

FEDERAL RESERVE BULLETIN

JULY, 1928



ISSUED BY THE
FEDERAL RESERVE BOARD
AT WASHINGTON

Mid-year Review of Banking Developments
Earnings and Expenses of Member Banks
Annual Report of the Bank of Italy



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1928

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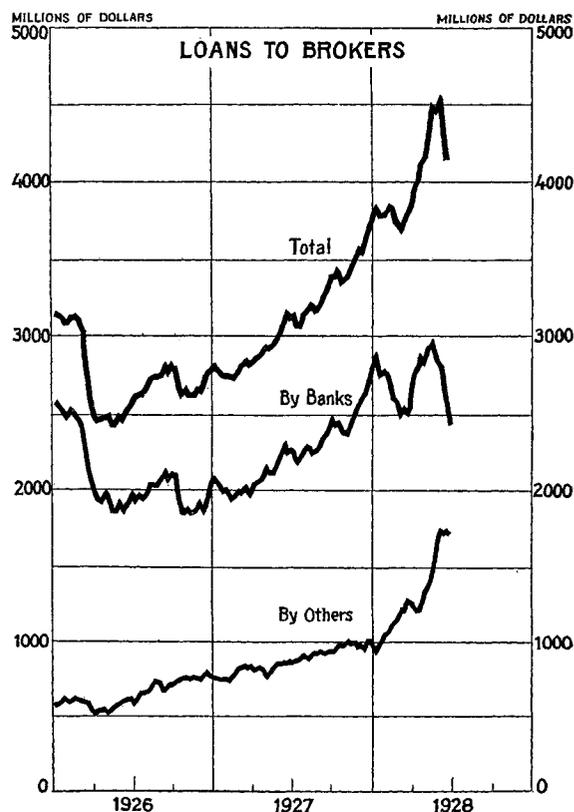
REVIEW OF THE MONTH

Member bank credit, which increased continuously from the middle of February to the middle of May and reached a record figure on May 16, declined considerably during the following month, but rose again to a new high level early in July. The reduction in bank credit between the middle of May and the end of June was entirely in loans on securities, which at the end of the fiscal year were more than \$200,000,000 below the level of a month earlier. This liquidation of security loans was accompanied by a growth, although in smaller volume, in all other loans, including loans for industrial and commercial purposes, and in bank holdings of investments. Deposits of member banks showed a larger decline than loans, and this decline in deposits was reflected in a decrease of member bank reserve balances. Notwithstanding the smaller reserve requirements of the member banks, there was an increase in the volume of reserve bank credit outstanding owing to a seasonal growth in the demand for currency and a continued withdrawal of gold for export. Conditions in the money market remained firm, and money rates were at a higher level in June than at this season of any other year since 1923. Early in July open-market rates advanced further, and the discount rates at the Federal Reserve Banks of Chicago, New York, and Richmond were raised from 4½ to 5 per cent.

Reduction in the volume of security loans by member banks in June was a reflection of the heavy liquidation of loans to brokers and dealers in securities that accompanied a decline in security prices. From a peak figure of \$4,560,000,000 on June 6, brokers' loans declined by about \$400,000,000 to \$4,160,000,000 on June 27 and after some advance stood at \$4,263,000,000 on July 11. This

Recent loan liquidation

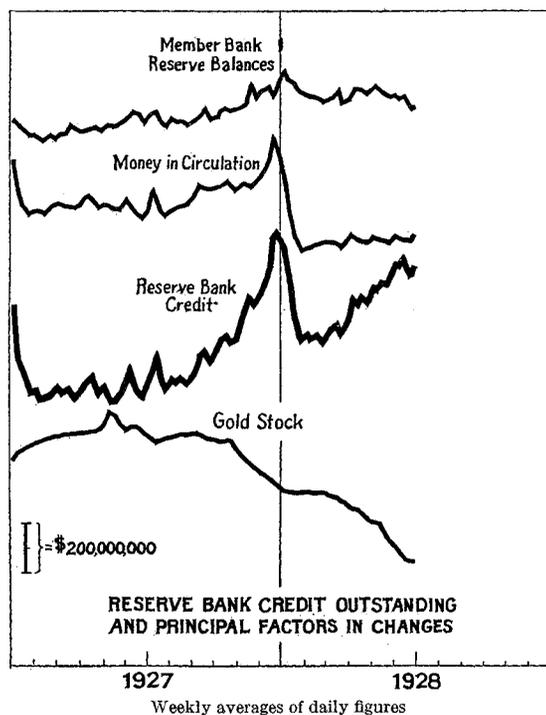
liquidation was practically all in loans made by the New York City banks for their own account and for account of their out-of-town correspondents. Loans for account of others, including foreign banks, corporations, and individuals, remained practically unchanged. The liquidation of brokers' loans was considerably larger than the decline in total loans on



securities by reporting member banks, indicating that the liquidation represented in part a transfer of borrowings by customers from brokers, who in turn were borrowing at the banks, to direct loans from the banks. A similar development took place during the rapid liquidation of brokers' loans in the spring of 1926. On June 27, the total of loans

made to brokers and dealers by domestic banks was at the low point for the year, as is brought out by the chart, and lower than two and one-half years ago when the information first became available. Compared with a year ago, however, the volume of bank loans to brokers and dealers was about \$150,000,000 larger.

Comparison of the banking position at the close of the fiscal year 1928 with that of about a year ago, a comparison that is customary in the midsummer review, brings out the fact that between the middle of May, 1927, when this



country's gold holdings were at their peak, and the end of June of this year there was a decrease in the gold stock of about \$580,000,000 and an increase in reserve bank credit outstanding of about \$520,000,000. Demand for reserve bank credit arising from currency needs of the country declined by \$120,000,000 during the period, while member bank reserves increased by about \$60,000,000. Gold movements, changes in currency demand, and in reserve requirements of member banks are the three principal channels through which changes in

the business and credit situation in the country are reflected in the position of the reserve banks. The accompanying chart and a table of which regular publication is begun in this issue¹ show the movement of these three principal factors and the course of Federal reserve bank credit in weekly averages of daily figures for the past year and a half. The loss from the country's monetary stock of gold in a little over a year of \$580,000,000, including net loss through exports and through earmarkings, indicates the extent to which the gold accumulated in this country during the period of monetary disorganization of the world has been redistributed, largely in connection with the adoption of monetary reforms by different foreign countries. Of the more than \$500,000,000 of net gold exports between the middle of May, 1927, and the end of June, 1928, covering transactions with all countries except Canada, the larger part went to the following eight countries: France, \$257,000,000; Argentina, \$131,000,000; Brazil, \$55,000,000; England, \$33,000,000; Germany, \$27,000,000; Italy, \$20,000,000; Uruguay, \$11,000,000; and Poland, \$8,000,000.

The building up of the gold reserves of the Bank of France, the largest single taker of the metal during the year, has been definitely connected with the French monetary reform which was consummated on June 25. On that date the Bank of France resumed the obligation to redeem its notes on demand in gold coin or bullion at its option at the rate of 65½ milligrams of gold, nine-tenths fine, to the franc. The new dollar parity of the franc is at the rate of 3.9179 cents per franc, or about 20 per cent of the pre-war parity of 19.3 cents per franc. In returning to a gold basis, France has adopted legislative provisions establishing the principles of an unlimited gold standard, but has for the present given the central bank the option of redeeming its notes either in coin or in bullion, and of fixing a minimum amount below which the bank will

¹ Page 459.

not redeem notes. For the present this minimum amount has been fixed at 215,000 francs, or about \$8,400. The limit on the total note issue of the Bank of France has been removed, and instead the bank is required to keep a 35 per cent gold reserve against its notes and other demand liabilities.

Argentina, the second largest importer of gold from the United States during the period, resumed gold payments in August of last year and, under favorable trade and exchange conditions, took a large amount of gold from this country. Of the other countries which received considerable amounts of gold during the period, Italy and Poland also adopted monetary reforms, while Brazil and Uruguay were making preparations for such a reform. Gold purchases by Germany have had the effect of strengthening the reserve position of the Reichsbank, and the exports to England have occurred at a time when the amalgamation of the currency issues of the bank and the treasury, the last step in England's monetary reconstruction, was under legislative consideration.

In addition to the gold obtained in this country, the gold holdings of these foreign countries have been augmented from other sources, including new gold production available for monetary use, which has amounted to about \$200,000,000 for the period, and purchases by central banks of gold previously held in hoards. Central gold reserves of these countries, which together drew upon the gold stock of the United States to the extent of about \$675,000,000, showed a total increase of more than \$900,000,000 for the period, indicating that a considerable amount of the gold was added to the reserves of these foreign central banks from other sources than the gold stock of the United States. The gold reserves of the Bank of France, for example, increased by about

\$425,000,000; those of the Bank of England by about \$85,000,000; those of the German Reichsbank by about \$55,000,000; and those of the Bank of Poland by about \$45,000,000.

Next to gold exports, the largest of the factors of change in the demand for reserve bank credit has been the decrease of \$120,000,000 in the demand for currency. This amount of cash having flowed from circulation into the vaults of the member banks was deposited by them with the Federal reserve banks and has enabled them to increase their reserve balances to that extent without borrowing. The decrease in currency during a period when prices showed little change and there was no evidence of a decrease in retail trade may be attributed in large part to a decline in employment and wage payments. In recent weeks there has been a sharp seasonal increase in the demand for currency in connection with the requirements of holiday travel.

Member bank reserves, which with gold and currency movements are among the principal factors affecting the volume of reserve bank credit, increased by about \$60,000,000 between the middle of May, 1927, and the end of June of the present year, reflecting a much larger increase in the member banks' deposit liabilities. For all member banks the growth in net demand deposits for the year ending in June, 1928, was \$633,000,000, and the increase in time deposits was \$1,280,000,000. No figures of loans and investments for all member banks are available for a date later than February, but an analysis of changes in the position of member banks between June of this year and June of 1927 can be made on the basis of the weekly reports received from member banks in leading cities. The following table shows these changes, distinguishing between

Decline in currency demand

Other gold-importing countries

Growth of member bank credit

the banks in New York City and in other leading cities:

REPORTING MEMBER BANKS			
[Monthly average of weekly figures. In millions of dollars]			
	Change between June, 1927, and June, 1928		
	All report- ing banks	New York City banks	Other banks
Total loans and investments.....	+1,702	+707	+995
Security loans.....	+727	+263	+464
All other loans.....	+400	+350	+50
Investments.....	+575	+94	+481

Total loans and investments of the reporting member banks increased during the year by about \$1,700,000,000, of which about \$700,000,000 was at banks in New York City. The growth for the year was largest in security loans, which increased by \$730,000,000, and in investments, which advanced by \$575,000,000, while all other loans, including loans for commercial and agricultural purposes, as well as real estate loans, increased by \$400,000,000. Comparison between the banks in New York City and in other leading cities indicates that the larger part of the growth of security loans was outside of New York. Loans placed by New York City banks for account of their out-of-town correspondents, however, appear in the condition reports as loans of out-of-town banks, and, therefore, a part of the growth in security loans of banks in other leading cities represents loans placed by outside banks in the New York money market. The increase for the year in so-called "all other loans," which include regular line-of-credit loans to customers as well as real estate and other loans, occurred largely at the New York City banks, and there is evidence that it represents to some extent increased borrowing by commercial customers for the purpose of carrying securities. Of the growth in the banks' holdings of investments the larger part was outside of the banks in New York City. As a consequence of large withdrawals of gold for export, the growth in member bank deposits was much smaller than the increase in their loans and investments, and this largely accounts

for the increased indebtedness of the member banks at the reserve banks.

Borrowing by member banks at the reserve banks increased by nearly \$600,000,000 during

Borrowings at the reserve banks the year and was in larger volume in June than at any other time in more than six years.

There was no considerable change in the reserve banks' holdings of acceptances and a decrease of \$150,000,000 in the system's investments in Government securities. United States security holdings of the reserve banks, which increased rapidly in the second half of 1927, when the reserve banks made purchases in the open market largely to offset the effects of gold exports, have declined steadily during the first six months of the present year, when the reserve banks sold securities as a part of the policy directed toward firmer conditions in the money market. In June the system's security holdings at about \$225,000,000 were lower than at any other time in five years. The growth in member-bank borrowings for the year, therefore, reflected in addition to the effect of gold exports, also the influence of open-market operations by the reserve banks.

A factor in the general credit and investment situation during the fiscal year under

Reduction of public debt review has been the continuous reduction of the public debt, which has amounted to about \$900,000,000 for the period. The effects on the credit situation of Treasury operations in the retirement of the public debt, however, are under present conditions largely temporary in character and concentrated around the quarterly tax paying dates. At these periods the retirement of outstanding issues of certificates of indebtedness in excess of new issues floated results in temporary additions to the funds in the money market pending the collection of income-tax checks. These conditions, however, continue only for a few days, as the taxpayers' checks in favor of the Treasury when collected result in the withdrawal from the market of funds sufficient to offset the excess of securities coming due over new

securities issued. During the interval the Treasury issues temporary day-to-day certificates to the reserve banks to cover its temporary deficiency. These operations on tax-paying dates are illustrative of the general fact that debt retirement by the Treasury has only a temporary effect on the money market. Funds used by the Treasury in debt retirement are obtained through taxation and, therefore, represent a reduction of the deposit accounts of the taxpayers, and when these funds are used to retire public debt they are turned over to the holders of Government obligations and thus reappear among the deposits held by the general public. The series of operations involves a temporary transfer of funds from private account to Government account when taxes are paid, followed by a restoration of the funds to private account when obligations are purchased in the market or paid off at maturity by the Treasury. At no time does the operation involve any more than a temporary change in the amount of funds at the disposal of commercial banks for extending loans or making investments.

Another question arises about the extent to which debt retirement, though it does not change the total volume of funds in the market, may nevertheless, through the transfer of funds from taxpayers to holders of securities, increase the volume of funds available for investment. Under existing conditions, the effect of Treasury disbursements in reduction of debt on the volume of investment funds is relatively limited, except to the extent that purchases or cancellations of securities are made by the Government with funds obtained under foreign debt settlements. Under a system of taxation where a large number of taxpayers turn over to the Government a part of their income, which otherwise would have been expended in the purchase of goods, and the Government uses funds thus obtained in the retirement of securities held mainly by large investors, the retirement of public debt would result in the conversion of a considerable volume of current income into investment funds. But since

under the system of taxation in the United States a large part of the contributions to the Government comes from persons with large incomes, which would normally be available in part for investment purposes, a relatively small amount of new investment funds is created by debt retirement. No precise data are available covering the incidence of the various taxes with reference to the distribution of Government securities. Customs and miscellaneous internal revenue and corporation taxes are widely diffused in their incidence, but returns of the individual income tax, from which about one-fifth of the Government revenue is derived, indicate that more than one-half of the taxes on individual incomes are paid on incomes in excess of \$100,000 and less than 5 per cent on incomes of \$10,000 or less. In these circumstances funds collected through taxation would be available in large part for investment, whether they previously passed through the hands of the Government or were used in the first instance by the investing public.

Advances in Discount Rates and Bill Rates

Advances of discount rates from $4\frac{1}{2}$ to 5 per cent on all classes of paper of all maturities were made at the following banks, effective on the dates indicated: Chicago, July 11; New York and Richmond, July 13. Buying rates on acceptances were also advanced.

Publication of Revised Digest of Rulings

The Federal Reserve Board has in the course of preparation a Digest of Rulings which is intended to supersede and bring up to date the former edition of the Digest of Rulings which was published several years ago covering the period from 1914 to 1923, inclusive. The new volume, which will cover the period from 1914 to 1927, inclusive, is expected to be ready for distribution in a few weeks.

As was the case with the former Digest of Rulings, the main part of the revised edition is given over to digests or summaries of all the board's rulings, opinions of its counsel and of the Attorney General, court decisions, and similar matters which have been published in

the FEDERAL RESERVE BULLETIN. These digests give in brief and concise form the gist of the rulings and opinions which have interpreted the various provisions of the Federal reserve act and other laws affecting the Federal reserve system, and they state the salient facts and conclusions reached in sufficient detail to make it unnecessary in most cases to refer to the full text of the rulings as published in the BULLETIN. The plan of the former Digest of Rulings has been continued in the new volume, the digests being numbered and arranged according to the sections of the Federal reserve act and other acts to which they primarily relate with groupings under appropriate headings and subheadings. Convenient cross references and cross-reference tables have been included as an aid to ready use.

The revised Digest of Rulings includes the following features which were published in the former digest: The text of the regulations of the Federal Reserve Board; the text of the Federal reserve act as amended; the Federal reserve act as originally enacted December 23,

1913; a compilation showing by italicized and canceled words the textual changes made in the original act by amendments thereto; a nontechnical summary of these amendments setting forth the purpose and effect of the changes made; a list of the officers of the Federal Reserve Board and of the Federal reserve banks, and the Federal Advisory Council; and a map of the Federal reserve system. In addition, however, the revised Digest of Rulings will contain the text of the national bank act, the instructions of the Comptroller of the Currency relating to the organization and powers of national banks, and the regulations of the Comptroller of the Currency defining the term "investment securities." The former Digest of Rulings has proven useful as a convenient handbook of the Federal reserve system; and it is confidently expected that the forthcoming volume will be of even greater value.

The price of the revised Digest of Rulings will be \$2. Orders will now be received by the Federal Reserve Board.

EARNINGS AND EXPENSES OF MEMBER BANKS

During the last half of 1927 combined net profits of all member banks in the Federal reserve system amounted to \$216,014,000, being less by nearly \$15,000,000 than in the first half of the year and representing a return of 8.21 per cent on capital funds.¹ This rate of profits compares with 9.13 per cent for the first six months of 1927 and 8.53 per cent for the last six months of 1926. The decline in net profits reflects considerable increase in expenses and losses, which together more than offset an increase of about \$46,000,000 in gross earnings. Earnings and expenses of member banks for six-month periods since June 30, 1926, are summarized in the accompanying table. These and other statistics of member-bank earnings and expenses presented in the succeeding summary tables, and in greater detail on pages 536-539 of this issue of the BULLETIN, are based upon reports which the banks are required to submit semiannually—State bank members reporting to the Federal Reserve Board and national banks to the Comptroller of the Currency. The table on page 539 showing the results of operations of national banks during the last half of 1927 was furnished for separate publication in the BULLETIN in order that more timely use might be made of the information than would be possible if it were made avail-

able only upon publication of the comptroller's annual report at the end of the year.²

EARNINGS AND EXPENSES OF MEMBER BANKS, JUNE 30, 1926, TO DECEMBER 31, 1927

[In thousands of dollars]

	Last 6 months of 1927			First 6 months of 1927 (9,099 banks)	Last 6 months of 1926 (9,251 banks)
	Amount (9,034 banks)	Increase or decrease as compared with—			
		First 6 months of 1927	Last 6 months of 1926		
Gross earnings.....	1,083,112	+45,947	+51,407	1,037,165	1,031,705
Expenses.....	776,668	+37,632	+40,503	739,036	736,165
Net earnings.....	306,444	+8,315	+10,904	298,129	295,540
Total losses.....	117,268	+25,843	+6,419	91,425	110,849
Recoveries.....	26,838	+2,547	+3,107	24,291	23,731
Net losses.....	90,430	+23,296	+3,312	67,134	87,118
Net profits.....	216,014	-14,981	+7,592	230,995	208,422

* Total losses charged off less recoveries on assets previously charged off.

² Statistics tabulated from the reports of member State banks are published from time to time in the FEDERAL RESERVE BULLETIN (see p. 371 of the issue for May, 1928); national bank figures are published in the annual report of the Comptroller of the Currency (see pp. 48-63 and 601-627 of the report for 1927); and all member bank-statistics, together with some analytical material, have been published in previous issues of the BULLETIN (see pp. 402-405 of the issue for June, 1925; pp. 869-873 of the issue for December, 1925; pp. 409-414 of the issue for June, 1926; pp. 22-28 of the issue for January, 1927; and pp. 460-463 and 549-553 of the issue for July, 1927; pp. 830-832 and pp. 882-885 of the issue for December, 1927).

¹ Capital funds include capital, surplus, and undivided profits, less reserves for interest, taxes, etc., accrued.

Summary for 1927.—Member bank profits for the entire year 1927, at \$447,009,000, were larger than for any preceding calendar year for which figures are available, exceeding profits in 1926 by more than \$15,000,000. They represented, however, a somewhat lower rate of return, 8.66 per cent on capital funds, than that of 8.95 per cent earned in 1926. Capital funds averaged \$5,163,000,000³ during 1927, showing an increase of \$343,000,000, or nearly 7 per cent over 1926.

Member bank gross earnings were about \$90,000,000 larger in 1927 than in the year before. Notwithstanding the fact that the general level of interest rates was somewhat lower in 1927 than in 1926, interest earned by member banks showed an increase of nearly \$36,000,000. This increase reflected a growth of more than \$1,600,000,000, or about 5 per cent, in the total volume of their principal earning assets—their loans and investments—which averaged more than \$33,000,000,000 during the year. Earnings other than interest consist chiefly of earnings on exchange, collection and trust operations, profits on securities sold, and commissions; although constituting a relatively small proportion of the banks' total earnings, these items accounted for more than one-half of the increase in gross earnings during the year.

Total expenses increased by about \$72,000,000 in 1927, reflecting chiefly increased amounts of interest paid on deposits and increased expenditures for salaries and wages. Interest paid on borrowed money was less in 1927 than in 1926. Total losses charged off increased in 1927 and recoveries on assets previously charged off declined, with the result that net losses increased by about \$3,000,000.

The increase of \$15,526,000 in profits remaining after deduction of expenses and net losses represented an increase for both national and state member banks. Increased gross earnings for each class of members were largely absorbed by increased expenses. While the net losses charged off by state member banks

showed a small decline, net losses of national banks increased.

EARNINGS AND EXPENSES OF MEMBER BANKS DURING 1927

[In thousands of dollars]

	All member banks	National member banks	State member banks
Gross earnings:			
Interest earned	1,749,008	1,107,242	641,766
Other earnings	371,269	182,055	189,214
Total	2,120,277	1,289,297	830,980
Total expenses	1,515,704	918,816	596,888
Net earnings	604,573	370,481	234,092
Total losses	208,693	148,225	60,468
Recoveries	51,129	35,027	16,102
Net losses	157,564	113,198	44,366
Net profits	447,009	257,283	189,726
Loans and investments ¹	33,029,447	20,480,231	12,549,216
Capital funds ^{1,2}	5,162,702	3,254,507	1,908,195
	Increase or decrease in 1927 as compared with 1926		
Gross earnings:			
Interest earned	+35,901	+44,038	-8,137
Other earnings	+54,513	+32,237	+22,276
Total	+90,414	+76,275	+14,139
Total expenses	+71,848	+59,940	+11,908
Net earnings	+18,566	+16,335	+2,231
Total losses	+1,163	+2,394	-1,231
Recoveries	-1,877	-1,635	-242
Net losses	+3,040	+4,029	-989
Net profits	+15,526	+12,306	+3,220
Loans and investments	+1,640,290	+1,218,504	+421,786
Capital funds	+342,573	+177,324	+165,249

¹ Average of amounts from reports of condition for 5 call dates, Dec. 31, 1926, to Dec. 31, 1927.

² Capital, surplus, and undivided profits, less reserves for taxes, interest, etc., accrued.

Analysis of earnings and expenses.—Growth in volume of the principal earning assets of member banks during the year, as has already been pointed out, in part explains the increase in earnings and expenses. In order to make allowances for growth in the volume of the banks' operations (as roughly measured by the volume of their loans and investments) in analyzing earnings and expenses, these are expressed in the following table as amounts per \$100 of earning assets.

³ Average of amounts from condition reports for five call dates December 31, 1926, to December 31, 1927.

ANALYSIS OF MEMBER BANK EARNINGS AND EXPENSES DURING 1926 AND 1927

	All member banks		National member banks		State member banks	
	1927	1926	1927	1926	1927	1926
Amounts per \$100 of earning assets ¹						
Gross earnings:						
Interest earned.....	\$5.30	\$5.46	\$5.41	\$5.51	\$5.11	\$5.36
Other earnings.....	1.12	1.01	.89	.78	1.51	1.38
Total.....	6.42	6.47	6.30	6.30	6.62	6.74
Total expenses.....	4.59	4.60	4.49	4.46	4.76	4.82
Net earnings.....	1.83	1.87	1.81	1.84	1.87	1.91
Total losses.....	.63	.66	.72	.76	.48	.51
Recoveries.....	.15	.17	.17	.19	.13	.13
Net losses.....	.48	.49	.55	.57	.35	.37
Net profits.....	1.35	1.37	1.26	1.27	1.51	1.54
Other ratios						
Earning assets per \$1 of capital funds.....	6.40	6.51	6.29	6.26	6.58	6.96
Net profits per \$100 of capital funds ²	8.66	8.95	7.91	7.96	9.94	10.70

¹ Total loans and investments.

² Obtained by dividing net profits by capital funds; equivalent to the product of the two preceding ratios.

During 1927 all forms of interest earned by member banks amounted to \$5.30 per \$100 of earning assets, compared with \$5.46 in 1926. Since this interest was earned almost entirely on loans and investments, these percentages approximate closely average rates of income on loans and investments; the small decline reflects the lower level of interest rates prevailing in 1927, together with differences in the make-up of the banks' loan and investment portfolios in 1927 as compared with 1926. Earnings other than interest and discount were \$1.12 per \$100 of earning assets in 1927, as against \$1.01 in 1926. Gross earnings per \$100 of earning assets, at \$6.42, were only slightly smaller in 1927 than in the year before; total expenses, at \$4.59, and net losses, at 48 cents, were at about the same rate per \$100 of earning assets in both years. As a result net profits in 1927 amounted to \$1.35 per \$100 of earning assets, compared with \$1.37 in 1926.

Comparison of averages for 1927 and 1926 shows that, as a result of a relatively larger growth in capital funds than in loans and investments, member banks had only \$6.40 of earning assets for each dollar of capital funds in 1927, as against \$6.51 in 1926. Net profits, at \$1.35 per \$100 of earning assets in 1927—about the same rate as the year before—therefore represented a smaller rate of return on capital funds in 1927 (8.66 per cent) than in 1926 (8.95 per cent).

Interest received and interest paid.—Beginning with December 31, 1926, interest, dis-

count, and dividends earned by member banks, together with interest paid on deposits, has been reported to show separately amounts received on loans, on investments, and on balances with other banks, and amounts paid on time deposits, on demand deposits, and on balances due to other banks. Comparison of amounts of the several classes of interest for the year 1927 with the average amounts on which they were earned or paid indicates the approximate rates that were effective during the year. Such comparisons, together with the indicated rates, are presented in the accompanying table. The interest figures are in part estimates, since unclassified interest payments, which, however, represented relatively a small amount, were apportioned among the reported items. It should be noted further that the rates shown in the table are only approximate, since the average amounts of loans, investments, and deposits are only approximations derived from figures for five call dates.

INTEREST EARNED AND DEPOSIT INTEREST PAID BY MEMBER BANKS IN 1927
[Amounts in thousands of dollars]

	All member banks	National member banks	State member banks
Interest and discount earned: ¹			
On loans.....	1,254,289	790,014	464,275
On investments ²	458,401	289,572	168,829
Total.....	1,712,690	1,079,586	633,104
On balances with other banks.....	36,318	27,656	8,662
Volume: ³			
Of loans.....	23,279,515	14,080,638	9,198,877
Of investments.....	9,749,932	6,399,593	3,350,339
Total.....	33,029,447	20,480,231	12,549,216
Of balances with other banks.....	2,043,500	1,533,409	510,091
Approximate rates earned:			
On loans.....	5.4	5.6	5.0
On investments.....	4.7	4.5	5.0
Total.....	5.2	5.3	5.0
On balances with other banks.....	1.8	1.8	1.7
Interest paid on deposits: ¹			
Time.....	405,711	248,433	157,278
Demand.....	225,685	125,785	99,900
Bank.....	81,642	57,545	24,097
Total.....	713,038	431,763	281,275
Volume of deposits: ³			
Time.....	12,138,287	7,258,565	4,879,722
Demand.....	17,862,042	11,035,699	6,826,343
Bank.....	4,119,518	2,897,928	1,221,590
Total.....	34,119,847	21,192,192	12,927,655
Approximate rates paid on deposits:			
Time.....	3.3	3.4	3.2
Demand.....	1.3	1.1	1.5
Bank.....	2.0	2.0	2.0
Total.....	2.1	2.0	2.2

¹ Figures for interest received and interest paid include unclassified interest received, amounting to \$13,834,000, or about 0.79 per cent of total interest received, and unclassified interest paid, amounting to \$24,161,000, or about 3.39 per cent of total interest paid on deposits, which were apportioned, by Federal reserve districts, among the items of interest received and interest paid on the basis of the distribution of the classified amounts.

² Includes dividends.

³ Averages of figures from 5 condition reports for call dates from Dec. 31, 1926, to Dec. 31, 1927.

STATISTICAL WORK OF THE FEDERAL RESERVE BOARD AND BANKS IN 1927-28

During the past year the statistical work of the Federal reserve system has continued to develop according to the same principles and in the same general direction as in other recent years.¹ Studies pursued have related in considerable part to changes in the general credit situation, reserve bank credit, gold movements, money in circulation, member bank credit, and the operations of the money market.

Further study has been given to the measurement and detailed analysis of changes in the volume of reserve bank credit outstanding, with results which have been reflected in part in the current publications of the Federal Reserve Board and banks.² The nature of this analysis is indicated in the Review of the Month in this issue of the BULLETIN, and in tables shown on pages 459 and 524. Its accurate application has required some reorganization of the information shown on the balance sheets of the Federal reserve banks and on the monthly circulation statement of United States money issued by the Treasury.³ It has also required further development of the practice of using averages of daily figures, and the necessary daily figures have had to be assembled, both currently and in retrospective tables, for various items—notably for total reserve bank credit outstanding and some of its components, for the monetary gold stock of the United States, and for United States money in circulation. Current publication of compilations based on these averages is begun in the present BULLETIN. Back figures on a corresponding basis are becoming available, and as many of these as possible are being included in the complete edition of the board's annual report for 1927, which is now in course of preparation and is expected to come off the press in August.

The daily figures for money in circulation, when converted into weekly or monthly averages, provide a better means of measuring changes in the volume of currency demanded by the business community than was formerly available in the figures for end-of-month dates. The daily figures of monetary gold stock likewise provide a better measure of current changes in the Nation's gold supply than figures previously available, since they reflect not

only gold exports and imports, but also changes resulting from the earmarking of gold for foreign account, withdrawals from earmark, domestic production, and consumption of gold in industry and the arts. The board has published separately in the BULLETIN since January, 1928, a set of figures showing monthly increases or decreases in gold stock caused by changes in the amount of gold held under earmark for foreign account.⁴

Certain of the Federal reserve banks have also during the past year made analyses of factors in supply and demand for reserve funds. Results of some of these studies have been published in the monthly reviews of the banks, but in most cases they have been used chiefly within the banks for the purpose of providing a clearer understanding of money market and credit conditions. The Boston, New York, and Cleveland Reserve Banks have made studies of the relation between changes in gold supply and in volume of member bank and reserve bank credit and the effects of these changes on money markets. The New York Reserve Bank has compiled and analyzed figures showing the movements of funds to and from the New York money market, with special investigations into certain aspects of these movements, such as those caused by gold imports and exports, tax payments, currency in circulation, and the demand for funds from interior centers. The Minneapolis and San Francisco Reserve Banks have completed or have under way studies of seasonal changes in the demand for both member bank and reserve bank credit, and the Minneapolis bank has also compiled statistics showing fluctuations in the demand for currency within its district.

Beginning with the BULLETIN for December, 1927, the deposits of all member banks, formerly available two months late, have been published for the preceding month. They have also been published by States. Since March, 1928, daily averages of figures for member bank reserve balances have been published currently, both for all Federal reserve districts combined and for each Federal reserve district, and borrowings by member banks in each district have been shown on the same basis. Member bank borrowings at Federal reserve banks have also been shown by States.

The BULLETIN has also included since August, 1927, figures showing the volume of bankers' acceptances outstanding and since

¹ See annual surveys in FEDERAL RESERVE BULLETIN for July, 1927 (pp. 464-465); July, 1926 (pp. 494-500); July, 1925 (pp. 471-474).

² A new publication issued by the board in April, 1928, consists of a collection of 24 charts (7 x 10 inches in size) entitled "Charts on Bank Credit, Money Rates and Business Activity." It includes the principal graphic material currently prepared by the Division of Research and Statistics for presentation to the board.

³ See BULLETINS for September, 1927, pp. 632-633, and December, 1927, pp. 800-802.

⁴ See BULLETIN for January, 1928, p. 14.

December, 1927, the volume of commercial paper outstanding.

In the December, 1927, BULLETIN there was published an analysis of differentials in money rates charged customers on different types of paper and in different cities. This study, based upon data which have been collected by the Federal Reserve Board and banks for several years, is a part of a monograph in preparation on money rates and money markets in the United States.

Studies of the earnings and expenses of member banks, similar to those made in previous years, have been continued by the board and by certain of the reserve banks. Figures have been published semiannually in the BULLETIN for all member banks, grouped by districts and by types of banks. In addition the Federal reserve banks of Boston, New York, Philadelphia, Richmond, Chicago, Dallas, and San Francisco have made district studies, in which statistics were compiled for banks grouped by size of bank and by size of city.

Studies of country-bank conditions begun by the Minneapolis Reserve Bank in the previous year have been continued and expanded. Ratios between significant items in condition statements have been computed for member banks in the district to provide a basis for appraising the relative condition of the individual banks, with special emphasis on the small bank. The Minneapolis bank has also maintained series showing important items from the call reports of 117 identical country banks, grouped by economic regions. The Chicago Reserve Bank has improved its machinery for collecting and reporting information regarding bank suspensions.

Wholesale and retail trade statistics.—The manner of presenting the statistics of retail and wholesale trade compiled by the Federal reserve system has been improved during the past year. The board constructed and published for the first time in the December, 1927, BULLETIN a new index of wholesale distribution for the country as a whole. This index is composed of data for sales in nine lines of trade, reported by over 1,000 firms with annual sales of about \$3,500,000,000. The new indexes have been compiled on a 1923-1925 base, and are published both with and without seasonal adjustments.⁵ In addition to the data included in the index, statistics of sales are collected by the Federal reserve banks from about 280 stores in nine other lines of trade

⁵ The index of wholesale sales, formerly published by the board, included data for 650 firms in six lines, was compiled on a 1919 base, and was not adjusted for seasonal variations.

with annual sales of about \$500,000,000. Some of the reporting firms also furnish statistics of stocks on hand, accounts receivable, and collections. These data are in most part made available to the public by the Federal Reserve Board or by the individual reserve banks, and the board is assembling sets of comparable figures for the purpose of computing, if possible, index numbers similar to those now published for wholesale sales.

The Federal reserve banks of Cleveland and Atlanta have within the past year compiled or revised composite indexes of wholesale trade for their respective districts, computing them on a 1923-1925 base. In addition to these two banks, the reserve banks of New York, Philadelphia, and San Francisco at present publish district indexes of wholesale trade. Most of the reserve banks have continued efforts to improve their wholesale trade statistics and to expand the number of reporting firms, although changes of this nature during the past year have probably been less important than in previous years when the reporting services were being developed.

The board has also within the past year published new indexes of department-store sales and stocks. These indexes have been computed for the country as a whole and by Federal reserve districts and are expressed in terms of the average for the three years 1923-1925 as 100. The sales index is based upon figures reported by approximately 560 department stores located in 250 cities, distributed throughout the United States, with total annual sales of more than \$2,000,000,000. The stocks index is compiled from data from a somewhat smaller number of firms. Indexes of sales for the country as a whole and by Federal reserve districts are computed both from the total monthly figures and also from average daily figures adjusted for usual seasonal variations; stocks indexes also are published both with and without seasonal adjustment. A description of the data used and of the computation of these indexes was published in the BULLETIN for February, 1928.

Revised indexes of sales by mail-order houses and by chain stores in seven different lines, on a 1923-1925 base, both with and without seasonal adjustments, were presented in the April, 1928, BULLETIN. In this same BULLETIN an article was published on seasonal variations in wholesale and retail trade, giving a description of the method used by the board in adjusting its production as well as its trade figures for seasonal fluctuations.

Statistics of accounts outstanding and collections are now reported by some department stores in all Federal reserve districts and are being published by some of the Federal reserve banks. Reports on outstanding orders, formerly collected by all the reserve banks from reporting department stores, have been discontinued in most districts during the past year. Statistics of sales and stocks, by departments, are now collected from leading department stores in the Boston, New York, Cleveland, Richmond, Chicago, St. Louis, Dallas, and San Francisco districts. Within the past year collection of these reports was inaugurated in the Richmond and St. Louis districts and discontinued in the Philadelphia district. Departmental figures, which in most cases are published only in the form of percentages of change as compared with the corresponding month of the preceding year, have been compiled by the Boston Reserve Bank, for some departments and for a selected group of stores, into a continuous series of monthly index numbers. The Cleveland bank has constructed annual departmental indexes of sales and stocks and rates of turnover for reporting stores in its district. The departments for which national figures are published have been regrouped and reduced in number during the past year.

Other business statistics.—The board and banks have continued to make extensive use of available statistics covering the various phases of national and local business conditions. A few of these statistics are collected and compiled by the reserve banks, but most of them are obtained from other sources. The board and banks, in order to make these data more comparable and more useful for interpretation and analysis, frequently convert them into index-number form. In the August, 1927, BULLETIN new index numbers of production of automobiles, of value of building contracts awarded, and of freight-car loadings, by groups, were presented, with adjustments for seasonal variations. The board now has under way plans for revising its indexes of employment and pay rolls.

The New York Federal Reserve Bank during the past year has revised many of its index numbers relating to various phases of business activity and has also revised its index of the general price level, including figures for some

groups of commodities for which price indexes were not previously available. The Federal Reserve Bank of Cleveland has compiled and published a weekly index of freight-car loadings for the country as a whole, with adjustments for seasonal variations. Both the New York and Cleveland banks have compiled statistics of industrial profits from the published quarterly statements of corporations.

Regional statistics of various sorts have been further developed during the past year by many of the Federal reserve banks. The Boston bank has revised its index of New England business activity. The Philadelphia bank has expanded in scope the employment statistics which it collects for Pennsylvania in cooperation with the department of labor and industry for that State, has compiled employment indexes by industries and by regions, and has given extensive analysis to the resulting data. The results of this study will be published shortly by the department of labor and industry of Pennsylvania. The Philadelphia bank has also computed index numbers adjusted for seasonal variations for various series of statistics representing production and other phases of business conditions within its district and has compiled a composite index of business activity for the city of Philadelphia.

The Minneapolis bank has compiled, for its district, statistics, generally in index-number form, of monthly farm income by sources of income, of crop production by States, of prices of important northwestern farm products, of freight-car loadings in the Northwest, of warranty deeds and real-estate mortgages, of motor-vehicle registrations by States, and of bank debits by groups of cities. This bank has prepared and published from time to time analyses of these data and of some of their interrelationships.

The Federal Reserve Bank of San Francisco has compiled, for its district, monthly indexes of production of important commodities with adjustments for seasonal variations, annual indexes of agricultural production by States and by groups of commodities as well as for all commodities in the district as a whole, indexes of freight-car loadings and of imports and exports, figures for automobile registrations and various statistics regarding the livestock, dairy products, and canned-fruit industries.

TREASURY FINANCE

New issues of Treasury certificates in June were in nearly the same amount as retirements of certificates coming payable on the 15th, the relatively inconsiderable excess of issues over retirements being more than offset by accumulation of cash resources in the Treasury from tax payments and other receipts. A substantial reduction of the debt was effected during the month by the purchase of third Liberty loan bonds and by retirements of United States obligations received from foreign Governments under foreign debt settlements.

New issues of Treasury certificates.—Subscriptions for the new offerings of certificates—which included two series, each for \$200,000,000 or thereabouts, one to run for six months at 4 per cent, and one for nine months at $3\frac{7}{8}$ per cent—amounted nearly to \$1,000,000,000 and were accepted for a total somewhat in excess of the amount which had been called for. The seven-months certificates issued last November at $3\frac{1}{8}$ per cent and maturing in June were accepted in payment for the new certificates; so that in effect the June quarterly financing was essentially a refunding operation, the net result being as shown in the table below.

JUNE QUARTERLY FINANCING

[In thousands of dollars]

	Amount	Rate (per cent)
Certificates retired, maturing June 15, total.....	400,051	$3\frac{1}{8}$
Exchanged for new certificates.....	134,833	
Paid in cash.....	265,218	
Certificates issued as of June 15, total.....	428,155	
To mature Dec. 15, 1928.....	216,371	4
To mature Mar. 15, 1929.....	211,784	$3\frac{7}{8}$

Rates on recent issues of certificates.—The last borrowing of the Treasury on a six-months certificate, previous to that of June 15, was in September, 1927, at 3 per cent. In March of the present year the Treasury issued a nine-months certificate at $3\frac{1}{4}$ per cent. The rates offered in June on securities of these terms were substantially higher. Short-term borrowings on certificates during the fiscal years 1927 and 1928 have been at rates varying from 3 to 4 per cent, as shown below. On six-months certificates the Treasury has paid rates ranging from 3 to 4 per cent, on nine-months certificates from $3\frac{1}{4}$ to $3\frac{7}{8}$ per cent, and on one-year certificates from $3\frac{1}{4}$ to $3\frac{3}{8}$ per cent.

MATURITY TERMS AND RATES BORNE BY TREASURY CERTIFICATES

Date of issue	Term of maturity	Rate (per cent)
1926—Sept. 15.....	9 months.....	$3\frac{1}{2}$
Dec. 15.....	do.....	$3\frac{1}{4}$
1927—Mar. 15.....	6 months.....	$3\frac{1}{8}$
Mar. 15.....	1 year.....	$3\frac{1}{4}$
Sept. 15.....	6 months.....	3
Nov. 15.....	7 months.....	$3\frac{1}{8}$
Dec. 15.....	1 year.....	$3\frac{1}{4}$
1928—Mar. 15.....	9 months.....	$3\frac{1}{4}$
Mar. 15.....	1 year.....	$3\frac{3}{8}$
June 15.....	6 months.....	4
June 15.....	9 months.....	$3\frac{7}{8}$

Debt reduction.—Reduction in the interest-bearing debt in June amounted to about \$147,000,000, this reduction representing, as noted above, principally purchases of third Liberty loan bonds which are payable in September, and cancellations of obligations received in payment of principal and interest under foreign debt settlements. From month to month during the fiscal year reductions in the gross debt, according to daily statement figures of the Treasury, ran in amounts approximately as follows:

1927—July.....	\$49,000,000
August.....	83,000,000
September.....	¹ 98,000,000
October.....	109,000,000
November.....	195,000,000
December.....	138,000,000
1928—January.....	¹ 14,000,000
February.....	99,000,000
March.....	14,000,000
April.....	89,000,000
May.....	92,000,000
June.....	151,000,000
Total.....	885,000,000

¹ Excess of issues over retirements.

The total reduction of the debt for the year ended June 30 included some \$540,000,000 of retirements chargeable against the ordinary receipts of the Government, and about \$367,000,000 of retirements effected out of surplus revenue. The sinking-fund charge on the revenue increases from year to year by appropriation to the fund under the original act of additional amounts equal to the interest on securities retired through the fund. These increments have brought this charge on the revenue up from about \$261,000,000 in the year ended June 30, 1921, the year in which the operation of the fund was initiated, to nearly

\$355,000,000 in the year ended June 30, 1928. Receipts under foreign debt settlements that were appropriated to debt reduction, and retirements effected in these accounts during the last fiscal year amounted to nearly \$182,000,000. Other retirements chargeable against the ordinary receipts of the Government during the year, which were less than \$4,000,000, represented principally appropriation of franchise tax receipts, forfeitures, and gifts.

As funds become available in the Treasury, either under specific appropriation, as to the sinking fund, or by accumulation of surplus revenue, they are utilized in reducing the amount of the debt, and any very considerable accumulation of funds in Government accounts is avoided, current disbursements of the Government on all accounts running continuously in amounts approximately equal to current receipts.

TREASURY CERTIFICATES OF INDEBTEDNESS DATED
JUNE 15, 1928—SUBSCRIPTION AND ALLOTMENTS

[In thousands of dollars]

Federal reserve district	Total		4 per cent certificates maturing Dec. 15 (TD3-1928)		3½ per cent certificates maturing Mar. 15, 1929(TM2-1929)	
	Subscriptions	Allotments	Subscriptions	Allotments	Subscriptions	Allotments
Boston.....	46,135	16,618	41,225	12,457	4,910	4,161
New York.....	429,286	209,037	336,854	129,181	92,432	79,856
Philadelphia.....	65,267	18,654	54,453	9,677	10,814	8,977
Cleveland.....	40,459	15,768	28,428	5,960	12,031	9,808
Richmond.....	24,047	9,997	18,229	5,032	5,818	4,965
Atlanta.....	50,473	22,992	36,045	10,999	14,428	11,993
Chicago.....	75,553	27,214	57,295	12,149	18,258	15,065
St. Louis.....	24,266	11,363	15,391	4,109	8,875	7,254
Minneapolis.....	12,517	6,061	9,685	3,708	2,832	2,353
Kansas City.....	15,946	7,628	11,360	3,728	4,586	3,900
Dallas.....	44,694	22,074	27,333	8,065	17,361	14,009
San Francisco.....	163,715	60,754	101,965	11,313	61,750	49,441
Total.....	992,363	428,165	738,266	216,381	254,097	211,784

NATIONAL SUMMARY OF BUSINESS CONDITIONS

Industrial production continued during May in about the same volume as in the three preceding months. Wholesale and retail trade increased in May, and the general level of commodity prices showed a further advance. Security loans of member banks, which were in record volume in May, declined considerably during the first three weeks in June. Conditions in the money market remained firm.

Production.—Production of manufactures showed no change between April and May, when allowance is made for usual seasonal variations, while the output of minerals increased somewhat. Production of steel declined in May from the high level attained in April, but was in about the same volume as a year ago. Since the 1st of June buying of steel products has been light and there have been further decreases in production. Daily average production of automobiles was in about the same volume in May as in April, and preliminary reports for the first three weeks in June indicate that factory operations were maintained at practically the same level. Activity of textile mills was somewhat larger in May, and there were also increases in the slaughter of livestock and in the production of cement, copper, and coal. The value of building contracts awarded during May, as reported by the F. W. Dodge Corporation for 37 States east of the Rocky Mountains, was larger than in any previous month, and awards during the first half of June exceeded those for the corresponding period of last year. Indicated production of winter wheat, as reported by the Department of Agriculture on the basis of June 1 condition, amounted to 512,000,000 bushels, 40,000,000 bushels less than the harvested production of 1927.

Trade.—Distribution of merchandise, both at wholesale and at retail, was in larger volume in May than in April. Making allowances for customary seasonal influences, sales in all lines of wholesale trade, except meats, showed increases, and in six reporting lines they were in larger volume than a year ago. Department-store sales were larger than in April, and at about the same level as a year ago, while sales of chain stores and mail-order houses showed increases both over last month and over last year.

