FEDERAL RESERVE BULLETIN

ISSUED BY THE

FEDERAL RESERVE BOARD

AT WASHINGTON

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FEDERAL RESERVE BOARD.

SUBSCRIPTION PRICE OF BULLETIN.

The Federal Reserve Bulletin is distributed without charge to member banks of the system and to the officers and directors of Federal Reserve Banks. In sending the Bulletin to others the Board feels that a subscription should be required. It has accordingly fixed a subscription price of $2 per annum. Single copies will be sold at 20 cents. Foreign postage should be added when it will be required. Remittances should be made to the Federal Reserve Board.

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FEDERAL RESERVE BULLETIN

VOL. 2 JANUARY 1, 1916 No. 1

WORK OF THE BOARD.

The work of the Federal Reserve Board during the month of December has been largely concerned with the closing up of the operations of the past fiscal year, with preparations for the annual report to Congress, and with discussion of possible and desired changes in the Federal Reserve Act. It has also been necessary to designate 12 class "C" directors whose terms, in accordance with the provisions of the law expired on the 31st of December. In the endeavor to give to the public a complete and thorough account of the operations of the Federal Reserve Banks, during the past year, each Federal Reserve Agent has been requested to submit to the Board a full and detailed review of the problems and policies of the bank to which he has been accredited. In order to secure a moderate degree of uniformity and standardization of method of treatment in these reports it has been necessary to cooperate as closely as possible with these authors while not endeavoring in any way to limit the individuality of the method or treatment that might reasonably be possible in each case. The result has been to provide the basis for absolute and thorough knowledge of the conditions prevailing at each Federal Reserve Bank.

The Board has further developed its policy as to commercial paper by publishing a circular and the accompanying regulation relating to open-market operations (Circular No. 20). In this are covered the conditions under which purchases may be made of foreign and domestic bills of exchange and the purchase and sale of cable transfers. The circular constitutes the further embodiment and development of the policy expressed in the Board's letter to Federal Reserve Agents on October 8, wherein it was held that the several Federal Reserve Banks possessed the right to undertake open-market operations, and the Board expressed a willingness to provide such regulations as were necessary. Subsequent developments pointed to the wisdom of embodying the proposed regulations in as definite a form as existing circumstances would permit, although as pointed out in the circular it still remains true that foreign exchange transactions must depend upon the creation of agencies and other relationships abroad—a field upon which the reserve banks have thus far hesitated entering on account of the unsettled conditions produced by the European war. Since the issuance of the circular in question, two of the reserve banks have definitely undertaken open-market purchases on a modest scale.

Two members of the Board on December 7 and 8 visited the Federal Reserve Bank of Atlanta and its branch at New Orleans for the purpose of acquiring information regarding business conditions in the South and of examining into the working of the first branch bank thus far established under the new system. The New Orleans branch was found to have already justified its establishment, having more than earned its operating expenses.

Meetings have been held during December with representatives of the Governors of Federal Reserve Banks and with a committee representing the newly formed national bank section of the American Bankers' Association, this session being held at the request of the bankers for the purpose of considering amendments to be recommended to the Federal Reserve Act. A more complete account of the session with the committee of the national bank section is elsewhere given in this issue.

Preparations for the transfer of Government deposits to Federal Reserve Banks on and after January 1, 1916, and for the undertaking by the banks of duty as fiscal agents of the Government have been continued during the month.

Representatives of the Governors of the banks have conferred with a committee of the Board and the representatives of the Treasury Department and forms have been prepared for use in connection with the handling of the business to be transferred to the banks.

Two applications for admission to membership in the system have been favorably acted upon as follows: Merchants and Farmers Bank, Cheraw, S. C.; Guardian Trust & Savings Bank, Toledo, Ohio. Several other applications are still awaiting action. In this connection it may be noted that the total number of conversions of State banks into National banks during the year 1915 amounts to fifty-three. Indications point to the belief that the entry of State institutions into the Federal Reserve System will proceed more rapidly, for the present at least, through nationalization than through the acceptance of membership under State charters.

Eligibility of Officers and Directors of Federal Reserve Banks.

The Federal Reserve Board has taken certain actions affecting the eligibility of directors of Federal Reserve Banks and the tenure of office of officers and employees of the same, which are embodied in a series of resolutions passed on December 23, 28, and 29.

On December 23 the following resolution was adopted:

Whereas it is the opinion of the Federal Reserve Board that persons holding political or public office in the service of the United States, or of any State, Territory, county, district, political subdivision, or municipality thereof, or acting as members of political party committees, can not consistently with the spirit and underlying principles of the Federal Reserve Act, serve as directors or officers of Federal Reserve Banks:

Resolved, That the Federal Reserve Board hereby expresses to the member banks its opinion that no such persons should henceforward be elected or act as directors or officers of Federal Reserve Banks; and prescribes as a condition of eligibility that candidates for election shall comply with the terms of this resolution.

Resolved further, That copies of this resolution be sent to every member bank and Federal Reserve Bank, and to all directors of Federal Reserve Banks.

While the Board is of the opinion that the policy outlined in this resolution should become effective at once, directors of Federal Reserve Banks elected prior to the date of its adoption will not be required to resign their positions as such directors until the end of the term for which they were elected.

The foregoing resolution was immediately given to the press and was subsequently sent out to member banks as circular No. 21, the text thereof appearing in this issue of the Federal Reserve Bulletin on page 14.

On December 28 the Board adopted the following resolutions:

Resolved, That as the future policy of this Board, national-bank examiners shall not hereafter be elected or appointed to directorships in Federal Reserve Banks.

Resolved, That national-bank examiners shall not hereafter be appointed or act as Federal Reserve or Deputy Federal Reserve Agents of Federal Reserve Banks, and that the designation as Deputy Federal Reserve Agents of national-bank examiners now serving as directors of Federal Reserve Banks be, on and after January 1, 1916, or as soon thereafter as possible, revoked.

On December 29 the Board adopted the following resolution relating to the tenure of office of employees:

Whereas, it is in the interest of good administration that the officers of the various Federal Reserve Banks shall have a definite tenure of office, subject to renewal at a specified date; and

Whereas, it is the evident intent of the Federal Reserve Act that the Federal Reserve Board shall exercise direct and continuous supervision of the affairs of the Federal Reserve Banks with a view to maintaining an efficient and economical administration thereof:

Be it resolved, That the Federal Reserve Board formally expresses its opinion that the officers and employees of each Federal Reserve Bank should be subject to annual election or appointment (unless a shorter term is specified), and that the list thereof, with salaries, should be submitted to the Federal Reserve Board at the beginning of each year for its approval.

On the same date the board adopted the following resolution with reference to membership in the Advisory Council.

Whereas, Section 12 of the Federal Reserve Act provides for the establishment of a Federal Advisory Council with power to confer with the Federal Reserve Board on general business conditions, to make representations concerning matters within the jurisdiction of said Board, and to make recommendations regarding discount rates, rediscount business, note issues, reserve conditions in the various districts, the purchase and sale of gold or securities by reserve banks, open market operations by said banks, and the general affairs of the reserve banking system; and

Whereas, The Federal Reserve Board has determined, after careful consideration, that the purposes for which said Council has been established and the interests of the Federal Reserve System require that the members of said Council should not be officially connected with the Federal Reserve Banks, and, therefore, in a position to give to the Federal Reserve Board the benefit of their disinterested and unbiased advice:

Be it resolved, That it is the sense of the Federal Reserve Board that Governors, or other officers of Federal Reserve Banks should not serve as members of the Advisory Council, but as the election of directors has already taken place this rule shall not apply as to directors until January 1, 1917.

Resolved further, That a copy of this resolution be sent to each Federal Reserve Bank.

Class C Directors Appointed.

The following Class "C" directors have been named by the Federal Reserve Board to hold office from and after January 1, 1916:

Federal Reserve Bank of Boston, Mr. Allen Hollis.

Federal Reserve Bank of New York, Mr. George Foster Peabody.

Federal Reserve Bank of Cleveland, Mr. H. P. Wolfe.

Federal Reserve Bank of Richmond, Mr. M. F. H. Gouverneur.

Federal Reserve Bank of Atlanta, Mr. Edward T. Brown.

Federal Reserve Bank of Chicago, Mr. E. P. Meredith.

Federal Reserve Bank of St. Louis, Mr. William McC. Martin.

Federal Reserve Bank of Kansas City, Mr. R. H. Malone.

Class A and B Directors Elected.

The following Class A and B directors have been elected by the Federal Reserve Banks:

District No. 1—Boston:
- Class A—Arthur M. Heard, Manchester, N. H.
- Class B—Charles G. Washburn, Worcester, Mass.

District No. 2—New York:
- Class A—Franklin D. Locke, Buffalo, N. Y.
- Class B—Leslie R. Palmer, Croton-on-Hudson, N. Y.

District No. 3—Philadelphia:
- Class A—William H. Peck, Scranton, Pa.
- Class B—George W. F. Gaunt, Mullica Hill, N. J.

District No. 4—Cleveland:
- Class A—Stacy B. Rankin, South Charleston, Ohio.
- Class B—John Stambaugh, Youngstown, Ohio.

District No. 5—Richmond:
- Class A—Henry B. Wilcox, Baltimore, Md.
- Class B—Edmond Strudwick, Richmond, Va.

District No. 6—Atlanta:
- Class A—L. P. Hillyer, Macon, Ga.
- Class B—J. A. McCrary, Decatur, Ga.

District No. 7—Chicago:
- Class A—George M. Reynolds, Chicago, Ill.
- Class B—A. H. Vogel, Milwaukee, Wis.

District No. 8—St. Louis:
- Class A—F. O. Watts, St. Louis, Mo.
- Class B—David C. Biggs, St. Louis, Mo.

District No. 9—Minneapolis:
- Class A—J. C. Bassett, Aberdeen, S. Dak.
- Class B—F. P. Hixon, La Crosse, Wis.

District No. 10—Kansas City:
- Class A—John C. Mitchell, Denver, Colo.
- Class B—Thomas C. Byrne, Omaha, Nebr.

District No. 11—Dallas:
- Class A—John T. Scott, Houston, Tex.
- Class B—Frank Kell, Wichita Falls, Tex.

District No. 12—San Francisco:
- Class A—Alden Anderson, Sacramento, Cal.
- Class B—J. A. McGregor, San Francisco, Cal.

Accommodations to Tennessee Banks.

The attention of the Federal Reserve Board has been called to a circular recently sent out by Messrs. T. D. Webb, J. L. Hutton, and J. P. Hoskins, a committee appointed at a meeting of the national banks in Tennessee, held in Nashville on November 23 (copies of which report have been sent to all Members of Congress), and investigation of certain of the statements contained in the circular referred to has been made.

One of the main features of the circular was the statement that "only about 33⅓ per cent of the member banks of each Federal reserve district rediscount with the Federal Reserve Bank of Atlanta. They have found that in normal times banks can redsicount with their New York and other city correspondents on terms quite as favorable, if not more so, than with the Federal Reserve Bank. Besides the process of rediscounting with these correspondents is much simpler than with the Federal Reserve Bank." The Board has obtained a comment upon the contents of the circular from the Federal Reserve Banks of St. Louis and Atlanta, the two banks between whose districts the State of Tennessee is divided. Mr. M. B. Wellborn, Federal Reserve Agent at Atlanta, says:

> There are in that part of Tennessee, within the Sixth Federal Reserve District, 95 member banks, as follows: In group 1, 26; in group 2, 28; in group 3, 41. Eighteen out of the 26 banks in group 1 have rediscounted with us; 15 out of the 28 banks in group 2 have rediscounted with us; 27 out of the 41 banks in group 3 have rediscounted with us; 60 banks out of the 95 rediscounting—in amount $7,156,842.38.
>
> During the period of operation of the Federal Reserve Bank, only 75 of the 95 banks have been at any time a "borrowing bank;" leaving only 15 banks that have not wholly or partially rediscounted with the Federal Reserve Bank of Atlanta; there being 20 banks within our Tennessee district that have not been 'borrowing banks' at any time since the inauguration of the system.

Mr. William McC. Martin, Federal Reserve Agent at St. Louis, says:

> Fifty per cent of our member banks in Tennessee have rediscounted paper with this bank, and 11 out of 20 member banks are using our clearing system. In this district, from November 16, 1914, to December 28, 1915, 131 of our different member banks have rediscounted paper with us, and a great many more would have done it, had they taken the trouble to find out how easy it is to do business with the Federal Reserve Bank, instead of coming to conclusions without evidence. Furthermore, with the exception of 20 per cent of our member banks, all of them are in our clearing system.

Mr. Martin also says of the signers of the report in question:

> Mr. Hutton's bank was borrowing money in New York and never came to us, nor inquired or showed any interest in this bank, until my deputy, Mr. T. C. Tupper, had a conversation with him in Memphis. He acknowledged borrowing money outside of the district, did not seem to be interested in the Federal Reserve System, and knew very little about it, saying that he could get his funds easier from his correspondents. This was his idea, because he had never tried any dealings with this bank. After Mr. Tupper talked to him he agreed to send us some paper to take up bills payable in New York, and on October 27, 1915, we received from him an offering of $109,974.88. On the same morning of the receipt of this paper the proceeds were put to his credit, with the exception of four notes aggregating $22,500, which had maturities a day or two longer than 90 days. These we wrote him we could not hold until their maturities came within the law, and would then place the proceeds to his credit.

Mr. T. D. Webb, the first of the signers of the circular, received in 1914–15 about $400,000 of rediscounts. Mr. M. B. Wellborn, under date of January 25, 1915, also said:

> To-day we had a visit from Mr. T. D. Webb, vice president of the First and Fourth National Bank, and we agreed to take $1,000,000 of his paper to retire his emergency currency.

Mr. Webb afterwards placed this loan elsewhere, but the Federal Reserve Bank of Atlanta acted promptly upon the request to discount it for him.

A letter received from a Tennessee banker who had read the circular in question says:

Our business relations with the Federal Reserve Bank of Atlanta have been exceedingly pleasant, satisfactory, and free from annoying technicalities, and since from our standpoint every detail has been handled so satisfactorily, we fail to understand how this part of the Committee's report could fairly represent the attitude of a large number of bankers.

Governor George J. Seay, Federal Reserve Bank of Richmond, has written the signers of the report in question in part as follows:

In this report there occurs the following statement: "At no time has the aggregate of commercial paper and bank acceptances discounted by these banks been equal to the paid in capital stock, to say nothing of the reserve deposits, and in the face of these facts the Governor of one of the Federal Reserve Banks recommends the payment of the additional subscribed capital and the full reserve to be transferred at once, and then have the Federal Reserve Banks go into the open market and compete with their member banks."

I, of course, do not know the name of the Governor to whom you refer, or whether you are even acquainted with the name of that Governor, but inasmuch as I have written an argument in favor of putting into immediate operation the complete reserve provisions of the Federal Reserve Act, I think there is a probability that you may have reference to the Governor of the Federal Reserve Bank of Richmond. * * *

I am sending you a copy of the argument prepared by me in relation to the transfer of reserve. It will be very clear to you that the motive in preparing this argument was diametrically opposed to the opinion of the Governor to whom reference is made.

Nothing in the argument alludes to the further payment of capital stock subscription * * *.

While it is not germane to this purpose, I will further state that, while I am fairly familiar with the views upon this subject entertained by most of the Governors of the banks, I have never heard one of them advocate any such action as that indicated in that portion of your report to which I have referred.

Dividend Declared by Richmond Bank.

The Federal Reserve Bank of Richmond has issued a circular to member banks in the fifth district, the substance of which is as follows:

DECEMBER 27, 1915.

To the member bank addressed:

Section 7 of the Federal Reserve Act provides that "After all necessary expenses of a Federal Reserve Bank have been paid or provided for, the stockholders shall be entitled to receive an annual dividend of 6 per cent on the paid-in capital stock, which dividend shall be cumulative."

The directors of this bank have declared a dividend at the rate of 5 per cent per annum, payable out of net earnings for the period of operation—November 2, 1914, to December 31, 1915.

The method of determining the amount of the dividend due to each member bank is as follows: Interest at the rate of 5 per cent per annum has been allowed on all capital stock payments from the dates on which such payments were received by this bank to December 31, 1915, both dates inclusive, except that in the case of payments made prior to the dates of call, interest has been allowed only from the dates of call. This is in accord with a ruling of the Federal Reserve Board.

The dates of call for the payment of capital stock subscriptions were November 2, 1914, February 2, 1915, and May 3, 1915. In cases where repayments of capital stock have been made to members by reason of a reduction in their capital or surplus, interest on such repayments has been deducted as an offset.

The net earnings of the bank for the period of operation, after deducting all current expenses, will be approximately 6 per cent on the capital paid in for the average time of employment.

A detailed statement of earnings will be sent to members after the close of the year.

A certain proportion of the total expenses of the bank pertain to the period of organization and are legitimately entitled to be absorbed by future earnings, and a portion of current earnings must be set aside to provide for such expenses. But for these unusual expenses, the bank would be able to pay the full 6 per cent which members are entitled to receive "after all necessary expenses have been paid or provided for."

The dividend being cumulative, the difference of 1 per cent will be paid to members out of future earnings.

The amount of the dividend payable to your bank, in accordance with the accompanying statement, has been credited to your account and notice is sent at this time to enable you to include the amount in your earnings for the current year.

Respectfully,

GEORGE J. SEAY,
Governor.

Proposed Amendments to Act.

Nine representatives of the national-bank section of the American Bankers' Association, including its officers and executive committee, appeared before the Federal Reserve Board on the afternoon of Wednesday, December 15, to recommend amendments to be urged to the Federal Reserve Act at this session of Congress. There were also present at the meeting Governors Strong, Fancher, Rhoads, Seay, and McDougal, members of the executive committee of the conference of Governors of Federal Reserve Banks. The representatives of the national-bank section were: Fred W. Hyde, president, Jamestown, N. Y.; J. S. Calfee, first vice president, St. Louis, Mo.; J. Elwood Cox, chairman executive committee, High Point, N. C.; W. H. Bucholz, Omaha, Nebr., H. E. Otte, Chicago, Ill., W. M. Van Deusen, Newark, N. J., members executive committee; Fred E. Farnsworth, general secretary, American Bankers' Association, New York; Thomas B. Paton, general counsel, American Bankers' Association, New York; Theodore R. Wilson, assistant to general secretary, American Bankers' Association, New York.

Five suggested changes were discussed by the committee relating to the following: Interlocking directorates, domestic acceptances, reductions in the capital stock of Federal Reserve Banks, treatment of member bank reserves, and uniform bills of lading.

The amendment proposed as to reserves was that section 19, subsection (a), of the Federal Reserve Act be amended to read as follows:

SEC. 19 (a). A bank not in a reserve or central reserve city as now or hereafter defined shall hold and maintain reserves equal to twelve per centum of the aggregate amount of its demand deposits, and five per centum of its time deposits, as follows:

In its vaults for a period of thirty-six months after said date five-twelfths thereof and permanently thereafter four-twelfths.

In the Federal Reserve Bank of its district, for a period of twelve months after said date two-twelfths, and for each succeeding six months an additional one-twelfth until five-twelfths have been so deposited, which shall be the amount permanently required.

For a period of thirty-six months after said date the balance of the reserves may be held in its own vaults or in the Federal Reserve Bank, or in national banks, in reserve or central reserve cities as now defined by law.

After said thirty-six months' period said reserves, other than those hereinbefore required to be held in the vaults of the member bank and in the Federal Reserve Bank, shall be held in the vault of the member bank, or in the Federal Reserve Bank or member banks in reserve or central reserve cities as now or hereafter defined by law within a radius of three hundred miles of the member bank or within the Federal Reserve District in which the member bank is located, at the option of the member bank.

State Banks Admitted.

The following State banks have been admitted to the Federal Reserve System during the month of December, the number of such institutions which have now joined the system being 32: Guardian Trust & Savings Bank, Toledo, Ohio; Merchants and Farmers Bank, Cheraw, S. C.

Assessment by Federal Reserve Board.

Acting under the provisions of the Federal Reserve Act, the Federal Reserve Board on December 16 levied an assessment of one-tenth of 1 per cent upon the capitalization of Federal Reserve Banks to cover the expenses of the Board from January 1 to June 30, 1916.

The resolution of the Board follows:

Whereas, under section 10 of the Act approved December 23, 1913, and known as the Federal Reserve Act, the Federal Reserve Board is empowered to levy semiannually upon the Federal Reserve Banks in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses, including the salaries of its members, assistants, attorneys, experts, and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year; and

Whereas, it appears from estimates submitted and considered that it is necessary that a fund equal to one-tenth of 1 per cent of the capital stock of the Federal Reserve Banks be created for the purposes hereinbefore described, exclusive of the cost of engraving and printing Federal Reserve notes:

Now, therefore, be it resolved, That pursuant to the authority vested in it by law, the Federal Reserve Board hereby levies an assessment upon the several Federal Reserve Banks of an amount equal to one-tenth of 1 per cent of the total capital stock of such banks, and the fiscal agent of the Board is hereby authorized to collect from said banks such assessment and execute, in the name of this Board, a receipt for payment made. Such assessment will be collected in two installments of one-half each; the first installment to be paid on January 1, 1916, and the second half on March 1, 1916.

Estimate for January, 1916, assessment.

Total encumbrance for month of November, 1915		$17,049.06
Estimated monthly requirements—January to June, inclusive, 1916		17,561.12
Estimated increase over November		512.06
Estimated requirements—January to June, inclusive, 1916		$105,366.72
Unencumbered balance December 1, 1915	$48,451.60	
Estimated requirements for December, 1915	16,892.46	
Estimated unencumbered balance January 1, 1916		31,559.14
		73,807.58
Total capitalization Federal Reserve Banks		109,718,000.00
Rate of assessment to produce $109,718 (one-tenth of 1 per cent)		.001

SHERMAN ALLEN,
Fiscal Agent.

Approved: Committee on Budget and Expenditures.

