulation, which thus became a liability of the reserve bank.

The principal changes lie in the increase in "cash" and in the composition of the portfolio. In 1924 domestic commercial bills totaled £2,627,706, while foreign bills, including British treasury bills, amounted to £2,944,830; a year later domestic bills had fallen to £587,636 and foreign bills had risen to £4,507,584, a decline of over £2,000,000 in domestic bills and a rise of about £1,500,000 on foreign bills. The relation of this movement to the return to the gold standard is explained in the governor's report:

The change began at the beginning of the present year when the British pound sterling had so rapid and yet so steady a rise in value in terms of gold that the so-called premium on gold—which was really a discount on sterling—dwindled to the vanishing point. When the premium got so small that it no longer exceeded the cost of shipping gold to London, and it therefore became cheaper for the gold producers to sell or mint their gold in this country, the gold was offered for sale to the reserve bank, who as a matter of policy bought all that was offered them. It made little difference to us whether we bought the gold or whether the gold was minted into sovereigns, because in any case, as the reserve bank is the central bank, the balances of the commercial banks with it would be swollen to the extent of the gold turned into money in this country, whether by the process of minting or the process of credit creation. If the reserve bank buys the gold the balances of the commercial banks are at once increased by the amount of credit so created; if, on the other hand, the sovereigns are minted, the majority of them would after a very short time return to the banks and be paid in by them for their credit with the reserve bank. At first, it is true, a certain amount of them might be hoarded, but a country's capacity for hoarding gold is limited, and if sovereigns continued to be minted after the country had become saturated with them their final home would be the reserve bank pending shipment abroad.

You will readily see, therefore, that the moment when it paid gold producers to take advantage of the situation which the establishment of a mint gives them over all other producers, viz, an unfailing market for their produce with a fixed minimum price, the moment this situation arose a great change took place in the financial situation in South Africa. Instead of the gold being sold in London, and the major portion of the proceeds being transferred to South Africa by the banks, the gold, unless there is a special demand for it elsewhere, is now sold in South Africa and the proceeds are paid into the banks here. This procedure, of course, feeds the funds of the banks on this side and

starves them on the other side. Instead of the banks having large funds in London, they have large funds here. As, however, they must have funds in London with which to pay for imports, it rests on the banks—I speak of the banks collectively, including the reserve bank—it rests on the banks to ship the gold, sell it, and thus put themselves in funds in London. To do all this costs money, and the price which the banks must charge their customers for sterling must include this expense. Hence it follows that the South African pound must normally be at a discount in terms of the British pound of from 5 shillings to 15 shillings per £100.

* * * I have already mentioned the fact that the turning of gold into money in this country at once swells the balance of the other banks with the reserve bank. From that statement it is an easy step to the next; that, if the other banks' balances with the reserve bank are abnormally large, they are hardly likely to borrow money from it. And this is what happened. If you are students of the reserve bank's weekly statement, you will have seen that during the last few months the amount of domestic bills discounted with the reserve bank has steadily dwindled, whilst the amount of foreign bills has steadily increased. This was a fact which we did not altogether regret. At one time, it must be remembered, there was a possibility that South Africa might return to the gold standard independently of Great Britain, and in that case it would have been of the first importance for the South African Reserve Bank to have been in possession of large sterling balances.

However, that possibility passed away. Great Britain suddenly returned in a single night to the gold standard, and the question of South Africa's ability to remain on the gold standard independently, about which there has been so much wrangling, can not now be settled by the test of actual experience.

The governor also discussed the establishment of several branches and the development of direct contact with business through the development of the bill market, both of which were recommended by the commission, whose report appeared on page 172 of the March, 1925, BULLETIN.

In conclusion, the governor referred to the gold situation of the Union, a country with a small population and a gold production of some £3,000,000 a month:

Owing to the circumstances I have already pointed out to you, viz, the turning of gold into credit in this country, there threatens to be a permanent surplus of credit here unless a further outlet is found for it. Whereas credit used to accumulate on the other side until it was wanted here, now in these altered circumstances credit will tend to accumulate here until it is wanted on the other side. The mines pour out potential credit at the rates of £3,000,000 a month.

While a large part goes abroad to pay for imports, a part of it can be made available to facilitate an increase in commodity exports.

CONDITION OF CENTRAL BANKS IN OTHER COUNTRIES

	1925			1924
	July	June	May	July
Austrian National Bank (millions of schillings):				
Gold.....	11	11	11	11
Foreign bills (reserve).....	465	427	386	325
Other foreign bills.....	104	124	133	-----
Domestic bills, etc.....	85	95	93	330
Note circulation.....	837	828	817	800
Deposits.....	30	33	16	90
National Bank of Belgium (millions of francs):				
Gold.....	272	272	272	270
Foreign bills and balances abroad.....	30	30	30	17
Bills.....	1,413	1,208	1,223	1,339
Note circulation.....	7,688	7,403	7,489	7,764
Private deposits.....	153	210	221	211
National Bank of Bulgaria (millions of leva):				
Metallic reserve.....	-----	151	84	92
Foreign notes.....	-----	3	3	1
Balances abroad and foreign bills.....	-----	520	598	557
Commercial bills.....	-----	347	330	216
Commercial loans.....	-----	469	461	404
Notes in circulation.....	-----	4,155	4,174	4,115
Deposits.....	-----	1,927	1,819	844
Banking Office, Czechoslovakia (millions of Czechoslovak crowns):				
Gold and silver.....	1,031	1,030	1,031	1,050
Balances abroad and foreign currency.....	633	613	551	620
Bills discounted.....	616	685	737	642
Advances on collateral.....	477	494	501	851
Note circulation.....	7,549	7,587	7,437	8,090
Checking accounts.....	571	603	625	629
Bank of Danzig (thousands of Danzig gulden):				
On deposit with Bank of England, foreign bills, etc.....	32,763	43,521*	34,043	23,213
Loans and discounts.....	24,059	22,677	22,417	15,832
Notes and circulation.....	34,203	32,948	30,853	22,977
Total deposits.....	5,723	8,767	7,282	12,349
National Bank of Denmark (millions of kroner):				
Gold.....	209	209	209	210
Bills.....	80	111	182	261
Loans.....	36	39	40	56
Foreign bills and balances abroad.....	109	65	38	16
Note circulation.....	449	468	467	470
Current accounts.....	64	28	35	84
Bank of Esthonia (millions of Esthonian marks):				
Cash in foreign currency.....	-----	-----	72	-----
Loans.....	-----	-----	253	-----
Bills discounted.....	-----	-----	1,659	-----
Advances on current accounts.....	-----	-----	3,498	-----
Bank notes issued.....	-----	-----	2,250	-----
Deposits of the exchequer.....	-----	-----	2,692	-----
Deposits.....	-----	-----	1,408	-----
Bank of Finland (millions of finmarks):				
Gold.....	43	43	43	43
Balances abroad, etc.....	1,069	1,049	1,098	574
Finnish and foreign government securities.....	403	401	407	499
Domestic bills.....	352	403	431	669
Note circulation.....	1,252	1,286	1,336	1,261
Current accounts—				
Private.....	93	51	35	21
Treasury.....	95	149	256	30
National Bank of Greece (millions of drachmæ):				
Gold and balances abroad.....	2,367	2,341	2,619	-----
Government loans and securities.....	3,794	3,809	3,984	-----
Discounts and loans.....	3,277	3,148	1,942	-----
Note circulation.....	5,182	5,098	4,475	-----
Private deposits—				
Sight.....	1,999	1,914	1,938	-----
Time.....	1,028	1,038	1,072	-----
National Bank of Hungary (billions of Hungarian crowns):				
Gold.....	630	633	649	442
Foreign exchange.....	2,004	2,092	2,130	1,111
Bills, etc.....	1,563	1,429	1,459	1,258
Note circulation.....	4,744	4,583	4,494	3,278
Current accounts—				
Public.....	1,665	1,874	2,307	1,095
Private.....	161	184	234	329
Bank of Java (in thousands of florins):				
Gold.....	-----	133,360	133,609	146,548
Foreign bills.....	-----	19,761	17,061	24,775
Domestic bills.....	-----	19,689	21,012	36,524
Loans.....	-----	56,436	50,213	65,387
Note circulation.....	-----	294,141	283,249	253,295
Bank of Latvia (thousands of lats):				
Gold.....	23,533	23,523	23,513	22,505
Foreign exchange reserve.....	32,762	32,676	33,703	40,480
Bills.....	58,888	55,017	53,370	37,572
Loans.....	48,515	50,211	52,126	35,631
Note circulation.....	28,350	29,043	29,410	25,800
Government deposits.....	75,769	84,938	91,806	72,336
Other deposits.....	53,201	43,605	44,092	43,510
Bank of Lithuania (thousands of litas):				
Gold.....	33,483	33,351	33,176	24,726
Foreign exchange reserve.....	28,535	34,572	41,192	49,481
Loans and discounts.....	39,483	38,211	38,461	30,128
Note circulation.....	78,497	79,277	84,780	67,805
Deposits.....	19,796	24,592	26,905	39,823
Netherlands Bank (millions of florins):				
Gold.....	419	455	479	532
Domestic bills.....	77	85	89	138
Foreign bills.....	229	191	169	95
Loans.....	135	164	160	199
Note circulation.....	876	889	875	964
Deposits.....	26	48	44	63
Bank of Norway (millions of kroner):				
Gold.....	147	147	147	147
Loans and discounts.....	325	378	336	442
Balances abroad.....	58	60	59	10
Note circulation.....	384	387	375	390
Deposits—				
State.....	3	33	28	1
Private.....	71	92	66	60
Reserve Bank of Peru (millions of libras):				
Gold at home.....	4,021	3,972	3,979	4,139
Gold abroad.....	985	985	990	702
Bills.....	1,985	2,038	1,983	1,196
Notes in circulation.....	6,168	6,175	6,000	5,665
Deposits.....	810	909	896	530
Bank of Poland (millions of zloté):				
Gold.....	122	120	119	94
Foreign exchange, etc.....	92	120	173	272
Bills.....	303	299	297	167
Note circulation.....	462	503	557	394
Current accounts, etc.—				
Treasury.....	11	11	2	8
Private.....	69	60	71	46
Bank of Portugal (millions of escudos):				
Gold.....	9	9	9	9
Balances abroad.....	195	167	203	139
Bills.....	187	180	170	164
Note circulation.....	1,617	1,610	1,627	1,627
Deposits.....	64	57	63	35
National Bank of Rumania (millions of lei):				
Gold.....	563	563	563	561
Bills.....	7,690	7,571	7,484	6,234
Government loans.....	10,787	10,787	10,787	11,077
Note circulation.....	19,576	19,348	19,381	18,051
Deposits.....	7,818	7,653	7,653	6,833

CONDITION OF CENTRAL BANKS IN OTHER COUNTRIES—Continued

	1925			1924		1925			1924
	July	June	May	July		July	June	May	July
State Bank of Russia (note issuing department; thousands of cher-vontsi):					Bank of Spain (millions of pesetas):				
Gold.....	16,657	16,909	16,798	11,429	Gold.....	2,537	2,537	2,536	2,535
Foreign currency.....	4,685	4,894	5,100	10,003	Balances abroad.....	29	29	30	34
Loans and discounts.....	44,618	42,906	38,307	21,782	Bills discounted.....	764	841	812	807
Bank notes.....	67,750	66,466	61,554	41,750	Note circulation.....	4,277	4,274	4,295	4,364
					Current accounts.....	993	1,042	1,125	915
National Bank of the Kingdom of Serbs, Croats, and Slovenes (millions of dinars):					Bank of Sweden (millions of kronor):				
Gold.....	73	73	72	72	Gold.....	234	235	234	249
Foreign currency and balances abroad.....	397	372	368	347	Balances abroad and foreign bills and securities.....	161	139	136	100
Bills.....	944	934	994	1,177	Domestic bills.....	277	365	363	347
Note circulation.....	5,661	5,644	5,771	5,568	Swedish Government securities.....	13	13	13	14
Current accounts.....	627	528	312	239	Note circulation.....	494	38	40	42
					Deposits.....	179	229	243	169
South African Reserve Bank (thousands of pounds sterling):					Swiss National Bank (millions of francs):				
Gold coin and bullion.....	3,494	3,244	4,763	549	Gold.....	508	498	482	506
Gold certificates.....	7,127	8,822	9,976	10,223	Domestic bills.....	276	263	257	251
Total bills discounted.....	5,418	4,414	3,372	3,926	Loans.....	45	49	52	74
Domestic bills.....	24	152	69	2,383	Balances abroad and due from correspondents.....	44	69	47	60
Foreign bills.....	3,260	2,913	3,053	573	Note circulation.....	824	834	822	866
Union Government treasury bills.....	1,250	1,250	250	-----	Deposits.....	111	111	80	93
British Government treasury bills.....	885	100	-----	970					
Notes in circulation.....	9,520	10,284	10,566	10,283					
Bankers' deposits.....	5,523	5,025	5,700	5,760					

DISCOUNT RATES OF 31 CENTRAL BANKS

[Prevailing rates with date of last change]

Country	Rate	In effect since—	Country	Rate	In effect since—	Country	Rate	In effect since—	Country	Rate	In effect since—
Austria.....	10	July 24, 1925	Esthonia.....	10	July 1, 1925	Japan.....	7.3	Apr. 15, 1925	Portugal.....	9	Sept. 12, 1923
Belgium.....	5½	Jan. 22, 1923	Finland.....	8	Aug. 14, 1925	Java.....	6	May 3, 1925	Rumania.....	6	Sept. 4, 1920
Bulgaria.....	10	Aug. 31, 1924	France.....	6	July 9, 1925	Latvia.....	8	Feb. 16, 1924	Russia.....	8	Apr. —, 1924
Czechoslovakia.....	7	Mar. 25, 1925	Germany.....	9	Feb. 26, 1925	Lithuania.....	7	Feb. 8, 1925	South Africa.....	5½	Nov. —, 1924
Danzig.....	9	Mar. 6, 1925	Greece.....	3½	Feb. 15, 1925	Netherlands.....	4	Jan. 16, 1925	Spain.....	5	Mar. 23, 1923
Denmark.....	6	Aug. 24, 1925	Hungary.....	9	May 27, 1925	Norway.....	5½	Aug. 25, 1925	Sweden.....	5	July 24, 1925
England.....	4½	Aug. 6, 1925	India.....	4	July 2, 1925	Peru.....	6	Apr. 1, 1923	Switzerland.....	4	July 14, 1923
			Italy.....	7	June 18, 1925	Poland.....	12	Aug. 12, 1925	Yugoslavia.....	6	June 23, 1922

Changes.—Bank of England, from 5 to 4½ per cent on August 6, 1925; Bank of Finland, from 9 to 8 per cent on August 14, 1925; Bank of Poland, from 10 to 12 per cent on August 12, 1925; Bank of Denmark, from 7 to 6 per cent on August 24, 1925; Bank of Norway, from 6 to 5½ per cent on August 25, 1925.

FOREIGN TRADE OF PRINCIPAL COUNTRIES

UNITED STATES					FOREIGN COUNTRIES				
(Thousands of dollars)									
	1925		12 months ended July—		1925		12 months ended July—		
	July	June	1925	1924	July	June	1925	1924	
IMPORTS									
By classes of commodities:									
Total	325,999	325,167	3,871,577	3,545,196					
Crude materials	124,431	129,664	1,351,107	1,182,487					
Foodstuffs, crude, and food animals	42,366	36,738	455,087	400,818					
Manufactured foodstuffs	34,231	37,688	443,794	535,119					
Semimanufactures	58,983	59,072	709,154	647,160					
Finished manufactures	64,836	62,434	771,214	755,672					
Miscellaneous	1,152	571	22,909	23,940					
By countries:									
Total Europe	93,069	88,702	1,181,783	1,064,390					
France	9,841	10,016	150,881	145,109					
Germany	13,820	11,247	146,119	146,098					
Italy	7,036	9,206	96,933	79,254					
United Kingdom	33,196	26,644	402,185	336,659					
Total North America	76,188	85,233	955,487	999,782					
Canada	38,915	37,320	414,899	413,359					
Total South America	41,487	37,022	496,173	438,903					
Argentina	5,249	5,799	76,904	73,248					
Total Asia and Oceania	111,992	107,514	1,155,706	972,836					
Japan	32,133	24,215	347,699	321,921					
Total Africa	3,263	6,694	84,116	69,288					
EXPORTS									
By classes of commodities:									
Total	339,629	323,150	4,927,648	4,286,121					
Crude materials	56,340	52,217	1,394,134	1,297,796					
Foodstuffs, crude, and food animals	22,555	21,879	400,002	196,671					
Manufactured foodstuffs	43,339	43,017	586,576	561,562					
Semimanufactures	57,802	54,348	657,690	592,478					
Finished manufactures	151,099	143,670	1,703,709	1,544,229					
Miscellaneous	512	266	7,569	6,111					
Reexports	7,982	7,753	88,358	87,285					
By countries:									
Total Europe	155,027	144,412	2,688,282	2,200,772					
France	14,402	15,205	289,927	276,978					
Germany	23,588	22,434	474,867	366,221					
Italy	12,268	11,765	225,655	174,326					
United Kingdom	57,738	57,202	1,065,215	909,262					
Total North America	101,556	96,002	1,160,828	1,031,316					
Canada	62,956	59,767	665,261	588,431					
Total South America	32,275	31,192	370,261	281,216					
Argentina	11,977	10,936	137,966	105,864					
Total Asia and Oceania	44,896	45,110	630,550	708,690					
Japan	10,947	9,722	218,958	273,460					
Total Africa	5,676	6,434	78,188	64,125					
					1925		12 months ended June— ¹		
					June	May	1925	1924	
France (million francs):									
Imports	3,084	2,991	39,062	38,317					
Exports	3,484	3,507	42,315	38,116					
Germany (million gold marks):									
Imports	1,180	1,072	12,295	7,504					
Exports	747	688	7,045	6,479					
United Kingdom (thousand £ sterling):									
Imports	98,745	110,982	1,349,707	1,186,956					
Exports	64,826	58,893	793,103	784,823					
Reexports	11,376	10,600	144,671	130,228					
Canada (thousand dollars):									
Imports	81,492	75,592	817,757	850,472					
Exports	103,280	94,319	1,105,766	1,079,048					
Japan (million yen):									
Imports	168	204	2,500	2,341					
Exports	210	181	2,056	1,562					
South Africa (thousand £ sterling):									
Imports		5,148							
Exports		7,794							
					1925		12 months ended June— ¹		
					June	May	1925	1924	
Denmark (million kroner):									
Imports	190	140	2,327	2,222					
Exports	178	154	2,194	1,906					
Italy (million lire):									
Imports	2,704	2,443	24,180	17,570					
Exports	1,661	1,440	16,089	12,860					
Netherlands (million guilders):									
Imports	183	198	2,404	2,166					
Exports	124	150	1,746	1,468					
Norway (million kroner):									
Imports	120	114	1,554						
Exports	87	81	1,184	859					
Russia (thousand rubles):¹									
Imports	60,802	87,804	444,517						
Exports	50,597	38,578	349,883						
Sweden (million kroner):									
Imports	103	120	1,407	1,338					
Exports	130	126	1,318	1,196					
Australia (thousand £ sterling):									
Imports	12,224	12,942	157,055	140,812					
Exports	9,378	11,885	157,109	116,210					
India (million rupees):									
Imports	163	189	2,403	2,291					
Exports	341	335	4,095	3,605					

¹ Figures for Russia are for nine months ending June, 1925.

INDUSTRIAL STATISTICS FOR FOREIGN COUNTRIES

In the following pages are given certain industrial statistics for foreign countries, covering the months from January to June of the current year, and continuing the data given in the February BULLETIN for the final quarter of 1924.

The reports of severe depression in the coal industry both in England and Germany give special interest to the figures relating to coal. The combined output of England, France, and Germany, the three principal producing countries of Europe, amounted to 221,000,000 metric tons in the first half of 1925, about 1,000,000 tons more than in the same period of 1924. But for these months England pro-

duced 15,000,000 metric tons less, Germany about 14,000,000 tons more, and France nearly 2,000,000 more.

The considerable increase in German output has been in excess of the demands of German industry, for German exports, exclusive of reparation deliveries, were about 6,000,000 metric tons greater in the first half of 1925 than in the same months of 1924. British exports were about 5,000,000 metric tons less. Without taking into account reparation deliveries of coal, it appears that the combined shipments of the principal coal-exporting countries of Europe were larger than in the first half of last year.

ENGLAND

	1925						1924
	January	February	March	April	May	June	June
Production:							
Coal (thousand long tons).....	1 25,392	21,387	20,956	18,328	1 24,595	16,171	18,699
Pig iron (thousand long tons).....	575	542	608	570	575	510	608
Steel ingots and castings (thousand long tons).....	605	652	685	598	652	585	652
Raw cotton, visible supply ¹ (thousand bales).....	1,264	1,324	1,263	1,220	1,069	940	656
Exports:							
Iron and steel and manufactures (thousand long tons).....	325	299	312	298	322	276	324
Cotton manufactures (million yards).....	406	426	421	337	375	342	350
Coal (thousand long tons).....	4,366	4,344	4,392	4,360	4,652	3,734	4,882
Imports:							
Raw cotton (million pounds).....	297	202	166	146	96	69	75
Raw wool (million pounds).....	79	77	78	77	90	63	49
Raw hides, wet (thousand pounds).....	8,472	8,625	13,444	10,285	13,422	13,522	15,921
Transportation:							
Ships cleared with cargo ² (thousand tons).....	5,352	4,750	5,094	4,975	5,415	5,065	5,290
Freight-train receipts (thousand pounds sterling).....	8,925	8,408	9,287	8,338	8,600	-----	8,079
Freight-train traffic (million ton-miles).....	1,621	1,530	1,549	1,474	1,512	-----	1,388
Unemployment:							
Among trade-unionists (per cent).....	9.0	9.4	9.0	9.4	10.1	12.3	7.2
In insured trades (per cent).....	11.5	11.6	11.4	11.2	11.2	12.2	9.4
Capital issues (thousand pounds sterling).....	49,192	35,731	23,378	21,266	49,758	27,897	19,149

¹ Five weeks.² End-of-month figures.³ Figures include Irish Free State.