Volume of freight-car loadings increased further during May, but continued smaller than during the corresponding month of either of the two previous years. Loadings of miscellaneous commodities, however, which represent largely manufactured products, were larger in May of this year than in that month of any previous year.

Prices.—The general level of wholesale commodity prices, as indicated by the Bureau of Labor Statistics index, increased in May by over 1 per cent to 98.6 per cent of the 1926 average, the highest figure recorded for any month since October, 1926. There were increases in most of the principal groups of commodities, but the largest advances in May, as in April, occurred in farm products and foods. Contrary to the general trend, prices of pig iron, hides, raw silk, fertilizer materials, and rubber showed declines during the month. Since the middle of May there have been decreases in prices of grains, hogs, sheep, pig iron, and hides, while prices of raw wool, nonferrous metals, lumber, and rubber have advanced.

Bank credit.—Loans and investments of member banks in leading cities on June 20 showed a decline from the high point which was reached on May 16. Loans on securities, which had increased by more than \$1,000,000,000 since May, 1927, declined \$200,000,000, while all other loans, including loans for commercial and agricultural purposes, increased somewhat. There was an increase in total investments.

During the four weeks ending June 20 there were withdrawals of nearly \$75,000,000 from the country's stock of gold, and the volume of reserve bank credit outstanding increased somewhat, notwithstanding a decline in member bank reserve requirements. Member bank borrowing at the reserve banks continued to increase and early in June exceeded \$1,000,000,000 for the first time in more than six years. Acceptance holdings of the reserve banks declined considerably, while there was little change in their holdings of United States securities.

After the middle of May firmer conditions in the money market were reflected in advances in the open-market rates to the highest levels since the early part of 1924.

NOTE.—Charts and tables giving figures upon the basis of which the foregoing summary was prepared are given in the following section of the Bulletin: "Financial, Industrial, and Commercial Statistics."

FINANCIAL, INDUSTRIAL, AND COMMERCIAL STATISTICS

RESERVE BANK CREDIT

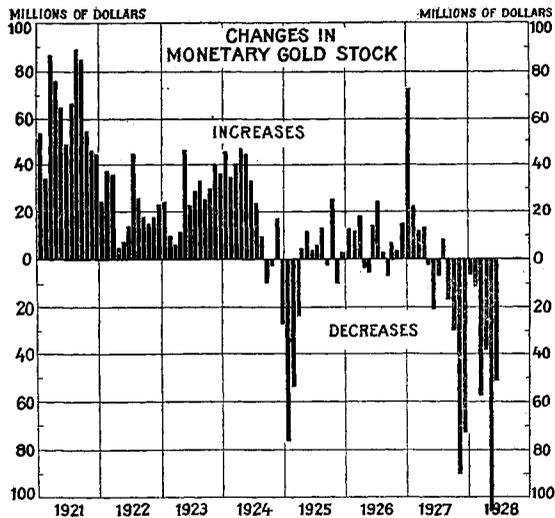
RESERVE BANK CREDIT OUTSTANDING AND PRINCIPAL FACTORS IN CHANGES

[Averages of daily figures. In millions of dollars]

Month or week	Reserve bank credit outstanding					Changes as compared with preceding month or week			
	Total volume ¹	Bills and securities held by Federal reserve banks				Volume of reserve bank credit outstanding	Monetary gold stock	Money in circulation	Member bank reserve balances
		Total ²	Bills discounted for member banks	Bills bought	United States securities				
1926									
January.....	1,288	1,231	526	327	368	-220	+9	-228	+17
February.....	1,218	1,176	525	306	335	-70	+19	-37	-28
March.....	1,220	1,176	559	270	336	+2	+19	+10	-11
April.....	1,207	1,159	540	236	370	-13	+4	+18	-14
May.....	1,201	1,155	515	231	398	-6	-14	-11	+16
June.....	1,190	1,140	476	244	409	-11	+4	+10	+7
July.....	1,223	1,167	549	231	380	+32	+22	+35	+6
August.....	1,204	1,158	556	245	354	-19	+7	-4	-11
September.....	1,280	1,225	642	264	316	+76	+4	+56	+10
October.....	1,323	1,269	666	294	306	+43	+1	+33	+8
November.....	1,320	1,270	618	347	302	-3	+5	+7	-5
December.....	1,449	1,381	672	385	321	+129	+4	+119	+4
1927									
January.....	1,186	1,138	481	343	310	-263	+46	-224	+25
February.....	1,043	1,006	393	304	307	-143	+49	-61	-31
March.....	1,055	1,024	425	253	345	+12	+19	+14	+28
April.....	1,087	1,039	447	248	341	+32	+7	+24	+8
May.....	1,041	1,000	473	233	291	-46	+49	-21	+14
June.....	1,081	1,033	429	205	398	+40	-44	-29	+39
July.....	1,115	1,026	454	190	381	+34	-31	+21	-12
August.....	1,093	1,022	409	173	439	-21	+10	-3	-6
September.....	1,187	1,139	422	216	501	+94	-1	+69	+17
October.....	1,254	1,213	424	282	506	+67	-18	+17	+26
November.....	1,377	1,331	415	336	579	+123	-76	+2	+47
December.....	1,568	1,513	529	378	606	+191	-74	+112	+26
1928									
January.....	1,389	1,350	465	373	512	-179	-39	-264	+27
February.....	1,264	1,237	471	360	406	-125	-4	-76	-58
March.....	1,295	1,272	513	343	415	+32	-38	+1	-3
April.....	1,405	1,371	661	358	351	+110	-48	+20	+32
May.....	1,472	1,442	836	349	257	+67	-80	-7	-9
June.....	1,531	1,495	1,019	244	232	+59	-88	-13	-33
Week ending—									
June 2.....	1,531	1,507	985	302	219	+59	-15	+32	+2
June 9.....	1,525	1,488	1,004	265	218	-6	-17	-4	-7
June 16.....	1,556	1,515	1,006	242	267	+31	-41	-10	+5
June 23.....	1,499	1,463	1,004	231	227	-37	-3	-	-52
June 30.....	1,521	1,492	1,047	224	221	+22	-2	+13	+1

¹ Includes total bills and securities, amounts due from foreign banks, and reserve bank float (see p. 524).
² Including "other securities" and foreign loans on gold.

MONETARY GOLD STOCK AND MONEY IN CIRCULATION



NET IMPORTS OR NET EXPORTS (-) OF GOLD

[In thousands of dollars]

Month	1922	1923	1924	1925	1926	1927	1928
January	25,708	24,348	44,855	-68,488	16,264	44,465	-13,766
February	27,007	6,984	34,606	-46,997	21,565	19,895	-11,120
March	32,525	5,559	33,505	-17,768	39,188	10,757	-94,853
April	10,665	8,533	44,027	-12,734	-4,768	11,911	-91,150
May	5,587	45,332	40,481	-1,997	-6,408	31,702	-81,721
June	11,376	18,885	24,913	-2,287	15,844	12,771	-79,266
July	42,343	27,407	18,507	5,787	14,751	8,935	-----
August	13,136	30,655	15,752	-2,726	-17,764	6,353	-----
September	23,066	26,941	2,076	-2,656	-7,094	-11,465	-----
October	3,275	23,438	15,577	22,702	7,701	-8,642	-----
November	14,877	39,010	13,173	-13,904	9,011	-53,184	-----
December	23,730	31,930	-29,401	1,248	9,808	-67,418	-----
Total	238,295	294,073	258,073	-134,367	97,796	6,080	-----

¹ Preliminary.

INCREASE OR DECREASE (-) IN GOLD STOCK THROUGH CHANGES IN GOLD UNDER EAR-MARK FOR FOREIGN ACCOUNT

[In thousands of dollars]

Month	1922	1923	1924	1925	1926	1927	1928
January	-----	-1,629	-----	-810	-6,043	19,437	5,500
February	-----	4,329	593	-1,366	-11,000	3,180	2,868
March	-----	-----	-2,452	-6,825	-22,988	-1,502	35,800
April	-----	1,000	-558	14,850	-----	-1,000	45,740
May	-----	-----	1,000	12,725	-----	-95,000	-26,539
June	-----	-----	2,000	5,075	-580	-500	30,053
July	-----	-1,500	-2,583	-3,901	4,000	184	-----
August	-----	-----	-7,984	8,725	19,200	-2,501	-----
September	-----	500	-13,229	901	-2,400	-9,000	-----
October	-----	-1,500	-2,000	2,870	4	-25,001	-----
November	-----	-200	-----	-500	2,000	-7,498	-40,000
December	-----	-2,000	-----	-1,500	-2,000	1,008	-8,500
Total	-3,700	+700	-42,213	+32,244	-26,297	-160,153	-----

MONETARY GOLD STOCK OF THE UNITED STATES

[In millions of dollars]

Month	End of month figures						
	1922	1923	1924	1925	1926	1927	1928
January	3,685	3,953	4,289	4,423	4,412	4,564	4,373
February	3,723	3,963	4,323	4,369	4,423	4,586	4,362
March	3,750	3,970	4,364	4,346	4,442	4,597	4,305
April	3,764	3,982	4,411	4,350	4,436	4,610	4,266
May	3,771	4,028	4,455	4,361	4,433	4,608	4,160
June	3,785	4,050	4,488	4,365	4,447	4,587	¹ 4,109
July	3,829	4,079	4,511	4,370	4,471	4,580	-----
August	3,855	4,111	4,521	4,383	4,473	4,588	-----
September	3,873	4,136	4,511	4,382	4,466	4,571	-----
October	3,888	4,167	4,509	4,407	4,473	4,541	-----
November	3,906	4,207	4,527	4,397	4,477	4,451	-----
December	3,929	4,244	4,499	4,399	4,492	4,379	-----

¹ Preliminary.

UNITED STATES MONEY IN CIRCULATION

[In millions of dollars]

Month	End of month figures						
	1922	1923	1924	1925	1926	1927	1928
January	4,441	4,614	4,777	4,802	4,841	4,846	4,677
February	4,491	4,703	4,887	4,853	4,904	4,885	4,690
March	4,497	4,747	4,899	4,818	4,860	4,862	4,749
April	4,468	4,759	4,853	4,789	4,907	4,891	4,748
May	4,455	4,797	4,905	4,841	4,923	4,893	4,744
June	4,463	4,823	4,849	4,815	4,885	4,851	¹ 4,796
July	4,424	4,787	4,756	4,795	4,909	4,846	-----
August	4,480	4,876	4,859	4,867	4,930	4,854	-----
September	4,608	4,945	4,863	4,916	4,978	4,948	-----
October	4,646	4,929	4,942	4,969	5,021	4,946	-----
November	4,704	5,018	5,052	5,044	5,037	4,952	-----
December	4,817	5,044	5,047	5,104	5,095	5,003	-----

¹ Preliminary.

KINDS OF MONEY IN CIRCULATION

[End of month figures]

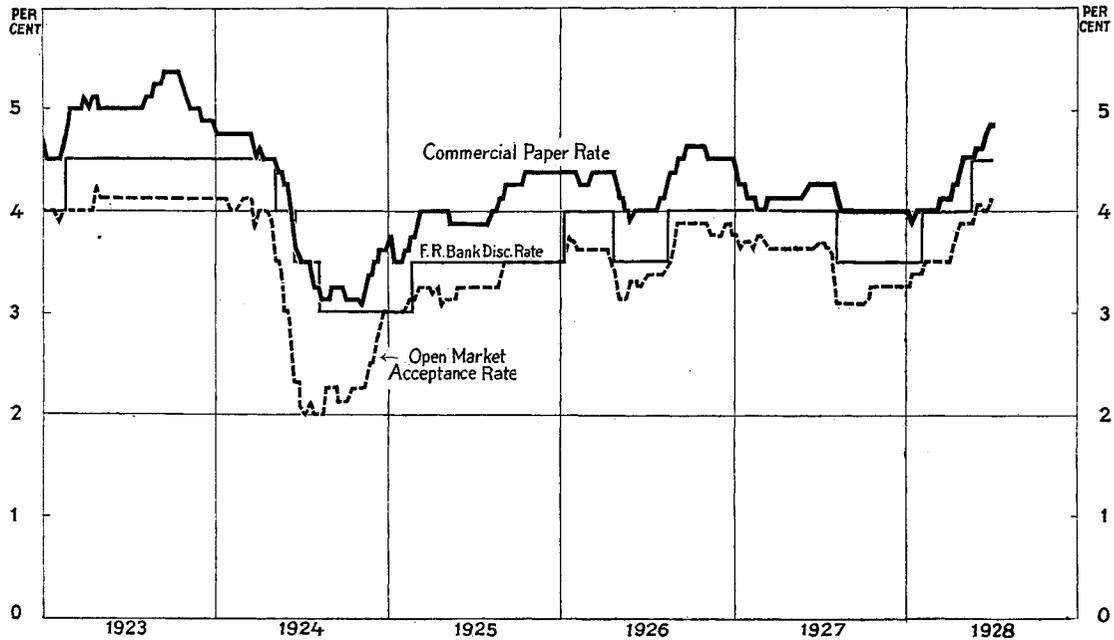
[In millions of dollars]

Month	Total	Gold coin	Gold certificates	Federal reserve notes	National bank notes	U. S. notes, silver certificates, and all other money
1927—April	4,891	389	1,019	1,724	654	1,104
May	4,893	387	1,004	1,734	660	1,109
June	4,851	385	1,007	1,703	650	1,106
July	4,846	383	1,031	1,668	652	1,112
August	4,854	382	1,045	1,657	651	1,119
September	4,943	380	1,061	1,715	653	1,138
October	4,946	381	1,068	1,711	648	1,137
November	4,952	383	1,095	1,694	639	1,141
December	5,003	402	1,074	1,703	619	1,145
1928—January	4,677	389	1,016	1,561	617	1,094
February	4,690	386	1,004	1,570	639	1,091
March	4,749	383	1,025	1,588	654	1,099
April	4,748	381	1,020	1,586	652	1,109
May	4,744	380	1,013	1,587	649	1,115
June	4,796	377	1,019	1,626	650	1,124

¹ Preliminary.

For back figures see FEDERAL RESERVE BULLETIN, March, 1923, p. 176.

MONEY RATES IN NEW YORK CITY



FEDERAL RESERVE BANK RATES

DISCOUNT RATES

[Rates on all classes and maturities of eligible paper]

Federal reserve bank	Rate in effect on July 13	Date established	Previous rate
Boston.....	4½	Apr. 20, 1928.....	4
New York.....	5	July 13, 1928.....	4½
Philadelphia.....	4½	May 17, 1928.....	4
Cleveland.....	4½	May 25, 1928.....	4
Richmond.....	5	July 13, 1928.....	4½
Atlanta.....	4½	May 26, 1928.....	4
Chicago.....	5	July 11, 1928.....	4½
St. Louis.....	4½	Apr. 23, 1928.....	4
Minneapolis.....	4½	Apr. 25, 1928.....	4
Kansas City.....	4½	June 7, 1928.....	4
Dallas.....	4½	May 7, 1928.....	4
San Francisco.....	4½	June 2, 1928.....	4

BUYING RATES ON ACCEPTANCES

[Buying rates at the Federal Reserve Bank of New York]

Maturity	Rate in effect on July 13	Date established	Previous rate
1-15 days.....	4½	July 13, 1928.....	4
16-30 days.....	4½	do.....	4
31-45 days.....	4½	do.....	4
46-60 days.....	4½	do.....	4
61-90 days.....	4½	do.....	4
91-120 days.....	4½	do.....	4
121-180 days.....	4½	do.....	4½

NOTE.—Rates on prime bankers' acceptances. Higher rates may be charged for other classes of bills.

OPEN-MARKET RATES

RATES IN NEW YORK CITY

Month or week	Prevailing rate on—			Average rate on—		Average yield on—	
	Prime commercial paper, 4 to 6 months	Prime bankers' acceptances, 90 days	Time loans, 90 days	Call loans ¹		U. S. Treasury notes and certificates, 3 to 6 months	Treasury bonds ²
				New	Renewal		
1927							
June.....	4¼	3½	4½	4.26	4.33	3.09	3.47
July.....	4¼	3½-3¾	4½-4¾	3.95	4.05	2.96	3.44
August.....	4	3½	4-4¼	3.60	3.68	2.70	3.48
September.....	4	3½	4-4¼	3.84	3.80	2.81	3.45
October.....	4	3½	4½-4¾	3.88	3.90	3.08	3.43
November.....	4	3½	4½-4¾	3.60	3.60	3.04	3.39
December.....	4	3½	4-4¼	4.43	4.38	3.17	3.34
1928							
January.....	4	3½	4¼-4½	4.15	4.24	3.31	3.35
February.....	4	3½	4½-4¾	4.33	4.38	3.33	3.36
March.....	4-4¼	3½	4½-4¾	4.48	4.47	3.23	3.30
April.....	4¼-4½	3½-3¾	4¾-5	5.06	5.08	3.62	3.32
May.....	4½	3½-4¼	5-5½	5.69	5.70	3.90	3.35
June.....	4¾	4-4½	5½-5¾	6.21	6.32	3.92	3.40
Week ending—							
June 2.....	4½-4¾	4-4½	5½	6.10	6.00	3.88	3.38
June 9.....	4½-4¾	4	5½-5¾	6.09	6.10	3.93	3.41
June 16.....	4¾	4	5¾	5.80	5.80	3.99	3.39
June 23.....	4¾-5	4-4½	5¾	6.21	6.00	3.99	3.39
June 30.....	4¾-5	4½	5¾-6	7.20	7.00	4.04	3.39

¹ Stock exchange call loans; new and renewal rates.
² Stock exchange 90-day time loans.
³ 3 issues—3¼, 4, and 4¼ per cent; yields calculated on basis of last redemption dates—1956, 1954, and 1952.
⁴ Change of issues on which yield is computed.

PREVAILING RATES CHARGED CUSTOMERS BY BANKS IN PRINCIPAL CITIES

The rates shown are those at which the bulk of the loans of each class were made by representative banks during the week ending with the 15th of the month. Rates reported by about 200 banks with loans exceeding \$7,500,000,000.

FEDERAL RESERVE BANK CITIES

Month	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco
Prime commercial loans												
1927—June.....	4 1/2	4 1/2	4 1/2-5	4 -5 1/2	4 3/4-6	5 -6	4 1/2-4 3/4	4 1/2-5	4 1/2-5 1/2	5	4 1/2-6	4 1/2-5 1/2
July.....	4 1/2-4 3/4	4 1/2	4 1/2-4 3/4	4 -5	5 -6	5 -6	4 1/2-5	4 1/2-5	4 -5 1/2	5	4 1/2-6	4 1/2-5 1/2
August.....	4 -4 1/2	4 1/2-4 3/4	4 1/2-4 3/4	4 -5	5 1/2-6	5 -6	4 1/2-5	4 1/2-5	4 1/2-5 1/2	5	4 1/2-6	4 1/2-5 1/2
September.....	4 -4 1/2	4 1/2-4 3/4	4 1/2-4 3/4	4 1/2-5	5 -5 1/2	5 -6	4 1/2-4 3/4	4 -5	4 1/2-5	5	4 -6	4 1/2-5 1/2
Oct. ber.....	4 -4 1/2	4 1/2-4 3/4	4 1/2-4 3/4	4 1/2-5	5 -5 1/2	5 -6	4 1/2-4 3/4	4 1/2-5	4 1/2-5	5	4 1/2-6	4 1/2-5 1/2
November.....	4 -4 1/2	4 -4 1/2	4 1/2-4 3/4	4 1/2-5	5 -5 1/2	5 -6	4 1/2-4 3/4	4 -5	4 1/2-5 1/2	5	4 -6	4 1/2-5 1/2
December.....	4 -4 1/2	4 1/2-4 3/4	4 1/2-4 3/4	4 -5	4 1/2-5 1/2	4 1/2-6	4 1/2-4 3/4	4 -5	4 1/2-5	5	4 1/2-6	4 1/2-5 1/2
1928—January.....	4 -4 1/2	4 1/2-4 3/4	4 -4 1/2	4 -5	4 1/2-5	4 1/2-6	4 1/2-4 3/4	4 -5	4 1/2-5	5	4 1/2-6	4 1/2-5 1/2
February.....	4 1/2	4 1/2	4 1/2-4 3/4	4 1/2-5	4 3/4-5	4 1/2-6	4 1/2-4 3/4	4 -5	4 1/2-5	5	4 1/2-6	4 1/2-5 1/2
March.....	4 1/2-4 3/4	4 1/2-4 3/4	4 1/2-4 3/4	4 1/2-6	5	4 1/2-6	4 1/2-5	4 1/2-5	4 1/2-5 1/2	5	4 1/2-6	4 1/2-5 1/2
April.....	4 1/2-4 3/4	4 1/2-4 3/4	4 1/2-4 3/4	4 1/2-6	5	4 1/2-6	4 1/2-5	4 -5	4 1/2-5	5	4 1/2-6	4 1/2-5 1/2
May.....	4 1/2-4 3/4	4 1/2-5	4 1/2-5	4 1/2-6	4 1/2-5	4 1/2-6	4 1/2-5	4 1/2-5	4 1/2-5 1/2	5	4 1/2-6	4 1/2-5 1/2
June.....	4 3/4-5	4 3/4-5	4 3/4-5 1/2	4 3/4-6	5 1/4-5 1/2	5 1/2-6	4 3/4-5 1/2	4 1/2-5 1/2	4 3/4-5 1/2	5	4 3/4-6	4 1/2-5
Loans secured by prime stock-exchange collateral												
1927—December.....	4 1/2-4 3/4	4 1/2-5	4 1/2-4 1/2	4 1/2-6	4 3/4-6	5 -6	4 1/2-4 3/4	4 1/2-5 1/2	4 3/4-5 1/2	5 -6	5 -7	5 -6
1928—January.....	4 1/2-4 3/4	4 1/2-5	4 1/2-4 1/2	4 1/2-6	4 3/4-6	5 -6	4 1/2-5	4 1/2-5 1/2	4 1/2-5 1/2	5 -6	5 -7	5 -6
February.....	4 1/2-4 3/4	4 1/2-5	4 1/2-4 1/2	5 -6	4 3/4-6	5 -6	4 1/2-5	4 1/2-5 1/2	4 1/2-5 1/2	5	5 -7	5 -6
March.....	4 1/2-5	4 3/4-5	4 1/2-4 3/4	4 1/2-6	5 -6	5 -6	4 1/2-5	4 1/2-5 1/2	4 1/2-5 1/2	5	5 -7	5 -6
April.....	4 1/2-4 3/4	5	4 1/2-5	5 -6	5 -5 1/2	5 -6	4 1/2-5 1/2	4 3/4-5 1/2	4 3/4-5 1/2	5	5 -7	5 -6
May.....	4 3/4-5	5 -5 1/2	4 3/4-5	4 1/2-6	5 -6	5 -6	5	4 3/4-5 1/2	4 3/4-5 1/2	5	5 -7	5 1/2-6
June.....	5 1/2	5 -5 3/4	5 1/2-5 1/2	5 1/2-6	5 1/4-6	5 -6	5 1/2	5 1/4-6	5 -6	5 -6	6 -7	5 1/2-6
Loans secured by warehouse receipts												
1927—December.....	5 -5 1/2	5	5 -6	4 3/4-6	6	5 -6	4 1/2-5	4 1/2-6	4 1/2-5 1/2	5 -6	5 -6	5 -6
1928—January.....	5	4 1/2-5	5 -6	4 1/2-6	6	5 -6	4 1/2-5	4 1/2-5 1/2	4 1/2-5	5 -6	5 -6	5 -6
February.....	5	4 1/2-6	5 -6	4 3/4-6	6	5 -6	4 1/2-5	4 1/2-5 1/2	4 1/2-6	5 -6	5 -6	5 -6
March.....	5	4 1/2-5	5 -6	4 3/4-6	5 3/4	5 -6	4 1/2-5	4 1/2-6	4 1/2-5 1/2	5 -6	5 -6	5 -6
April.....	5 -5 1/2	4 3/4-5	5 -6	4 3/4-6	6	5 -6	4 1/2-5	4 1/2-6	4 1/2-5	5 -6	5 -6	5 -6
May.....	5 -5 1/2	5 -6	5 -6	4 3/4-6	6	5 -6	4 3/4-5 1/2	4 1/2-5	4 1/2-5	5 -6	5 -6	5 -6
June.....	5 1/2-6	5 -6	5 -6	4 3/4-6	6	5 -6	5 -5 1/2	5 -6	4 3/4-5 1/2	5 -6	5 -6	5 -6
Interbank loans												
1927—December.....	4	4 -4 1/2	4 1/2-5	5	4 3/4	5 -6	5	4 1/2-5 1/2	4 3/4-6	6	5	5 -6
1928—January.....	4	4 1/2	4 1/2-5	5	4 3/4	5 -6	5	4 1/2-5 1/2	5 -5 1/2	6	5	5 -6
February.....	4 1/2	4 1/2-4 3/4	4 1/2-5	4 -5	5 -6	5 -6	5	4 1/2-5 1/2	5 -6	6	5	5 -6
March.....	4 1/2	4 1/2-4 3/4	4 1/2-5	4 1/2-5 1/2	5	5 -6	4 1/2-5	5 -5 1/2	5 -5 1/2	6	5 -6	5 -6
April.....	4 1/2	4 1/2-4 3/4	4 1/2-5	4 1/2-5 1/2	5	4 1/2-6	5	5 -5 1/2	5 -6	6	5	5 -6
May.....	4 3/4-5	4 1/2-5	4 3/4-5	4 1/2-5	5 -5 1/2	5 -6	5	5 -5 1/2	5 -6	6	5 -6	5 -6
June.....	5	4 1/2-5	5 -5 1/2	4 3/4-5 1/2	5 1/4-5 1/2	5 -6	5 -5 1/2	5 -5 1/2	5 1/2-6	6	5	5 -6

FEDERAL RESERVE BRANCH CITIES

City	Prime commercial loans			Loans secured by prime stock-exchange collateral			Loans secured by warehouse receipts			Inter bank loans		
	April, 1928	May, 1928	June, 1928	April, 1928	May, 1928	June, 1928	April, 1928	May, 1928	June, 1928	April, 1928	May, 1928	June, 1928
Buffalo.....	4 1/2-6	4 1/2-6	4 3/4-6	5 -6	5 -6	5 -6	5 -6	6	6	5	5	5
Cincinnati.....	5 -6	5 -6	5 1/2-6	5 -6	5 -6	5 1/2-6	6 -7	5 1/2-7	6 -7	5 -6	5 -6	5 -6
Pittsburgh.....	4 1/2-6	5 -6	5 -6	5 -6	5 -6	5 -6	6	6	6	5 -6	5 -6	5 -6
Baltimore.....	5 -5 1/2	4 3/4-5 1/2	4 3/4-5 1/2	5 -6	5 -6	5 1/2-6	6	5 1/2-6	5 3/4-6	5 -5 1/2	5 -5 1/2	5 -6
Charlotte.....	4 1/2-6	5 -6	5 -6	6	6	6	5 -6	5 1/2-6	5 1/2-6	5 1/2-6	5 1/2-6	5 1/2-6
Birmingham.....	5 -6	5 -6	5 -6	6	6	6	6	6	5 -6	5 -6	5 -6	5 -6
Jacksonville.....	5 -6	5 -6	5 -6	5 -8	5 -8	5 -8	4 3/4-7	4 1/2-7	5 -7	6	6	6
Nashville.....	6	6	6	6	6	6	5 1/2-6	5 1/2-6	5 1/2-6	5 1/2-6	5 1/2-6	5 1/2-6
New Orleans.....	5 -6	5 -6	5 1/2-6	5 1/2-6	5 1/2-6	5 1/2-6 1/2	5 -6	5 -6	5 1/2-6 1/2	5 -6	5 -6	5 -6
Detroit.....	4 1/2-6	4 1/2-6	4 1/2-6	5 1/2-6	5 1/2-6	5 1/2-6	5 1/2-6	5 1/2-6	5 1/2-6	5 -6	5 1/2-6	5 1/2-6
Little Rock.....	5 -6	5 -6	5 -6	5 -6	5 -6	5 -6	6	6	6 -7	6	5 1/2-6	5 1/2-6
Louisville.....	5 1/2-6	5 1/2-6	5 1/2-6	5 -6	5 -6	5 1/2-6	6	6	6	5	5	5
Helena.....	8	8	8	8	8	8	6 -8	6 -8	6 -8	6 -8	6 -8	6 -8
Denver.....	4 1/2-6	4 1/2-6	4 1/2-6	5 1/2-6	5 1/2-6	5 1/2-6	5 1/2-8	6 -8	6 -8	6 -8 1/2	6 -8 1/2	6
Oklahoma City.....	5 -6	5 -6	5 -6	6	6	6	6	6	6	6	6	6
Omaha.....	4 3/4-6	5 -6	5 1/2	5 1/2-6	5 1/2-6	5 1/2-6	6 -6 1/2	6	6	5 1/2-6	5 1/2-6	6
El Paso.....	8	8	8	6 -8	6 -8	6 -8	7 -8	7 -8	7 -8	6	6	6
Houston.....	5 -6	5 -6	5 -6	5 -6	5 -6	5 -6	5 -7	5 -7	5 -7	5 -5 1/2	5	5 -5 1/2
San Antonio.....	4 1/2-6	4 1/2-6	4 1/2-6	5 1/2-8	5 -8	6 -8	6 -8	6 -8	6 -8	5 -6	5 -6	5 -6
Los Angeles.....	6 -7	6 -7	6 -7	6 -7	6 -7	6 -7	6 -7	6 -7	6 -7	6 -7	6 -7	6 -7
Portland.....	6	6	6	6	6	6	6 -7	6 -7	6 -7	6	6	6
Salt Lake City.....	6 -6 1/2	6	5 1/2-6	6 -6 1/2	6	6	6	7	7	6	6	6
Seattle.....	6	5 -6	6	6 -7	6 -6 1/2	6	6 1/2-7	6 1/2-7	6 1/2-7	6 -6 1/2	6	6
Spokane.....	6	6	6	6	6	6	7 -8	7	7	6	6	6

¹ Revised.

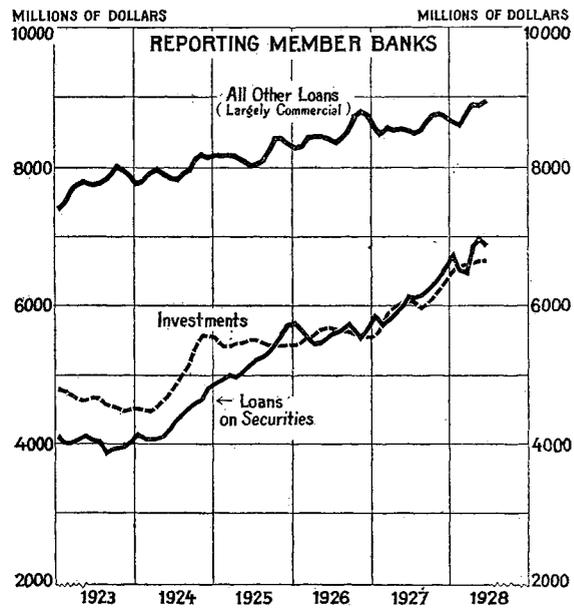
MEMBER BANK CREDIT

ALL MEMBER BANKS

[In millions of dollars]

Month	All member banks	Reporting member banks in leading cities				Member banks outside leading cities
		Total	New York City	Other leading cities		
				Total	Chicago	
Borrowings at Federal reserve bank:						
1927—June	435	271	51	220	20	164
July	434	273	59	214	12	161
August	413	256	74	182	6	157
September	417	267	90	177	8	150
October	428	283	75	208	10	145
November	421	276	73	203	11	145
December	532	388	127	261	21	143
1928—January	439	315	94	221	23	124
February	463	338	78	260	13	125
March	489	362	75	287	25	127
April	637	488	145	343	35	149
May	826	644	222	422	49	182
June	1,012	796	271	525	61	216
Reserve balances:						
1927—June	2,342	1,749	767	973	173	593
July	2,299	1,696	728	968	167	603
August	2,313	1,707	724	983	182	605
September	2,323	1,709	726	983	182	614
October	2,355	1,725	728	997	186	630
November	2,400	1,767	768	999	180	634
December	2,410	1,787	769	1,018	189	623
1928—January	2,436	1,805	781	1,024	193	631
February	2,384	1,765	754	1,011	186	620
March	2,351	1,733	738	995	181	618
April	2,411	1,789	777	1,012	182	622
May	2,395	1,778	767	1,011	187	617
June	2,364	1,747	749	998	184	617
Net demand plus time deposits:						
1927—June	30,693	19,688	6,400	13,288	1,839	11,252
July	30,816	19,593	6,257	13,336	1,864	11,405
August	30,827	19,616	6,224	13,392	1,908	11,409
September	31,119	19,723	6,228	13,495	1,914	11,567
October	31,487	19,871	6,269	13,602	1,929	11,721
November	31,759	20,217	6,485	13,732	1,939	11,823
December	32,263	20,395	6,604	13,791	1,931	11,832
1928—January	32,647	20,646	6,732	13,914	1,964	11,911
February	32,152	20,397	6,564	13,833	1,919	11,761
March	32,159	20,375	6,547	13,828	1,923	11,794
April	32,643	20,686	6,727	13,959	1,944	11,914
May	32,725	20,760	6,759	14,001	1,995	11,923
June	32,606	20,484	6,589	13,895	1,991	11,887
Net demand deposits:						
1927—June	18,534	13,449	5,390	8,050	1,245	5,280
July	18,555	13,340	5,265	8,075	1,260	5,355
August	18,493	13,309	5,213	8,096	1,291	5,329
September	18,667	13,374	5,224	8,160	1,301	5,437
October	18,960	13,447	5,255	8,192	1,304	5,558
November	19,180	13,734	5,430	8,304	1,317	5,650
December	19,586	13,904	5,570	8,334	1,298	5,627
1928—January	19,719	14,012	5,633	8,379	1,326	5,611
February	19,162	13,707	5,471	8,236	1,272	5,476
March	19,104	13,611	5,467	8,144	1,262	5,453
April	19,388	13,849	5,607	8,242	1,255	5,483
May	19,315	13,794	5,566	8,228	1,281	5,472
June	19,167	13,488	5,379	8,109	1,266	5,450
Time deposits:						
1927—June	12,159	6,239	1,010	5,229	594	5,973
July	12,261	6,253	992	5,261	604	5,051
August	12,334	6,307	1,010	5,297	617	5,081
September	12,452	6,349	1,004	5,345	613	5,130
October	12,527	6,424	1,015	5,409	625	5,163
November	12,579	6,483	1,055	5,428	622	5,174
December	12,677	6,491	1,034	5,457	633	5,205
1928—January	12,928	6,634	1,099	5,535	638	6,300
February	12,990	6,690	1,093	5,597	647	6,285
March	13,055	6,764	1,080	5,684	661	6,341
April	13,255	6,837	1,120	5,717	689	6,431
May	13,410	6,966	1,193	5,773	714	6,451
June	13,439	6,996	1,210	5,786	725	6,437

NOTE.—All figures in this table are monthly averages of weekly figures except those for deposits of (1) all member banks, and (2) banks outside leading cities; these are for a single date in the month. See BULLETIN for December, 1927, p. 828.



REPORTING MEMBER BANKS
[Monthly averages of weekly figures. In millions of dollars]

Month	Total loans and investments	Loans			Investments
		Total	On securities	All other	
Total:					
1927—June	20,784	14,689	6,146	8,543	6,095
July	20,687	14,621	6,116	8,504	6,066
August	20,646	14,671	6,125	8,545	5,976
September	20,951	14,917	6,221	8,696	6,033
October	21,227	15,112	6,325	8,787	6,115
November	21,462	15,198	6,410	8,787	6,265
December	21,728	15,332	6,594	8,739	6,396
1928—January	21,917	15,395	6,731	8,664	6,522
February	21,737	15,177	6,527	8,650	6,560
March	21,922	15,323	6,502	8,821	6,599
April	22,366	15,758	6,841	8,917	6,608
May	22,568	15,906	6,991	8,915	6,662
June	22,486	15,816	6,873	8,943	6,670
New York City:					
1927—June	6,692	4,767	2,326	2,441	1,925
July	6,602	4,720	2,281	2,439	1,882
August	6,579	4,748	2,275	2,473	1,831
September	6,705	4,911	2,313	2,598	1,794
October	6,783	5,009	2,370	2,640	1,773
November	6,954	5,115	2,465	2,651	1,838
December	7,124	5,228	2,605	2,622	1,897
1928—January	7,277	5,312	2,692	2,619	1,965
February	7,103	5,111	2,509	2,602	1,992
March	7,148	5,143	2,429	2,714	2,005
April	7,383	5,435	2,655	2,780	1,948
May	7,514	5,539	2,765	2,774	1,975
June	7,399	5,380	2,589	2,791	2,019
Other leading cities:					
1927—June	14,092	9,922	3,820	6,101	4,170
July	14,085	9,901	3,833	6,067	4,184
August	14,068	9,923	3,850	6,072	4,146
September	14,246	10,006	3,908	6,098	4,239
October	14,444	10,102	3,956	6,147	4,342
November	14,508	10,083	3,946	6,136	4,427
December	14,604	10,105	3,988	6,116	4,499
1928—January	14,640	10,083	4,039	6,045	4,557
February	14,634	10,066	4,018	6,048	4,568
March	14,774	10,180	4,073	6,107	4,594
April	14,983	10,323	4,186	6,137	4,660
May	15,054	10,367	4,226	6,141	4,687
June	15,087	10,436	4,284	6,152	4,651

BROKERS' LOANS

BROKERS' BORROWINGS ON COLLATERAL, IN NEW YORK CITY, REPORTED BY THE NEW YORK STOCK EXCHANGE
 [Net borrowings. In millions of dollars]

Date	On demand and on time			On demand			On time		
	Total	From New York banks and trust companies	From private banks, brokers, foreign banking agencies, etc.	Total	From New York banks and trust companies	From private banks, brokers, foreign banking agencies, etc.	Total	From New York banks and trust companies	From private banks, brokers, foreign banking agencies, etc.
1926—May 31	2,767	2,393	375	1,987	1,703	285	780	690	90.4
June 30	2,926	2,509	417	2,225	1,852	374	701	657	43.4
July 31	2,998	2,583	415	2,283	1,918	365	715	665	50.2
Aug. 31	3,142	2,697	444	2,364	1,984	379	778	713	65.0
Sept. 30	3,219	2,745	474	2,419	2,021	398	800	724	75.8
Oct. 30	3,111	2,667	444	2,289	1,924	365	822	743	75.5
Nov. 30	3,129	2,636	493	2,330	1,932	397	800	704	95.9
Dec. 31	3,293	2,804	489	2,542	2,128	414	751	676	75.6
1927—Jan. 31	3,139	2,671	469	2,328	1,964	365	810	707	103.9
Feb. 28	3,256	2,753	499	2,475	2,085	391	781	673	108.4
Mar. 31	3,290	2,791	500	2,505	2,112	393	785	679	106.6
Apr. 30	3,341	2,865	476	2,541	2,146	395	800	719	81.4
May 31	3,458	2,967	490	2,674	2,254	420	784	713	70.5
June 30	3,569	3,065	504	2,757	2,316	441	812	749	63.5
July 30	3,642	3,145	497	2,765	2,343	421	877	802	75.5
Aug. 31	3,674	3,170	504	2,746	2,330	415	928	840	88.8
Sept. 30	3,915	3,340	575	3,018	2,539	479	897	801	95.8
Oct. 31	3,946	3,363	583	3,023	2,549	475	923	814	108.5
Nov. 30	4,092	3,519	573	3,134	2,675	459	958	844	113.4
Dec. 31	4,433	3,812	621	3,481	2,963	518	952	849	103.4
1928—Jan. 31	4,420	3,805	615	3,393	2,882	511	1,027	923	104.2
Feb. 29	4,323	3,737	585	3,294	2,807	488	1,028	931	97.7
Mar. 31	4,640	3,947	693	3,580	3,016	564	1,060	931	128.8
Apr. 30	4,908	4,246	662	3,739	3,201	537	1,169	1,045	124.2
May 31	5,274	4,568	707	4,070	3,455	616	1,204	1,113	90.8
June 30	4,898	4,169	730	3,742	3,122	619	1,157	1,046	110.3

LOANS TO BROKERS AND DEALERS IN SECURITIES MADE BY REPORTING MEMBER BANKS IN NEW YORK CITY

[In millions of dollars. Monthly data are averages of weekly figures]

Month or date	Demand and time loans				Demand loans				Time loans			
	Total	For own account	For account of out-of-town banks	For account of others	Total	For own account	For account of out-of-town banks	For account of others	Total	For own account	For account of out-of-town banks	For account of others
1926—May	2,452	913	998	541	1,719	516	717	486	733	396	282	55.3
June	2,517	973	944	600	1,838	613	689	536	678	359	255	63.8
July	2,607	960	1,000	646	1,935	605	746	584	671	355	254	62.1
August	2,720	948	1,073	699	2,027	610	793	624	693	337	280	75.4
September	2,783	974	1,128	682	2,074	656	807	611	710	318	321	71.0
October	2,698	866	1,106	726	1,975	549	773	653	723	317	333	72.8
November	2,615	819	1,048	748	1,911	520	728	663	704	298	320	85.4
December	2,688	887	1,045	766	2,012	596	737	679	686	291	308	87.0
1927—January	2,778	933	1,104	741	2,094	639	799	656	685	295	305	84.8
February	2,733	841	1,127	765	2,069	548	843	678	664	293	284	87.1
March	2,816	901	1,091	824	2,154	615	805	734	661	285	286	89.9
April	2,866	929	1,131	806	2,190	642	830	718	677	287	301	88.4
May	2,933	936	1,191	805	2,219	639	861	719	714	297	330	86.4
June	3,115	1,077	1,180	858	2,385	772	851	762	730	306	328	95.8
July	3,096	1,032	1,188	877	2,336	705	857	774	760	327	330	102.9
August	3,181	1,048	1,225	908	2,369	726	849	791	815	322	376	116.4
September	3,261	1,061	1,255	916	2,463	777	891	795	799	284	394	120.5
October	3,392	1,103	1,326	962	2,603	820	942	841	789	283	385	121.4
November	3,441	1,175	1,276	990	2,632	879	902	851	809	296	374	133.7
December	3,621	1,282	1,354	985	2,782	948	981	853	839	334	373	132.3
1928—January	3,802	1,342	1,470	990	2,938	992	1,083	863	863	350	387	126.8
February	3,784	1,167	1,500	1,117	2,871	820	1,084	967	813	347	416	150.0
March	3,761	1,064	1,450	1,247	2,861	741	1,086	1,084	900	323	414	162.9
April	4,062	1,193	1,617	1,252	3,122	843	1,204	1,075	940	350	413	177.3
May	4,414	1,272	1,623	1,514	3,368	885	1,198	1,285	1,046	386	431	229.1
June	4,355	1,048	1,571	1,736	3,304	687	1,147	1,470	1,051	361	424	265.9
June 6	4,563	1,166	1,642	1,755	3,496	787	1,210	1,499	1,067	379	432	255.9
June 13	4,428	1,079	1,621	1,728	3,352	704	1,186	1,462	1,076	375	435	266.1
June 20	4,270	1,004	1,534	1,732	3,225	649	1,113	1,403	1,045	355	421	268.5
June 27	4,159	941	1,489	1,729	3,142	607	1,079	1,456	1,017	335	409	272.9

COMMODITY PRICES, SECURITY PRICES, AND SECURITY ISSUES

WHOLESALE PRICES, BY COMMODITY GROUPS¹
[1926=100]

Month	All commodities	Farm products	Foods	Hides and leather products	Textile products	Fuel and lighting	Metals and metal products	Building materials	Chemicals and drugs	House-furnishing goods	Miscellaneous	Nonagricultural commodities
1927—April.....	93.7	94.3	94.6	101.7	94.2	84.9	97.8	95.0	97.8	97.8	91.3	93.6
May.....	93.7	96.3	94.4	103.7	93.9	83.9	98.6	95.1	95.4	97.8	91.3	93.2
June.....	93.8	96.5	94.4	107.3	94.3	84.2	98.2	94.6	95.8	98.0	90.2	93.1
July.....	94.1	97.6	93.9	111.7	94.3	84.2	97.7	93.7	95.3	98.0	89.3	93.2
August.....	95.2	102.2	94.2	111.7	96.2	84.1	98.0	92.9	95.4	98.6	89.9	93.3
September.....	96.5	105.9	96.5	112.5	98.5	84.2	97.6	92.1	96.4	98.6	89.2	94.0
October.....	97.0	105.0	100.0	113.0	98.4	83.8	97.1	91.6	97.1	98.5	88.3	94.8
November.....	96.7	104.3	101.5	114.3	97.5	82.9	97.0	90.2	97.4	98.9	88.3	94.6
December.....	96.8	104.4	100.7	116.9	97.2	82.5	98.4	90.4	97.2	98.8	89.0	94.8
1928—January.....	96.3	106.1	98.5	121.0	96.7	80.8	98.1	90.8	96.3	98.6	89.0	93.7
February.....	96.4	104.5	98.7	124.1	96.6	81.2	98.3	91.0	95.8	98.4	87.3	94.2
March.....	96.0	103.5	98.0	124.0	96.5	80.8	98.4	91.0	95.6	98.3	86.8	94.0
April.....	97.4	107.6	99.5	126.7	96.5	80.8	98.4	92.5	95.8	97.9	84.9	94.7
May.....	98.6	109.8	101.2	126.3	96.6	81.8	98.6	93.5	95.3	97.8	85.1	95.6

¹ New index of Bureau of Labor Statistics.