F. A. DELANO.
A. C. MILLER.

DECEMBER 15, 1915.

Detailed statement as a basis of estimate.

	Commitments.			Monthly average.	Estimated average monthly requirement Jan. 1 to June 30, 1916.
	July 1 to Nov. 30, 1915.	Estimated for December, 1915.	Total.		
PERSONAL SERVICES.					
Board and its clerks	$36,666.56	$7,333.31	$43,999.87	$7,333.31	$7,333.31
Secretary's office	11,739.98	2,223.32	13,963.30	2,327.22	2,231.65
Counsel's office	9,307.48	1,866.66	11,174.14	1,862.36	1,866.66
Division of Audit and Examination	6,622.80	1,404.18	8,026.98	1,337.83	1,404.18
Division of Reports and Statistics	3,119.15	633.33	3,752.48	625.41	783.33
Division of Issue	3,223.30	651.66	3,874.96	645.83	651.66
Telephone operator	250.00	50.00	300.00	50.00	60.00
Messengers	2,090.00	315.00	2,405.00	400.83	315.00
Charwomen	300.00	60.00	360.00	60.00	60.00
Contingencies					208.33
Total	73,319.27	14,537.46	87,856.73	14,642.79	14,914.12
NONPERSONAL SERVICES.					
Transportation and subsistence of persons:					
Board and its clerks	536.19	250.00	786.19	131.03	150.00
Secretary's office	28.00		28.00	4.66	10.00
Division of Audit and Examination	2,292.91	600.00	2,892.91	482.15	625.00
Division of Reports and Statistics					
Counsel's office	42.12		42.12	7.02	10.00
Messengers (car fare)	10.00		10.00	1.66	2.00
Transportation of things	.24		.24	.04	
Communication service:					
Telephone	266.36	40.00	306.36	51.06	60.00
Telegraph	1,253.71	250.00	1,503.71	250.62	300.00
Postage	40.00	30.00	70.00	11.66	15.00
Printing, binding, etc	3,841.02	750.00	4,591.02	765.17	1,000.00
Engraving, etc					10.00
Contract repairs	22.23	15.00	37.23	6.21	10.00
Electricity (light and power)	150.00	30.00	180.00	30.00	30.00
Steam (heat)	15.00	15.00	30.00	5.00	15.00
Other (nonpersonal services)	15.46		15.46	2.58	50.00
Supplies:					
Stationery	316.77	50.00	366.77	61.13	100.00
Periodicals	105.86	10.00	115.86	19.31	20.00
Other	57.46	15.00	72.46	12.08	30.00
Equipment:					
Furniture and office equipment	983.24	200.00	1,183.24	197.21	150.00
Books	170.21	100.00	270.21	45.03	50.00
Office changes and improvements	7.00		7.00	1.16	10.00
Total	83,473.05	16,892.46	100,365.51	16,727.57	17,561.12

GOLD SETTLEMENT FUND.

AUDIT OF GOLD FUND.

An audit of the gold settlement fund and the Federal Reserve Agents' fund was made on November 16, resulting in the following report:

We, the undersigned, acting under instructions of the conference of Governors and the conference of Federal Reserve Agents, made an examination of the gold settlement fund and the Federal Reserve Agents' fund as of November 15, 1915, on Tuesday, November 16, 1915, in the office of the secretary of the Federal Reserve Board, at Washington, D. C.

In addition to the undersigned there were present, while the cash was being counted, Sherman Allen, Esq., assistant secretary, Federal Reserve Board; Ray M. Gidney, Esq., settling agent; Reyburn R. Burklin, Esq., representative designated by the Federal Reserve Board.

We verified by count an aggregate of ninety one million seven hundred and sixty thousand dollars ($91,760,000) in United States Treasury gold certificates of the denomination of ten thousand dollars ($10,000) each. A list of the numbers of such certificates is attached hereto.

These certificates, issued payable to the order of the Federal Reserve Board and indorsed by perforation "Payable only to the Treasurer of the United States or a Federal Reserve Bank," were taken from a safe in the vaults of the Comptroller of the Currency.

The following credit balances were copied from the books of the settling agent, the total thereof being in agreement with the amount of cash resources as proven by us:

	Federal Reserve Banks.	Federal Reserve Agents.
Boston	$4,567,000	....
New York	3,006,000	....
Philadelphia	2,643,000	....
Cleveland	5,367,000	....
Richmond	6,903,000	$8,800,000
Atlanta	2,595,000	11,050,000
Chicago	7,934,000	4,260,000
St. Louis	4,622,000	1,000,000
Minneapolis	4,958,000	2,000,000
Kansas City	3,103,000	....
Dallas	8,213,000	1,750,000
San Francisco	4,619,000	4,370,000
Total	58,530,000	33,230,000

All the balances were verified to us in writing by the Federal Reserve Banks and Federal Reserve Agents, including the five agents not creditors of the gold settlement fund.

R. REYBURN BURKLIN,
Representative, Federal Reserve Board.
THOMAS GAMON, JR.,
Federal Reserve Bank of Philadelphia,
Representing Federal Reserve Banks.
W. E. CADWALLADER,
Representing Federal Reserve Agents.

DECEMBER 6, 1915.

The Federal Reserve Board held in the gold settlement fund on December 23 to the credit of the Federal Reserve Banks $70,360,000, and in the Federal Reserve Agents' fund to the credit of nine Federal Reserve Agents $56,310,000. Total clearings up to and including December 23 have amounted to $964,300,000, which have resulted in net changes in the ownership of the gold held in the fund of $74,459,000, or 7.7 per cent of the total clearings.

Amount of clearings.

	Total clearings.	Balances.
Previously reported	$764,625,000	$147,448,000
Settlement of—		
Dec. 2, 1915	51,840,000	9,095,000
Dec. 9, 1915	49,213,000	6,461,000
Dec 16, 1915	47,258,000	6,016,000
Dec. 23, 1915	51,364,000	6,361,000
Total	964,300,000	175,381,000

Changes in ownership of gold.

Federal Reserve Bank of—	Total net deposits.	Balance Dec. 23, 1915.	Increase.	Decrease.
Boston	$3,230,000	$3,331,000	$101,000	....
New York	77,000,000	6,613,000	....	$70,387,000
Philadelphia	450,000	5,169,000	4,719,000	....
Cleveland	2,930,000	10,410,000	7,480,000	....
Richmond	[1] − 490,000	9,205,000	9,695,000	....
Atlanta	[1] −7,320,000	2,720,000	10,040,000	....
Chicago	5,770,000	1,698,000	....	4,072,000
St. Louis	[1] −3,780,000	6,243,000	10,023,000	....
Minneapolis	[1] −2,600,000	3,988,000	6,588,000	....
Kansas City	[1] −3,740,000	1,722,000	5,462,000	....
Dallas	[1] −2,020,000	9,319,000	11,339,000	....
San Francisco	930,000	9,942,000	9,012,000	....
Total	70,360,000	70,360,000	74,459,000	74,459,000

[1] Withdrawals have exceeded amounts of the gold deposits made.

Gold settlement fund.—Summary of transactions Nov. 27, 1915, to Dec. 23, 1915.

Federal Reserve Bank of—	Balance last statement, Nov. 26, 1915.	Gold.		Transfers.		Settlement of Dec. 2, 1915.				Dec. 2, 1915, balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$5,259,000						$7,285,000	$7,321,000	$36,000	$5,295,000
New York	3,885,000		$10,000,000			$4,470,000	16,169,000	11,699,000		9,415,000
Philadelphia	3,990,000						5,806,000	6,985,000	1,179,000	5,169,000
Cleveland	9,170,000		180,000			181,000	796,000	615,000		9,169,000
Richmond	9,268,000					563,000	5,543,000	4,980,000		8,705,000
Atlanta	1,409,000		250,000		$44,000	344,000	1,764,000	1,420,000		1,359,000
Chicago	9,736,000					3,472,000	8,836,000	5,364,000		6,264,000
St. Louis	2,757,000				4,000		4,057,000	8,716,000	4,659,000	7,420,000
Minneapolis	5,797,000	$1,000,000					104,000	427,000	323,000	5,120,000
Kansas City	6,358,000	4,060,000		$19,000			1,264,000	2,820,000	1,556,000	3,835,000
Dallas	9,165,000			29,000		65,000	199,000	134,000		9,071,000
San Francisco	7,536,000						17,000	1,359,000	1,342,000	8,878,000
Total	74,330,000	5,060,000	10,430,000	48,000	48,000	9,095,000	51,840,000	51,840,000	9,095,000	79,700,000

Federal Reserve Bank of—	Balance last statement, Dec. 2, 1915.	Gold.		Transfers.		Settlement of Dec. 9, 1915.				Dec. 9, 1915, balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$5,295,000					$1,617,000	$6,875,000	$5,258,000		$3,678,000
New York	9,415,000				$1,000,000	3,569,000	14,503,000	10,934,000		6,846,000
Philadelphia	5,169,000			$45,000			6,699,000	9,222,000	$2,523,000	7,647,000
Cleveland	9,169,000				100,000		697,000	1,124,000	427,000	9,696,000
Richmond	8,705,000		$460,000			104,000	4,871,000	4,767,000		9,061,000
Atlanta	1,359,000	$1,000,000	570,000				1,815,000	3,253,000	1,438,000	2,367,000
Chicago	6,264,000			1,100,000		517,000	7,407,000	6,890,000		4,647,000
St. Louis	7,420,000						4,180,000	4,282,000	102,000	7,522,000
Minneapolis	5,120,000	1,000,000			45,000		127,000	145,000	18,000	4,183,000
Kansas City	3,835,000	2,000,000				654,000	1,786,000	1,132,000		1,181,000
Dallas	9,071,000	10,000					215,000	367,000	152,000	9,213,000
San Francisco	8,878,000	3,000,000					38,000	1,839,000	1,801,000	7,679,000
Total	79,700,000	7,010,000	1,030,000	1,145,000	1,145,000	6,461,000	49,213,000	49,213,000	6,461,000	73,720,000

Federal Reserve Bank of—	Balance last statement, Dec. 9, 1915.	Gold.		Transfers.		Settlement of Dec. 16, 1915.				Dec. 16, 1915. balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debit.	Total debit.	Total credits.	Net credits.	
Boston	$3,678,000			$15,000		$475,000	$5,016,000	$4,541,000		$3,188,000
New York	6,846,000		$13,000,000	6,578,000		5,147,000	13,890,000	8,743,000		8,121,000
Philadelphia	7,647,000	7,000,000		3,000	5,676,000		6,702,000	6,709,000	$7,000	6,327,000
Cleveland	9,696,000	60,000	130.000				801,000	890,000	89,000	9,855,000
Richmond	9,061,000	1,210,000	1,380,000				4,612,000	5,764,000	1,152,000	10,383,000
Atlanta	2,367,000	500,000	280,000		30,000		1,973,000	2,813,000	840,000	3,017,000
Chicago	4,647,000				100,000	226,000	8,039,000	7,813,000		4,521,000
St. Louis	7,522,000	1,000,000					4,677,000	4,823,000	146,000	6,668,000
Minneapolis	4,183,000			12,000	3,000	62,000	99,000	37,000		4,112,000
Kansas City	1,181,000	1,010,000		3,000	902,000	106,000	1,163,000	1,057,000		964,000
Dallas	9,213,000						158,000	613,000	455,000	9,668,000
San Francisco	7,679,000			100,000			128,000	3,455,000	3,327,000	10,906,000
Total	73,720,000	10,780,000	14,790,000	6,711,000	6,711,000	6,016,000	47,258,000	47,258,000	6,016,000	77,730,000

Federal Reserve Bank of—	Balance last statement, Dec. 16, 1915.	Gold.		Transfers.		Settlement of Dec. 23, 1915.				Dec. 23, 1915, balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$3,188,000						$5,219,000	$5,362,000	$143,000	$3,331,000
New York	8,121,000			$100,000	$1,000,000	$2,408,000	13,837,000	11,429,000		6,613,000
Philadelphia	6,327,000					1,158,000	6,993,000	5,835,000		5,169,000
Cleveland	9,855,000						1,030,000	1,585,000	555,000	10,410,000
Richmond	10,383,000	$1,300,000					5,750,000	5,872,000	122,000	9,205,000
Atlanta	3,017,000	1,000,000	$20,000		$2,000		2,093,000	2,774,000	681,000	2,720,000
Chicago	4,521,000			150,000		2,673,000	10,193,000	7,520,000		1,698,000
St. Louis	6,668,000	3,000,000					4,151,000	6,726,000	2,575,000	6,243,000
Minneapolis	4,112,000			2,000		122,000	159,000	37,000		3,988,000
Kansas City	964,000			100,000	250,000		1,618,000	2,226,000	608,000	1,722,000
Dallas	9,668,000	10,000		1,000,000	100,000		272,000	833,000	561,000	9,319,000
San Francisco	10,906,000	2,080,000					49,000	1,165,000	1,116,000	9,942,000
Total	77,730,000	7,390,000	20,000	1,352,000	1,352,000	6,361,000	51,364,000	51,364,000	6,361,000	70,360,000

Federal Reserve Agents' fund—Summary of transactions, Nov. 27, 1915, to Dec. 23, 1915.

Federal Reserve Agent at—	Nov. 26, 1915, balance.	Week ending Dec. 2, 1915.		Week ending Dec. 9, 1915.		Week ending Dec. 16, 1915.			Week ending Dec. 23, 1915.		
		Deposited.	Balance.	Deposited.	Balance.	Withdrawn.	Deposited.	Balance.	Withdrawn.	Deposited.	Balance.
Philadelphia	....	....	....	....	....	....	$5,000,000	$5,000,000	....	....	$5,000,000
Richmond	$8,800,000	....	$8,800,000	....	$8,800,000	$1,050,000	100,000	7,850,000	....	$1,300,000	9,150,000
Atlanta	11,200,000	....	11,200,000	$1,000,000	12,200,000	....	500,000	12,700,000	....	1,000,000	13,700,000
Chicago	4,260,000	....	4,260,000	....	4,260,000	....	....	4,260,000	....	....	4,260,000
St. Louis	1,000,000	....	1,000,000	....	1,000,000	....	1,000,000	2,000,000	....	3,000,000	5,000,000
Minneapolis	2,000,000	$1,000,000	3,000,000	1,000,000	4,000,000	....	....	4,000,000	....	....	4,000,000
Kansas City	....	4,000,000	4,000,000	2,000,000	6,000,000	....	1,000,000	7,000,000	....	....	7,000,000
Dallas	1,750,000	....	1,750,000	....	1,750,000	....	....	1,750,000	....	....	1,750,000
San Francisco	4,370,000	....	4,370,000	....	4,370,000	....	....	4,370,000	....	2,080,000	6,450,000
Total	33,380,000	5,000,000	38,380,000	4,000,000	42,380,000	1,050,000	7,600,000	48,930,000	....	7,380,000	56,310,000

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank in effect Dec. 24, 1915.

	Maturities of 10 days and less.	Maturities of over 10 to 30 days, inclusive.	Maturities of over 30 to 60 days, inclusive.	Maturities of over 60 to 90 days, inclusive.	Agricultural and live-stock paper over 90 days.	Trade acceptances.		Commodity paper.
						To 60 days, inclusive.	Over 60 to 90 days, inclusive.	
Boston	3	4	4	4	5	$3\frac{1}{2}$	$3\frac{1}{2}$	[1] $3\frac{1}{2}$
New York	3	4	4	4	5	$3\frac{1}{2}$	$3\frac{1}{2}$	....
Philadelphia	3	4	4	4	$4\frac{1}{2}$	3	3	[1] 3
Cleveland	$3\frac{1}{2}$	4	4	$4\frac{1}{2}$	5	$3\frac{1}{2}$	4	....
Richmond	....	4	4	4	5	$3\frac{1}{2}$	4	[1] 3
Atlanta	....	4	4	4	5	$3\frac{1}{2}$	$3\frac{1}{2}$	3
Atlanta (New Orleans branch)	....	....	....	....	....	[2] $3\frac{3}{4}$–4	[2] $3\frac{3}{4}$–4	....
Chicago	$3\frac{1}{2}$	4	4	$4\frac{1}{2}$	5	....	....	....
St. Louis	3	4	4	4	5	[3] $3\frac{1}{2}$	[3] $3\frac{1}{2}$	3
Minneapolis	....	4	4	$4\frac{1}{2}$	5	....	....	3
Kansas City	$3\frac{1}{2}$	4	4	4	5	$3\frac{1}{2}$	$3\frac{1}{2}$	3
Dallas	....	4	4	4	$4\frac{1}{2}$	$3\frac{1}{2}$	4	3
San Francisco	3	$3\frac{1}{2}$	4	$4\frac{1}{2}$	6	3	$3\frac{1}{2}$	(4)

1 Rate for commodity paper maturing within 90 days.
2 Rate for trade acceptances bought in open market, without member bank indorsement.
3 A rate of 2 to 4 per cent for bills with or without member bank indorsement has been authorized.
4 Rate for commodity paper maturing within 30 days, $3\frac{1}{2}$ per cent; over 30 to 60 days, 4 per cent; over 60 to 90 days, $4\frac{1}{2}$ per cent; over 90 days, 5 per cent.

INFORMAL RULINGS OF THE BOARD.

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

Additional Stock Applications.

This is to advise you that the Federal Reserve Board in considering applications of member banks for additional stock will not hereafter require a certificate from the Comptroller of the Currency as to the amount of capital and surplus of the applying bank on the date of application. This will render unnecessary the separate sworn statements heretofore required for the information of the Comptroller's office in cases where there have been changes in the capital or surplus subsequent to the filing of the last report of condition.

NOVEMBER 27, 1915.

Certificates of Eligibility.

Your letter of November 13 has been considered by the Federal Reserve Board, and a decision arrived at regarding the question you raise, namely, whether a certificate of eligibility on farm mortgage paper could be executed by an officer of any reputable private bank or firm in the district.

The Board is of the opinion that the officers of the purchasing bank ought to furnish the certificate based upon their own knowledge.

NOVEMBER 29, 1915.

Purchase of United States Bonds.

In reply to your letter of December 3, 1915, you are advised that any United States bonds which your bank may buy in the open market between January 1, 1916, and March 31, 1916, must, under the provisions of section 18 of the Federal Reserve Act, be deducted from its proportionate share of those bonds which the Federal Reserve Board may require Federal Reserve Banks to purchase from member banks at the end of the first quarter of 1916.

In this connection your attention is directed to a copy of an opinion of counsel of the Federal Reserve Board printed on page 99 of the June Federal Reserve Bulletin, and also to a copy of a letter of the Federal Reserve Board printed on page 355 of the November Federal Reserve Bulletin.

DECEMBER 4, 1915.

Expenses of Banks.

As the fiscal year will close on December 31, 1915, the Board deems it advisable that all Federal Reserve Banks close their books on that date. The period from November 16, 1914, to December 31, 1915, may properly be called the organization period. In some instances the banks have not been able to keep a sufficient amount invested to defray current expenses and extraordinary expenditures incident to their organizations.

The Board therefore requests:

1. That Federal Reserve Banks having an excess of current expenses over current earnings for the period November 16, 1914, to December 31, 1915, include such excess as an organization expense.
2. That, beginning with the month of January, 1916, each bank charge against current earnings each month an amount equal to not less than one-twenty-fourth of the total organization expenses.
3. That, where the earnings of the bank will permit, the cost of Federal Reserve notes issued and in circulation be charged against earnings for the current year. Where a deficiency in earnings exists the cost of such notes used should be included in organization expenses to be charged off at the rate of not less than one-thirtieth each month, beginning with the month of January, 1916.
4. Beginning with the month of January, 1916, the cost of notes issued and used should be charged against current earnings each month.
5. Beginning with the month of January, 1916, a reasonable allowance for depreciation in furniture and equipment should be charged against current earnings each month.

DECEMBER 10, 1915.

Classification of Cotton Bills.

There was recently received by the Federal Reserve Board a letter from one of the southern Federal Reserve Banks asking whether a member bank would be justified, if fully secured, in accepting drafts drawn by a local cotton-buying firm having a contract of sale to foreign buyers, if the transaction, after having been made in good faith, ultimately resulted in the sale of the cotton to American instead of foreign purchasers.

This question involved an interpretation of section 13 of the Federal Reserve Act, it being understood that the national bank participating in the transaction had received permission from the Federal Reserve Board to accept drafts or bills of exchange drawn upon it. It was assumed, in making up the hypothetical case, that the cotton buyers had a contract to sell cotton to a firm in Liverpool and that they held the cotton subject to shipping orders of the Liverpool firm. Because of freight rates and shipping conditions the Liverpool firm changed its policy and directed that the cotton be delivered to a State warehouse and following shipment to that warehouse sale was made of the cotton to a New England spinner. It will be seen that this sale was not contemplated when the original transaction was begun and the acceptance made by the national bank.

Here follows the letter of the Board in connection with the matter:

In reply to your letter of December 1, the Board has instructed me to state to you that in its opinion the bank would be justified in accepting drafts drawn upon it, in case at the time of the acceptance there is a bona fide contract for the importation or exportation of the goods involved. The bank is in that case financing in good faith a transaction involving the importation or exportation of goods, and if at a later date unforeseen events should prevent the importation or exportation and therefore cause a different disposition from what was contemplated when the transaction was entered into the Board does not think that the bank would be considered as having acted ultra vires in having accepted for the transaction in question.

DECEMBER 10, 1915.

Responsibility on Acceptances.

In reply to your letter of December 11, inquiring as to whether "the Federal Reserve Board will require statements which must prove satisfactory to them, or whether it means that forms only of statements made by acceptors of bills of this character are to be approved by them," I am instructed to say that, as the language of the regulation indicates, the Board has held only that the statement shall be satisfactory in form.

The reason for adopting this policy is that the Board feels that the ultimate responsibility in purchasing these acceptances must rest with the banks, and that the Board in passing upon the actual balance sheet would be in a position of having passed upon the quality of the credit of the acceptor. The Board deems it its duty only to see to it that the bank takes adequate precaution in satisfying itself as to the standing of the acceptor.