FRANCE

	1925						1924
	January	February	March	April	May	June	June
Production							
Coal ¹ (thousand metric tons).....	5,392	4,936	5,383	5,020	4,916	4,907	4,544
Pig iron (thousand metric tons).....	669	637	689	686	706	703	639
Crude steel (thousand metric tons).....	608	569	607	587	596	600	555
Cotton stocks at Havre ² (thousand bales).....	207	220	213	218	191	148	95
Exports:							
Total volume (thousand metric tons).....	2,332	2,843	2,708	2,297	2,429	2,578	2,368
Imports:							
Total volume (thousand metric tons).....	3,522	3,972	3,947	3,658	3,819	3,730	4,571
Raw cotton for consumption (metric tons).....	43,699	32,518	33,561	31,164	22,227	18,297	16,038
Raw silk (metric tons).....	376	460	312	451	447	399	620
Coal (thousand metric tons).....	1,470	1,567	1,619	1,219	1,469	1,380	1,810
Transportation:							
Ships cleared with cargo (thousand tons).....	2,595	2,442	2,756	3,019	3,404	3,266	2,975
Railway receipts (thousand francs).....	670,704	717,057	713,965	4 905,451	696,115	729,848	4 851,057
Freight-car loadings (average daily number).....	61,361	63,352	62,990	58,944	58,946	59,683	59,597
Unemployment:							
Number in Paris receiving aid ³	409	466	417	370	243	126	87
Demands for employment not filled (number men in France) ⁴	8,563	9,521	9,692	8,344	6,899	6,932	6,040

¹ Coal and lignite, including Lorraine and the Saar.² Bale of 50 kilos. End-of-month figures.³ End-of-month figures.⁴ Five weeks.

GERMANY

	1925						1924
	January	February	March	April	May	June	June
Exports:							
Iron and its manufactures (metric tons).....	304,492	241,445	328,015	248,574	277,901	238,818	107,280
Machinery and electrical supplies (metric tons).....	35,301	32,623	35,799	41,738	39,533	38,310	26,740
Dyes and dyestuffs (metric tons).....	9,719	9,421	10,970	11,122	12,127	11,382	8,662
Coal (metric tons).....	1,376,021	727,091	1,025,788	921,704	1,257,527	1,216,095	65,465
Imports:							
Raw wool (metric tons).....	15,015	10,687	17,775	12,106	10,478	8,195	17,004
Silk, half manufactured (metric tons).....	697	645	734	704	652	682	411
Cotton (metric tons).....	47,047	31,997	32,609	36,378	26,004	19,185	22,864
Iron ore (metric tons).....	940,637	926,532	1,078,039	1,278,172	942,720	1,244,230	257,053
Coal (metric tons).....	881,067	727,671	885,648	769,728	816,793	669,648	1,191,527
Production:							
Coal (thousand metric tons).....	11,929	10,535	11,412	10,362	10,437	9,891	9,101
Lignite (thousand metric tons).....	12,375	11,153	12,081	10,719	10,437	10,388	9,034
Ship arrivals in Hamburg (thousand net reg. tons).....	1,391	1,272	1,446	1,391	1,601	1,390	1,235
Freight-car loadings (thousand tons).....	4,880	4,714	5,026				2,816
Unemployment:							
Number receiving State aid.....	593,024	540,460	465,761	319,656	233,463	195,005	426,420
Among trade-unionists (per cent).....	8.1	7.3	5.8	4.3	3.6	3.5	10.5
Business failures.....	796	723	776	687	807	766	586

CANADA

	1925						1924
	January	February	March	April	May	June	June
Production:							
Pig iron (thousand tons).....	28	30	64	60	63	46	57
Crude steel.....	27	37	108	88	100	63	69
Railway receipts (thousand dollars).....	28,305	27,851	30,833	29,793	30,197	30,971	34,103
Unemployment among trade-unionists (per cent).....	10.2	9.5	8.5	8.7	7.0		5.8
Business failures (number) ¹	64	59	46	38	43	44	42
Authorized capital of new companies (thousand dollars) ¹	14,280	10,146	13,484	18,572	21,761	19,345	10,922
Bond sales (thousand dollars).....	44,643	77,389	19,743	41,507	16,566	29,675	31,635
Security prices, average market prices, 20 industrial stocks.....	105.6		112.4	114.6	114.8	116.3	89.2
Receipts of wheat at Fort William and Port Arthur (thousand bushels).....	4,145	6,172	8,481	8,082	7,060	4,114	21,243
Receipts of livestock at stockyards in Toronto and Winnipeg:							
Cattle (number).....	46,126	34,377	48,035	41,168	42,213	45,095	39,575
Hogs (number).....	110,379	81,853	79,878	72,327	63,504	72,536	67,020
Exports:							
Planks and boards (million feet).....	136,242	120,645	167,088	112,869	182,893	212,054	178,668
Preserved fish (thousand pounds).....	6,241	9,898	11,935	4,946	5,337	7,946	7,963
Wood pulp (thousand pounds).....	129,554	143,593	174,372	94,611	143,550	162,526	116,285
Wheat (thousand bushels).....	6,103	4,146	4,423	4,953	14,883	9,784	24,075
Imports:							
Coal (thousand tons).....	1,263	1,297	1,272	816	1,299	1,297	1,303
Raw cotton (thousand pounds).....	14,658	10,338	12,981	8,059	8,849	6,313	2,790
Machinery (thousand dollars).....	1,910	1,910	3,027	2,248	2,431	2,692	2,239

¹ Average for weeks reported.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES

The tables below give the all-commodities and group index numbers of wholesale prices in the five countries included in the Federal Reserve Board's indexes. In the first table the all-commodities index for each country is shown both in terms of paper currency and converted to a gold basis. The latter figure takes into account the depreciation of the foreign currency in terms of the American dollar (or gold) and the

series indicates relative price levels in the several countries when all prices are expressed in dollars. Comment on recent price movements in Europe will be found on page 677.

The wholesale price index of the Bureau of Labor Statistics for the United States, with the group indexes shown by that bureau and the regrouping made by the Federal Reserve Board, appears on page 622 of this issue.

FEDERAL RESERVE BOARD WHOLESALE PRICE INDEXES FOR ALL COMMODITIES

Year and month	On paper currency basis					Converted to gold basis			
	United States	England	France	Canada	Japan	England	France	Canada	Japan
1923, average.....	165	170	394	150	188	159	124	147	183
1924, average.....	159	176	446	147	200	160	121	145	166
1924									
January.....	163	178	445	146	205	156	108	142	185
February.....	163	180	469	148	200	160	107	144	182
March.....	160	180	483	147	200	158	117	143	172
April.....	158	181	428	143	201	162	137	140	165
May.....	156	177	428	143	200	158	128	141	161
June.....	154	174	442	145	189	155	120	142	156
July.....	156	174	440	147	191	156	117	146	158
August.....	158	173	442	149	196	160	125	149	163
September.....	156	172	436	146	198	158	120	145	161
October.....	159	175	442	148	206	161	120	148	161
November.....	160	176	449	148	210	167	123	148	162
December.....	165	177	451	149	209	171	126	149	161
1925									
January.....	168	178	456	156	208	175	127	156	160
February.....	167	178	457	158	204	175	125	157	168
March.....	168	175	463	153	197	171	124	153	162
April.....	163	171	460	148	191	168	124	148	160
May.....	162	166	467	149	189	166	125	149	159
June.....	163	164	483	147	195	164	119	147	161
July.....	165	163	490	148	195	163	119	148	161

FEDERAL RESERVE BOARD WHOLESALE PRICE INDEXES FOR GROUPS OF COMMODITIES¹

Year and month	All commodities	Grouped by stage of manufacture			Grouped by origin		Ex- port goods	Year and month	All commodities	Grouped by stage of manufacture			Grouped by origin		Ex port goods
		Raw ma- terials	Pro- ducers' goods	Con- sumers' goods	Do- mes- tic goods	Im- ported goods				Raw ma- terials	Pro- ducers' goods	Con- sumers' goods	Do- mes- tic goods	Im- ported goods	
UNITED STATES								FRANCE—contd.							
1924—July.....	156	163	147	154	159	132	180	1925—May.....	467	486	460	453	454	530	462
1925—February.....	167	177	153	163	169	147	178	June.....	483	495	471	481	468	555	483
March.....	168	177	152	166	170	146	180	July.....	490	510	486	472	472	578	513
April.....	163	169	148	163	165	141	173	CANADA							
May.....	162	169	145	163	164	139	171	1924—July.....	147	133	153	163	146	156	148
June.....	163	169	144	165	165	143	173	1925—February.....	158	151	152	168	158	161	180
July.....	165	170	146	169	167	146	174	March.....	153	142	153	169	152	161	171
ENGLAND								April.....	148	134	153	169	147	158	161
1924—July.....	174	171	163	188	175	171	177	May.....	149	137	152	164	148	154	171
1925—February.....	178	175	173	187	179	177	179	June.....	147	137	151	161	147	154	166
March.....	175	172	165	188	175	173	174	July.....	148	134	150	167	147	154	162
April.....	171	169	160	183	172	168	172	JAPAN							
May.....	166	164	154	181	167	162	165	1924—July.....	191	198	186	188	187	208	178
June.....	164	161	151	181	165	162	163	1925—January.....	208	222	217	196	208	204	215
July.....	163	161	151	180	163	164	165	February.....	204	223	208	193	204	205	213
FRANCE								March.....	197	214	201	185	196	203	200
1924—July.....	440	447	450	430	427	503	451	April.....	191	208	189	182	191	194	191
1925—February.....	457	482	445	438	439	547	467	May.....	189	205	188	181	189	188	189
March.....	463	480	459	449	447	540	475	June.....	195	206	196	189	195	196	197
April.....	460	477	460	445	444	541	470	July.....	195	202	201	189	195	195	202

¹ Complete descriptions of these index numbers may be found in the following issues of the BULLETIN: United States—May and June, 1920; June, 1921, and May, 1922; England—February, 1922; France—August, 1922; Canada—July, 1922; Japan—September, 1922.

WHOLESALE PRICE LEVELS IN PRINCIPAL COUNTRIES

ALL-COMMODITIES INDEX NUMBERS

[Pre-war=100]

Year and month	Europe														
	Austria	Belgium	Bulgaria	Czechoslovakia ¹	Denmark ¹	England (Board of Trade)	Finland	France	Germany (Federal Statistical Bureau)	Hungary (gold basis)	Italy	Netherlands	Norway (Oslo)	Poland	Russia ¹
1924															
January.....	1,874,800	580	2,711	974	210	165	1,071	494	117.3	123	571	156	250	107	169
February.....	1,915,800	642	2,658	999	223	167	1,078	544	116.2	131	573	158	262	112	187
March.....	1,912,000	625	2,612	1,021	227	165	1,094	499	120.7	130	579	155	266	110	193
April.....	1,946,500	555	2,798	1,008	228	165	1,095	450	124.1	125	579	154	267	109	181
May.....	1,946,500	557	2,551	1,001	225	164	1,090	459	122.5	119	571	153	263	104	175
June.....	1,828,200	565	2,811	968	219	163	1,088	465	115.9	133	566	151	264	101	166
July.....	1,913,300	566	2,737	953	220	163	1,085	481	115.0	145	567	151	271	102	169
August.....	2,013,600	547	2,853	986	233	165	1,111	477	120.4	145	572	151	274	109	175
September.....	1,937,300	550	2,848	982	231	167	1,117	486	126.9	142	580	158	275	112	173
October.....	2,008,600	555	2,988	999	234	170	1,114	497	131.2	149	602	161	276	116	164
November.....	2,076,600	569	3,132	1,013	231	170	1,120	504	128.5	154	621	161	277	117	164
December.....	2,075,400	566	3,181	1,024	232	170	1,139	507	131.3	160	640	160	278	118	168
1925															
January.....	2,118,100	559	3,275	1,045	234	171	1,137	514	138.2	159	658	160	279	120	172
February.....	2,108,100	551	3,309	1,048	234	169	1,141	515	136.5	152	660	158	281	121	178
March.....	2,054,800	546	3,272	1,034	230	166	1,131	514	134.4	145	659	155	276	122	183
April.....	2,005,800	538	3,244	1,020	220	163	1,133	513	131.0	144	658	151	267	119	195
May.....	1,985,400	537	3,177	1,006	216	159	1,122	520	131.9	141	660	151	260	118	197
June.....	2,036,400	552	3,225	998	216	158	1,129	543	133.8	-----	683	153	258	119	191
July.....	1,968,500	559	-----	1,009	206	158	-----	557	133.9	-----	-----	156	254	120	188
August.....	-----	-----	-----	-----	189	-----	-----	-----	-----	-----	-----	-----	-----	-----	175

Year and month	Europe—Continued			North and South America			Asia and Oceania						Africa	
	Spain	Sweden	Switzerland ¹	United States (Bureau of Labor Statistics)	Canada	Peru	Australia	China (Shanghai)	Dutch East Indies	India (Calcutta)	Japan (Tokyo)	New Zealand	Egypt (Cairo)	South Africa
1924														
January.....	178	161	183	151	157	190	174	156	180	172	211	175	133	131
February.....	180	162	183	152	157	189	170	160	-----	178	208	180	135	-----
March.....	180	162	180	150	154	194	167	158	-----	179	206	180	136	-----
April.....	184	161	181	148	151	195	166	154	178	174	207	178	134	126
May.....	179	160	180	147	151	192	165	154	177	176	205	179	135	-----
June.....	179	158	178	145	152	192	163	152	178	176	199	180	131	-----
July.....	182	157	173	147	154	192	163	152	174	179	195	180	132	125
August.....	182	160	171	150	157	193	162	149	177	180	200	181	143	-----
September.....	184	163	170	149	154	190	162	149	177	179	206	181	148	-----
October.....	186	167	169	152	157	192	163	153	175	181	213	180	156	133
November.....	181	167	169	153	158	191	163	155	173	180	214	181	158	-----
December.....	198	168	170	157	161	195	165	157	179	176	213	181	156	-----
1925														
January.....	191	169	171	160	165	199	163	160	178	171	213	178	157	130
February.....	192	169	171	161	165	194	163	159	177	172	210	175	161	-----
March.....	193	168	170	161	162	206	160	160	179	168	204	175	155	-----
April.....	190	163	166	156	157	206	158	159	175	169	202	175	154	130
May.....	191	162	163	155	159	200	159	158	-----	164	199	175	151	-----
June.....	-----	161	162	157	159	200	163	157	-----	157	200	174	150	-----
July.....	-----	161	161	160	158	198	-----	163	-----	160	198	-----	151	-----
August.....	-----	-----	160	-----	-----	200	-----	160	-----	-----	-----	-----	-----	-----

¹ First of month figures.

The foreign index numbers of wholesale prices are cable to the Federal Reserve Board by the various foreign statistical offices. Index numbers of commodity groups for most of the countries are also available in the office of the Division of Research and Statistics of the board, and may be had upon request.

Wherever possible the indexes have been shifted from original bases to a 1913 base. Further information as to base periods, sources, number of commodities, and period of the month to which the figures refer may be found on page 48 of the January, 1924, issue of the BULLETIN.

RETAIL FOOD PRICES AND COST OF LIVING IN PRINCIPAL COUNTRIES

INDEX NUMBERS OF RETAIL FOOD PRICES

[Pre-war=100]

	United States (51 cities)	European countries										Other countries					
		Austria (Vienna) ¹	Bel- gium ¹	Bul- garia	Eng- land ¹	France (Paris)	Ger- many	Italy (Mil- an)	Neth- er- lands	Nor- way	Rus- sia ¹	Swit- zer- land	Can- ada ¹	Aus- tralia	India (Bom- bay)	New Zea- land	South Africa
1923																	
September	146	-----	115	2,221	168	339	-----	496	142	218	-----	163	141	161	149	145	115
October	147	-----	117	2,219	172	349	-----	502	145	217	167	162	144	157	147	146	117
November	148	-----	121	2,365	173	355	-----	503	149	221	169	166	144	157	147	147	120
December	147	2,184,900	124	2,547	176	365	151	500	149	226	172	167	145	156	152	147	118
1924																	
January	146	2,294,100	126	2,674	175	376	127	515	150	230	180	168	145	155	154	150	120
February	144	2,333,600	130	2,537	177	384	117	516	151	234	201	167	145	153	151	149	122
March	141	2,353,600	128	2,497	176	392	120	523	152	241	203	167	143	152	147	150	122
April	138	2,336,100	121	2,501	167	380	123	524	152	240	207	165	137	150	143	150	123
May	138	2,379,700	113	2,438	163	378	126	519	151	241	213	165	133	151	143	150	122
June	140	2,426,700	118	2,687	160	370	120	518	151	241	206	168	133	149	147	150	120
July	140	2,349,900	123	2,626	162	360	120	508	150	248	210	168	134	148	151	148	117
August	141	2,505,000	124	2,727	164	366	122	507	150	257	225	166	137	147	156	146	117
September	144	2,510,000	127	2,723	166	374	125	514	152	261	219	166	139	146	156	145	117
October	146	2,536,500	135	2,856	172	383	134	543	154	264	206	169	139	146	156	145	120
November	147	2,648,200	140	2,994	179	396	135	567	156	269	203	170	141	147	157	148	122
December	149	2,680,600	139	3,040	180	404	135	579	157	274	205	170	143	148	156	150	121
1925																	
January	151	2,716,800	140	3,131	178	408	137	590	156	277	205	168	145	148	152	147	120
February	148	2,706,500	137	3,163	176	410	145	610	157	283	208	168	147	149	152	146	120
March	148	2,679,800	134	3,128	176	415	146	624	157	284	211	168	145	151	155	149	121
April	148	2,644,800	127	3,100	170	409	144	620	155	276	217	166	142	152	153	149	124
May	149	2,703,700	122	3,032	167	418	141	599	154	265	221	165	141	154	151	150	123
June	152	2,703,100	127	3,083	166	422	146	599	152	261	219	167	141	155	149	149	122
July	157	2,655,000	-----	-----	167	421	-----	-----	152	276	218	167	-----	-----	152	-----	-----
August	-----	-----	-----	-----	168	-----	-----	-----	-----	-----	210	-----	-----	-----	147	-----	-----

INDEX NUMBERS OF COST OF LIVING

[Pre-war=100]

	Mas-sa-chu-sets	European countries														Other countries				
		Bel-gium	Czech-oslo-vakia	Eng-land ¹	Es-tho-nia	Fin-land	France (Paris)	Ger-many	Hun-gary	Italy (Milan)	Neth-er-lands	Nor-way	Poland	Spain	Sweden	Swit-zer-land	Can-ada ¹	Aus-tra-lia	India (Bom-bay)	South Africa
1923																				
September	157	453	903	173	-----	1,172	331	64	-----	487	173	230	83	178	-----	164	148	156	154	131
October	158	458	901	175	-----	1,193	-----	61	-----	502	-----	-----	47	174	177	164	149	-----	152	132
November	157	463	898	175	-----	1,190	-----	126	-----	502	-----	-----	55	177	-----	167	150	-----	153	133
December	158	470	909	177	-----	1,170	345	125	6,813	499	178	231	80	182	-----	168	150	152	157	133
1924																				
January	157	480	917	177	-----	1,155	-----	110	8,168	510	-----	-----	121	178	176	169	150	-----	158	133
February	156	495	917	179	-----	1,143	-----	104	13,920	517	-----	-----	127	190	-----	168	149	-----	156	134
March	156	510	908	178	-----	1,141	365	107	17,851	521	179	236	126	180	-----	168	148	150	153	134
April	154	498	907	173	-----	1,121	-----	112	18,340	522	-----	-----	127	195	173	166	145	-----	150	134
May	154	485	916	171	-----	1,121	-----	115	20,470	518	-----	-----	126	180	-----	166	143	-----	150	134
June	154	492	923	169	-----	1,147	366	112	21,817	518	173	244	124	186	-----	168	143	149	153	133
July	155	493	909	170	95	1,154	-----	116	22,018	512	-----	-----	127	182	171	169	143	-----	156	132
August	155	498	897	171	94	1,198	-----	114	21,443	511	-----	-----	135	180	-----	166	145	-----	160	132
September	157	503	908	172	98	1,199	367	116	21,299	516	176	258	141	189	-----	166	146	148	160	132
October	157	513	916	176	104	1,219	-----	122	21,222	546	-----	-----	150	185	174	169	146	-----	160	133
November	157	520	922	180	108	1,222	-----	123	20,782	563	-----	-----	152	175	-----	170	147	-----	161	134
December	158	521	928	181	109	1,217	377	123	20,569	573	181	266	153	190	-----	170	147	148	160	133
1925																				
January	158	521	899	180	113	1,199	-----	124	20,503	580	-----	-----	150	188	178	168	149	-----	157	133
February	157	517	911	179	110	1,191	-----	136	19,740	592	-----	-----	151	189	-----	168	150	-----	157	133
March	158	511	904	179	114	1,210	386	136	19,282	602	179	271	151	190	-----	167	148	150	159	133
April	158	506	901	175	112	1,201	-----	137	18,806	600	-----	-----	149	189	177	165	147	-----	158	134
May	158	502	894	173	111	1,176	-----	136	18,853	591	-----	-----	147	-----	-----	165	146	-----	156	134
June	159	505	914	172	-----	1,191	390	138	18,776	596	179	259	148	-----	-----	166	146	-----	154	134
July	-----	509	916	173	-----	1,219	-----	143	18,142	-----	-----	-----	152	-----	176	166	-----	-----	157	-----
August	-----	517	-----	173	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	152	-----

¹ First of the month figures.² Revised index.³ 1921=100.⁴ January, 1921=100.