PRICES OF FARM PRODUCTS AT THE FARM¹

[August, 1909-July, 1914=100]

Month	30 commodities	Grains	Fruit and vegetables	Meat animals	Dairy and poultry products	Cotton and cottonseed	Unclassified
1927							
April.....	125	119	147	143	133	101	80
May.....	126	127	158	137	130	113	79
June.....	130	140	201	129	124	119	82
July.....	130	139	195	131	125	124	81
August.....	132	138	172	136	127	136	81
September.....	140	134	145	142	137	179	87
October.....	139	128	138	145	146	169	83
November.....	137	120	136	141	153	162	86
December.....	137	123	141	138	158	153	90
1928							
January.....	137	125	144	138	154	152	91
February.....	135	128	153	139	144	141	90
March.....	137	136	174	139	137	147	89
April.....	140	144	179	142	134	154	85
May.....	148	160	181	151	134	166	86
June.....	145	152	168	150	132	162	87

¹ Index numbers of Department of Agriculture

DOMESTIC CAPITAL ISSUES

[In millions of dollars]

Class of issue	May, 1928		January-May			
	New	Re-fund-ing	1928		1927	
			New	Re-fund-ing	New	Re-fund-ing
Total.....	593.8	162.9	2,566.8	1,196.5	2,768.8	954.2
Corporate issues.....	441.1	161.9	1,927.0	1,184.2	2,056.8	846.9
Bonds and notes.....						
Long-term.....	194.6	103.8	1,050.7	886.7	1,323.6	760.5
Short-term.....	17.5	4.2	83.8	34.0	68.6	25.8
Stocks.....	229.0	53.9	792.5	263.5	664.5	60.6
Farm-loan issues.....	4.0		10.0		48.1	92.8
Municipal issues.....	148.7	1.0	629.8	12.3	664.0	14.5
Total new and refunding.....	756.7		3,763.3		3,723.0	

SECURITY PRICES

Month or week	Common stocks ¹			Bonds: Average price of 40 issues
	197 industrial stocks ²	31 railroad stocks ²	Total 228 stocks	
1927—June.....	175.4	151.9	168.5	97.06
July.....	179.0	153.9	171.7	97.03
August.....	189.0	156.0	179.3	97.76
September.....	197.0	157.1	191.1	98.00
October.....	197.5	158.9	186.2	98.62
November.....	202.1	158.6	189.4	98.98
December.....	208.7	160.6	194.6	99.25
1928—January.....	210.4	158.2	195.2	99.35
February.....	207.6	153.7	191.9	99.31
March.....	221.0	159.0	202.9	99.20
April.....	236.2	164.8	215.3	99.18
May.....	243.9	168.1	221.8	98.79
June.....	231.5	159.3	210.4	97.38
Week ending—				
June 2.....	245.4	165.5	222.0	98.13
June 9.....	231.4	158.6	210.1	97.53
June 16.....	226.8	157.6	206.5	97.09
June 23.....	222.0	156.2	202.8	97.07
June 30.....	231.9	158.5	210.5	97.09

¹ Index numbers of Standard Statistics Co.

² Average of 1917-1921 prices=100.

³ Average of yearly high and low prices, 1913-1922=100.

FOREIGN CAPITAL ISSUES

[In millions of dollars]

Class of issue	May, 1928		January-May			
	Gov-ern-ment	Cor-po-rate	1928		1927	
			Gov-ern-ment	Cor-po-rate	Gov-ern-ment	Cor-po-rate
Total.....	145.0	81.0	534.0	243.1	420.0	215.7
New issues.....	135.0	65.0	437.0	196.3	378.5	193.4
Europe.....	53.8	42.5	225.0	131.4	123.3	76.2
Canada and Newfoundland.....	7.5	21.0	20.8	40.2	59.3	34.1
Latin America.....	20.6	1.4	130.6	5.8	119.2	53.6
United States insular possessions.....	3.1		4.2		1.9	4.6
Miscellaneous.....	50.0		56.5	18.9	74.8	25.0
Refunding issues.....	10.0	16.1	97.0	46.9	41.5	22.2
Total, Government and corporate.....	226.0		777.1		635.7	

PRODUCTION, EMPLOYMENT, AND TRADE

[Index numbers of the Federal Reserve Board]

Year and month	Industrial production ¹	Production of manufactures ¹	Production of minerals ¹	Factory employment	Factory pay rolls	Building contracts awarded ¹		Freight car loadings ¹	Wholesale distribution		Department-store sales ¹		Department-store stocks ¹	
						Unadjusted	Adjusted		Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
						Mo. av. 1923-1925=100								
ANNUAL INDEX														
1919	83	84	77	100	100	64	84	110	78	79	79	105	105	105
1920	87	87	89	103	124	63	91	114	94	89	89	89	89	89
1921	67	67	70	82	84	57	79	87	87	88	88	88	88	88
1922	85	87	74	90	89	81	86	89	88	98	98	98	98	98
1923	101	101	105	104	113	84	100	101	98	99	101	101	101	101
1924	95	94	96	95	104	95	98	98	103	103	103	103	103	103
1925	104	105	99	95	107	122	103	101	106	106	106	106	106	106
1926	108	108	107	96	109	129	107	98	106	106	106	106	106	106
1927	106	106	107	92	105	128	103	95	106	106	106	106	106	106
MONTHLY INDEX														
1923														
October	99	98	104	104	117	91	8	97	123	103	117	100	111	100
November	98	96	105	103	115	80	90	99	100	100	113	99	114	101
December	96	96	99	101	113	76	90	95	82	95	161	100	94	100
1924														
January	100	99	102	100	108	76	101	99	94	103	87	99	90	101
February	102	102	104	101	114	78	101	103	98	102	82	101	97	102
March	100	101	99	101	113	109	99	99	102	94	91	99	105	102
April	95	95	92	99	111	121	96	98	96	99	104	99	107	103
May	89	88	93	96	105	108	95	97	87	95	100	97	104	102
June	85	84	92	93	100	101	91	92	82	91	94	100	97	100
July	83	82	92	89	92	87	84	92	86	93	72	96	93	100
August	89	88	92	89	96	89	85	95	105	95	74	95	96	100
September	94	93	97	91	99	87	90	99	118	101	93	100	105	101
October	94	95	89	93	103	103	100	99	118	99	111	95	111	101
November	97	97	96	92	101	95	103	99	97	99	111	101	113	100
December	101	101	100	94	106	83	94	100	88	101	168	100	94	100
1925														
January	105	106	104	94	103	75	101	103	93	102	86	98	90	102
February	105	106	100	96	109	76	104	103	97	101	80	103	96	101
March	104	106	96	96	110	120	107	100	109	100	95	103	104	101
April	103	103	98	96	107	133	112	104	98	100	106	102	106	101
May	103	103	104	95	107	124	115	105	90	99	100	101	102	100
June	102	102	101	94	105	137	125	101	91	100	99	100	97	100
July	103	103	104	93	102	133	128	101	94	102	75	100	94	101
August	103	102	108	94	105	149	135	105	113	101	78	101	98	102
September	102	104	90	95	104	138	135	102	117	100	95	102	106	102
October	105	107	91	97	111	129	129	100	124	105	129	110	111	101
November	106	109	94	97	112	116	127	104	99	100	114	104	115	102
December	108	110	93	97	112	129	138	105	89	98	178	106	97	103
1926														
January	106	109	92	96	107	111	146	102	94	102	89	106	93	105
February	107	108	96	97	112	106	145	104	97	101	81	104	98	103
March	107	108	106	97	113	146	128	105	107	100	102	101	107	104
April	107	107	106	96	110	139	120	107	94	97	103	103	107	103
May	106	107	104	96	109	134	125	108	91	99	107	107	103	101
June	107	107	106	95	109	133	125	109	91	99	101	102	98	101
July	107	107	107	93	104	126	124	108	91	97	78	104	94	101
August	111	111	109	94	108	143	131	108	107	97	83	107	97	101
September	112	112	111	96	108	137	130	109	117	100	101	109	107	103
October	111	110	115	96	112	126	126	109	111	94	124	110	114	103
November	108	106	118	95	109	119	130	108	97	98	121	106	117	104
December	105	103	119	94	108	131	136	106	84	95	184	110	96	102
1927														
January	107	105	116	92	102	94	123	105	86	94	89	106	92	103
February	109	107	118	94	109	96	131	109	91	95	83	107	87	102
March	111	110	118	94	110	151	131	109	103	96	100	105	106	103
April	108	109	104	93	108	147	128	108	90	93	111	105	108	102
May	111	111	108	93	108	135	126	107	88	95	102	103	103	101
June	108	108	104	92	106	154	144	104	87	93	101	104	97	100
July	106	106	100	91	101	130	128	101	88	95	75	103	94	101
August	107	107	106	91	104	135	119	104	111	100	89	111	87	101
September	105	105	105	92	104	127	121	104	112	96	100	109	107	103
October	103	102	105	92	105	137	137	101	106	91	119	105	103	103
November	99	98	101	90	101	114	125	96	93	95	122	107	106	103
December	99	99	103	89	102	116	121	94	82	93	186	111	6	102
1928														
January	106	107	103	88	98	104	137	100	87	94	88	105	1	103
February	110	111	103	89	104	113	155	102	93	97	85	105	16	101
March	109	110	105	90	105	144	125	103	93	93	103	105	103	100
April	109	110	103	89	103	157	136	104	86	89	102	103	104	100
May	109	110	105	89	104	163	152	106	89	96	107	104	101	99

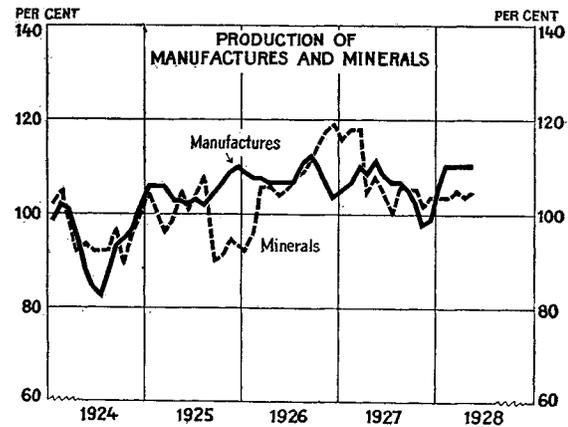
¹ The indexes of production and car loadings are adjusted to allow for seasonal variation; the indexes of building contracts, wholesale distribution, and department-store sales and stocks are shown both with and without seasonal adjustments.

INDUSTRIAL PRODUCTION

INDEX OF INDUSTRIAL PRODUCTION

[Index numbers, adjusted for seasonal variations.
1923-1925 average=100]

Month	1922	1923	1924	1925	1926	1927	1928
January.....	73	100	100	105	106	107	106
February.....	76	100	102	105	107	109	*109
March.....	80	103	100	104	107	111	109
April.....	77	107	95	103	107	108	109
May.....	81	107	89	103	106	111	109
June.....	86	105	85	102	107	108	-----
July.....	86	103	83	103	107	106	-----
August.....	84	102	89	103	111	107	-----
September.....	88	100	94	102	112	105	-----
October.....	94	99	94	105	111	103	-----
November.....	97	97	97	106	108	99	-----
December.....	100	96	101	108	105	99	-----
Annual index.....	85	101	95	104	108	106	-----



INDEX OF PRODUCTION OF MANUFACTURES, BY GROUPS

Year and month	Total	Iron and steel	Textiles	Food products	Paper and printing	Lumber	Auto-mob-iles	Leather and shoes	Cement, brick, and glass	Non-ferrous metals	Petro-leum refining	Rubber tires	Tobacco manu-factures
1927													
February.....	107	114	108	93	113	95	101	102	107	112	134	117	113
March.....	110	115	114	99	113	91	106	98	119	108	135	123	116
April.....	109	116	112	98	114	88	106	98	109	112	134	131	122
May.....	111	116	116	103	112	95	103	100	108	111	132	127	122
June.....	108	105	121	102	112	83	95	105	109	108	134	131	116
July.....	106	103	118	96	114	85	84	113	111	106	136	124	109
August.....	107	102	119	97	112	85	89	112	115	108	136	119	119
September.....	105	98	118	93	113	99	81	113	113	107	139	113	123
October.....	102	94	113	94	111	94	70	108	108	106	142	116	121
November.....	98	88	112	94	110	96	47	97	107	106	140	117	122
December.....	99	93	105	95	112	93	53	96	105	111	137	110	112
1928													
January.....	*106	110	106	102	116	*91	92	99	111	101	135	124	118
February.....	*110	115	107	110	117	*92	103	102	115	109	139	139	118
March.....	110	114	106	105	118	*94	114	101	109	107	141	135	119
April.....	110	125	101	97	118	*97	110	96	108	110	147	131	119
May.....	110	117	107	96	121	91	108	97	113	111	150	-----	120

INDEX OF PRODUCTION OF MINERALS, BY PRODUCTS

Year and month	Total	Bitumi-nous coal	Anthracite coal	Crude pet-roleum	Iron-ore ship-ments	Copper	Zinc	Lead	Silver
1927									
February.....	118	125	95	123	-----	111	113	112	95
March.....	118	131	88	123	-----	100	114	115	90
April.....	104	87	108	119	-----	106	110	120	90
May.....	108	94	117	120	120	107	108	113	90
June.....	104	91	102	120	101	105	114	112	93
July.....	100	87	75	124	99	101	109	116	94
August.....	106	92	107	123	99	101	114	112	94
September.....	105	92	100	124	87	104	111	111	90
October.....	105	90	107	124	95	102	110	105	91
November.....	101	85	106	124	49	106	107	110	100
December.....	103	87	92	124	-----	105	109	109	95
1928									
January.....	103	92	88	121	-----	102	104	*103	93
February.....	103	94	88	119	-----	104	107	109	83
March.....	105	99	79	121	-----	102	112	109	94
April.....	103	87	109	119	-----	103	114	100	*89
May.....	105	93	114	119	80	110	113	100	88

NOTE.—These tables contain, for certain months, index numbers of industrial production, together with group indexes for important components. The combined index of industrial production is computed from figures for 60 statistical series, 52 of manufactures, and 8 of minerals. Adjustments have been made in the different industries for the varying number of working days in each month and for customary seasonal variations, and the individual products and industries have been weighted in accordance with their relative importance. The sources of data and methods of construction were described and monthly indexes for the above groups were published in the BULLETIN for February and March, 1927.

*Revised.

PRODUCTION OF MANUFACTURES, BY INDIVIDUAL LINES

	May, 1928	April, 1928	May, 1927		May, 1928	April, 1928	May, 1927
Iron and steel:				Leather and products:			
Pig iron.....	106	104	109	Leather, tanning—			
Steel ingots.....	118	127	118	Sole leather ¹	101	105	104
Textiles:				Upper leather—			
Cotton consumption.....	108	101	124	Cattle.....	70	74	86
Wool—				Calf and kip.....	93	*98	102
Consumption.....	99	88	104	Goat and kid.....	117	129	110
Machinery activity ¹	82	80	84	Boots and shoes.....	95	92	99
Carpet and rug loom activity ¹	89	97	91	Stone, clay, and glass:			
Silk—				Cement.....	119	106	115
Deliveries.....	134	126	137	Brick—			
Loom activity ¹	115	112	112	Face brick.....	97	90	104
Food products:				Plate glass.....	116	120	114
Slaughtering and meat packing—				Nonferrous metals:			
Hogs.....	97	95	98	Copper.....	115	107	111
Cattle.....	94	90	107	Lead.....	100	101	112
Calves.....	100	100	102	Zinc.....	113	114	108
Sheep.....	105	102	106	Tin ¹	106	129	110
Flour.....	107	112	107	Chemicals and allied products:			
Sugar meltings.....	78	87	101	Petroleum refining—			
Paper and printing:				Gasoline ¹	167	165	145
Wood pulp and paper—				Kerosene.....	111	106	99
Newsprint.....	95	95	100	Fuel oil ¹	130	127	122
Book paper.....	126	127	104	Lubricating oil ¹	129	131	110
Fine paper.....	117	118	115	Coke production—			
Wrapping paper.....	115	*109	103	By-products.....	132	127	123
Paper board.....	136	*125	112	Beehive.....	38	34	66
Wood pulp, mechanical.....	85	87	91	Rubber tires and tubes:			
Wood pulp, chemical.....	113	107	113	Tires, pneumatic.....		133	129
Paper boxes.....	129	131	132	Inner tubes.....		115	115
Newsprint consumption.....	127	125	128	Tobacco products:			
Lumber:				Cigars.....	94	91	98
Lumber, cut.....	89	*96	94	Cigarettes.....	142	141	142
Flooring.....	112	111	103	Manufactured tobacco and snuff.....	92	95	97
Transportation equipment:							
Automobiles.....	108	110	107				
Locomotives.....	28	29	60				
Shipbuilding.....		55	181				

¹ Without seasonal adjustment.

*Revised.

FACTORY EMPLOYMENT AND PAY ROLLS

[Index numbers without seasonal adjustment. Monthly average, 1919=100]

Month	Total	Metals and products		Textiles and products			Lumber and products	Railroad vehicles	Automobiles	Paper and printing	Foods and products	Leather and products	Stone, clay, and glass	Tobacco products	Chemicals and products
		Group	Iron and steel	Group	Fabrics	Products									
Employment:															
April.....	93.2	89.9	89.6	95.1	97.5	92.0	91.0	78.4	123.4	108.1	83.1	84.2	121.5	77.3	78.1
May.....	92.6	88.7	88.4	93.6	96.5	89.9	91.6	78.5	123.7	107.3	83.7	82.6	124.0	78.2	75.3
June.....	92.4	87.8	87.5	93.1	96.3	88.9	91.8	78.9	117.2	106.9	87.6	82.2	124.2	80.3	75.9
July.....	90.7	85.7	85.4	91.0	94.8	86.2	91.2	78.2	109.9	106.3	86.7	85.3	119.5	80.3	75.0
August.....	91.2	85.4	85.0	92.3	95.6	88.2	92.4	76.7	114.3	106.9	85.8	88.2	120.2	74.4	75.3
September.....	91.9	85.1	84.7	93.9	96.5	90.5	93.0	76.1	111.0	107.8	88.7	88.5	119.3	83.5	76.9
October.....	91.7	84.4	84.0	94.5	97.0	91.4	92.4	75.5	109.9	108.6	89.2	86.5	116.2	85.3	77.8
November.....	90.1	82.8	82.3	94.2	97.2	90.3	91.2	73.4	100.7	109.7	87.7	81.5	114.7	84.6	78.5
December.....	89.0	81.8	81.4	93.6	96.4	89.9	88.0	72.0	105.0	110.1	86.7	79.8	109.0	80.3	77.2
1928—January.....	87.9	80.9	80.7	92.9	95.1	89.9	84.5	70.5	114.0	108.6	83.8	83.2	101.6	73.8	75.1
February.....	89.4	83.1	82.7	93.8	95.1	92.3	84.7	70.4	124.8	108.1	84.8	84.6	101.9	77.1	77.2
March.....	89.9	84.5	84.0	92.9	93.6	92.0	85.7	71.3	130.2	107.0	84.4	84.1	105.7	77.9	76.9
April.....	89.3	84.8	84.2	90.0	91.0	88.7	86.8	72.0	133.6	105.9	82.8	79.8	109.1	76.0	76.7
May.....	89.4	85.5	84.9	87.8	88.9	86.3	86.7	72.5	141.2	106.3	83.0	77.7	113.8	76.8	74.5
Pay rolls:															
April.....	108.5	99.5	99.1	105.1	108.1	101.4	103.2	88.0	157.7	150.7	98.0	87.0	151.6	77.9	109.9
May.....	108.1	96.8	96.2	103.3	107.6	98.1	105.3	89.8	158.7	150.3	100.7	84.4	157.6	83.6	107.0
June.....	105.8	95.2	94.7	102.8	107.0	97.6	104.8	87.9	131.4	148.2	104.6	85.1	154.5	86.7	109.1
July.....	101.1	87.4	86.7	99.1	102.8	94.6	101.1	83.0	125.2	145.4	103.1	90.2	143.7	85.7	103.6
August.....	104.4	90.4	89.8	102.7	105.8	98.9	105.8	85.4	136.3	147.2	101.7	97.5	149.0	79.7	105.2
September.....	103.8	87.9	87.3	104.8	107.3	101.9	107.3	81.3	128.7	148.9	104.4	95.2	145.7	90.5	105.7
October.....	105.1	88.9	88.2	106.9	108.9	104.3	109.1	83.6	133.6	151.0	104.8	88.5	145.0	91.3	110.0
November.....	101.0	86.0	85.2	101.6	104.5	98.1	106.3	82.2	117.6	149.0	103.0	76.8	140.8	90.5	109.7
December.....	101.8	87.6	86.6	103.6	106.1	100.6	102.5	80.2	127.8	152.7	102.2	77.8	133.6	87.0	112.4
1928—January.....	97.7	84.8	84.1	100.2	100.3	100.0	91.2	75.1	127.2	148.8	99.0	83.5	122.1	78.1	106.3
February.....	103.5	92.1	91.2	103.5	102.4	104.8	95.4	78.2	160.0	147.5	100.8	88.9	123.8	78.1	109.3
March.....	114.9	94.1	93.3	101.9	100.3	103.9	97.8	80.4	168.9	147.7	100.4	87.5	128.7	79.4	110.2
April.....	112.7	93.1	92.2	94.7	95.5	93.8	98.0	81.2	171.8	146.7	96.5	75.3	134.6	73.8	108.8
May.....	103.8	95.3	94.3	93.4	95.3	91.1	98.6	80.7	178.8	146.7	99.0	72.7	140.9	77.3	106.6

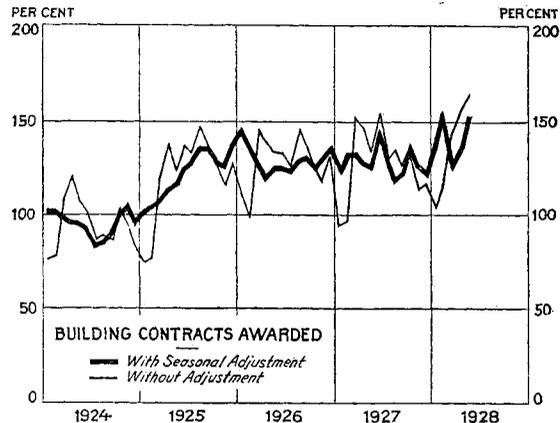
NOTE.—This table contains for certain months general index numbers of employment and pay rolls, together with group indexes for important industrial components. The general index is a weighted average of relatives for 34 individual industries. The method of construction was described in detail and indexes for the above groups since January, 1919, were published in the BULLETIN for May, 1925. See also p. 668 of BULLETIN for September, 1925, for certain revisions.

BUILDING

BUILDING CONTRACTS AWARDED

[Index numbers based on value of contracts. Monthly average, 1923-1925=100]

Month	Without seasonal adjustment				With seasonal adjustment			
	1925	1926	1927	1928	1925	1926	1927	1928
January.....	75	111	94	104	101	146	123	137
February.....	76	106	96	113	104	145	131	155
March.....	120	146	151	144	107	128	131	125
April.....	138	139	147	157	112	120	128	136
May.....	124	134	135	163	115	125	126	152
June.....	137	133	154	165	125	125	144	154
July.....	133	126	130	-----	128	124	128	-----
August.....	149	148	135	-----	135	131	119	-----
September.....	138	137	127	-----	135	130	121	-----
October.....	129	126	137	-----	129	126	137	-----
November.....	116	119	114	-----	127	130	125	-----
December.....	129	131	116	-----	138	136	121	-----



BUILDING CONTRACTS AWARDED, BY FEDERAL RESERVE DISTRICTS

[Value of contracts in thousands of dollars]

Month	Total	Federal Reserve District										
		Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas
1927												
May.....	552,349	39,023	141,469	37,724	70,938	39,736	31,100	105,089	31,344	11,136	21,528	23,262
June.....	632,478	33,569	177,235	54,644	64,011	35,502	31,188	140,608	44,171	11,712	17,598	22,240
July.....	534,390	29,658	158,435	33,982	57,465	34,241	28,093	107,480	32,205	13,111	17,203	22,517
August.....	552,488	37,461	144,049	53,519	62,447	31,813	23,176	109,646	34,134	12,371	19,061	19,811
September.....	521,611	32,863	107,448	40,174	65,235	57,464	30,917	106,296	32,573	8,038	22,253	18,350
October.....	562,816	27,486	169,299	34,211	49,315	29,553	26,023	141,523	41,405	9,305	19,317	15,379
November.....	466,393	40,070	132,481	30,138	39,136	24,811	39,151	84,182	27,793	7,138	16,516	24,977
December.....	477,364	29,407	130,346	28,634	35,275	37,285	24,816	126,841	33,352	4,473	12,316	14,619
1928												
January.....	427,169	33,410	133,271	35,765	26,403	27,607	27,696	77,806	29,187	4,428	13,318	18,278
February.....	465,331	21,826	140,227	34,980	37,841	22,301	23,376	108,789	35,294	3,968	13,793	22,936
March.....	592,567	39,694	155,154	46,317	66,821	42,061	29,826	108,093	40,626	8,339	33,174	22,463
April.....	643,137	42,957	154,369	60,982	70,184	66,591	24,371	128,643	43,818	10,249	20,658	20,315
May.....	668,097	50,097	188,687	49,743	63,813	39,421	32,497	139,784	36,360	13,178	20,199	28,318

BUILDING CONTRACTS AWARDED, BY TYPES OF BUILDING

[Value of contracts in thousands of dollars]

Month	Resi- dential	Indus- trial	Com- mercial	Public works and public utilities	Educa- tional	All other
1927						
May.....	219,980	44,889	72,541	111,365	34,545	69,026
June.....	239,814	33,879	88,122	151,399	42,122	77,142
July.....	186,935	30,303	83,010	143,916	36,434	53,792
August.....	209,456	41,039	76,915	119,741	41,035	64,302
September.....	202,877	48,546	59,617	126,230	29,244	55,097
October.....	243,562	50,712	79,720	108,210	30,170	50,442
November.....	214,863	52,890	43,521	76,089	31,741	47,189
December.....	207,281	29,989	86,933	92,657	23,248	37,256
1928						
January.....	193,189	37,970	68,852	72,039	23,369	31,750
February.....	238,985	34,881	57,695	59,980	18,651	55,139
March.....	275,192	48,804	73,075	110,338	33,881	51,277
April.....	276,586	85,093	82,753	117,401	32,885	45,413
May.....	288,826	37,146	91,200	150,223	47,851	52,851

BUILDING PERMITS ISSUED, BY FEDERAL RESERVE DISTRICTS

[Value of permits in thousands of dollars]

Federal reserve district	Number of cities	May, 1928	April, 1928	May, 1927
United States.....	168	306,441	276,520	294,311
Boston.....	14	9,519	10,197	12,999
New York.....	22	107,723	109,121	98,833
Philadelphia.....	14	18,995	14,642	18,272
Cleveland.....	12	22,427	25,126	21,477
Richmond.....	15	12,054	9,810	11,141
Atlanta.....	15	13,589	7,951	8,845
Chicago.....	19	66,031	53,532	58,390
St. Louis.....	5	8,327	8,397	7,632
Minneapolis.....	9	4,844	3,262	5,307
Kansas City.....	14	9,565	8,076	8,240
Dallas.....	9	8,753	6,057	8,012
San Francisco.....	20	24,614	26,350	35,163

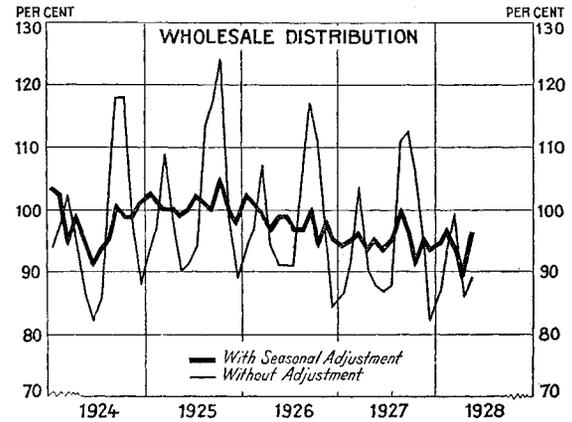
NOTE.—Figures for building contracts awarded are for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Adjusted indexes by months from 1910 to date given in the BULLETIN for August, 1927, p. 563.

TRADE AND DISTRIBUTION

FREIGHT-CAR LOADINGS, BY LINES

[Index numbers, adjusted for seasonal variations. 1923-1925=100]

Month	Total	Grain and grain products	Live-stock	Coal	Forest products	Merchandise l. c. l. and miscellaneous
1927—May.....	107	100	95	103	93	108
June.....	104	105	93	96	91	108
July.....	101	97	89	89	94	107
August.....	104	98	91	102	95	109
September.....	104	108	87	102	95	108
October.....	101	106	94	94	93	106
November.....	96	94	87	91	87	102
December.....	94	94	82	93	82	99
1928—January.....	100	102	91	94	90	106
February.....	102	108	101	96	93	106
March.....	103	116	96	96	89	108
April.....	104	109	89	99	85	108
May.....	106	102	88	101	90	110



For description and early figures see p. 562 of August BULLETIN.

INDEX OF WHOLESALE DISTRIBUTION—NINE LINES OF TRADE

[1923-1925 average=100]

Month	Sales with seasonal adjustment						Sales without seasonal adjustment					
	1923	1924	1925	1926	1927	1928	1923	1924	1925	1926	1927	1928
January.....	102	103	102	102	94	94	93	94	93	94	86	87
February.....	100	102	101	101	95	97	96	98	97	97	91	93
March.....	104	94	100	100	96	93	114	102	109	107	103	99
April.....	100	99	100	97	93	89	97	96	98	94	90	86
May.....	103	95	99	99	95	96	94	87	90	91	88	89
June.....	102	91	100	99	93	96	92	82	91	91	87	87
July.....	101	93	102	97	95	96	92	86	94	91	88	88
August.....	103	95	101	97	100	96	115	105	113	107	111	111
September.....	99	101	100	100	98	96	115	118	117	117	112	112
October.....	103	99	105	94	91	96	123	118	124	111	106	106
November.....	100	99	100	98	95	96	100	97	99	97	93	93
December.....	95	101	98	95	93	96	82	88	89	84	82	82
Annual average.....							101	98	101	98	95	95

SALES IN INDIVIDUAL LINES OF WHOLESALE TRADE

Month	With seasonal adjustment									Without seasonal adjustment								
	Groceries	Meats	Dry goods	Men's clothing	Women's clothing	Boots and shoes	Hardware	Drugs	Furniture	Groceries	Meats	Dry goods	Men's clothing	Women's clothing	Boots and shoes	Hardware	Drugs	Furniture
1927																		
May.....	97	100	87	87	69	110	91	104	98	95	109	76	52	39	111	93	98	93
June.....	98	104	88	90	65	90	92	106	102	101	106	78	46	28	85	96	99	90
July.....	91	103	88	90	79	134	92	105	102	92	104	81	78	43	107	90	100	84
August.....	97	109	102	101	72	111	97	112	109	97	111	125	165	98	122	98	110	111
September.....	94	109	91	92	66	104	99	114	103	102	117	113	140	95	127	106	122	117
October.....	90	109	86	81	54	91	94	111	99	102	122	99	101	87	114	105	128	118
November.....	94	105	89	86	67	105	100	112	100	100	101	88	61	45	110	98	113	105
December.....	92	109	87	93	61	101	97	106	89	90	103	70	48	39	82	90	99	83
1928																		
January.....	93	106	89	99	70	114	92	108	89	85	106	85	76	65	94	82	106	78
February.....	98	113	88	99	70	109	93	109	96	85	108	89	128	88	87	82	101	96
March.....	97	109	83	94	55	96	91	109	95	95	105	87	131	89	110	95	120	107
April.....	93	112	78	77	57	93	87	110	87	88	105	70	75	53	99	89	112	88
May.....	99	110	87	96	62	113	94	116	92	96	110	75	57	35	114	97	109	87

NOTE.—The basic data used and the methods of construction of the index of wholesale distribution were described and monthly indexes from January, 1919, to October, 1927, were published in the BULLETIN for December, 1927, pp. 817-828. Indexes of sales of furniture revised in May, 1928.

DEPARTMENT STORE SALES AND STOCKS, BY FEDERAL RESERVE DISTRICTS

[Index numbers.¹ Monthly average 1923-1925=100]

Month	United States	Federal Reserve District											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City ²	Dallas	San Francisco
Sales (unadjusted):													
1927—January	89	103	96	80	85	84	85	84	79	81	80	87	96
February	83	78	85	78	82	78	88	90	83	76	76	86	85
March	100	97	99	94	98	99	99	108	98	92	89	97	109
April	111	111	112	103	116	110	109	117	108	104	98	109	115
May	102	100	102	94	105	103	108	108	96	91	88	112	107
1928—January	88	98	94	75	85	81	85	91	82	76	79	89	98
February	85	78	89	72	85	82	91	94	85	75	77	88	92
March	103	96	102	95	101	105	110	115	105	94	92	109	110
April	102	99	103	90	101	99	102	113	99	83	82	102	114
May	107	101	109	94	106	106	114	122	104	95	93	116	116
Sales (adjusted):													
1927—January	106	114	111	96	105	107	107	105	100	98		105	112
February	107	104	109	97	104	104	109	114	103	103		108	111
March	105	104	107	96	103	102	105	114	101	99		100	112
April	105	102	107	98	107	105	104	106	101	92		108	114
May	103	102	104	96	103	105	105	107	98	90		108	106
1928—January	105	108	108	89	104	103	107	113	104	90		107	114
February	105	100	109	85	103	105	108	115	101	96		106	115
March	105	98	106	94	102	105	113	118	105	97		109	110
April	103	97	106	91	100	102	103	110	100	78		108	121
May	104	98	107	92	100	104	107	115	103	89		107	111
Stocks (unadjusted):													
1927—January	92	91	98	91	87	91	90	92	90	81	96	77	97
February	97	95	97	95	96	97	100	97	95	87	109	85	102
March	106	105	107	105	105	107	108	105	102	94	116	92	109
April	106	107	109	103	106	107	110	105	103	95	115	93	110
May	103	106	105	98	102	104	103	101	102	91	112	90	107
1928—January	91	93	96	88	90	89	92	92	84	80	98	75	98
February	96	97	97	91	93	96	101	99	93	88	111	83	105
March	103	105	105	98	103	103	105	105	96	91	117	86	111
April	104	107	108	96	103	104	108	106	98	93	115	87	111
May	101	106	104	93	100	100	103	103	96	88	115	83	108
Stocks (adjusted):													
1927—January	103	101	106	99	103	104	97	104	103	91		89	105
February	102	101	105	100	101	102	102	101	101	90		88	106
March	103	103	105	100	101	103	105	102	100	91		90	107
April	102	104	105	99	99	102	105	101	98	92		88	104
May	101	105	105	98	99	103	102	100	100	88		89	106
1928—January	103	102	104	96	106	102	101	103	97	90		86	107
February	101	103	104	96	98	101	103	104	99	91		86	109
March	100	103	103	93	99	100	102	102	94	88		84	109
April	100	104	104	92	96	99	103	102	94	90		83	106
May	99	105	104	93	96	99	102	102	94	85		81	107

¹ For description of department store indexes given in this table see BULLETIN for February, 1928. ² Monthly average in 1925=100.

SALES OF MAIL-ORDER HOUSES AND CHAIN STORES

[Index numbers of sales. Monthly average 1923-1925=100]

Month	Sales without seasonal adjustment								Sales with seasonal adjustment							
	Mail-order houses (4)	Chains							Mail-order houses (4)	Chains						
		Grocery (34)	5-and-10-cent (14)	Apparel (5)	Drug (13)	Cigar (5)	Shoe (4)	Candy (7)		Grocery (34)	5-and-10-cent (14)	Apparel (5)	Drug (13)	Cigar (5)	Shoe (4)	Candy (7)
1927—January	103	155	96	100	134	97	82	95	111	157	130	163	140	113	111	120
February	101	148	104	114	129	99	84	103	112	155	133	173	139	115	121	121
March	125	174	116	148	143	111	96	115	117	163	128	175	139	113	104	116
April	120	172	135	199	144	113	150	136	113	166	137	192	144	115	117	127
May	99	171	123	171	134	113	109	115	118	171	132	172	137	113	99	120
1928—January	105	187	104	121	146	90	87	100	113	189	140	197	153	105	117	126
February	108	193	115	137	148	96	86	106	116	194	142	201	153	107	120	120
March	125	224	133	200	163	107	117	119	113	210	142	224	157	109	119	120
April	115	202	135	195	154	100	130	130	117	203	147	205	161	105	109	125
May	116	213	139	221	164	110	130	127	132	206	144	213	161	105	113	127

NOTE.—For description of indexes given in this table see BULLETIN for April, 1928.

BANK SUSPENSIONS AND COMMERCIAL FAILURES

BANK SUSPENSIONS, BY CLASS OF BANK

[Amounts in thousands of dollars]

Month	All banks		Member banks		Nonmember banks	
	Number	Total deposits	Number	Total deposits	Number	Total deposits
1926						
January	65	13,384	11	3,992	54	9,392
February	52	11,763	10	2,861	42	8,902
March	51	10,249	6	710	45	9,539
April	56	12,512	6	3,534	50	8,978
May	68	16,324	10	4,234	58	12,090
June	77	34,229	16	5,318	61	28,911
July	140	48,618	5	1,637	135	46,981
August	52	10,001	9	2,127	43	7,874
September	37	12,050	8	4,317	29	7,733
October	88	18,209	19	6,280	69	11,929
November	154	45,983	33	19,389	121	26,594
December	116	39,166	27	14,413	89	24,753
Total	956	272,488	160	68,812	796	203,676
1927						
January	133	32,038	27	11,555	106	20,483
February	81	25,157	16	8,744	65	16,413
March	75	31,222	16	7,700	59	23,522
April	49	11,750	10	5,462	39	6,288
May	47	13,198	11	6,434	36	6,764
June	41	10,784	9	5,521	32	5,263
July	37	12,162	2	2,638	35	9,524
August	27	17,364	5	8,881	22	8,483
September	36	8,988	6	1,257	30	7,731
October	44	11,542	9	3,729	35	7,813
November	43	11,210	6	3,105	37	8,105
December	49	8,476	7	1,310	42	7,166
Total	662	193,891	124	66,336	538	127,555
1928						
January	53	12,535	8	3,456	45	9,079
February	50	20,669	11	10,082	39	10,587
March	64	17,682	9	4,373	55	13,309
April	44	8,362	6	3,361	38	5,001
May	29	6,631	5	2,287	24	4,344
Total, 5 months	240	65,879	39	23,559	201	42,320

BANK SUSPENSIONS¹ IN MAY, 1928, BY DISTRICTS

[Amounts in thousands of dollars]

Federal reserve district	All banks		Member banks ²		Nonmember banks	
	Number	Total deposits ³	Number	Total deposits ³	Number	Total deposits ³
Boston						
New York						
Philadelphia						
Cleveland	1	848	1	848		
Richmond	4	781			4	781
Atlanta	3	981	1	664	2	317
Chicago	7	1,325	1	319	6	1,006
St. Louis	2	678			2	678
Minneapolis	6	955	2	456	4	499
Kansas City	5	1,060			5	1,060
Dallas	1	19			1	19
San Francisco						
Total	429	6,647	5	2,287	24	4,360

¹ Banks closed to the public by order of supervisory authorities or by the directors of the banks on account of financial difficulties.

² National banks.

³ Figures represent deposits for the latest available date prior to the suspensions and are subject to revision when information for the dates of suspension becomes available.

⁴ Includes 1 bank for which deposit figures are not available.

COMMERCIAL FAILURES, BY CLASS OF ENTERPRISE

[Amounts in thousands of dollars]

Month	Number				Liabilities			
	Total	Manufacturing	Trading	Agents, brokers, etc.	Total	Manufacturing	Trading	Agents, brokers, etc.
1926								
January	2,296	510	1,696	90	43,651	16,094	21,502	6,055
February	1,801	447	1,282	72	34,176	10,822	20,317	3,037
March	1,984	469	1,424	91	30,623	9,862	18,623	2,138
April	1,957	494	1,378	85	38,487	16,734	19,094	2,659
May	1,730	437	1,216	77	33,543	16,157	15,710	1,676
June	1,708	435	1,160	113	29,408	10,082	15,525	3,791
July	1,605	396	1,122	87	29,680	11,168	14,614	3,598
August	1,593	449	1,071	73	28,130	12,516	14,096	1,518
September	1,437	374	958	105	29,990	10,093	11,243	8,654
October	1,763	450	1,205	108	33,231	11,650	15,874	5,707
November	1,830	440	1,285	105	32,694	16,097	14,158	2,439
December	2,069	494	1,471	104	45,620	16,759	20,579	8,282
Total	21,773	5,395	15,268	1,110	409,233	158,044	201,335	49,854
1927								
January	2,465	501	1,842	122	51,290	19,996	24,530	6,764
February	2,035	411	1,508	116	46,941	10,518	23,406	13,017
March	2,143	569	1,468	106	57,891	22,368	28,191	7,332
April	1,968	492	1,342	134	53,156	25,278	22,308	5,570
May	1,852	444	1,292	116	37,785	13,802	19,978	4,005
June	1,833	427	1,310	96	34,465	13,587	17,856	3,022
July	1,756	448	1,187	121	43,150	16,743	16,832	9,575
August	1,708	438	1,174	96	39,196	14,921	14,702	9,573
September	1,573	389	1,083	101	32,786	15,349	12,052	5,385
October	1,787	488	1,170	129	36,236	17,134	14,657	4,445
November	1,864	478	1,276	110	36,147	12,786	16,949	6,412
December	2,162	597	1,430	135	51,062	29,024	16,733	5,305
Total	23,146	5,682	16,082	1,382	520,105	211,506	228,194	80,405
1928								
January	2,643	553	1,946	144	47,634	14,870	26,446	6,318
February	2,176	468	1,581	127	45,071	12,751	24,952	7,368
March	2,236	546	1,566	124	54,814	20,412	26,186	8,216
April	1,818	432	1,276	110	37,985	16,236	16,949	5,700
May	2,008	470	1,407	131	36,117	14,230	18,900	2,987
Total, 5 mos.	10,881	2,469	7,776	636	221,621	78,500	112,533	30,588

COMMERCIAL FAILURES, BY DISTRICTS¹

[Amounts in thousands of dollars]

Federal reserve district	Number			Liabilities		
	May, 1928	Apr., 1928	May, 1927	May, 1928	Apr., 1928	May, 1927
Boston	201	143	206	3,558	2,385	5,536
New York	315	305	325	5,994	6,436	6,798
Philadelphia	85	76	61	2,693	2,005	753
Cleveland	157	125	148	2,378	7,055	3,226
Richmond	140	106	125	2,948	2,317	5,707
Atlanta	109	156	121	1,567	3,407	1,673
Chicago	293	279	266	7,456	5,531	5,455
St. Louis	138	97	81	1,663	1,208	539
Minneapolis	70	88	88	912	853	998
Kansas City	128	106	103	1,768	1,076	2,135
Dallas	66	46	51	2,214	1,284	1,220
San Francisco	306	291	277	2,965	4,428	3,744
Total	2,008	1,818	1,852	36,117	37,985	37,785

¹ Figures furnished by R. G. Dun & Co.

FOREIGN BANKING AND BUSINESS CONDITIONS

REPORT OF THE AGENT GENERAL FOR REPARATION PAYMENTS¹

The latest interim report of the agent general for reparation payments covers the execution of the experts' plan during that part of the fourth annuity year which has already elapsed. This report presents the figures of reparation payments and transfers through the first nine months of the year, up to May 31, 1928; and it also reviews, in a preliminary way, the development of the plan as a whole and the course of German economic life during the period of about six months that has passed since the presentation of the last report. Section VI of the report, entitled "German credit conditions and currency," is as follows:

GERMAN CREDIT CONDITIONS AND THE CURRENCY

The broad activity of German industry and commerce during 1927, which was described at length in the last report, was continued and in some respects carried still further in the early months of 1928. This activity was not confined to any single group of industries but was widely distributed, extending throughout the various branches of trade, wholesale and retail. Very recently, that is to say in April, 1928, a moderate recession took place. The importance of this decline can not be determined until the figures are read in connection with those for later months. But as matters stand even after taking the recession into account, the volume of goods passing through the various stages of production and distribution appears to be fully as large as a year ago, when business activity was already high; and the volume of German exports is considerably larger now than it was then.

Along with this activity of business, basic costs of production have risen. Readjustments of wages from the low standards prevailing after the inflation were inevitable, and it was reasonable to suppose also that labor should share in the savings derived from the industrial reorganization carried through in 1925 and 1926. But the action of the German Government last autumn in initiating salary increases throughout the public services was followed by demands for further wage increases in industry and trade. In the last six months standard

wage tariffs, according to the official figures, have risen about 6 per cent.

Wage increases are of undoubted value to the community at large if they proceed step by step with larger production and do not result in higher prices. But in Germany, particularly in the last year, wage increases have quickly found their way into higher prices and so have tended sooner or later to cancel themselves. It is noteworthy in this connection that the prices which have risen continuously and through the largest range are the prices of finished manufactures, particularly of goods which pass directly into consumption. In the last few weeks the coal syndicate, with official approval according to the legal procedure, has raised the price of so-called standard coal 13 per cent. This increase, which is made to apply only to that part of the market which is noncompetitive, followed directly upon an increase of wages in the coal mines and is bound to affect materially the costs of production.

Industrial activity of such dimensions and at rising prices itself presumes a large use of credit. But though credit has expanded further in the last six months, the supply in the German market remains inadequate. The demands of private industry in the way of bond and share issues on the internal market thus far in 1928 have been even a little below the average for last year; the activity of private business has been reflected rather in a marked increase in bank credit and in the volume of bills. Special pressure on both markets, long as well as short, has come from agriculture, which on account of inferior crops in the last two seasons and for other reasons is now in a singularly difficult position. The demands from industry, commerce, and agriculture would perhaps have been sufficient in themselves to cause tension on the credit market, but they have also come into competition, as heretofore, from another source, namely, the public authorities.

Borrowing operations by the public authorities were discussed at length in the last report. Having their origin in a policy of public spending, they have had much to do with credit expansion and later with credit tension, as well as with such overstimulation as has taken place in industry. The Government of the Reich has now assumed responsibility for limiting the loans which the public authori-

¹ Previous reports of the agent general for reparation payments have been published in BULLETINS as follows: For the period September, 1924, to August, 1925, in the February, 1926, BULLETIN, for September, 1925, to August, 1926, in the January, 1927, BULLETIN; and for September, 1926, to May, 1927, in the August, 1927, BULLETIN.

ties desire to place abroad, and it has also taken an emphatic position with respect to public spending in general. Up to the present its efforts have been more successful in fixing limits for foreign loans than in effecting economies in expenditure. This is due in part to the pressure which the increase in official salaries has placed upon State and communal budgets and upon the finances of the railway and the post office; and it may also be due in part to the fact that many public works were under way which could not be abandoned without loss. In any case, when the Reich intervened late last fall to stop foreign loans for the account of the States and communes, the public authorities turned to the domestic market. After the turn of the year, the German market showed a limited capacity to absorb new issues, but it has been unequal to the demands placed upon it, even at the uneconomic terms to which many communal authorities were prepared to commit themselves. Measures of precaution have saved it from the exhaustion which followed the 500,000,000 reichsmarks issue of the Reich in February, 1927, but its absorptive capacity has much narrowed.

Some renewal of foreign borrowing by the communes has taken place in May, in accordance with a definitive program. Along with these loans and in some measure preceding them, there have been considerable issues for the benefit of agriculture and to a smaller extent for private industry. Altogether the result has been to bring the total of foreign loans thus far placed in 1928 well above the corresponding figures for any preceding year. The nominal amount of German capital issues offered abroad since the beginning of 1925 is now about 5,350,000,000 reichsmarks, exclusive of the German external loan, 1924, issued in accordance with the experts' plan.

The amount of short-term debt owing abroad was much higher at the end of May than at the turn of the year, a reflection of the high interest rates prevailing on the German market as compared with those in the principal lending countries. Early in June, owing to a rise of interest rates abroad, notably in the United States, some tendency has developed for short-term funds to flow out again. At the same time, the foreign exchanges, which up to that time had been strongly favorable to the reichsmark, gave indications of turning to some extent in the other direction. Repayment of short debt within reasonable limits and within a reasonable period will work in the

long run to the advantage of the German economy; and at this time the proceeds of the unusually large capital issues placed abroad in May and early June afford the opportune means to this end.