You asked the Board to furnish you with a supply of forms. The Board recognizes that there must be some elasticity in the requirements governing statements of private bankers. The very large firms would not be willing to give a statement as detailed as would be necessary in dealing with firms of lesser importance.

DECEMBER 16, 1915.

Election of Advisory Council.

The question having arisen with reference to the time of electing members of the Advisory Council for the coming year, I am instructed to advise you that, in the opinion of the Board, such elections should be conducted at a meeting after the first of January, when the newly elected directors have taken office. In those cases where the directors already holding office have been reelected, the time of holding the election would be a technicality, but it is nevertheless believed that the practice should be uniform throughout.

DECEMBER 16, 1915.

Purchase of Bonds.

I have your letter of December 9, in reply to which I will say that you are mistaken in your idea that you could not purchase, under section 18, the entire year's quota of Government bonds in the first quarter.

Whatever you should buy in the first quarter in excess of the first quarter's allotment would be taken into account in the successive quarters of the year.

DECEMBER 10, 1915.

Tenure of Office.

The question has been brought before the Federal Reserve Board from various sources whether the officers and employees of Federal Reserve Banks are to have a definite tenure of office or are to hold office subject to the pleasure of their boards of directors. Investigation shows that there is a lack of uniformity in the by-laws of the several banks on this subject and that no definite action has thus far been taken as regards the Board's own relation to the matter.

I am, therefore, instructed to advise you that the Federal Reserve Board has determined to ask the several banks to submit to it each and every year as of January 1 their lists of officers and employees, with salaries, for approval, such action to be a matter of regular routine, involving a preceding annual action on the part of each board of directors in electing or reelecting officers and employees for another year. It is also suggested that (in the course of each such year) the officers and employees of each bank shall be considered to hold their appointments for the calendar year and subject to the pleasure of the boards of directors of such banks.

DECEMBER 23, 1915.

Fiduciary Powers.

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

DISTRICT No. 1.

Trustee, executor, administrator, and registrar of stocks and bonds:
- Welden National Bank, St. Albans, Vt.
- Holyoke National Bank, Holyoke, Mass.

DISTRICT No. 2.

Trustee, executor, administrator, and registrar of stocks and bonds:
- National Union Bank, Dover, N. J.
- National State Bank, Newark, N. J.
- Rutherford National Bank, Rutherford, N. J.

Trustee, executor, and administrator:
- National Iron Bank, Morristown, N. J.
- First National Bank, Somerville, N. J.
- National Newark Banking Co., Newark, N. J.

DISTRICT No. 6.

Trustee, executor, administrator, and registrar of stocks and bonds:
- First National Bank, Mobile, Ala.

DISTRICT No. 7.

Trustee, executor, administrator, and registrar of stocks and bonds:
- Farmers & Merchants National Bank, Wabash, Ind.
- First National Bank, Petoskey, Mich.

DISTRICT No. 9.

Trustee, executor, administrator, and registrar of stocks and bonds:
- Commercial National Bank, Oshkosh, Wis.

DISTRICT No. 11.

Trustee, executor, administrator, and registrar of stocks and bonds:
- City National Bank, Dallas, Tex.
- First National Bank, Galveston, Tex.

DISTRICT No. 12.

Trustee, executor, administrator, and registrar of stocks and bonds:
- First National Bank, Seattle, Wash.
- Deseret National Bank, Salt Lake City, Utah.

Trustee:
- First National Bank, Ashland, Oreg.

Intradistrict Clearing System.

Additions to and withdrawals from the system since the publication of the lists in previous issues of the Bulletin are as follows:

DISTRICT No. 2.

Additions:
- First National Bank, Butler, N. J.

DISTRICT No. 3.

Additions:
- Second National Bank, Philadelphia, Pa.

Withdrawals:
- Grange National Bank of Bradford County, Troy, Pa.

DISTRICT No. 4.

Withdrawals:
- First National Bank, Circleville, Ohio.
- Ohio National Bank, Columbus, Ohio.
- Coshocton National Bank, Coshocton, Ohio.
- Merchants National Bank, Massillon, Ohio.
- First National Bank, Pikeville, Ky.

DISTRICT No. 5.

Additions:
- Peoples National Bank, Bennettsville, S. C.
- Covington National Bank, Covington, Va.

Withdrawals:
- First National Bank, Louisburg, N. C.

DISTRICT No. 7.

Withdrawals:
- Rush County National Bank, Rushville, Ind.
- Rushville National Bank, Rushville, Ind.

DISTRICT No. 8.

Additions:
- First National Bank, Caruthersville, Mo.
- First National Bank, Marceline, Mo.

Withdrawals:
- First National Bank, Green Forest, Ark.
- First National Bank, Sandoval, Ill.
- Patoka National Bank, Patoka, Ind.

DISTRICT No. 9.

Additions:
- First National Bank, Breckenridge, Minn.
- First National Bank, Winona, Minn.
- First National Bank, Goodwin, S. Dak.
- First National Bank, Hayti, S. Dak.

Withdrawals:
- First National Bank, Rolette, N. Dak.

DISTRICT No. 11.

Additions:
- Farmers National Bank, Cross Plains, Tex.

Withdrawals:
- City National Bank, Granbury, Tex.
- First National Bank, Granbury, Tex.
- Farmers National Bank, Hempstead, Tex.
- First National Bank, Longview, Tex.
- National Bank of Commerce, San Antonio, Tex.

DISTRICT No. 12.

Additions:
- First National Bank, Yreka, Cal.

CIRCULARS AND REGULATIONS.

The circular and regulation given below were issued by the Board on December 4:

CIRCULAR NO. 20, SERIES OF 1915.

WASHINGTON, *December 4, 1915.*

GENERAL OPEN-MARKET OPERATIONS.

The Federal Reserve Act in section 14, under the head "Open-market operations," provides that—

"Any Federal Reserve Bank may, under the rules and regulations prescribed by the Federal Reserve Board, purchase and sell in the open market, at home or abroad, either from or to domestic or foreign banks, firms, corporations, or individuals, cable transfers and bankers' acceptances and bills of exchange of the kinds and maturities by this Act made eligible for rediscount, with or without the indorsement of a member bank."

The Act also provides that every Federal Reserve Bank shall have power—

"To deal in gold coin and bullion at home or abroad * * *."

"To buy and sell, at home or abroad, bonds and notes of the United States, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes, or in anticipation of the receipt of assured revenue by any State, county, district, political subdivision, or municipality * * *."

"To purchase from member banks and to sell, with or without its indorsement, bills of exchange arising out of commercial transactions, as hereinbefore defined."

Further in the same section permission is given to each Federal Reserve Bank:

"* * * to buy and sell * * * through (its) correspondents or agencies, bills of exchange arising out of actual commercial transactions which have not more than 90 days to run, and which bear the signature of two or more responsible parties."

Several of these classes of transactions have already been provided for in the circulars and regulations heretofore issued by the Federal Reserve Board as follows:

Regulation F, series of 1915, provides for the purchase of warrants, revenue bonds, etc.

In letters to the various Federal Reserve Banks the conditions have been indicated under which bonds and notes of the United States may be dealt in.

In Regulation S, partly superseding Regulation R, series of 1915, conditions have been established for the purchase of bankers' acceptances payable in the United States in dollars and growing out of foreign trade operations and out of certain domestic transactions.

There remain still to be dealt with the purchase and sale of "cable transfers" and bills of exchange, both domestic and foreign, of the kinds and maturities by this Act made eligible for rediscount, and bankers' acceptances payable in foreign countries and in foreign currencies.

The present circular and regulation is intended to cover these items. The Board wishes particularly to call attention to the purpose of the open-market section of the Federal Reserve Act. It enables the Federal Reserve Banks to exert a steadying influence upon prevailing rates of interest by the use of their purchasing power whenever conditions make such influence desirable, and when, owing to the lack of applications for rediscounts, they are unable to influence rates through the latter means. It also affords to the Federal Reserve Banks the opportunity of purchasing in the open market, paper with a view to providing for their expenses and dividends. The Board is of the opinion that the Federal Reserve Banks should, when occasion warrants, stand ready to engage in open-market transactions, as buyers or sellers, to the extent that it is necessary to carry out the purposes of the Act.

The Federal Reserve Board does not wish to be understood as encouraging expansion of credits at times and under conditions when there should be contraction, but rather as holding the view that the Federal Reserve Banks, taking cognizance of the conditions in their respective districts, should avail themselves of the powers granted by the Act as explained in our letter of October 8, 1915, just as they have done in connection with other open-market powers conferred upon them

REGULATION T, SERIES OF 1915.

WASHINGTON, *December 4, 1915.*

GENERAL OPEN-MARKET OPERATIONS.

I. *Definition.*

Open-market operations, as contemplated under the Federal Reserve Act, are all those transactions authorized by section 14 of the Act which involve dealings with persons or institutions—whether or not members of the Federal Reserve System—and which do not require the indorsement of a member bank.

II. *Operations provided for in this regulation.*

The present regulation deals with operations in cable transfers and foreign and domestic bills of exchange and bankers' acceptances payable in foreign countries and in foreign currencies. The statutory requirements pertaining thereto have already been set forth in the accompanying circular.

III. *Cable transfers and foreign bills of exchange.*

In order to carry on open-market transactions in cable transfers and foreign bills of exchange (including foreign bankers' acceptances)—that is, payments to be made in, or bills payable in, foreign countries—it will be necessary for Federal Reserve Banks to open accounts with correspondents or establish agencies in foreign countries. Such bills of exchange and foreign acceptances must comply with the applicable requirements of sections 13 and 14. As the law prescribes that these connections are to be established only with the consent of the Federal Reserve Board, Federal Reserve Banks will be required to communicate with the Federal Reserve Board whenever they are ready to enter these foreign fields.

The Federal Reserve Board realizes that in dealing in foreign exchange the Federal Reserve Banks must necessarily have wide discretion in determining the rates at which they will buy or sell. It is not necessary that the bills shall have been actually accepted at the time of purchase. The Federal Reserve Board, however, will require that unaccepted "long bills," payable in foreign countries, when purchased, unless secured by documents, shall bear one satisfactory indorsement other than those of the drawer or acceptor, preferably that of a banker. Federal Reserve Banks should exercise due caution in dealing in foreign bills, and boards of directors should fix a limit within which the acceptances or bills of a single firm may be taken.

IV. *Domestic bills of exchange.*

A bill of exchange may be defined as an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at a fixed or determinable future time, a certain sum in money to, or to the order of, a specified person or to bearer.

A domestic bill of exchange is payable in dollars in the United States.

The Federal Reserve Board has determined that a bill, in order to be eligible for purchase under section 14 by a Federal Reserve Bank, at the rate to be established for open-market operations—

(*a*) Must be a bill the proceeds of which have been used, or are to be used, in producing, purchasing, carrying, or marketing goods in one or more steps of production, manufacture, and distribution; but shall not be eligible if its proceeds have been used, or are to be used, for a permanent or fixed investment of any kind; for example, land, buildings, machinery, etc., or for any investment of a merely speculative character.

(*b*) Must have been drawn by a domestic or foreign firm, company, corporation, or individual upon a firm, company, corporation, or individual in the United States; but need not bear the indorsement of a member bank.

(*c*) Must have been accepted by the drawee prior to the purchase by a Federal Reserve Bank unless accompanied and secured by approved warehouse receipts, bills of lading, or other such documents covering readily marketable goods.

V. *Domestic bills—Conditions of purchase.*

(*a*) Before purchasing domestic bills of exchange, the Federal Reserve Bank must secure statements concerning the condition and standing of the drawer of the paper, and, if possible, also of the acceptor of the bill, sufficient to satisfy the bank as to the nature and quality of the paper to be purchased.

(*b*) No Federal Reserve Bank will be permitted to purchase bills of any one drawer, or issued upon any one maker, to an amount to exceed in the aggregate a percentage of its capital, to be fixed from time to time by the Federal Reserve Board, except when secured by approved warehouse receipts, bills of lading, or other such documents covering readily marketable goods. The aggregate amount drawn on any one acceptor, purchased by Federal Reserve Banks, shall not exceed a reasonable percentage of the stated net worth of the parties whose names appear upon the paper.

VI. *Rates.*

Federal Reserve Banks desiring to engage in open-market transactions in domestic bills of exchange shall communicate to the Federal Reserve Board the rate they desire to establish, for review and determination.

CIRCULAR NO. 11, SERIES OF 1915.

WASHINGTON, *December 27, 1915.*

ELIGIBILITY OF CANDIDATES FOR DIRECTORSHIPS.

The Federal Reserve Board has adopted under date of December 23 the following resolution:

Whereas, It is the opinion of the Federal Reserve Board that persons holding political or public office in the service of the United States, or of any State, Territory, county, district, political subdivision, or municipality thereof, or acting as members of political party committees, can not consistently with the spirit and underlying principles of the Federal Reserve Act, serve as directors or officers of Federal Reserve Banks.

Resolved, That the Federal Reserve Board hereby expresses to the member banks its opinion that no such persons should henceforward be elected or act as directors or officers of Federal Reserve Banks; and prescribes as a condition of eligibility that candidates for election shall comply with the terms of this resolution.

Resolved further, That copies of this resolution be sent to every member bank and Federal Reserve Bank and to all directors of Federal Reserve Banks.

While the Board is of the opinion that the policy outlined in this resolution should become effective at once, directors of Federal Reserve Banks elected prior to the date of its adoption will not be required to resign their positions as such directors until the end of the term for which they were elected.

LAW DEPARTMENT.

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

Dividends on Surrendered Stock.

Member banks surrendering stock on account of liquidation or reduction in capital or surplus are entitled to cash-paid subscriptions plus one-half of 1 per cent per month from date of subscription, not to exceed the book value thereof. If surrendered because of transfer to another district member banks are entitled to accrued dividend certificates.

DECEMBER 20, 1915.

Sir: This office has been requested to give an opinion on the following questions:

What dividends, if any, is a member bank entitled to receive on stock in its Federal Reserve Bank which is surrendered and canceled before the payment of the first regular dividend—

(*a*) On account of liquidation of such member bank;

(*b*) On account of a reduction in the capital or surplus of such member bank; and

(*c*) On account of the withdrawal of its membership as a result of its becoming ineligible to hold stock in the Federal Reserve Bank by reason of changes made by the Federal Reserve Board in the geographical limits of its district.

Before dealing with these specific questions it is necessary to consider the status of a member bank as a stockholder of a Federal Reserve Bank. Ordinarily a stockholder of a corporation is entitled to share in the net earnings of such corporation after the payment of expenses and the discharge of any obligations such as interest on bonds, preferred stock, etc., which constitute a prior lien on such earnings. In the case of Federal Reserve Banks, however, section 7 of the Federal Reserve Act, relating to the division of earnings of such banks, provides as follows:

> After all necessary expenses of a Federal Reserve Bank have been paid or provided for, the stockholders shall be entitled to receive an annual dividend of 6 per cent on the paid-in capital stock, which dividend shall be cumulative. After the aforesaid dividend claims have been fully met, all the net earnings shall be paid to the United States as a franchise tax, except that one-half of such net earnings shall be paid into a surplus fund until it shall amount to 40 per cent of the paid-in capital stock of such bank.

From this it will appear that the stockholders are limited to a cumulative dividend of 6 per cent; that is to say, if they remain stockholders of the Federal Reserve Bank they are entitled to receive an amount equal to 6 per cent on their cash-paid subscriptions, and if the earnings during any one year are insufficient the unpaid dividends become a charge on the future earnings of the bank.

The stock held by member banks can not, under the terms of the Act, be transferred or hypothecated. Accordingly, when a member bank for any reason ceases to be a stockholder, or finds it necessary to surrender the whole or any part of its stock in a Federal Reserve Bank, it can dispose of it only to the Federal Reserve Bank and the Act undertakes to provide a cash surrender value for such stock.

Section 5 of the Federal Reserve Act provides in part that—

> When a member bank reduces its capital stock it shall surrender a proportionate amount of its holdings in the capital of said Federal Reserve Bank, and when a member bank voluntarily liquidates it shall surrender all of its holdings of the capital stock of said Federal Reserve Bank and be released from its stock subscriptions not previously called. In either case the shares surrendered shall be canceled and the member bank shall receive in payment therefor, under regulations to be prescribed by the Federal Reserve Board, a sum equal to its cash-paid subscriptions on the shares surrendered and one-half of 1 per cent a month from the period of the last dividend, not to exceed the book value thereof, less any liability of such member bank to the Federal Reserve Bank.

From an analysis of this language it appears that the Federal Reserve Bank has a lien on its stock for any liability of the member bank to the Federal Reserve Bank. That subject to this lien the member bank surrendering its stock is entitled to receive an amount equal to its cash-paid subscriptions plus one-half of 1 per cent a month from the date of the last dividend, provided, this sum does not exceed the book value of the stock of the Federal Reserve Bank.

Where a member bank surrenders the whole or any part of its stock after the payment of the first dividend to the stockholders by the Federal Reserve Bank, the amount it is entitled to receive is clearly specified by the terms of the Act. The question under consideration, however, is what amount a member bank surrendering the whole or any part of its stock is entitled to receive where the stock is surrendered and canceled before the payment of the first dividend.

Considering that part of section 5 above quoted, without reference to other provisions of the Act, it might be contended that member banks are entitled to receive no dividends if they surrender stock in the Federal Reserve Bank before the payment of the first dividend by the Federal Reserve Bank. Such a conclusion, however, must be based upon the assumption that Congress intended to penalize banks surrendering stock before the payment of the first dividend and this assumption is repugnant to that part of section 7 which provides that "the stockholders shall be entitled to receive an annual dividend of 6 per cent on the paid-in capital stock, which dividend shall be cumulative."

If the stock of Federal Reserve Banks could be transferred and sold a member bank could, in disposing of such stock, reasonably demand a price equivalent to its cash-paid subscription plus accrued dividends, since such dividends are cumulative. It can hardly be contended, therefore, that Congress intended to prohibit member banks from receiving their due proportion of the earnings of Federal Reserve Banks merely because they exercise their right to withdraw by liquidation, which right is specifically given, or because they surrender stock on account of a reduction in their capital or surplus in accordance with the specific requirements of the Act.

In other words, it can not be assumed that Congress intended to impose a penalty for doing what it specifically authorized or permitted member banks to do, and considering the general purpose and intent of the Act the conclusion appears to be fully justified that such banks are entitled to receive dividends of one-half of 1 per cent per month on their cash-paid subscriptions whether the stock held by such banks is surrendered and canceled before or after the payment of the first dividend to the stockholders of their Federal Reserve Bank. It is necessary, however, to distinguish between the rights of a stockholding bank, which continues its membership in a Federal Reserve Bank, and one which terminates its membership by liquidation or which surrenders a part of its holdings on account of a reduction in its capital or surplus.

In either case the interest of the stockholder surrendering the whole or part of its stock is converted into a claim against the Federal Reserve Bank for the cash surrender value of stock. The amount of this claim becomes fixed as of the date of the surrender and cancellation of the stock. As a stockholder it is entitled to cumulative dividends up to this time, but when its status is converted from that of a stockholder to that of a creditor holding a claim against the bank for the cash surrender value of the stock it is no longer entitled to cumulative dividends out of the future earnings of the Federal Reserve Bank.

It is, therefore, necessary to determine—

(*a*) From what date such dividends may be said to accrue.

(*b*) When the right to cumulative dividends ceases.

(*c*) The maximum amount which may be paid for stock surrendered under circumstances above recited.

Considering these three questions in the order in which they appear:

(*a*) In an opinion filed with the Board under date of October 7, 1915, and supplemental opinion under date of November 5, 1915, this office reached the conclusion that dividends should accrue from the date of actual payment of subscriptions, provided, such payments are made at the time or subsequent to the date fixed in the call of the Organization Committee or the Federal Reserve Board for the payment of the first subscription.

(*b*) As above shown, the right to cumulative dividends ceases from the date of the surrender and cancellation of stock at which time the stockholder becomes a creditor of the bank to the extent of the cash surrender value of the stock.

(*c*) The maximum amount any member bank surrendering its stock is entitled to receive is fixed by the terms of the act at an amount equal to the cash-paid subscription plus one-half of 1 per cent per month, provided such amount does not exceed the book value of the stock of the Federal Reserve Bank. The book value is determined by adding together the capital, surplus, and undivided profits and by dividing this amount by the number of shares of the Federal Reserve Bank which are outstanding at that time.

As it is customary, however, for banks to carry on their books certain expenses on the asset side of the ledger, and certain earnings on the liability side in accounts other than the surplus and undivided profits accounts, it is, of course, necessary to deduct from the gross earnings all expenses to date and to carry the net balance into the undivided profit account in order to determine the actual book value of the stock of the Federal Reserve Bank.

Where the expenses exceed the gross earnings and where there is no surplus or undivided profit account from which this net debit balance may be deducted, the book value of the stock will be less than par. In such case the cash surrender value of the stock of the Federal Reserve Bank will be limited to an amount less than the cash-paid subscription.

In this connection attention is called to the fact that Federal Reserve Banks are carrying in their expense accounts the expenses of organization, which include the cost of preparing plates and dies, of purchasing distinctive paper, and of printing Federal reserve notes. Many of the notes so printed are still unissued and will be used in the future. To this extent this item will represent expenses paid in advance. There are probably other items which are in the nature of investments—that is to say, which represent unused supplies on hand. It would be inequitable to require such items to be charged off during the first few months of operation and banks would be justified in apportioning this expense and charging off such proportion as may seem equitable under all the circumstances, rather than to show an impairment of capital.

If the net balance, after deducting expenses from earnings, shows an amount which would ordinarily be carried to the account of undivided profits, or to the surplus account, a member bank surrendering its stock should be entitled to its proportionate share of such net earnings.