NOTE.—Information as to the number of foods and items included, the original base periods, and sources may be found on page 276 of the April, 1925, issue of the BULLETIN. The original bases of the indexes have been shifted to July, 1914, wherever possible.

BANKING AND FINANCIAL STATISTICS

FEDERAL RESERVE BANKS

AVERAGE DAILY CONDITION FOR JULY AND JUNE, 1925

[Amounts in thousands of dollars]

Federal reserve bank	Total earning assets		Total cash reserves		Total deposits		Federal reserve notes in circulation		Reserve percentages	
	July	June	July	June	July	June	July	June	July	June
Boston.....	77,310	76,129	256,108	271,685	143,023	142,472	176,467	192,837	80.2	81.0
New York.....	253,385	249,493	957,486	960,624	844,442	851,100	335,620	331,417	81.1	81.2
Philadelphia.....	79,301	81,137	226,920	230,958	131,190	131,647	152,608	157,472	80.0	79.9
Cleveland.....	97,636	95,165	309,125	309,259	180,471	178,818	206,131	204,433	80.0	80.7
Richmond.....	65,698	65,637	79,387	79,903	66,396	65,845	69,930	71,034	58.2	58.4
Atlanta.....	54,427	53,779	147,945	152,115	69,490	70,880	133,358	136,553	72.9	73.3
Chicago.....	123,332	122,922	375,105	379,258	325,725	323,651	152,460	157,369	78.4	78.8
St. Louis.....	62,717	64,482	65,442	64,742	78,381	79,239	43,768	45,285	53.6	52.0
Minneapolis.....	39,755	41,236	78,950	79,267	52,916	54,250	62,791	62,436	68.2	67.9
Kansas City.....	54,373	55,893	101,731	98,603	91,788	89,185	63,064	62,993	65.7	64.8
Dallas.....	49,840	48,665	53,508	59,209	57,440	59,606	38,363	39,654	55.9	59.7
San Francisco.....	107,478	106,129	269,878	267,401	163,127	162,275	201,134	198,647	74.1	74.1
Total: 1925.....	1,065,252	1,060,667	2,921,585	2,953,024	2,204,389	2,208,968	1,635,694	1,660,130	76.1	76.3
1924.....	825,999	842,963	3,248,713	3,246,997	2,109,552	2,064,532	1,825,260	1,870,823	82.6	82.5
1923.....	1,119,787	1,124,891	3,181,220	3,204,303	1,919,779	1,931,212	2,242,143	2,246,535	76.4	76.7
1922.....	1,127,888	1,166,617	3,158,276	3,136,308	1,882,118	1,892,591	2,157,405	2,138,430	78.2	77.8
1921.....	2,012,699	2,175,175	2,655,179	2,605,779	1,696,481	1,723,271	2,604,750	2,682,560	61.7	59.1
1920.....	3,200,973	3,209,650	2,118,899	2,102,985	1,909,221	1,974,537	3,143,465	3,113,949	143.7	143.3

¹ Calculated on basis of net deposits and Federal reserve notes in circulation.

FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES, BY WEEKS

RESOURCES

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Gold with Federal reserve agents:													
July 29.....	1,447,958	148,889	355,956	137,283	180,772	33,920	114,327	135,273	20,398	47,767	51,584	25,396	196,393
Aug. 5.....	1,436,480	146,867	355,881	135,391	179,707	32,855	107,276	135,273	20,033	46,996	50,881	27,590	197,730
Aug. 12.....	1,447,740	143,976	355,880	135,015	182,704	36,929	107,622	135,192	19,466	46,348	52,446	28,095	204,067
Aug. 19.....	1,437,985	142,001	355,881	135,416	181,557	35,705	107,694	135,192	15,622	45,844	51,407	27,658	204,008
Gold redemption fund with U. S. Treasury:													
July 29.....	50,682	9,999	9,224	10,225	2,737	3,512	2,320	1,747	2,170	1,884	2,845	1,844	2,175
Aug. 5.....	57,715	12,111	8,209	11,354	4,418	3,532	2,138	4,797	1,948	1,391	3,165	1,758	2,894
Aug. 12.....	55,694	14,223	6,900	12,706	2,112	1,776	2,679	3,691	1,999	1,765	3,200	2,018	2,625
Aug. 19.....	64,433	16,129	10,828	13,701	4,128	2,113	2,480	2,662	2,361	2,009	3,822	1,811	2,389
Gold held exclusively against Federal reserve notes:													
July 29.....	1,498,640	158,888	365,180	147,508	183,509	37,432	116,647	137,020	22,568	49,651	54,429	27,240	198,568
Aug. 5.....	1,494,195	158,975	364,090	146,745	184,125	36,387	109,414	140,070	21,981	48,387	54,046	29,348	200,624
Aug. 12.....	1,503,434	158,199	362,780	147,721	184,816	38,705	110,301	138,883	21,465	48,113	55,646	30,113	206,692
Aug. 19.....	1,502,418	158,130	366,709	149,117	185,685	37,818	110,174	137,854	17,983	47,853	55,229	29,469	206,397
Gold settlement fund with Federal Reserve Board:													
July 29.....	687,023	60,226	253,798	45,603	69,496	36,757	16,480	101,838	8,468	12,181	38,513	10,090	33,573
Aug. 5.....	686,989	44,526	218,392	52,999	65,358	40,514	27,661	129,907	9,128	14,386	39,010	11,310	33,798
Aug. 12.....	675,046	39,862	207,318	49,782	69,091	37,850	23,985	137,038	12,054	15,133	39,434	9,584	33,915
Aug. 19.....	663,307	48,082	241,405	43,634	68,895	35,423	20,244	106,489	3,961	13,358	38,448	10,804	32,564
old and gold certificates held by banks:													
July 29.....	605,421	28,395	344,453	19,339	43,116	5,226	3,253	107,816	10,841	7,417	3,993	7,216	24,356
Aug. 5.....	596,830	28,687	342,877	19,715	43,751	5,659	3,281	100,985	10,640	7,244	3,454	6,227	24,310
Aug. 12.....	599,130	30,070	340,961	19,799	43,750	6,132	3,551	101,665	11,262	7,364	3,488	6,880	24,208
Aug. 19.....	609,481	31,051	342,850	23,219	44,605	6,612	3,503	104,072	11,491	7,591	3,432	6,743	24,312
Total gold reserves:													
July 29.....	2,791,084	247,509	963,431	212,450	296,121	79,415	136,380	346,674	41,877	69,249	96,935	44,546	256,497
Aug. 5.....	2,778,014	232,191	925,359	219,459	293,234	82,560	140,356	370,962	41,749	70,017	96,510	46,885	258,732
Aug. 12.....	2,777,610	228,131	911,059	217,302	297,657	82,687	137,837	377,586	44,781	70,610	98,568	46,577	264,815
Aug. 19.....	2,775,206	237,263	950,964	215,970	299,185	79,853	133,921	348,415	33,435	68,802	97,109	47,016	263,273
Reserves other than gold:													
July 29.....	145,549	13,006	40,064	5,581	9,019	4,762	13,083	19,195	19,994	2,222	4,047	8,624	5,952
Aug. 5.....	136,289	13,009	36,866	5,857	8,335	4,409	12,342	17,088	18,795	1,956	3,907	8,356	5,369
Aug. 12.....	133,082	12,897	37,026	5,757	6,591	4,180	12,035	16,181	18,331	2,022	3,685	9,083	5,204
Aug. 19.....	130,218	13,898	34,240	6,087	7,491	4,009	10,822	16,525	16,857	1,771	3,902	9,135	5,481

FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES, BY WEEKS—Continued

RESOURCES—Continued

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Total reserves:													
July 29.....	2,936,633	260,515	1,003,495	218,031	305,140	84,177	149,463	365,869	61,871	71,471	100,932	53,170	262,449
Aug. 5.....	2,914,303	245,200	962,225	225,316	301,569	86,969	152,693	388,050	60,544	71,973	100,417	55,241	264,101
Aug. 12.....	2,910,692	241,028	948,085	223,059	304,248	86,867	149,872	393,767	63,112	72,632	102,253	55,660	270,109
Aug. 19.....	2,905,424	251,161	985,204	222,057	306,676	83,862	144,743	364,940	50,292	70,573	101,011	56,151	268,754
Nonreserve cash:													
July 29.....	55,917	5,800	18,554	1,541	3,016	2,808	3,808	7,953	3,503	1,531	2,106	2,431	2,866
Aug. 5.....	49,756	5,007	14,225	1,595	3,407	3,065	3,564	7,632	3,404	1,236	1,989	2,164	2,468
Aug. 12.....	50,557	4,860	15,101	1,329	2,304	3,305	3,485	7,903	3,459	1,442	2,222	2,430	2,717
Aug. 19.....	50,309	5,091	14,954	1,485	3,403	3,158	2,721	7,922	3,403	1,158	2,193	2,169	2,652
Bills discounted:													
Secured by U. S. Government obligations—													
July 29.....	248,235	12,775	81,230	27,130	37,940	15,897	2,741	38,362	9,130	2,304	1,035	1,470	18,221
Aug. 5.....	303,260	12,817	149,893	25,978	34,735	12,908	2,987	27,876	7,871	3,699	1,524	1,631	21,341
Aug. 12.....	289,251	14,316	131,963	25,845	46,891	10,816	4,495	18,893	7,104	2,280	2,642	1,326	22,680
Aug. 19.....	290,432	11,145	122,736	28,803	31,387	11,947	5,780	38,650	8,125	4,383	1,780	1,602	24,094
Other bills discounted—													
July 29.....	220,121	13,834	29,400	24,132	15,575	33,385	19,933	24,483	14,397	4,451	5,670	7,673	27,188
Aug. 5.....	240,577	28,234	30,777	18,862	17,354	33,584	24,345	24,114	18,100	5,013	5,377	8,035	26,782
Aug. 12.....	248,933	29,130	41,296	20,012	25,728	35,784	23,632	19,905	15,471	5,051	5,405	8,397	19,122
Aug. 19.....	269,051	21,372	41,579	22,625	24,478	38,361	29,020	27,617	22,128	7,034	5,892	8,876	20,069
Total bills discounted:													
July 29.....	468,356	26,609	110,630	51,262	53,515	49,282	22,674	62,845	23,527	6,755	6,705	9,143	45,409
Aug. 5.....	543,837	41,061	180,670	44,840	52,089	46,492	27,332	51,990	25,971	8,712	6,901	9,663	48,123
Aug. 12.....	538,184	43,446	173,259	45,857	72,619	46,600	28,127	38,798	22,575	7,331	8,047	9,723	41,802
Aug. 19.....	559,483	32,517	164,315	51,428	55,865	50,308	34,800	66,267	30,253	11,417	7,672	10,478	44,163
Bills bought in open market:													
July 29.....	210,476	31,513	30,962	11,239	17,148	6,847	13,522	25,741	9,962	19,349	14,620	10,191	19,382
Aug. 5.....	211,972	29,424	31,850	11,620	17,395	6,905	14,418	26,064	11,360	19,392	15,237	8,787	19,490
Aug. 12.....	211,659	29,781	32,263	14,102	16,602	6,085	13,501	25,122	11,555	19,687	15,373	8,529	18,999
Aug. 19.....	195,309	25,378	17,796	14,431	17,608	5,190	13,110	24,430	12,685	20,411	16,255	9,331	18,634
U. S. Government securities:													
Bonds—													
July 29.....	69,406	557	4,912	610	8,746	1,486	1,714	20,523	3,182	8,150	9,573	7,493	2,460
Aug. 5.....	69,441	557	4,912	610	8,746	1,486	1,673	20,647	3,272	8,150	9,375	7,552	2,461
Aug. 12.....	69,047	557	4,912	611	8,746	1,486	1,662	20,726	3,272	8,149	8,879	7,586	2,461
Aug. 19.....	69,188	557	4,912	611	8,747	1,486	1,666	20,822	3,272	8,150	8,878	7,625	2,462
Treasury notes—													
July 29.....	225,787	469	49,681	17,207	11,571	4,019	11,296	19,118	27,227	7,751	20,293	20,921	36,234
Aug. 5.....	229,071	1,362	51,270	17,207	11,571	4,019	11,297	19,118	27,227	7,751	20,295	21,720	36,234
Aug. 12.....	220,374	719	49,217	17,207	11,571	4,019	11,296	19,118	27,227	7,751	20,295	21,720	36,234
Aug. 19.....	224,699	783	47,931	17,207	11,570	4,019	11,297	19,117	27,227	7,751	20,295	21,268	36,234
Certificates of indebtedness—													
July 29.....	34,967	7,079	5,091	57	10,397	64	1,428	1,664	544	128	2,830	387	5,298
Aug. 5.....	34,982	7,400	5,067	57	10,397	64	1,428	1,382	544	128	2,830	387	5,298
Aug. 12.....	33,159	7,500	3,937	53	10,294	25	1,367	1,859	269	50	2,645	181	4,979
Aug. 19.....	29,373	7,496	392	53	10,311	32	1,386	1,371	317	63	2,678	239	5,035
Total U. S. Government securities:													
July 29.....	330,160	8,105	59,684	17,874	30,714	5,509	14,438	41,305	30,953	16,029	32,696	28,801	43,992
Aug. 5.....	333,494	9,319	61,249	17,874	30,714	5,569	14,398	41,147	31,043	16,029	32,500	29,659	43,993
Aug. 12.....	328,580	8,776	58,066	17,871	30,611	5,530	14,325	41,703	30,768	15,950	31,819	29,487	43,674
Aug. 19.....	323,260	8,836	53,235	17,871	30,628	5,537	14,349	41,310	30,816	15,964	31,851	29,132	43,731
Foreign loans on gold:													
July 29.....	10,500	777	2,835	976	1,124	557	430	1,449	483	346	420	368	735
Aug. 5.....	10,500	777	2,835	976	1,124	557	430	1,449	483	346	420	368	735
Aug. 12.....	10,500	777	2,835	976	1,124	557	430	1,449	483	346	420	368	735
Aug. 19.....	10,500	777	2,835	976	1,124	557	430	1,449	483	346	420	368	735
All other earning assets:													
July 29.....	1,850	-----	-----	1,850	-----	-----	-----	-----	-----	-----	-----	-----	-----
Aug. 5.....	1,850	-----	-----	1,850	-----	-----	-----	-----	-----	-----	-----	-----	-----
Aug. 12.....	1,850	-----	-----	1,850	-----	-----	-----	-----	-----	-----	-----	-----	-----
Aug. 19.....	2,350	-----	-----	2,350	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total earning assets:													
July 29.....	1,021,342	67,004	204,111	83,201	102,501	62,255	51,064	131,340	64,925	42,479	54,441	48,503	109,518
Aug. 5.....	1,101,653	80,571	276,634	77,160	101,322	59,523	56,578	120,650	68,857	44,479	55,058	48,480	112,341
Aug. 12.....	1,090,773	82,780	266,423	80,656	120,956	58,772	56,443	107,072	65,881	43,314	55,659	48,107	105,210
Aug. 19.....	1,090,902	67,508	238,181	87,056	105,225	61,592	62,689	133,456	74,237	48,138	56,198	49,359	107,263
Uncollected items:													
July 29.....	583,542	53,058	133,999	53,291	57,261	49,769	28,518	71,917	28,922	12,915	38,887	21,411	33,594
Aug. 5.....	592,665	54,273	139,454	55,107	55,536	49,345	28,000	76,311	29,688	13,207	38,638	20,522	32,584
Aug. 12.....	647,738	62,141	148,706	59,720	57,489	53,140	32,167	82,463	31,584	14,187	40,011	24,028	42,102
Aug. 19.....	664,573	60,475	153,842	61,000	65,464	56,822	35,200	83,356	32,850	14,178	38,442	24,158	38,180
Bank premises:													
July 29.....	60,562	4,190	17,028	1,158	7,573	2,446	2,780	8,099	4,699	3,049	4,419	1,833	3,290
Aug. 5.....	60,975	4,190	17,027	1,158	7,948	2,446	2,780	8,099	4,700	3,056	4,419	1,833	3,319
Aug. 12.....	61,114	4,190	17,027	1,218	7,948	2,446	2,780	8,099	4,702	3,056	4,495	1,833	3,320
Aug. 19.....	61,180	4,190	17,092	1,218	7,948	2,446	2,780	8,099	4,702	3,056	4,495	1,833	3,321
All other resources:													
July 29.....	21,817	108	6,351	235	390	660	2,486	1,289	344	3,386	627	1,541	4,400
Aug. 5.....	21,764	92	6,419	249	383	687	2,478	1,331	351	3,088	726	1,568	4,392
Aug. 12.....	21,814	95	6,594	284	408	618	2,467	1,309	351	3,047	719	1,531	4,411
Aug. 19.....	21,849	93	6,570	266	410	598	2,461	1,288	353	3,175	711	1,529	4,395

FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES, BY WEEKS—Continued

RESOURCES—Continued

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Total resources:													
July 29.....	4,679,813	390,675	1,383,536	357,457	475,881	202,115	238,119	586,467	164,264	134,831	201,462	128,889	416,117
Aug. 5.....	4,741,116	389,333	1,415,984	360,585	470,165	202,035	246,098	602,073	167,544	137,039	201,247	129,808	419,205
Aug. 12.....	4,782,688	395,094	1,401,936	366,246	493,353	205,148	247,214	600,613	168,589	137,678	205,359	133,589	427,869
Aug. 19.....	4,794,237	388,518	1,415,843	373,682	489,126	208,478	250,594	599,061	165,843	140,278	203,050	135,199	424,565
LIABILITIES													
Federal reserve notes in actual circulation:													
July 29.....	1,598,397	169,024	333,533	146,178	204,214	68,130	131,082	147,696	42,613	61,503	61,908	37,490	195,026
Aug. 5.....	1,605,557	167,061	337,752	144,831	203,743	68,508	133,229	146,175	42,393	61,825	63,053	38,436	198,551
Aug. 12.....	1,617,678	164,272	337,418	151,385	211,196	68,803	134,484	146,465	41,885	61,221	63,381	38,914	198,254
Aug. 19.....	1,616,189	163,907	339,565	147,707	210,236	69,494	133,923	146,040	41,453	61,498	63,931	39,848	198,587
Deposits:													
Member bank—reserve account—													
July 29.....	2,152,867	142,458	821,922	129,007	181,774	66,131	67,775	321,690	74,308	48,804	89,271	54,344	155,383
Aug. 5.....	2,211,753	143,262	852,183	133,264	177,273	66,856	75,272	334,958	77,070	50,771	87,472	56,351	157,021
Aug. 12.....	2,179,668	142,415	827,274	127,944	189,506	64,506	69,795	329,365	76,356	50,493	89,983	55,207	156,824
Aug. 19.....	2,183,668	138,586	833,726	131,652	181,034	64,240	74,136	329,467	73,983	53,245	89,016	55,330	159,253
Government—													
July 29.....	21,110	1,176	3,705	1,956	1,452	2,663	1,792	2,587	942	878	974	1,146	1,839
Aug. 5.....	28,201	1,351	6,446	2,468	1,353	893	1,116	8,157	1,665	589	1,620	644	1,899
Aug. 12.....	31,191	1,341	5,955	2,926	3,328	2,084	2,554	4,607	2,415	1,101	1,849	1,063	1,968
Aug. 19.....	28,667	1,440	5,431	5,781	3,213	1,770	2,707	2,216	2,075	689	1,394	969	982
Other deposits—													
July 29.....	26,603	475	14,853	536	964	192	165	1,325	1,688	308	1,160	158	4,779
Aug. 5.....	26,013	291	14,011	477	1,349	179	157	1,737	1,267	338	1,136	142	4,929
Aug. 12.....	25,380	249	14,912	260	1,046	216	135	1,106	1,147	223	1,183	139	4,764
Aug. 19.....	24,858	410	14,425	399	936	221	123	1,111	935	267	1,151	152	4,728
Total deposits:													
July 29.....	2,200,580	144,109	840,480	131,499	184,190	68,986	69,732	325,602	76,938	49,990	91,405	55,648	162,001
Aug. 5.....	2,265,967	144,904	872,640	136,209	179,975	67,928	76,545	344,852	80,002	51,698	90,228	57,137	163,849
Aug. 12.....	2,236,239	144,005	848,141	131,130	193,880	66,806	72,484	335,078	79,918	51,817	93,015	56,409	163,556
Aug. 19.....	2,237,193	140,436	853,582	137,832	185,183	66,231	70,966	332,794	76,993	54,201	91,561	56,451	164,963
Deferred availability items:													
July 29.....	535,323	52,173	116,059	48,203	51,099	46,511	23,027	65,574	29,055	11,615	34,314	23,096	34,597
Aug. 5.....	524,173	52,044	112,163	47,935	50,107	47,000	22,013	63,505	29,486	11,795	34,133	21,600	32,332
Aug. 12.....	582,794	61,343	122,798	52,068	51,865	51,014	25,919	71,474	31,111	12,904	35,152	25,003	41,543
Aug. 19.....	594,188	58,706	129,012	56,191	57,206	54,163	25,353	72,573	31,667	12,825	33,747	26,230	36,515
Capital paid in:													
July 29.....	115,706	8,486	31,675	11,216	12,970	5,975	4,581	15,590	5,116	3,228	4,361	4,324	8,184
Aug. 5.....	115,677	8,490	31,675	11,216	12,970	5,979	4,581	15,590	5,116	3,201	4,356	4,318	8,185
Aug. 12.....	115,816	8,589	31,729	11,234	12,970	5,977	4,574	15,604	5,120	3,201	4,310	4,318	8,190
Aug. 19.....	116,313	8,601	31,861	11,501	13,052	5,969	4,582	15,607	5,126	3,199	4,307	4,318	8,190
Surplus:													
July 29.....	217,837	16,382	58,749	20,059	22,462	11,701	8,950	30,426	9,971	7,497	8,977	7,592	15,071
Aug. 5.....	217,837	16,382	58,749	20,059	22,462	11,701	8,950	30,426	9,971	7,497	8,977	7,592	15,071
Aug. 12.....	217,837	16,382	58,749	20,059	22,462	11,701	8,950	30,426	9,971	7,497	8,977	7,592	15,071
Aug. 19.....	217,837	16,382	58,749	20,059	22,462	11,701	8,950	30,426	9,971	7,497	8,977	7,592	15,071
All other liabilities:													
July 29.....	11,970	501	3,040	302	946	812	747	1,579	571	998	497	739	1,238
Aug. 5.....	11,905	452	3,005	335	908	859	780	1,525	576	1,023	500	725	1,217
Aug. 12.....	12,324	503	3,101	370	980	847	803	1,566	584	1,038	524	753	1,255
Aug. 19.....	12,517	486	3,074	392	987	920	820	1,621	633	1,058	527	760	1,239
Total liabilities:													
July 29.....	4,679,813	390,675	1,383,536	357,457	475,881	202,115	238,119	586,467	164,264	134,831	201,462	128,889	416,117
Aug. 5.....	4,741,116	389,333	1,415,984	360,585	470,165	202,035	246,098	602,073	167,544	137,039	201,247	129,808	419,205
Aug. 12.....	4,782,688	395,094	1,401,936	366,246	493,353	205,148	247,214	600,613	168,589	137,678	205,359	133,589	427,869
Aug. 19.....	4,794,237	388,518	1,415,843	373,682	489,126	208,478	250,594	599,061	165,843	140,278	203,050	135,199	424,565
MEMORANDA													
Ratio of total reserves to deposit and Federal reserve note liabilities combined (per cent):													
July 29.....	77.3	83.2	85.5	78.5	78.6	61.4	74.4	77.3	51.8	64.1	65.9	57.1	73.5
Aug. 5.....	75.3	78.6	79.5	80.2	78.6	63.7	72.8	79.0	49.5	63.4	65.5	57.8	72.9
Aug. 12.....	75.5	78.2	80.0	79.0	75.1	64.1	72.4	81.8	51.8	64.3	65.4	58.4	74.7
Aug. 19.....	75.4	82.5	82.6	77.8	77.6	61.8	68.6	76.2	42.5	61.0	65.0	58.3	73.9
Contingent liability on bills purchased for foreign correspondents:													
July 29.....	31,961	2,409	8,199	3,027	3,483	1,725	1,335	4,492	1,497	1,074	1,302	1,139	2,279
Aug. 5.....	31,508	2,358	8,249	2,963	3,409	1,689	1,306	4,397	1,466	1,052	1,274	1,115	2,230
Aug. 12.....	31,186	2,358	7,928	2,963	3,409	1,689	1,306	4,397	1,466	1,051	1,274	1,115	2,230
Aug. 19.....	31,113	2,358	7,855	2,963	3,409	1,689	1,306	4,397	1,466	1,051	1,274	1,115	2,230
Own Federal reserve notes held by Federal reserve bank:													
July 29.....	318,251	24,552	121,739	37,632	21,620	12,354	16,926	12,476	5,095	5,714	8,180	6,372	45,591
Aug. 5.....	307,687	21,613	118,933	38,087	27,167	13,785	15,107	10,395	4,950	5,261	7,132	5,654	39,603
Aug. 12.....	291,436	22,411	117,869	31,958	18,811	12,565	13,878	10,568	4,891	5,031	7,409	6,107	39,938
Aug. 19.....	290,752	17,801	118,412	37,237	18,824	13,110	17,766	10,390	4,479	4,430	6,020	4,737	37,546

FEDERAL RESERVE BANKS—MATURITY DISTRIBUTION OF BILLS AND CERTIFICATES OF INDEBTEDNESS

[In thousands of dollars]

	Total	Within 15 days	16 to 30 days	31 to 60 days	61 to 90 days	From 91 days to 6 months	Over 6 months
Bills discounted:							
July 29.....	468,356	338,833	25,586	42,796	39,758	21,143	240
Aug. 5.....	543,837	405,914	27,632	52,825	40,603	16,876	187
Aug. 12.....	538,184	401,591	26,940	54,683	39,236	15,550	184
Aug. 19.....	559,483	404,336	30,423	64,961	44,151	15,412	200
Bills bought in open market:							
July 29.....	210,476	81,065	45,793	44,508	29,720	9,390	-----
Aug. 5.....	211,972	83,143	36,621	45,745	34,289	12,174	-----
Aug. 12.....	211,659	84,744	34,767	43,359	38,627	10,162	-----
Aug. 19.....	195,309	59,057	38,188	49,027	37,905	11,132	-----
United States certificates of indebtedness:							
July 29.....	34,967	7,106	-----	16,098	3,022	3,065	5,676
Aug. 5.....	34,982	7,403	-----	19,081	-----	3,025	5,473
Aug. 12.....	33,159	6,767	-----	17,017	-----	3,832	5,543
Aug. 19.....	29,373	3,247	15,846	1,625	-----	3,191	5,464

FEDERAL RESERVE NOTES—FEDERAL RESERVE AGENTS' ACCOUNTS, BY WEEKS

[In thousands of dollars]

	Total	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chi- cago	St. Louis	Minne- apolis	Kansas City	Dallas	San Francisco
Federal reserve notes received from comptroller:													
July 29.....	2,920,284	287,726	764,012	220,810	275,084	103,978	210,767	428,929	72,068	85,208	98,501	66,184	307,017
Aug. 5.....	2,902,676	284,954	760,625	218,918	272,020	105,273	209,715	428,027	71,703	84,437	97,998	65,652	303,354
Aug. 12.....	2,908,412	282,063	772,067	216,943	276,357	104,347	208,222	426,490	71,136	84,789	97,723	64,883	303,392
Aug. 19.....	2,907,445	279,488	772,597	221,344	275,410	104,584	210,094	424,887	70,292	85,285	97,684	64,447	301,333
Federal reserve notes held by Federal reserve agent:													
July 29.....	1,003,636	94,150	308,740	37,000	49,250	23,494	62,759	268,757	24,360	17,991	28,413	22,322	66,400
Aug. 5.....	989,432	96,280	303,940	36,000	41,110	22,980	61,379	271,457	24,360	17,551	27,813	21,562	65,200
Aug. 12.....	999,298	95,380	316,780	33,600	46,350	22,979	59,860	269,457	24,360	18,537	26,933	19,862	65,200
Aug. 19.....	1,000,504	97,780	314,620	36,400	46,350	21,980	58,405	268,457	24,360	19,357	27,733	19,862	65,200
Federal reserve notes issued to Federal reserve bank:													
July 29.....	1,916,648	193,576	455,272	183,810	225,834	80,484	148,008	160,172	47,708	67,217	70,088	43,862	240,617
Aug. 5.....	1,913,244	188,674	456,685	182,918	230,910	82,293	148,336	156,570	47,343	67,086	70,185	44,090	238,154
Aug. 12.....	1,909,114	186,683	455,287	183,343	230,007	81,368	148,362	157,033	46,776	66,252	70,790	45,021	238,192
Aug. 19.....	1,906,941	181,708	457,977	184,944	229,060	82,604	151,689	156,430	45,932	65,928	69,951	44,583	236,133
Collateral held as security for Federal reserve notes issued to Federal reserve bank:													
Gold and gold certificates—													
July 29.....	306,551	33,350	186,698	5,600	8,780	21,160	9,000	-----	11,775	13,052	-----	17,136	-----
Aug. 5.....	308,028	34,100	186,698	5,600	8,780	21,160	9,000	-----	11,775	13,052	-----	17,863	-----
Aug. 12.....	306,901	34,100	186,698	5,200	8,780	21,160	9,000	-----	11,775	13,052	-----	17,136	-----
Aug. 19.....	307,501	34,700	186,698	5,200	8,780	21,160	9,000	-----	11,775	13,052	-----	17,136	-----
Gold redemption fund—													
July 29.....	105,103	11,539	28,258	13,794	11,992	2,465	6,827	4,628	1,623	1,715	4,224	3,760	14,278
Aug. 5.....	108,506	18,767	28,183	11,902	10,927	4,400	5,776	4,628	1,258	944	3,521	4,227	13,973
Aug. 12.....	106,702	15,876	28,182	9,926	13,924	3,474	7,622	4,547	1,691	1,296	3,086	3,459	13,619
Aug. 19.....	105,034	13,301	28,183	13,327	12,777	2,250	6,694	4,547	1,847	1,792	4,047	3,022	13,247
Gold fund Federal Reserve Board—													
July 29.....	1,036,304	104,000	141,000	117,889	160,000	10,295	98,500	130,645	7,000	33,000	47,360	4,500	182,115
Aug. 5.....	1,019,946	94,000	141,000	117,889	160,000	7,295	92,500	130,645	7,000	33,000	47,360	5,500	183,757
Aug. 12.....	1,034,137	94,000	141,000	119,889	160,000	12,295	91,000	130,645	6,000	32,000	49,360	7,500	190,448
Aug. 19.....	1,025,450	94,000	141,000	116,889	160,000	12,295	92,000	130,645	2,000	31,000	47,360	7,500	190,761
Eligible paper—													
July 29.....	637,137	58,122	113,717	53,091	70,609	52,714	36,123	88,475	33,445	26,025	21,183	19,306	64,327
Aug. 5.....	721,028	70,475	186,367	50,429	69,484	51,630	41,713	77,947	37,317	27,970	22,072	18,404	67,220
Aug. 12.....	713,039	73,227	179,897	51,374	88,769	51,211	41,659	63,814	34,118	26,817	23,337	18,252	60,564
Aug. 19.....	719,937	57,895	159,268	56,525	72,426	54,254	47,891	90,585	42,927	31,098	23,850	19,852	62,766
Total collateral—													
July 29.....	2,085,095	207,011	469,673	190,374	251,381	86,634	150,450	223,748	53,843	73,792	72,767	44,702	260,720
Aug. 5.....	2,157,508	217,342	542,248	185,820	249,191	84,485	148,989	213,220	57,350	74,966	72,953	45,994	264,950
Aug. 12.....	2,160,779	217,203	535,777	186,389	271,473	88,140	149,281	199,006	53,584	73,165	75,783	46,347	264,631
Aug. 19.....	2,157,922	199,896	515,149	191,941	253,983	89,959	155,585	225,777	58,549	77,542	75,257	47,510	266,774

FEDERAL RESERVE BANKS—EARNING ASSETS HELD AND EARNINGS THEREON, JULY, 1925

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
HOLDINGS ON JULY 31, 1925													
Total earning assets.....	1,054,580	77,699	228,684	80,880	97,641	66,331	51,903	127,463	68,018	42,930	55,588	47,883	109,560
Bills discounted for members.....	506,319	37,287	140,190	48,987	49,005	53,654	23,464	58,320	26,107	6,870	7,366	9,294	45,775
Bills bought in open market.....	207,299	31,060	27,975	11,193	16,798	6,551	13,615	26,172	10,475	19,685	15,302	9,415	19,058
United States securities.....	328,612	8,575	57,684	17,874	30,714	5,569	14,394	41,522	30,953	16,029	32,500	28,806	43,992
Foreign loans on gold.....	10,500	777	2,835	976	1,124	557	430	1,449	483	346	420	368	735
All other earning assets.....	1,850			1,850									
Bills Discounted													
Rediscounted bills:													
Commercial and agricultural paper, n. e. s.....	175,366	22,674	9,375	9,698	9,114	31,187	19,942	28,589	14,683	4,746	5,442	6,435	13,481
Trade acceptances, domestic.....	2,105	42	240	76	336	367	160	682	167	3		3	29
Secured by U. S. Government obligations.....	1,085	185		65	312	290	130	38	8	1	11	12	33
Member bank collateral notes:													
Secured by U. S. Government obligations.....	271,173	14,386	110,826	26,873	34,153	17,836	1,745	28,731	10,135	1,773	1,778	1,593	21,344
Otherwise secured.....	56,590		19,749	12,275	5,090	3,974	1,487	280	1,114	347	135	1,251	10,888
Total discounted bills.....	506,319	37,287	140,190	48,987	49,005	53,654	23,464	58,320	26,107	6,870	7,366	9,294	45,775
Bills Bought													
Bankers' acceptances based on—													
Imports.....	109,202	14,177	14,743	4,098	10,781	3,361	8,079	12,843	4,606	11,481	8,911	5,580	10,542
Exports.....	65,391	8,088	7,383	4,519	4,354	1,338	4,374	9,860	4,356	6,401	5,445	2,780	6,493
Domestic transactions.....	27,878	8,725	3,215	2,415	1,537	1,782	967	3,208	1,233	1,258	757	910	1,871
Dollar exchange bills.....	2,584	70	438	161	126	70	195	261	280	545	189	145	104
All other.....	1,409		1,409										
Trade acceptances based on—													
Imports.....	820		787										33
Exports.....	15												15
Total purchased bills.....	207,299	31,060	27,975	11,193	16,798	6,551	13,615	26,172	10,475	19,685	15,302	9,415	19,058
United States Securities													
United States bonds.....	69,187	557	4,912	610	8,746	1,486	1,670	20,542	3,182	8,150	9,374	7,498	2,460
Treasury notes.....	224,888	569	48,681	17,207	11,571	4,019	11,296	19,118	27,227	7,751	20,295	20,920	36,234
Certificates of indebtedness.....	34,537	7,449	4,091	57	10,397	64	1,428	1,862	544	128	2,831	388	5,298
Total U. S. securities.....	328,612	8,575	57,684	17,874	30,714	5,569	14,394	41,522	30,953	16,029	32,500	28,806	43,992
DAILY AVERAGE HOLDINGS DURING JULY													
Total earning assets ¹	1,065,252	77,310	253,385	79,301	97,636	65,698	54,427	123,332	62,717	39,755	54,373	40,940	107,478
Bills discounted.....	482,321	33,582	144,493	45,861	46,064	50,796	23,670	52,111	21,061	6,064	7,205	8,469	42,945
Bills bought.....	232,734	35,150	37,735	12,546	19,973	8,776	15,955	28,203	10,434	17,316	14,063	12,635	19,948
United States securities.....	337,653	7,801	68,322	17,874	30,475	5,569	14,372	41,569	30,739	16,029	32,685	28,368	43,810
Foreign loans on gold.....	10,500	777	2,835	976	1,124	557	430	1,449	483	346	420	368	735
EARNINGS DURING JULY													
Total earning assets ¹	3,188	219	745	240	283	213	166	389	191	121	163	149	309
Bills discounted.....	1,508	100	430	136	137	172	81	177	72	21	25	29	128
Bills bought.....	631	96	101	34	55	24	43	77	28	47	38	34	54
United States securities.....	1,014	21	206	61	88	15	41	131	90	52	99	85	125
Foreign loans on gold.....	29	2	8	3	3	2	1	4	1	1	1	1	2
ANNUAL RATE OF EARNINGS													
Total earning assets ¹	3.52	3.33	3.46	3.56	3.41	3.82	3.60	3.71	3.58	3.59	3.52	3.52	3.39
Bills discounted.....	3.68	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50
Bills bought.....	3.19	3.21	3.15	3.23	3.20	3.20	3.19	3.17	3.17	3.20	3.18	3.17	3.19
United States securities.....	3.54	3.10	3.55	4.00	3.39	3.17	3.38	3.72	3.43	3.86	3.56	3.54	3.37
Foreign loans on gold.....	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50

¹ Figures for Philadelphia include average daily holdings of Federal intermediate credit bank debentures, \$2,044,000; earnings, \$5,666; and annual rate of earnings, 3.26 per cent.

FEDERAL RESERVE BANKS—VOLUME OF DISCOUNT AND OPEN-MARKET OPERATIONS DURING JULY, 1925

[Amounts in thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Volume of Operations													
Total (all classes).....	3,117,723	265,078	1,496,026	192,722	336,729	238,431	42,555	196,393	50,912	19,098	26,277	21,843	231,659
Bills discounted for member banks.....	2,831,228	233,935	1,364,886	182,914	327,368	234,008	34,205	169,347	43,171	6,238	13,742	12,120	209,294
Bills bought in open market.....	201,663	22,956	72,085	9,386	7,826	4,145	7,490	20,051	6,780	12,633	10,718	6,113	21,480
Bills bought from other Federal reserve banks.....	130		130										
U. S. securities bought in open market.....	80,202	7,854	57,710	4	1,053	39	676	6,374	754	79	1,637	3,452	570
Foreign loans on gold.....	4,500	333	1,215	418	482	239	184	621	207	148	180	158	315
Bills Discounted													
Rediscounted bills:													
Commercial, agricultural, and livestock paper, n. e. s.....	123,874	5,164	7,167	6,732	9,296	10,294	16,568	37,748	12,670	1,572	1,887	2,629	6,147
Demand and sight drafts.....	250						145		4		1	91	9
Trade acceptances.....	1,065	27	148	87	249	237	199	64	32	2		1	19
Secured by U. S. Government obligations.....	558	80		65	77	192	93	10	5		9	12	15
Member bank collateral notes:													
Secured by U. S. Government obligations.....	2,189,491	81,588	1,201,995	122,150	273,316	178,044	11,843	129,273	24,278	3,669	10,878	6,896	145,561
Secured by eligible paper ¹	515,990	147,076	155,576	53,880	44,430	39,241	5,357	2,252	6,182	993	967	2,491	57,543
Total bills discounted.....	2,831,228	233,935	1,364,886	182,914	327,368	234,008	34,205	169,347	43,171	6,238	13,742	12,120	209,294
Average rate (365-day basis)—per cent.....	3.68	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50
Average maturity (in days):													
Member bank collateral notes.....	5.54	5.45	4.84	8.12	3.97	3.05	10.50	12.82	11.81	12.97	6.63	10.85	6.62
Rediscounted bills.....	54.72	44.58	56.72	56.46	48.95	56.70	51.81	49.45	52.70	98.80	92.20	73.12	76.42
Number of member banks on July 31.....	9,544	420	868	751	863	606	502	1,407	624	853	1,046	853	751
Number of member banks accommodated during month.....	3,207	169	357	401	293	327	213	490	222	144	153	200	238
Per cent accommodated.....	33.6	40.2	41.1	53.4	34.0	54.0	42.4	34.8	35.6	16.9	14.6	23.4	31.7
Bills Bought in Open Market													
From member banks.....	37,603	1,481	1,495	3,282	4,698	1,076	2,973	5,666	1,882	4,645	3,870	1,844	4,691
From nonmember banks, banking corporations, etc.: With resale agreement.....	95,080	10,822	67,994					6,132					10,132
All other.....	68,980	10,653	2,596	6,104	3,128	3,069	4,517	8,253	4,898	7,988	6,848	4,269	6,657
Total bills bought.....	201,663	22,956	72,085	9,386	7,826	4,145	7,490	20,051	6,780	12,633	10,718	6,113	21,480
Rates charged:													
3 per cent.....	104,546	2,554	70,205	1,207	3,028	1,442	2,781	5,972	2,571	4,263	3,573	2,196	4,754
3½ per cent.....	25,259	4,831	565	4,048	1,653	787	1,398	3,856	732	1,669	1,867	1,251	2,602
3¾ per cent.....	62,156	12,746	941	3,946	2,982	1,916	2,716	6,217	3,291	6,008	4,880	2,579	13,934
3½ per cent.....	6,647	2,372		125	157		44	3,539	50	52	207	37	64
3½ per cent.....	2,444	385	325	60	6		101	423	136	641	191	50	126
3½ per cent.....	43	3						40					
3¾ per cent.....	22	18						4					
3¾ per cent.....	47	47											
4 per cent.....	450						450						
4½ per cent.....	49		49										
Average rate (365-day basis)—per cent.....	3.24	3.27	3.08	3.25	3.24	3.24	3.28	3.30	3.26	3.29	3.26	3.25	3.24
Average maturity (in days) ²	59.30	67.86	37.03	55.43	55.42	53.41	57.66	57.81	62.45	68.20	65.21	59.90	51.39
Class of bills:²													
Bankers' acceptances—													
Based on imports.....	49,295	5,911	1,498	3,499	3,704	1,674	3,354	5,885	2,942	5,720	6,488	3,190	5,430
Based on exports.....	29,202	1,805	1,183	3,766	2,402	828	2,082	4,213	1,944	3,398	2,313	1,623	3,645
Based on domestic transactions.....	14,884	3,959	320	1,985	750	1,333	831	2,247	635	678	486	568	1,092
Dollar exchange.....	1,628	25	62	136	50	1	95	245	110	597	238	12	57
Unclassified.....	11,211	434	694	920	309	1,128	1,329	1,149	2,240	1,193	720	1,095	29
Trade acceptances—foreign.....	363		334										
Total.....	106,583	12,134	4,091	9,386	7,826	4,145	7,490	13,919	6,780	12,633	10,718	6,113	11,348
United States Securities Bought in Open Market													
United States bonds.....	3,339	250					317	487	479		1,404	401	1
Treasury notes.....	49,746	3,191	42,634	4	103	39	127	507	275	79	187	2,281	319
Certificates of indebtedness.....	27,117	4,413	15,076		950		232	5,380			46	770	250
Total U. S. securities bought.....	80,202	7,854	57,710	4	1,053	39	676	6,374	754	79	1,637	3,452	570

¹ Including bills taken under a resale contract.² Exclusive of acceptances bought under a resale contract.