The foregoing summary of German business and credit conditions leads to the conclusion that the present is a fairly late phase in the process of expansion. It is clear that if German industry is to find a market at home or abroad for its present large production it can not afford to see prices rise further; and a sparing use of credit on the part of the public authorities, as their contribution to the necessary work of consolidation, would give the market a breathing space in which to recover some additional facility to take care of essential domestic requirements.

With these considerations in mind, it is now possible to pass on to an individual analysis of the various developments.

a. Foreign loans.—Foreign funds have been flowing into Germany almost without interruption since the experts' plan went into effect, not only because interest rates have attracted them but because the lending nations of the world have held and still hold German credit in high estimation. This inflow has taken different forms at different times; but whatever the form, the influx of foreign funds has exercised a dominating influence over German economic development. Its effects, both favorable and otherwise, have been described at length in previous reports; accordingly there is no occasion to do more now than to take note of the events of the last six months and to draw certain conclusions which they suggest.

1. *Government policy toward foreign loans.*—The chief of these events has been the clarification of the Government's attitude toward foreign borrowing by the public authorities. It will be recalled from the last report that foreign loans of the States and communes were open to question on a number of grounds; their large volume, which reflected adversely on the economical administration of the public bodies; their frequency, which often brought foreign funds into the German market at a rate faster than they could be usefully absorbed and thereby stimulated speculation and threatened an unhealthy expansion of trade and prices; and their relation, particularly in the case of State loans, to the prior commitments of Germany in respect of reparations. These questions, shortly before the preparation of the last report, were discussed in an exchange of memoranda between the agent general and the

German Government, but up to the time the report was published the Reich had not given expression to any considered policy.

The position as it then stood was briefly this: The consideration of loan applications from the States and communes was at a standstill, because the Beratungsstelle, the examining authority in such matters, had suspended its sessions pending the development of a policy and a program. Notwithstanding the heavy borrowing which took place in September and October, the loan applications still awaiting attention were very numerous, additional projects were being contemplated, and the short-dated debt of the States and communes was known to be large. In order to ascertain the dimensions of this pressing financial problem a broad inquiry was begun, and efforts were made to formulate a policy which should have the support of the States and communes, on the one hand, and satisfy the requirements of the Reich on the other.

The difficulties in the way of establishing a policy had been stated by the Finance Minister in his answering memorandum to the agent general under date of November 5, 1927, as follows:

"Aside from constitutional obstacles, a direct control over the finances of the States and communes for the purpose of examining financial conditions as a whole meets with difficulties, originating in the diversity of the public administrations concerned and in the diversity of the economic, political, and cultural factors which have to be taken into account. The government of the Reich recognizes it to be its duty to bring this difficult problem to an early and satisfactory solution, which will take into account the well-understood reconstruction and general interests of Germany."

The extent to which the Government of the Reich has succeeded since that time in bringing "this difficult problem to an early and satisfactory solution" appears in various official statements by the Finance Minister. Speaking in the Reichstag on March 28, 1928, the Finance Minister said, among other things, the following:

"In the field of public economy, as well as in that of private economy, our supreme principle must be the most careful use of our resources and a spirit of saving. The reforms of the German administration which are now under way in the Reich, as well as in the States and communes, are directed toward this goal.

"Expenditures which arouse the impression that we are neglecting the principle of economy and of profitableness must not be made. For

this reason we must also exercise reserve in the field of the loans of public corporations. An excessive new indebtedness of the public corporations would endanger our economic, financial, and currency policy and thus cause damage to our reparation policy at the same time. Foreign loans of the Reich and the States do not seem advisable at this time.

"It is impossible to leave it to the individual communal or State corporation to decide what procedure shall be adopted. We must bear in mind and keep it before the eyes of the public in Germany that it is the Government of the Reich alone which bears the ultimate responsibility for the financial practices of the public corporations of Germany.

"It must be understood that the States have recognized in a far-sighted way the necessities which the Government of the Reich has to face. Among other administrative authorities, too, there is a comprehension of the situation and of what it requires. The communes have been giving constantly increasing thought to the restriction of their requirements."

The Finance Minister supplemented these observations in an outline of foreign-loan policy which he incorporated in a speech delivered in Baden on May 6, 1928.

"A policy of rational expenditure on the part of public bodies, with the strictest observance of the principles of economy and profitableness, is an essential element in the administrative reform for which the whole of German public opinion urgently calls. This policy is also indispensable for making it clear beyond the frontiers of Germany that we are conscious of the gravity of the tasks which are imposed upon us by the obligations inherited from the war and by the desire to maintain German credit. It is essential, therefore, to continue along the path of rigid economy which has thus far been followed with success, and at the same time information must be available—and its publication assured—in the shape of current figures with regard to the finances of public bodies and authorities. Furthermore, caution is imposed by the volume of our foreign indebtedness in view of the slow progress which our efforts have made toward improving the balance of trade and balance of payments, and by the reparation question, which, in so far as the possible ways for carrying out the experts' plan up till now have taken shape, can not be regarded as permanently settled.

"These questions are outside the competence of the individual parties in Germany who are interested in the taking up of loans. For this reason it has become all the more imperative

for the Government of the Reich, the closer we approach the time when the great questions are ripe for a decision, to determine of its own initiative the policy to be observed in the borrowing of foreign capital by public bodies.

"Foreign loans of the Reich and States, as well as foreign loans which the Reich or States guarantee, still appear inadvisable. The Reich and the States must themselves practice the most rigid observance of the principles which apply to public bodies."

It is to be understood from the foregoing declarations of policy that the Government of the Reich has now taken the responsible leadership; that it demands strict economy on the part of the public authorities as a fundamental measure of correction; that for the time being at least it opposes foreign loans of the Reich and the States as well as foreign loans guaranteed by them; and that foreign borrowings by the communes will be strictly limited in number and amount.

While this policy was being formulated, the Government proceeded deliberately with the practical work of finding out what were the borrowing requirements of the communes. The returns from the inquiry addressed to the communes at the end of November were not made public until January. It then appeared that the outstanding short-term indebtedness of the 56 cities replying to the questionnaire amounted to 525,000,000 denominated almost exclusively in reichsmarks. This total, which left out of account temporary loans ostensibly repayable from revenues, covered practically all German cities having a population of 80,000 or more, with the exception of the three cities of Hamburg, Bremen, and Lübeck which rank as States. The German Municipal Association at or about the same time made a somewhat wider inquiry and estimated that the total short-dated debt of the communes, large and small, amounted to about 700,000,000.

The Beratungsstelle, which continued to be the means used for carrying out the foreign loan policy, did not proceed immediately to deal with applications for loans but postponed holding regular sessions until the middle of March. In the meantime many communes, unwilling to wait for Beratungsstelle action or questioning a favorable result when it did act, resorted to the domestic market, where a renewed but limited capacity to absorb public offerings had developed after the first of the year. During the first four months of 1928 the communes borrowed in the domestic market directly or through credit institutions a total of 365,000,000 reichsmarks, nominal

amount. The danger of overburdening the market was so great that the Finance Minister under date of April 16 notified the State governments that the Beratungsstelle in apportioning the amounts to be raised by foreign borrowing would "necessarily take into consideration the extent to which recourse has previously been had to the internal market." The Finance Minister said that it was precisely those communes which had been applying to the internal market that were proposing to make a further appeal to foreign countries, and that this simultaneous action indicated "a certain disregard of the requisite feeling for economy," and was bound to impair the credit of the borrowers. He added:

"For the States themselves the attitude of the communes involves a danger which is not to be underestimated. In view of the present position of the reparation question the foreign capital market may be regarded for the present as closed to the Reich and to the States. For that very reason the internal market, in so far as it is able to finance capital issues at all, should properly be reserved for the requirements of the Reich (including the post office and the railway company) and the States; instead of which the capacity of the internal market seems likely under present circumstances to be completely upset by the volume and the form of the communal loans."

The failure of certain of the communes to readjust their spending policies was illustrated further by the action of several cities which obtained access to foreign markets without obtaining the prior approval of the Beratungsstelle. Treasury bills in round amounts were sold to German bankers who resold them abroad, where certificates issued against them were offered for public subscription. In total the sums thus obtained were relatively small, but the high interest charged fairly reflected the roundabout methods adopted.

By the early part of May the Beratungsstelle had so far finished its analysis of loan applications that it was able to announce the beginning of a program. On May 9 it reported its formal approval of a collective communal loan in the amount of about \$17,500,000, to be apportioned among middle-sized and small German cities according to a schedule established by the Beratungsstelle. At the same time it approved for early issue individual loans for two large cities, subject to later fixation of the amounts to be offered. These were the first communal loans which the Beratungsstelle had approved in eight months, and they seem to be the extent of the present

program. As for the future, the Beratungsstelle apparently contemplates the issue in the autumn of a second part of the collective loan as well as a few individual loans of the large German cities; but the precise program remains to be determined.

Referring to the present and future programs the Finance Minister said in his Baden speech:

"The program which is now to be put through will satisfy only the most urgent requirement of the communes. It will have to apply, nevertheless, for a considerable period; only after that period has elapsed and after careful testing of the situation as a whole will it become possible to approach the question whether and at what time recourse to foreign capital for communal purposes can again be recommended. The Beratungsstelle after carrying out its present program will direct special attention to preventing the frustration of its efforts and guiding principles by actions of an exceptional character, in particular the incurring of short-term foreign debt."

The Government's statement of policy and its practical execution by the Beratungsstelle show marked progress in dealing with a difficult question. Ultimate success depends, however, not upon restrictions which must remain artificial but upon the spending policies of the various public authorities. Unless spending diminishes, control of foreign borrowing attacks one of the results and leaves the cause untouched. Continued overspending means continued reliance upon credit, and loans forbidden abroad are merely diverted to the domestic market or by indirect channels to the foreign market.

2. *Volume of foreign loans.*—Pending the formulation of the policy outlined above, there was a practically complete stoppage of foreign capital issues for the German States and communes. This lasted from the latter part of October, 1927, until late in May, 1928, when the Beratungsstelle released some 165,000,000 of new communal loans, or somewhat more than the total communal loans offered during 1927. The States made no foreign long-term loans for their own account, but loans to other borrowers brought the total thus far during 1928 well above the 1927 average. Broadly speaking, the pressure exerted on the States during the entire period and upon the communes during part of it appears to have come to the surface in other directions.

It is noteworthy that the largest relative increase over the 1927 average has taken place in the foreign loans of public and semipublic undertakings, particularly those related to the

provinces (subdivisions of the States) and the communes. Though public credit has been more or less directly involved in such loans, they have not been made subject to review by the Beratungsstelle. In part they carried provincial or communal guarantees and in all cases they comprised obligations of enterprises, including banks, in which the public authorities have controlling interests and responsibilities. In the first five months of 1928 the foreign loans of such undertakings related to the States, provinces, or communes amounted to 282,000,000 reichsmarks, somewhat more than the total of such issues during the whole of 1927. The purposes of the issues, generally speaking, were to provide funds for electrical plants and waterworks, for relending to agriculture, or for housing construction.

German industry, as such, borrowed little abroad until very recently. Most of the foreign issues of private enterprises offered during earlier months were the obligations of mortgage banks dealing in loans on agricultural or city property. In many cases these were small issues denominated in gold marks and were placed in Holland. The increase in this type of foreign borrowing was one of the new developments of the year, reflecting at once the need of German agriculture for credit and a greater readiness on the part of the foreign investor to purchase mark securities.

FOREIGN CAPITAL ISSUES

[In millions of reichsmarks]

	1925	1926	1927	January to May 31, 1928	Total
Loans of States.....	138.6	270.6	267.3	-----	676.5
Provincial or communal loans.....	256.0	249.5	112.5	167.8	785.8
Loans of public or semipublic undertakings:					
(a) Of the Reich.....	161.7	25.2	336.0	126.0	648.9
(b) Of the States, Provinces, and communes.....	202.8	351.5	205.7	281.6	1,041.6
Loans of private enterprises.....	472.0	742.0	597.3	280.4	2,091.7
Loans of various church organizations.....	25.1	57.6	4.1	23.1	109.9
Total.....	1,256.2	1,696.4	1,522.9	878.9	5,354.4

The total of foreign capital issues shown in the foregoing table, about 5,350,000,000 reichsmarks, leaves out of account the German external loan, 1924, issued under the experts' plan in the nominal amount of 960,000,000 gold marks, the service of which is covered in the reparation annuities. It also leaves out of account a substantial but undeterminable amount representing foreign purchases of

securities offered on the domestic market. On the other hand, amortization and repayment have already reduced the foreign capital issue obligation by an estimated amount of 500,000,000, and this obligation has been reduced somewhat further by reason of repurchases for German account.

Perhaps not materially less in volume, and certainty of larger importance because of the influence it is capable of exerting on German business conditions, is the aggregate short debt owing abroad, in the form of foreign deposits in German banks, loans to brokers, bankers' loans to States and communes, industrial and commercial credits, and so on. The most recent authoritative estimate of its volume was given by the Minister of Economics before the budget committee of the Reichstag last October, when he put the total at 3,600,000,000, without, however, deducting short credits owing to Germans from abroad. According to external evidence which is not susceptible of proof, this total has not diminished in the meantime but has increased. Foreign deposits in German banks appear to be fully as large as they were then and are probably considerably larger. There appears also to be a greater tendency for German trade to be carried on foreign credit; this applies not only to foreign trade, where three to six months' acceptance credits are granted with favorable terms of renewal, but to trade within Germany itself.

Without definite information it is easily possible to minimize the volume of the short-dated debt, just as in critical times it would be easy to exaggerate it. Within the last few months the principal German banks agreed to report four times a year the amount of deposits held by them for foreign account, but the Minister of Economics thus far has not given his consent to their publication, even in the form of total figures. While the figures, if published, would necessarily leave out of account many important elements in the short-term foreign debt, they would provide a valuable indicator of the upward or downward tendency of a form of indebtedness having an important bearing on the whole German economy. Publicity in this case would have the merit of providing an automatic measure of self-control which would tend to keep short borrowing from reaching unmanageable dimensions.

3. *The foreign exchanges.*—The influx of foreign funds has largely determined during the last six months the position of the reichsmark in the foreign exchanges. As is neces-

sarily the case, other factors inside and outside of Germany have been at work also, for example the forthcoming return of German-owned property in the United States and the diminished deficit in the German foreign trade balance as compared with the previous six months; but these influences have apparently been of relatively small importance.

Through most of the past five months the reichsmark has stood as one of the strongest currencies in the world. From the first of the year until the latter part of May the value of the reichsmark as against sterling and the dollar appreciated steadily, and at the end of that period the reichsmark-dollar quotation was only slightly away from the point at which gold would flow in natural course from the United States to Germany. In the first days of June, however, under the attraction of higher interest rates in America, the quotation has moved somewhat irregularly in the direction of parity.

Since August, 1926, when the Reichsbank released the reichsmark from its technical adherence to the dollar, the reichsmark-dollar quotation has varied both upward and downward from the rate of 4.20 reichsmarks to the dollar at which it was previously maintained. But after midsummer of 1927 the tendency of the dollar quotation was downward. This decline was not limited to the reichsmark-dollar quotation but extended to the quotation of the dollar in terms of many other currencies as well. In general, the decline was a reflection of the outward flow of credit from the United States to foreign nations, including Germany, which was facilitated by the then prevailing low level of interest rates in the American market.

The moderate premium of the reichsmark over sterling was due to the same general cause—that is, the flow of funds to Germany; but in this case a special condition among others has interposed its influence. Because of the close relation between sterling and the French franc which has been maintained for over a year, the course taken by the reichsmark-sterling exchange, as illustrated in the diagram printed above, has been substantially identical with the course of the reichsmark-franc exchange through the same period. There has also been, particularly since the beginning of 1928, a substantial flow of funds from France to Germany. These funds were mostly dollars and sterling which formed part of the considerable amounts of foreign currencies lent by the Bank of France to the French market, and borrowed there for relending in Germany. A

moderate counterflow of funds from Germany to France for the purpose of long-term investment or speculation on the French market has not been sufficient to offset the effects upon the reichsmark-franc exchange—and indirectly upon the reichsmark-sterling exchange—of these inward movements.

4. *General observations on foreign borrowing.*—Two things among others are to be observed in connection with the large debt which Germany has incurred abroad: First, that foreign loans, by their volume and frequency, have tended to stimulate economic expansion; and, second, that the general formation of capital within Germany has been larger than the accumulation of foreign debt.

The first of these two developments was discussed at length in the last report. It was noted at that time that foreign loans had played an essential part in credit expansion, which had found further expression in stock market speculation, in larger deficits in the merchandise trade balance, and in a sharp acceleration of industrial production at rising prices. In some respects the situation so outlined has changed. Without anticipating what will appear in fuller detail in later sections of this report, it may be said here that the German stock markets have been inactive on the whole for many months, that latterly the deficits in the trade balance have tended to diminish, and that industrial production, while still large, has recently shown some tendency to decline. At the same time, the basic costs of industrial production have shown no tendency to decline but on the contrary have risen, and there has also been a further rise in the general level of commodity prices.

The extent of capital formation in Germany is necessarily a matter of estimate and deduction, but such figures as have been produced from German sources indicate that the new values accumulated are substantially more than the new foreign debt. As will appear from the figures quoted in a later section of this chapter, much of this increase in capital has taken the form of fixed values which are not liquid, and a certain indefinite proportion, as for instance, some of the new construction put through by the public authorities, is not productive in a financial sense. Nevertheless it is noteworthy that even after the export of capital represented in reparation payments, the increase of domestic values far exceeds the gross foreign debt incurred.

It is to be hoped that the domestic fund of credit, based upon new productive values created, will ultimately be large enough to

take care of domestic requirements. But the larger the expenditures of the public authorities, the heavier is the drain upon the savings of the people, and the longer postponed is the time when Germany will be able fully to finance herself. Under conditions as they exist at present, the fund of domestic credit remains inadequate to meet the needs of the economy in general without recourse to foreign loans. Granted that German business activity receives in future no marked setback from the present level, foreign credit is likely still to be in demand for an important though perhaps diminishing part of the general credit supply.

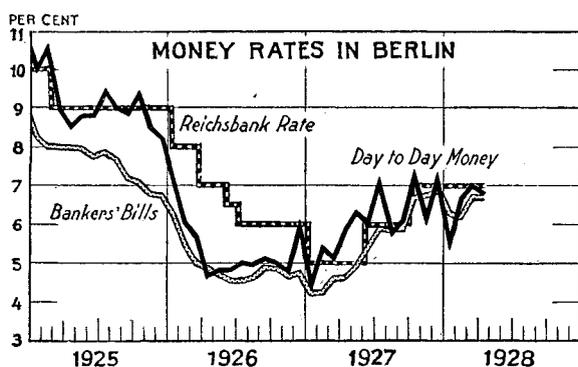
In order that essential foreign credit shall be forthcoming, it is necessary that the confidence of the foreign investor be fully maintained. This implies an obligation on the part of the German borrowers not to overload the foreign market. It also raises the question as to what appraisal the foreign investor will make of Germany's reparation obligation in its present form. As the German foreign debt rises, the foreign investor is bound to ask with greater and greater insistence for a clear definition of the ultimate extent of the reparation obligations. If this question is not answered in due time it may be assumed that investors all over the world will become less willing to lend their savings to Germany and will do so only at rates high enough to insure them against the uncertainties involved. In this sense, if in no other, the final determination of the reparation obligations becomes a matter of growing practical importance.

b. *Domestic credit.*—Demands for credit have not yet yielded under the pressure of high interest rates; on the contrary, bank credit has continued to expand and applications for long-term loans, even at the unfavorable terms often prevailing, have exceeded on the whole the volume of investment funds. This condition of tension has coincided with a period of high business activity, but is not fully explained by it. The public authorities, who formerly were large lenders to the market, have become large borrowers, and their demands have kept the long-term market fairly bare of funds. Furthermore, the credit position of agriculture has become acute, with the result that many short-term agricultural loans have frozen and long-term agricultural loans have become more numerous than the market can absorb.

1. *Reichsbank credit.*—The Reichsbank has kept its rate of discount unchanged since October 4, 1927, when it was raised to 7 per cent. This rate has proved sufficient to keep the Reichsbank in contact with the market and

to restrain undue use of Reichsbank credit, but it has not exercised up to the present any decisive influence over the volume of credit in general.

The Reichsbank, as on previous occasions when its rate was high, has been faced with the competition of foreign bankers, who at such times have ordinarily lent at rates below the discount rate. A high Reichsbank rate is thus likely to coincide with an inflow of foreign funds to the German market, and this in turn may result in lowering the general level of domestic interest rates. Such a result did in fact take place in 1926, a year of business depression and initial recovery. Interest rates then declined, and notwithstanding successive reductions the Reichsbank discount rate remained far out of contact with the market. A different result took place during the last six months, a period of high business activity; the inflow of funds was notably heavy, but interest



rates changed little and the Reichsbank rate was more closely in touch with the market than during any equal period, probably since stabilization.

There is a similar contrast between the volume of Reichsbank credit in 1926 and its volume now. Two years ago, under the pressure of a high rate and ample funds from abroad, the Reichsbank's portfolio of bills and checks and its collateral loans were being rapidly reduced, reaching a minimum of about 1,100,000,000 reichsmarks. In the past six months under generally similar conditions of discount rate and inflowing foreign funds, the volume of Reichsbank short credit, except for an abrupt seasonal rise at the close of 1927, has fluctuated between 2,000,000,000 and 2,800,000,000 reichsmarks, and no sustained tendency either upward or downward has been visible.

The Reichsbank has followed a very deliberate policy in reaccumulating the gold and devisen reserves which it lost during the first

half of 1927. On May 31, 1927, the reserves stood at about 1,900,000,000, some 450,000,000 less than at the beginning of the year. By May 31, 1928, with total reserves at about 2,300,000,000, this loss had not yet been fully recovered. The Reichsbank still continues to be an extremely conservative buyer of foreign exchange, even at the low rates which have recently prevailed, but in recent months it has followed the practice of converting its foreign exchange holdings into gold whenever favorable terms were offered. In consequence, its stock of gold now amounts to about 2,050,000,000, some 225,000,000 more than a year ago. The bulk of this gold has been acquired within the last six months, the result mainly of gold imports from Russia and the United States. The enlargement of the basic stock of gold is in the direction of detaching Germany somewhat further from the gold exchange standard and of establishing in its place the full gold standard.

The Reichsbank is not yet legally obligated to redeem its notes in gold or even in foreign exchange, though as a matter of announced policy it is prepared at all times to do so in round amounts. As soon as currency conditions in Europe permit, it is desirable for the Reichsbank to take the final steps for putting the legal obligation into effect.

2. *The administration of the public funds.*—The Reichsbank has measurably extended its control over the administration of the public and quasi-public funds, thereby assuming somewhat more fully than heretofore the position contemplated in the law. The value to the German economy in general of a consistent policy of public funds administration, and the disturbances to credit conditions which arise when they are administered according to individual or conflicting policies, have been considered at length in previous reports. One important factor in reaching the present position has been, of course, the reduction in the amount of the public funds themselves.

In January the Reichsbank and the German Railway Co. agreed on a new arrangement for handling the funds of the railway in place of the tentative agreement which terminated on December 31, 1927. The new agreement marks some advance over the one it superseded, which in turn marked an advance over the methods previously pursued. It will be recalled that the German Railway Co., has long maintained, practically as its finance department, a bank known as the Verkehrs-Kredit-Bank, of which it owns three-quarters of the capital stock. The tentative arrange-

ment, now terminated, left to the Verkehrs-Kredit-Bank the management of the railway company's active cash and the funds needed for financing freights on credit; and it provided that the remainder, consisting of funds not required on short notice, were to be deposited at interest with the Gold Discount Bank, which is owned and administered by the Reichsbank.

The new arrangement between the Reichsbank and the railway company limits to a specified maximum the amount of railway funds which the Verkehrs-Kredit-Bank will have at its disposal for carrying on its freight credit business; these funds in large part will be handled through banks as heretofore. The railway also continues to use the Verkehrs-Kredit-Bank for various disbursements in connection with its current business. Otherwise the funds of the railway company are to be deposited to the account of the Verkehrs-Kredit-Bank at the Reichsbank, and their transfer for the most part is to take place over the giro system of the Reichsbank. The investment of funds from the Verkehrs-Kredit-Bank's account at the Reichsbank is to take place only under joint agreement of the two institutions. Investments are to take the form mainly of bills purchased in the private discount market or of interest-bearing deposits at the Gold Discount Bank. The virtue of this agreement from the standpoint of German financial conditions is not only that it tends to insure a consistent investment policy but that the transfer of funds over the Reichsbank's giro system economizes the use of currency and credit.

The Gold Discount Bank's participation in these transactions is to be regarded as temporary, since the Gold Discount Bank itself is on a temporary footing. The report of the Reichsbank for 1927 said that "the cooperation of the Gold Discount Bank in the administration of the public moneys is also likely to end in the near future," and that "the efforts of the Reichsbank to administer these funds for the account of the interested parties have now obtained recognition in the case of nearly all the departments concerned."

But in the meantime the Gold Discount Bank's ownership of some 250,000,000 reichsmarks of securities, the bulk of which is composed of three to five year agricultural mortgage notes of the Rentenbank-Kredit-Anstalt, gives it an incentive to accept deposits at interest not only from the railway company but from other public or quasi public sources. The Gold Discount Bank's own capital and accumulated profits, while substantial are

not sufficient to finance the whole of this portfolio, and unless it is to have recourse to outside credit arrangements it must look to deposits or to its facility of rediscount at the Reichsbank to provide the necessary margin. Conversely, an excess of deposits leads the Gold Discount Bank to invest in bills, particularly at those periods when public funds tend to accumulate. In this way the accounts of the Gold Discount Bank remain fairly active, notwithstanding a gradual diminution of its business in discounting bills denominated in reichsmarks, dollars, and sterling. And the Reichsbank, by permitting the Gold Discount Bank to pay interest on deposits, continues to use the Gold Discount Bank for a function which the law does not allow it to exercise itself.

3. *Bank credit.*—There has been a further noteworthy expansion in the volume of bank credit. The deposits of six of the largest private banks, which together represent about three-quarters of the nonpublic banking strength of Germany, increased in the year ended April 30, 1928, by about 1,500,000,000 reichsmarks, or nearly 25 per cent. Their loans and advances, together with their portfolio of bills and treasury notes, increased in substantially the same amount and in slightly more than the same proportion. No doubt a substantial part of this expansion was based upon deposits received from abroad, but in default of actual figures this important factor in the banking position remains a matter of conjecture.

SIX PRIVATE BANKS

[In millions of reichsmarks]

	Jan. 1, 1924	Dec. 31, 1926	Apr. 30, 1927	Dec. 31, 1927	Apr. 30, 1928
Cash and amounts due from banks and bankers.....	565	1,048	1,032	1,361	1,159
Bills and treasury notes.....	42	1,556	1,413	1,858	2,112
Loans and advances, total....	609	4,024	4,827	4,994	5,640
(a) On stock exchange securities.....					1,607
(b) Other.....					4,033
"Gläubiger"—mainly time and demand deposits.....	1,058	5,970	6,552	7,503	8,091
Acceptance liabilities.....	2	316	388	384	393
Contingent liabilities.....					1,018

The item for bills and treasury notes given in the foregoing table has steadily expanded from year to year since stabilization, when it was practically negligible. In recent months there has been a notable increase in this form of financing, but the bill holdings of the banks have increased proportionately faster than the increase in the total volume of bills. Acceptance liabilities have remained practically sta-

tionary at less than one-third of the amount customary before the war. Loans and advances on stock exchange securities, for which there is no comparable figure before March 31 of this year, stood on April 30 at 1,600,000,000, about one-third of which classified as brokers' loans.

Beginning with the statement for March 31, 1928, the banks introduced a new form for reporting their condition. Aside from an additional item making more explicit the relations of the banks with the stock market, the new form is mostly in the nature of a refinement of that previously used. An important step forward, however, is the greater frequency and promptness of issue. Statements are now issued once a month instead of bimonthly as formerly, and they appear some 25 days after the statement date instead of a full month. There is still room for development in the direction of greater frequency and promptness, to the advantage of the banks themselves and the German economy in general.

At the same time a new form was adopted for reporting the condition of the State and provincial banks and the Giro-Zentralen, which introduces a fundamental rearrangement of items. Owing to these changes, the statement is not comparable with those heretofore printed in these reports. It should be noted that the Reichs-Kredit-Gesellschaft, which formerly limited its statements to annual reports, now reports its condition monthly. At the end of April, 1928, the total loans and advances of this bank, including bill holdings, were about 28 per cent higher than at the end of December; the relative increase for the principal private banks was about 13 per cent.

4. *Savings.*—Savings deposits in Germany, as reported by the savings offices (Sparkassen), increased during the first quarter of 1928 at the average rate of 274,000,000 reichsmarks a month. The increase in savings deposits is usually pronounced in the first months of a year, but the growth thus far in 1928 has been considerably above the growth at corresponding periods of previous years. At the end of March, 1928, the total of Sparkassen savings deposits, almost all accumulated since the inflation, stood at 5,487,000,000 reichsmarks, but was still only about 28 per cent of the total in 1913. The published figures for savings deposits may still be open to some slight qualification on the ground that other funds occasionally find their way into these accounts; but the savings offices themselves endeavor to make the distinction as definite as possible.

Figures dealing with a second important class of savings have recently become available

and will be reported every two months hereafter. It appears that the total amount of insurance placed by 57 life insurance companies in Germany at the end of February, 1928, amounted to 9,495,000,000 reichsmarks, representing over 5,000,000 separate policies. The capital investments of these insurance companies on the same date amounted to 1,253,000,000, of which slightly less than three-quarters were invested in mortgages. About half the remainder was invested in securities. It is noteworthy that the amount of life insurance written increased about 600,000,000 and the investments of the companies 43,000,000 during the first two months of 1928, the only period for which comparative figures are yet available.

Aside from the foregoing, there are no definitive figures to show the volume of current savings in Germany. It is possible, however, to arrive at some approximation of the annual formation of new capital by estimating the national surplus of production as it takes form each year in new construction, additional plant, larger inventories, and so on. The most valuable estimate of this kind was published early in January, 1928, by the Reichs-Kredit-Gesellschaft, which is owned indirectly by the Reich, in its semiannual report on German economic developments. The following table gives in abbreviated form the Reichs-Kredit-Gesellschaft's estimate:

ESTIMATED FORMATION OF CAPITAL IN GERMANY
[In 1,000 million reichsmarks]

	1913	1925	1926	1927	Yearly average 1925-1927
Surplus of interest received over interest paid.....	1.4				
Surplus of production.....	10.5	9.5	6.3	12.0	9.3
Less imported capital (other than for currency cover).....		3.1		4.4	2.5
Net capital formation..	11.9	6.4	6.3	7.6	6.8

The Reichs-Kredit-Gesellschaft prefaced these figures with the statement that no reliable estimate of the formation of capital in Germany is yet possible, but that from a knowledge of the international balance of payments and of the conditions of production and consumption, the general limits within which the surplus of production must lie can be determined. The surplus of production in turn, after deducting the amount of capital imported (other than that used for currency cover) provides the basis for estimating the

annual formation of capital. There remains, however, the important qualification that the surplus of production often comprises items which can not be converted into cash without causing a heavy fall in prices.

The Reichs-Kredit-Gesellschaft in the figures for 1913 took the estimate of Helfferich, which was based upon the former territory of Germany, and converted it into present values. The method which it used in making its own estimates for the later years appears from its calculations for 1927, which are summarized in the following table.

By far the largest part of the surplus of production shown in this table represents new construction and additions to existing plant and equipment. Part of it is predicated on the annual growth of the German population, and part of it will find its main return from the facility it may afford for increased productivity in future. Furthermore, a not inconsiderable part is composed of new public buildings and equipment which can hardly be expressed in terms of productive values. But the calculation is of decided interest, even with these qualifications, in showing that internal values have risen by several times the amount of new foreign debt, notwithstanding the existence of the reparation charge.

ESTIMATED SURPLUS OF PRODUCTION, 1927

[In 1,000 million reichsmarks]

Increases in:		Funds derived from:	
Housing.....	3.2	Domestic sources.....	7.6
Public and commercial building.....	1.1	Foreign sources.....	4.4
Transportation equipment.....	1.9		
Machinery.....	1.0		
Public utilities.....	2.2		
Furniture and fixtures.....	1.1		
Inventories.....	1.5		
	12.0		12.0

5. *New capital issues and the security markets.*—It follows from the substantial increase in Sparkassen deposits and other forms of saving that the domestic market for capital issues should have shown in the early months of 1928 some enlarged capacity to absorb new offerings. The market, except for recurrent issues of the real estate credit institutions, had been for the most part dormant since February, 1927, when the internal loan of the Reich in the nominal amount of 500,000,000 reichsmarks overtaken its strength, and it was necessary to await new accumulations of investment funds before new issues could be placed. In February, 1928, the successful sale of railway preference share certificates marked a definite resumption of ac-

tivity which invited numerous other attempts to offer new issues. In order to prevent a second exhaustion of the market like that which occurred in 1927, German bankers and the financial authorities of the Reich and Prussia discouraged too frequent offerings, but their efforts, on account of the insistent demands from the States and communes and the acute conditions in agriculture, have not been altogether successful. The market, even after the large issues of domestic obligations made in the first four months of 1928 and continued less actively into May, still has some absorptive capacity, but the great load of applications overhanging it has kept rates at a very burdensome level.

DOMESTIC CAPITAL ISSUES

[In millions of reichsmarks]

	1907-1913 yearly average	1925	1926	1927	1928, Jan. 1 to Apr. 30
German bonds:					
Reich, States, communes, etc.....	1,172	15	804	696	169
Associations under public law.....	4	22	196	12	220
Real estate credit institutions, Giroverbände and related institutions—					
(a) Communal loans.....	116	38	466	348	268
(b) Mortgage bonds.....	788	840	1,628	1,644	659
Private concerns.....	400	113	329	192	35
Total bonds.....	2,480	1,028	3,423	2,892	1,351
German shares.....	740	661	898	1,368	327
Total German securities.....	3,220	1,689	4,321	4,260	1,678
Foreign securities.....	472			60	
Grand total.....	3,692	1,689	4,321	4,320	1,678

The foregoing table, made up from figures published by the Reich statistical office, reports the volume of bonds and similar obligations at the nominal amount of the new issues, but it gives the volume of new shares at the paid-in amount, omitting new shares issued in connection with the consolidation of enterprises.

Mortgage bonds issued by real estate credit institutions have formed thus far during 1928, as in previous years, the largest single item in the list of new offerings, and their volume has been fully equal to that sold during any similar period since stabilization. These are almost entirely the so-called Pfandbriefe, secured by mortgages on urban real estate or agricultural land, and the high rates they yield to the holder, now on the average above 8 per cent, reflect the demand for funds for housing projects and the pressing requirements of agriculture.

Early in February the German Railway Co. issued 200,000,000, nominal amount, of preference shares, which appear in the foregoing table under the head of offerings made by "associations under public law." These shares, which carry a dividend of 7 per cent guaranteed by the Reich, were not offered directly to the public but were deposited with the Reichsbank, which in turn offered an equal amount of covering gold certificates in bearer form. A banking syndicate headed by the Reichsbank underwrote 100,000,000 of these certificates at 90½ and offered them to the public at 93½, holding meanwhile an option on an additional 100,000,000. Subscriptions much exceeded the amount of the original offering; the option was exercised and the second 100,000,000 were also somewhat oversubscribed.

The communes have done the bulk of their long-term borrowing through the Giroverbände which are intimately related to the Sparkassen, but substantial amounts of communal bonds and notes, particularly during April and May, have also been offered to the public through the medium of bankers' syndicates. In 1928 up to the end of April the total amount of State, provincial, and communal loans offered on the domestic market was about 400,000,000 reichsmarks; in May an additional 65,000,000 were issued, exclusive, however, of offerings through the Giroverbände and other credit institutions, figures for which have not yet been reported.

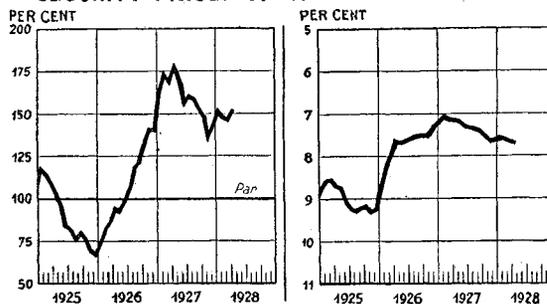
Many of these issues were sold on a basis extremely unfavorable to the borrowers. One fairly numerous class of offerings took the form of treasury bills bearing interest nominally at around 5 per cent but repayable within, say, three years at 8 or 10 points above the issue price. Such bills also frequently carried an option affording to the holder the right to convert at or before maturity into long-term high-interest-bearing bonds issued 10 to 15 or more points below the price at which the treasury bills are to be accepted in exchange. Such improvident financing builds up a heavy obligation for the future and has a tendency to raise the general cost of credit to the disadvantage of all other borrowers.

The high prices at which new capital issues have been sold in Germany have undoubtedly attracted many foreign purchasers to all branches of the market. The proportion of foreign buying, however, can not be determined, and estimates from equally authoritative quarters have varied so widely that there is no basis for judging the foreign participation

in the market as a whole or even in any important individual issue. In the case of the railway issue, for example, the estimates varied from 18 to 80 per cent. Broadly speaking, however, it is apparent that foreign participation in the domestic market has recently increased, manifesting the confidence which foreign purchasers place in reichsmark and gold mark obligations.

The markets for outstanding securities have been quiet throughout the period. At the close of 1927 there was some slight recovery in share prices after the sharp decline in the middle months of that year, and thus far in 1928 prices have fluctuated within fairly narrow limits. A year ago the average return on shares listed on the Berlin Bourse was 3½ per cent. At the end of April, 1928, by reason of lower prices and higher dividends, the average return had risen to 4.8 per cent.

SECURITY PRICES ON THE BERLIN BOURSE



Shares—Prices in per cent of par (monthly averages) Bonds—Annual rate of return to investor (monthly averages)

The movement of bond prices on the Bourse has reflected alterations in the interest level and the continual pressure of new offerings. When prices were at their highest point, in February, 1927, the average yield was slightly above 7 per cent. At the end of May, 1928, the average yield was about 7.7 per cent.

6. *Short-term credit.*—The volume of bills drawn, as reflected in the returns of the stamp tax, has steadily increased for nearly two years. In the main this growth merely parallels the growth in the volume of production and trade, but latterly it may suggest also an increased inclination to rely on credit for transactions formerly done on a cash basis or carried in the form of bank credits. Instances of protest, though somewhat increased over a year ago, remain rare; and commercial failures also somewhat increased, have been running in recent months at about the volume customary before the war.

The open discount market is still much restricted, and the Reichsbank largely support

it through its purchases of bills for the account of certain public offices. The bills offered there are mainly prime bankers' acceptances, and the creation of such bills in Germany remains limited. Some slight addition to the supply of material has recently been derived from treasury bills of the Reich, small offerings of which have been made from time to time since February. These were the first offerings in recent years and were placed in the open market through the Reichsbank at the current rates for bankers' bills. Under the amendment to the Reichsbank law of July 8, 1926, treasury bills are eligible as collateral for loans or for rediscount at the Reichsbank, provided they come within certain specified definitions and limitations. Thus far the Reichsbank has rediscounted none, but it has made collateral loans to a small amount on the security of treasury bills.

7. *Agricultural credit.*—German agriculture is faced with a credit problem of singular difficulty, and the direction which relief can take in order to be of any lasting benefit is obscure. In essence the problem is that the debt of many agricultural enterprises is becoming unmanageable, not so much because of the present size of the debt as because of the high interest charges which it carries. According to official estimates, German agriculture, as a whole, is paying out more in interest than it did before the war, although the volume of debt (and hence the aggregate amount of credit received) is substantially smaller now than then. Along with the higher interest charges, the average real estate tax per hectare of farm land and the social charges for which the agrarian employer is liable, have risen far above the pre-war level. These factors, together with a series of unfavorable harvests, have combined to make many farms unprofitable and to induce further resort to credit.

AGRICULTURAL CREDIT

[In millions of reichsmarks]

	Dec. 31, 1925	Dec. 31, 1926	Dec. 31, 1927	Mar. 31, 1928
Mortgage credits.....	1,011	2,048	2,807	3,034
Intermediate credits.....	26	72	248	288
Short-term credits.....	2,158	1,893	2,082	2,125
Total.....	3,195	4,013	5,137	5,447

The foregoing table reproduces figures compiled by the Institut für Konjunkturforschung and represents not the amount of new credit granted in each year, but the amounts esti-

mated to have been outstanding on the respective dates. The item for mortgage credits is exclusive of the revalorized remainder of the old mortgage debt, now estimated at between 3,000,000,000 and 4,000,000,000 and carrying relatively low interest. Similarly, the item for short-term credits is exclusive of an estimated amount of 1,800,000,000 of floating debt, partly in the form of bills and partly in the shape of merchandise debts not fully reduced to interest-bearing form. Altogether, it appears that German agriculture has an aggregate indebtedness in excess of 10,000,000,000, as against about 16,000,000,000 before the war. Official estimates of the present interest charges on this debt, even after allowing for low rates on the old debt and for such parts of the new debt as carry little or no interest, amount to between 850,000,000 and 900,000,000 reichsmarks, whereas the larger pre-war debt involved interest charges of something over 700,000,000 reichsmarks.

Current interest rates for the various classes of new agricultural credit are on the whole double or more than double what they were before the war. Some impression of the present level appears from the published rates of the Rentenbank Credit Institution. This institution endeavors to keep its rates as low as circumstances permit, yet by the time its funds reach the farmer, personal credits cost up to $9\frac{1}{4}$ per cent and mortgage money about $7\frac{1}{2}$ per cent, without taking into account an annual sinking fund installment of 1 per cent. These are not to be regarded as typical rates, but as rates at or near the minimum for the best class of agricultural loans now being made in Germany.

Such interest charges constitute a heavy burden on German agriculture. In many cases no doubt they act effectively as deterrents against borrowing, but it appears from the statements of the public authorities that many farmers who have been unable to earn the service on existing debt seek further loans in order to survive. While borrowing of this nature can not be assumed to reflect conditions as a whole, and specifically is not involved in first-mortgage loans serving as the security for current issues of high-grade mortgage bonds, it nevertheless illustrates a condition of distress in a considerable part of German agriculture, which has led to the adoption of various governmental expedients of relief, principally in the emergency program that was enacted by the Reichstag toward the end of March.

The emergency program of the Reich in several parts of which Prussia and other States

undertook to cooperate does not lend itself to condensed restatement because it has already passed into great elaboration of detail; but the following general provisions among others may be recited. Reich, State, and local credit has been made available subject to restrictions and in limited amounts for the purpose of converting short-term personal debts into long-term real credits, often in the shape of second mortgages. Reich funds to the extent of 25,000,000 were provided in the budget for the relief of embarrassed farmers' cooperatives and for the general consolidation of such associations. The Reich budget also provided 8,000,000 reichsmarks and authorized in addition a credit guarantee up to 22,000,000 for the purpose of organizing and furthering the sale of livestock and meat products. It also provided 30,000,000 reichsmarks for relieving extraordinary agricultural distress. Other provisions were directed toward the reduction of frozen-meat imports, the acceleration of pork and hog exports, and the stimulation of poultry raising.

At the time when this program was under discussion the results of an inquiry into agricultural credit were made public which dealt more fully with the fundamentals of the situation. This took the form of a preliminary report from the subcommittee on agriculture of the general committee of inquiry, appointed under Reichstag resolution in the spring of 1926 to examine and report on German economic conditions. The report lost some of its usefulness because it dealt mainly with developments up to December 31, 1926; yet its conclusions were noteworthy and may have exerted some influence upon the Government program itself. The subcommittee proposed a comprehensive plan for dealing with agricultural debt, in part through conversion, and for the reorganization of the farms themselves whenever they are found to be incapable of survival under their present proprietors. It recommended specifically against any artificial lowering of interest charges on the ground that further borrowing would be encouraged and the work of reorganization endangered. In substance, the subcommittee recognized the underlying fact that the problem of German agricultural credit is bound up with the credit position of Germany in general, which, however, it does not discuss.

Both the Reich program and the plan proposed by the committee are limited, the former because most of its measures are frankly palliative, and the second because it does not deal with the broader aspects of credit, of which agricultural credit is only a part. The

dearth of agricultural credit and the high rates which must be paid for it are the results of numerous causes, not the least of which is that the communal authorities, relying on the taxing power, bid for credit at rates which agriculture can not pay and survive.

It is encouraging that more and more thought is being given in Germany to the fundamental changes which the war and the postwar period have brought to agriculture the world over. In connection with the essential reorganization of agricultural methods it is reasonable to suppose that attention will be given first to those departments of production which a thickly populated industrial country can best support—for example, milk, meat, poultry, and table vegetables—and in which there appears to be most room for improvement both on the farm and in marketing practice.

c. **The German currency.**—The reichsmark continues to satisfy all the requirements of stability as contemplated under the experts' plan. Variations during 1928 in its external value, as shown in the section on the foreign exchanges, have been mainly in the direction of strength; on the other hand, its internal value, as measured in commodity prices, has tended to diminish, but the variation has been well within the limits considered usual for a gold currency.

The volume of the currency, in common with the volume of credit, continues to increase. Except for the periodic changes attributable to the seasons, the increase has been continuous and fairly regular since the stabilization of the currency in November, 1923. The average increase from 1925 to 1926, for example, was 440,000,000; from 1926 to 1927, a period of rapid business expansion, the increase was 540,000,000; and from the first five months of 1927 to the corresponding months of 1928 the average reverted to 440,000,000.

The importance of Rentenbank notes in the general volume of the circulation has steadily decreased as the provisions of the Rentenbank liquidation law have taken effect. Their place in the currency has been taken in part by an increase in the coinage of the Reich, but mainly by the notes of the Reichsbank, which now form about three-quarters of the total circulation.

It will be recalled from the last report that the retirement of Rentenbank notes had been proceeding up to last December at a slower rate than had been contemplated when the liquidation plan was formulated and that one means of liquidation in particular had not been employed. This was the application to the retirement fund of certain profits earned on the so-called economic credits granted in the early

days of stabilization as part of the plan for putting the new rentenmark currency into circulation. The Reichsbank in January, 1928, in agreement with the Rentenbank, undertook to make up this deficiency by withdrawing Rentenbank notes from circulation in an amount

equivalent to its share in the actual profits, namely, 70,082,498 rentenmarks. These notes will not be canceled until all Rentenbank notes still in circulation shall have been fully liquidated, but in the meantime the Reichsbank will keep them under earmark.

ANNUAL REPORT OF THE BANK OF ITALY¹

The governor of the Bank of Italy submitted the annual report to the shareholders of the bank at the regular general meeting held in Rome on March 31, 1928. Part of the report is given herewith:²

General remarks.—At the international conference held in Genoa in the year 1922 it was recognized to be an essential condition for the economic reconstruction of Europe that each country should attain a stable value for its currency. After 1922, from year to year, one country after another proceeded toward the achievement of that object. At the end of the year 1927 Italy also joined the other nations having a sound currency on a gold basis.