Answering specifically the questions submitted, this office is accordingly of the opinion that member banks surrendering stock in Federal Reserve Banks before the payment of the first dividend are entitled to receive for such stock an amount equal to their cash-paid subscriptions plus one-half of 1 per cent per month from the date of subscription, provided such subscriptions were not paid prior to the date fixed by the Organization Committee or the Federal Reserve Board for the first payment of subscription and provided further that the aggregate of such cash-paid subscriptions and dividends of one-half of 1 per cent per month does not exceed the book value of the stock of the Federal Reserve Bank, this cash surrender value to be applied when member banks surrender stock (*a*) on account of liquidation of such member banks and (*b*) on account of the reduction in the capital or surplus of such member banks.

Where stock is surrendered on account of a transfer of membership of a member bank to another Federal Reserve Bank by reason of a change in the geographical limits of a Federal Reserve District, a slightly different situation results. In this case the surrender of the stock results from the action of the Federal Reserve Board in changing the districts rather than from the voluntary action of the bank in reducing its capital or surplus or in going into liquidation. The Act contains no provision determining the cash surrender value of the stock of a member bank transferred to another district. Inasmuch, however, as such banks continue as members of the Federal Reserve System and have subscribed to the stock of a bank with the understanding that their dividends are to be cumulative, it would seem to be reasonable to assume that Congress intended that such banks should receive the same dividends as other banks which remain members of the system. In this view a bank transferred should receive an accrued dividend certificate from the Federal Reserve Bank whose stock is surrendered, and such Federal Reserve Bank should pay this certificate when its earnings are sufficient to pay other stockholders their accrued dividends.

Respectfully,

M. C. ELLIOTT, *Counsel.*

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

Reduction of Federal Reserve Districts.

The Federal Reserve Act does not give to the Federal Reserve Board the power to reduce the number of Federal Reserve Districts determined by the Reserve Bank Organization Committee.

NOVEMBER 22, 1915.

SIR: On March 1, 1915, this office filed with the Board an opinion dealing generally with the subject of the right of the Federal Reserve Board to review the determination of the Organization Committee, to adjust from time to time the Federal Reserve Districts created by that committee, and to establish new districts. In that opinion the question was incidentally considered whether or not the Federal Reserve Board, under its power to review, or under its power to readjust the districts created, could legally reduce the number of districts by consolidation or otherwise.

The Board has requested that this subject be further considered, but it is understood that it desires at this time to have counsel reconsider only that part of the opinion of March 1, 1915, which deals with the following question:

Can the Federal Reserve Board, by the consolidation of two or more districts, reduce the number of Federal Reserve Districts?

The powers of the Board relating to the modification of Federal Reserve Districts are contained in section 2 of the Federal Reserve Act. This section provides in part as follows:

As soon as practicable, the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency, acting as 'The Reserve Bank Organization Committee,' shall designate not less than 8 nor more than 12 cities to be known as Federal Reserve cities, and shall divide the continental United States, excluding Alaska, into districts, each district to contain only one of such Federal Reserve cities. The determination of said organization committee shall not be subject to review except by the Federal Reserve Board when organized: *Provided*, That the districts shall be apportioned with due regard to the convenience and customary course of business and shall not necessarily be coterminous with any State or States. The districts thus created may be readjusted and new districts may from time to time be created by the Federal Reserve Board, not to exceed 12 in all. Such districts shall be known as Federal Reserve Districts and may be designated by number. A majority of the organization committee shall constitute a quorum with authority to act.

It will be observed that the Organization Committee is empowered—

(*a*) To designate not less than 8 nor more than 12 cities to be known as Federal Reserve cities.

(*b*) To divide the continental United States * * * into districts, each district to contain only one of such Federal Reserve cities.

Section 2 further provides that—

Said Organization Committee shall be authorized to employ counsel and expert aid, to take testimony, to send for persons and papers, to administer oaths, and to make such investigation as may be deemed necessary by the said committee in determining the reserve districts and in designating the cities within such districts where such Federal Reserve Banks shall be severally located.

The said committee shall supervise the organization in each of the cities designated of a Federal Reserve Bank, which shall include in its title the name of the city in which it is situated, as "Federal Reserve Bank of Chicago."

The Federal Reserve Board is authorized—

(*a*) To review the determination of the organization committee;

(*b*) To readjust the districts created; and

(*c*) To create from time to time new districts, not to exceed 12 in all.

Whatever power the Board has in the matter of redistricting the continental United States must, therefore, rest upon the interpretation to be given to the language—

> The determination of said organization committee shall not be subject to review except by the Federal Reserve Board. * * * The districts thus created may be readjusted and new districts may from time to time be created by the Federal Reserve Board not to exceed 12 in all.

The question under consideration is, can this language be reasonably construed to give the Board power to reduce the number of Federal Reserve Districts and to liquidate or dissolve one or more of the Federal Reserve Banks organized by the Organization Committee?

If we consider the language above quoted without reference to any other part of the Act and attempt merely to give the usual or ordinary meaning to the words used it becomes immediately obvious that at least two different interpretations are possible and it is, therefore, not free from ambiguity. It is accordingly necessary to consider both possible interpretations in order to determine which one is consistent with other parts of the Act and is in accord with the intent of Congress.

On the one hand it may be argued that the power vested in the Board to "readjust the districts created" gives the Board the power not merely to change the lines of each and every district (preserving, however, the entity of each individual district) but that it may in its discretion consider the whole subject de novo and may divide the continental United States into an entirely new set of districts.

This interpretation is based upon the assumption that when Congress provided that "the districts thus created may be readjusted" it meant that the complete whole might be readjusted and not merely that each individual district was subject to change. If this be true, the certificate showing the Federal Reserve cities and the geographical limits of each Federal Reserve District which the Organization Committee is required to file with the comptroller may be modified at any time by the Federal Reserve Board in any way that it deems necessary or advisable.

In this view it may be contended that the language which follows, namely, "and new districts may from time to time be created by the Federal Reserve Board, not to exceed 12 in all," was not intended to mean that additional districts may be created but merely that districts with new lines and new territorial extent may be created without reference to the entity of those districts created by the Organization Committee.

Construing this general language to mean that the Board has an expressed power to alter at will the entire plan of districts created by the Organization Committee, it may then be argued that this expressed power carries with it such incidental powers as may be necessary to carry out the intent of Congress in the matter. That is to say, if it becomes necessary as an incident of any readjustment made by the Board to change or cancel the designation of a Federal Reserve city or to dissolve or liquidate a Federal Reserve Bank, the Board has an implied power to do these things as incidents of the expressed power to readjust the districts.

If, therefore, this interpretation can be sustained under the usual rules of construction of statutes the question submitted, Has the Board the power to reduce the number of Federal Reserve Districts? may be answered in the affirmative.

Before applying the usual rules of construction to this interpretation (which, for convenience, will be referred to as interpretation No. 1) attention is called to an alternative interpretation which is equally possible when the language in question is considered without reference to other parts of the Act.

Under this second interpretation it may be argued that the power to readjust the districts created vests in the Board the power only to readjust or to change the lines of each district created by the Organization Committee. That the power to create new districts not to exceed 12 in all was intended to give the Board the right to increase the number of districts if the Organization Committee had created less than 12; that Congress did not intend that the districts created by the Organization Committee should have merely a temporary or experimental status as districts, but while subject to modification as to size and shape were nevertheless intended to have a permanent status as entities.

If this view can be supported by the application of the usual rules of construction the question under consideration—whether the Federal Reserve Board may reduce the number of districts—may be answered in the negative.

It will be observed that to make effective the power vested in the Board under interpretation No. 1, it is necessary to imply that it has power as an incident of "readjustment" to change or cancel the designation of Federal Reserve cities and to liquidate Federal Reserve Banks. It is, therefore, necessary to consider whether these implied or incidental powers are in conflict with any expressed provisions of the Act.

Upon an examination of the statute we find that the Organization Committee is expressly authorized to designate not less than 8 nor more than 12 Federal Reserve cities. Let us assume that the power in the Board to create new districts is equivalent to an expressed power to designate Federal Reserve cities.

In support of this assumption the Act provides that "the districts thus created may be readjusted" and when we turn to the context to learn how the districts were "thus created" we find that the Organization Committee is required to first designate a Federal Reserve city and then to define the geographical limits of the district to be served. It is, therefore, clearly necessary in order to create a district to designate a city and to define the limits of the district.

Accordingly, if the power in the Board to create new districts is construed to mean to create additional districts or districts other than those previously created by the Organization Committee, it is clear that the Board has an expressed power to designate Federal Reserve cities for such districts and that this power to designate cities in those districts created by the Board does not conflict with the power of the committee to designate cities in districts which it has created.

On the other hand, if we construe this power to mean that the Federal Reserve Board may create new districts out of two or more districts created by the Organization Committee, we must assume that the Board has the power to nullify the designation of Federal Reserve cities made by the committee.

It is significant in this connection that in defining the power of the Board to create new districts the Board is limited to a maximum number of 12 but is not limited to any minimum.

The Organization Committee is required to create in the manner above shown not less than 8 nor more than 12 Federal Reserve Districts.

Under the power vested in the Board "new districts may be created from time to time not to exceed 12 in all." If, therefore, this power to create new districts is to be interpreted as giving the Board the right to reduce and to eliminate, there would seem to be no limitation on the Board's power to reduce, and it might create a less number than eight. It is hardly reasonable to say that the power to create new districts gives the Board the power to create such districts without reference to the action of the Organization Committee, since in this event they might abolish all but one or two banks.

On the other hand, the fact that a maximum is placed on the new districts to be created by the Board, but no minimum is expressed in the provision which deals with this power of the Board, indicates very strongly that Congress ntended the number of districts created by the Organization Committee to have a fixed and permanent status and to constitute the minimum number to be established; that it merely intended to give the Board the power to increase the number to the maximum. This view appears to be sustained by the history of this legislation which will be dealt with later.

Considering the second implied power under the interpretation No. 1, we are here confronted with a conflict with an expressed power which is even more clear.

As above shown, if we assume that the Board may make an entirely new map of the districts and may reduce the number, we must assume that it has, as an incidental power, the right to liquidate one or more Federal Reserve Banks. Upon referring to section 4, however, we find that when the necessary formalities have been complied with and a certificate of organization has been filed each bank becomes a corporation with certain specified powers, including the power—

> To have succession for a period of 20 years from its organization unless it is sooner dissolved by an Act of Congress, or unless its franchise becomes forfeited by some violation of law.

To adopt interpretation No. 1, therefore, we must assume that the implied power in the Board to liquidate these banks as an incident of readjustment is sufficient to overcome this expressed power in the bank to have succession for a period of 20 years "unless sooner dissolved by an Act of Congress, or unless its franchise is forfeited by some violation of law." Such an assumption is clearly contrary to the established rules of construction laid down by our courts. For example, in the case of *In re Rouse, Hazard & Co.*, 91 Fed. Rep. 100, the court in quoting with approval the decision in the case of *State* v. *Inhabitants of Trenton*, 38 N. J., Law 67, says:

> The legislature must be presumed to have intended what it expressly stated, rather than that which might be inferred from the use of general terms.

It may be said to be a cardinal rule of construction that when two interpretations are possible, one of which is in harmony with other provisions of the Act and the other repugnant to other provisions, that which is in harmony must be adopted. Inasmuch, therefore, as interpretation No. 1 involves the necessity of vesting implied or incidental powers in the Board which are repugnant to other expressed provisions in the Act while interpretation No. 2 is in harmony with these provisions, the second interpretation should be adopted.

While this rule is so uniform it needs little citation of authority to sustain it, the language of the court used in a few cases in which this question arose is called to the Board's attention.

In the case of *Montclair* v. *Ramsdell*, 107 U. S., 152, the court said:

> It is the duty of the court to give effect if possible, to every clause and word of a statute, avoiding, if it may be, any construction which implies that the legislature was ignorant of the meaning of the language it employed.

Following this decision of the Supreme Court of the United States, it is, of course, necessary to give effect to the provision which gives banks a period of 20 years' succession as well as to other provisions which are inconsistent with interpretation No. 1.

Again in the case of *United States* v. *Baltimore & O. S. W. R. Co.*, 159 Fed. Rep., 37, the court says:

> The maxims and rules adopted for the purpose of interpreting the meaning of a statute require that we attend to all its provisions, and, if possible, attribute to the language in which each is expressed a meaning which will permit other provisions to have their due effect.

In the case of *Bate Refrigerating Co.* v. *Sulzberger*, 157 U. S., 37, the court says:

> Where the language of the act is explicit, this court has said, there is great danger in departing from the words used, to give an effect to the law which may be supposed to have been designed by the legislature. It is not for the court to say, where the language of the statute is clear, that it shall be so construed as to embrace cases, because no good reason can be assigned why they were excluded from its provisions. *Scott* v. *Reid*, 10 Pet., 524, 527.

Applying this doctrine to the present case, if it is clear under interpretation No. 2 that the Board may modify the districts but can not reduce the number, it would seem to be inconsistent with the rules of construction to extend this power to include the right to reduce the number if such a construction is inconsistent with other parts of the act. As said in the case of *In re Matthews*, 109 Fed. Rep., 615:

It is the cardinal rule of interpretation that a statute should be construed not only so that every part of it should stand, but so as to give force, meaning, and effect to every part of it.

In *United States* v. *Jackson*, 143 Fed. Rep., 785, the court said:

Another canon of construction is that every part of a statute must be viewed in connection with the whole, so as to make all the parts harmonious, if practicable, and to give a sensible and intelligible effect to each; nor should it ever be presumed that the legislature meant that any part of a statute should be without meaning or without force and effect.

Many other cases to the same effect might be cited, but in view of the uniformity of decisions on this subject this is considered unnecessary.

Inasmuch, therefore, as it will be necessary to fail to give effect to other provisions of the Act if interpretation No. 1 is adopted, it remains only to be considered whether interpretation No. 2 is consistent with the context and with other parts of the Act.

From an examination of the hearings held by the House and Senate committees while the bill was pending it will be found that the question of the number of districts to be established was the subject of much discussion and of deliberate consideration. There were many who advocated a very small number of banks and others who contended for a large number. It was finally determined to fix a maximum and a minimum and to vest the power in a committee to be known as the Organization Committee, to establish not less than 8 nor more than 12 districts with the power in the Federal Reserve Board to create new districts not to exceed 12 in all.

The House bill provided that the organization committee should designate "from among the reserve and central reserve cities" a number of Federal Reserve cities, the total number so designated not to be less than 12.

The House bill further provided that—

The districts thus created may be readjusted and new districts may from time to time be created by the Federal Reserve Board hereinafter established, acting upon a joint application made by not less than 10 member banks desiring to be organized into a new district.

Later in the same section the bill provided that—

No Federal Reserve District shall be abolished nor the location of a Federal Reserve Bank changed, except upon the application of three-fourths of the member banks.

From this it appears that according to the House bill the Federal Reserve Board might alter the limits of any given district, upon the application of 10 member banks, or it might abolish a district and change the location of a Federal Reserve Bank upon the application of three-fourths of the member banks in such district.

When the bill reached the Senate it modified the power vested in the Board to alter the lines of a given district by striking out the provision that such alterations should be made only upon the application of 10 member banks. The effect of this amendment in the Senate was clearly to vest in the Board the power to alter the lines of a given district on its own motion.

The power, however, to abolish districts and to change the location of Federal Reserve Banks upon the application of three-fourths of the member banks was eliminated in toto by the Senate and this elimination was agreed to in conference.

If any inference may be drawn from the history of these amendments, therefore, it seems clear that the conferees agreed that no district should be abolished, even upon the application of three-fourths of the member banks.

Interpretation No. 2, therefore, seems to be consistent with the intent of Congress as indicated by the history of the bill, and since a modification of the individual districts does not involve the elimination of a district nor of a Federal Reserve city, and does not necessitate the liquidation of a Federal Reserve Bank, it is possible, under this interpretation, to give effect to all other provisions of the Act in accordance with the accepted rules of construction in such cases.

In considering the question submitted, I am conscious of the great public importance of the Board's decision in this matter and realize that the question is one upon which counsel may, and in fact do, differ. I have endeavored, therefore, to call the Board's attention to the two possible viewpoints and to explain at some length the reasons for conclusions reached.

Briefly summarized, it appears to me that any interpretation which vests in the Board the power to reduce the number of districts makes it necessary to also vest in the Board implied or incidental powers which are repugnant to other expressed provisions of the Act. That, on the other hand, the provisions in question are susceptible of another equally reasonable interpretation which is in harmony with the spirit and purpose of the Act and which will give effect to all other provisions.

I am, therefore, of the opinion that this second interpretation must be given effect and that following the usual rules of construction in such cases the Board is without power to reduce the number of districts by consolidation, or otherwise, and that each Federal Reserve Bank now organized is entitled to have succession for a period of 20 years unless sooner dissolved by an Act of Congress or unless its franchise is forfeited by some violation of law.

Respectfully,

M. C. ELLIOTT, *Counsel.*

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

Reduction of Federal Reserve Districts.

The following opinion to the effect that the Federal Reserve Board may under the provisions of the Federal Reserve Act reduce the number of Federal Reserve Districts determined by the Reserve Bank Organization Committee was prepared for the Board by Mr. Joseph P. Cotton, special counsel for the Board:

NOVEMBER 19, 1915.

SIRS: You have asked to be advised as to the extent of your present power to rearrange Reserve Bank Districts.

The powers of the Board in this regard are defined in section 2 of the Act.

The general scheme of organization of the Reserve System under the Act is that the Reserve Bank Organization Committee shall designate not less than 8 nor more than 12 cities to be known as Federal Reserve cities, and shall divide the United States into districts, each district to contain only one of such reserve cities. Then, under direction of the Organization Committee, the national banks of each such district (and eligible State banks) shall organize and form a reserve bank for the district by filing the proper certificate with the Comptroller of the Currency. Each reserve bank then becomes a corporate entity (section 4 of the Act). The Reserve Board is not selected until the Organization Committee have completed the districting. (Under section 10 of the Act the President in his choice of the appointive members of the Reserve Board is not to select more than one from any one reserve district thus created). It is clear that the Act intends that the Organization Committee shall organize and get the Reserve System in shape to do business in advance of the selection of the Reserve Board.

It is equally clear, however, that the Act intended that the work of the Organization Committee in the creation of the reserve districts should not be final but is subject to change by the Reserve Board. Thus section 2 of the Act, dealing with the determination of the Organization Committee as to creation of reserve districts, reads:

> The determination of said organization committee shall not be subject to review except by the Federal Reserve Board when organized: *Provided*, That the districts shall be apportioned with due regard to the convenience and customary course of business * * *. The districts thus created may be readjusted, and new districts may from time to time be created by the Federal Reserve Board, not to exceed 12 in all.

It is by the proper interpretation of this language, read in connection with the rest of the Act, that your questions must be answered.

The language quoted confers authority upon the Reserve Board to act only after the determination of the Organization Committee has been made. The Board is given the power to review the determination of the Organization Committee, with the instruction that districts shall be apportioned with due regard to the convenience and customary course of business, an instruction which, from the connection of the words, is addressed to the Reserve Board. Then the Act as quoted provides that the districts thus created may be readjusted and new districts may from time to time be created by the Reserve Board not to exceed 12 in all. The words "thus created" refer to the mode of creation thus described, that is, by determination by the Organization Committee. The use of the word readjusted instead of adjusted, indicates that the Board was to have power after adjustment of readjustment of the districts as necessity should arise from time to time. The word "readjustment" implies the exercise of all the powers which were exercised upon adjustment, and thus clearly embraces a review of the determination of the Organization Committee both as to reserve cities and districts.

It is argued that the express authority contained in the words "new districts may from time to time be created" is inconsistent with authority implied or derived from the word "readjusted" to decrease the number of districts, or to change the reserve cities. There is no such inconsistency. The phrase of the Act is that new districts may be "created," but the word "created" is not synonymous with the term increase. The Act does not confer express authority to "increase" districts, the word "increase" does not appear in the Act. The word "create" means to mark out, to delineate, to determine, districts. Thus the authority to "create" new districts is the exercise of the same power which the Organization Committee exercised in the beginning, and it is most significant that the Act thus uses the same word "created" to describe the determination as to districts by the Organization Committee and also by the Reserve Board. Having that true meaning of the term "created" in mind, and having regard to the fact that this Reserve Act intended to establish a system which should be sufficient for the changing needs of the country at all times, it seems clear that the word "readjusted" embraces and includes the power, not only to change the territorial limits or boundaries of districts already established, but also includes the power to reach a determination which may diminish the total number of such districts and change the reserve cities. In other words, it is a power to draw the reserve district map afresh.

It is notable that this simple and natural construction of the Act has found clear expression in an argument of the Hon. Robert L. Owen before the Reserve Board on February 10, 1915, in regard to a petition of certain banks of southern Oklahoma (at page 35 et seq. of the stenographic report of that hearing). In that argument he laid down clearly three points: First, that in a review of the determination of the Organization Committee the review by the Board is of the action of the committee, not of the record on which they acted; second, that the power of the Board to redistrict is complete (as he said "The intention was to give the Board the power of the Government itself in dealing with this system * * *); and, third, that the power of the Board extends to a reduction of the number of reserve districts.

The only argument proposed against Senator Owen's construction is based upon a different portion of the Act. Section 4 of the Act provides that when the Organization Committee shall have established districts each national bank in the district so constituted shall become eligible for membership in the reserve banks, that certain of the eligible banks shall then subscribe for stock and make a certificate which shall be the organization certificate of the reserve bank of the district, and further provides that the reserve bank of the district shall, when organized, have, among other corporate powers, the following:

"Second. To have succession for a period of 20 years from its organization, unless it is sooner dissolved by an Act of Congress, or unless its franchise becomes forfeited by some violation of law."