REPORTING MEMBER BANKS IN LEADING CITIES

PRINCIPAL RESOURCES AND LIABILITIES, BY WEEKS

[In thousands of dollars]

		Federal reserve district											
	Total	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	At- lanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco
Number of reporting banks:													
July 22	730	42	103	55	75	73	36	100	33	25	71	49	68
July 29	730	42	103	55	75	73	36	100	33	25	71	49	68
Aug. 5	728	42	102	55	75	73	36	100	33	25	71	49	67
Aug. 12	728	42	102	55	75	73	36	100	33	25	71	49	67
Loans and discounts, gross:													
Secured by U. S. Gov- ernment obligations—													
July 22	170,616	11,796	53,454	11,196	19,589	10,629	7,237	28,929	9,537	2,709	3,458	3,019	9,063
July 29	158,943	10,485	48,578	11,634	18,646	5,942	7,368	29,627	8,362	2,594	3,663	3,070	8,974
Aug. 5	165,351	10,558	55,841	11,555	18,636	5,540	7,533	28,659	8,803	2,334	3,583	3,107	9,202
Aug. 12	172,936	10,979	63,148	11,800	18,592	5,480	7,614	28,794	7,872	2,472	3,457	3,121	9,607
Secured by stocks and bonds—													
July 22	5,031,726	319,775	2,219,876	327,388	484,673	126,952	92,949	776,589	172,761	66,012	123,823	76,561	244,367
July 29	5,045,326	326,689	2,217,575	326,060	491,118	127,575	92,907	780,815	172,416	67,740	119,043	76,798	246,590
Aug. 5	5,072,428	331,055	2,251,568	328,573	494,557	128,759	92,742	770,455	167,142	68,522	120,062	76,965	242,028
Aug. 12	5,085,282	334,220	2,234,817	333,304	488,889	129,496	91,016	787,275	171,732	68,172	123,814	78,875	243,672
All other loans and dis- counts—													
July 22	8,038,085	654,315	2,456,914	375,348	750,055	365,690	368,359	1,213,376	299,064	156,795	326,514	212,779	858,876
July 29	8,012,881	646,852	2,435,327	375,573	751,276	365,430	372,228	1,207,395	305,970	157,979	330,448	208,885	856,018
Aug. 5	8,071,054	643,576	2,483,324	379,070	753,707	368,793	374,676	1,208,177	308,995	156,881	332,314	207,319	854,222
Aug. 12	8,112,743	641,793	2,484,990	381,141	760,280	368,862	383,326	1,224,333	307,984	160,011	333,181	207,712	859,130
Total loans and dis- counts—													
July 22	13,240,427	985,886	4,730,244	713,932	1,254,317	503,271	468,545	2,018,894	481,362	225,516	453,795	292,359	1,112,306
July 29	13,217,150	984,026	4,701,480	713,267	1,261,040	498,947	472,503	2,017,837	486,748	228,313	453,154	288,253	1,111,582
Aug. 5	13,308,833	985,189	4,790,733	719,198	1,266,900	503,092	474,951	2,007,291	484,940	227,737	455,959	287,391	1,105,452
Aug. 12	13,370,961	986,992	4,782,955	726,245	1,267,761	503,838	481,956	2,040,402	487,588	230,655	460,452	289,708	1,112,409
U. S. pre-war bonds:													
July 22	222,335	9,814	39,735	11,005	31,810	26,062	14,881	17,624	12,707	6,811	9,056	18,034	24,796
July 29	218,711	9,840	39,736	9,538	31,785	25,538	14,880	17,590	12,707	6,811	9,055	17,137	24,094
Aug. 5	219,611	9,840	39,859	9,714	31,790	25,563	14,875	17,591	12,707	6,811	9,337	17,611	23,913
Aug. 12	218,729	9,840	39,859	9,690	32,075	25,583	14,875	17,572	12,707	6,811	8,698	17,090	23,929
U. S. Liberty bonds:													
July 22	1,383,294	79,911	606,988	49,854	172,219	36,395	12,798	173,447	22,600	25,300	51,156	17,690	134,936
July 29	1,389,689	80,416	606,209	51,172	173,728	35,124	12,864	175,182	22,579	25,359	53,088	17,582	136,386
Aug. 5	1,382,849	80,963	605,551	51,013	174,205	35,808	12,841	173,162	22,775	25,626	48,691	17,303	134,911
Aug. 12	1,387,971	80,928	607,767	51,293	173,008	34,708	12,793	173,077	22,581	25,546	48,853	17,837	139,520
U. S. Treasury bonds:													
July 22	440,090	20,571	196,619	17,946	33,002	8,912	5,721	61,664	11,190	12,072	13,197	7,229	51,967
July 29	434,889	20,333	195,358	18,002	33,124	5,874	5,675	60,465	11,478	12,097	12,616	7,092	52,775
Aug. 5	439,046	20,535	195,163	17,995	33,257	5,856	5,645	59,110	11,525	12,277	17,216	7,182	53,285
Aug. 12	434,928	20,438	195,483	18,007	33,757	5,524	5,645	57,705	11,441	12,277	17,647	7,107	49,897
U. S. Treasury notes:													
July 22	404,646	6,377	193,547	8,880	43,012	985	2,341	73,439	6,028	18,032	17,268	7,627	27,110
July 29	406,075	5,694	197,113	8,491	42,642	985	2,342	72,128	6,519	19,410	17,477	7,212	26,062
Aug. 5	400,744	4,541	191,834	8,202	40,980	995	2,400	73,996	6,520	19,410	17,620	8,747	25,499
Aug. 12	400,646	4,541	191,650	8,152	40,490	2,008	2,345	72,772	6,391	19,380	17,470	8,757	26,690
U. S. Treasury certificates:													
July 22	108,496	5,275	41,799	6,517	11,144	3,132	3,344	8,279	635	3,960	3,635	3,122	17,654
July 29	106,072	4,864	41,855	6,549	11,448	3,132	2,180	8,307	526	2,581	3,663	3,111	17,856
Aug. 5	105,253	4,874	41,065	6,538	11,093	1,982	2,147	7,688	528	2,581	3,840	3,579	19,338
Aug. 12	102,016	4,843	40,624	6,549	11,470	1,982	2,147	7,823	534	2,581	4,035	2,439	16,989
Other bonds, stocks, and securities:													
July 22	2,948,134	207,431	1,151,494	261,054	348,161	61,872	44,537	426,504	109,927	42,817	80,487	20,723	193,127
July 29	2,950,624	208,469	1,150,523	260,082	351,166	62,257	45,978	426,681	111,924	42,581	76,627	20,653	193,683
Aug. 5	2,935,472	211,305	1,140,140	259,876	350,583	62,222	46,450	422,575	111,271	42,928	75,485	20,759	191,878
Aug. 12	2,937,265	211,128	1,141,370	258,648	353,266	61,984	47,494	419,606	111,236	43,060	77,027	21,482	190,964
Total investments:													
July 22	5,506,995	329,379	2,230,182	355,256	639,348	137,358	83,622	760,957	163,087	108,992	174,799	74,425	449,590
July 29	5,506,060	329,616	2,230,794	353,834	643,893	132,910	83,919	760,353	165,733	108,839	172,526	72,787	450,856
Aug. 5	5,482,975	332,058	2,213,612	353,338	641,908	132,426	84,358	754,122	165,326	109,633	172,189	75,181	448,824
Aug. 12	5,481,555	331,718	2,216,753	352,339	644,066	131,849	85,299	748,555	164,800	109,655	173,730	74,712	447,989
Total loans and invest- ments:													
July 22	18,747,422	1,315,265	6,960,426	1,069,188	1,893,665	640,629	552,167	2,779,851	644,449	334,508	628,594	366,784	1,561,896
July 29	18,723,210	1,313,642	6,932,274	1,067,101	1,904,933	631,857	556,422	2,778,190	652,481	337,152	625,680	361,040	1,562,438
Aug. 5	18,791,808	1,317,247	7,004,345	1,072,536	1,908,808	635,518	559,309	2,761,413	650,266	337,370	628,148	362,572	1,554,276
Aug. 12	18,852,516	1,318,710	6,999,708	1,078,584	1,911,827	635,687	567,255	2,788,957	652,478	340,310	634,182	364,420	1,560,398
Reserve balances with Fed- eral reserve banks:													
July 22	1,617,713	95,667	740,335	81,698	126,812	40,835	40,708	240,260	42,898	23,658	54,507	29,429	100,906
July 29	1,605,774	96,451	734,363	79,999	123,149	40,459	37,902	242,423	42,190	22,369	55,727	27,221	103,521
Aug. 5	1,664,682	97,824	763,709	81,094	121,868	40,947	44,223	255,631	46,073	24,431	54,378	28,763	105,741
Aug. 12	1,634,504	94,878	738,660	78,331	133,937	38,844	38,439	251,160	45,709	24,115	56,391	28,197	105,843

PRINCIPAL RESOURCES AND LIABILITIES, BY WEEKS—Continued

[In thousands of dollars]

		Federal reserve district											
	Total	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	At- lanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco
Cash in vault:													
July 22	274,832	20,234	77,111	15,422	30,599	13,862	10,555	50,354	6,828	5,983	12,449	10,435	21,000
July 29	273,039	19,774	76,513	14,841	30,549	14,240	10,628	49,741	6,855	5,961	12,421	9,696	21,820
Aug. 5	271,138	19,424	77,121	13,547	30,377	13,726	11,786	50,127	7,033	5,842	11,901	9,395	20,859
Aug. 12	281,245	19,778	79,329	14,825	31,150	16,869	11,320	50,292	6,801	6,337	12,562	10,356	21,626
Net demand deposits:													
July 22	12,833,091	906,117	5,553,399	763,344	1,029,344	353,909	323,347	1,765,552	378,031	219,132	516,547	253,649	770,720
July 29	12,818,121	898,826	5,577,389	753,385	1,021,800	355,468	328,625	1,764,999	385,133	219,183	502,850	250,611	759,852
Aug. 5	12,833,965	896,652	5,583,441	761,515	1,014,059	358,334	334,334	1,767,687	385,471	219,984	507,379	251,279	753,830
Aug. 12	12,902,589	898,344	5,568,839	764,092	1,013,692	356,337	342,465	1,801,075	388,060	226,293	517,360	255,697	770,335
Time deposits:													
July 22	5,163,718	371,961	1,160,865	176,309	745,832	203,177	203,069	972,402	209,778	101,711	139,884	95,364	783,366
July 29	5,174,141	373,407	1,161,289	177,566	754,267	202,315	202,759	977,683	208,073	101,459	140,104	95,667	779,552
Aug. 5	5,177,921	373,020	1,159,360	179,284	757,264	202,445	202,912	976,380	208,852	99,261	140,077	96,829	782,237
Aug. 12	5,182,554	370,422	1,170,081	181,167	755,583	202,250	201,553	975,893	208,500	99,774	140,707	96,398	780,226
Government deposits:													
July 22	75,567	5,918	11,513	7,304	13,836	2,681	5,541	15,970	1,906	1,344	711	3,018	5,825
July 29	71,760	5,620	10,932	6,937	13,131	2,520	5,268	15,164	1,812	1,277	674	2,896	5,529
Aug. 5	71,049	5,619	10,932	6,212	13,131	2,520	5,278	15,164	1,811	1,275	674	2,904	5,529
Aug. 12	52,440	4,050	7,862	4,990	10,255	1,815	3,787	10,910	1,304	914	487	2,083	3,983
Bills payable and redis- counts with Federal reserve banks:													
Secured by U. S. Gov- ernment obligations—													
July 22	155,642	2,275	75,760	5,652	19,813	9,708	1,183	18,679	1,887	1,610	403	922	17,750
July 29	171,640	3,050	66,130	8,731	27,232	6,328	1,631	33,046	2,688	1,000	363	322	21,119
Aug. 5	230,722	3,994	137,549	7,498	23,328	5,788	1,903	19,614	4,799	3,000	893	372	21,984
Aug. 12	217,914	6,240	119,485	7,650	35,456	3,548	3,400	13,011	4,316	2,580	2,076	142	20,010
All other—													
July 22	87,687	8,012	21,420	9,214	10,121	11,252	6,763	6,606	5,506	354	777	667	6,995
July 29	88,231	7,175	19,230	14,161	9,301	12,128	3,780	5,284	6,006	376	894	1,593	8,303
Aug. 5	106,744	22,446	20,043	9,150	10,543	11,925	6,391	7,195	6,045	354	709	1,983	9,960
Aug. 12	122,052	24,053	29,546	10,910	19,282	13,950	6,977	4,280	3,581	319	757	2,212	6,185

REPORTING MEMBER BANKS IN 12 FEDERAL RESERVE BANK CITIES—BANKERS' BALANCES

[In thousands of dollars]

	Total (12 cities)	Federal reserve bank city											
		Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco
Due to banks:													
July 22 -----	2,159,039	127,494	1,005,837	175,819	52,428	32,980	19,988	376,638	82,969	47,566	115,672	25,458	96,190
July 29 -----	2,123,890	123,571	1,005,781	165,469	52,346	29,225	19,878	371,370	81,849	45,602	111,564	24,556	92,979
Aug. 5 -----	2,218,088	129,662	1,056,920	173,224	53,786	29,623	21,191	380,105	85,739	49,130	112,754	26,143	99,811
Aug. 12 -----	2,208,866	125,910	1,037,656	177,001	52,499	31,333	22,572	380,174	86,813	46,553	114,580	25,996	107,779
Due from banks:													
July 22 -----	630,897	35,940	123,552	65,188	27,698	16,422	13,737	175,119	31,672	24,424	47,294	21,874	47,977
July 29 -----	569,933	36,445	111,280	56,075	25,694	11,378	12,182	156,920	26,020	20,741	47,380	19,510	46,308
Aug. 5 -----	577,301	39,301	100,226	58,665	24,495	14,758	13,467	163,218	27,961	21,922	45,002	21,404	46,882
Aug. 12 -----	591,418	39,317	101,271	61,667	25,814	13,940	12,837	164,290	29,323	18,905	50,201	24,942	48,911

REPORTING MEMBER BANKS IN NEW YORK CITY AND CHICAGO—PRINCIPAL RESOURCES AND LIABILITIES, BY WEEKS

[In thousands of dollars]

	New York City				City of Chicago			
	July 22	July 29	August 5	August 12	July 22	July 29	August 5	August 12
Number of reporting banks.....	62	62	61	61	46	46	46	46
Loans and discounts, gross:								
Secured by U. S. Government obligations.....	48,558	43,626	51,215	58,129	21,895	22,535	21,482	21,440
Secured by stocks and bonds.....	1,976,724	1,978,061	2,004,595	1,988,825	588,760	595,008	581,330	593,882
All other loans and discounts.....	2,147,100	2,123,397	2,169,705	2,171,246	677,114	671,230	676,229	682,143
Total loans and discounts.....	4,172,382	4,145,084	4,225,515	4,218,200	1,287,769	1,288,773	1,279,041	1,297,465
U. S. pre-war bonds.....	28,999	29,000	29,098	29,098	1,934	1,933	1,933	1,916
U. S. Liberty bonds.....	509,596	508,077	506,621	509,053	88,361	90,248	89,240	89,880
U. S. Treasury bonds.....	182,246	181,035	180,841	181,110	26,354	25,116	23,803	22,856
U. S. Treasury notes.....	181,713	185,231	179,953	179,769	57,880	56,245	57,917	57,787
U. S. Treasury certificates.....	39,738	39,164	38,374	37,933	3,883	3,835	3,206	3,371
Other bonds, stocks, and securities.....	864,426	865,019	852,359	854,083	196,974	195,991	191,315	188,527
Total investments.....	1,806,718	1,807,526	1,787,246	1,791,046	375,391	373,368	367,414	363,837
Total loans and investments.....	5,979,100	5,952,610	6,012,761	6,009,246	1,663,160	1,662,141	1,646,455	1,661,302
Reserve balances with Federal reserve bank.....	684,019	673,374	706,525	680,183	164,696	167,126	180,310	172,230
Cash in vault.....	61,627	61,646	62,215	64,126	24,538	23,311	24,172	23,636
Net demand deposits.....	4,999,423	5,028,084	5,025,692	5,010,578	1,172,214	1,177,918	1,182,686	1,189,403
Time deposits.....	780,595	776,984	774,561	783,210	468,438	473,742	470,820	470,894
Government deposits.....	9,035	8,579	8,579	6,171	8,258	7,843	7,843	5,640
Bills payable and rediscounts with Federal reserve bank:								
Secured by U. S. Government obligations.....	56,110	42,275	111,450	94,700	3,041	10,896	3,516	1,601
All other.....	17,240	15,453	16,494	25,952	1,409	622	1,514	980
Total borrowings from Federal reserve bank.....	73,350	57,728	127,944	120,652	4,450	11,518	5,030	2,581

ALL MEMBER BANKS—DEPOSITS, BY FEDERAL RESERVE DISTRICT AND BY SIZE OF CITY

[In thousands of dollars]

Federal reserve district	Net demand deposits					Time deposits				
	1925				1924	1925				1924
	Apr. 22	May 27	June 24	July 29	July 23	Apr. 22	May 27	June 24	July 29	July 23
Boston.....	1,298,704	1,313,510	1,337,475	1,368,029	1,295,088	729,635	745,103	762,492	768,278	679,410
New York.....	6,334,929	6,236,627	6,276,324	6,302,126	6,127,421	2,121,020	2,154,206	2,141,081	2,122,663	1,842,634
Philadelphia.....	1,155,613	1,159,071	1,159,036	1,154,112	1,095,670	786,676	796,502	808,481	813,352	708,003
Cleveland.....	1,469,584	1,463,643	1,482,254	1,517,902	1,438,359	1,300,882	1,314,938	1,344,751	1,338,749	1,239,961
Richmond.....	565,450	560,248	558,817	566,353	531,936	501,893	501,137	508,488	510,498	471,670
Atlanta.....	620,420	646,362	621,453	635,930	472,523	388,125	407,256	407,643	403,184	350,271
Chicago.....	2,384,717	2,391,294	2,425,469	2,448,515	2,263,296	1,767,731	1,814,574	1,826,655	1,820,550	1,642,854
St. Louis.....	708,335	700,591	693,028	693,094	642,807	435,041	437,801	441,929	446,439	410,834
Minneapolis.....	451,891	439,619	451,240	435,645	391,789	439,950	435,891	434,484	431,226	405,140
Kansas City.....	838,824	824,391	836,559	864,546	729,803	307,175	309,873	309,948	311,108	298,465
Dallas.....	635,576	605,626	588,601	581,038	502,763	165,531	166,006	167,218	168,600	157,714
San Francisco.....	1,251,037	1,230,203	1,240,484	1,250,178	1,218,310	1,242,963	1,251,953	1,267,614	1,278,465	1,062,019
Total.....	17,715,080	17,571,185	17,670,740	17,817,468	16,709,765	10,186,622	10,335,240	10,420,784	10,413,112	9,268,975
Banks in cities and towns having a population of—										
Less than 5,000.....	1,637,884	1,613,945	1,614,416	1,624,359	1,513,044	1,691,055	1,692,920	1,715,247	1,721,922	1,602,515
5,000 to 14,999.....	1,088,048	1,078,411	1,077,714	1,085,632	1,012,351	1,081,730	1,082,783	1,091,481	1,096,064	1,018,929
15,000 to 99,999.....	2,239,760	2,266,800	2,265,177	2,295,050	2,016,896	2,044,266	2,086,284	2,081,760	2,103,663	1,911,831
100,000 and over.....	12,749,388	12,612,029	12,713,433	12,812,427	12,167,474	5,369,571	5,473,253	5,532,296	5,491,463	4,735,700

MEMBER BANKS—CONDITION ON JUNE 30, 1925

ALL MEMBER BANKS (8,066 NATIONAL BANKS AND 1,472 STATE BANKS AND TRUST COMPANIES)—ABSTRACT OF CONDITION REPORTS ON JUNE 30, 1925, BY FEDERAL RESERVE DISTRICTS

(In thousands of dollars)