In the civilized world progress has been made by the idea, which officially originated at the great conference, that a regular intercourse should be established among central banks with the object of achieving, in the common interest, an effective cooperation, especially in "credit policy" without, however, interfering in any way with the independence which must be enjoyed by each central bank. It is a long and up-hill way, but some progress has been and is being made, and the Bank of Italy will not fail to afford at all times its sincere concurrence in this useful and great task.

Meanwhile it is being argued by authoritative representatives of the largest banking institutions whether countries should not be eventually divided into two separate groups; namely, those holding the ultimate gold reserves for all, and those depending on the former, which would be satisfied to play a secondary rôle, in order to save unnecessary expenses and reap benefits with less immediate risks. It seems to be generally admitted that, after the wastage of the war and the disasters caused by the currency and credit inflation, the use of gold coin for circulation should be discouraged, while the adoption of currencies based on gold becomes increasingly necessary in the financial reconstruction of the civilized countries which has taken place since the war.

It would appear as if the serious worries caused by the social effects of inflation had given place to other worries arising from the possibility of a lack of gold to meet the increased and increasing needs of peoples; and it should not be overlooked that in the history of human progress the most active and productive periods were those in which the tendency of prices was to rise, in connection with a larger supply of the precious metals which were used for minting purposes.

In some quarters a solution is sought by depriving gold of the functions which are attributed to it of ruling the prices of commodities and submitting instead the control of prices to the constant rule of an intelligent credit policy by the central banks, particularly of the United States of America, where to-day the largest masses of the yellow metal are stored.

But without taking sides in the arguments which are being raised, especially in Anglo-Saxon countries, where the fundamental banking and credit problems are more actively discussed, there seems no doubt that we are going through a period of transition and that for a long time to come the currency and circulation question, both in general and in detail, will require the careful consideration of students and financiers. Likewise, it would be a misjudgment of realities to think that the last word has been finally spoken with regard to reparations and war compensations, and that the problems therewith connected are definitely and fully solved.

In any case, during the past year some progress has been made toward the financial and monetary adjustment of Europe, as is shown by the most important indexes concerning the conditions of international markets and foreign exchanges. This in spite of the persisting and even increasing barriers which have been and are being raised with greater frequency and at shorter distances since the end of the World War, thus checking the development of traffic and the growth of friendly international commercial intercourse, which are so necessary for the advance of civilization. In this respect,

¹The annual report of the Bank of Italy for the year 1926 was published in the August, 1927, BULLETIN.

²Abridged from English translation of the Italian text furnished by the Bank of Italy.

unfortunately, progress, if any, appears more difficult and slow.³

As regards Italy, what has been done in a short time, thanks to the energy of the Government, to restore and preserve social peace and self-confidence, to make good the gravest and hardest consequences of the Great War, and to get on a level with the most advanced nations of the world, is well known. A start was made by balancing the budget and equitably settling the external war debts; subsequently, provision was made for the service of the internal debt and for the gradual redemption of same, after having courageously freed the budget and the cash holdings of the treasury from the dangers of an outstanding floating debt which had gradually grown to a level quite out of proportion with our resources. Having thus established the indispensable foundation for proceeding further in the economic and financial adjustment of the country, the issue of bank notes was unified and the circulation and cover thereof were strictly regulated, in order to control the foreign exchange rates, to measure the price levels, and to control the course of wages. And in this way, after a careful preparation, which led to a gradual improvement in the value of our currency, the recently introduced currency reform was arrived at. The latter has caused Italy to adopt a standard substantially based on gold monometalism after many years of inconvertibility of her currency and frequent and wide fluctuations of her exchange, prior to and after the Great War. When we think of the level of depreciation which had been reached and of the improved level which has been recovered by force of will and patience, we can not help having every confidence in the future, provided that the determination

³ During the year 1927 the customs policy of the various states in and outside Europe continued on the same lines as hitherto—namely, aiming at establishing an ever-increasing protection. The League of Nations has endeavored to oppose this tendency by calling at Geneva an international economic conference, which met last May and was an imposing gathering of industrialists, agriculturists, and economists. The above conference adopted a series of resolutions and recommendations, which the governments have declared themselves to be willing to take into careful and favorable consideration, showing the necessity of bringing about a halt and relaxing the protective policy adopted in many States, especially in Europe, in order that greater freedom may be given to the interchange of goods, thus promoting an improvement of the world's economic conditions.

Italy, after having given the contribution of her experience to the above conference, had subsequently a leading part in a diplomatic conference which met at Geneva in October, 1927, the outcome of which was a convention among the States that were represented for removing embargoes on imports and exports of commodities. Considering that embargoes are certainly among the greatest obstacles to the normal development of trade, and that they are often used in addition to tariffs as means of economic protection, it is easy to appreciate the importance of a convention of that kind. The convention has not yet come into effect, but it is believed that it will soon be ratified by a considerable number of countries, at any rate the most important ones, and this would be an important step toward an actual improvement of the world's economic conditions, particularly in Europe.

of not deviating from the main road which has been followed in the last years remains firm and is steadily adhered to, as it doubtless will be.

Let us now consider the developments affecting the Italian market in the past year, beginning with the position of the budget.

Balancing the budget.—The financial year ended on June 30, 1927, was closed with an actual surplus of about 405,000,000 lire, the actual receipts for the year totaling about 21,337,000,000 lire. In the first eight months of the present financial year actual receipts aggregated about 12,720,000,000 lire, exceeding expenditure by 104,000,000 lire. As compared with the corresponding period of the year 1926-27, receipts have fallen by 980,000,000 lire, but it should be remembered that since July 1, 1927, the fiscal reliefs (reduction of taxes) sanctioned by the royal decree of August 12, 1927 (No. 1463), have begun to be applied, while the effect of the revaluation of the currency could not fail to affect the assessable resources in respect of many taxes.

It is obvious that the foundation for the economic and financial adjustment of the country consists in balancing and having a surplus of the budget; and this must be for all times a primary consideration after the results which have been so far achieved.

This is precisely what was said by the Finance Minister in the speech which he recently delivered in the Senate: "The balancing of the budget is the necessary foundation for all constructive work, without which everything would be useless." This solemn principle has been followed by the declarations which it is well to repeat in this address: "A budget consisting not merely of figures set forth in columns, added up and balancing more or less artificially over a period of one month or of one year, but a budget showing a permanent balance between national income and expenditure, in which the Government's efforts are always contained within the limits of the taxable capacity of the country. This is the spirit in which we must examine the results of the budget, which were favorable for the first time, under great difficulties, in the last year in which my predecessor held office as Finance Minister. The surplus obtained in the financial year 1925-26 was larger for reasons which I had the honor of stating before the Senate, the most important being the deferred expenditure of the sums inscribed in the budget for the payment of war debts; a considerable and adequate surplus was recorded in the year 1926-27 and also the sur-

plus for the first half year 1927-28 is satisfactory, since it covers the most critical period of our five years' struggle for the restoration of our currency. I have said that the surplus is satisfactory, but the Government wishes it and guarantees it to be larger at the end of the financial year. During the past six months, however, a great effort has been required to improve even slightly over a balanced budget, without holding back the works which are essentially needed by the country." We have every reason to feel gratified for such authoritative assurances.

The public debt.—The internal national debt has risen between January 1 and December 31, 1927, from 84,485,000,000 to 86,423,000,000 lire; that is, less than 2,000,000,000 lire, in spite of the fresh subscriptions to the 5 per cent national loan of 1926 (Littorio loan) and of the premium afforded to the holders of treasury bills and bonds subject to conversion,⁴ while, on the other hand, the redeemable debt was increased by 450,000,000 lire.⁵ The fact is that the interest-bearing floating debt has been done away with by its conversion into the new funded loan, and the noninterest-bearing part of the floating debt has been reduced to the currency notes only, amounting to 783,000,000 lire, since the debt in respect of bank notes issued on behalf of the treasury has been entirely canceled.

The following changes have taken place in the composition of the debt during the last two years: While at the end of the year 1925 the funded debt was in the proportion of 49 per cent of the total, the redeemable debt amounting to 21 per cent and the floating debt to 30 per cent, at the close of 1927 the funded debt was 83 per cent of the total, the redeemable debt being in the proportion of 16 per cent and the floating debt being under 1 per cent, the latter consisting of the balance of currency notes outstanding, which are due to be shortly replaced by silver coin. Thus a considerable improvement in the composition of the debt has taken place and the debt in respect of paper currency disappears altogether. This improvement was accompanied by provisions which were adopted in the past year for ensuring a gradual reduction of the public debt, as on a

⁴ The nominal amount of bonds of the new 5 per cent consols (Littorio loan) which appears in the treasury statement at 27,500,000,000 lire, includes about 3,500,000,000 lire in respect of fresh subscriptions, while the balance is in respect of bonds given or to be given in exchange for the various kinds of treasury bills and bonds subject to conversion, to a total of 20,633,500,000 lire. The difference is made up by the premium of conversion and the payments due by the holders for making up a round capital sum of the new security.

⁵ Nine-year premium treasury bonds and Venetian Provinces war damages indemnity bonds; on the other hand, currency notes to the extent of 1,100,000,000 lire were withdrawn.

previous occasion was mentioned in this report to be a desirable step. A sinking fund for the internal debt was created under the terms of the royal decree law of August 5, 1927 (No. 1414),⁶ and, as was mentioned by the Finance Minister in the speech to which reference has already been made, initially it has worked admirably, since, including a contribution of upwards of 150,000,000 lire from the National Consortium of Turin, Government securities amounting to over 553,000,000 lire have already been purchased and canceled.

Note circulation.—The notes in circulation have been considerably reduced in the course of the year 1927. The amount of bank notes outstanding has fallen from 18,340,000,000 to 17,992,000,000 lire, and the currency notes issued directly by the States have been reduced from 1,793,000,000 to 783,000,000 lire,⁷ giving a total reduction of 1,358,000,000 lire.

The reduction in the amount of bank notes outstanding may not seem adequate, in view of the greater curtailment which took place in the bank's ordinary transactions in the home market, which, as will be seen later, fell from a total of 8,300,000,000 lire to 5,500,000,000 lire. But this is due to the fact that during that time the foreign transactions of the bank were considerably expanded in order to secure the reserves of foreign currencies by which a solid basis was established for carrying out the carefully planned currency reform.

It should be added that the reduction in the amount of inland bills discounted by the bank was partly due to the automatic reduction of the bills rediscounted to other banks, which the latter were able to meet owing to the repayments made by their debtors through means drawn from abroad in the form of loans, as will be mentioned later. The reduction in the amount of the bank's advances was partly due

⁶ The initial amounts paid into the sinking fund consisted of the following: The budget surpluses available from the financial years 1924-25 to 1926-27; the amount of 500,000,000 lire inscribed in the budget for the redemption of the bank notes outstanding on State account, and 300,000,000 lire from funds available from the liquidation of war departments. The sinking fund is due to receive annually the following items: The actual budget surplus; the amounts which otherwise would have been inscribed for the redemption of bank notes outstanding on State account; the interest on the Government securities which have been purchased and canceled by the fund; the principal and interest of Government securities, currency notes and notes of the Bank of Naples and the Bank of Sicily falling under the statute of limitations. Finally, since last July, the amounts received by the State in respect of redemption and interest on sundry loans granted by special laws to certain public bodies and industrial concerns and the sums recovered from foreign governments in respect of materials sold to them or other causes will also be allocated to the sinking fund.

⁷ It should be noted that the currency notes still nominally outstanding, the amount of which was 589,000,000 lire on Feb. 29, 1928, will be replaced by a considerably smaller amount of silver coin, since the notes actually in existence are certainly well below that figure. The treasury statement gives the actual amounts which were originally issued, but in the many decades in which the notes have circulated many have certainly been dispersed or destroyed. With reference to the silver coins of 5, 10, and 20 lire, the authorized amount of the issue is 1,700,000,000 lire. Up to the present 1,062,764,500 lire have been issued.

to the same reason and partly to a rise in the prices of the securities handled as collateral, which enabled the borrowers to realize them on better terms.

Savings.—Consideration must also be given to the increased national savings during the year. The savings banks alone increased their deposits from 12,900,000,000 to 13,600,000,000 lire, while at the end of last October the deposit accounts of six of our largest joint-stock banks totaled more than 3,333,000,000 lire, a substantially higher figure than a year before. The stabilization of the purchasing power of our currency has encouraged an increase of saving deposits which are rising almost everywhere, thus causing a lowering of interest rates.

The Bank of Italy itself, as a result of the currency reform and of the resulting changes in the market conditions, reduced from 7 to 6½ per cent and subsequently to 6 per cent the official rate for discounts and the interest on advances, while it has reduced by 1 per cent the maximum interest rate on sums deposited by other banks.

Foreign trade.—The higher gold value of the lira during the year and the resulting effects on our foreign trade have caused the adverse trade balance to be reduced. The value of imports fell between 1926 and 1927 from 25,900,000,000 to 20,400,000,000 lire, that of exports from 18,700,000,000 to 15,600,000,000 lire, hence a reduction in the adverse balance from 7,200,000,000 to 4,800,000,000 lire, or by about one-third.

Both imports and exports have increased in physical volume, thus showing that the above differences arise from a fall in prices, which is undoubted. For example, the imports of wheat, though having risen from 2,146,000 to 2,305,000 metric tons, were for a value decreasing from 3,536,000,000 to 2,999,000,000 lire.

The support of the Royal Government is not lacking in fostering the development of foreign trade and an improvement of the trade balance. It may be said that the commercial conventions and treaties which have been concluded by our country from 1922 up to 1926 have placed on a solid basis Italy's trade and customs policy. In spite of the fact that in most cases the conventions and treaties ruling our commercial relations with other States have been concluded for short periods, they have so far always been automatically renewed and are disclosing features of ever increasing stability. To this end the extensive use of the "most-favored nation" clause in respect of customs duties is advantageous. Italy's foreign trade in the

past year was sufficiently satisfactory also with regard to Italy's balance of international payments.

Exchange rates.—The foreign exchange rates, in turn, evidenced the lines which were followed for the revaluation of the lira. It will be sufficient to recall the fact that in the first half of the year 1927 the average rate for the dollar fell from 23.08 lire in January to 17.94 lire in June, while the pound sterling moved from 111.91 to 87.09 lire, and the Swiss franc declined from 444.46 to 344.83 per cent. In the second half of the year the exchanges rose slightly and established themselves around the rates fixed in the Government's declarations, on the basis of 89 to 90 lire to the pound sterling, rising further, after the decree law of December 21, to the rates established by the latter. At the close of the year we find the following quotations: 18.93 lire to the dollar, 92.38 lire to the pound, and 74.53 lire to 100 French francs. Comparing the June quotations with the average rates quoted in August, 1926 (New York 30.54, London 148.32, Paris 85.80), when the clear and decided words of the Prime Minister were spoken, we see the advance which has been made in less than one year by the purchasing power of our currency. It is not surprising, therefore, that consequences were felt which are inevitable in readjusting the measures of values, especially when the readjustment takes place with comparative swiftness as it may be said to have done in our case.

Industrial conditions.—For Italian industries the year 1927 can not be regarded as favorable. For certain branches the position remained stationary, for others there was probably a setback, but there are already signs of some recovery. Almost every industry felt the consequences of the currency revaluation, which was not immediately followed by corresponding changes in the price levels, and still less by changes in the wage levels. But even greater was the effect of a reduced demand for commodities, which resulted from the poor agricultural year owing to the adverse climatic conditions.

The following features were noticeable: (a) A persistent reduction in the consumption of goods due as a rule to a relaxation of economic activities; (b) a remarkable slowness of retail prices in following the downward path of wholesale prices on the gradual improvement of the currency; (c) to some extent greater difficulties in obtaining credit; (d) a large measure of instability in the prices of raw materials at the source; and (e) the falling off

of certain trade outlets due to the temporary higher level of internal gold prices as compared to external prices.

In the course of the year the employment of labor has been reduced. To this reduction the initiated technical reorganization of industry and the substitution of machinery for manual labor in certain industrial branches, as yet not fully equipped, have been contributory causes. However, there are elements apt to give a better account of the outlook of our manufacturing industry, as the increased consumption of electric power, if not to the same extent as in previous years, nevertheless sufficient to show an encouraging progress especially as regards certain medium and smaller industries. Also the relations between capital and labor, which have been regulated by the new corporative legislation, have been strengthened on the ground of concrete facts having as foundation the principle of cooperation. This is proved by the numerous agreements, many of national importance, which have been concluded in a friendly spirit between the respective organizations, for solving equitably problems arising from conflicting interests.

The reductions in wages have been generally limited to such as have been strictly indispensable, taking account of the necessities of life for workmen and of industrial needs. Meanwhile, the influx of foreign capital, which has been regulated and held within safe limits, has enabled many concerns to introduce technical improvements without calling upon the home credit resources.

In any case, it must be admitted that the Italian industrial body has given proof of great soundness and strength during this period of necessary trial, and has drawn from the sacrifices of to-day the elements for a wholesome activity in the future.

It is certain that since the disturbing effect on trade of the exchange fluctuations has been eliminated by the currency reform, thus disposing of one of the main causes of uncertainty in establishing the costs of production, industry will be able to emerge more rapidly from the period of adjustment which has been initiated by reducing costs and perfecting output. Evidences of such revival are not lacking in the form of amalgamation of similar enterprises, elimination of weak concerns, concentration, coordination, and specialization.

As already mentioned, toward the end of 1927 and at the beginning of 1928 some improvement in the position of the leading industries has been noticeable. We may not as yet record a general revival, but we may look for-

ward with confidence to the future of our manufacturing industries and agriculture, now that the monetary factor is no longer apt to cause grave uncertainties and constant dangers. We may say, in fact, that the economic world of Italy has adapted itself to the conditions arising from the revaluation and stabilization of the currency and is calmly working its way toward an ever more promising future.

Currency reform legislation.—By far the most important provision which has ever been recorded in our annual reports is the one contained in the royal decree law of December 21 last, by which the convertibility of our bank notes was established, fixing a new parity for the lira. The latter is equivalent to a weight of 7.919113 grams of fine gold for every 100 lire, which means that the conversion rate is exactly 19 lire to the United States dollar, about 92.46 lire to the pound sterling, and about 3.666 lire to the old gold lira. The bank has the option to convert its notes either in gold or in currency of foreign countries where the convertibility of bank notes into gold is in force, at rates to be fixed, which, however, can never exceed the limit of the gold export points. Moreover the bank is required to regulate the circulation of notes and the foreign exchange market in order that the rate of the lira may always remain within the gold points, which have been fixed against the United States dollar at 19.10 lire for export and 18.90 lire for import. The new currency system, by which the inconvertibility of notes is repealed, is known as the "gold exchange standard." A full "gold standard" would imply that the bank of issue should hold a reserve consisting of nothing else but gold, and that the gold value of the notes should be maintained by converting the notes on demand into gold specie. The gold exchange standard admits instead that, in addition to gold, the reserve of the central bank may include a large proportion of foreign currency payable in countries where the convertibility of notes into gold is in force. The central bank maintains the international value of its notes by converting them also in such currencies and not only in gold, and may eventually make it undesirable for the holders of notes to ask for their conversion by simply operating in the market and regulating the foreign exchange rates. The conversion of notes into foreign currencies is effected in accordance with the rules of the royal decree of February 26, 1928, the terms of which are given below:

ART. 1. With reference to article 1 of the royal decree law of December 21, 1927, No. 2325, the Bank

of Italy will convert its notes presented at the head office in Rome into bars of fine gold, the minimum weight of which shall be 5 kilograms, at the rate of 100 lire per 7.919113 grams.

ART. 2. In accordance with the same article of the above-mentioned decree law, the Bank of Italy has the option to convert its notes into currencies of foreign countries where the convertibility of bank notes into gold is in force. The conversion will take place at rates of exchange to be fixed by the Bank of Italy on the basis of the quotations ruling on the foreign exchange market. The rates will not exceed in any case the limit of the gold points which are fixed as per following article 4.

ART. 3. The Bank of Italy is required, with the control of the circulation to provide, by the purchase or sale of gold or by intervening in the foreign exchange market, that the exchange fluctuations of the Italian currency in respect of the currencies of foreign countries where the convertibility of bank notes into gold is in force, be maintained within the limits fixed in the following article.

ART. 4. The gold points for export and import, respectively, in connection with the gold parity fixed by article 1, of the royal decree law of December 21, 1927, No. 2325, are established by royal decree to be issued at the instance of the Finance Minister, after consultation with the Cabinet and the governor of the Bank of Italy.

The decree law issued on the same day, No. 253, enacts that: "The limits of the gold points for export and import, respectively, in connection with the gold parity are fixed as follows: 19.10 lire per United States dollar for export and 18.90 lire per United States dollar for import."

The gold exchange standard, while aiming particularly at maintaining the greatest stability of the exchange, enables the central bank to earn interest on a more or less large proportion of its reserves. It has been recently adopted by other countries where the currency has been stabilized in terms of gold. Thereby the use of gold for monetary purposes is temporarily saved in the common interest. This does not mean, however, that the system must be regarded absolutely and for all as ideal, and that one may not eventually look forward to the adoption of a monetary system more in keeping with the monometallic standards of old days.

The decree law of December 21, 1927, enacts that the bank notes, the currency notes still outstanding, so long as they are not finally withdrawn from circulation, and the silver coin of 5, 10, and 20 lire preserve their full value as legal tender and their power of meeting liabilities.

Article 3 of the decree has authorized the Bank of Italy to include among its assets in Italian lire, on the basis of the new gold parity, all its existing gold or equivalent reserves, which formerly were entered in the balance

sheet at par, viz, at the old gold parity. Thus the original reserves held by the bank showed an addition of about 2.66 lire for every old gold lira, and the surplus thus arising has been handed over to the State in order that its debt in respect of notes advanced by the Bank of Italy may be canceled.

The State debt is canceled, but the notes referring thereto, secured by an adequate reserve cover, remain in circulation to meet the requirements of the market, thus avoiding the dangers of a serious shortage which would have resulted by the sudden withdrawal of a large amount of circulating media.

The cancellation of the state debt to the bank for notes supplied (amounting to 4,227,-000,000 lire) has been possible by using for that purpose the surplus of a proportion, and a very large one, of the reserves held by the bank when the decree law was published, or, in other words, by using the surplus in new lire of the reserves in gold or its equivalent which the bank had independently built up. The equivalent of the \$90,000,000, previously transferred by the treasury to the bank, and the reserves transferred from the Bank of Naples and the Bank of Sicily did not produce any surplus, since in both cases the transfer had been made at a provisional rate of exchange. It had been previously arranged that the difference, if any, on a final valuation would be charged to the treasury. The Bank of Italy has received, however, the gold or its equivalent owned by the State which was included in the bank's reserve, and also a considerable amount of foreign currencies so far under the administration of the National Institute of Exchange in settlement of: (a) The difference between the rate originally fixed for the \$90,000,000 transferred by the treasury to the bank and the new parity of 19 lire to the dollar; (b) the difference between the rate originally fixed for the reserves transferred by the Bank of Naples and Bank of Sicily to the Bank of Italy at the time of the unification of the note issue, and the corresponding value resulting from the new parity;⁸ (c) the difference between the price

⁸ The reserve in gold or its equivalent transferred from the Bank of Naples and the Bank of Sicily to the Bank of Italy amounted to about 310,800,000,000 gold lire, against which the Bank of Italy paid a sum in paper lire provisionally fixed on the basis of the average rate of exchange for the gold lire in the month of April, 1926, viz 479.63 per cent, or 1,490,600,000 lire. The present value of the old gold lira, being fixed at 366.66 per cent, the above amount is equivalent to 1,139,400,000 lire, so the difference charged to the treasury on this transaction is 351,000,200,000 lire.

With reference to the 90,000,000 United States dollars transferred by the treasury to the Bank of Italy, it is known that against the said amount 2,500,000,000 lire of the outstanding debt was canceled, so that the dollars were then provisionally calculated at the rate of 27.777 lire. The rate being now fixed at 19 lire to the dollar, the difference to be made good by the treasury thereon is 790,000,000 lire.

paid in paper lire and the new gold parity in respect of foreign currency of countries where the convertibility of bank notes into gold is in force, transferred to the Bank of Italy by the State or on the State's behalf by the National Institute of Exchange.

Therefore, on the one hand, the bank notes which were issued on State account and secured by the State debt are now covered by the surplus of the old reserves which were owned partly by the bank and partly by the treasury, the latter portion which had been paid at par in the fund of the treasury services being thus finally acquired by the bank. On the other hand, the State to meet the exchange difference for which it was liable to the bank, and the liabilities for notes supplied to the National Institute of Exchange, has delivered an adequate amount of foreign currency of countries where the convertibility of bank notes into gold is in force, on the basis of the new parity, thus increasing correspondingly the bank's reserve. The gold certificates for gold deposited in London against the war debts are no more included in the reserve, since there is no free disposal of the metal. However, as will be seen later, the amount thereof, which at the new parity is equal to 1,847,700,000 lire, appears in the balance sheet among the assets of the bank, as a liability of the State in gold, to be gradually reduced by actually transferring to the bank the gold deposited with the Bank of England as it will be returned.⁹

Stabilization credits.—In order to insure beyond any doubt the success of the stabilization, it was considered desirable, as had been done in other countries when reestablishing the currency on a gold basis, to obtain a foreign credit for a substantial amount, as an evidence that any additional emergency could be faced. The negotiations which were conducted in London in a spirit of cordial cooperation between the governor of the Bank of England, the governor of the Federal Reserve Bank of New York, and the governor of the Bank of Italy, resulted in an agreement similar to those which had been concluded on previous occasions by

other central banks, including the Bank of England itself. Our arrangement was for a 12 months' credit with an option of renewal for further 12 months by mutual consent, for an aggregate amount equivalent to \$125,000,000. A portion of this credit, for the equivalent of \$75,000,000 was a central bank's credit arranged under the auspices and with the concurrence of the Bank of England and the Federal Reserve Bank of New York, in which also the central banks of the following countries participated: Austria, Belgium, Czechoslovakia, Denmark, Egypt, Finland, France, Germany, Holland, Hungary, Japan, Poland, Sweden, and Switzerland. The balance, for the equivalent of \$50,000,000, was in the form of a credit opened by Messrs. J. P. Morgan & Co., of New York, in conjunction with the London firms of Messrs. Morgan, Grenfell & Co., Baring Bros. & Co. (Ltd.), Hambros Bank (Ltd.), and Messrs. N. M. Rothschild & Sons.

So far, everything has proceeded and proceeds most satisfactorily, and there is no likelihood that the credits may have to be utilized. All our efforts must be concentrated in avoiding also for the future any borrowing abroad for upholding the currency reform which we have freely and quietly carried out.

Finally, it should be noted that the bank's reserve stands now as security not only against the notes outstanding, but also against other sight liabilities—namely, demand drafts, public and other deposits. This is in keeping with the rules now governing other leading central banks. By this provision the bank is no more required to hold a reserve in Government securities against its demand drafts, and such securities become a free investment of the bank, which may be eventually used for controlling the money market.

It will be noticed from the above summary remarks that our currency reform is straightforward and simple. No new currency has been created and nothing is changed in the functions of the instruments of payment or in the credit arrangements. Our old lira, though necessarily with a reduced purchasing power, though incomparably higher than was the case for a considerable time owing to the frequent and damaging exchange fluctuations, will continue to perform its task as if nothing had happened, but henceforth it will be steady and immune from the effects of psychological influences.

Bank supervision.—The control over banks which has been intrusted to the Bank of Italy, under the terms of the Royal decree law of September 7, 1926 (No. 1511), and in accord-

⁹ The above amount of 1,847,700,000 lire was included until December 20 last, in the reserve of the bank at par of exchange, namely, at 504,000,000 gold lire as follows:

	Gold lire
Gold lent by the bank to the State for deposit abroad.....	108,300,000
Gold lent by the Bank of Naples and the Bank of Sicily to the State for the same purpose and transferred to the credit of the Bank of Italy when the unification of the note issue took place.....	38,200,000
Certificates for gold deposited abroad existing in the fund for treasury services and actually owned by the bank.....	272,100,000
Certificate for gold deposited abroad included in the treasury gold certificate paid into the above fund.....	85,400,000
Total.....	504,000,000

ance with the rules of the later decree law of November 6 (No. 1830), has been scrupulously exercised. The objects which the legislator set before him in enforcing those provisions were many—first of all, to create a discipline in the banking world, and to safeguard as far as possible, through general and impartial rules, the savings of the people. It is obvious, however, that it rests with the depositors to see that they intrust their savings to banks which are worthy and which give evidence of a sound and prudent administration, and are not to be enticed by the inducement of high interest rates on their deposits or other advantages.

While it is impossible to prevent the imprudent depositor from acting as he thinks best and from suffering the consequences of his own actions, the law, considering the social and economic functions of savings, has provided that the action of banks' administrators shall be subject to certain conditions without, however, interfering in any way with their initiative and responsibility.

The absence of legislation in this field had enabled many banks to spring up with inadequate capital and to expand by opening branches without the necessary skill and preparation, in large and small centers, with the sole object of collecting deposits, which often were employed for ruinous speculations.

The law has respected the existing status in the sense that the existing banks were not called to meet immediately the requirements regarding the amount of capital prescribed for new banks; but according to the spirit of the law it is necessary gradually to place on the same footing the old banks and the new ones, especially when the former are subject to changes or resume business after a period of suspension. It is imperative, however, that the provisions of the old commercial code be revised in accordance with the rules for safeguarding savings.

Applications for authority to establish new banks since the date on which the above decrees went into effect have amounted altogether to 26 including 5 joint-stock banks, 13 cooperative banks, and 8 rural banks. The Bank of Italy approved 7 of the above applications and refused the others, except 4 which are still under consideration. The course which has been followed in passing upon the demands was strictly in keeping with the spirit of the law.

Applications for amalgamation of banks involved mainly savings banks among themselves or in association with first-class pawn-

broking establishments (Monti di Pietá) in accordance with the terms of the Royal decree law of February 10, 1927 (No. 269). Out of 96 applications, 58 were of this character. The others concerned ordinary banks, and of the latter only 17 met with approval. In this connection it is well to remember that the concentration of banks should be supported with due caution—namely, when it is a matter of clearing the ground where it is overoccupied—and when the outcome of amalgamation is a stronger unit with a better organization to meet credit requirements. But it would certainly not be useful to suppress the local banks, which though being small, are admirably run and have proved through a long-lived experience their ability to serve the local interests of the places where they have been founded of which they possess an intimate knowledge, safely reinvesting on the spot and not elsewhere the savings which are handed to them.

Requests for authority to open new branches involved 895 centers—a large number, indeed, considering that the banks making the application numbered 172, while, to our knowledge, the existing banks numbered 4,055, thus distributed: Joint-stock banks and bankers, 1,509; savings banks, pawnbroking establishments, communal agricultural banks, etc., 326; rural banks, 2,220. It should be noted that the tendency to expand became almost feverish immediately after the promulgation of the above-mentioned decrees and was manifested mainly by medium and small banks, which were anxious to secure the option to open branches in as many centers as possible before other competitors sent in their application. The policy of the Bank of Italy consisted in examining at the same time the importance of the centers where the opening of branches was desired, the number of banks already existing in each of such centers, the qualifications, and the resources of the applicants. After considering the existing applications, the Bank of Italy has been able to date to express a favorable opinion only on 453 branch offices applied for.

It is known that in the new regulations it has been provided that the credit which a bank may afford to any one customer may not exceed one-fifth of the bank's total resources. The central bank is, however, authorized eventually to grant on application an extension of the limit, judging each case on its merits. Such authority has been made use of with the greatest care, since otherwise many banks would have continued in the undesirable

practice of concentrating their business with few customers. Out of 150 applications for the extension of credits to a total amount of 108,156,249 lire, only 68 were granted, covering altogether 69,930,155 lire. The concession was only granted in special cases when private interests were not the only consideration. This policy did not trouble in the least the normal course of business, and in fact contributed to induce the banks to be more careful in the valuation of their funds and of their investments. On the other hand, the Bank of Italy could not disregard the essential requirements of our most important industries and of agriculture which usually increase in certain periods of the year, and by wisely moderating the strictness of the law was able to afford, after careful scrutiny, seasonal exemptions which are included in the above figures.

The examination of bank returns and balance sheets gave rise in some instances to observations and caused the Bank of Italy to give directions and advice. This may not always be welcome to the recipients, but it proves unquestionably useful, since it is an inducement to improve the administration and the accountability and to take, when necessary, important steps. And whereas clarity and simplicity, which are the best elements to prove the sincerity of the returns, are at times found to be lacking, it would be useful to introduce a standard model which should be adopted by every bank when sending in its returns, but to this end the rules prescribed by the royal decree of December 18, 1884, should be revised accordingly.

Article 5 of the royal decree of September 7, 1926, also requires the bank of issue to inspect other banks from time to time. Naturally the savings banks are not included, since they are subject to the control of the Ministry of National Economy. The rule applies, however, to all other banks, none excluded. Our bank was called to arrange this rather difficult service, and conducted through its officials 375 inspections up to last December and further 76 inspections in the first quarter of the present year. These were as follows: 245 joint-stock banks, 63 private bankers, and 143 rural banks. Such inspections are certainly useful, as they are apt to remind, if necessary, the directors and the managers of the duties imposed upon them by law in the interest of third parties. It is unnecessary to say that the Bank of Italy performs this delicate task with prudence and care.

Instituto di Liquidazioni.—As mentioned in our last report, the royal decree of November

6, 1926 (No. 1832), suppressed the special independent section of the Syndicate for Advances against Industrial Securities and created in its place a public body called "Istituto di Liquidazioni." The outstanding transactions which were transferred to the Instituto di Liquidazioni on November 20, 1926, amounted to 3,364,000,000 lire. Against those transactions, reserves had been set aside totaling 1,466,000,000 lire. So the net credit of the Bank of Italy at the time was 1,898,000,000 lire. Between November 20, 1926, and December 31, 1927, the Instituto di Liquidazioni realized 172,000,000 lire of assets, thus reducing the outstanding transactions to 3,192,000,000 lire. Moreover, it increased the reserve fund by 319,000,000 lire to a total of 1,785,000,000 lire, so the credit of the Bank of Italy with the instituto was reduced to 1,407,000,000 lire on December 31, 1927. In the first months of the year 1928 the credit has been further reduced by 132,000,000 lire, of which 28,000,000 were in respect of realized assets and 104,000,000 were added to the reserve.

Summing up, we have to-day against outstanding transactions for 3,164,000,000 lire, reserves totaling 1,889,000,000 lire, leaving a balance to be covered of 1,275,000,000 lire, which will be further reduced to 1,254,000,000 lire on the payment to the reserve fund of the extra profits of the Bank of Italy for the year 1927, amounting to 20,770,562 lire.

Italian National Institute of Exchange.—The work which the National Institute of Exchange was again called to perform by the Finance Minister in 1927 was particularly important. It was successful in controlling the appreciation of the lira exchange by limiting the fluctuations and preventing price levels from being unduly affected.

The action of the institute was directed to affording every assistance for carrying out the program of a gradual currency revaluation which had been adopted by the Government. Intervention in the markets was carried out systematically in varying degrees, in order that international speculation might be checked whenever it aimed at defeating the objects of the Italian Government, while due consideration had to be given to the needs of the home monetary position.

The purchases of foreign exchange which were made by the institute in pursuance of the above objects exceeded 4,000,000,000 lire. Little by little and without undue effort large holdings of foreign currency were collected by the institute and partly transferred to the

reserve of the Bank of Italy, thus affording a larger measure of security to the latter's notes in circulation.

Moreover, the institute was busy in carrying out the terms of a convention which was agreed upon between its president and the Finance Minister, concerning, first, the liquidation of the exchange positions handed over by the treasury to the institute as from February 1, 1927, and, second, the transfer on behalf of the treasury of the proceeds of the loans contracted abroad by public bodies and industrial concerns.¹⁰

Following the terms of the convention, and in accordance with the directions subsequently given by the Finance Minister, the National Institute of Exchange was able to close the contango and other accounts and all other exchange transactions which the treasury had outstanding with banks and industrial concerns, which involved a large turnover of dollars, sterling, Swiss francs, and Dutch guilders. With reference to the transfer of the proceeds of foreign loans, the institute was authorized to issue registered interest-bearing lira obligations which were placed with the public bodies and companies who had transferred to the treasury the net proceeds of foreign loans.¹¹

¹⁰ It is estimated that the foreign loans to public bodies and industrial concerns exceed altogether \$200,000,000, which is equivalent to 3,800,000,000 lire, for the service of which, including interest and sinking fund, provision must be made by the institute. Transactions of this kind cause obviously an expansion of our circulation of notes though the latter are secured by the foreign currency received, and subsequently are a burden upon the balance of Italy's international payments. It is therefore essential that an effective control should be placed upon them, as has been recognized by the Government by issuing the important decree of January 5, 1928 (No. 1). A similar course has also been recommended in Germany by the president of the Reichsbank, Dr. Hjalmar Schacht, who did and does not disguise his opposition to the growing indebtedness of his country to foreign countries. The present conditions of the Italian market do not warrant the application to foreign markets for short-term or long-term loans.

¹¹ The bills which the institute is authorized to issue are of various denominations and bear interest for a maximum period of one year from the date of issue. They are transferable only by indorsement, and the proceeds are available only to the original or the last indorsed payee by means of a credit in a deposit account with the Bank of Italy for the amount of the principal plus accrued interest. The balances of these

The importance of the above transactions and of others which the institute was called to perform—namely, the supply of the foreign currencies required for the service of the external debt of the treasury, including the war debts to Great Britain and the United States and the 7 per cent Government dollar loan—is sufficient to justify the assistance which was given by the Bank of Italy to the institute. In fact, large amounts were borrowed by the latter and the debt was gradually increased by the additional supply of notes required for the institute's intervention on the foreign exchange market. Such indebtedness, which reached its climax in December, 1927, with a total of 3,634,000,000 lire, has been entirely wiped out by the transfer to the Bank of Italy of the foreign currency held by the institute, following the stabilization decree of December 21, 1927. Everything has thus been settled to the satisfaction of all concerned.

With reference to the exchange restrictions enforced by the Government in 1926 to establish an effective control of the market, no substantial changes can be recorded, except a certain relaxation of the rules to be observed by the banks dealing in foreign exchanges.¹²

On the whole, the very large turnover of foreign exchange deals has been carried out regularly, without causing difficulties of any consequence.

special accounts are usually used by "giro" to meet liabilities of other public bodies or industrial concerns. This system has been devised in order to prevent an expansion of the note circulation. The issue of the above bills did not exceed altogether 450,000,000,000 lire, and the amount outstanding at the end of the year 1927 was 127,000,000,000 lire.

¹² The following reliefs were granted: As from August last, the banks were no longer required to obtain preliminary sanction from the Bank of Italy for discounting lire drafts issued by Italian exporting firms on their foreign customers for amounts not exceeding 10,000 lire. Subsequently the sanction was dispensed with without limitation of sums, the banks being, however, required to give documentary evidence under their own responsibility of the commercial nature of the drafts discounted. Moreover, the prohibition in respect to discounting lire bills drawn by foreign firms on Italian customers or by Italian firms in favor of foreign firms has been abrogated, provided always that such bills are actually proved to be in respect of goods purchased and imported from abroad.

ANNUAL REPORT OF THE NATIONAL BANK OF CZECHOSLOVAKIA¹

The general meeting of the National Bank of Czechoslovakia was held on February 23. Following is the address delivered on that occasion by Governor Pospíšil, to which are subjoined selections from the report for 1927 presented by the board of directors of the bank. The text is substantially that of the English version of the report furnished by the bank.

¹ The first annual report of the Bank of Czechoslovakia, that, for the year 1926, was published in the June, 1927, BULLETIN.

ADDRESS OF THE GOVERNOR

If, a year ago, I was able to describe the year 1926 as favorable from the standpoint of the duty of the National Bank of Czechoslovakia to maintain the rate of the Czechoslovak crown within its legal limits, I am even more entitled to do so now, in respect of the past year. I refer not only to the favorable technical position of the Czechoslovak crown,

but to the two fundamental pillars of a good currency—the financial equilibrium and a satisfactory balance of payments. With regard to the technical position of the Czechoslovak crown, the development of the metal and foreign exchange reserve during the past year was the best on record, even though the bank board was again able to take further steps in the direction of freer foreign exchange dealings. Financial equilibrium, combined with improvement of the budgetary system and with taxation reform, is being evermore firmly established under the provident management of the financial administration, whose efforts should be fully acknowledged from the monetary point of view.

Complementary to this is the important fact that the supreme control office of State accounts succeeded in submitting the State accounts for 1926 prior to the debates on the budget for 1928, and that a timely rendering of State final accounts will be the rule in the future. It is also gratifying to know that the official bureau of statistics is sparing no efforts in ascertaining the fundamentals of our balance of payments, and, while great obstacles have yet to be surmounted, the present results are satisfactory. The surplus of our foreign trade is, and will remain, as far as we can see, our most important asset. Therefore, next to financial equilibrium, our commercial policy will be the weightiest consideration. The task of seeking and guiding the course of our commercial policy is of the utmost importance in the very intricate play of the world's commercial and industrial relations. It is to be hoped that the industrious preparations of the advisory economic committee, carried out with the cooperation of the National Bank and of other corporations which aim at formulating the Czechoslovak economic plan within the principles expounded by the Geneva Economic Conference, will lead to positive results.

Among the favorable events of the past year are, of course, also the balance sheet results submitted to you. The question of profits must not be the deciding factor in framing a central bank's policy. That is why there are legal provisions limiting the distribution of the bank's profits. The fact that the results shown are mainly due to the higher yield of our balances abroad, and not to credit transactions, presents, for manifold and complicated reasons, a less favorable side of the position held by the Czechoslovak central bank.

Agreement with the State.—Among the events of direct importance to the National

Bank of Czechoslovakia, the most momentous was the agreement with the State referring to the settlement of accounts and to the adjustment of titles and obligations of the contracting parties upon establishment of the National Bank of Czechoslovakia as successor of the banking office of the Ministry of Finance, as well as the agreement setting forth the amount, interest, and process of redemption of the State notes debt at the National Bank of Czechoslovakia. This agreement, concluded on February 2, 1927, was passed by the National Assembly. On the occasion of the last general meeting I emphasized our desire for a more rapid progress of redemption. In the agreement itself the bank retains the right of further negotiations to this end. The National Assembly evidenced a gratifying interest in the matter and expressed their confidence that the Government would not fail to accelerate the redemption, should monetary reasons render it necessary. Considering the increased money market liquidity, the rigid item of the State notes debt is high and burdensome, so that we are in duty bound to demand from the State its speedier reduction. We realize the necessity of taking into account the financial situation of the State and its capacity, but at the same time our public must comprehend that of the Government's debts the most oppressive is that due to the bank, even though bearing no interest in Czechoslovakia. We are glad that both the Minister of Finance and the general reporter emphasized this point during the last budget discussions. No survey of the State obligations would be complete without consistent attention to this debt. In what manner it will be possible to bring into accord its speedier reduction with other financial considerations depends on our further negotiations with the Minister of Finance.

Currency control.—From the monetary point of view, we are also interested in the further consolidation of the short-term debt, and particularly of treasury bonds, according to the act of August 12, 1921, which is planned by the financial administration.

Monetary ease, purposely supported by the Minister of Finance, exerted a beneficial influence on the level of interest which has declined, and to a certain extent on the excessive margin between credit and debit rates. Though it facilitates the task of the financial administration in reducing the debt burden by way of conversions, as well as the process of banking recovery, this monetary plethora would not be welcomed as a permanent feature should we not be able to control it.

Measured by our future capital requirements, the present conditions could hardly be described as a superabundance of funds, in view of the big and expensive tasks awaiting us in the various spheres of our economic and cultural development, for instance, in the questions of transport, electrification, intensive agricultural production, and rationalization.

There is no doubt that in a proper currency administration the bank of issue should possess the power of controlling the money market. Doctor Engliš defines this function clearly in his handbook on national economics, when he says that the currency administration is also bound to maintain a continuous strain on the money market, and that consequently the bank of issue must govern the currency. A well-equipped bank of issue should have the means of slowing down excessive credit expansion and, on the other hand, of supplying necessary funds. Owing to the war, commercial bills in Europe, and more especially in our country, lost some of their importance as instruments of credit and as a basis for note issue; as a consequence the bank rate has no longer the same effects in controlling the money market.

During the past year we devoted attention to the problem of extending the use of commercial bills. Now, as then, we emphasize the dependence of this question on the progress of redemption of the State-notes debt. The question being principally of a general character it will serve a good purpose if our research department will undertake its examination on a wide basis. Peculiar to the present day is, further, the growth of the network of bank and the extension of banking service more generally in the community. The channels for bringing the unemployed funds and savings to the market are expanding; the volume and activity of these funds is increasing; banking service, voluntary and obligatory insurance, particularly social insurance, transfer services such as those of the postal cheque service, investment service in the distribution of securities and Government bonds—penetrate into all classes with the result that an ever-increasing part of our national funds is at disposal for the purpose of credit. Apart from this, there is a change in the system of financing production, which shows a tendency to concentrate. In view of all this we have to investigate new methods insuring influence to the credit policy of the bank of issue. In countries with old traditions it is understood that, without legal provisions, commercial banks follow the lead of the bank of issue, but elsewhere this tradi-

tion must be developed and its development facilitated or replaced by legal measures. Generally, the concentration of government and public surplus funds at the bank of issue is demanded, and also of funds held by public credit institutions. The least, however, to be asked for in this respect is a decisive influence of the bank of issue and its credit policy on the management of such surplus funds. As regards the National Bank of Czechoslovakia, this demand is even now met to a certain extent in the bank act, and the bank must see to it that this fact is borne in mind by those formulating legislative proposals. At present we have the provisions in the regulations of the Central Social Insurance Office, agreed upon by its board and by the Government, whereby the National Bank of Czechoslovakia is vouchsafed the right of cooperation in the management of short-term funds held by the office, and it is to be desired that this cooperation be guaranteed legally. There is also the question of a similar cooperation with the Postal Cheque Office. This, of course, by no means exhausts the list of useful measures, and we repeatedly discuss this problem with the competent authorities.

Price control.—In connection with this we should also refer to the still open discussions on what many declare to be one of the central bank's duties—that is, the maintenance of a stable level of prices. Two years ago, for instance, a bill proposing to amend, in this respect, the Federal reserve act resulted in a very interesting and thorough inquiry by a parliamentary banking and currency committee in the United States of America.