In connection with this language there is also to be remembered the language of section 11 of the Act, which names among the specific powers of the Reserve Board the following:

(*h*) To suspend, for the violation of any of the provisions of this Act, the operations of any Federal Reserve Bank, to take possession thereof, administer the same during the period of suspension, and, when deemed advisable, to liquidate or reorganize such bank—

and in the same connection is to be borne in mind the first sentence of section 3 of the Reserve Act, which reads:

Each Federal Reserve Bank shall establish branch banks within the Federal Reserve District in which it is located, and may do so in the district of any Federal Reserve Bank which may have been suspended.

These three provisions last above quoted provide machinery for terminating the existence of any reserve bank by Act of Congress or, on violation of law, by the disciplinary authority of the Reserve Board. They are in themselves clear. The argument which it is sought to build upon them is that inasmuch as the Act thus provides in detail machinery for termination of the life of a reserve bank (whenever Congress wishes or the law is violated), but provides no machinery for termination of the life of a reserve bank if such termination should arise from redistricting, therefore power to redistrict given by section 2 must be construed as not including power to terminate a reserve bank or a reserve district. That is the argument, but it is, it seems, a strained and unnatural one. There is no vagueness about section 2 of the Act. The words "review," "created," "readjusted" in that section are clear and grant a clear and unlimited power which is ample to permit the termination of a reserve bank or reserve district if necessary to carry it out. The fact that section 4 in stating the limit of the corporate existence of a reserve bank provides it shall be 20 years unless sooner dissolved by Act of Congress or forfeited for violation of law is not a declaration of intention that, or a promise that, the reserve bank may not cease to function or exist for some other reason. If it be such a promise, to whom is the promise made? Not to any member bank, because it is conceded by every one that any particular member bank may be detached from a reserve district and made ineligible for membership by a shift of district boundaries. Since that can be done to one member bank it can be done to any member bank in the district, and no one of them has any right to object to redistricting because it results in ending its connection with the reserve bank of which it was a member. The fact that the Act does not provide machinery for terminating the existence of a reserve bank or redistricting—if it be an omission at all—is no reason for deciding that the clear language of section 2 (which grants the power to readjust the districts) means something less than it says. The language of section 2 gives a complete power to redistrict, and there follows from that complete grant of power, by necessary implication, the authority to take all steps necessary for that end.

It is important to remember that the Board has already by redistricting, in the case of New Jersey banks, transferred banks from one district to another. By that action the Board has already "created" new reserve districts. By such action it has already changed the corporate powers of the reserve banks involved. If section 4 of the Act contains a promise that the corporate powers of each reserve bank should exist until Congress end them or the law is violated, then that promise has been broken already, since the former corporate powers of the Federal Reserve Bank of Philadelphia have been taken away and new and lesser corporate powers given. Yet if that action was not authorized by the Act, then section 4 of the Act absolutely nullifies all power of readjustment under section 2. No such result will be adopted unless unequivocal language requires it.

It is also to be remembered that the Reserve Board has not as yet reviewed or affirmed in any way the determination of the Organization Committee as to all the districts, and what action it takes at this time will be the action of original review (under section 2 of the Act) as well as of readjustment.

If those two words "review" and "readjustment" mean anything, they mean that the Board may do over again, and differently, whatever the Organization Committee did, even if such action mean the changing of reserve cities and such redrafting of the map of the districts as will mean the elimination of some district or the combination of one district with another. The power in the Reserve Board is at any time to make a new district map. There is no limitation on that power save the expressed commands of section 2 that in so districting the country there shall be not less than 8 nor more than 12 districts, and "that the districts shall be apportioned with due regard to the convenience and customary course of business."

Very respectfully, yours,

JOSEPH P. COTTON.

FEDERAL RESERVE BOARD,
Washington, D. C.

Decision of Supreme Court of Illinois relating to Section 11 (k) of the Act.

Counsel to the Federal Reserve Board issued the following statement for the press when questioned about the decision of the Illinois Supreme Court denying to national banks in Illinois the right to act as trustee, executor, administrator, and registrar of stocks and bonds:

This is one of several suits pending in different State courts in which the question of the constitutionality of section 11(k) of the Federal Reserve Act is involved. The Federal Reserve Board has asked leave to file briefs and to be heard by counsel in only one of these cases. It will not be argued until the latter part of January or in February.

There are two fundamental questions involved; first, whether Congress has authority under the Constitution of the United States to vest national banks with corporate powers to act in these capacities, and second, whether the exercise of such powers will contravene the laws of the State in which any particular national bank is located.

The permits granted by the Board to national banks to act as trustee, executor, administrator, and registrar of stocks and bonds expressly authorize the exercise of these powers only when not in contravention of the laws of the State in which such banks are located, but the question of the constitutionality of the Act which is presented to the courts will be argued by Counsel for the Board. Some of these cases will be appealed to the Supreme Court of the United States and its decision on the constitutional question will be binding on all State courts.

GENERAL BUSINESS CONDITIONS.

General business and banking conditions are described in reports made by Federal Reserve Agents for the 12 Federal Reserve Districts.

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

DISTRICT NO. 1—BOSTON.

The general improvement in business in this district has continued throughout the month with renewed vigor. This upward trend started in the lines affected by emergency orders and has spread until now business in general is better than it has been for a long time. Domestic business is becoming a larger factor each month, although in some industries the improvement is due to a large extent to the check upon importations because of the war. Stocks of merchandise have been allowed to run unusually low and this condition together with the sudden retail demand has put a strain on many manufacturers to fill orders. On the other hand manufacturers are inclined to keep their business well in hand and are cautious about extending beyond such business as is in sight. Labor is in good demand and in some lines is hard to obtain.

Money seems to be sentimentally a trifle firmer although there is no change in rates. Surplus reserves while considerably reduced in the large centers are still so large that the reduction has not materially affected money rates. Call loans 3 per cent, commercial paper 3 to 3½ per cent for short dates and 3½ to 4 per cent for six months, town notes 1.94 to 2.30 per cent, 90-day bankers' acceptances 2 per cent upward.

Loans and discounts of the Boston banks show an increase over last month of $5,233,000 and demand deposits have decreased $14,722,000 in the same time. The amount "due to banks" by the Boston banks has decreased $18,415,000 during the month. The excess reserve of Boston banks has decreased from $65,512,000 on November 13, 1915, to $31,584,000 on December 18, 1915. Exchanges of the Boston clearing house banks for the week ending December 18, 1915, were $192,350,968 as compared with $144,277,498 for the corresponding week last year and $196,767,337 for the week ending November 13, 1915.

The comptroller's call for November 10, 1915, shows that member banks in this district are borrowing about $3,000,000, or about $400,000 less than at the time of the September call, as compared with approximately $5,000,000 at this time last year.

Building and engineering operations in New England from January 1 to December 15, 1915, were the largest, with the exception of 1912, of any year for 15 years, and amounted to $171,820,000, as compared with $159,280,000.

Exports at the port of Boston for November, 1915, were $9,219,676, an increase of $95,812 over November, 1914. Imports at the port of Boston during the same month were $13,011,267, an increase of $6,172,526 over the corresponding month last year.

This increase was due more to small receipts in November, 1914, than to large receipts in November, 1915, the importations in the latter month being about on an average with the last six months this year. The principal increases over last year were in sugar, wool, and hides.

Receipts of the Boston post office for November, 1915, show an increase of more than $100,000 over November, 1914, or about 16 per cent. The first 15 days of December, 1915, showed an increase over last year of approximately $45,000, or about 11½ per cent.

The Boston & Maine Railroad reports for October, 1915, a surplus of $442,281, as compared with $224,114 for the same month last year. New York, New Haven & Hartford Railroad reports for October, 1915, a surplus of $715,333, as compared with $115,765 for October, 1914.

There were 191 failures in this district during November, 1915, with liabilities of $1,255,200, as compared with 180 in November, 1914, with liabilities of $1,550,300.

Woolen mills are doing a large volume of business and are running nearly at capacity. Worsted business has continued to improve throughout the month. There is a shortage of wool the world over and prices continue to advance.

The boot and shoe industry continues to improve and some factories report an output considerably above normal, especially in the lower-priced shoes.

The cotton-mill situation continues favorable, especially in fine goods, and mills are running to capacity. Buying is somewhat better than last month.

The paper trade is showing a good improvement and business is reported better than for some years.

Retail merchants are doing an excellent Christmas business in all classes of goods, including the more expensive lines. Many merchants state that their present Christmas sales are the largest in their history.

There has been a good demand for high-grade bonds, both by private investors and savings banks. The dissolution of the Anglo-French bond syndicate has had a somewhat unsettling effect on the bond market, but as that issue becomes steadier the general bond market is expected to improve.

DISTRICT NO. 2—NEW YORK.

Trade has been unusually active and continues to expand. Retail and department stores are doing a large holiday business and wholesale houses are receiving heavy buying orders for general merchandise as well as holiday goods. Houses consulted on various lines have reported as follows:

Dry goods and textiles show a good demand for all seasonable woolen, silk, and cotton fabrics. Business in all colored goods is still seriously hampered by the shortage of dyes. Leather prices are firm and the demand good for heavy and upper leather. There has been some slackening in orders for leather and military leather goods for export. Heavy hides sold at lower prices during the past month, but there is a strong market for calfskins at advancing prices. Tanners also feel the shortage of dyes and tanning extracts. Shoe manufacturing, one of the largest manufacturers reports production well sold up, domestic shipments increasing month by month and for the half year above all records. Sugar, a very large domestic and foreign trade and general conditions very satisfactory.

Wholesale grocers report business brisk and the outlook satisfactory. Meat packers say that tonnage holds up, and sales and collections are improving. Prices of crude petroleum and gasoline have advanced sharply. Pennsylvania crude oil is quoted at $2.10 per barrel, against a recent low price of $1.35. Gasoline advanced to 21 cents per gallon on December 20. The production of pig iron in November was 3,037,308 tons, against 1,518,316 tons in November, 1914. Unfilled orders of the United States Steel Corporation were reported as 7,189,489 tons, or 3,864,897 tons more than at the same time last year.

Railroad earnings clearly reflect the increased activity in trade, aggregate net earnings in October being $30,079,562 over October, 1914. Eastern roads are profiting from the heavy export movement, but inadequate shipping facilities have caused a great congestion of export freight on cars and in warehouses in and near New York. Total exports from the port of New York in November were $192,992,335, an increase of $106,229,738. Imports amounted to $97,666,815, an increase of $23,888,845.

Gold brought in during the month amounted to $49,836,918, against $1,955,760 last year. Transactions on the New York Stock Exchange, sales of bonds $126,976,000 par value, an increase of $22,853,500 over the preceding month, and 17,474,763 shares of stocks, a decrease of 9,129,939 from October. There was a steady increase during the month in the demand for investment bonds.

Other statistics for November, 1915, compared with November, 1914, are the following: Exchanges through the New York Clearing House, $11,829,419,735.07, an increase of

\$6,429,978,380.26. New incorporations in the Eastern States, \$190,075,000, increased \$108,-425,000. New York State failures, 263, with liabilities of \$3,048,949, a decrease of 49 in number and \$3,566,861 in liabilities. New York City building permits, 39, for structures to cost \$3,894,400, increased 28 in number and \$2,388,600 in amount.

New York Clearing House banks on December 18 reported loans, etc., \$3,190,270,000, deposits \$3,394,045,000, and excess reserves \$158,858,000. Since November 1 these figures show increases as follows: Loans, etc., \$146,-041,000, deposits \$124,234,000, while excess reserves have decreased \$37,357,000.

Call money remained practically unchanged at $1\frac{3}{4}$ per cent for renewals. Time money on collateral ranged from $2\frac{1}{4}$ per cent to $3\frac{1}{2}$ per cent. Bankers' acceptances sold readily at 2 per cent and were quoted up to $2\frac{3}{8}$ per cent. Prime commercial paper sold throughout the month at 3 per cent, with occasional transactions at $2\frac{3}{4}$ per cent.

Demand sterling rates gradually strengthened during November from $4.63\frac{1}{2}$ to 4.71 at closing rates. Paris checks advanced from $5.99\frac{1}{4}$ to 5.84. German exchange was quoted early in November at $81\frac{3}{4}$, but gradually declined to a new low rate of $75\frac{3}{4}$ on December 16.

DISTRICT NO. 3—PHILADELPHIA.

General business conditions in this district continue to improve. Banks throughout the entire district report that conditions are most promising. Factories of all kinds are running full time, some of them with double shifts, and many are making the greatest output in their history. Pay rolls are large, and labor, both skilled and unskilled, is scarce. The demand for iron and steel has led to the repairing and putting into operation of iron furnaces that have been idle for years. Heavy railroad traffic has resulted in large orders for cars and locomotives and other railway supplies that were unlooked for a few months ago.

Operations in some textile industries continue to be hampered by lack of dyestuffs, but there has been some little improvement in this matter, and generally the condition of the textile business is unexpectedly satisfactory.

The lumber business, which has been depressed for a long period, is feeling the influence of the new building operations and the general improvement in business. Prices have advanced, and there is a reported scarcity in some grades of lumber.

Retail trade, which is always a feature at this season of the year, shows a remarkable advance over last year. Stores report increase in sales from 20 to 35 per cent. The community seems to be well supplied with money, and the increase in sales is both in quantity and quality of the goods purchased. Collections are reported good, and a large percentage of slow accounts have been paid.

Difficulty is reported in numerous cases in getting goods, due partly to slowness in delivery by manufacturers and delayed shipments by the railroads. There is a tendency on the part of retailers and jobbers to abandon the hand-to-mouth policy they have pursued the last few years in their purchase of goods and hereafter to carry larger stocks.

In the past few months there has been a very great decrease in surplus reserves of the Philadelphia banks. The excess reserve, which was \$55,000,000 on October 4, was reduced to \$19,000,000 on December 20. If the banks now had to maintain the same reserves that they did under the old law, there would be a deficiency in their reserves of about \$14,000,000.

Banks are beginning to feel the improvement in business through increased applications for loans. While there is scarcely any change in the rates for money, bank funds seem to be well employed. If jobbers and retailers find it necessary to carry larger stocks of goods, it is probable that large demands will be made upon the banks for funds for that purpose.

DISTRICT NO. 4—CLEVELAND.

Steel mills in this district are at full capacity on what they now have on their books for the first six months of next year, and requirements in sight will easily take care of the entire year. Pig iron is selling at $20, and is in strong demand. Nothing is in sight to change these conditions for the first half of 1916. The middle western steel manufacturers are actually beginning to feel the embarrassment due to the eastern freight congestion. This is probably the most serious feature connected with the local situation.

There has been an advance of $1 a ton in the price of coke, it being the highest in several years. The advance in coal has been small compared with the advance in coke. The best posted people in the coal trade are predicting extraordinary prices for coal for the first half of 1916, this situation being due as much to uncertainty regarding labor as to admittedly large increases in the consumption of fuel. The Bureau of Immigration reports 93,416 aliens admitted to the United States during the first four months of the present fiscal year, while in the corresponding four months of 1913 (the year before the war) the number admitted was 535,911. These figures are a matter of concern not only to coal operators but to all employers of labor.

Favorable weather conditions prolonged the season of lake navigation until about December 15, the ore shipped from the upper lakes amounting to 46,600,000 tons, which is the record. It is estimated that sixty to sixty-five million tons will be required to be brought down in 1916.

Activity in the oil fields of this district is quite marked. The unusual advance during the month of December in the price of all grades of crude petroleum has greatly stimulated the demand for tubing, oil-well tools, and machinery used in preparation for active field work.

Wholesale lumber dealers and mills report marked improvement in the last 30 days. They are certain the improvement will be lasting. Business is again almost normal.

Garment manufacturers are experiencing difficulty in connection with the scarcity of dyes. Wholesalers and jobbers report liberal buying in November and the first part of December. Collections are generally good, with the exception of a little falling off which usually precedes the holidays. Retail merchants are moving an unusual volume of business.

The steady cold weather has put the new corn crop into shape to market; the quality is not so good as last year. The sugar-beet crop is good and proved profitable to the farmers. Tobacco money is now coming in, representing sales at prices showing an advance of 33⅓ per cent over last year.

Post-office receipts in the six large centers in this district amounted to $1,076,091.75 for November, an increase of $156,929.11 over the same months last year, or 17 per cent. However, there was an 8 per cent decrease from the figures reported for October, 1915. Building permits in the same six cities show $4,975,887 for the month of November, against $3,921,284 for the same month last year, with an increase of 807 in the number of permits.

A number of changes in ownership of industrial properties have occurred during the past month. These operations have brought into the district large amounts of new money. Banks are therefore plentifully supplied with funds, and rates continue low. High-grade investment bonds are scarce and in good demand. The full employment of labor has stimulated savings deposits very decidedly. Bank clearings in the six centers for the first 14 days of December amount to $293,509,216.33, against $212,954,478.24 for the same period last year, being an increase of 37.8 per cent.

DISTRICT NO. 5—RICHMOND.

During the past month trade in practically all lines has been in a satisfactory position, and there has been no retrogression from the advances of October and November. The department stores and retailers now are generally busy. Settled cold weather and the holiday season have materially stimulated business. There is no lack of employment.

Skilled labor of almost every kind is in demand at full prices.

With the softening in the price of cotton in November there was noted a decided tendency to store some of the unsold portion of the crop. While the market has recovered, this same tendency persists in many directions, but not to such an extent as to prevent the liquidation of debts due for settlement.

Lumber is noticeably improving, under a broadening demand. Coal operators are fully engaged on a profitable basis. Credit is easy, and, while there is no evidence of abuse, is being freely used by manufacturers and jobbers in caring for fresh orders withheld over a long interval. While both sellers and buyers of commodities express themselves as satisfied with the present outlook, neither, as a class, are overtrading. The result is a healthy trade condition. General conditions are highly satisfactory.

DISTRICT NO. 6—ATLANTA.

The closing days of the year 1915 present a general activity and expansion in all lines, predicting a sound and permanent prosperity for the Sixth Federal Reserve District in the coming year. The general business conditions of the district are on a sound basis, with strong and wide advancement in some particular lines.

The retail trade during the month, and more especially the holiday season, has been exceedingly bright, wholesalers and jobbers reporting that salesmen remain on the road longer than usual at this season of the year, with orders extremely satisfactory, in view of the arrival of preinventory days.

Twenty-six furnaces are in operation in the Birmingham district, and the December production of pig iron was in excess of any previous month, though hardly sufficient to fill orders on hand. Prices range from $14 to $15 per ton, as compared with $8 to $9 per ton a year ago. In the Anniston, Ala., iron and manufacturing district, all plants are reported in operation. The Anniston Ordnance Co., a concern newly organized for the manufacture of war munitions, is installing machinery and expects to be in full operation the first part of the year.

Reports from Tennessee indicate a continued sluggishness in the tobacco market. In view of the British orders in council permitting tobacco shipments, heavy shipments were anticipated; but there is still a scarcity of vessels and no reduction in rates and it is probable that some time will elapse before any material change is made in the marketing of this product.

Manufacturers of textiles report good business, and in many instances continue to work overtime.

Bank clearings are far in excess of any previous month, and the postal receipts of the Atlanta division are in excess of any previous November and December in the history of the office.

DISTRICT NO. 7—CHICAGO.

General improvement in business and manufacturing in this district as shown in former reports has been well maintained during December.

Reports received from member bank officers in all the large centers in the district are in agreement to the effect that manufacturers, wholesale houses, and retail stores are doing business on an even more than normal basis.

Through portions of the district there is a great deal of complaint among the farmers due to the corn proving of a poorer quality and a less yield than was anticipated.

Bank clearings for last month in 23 cities in this district show gains in all cases, and in percentages 16 per cent gain over 1913 and 28 per cent over 1914.

Holiday trade in the large centers has exceeded expectations and has reached unusual proportions, with high priced articles more in demand.

Weather conditions are favorable to the growing winter wheat crop, though the acreage reported is less than at this time last year.

Marketing of cattle and hogs is at an increasing rate, but farmers are not largely shipping their grains.

Commercial paper rates at Chicago continue at the low figures of 3 to 3½ per cent.

Rediscounting for member banks by the Federal Reserve Bank of Chicago has this month exceeded the figures of any date since the opening, the amount being $3,500,000, and 85 per cent thereof being for account of country banks.

DISTRICT NO. 8—ST. LOUIS.

From reports received during November, business prospects in this district are in excellent condition. This may be said to apply to practically every industry in this territory. The large shoe manufacturers report heavy gains in shipments for the month. Through these gains they have overcome the losses in shipments incurred last winter and show an increase in shipments during the current year. Other wholesale interests, such as millinery, clothing, dry goods, hardware, lumber, wooden ware, and various manufacturing companies all report gains in shipments. From the tone of their reports business men are generally optimistic. The St. Louis post office reports the largest receipts it has ever had for the month of November and shows a gain of over 16 per cent as compared to November, 1914. This general feeling of confidence resulted in early and liberal holiday buying which has materially benefited the retail houses, especially in the larger cities.

Another index of the general favorable condition is found in reports from various railroads in this district. Sixty or 90 days ago there appeared to be a surplus of cars and this has been turned into a shortage which may be said to be general. The railroads are employing more men; their earnings have increased; they are in the market for equipment and appear to be buying more freely than for some time past.

Little change has occurred in the live-stock market in the past 30 days. There has been a slight increase in the demand for cattle and higher prices may accordingly be expected. The heavy receipts of hogs have had a tendency to keep the price of hogs down. Foreign Governments have practically withdrawn from the horse and mule market, and this, together with the lack of the season's demand for mules from the Southern States, has resulted in comparative quietness in this market.

The temperature throughout the month may be said to have been above the normal, while the rainfall was somewhat less than usual. The ground, however, contained plenty of moisture for fall plowing, and the favorable weather assisted in the final gathering of the cotton crop. Final figures of the various crops in the district are not available at this writing, but from all indications the harvests have been abundant. While the cotton crop is not as large this year as last, at present prices it is remunerative to the farmer. Cotton was probably raised this year from 1 to 2 cents cheaper than at any time in the past 10 years, and this, together with the prevailing price of over 11 cents, should show farmers a handsome profit. Cotton seed is also much higher than it was a year ago. Altogether the southern planters may be said to have had a successful season.