	District No. 1 (420 banks)	District No. 2 (866 banks)	District No. 3 (749 banks)	District No. 4 (865 banks)	District No. 5 (607 banks)	District No. 6 (501 banks)	District No. 7 (1,404 banks)	District No. 8 (621 banks)	District No. 9 (859 banks)	District No. 10 (1,048 banks)	District No. 11 (847 banks)	District No. 12 (761 banks)	Total United States (9,538 banks)
RESOURCES													
Loans and discounts	1,619,570	5,967,495	1,382,055	2,015,128	990,655	876,011	3,187,456	876,598	596,213	803,579	636,618	1,847,336	20,798,714
Overdrafts	479	2,568	425	832	658	1,600	2,006	1,225	731	1,350	1,355	2,237	15,466
United States Government securities	233,015	1,245,064	233,574	414,353	133,891	92,967	512,742	132,054	141,178	174,493	113,707	375,332	3,802,370
Other bonds, stocks, and securities	398,964	1,653,693	634,942	602,330	130,648	114,091	680,158	220,455	150,368	136,384	40,229	323,713	5,085,975
Total loans and investments	2,252,028	8,868,820	2,250,996	3,032,643	1,255,552	1,084,669	4,382,362	1,230,332	888,490	1,115,866	791,909	2,548,618	29,702,625
Customers' liability on account of acceptances	38,160	265,914	12,235	8,531	6,501	5,040	21,754	866	229	9	336	15,588	375,163
Banking house, furniture and fixtures	64,370	169,369	65,278	124,305	55,452	46,803	139,088	36,699	25,102	42,526	40,339	95,424	904,755
Other real estate owned	6,743	12,021	9,755	17,039	10,092	10,758	27,277	7,972	16,535	16,616	13,751	18,581	167,140
Cash in vault	42,764	110,287	39,658	57,013	26,517	24,978	87,661	20,677	20,202	28,371	22,077	44,138	524,343
Reserve with Federal reserve banks	141,042	848,817	139,752	175,224	62,745	70,528	322,224	73,343	54,175	91,446	57,174	154,521	2,190,991
Items with Federal reserve banks in process of collection	60,701	206,455	60,023	68,151	40,243	24,255	77,605	36,920	7,805	33,882	22,472	36,844	675,356
Due from banks, bankers, and trust companies	88,607	207,783	108,951	158,871	91,496	168,938	375,695	117,784	110,190	231,461	133,823	223,855	2,017,454
Exchanges for clearing house, also checks on other banks in same place	46,361	1,422,577	58,760	42,930	25,443	20,233	149,831	19,755	10,557	22,384	11,037	52,450	1,882,318
Outside checks and other cash items	8,175	33,962	7,251	10,034	3,975	5,661	17,614	3,379	7,406	5,671	2,874	31,146	137,148
Redemption fund and due from United States Treasurer	2,398	4,203	2,832	4,237	3,037	1,999	4,227	2,001	1,516	1,889	2,172	2,502	33,013
United States securities borrowed			458	1,751	607	2,293	3,765	2,536	91	1	108	26	11,636
Other securities borrowed				123		35	1,624	85				58	1,925
Other assets	55,144	287,813	14,784	17,973	5,785	7,421	51,254	5,793	5,355	3,314	3,982	22,640	481,258
Total	2,806,493	12,438,021	2,770,733	3,718,825	1,587,745	1,473,611	5,661,981	1,558,142	1,147,653	1,593,376	1,102,054	3,246,391	39,105,025
LIABILITIES													
Capital stock paid in	151,551	519,000	142,484	213,425	114,202	94,304	295,356	110,178	68,416	95,533	95,785	185,498	2,085,732
Surplus fund	134,712	523,914	237,503	221,126	84,711	58,286	221,480	58,637	35,811	44,300	43,086	87,249	1,750,815
Undivided profits, less expenses and taxes paid	77,196	296,627	80,219	89,135	35,286	25,899	113,242	29,639	16,217	19,810	21,097	49,066	853,433
Due to Federal reserve banks	4,818	12,134	5,563	3,391	7,745	1,320	1,890	367		51	1,670	809	39,758
Due to banks, bankers, and trust companies	153,579	1,540,667	213,336	249,235	115,226	179,356	608,898	174,995	117,485	271,494	117,416	236,341	3,978,028
Certified and cashiers' or treasurers' checks outstanding	23,254	791,086	17,553	23,042	13,051	11,775	47,470	12,554	14,071	17,842	11,338	49,818	1,082,804
Demand deposits	1,317,025	5,921,723	1,113,486	1,405,427	554,253	605,587	2,272,845	634,630	416,389	775,973	576,632	1,217,781	16,811,751
Time deposits	758,742	2,099,725	808,256	1,328,000	510,542	398,360	1,833,638	441,922	435,281	312,102	167,305	1,286,613	10,381,486
United States deposits	12,913	25,851	18,917	24,696	12,088	11,584	29,852	7,621	5,188	7,120	8,598	12,225	176,653
Total deposits	2,270,331	10,391,136	2,178,111	3,033,791	1,212,905	1,207,982	4,794,593	1,272,089	988,414	1,384,582	882,969	2,503,587	32,420,480
Agreements to repurchase United States Government or other securities sold	251	1,811	7	332	811		342	2,236		26	439	195	6,450
Bills payable (including all obligations representing money borrowed, other than rediscounts)	21,168	126,250	43,033	35,381	33,214	10,973	41,030	10,495	2,813	1,996	7,388	27,026	360,767
Notes and bills rediscounted (including acceptances of other banks and foreign bills of exchange or drafts sold with indorsement)	52,652	134,615	13,596	17,103	35,321	20,472	38,434	14,058	4,493	6,757	5,315	14,118	356,934

**ALL MEMBER BANKS (8,066 NATIONAL BANKS AND 1,472 STATE BANKS AND TRUST COMPANIES)—ABSTRACT OF
CONDITION REPORTS ON JUNE 30, 1925, BY FEDERAL RESERVE DISTRICTS—Continued**

[In thousands of dollars]

	District No. 1 (420 banks)	District No. 2 (866 banks)	District No. 3 (749 banks)	District No. 4 (865 banks)	District No. 5 (607 banks)	District No. 6 (501 banks)	District No. 7 (1,404 banks)	District No. 8 (621 banks)	District No. 9 (859 banks)	District No. 10 (1,048 banks)	District No. 11 (847 banks)	District No. 12 (751 banks)	Total United States (9,538 banks)
LIABILITIES—con.													
Letters of credit and travelers' checks sold for cash and outstanding.....	1,786	28,158	772	709	353	44	4,109	122	49	123	83	1,095	37,403
Acceptances executed for customers.....	39,231	254,557	8,844	8,614	6,295	7,720	21,947	952	112	11	326	17,062	365,671
Acceptances executed by other banks for account of reporting banks.....	2,530	33,586	4,195	45	586	76	675	2	117	-----	-----	332	42,144
National bank notes outstanding.....	47,392	82,067	55,191	83,315	58,286	39,430	83,528	39,649	29,594	37,563	42,606	49,373	647,994
United States securities borrowed.....	279	1,107	1,012	8,175	2,733	4,369	7,288	4,821	308	824	1,207	1,197	33,320
Other securities borrowed.....	27	50	-----	490	355	1,454	1,790	90	-----	363	123	713	5,455
Other liabilities.....	7,387	45,143	5,766	7,184	2,687	2,602	35,167	15,174	1,309	1,488	1,640	9,880	138,427
Total.....	2,806,493	12,438,021	2,770,733	3,718,825	1,587,745	1,473,611	5,661,981	1,558,142	1,147,653	1,593,376	1,102,054	3,246,391	39,105,025

**ALL MEMBER BANKS (8,066 NATIONAL BANKS AND 1,472 STATE BANKS AND TRUST COMPANIES)—ABSTRACT OF
CONDITION REPORTS ON JUNE 30, 1925, BY CLASSES OF BANKS**

[In thousands of dollars]

	Central reserve city banks			Other re- serve city banks (553 banks)	Country banks (8,899 banks)	Total United States	
	New York (63 banks)	Chicago (23 banks)	Total (86 banks)			June 30, 1925 (9,538 banks)	April 6, 1925 (9,531 banks)
RESOURCES							
Loans and discounts.....	4,310,312	1,198,405	5,508,717	7,465,741	7,824,256	20,798,714	20,372,688
Overdrafts.....	2,017	258	2,275	5,093	8,098	15,466	17,014
United States Government securities.....	911,604	155,834	1,067,438	1,341,016	1,393,916	3,802,370	3,915,997
Other bonds, stocks, and securities.....	794,797	151,623	946,420	1,525,370	2,614,185	5,085,975	4,979,240
Total loans and investments.....	6,018,730	1,506,120	7,524,850	10,337,229	11,840,455	29,702,525	29,284,939
Customers' liability on account of acceptances.....	262,284	20,937	283,221	82,608	9,334	375,163	477,098
Banking house, furniture, and fixtures.....	96,569	31,240	127,809	355,169	421,777	904,755	879,401
Other real estate owned.....	3,184	130	3,314	50,256	113,570	167,140	166,828
Cash in vault.....	57,823	19,996	77,819	155,879	290,645	524,343	523,297
Reserve with Federal reserve banks.....	694,231	152,315	846,546	739,990	604,455	2,190,991	2,091,545
Items with Federal reserve banks in process of collection.....	144,217	35,292	179,509	391,427	104,420	675,356	588,823
Due from banks, bankers, and trust companies.....	102,750	164,114	266,864	809,623	940,967	2,017,454	2,090,754
Exchanges for clearing house, also checks on other banks in same place.....	1,395,424	101,809	1,497,233	304,026	81,059	1,882,318	1,211,094
Outside checks and other cash items.....	22,454	6,605	29,059	80,335	27,754	137,148	108,256
Redemption fund and due from United States Treasurer.....	1,445	47	1,492	7,341	24,180	33,013	33,094
United States securities borrowed.....	-----	-----	-----	6,575	5,061	11,636	12,661
Other securities borrowed.....	-----	-----	-----	580	1,345	1,925	2,660
Other assets.....	275,132	39,163	314,295	128,144	38,819	481,258	478,815
Total.....	9,074,243	2,077,768	11,152,011	13,449,173	14,503,841	39,105,025	37,949,265
LIABILITIES							
Capital stock paid in.....	358,200	91,000	449,200	702,067	934,465	2,085,732	2,077,502
Surplus fund.....	392,893	89,255	482,148	598,424	670,243	1,750,815	1,732,076
Undivided profits, less expenses and taxes paid.....	219,173	52,975	272,148	260,799	320,486	853,433	859,461
Due to Federal reserve banks.....	116	-----	116	10,471	29,171	39,758	40,124
Due to banks, bankers, and trust companies.....	1,448,958	392,774	1,841,732	1,698,062	438,234	3,978,028	4,041,256
Certified and cashiers' or treasurers' checks outstanding.....	771,491	23,110	794,601	152,180	86,023	1,032,804	756,757
Demand deposits.....	4,517,617	969,087	5,486,704	5,656,931	5,668,116	16,811,751	15,849,791
Time deposits.....	768,157	372,372	1,140,529	3,729,678	5,511,279	10,381,486	10,126,980
United States deposits.....	17,296	11,713	29,009	110,604	37,040	176,653	411,619
Total deposits.....	7,523,635	1,769,956	9,293,591	11,357,926	11,769,863	32,420,450	31,226,527
Agreements to repurchase United States Government or other securities sold.....	259	-----	259	3,278	2,913	6,450	-----
Bills payable (including all obligations representing money borrowed, other than rediscounts).....	76,822	7,378	84,200	128,584	147,983	360,767	311,183
Notes and bills rediscounted (including acceptances of other banks and foreign bills of exchange or drafts sold with indorsement).....	123,943	11,011	134,954	86,736	135,244	356,934	389,013
Letters of credit and travelers' checks sold for cash and outstanding.....	28,084	3,747	31,831	5,188	384	37,403	22,158
Acceptances executed for customers.....	251,441	21,036	272,477	84,666	8,528	365,671	474,500
Acceptances executed by other banks for account of reporting banks.....	33,044	636	33,680	7,579	885	42,144	43,087
National bank notes outstanding.....	28,180	944	29,124	143,938	474,932	647,994	648,959
United States securities borrowed.....	970	1,375	2,345	16,614	14,361	33,320	34,408
Other securities borrowed.....	-----	-----	-----	1,436	4,019	5,455	6,481
Other liabilities.....	37,599	29,355	66,954	51,938	19,535	138,427	123,910
Total.....	9,074,243	2,077,768	11,152,011	13,449,173	14,503,841	39,105,025	37,949,265
Ratio of reserve with Federal reserve banks to net deposit liability (per cent).....	13.0	12.8	12.9	10.1	7.4	10.0	9.8

STATE BANK AND TRUST COMPANY MEMBERS—ABSTRACT OF CONDITION REPORTS ON JUNE 30, 1925, BY FEDERAL RESERVE DISTRICTS

[In thousands of dollars]

	District No. 1 (38 banks)	District No. 2 (146 banks)	District No. 3 (78 banks)	District No. 4 (117 banks)	District No. 5 (58 banks)	District No. 6 (121 banks)	District No. 7 (347 banks)	District No. 8 (129 banks)	District No. 9 (98 banks)	District No. 10 (33 banks)	District No. 11 (136 banks)	District No. 12 (171 banks)	Total United States (1,472 banks)
RESOURCES													
Loans and discounts.....	536,678	2,945,076	330,207	972,209	166,382	298,898	1,411,860	337,262	52,328	69,440	45,842	962,414	8,128,596
Overdrafts.....	193	1,715	176	233	165	1,097	634	600	102	106	148	949	6,118
United States Government securities.....	73,790	527,667	48,401	122,886	6,436	9,876	234,921	39,299	7,832	22,754	2,276	172,466	1,268,604
Other bonds, stocks, and securities.....	118,715	678,719	188,052	216,696	23,814	31,203	359,657	92,457	13,983	12,737	2,360	155,726	1,894,119
Total loans and investments.....	729,376	4,153,177	566,836	1,312,024	196,797	341,074	2,007,072	469,618	74,245	105,037	50,626	1,291,555	11,297,437
Customers' liability on account of acceptances.....	6,681	157,179	658	4,924	2,385	3,734	15,743	607	-----	-----	10	6,659	198,580
Banking house, furniture, and fixtures.....	13,844	87,197	17,494	50,602	6,973	17,922	55,482	14,829	2,048	2,851	2,311	48,280	319,833
Other real estate owned.....	2,295	6,095	4,027	9,687	2,428	5,032	7,339	3,595	1,927	2,262	2,146	9,124	55,957
Gold and gold certificates.....	1,399	8,779	496	603	167	259	3,025	762	145	94	90	1,388	17,207
All other cash in vault.....	11,912	39,827	6,565	19,871	3,852	6,367	31,559	6,179	2,397	1,607	1,651	16,651	148,438
Reserve with Federal reserve banks.....	47,061	425,647	36,766	76,265	9,529	22,152	130,008	27,649	3,832	9,214	3,348	72,656	864,127
Items with Federal reserve banks in process of collection.....	13,291	80,704	12,126	28,273	7,920	7,989	26,476	13,034	364	7,606	289	10,497	208,569
Due from banks, bankers, and trust companies.....	20,654	105,476	16,152	40,802	16,818	47,650	122,239	32,390	7,969	22,921	7,391	78,541	519,003
Exchanges for clearing house, also checks on other banks in same place.....	12,819	630,581	11,094	21,007	4,608	10,492	90,667	7,601	661	2,904	394	20,700	813,528
Outside checks and other cash items.....	1,568	18,062	1,451	6,805	432	2,860	9,992	1,468	220	1,240	195	23,363	67,656
United States securities borrowed.....	-----	-----	458	1,751	607	2,293	3,765	2,536	91	1	108	26	11,636
Other securities borrowed.....	-----	-----	-----	123	-----	35	1,624	85	-----	-----	-----	58	1,925
Other assets.....	18,171	144,689	6,119	10,760	1,616	5,433	34,688	2,467	261	1,905	2,262	13,927	242,298
Total.....	879,071	5,857,413	680,242	1,583,497	254,132	473,292	2,539,679	582,820	94,160	157,642	70,821	1,593,425	14,766,194
LIABILITIES													
Capital stock paid in.....	36,875	243,004	42,550	85,715	20,176	30,960	113,619	39,795	6,157	8,725	7,843	81,678	717,097
Surplus fund.....	40,268	206,043	76,821	102,491	13,118	18,765	108,338	24,024	2,624	3,333	2,512	34,260	632,597
Undivided profits, less expenses and taxes paid.....	22,304	128,810	27,208	29,009	5,263	8,317	54,396	9,886	1,131	1,925	1,092	22,432	311,823
Due to Federal reserve banks.....	773	3,377	1,448	1,361	1,462	136	284	86	-----	-----	12	79	9,018
Due to banks, bankers, and trust companies.....	24,978	611,773	24,661	76,463	20,063	60,513	153,952	42,210	5,267	34,694	2,961	66,026	1,123,561
Certified and cashiers' or treasurers' checks outstanding.....	6,854	380,406	6,035	12,965	3,684	4,544	24,366	4,874	772	1,782	502	25,899	472,683
Demand deposits.....	452,528	3,000,163	318,251	554,444	92,177	196,093	918,111	231,772	31,727	81,288	43,304	466,621	6,386,479
Time deposits.....	259,764	950,026	159,829	684,148	80,591	126,743	1,071,681	194,293	45,085	22,327	9,982	854,041	4,458,510
United States deposits.....	3,354	12,627	7,727	10,805	548	5,662	17,423	4,527	166	2,312	69	5,176	70,396
Total deposits.....	748,251	4,958,372	517,951	1,340,186	198,525	393,691	2,185,617	477,762	83,017	142,403	56,830	1,417,842	12,526,647
Agreements to repurchase United States Government or other securities sold.....	251	1,552	-----	300	-----	-----	-----	886	-----	-----	-----	48	3,037
Bills payable (including all obligations representing money borrowed, other than rediscounts).....	3,462	36,804	8,924	10,899	7,225	5,508	16,510	6,812	428	74	1,286	17,728	115,660
Notes and bills rediscounted (including acceptances of other banks and foreign bills of exchange or drafts sold with indorsement).....	17,381	64,608	3,189	3,202	5,966	6,052	9,383	6,925	655	351	1,037	4,311	123,060
Letters of credit and travelers' checks sold for cash and outstanding.....	9	23,593	489	76	41	33	376	61	-----	-----	-----	603	25,281
Acceptances executed for customers.....	7,081	157,497	204	4,892	2,470	5,952	15,727	694	-----	-----	-----	6,585	201,102
Acceptances executed by other banks for account of reporting banks.....	277	12,481	162	-----	195	4	1	-----	-----	-----	-----	251	13,371
United States securities borrowed.....	-----	-----	458	1,751	607	2,293	3,765	2,536	91	1	108	26	11,636
Other securities borrowed.....	-----	-----	-----	123	-----	35	1,624	85	-----	-----	-----	58	1,925
Other liabilities.....	2,912	24,649	2,286	4,853	546	1,682	30,123	13,354	57	830	113	7,553	88,958
Total.....	879,071	5,857,413	680,242	1,583,497	254,132	473,292	2,539,679	582,820	94,160	157,642	70,821	1,593,425	14,766,194

STATE BANK AND TRUST COMPANY MEMBERS—ABSTRACT OF CONDITION REPORTS ON JUNE 30, 1925, BY CLASSES OF BANKS

[In thousands of dollars]

	Central reserve city banks			Other reserve city banks (184 banks)	Country banks (1,249 banks)	Total United States	
	New York (30 banks)	Chicago (9 banks)	Total (39 banks)			June 30, 1925 (1,472 banks)	Apr. 6, 1925 (1,521 banks)
RESOURCES							
Loans and discounts.....	2,226,007	587,788	2,813,795	3,471,095	1,843,706	8,128,596	7,907,500
Overdrafts.....	1,520	117	1,637	2,959	1,522	6,118	5,607
United States Government securities.....	379,925	98,492	478,417	560,916	229,271	1,268,604	1,305,219
Other bonds, stocks, and securities.....	376,289	99,616	475,905	809,714	608,500	1,894,119	1,841,510
Total loans and investments.....	2,983,741	786,013	3,769,754	4,844,684	2,682,999	11,297,437	11,059,836
Customers' liability on account of acceptances.....	155,209	15,586	170,795	23,323	4,462	198,580	236,136
Banking house, furniture, and fixtures.....	55,244	15,013	70,257	166,700	82,876	319,833	315,545
Other real estate owned.....	2,754		2,754	30,661	22,542	55,957	54,372
Gold and gold certificates.....	5,931	977	6,908	4,060	6,239	17,207	15,975
All other cash in vault.....	23,777	6,706	30,483	64,466	53,489	148,438	146,317
Reserve with Federal reserve banks.....	360,197	63,909	424,106	308,001	132,020	864,127	818,271
Items with Federal reserve banks in process of collection.....	57,176	13,420	70,596	108,129	29,844	208,569	177,284
Due from banks, bankers, and trust companies.....	69,454	60,963	130,417	232,051	156,535	519,003	505,642
Exchanges for clearing house, also checks on other banks in same place.....	615,228	64,840	680,068	110,223	23,237	813,528	478,198
Outside checks and other cash items.....	14,598	3,968	18,566	42,888	6,202	67,656	53,728
United States securities borrowed.....				6,575	5,061	11,636	12,661
Other securities borrowed.....				580	1,345	1,925	2,660
Other assets.....	137,310	27,417	164,727	59,426	18,145	242,298	252,448
Total.....	4,480,619	1,058,812	5,539,431	6,001,767	3,224,996	14,766,194	14,129,073
LIABILITIES							
Capital stock paid in.....	177,850	40,250	218,100	303,654	195,343	717,097	716,858
Surplus fund.....	156,768	55,250	212,018	291,529	129,050	632,597	626,242
Undivided profits, less expenses and taxes paid.....	96,673	31,947	128,620	113,453	69,750	311,823	308,931
Due to Federal reserve banks.....	116		116	2,129	6,773	9,018	10,801
Due to banks, bankers, and trust companies.....	569,806	111,456	681,262	363,134	79,165	1,123,561	1,054,287
Certified and cashiers' or treasurers' checks outstanding.....	372,593	11,901	384,494	67,023	21,166	472,683	354,925
Demand deposits.....	2,374,269	446,845	2,821,114	2,281,949	1,283,416	6,386,479	5,931,185
Time deposits.....	442,580	308,149	750,729	2,362,667	1,345,114	4,458,510	4,343,643
United States deposits.....	7,408	8,246	15,654	47,774	6,968	70,396	158,858
Total deposits.....	3,766,772	886,597	4,653,369	5,124,676	2,742,602	12,520,647	11,853,699
Agreements to repurchase United States Government or other securities sold.....				1,215	1,822	3,037	
Bills payable (including all obligations representing money borrowed, other than rediscounts).....	10,180	500	10,680	70,574	34,406	115,660	91,985
Notes and bills rediscounted (including acceptances of other banks and foreign bills of exchange or drafts sold with indorsement).....	61,170	3,549	64,719	27,637	30,704	123,060	162,416
Letters of credit and travelers' checks sold for cash and outstanding.....	23,557	225	23,782	1,399	100	25,281	15,624
Acceptances executed for customers.....	155,617	15,602	171,219	25,516	4,367	201,102	241,739
Acceptances executed by other banks for account of reporting banks.....	12,391		12,391	934	46	13,371	13,585
United States securities borrowed.....				6,575	5,061	11,636	12,686
Other securities borrowed.....				580	1,345	1,925	2,635
Other liabilities.....	19,641	24,892	44,533	34,025	10,400	88,958	82,673
Total.....	4,480,619	1,058,812	5,539,431	6,001,767	3,224,996	14,766,194	14,129,073
Ratio of reserve with Federal reserve banks to net deposit liability (per cent).....	13.1	12.3	13.0	10.0	7.0	10.5	10.5