To be able to carry out this policy the bank of issue is in need of proper equipment. The function of increasing or reducing the charge on the reserve source of credit is frequently inadequate to meet this purpose. That this is not a problem of postwar origin is proved, for example, by the extensive pre-war inquiry in Germany in 1909 into the relations of the bank of issue and the money market, which led to lively discussions in practical and scientific circles. The war interrupted this discussion but, at the same time, accelerated the development of the problem owing to the volume and intensity of credit required for war purposes and later on the liquidation of this credit. As an instance I would mention the so-called open-market transactions of the Federal reserve system in the United States. If the committee intrusted with them considers it appropriate to maintain easy money-market conditions it

supports the market by buying Government securities, or, under other conditions, it sells securities to the market. The point of importance is always timely intervention—whether in the form of a bank-rate reduction or in any other form—forestalling excessive movements of gold held by the banks of issue. This policy can be followed only on the basis of detailed and up-to-date information regarding the fluctuations and rhythm of business activity. For this reason the banks of issue spare no efforts in perfecting their special research and statistical service for the investigation of economic developments, such as the fluctuation of prices at home and abroad, the movement of sensitive prices, money rates whether at home or abroad, the level and yield of securities, the money market in connection with the condition and policy of private banking institutions, the creation of capital, the development and volume of production, the level and the movement of income, economic relations with foreign countries, the incidence of taxation and rates, the balance of payment—its structure and items, methods of payments and of financing. In this respect the banks of issue are developing a profitable mutual contact. In April, 1928, a meeting is proposed in Paris of the representatives of the research departments of banks of issue in order to investigate the possibility of uniform monetary statistics and to make arrangements for a regular interchange of statistics, as well as of information regarding the results of research. Our research department is equal to its task. The National Bank of Czechoslovakia spares no expenditure on its proper equipment and on the issue of our bulletins, both from the material and formal (linguistic) point of view. At home and abroad our bulletins have become a sought-for source of unbiased information. In publishing them we endeavor to fill up the gaps in our public statistical service.

Return to the gold standard.—Apart from other influences, the general level of prices is determined by that of gold. The question of the stability of gold is receiving increased attention, and there is no doubt that it will form one of the main objects of cooperation between the banks of issue, the importance of which will grow with the return of countries to the gold standard and with the reestablishment of free international capital movements. The summary submitted to you by the bank board shows, in detail, the progress made in this direction during the past year and the cases of cooperation between the banks of issue. Since we are not an institution for theoretical research, it is outside our province to judge

whether and when it may prove possible to separate the currency from its material basis. The decisive fact from our point of view is that the necessity of a gold standard continues. In spite of the increasing application of a deliberate foreign exchange policy, first introduced by the Austro-Hungarian Bank before the war, and at present growing under the influence of the central banks' cooperation, which results in the decline of actual gold movements, the mechanism of a common gold standard with its obligatory convertibility and free minting, though not so obvious to outside onlookers, continues to represent the decisive component of the world monetary system, and, as far as we can see, its indispensable basis.

We have not yet arrived at the gold standard. Our monetary development, which was initiated at a time of chaotic conditions all around us, was designedly but slow. Although the Czechoslovak crown has furnished one of the most stable currencies in the past five years, and although its value was indirectly fixed by law, it has by no means reached the final stage. The monetary system of the world tends toward a general acceptance of the gold standard, or the gold exchange standard. We see no reason why we should not associate ourselves with this tendency—quite the contrary. The conditions for a formal introduction of the gold standard are being gradually fulfilled—among them is the important one of free foreign exchange dealings—and, although there is no need for haste, we must realize that we shall have ultimately to arrive at the gold or gold exchange standard. As already emphasized by the Minister of Finance on many occasions, this step will have no practical effect on the public; our present unit and its gold content will remain unchanged, and no special measures will be required such as would affect the level of prices or the interests of our public.

The proposed reorganization of our token coins circulation, in which we have had occasion to cooperate, represents another sequel of our monetary stability. It is true that our public became accustomed to notes even of small denominations, but it is a sign of progress if the circulation of notes is not encumbered by too low denominations. Prior to deciding on the final draft of the bill, the Ministry of Finance heard the opinion of the National Bank of Czechoslovakia, and also of other circles interested in the circulation, thus confirming the view, in which we fully agree, that we have passed beyond the era of monetary surprises.

EXTRACTS FROM REPORT OF BOARD OF DIRECTORS

Economic conditions.—Czechoslovak economic conditions in 1927 were a great deal better than in the previous year, owing to the improved conditions in our important foreign markets, and also to the progress of our consolidation, good crops, and the satisfactory development of our money market.

Exchange rate.—The rate of the Czechoslovak crown remained nearly unchanged during the whole year. In the course of the first few months the New York rate stood at \$2.9265, and later on at \$2.96375. The technical position of the crown continued favorable, and the stock of foreign exchanges at the National Bank exceeded throughout the year the level of a year ago, this indicating a favorable development of our balance of payments, due chiefly to the considerable surplus of exports, but also to the increased tourist traffic—which was the best since 1913—and to the return of capital from abroad partly in connection with the taxation reform.

Foreign credits.—As in the previous year, Czechoslovakia contracted a comparatively small amount of foreign short-term and hardly any long-term credits, the total of short-term credits received scarcely reaching (at the end of 1927) the amount of credits granted. The favorable development of our balance of payments and of the foreign-exchange reserve rendered possible further extensive measures freeing foreign-exchange transactions from control.

Balance of payments.—The development of our balance of payments seems to indicate its structural change in the future. In the past, our most important asset was that of our foreign-trade surplus; the chief liabilities the interest on our debts, the dividends on Czechoslovak securities, and the profits on the Czechoslovak enterprises remitted abroad. The latter items are undergoing a change in consequence of the continual repatriation of Czechoslovak securities, as well as of foreign participation in our enterprises, and of our growing share in foreign property. The repatriation of securities continued on a considerable scale during the past year, and it may be expected that this tendency will exert its influence on the respective items of our balance of payments, and thereby indirectly on its general structure.

Redemption of the State-notes debt.—Of great importance to the further progress of our currency and to the position of the National

Bank of Czechoslovakia was the agreement with the State concluded on February 2, 1927, with regard to the redemption of the State-notes debt, the main provisions of which we think it appropriate to mention.

The total of the State-notes debt (debt accruing from the State notes which were taken over, the check account balances, and cash vouchers) amounted to 10,189,905,000 crowns, and was to be redeemed mainly out of the proceeds of the capital and property increment levy, the total of which was originally assigned to this purpose. This assignment was altered by article 12 of the amendment to the bank of issue act of April 23, 1925, which decreed that, should the State-notes debt decline below the level of 5,000,000,000 crowns, two-thirds of the incomings on account of capital and increased property levy may be employed, in the discretion of the Minister of Finance, in the redemption of Treasury bonds issued according to the act of August 22, 1921, until their full repayment. The amounts thus employed represent an advance without interest to be repaid by the Minister of Finance for employment as originally provided in yearly installments equal to the interest saved on all the redeemed bonds.

Following a decision of the Minister of Finance, only 40 per cent of the capital levy proceeds are used, at present, as advances free of interest for the redemption of the Treasury bonds. On March 31, 1926, on which date the banking office of the Ministry of Finance ceased its operations, the total State-notes debt declined to 4,965,467,000 crowns, which were to be redeemed, as before, out of the payments on capital and increased property levy, the outstanding balance of which was estimated in the general bond accompanying the agreement between the State and the bank at 1,500,000,000 crowns. The original estimate of the levies declined in consequence of the reductions granted by the amendment to the capital levy act, so that there would remain a balance of over 3,000,000,000 crowns of undischarged State-notes debt, even after paying in full the anticipated proceeds of the levies. In view of this the Government undertook in the agreement with the bank to effect further payments on account of the State-notes debt. During the 15 years charter of the National Bank of Czechoslovakia the State will pay, commencing with the year 1927 until April 1, 1941, the sum of 77,000,000 crowns yearly, which will thus accumulate to about 1,000,000,000 crowns. These installments are to be provided by (1) the profits of the bank due to the State as such; (2) the

yield of the bank-notes tax; (3) the dividend on one-third of the National Bank shares owned by the State; (4) minting profits if not attached; (5) the States notes and bank notes withdrawn from circulation, not presented for exchange within the period fixed. Should the total of the above receipts fail to reach the stipulated level of 77,000,000 crowns yearly, the balance is to be paid by the Treasury.

The Government further undertook to pay, during the period of charter, the sum of 33,000,000 crowns yearly, providing that the National Bank of Czechoslovakia will employ at least equal amounts in strengthening its metal reserve by the purchase of gold. This program of redemption will continue unaltered until March 31, 1931. Should it appear by then that the anticipated payments on capital and increased property levy have been actually exceeded or not reached, the yearly treasury installments will be either reduced by one-tenth of the ascertained surplus, or, as the case may be, increased by one-twentieth of the ascertained deficiency. In the course of the first few years the treasury installments are to be met as one of the most urgent floating debts by the surplus tax fund, and later on, as soon as the interest payable on Government debt shall automatically decline, by means provided in the budget.

The general bond also contains a provision reserving to the Minister of Finance and to the National Bank of Czechoslovakia the right to reopen negotiations should a speedier reduction of the State-notes debt be later on essential for maintenance of currency stability or appear necessary in view of drafting a currency act.

Money market conditions.—The Government's financial policy exerted a favorable influence on the money market, the conditions of which also improved in consequence of the increased savings (already the effects of capital invested in social insurance had made themselves felt), the return of capital still remaining abroad, and the general tendency prevailing on the international money markets. It should be emphasized once more that the development of the Czechoslovak money market was fundamentally different from that in other, chiefly central European countries, where the monetary ease and the lower rates, as well as the improving business activities, were largely due to the constant influx of foreign credits. In Czechoslovakia, however, the structural changes of the money market may be ascribed to natural progress supported by the previous development of currency and its

favorable influence, not only on the financial situation of the State, but also on the creation of capital.

The favorable money-market conditions led to a general reduction of credit as well as debit rates charged by the banking institutions. It is to be regretted, however, that in many instances the rates fixed by the various agreements are not strictly observed. Nor have we reached a satisfactory solution of the problem regarding the margin between credit and debit rates. Its final solution will depend on the further rationalization of our banking and on a better organization of our money market.

Another favorable influence due to the monetary ease and lower rates was experienced in the relation between short-term and long-term credits. It was possible to effect further reductions in the cost of long-term, mainly mortgage and communal credits, the conditions of the market having been already influenced by the accumulation of social insurance funds. The long-term and short-term rates tended toward a more appropriate mutual relation and the long-term market as well as the issue market became more clearly defined.

Owing to this structure of the market in 1927, the direct influence of the National Bank of Czechoslovakia was very small and the credit demanded from it negligible. Consequently the National Bank of Czechoslovakia endeavored to secure a speedier redemption of the State-notes debt, with results shown in the foregoing analysis of the agreement with the State. Apart from this the National Bank encouraged the efforts toward a wider use of commercial bills, and called a meeting of censors in order to investigate the reasons for its decline. In its policy the bank followed the suggestions made at this meeting and carried out some measures in that direction. Thus, for instance, a demand was presented to the financial administration for lower stamping fees, and the attention of the Ministry of Justice was drawn to the necessity of stricter conditions in arrangement proceedings, as the easy opportunity of avoiding even obligations represented by bills hampers the employment of commercial bills. The National Bank welcomed the decision of some industrial and commercial branches to employ bills in their transactions and will continue its efforts toward the popularization of bills.

The National Bank endeavored further to make sure that in administering short-term funds of public bodies, due regard would be

paid to the interests of monetary policy. In view of this the bank secured the right to cooperate in the drafting of regulations for the investment of the funds of the Social Insurance Office and mainly of funds not to be invested permanently. Similar efforts are being made to safeguard monetary interests in the forthcoming alteration of the Postal Cheque Office.

The easy money market conditions, as well as the lower rates, the favorable business development, and the anticipated effects of the taxation reform on industrial yields, brought about a great recovery of the stock exchange and a continuous rise of securities.

Summary.—Thus, in its second year, the National Bank of Czechoslovakia witnessed an improvement of economic conditions. In view of the favorable crops, of the recovery of many industrial branches, and of the favorable balance of payments, the money market remained easy throughout the year, which enabled the board to reduce on March 8 the discount rate from $5\frac{1}{2}$ to 5 per cent and the rate on advances on collaterals from $6\frac{1}{2}$ –7 to 6 – $6\frac{1}{2}$ per cent. Notwithstanding this reduction the credit demands on the National Bank continued negligible, and the funds invested in credit transactions, which amounted to 261,133,252 crowns at the end of 1926, declined to

less than one-half (125,622,918) crowns at the end of 1927.

The National Bank was able successfully to maintain the stability of the Czechoslovak crown. The stock of foreign exchanges declined by 400,000,000 crowns during the first six months, but later on increased continuously, thus not only balancing at the end of the year the former loss, but showing a gain of over 400,000,000 crowns in the stock of gold and foreign exchanges. The proportion of metal cover, calculated according to paragraph 28 of the bank act, increased from 69.7 to 74.2 per cent on the year. This enabled the bank board, in addition to the modification of foreign exchange regulations, effected in January, 1927, to take in October, 1927, further steps in the direction of freer foreign exchange dealings. The labor previously expended on the control and documents which had to be submitted in accordance with the above regulations was greatly reduced not only for the National Bank but also for the banking institutions and commerce in general.

The revolving credit originally arranged with the National City Bank of New York for the period of one year was renewed, on expiration, to the extent of \$15,000,000 only, payable on May 31, 1928, but again no use was made of it during the whole of 1927.

ANNUAL REPORT OF THE NATIONAL BANK OF BULGARIA

The annual report of the National Bank of Bulgaria for 1927 was presented to the Minister of Finance on April 30, 1928. Parts of the report dealing with the banking and currency situation are given herewith:

Foreign credits.—Certain general financial and economic conditions, more or less favorable, have during the past year aided the bank in performing its principal function, as set forth in article 2 of the new bank law—"to maintain by all the means at its disposal the stability of the gold value of its notes." Compared with that of the preceding year, the inflow last year into the country of foreign bills of exchange which found their way into the bank was much greater, being 8,408,000 levs, as compared with 6,293,000 levs in 1926. Foreign exchange purchased by the bank rose to 7,578,000 levs, compared with 7,060,000 the year before. This state of things, which was the result of several factors, facilitated the growth of exchange operations by the bank, so that under the régime of exchange control established by the law of 1924 the volume of these operations was almost exactly equal to the total foreign balance of payments.

The first factor was the loan for the settlement of refugees, the importance of which was discussed in more detail in the report for 1926. During the year 1927 bills of foreign exchange from the above-mentioned loan came into the bank in the amount of 493,000,000 levs. The considerable surplus of this loan which has not yet been used and which is held at the disposition of the commissioner of the League of Nations, represents a reserve in foreign exchange which in the course of the next two years, as the work of settling the refugees progresses, will gradually but certainly come into the bank. The floating of the refugee loan strengthened the confidence of foreign capital in our country in general and in the stability of the lev in particular, so that foreign short-term credits began to be offered more readily and in greater quantity. It is in large measure as a result of these credits that our balance of payments has shown a favorable tendency during the past year. But this very fact shows also the uncertainty of the exchange situation in Bulgaria, for the credits in question might shortly be withdrawn from the National Bank, which would then have to pay

back the foreign exchange which they represented, as well as the interest due upon them.

Given the inadequate cover of lev currency, which continued to be below the legal minimum of $33\frac{1}{3}$ per cent, the satisfaction of the extensive credit needs of the national economy would have been impossible without a large employment of foreign short-term credits. It is due to these credits that the trend toward lower interest rates on the open market, mentioned in our last report, became still more marked during the past year. This circumstance obligated the bank to give all necessary facilities for the assistance of the freer influx of foreign capital, which was beginning to seek long-term investment also in the great industrial and commercial enterprises of the country. It is only by being assured of a sufficiently large stock of foreign bills of exchange or of gold that our central bank can fulfill the functions of a bank of issue—namely, of credit and control—in such a way as to lessen the need of foreign short-term credits and to bring about a greater development of domestic credits in lev currency. As we have mentioned before, the natural means to this end is the rapid and large-scale amortization of the State debt to the bank through the conclusion by the Government of the indispensable refugee loan.

The improvement of our balance of payments is not due entirely to the temporary assistance offered by foreign credit; domestic factors of a more permanent kind have also influenced our economic situation, and have brought about a more favorable development of our commercial balance. Exports reached the value of 6,600,000,000 levs as compared with 5,600,000,000 levs in 1926, an increase of 1,000,000,000 levs. The more important increases took place in the export of agricultural products.

The money market.—The inadequate cover against the fiduciary circulation and the necessity of maintaining the gold value of the lev at its present height by every possible means prevented any reduction during the past year, as well as during the year previous, of the high discount rate of 10 per cent. The efforts of the bank were directed toward improving conditions in the open-money market and toward harmonizing those rates with the bank rates. Ease in the money market continued throughout the year as a result of the great influx of foreign short-term credits, of measures taken to find safer investments and to avoid great risks, of a marked tendency to reduce rates of interest paid, and, finally, of a considerable increase in local savings.

Deposits at the savings bank during the past year rose by 126,000,000 levs, compared with an increase of only 40,000,000 levs in 1926. At the end of 1927 the capital of this institution stood at 344,000,000 levs, compared with 213,000,000 levs at the end of 1926.

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In consideration of new tendencies on the money market and in order to hasten the restoration of normal and moderate rates of interest, as well as to give larger scope to other credit institutions, both public and private, throughout the country, in performing their important function of accumulating private savings, the administrative council of the bank decided in its session of December 10, 1927, to reduce considerably the rates of interest hitherto paid on "various deposits," as well as on the credit accounts held with the National Bank of Bulgaria. The interest rates on deposits at 5 and 3 years was reduced, respectively, from 8 and 7 to 6 and 5 per cent. Sight deposits ("current credit accounts") were placed at 3 per cent instead of 6 and 5 per cent. This alteration will result in decreasing the volume of private deposits on time and at sight at the bank. What will remain with the National Bank of Bulgaria will be, first, all current credit accounts of other credit establishments which find greater advantages in keeping their accounts here and drawing on them; and second, accounts of various Government funds and of public bodies which, according to article 69 of the bank law, must be kept with the National Bank. The greater part of the surplus of these funds should, by agreement with their administrators, find normal, productive, and safe investment in Government securities as well as in securities guaranteed by Government. In this way the credit of the Government and the price of its securities will have a staunch and valuable domestic support, apart from the fact that these funds will by this means obtain a much larger return.

Funds held by other banks in current account with the National Bank of Bulgaria reached their highest level in January last at 418,000,000 levs, and their lowest level in June at 212,000,000 levs; at the end of the year they stood at 320,000,000 levs.

The new bank law.—Before going on to examine the other activities of the bank, we must pause to consider the new law concerning the National Bank of Bulgaria, enacted on November 5, 1926, and made effective January 1, 1927, which makes essential changes in the organization and in the functions of the bank.

The new law was worked out with the assistance of the financial committee of the League of Nations, which took into consideration the special conditions of our country, as well as certain traditions which had grown up in respect to the organization and operations of the bank. The new law specifies clearly the principal functions of the bank as a central bank of issue—functions which obligate it to maintain the stability of its notes in respect to gold and to regulate the monetary circulation within the limits of the kingdom. In order to assure the performance of this essential function, the bank is relieved of certain activities which can be carried on by other banks in the country, or for which special credit institutions should be created, as was done in the case of agricultural credit. The capital of the bank was increased from 500,000,000 levs to 1,000,000,000 levs, the share accruing to the Government from the profits of the bank being likewise assigned to this use. For the purpose of strengthening the liquid resources of the bank, the law provides for the inclusion in the State budget of the sum of 150,000,000 levs for amortization of the State debt to the bank independently of the amortization of 2 per cent of the total amount of this debt provided for in the law of 1922 concerning the limitation of fiduciary circulation. The putting into circulation of new fractional currency by the Government was postponed on the advice and with the consent of the bank. Profits of the Government from the above operation are likewise to be appropriated at once to the amortization of the State debt to the bank. The object of all these provisions was the gradual building up of the resources of the bank.

Compared with the previous law, the regulations concerning the cover for bank notes are much more exacting. The minimum cover was $33\frac{1}{2}$ per cent, but the new law requires 40 per cent as the normal reserve. For the computation of this percentage not only notes in circulation must be considered, but also all other liabilities of the bank (deposits and other) payable on demand. On the other hand, in making this same computation, only such bills in foreign currency as have been discounted by the bank and bear the signature of a financial establishment or banking house of unquestioned solvency may be included in the reserves. Article 10 of the new law provides for the obligatory raising of the discount rate whenever the reserve against the bank notes falls below $33\frac{1}{2}$ per cent.

The period for presenting bank notes for redemption, after the retirement of the circulation shall have been announced, has been increased from one to two years.

Another important purpose of the new law is to strengthen the autonomy of the bank, to guard against any interference on the part of the Government in the management of the bank and to establish direct relations between the bank and the principal social classes in the country.

In the administrative council of the bank, besides the governor, the two vice governors, and four directors, four elective members are also provided for, two of whom are designated by the chambers of commerce and of industry, one by the administrative council of the stock exchange in Sofia, and the fourth member, who must have a recognized reputation in agriculture, by the presidents of the district councils. The administrative council has entire discretion in the administration of the bank; none of its decisions are subject to the approval of the Minister of Finance, to whom are reserved only general rights of control and direction through the intermediary of the Government commissioner. The autonomy of the bank is particularly emphasized in article 77 which reads: "The National Bank shall not be subject to any ruling established by the Government or by the secondary authorities of the State, exception being made of provisions definitely stated in the present law. The independent rulings of the National Bank established by the council of administration under the present law shall have the same validity from the legal point of view as if they constituted an integral part of the present law."

* * * * *

In order to bring about greater promptness in the administration of the bank, great liberty of initiative is conferred upon the executive committee, composed of the governor and the two vice governors, to make decisions on all questions within the competence of the administrative council, but these decisions must be submitted to the latter as a matter of record at the first session thereafter. By the new law provision is again made for participation of the discount committees, composed of members elected by the chambers of commerce and of industry, in determining the amount of credit to be extended to the clients of the bank. In respect to the operations of the bank, the new law is much more explicit and imposes important restrictions.

Advances on personal security are prohibited. There remain, however, certain current accounts on personal security which are permitted only to merchants and industrialists. Similarly, advances on transfers and receivables are prohibited. Mortgage operations have been definitely forbidden. Credits on pledge of merchandise are eligible so far as they are backed by goods in public warehouses, since credits can be more safely extended on warrants issued by these warehouses.

As the principal and normal operations of the bank there remain the purchase and sale of gold and foreign bills of exchange, discounting commercial bills, making advances, opening of current accounts on deposit of securities and of commercial bills. Conditions of discounting are made more exacting; commercial bills must carry three signatures, or at least two signatures of persons of unquestioned solvency. The maturity of advances on pledge of securities and of gold and silver coin and bullion is reduced from six to three months. The maturity of credits on pledge of commodities is reduced from one year to nine months. Bills from the portfolio of the Agricultural Bank of Bulgaria and those of the Central Cooperative Bank of Bulgaria are eligible to discount if their maturity does not exceed nine months. In respect to accounts, the new law

carries an important amendment doing away with the double accounting which appeared after the war in the balance sheet of the bank and which consists principally of stating certain items in gold levs, and other items in paper levs. Henceforward consistency and clearness of the balance sheet is assured by having all items, including the reserve of gold and silver, expressed in paper levs.

The question of advances to the Government is regulated in the new law with great clearness and precision. Discounting of treasury bills for temporary needs of the Government is limited to 300,000,000 levs. These bills may have a maturity of six months or more; they are to be discounted at 5 per cent or less under the conditions provided in the law of May 30, 1922. Another article of the law expressly forbids the granting of advances to the Government directly or indirectly, excepting in cases specified by the law. Similarly all advances to cities, to districts, and to other administrative bodies are prohibited. Article 36 provides that the bank shall wind up with the least possible delay its participations in the Central Cooperative Bank and in the International Bank of Bulgaria. It is within the scope of these more important provisions of the law that the activities of the bank have been carried on during the year 1927.

ANNUAL REPORT OF THE BANK OF BRAZIL

The address of the president of the Bank of Brazil, delivered to the annual meeting of shareholders on April 28, 1928, and covering the year 1927, includes the following general comments upon the year's developments:

The economic and financial condition of the country, which had shown some tendency toward improvement in April, 1927, became unsettled again in October, as a result of insufficient funds for financing the various crops, especially the coffee crop, the yield of which exceeded all previous amounts and required the employment of considerable sums for its financing. Our own monetary resources, as well as those accruing from surplus gold in possession of the bank, were entirely exhausted as a result of extending necessary aid to agriculture; but they were still inadequate to satisfy the urgent demands for currency which were received from all producing centers throughout the country. In this serious emergency, it was impossible for the Bank of Brazil to ignore its essential functions and to remain inactive, without doing infinite harm to the economic life of the country.

In view of the situation, the Government resolved to make use of the resources¹ put at its disposal by the law of December 18, 1926. This action, although absolutely necessary and perfectly legal, gave rise to much entirely unwarranted criticism. That the criticism was unwarranted was proved by the fact that within a short time the reserve fund of £10,000,000 was completely restored, after part of it had been employed in the urgent task of averting the ruin of producers which both the Government and the bank were under obligation to do. As soon, therefore, as the crisis resulting from lack of currency had passed, an immediate and rapid improvement took place in the economic situation. Business showed greater activity; industries were able to dispose of stocks which they had previously accumulated; price quotations of our more important products rose to profitable levels; and credit once more became well established.

We can not help attributing in large measure the recovery which has gradually taken place in the economic situation of the country to the

¹ That is, the gold reserve against notes of the Bank of Brazil.

carrying out of the program of monetary reform by the Government. The fact is that stability of exchanges is the most important factor in the development of a new country such as our own, because it attracts foreign capital to the exploitation of the rich natural resources hidden in our soil, to the development of our infant industries and our agricultural production, all of which results in increased exportation. It has likewise a decisive influence on the quotation of our products in consumers' markets by bringing about a price stability which could be achieved in no other way. Employment of foreign capital in private undertakings has increased of late, and we believe that it will increase still further in proportion to our capacity to attract such capital to the development of our commerce, industry, and agriculture.

With the recovery of the economic situation which we have described, has come a corresponding improvement of the financial situation. The loan floated by the Government and made payable in gold at the stabilization office is making possible the redemption of the floating debt. This is of great benefit to the

country, especially as it will bring about an increase in currency in circulation, which had become inadequate. Following out a consistent program of monetary reform, His Excellency the President of the Republic determined to veto all expenditures included in the budget which could be postponed, and by this means he has achieved a balanced budget for the current fiscal year. Thus the first part of the Government program has been fully realized—stability of exchange has been maintained without sacrifice on the part of either the treasury or the bank; the floating debt, a great part of which has already been liquidated, will, within a short time be entirely canceled; and finally, the budget has been balanced through the elimination of such expenditures as could be deferred.

For the completion of this program there remains the reorganization of our institution on a more solid foundation and along more modern lines. By this means it should be more efficiently prepared for its future obligation to convert the paper currency in circulation into gold. For this purpose an extraordinary general meeting will be called due in season.

FINANCIAL STATISTICS FOR FOREIGN COUNTRIES

CONDITION OF CENTRAL BANKS

[Figures are for the last report date of month]

	1928			1927		1928			1927
	May	April	March	May		May	April	March	May
Bank of England (millions of pounds sterling):									
Issue department—									
Gold coin and bullion.....	160.9	159.2	157.3	150.9					
Notes issued.....	180.6	178.9	177.0	170.6					
Banking department—									
Gold and silver coin.....	2.1	1.3	.9	1.7					
Bank notes.....	44.6	44.2	41.6	34.8					
Government securities.....	29.0	29.1	30.8	48.5					
Other securities.....	54.6	55.9	56.9	50.9					
Public deposits.....	22.3	18.0	13.6	19.8					
Other deposits.....	89.6	94.8	98.2	98.4					
Ratio of gold and note reserve to deposit liabilities (per cent).....	41.8	40.3	38.0	30.8					
Bank notes in circulation ¹	79.7	78.5	79.2	79.6					
Currency notes and certificates.....	293.7	292.0	289.5	293.6					
Bank of France (millions of francs):									
Gold reserve ²	3,679	3,679	3,680	3,683					
Silver reserve.....	343	343	343	344					
Gold, silver, and foreign exchange.....	2,961	2,447	2,430	2,140					
Credits abroad.....	62	59	57	53					
Loans and discounts.....	4,637	3,637	4,056	3,787					
Advances to the Government.....	21,700	23,050	23,150	26,600					
Miscellaneous assets.....	30,743	28,152	26,001	19,018					
Note circulation.....	59,195	59,198	58,580	51,801					
Total deposits.....	9,031	9,530	8,391	10,583					
German Reichsbank (millions of reichsmarks):									
Gold reserve.....	1,955	1,955	1,845	1,746					
Gold abroad.....	86	86	86	69					
Reserves in foreign exchange.....	274	168	189	79					
Bills of exchange and checks.....	2,469	2,493	2,652	2,421					
Miscellaneous assets.....	667	589	624	444					
Deposits.....	582	558	533	700					
Reichsmarks in circulation.....	4,487	4,409	4,513	3,719					
Rentenmarks in circulation.....	610	626	642	1,073					
Bank of Italy (millions of lire ³):									
Gold at home.....	4,885	4,772	*4,661	4,266					
Credits and balances abroad.....	7,289	7,739	*7,856	43,889					
Loans and discounts.....	3,981	4,066	3,853	6,983					
Advances to treasury.....				4,229					
Total note circulation.....	17,105	17,124	17,265	17,443					
Public deposits.....	300	300	181	491					
Other deposits.....	3,151	3,365	3,627	2,541					
Bank of Japan (millions of yen):									
Gold.....	1,063	1,063	1,063	1,063					
Advances and discounts.....	1,066	922	860	1,070					
Advances on foreign bills.....	9	7	13	12					
Government bonds.....	118	178	192	239					
Notes issued.....	1,207	1,348	1,355	1,388					
Total deposits.....	1,116	918	875	1,154					
Austrian National Bank (millions of schillings):									
Gold.....	117	117	117	59					
Foreign bills of the reserve.....	289	298	308	416					
Other foreign bills.....	279	275	271	176					
Domestic bills.....	126	125	107	101					
Treasury bills.....	168	168	168	174					
Note circulation.....	948	947	944	901					
Deposits.....	34	38	31	29					
National Bank of Belgium (millions of belgas):									
Gold.....	780	760	751	640					
Foreign bills and balances in gold.....	476	472	449	433					
Domestic and foreign bills.....	543	557	522	485					
Loans to State.....	391	392	393	400					
Note circulation.....	2,155	2,106	2,076	1,862					
Deposits.....	140	133	106	134					
National Bank of Bulgaria (millions of leva):									
Gold.....	1,296	1,291	1,287	1,232					
Foreign bills, etc.....	339	435	439	271					
Loans and discounts.....	933	881	850	821					
Advances to State.....	4,471	4,471	4,471	4,512					
Note circulation.....	3,784	3,797	3,638	3,530					
Deposits.....	2,394	2,428	2,603	2,751					
Central Bank of Chile (millions of pesos):									
Gold at home.....		62	61	85					
Deposits abroad.....		513	500	579					
Loans and discounts.....		19	32	21					
Note circulation.....		306	297	263					
Deposits.....		173	178	250					
Bank of the Republic of Colombia (thousands of pesos):									
Gold at home.....	22,959	21,421	21,399	20,052					
Gold abroad.....	35,307	34,124	28,935	24,222					
Loans and discounts.....	6,377	8,620	12,583	13,783					
Note circulation.....	48,360	46,148	45,427	41,841					
Deposits.....	9,515	9,307	8,903	8,525					
Czechoslovak National Bank (millions of Czechoslovak crowns):									
Gold and silver.....	1,119	1,119	1,118	1,053					
Foreign balances and currency.....	1,737	1,669	1,827	1,824					
Loans and advances.....	359	188	250	74					
Assets of banking office in liquidation.....	477	479	484	555					
Note circulation.....	7,111	7,698	7,396	6,762					
Deposits.....	586	310	411	1,237					
Bank of Danzig (thousands of Danzig gulden):									
Gold.....	2,707	2,478	2,393	2,947					
Balances with Bank of England.....	15,118	14,078	14,292	13,379					
Foreign bills, etc.....	25,794	25,951	28,106	10,738					
Loans and discounts.....	22,208	23,146	22,724	22,477					
Note circulation.....	35,709	35,404	36,184	35,060					
Deposits.....	3,787	3,275	2,056	1,905					
National Bank of Denmark (millions of kroner):									
Gold.....	182	182	182	193					
Foreign bills, etc.....	104	104	72	45					
Loans and discounts.....	62	70	89	130					
Note circulation.....	347	352	353	367					
Deposits.....	28	31	24	27					
National Bank of Egypt (thousands of Egyptian pounds sterling):									
Gold.....			3,823	3,656					
English Government securities.....			22,760	23,605					
Egyptian Government securities.....			23,427	25,466					
Note circulation.....			25,938	26,251					
Government deposits.....			17,378	21,932					
Other deposits.....			16,341	14,921					
Bank of Estonia (thousands of kronas):									
Gold.....	10,291	10,281	10,281	5,007					
Net foreign exchange.....	27,404	28,012	29,247	4,316					
Loans and discounts.....	27,252	28,327	28,190	58,827					
Note circulation.....	37,133	39,033	38,826	19,222					
Deposits—									
Government.....	16,318	14,897	14,090	37,900					
Bankers.....	2,121	1,852	2,436	8,197					
Other.....	4,078	4,396	5,753						

¹ Notes issued, less amounts held in banking department and in currency note account.

² Not including gold held abroad.

³ New par.

⁴ Not including 1,535 million lire of gold pledged abroad.

* Revised.

CONDITION OF CENTRAL BANKS—Continued

[Figures are for the last report date of month]

	1928			1927		1928			1927
	May	April	March	May		May	April	March	May
Bank of Finland (millions of Finnish marks):									
Gold.....	312	313	314	324					
Balances abroad and foreign credits.....	784	935	1,077	974					
Foreign bills.....	29	26	35	47					
Domestic bills.....	936	866	802	629					
State debts.....				122					
Note circulation.....	1,576	1,619	1,644	1,411					
Demand liabilities.....	160	217	285	266					
National Bank of Greece (millions of drachmae):									
Gold.....	\$79								
Net foreign exchange in reserve.....	3,132								
Total foreign exchange.....	3,246								
Government obligations.....	3,760								
Note circulation.....	5,250								
Other sight liabilities.....	2,148								
National Bank of Hungary (millions of pengö):									
Gold.....	197	197	197	169					
Foreign bills, etc.....	95	85	100	92					
Loans and discounts.....	307	320	301	249					
Advances to treasury.....	106	106	106	117					
Other assets.....	191	195	205	221					
Note circulation.....	451	479	455	429					
Deposits.....	283	255	281	249					
Miscellaneous liabilities.....	137	142	147	143					
Bank of Java (millions of florins):									
Gold.....	174	174	173	185					
Foreign bills.....	17	22	26	21					
Loans and discounts.....	79	81	87	72					
Note circulation.....	305	304	310	308					
Deposits.....	41	47	43	53					
Bank of Latvia (millions of lats):									
Gold.....	24	24	24	24					
Foreign exchange reserve.....	79	73	67	32					
Bills.....	83	82	80	72					
Loans.....	45	43	44	56					
Note circulation.....	42	40	40	27					
Government deposits.....	120	117	108	97					
Other deposits.....	64	59	64	34					
Bank of Lithuania (millions of litas):									
Gold.....	34	34	34	32					
Foreign currency.....	48	51	54	39					
Loans and discounts.....	84	83	81	59					
Note circulation.....	91	96	102	91					
Deposits.....	73	70	63	38					
Netherlands Bank (millions of florins):									
Gold.....	435	435	435	409					
Foreign bills.....	194	190	181	140					
Loans and discounts.....	165	219	164	265					
Note circulation.....	797	853	769	813					
Deposits.....	36	32	47	31					
Bank of Norway (millions of kroner):									
Gold.....	147	147	147	147					
Foreign balances and bills.....	41	49	51	10					
Domestic credits.....	290	293	304	309					
Note circulation.....	313	321	323	315					
Foreign deposits.....	2	2	2	9					
Total deposits.....	121	125	137	144					
Reserve Bank of Peru (thousands of libras):									
Gold.....	4,094	4,111	4,176	4,188					
Gold against demand deposits.....	322	305	240	228					
Foreign exchange reserve.....	1,223	965	893	669					
Bills.....	1,285	1,625	1,562	1,471					
Note circulation.....	5,847	5,913	5,909	5,819					
Deposits.....	645	610	481	458					
Bank of Poland (millions of zlotys):									
Gold at home.....	380	380	353	157					
Gold abroad.....	186	182	200						
Foreign exchange, etc.—									
Serving as note cover.....	540	568	632	230					
All other.....	213	212	211						
Loans and discounts.....	618	550	544	414					
Note circulation.....	1,133	1,126	1,128	705					
Current account of the treasury.....	361	343	333	99					
Other current accounts.....	221	205	276	121					
Bank of Portugal (millions of escudos):									
Gold.....	9	9	9	9					
Balances abroad.....	197	202	187	177					
Bills.....	227	228	225	207					
Note circulation.....	1,869	1,825	1,824	1,755					
Deposits.....	66	77	89	81					
National Bank of Rumania (millions of lei):									
Gold ¹	153	153	152	146					
Bills.....	9,584	9,440	9,203	8,868					
Advances to State.....	16,803	16,803	16,803	16,359					
Note circulation.....	21,038	21,017	21,024	21,001					
Deposits.....	10,299	10,542	10,218	8,769					
State Bank of Russia (note issuing department; thousands of chervontsi):									
Gold.....	15,513	15,808	18,021	16,685					
Foreign currency.....	6,747	7,290	5,095	8,374					
Loans and discounts.....	72,602	70,764	70,266	64,738					
Bank notes.....	97,373	95,768	94,182	90,550					
National Bank of the Kingdom of Serbs, Croats, and Slovenes (millions of dinars):									
Gold.....		90	90	88					
Foreign notes and credits.....		263	283	397					
Loans and discounts.....		1,520	1,609	1,238					
Advances to State.....		2,966	2,966	2,966					
Note circulation.....		5,325	5,453	5,337					
Deposits.....		875	894	1,231					
South African Reserve Bank (thousands of pounds sterling):									
Gold.....	7,572	8,026	7,418	7,439					
Foreign bills.....	7,637	8,513	7,888	7,236					
Domestic bills.....	328	804	841	1,094					
Note circulation.....	7,851	8,684	8,852	8,417					
Deposits.....									
Government.....	1,911	1,679	1,248	1,311					
Bankers.....	4,790	5,036	5,048	4,878					
Others.....	373	234	110	196					
Bank of Spain (millions of pesetas):									
Gold.....	2,608	2,608	2,608	2,597					
Silver.....	707	704	705	705					
Balances abroad.....	39	41	41	37					
Loans and discounts.....	1,711	1,731	1,720	1,943					
Note circulation.....	4,231	4,250	4,185	4,246					
Deposits.....	1,054	1,020	975	1,006					
Bank of Sweden (millions of kronor):									
Gold.....	231	232	233	222					
Foreign bills, etc.....	112	137	186	161					
Loans and discounts.....	421	395	352	297					
Note circulation.....	494	501	536	493					
Deposits.....	202	196	167	119					
Swiss National Bank (millions of francs):									
Gold.....	440	435	432	459					
Foreign balances and bills.....	199	211	200	245					
Loans and discounts.....	220	220	242	359					
Note circulation.....	831	845	859	1,815					
Demand deposits.....	76	72	67	124					
Bank of the Republic of Uruguay (thousands of pesos):									
Gold.....		63,163	63,159	54,948					
Loans and discounts.....		95,918	96,649	*93,920					
Note circulation.....		71,961	74,229	65,044					
Deposits.....		81,009	79,484	73,647					

¹ Not including gold held abroad.

² Foreign balances only.

³ Total deposits.

* Revised.

CONDITION OF COMMERCIAL BANKS

[Figures are for the last report date of month except for London clearing banks, which are daily averages]

	1928			1927		1928			1927
	May	April	March	May		April	March	February	April
Nine London clearing banks (millions of pounds sterling):					Joint-stock banks of Finland (millions of Finnish marks):				
Money at call and short notice.....	148	152	147	127	Loans and discounts.....	8,963	8,808	8,514	7,702
Advances and discounts.....	1,135	1,132	1,125	1,110	Due from abroad.....	202	244	280	202
Investments.....	232	233	235	237	Due to abroad.....	421	380	358	371
Deposits.....	1,687	1,690	1,672	1,650	Deposits.....	7,506	7,499	7,208	6,538
Six Berlin banks (millions of reichsmarks):					Three commercial banks of France (millions of francs):				
Bills and treasury notes ¹	2,000	2,112	2,066	² 1,413	Bills and national defense bonds.....		17,441	16,881	13,818
Due from other banks.....	979	950	952	² 849	Loans and advances.....		5,945	5,892	4,915
Miscellaneous loans.....	5,731	*5,640	*5,527	² 4,827	Demand deposits.....		26,870	26,105	23,741
D posts.....	8,224	8,091	7,844	² 6,552	Time deposits.....		453	440	371
Acceptances ¹	386	393	389	² 407	Four private banks of Italy (millions of lire):				
Tokyo banks (millions of yen):³					Cash.....	1,250		1,282	1,189
Cash on hand.....	378	286	263	⁴ 193	Bills discounted.....	9,078		9,175	8,486
Total loans.....	2,289	2,255	2,157	⁴ 2,008	Due from correspondents.....	5,237		5,090	5,649
Total deposits.....	2,074	1,999	1,977	⁴ 1,804	Due to correspondents.....	14,294		14,177	13,267
Total clearings.....	2,622	2,515	2,467	1,653	Deposits.....	2,839		2,739	2,430
					Joint-stock banks of Norway (millions of kroner):				
					Loans and discounts.....	1,442	1,451	1,460	1,701
					Due from foreign banks.....	78	72	72	65
					Due to foreign banks.....	138	135	123	212
					Rediscounts.....	162	176	185	150
					Deposits.....	1,635	1,649	1,655	1,555
					Joint-stock banks of Sweden (millions of kronor):				
Chartered banks of Canada (millions of dollars):					Loans and discounts.....	4,091	4,111	4,106	4,227
Gold coin and bullion ⁵	70	69	70	70	Foreign bills and credits abroad.....	283	271	299	185
Current loans and discounts.....	1,452	1,439	1,379	1,298	Due to foreign banks.....	158	156	140	120
Money at call and short notice.....	491	468	482	400	Rediscounts.....	243	192	125	112
Public and railway securities.....	541	544	555	528	Deposits.....	3,509	3,518	3,565	3,538
Note circulation.....	171	177	161	172					
Individual deposits.....	2,561	2,500	2,463	2,319					
Gold reserve against Dominion notes.....	95	93	91	101					
Dominion note circulation.....	192	189	176	182					
Joint-stock banks of Denmark (millions of kroner):									
Loans and discounts.....	1,887	1,876	1,869	1,910					
Due from foreign banks.....	57	57	55	57					
Due to foreign banks.....	93	90	103	144					
Deposits and current accounts.....	2,103	2,071	2,042	1,996					

¹ Checks formerly included under "Acceptances" are included under "Bills and treasury notes" beginning with the March statement.² Figures are for April, 1927.³ Beginning in November, 1927, figures have been included for 10 banks not previously covered by the reports.⁴ Figures are for June, 1927; May figures not available.⁵ Not including gold held abroad.

* Revised.

DISCOUNT RATES OF 33 CENTRAL BANKS

[Prevailing rates, with date of last change]

Country	Rate	In effect since—	Country	Rate	In effect since—	Country	Rate	In effect since—	Country	Rate	In effect since—
Austria.....	6	Jan. 23, 1928	Estonia.....	7½	Jan. 2, 1928	Japan.....	5.48	Oct. 10, 1927	Portugal....	8	July 27, 1926
Belgium.....	4	June 30, 1928	Finland.....	6	Nov. 24, 1927	Java.....	6	May 3, 1925	Rumania....	6	Sept. 4, 1920
Bulgaria.....	10	Aug. 31, 1924	France.....	3½	Jan. 19, 1928	Latvia.....	6-7	Apr. 1, 1928	Russia.....	8	Mar. 22, 1927
Chile.....	6½	Dec. 12, 1927	Germany.....	7	Oct. 4, 1927	Lithuania... ¹	7	Feb. 1, 1925	South Africa	5½	Jan. 9, 1928
Colombia.....	7	May 15, 1924	Greece..... ²	10	May 14, 1928	Netherlands.	4½	Oct. 13, 1927	Spain.....	5	Mar. 23, 1923
Czechoslovakia.	5	Mar. 8, 1927	Hungary.....	6	Aug. 26, 1926	Norway.....	5½	Mar. 27, 1928	Sweden.....	4	May 1, 1928
Danzig.....	6	June 21, 1927	India.....	6	June 21, 1928	Peru.....	6	May 17, 1928	Switzerland.	3½	Oct. 22, 1925
Denmark.....	5	June 24, 1926	Italy.....	5½	June 25, 1928	Poland.....	8	May 13, 1927	Yugoslavia..	6	June 23, 1922
England.....	4½	Apr. 21, 1927									

¹ Given erroneously in previous issues of the FEDERAL RESERVE BULLETIN (December, 1927-May, 1928) as 6 per cent in effect since Nov. 9, 1927.² The rate quoted is that of the Bank of Greece, which opened for business on May 14, 1928.

Change: Bank of Italy from 6 to 5½ per cent on June 25, 1928; Imperial Bank of India from 7 to 6 per cent on June 21, 1928; National Bank of Belgium from 4½ to 4 per cent on June 30, 1928.