Winter wheat has now been planted throughout the district. The acreage in the northern States of the district is somewhat less than in 1915, but the southern States seem to have recognized the advantage of getting away from the one-crop standard and have increased their wheat acreage accordingly. Generally speaking, the condition of the crop on December 1 is somewhat lower than last year, but it would seem that a slight decrease at this season should not materially affect the size of the 1916 crop.

The banking interests of the district continue to note an unusual lack of demand for funds at this season. In this connection an interesting comparison is furnished by an examination of reports of St. Louis banks as of October 31, 1914, May 1, 1915, and November 10, 1915. These reports show that the holdings of cash and exchange by the St. Louis banks have increased steadily during the past 12 months, the gain for the period being approximately $40,000,000. The total loans on the other hand have decreased with some regularity. On November 10 this year the total loans and discounts were approximately $23,000,000 less than on October 31, 1914. The total deposits of these banks show a gain during this same period. From October 31, 1914, to November 10, 1915, individual deposits showed a gain of approximately $20,000,000; time deposits a gain of approximately $2,500,000, and bank deposits a gain of over $17,000,000, or a total gain during this time of about $41,000,000. It is apparent that banks are still holding large excess reserves. As a rule they are in position to take care of the demands of their customers and still have surplus funds to invest. The rate on commercial paper is considerably below the normal, the best names selling at a rate of approximately 3½ per cent for maturities up to six months. This low rate hardly tempts banks to invest. In some cases banks have invested at least a part of their surplus funds in bonds, and this in a measure is responsible for the marked activity in the bond market. The average rates to customers in the larger cities is approximately 5 per cent, with rates in smaller communities somewhat higher.

The clearings of the Federal Reserve Bank for October again broke all records, the bank during that time having cleared over 183,000 items with a total of over $77,000,000. The somewhat increased demand for funds evidenced in November resulted in a larger business being done, so that the bank showed a profit over operating expense for the month.

DISTRICT NO. 9—MINNEAPOLIS.

Crop estimates on corn have been revised as a result of evidence during the month that the proportion of soft corn is larger than was supposed. Not more than 20 per cent of the crop is sound and merchantable, and the remainder is of varying value for feeding purposes. A large proportion turns out to be so immature as to have practically no value, and in some sections farmers are having difficulty in carrying their stock. This situation has prompted an active movement of hogs and cattle to market.

Great Lakes navigation closed at the Duluth-Superior ports on the 13th instant, with all contracts for eastbound grain shipments filled, and a total record for the season of 94,359,000 bushels, or an increase as compared with last season of 1,575,000 bushels shipped. Ore tonnage figures will show a very large increase, but are not yet available.

Grain has been moving into the terminals more actively, but in face of a phenomenally active period at the Minneapolis and outside mills terminal stocks have had much difficulty in climbing above the 10,000,000 bushel mark, and the elevators are short about 15,000,000 bushels of wheat of what was in store at the same time a year ago. Prices have slowly climbed from less than a dollar to $1.20 and $1.25, with no signs of a decline. The outside demand for wheat continues very heavy. Crop-year receipts at Minneapolis and Duluth for mid-December were approximately 48,000,000 bushels greater than a year ago. The high price has moved quite a little wheat which farmers were holding, but there is still a large amount held back.

Retail holiday trade has been brisk at all points. Wholesale lines are in good condition. Collections are excellent. The lumber trade continues to revive and is getting back to normal. Industrial concerns are active, with much new business. Labor is fully employed at good wages. The outlook for 1916 is excellent, and expressions from all lines of business are very hopeful and optimistic.

DISTRICT NO. 10—KANSAS CITY.

Probably at no time in the history of the district, taken as a whole, has the wholesale trade been so active and satisfactory as at the present time. Jobbers in all parts of the district report unprecedented sales, with collections far above the average. The mail-order business especially is extremely active. Retailers report increased holiday trade and splendid collections.

In some sections winter wheat is in need of moisture, but is in good condition despite the fact that the district has not been favored with normal precipitation.

There has been a general movement of wheat to the markets, and while the quality has been somewhat disappointing, the price has more than offset that defect. This movement to the markets has been in progress for the past 30 to 40 days, and it is quite likely the exceedingly strong demand that has existed is now over and that it will only be normal from now on.

The deposits in banks, as a result of the movement of wheat and live stock, have generally increased throughout the district, and there has been a lessening in the demand for money. The banks of the district have been able to take care of the legitimate requirements of their customers, and this, too, without rediscounting to the usual extent with their correspondents. It is more than likely that the high mark has been passed.

The prevailing rates of discount have not materially changed during the past 30 days, and range from 5 per cent to 8 per cent, according to locality and security offered.

The following is a comparative statement of postal receipts for the month of November, 1915, at the principal offices in this district, showing in each instance substantial increase over the corresponding month of 1914:

	1915	1914	Increase.
Kansas City, Mo	$289,816.35	$246,879.80	$42,936.55
Omaha, Nebr	135,927.70	114,006.63	21,921.07
Denver, Colo	113,126.47	105,194.15	7,932.32
St, Joseph, Mo	33,916.85	28,945.89	4,970.96
Oklahoma City, Okla	40,622.33	35,901.48	4,725.74
Wichita, Kans	29,828.36	25,606.25	4,222.11
Topeka, Kans	33,223.45	29,625.05	3,598.40
Muskogee, Okla	10,360.71	8,922.48	1,438.23
Cheyenne, Wyo	4,906 92	3,744.40	1,162.52
Kansas City, Kans	17,403.65	16,681.98	721.67
Lincoln, Nebr	34,664.22	34,393.68	270.54

Trade activity of the district is further reflected in the operations of the various clearing house associations, which show material increases over November, 1914, as follows:

	1915	1914	Increase.
Kansas City	$394,019.925	$293,292,373	$100,727,452
Omaha	90,955,822	71,609,855	19,345,967
Denver	56,437,152	44,461,398	11,975,754
St. Joseph	34,732,087	31,655,926	3,076,161
Wichita	19,431,066	15,767,312	3,663,754
Oklahoma City	14,110,600	11,853,700	2,256,900

Building permits issued during the month of November, 1915, as compared with November, 1914, in the principal cities of the district are here presented:

City.	1915		1914		Increase.	
	No.	Amount.	No.	Amount.	No	Amount.
Kansas City	266	$724,115	220	$341,220	46	$382,895
Omaha	153	656,075	72	133,583	81	522,492
Denver	191	312,085	235	134,410	44	177,675
Lincoln	46	186,705	25	39,475	21	147,230
Oklahoma City	55	99,765	8	9,915	57	89,850
Kansas City, Kans	61	86,802	50	50,435	11	36,427
Topeka	46	69,650	24	35,105	22	34,545
St. Joseph	63	64,816	49	36,410	14	28,406
Cheyenne	8	26,290	4	11,645	4	4,645

A like degree of building activity prevails in the rural sections.

The railroads continue to give records of increased distribution. No serious car shortage has been experienced, but the full rolling and motive equipment of practically all railroads of the district is fully employed.

The heavy movement of live stock to the market centers continues, with prices above the average. It is asserted that of the millions of beef cattle in the United States to-day nearly, if not quite, one-third are within the boundaries of District No. 10. What this involves in investment and carrying charges is evidenced by the fact that there is probably $200,000,000 loaned in the district, with live stock as collateral security.

Little, if any, of the feed and forage required to carry the live stock of this district comes from without the district.

This is the season of the year when the mines of the district producing semianthracite, bituminous, and lignite coal begin to assume their greatest activity, and the present condition of that industry does not differ from previous years.

The lead and zinc industry has enjoyed the greatest prosperity in its history. In the 11 months ending November 30 the output of zinc ore in the Joplin district was 555,323,525 pounds, which sold at $20,694,186. During the corresponding period in 1914, the output was 474,189,212 pounds and sold at $8,898,709. This is an increase in tonnage of about 17 per cent, and, owing to the increase in price, is an increase of 132 per cent in value.

The production of lead for the 11 months was 81,500,000 pounds valued at $2,145,000, compared with 77,000,000 pounds valued at $1,782,000 in the same period of 1914.

In August, 1915, crude oil was selling in the mid-continent field of Kansas and Oklahoma at less than 40 cents per barrel. The price has risen by 5-cent and 10-cent changes until on December 15, 1915, oil was selling at $1.20 per barrel. The highest price ever paid for crude oil in this field was some 12 years ago, when it sold for $1.35 per barrel. It is predicted that the former record price will be passed in the near future.

The district is free of any serious labor disturbances, and all labor, common and skilled, is very generally employed.

Kansas City is the greatest distributing point in the world for yellow-pine lumber, and while the industry has been quiet during the major portion of the year, during the past 60 days the demand has greatly increased and brought with it corresponding increases in price.

With the banks of the district now able to meet the demands of regular customers at unusually low rates of interest; with orders for manufactured products booked far ahead; with the agricultural and live-stock industry in such excellent condition; and with full granaries and flattering crop prospects, the beginning of the new year 1916 finds District No. 10 in a strong position.

DISTRICT NO. 11—DALLAS.

This is a season of the year in agricultural sections in this district when little work is being done by farmers other than the preparation of their land for the planting of next year's crops. Conditions in this industry therefore remain practically the same as our previous report. Dry weather the latter part of November and early December was unusually bad for fall plowing, and while it is not customary in this section to break the land during these months, it was necessary this year more than formerly in order to destroy the hibernating chinch bugs, bollworms, boll weevil, and other insects that reduced the 1915 crops.

There is no question that diversification was more practiced in the cotton-producing regions the past season than ever before and the effect has been most beneficial. This has contributed to the liquidation made by farmers this fall. Considerable cotton is still being held; in fact, it is estimated that one-third of the crop is unmarketed. When it is sold, if the satisfactory prices still prevail, it will tend to increase our available funds and add to the liquidation which has already taken place.

Banks in the rice-producing district report a lull in the market for that commodity, and this is evidenced by the member banks availing themselves of the facilities of this bank in aiding their customers in handling the crop.

Manufacturers of nearly all lines of goods have been receiving good orders and are encouraged by the outlook. From reports received collections continue good. Retailers have enjoyed a fair business and with the approaching holidays indications point to an excellent trade. Weather conditions have contributed largely to this situation, as the markets are crowded with out-of-town buyers and trade is brisk.

A seasonable movement of poultry to northern and eastern markets is reported by commission merchants at good prices. Orders during the past few weeks have shown a marked increase, which is a continuation of the development of this business to large proportions.

The lumber and oil industries, which are quite important in the southeastern part of our district and constitute the principal business, are reported unusually active. Increased prices are obtaining and present indications are for a continuance of this condition.

Member banks report demands for accommodations as only moderate and rates continue easy. The banks show increased deposits above the average at this season. The volume of loans held by this bank has decreased slightly during the past 30 days. There has, however, been a change in the character of our offerings. Quite a decrease of farmers' notes in small amounts and an increase in commodity paper is noted and live-stock paper in substantial amounts has been discounted more freely.

Building operations, from reports received throughout the district, are about normal for this season. Labor is in good demand and well employed. In Dallas particularly building operations show an increase over last year, and this, with both railway and traction terminals in course of construction here, have provided occupation for an appreciable number of men.

DISTRICT NO. 12—SAN FRANCISCO.

During the past month the event most favorable in its possible benefits has been the announced purchase by the American International Corporation of the Pacific Mail steamers with the purpose of returning them to the Pacific trade, with intimation of probable large extension of the service. Inadequacy of ocean transportation during the year has been intensified by the closing of the Panama Canal. That commerce through Pacific coast ports has nevertheless shown large gains indicates the important possibilities with merchant shipping. Interesting recent cargoes have been one of silk received at Seattle from Japan, valued at $2,500,000, said to exceed any hitherto; and one of wool, also record in amount, received at San Francisco from Australia. It is reported that 60,000 bales of cotton destined for China and Japan have been offered for storage in Seattle until shipping space can be had.

High prices for Hawaiian sugar have brought unusual profits to producers, and there have been important transactions in stocks of sugar companies. Alaska commerce is rapidly expanding, with prospect of exceeding $100,000,000 this year. Salmon packing, which has had a good year, is one of its important industries. Salmon exports from the United States approximated $1,000,000 in November. Mining continues active with unusual output and profits for copper, which centers chiefly in Utah and Arizona. Increasing consumption of petroleum and its products continues with advancing prices.

The lumber situation is steadily readjusting to a more favorable status. Leading railroads, showing record earnings, are buying important amounts of ties.

The year has been favorable for agriculture and live stock. It is estimated 40 per cent of wheat in eastern Washington, Oregon, and southern Idaho has been sold by growers at profitable prices. Abundant crops of raisins and prunes have commanded good prices. Since November 15 between 3,000 and 4,000 cars of oranges have been shipped from Porterville district, at unusually high prices. Rice acreage is rapidly increasing, and Imperial Valley will plant an added 100,000 acres of cotton. Precipitation, so vital as a crop basis in this district, was brought above normal by widespread rains in first half of December.

Increasing activity is noted in real estate. Bank deposits and bank clearings show continued gains, with reported increased loan requirements.

DISTRIBUTION OF DISCOUNTS BY SIZES AND MATURITIES.

The total discounts during November of commercial paper, exclusive of bankers' acceptances, amounted to $18,269,700, compared with $15,050,800 in October and $14,405,000 in September. Large increases in discount operations for the month are shown for the three Southern and the Kansas City banks. Commodity paper, largely cotton paper, discounted at 3 per cent, constitutes 23.9 per cent of the total discounts for the month, as against 13.7 per cent in October. About 62.6 per cent of the total amount of commodity paper discounted during the month is credited to the Atlanta bank and its New Orleans branch and 34.8 per cent to Richmond. Trade acceptances discounted during the month amounted to $430,100, compared with $629,100 in October and $319,500 in September.

As the result of the enlarged discount activity of the Southern banks, their share in the total discounts of the month increased to over 65 per cent from 60 per cent in the preceding month. The share of the four banks in the Middle West and Northwest was about 30 per cent, while that of the four Eastern banks was less than 5 per cent. The total amount of paper discounted since November, 1914, was $167,516,500, of which $100,606,200 is credited to the three Southern banks, $24,530,700 to the four Eastern banks, $35,122,500 to the four Western banks, and $8,257,100 to San Francisco.

The number of bills discounted during the month was 9,652, compared with 9,285 in October and 9,173 in September. The average size of the paper handled by all banks was $1,893, compared with $1,621 in October, $1,570 in September, $1,324 in August, and $1,249 in June, showing a practically continuous increase since the early summer of the year. The November average was $1,845 for the three Southern banks, $1,990 for the four banks in the Middle West and Northwest, $1,995 for the four Eastern banks, and $1,985 for the San Francisco bank.

Of the total number of bills discounted, 36.3 per cent, and of the total amount, 47.5 per cent, were bills in amounts from $1,000 to $5,000, compared with 35.7 and 53.7 per cent shown the month before. The total of largest-size bills (in amounts of over $10,000) discounted constituted nearly 22 per cent of the total discounts for the month, compared with about 12 per cent in October and about 14 per cent in November. A considerable part of these bills is made up of commodity (chiefly cotton) paper discounted by the Atlanta bank and its New Orleans branch. The Kansas City bank reports over $1,000,000 of the largest-size notes, composed chiefly of packing-house, lumber, and live-stock paper.

Small bills (in denominations up to $250) constituted about 21 per cent of the total number, though only about 1.5 per cent of the total amount of all the paper discounted during the month. The Richmond bank reports 706 and the Atlanta bank 644 of small bills handled during the month. Two-thirds of the number and amount of all small bills discounted during the month are reported by these two banks.

Of the total paper discounted during the month 34.1 per cent was 60-day and 37.2 per cent 90-day paper, while over 2.5 millions, or 13.7 per cent of the total, was agricultural and live-stock paper maturing after 90 days at the time of rediscount. About two-thirds of the 60-day and 6-month paper, over three-quarters of the 90-day paper, and about one-half of the 30-day paper discounted during the month are reported by the three Southern banks.

The number of member banks accommodated during November was 837, compared with 796 in October and 762 in September, and constituted about 11 per cent of the entire number of member banks. About 52 per cent of the banks accommodated were Southern banks. Of the total number of member banks in the three Southern districts about 28 per cent availed themselves of the discount privileges during the past month. Kansas City reports 110 member banks accommodated during the month, as against 150 in October.

Commercial paper, exclusive of bankers' acceptances, rediscounted by each of the Federal Reserve Banks during the month of November, 1915, distributed by sizes.

NUMBER OF PIECES AND AMOUNTS.

[In thousands of dollars.]

Bank.	To $100.		Over $100 to $250.		Over $250 to $500.		Over $500 to $1,000.		Over $1,000 to $2,500.		Over $2,500 to $5,000.		Over $5,000 to $10,000.		Over $10,000.		Total.		Per cent.	
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.
Boston	3	0.3	7	1.4	22	9.5	20	16.4	12	21.7	15	63.0	5	43.5	1	15.0	85	170.8	0.9	0.9
New York	....	....	8	1.8	13	5.2	10	7.5	9	16.0	17	68.2	7	53.6	....	....	64	152.3	0.6	0.8
Philadelphia	....	....	5	.9	25	9.3	33	26.6	38	67.0	10	35.9	2	17.0	....	....	113	156.7	1.2	0.9
Cleveland	....	....	12	2.3	23	9.6	13	9.3	48	83.5	25	97.4	22	126.3	....	....	143	328.4	1.5	1.8
Richmond	241	19.2	465	84.2	531	211.4	515	415.3	522	907.8	356	1,419.0	113	809.3	39	746.7	2,782	4,612.9	28.8	25.2
Atlanta	249	20.1	395	67.1	327	126.6	359	271.6	403	689.9	274	1,107.0	112	799.0	70	1,634.4	2,189	4,715.7	22.7	25.8
Chicago	31	2.0	72	13.6	155	64.1	227	186.9	250	434.4	114	408.3	18	122.4	2	26.5	869	1,258.2	9.0	6.9
St. Louis	7	.6	29	5.3	38	13.9	72	55.7	100	172.9	73	299.7	35	265.8	3	56.0	357	869.9	3.7	4.8
Minneapolis	1	.5	33	6.4	76	27.9	150	100.7	156	233.8	41	140.2	19	100.6	1	10.3	477	620.4	4.9	3.4
Kansas City	25	1.9	85	15.8	103	38.2	270	197.4	322	507.6	133	480.6	44	323.1	18	1,064.7	1,000	2,629.3	10.4	14.4
Dallas	141	9.2	191	32.1	251	95.4	282	212.3	341	561.9	222	830.5	63	478.8	22	415.8	1,513	2,636.0	15.7	14.4
San Francisco	1	.1	6	1.1	10	3.5	18	13.9	14	22.3	4	13.7	4	20.8	3	43.7	60	119.1	0.6	0.7
Total	699	53.9	1,308	232.0	1,574	614.6	1,969	1,513.6	2,215	3,718.8	1,284	4,963.5	444	3,160.2	159	4,013.1	9,652	18,269.7	100.0	100.0

PERCENTAGES OF AMOUNTS OF EACH CLASS TO TOTAL.

	To $100.	Over $100 to $250.	Over $250 to $500.	Over $500 to $1,000.	Over $1,000 to $2,500.	Over $2,500 to $5,000.	Over $5,000 to $10,000.	Over $10,000.	Total.
Boston	0.2	0.8	5.5	9.6	12.7	36.9	25.5	8.8	100.0
New York	....	1.2	3.4	4.9	10.5	44.8	35.2	....	100.0
Philadelphia	....	.6	5.9	17.0	42.8	22.9	10.8	....	100.0
Cleveland	....	.7	2.9	2.8	25.4	29.7	38.5	....	100.0
Richmond	.4	1.8	4.6	9.0	19.7	30.8	17.5	16.2	100.0
Atlanta	.4	1.4	2.7	5.8	14.6	23.5	16.9	34.7	100.0
Chicago	.2	1.1	5.1	14.9	34.5	32.4	9.7	2.1	100.0
St. Louis	....	.6	1.6	6.4	19.9	34.5	30.6	6.4	100.0
Minneapolis	.1	1.0	4.5	16.2	37.7	22.6	16.2	1.7	100.0
Kansas City	.1	.6	1.4	7.5	19.3	18.3	12.3	40.5	100.0
Dallas	.3	1.2	3.6	8.1	21.3	31.5	18.2	15.8	100.0
San Francisco	.1	.9	2.9	11.7	18.7	11.5	17.5	36.7	100.0
Total	.3	1.3	3.3	8.3	20.3	27.2	17.3	22.0	100.0

Commercial paper, exclusive of bankers' acceptances, discounted during November by each of the Federal Reserve Banks, distributed by States and maturities as of date of rediscount.

[In thousands of dollars.]

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper rediscounted.
District No. 1—Boston:								
Connecticut	73	1	....	0.8	22.5	1.9	....	25.2
Maine	70	2	....	17.0	16.0	17.5	....	50.5
Massachusetts	169	1	10.0	10.0	20.0	20.0	....	60.0
New Hampshire	56		....	....	....	....	....	....
Rhode Island	18		....	....	....	....	....	....
Vermont	48	2	24.9	10.2	....	....	....	35.1
Total	434	6	34.9	38.0	58.5	39.4	....	170.8
District No. 2—New York:								
New Jersey	131	3	9.0	32.1	32.4	....	....	73.5
New York	484	5	....	19.6	11.2	48.0	....	78.8
Total	615	8	9.0	51.7	43.6	48.0	....	152.3
District No. 3—Philadelphia:								
Delaware	24	2	....	4.8	3.5	8.0	....	16.3
New Jersey	70	3	12.6	36.0	8.1	2.5	....	59.2
Pennsylvania	534	11	4.5	16.7	21.4	30.9	7.7	81.2
Total	628	16	17.1	57.5	33.0	41.4	7.7	156.7

Commercial paper, exclusive of bankers' acceptances, discounted during November by each of the Federal Reserve Banks, distributed by States and maturities as of date of rediscount—Continued.