DEBITS TO INDIVIDUAL ACCOUNTS BY BANKS IN SELECTED CITIES

MONTHLY SUMMARY FOR BANKS IN 141 CENTERS

[In thousands of dollars]

Federal reserve district	Number of centers	1925			1924		
		May	June	July	May	June	July
No. 1—Boston.....	11	2,273,167	2,374,832	2,364,323	2,052,772	2,040,544	2,111,283
No. 2—New York.....	7	26,976,549	27,764,381	26,277,206	22,124,834	22,639,521	22,184,731
No. 3—Philadelphia.....	10	2,071,159	2,296,834	2,138,248	1,894,928	1,936,205	1,902,728
No. 4—Cleveland.....	13	2,240,047	2,459,218	2,564,444	2,122,402	2,105,227	2,139,964
No. 5—Richmond.....	7	718,890	774,907	795,146	665,057	673,372	676,364
No. 6—Atlanta.....	15	1,096,908	1,059,350	1,092,009	916,882	872,788	914,053
No. 7—Chicago.....	21	5,248,800	5,523,074	5,470,821	4,746,250	4,582,549	4,654,974
No. 8—St. Louis.....	5	1,141,405	1,170,648	1,138,480	1,057,603	1,035,196	994,401
No. 9—Minneapolis.....	9	694,973	762,780	706,012	596,115	613,515	634,515
No. 10—Kansas City.....	14	1,089,204	1,210,741	1,241,009	1,000,236	963,496	1,070,984
No. 11—Dallas.....	11	506,060	524,937	528,809	466,066	447,735	455,924
No. 12—San Francisco.....	18	2,519,105	2,689,431	2,699,757	2,401,209	2,319,693	2,391,152
Total.....	141	46,576,267	48,611,133	47,016,264	40,044,354	40,229,841	40,131,073
New York City.....	1	26,179,393	26,929,559	25,457,692	21,405,560	21,925,659	21,468,874
Other cities.....	140	20,396,874	21,681,574	21,558,572	18,638,794	18,304,182	18,662,199

WEEKLY SUMMARY FOR BANKS IN 254 CENTERS

[In thousands of dollars]

Federal reserve district	Number of centers	1925, week ending—				1924, week ending—			
		July 29	Aug. 5	Aug. 12	Aug. 19	July 30	Aug. 6	Aug. 13	Aug. 20
No. 1—Boston.....	16	512,184	623,136	521,433	557,953	484,137	566,289	493,549	489,219
No. 2—New York.....	14	5,534,715	6,168,606	5,564,631	5,748,634	5,189,805	5,590,042	5,089,174	4,725,653
No. 3—Philadelphia.....	18	496,369	521,346	503,103	507,863	401,454	476,570	439,894	444,300
No. 4—Cleveland.....	22	657,751	663,897	602,370	616,518	539,827	569,833	555,192	546,918
No. 5—Richmond.....	25	262,606	303,524	280,990	287,203	244,219	281,648	244,279	255,065
No. 6—Atlanta.....	24	237,266	253,691	249,783	261,234	201,388	218,764	197,898	203,875
No. 7—Chicago.....	36	1,171,117	1,321,967	1,137,075	1,225,290	1,008,645	1,099,856	1,057,064	1,089,041
No. 8—St. Louis.....	14	256,493	281,325	264,190	275,955	223,218	232,269	247,595	259,262
No. 9—Minneapolis.....	17	153,495	185,097	174,893	173,912	143,999	150,886	147,529	154,813
No. 10—Kansas City.....	27	283,934	313,593	306,708	304,569	247,334	279,112	277,929	274,684
No. 11—Dallas.....	15	124,243	135,511	127,680	146,254	105,660	120,267	114,938	125,125
No. 12—San Francisco.....	28	552,023	657,985	637,496	663,614	523,778	584,436	565,597	610,116
Total.....	254	10,242,196	11,429,678	10,360,302	10,771,999	9,373,464	10,169,972	9,430,628	9,178,071

BANK DEBITS FOR FEDERAL RESERVE BANK AND BRANCH CITIES

No. 1—Boston.....	343,876	428,573	353,786	372,848	329,801	392,797	338,133	330,109
No. 2—New York.....	5,242,147	5,841,870	5,244,077	5,419,645	4,914,109	5,303,541	4,830,311	4,446,699
Buffalo.....	70,251	82,919	88,242	84,312	67,901	66,032	62,138	67,291
No. 3—Philadelphia.....	371,870	382,454	370,617	372,986	345,927	355,237	325,242	330,792
No. 4—Cleveland.....	154,967	163,605	144,366	153,719	125,462	137,007	139,141	137,853
Cincinnati.....	69,731	79,665	70,425	76,223	60,271	66,616	64,049	69,527
Pittsburgh.....	243,404	217,501	188,705	187,380	197,674	191,594	185,698	176,481
No. 5—Richmond.....	27,192	28,499	30,242	31,632	25,418	27,573	26,277	29,555
Baltimore.....	91,173	111,376	94,514	96,858	79,301	101,103	80,203	82,100
No. 6—Atlanta.....	29,421	31,321	31,529	36,381	24,263	28,187	26,151	29,517
Birmingham.....	26,550	27,926	26,430	27,030	22,883	24,643	24,007	24,028
Jacksonville.....	21,745	20,729	20,967	23,373	11,200	13,803	13,412	12,983
Nashville.....	18,250	19,054	16,999	17,919	13,438	16,684	14,922	16,878
New Orleans.....	64,625	69,616	68,426	67,204	71,085	67,171	57,914	54,319
No. 7—Chicago.....	729,366	823,451	678,701	722,765	630,093	684,680	646,570	660,006
Detroit.....	171,494	184,635	165,363	193,221	128,153	138,523	141,458	151,713
No. 8—St. Louis.....	146,900	166,300	153,300	162,300	129,942	139,526	147,699	154,769
Little Rock.....	12,137	14,046	13,639	14,895	11,529	12,596	11,906	12,702
Louisville.....	39,546	40,531	38,965	37,837	32,048	35,911	36,674	37,265
Memphis.....	24,480	25,296	22,379	26,646	23,132	16,605	23,170	25,133
No. 9—Minneapolis.....	72,144	89,018	85,026	89,579	69,045	72,574	73,147	74,637
Helena.....	2,294	2,614	2,358	2,005	1,640	2,052	2,327	2,258
No. 10—Kansas City.....	86,866	94,954	92,370	90,819	74,962	83,721	87,178	87,121
Denver.....	38,559	42,486	41,635	40,325	35,970	38,404	38,192	38,088
Oklahoma City.....	15,287	18,272	19,006	19,165	14,019	16,281	16,962	15,480
Omaha.....	43,952	47,890	46,504	49,112	36,796	45,114	43,168	46,468
No. 11—Dallas.....	37,113	39,762	36,537	42,389	30,544	33,905	30,045	34,822
El Paso.....	5,405	6,160	6,610	6,474	5,960	7,411	7,029	6,659
Houston.....	27,504	30,062	26,453	34,789	21,321	24,836	21,629	25,881
No. 12—San Francisco.....	183,887	231,424	210,178	228,678	170,378	190,603	173,932	207,756
Los Angeles.....	156,132	177,008	171,716	172,478	155,093	161,198	161,442	161,367
Portland.....	34,293	41,632	40,033	40,065	31,553	36,611	35,206	36,984
Salt Lake City.....	10,050	15,003	14,630	16,718	11,695	14,014	13,518	14,711
Seattle.....	39,590	47,400	46,666	47,679	35,532	38,723	39,063	42,688
Spokane.....	10,052	11,208	11,794	12,104	8,181	11,012	10,652	10,870

MEMBER BANKS AND NONMEMBER BANKS ON PAR LIST AND NOT ON PAR LIST

NUMBER AT END OF JULY, 1925 AND 1924

	Member banks ¹		Nonmember banks					Member banks ¹		Nonmember banks			
			On par list		Not on par list ²					On par list		Not on par list ²	
	1925	1924	1925	1924	1925	1924		1925	1924	1925	1924	1925	1924
Federal reserve district:							Southern States—Con.						
Boston.....	420	422	245	231	-----	-----	Kentucky.....	147	147	437	447	20	11
New York.....	868	849	389	370	-----	-----	Tennessee.....	118	122	230	279	226	193
Philadelphia.....	751	735	513	519	-----	-----	Alabama.....	125	130	27	37	199	187
Cleveland.....	863	874	1,073	1,076	11	5	Mississippi.....	44	43	24	26	274	270
Richmond.....	606	627	718	793	702	691	Arkansas.....	121	127	255	295	108	65
Atlanta.....	502	527	365	379	1,101	1,109	Louisiana.....	46	48	36	47	169	180
Chicago.....	1,407	1,428	3,861	3,988	240	187	Texas.....	778	752	717	830	99	51
St. Louis.....	624	629	2,136	2,273	389	306	Middle Western States:						
Minneapolis.....	853	930	1,286	1,682	1,014	664	Ohio.....	441	449	660	661	-----	-----
Kansas City.....	1,046	1,097	2,702	2,765	207	201	Indiana.....	265	269	827	831	7	8
Dallas.....	853	842	770	886	182	136	Illinois.....	586	584	1,294	1,304	20	17
San Francisco.....	751	785	830	858	60	54	Michigan.....	288	288	513	534	94	74
Total.....	9,544	9,745	14,888	15,820	3,906	3,353	Wisconsin.....	184	186	627	671	179	141
New England States:							Minnesota.....	342	368	555	741	485	320
Maine.....	62	63	50	49	-----	-----	Iowa.....	433	452	1,254	1,327	35	24
New Hampshire.....	55	55	14	14	-----	-----	Missouri.....	194	192	1,328	1,381	37	32
Vermont.....	46	46	39	35	-----	-----	Western States:						
Massachusetts.....	182	182	70	71	-----	-----	North Dakota.....	162	178	223	336	275	156
Rhode Island.....	21	21	8	8	-----	-----	South Dakota.....	127	135	244	309	162	119
Connecticut.....	65	66	83	72	-----	-----	Nebraska.....	183	188	752	777	177	165
Eastern States:							Kansas.....	266	267	1,014	1,026	3	5
New York.....	633	630	278	268	-----	-----	Montana.....	119	144	105	116	10	5
New Jersey.....	324	303	147	138	-----	-----	Wyoming.....	34	44	54	61	12	12
Pennsylvania.....	955	947	657	655	-----	-----	Colorado.....	139	145	187	191	6	6
Delaware.....	22	22	32	35	-----	-----	New Mexico.....	33	37	30	36	3	6
Maryland.....	89	92	167	169	-----	-----	Oklahoma.....	396	433	376	380	5	5
District of Columbia.....	14	15	33	34	-----	-----	Pacific States:						
Southern States:							Washington.....	157	160	172	187	32	25
Virginia.....	193	195	231	253	97	77	Oregon.....	135	136	113	114	28	27
West Virginia.....	141	143	194	198	10	10	California.....	304	306	351	363	-----	-----
North Carolina.....	92	96	93	137	339	321	Idaho.....	81	106	80	72	-----	-----
South Carolina.....	92	101	25	29	256	283	Utah.....	49	51	67	66	-----	-----
Georgia.....	159	179	77	71	377	405	Arizona.....	22	23	33	41	3	3
Florida.....	70	68	82	74	159	148	Nevada.....	10	11	23	24	-----	-----
							Total.....	9,544	9,745	14,888	15,820	3,906	3,353

¹ Figures for 1925 represent the number of member banks in actual operation; those for 1924 represent the number by the capital stock records of the Federal reserve bank. The number shown by the capital stock records on July 31, 1925, was 9,620.

² Incorporated banks other than mutual savings banks.

MONEY IN CIRCULATION

[Source: U. S. Treasury Department circulation statements]

[In thousands of dollars]

Date	Total	Gold coin and bullion	Gold certificates	Standard silver dollars	Silver certificates	Treasury notes of 1890	Subsidiary silver	United States notes	Federal reserve notes	Federal reserve bank notes	National bank notes	Total circulation per capita (in dollars)
1914—July 1.....	3,402,015	611,545	1,026,149	70,300	478,602	2,428	159,966	337,845	-----	-----	715,180	34.35
1917—Apr. 1.....	4,100,591	641,794	1,348,818	70,863	459,680	1,997	191,351	330,353	356,448	3,170	697,160	39.54
1920—Nov. 1.....	5,628,428	495,353	231,404	89,725	60,385	1,628	261,556	277,736	3,310,225	209,877	715,023	52.36
1922—Aug. 1.....	4,337,418	416,282	171,985	58,378	268,802	1,508	229,956	284,343	2,115,350	65,032	725,782	39.47
1924—Aug. 1.....	4,665,187	398,499	800,124	53,644	372,683	1,420	252,407	301,667	1,745,820	9,635	729,288	41.36
Sept. 1.....	4,773,878	401,794	872,807	53,915	385,499	1,417	253,732	308,111	1,746,230	9,229	741,144	42.28
Oct. 1.....	4,806,367	427,970	898,165	54,603	388,574	1,412	256,467	304,345	1,729,301	9,030	736,500	42.52
Nov. 1.....	4,879,694	436,160	904,861	55,185	389,201	1,410	259,710	305,840	1,784,046	8,710	734,571	43.12
Dec. 1.....	4,993,570	437,971	933,688	55,606	389,113	1,407	263,102	304,418	1,862,055	8,471	737,739	44.08
1925—Jan. 1.....	4,992,931	458,206	970,564	57,384	388,540	1,405	266,298	295,233	1,841,621	8,238	705,442	44.03
Feb. 1.....	4,751,538	455,169	929,650	55,533	360,808	1,401	256,898	283,598	1,688,662	7,987	711,832	41.86
Mar. 1.....	4,804,209	462,925	913,900	55,264	366,024	1,398	256,509	288,668	1,734,606	7,756	717,159	42.28
Apr. 1.....	4,776,167	469,448	914,968	54,666	371,229	1,396	257,559	285,780	1,702,212	7,506	711,403	41.99
May 1.....	4,725,191	453,211	918,862	54,398	376,442	1,392	258,446	281,043	1,676,078	7,299	698,020	41.50
June 1.....	4,774,313	437,012	972,438	53,908	380,681	1,390	259,894	284,799	1,679,833	7,109	696,649	41.89
July 1.....	4,734,236	428,102	1,003,285	54,294	379,796	1,387	262,607	279,943	1,636,192	6,921	681,709	41.49
Aug. 1.....	4,719,519	428,248	1,014,311	54,165	388,016	1,384	261,750	284,806	1,601,884	6,777	678,178	41.31

¹ The figures for the several classes of money do not add to this total, as mutilated currency forwarded for redemption and unassorted currency held by Federal reserve banks have been deducted only from the total.

DISCOUNT RATES OF FEDERAL RESERVE BANKS IN EFFECT AUGUST 31, 1925

Federal reserve bank	Paper maturing—				
	Within 90 days				After 90 days but within 9 months
	Commercial, agricultural, and livestock paper, n. e. s.	Secured by United States Government obligations	Bankers' acceptances	Trade acceptances	Agricultural ¹ and livestock paper
Boston.....	3½	3½	3½	3½	3½
New York.....	3½	3½	3½	3½	3½
Philadelphia.....	3½	3½	3½	3½	3½
Cleveland.....	3½	3½	3½	3½	3½
Richmond.....	4	4	4	4	4
Atlanta.....	4	4	4	4	4
Chicago.....	4	4	4	4	4
St. Louis.....	4	4	4	4	4
Minneapolis.....	4	4	4	4	4
Kansas City.....	4	4	4	4	4
Dallas.....	4	4	4	4	4
San Francisco.....	3½	3½	3½	3½	3½

¹ Including bankers' acceptances drawn for an agricultural purpose and secured by warehouse receipts, etc.

Changes during the month—None.

GOLD SETTLEMENT FUND

INTERBANK TRANSACTIONS FROM JULY 23, 1925, TO AUGUST 19, 1925, INCLUSIVE

[In thousands of dollars]

Federal reserve bank	Transfers		Daily settlements		Changes in ownership of gold through transfers and settlements		Balance in fund at close of period
	Debits	Credits	Debits	Credits	Decrease	Increase	
Boston.....	15,500		687,025	688,580	13,945		48,082
New York.....	1,000	16,000	2,268,218	2,270,930		17,712	241,405
Philadelphia.....	2,000	500	641,027	637,504	5,023		43,634
Cleveland.....	2,000	1,500	588,987	590,164		677	68,896
Richmond.....		3,500	523,926	526,009		5,583	35,422
Atlanta.....	1,000		283,490	287,826		3,336	20,244
Chicago.....	10,500		1,129,526	1,135,296	4,730		106,489
St. Louis.....	1,000	3,000	471,321	463,607	5,714		3,961
Minneapolis.....			166,088	163,729	2,359		13,358
Kansas City.....		3,000	353,615	379,498	1,117		38,449
Dallas.....			214,576	217,615		3,039	10,803
San Francisco.....		5,500	260,533	257,574		2,541	32,565
Total four weeks ending—							
Aug. 19, 1925.....	33,000	33,000	7,618,332	7,618,332	32,888	32,888	663,308
July 22, 1925.....	62,300	62,300	8,192,720	8,192,720			688,784
Aug. 20, 1924.....	4,000	4,000	7,164,556	7,164,556			604,191
July 23, 1924.....	61,570	61,570	7,074,143	7,074,143			584,487

MONEY RATES PREVAILING IN FEDERAL RESERVE BANK AND BRANCH CITIES

The following table shows the customary rates charged on loans and discounts in the various cities in which Federal reserve banks and their branches are located, as reported by representative banks. These rates are not averages but are those rates at which the bulk of paper of each class is handled by reporting banks. Where it appears from the reports that no one rate clearly covers the bulk of the paper handled, a range of the rates most commonly charged is given. In making comparison be-

tween the rates charged since February, 1924, and rates charged at earlier periods, it should be borne in mind that the earlier rates refer to an entire month, while the later figures cover only a week. Attention is also called to the fact that the method of reporting the rates has been somewhat modified and that slight changes in the rates may reflect these modifications.