MONEY RATES IN FOREIGN COUNTRIES

Month	England (London)				Germany (Berlin)			Netherlands (Amsterdam)		Switzerland
	Bankers' acceptances, 3 months	Treasury bills, 3 months	Day-to-day money	Bankers' allowance on deposits	Private discount rate	Money for 1 month	Day-to-day money	Private discount rate	Money for 1 month	Private discount rate
1926										
April	4.33	4.34	3.92	3	4.88	6.02	4.77	2.96	2.93	2.30
May	4.37	4.43	4.18	3	4.69	5.53	4.80	2.95	2.94	2.38
June	4.27	4.29	3.82	3	4.53	5.81	4.76	2.83	3.00	2.38
July	4.26	4.29	3.86	3	4.54	5.73	4.93	2.74	2.72	2.37
August	4.45	4.55	3.99	3	4.61	5.80	4.85	2.63	2.50	2.54
September	4.54	4.65	3.99	3	4.88	6.21	4.77	2.78	2.81	2.52
October	4.69	4.80	4.07	3	4.82	6.14	4.75	2.83	2.75	2.80
November	4.57	4.80	3.95	3	4.63	6.12	4.45	3.21	3.23	2.96
December	4.53	4.60	3.78	3	4.72	7.13	5.88	3.39	3.96	3.35
1927										
January	4.16	4.21	3.76	3	4.21	5.82	3.78	2.97	2.92	3.16
February	4.18	4.32	3.93	3	4.28	5.77	5.19	3.46	3.66	2.87
March	4.34	4.36	4.09	3	4.59	6.91	4.87	3.48	3.53	2.98
April	4.11	4.04	3.64	3-2½	4.59	6.57	5.63	3.46	3.78	3.13
May	3.90	3.84	3.54	2½	4.90	6.95	5.99	3.45	3.78	3.19
June	4.34	4.36	3.44	2½	5.39	7.73	5.79	3.57	3.87	3.42
July	4.34	4.33	3.50	2½	5.90	8.49	7.06	3.52	3.25	3.47
August	4.34	4.35	3.61	2½	5.83	8.37	5.81	3.45	3.40	3.44
September	4.32	4.33	3.57	2½	5.90	8.30	6.00	3.55	3.82	3.39
October	4.33	4.33	3.58	2½	6.74	8.72	7.19	4.08	4.29	3.38
November	4.34	4.34	3.65	2½	6.76	8.72	6.03	4.47	4.72	3.39
December	4.31	4.31	3.43	2½	*6.87	9.10	*7.24	4.50	4.84	3.40
1928										
January	4.19	4.13	3.48	2½	6.25	7.66	5.16	4.26	4.11	3.29
February	4.19	4.18	3.62	2½	6.20	7.30	6.66	3.94	3.79	3.12
March	4.12	4.07	3.64	2½	6.72	7.51	6.81	3.86	3.90	3.20
April	4.02	4.01	3.56	2½	6.71	7.57	.64	4.11	3.94	3.29
May	3.98	3.95	3.58	2½	6.66	7.80	7.00	4.23	4.17	3.32

Month	Belgium (Brussels)	France (Paris)	Italy (Milan)	Austria (Vienna)		Hungary		Sweden (Stockholm)	Japan (Tokyo)	
	Private discount rate	Private discount rate	Private discount rate	Private discount rate	Money for 1 month	Prime commercial paper	Day-to-day money	Loans up to 3 months	Discounted bills	Call money overnight
1926										
April	6.75	4.25	8.00	6½-7¼	6½-10½	10 - 11½	7	4½-5½	6.75-8.76	6.02-7.30
May	6.65	5.15	8.00	6½-6¾	6½-9½	9½-10½	7	4½-6	6.75-8.76	4.75-7.30
June	6.65	5.73	8.17	6¼-6½	6½-9½	9 - 10	7	4½-6	7.12-8.76	5.11-8.76
July	6.70	6.00	8.50	6 - 6¾	6½-9½	8¾-10	6 - 7	4½-6	6.94-8.76	5.11-8.03
August	6.75	7.00	8.50	5¾-6	6 - 8¾	8¼-10	6 - 7	4½-6	6.75-8.40	5.84-7.48
September	6.72	6.98	8.50	5¾-6	5¾-8½	7½-9	6 - 7	4½-6	6.39-8.40	4.93-7.30
October	6.64	7.25	8.96	5¾-6¼	6½-8¾	7½-8½	5½-7	4½-6	6.21-8.40	5.11-7.12
November	5.77	6.69	9.25	6¼-6¾	7½-9	7 - 8½	6 - 7	4½-6	6.39-8.40	4.75-7.48
December	4.34	5.77	9.25	6½-6¾	7½-9¾	7 - 8½	6 - 7½	4½-6	6.75-8.76	5.11-8.03
1927										
January	3.90	4.99	9.25	5¼-6½	6½-8¾	6¾-8	5½-6¾	4½-6	6.39-8.76	4.56-7.30
February	3.99	4.45	9.25	4¾-5	6 - 7½	6½-7½	5½-6¾	4½-6	6.21-8.03	2.92-7.30
March	4.19	3.89	9.25	4¾-5¼	6¼-7¾	6½-7½	6 - 6¾	4½-6	5.84-7.67	4.38-6.21
April	4.33	3.17	9.25	5½-5¾	6¼-7¾	6½-7½	5¾-6½	4 - 6	5.84-8.03	4.38-5.29
May	4.23	2.46	8.50	5½-5¾	6¼-8	6¼-7½	5¾-6¾	4 - 6	6.57-7.67	4.38-4.75
June	4.17	2.25	7.60	5½-5¾	6½-7¾	7 - 7¾	5¾-6¾	4 - 6	6.57-8.76	4.38-5.11
July	3.84	2.13	7.00	5½-6¾	7 - 8¾	7¼-8	6 - 7	4 - 6	6.21-8.40	3.65-5.11
August	3.84	2.04	7.00	6¼-6¾	7½-8¾	7½-8½	6 - 7¾	4 - 6	5.48-8.03	3.65-4.75
September	3.75	2.01	6.81	6¼-6¾	7 - 8½	7½-8½	6 - 7½	4 - 6	5.11-7.67	2.19-4.38
October	3.87	1.82	6.50	6¼-6¾	7½-8¾	7½-8½	6 - 7¾	4 - 6	4.75-7.30	2.19-4.38
November	4.09	2.75	6.27	6¼-6¾	7½-8½	7 - 8½	5¾-7¾	4 - 6	5.11-7.30	2.74-4.02
December	4.15	2.95	6.00	6¼-6¾	6¾-8¾	7½-8½	5½-7¾	4 - 6	5.48-7.67	2.19-5.84
1928										
January	4.08	2.81	6.00	5¾-6¼	6¾-8	7½-8¼	5½-7¾	4 - 6	4.38-7.67	1.64-5.11
February	3.90	2.75	5.89	5½-5¾	6½-7½	7½-8½	5¼-7¾	4 - 6	4.38-6.21	1.46-4.02
March	4.10	2.72	5.75	5½-5¾	6½-7½	7¼-8½	5 - 7¾	4 - 6	4.02-5.84	2.92-4.02
April	4.25	2.62	5.49	5½-5¾	6½-7½	7¼-8½	5¼-7¾	4 - 6	4.75-5.84	2.56-4.02
May	4.25	2.62	5.25							

* Revised.

NOTE.—For sources used, methods of quotation, and back figures, see the FEDERAL RESERVE BULLETINS for November, 1926 and April, 1927.

GOLD MOVEMENTS

[In thousands of dollars]

Month	United States			Germany			Great Britain			Netherlands			South Africa	India
	Im-ports	Ex-ports	Net imports or ex-ports (-)	Im-ports	Ex-ports	Net imports or ex-ports (-)	Im-ports	Ex-ports	Net imports or ex-ports (-)	Im-ports	Ex-ports	Net imports or ex-ports (-)	Net imports or ex-ports (-)	Net imports or ex-ports (-)
1926														
October.....	8,857	1,156	7,701	36,343	869	35,474	16,916	21,262	-4,346	580	150	430	-29,082	4,004
November.....	16,738	7,727	9,011	16,462	902	15,560	18,561	24,590	-6,029	464	174	290	-13,376	3,466
December.....	17,004	7,196	9,808	18,407	858	17,549	14,531	18,609	-4,078	108	2,613	-2,505	-10,553	3,530
Total (12 months).....	213,504	115,708	97,796	137,987	8,720	129,267	187,591	132,019	55,572	11,174	6,483	4,691	-212,152	83,627
1927														
January.....	59,355	14,890	44,465	14,088	525	13,563	11,514	18,181	-6,667	1,303	74	1,228	-17,522	2,518
February.....	22,309	2,414	19,895	6,231	659	5,572	15,742	15,480	262	411	411	411	-14,079	6,543
March.....	16,382	5,625	10,757	6,576	840	5,736	7,526	6,894	632	488	39	449	-20,718	10,041
April.....	14,503	2,592	11,911	935	666	269	24,678	3,735	20,943	281	1,334	-1,053	-23,146	4,941
May.....	34,212	2,510	31,702	705	673	32	16,464	26,580	-10,116	46	3,015	-2,969	-15,717	4,890
June.....	14,611	1,840	12,771	711	662	49	8,435	9,674	-1,239	2,653	5,190	-2,537	-17,470	7,122
July.....	10,738	1,803	8,935	705	685	20	13,071	6,061	7,010	202	4,623	-4,421	5,936	5,936
August.....	7,877	1,524	6,353	11,259	680	10,579	21,469	5,782	15,687	103	2,477	-2,373	2,860	2,860
September.....	12,979	24,444	-11,465	1,483	876	607	8,381	7,637	744	125	47	78	3,315	3,315
October.....	2,056	10,698	-8,642	1,668	969	699	6,126	4,726	1,400	189	35	154	2,685	2,685
November.....	2,082	55,266	-53,184	1,627	975	652	15,012	21,709	-6,696	433	102	331	4,408	4,408
December.....	10,431	77,849	-67,418	1,635	925	710	9,485	10,546	-1,060	4,264	2	4,262	3,916	3,916
Total.....	207,535	201,455	6,080	47,622	9,135	38,487	157,905	137,008	20,896	10,498	16,937	-6,439	59,175	59,175
1928														
January.....	38,320	52,086	-13,766	1,113	704	409	20,042	10,875	9,167	12,725	8	12,716	8,590	8,590
February.....	14,686	25,806	-11,120	6,074	844	5,230	13,026	19,257	-6,231	227	1,147	-920	6,952	6,952
March.....	2,683	97,536	-94,853	9,018	1,008	8,010	6,289	78,605	-72,316	192	7	135	9,544	9,544
April.....	5,319	96,469	-91,150	*29,834	*822	*29,012	11,760	2,943	8,816	66	19	47	8,250	8,250
May.....	1,968	83,689	-81,721	1,175	688	487	18,746	5,498	13,248	157	379	-222	---	---

* Revised.

MOVEMENTS TO AND FROM UNITED STATES

[In thousands of dollars]

Country of origin or destination	1928				1927	
	May		January-May		Calendar year	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
Belgium.....	---	---	2,000	1	2,200	---
England.....	20,026	5	22,511	39,396	8,562	---
France.....	42,461	21	165,001	21,048	10,000	---
Germany.....	207	---	27,139	1	13,994	---
Italy.....	2	4,000	2	16,000	7	---
Netherlands.....	---	---	4,000	15,075	8,055	---
Canada.....	846	29	47,902	231	63,653	29,698
Central America.....	121	---	515	100	1,224	253
Mexico.....	358	442	2,122	2,402	6,001	6,984
Argentina.....	---	12,700	---	68,400	23	61,499
Brazil.....	---	---	---	21,984	34,351	---
Chile.....	33	---	160	---	7,021	---
Colombia.....	98	1,518	530	---	1,489	1,001
Ecuador.....	130	---	659	---	2,247	---
Peru.....	140	---	740	---	2,266	---
Uruguay.....	---	---	---	9,000	---	2,000
Venezuela.....	43	1,300	233	---	5,270	1,530
Australia.....	---	---	---	---	21,920	---
British India.....	---	15	---	1,448	---	2,974
China and Hong Kong.....	---	919	---	4,200	1,674	7,166
Dutch East Indies.....	4	---	523	981	1,499	1,960
Japan.....	---	62	---	125	20,000	21
Philippine Islands.....	126	---	606	---	1,667	---
All other countries.....	66	10	8,958	3,278	793	9,205
Total.....	1,968	83,689	62,975	355,586	207,535	201,455

MOVEMENTS TO AND FROM GREAT BRITAIN

[In thousands of dollars]

Country of origin or destination	1928				1927	
	May		January-May		Calendar year	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
France.....	---	380	8	91,448	627	4,718
Netherlands.....	19	103	105	5,249	2,313	6,486
Russia.....	2,677	---	13,499	---	1,049	7,732
Spain and Canaries.....	---	---	---	116	---	7,445
Switzerland.....	---	2,102	---	4,952	---	6,213
United States.....	6,503	---	7,590	---	8,567	28,042
South America.....	1,000	---	1,017	---	2,017	6,959
British India.....	---	1,609	---	6,456	---	12,462
British Malaya.....	---	19	---	902	---	3,452
Egypt.....	---	419	---	1,251	---	3,799
Rhodesia.....	424	---	2,297	---	5,958	---
Transvaal.....	7,843	---	40,146	---	124,348	---
West Africa.....	251	---	1,407	10	4,705	20
All other countries.....	29	865	3,792	6,794	8,320	49,680
Total.....	18,746	5,498	69,862	117,178	157,905	137,008

FOREIGN EXCHANGE RATES

[Monthly averages of daily quotations.¹ In cents per unit of foreign currency]

	EUROPE										
	Austria (schilling)	Belgium (belga)	Bulgaria (lev)	Czechoslovakia (crown)	Denmark (krone)	England (pound)	Finland (markka)	France (franc)	Germany (reichsmark)	Greece (drachma)	Hungary (pengo)
Par value.....	14. 07	13. 90	19. 30	-----	26. 80	486. 65	2. 52	2 3. 92	23. 32	1. 30	17. 49
1927—June.....	14. 0625	13. 8900	. 7218	2. 9616	26. 7207	485. 6088	2. 5194	3. 9169	23. 6923	1. 3430	17. 4438
November.....	14. 0874	13. 9467	. 7230	2. 9629	26. 7988	487. 4012	2. 5191	3. 9288	23. 8629	1. 3242	17. 4658
December.....	14. 0946	13. 9885	. 7235	2. 9630	26. 8192	488. 2542	2. 5191	3. 9396	23. 8904	1. 3294	17. 4773
1928—January.....	14. 0936	13. 9444	. 7234	2. 9628	26. 7829	487. 5330	2. 5187	3. 9308	23. 8264	1. 3255	17. 4748
February.....	14. 0823	13. 9232	. 7214	2. 9625	26. 7733	487. 4840	2. 5179	3. 9304	23. 8577	1. 3229	17. 4663
March.....	14. 0728	13. 9387	. 7218	2. 9622	26. 7912	487. 9944	2. 5176	3. 9343	23. 9047	1. 3237	17. 4685
April.....	14. 0674	13. 9641	. 7211	2. 9624	26. 8224	488. 2045	2. 5176	3. 9363	23. 9154	1. 3158	17. 4608
May.....	14. 0656	13. 9597	. 7191	2. 9624	26. 8245	488. 1594	2. 5174	3. 9359	23. 9292	1. 3036	17. 4589
June.....	14. 0685	13. 9615	. 7199	2. 9625	26. 8173	488. 0262	2. 5171	3. 9311	23. 9009	1. 3023	17. 4475

	EUROPE (continued)										
	Italy (lira)	Netherlands (florin)	Norway (krone)	Poland (zloty)	Portugal (escudo)	Rumania (leu)	Russia ³ (chervonetz)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	Yugoslavia (dinar)
Par value.....	5. 26	40. 20	26. 80	11. 22	108. 05	19. 30	514. 60	19. 30	26. 80	19. 30	19. 30
1927—June.....	5. 5819	40. 0515	25. 8896	11. 3065	5. 0419	. 5964	4 515. 0000	17. 1988	26. 7792	19. 2365	1. 7577
November.....	5. 4458	40. 3612	26. 4871	11. 2063	4. 9396	. 6155	4 514. 1700	16. 9400	26. 9246	19. 2850	1. 7607
December.....	5. 3800	40. 4381	26. 6169	11. 2204	4. 9550	. 6188	4 515. 0000	16. 6623	27. 0015	19. 3150	1. 7615
1928—January.....	5. 2881	40. 3334	26. 5985	11. 2402	4. 9285	. 6177	4 515. 0000	17. 0975	26. 8780	19. 2695	1. 7625
February.....	5. 2930	40. 2550	26. 6098	11. 2312	4. 7573	. 6145	4 515. 0000	16. 9782	26. 8371	19. 2589	1. 7588
March.....	5. 2822	40. 2501	26. 6634	11. 2255	4. 2572	. 6185	4 515. 0000	16. 8212	26. 8388	19. 2561	1. 7596
April.....	5. 2764	40. 3091	26. 7390	11. 1968	4. 2101	. 6273	4 515. 0000	16. 7641	26. 8492	19. 2713	1. 7599
May.....	5. 2688	40. 3473	26. 7829	11. 2133	4. 2207	. 6194	4 515. 0000	16. 7309	26. 8300	19. 2724	1. 7602
June.....	5. 2607	40. 3331	26. 7845	11. 2094	4. 4258	. 6152	4 515. 0000	16. 5681	26. 8334	19. 2754	1. 7605

	NORTH AMERICA			SOUTH AMERICA							
	Canada (dollar)	Cuba (peso)	Mexico (peso)	Argentina (peso-gold)	Bolivia ³ (boliviano)	Brazil (milreis)	Chile (peso)	Colombia ³ (peso)	Ecuador ³ (sucro)	Peru ³ (libra)	Uruguay (peso)
Par value.....	100. 00	100. 00	49. 85	96. 48	38. 93	32. 44	12. 17	97. 33	20. 00	486. 65	103. 42
1927—June.....	99. 9360	99. 9150	46. 4197	96. 4373	34. 4231	11. 8050	12. 0235	97. 4196	19. 6019	374. 4231	100. 3708
November.....	100. 1369	99. 0289	47. 9125	97. 0521	34. 8000	11. 9333	12. 1763	97. 4950	19. 3750	376. 1458	103. 3658
December.....	99. 8974	99. 9154	48. 4506	97. 2304	34. 8000	11. 9677	12. 2062	97. 7381	19. 3750	389. 8500	103. 8692
1928—January.....	99. 8159	99. 9157	48. 6946	97. 1136	34. 8000	11. 9977	12. 2068	98. 0036	19. 3750	390. 3400	102. 7734
February.....	99. 8126	100. 0428	48. 6710	97. 1376	34. 8000	12. 0058	12. 2065	98. 0400	19. 5870	390. 1600	102. 9357
March.....	99. 9963	100. 0944	48. 7436	97. 2547	34. 8000	12. 0265	12. 2115	97. 7944	19. 9537	391. 0925	103. 6775
April.....	100. 0290	99. 9877	48. 7387	97. 1915	34. 8000	12. 0329	12. 2038	98. 2128	20. 0000	397. 7600	103. 5345
May.....	99. 9117	99. 9615	48. 5588	97. 2008	34. 8000	12. 0327	12. 1910	98. 1923	20. 0000	399. 2692	102. 9908
June.....	99. 7605	99. 9495	47. 8267	96. 9438	34. 7615	11. 9924	12. 1980	98. 1046	20. 0000	399. 5000	102. 2513

	ASIA										AFRICA
	Venezuela ³ (bolivar)	China (Mexican dollar) ⁵	China (Shanghai tael) ⁵	China (Yuan dollar) ⁵	Hong Kong (dollar) ⁵	India (rupee)	Japan (yen)	Java ³ (florin)	Straits Settlements (Singapore dollar)	Turkey (Turkish pound)	Egypt (Egyptian pound)
Par value.....	19. 30	48. 11	66. 85	47. 50	47. 77	36. 50	49. 85	40. 20	56. 78	439. 65	494. 31
1927—June.....	18. 7620	45. 5077	62. 7362	44. 5215	49. 0742	36. 1973	46. 6896	40. 2079	55. 9807	51. 9992	497. 8950
November.....	19. 1700	45. 5958	63. 2663	44. 8638	49. 7917	36. 4504	45. 9796	40. 4090	56. 0687	52. 4871	499. 6888
December.....	19. 1700	45. 9092	63. 7884	45. 1877	50. 3085	36. 7369	46. 1881	40. 5319	56. 7269	51. 7846	500. 5719
1928—January.....	19. 1700	45. 7410	63. 7545	45. 1408	50. 4096	36. 7224	46. 8784	40. 5596	56. 7650	51. 5040	499. 8315
February.....	19. 1943	45. 3620	63. 1137	44. 9818	49. 8564	36. 5189	46. 8740	40. 5243	56. 7038	50. 4843	499. 7511
March.....	19. 2500	45. 6106	63. 0545	45. 3688	49. 8008	36. 5290	47. 1463	40. 3498	56. 3469	50. 5000	500. 3780
April.....	19. 2500	45. 7972	63. 2502	45. 4958	49. 8658	36. 5647	47. 7136	40. 2228	56. 2508	50. 9084	500. 6343
May.....	19. 2500	47. 7899	66. 4450	47. 2948	51. 0168	36. 5913	46. 6097	40. 2446	56. 1362	51. 2023	-----
June.....	19. 2500	47. 7930	66. 2321	47. 4815	50. 5411	36. 4618	46. 6149	40. 2327	56. 1426	-----	-----

¹ Based on noon buying rates for cable transfers in New York as certified to the Treasury by the Federal Reserve Bank of New York, in pursuance of the provisions of sec. 522 of the tariff act of 1922. For back figures see BULLETIN for January, 1928, pp. 56-62.

² Effective June 25, 1928.

³ Averages based on daily quotations of closing rates as published by New York Journal of Commerce.

⁴ Nominal.

⁵ Silver currency. Parity represents gold value of unit in 1913 computed by multiplying silver content or unit by New York average price of silver for 1913. This average price was \$0.61241 per fine ounce, which compares with an average price of \$0.60332 for June, 1928, \$0.60611 for May, 1928, and \$0.57057 for June, 1927. The corresponding London prices (converted at average rate of exchange) were \$0.60361, \$0.60799, and \$0.57300.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES

WHOLESALE PRICES

ALL COMMODITIES

Month	United States (Bureau of Labor Statistics) 1	EUROPE													
		Austria (gold basis)	Belgium	Bulgaria	Czechoslovakia 2	Denmark 2	England (Board of Trade)	Finland (gold basis)	France		Germany 3 (Federal Statistical Bureau)	Hungary (gold basis)	Italy 3 (Bachi)	Netherlands	Norway (Oslo)
									Statistical Bureau	Federal Reserve Board					
1926															
November	98	128	865	2,739	978	170	152	143	684	662	137	127	594	147	182
December	98	127	860	2,718	978	168	146	144	627	592	137	126	574	146	176
1927															
January	97	130	856	2,706	979	157	144	144	622	591	136	127	558	146	175
February	96	130	854	2,688	975	156	143	144	632	595	136	129	556	145	165
March	95	133	858	2,649	976	153	141	143	641	600	135	128	545	144	160
April	94	135	846	2,592	979	152	140	143	636	610	135	130	521	143	159
May	94	137	848	2,751	988	152	141	142	629	618	137	133	496	146	160
June	94	142	851	2,823	990	152	142	144	623	605	138	133	473	148	159
July	94	140	845	2,775	992	152	141	144	617	590	138	133	467	150	166
August	95	133	850	2,745	983	153	141	147	618	578	138	134	465	149	161
September	97	130	837	2,736	975	153	142	148	601	574	140	133	465	150	158
October	97	129	839	2,747	966	154	141	148	587	554	140	133	468	150	157
November	97	127	838	2,707	967	154	141	149	595	545	140	133	466	152	157
December	97	127	841	2,739	975	154	140	148	604	567	140	135	463	152	166
1928															
January	96	129	851	2,782	982	153	141	144	607	569	139	135	463	154	157
February	96	128	848	2,826	985	152	140	143	609	569	138	134	461	151	157
March	96	129	848	2,839	978	153	141	144	623	587	139	135	464	153	157
April	97	131	847	2,891	984	154	143	145	619	601	140	136	464	153	156
May	99	131	844		987	155	144	143	632	617	141		465	152	156
June			844						626		141			152	158

Month	EUROPE—continued							ASIA AND OCEANIA						AFRICA	
	Poland	Russia 1	Spain	Sweden	Switzerland 2	Canada	Peru	Australia	China (Shanghai)	Dutch East Indies	India (Calcutta)	Japan (Tokyo)	New Zealand	Egypt (Cairo)	South Africa
1926															
November	193	178	185	148	142	152	198	155	174	157	146	171	151	130	-----
December	195	178	186	150	142	151	199	155	172	156	146	170	153	130	-----
1927															
January	195	177	184	146	141	151	200	154	173	156	146	170	151	126	128
February	197	179	180	146	141	150	204	153	172	156	148	171	147	124	-----
March	200	179	179	145	141	149	206	150	175	154	146	171	147	124	-----
April	206	177	177	143	140	149	201	151	173	154	145	170	147	122	126
May	208	175	172	145	142	152	207	152	171	155	146	171	145	124	-----
June	208	174	171	146	141	154	206	155	169	155	149	173	146	123	-----
July	207	173	168	146	141	152	205	161	171	153	150	170	148	118	120
August	207	171	168	146	143	152	204	165	171	154	151	167	146	117	-----
September	206	170	169	148	144	151	205	170	172	153	150	169	146	120	-----
October	206	170	169	147	145	152	200	173	169	152	147	170	146	118	122
November	208	170	168	148	147	152	200	166	166	151	148	168	147	115	-----
December	205	170	169	148	146	152	199	162	164	150	148	168	148	114	-----
1928															
January	204	171	166	148	145	151	199	163	163	150	145	169	150	114	120
February	203	171	166	147	144	151	195	160	164	149	144	169	147	114	-----
March	214	171	165	149	145	153	193	160	163	149	144	169	147	116	-----
April	215	171	166	151	146	153	197	162	163		146	170		120	121
May		171	164	152	145	153	195	159	165		147	171		117	-----
June		172					195		160						-----

1 New index—1926=100.

2 First of month figures.

3 New official index for all months. First of month figures.

NOTE.—These indexes are in most cases published here on their original bases, usually 1913 or 1914, as determined by the various foreign statistical offices which compile the index numbers and furnish them to the Federal Reserve Board. In several cases, however, viz, France, Netherlands, Japan, New Zealand, and South Africa, they have been recomputed from original bases (1901-1910; 1910-1910; October, 1900; 1909-1913; 1910) to a 1913 base. Index numbers of commodity groups for most of the countries are also available in the office of the Division of Research and Statistics and may be had upon request. Further information as to base periods, sources, numbers of commodities, and the period of the month to which the figures refer may be found on pages 769-770 of the November, 1927, BULLETIN.

WHOLESALE PRICES—Continued

GROUPS OF COMMODITIES

[Pre-war = 100]

ENGLAND—BOARD OF TRADE

	1928					1927
	May	April	March	February	January	May
All commodities.....	144	143	141	140	141	141
Total food.....	159	159	152	152	153	153
Cereals.....	159	156	153	151	152	154
Meat and fish.....	144	139	133	136	144	133
Other foods.....	175	182	170	167	164	172
Industrial products.....	135	135	135	134	134	135
Iron and steel.....	112	113	113	113	113	122
Other minerals and metals.....	112	111	112	112	113	121
Cotton.....	173	169	164	157	158	150
Other textiles.....	169	170	168	167	164	153
Miscellaneous.....	143	142	141	146	147	141

FRANCE—STATISTICAL BUREAU

	632	619	623	609	607	629
All commodities.....	632	619	623	609	607	629
All foods.....	623	601	606	577	568	630
Animal foods.....	536	536	571	548	534	574
Vegetable foods.....	678	633	615	575	575	674
Sugar, coffee, cocoa.....	675	653	644	624	611	637
All industrial material.....	640	641	637	636	639	629
Minerals.....	533	530	530	517	531	579
Textiles.....	811	823	806	796	777	734
Sundries.....	628	625	626	637	643	615

GERMANY—FEDERAL STATISTICAL BUREAU

	141	140	139	138	139	137
All commodities.....	141	140	139	138	139	137
Total agricultural products.....	136	134	131	130	132	139
Vegetable foods.....	156	154	146	141	145	169
Cattle.....	105	100	100	103	102	107
Animal products.....	132	133	139	143	147	128
Fodder.....	162	153	148	141	141	157
Provisions.....	140	136	134	130	130	129
Total industrial raw materials and semi-finished products.....	135	134	134	134	134	131
Coal.....	131	128	131	131	131	129
Iron.....	128	126	127	127	126	126
Nonferrous metals.....	104	104	103	104	106	108
Textiles.....	167	165	162	159	159	150
Hides and leather.....	156	160	157	160	167	124
Chemicals.....	126	126	126	126	126	124
Artificial fertilizers.....	82	83	83	82	82	84
Technical oils and fats.....	118	115	112	113	115	129
Rubber.....	25	25	33	40	48	51
Paper materials and paper.....	148	148	149	150	152	150
Building material.....	160	158	158	158	158	160
Total industrial finished products.....	158	158	157	157	156	144
Producers' goods.....	136	136	136	135	134	129
Consumers' goods.....	175	174	173	173	173	156

ITALY—CHAMBER OF COMMERCE OF MILAN

	496	493	491	489	490	537
All commodities.....	496 <td>493 <td>491 <td>489 <td>490 <td>537</td> </td></td></td></td>	493 <td>491 <td>489 <td>490 <td>537</td> </td></td></td>	491 <td>489 <td>490 <td>537</td> </td></td>	489 <td>490 <td>537</td> </td>	490 <td>537</td>	537
Total food.....	567	557	553	548	540	590
Vegetable foods.....	621	599	588	579	569	621
Animal foods.....	504	505	510	509	505	552
All industrial products.....	469	468	467	466	470	516
Textiles.....	466	460	456	437	439	475
Chemicals.....	443	448	448	450	451	498
Minerals and metals.....	425	423	422	426	433	503
Building materials.....	518	522	522	522	531	601
Other vegetable products.....	516	512	507	509	511	536
Sundries.....	553	555	554	566	574	571

SWEDEN—BOARD OF TRADE

	1928					1927
	May	April	March	February	January	May
All commodities.....	152	151	149	147	148	145
Vegetable products.....	152	151	146	142	143	150
Animal products.....	138	134	136	137	137	128
Fuels and oils.....	112	112	111	112	116	113
Raw materials for manufacture in iron and metal industry.....	113	113	112	112	114	118
Paper pulp and paper.....	161	161	161	160	160	162
Raw materials for manufacture in leather industry.....	149	151	148	146	149	118
Raw and manufactured chemicals.....	166	165	165	165	166	170
Raw materials.....	149	148	145	142	143	136
Semifinished materials.....	157	154	150	149	150	148
Finished materials.....	151	151	150	149	149	148
Producers' goods.....	143	143	140	138	138	136
Consumers' goods.....	159	158	157	156	156	153

CANADA—DOMINION BUREAU OF STATISTICS

	153	153	153	151	151	152
All commodities.....	153	153	153	151	151	152
Total raw materials.....	156	156	155	152	152	155
Total manufactured goods.....	149	149	148	147	148	149
Vegetable products.....	169	170	164	158	158	174
Animal products.....	139	140	145	143	146	136
Textiles.....	170	167	171	170	171	153
Wood and paper products.....	156	155	155	155	154	154
Iron and its products.....	142	142	142	142	142	144
Nonferrous metals.....	96	94	94	94	95	95
Nonmetallic minerals.....	170	170	170	170	170	170
Chemicals.....	150	150	150	151	151	155

AUSTRALIA—BUREAU OF CENSUS AND STATISTICS

	159	162	160	160	163	152
All commodities.....	159	162	160	160	163	152
Metals and coal.....	174	174	174	175	176	178
Textiles.....	169	176	176	170	169	145
Agricultural products.....	163	163	160	166	174	157
Dairy products.....	151	146	137	140	143	156
Groceries and tobacco.....	165	166	166	166	168	167
Meat.....	122	139	141	136	136	113
Building materials.....	158	159	159	157	156	150
Chemicals.....	189	188	190	190	186	179

INDIA (CALCUTTA)—DEPARTMENT OF STATISTICS

	1928					1927
	April	March	February	January	December	April
All commodities.....	146	144	144	145	148	145
Cereals.....	130	130	131	135	137	141
Pulses.....	148	146	151	149	155	154
Tea.....	172	169	169	175	185	138
Other foods.....	162	163	167	165	166	167
Oil seeds.....	139	136	136	139	141	144
Raw jute.....	101	95	88	89	91	88
Jute manufactures.....	152	147	143	143	151	142
Raw cotton.....	173	168	170	170	170	148
Cotton manufactures.....	157	155	157	158	157	159
Other textiles.....	145	137	129	131	123	126
Hides and skins.....	156	147	139	153	152	116
Metals.....	125	125	126	125	127	137
Other articles.....	137	137	135	136	149	144

RETAIL FOOD PRICES AND COST OF LIVING

RETAIL FOOD PRICES

[Pre-war = 100]

Month	United States (51 cities)	EUROPEAN COUNTRIES													OTHER COUNTRIES					
		Austria (Vienna)	Belgium ¹	Bulgaria	Czechoslovakia	England ²	Es-tonia ³	France (Paris)	Germany	Greece (Athens)	Italy (Milan)	Netherlands	Norway	Russia ³	Switzerland	Canada ³	Australia	India (Bombay)	New Zealand	South Africa
1926																				
October	157	117	194	2,589	888	163	1116	624	145	1,933	654	146	191	230	160	147	153	153	147	120
November	158	117	204	2,618	902	169	1116	628	148	1,986	630	147	186	234	159	148	155	162	146	119
December	159	118	206	2,598	912	169	1117	599	150	1,973	631	146	184	235	159	151	158	154	149	117
1927																				
January	156	119	207	2,586	914	167	1119	592	151	2,002	625	147	180	208	158	153	158	155	148	116
February	153	119	210	2,569	914	164	1120	585	152	1,995	642	146	177	208	158	151	153	152	146	117
March	151	118	201	2,533	915	162	1118	581	151	1,997	635	146	173	205	157	149	151	152	146	118
April	151	119	200	2,478	923	155	1118	580	150	2,021	617	145	169	203	156	148	151	151	145	119
May	152	119	196	2,630	930	154	1119	589	151	2,063	665	145	189	201	156	145	152	150	145	121
June	155	122	201	2,699	949	154	1120	580	153	2,063	641	145	172	199	157	146	153	151	144	120
July	150	122	205	2,653	962	159	1122	557	156	2,059	624	144	175	199	156	147	152	154	144	119
August	149	120	202	2,625	914	156	1118	539	150	2,044	518	143	175	199	156	147	155	155	143	118
September	151	126	206	2,613	910	157	1111	532	151	2,070	509	143	174	198	158	147	157	151	143	117
October	153	127	210	2,626	907	161	1112	520	152	2,071	509	146	173	198	158	148	150	148	143	119
November	153	126	211	2,537	905	163	1113	500	152	2,086	510	148	171	199	159	149	157	147	144	119
December	153	128	212	2,618	913	163	1113	523	153	2,101	513	148	171	200	159	151	155	149	146	119
1928																				
January	152	129	211	2,660	913	162	1118	530	152	2,127	514	148	170	201	158	151	154	151	147	117
February	149	127	207	2,701	910	159	1118	522	151	2,098	518	149	170	202	157	149	152	146	145	115
March	148	125	201	2,713	902	153	1122	524	151	-----	516	150	171	203	156	147	153	142	145	115
April	149	126	202	2,766	905	155	1126	532	152	-----	516	150	171	203	156	146	154	140	144	115
May	151	-----	197	-----	908	156	-----	546	151	-----	-----	150	172	205	-----	146	154	140	144	116
June	-----	-----	-----	-----	-----	-----	-----	557	152	-----	-----	-----	170	206	-----	-----	142	-----	-----	-----

COST OF LIVING

[Pre-war = 100]

Month	Mas-sachusetts	EUROPEAN COUNTRIES													OTHER COUNTRIES					
		Bel-gium ¹	Czecho-slovakia	Eng-land ²	Fin-land	France (Paris)	Ger-many	Greece (Athens)	Hun-gary	Italy (Milan)	Neth-erlands	Nor-way	Po-land	Spain	Swe-den	Swit-zerland	Canada ³	Aus-tralia	India (Bombay)	South Africa
1926																				
October	158	184	732	174	1,197	-----	142	1,862	114	672	-----	-----	193	190	171	160	149	-----	155	131
November	159	191	740	179	1,193	-----	144	1,895	116	657	-----	-----	197	191	171	159	150	-----	154	131
December	159	195	741	179	1,197	545	144	1,889	116	657	168	213	199	193	-----	159	151	157	156	129
1927																				
January	158	198	747	175	1,187	-----	145	1,900	119	655	-----	-----	202	195	171	160	152	-----	156	130
February	157	200	746	172	1,189	-----	145	1,896	120	667	-----	-----	201	194	171	160	151	-----	155	130
March	156	195	744	171	1,183	524	145	1,898	119	663	166	203	200	197	-----	159	150	156	155	131
April	156	195	749	165	1,173	-----	146	1,911	119	651	-----	-----	203	191	170	158	148	-----	153	131
May	157	193	756	164	1,166	-----	147	1,938	119	612	-----	-----	205	186	-----	160	148	-----	152	132
June	156	196	761	163	1,184	525	148	1,951	121	586	167	201	205	185	-----	160	149	155	154	132
July	155	198	753	166	1,203	-----	150	1,960	119	543	-----	-----	199	184	169	160	149	-----	156	132
August	155	198	739	164	1,237	-----	147	1,951	119	548	-----	-----	201	192	-----	160	149	-----	157	131
September	155	202	736	165	1,230	507	147	1,955	119	537	167	197	202	187	-----	161	149	157	154	131
October	155	207	734	167	1,237	-----	150	1,956	120	536	-----	-----	205	189	172	161	150	-----	151	132
November	157	208	735	169	1,251	-----	151	1,964	120	536	-----	-----	210	188	-----	162	150	-----	150	132
December	157	208	740	169	1,243	498	151	1,978	120	531	170	195	205	186	-----	162	151	159	151	132
1928																				
January	157	210	741	168	1,216	-----	151	1,986	121	532	-----	-----	207	178	171	161	151	-----	154	132
February	156	207	739	166	1,206	-----	151	1,973	120	533	-----	-----	204	175	-----	161	150	-----	148	131
March	155	204	737	164	1,214	507	151	1,966	119	531	169	193	205	176	-----	160	149	157	145	135
April	155	205	741	164	1,212	-----	151	1,991	121	531	-----	-----	208	175	171	160	149	-----	144	137
May	156	202	743	165	1,207	-----	151	-----	-----	-----	-----	209	171	-----	-----	-----	149	-----	147	137
June	-----	-----	-----	-----	-----	-----	151	-----	-----	-----	-----	193	-----	-----	-----	-----	-----	-----	146	-----

¹ 1921=100. The cost of living index for Belgium has been changed from an average of 7 provinces, on April, 1914, base, to a workingman's budget in 59 cities, on a 1921 base.

² First of the month figures.

³ Revised on a gold basis.

NOTE.—Information as to the number of foods and items included, the original base periods, and sources may be found on page 276 of the April, 1925, issue of the BULLETIN.

RULINGS OF THE FEDERAL RESERVE BOARD

Forms of certificates evidencing eligibility of bankers' acceptances.

The Federal Reserve Board's Regulation A contains the following provision with reference to the rediscount by Federal reserve banks of bankers' acceptances:

A Federal reserve bank must be satisfied, either by reference to the acceptance itself or otherwise, that the acceptance is eligible for discount under the terms of the law and the provisions of this regulation. The bill itself should be drawn so as to evidence the character of the underlying transaction, but if it is not so drawn evidence of eligibility may consist of a stamp or certificate affixed by the acceptor in form satisfactory to the Federal reserve bank.

In this connection the Federal Reserve Board in 1921 approved for uniform use by all Federal reserve banks certain forms of certificates evidencing eligibility of bankers' acceptances (a) arising out of domestic shipments; (b) arising out of import and export transactions; and (c) arising out of warehouse secured credits. Revision of these certificates has recently been under consideration by the Federal Reserve Board and certain changes in the form of the certificates have been decided upon.

The forms of certificates evidencing eligibility of the several types of bankers' acceptances as now approved by the board are printed below. It will be noted that the form of certificate for use in connection with acceptances arising out of domestic shipments has not been changed, but the forms for acceptances arising out of import and export transactions and warehouse-secured credits have been materially altered.

There has been eliminated from the form of certificate evidencing eligibility of acceptances arising out of warehouse-secured credits the statement, "and the acceptor will remain secured throughout the life of the bill." The requirement that the acceptor remain secured throughout the life of the bill in such cases, however, is still contained in the Federal Reserve Board's Regulation A and a strict compliance with this requirement of the regulation will be expected.

DOMESTIC SHIPMENTS

At time of acceptance, this bill was accompanied by shipping documents evidencing the domestic shipment of ----- from -----
(Name of commodity.) (Point of shipment.)
 to -----
(Place of destination.)

(Name of acceptor.)

IMPORT AND EXPORT TRANSACTIONS

The transaction which gives rise to this instrument is the ^(importation) of -----
(Name of commodity.)
 from ----- to -----
(Point of shipment.) (Place of destination.)

Name of acceptor.)

WAREHOUSE-SECURED CREDIT

This bill was secured at the time of acceptance by independent warehouse, terminal, or other similar receipt conveying security title to -----
(Name of readily marketable staple.)
 stored in -----
(Country where stored.)

(Name of acceptor.)

LAW DEPARTMENT

Decision in Minneapolis par clearance damage case

In 1925 the First State Bank of Hugo, Minn., a nonmember bank, instituted suit in the State court against the Federal Reserve Bank of Minneapolis for damages alleged to have been sustained by reason of the action of the Federal reserve bank in attempting to collect at par checks drawn on the First State Bank of Hugo. It was alleged in substance that the Federal reserve bank, in order to coerce the First State Bank to remit at par during the year 1920, presented checks over the counter by means of an agent until the First State Bank finally surrendered and agreed to remit at par, which it continued to do until October 1, 1924. The case came to trial in the lower court and a verdict was rendered by the jury

against the Federal reserve bank. A motion was thereupon made to the court by the Federal reserve bank for a judgment in its favor notwithstanding the verdict of the jury or, in the alternative, for a new trial. Upon this motion being overruled by the lower court, the case was taken to the Supreme Court of Minnesota. On June 8, 1928, a decision was rendered by the Supreme Court of Minnesota holding that there was no evidence to justify the jury in finding that there was coercion by the Federal reserve bank and that, therefore, the Federal reserve bank was entitled to a directed verdict and to judgment notwithstanding the verdict of the jury. The supreme court accordingly reversed the decision of the lower court with a direction that judgment should be entered for the Federal reserve bank.

There is printed below the opinion which the Supreme Court of Minnesota rendered in this case.

[Opinion of the Supreme Court of Minnesota]

THE FIRST STATE BANK OF HUGO, MINN., RESPONDENT, *v.* THE FEDERAL RESERVE BANK OF MINNEAPOLIS, APPELLANT

SYLLABUS

1. To sustain an action for damages on the ground of coercion there must be some wrongful or unlawful act, acts, or conduct on the part of the defendant, sufficient to constrain the plaintiff, against his will, to do or refrain from doing something which he has a legal right to do or refuse to do, and resulting in damage to him.

2. A Federal reserve bank is required to receive on deposit for collection at par, from member banks of the Federal reserve system, checks payable on presentation drawn upon any member bank in its district. It is authorized but not required to so receive checks upon nonmember banks within its district. Federal reserve banks are not authorized to pay exchange on checks collected by them.

3. State banks, not members of the Federal reserve system, are not affected by the provisions of the Federal reserve act against charging exchange, and may continue to demand exchange on remittances made by them.

4. Where a nonmember bank declines to remit at par, the Federal reserve bank may present checks for payment at the counter of such bank and employ proper agencies for so doing, subject to the limitations that it may not delay presentation so as to accumulate checks in a body in a large amount for presentation at one time for the purpose of coercing or injuring the bank, or employ other unreasonable and oppressive means or threats in the collection thereof.

The publication of a list, known as a par list, stating that defendant reserve bank will receive for credit and collection checks upon all banks in Minnesota, held not wrongful or oppressive, although not all banks in the State had consented to remit at par.

5. Held, that there is no evidence to sustain a finding of coercion in the present case.
Reversed.

OPINION

Defendant appeals from an order denying its alternative motion for judgment or a new trial.

The action was brought to recover damages from the defendant for the alleged coercion of plaintiff thereby compelling and forcing plaintiff against its will to agree to and remit to defendant for all checks sent to plaintiff by mail, drawn upon plaintiff bank, without making any exchange charge.

The defendant is a Federal reserve bank located at Minneapolis, in this State. Plaintiff is a small State bank with a capital of \$10,000, located in the village of Hugo, about 25 miles from Minneapolis, and the only bank in that village. It is not a member of the Federal reserve system, but is located in defendant's district.

Plaintiff recovered a verdict. Defendant contends that there was no evidence presented justifying the submission of the question of coercion to the jury; that there was no evidence of any wrongful or unlawful conduct on its part; and no evidence that plaintiff acted under coercion or duress in the matter, hence defendant was entitled to a verdict and judgment in its favor.

1. The term "coercion" is somewhat difficult to define with sufficient exactness to apply to all cases. It is said to be compulsion, force, or duress. It is

said to exist where one, by the unlawful act of another, is induced to do or perform some act under circumstances which deprive him of the exercise of his free will. (11 C. J. 946, 947.) This definition is adopted in *State ex rel Young v. Ladeon*, 104 Minn. 252, 116 N. W. 486. In *State ex rel Smith v. Daniels*, 118 Minn. 155, 136 N. W. 584, coercion is stated to be either physical force, used to compel a person to act against his will, or implied legal force, where one is so under subjection of another that he is constrained to do what his free will would refuse, and that coercion is usually accomplished by indirect means, such as threats or intimidation. Coercion, as a misdemeanor, is defined by section 10431, G. S. 1923, which provides that every person who, with intent to compel another to do or abstain from doing an act which such other person has a legal right to do, or abstain from doing, shall wrongfully and unlawfully attempt to intimidate such person by threats or force, shall be guilty of a misdemeanor.

To sustain an action for damages on the ground of coercion, there must be some wrongful or unlawful act, acts or conduct, on the part of the defendant sufficient to constrain the plaintiff, against his will, to do or refrain from doing something which he has a legal right to do or refuse to do, and resulting in damage to him. The acts or conduct complained of need not be unlawful in the technical sense of that term. It is sufficient if same is wrongful in the sense that it is so oppressive under given circumstances as to constrain one to do what his free will would refuse.

2. Federal reserve banks are required to receive on deposit at par from member banks and reserve banks checks and drafts upon any of its member banks. They are authorized to so receive checks, payable on presentation, upon any bank within their respective districts, whether such bank is a member bank or not. No exchange charge can be made against the reserve banks by member banks, and the reserve banks are not to pay exchange. The result is a system of par clearance of checks and items among member banks and between such banks and the reserve banks.

3. These provisions as to exchange are held not to apply to nonmember State banks, and such banks are not compelled to forego any rights they may have under State laws and may continue to charge exchange. Where checks on a nonmember bank were presented to a reserve bank for deposit and collection, the reserve bank could not accept or clear such checks unless either the nonmember bank agreed to remit therefor at par, without charging exchange, or the reserve bank, at its own expense, employed other agencies to collect same by presentation for payment at the banking house of the nonmember bank. In this situation the Federal Reserve Board and reserve banks sought to have a system of par clearance agreed to and adopted by the nonmember State banks so as to include all banks and banking institutions in the United States. Letters and circulars were sent out by the board and the reserve banks explaining the system and urging nonmember banks to agree to remit to reserve banks without exchange charge. Many State banks agreed; others refused. Par lists were prepared and sent out by the board through the reserve banks, showing towns and cities where all banks remitted at par, and, where not all so remitted, the names of banks not so doing were given. Where all banks in a State so remitted, the name of the State was given.