[In thousands of dollars.]

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper rediscounted.
District No. 4—Cleveland:								
Kentucky	72	7		28.8	68.6	38.5		135.9
Ohio	375	7		18.5	13.7	25.7	13.7	71.6
Pennsylvania	300	6	1.7	2.9	102.6	7.0	1.7	115.9
West Virginia	14	1		5.0				5.0
Total	761	21	1.7	55.2	184.9	71.2	15.4	328.4
District No. 5—Richmond:								
District of Columbia	14	1		36.9	39.7	194.6		271.2
Maryland	98	5			15.2	25.1	3.0	43.3
North Carolina	81	35	8.1	231.0	563.4	765.2	9.4	1,577.1
South Carolina	73	42	12.5	187.3	768.9	725.9	25.3	1,719.9
Virginia	137	33	2.5	76.5	329.2	436.7	15.8	860.7
West Virginia	104	12		7.9	77.5	55.3		140.7
Total	507	128	23.1	539.6	1,793.9	2,202.8	53.5	4,612.9
District No. 6—Atlanta:								
Alabama	95	42	5.3	107.6	217.0	439.1	247.1	1,016.1
Florida	55	24	9.2	70.0	178.2	182.7	10.3	450.4
Georgia	116	74		101.8	505.5	602.4	462.9	1,672.6
Louisiana	5	5		75.1	249.5	688.4		1,013.0
Mississippi	18	5		60.4	58.8	32.8		152.0
Tennessee	97	31	9.8	62.9	146.8	179.0	13.1	411.6
Total	386	181	24.3	477.8	1,355.8	2,124.4	733.4	4,715.7
District No. 7—Chicago:								
Illinois	317	20	10.0	9.5	82.6	92.4	85.5	280.0
Indiana	197	10		21.3	20.9	29.8	28.3	100.3
Iowa	348	62		46.8	234.8	180.7	351.0	813.3
Michigan	77	2	2.0	1.0	18.0	15.1		36.1
Wisconsin	51	1			20.0	8.5		28.5
Total	990	95	12.0	78.6	376.3	326.5	464.8	1,258.2
District No. 8—St. Louis:								
Arkansas	61	7		88.4	18.6	48.1		155.1
Illinois	157	11			38.1	50.8	45.0	133.9
Indiana	61	3		19.2	71.4	29.7		120.3
Kentucky	69	7		.2	1.8	53.1		55.1
Mississippi	17	4		11.8	13.3	6.5		31.6
Missouri	81	14	55.5	71.6	23.5	18.1	23.5	192.2
Tennessee	20	8	2.5	9.9	125.6	43.7		181.7
Total	466	54	58.0	201.1	292.3	250.0	68.5	869.9
District No. 9—Minneapolis:								
Michigan	31	1		2.9	2.1	2.5		7.5
Minnesota	279	33	1.8	11.1	67.9	41.1	171.2	293.1
Montana	65	4			11.2	5.8	7.4	24.4
North Dakota	152	7		1.1	3.3	24.9	6.1	35.4
South Dakota	118	14	1.1	.4	17.3	14.4	135.5	168.7
Wisconsin	88	7	17.1	29.2	24.9	18.4	1.7	91.3
Total	733	66	20.0	44.7	126.7	107.1	321.9	620.4
District No. 10—Kansas City:								
Colorado	120	3		3.1	9.3	24.7	34.0	71.1
Kansas	220	29	5.7	127.4	254.5	120.8	135.1	643.5
Missouri	52	9	5.3	529.0	467.2	202.7	37.9	1,242.1
Nebraska	208	38	1.5	18.8	68.8	126.7	124.2	340.0
New Mexico	9							
Oklahoma	307	31	1.6	39.5	79.7	159.3	52.5	332.6
Wyoming	33							
Total	949	110	14.1	717.8	879.5	634.2	383.7	2,629.3
District No. 11—Dallas:								
Arizona	6							
Louisiana	26	4		102.4	153.9	43.3		299.6
New Mexico	28	4		2.0	12.9	4.7	56.1	75.7
Oklahoma	43	9		9.2	43.0	16.6	11.3	80.1
Texas	545	112		141.0	836.0	823.7	379.9	2,180.6
Total	648	129		254.6	1,045.8	888.3	447.3	2,636.0
District No. 12—San Francisco:								
Alaska	1							
Arizona	7	1				15.6		15.6
California	266	13			3.6	34.8	9.5	47.9
Idaho	58	2			4.6	2.5		7.1
Nevada	10							
Oregon	86	3			20.8	1.3		22.1
Utah	23							
Washington	78	4			22.7	3.7		26.4
Total	529	23			51.7	57.9	9.5	119.1

Commercial paper, exclusive of bankers' acceptances, discounted during November by each of the Federal Reserve Banks, distributed by States and maturities as of date of rediscount—Continued.

RECAPITULATION.

Districts and cities.	Total number of member banks reported.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper rediscounted.	Per cent.
No. 1—Boston	434	6	34.9	38.0	58.5	39.4	....	170.8	0.9
No. 2—New York	615	8	9.0	51.7	43.6	48.0	....	152.3	.8
No. 3—Philadelphia	628	16	17.1	57.5	33.0	41.4	7.7	156.7	.9
No. 4—Cleveland	761	21	1.7	55.2	184.9	71.2	15.4	328.4	1.8
No. 5—Richmond	507	128	23.1	539.6	1,793.9	2,202.8	53.5	4,612.9	25.2
No. 6—Atlanta	386	181	24.3	477.8	1,355.8	2,124.4	733.4	4,715.7	25.8
No. 7—Chicago	990	95	12.0	78.6	376.3	326.5	464.8	1,258.2	6.9
No. 8—St. Louis	466	54	58.0	201.1	292.3	250.0	68.5	869.9	4.8
No. 9—Minneapolis	733	66	20.0	44.7	126.7	107.1	321.9	620.4	3.4
No. 10—Kansas City	949	110	14.1	717.8	879.5	634.2	383.7	2,629.3	14.4
No. 11—Dallas	648	129	....	254.6	1,045.8	888.3	447.3	2,636.0	14.4
No. 12—San Francisco	529	23	....	....	51.7	57.9	9.5	119.1	.7
Total for November	7,646	837	214.2	2,516.6	6,242.0	6,791.2	2,505.7	18,269.7	100.0
Per cent	....	....	1.2	13.8	34.1	37.2	13.7	100.0	....
Totals for—									
October	7,649	796	165.2	1,995.2	5,327.4	5,671.0	1,892.0	15,050.8	....
September	7,630	762	131.7	1,698.2	6,180.0	5,306.5	1,088.6	14,405.0	....
August	7,610	693	320.2	1,380.1	4,990.9	4,520.1	1,022.4	12,233.7	....
July	7,606	796	103.4	1,612.3	4,512.7	5,294.4	1,715.4	13,238.2	....
June	7,607	785	1,810.3		3,903.3	5,187.2	2,503.2	13,404.0	....
May	7,605	716	1,631.5		3,800.8	4,331.1	2,382.3	12,145.7	....
April	7,611	617	1,246.5		3,628.5	4,202.0	1,638.6	10,715.6	....
March	7,614	570	1,798.6		5,257.4	5,162.9	1,180.8	13,399.7	....
February	7,617	469	2,957.4		5,421.8	3,265.8	885.3	12,530.3	....
January	7,610	398	4,109.3		3,627.0	2,365.1	611.4	10,712.8	....

Amount of trade acceptances[1] *discounted by each of the Federal Reserve Banks during the month of November, 1915, distributed by maturities.*

[In thousands of dollars.]

Federal Reserve Bank.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total trade acceptances discounted.	Per cent.
New York	....	....	....	0.9	....	0.9	0.2
Cleveland	....	5.6	....	....	....	5.6	1.1
Richmond	2.6	5.9	109.5	27.7	....	145.7	29.1
Atlanta, including New Orleans branch	....	83.5	61.8	57.8	2.5	205.6	41.0
St. Louis	1.0	9.4	3.2	.2	....	13.8	2.7
Kansas City	....	....	....	71.8	....	71.8	14.3
Dallas	....	37.9	....	....	....	37.9	7.6
San Francisco	....	....	....	10.4	9.5	19.9	4.0
Total for November	3.6	142.3	174.5	168.8	12.0	501.2	100.0
Total for October	2.8	46.2	210.9	357.3	11.9	629.1	....
Total for September	....	34.3	98.2	176.7	10.3	319.5	....
Grand total	6.4	222.8	483.6	702.8	34.2	1,449.8	....

[1] Included in the total of commercial paper, shown above.

Amounts of commodity paper [1] discounted by each of the Federal Reserve Banks from Sept. 8, date of first discount, to Nov. 30, 1915, inclusive.

[In thousands of dollars.]

Federal Reserve Bank.	Amount of commodity paper discounted during September, 1915.	Amount of commodity paper discounted during October, 1915.	Amount of commodity paper discounted during November, 1915.	Total amount of paper discounted during September, October, and November, 1915.
Richmond	96.0	364.4	1,523.4	1,983.8
Atlanta (including New Orleans branch)	807.3	1,657.2	2,739.1	5,203.6
St. Louis		31.2	15.0	46.2
Minneapolis		1.5	12.5	14.0
Dallas	2.3	4.8	83.7	90.8
San Francisco [2]		35.7	1.5	37.2
Total	905.6	2,094.8	4,375.2	7,375.6

[1] Included in the total of commercial paper shown above. [2] All discounted at regular rates.

Classes of commodity paper discounted by each Federal Reserve Bank to close of business on Nov. 30, 1915.

Commodity.	Richmond.	Atlanta and New Orleans branch.	St. Louis.	Minneapolis.	Dallas.	San Francisco.[1]	Total.
Cotton	$1,983,844	$4,774,683	$800		$89,331		$6,848,658
Rice					1,522		1,522
Cottonseed cake		75,000					75,000
Sugar		308,332					308,332
Yarn		10,000					10,000
Peaches (evaporated)		10,000					10,000
Wheat			25,000	$10,138		$35,701	70,839
Seed			10,000				10,000
Corn		2,000					2,000
Oats		3,000					3,000
Grain						1,539	1,539
Merchandise			10,352				10,352
Timber		529					529
Warehouse receipts				3,821			3,821
Pig iron		20,000					20,000
Total	1,983,844	5,203,544	46,152	13,959	90,853	37,240	7,375,592

[1] All discounted at regular rates.

Amounts of commercial paper, exclusive of bankers' acceptances, held by each Federal Reserve Bank on the last Friday of the month, Nov. 26, 1915, distributed by maturities.

[In thousands of dollars.]

Federal Reserve Bank.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 60 days.	Paper maturing after 90 days.	Total.	Per cent.
Boston	32.0	78.5	54.3	17.0		181.8	0.5
New York	35.0	122.2	106.3	18.8		282.3	0.9
Philadelphia	47.6	59.0	43.5	22.4	7.7	180.2	0.5
Cleveland	71.0	122.4	267.7	89.3	86.3	636.7	1.9
Richmond	1,165.1	1,746.9	2,834.9	1,142.9	47.3	6,937.1	21.2
Atlanta, including New Orleans branch	1,069.0	1,546.8	2,743.3	1,503.0	1,023.3	7,885.4	24.0
Chicago	248.9	517.1	910.6	409.3	828.6	2,914.5	8.9
St. Louis	348.5	538.5	527.7	215.7	100.9	1,731.3	5.3
Minneapolis	294.2	302.0	361.2	137.8	430.6	1,525.8	4.7
Kansas City	636.4	1,133.8	1,281.0	820.4	375.2	4,246.8	12.9
Dallas	1,134.3	1,210.6	2,077.3	597.7	545.5	5,565.4	17.0
San Francisco	91.0	215.4	302.1	63.8	34.7	707.0	2.2
Total	5,173.0	7,593.2	11,509.9	5,038.1	3,480.1	32,794.3	100.0
Per cent	15.8	23.1	35.1	15.4	10.6	100.0	

ACCEPTANCES.

Bankers' acceptances, by classes, held by the Federal Reserve Banks each week.

[In thousands of dollars.]

Date.	Member banks.	Nonmember banks.		Private banks.	Total.
		Trust companies.	State banks.		
Nov. 29	10,902	4,549	275	396	16,122
Dec. 6	12,311	5,172	275	396	18,154
Dec. 13	12,535	5,285	269	516	18,605
Dec. 20	13,678	5,854	284	769	[1] 20,585

[1] Acceptances indorsed by member banks: Trust companies' acceptances, $96,000; private banks' acceptances, $292,000; total, $388,000.

Distribution of bankers' acceptances held by Federal Reserve Banks, according to schedules on hand Dec. 20, 1915, by classes of acceptors and sizes.

Class of acceptors.	To $5,000.		Over $5,000 to $10,000.		Over $10,000 to $25,000.		Over $25,000 to $50,000.		Over $50,000 to $100,000.		Over $100,000.		Total.		Per cent.
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	
Member banks	186	649,649	162	1,361,351	303	5,404,600	60	2,468,029	26	2,019,703	9	1,775,086	746	13,678,418	66.5
Trust companies	139	418,495	117	918,669	64	1,061,992	14	507,026	22	1,555,401	5	1,392,160	361	5,853,743	28.4
State banks	33	135,000	2	22,500	11	126,727	...	....	...	....	...	....	46	284,227	1.4
Private banks	6	21,557	8	65,808	24	479,417	5	144,279	1	57,546	...	....	44	768,607	3.7
Total	364	1,224,701	289	2,368,328	402	7,072,736	79	3,119,334	49	3,632,650	14	3,167,246	1,197	20,584,995	100.0
Per cent		5.9		11.5		34.4		15.2		17.6		15.4		100.0	

Amounts of acceptances held by the several Federal Reserve Banks at close of business on Fridays, Nov. 26 to Dec. 17, 1915

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Acceptances maturing within 10 days:													
Nov. 26	325	276	110	59	....	....	195	....	8	7	....	12	992
Dec. 3	635	878	216	134	....	....	296	84	52	67	....	64	2,426
Dec. 10	400	166	413	....	100	....	61	21	....	12	....	21	1,194
Dec. 17	667	624	667	110	50	....	198	124	67	65	....	101	2,673
Acceptances maturing after 10 days, but within 30 days:													
Nov. 26	801	1,044	769	134	100	....	263	121	85	108	....	111	3,536
Dec. 3	765	676	1,145	110	100	....	198	124	66	73	....	133	3,390
Dec. 10	979	1,285	831	121	....	....	223	153	81	87	....	142	3,902
Dec. 17	736	1,086	445	117	....	....	179	89	66	75	....	132	2,925
Acceptances maturing after 30 days, but within 60 days:													
Nov. 26	1,861	2,593	555	319	....	....	566	287	200	140	....	294	6,815
Dec. 3	1,680	2,470	861	267	....	....	568	248	190	141	....	238	6,663
Dec. 10	2,178	2,464	955	305	....	....	789	260	210	104	....	271	7,536
Dec. 17	2,478	2,330	1,098	248	....	19	745	250	179	131	....	226	7,704
Acceptances maturing after 60 days, but within 3 months:													
Nov. 26	2,131	1,435	345	120	....	....	433	112	77	74	....	109	4,836
Dec. 3	2,256	1,591	672	225	....	....	546	166	113	107	....	151	5,827
Dec. 10	2,696	1,920	782	186	....	56	375	135	97	140	....	145	6,532
Dec 17	2,140	2,531	441	255	....	38	456	185	120	106	....	167	6,439
Total acceptances held:													
Nov. 26	5,118	5,348	1,779	632	100	....	1,457	520	370	329	....	526	16,179
Dec 3	5,336	5,615	2,894	736	100	....	1,608	622	421	388	....	586	18,306
Dec. 10	6,253	5,835	2,981	612	100	56	1,448	569	388	343	....	579	19,164
Dec. 17	6,021	6,571	2,651	730	50	57	1,578	648	432	377	....	626	19,741

Amounts of bankers' acceptances purchased by the several Federal Reserve Banks each month from date of first purchase (Feb. 19, 1915) to Nov. 30, 1915, distributed by maturities.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Acceptances maturing within 30 days:													
February	....	....	....	....	....	....	....	....	....	....	....	....	....
March	....	371	84	39	....	....	141	67	10	41	....	61	814
April	....	25	25	25	....	....	....	....	....	....	....	....	75
May	....	2	....	....	....	....	....	....	....	....	....	....	2
June	....	141	....	....	....	....	....	....	....	....	....	....	141
July	....	....	43	....	....	....	....	....	....	....	....	....	43
August	39	103	42	37	....	....	....	36	29	28	....	....	314
September	25	50	....	....	....	....	....	....	3	....	....	....	78
October	402	41	50	....	....	....	....	....	....	....	....	....	493
November	4	6	141	....	....	....	....	....	....	....	....	....	151
Total	470	739	385	101	....	....	141	103	42	69	....	61	2,111
Acceptances maturing after 30 but within 60 days:													
February	....	56	....	....	....	....	....	....	....	....	....	....	56
March	135	141	249	508	....	....	27	....	47	....	....	152	1,259
April	29	456	....	....	....	....	50	25	14	16	....	280	870
May	56	454	62	57	....	....	159	201	46	45	....	200	1,280
June	15	436	57	33	....	....	74	....	12	....	....	....	627
July	17	276	237	33	....	....	71	24	13	4	....	23	698
August	17	269	121	18	....	....	35	18	....	17	....	17	512
September	15	55	....	30	....	....	16	26	9	35	....	25	211
October	366	98	29	67	....	....	101	17	23	43	....	17	761
November	1,018	109	506	....	....	....	75	36	5	19	....	12	1,780
Total	1,668	2,350	1,261	746	....	....	608	347	169	179	....	726	8,054
Acceptances maturing after 60 days but within 3 months:													
February	340	1,604	339	200	....	....	....	....	127	....	....	....	2,610
March	895	2,832	524	384	....	....	1,244	....	153	41	....	211	6,284
April	520	791	412	116	....	....	243	101	87	259	....	543	3,072
May	587	412	108	16	....	....	....	17	13	307	....	124	1,584
June	557	2,506	493	16	....	....	37	44	17	27	....	235	3,932
July	1,046	1,977	521	265	....	....	426	276	178	190	....	120	4,999
August	1,007	1,443	140	115	....	....	593	87	87	202	....	347	4,021
September	741	1,557	994	107	100	....	351	94	60	51	....	96	4,151
October	1,023	2,196	351	269	....	....	570	246	186	134	....	245	5,220
November	2,326	1,784	62	316	....	....	667	225	173	160	....	275	5,988
Total	9,042	17,102	3,944	1,804	100	....	4,131	1,090	1,081	1,371	....	2,196	41,861
Total acceptances bought:													
February	340	1,660	339	200	....	....	....	....	127	....	....	....	2,666
March	1,030	3,344	857	931	....	....	1,412	67	210	82	....	424	8,357
April	549	1,272	437	141	....	....	293	126	101	275	....	823	4,017
May	643	868	170	73	....	....	159	218	59	352	....	324	2,866
June	572	3,083	550	49	....	....	111	44	29	27	....	235	4,700
July	1,063	2,253	801	298	....	....	497	300	191	194	....	143	5,740
August	1,063	1,815	303	170	....	....	628	141	116	247	....	364	4,847
September	781	1,662	994	137	100	....	367	120	72	86	....	121	4,440
October	1,791	2,335	430	336	....	....	671	263	209	177	....	262	6,474
November	3,348	1,899	709	316	....	....	742	261	178	179	....	287	7,919
Total	11,180	20,191	5,590	2,651	100	....	4,880	1,540	1,292	1,619	....	2,983	52,026

FEDERAL RESERVE BANK STATEMENTS.

Resources and liabilities of each of the Federal Reserve Banks and of the Federal Reserve System at close of business on Fridays, Dec. 3 to Dec. 23, 1915.