[Rates prevailing during week ending with the 15th day of the month]

District and city	Customers' prime commercial paper						Interbank loans			Loans secured by Liberty bonds			Loans secured by stocks and bonds						Loans secured by warehouse receipts			Cattle loans			
	30-90 days			4-6 months									Demand			Time									
	Aug., 1925	July, 1925	Aug., 1924	Aug., 1925	July, 1925	Aug., 1924	Aug., 1925	July, 1925	Aug., 1924	Aug., 1925	July, 1925	Aug., 1924	Aug., 1925	July, 1925	Aug., 1924	Aug., 1925	July, 1925	Aug., 1924	Aug., 1925	July, 1925	Aug., 1924	Aug., 1925	July, 1925	Aug., 1924	
No. 1—Boston.....	4-5	4-4½	4	4-5	4-5	4-4½	4	4	4	4½-5	4½-5	4½	4½	4½	3	4½-5½	4½-5	4½	4½-6	4½-5½	4½-5				
No. 2—New York.....	4-4½	4-5	4-4½	4-4½	4-5	4-4½	4½-5	4½-5	4½	4-4½	4-4½	4	4½-4½	4-4½	2-4½	4½-5	4-5	4½	4½-6	4½-5½	4½-5				
Buffalo.....	5-6	6	5-6	6	6	6	5	5	5	5½-6	6	5½-6	5-6	5-6	5-6	5-6	6	6	5-6	5-6	6				
No. 3—Philadelphia.....	4½-5	4-4½	4½	4½	4-4½	4½	4½	4-4½	4-4½	4-5	4	3½-4½	4½	4	4	4½	4-4½	3½-5	4½-5	4-6	4½-6				
No. 4—Cleveland.....	5-6	5½-6	5½-6	5-6	5½-6	5½-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	6	5½-6	6	5½-6	5-6	5-6	6				
Pittsburgh.....	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	6				
Cincinnati.....	5-6	5-6	5½-6	5-6	5-6	5½-6	5-5½	5-5½	5-5½	5-5½	5-5½	5-5½	5-5½	5-5½	5-6	5½-6	5-6	5-6	5-6	5-6	5½-7	6-7	5½-7		
No. 5—Richmond.....	5-6	5	5½-6	5½-6	5-6	5½-6	5	4½-5	5-6	5-6	5-6	5	5-6	5-5½	5-6	5½-6	5½-6	5-6	5-6	5-6	5½-6				
Baltimore.....	4½-5½	4½-5½	5½	4½-5½	4½-5½	5½	4½-5½	4½-5½	5-5½	5	4½		4-5½	4-5½	5-5½	5-5½	5-5½	5-5½	5-5½	5-5½	5-5½				
No. 6—Atlanta.....	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	4½-8	4½-6	5-6	2½-6	5-6	5-6	2½-7	5-6	5-6	5-6				
Birmingham.....	6	6	5-6	6	5-6	5-6	5-6	5-6	5-6	5-6	6	6-8	6	6	6-8	6	6	6	6	6	6				
Jacksonville.....	4-6	4-8	6	4-6	4-8	6	5-6	5-6	5-6	6	4-8	4-8	6	4-7	3½-8	6	4-7	4-8	6	4½-8	6				
New Orleans.....	5-5½	5-5½	5-6	5-7	5-6	5½-6	5-6	5-6	4½-5½	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5½-6½	5-7	5-6	5½-7				
Nashville.....	5½-6	5½-6	5½-6	5	5	6	5½-6	5½-6	5½-6	5½-6	5½-6	5-6	5½-6	5-6	5½-6	5½-6	5½-6	5½-6	5½-6	5½-6	5½-6				
No. 7—Chicago.....	4½-5	4½-5	4-5	4½-5	4½-5	4-4½	4-5	4-5	4-5½	4½-5	4½-5	4-5	4½-5	4-5	4½-5	4-5	4-5	4-5	4-5	5-5½	5-5½	4½-6	5-5½	5-5½	
Detroit.....	4½-6	4½-6	5-5½	4½-6	4½-6	5-5½	5	5	5-5½	5-6	5-6	4½-5½	4½-5	4½-5	5-6	5-6	5-6	5-6	5-6	5-6	5-6				
No. 8—St. Louis.....	4½-5	4-5	4-5	4½-5	4-5	4-5	5-5½	5	5-5½	5-5½	5	5-5½	4½-5	4-5	4½-5	4½-5	4-5	4½-5	4½-5	5-5½	5-5½	5-5½	5-6	5-6	6
Louisville.....	6	6	6	6	6	6	5	5	5	5½	6	6	5½	6	6	6	6	6	6	6	6				
Little Rock.....	6	6	6	6	6	6	6	6	6	6	6	6	5-6	6	6-7	6	6	6	6-7	6	6				
No. 9—Minneapolis.....	4½-5½	4½-5½	5	4½-5	4½-5	5-5½	5½	5½	5½-6	5½	5½		4½-5½	4½-5½	5-5½	4½-5½	4½-5½	5							
Helena.....	8	8	8	8	8	8	6-8	6-8	7							6-8	6-8	8				8	8	8	
No. 10—Kansas City.....	5-5½	5-5½	5-6	5-6	5-6	5-6	5-6	5-6	5½-6	5-6	5-6	5-6	5-6	5	5-6	5-6	5-6	6	5½-6	5-6	5-6				
Omaha.....	4-6	4-6	4½-6	4½-6	4-6	4½-6	5½-6	5½-6	5½-7	5-6	5	5	4½-6	6	6	4-6	6	5½-6	6	6-7	5½-7	5½-7	6-7	6-7	
Denver.....	4-6	5½-6	4½-5	4-6	4-5½	3½-5	6-7	6-7	6-7	5-6	5-6	6	5-6	5-6	5-6	5-6	5-7	5-6	6-7	6-8	6-7	6-7	6-7	6-7	
Oklahoma City.....	6-7	5-7	6-7	6-7	5-7	6	6-7	6-7	6-7	6	5½-6	6	6	6	6	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	
No. 11—Dallas.....	4-6	5-6	4-6	4-6	5-6	4½-6	5-6	5-6	5-6	5-6	5-6	4-6	5-6	5-6	6	5-8	5-8	6-7	5-8	5-8	5-8	7-8	7-8	7-8	
El Paso.....	6-8	6-8	6-8	6-8	6-8	6-8	6-8	6-8	6-8	8	8	8	8	8	8	8	8	8	8	8	8	8	8-10	8-10	8-10
Houston.....	5-6	5-6	5-6	5-6	5-6	5-6	4½-6	4-6	4½-5	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	7-8	7-8	6-8	
No. 12—San Francisco.....	5-5½	5-5½	4½-5½	5-5½	5-5½	5-6	4½-5½	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6	5-6				
Portland.....	6-7	6-7	6	6	6-7	6	6	6	6	6	6	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	
Seattle.....	6	6	6	6	6	6	5-6½	5-6½	6	6	6	6-7	6	6	6	6	6	6	6-7	6-7	6-7				
Spokane.....	5-7	5-7	6-7	4-7	3½-6	6-7	6-7	6-7	6-7	6	6	6	6-7	6	7		6-7	6-7	6-7	6-8	6-8	6-7	6-7	6-7	
Salt Lake City.....	5-6	5-6	4½-6	6	6	6	6-7	6-7	6-7	6-7	6	6	6-7	6-7	7	7	7	7	6-7	6-7	6-7	7-8	7-8	7-8	
Los Angeles.....	6-7	6-7	6-7	6-7	6-7	6-7	6	6	6	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	

GOLD AND SILVER IMPORTS AND EXPORTS

IMPORTS INTO AND EXPORTS FROM THE UNITED STATES, DISTRIBUTED BY COUNTRIES

Countries	July				Seven months ended July			
	Exports		Imports		Exports		Imports	
	1924	1925	1924	1925	1924	1925	1924	1925
GOLD								
All countries.....	\$327, 178	\$4, 416, 452	\$18, 834, 423	\$10, 204, 112	\$4, 182, 252	\$195, 352, 911	\$245, 076, 709	\$50, 870, 616
France.....			352, 490	6, 003, 672		1, 339, 208	10, 101, 019	6, 563, 354
Germany.....		121, 525				67, 038, 691	4, 819, 027	1, 628
Italy.....						1, 050, 000	2, 735, 792	4, 360
Netherlands.....						4, 318, 343	34, 499, 147	10, 084, 799
Poland and Danzig.....						1, 103, 948		
Spain.....	25, 000			18, 990	165, 000	392, 431	42, 401	58, 599
Sweden.....						1, 002, 628	6, 191, 559	220
England.....			13, 639, 631	535		6, 159, 602	124, 131, 515	4, 818, 243
Canada.....	123, 116	108, 228	2, 024, 072	2, 943, 520	898, 728	2, 594, 095	28, 477, 186	19, 188, 842
Central America.....			260, 529	126, 546	1, 000	750, 000	1, 303, 119	971, 524
Mexico.....	167, 550	2, 922, 246	429, 143	357, 867	1, 861, 872	6, 349, 308	3, 285, 444	3, 039, 855
West Indies.....		11, 000	3, 486	123, 598		163, 000	267, 825	331, 628
Argentina.....					4, 880	5, 460, 000	8, 463, 219	
Chile.....			108, 247	2, 447			299, 765	265, 825
Colombia.....			201, 335	150, 446		1, 999, 878	1, 365, 594	1, 005, 861
Ecuador.....			91, 259		15, 000	15, 000	509, 902	438, 788
Peru.....			350, 485	43, 106			1, 764, 964	871, 341
Uruguay.....						802, 290	7, 836	
Venezuela.....		100, 000	35, 992	5, 990	1, 101, 600	2, 160, 010	166, 002	128, 287
British India.....		30, 990				56, 333, 840		
Straits Settlements.....		462, 643				1, 245, 541		13, 950
China.....			731, 620				3, 476, 129	119, 558
Dutch East Indies.....		401, 020	181, 430	215, 460		578, 520	1, 341, 645	1, 389, 002
Hongkong.....	6, 000	233, 000			107, 910	6, 870, 125	2, 500, 000	
Philippine Islands.....			141, 572	159, 941		25, 000	4, 013, 356	990, 707
British Oceania.....			97, 517	22, 131		26, 925, 176	2, 410, 207	171, 835
Egypt.....						498, 240	1, 449, 906	11, 990
Portuguese Africa.....			139, 005	6, 084			332, 049	344, 852
All other.....	5, 512	25, 800	46, 610	23, 779	26, 262	178, 037	1, 122, 101	55, 568
SILVER								
All countries.....	9, 190, 362	8, 349, 304	7, 127, 613	5, 238, 437	60, 767, 702	58, 864, 338	41, 646, 430	37, 420, 254
France.....			3, 923	4, 079	107, 000		55, 552	181, 406
Germany.....		301, 941			65, 202	3, 262, 364	1, 221, 035	5, 694
Poland and Danzig.....						623, 400		
Spain.....				23, 548			82, 797	104, 334
England.....	4, 045, 198		205, 393	5, 576	13, 866, 223	7, 193, 035	255, 594	90, 848
Canada.....	133, 689	151, 315	549, 604	778, 591	917, 548	977, 895	3, 558, 782	4, 866, 164
Central America.....	1, 900	11, 300	425, 056	149, 412	32, 275	33, 040	1, 118, 286	958, 718
Mexico.....	147, 180	127, 346	3, 742, 660	3, 435, 848	1, 197, 751	1, 217, 422	24, 669, 070	24, 176, 688
West Indies.....	1, 345	1, 140	4, 976	10, 812	48, 078	50, 979		109, 379
Argentina.....	2, 300				2, 300		26, 471	
Bolivia.....			88, 771	2, 120			173, 818	28, 747
Chile.....			138, 678	137, 145			770, 610	1, 074, 378
Colombia.....	2, 937	1, 638	22, 473	11, 083	11, 510	1, 638	83, 666	55, 290
Peru.....			1, 804, 445	605, 869	878, 000	76, 600	8, 787, 035	4, 952, 775
Venezuela.....			85	3, 820	655, 340		2, 147	4, 060
British India.....	4, 722, 254	2, 907, 009			29, 861, 130	28, 731, 077		55, 968
China.....	64, 914	4, 847, 559	365		11, 217, 071	15, 702, 507	16, 361	4, 183
Dutch East Indies.....			70, 479	59, 335			330, 988	549, 956
Hongkong.....	68, 645				630, 282	892, 433		
Japan.....					1, 275, 970			
Portuguese Africa.....			20, 859	6, 113			80, 171	81, 106
All other.....		56	49, 846	5, 086	2, 022	73, 101	154, 068	120, 560

FOREIGN EXCHANGE RATES

[Noon buying rates for cable transfers in New York as published by Treasury. In cents per unit of foreign currency]

Countries	Monetary unit	Par of ex-change	August, 1925		July, 1925				July, 1924			
			Low	High	Low	High	Average		Low	High	Average	
							Rate	Per cent of par			Rate	Per cent of par
Austria.....	Schilling.....	14.07	14.04	14.08	14.0390	14.0700	14.0541	99.89	4.4400	4.6400	4.5558	23.61
Belgium.....	Franc.....	19.30	4.47	4.61	4.4300	4.7000	4.6223	23.95	4.4400	4.6400	4.5558	23.61
Bulgaria.....	Lev.....	19.30	.73	.74	.7286	.7372	.7341	3.80	7.170	.7285	.7239	3.75
Czechoslovakia.....	Crown.....	19.30	2.96	2.96	2.9607	2.9628	2.9617	100.00	2.9260	2.9765	2.9523	100.00
Denmark.....	Krone.....	26.80	22.30	25.00	20.1000	23.7700	21.3658	79.72	15.7600	16.2100	16.0473	59.88
Finland.....	Markka.....	19.30	2.52	2.53	2.5198	2.5248	2.5222	13.07	2.5022	2.5106	2.5068	12.99
France.....	Franc.....	19.30	4.66	4.74	4.4600	4.7500	4.6081	24.34	4.9900	5.2300	5.1185	26.52
Germany.....	Reichsmark.....	23.82	23.80	23.80	23.8000	23.8000	23.8000	99.92				
Great Britain.....	Pound.....	486.65	485.43	485.81	485.4400	486.1200	485.9604	99.86	432.0000	441.0100	437.0388	89.81
Greece.....	Drachma.....	19.30	1.48	1.57	1.5460	1.6773	1.5956	8.27	1.6904	1.7291	1.7140	8.88
Hungary.....	Krone.....	20.26	1.40	1.40	.0014	.0014	.0014	.01	.0012	.0012	.0012	.01
Italy.....	Lira.....	19.30	3.58	3.77	3.3500	3.8000	3.6677	19.00	4.2600	4.3200	4.3035	22.30
Netherlands.....	Florin.....	40.20	40.14	40.30	40.0400	40.1800	40.1023	99.76	37.5900	38.3200	37.9419	94.38
Norway.....	Krone.....	26.80	18.16	20.82	17.4900	18.7900	18.0673	67.42	13.2900	13.5800	13.4235	50.09
Poland.....	Zloty.....	19.30	16.77	18.90	18.0500	19.2000	19.0815	98.87	19.2200	19.3000	19.2465	99.72
Portugal.....	Escudo.....	108.05	5.09	5.18	5.0500	5.1900	5.1362	4.75	2.7400	2.8500	2.7996	2.59
Rumania.....	Leu.....	19.30	.49	.52	.4591	.5205	.4875	2.53	4.054	4.589	4.322	2.24
Spain.....	Peseta.....	19.30	14.29	14.46	14.4400	14.5600	14.5073	75.17	13.1200	13.4000	13.2996	68.91
Sweden.....	Krona.....	26.80	26.84	26.88	26.8000	26.9100	26.8558	100.21	26.5300	26.6500	26.5950	99.24
Switzerland.....	Franc.....	19.30	19.37	19.42	19.4000	19.4146	19.4146	100.59	17.7600	18.5000	18.1946	94.27
Yugoslavia.....	Dinar.....	19.30	1.79	1.81	1.7458	1.8196	1.7808	9.12	1.1531	1.1894	1.1825	6.13
Canada.....	Dollar.....	100.00	100.01	100.07	100.0010	100.1083	100.0293	100.03	98.8482	99.7051	99.2555	99.26
Cuba.....	Peso.....	100.00	99.82	99.93	99.8281	99.9583	99.9148	99.91	99.9000	99.9938	99.9436	99.94
Mexico.....	Peso.....	49.85	49.24	49.70	49.5833	49.7375	49.6777	99.65	48.2938	48.8594	48.6047	97.50
Argentina.....	Peso (gold).....	96.48	90.90	91.93	91.6000	91.8900	91.7477	95.10	73.6500	74.9200	74.1188	76.82
Brazil.....	Milreis.....	32.44	11.75	12.77	10.7200	11.8200	11.3619	35.02	9.1400	10.8400	9.9219	30.59
Chile.....	Peso (paper).....	19.53	11.80	12.06	11.4900	11.8900	11.6912	59.86	9.7200	10.3300	10.1100	51.77
Uruguay.....	Peso.....	103.42	99.20	100.68	97.2500	100.0400	98.5281	95.27	75.7800	77.6900	76.6392	74.10
China.....	Mexican dollar.....	148.11	55.82	57.58	55.7600	56.8000	56.1400	118.69	50.8300	52.1300	51.4646	106.97
China.....	Shanghai tael.....	166.85	76.59	78.29	76.1800	76.9200	76.5569	114.52	70.9100	72.4800	71.6708	107.21
Hongkong.....	Dollar.....	147.77	56.50	58.50	56.4200	57.1300	56.8469	119.00	51.7700	52.7800	52.2962	109.47
India.....	Rupce.....	48.66	36.57	36.68	36.5500	36.6700	36.6104	75.24	30.5800	31.9600	31.2531	64.23
Japan.....	Yen.....	49.85	40.36	41.33	40.7300	41.3600	41.0781	82.40	40.7000	41.9400	41.3492	82.65
Straits Settlements.....	Singapore dollar.....	56.78	56.58	56.84	56.6300	56.6300	56.6300	99.74	50.1300	50.7800	50.5196	88.97

1 1913 average.

SILVER

[Average price per fine ounce]

	August	July
London (converted at average rate of exchange).....	\$0.70594	\$0.70032
New York.....	.70550	.69769

INDEX

	Page		Page
Abstract of condition reports of member banks.....	698	Discount and open-market operations of Federal reserve banks.....	694
Acceptances:	701	Discount rates:	
Held and purchased by Federal reserve banks.....	693, 694	Central banks of issue.....	682
Market for.....	608	Federal reserve banks.....	704
Agricultural credit banks, loans of.....	610	Prevailing in various centers.....	705
Agricultural movements, index of.....	673	Earning assets of Federal reserve banks.....	693
Agriculture, monthly statistics.....	611	Employment, United States.....	621
Annual report of the South African Reserve Bank.....	678	Index of.....	672
Automobile industry.....	618	Revision of.....	668, 669
Bank credit.....	607	England. (See Great Britain.)	
Bank debits.....	702	European price movements in recent months.....	677
Bank deposits, guaranty of, State laws relating to.....	626-668	Factory employment and pay rolls, index of.....	673
Bank suspensions.....	623	Revision of.....	668, 669
Bankers' balances in Federal reserve bank cities.....	696	Failures, commercial and bank.....	622
Belgium debt agreement.....	603	Federal reserve banks:	
Building statistics.....	619, 674	Condition of.....	689-691
Business and financial statistics:		Discount and open-market operations of.....	694
Abroad.....	677-686	Federal reserve note account.....	692
United States.....	605-626, 671-676	Fiduciary powers granted to national banks.....	669
Business failures.....	622	Financial statistics for principal foreign countries.....	680-682
Business indexes of the Federal Reserve Board.....	606	Food manufacturing.....	615
Canada:		Food prices in foreign countries.....	688
Cost of living and retail food prices.....	688	Foreign exchange.....	625, 707
Financial statistics.....	680	Foreign trade:	
Foreign trade.....	683	Principal foreign countries.....	683
Industrial statistics.....	685	United States.....	624, 683
Wholesale prices.....	686	France:	
Capital issues.....	609	Cost of living and retail food prices.....	688
Chain stores, retail trade of.....	620, 676	Financial statistics.....	680
Charters issued to national banks.....	670	Foreign trade.....	683
Coal and coke production.....	614	Industrial statistics.....	684
Commercial failures.....	622	Wholesale prices.....	686
Commodity movements.....	674	Fruits and vegetables.....	612
Condition statements:		Germany:	
Federal reserve banks.....	689-691	Cost of living and retail food prices.....	688
Member banks in leading cities.....	695, 696	Financial statistics.....	680
Abstract of.....	698-701	Foreign trade.....	683
South African Reserve Bank.....	678	Industrial statistics.....	685
Cost of living in principal countries.....	688	Wholesale prices.....	686
Cotton:		Gold imports and exports.....	624, 706
Raw.....	611	Gold settlement fund transactions.....	704
Manufacturing.....	616	Grain and flour.....	611, 674
Crops:		Great Britain:	
Condition.....	611	Financial statistics.....	680
Estimate of production by Department of Agriculture.....	670	Foreign trade.....	683
Currency in circulation.....	703	Gold imports and exports.....	625
Dairy products.....	614	Industrial statistics.....	684
Debits to individual account.....	702	Retail food prices and cost of living.....	688
Debt payment, Belgium to United States.....	603	Wholesale prices.....	686
Department-store business.....	620, 676	Guaranty of bank deposits, State laws relating to.....	626-668
Deposits:		Imports and exports:	
Guaranty of, State laws relating to.....	626-668	Gold and silver.....	624, 706
Savings.....	621	Merchandise.....	624
Time and demand of member banks.....	697	Industrial statistics:	
Deposits, note circulation, and reserves of Federal reserve banks.....	689	Canada, England, France, and Germany.....	684, 685
		United States.....	671-674
		Interest rates prevailing in various centers.....	705
		Iron and steel.....	617

	Page		Page
Italy:		Prices:	
Financial statistics.....	680	Food, in principal countries.....	688
Foreign trade.....	683	Recent European price movements.....	677
Retail food prices and cost of living.....	688	Security.....	609
Wholesale prices.....	686	Wholesale.....	622, 686, 687
Japan:		Production in basic industries.....	605, 672
Financial statistics.....	680	Reserve ratio of Federal reserve banks.....	689
Foreign trade.....	683	Resources and liabilities:	
Wholesale prices.....	686	Federal reserve banks.....	689-691
Law department—State laws relating to the		Member banks in leading cities.....	695, 696
guaranty of bank deposits.....	641-668	Retail food prices.....	688
Leather industry.....	618	Retail trade.....	620, 676
Live-stock industry.....	613	Revision of indexes of employment and pay rolls.....	668
Lumber industry.....	618	Savings deposits.....	621
Mail-order houses, retail trade of.....	676	Security prices.....	609
Manufacturing:		Shoe industry.....	618
Condition, by industries.....	615	Silver:	
Index of production.....	673	Imports and exports.....	706
Member banks:		Price of.....	707
Abstract of condition reports.....	698-701	South African Reserve Bank, annual report of.....	678
Condition of.....	695, 696	State banks admitted to Federal reserve system.....	669
Number discounting.....	694	State laws relating to the guaranty of bank	
Number in each district.....	694, 703	deposits.....	626-668
State banks admitted to membership.....	669	Stocks at department stores.....	676
Merchandise trade balance of the United States.....	624	Textile industry.....	616
Mineral production, index of.....	673	Time deposits of member banks.....	697
Metals.....	615	Tobacco industry.....	612, 674
Mining.....	614	Trade:	
Money in circulation.....	703	Foreign.....	624, 683
Money rates.....	608, 705	Retail.....	620, 676
National banks:		Wholesale.....	620, 675
Charters issued to.....	670	Transportation.....	619, 674
Fiduciary powers granted to.....	669	Wholesale prices.....	622, 686, 687
Par list, number of banks on.....	703	Recent European price movements.....	677
Pay rolls in factories, index of.....	673	Wholesale trade.....	620, 675
Revision of.....	668, 669	Wool and woolen industry.....	616
Petroleum industry.....	615		

FEDERAL RESERVE DISTRICTS