RESOURCES.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Gold coin and certificates in vault:													
Dec. 3	14,590	147,834	6,200	10,794	6,090	5,414	33,965	1,772	2,519	6,222	4,107	4,722	244,229
Dec. 10	14,318	151,607	7,042	10,042	5,350	4,879	36,980	1,690	2,642	8,270	4,121	4,869	251,810
Dec. 17	14,445	153,635	10,240	9,749	5,365	5,306	36,859	2,240	2,654	8,371	4,119	4,390	257,373
Dec. 23	13,888	173,377	11,339	9,470	5,318	5,324	35,914	2,915	2,696	8,374	4,046	3,536	276,197
Gold settlement fund:													
Dec. 3	5,295	9,415	5,169	9,269	8,705	1,359	6,164	7,420	5,120	3,835	9,071	8,878	79,700
Dec. 10	3,678	994	6,747	9,696	9,391	2,217	4,747	7,522	4,183	2,083	9,223	7,579	68,060
Dec. 17	3,188	8,021	6,327	9,855	9,783	3,017	4,521	6,668	4,112	1,064	9,668	10,106	76,330
Dec. 23	3,331	6,613	5,169	10,410	8,805	2,720	1,698	6,243	3,988	1,722	9,319	9,942	69,960
Gold redemption fund:													
Dec. 3	6	55	37	....	375	245	....	35	30	107	341	21	1,252
Dec. 10	6	55	37	....	375	285	....	35	30	107	341	21	1,292
Dec. 17	6	55	....	....	367	321	....	27	30	107	271	....	1,184
Dec. 23	6	118	....	....	355	315	....	26	30	107	267	....	1,224
Legal-tender notes, silver, etc.:													
Dec. 3	77	26,856	2,775	1,065	118	278	789	135	18	289	275	6	32,681
Dec. 10	122	21,287	2,733	1,054	116	75	2,348	137	18	293	251	7	28,441
Dec. 17	27	21,060	2,583	1,127	65	154	1,334	58	18	300	219	33	26,978
Dec. 23	6	4,000	2,455	1,133	65	206	1,244	53	20	265	220	6	9,673
Total reserve:													
Dec. 3	19,968	184,160	14,181	21,128	15,288	7,296	40,918	9,362	7,687	10,453	13,794	13,627	357,862
Dec. 10	18,124	173,943	16,559	20,792	15,232	7,456	44,075	9,384	6,873	10,753	13,936	12,476	349,603
Dec. 17	17,666	182,771	19,150	20,731	15,580	8,798	42,714	8,993	6,814	9,842	14,277	14,529	361,865
Dec. 23	17,231	184,108	18,963	21,013	14,543	8,565	38,856	9,237	6,734	10,468	13,852	13,484	357,054
Commercial paper:													
Dec. 3	238	264	157	620	7,530	7,977	2,981	1,612	1,456	4,314	5,221	680	33,050
Dec. 10	211	275	155	651	7,857	7,877	3,447	1,563	1,535	4,202	5,121	675	33,569
Dec. 17	204	249	142	619	7,716	8,046	3,466	1,442	1,419	3,985	5,096	628	33,012
Dec. 23	224	239	128	577	7,584	8,299	3,388	1,431	1,346	3,762	5,106	578	32,662
Bankers' acceptances:													
Dec. 3	5,336	5,615	2,894	736	100	....	1,608	622	421	388	....	586	18,306
Dec. 10	6,253	5,835	2,981	612	100	56	1,448	569	388	343	....	579	19,164
Dec. 17	6,021	6,571	2,651	730	50	57	1,578	648	432	377	....	626	19,741
Dec. 23	6,701	7,540	2,609	726	100	57	1,919	640	434	383	....	650	21,759
United States bonds:													
Dec. 3	986	....	1,973	2,004	....	....	4,110	952	1,188	1,662	....	1,000	13,875
Dec. 10	986	....	1,973	2,330	....	....	4,200	952	1,298	1,662	....	1,000	14,401
Dec. 17	986	....	1,973	2,330	....	....	4,206	952	1,304	1,672	100	1,000	14,523
Dec. 23	986	....	1,973	2,330	....	....	4,206	970	1,304	1,871	420	1,000	15,060
Municipal warrants:													
Dec. 3	2,965	6,635	1,648	2,831	75	335	1,013	430	809	393	63	624	17,821
Dec. 10	2,853	6,493	1,595	2,817	75	335	1,483	417	893	375	63	598	17,997
Dec. 17	2,911	1,486	2,112	2,820	82	335	1,500	397	924	403	72	501	13,543
Dec. 23	2,984	1,771	2,195	2,988	82	330	1,550	397	925	383	72	417	14,094
Federal reserve notes, net assets:													
Dec. 3	1,021	11,755	373	224	....	....	1,799	750	770	....	....	1,426	18,118
Dec. 10	1,387	15,584	300	388	....	....	1,832	386	1,392	....	....	1,017	22,286
Dec. 17	826	15,287	305	219	....	....	1,781	143	1,234	....	....	1,144	20,939
Dec. 23	986	14,163	278	313	....	....	1,695	810	838	....	....	1,925	21,008
Due from other Federal Reserve Banks, net:													
Dec. 3	846	....	6,741	2,645	1,132	2,371	6,860	1,081	3,676	979	822	3,246	[1] 19,775
Dec. 10	1,060	....	5,690	2,769	1,744	2,618	3,216	2,430	3,720	536	881	5,174	[1] 19,718
Dec. 17	2,827	....	2,333	3,186	1,223	2,228	5,850	2,854	4,076	1,157	744	3,137	[1] 21,331
Dec. 23	2,489	....	2,636	2,426	2,012	1,685	8,230	2,021	4,558	1,518	1,194	3,676	[1] 24,977
All other resources:													
Dec. 3	408	363	2,099	202	152	1,007	161	365	61	1,058	592	84	6,552
Dec. 10	485	363	670	341	57	937	232	251	71	1,123	716	89	5,335
Dec. 17	413	388	628	243	74	396	124	340	80	993	537	106	4,322
Dec. 23	323	406	671	199	70	422	178	178	89	986	582	90	4,194
Total resources:													
Dec. 3	31,768	208,792	30,066	30,390	24,277	18,986	59,450	15,174	16,068	19,247	20,492	21,273	485,359
Dec. 10	31,359	202,493	29,923	30,700	25,065	19,279	59,933	15,952	16,170	18,994	20,717	21,608	482,073
Dec. 17	31,854	206,752	29,294	30,878	24,725	19,860	61,219	15,769	16,283	18,429	20,826	21,671	489,276
Dec. 23	31,924	208,227	29,453	30,572	24,391	19,358	60,022	15,684	16,228	19,371	21,226	21,820	490,808

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

Resources and liabilities of each of the Federal Reserve Banks and of the Federal Reserve System at close of business on Fridays, Dec. 3 to Dec. 23, 1915—Continued.

LIABILITIES.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Capital paid in:													
Dec. 3	5,171	11,062	5,270	5,931	3,354	2,422	6,642	2,780	2,498	3,032	2,756	3,941	54,859
Dec. 10	5,154	11,065	5,270	5,931	3,354	2,422	6,644	2,780	2,546	3,040	2,754	3,942	54,902
Dec. 17	5,152	11,063	5,270	5,929	3,354	2,422	6,645	2,781	2,546	3,042	2,754	3,942	54,900
Dec. 23	5,158	11,063	5,270	5,929	3,354	2,423	6,644	2,781	2,546	3,038	2,753	3,942	54,901
Government deposits:													
Dec. 3					5,000	5,000					5,000		15,000
Dec. 10					5,000	5,000					5,000		15,000
Dec. 17					5,000	5,000					5,000		15,000
Dec. 23					5,000	5,000					5,000		15,000
Reserve deposits, net:													
Dec. 3	26,597	178,810	24,796	24,459	10,387	7,683	52,808	12,394	13,570	15,045	9,085	17,332	392,966
Dec. 10	26,205	174,347	24,653	24,769	10,509	7,943	53,289	13,172	13,624	14,625	9,447	17,666	390,249
Dec. 17	26,702	180,653	24,024	24,949	10,512	7,827	54,574	12,988	13,737	14,665	9,519	17,729	397,879
Dec. 23	26,766	182,334	24,183	24,643	10,316	7,812	53,378	12,903	13,682	14,859	9,849	17,878	398,603
Federal Reserve notes, net liability:													
Dec. 3					5,366	3,782				1,170	3,651		13,969
Dec. 10					6,029	3,812				1,329	3,516		14,686
Dec. 17					5,682	4,504				722	3,553		14,461
Dec. 23					5,549	4,023				1,474	3,624		14,670
Due to other Federal Reserve Banks, net:													
Dec. 3		10,624											
Dec. 10		10,120											
Dec. 17		8,284											
Dec. 23		7,468											
All other liabilities:													
Dec. 3		8,296			170	99							8,565
Dec. 10		6,961			173	102							7,236
Dec. 17		6,752			177	107							7,036
Dec. 23		7,362			172	100							7,634
Total liabilities:													
Dec. 3	31,768	208,792	30,066	30,390	24,277	18,986	59,450	15,174	16,068	19,247	20,492	21,273	485,359
Dec. 10	31,359	202,493	29,923	30,700	25,065	19,279	59,933	15,952	16,170	18,994	20,717	21,608	482,073
Dec. 17	31,854	206,752	29,294	30,878	24,725	19,860	61,219	15,769	16,283	18,429	20,826	21,671	489,276
Dec. 23	31,924	208,227	29,453	30,572	24,391	19,358	60,022	15,684	16,228	19,371	21,226	21,820	490,808

Circulation of Federal Reserve notes at close of business on Fridays, Dec. 3 to Dec. 23, 1915.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Federal Reserve notes issued to the bank:													
Dec. 3	8,320	79,160	8,500	9,400	14,500	16,330	4,380	7,950	13,000	9,900	15,175	4,370	190,985
Dec. 10	9,320	83,560	8,760	10,200	15,200	17,450	4,380	7,950	14,000	9,900	15,175	4,370	200,265
Dec. 17	9,320	85,960	9,160	10,600	14,550	17,950	4,380	7,950	14,000	11,000	15,165	5,170	205,205
Dec. 23	10,020	87,040	9,160	11,000	15,630	18,950	4,380	8,950	14,000	11,000	15,155	6,450	211,735
Federal Reserve notes in the hands of the bank:													
Dec. 3	1,021	11,895	373	224	334	968	1,799	1,028	770	915	234	1,426	20,987
Dec. 10	1,387	15,724	300	388	371	938	1,832	664	1,392	571	369	1,017	24,953
Dec. 17	826	15,427	305	219	418	746	1,781	143	1,234	1,278	322	1,144	23,843
Dec. 23	986	14,303	278	313	531	1,227	1,695	810	838	526	241	1,925	23,673
Federal Reserve notes in circulation:													
Dec. 3	7,299	67,265	8,127	9,176	14,166	15,362	2,581	6,922	12,230	8,985	14,941	2,944	169,998
Dec. 10	7,933	67,836	8,460	9,812	14,829	16,512	2,548	7,286	12,608	9,329	14,806	3,353	175,312
Dec. 17	8,494	70,533	8,855	10,381	14,132	17,204	2,599	7,807	12,766	9,722	14,843	4,026	181,362
Dec. 23	9,034	72,737	8,882	10,687	15,099	17,723	2,685	8,140	13,162	10,474	14,914	4,525	188,062
Gold and lawful money deposited with or to the credit of the Federal Reserve Agent:													
Dec. 3	8,320	79,020	8,500	9,400	8,800	11,580	4,380	7,672	13,000	7,815	11,290	4,370	174,147
Dec. 10	9,320	83,420	8,760	10,200	8,800	12,700	4,380	7,672	14,000	8,000	11,290	4,370	182,912
Dec. 17	9,320	85,820	9,160	10,600	8,450	12,700	4,380	7,950	14,000	9,000	11,290	5,170	187,840
Dec. 23	10,020	86,900	9,160	11,000	9,550	13,700	4,380	8,950	14,000	9,000	11,290	6,450	194,400
Carried to net liabilities:													
Dec. 3					5,366	3,782				1,170	3,651		13,969
Dec. 10					6,029	3,812				1,329	3,516		14,686
Dec. 17					5,682	4,504				722	3,553		14,461
Dec. 23					5,549	4,023				1,474	3,624		14,670
Carried to net assets:													
Dec. 3	1,021	11,755	373	224			1,799	750	770			1,426	18,118
Dec. 10	1,387	15,584	300	388			1,832	386	1,392			1,017	22,286
Dec. 17	826	15,287	305	219			1,781	143	1,234			1,144	20,939
Dec. 23	986	14,163	278	313			1,695	810	838			1,925	21,008

Statement of Federal Reserve Agents' accounts at close of business on Fridays, Dec. 3 to Dec. 23, 1915.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Federal Reserve notes:													
Received from the Comptroller—													
Dec. 3	16,360	100,440	12,480	11,600	15,840	19,400	9,380	9,600	17,000	11,000	19,580	10,000	252,680
Dec. 10	16,360	102,240	12,480	11,600	15,840	19,400	9,380	9,600	19,000	11,000	19,580	10,000	256,480
Dec. 17	16,360	104,240	12,480	12,600	16,320	19,900	9,380	9,600	19,000	11,000	19,580	10,000	260,460
Dec. 23	16,360	106,240	12,480	12,600	17,000	20,400	9,380	9,600	19,000	11,000	19,580	10,000	263,640
Returned to the Comptroller—													
Dec. 3	400	....	540	40	....	....	120	....	....	....	25	230	1,355
Dec. 10	400	....	640	80	....	....	120	....	....	....	25	230	1,495
Dec. 17	400	....	640	80	....	....	120	....	....	....	61	230	1,531
Dec. 23	500	....	640	80	....	....	120	....	....	....	61	230	1,631
Chargeable to the Federal Reserve Agent—													
Dec. 3	15,960	100,440	11,940	11,560	15,840	19,400	9,260	9,600	17,000	11,000	19,555	9,770	251,325
Dec. 10	15,960	102,240	11,840	11,520	15,840	19,400	9,260	9,600	19,000	11,000	19,555	9,770	254,985
Dec. 17	15,960	104,240	11,840	12,520	16,320	19,900	9,260	9,600	19,000	11,000	19,519	9,770	258,929
Dec. 23	15,860	106,240	11,840	12,520	17,000	20,400	9,260	9,600	19,000	11,000	19,519	9,770	262,009
In the hands of the Federal Reserve Agent—													
Dec. 3	7,640	21,280	3,440	2,160	1,340	3,070	4,880	1,650	4,000	1,100	4,380	5,400	60,340
Dec. 10	6,640	18,680	3,080	1,320	640	1,950	4,880	1,650	5,000	1,100	4,380	5,400	54,720
Dec. 17	6,640	18,280	2,680	1,920	1,770	1,950	4,880	1,650	5,000	....	4,354	4,600	53,724
Dec. 23	5,840	19,200	2,680	1,520	1,370	1,450	4,880	650	5,000	....	4,364	3,320	50,274
Issued to Federal Reserve Bank, net—													
Dec. 3	8,320	79,160	8,500	9,400	14,500	16,330	4,380	7,950	13,000	9,900	15,175	4,370	190,985
Dec. 10	9,320	83,560	8,760	10,200	15,200	17,450	4,380	7,950	14,000	9,900	15,175	4,370	200,265
Dec. 17	9,320	85,960	9,160	10,600	14,550	17,950	4,380	7,950	14,000	11,000	15,165	5,170	205,205
Dec. 23	10,020	87,040	9,160	11,000	15,630	18,950	4,380	8,950	14,000	11,000	15,155	6,450	211,735
Amounts held by Federal Reserve Agent:													
In reduction of liability on outstanding notes—													
Gold coin and certificates on hand—													
Dec. 3	8,320	79,020	8,500	8,930	....	380	....	6,672	10,000	3,815	9,540	....	135,177
Dec. 10	9,320	83,420	8,760	9,690	....	500	....	6,672	10,000	2,000	9,540	....	139,902
Dec. 17	9,320	85,820	4,160	10,070	....	....	....	5,950	10,000	2,000	9,540	....	136,860
Dec. 23	10,020	86,900	4,160	10,470	....	....	....	3,950	10,000	2,000	9,540	....	137,040
Lawful money on hand—													
Dec. 3	....	....	....	....	....	....	....	....	....	....	....	....	....
Dec. 10	....	....	....	....	....	....	....	....	....	....	....	....	....
Dec. 17	....	....	....	....	....	....	....	....	....	....	....	....	....
Dec. 23	....	....	....	....	....	....	....	....	....	....	....	....	....
Credit balances in gold redemption fund—													
Dec. 3	....	....	....	470	....	....	120	....	....	....	....	....	590
Dec. 10	....	....	....	510	....	....	120	....	....	....	....	....	630
Dec. 17	....	....	....	530	....	....	120	....	....	....	....	....	650
Dec. 23	....	....	....	530	....	....	120	....	....	....	....	....	650
Credit balances with Federal Reserve Board—													
Dec. 3	....	....	....	....	8,800	11,200	4,260	1,000	3,000	4,000	1,750	4,370	38,380
Dec. 10	....	....	....	....	8,800	12,200	4,260	1,000	4,000	6,000	1,750	4,370	42,380
Dec. 17	....	....	5,000	....	8,450	12,700	4,260	2,000	4,000	7,000	1,750	5,170	50,330
Dec. 23	....	....	5,000	....	9,550	13,700	4,260	5,000	4,000	7,000	1,750	6,450	56,710
As security for outstanding notes—													
Commercial paper—													
Dec. 3	....	140	....	....	5,700	4,750	....	278	....	2,085	3,885	....	16,838
Dec. 10	....	140	....	....	6,400	4,750	....	278	....	1,900	3,885	....	17,353
Dec. 17	....	140	....	....	6,100	5,250	....	....	....	2,000	3,875	....	17,365
Dec. 23	....	140	....	....	6,080	5,250	....	....	....	2,000	3,865	....	17,335
Total—													
Dec. 3	8,320	79,160	8,500	9,400	14,500	16,330	4,380	7,950	13,000	9,900	15,175	4,370	190,985
Dec. 10	9,320	83,560	8,760	10,200	15,200	17,450	4,380	7,950	14,000	9,900	15,175	4,370	200,265
Dec. 17	9,320	85,960	9,160	10,600	14,550	17,950	4,380	7,950	14,000	11,000	15,165	5,170	205,205
Dec. 23	10,020	87,040	9,160	11,000	15,630	18,950	4,380	8,950	14,000	11,000	15,155	6,450	211,735
Memorandum:													
Total amount of commercial paper delivered to the Federal Reserve Agent—													
Dec. 3	....	140	....	....	6,558	4,751	....	278	....	2,088	4,513	....	18,328
Dec. 10	....	140	....	....	6,697	5,251	....	278	....	1,902	4,484	....	18,752
Dec. 17	....	140	....	....	6,187	5,251	....	....	....	2,019	4,338	....	17,935
Dec. 23	....	140	....	....	6,120	5,252	....	....	....	2,019	3,920	....	17,451

GOLD IMPORTS AND EXPORTS.

Imports of gold, by customs districts, Jan. 1 to Dec. 24, 1915.

[In thousands of dollars.]

	Maine and New Hampshire.	Maryland.	New York.	Porto Rico.	Rhode Island.	Florida.	New Orleans.	Arizona.	El Paso.	Laredo.	Alaska.	San Francisco.	Southern California.	Washington.	Buffalo.	Chicago.	Dakota.	Duluth and Superior.	Michigan.	St. Lawrence.	Vermont.	Total.
Week ending Nov. 26.																						
Ore and base bullion			3				19					166		44					46			278
United States mint or assay office bars															40							40
Bullion, refined			224					1							49							274
United States coin						8																8
Foreign coin			8,731			48						1,509										10,288
Total			8,958			56	19	1				1,675		44	89				46			10,888
Week ending Dec. 3.																						
Ore and base bullion			4				14	1		16		54		29	4		11		27			160
Bullion, refined			687		5									88	42							822
United States coin												2								1		3
Foreign coin			16,483																			16,483
Total			17,174		5		14	1		16		56		117	46		11		27	1		17,468
Week ending Dec. 10.																						
Ore and base bullion			13				6	3				1		90	4				53			170
United States mint or assay office bars															95							95
Bullion, refined			751		5				1			1,281			39							2,077
Foreign coin			13,520									1,800										15,320
Total			14,284		5		6	3	1			3,082		90	138				53			17,662
Week ending Dec. 17.																						
Ore and base bullion										1	392	15		38	60		12		2			520
United States mint or assay office bars																						
Bullion, refined			367					4			124	2										497
United States coin														1								1
Foreign coin			3,424									521										3,945
Total			3,791					4		1	516	538		39	60		12		2			4,963
Week ending Dec. 24.																						
Ore and base bullion			9				30	8						74	40		5		37			203
United States mint or assay office bars															11					200		211
Bullion, refined			532					15				40		99	110							796
United States coin			8																	1		9
Foreign coin	1		5,262																			[1]6,326
Total	1		5,811				30	23				40		173	161		5		37	201		[1]7,545
Jan. 1 to Dec. 24.																						
Ore and base bullion	1		947				442	368	160	28	664	1,148	7	3,774	5,299	5	162	1	1,662	1		14,669
United States mint or assay office bars															164					7,120		7,284
Bullion, refined			13,267		35	10		474	1,334		3,553	14,330		2,757	798					8,131		44,689
United States coin	48,390		20,526	3		23	5				7	24	1	13	49					86,564	1	155,606
Foreign coin	11,651	50	106,000			3,259	30		8			51,243		996						39,323	4	[1]213,627
Total	60,042	50	140,740	3	35	3,292	477	842	1,502	28	4,224	66,745	8	7,540	6,310	5	162	1	1,662	141,139	5	[1]435,875

[1] Includes $3,000 for Massachusetts and $1,060,000 for Philadelphia not shown in the table.

Exports of gold, by customs districts, Jan. 1 to Dec. 24, 1915.

[In thousands of dollars.]

	Maine and New Hampshire.	New York.	Porto Rico.	New Orleans.	aska.	Hawaii.	San Francisco.	Washington.	Buffalo.	Dakota.	Duluth and Superior.	Michigan.	Montana and Idaho.	St. Lawrence.	Vermont.	Total.
Week ending Nov. 26.																
United States mint or assay office bars									10							10
Bullion, refined, domestic											1					1
United States coin		17						3	400							420
Foreign coin		97														97
Total		114						3	410		1					528
Week ending Dec. 3.																
Ore and base bullion								35								35
United States mint or assay office bars									5							5
Bullion, refined, domestic									5			2		5		12
United States coin		101				7										108
Foreign coin														974		974
Total		101				7		35	10			2		979		1,134
Week ending Dec. 10.																
United States mint or assay office bars														255		255
Bullion, refined, domestic									7					1	1	9
United States coin		100												10		110
Foreign coin		5												975		980
Total		105							7					1,241	1	1,354
Week ending Dec. 17.																
Ore and base bullion									5							5
United States mint or assay office bars		499														499
Bullion, refined:																
Domestic									5							5
Foreign																
United States coin		125						3						10		138
Foreign coin	2								1					1,589		1,592
Total	2	624						3	11					1,599		2,239
Week ending Dec. 24.																
Ore and base bullion									7							7
United States mint or assay office bars														149		149
Bullion, refined:																
Domestic									1						1	2
Foreign																
United States coin		7					458	1						1		467
Foreign coin														2,070		2,070
Total		7					458	1	8					2,220	1	2,695
Jan. 1 to Dec. 24.																
Ore and base bullion					41			313	18					1		373
United States mint or assay office bars		499							136					719		1,354
Bullion, refined:																
Domestic	2							25	60	4	2	12		12	20	137
Foreign									20							20
United States coin		12,387		10		32	656	122	908			1	2	976	1	15,095
Foreign coin	2	4,077	1						134					5,632		9,846
Total	4	16,963	1	10	41	32	656	460	1,276	4	2	13	2	7,340	21	26,825

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