4. Negotiations were carried on by defendant, by correspondence, with plaintiff in the matter. On July 31, 1919, defendant sent plaintiff a circular letter, stating that it was making a final appeal and that, if no reply was received, it would be assumed that plaintiff

preferred to have checks drawn on it and received by defendant presented at plaintiff's counter for payment in cash. On March 30, 1920, defendant wrote to plaintiff stating that, as it has received no reply to a letter of March 10, it assumed that plaintiff would remit at par, and that on April 15 it would commence sending regular remittances with the understanding that plaintiff would remit in payment without exchange charges. A par list was issued by the Reserve Board under date of April 1, 1920, stating that the reserve bank would receive for collection and credit items on all banks in Minnesota. Upon receipt of defendant's letter of March 30, plaintiff wrote on the bottom thereof the statement that it did not wish to be on the par list and would continue to charge exchange, and return such letter and statement to defendant. The exact date when this was received by defendant does not appear. On April 12, the defendant wrote to plaintiff acknowledging receipt and expressing regrets. In this letter defendant called attention to the fact that the reserve bank was prohibited from paying exchange, and stated that where a nonmember bank refused to remit at par the reserve bank would be forced to seek some other method and through some agency present checks and drafts at the bank's counter for payment in cash. The letter further stated that it had been said that it was defendant's practice to hold back items until they amounted to a considerable sum and then, for the purpose of embarrassing the bank, present them on one day. It assured plaintiff that this was not the case and that it had no desire to cause any unnecessary inconvenience; that it might be possible, if it received items amounting to less than \$100 on one day, that it would hold such items for a day or two to save unnecessary expense. The defendant then, on or about April 17, adopted the method of turning over checks in its hands on the plaintiff bank to the American Railway Express Co. for collection. That company, as part of its business, collects and transmits money for compensation. A few days later, on or about April 28, it changed agencies and employed the postmaster at Hugo to collect and transmit such collections by mail. These two agencies presented checks on plaintiff bank, coming into defendant's hands, daily at plaintiff's counter from April 17 to 30, inclusive, and received payment therefor in cash. The evidence tends to show that defendant was willing to receive drafts on plaintiff's correspondent bank instead of cash, if plaintiff had so requested. Plaintiff's correspondent bank, at the time, was the First National Bank of St. Paul, located adjacent to Minneapolis and somewhat nearer to plaintiff's place of business than Minneapolis. The amount of checks so presented varied from day to day and ran in amounts from \$100 to \$1,200. On April 30 plaintiff wrote to defendant that it might discontinue sending checks to be cashed over the counter; that plaintiff had decided to remit at par by draft, and that defendant might send the checks by mail in the usual way. Thereafter plaintiff continued to remit to defendant at par, by draft on its correspondent, for checks and items sent to it by defendant by mail from day to day until October 1, 1924. On September 25, 1924, plaintiff informed defendant, by letter, that on October 1 it intended to again charge exchange. Thereupon defendant ceased to accept for collection checks on plaintiff bank and, on the par list issued under date of October 1, plaintiff was listed as withdrawn from the list. During the 10 days that defendant had its checks presented for payment in cash at plaintiff's banking house, no difficulty arose. The presentation was courteous and orderly; so

far as appears plaintiff suffered no injury or embarrassment; relations were apparently friendly.

There is evidence that the reserve banks were conducting what is called a campaign to induce nonmember banks to agree to remit at par; that placing Minnesota banks on the par list resulted in bringing to defendant bank a large number of checks drawn on nonmember banks and on this plaintiff; that the gathering of such checks in defendant's hands and presentation thereof at plaintiff's counter for payment required plaintiff to keep a larger cash reserve on hand than otherwise necessary and resulted in the loss of interest which it could have earned by keeping more of its reserve in its correspondent bank. It is urged also that plaintiff feared and had cause to fear that on some days so large an aggregate amount of checks might come to the reserve bank and be presented for payment in cash that the plaintiff would be unable to pay them and be forced to suspend. As evidence of that, it is shown that during the four and a half years that plaintiff remitted to defendant at par there were two days on which checks aggregating slightly over \$8,000 each day were mailed to it by defendant for payment by draft on plaintiff's correspondent; and on a number of other days checks aggregating over \$3,000 were so received. The answer to that is the uncontradicted evidence of defendant's officer that it would readily have accepted drafts on plaintiff's correspondent bank instead of cash at any time if inconvenient for plaintiff to pay in cash. It is further to be noted that plaintiff's place of business is not over 20 miles distant from its correspondent bank in St. Paul, where it carried its reserve, and funds available from that source within an hour, if needed.

The case of *American Bank & Trust Co. v. Federal Reserve Bank of Atlanta*, 262 U. S. 643, 67 L. ed. 1153, is of interest. In that case a number of State banks in Georgia brought suit to enjoin the reserve bank from publishing their names in the par list and to enjoin it from collecting checks on them by presenting such checks by its agents for payment at the counter of these banks in cash, or collecting such checks otherwise than in the usual way, which was alleged to be by mailing them to the bank upon which drawn and accepting remittance therefor by draft, less exchange. We infer there was the usual prayer for other and further relief. The Federal district court dismissed the case for insufficiency of the complaint and the decision was affirmed by the Circuit Court of Appeals. The case then came before the United States Supreme Court, reported in 256 U. S. 350, 65 L. ed. 983. It was there held that the complaint stated a cause of action in that it alleged that defendant intended to accumulate checks in large amounts and present them at one time in a body for the purpose of injuring and coercing the plaintiff and breaking down its business, and the decree of dismissal was reversed. The case was then tried in the district court and is reported in 280 Federal, 940. The trial court granted an injunction restraining the defendant from including the names of plaintiffs in the par list and denied any other relief. It was held that the reserve bank, in the exercise of its clearing-house functions, was authorized to accept any and all checks payable on presentation, when deposited with it for collection; that checks so accepted must be collected by it at par; that it was not permitted to accept less than full face value; that it was authorized to adopt any reasonable measure for these purposes; that, if the drawee bank refused to remit without exchange charge, the reserve bank had power to employ any proper agency to collect the checks from the

drawee bank and to pay the necessary cost of such service; that the daily collection of such checks did not constitute any accumulation thereof and was lawful; that it was proper for such bank to publish a par clearance list, but not to place thereon the name of a nonmember bank without its consent. The court further found that there was no evidence to sustain any charge that the reserve bank had acted illegally or exercised any of its rights so as to oppress or injure the plaintiffs. This decision was affirmed by the Circuit Court of Appeals, 284 Federal, 424. It came again before the United States Supreme Court, 262 U. S. 643, 67 L. ed. 1153, and was affirmed. In that decision it is stated that the decree left the reserve bank free to publish in its par list that it would collect at par checks on all banks in any town, that is, it might name the town or city as one wherein it collected checks at par, although there were banks in that town or city which would not remit at par, so long as it did not publish the names of such banks. Here, in our present case, the par list complained of did not even name the town in which plaintiff bank is located, but named merely the State of Minnesota as a district in which defendant would collect checks at par. The court further states that Federal reserve banks are authorized to collect for member banks and affiliated nonmember banks checks on any banks within their respective districts, if the checks are payable on presentation and can in fact be collected consistently with the legal rights of the drawee without paying an exchange charge; that, within these limits, reserve banks have ordinarily the same right to present checks to the drawee bank for payment over the counter as any other bank, State or national, would have. The limitations referred to are that the reserve bank may not accumulate checks for presentation or make other unreasonable or oppressive demands or threats in connection with the collection for the purpose of injuring the drawee bank or compelling it to agree to remit without exchange. The court states that the advantages offered by the reserve banks have created a steady flow in increased volume of checks on country banks to the reserve banks, and that collecting such checks over the counter will subject the country banks to certain losses of exchange and interest, but that country banks are not entitled to protection against legitimate competition and such losses are of the kind to which business concerns are commonly subjected when improved facilities are introduced by others, or a more efficient competitor enters the field.

It is urged that the reserve banks had adopted a plan to coerce and compel country banks to remit at par and that defendant, in what it did, was engaged in carrying out such unlawful purpose, and that plaintiff was thereby coerced and compelled to act against its free will. A wrongful purpose or intent alone can not constitute coercion. There must be threats or oppressive acts or conduct sufficient to overcome the will and constrain the one coerced to go against his free will. There were here no threats, wrongful publication of par lists, accumulation of checks, or other oppressive conduct.

Brookings State Bank v. Federal Reserve Bank of San Francisco, 277 Fed. 430, 281 Fed. 222, was a case where the reserve bank treated checks as dishonored where plaintiff refused to remit at par by mail, and so informed its clients. This was held wrongful and defendant enjoined from sending letters to its clients advising them that they must look to plaintiff bank for protection for its failure to protest the checks.

Farmers & Merchants Bank of Catlettsburg v. Federal Reserve Bank of Cleveland, 286 Fed. 610, is

cited. A mere reading of the statement of facts in that case shows that the collection of checks there was accompanied by such disturbance, threats, armed messenger, interference with the bank's customers and business, public display of checks and claims against the bank, espionage and such words and acts of oppression as to clearly render the defendant's conduct wrongful and unlawful. The holdings of the Federal district court that defendant should be enjoined from continuing to so collect checks drawn on plaintiff bank and from advertising that it would collect such checks free of charge, must be held to be limited to the facts in the case. That case was decided by the district court before the final decision by the Supreme Court in the Atlanta Bank case.

The case of *Farmers & Merchants Bank of Monroe v. Federal Reserve Bank of Richmond*, 262 U. S. 649, 67 L. ed. 1157, was decided at the same time and the opinion written by the same justice as in the Atlanta Bank case. It does not change or modify the holdings in that case. The question there decided was the constitutionality of a State statute authorizing State banks to pay their checks, when presented by a Federal reserve bank or its agents, in exchange drawn on the reserve deposits of the drawee bank. This permitted the State banks to deduct exchange. The law was held constitutional. While the Federal reserve act is construed as applied to that situation, it is so construed in harmony with the Atlanta Bank case.

Primarily, the benefit from having checks cleared at par goes to the makers of such checks, the customers of the bank upon which they are drawn. If such a customer can send his check to another city or place in payment of his debts or purchases and have the check cleared at par, he saves money and inconvenience, saves purchasing a draft and paying the exchange thereon. He can not compel his debtor or obligee at the other end to accept his check subject to exchange charges. His bank is, to that extent, favoring him and, incidentally, attracting customers to itself.

5. This case has been fully and fairly tried. Our conclusion is that there is no evidence justifying the jury in finding that there was coercion. Defendant, therefore, was entitled to a directed verdict and to judgment notwithstanding the verdict.

The order appealed from is reversed with direction to have judgment entered for defendant.

Rediscount of sight and demand drafts by Federal reserve banks.

By act of Congress approved May 29, 1928, the authority of Federal reserve banks to discount or purchase bills of exchange payable at sight or on demand, which is contained in the third paragraph of section 13 of the Federal reserve act, was materially broadened. Under the statute as it has existed heretofore, a Federal reserve bank was authorized, subject to certain prescribed conditions, to discount or purchase sight or demand bills drawn to finance the domestic shipment of nonperishable, readily marketable staple agricultural products when secured by bills of lading or other shipping documents conveying or secur-

ing title. Under the law as now amended, a Federal reserve bank is authorized to purchase or discount sight or demand bills which grow out of the exportation as well as the domestic shipment of nonperishable readily marketable staples, whether such staples are or are not of an agricultural character. The text of the act of May 29, 1928, is as follows:

[PUBLIC—No. 594—70TH CONGRESS]

[S. 1989]

An Act To amend the third paragraph of section 13 of the Federal Reserve Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third paragraph of section 13 of the Federal Reserve Act (Title 12, section 344, United States Code), be amended and reenacted to read as follows: "Upon the indorsement of any of its member

banks, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively, and subject to regulations and limitations to be prescribed by the Federal Reserve Board, any Federal reserve bank may discount or purchase bills of exchange payable at sight or on demand which grow out of the domestic shipment or the exportation of nonperishable, readily marketable agricultural and other staples and are secured by bills of lading or other shipping documents conveying or securing title to such staples: *Provided*, That all such bills of exchange shall be forwarded promptly for collection, and demand for payment shall be made with reasonable promptness after the arrival of such staples at their destination: *Provided further*, That no such bill shall in any event be held by or for the account of a Federal reserve bank for a period in excess of ninety days. In discounting such bills Federal reserve banks may compute the interest to be deducted on the basis of the estimated life of each bill and adjust the discount after payment of such bills to conform to the actual life thereof."

Approved, May 29, 1928.

Changes in State Bank Membership

The following list shows the changes affecting State bank membership during the month ended June 21, 1928, on which date 1,246 State institutions were members of the system.

ADMISSIONS

	Capital	Surplus	Total resources
<i>District No. 3</i>			
Steelton Trust Co., Steelton, Pa.....	\$125,000	\$125,000	\$961,586
<i>District No. 7</i>			
American State Bank, Frankenmuth, Mich.....	25,000	15,000	784,065

CHANGES

	Capital	Surplus	Total resources
<i>District No. 1</i>			
The B. M. C. Durfee Trust Co., Fall River, Mass., a member, has absorbed the following national banks: Metacomet National Bank, Fall River, Mass.....	\$500,000	\$250,000	\$5,248,000
Massasoit-Pocasset National Bank, Fall River, Mass.....	650,000	350,000	6,353,000
<i>District No. 2</i>			
The Manufacturers Trust Co., New York, N. Y., a member, has absorbed the United Capitol National Bank & Trust Co., New York, N. Y.....	5,000,000	1,000,000	18,000,000
<i>District No. 4</i>			
The Citizens Trust & Savings Bank, Columbus, Ohio, has changed its title to First-Citizens Trust Co., and absorbed the following national bank: First National Bank in Columbus, Ohio.....	500,000	600,000	15,367,000
<i>District No. 6</i>			
Bank of Madison, Madison, Ga. (voluntary withdrawal).....	100,000	75,000	440,000
<i>District No. 7</i>			
State Bank of Blairsburg, Blairsburg, Iowa (closed).....	25,000	7,500	209,000
<i>District No. 9</i>			
Rock County Bank, Luverne, Minn.....	50,000	25,000	620,000

Fiduciary Powers Granted to National Banks

During the month ended June 21, 1928, the Federal Reserve Board approved applications of the national banks listed below for permission to exercise one or more of the fiduciary powers named in section 11 (k) of the Federal reserve act as amended, as follows: (1) Trustee; (2) executor; (3) administrator; (4) registrar of stocks and bonds; (5) guardian of estates; (6) assignee; (7) receiver; (8) committee of estates of lunatics; (9) in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are

permitted to act under the laws of the State in which the national bank is located.

Location	District No.	Name of bank	Powers granted
Andover, Mass.....	1	Andover National Bank.....	1 to 9.
Newport, R. I.....	1	Newport National Bank.....	1 to 9.
Providence, R. I.....	1	Blackstone Canal National Bank.....	2 to 9. ¹
Freehold, N. J.....	2	Central National Bank.....	1 to 9.
Bridgehampton, N. Y.....	2	Bridgehampton National Bank.....	1 to 9.
Ticonderoga, N. Y.....	2	Ticonderoga National Bank.....	1 to 9.
Catasauqua, Pa.....	3	Lehigh National Bank.....	1 to 9.
Malvern, Pa.....	3	National Bank of Malvern.....	1 to 9.
Philadelphia, Pa.....	3	Pelham National Bank and Trust Co.....	1 to 9.
Pottsville, Pa.....	3	Pennsylvania National Bank of Pottsville.....	1 to 9.
Charlotte, N. C.....	5	First National Bank.....	1 to 9.
Sylacauga, Ala.....	6	Merchants & Planters National Bank.....	1 to 9.
Ocala, Fla.....	6	Munroe & Chambliss National Bank.....	1 to 9.
Palatka, Fla.....	6	Putnam National Bank.....	1 to 9.
Chattanooga, Tenn.....	6	Hamilton National Bank.....	1 to 9.
Perry, Iowa.....	7	First National Bank.....	1 to 9.
Manhattan, Kans.....	10	Union National Bank.....	1 to 9.
David City, Nebr.....	10	First National Bank.....	1 to 9.
Lagrange, Tex.....	11	First National Bank.....	1.

¹ Supplemental.

Changes in National Bank Membership

The Comptroller of the Currency reports the following increases and reductions in the number and capital of national banks during the period from May 19 to June 22, 1928, inclusive:

	Number of banks	Amount of capital
New charters issued.....	9	1,650,000
Restored to solvency.....	1	50,000
Increase of capital approved.....	17	17,410,000
Aggregate of new charters, banks restored to solvency, and banks increasing capital.....	27	19,110,000
Liquidations.....	16	7,870,000
Reducing capital.....	0	0
Total liquidations and reductions of capital.....	16	7,870,000
Consolidation of national banks under act of Nov. 7, 1918.....	1	50,000
Consolidation of a national bank and a State bank under act of Feb. 25, 1927.....	0	0
Total consolidations.....	1	50,000
Aggregate increased capital for period.....		19,110,000
Reduction of capital owing to liquidations, etc.....		7,870,000
Net increase.....		11,240,000

Acceptances to 100 Per Cent

The following member institution has been authorized by the Federal Reserve Board to accept drafts and bills of exchange up to 100 per cent of its capital and surplus: Pacific Coast Trust Co., New York, N. Y.

DETAILED BANKING STATISTICS FOR THE UNITED STATES

FEDERAL RESERVE BANKS

BILLS DISCOUNTED, AND DEPOSITS BY CLASS OF DEPOSIT

[Monthly averages of daily figures. In millions of dollars]

	Total	Federal Reserve Bank											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Bills discounted:													
1927—May	473.0	37.1	137.8	45.8	43.6	25.5	34.6	52.7	24.0	6.7	17.3	4.7	43.1
June	428.6	33.8	91.9	45.2	41.8	22.4	32.6	63.9	26.3	6.5	16.5	6.2	41.4
July	454.0	29.7	122.9	46.8	35.4	21.8	36.3	59.7	29.8	6.0	12.5	7.4	45.8
August	409.4	29.9	118.4	39.6	27.8	19.7	34.7	40.5	24.7	6.1	9.3	12.7	46.1
September	422.2	28.4	142.4	38.2	34.8	26.3	31.1	31.4	28.0	4.4	10.7	11.0	35.6
October	424.4	33.3	126.9	38.4	43.7	28.9	26.0	36.5	21.5	2.7	15.7	7.2	43.7
November	415.2	36.4	106.5	38.1	46.8	21.5	32.7	46.9	18.1	2.6	18.1	8.4	39.1
December	528.6	40.2	171.1	47.9	58.6	24.4	36.1	65.0	19.3	3.0	15.2	5.4	42.4
1928—January	465.3	23.5	152.9	44.4	51.0	26.9	29.3	59.0	16.6	3.7	12.7	4.3	41.0
February	470.7	45.2	119.3	53.1	50.8	27.3	28.3	50.9	24.0	4.0	11.4	4.1	52.3
March	513.2	49.5	130.0	49.2	57.0	27.8	25.2	67.9	26.1	3.3	10.5	3.8	63.1
April	660.9	44.4	210.9	52.7	60.8	34.6	38.9	87.6	33.1	10.1	18.8	8.0	61.3
May	*835.5	59.6	296.9	60.4	68.4	43.0	51.9	109.5	39.0	10.6	22.9	9.0	64.3
June	1,018.7	84.8	376.1	80.2	89.3	48.0	59.8	136.1	52.9	8.5	22.4	11.3	49.4
Total deposits:													
1927—May	2,326.8	148.0	908.2	139.0	188.4	72.6	71.1	339.0	83.2	49.2	89.4	61.6	177.2
June	2,355.4	149.8	941.9	137.9	190.2	71.7	68.8	338.5	82.4	49.7	88.3	59.8	176.3
July	2,339.5	152.6	918.9	138.0	189.6	74.3	68.5	337.9	82.6	50.6	90.9	60.2	175.4
August	2,331.5	152.0	902.1	138.6	192.1	74.5	67.5	345.5	81.6	49.7	91.6	59.8	176.5
September	2,350.9	153.4	911.1	140.9	190.5	74.6	68.8	344.0	81.6	52.6	90.2	63.0	180.2
October	2,380.9	157.2	921.3	141.5	190.1	74.7	70.8	346.8	84.7	55.6	90.5	66.4	181.1
November	2,430.0	161.7	946.3	142.3	192.8	76.7	70.4	345.7	87.9	57.8	94.2	69.2	184.9
December	2,436.0	156.8	959.1	140.1	188.8	75.1	70.5	350.0	87.9	56.4	93.3	69.8	188.1
1928—January	2,472.4	158.4	974.4	143.8	192.0	76.0	72.6	355.8	87.6	55.1	94.3	70.6	191.9
February	2,419.5	154.1	942.7	140.4	192.2	75.1	72.5	349.7	87.5	54.6	95.0	70.6	185.0
March	2,411.7	153.7	948.8	140.7	189.5	72.9	71.2	349.7	84.5	55.3	94.4	68.5	182.5
April	2,450.2	159.0	972.8	142.3	190.3	73.4	72.4	353.5	84.3	53.9	94.1	67.0	187.3
May	*2,438.8	155.7	*965.1	140.8	191.8	71.8	70.9	*358.2	84.1	53.1	*92.8	66.3	188.0
June	2,394.9	150.6	942.1	137.8	188.9	70.2	67.8	355.9	81.6	54.0	91.8	65.2	189.0
Member bank reserve balances:													
1927—May	2,262.4	146.2	875.3	136.1	185.2	68.8	68.4	335.1	81.1	47.7	87.4	59.7	171.3
June	2,300.9	147.9	913.3	135.8	187.2	69.5	67.1	334.5	80.8	48.5	87.2	58.5	170.5
July	2,288.9	151.1	894.8	136.4	187.1	71.6	66.7	333.9	81.0	49.1	88.8	58.8	169.6
August	2,253.1	150.2	880.9	136.8	189.3	72.0	65.6	341.2	80.0	48.3	89.9	58.3	170.5
September	2,300.5	151.0	888.7	138.6	187.4	72.1	67.6	339.7	80.1	51.0	88.9	61.7	173.8
October	2,326.0	155.0	895.9	139.4	187.4	71.8	68.5	343.0	82.5	54.0	88.8	64.8	174.9
November	2,373.0	157.4	922.5	139.8	188.5	74.1	68.6	342.5	85.3	56.3	91.0	67.7	179.3
December	2,399.2	155.1	944.9	138.7	186.3	73.5	69.3	347.2	86.3	55.2	91.3	69.0	182.3
1928—January	2,426.4	155.9	957.9	141.7	188.9	73.8	70.7	352.1	86.1	53.3	92.1	68.8	185.2
February	2,368.1	151.0	924.4	138.5	188.1	72.4	70.0	345.8	85.0	53.1	92.4	69.3	178.2
March	2,365.0	151.2	931.6	138.6	186.0	70.6	69.4	345.7	82.8	53.9	92.4	67.1	175.8
April	2,396.5	156.3	955.5	139.3	186.7	69.9	69.1	348.1	82.5	52.4	91.9	65.4	179.5
May	*2,387.6	153.6	946.8	138.5	188.7	69.0	68.3	353.2	82.3	51.6	90.6	64.9	180.3
June	2,354.5	149.3	925.9	136.2	185.9	68.5	66.6	352.0	80.3	52.9	90.3	64.1	182.5
Government deposits:													
1927—May	25.4	1.3	4.7	2.3	1.6	3.4	2.1	2.2	1.6	1.1	1.6	1.7	1.8
June	20.7	1.2	5.9	1.4	1.2	1.8	1.4	2.2	1.0	.9	.8	1.1	1.8
July	17.4	.8	2.4	.9	.9	2.3	1.4	2.1	1.1	1.2	1.7	1.0	1.6
August	17.9	1.0	2.0	1.2	1.1	2.2	1.6	2.6	1.1	1.1	1.3	1.2	1.6
September	20.3	1.4	4.2	1.6	1.3	2.1	1.9	2.4	1.0	1.3	.9	1.1	2.1
October	20.4	1.1	5.4	1.3	.9	2.4	1.6	1.7	1.2	1.0	.9	1.3	1.7
November	12.8	.9	2.9	1.2	.9	1.3	.8	.9	.7	.7	.7	1.0	.8
December	10.0	.8	2.2	.6	.7	1.0	.7	.8	.6	.6	.6	.5	.8
1928—January	19.4	1.9	2.6	1.4	1.4	1.8	1.5	1.9	1.0	1.3	1.3	1.4	2.0
February	25.6	2.0	6.8	1.3	2.2	2.3	1.9	2.3	1.4	1.2	1.4	1.0	1.8
March	23.0	2.0	5.9	1.6	1.9	2.0	1.5	2.2	1.0	1.0	1.1	1.2	1.5
April	26.8	2.1	5.2	2.3	1.7	3.0	2.7	3.0	1.2	1.0	1.3	1.4	1.9
May	23.8	1.6	5.3	1.6	1.6	2.3	2.0	2.8	1.3	1.1	1.4	1.1	.9
June	12.8	.6	4.1	.8	.8	1.2	.8	1.1	.7	.6	.6	.7	.9
All other deposits:													
1927—May	39.0	.6	28.2	.6	1.6	.3	.6	1.6	.5	.3	.3	.2	4.2
June	33.9	.7	22.7	.7	1.9	.3	.3	1.8	.6	.3	.4	.2	4.1
July	35.1	.7	21.7	.7	1.6	.4	.3	1.8	.6	.3	.3	.4	4.4
August	30.5	.8	19.3	.6	1.7	.3	.3	1.7	.5	.3	.4	.2	4.4
September	30.1	1.0	18.2	.7	1.8	.4	.5	1.8	.5	.3	.4	.2	4.3
October	34.4	1.1	20.0	.9	1.8	.5	.7	2.0	1.1	.6	.8	.3	4.5
November	44.2	3.4	20.9	1.4	3.4	1.3	1.0	2.3	1.7	.8	2.6	.5	4.8
December	26.8	.9	12.1	.8	1.9	.7	.4	2.0	1.0	.6	1.3	.3	4.9
1928—January	26.6	.6	13.9	.7	1.8	.5	.3	1.8	.6	.4	1.0	.3	4.7
February	25.8	1.2	11.5	.6	1.9	.4	.6	1.7	1.0	.3	1.2	.2	5.0
March	23.7	.5	11.3	.6	1.6	.3	.3	1.8	.5	.4	.9	.2	5.2
April	26.9	.6	12.1	.8	1.9	.5	.6	2.4	.6	.5	.9	.3	5.9
May	*27.3	.6	13.1	.8	1.6	.4	.6	2.3	.6	.4	.9	.3	5.9
June	27.5	.7	12.1	.9	2.1	.5	.4	2.8	.7	.5	.9	.3	5.6

* Revised.

FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES AT THE END OF EACH MONTH

[In millions of dollars]

	1927								1928				
	May	June	July	August	September	October	November	December	January	February	March	April	May
RESOURCES													
Total gold reserves.....	2,982	2,998	3,002	2,998	2,964	2,922	2,805	2,733	2,797	2,808	2,729	2,698	2,595
Reserves other than gold.....	156	158	149	148	131	131	135	134	169	166	162	155	148
Total reserves.....	3,138	3,156	3,152	3,146	3,095	3,054	2,940	2,867	2,966	2,974	2,891	2,854	2,742
Nonreserve cash.....	51	52	51	48	42	52	58	77	85	70	57	57	56
Gold held abroad.....	60	23											
Bills discounted.....	459	443	442	401	437	412	477	582	423	493	599	834	1,021
Bills bought:													
Outright.....	159	181	153	118	174	266	288	310	333	303	296	326	271
Under resale agreement.....	69	30	19	67	76	76	66	82	46	41	54	31	21
Total bills bought.....	228	211	172	185	250	342	355	392	379	344	350	357	292
United States securities:													
Bought outright.....	336	367	385	470	487	519	544	560	431	399	386	281	204
Under resale agreement.....	7.5	3.1	7.5	2.9	19.5	2.9	4.1	56.6	6.1	8.5	8.5	14.7	16.0
Total United States securities.....	343	370	392	473	506	522	548	617	437	408	395	296	220
Other securities.....	1.8	1.8	1.3	.3	.8	.6	.9	.9	.5	1.1	1.0	1.0	1.1
Total bills and securities.....	1,032	1,025	1,000.8	1,059	1,194	1,276	1,381	1,591	1,240	1,245	1,345	1,488	1,534
Due from foreign banks.....	.7	28.8	48.7	12.2	.8	.6	.6	.6	.6	.6	.6	.6	.6
Reserve bank float ¹	14.1	27.8	36.2	31.3	35.7	19.4	34.1	63.0	14.2	17.9	19.4	6.8	13.6
Total reserve bank credit outstanding.....	1,046	1,082	1,093	2,102	2,231	1,296	1,415	1,655	1,254	1,263	1,365	1,486	1,548
Federal reserve notes of other reserve banks.....	13	17	19	17	18	22	21	24	20	17	13	15	18
Other uncollected items not included in float.....	533	603	514	555	605	576	638	651	563	580	540	534	599
Bank premises.....	59	59	59	59	60	60	60	58	59	59	59	59	60
All other resources.....	13.7	13.9	14.8	17.7	13.0	13.6	14.0	14.7	10.4	11.2	9.9	9.6	9.2
Total resources.....	4,914	5,006	4,903	4,945	5,065	5,072	5,145	5,346	4,957	4,975	4,935	5,025	5,033
LIABILITIES													
Federal reserve notes:													
Held by other Federal reserve banks.....	13	17	19	17	18	22	21	24	20	17	13	15	18
Outside Federal reserve banks.....	1,736	1,704	1,669	1,659	1,718	1,712	1,697	1,766	1,561	1,571	1,590	1,587	1,588
Total notes in circulation.....	1,748	1,721	1,688	1,676	1,736	1,734	1,717	1,790	1,581	1,588	1,603	1,602	1,606
Deposits:													
Member bank-reserve account.....	2,197	2,249	2,277	2,299	2,293	2,324	2,379	2,487	2,391	2,375	2,366	2,442	2,371
Government.....	32.2	30.7	25.1	12.7	27.4	21.2	2.1	18.4	19.9	27.9	21.1	30.4	39.9
Foreign bank.....	4.5	6.4	4.7	5.5	5.1	9.5	4.8	4.6	4.6	6.0	6.2	6.1	5.7
Other deposits.....	29	27	23	24	24	31	28	21	19	17	17	24	19
Total deposits.....	2,262	2,313	2,330	2,341	2,349	2,386	2,413	2,531	2,435	2,426	2,410	2,502	2,436
Deferred availability items.....	533	603	514	555	605	576	638	651	563	580	540	534	599
Capital paid in.....	129	129	130	131	131	131	132	132	134	137	136	138	140
Surplus.....	229	229	229	229	229	229	229	233	233	233	233	233	233
All other liabilities.....	13.8	11.3	11.8	13.2	14.5	16.1	17.5	8.2	10.4	11.6	13.6	16.0	18.6
Total liabilities.....	4,914	5,006	4,903	4,945	5,065	5,072	5,145	5,346	4,957	4,975	4,935	5,025	5,033
Contingent liability on bills purchased for foreign correspondents.....	160	146	151	166	188	189	186	229	237	239	242	261	268

¹ Uncollected items (exclusive of Federal reserve notes of other Federal reserve banks) in excess of deferred availability items.

FEDERAL RESERVE BANKS—AVERAGE DAILY RESERVES AND DEMAND LIABILITIES IN JUNE AND MAY, 1928

[In thousands of dollars]

Federal reserve bank	Total cash reserves		Total deposits		Federal reserve notes in circulation		Reserve percentages	
	June	May 1	June	May 1	June	May 1	June	May
Boston.....	172,406	187,949	150,564	155,709	133,302	126,111	60.7	66.7
New York.....	872,565	945,405	942,085	965,117	341,255	343,724	68.0	72.2
Philadelphia.....	165,523	176,718	176,824	140,825	130,391	129,193	61.7	65.4
Cleveland.....	260,061	273,152	188,888	191,829	193,929	193,990	67.9	70.8
Richmond.....	72,726	75,192	70,164	71,760	54,486	56,954	58.3	58.4
Atlanta.....	125,243	137,825	67,837	70,935	135,689	141,203	61.5	65.0
Chicago.....	444,492	439,069	355,852	358,242	258,646	248,886	72.3	72.3
St. Louis.....	84,850	83,791	81,630	84,103	55,791	53,708	61.7	60.8
Minneapolis.....	75,182	71,099	53,962	53,121	55,005	56,446	69.0	64.9
Kansas City.....	98,572	95,207	91,841	92,845	55,898	56,713	66.7	63.7
Dallas.....	62,686	64,181	65,190	66,338	31,136	32,232	65.1	65.1
San Francisco.....	293,600	257,184	189,038	187,988	172,077	158,620	81.3	74.2
Total.....	2,727,906	2,806,772	2,394,875	2,438,812	1,617,605	1,597,780	68.0	69.5

¹ Revised.

FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES, BY WEEKS

RESOURCES

[In thousands of dollars]

	Total	Federal Reserve Bank											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Gold with Federal reserve agents:													
June 6.....	1,109,015	71,572	175,925	82,017	151,903	26,832	84,123	215,358	18,179	38,489	41,877	17,578	185,162
June 13.....	1,118,486	69,525	175,925	78,960	151,571	25,855	81,823	215,358	18,443	39,967	41,287	17,330	202,442
June 20.....	1,135,840	66,847	175,817	78,962	131,706	23,358	88,698	215,320	17,298	39,138	40,870	16,749	241,077
June 27.....	1,128,276	63,973	175,744	65,794	132,566	23,002	89,553	215,209	20,068	42,138	45,946	16,231	237,152
Gold redemption fund with United States Treasury:													
June 6.....	65,603	7,877	18,136	7,337	5,042	2,824	4,338	6,285	4,719	4,244	2,111	1,341	1,349
June 13.....	71,181	9,304	16,692	9,559	4,212	2,955	4,540	8,271	4,950	4,560	2,388	1,390	2,360
June 20.....	62,534	6,317	15,154	5,630	4,908	3,438	3,632	7,185	5,580	5,070	2,441	1,282	1,897
June 27.....	63,482	8,382	18,656	7,678	5,082	2,138	3,514	6,094	5,230	1,760	1,995	1,705	1,248
Gold held exclusively against Federal reserve notes:													
June 6.....	1,174,618	79,449	194,061	89,354	156,945	29,656	88,461	221,643	22,898	42,733	43,988	18,919	186,511
June 13.....	1,189,667	78,829	192,617	88,519	155,783	28,810	86,363	223,629	23,393	44,527	43,675	18,720	204,802
June 20.....	1,198,374	73,164	190,971	84,592	136,614	26,796	92,330	222,505	22,878	44,208	43,311	18,031	242,974
June 27.....	1,191,758	72,355	194,400	73,472	137,648	26,040	93,067	221,303	25,298	43,898	47,941	17,936	238,400
Gold settlement fund with Federal Reserve Board:													
June 6.....	781,767	63,467	264,217	58,905	51,945	16,809	9,501	155,819	39,000	24,883	38,439	22,046	36,736
June 13.....	741,018	50,324	254,500	58,152	52,527	18,641	3,711	140,976	37,228	22,832	40,600	20,997	40,530
June 20.....	694,771	53,779	195,565	41,127	74,715	16,833	3,591	149,716	32,402	22,951	36,054	25,917	42,121
June 27.....	700,173	54,488	216,980	42,793	63,632	18,785	5,078	133,397	34,962	27,586	40,448	24,638	37,386
Gold and gold certificates held by banks:													
June 6.....	652,563	24,591	412,720	26,480	37,694	19,840	10,550	53,706	12,346	4,768	6,548	14,303	29,017
June 13.....	649,721	26,995	398,865	26,816	40,179	20,186	11,266	55,592	13,159	5,644	7,442	14,349	29,228
June 20.....	687,772	25,418	448,134	26,426	40,578	17,406	9,481	52,115	13,025	5,543	7,174	14,254	28,218
June 27.....	691,379	26,576	460,495	26,623	39,889	10,426	8,388	52,083	12,984	5,546	7,135	14,294	26,940
Total gold reserves:													
June 6.....	2,608,948	167,507	870,998	174,739	246,584	66,305	108,512	431,168	74,244	72,384	88,975	55,268	252,264
June 13.....	2,580,406	156,148	845,982	173,487	248,489	67,637	101,340	420,197	73,780	73,003	91,717	54,066	274,500
June 20.....	2,580,917	152,361	834,670	152,145	251,907	61,035	105,402	424,336	68,305	72,702	86,539	58,202	313,313
June 27.....	2,583,310	153,419	871,875	142,888	241,169	55,251	106,533	406,783	73,244	77,030	95,524	56,868	302,726
Reserves other than gold:													
June 6.....	152,461	16,099	30,422	6,762	14,777	11,227	15,411	17,139	13,838	2,959	6,917	7,963	8,947
June 13.....	153,593	16,339	31,145	7,209	13,820	11,041	16,138	17,121	14,147	2,881	7,130	7,747	8,875
June 20.....	156,354	15,728	31,005	7,673	15,815	11,605	16,492	17,460	14,509	2,910	6,844	7,034	9,279
June 27.....	154,974	15,894	30,730	7,282	13,654	11,746	17,302	17,516	14,626	2,621	6,817	6,841	9,945
Total reserves:													
June 6.....	2,761,409	183,606	901,420	181,501	261,361	77,532	123,923	448,307	88,082	75,343	95,892	63,231	261,211
June 13.....	2,733,999	172,487	877,127	180,696	262,309	78,678	117,478	437,318	87,927	75,884	98,847	61,813	283,455
June 20.....	2,737,271	168,089	865,675	159,818	267,722	72,640	121,894	441,796	82,814	75,612	93,383	65,236	322,592
June 27.....	2,738,284	169,313	902,605	150,170	254,823	66,997	123,835	424,299	87,870	79,651	102,341	63,709	312,671
Nonreserve cash:													
June 6.....	63,042	5,742	20,627	1,841	4,820	4,382	4,602	7,914	3,604	1,425	2,076	2,566	3,443
June 13.....	65,139	6,039	21,795	1,815	4,357	4,227	5,229	8,625	3,550	1,360	1,980	3,077	3,085
June 20.....	64,107	5,878	20,615	1,909	5,319	4,577	4,846	7,762	3,580	1,505	2,332	2,612	3,172
June 27.....	62,335	6,000	20,316	1,857	3,959	4,486	5,047	7,401	3,445	1,185	2,365	2,826	3,448

FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES, BY WEEKS—Continued

RESOURCES—Continued

[In thousands of dollars]

	Total	Federal Reserve Bank											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Bills discounted:													
Secured by U. S. Government obligations—													
June 6	651,184	42,058	274,835	41,925	58,331	16,532	19,262	97,012	25,974	6,136	8,218	4,853	56,048
June 13	684,513	44,748	287,395	45,976	64,726	15,313	17,318	113,342	27,304	5,798	8,086	3,693	50,814
June 20	653,196	55,420	295,419	62,660	47,390	16,745	12,432	94,282	28,656	5,399	9,740	5,318	19,735
June 27	701,618	55,967	291,638	71,666	66,637	18,944	12,669	121,992	25,029	4,764	4,742	5,546	22,024
Other bills discounted—													
June 6	330,814	36,493	90,519	18,898	27,033	28,200	43,356	24,143	23,696	2,892	14,403	7,622	13,559
June 13	358,345	38,952	109,629	18,086	26,269	28,858	47,503	26,661	22,900	2,592	14,683	7,350	14,862
June 20	337,631	33,902	82,141	21,969	31,230	30,958	47,182	33,650	25,630	2,244	14,795	6,031	7,929
June 27	330,256	30,324	81,441	25,916	25,810	33,083	44,225	34,614	25,159	2,882	13,184	4,766	8,852
Total bills discounted:													
June 6	981,998	78,551	365,354	60,823	85,364	44,732	62,618	121,155	49,670	9,028	22,621	12,475	69,607
June 13	1,042,858	83,700	397,024	64,062	90,995	44,171	64,821	140,003	50,204	8,390	22,789	11,043	65,676
June 20	990,827	89,322	377,560	84,829	78,620	47,703	59,584	127,932	54,286	7,643	24,535	11,349	27,664
June 27	1,031,874	85,291	373,079	97,582	92,447	52,027	56,894	156,606	50,188	7,646	17,926	10,312	30,876
Bills bought in open market:													
June 6	266,394	32,022	46,598	32,005	25,862	11,085	20,634	29,656	529	19,943	12,794	15,552	19,714
June 13	240,417	36,448	30,815	30,220	24,098	10,402	19,074	24,670	497	18,122	11,179	15,499	19,393
June 20	223,882	33,493	28,900	26,335	23,787	9,920	16,974	22,109	415	17,430	10,079	14,166	19,779
June 27	223,432	37,288	36,859	23,501	23,459	9,225	15,969	17,793	354	14,523	10,467	13,921	20,073
U. S. Government securities:													
Bonds—													
June 6	63,011	817	7,100	687	624	1,191	209	21,887	7,125	4,575	10,737	7,896	163
June 13	63,572	815	7,500	687	624	1,191	110	22,147	7,125	4,575	10,737	7,897	164
June 20	55,928	704	2,684	585	505	1,153	27	20,127	7,125	4,519	10,640	7,819	40
June 27	57,979	704	4,409	585	505	1,133	246	20,233	7,125	4,519	10,640	7,819	41
Treasury notes—													
June 6	76,352	1,917	8,433	9,192	27,228	665	3,116	3,868	-----	4,026	2,501	3,536	11,780
June 13	76,584	1,918	8,703	9,191	27,229	665	3,114	3,833	-----	4,026	2,500	3,535	11,780
June 20	78,260	1,917	8,709	9,192	27,228	665	3,115	5,513	-----	4,026	2,501	3,524	11,780
June 27	87,584	2,324	13,976	9,571	27,667	805	3,239	6,780	-----	4,230	2,948	3,811	12,233
Certificates of indebtedness—													
June 6	70,669	4,853	17,351	11,728	5,884	1,678	2,025	9,924	-----	2,428	4,702	4,695	5,401
June 13	83,140	4,757	30,908	11,639	5,780	1,644	2,000	9,492	-----	4,026	4,618	4,628	5,294
June 20	88,680	4,895	36,266	11,776	6,055	1,692	2,031	9,885	-----	2,449	4,747	3,437	5,447
June 27	66,374	4,549	16,369	11,454	5,682	1,572	1,928	9,845	-----	2,275	4,444	3,194	5,062
Total U. S. Government securities:													
June 6	210,032	7,587	32,884	21,607	33,736	3,534	5,350	35,679	7,125	11,029	18,030	16,127	17,344
June 13	223,296	7,490	47,111	21,517	33,633	3,500	5,224	35,472	7,125	10,981	17,945	16,060	17,238
June 20	222,868	7,516	47,659	21,553	33,788	3,510	5,173	35,525	7,125	10,994	17,978	14,780	17,267
June 27	211,937	7,577	34,754	21,610	33,854	3,530	5,413	36,858	7,125	11,024	18,032	14,824	17,336
Other securities:													
June 6	1,090	-----	-----	100	-----	-----	-----	-----	-----	990	-----	-----	-----
June 13	1,090	-----	-----	100	-----	-----	-----	-----	-----	990	-----	-----	-----
June 20	590	-----	-----	100	-----	-----	-----	-----	-----	490	-----	-----	-----
June 27	490	-----	-----	100	-----	-----	-----	-----	-----	490	-----	-----	-----
Total bills and securities:													
June 6	1,459,514	118,160	444,836	114,535	144,962	59,351	88,602	186,490	57,324	40,990	53,445	44,154	106,665
June 13	1,507,661	127,638	474,950	115,899	148,726	58,073	89,119	200,145	57,826	38,483	51,893	42,602	102,307
June 20	1,438,167	130,331	454,119	132,617	136,195	61,133	81,731	185,566	61,826	36,557	52,592	40,790	64,710
June 27	1,467,733	131,156	444,692	142,693	149,760	64,782	78,276	211,257	57,667	33,683	46,425	39,057	68,285
Due from foreign banks:													
June 6	571	37	217	47	51	25	21	69	21	13	18	17	35
June 13	572	37	218	47	51	25	21	69	21	13	18	17	35
June 20	572	37	218	47	51	25	21	69	21	13	18	17	35
June 27	571	37	217	47	51	25	21	69	21	13	18	17	35
Uncollected items:													
June 6	675,626	63,964	178,398	55,286	59,061	56,798	27,591	83,329	33,428	14,242	37,037	29,435	37,057
June 13	748,112	73,969	201,881	63,816	71,379	56,166	24,026	97,210	33,561	15,158	39,365	27,135	44,446
June 20	729,781	70,834	195,937	59,478	70,051	54,401	25,610	98,882	33,495	15,333	39,982	24,982	40,796
June 27	626,380	69,828	166,739	53,671	64,659	46,803	20,411	80,078	27,674	12,834	33,074	22,472	37,137
Bank premises:													
June 6	60,028	3,824	16,563	1,752	6,865	3,378	2,832	8,720	3,892	2,202	4,308	1,858	3,834
June 13	60,080	3,824	16,563	1,752	6,865	3,432	2,832	8,720	3,890	2,202	4,308	1,858	3,834
June 20	60,089	3,824	16,563	1,751	6,865	3,432	2,832	8,720	3,891	2,202	4,308	1,867	3,834
June 27	60,096	3,824	16,563	1,752	6,865	3,437	2,832	8,720	3,891	2,202	4,308	1,868	3,834
All other resources:													
June 6	9,157	57	1,686	200	1,412	396	1,385	941	554	829	552	464	681
June 13	10,010	58	2,166	265	1,422	390	1,376	921	559	1,148	546	470	689
June 20	7,902	119	1,010	166	1,148	399	1,315	914	526	887	414	454	550
June 27	8,063	60	1,160	164	1,159	407	1,313	923	530	913	406	476	552
Total reserves:													
June 6	5,029,347	375,390	1,563,747	355,162	478,532	201,862	248,956	735,770	186,905	135,044	193,328	141,725	412,926
June 13	5,125,573	384,052	1,594,700	364,290	495,109	200,991	240,081	753,008	187,334	134,248	196,957	136,972	437,831
June 20	5,037,889	379,112	1,554,137	355,786	487,351	196,607	238,249	743,709	186,153	132,109	193,029	135,958	435,680
June 27	4,963,462	371,218	1,552,292	350,354	481,276	186,937	231,735	732,747	181,098	130,481	188,937	130,425	425,962

FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES, BY WEEKS—Continued

LIABILITIES

[In thousands of dollars]

	Total	Federal Reserve Bank											
		Boston	New York	Phila- delphia	Cleve- land	Rich- mond	At- lanta	Chicago	St. Louis	Min- neap- olis	Kansas City	Dallas	San Fran- cisco
Federal reserve notes in cir- culation:													
June 6.....	1,598,370	132,232	338,181	125,089	192,367	55,169	137,897	257,548	55,312	55,210	56,538	31,893	160,934
June 13.....	1,605,425	131,441	331,888	130,286	185,479	54,211	134,880	255,322	55,263	55,081	55,907	31,074	174,599
June 20.....	1,399,372	132,550	332,481	126,588	190,381	53,213	134,018	256,455	55,433	55,187	55,604	30,771	176,676
June 27.....	1,604,635	134,134	334,072	128,239	193,441	52,662	131,970	258,358	55,694	54,617	54,768	29,931	176,755
Deposits:													
Member bank—reserve ac- count—													
June 6.....	2,384,830	152,618	948,416	141,654	187,625	71,089	68,089	347,835	80,470	55,024	88,805	64,401	178,804
June 13.....	2,392,435	150,702	949,997	138,394	187,641	71,107	66,195	355,719	80,491	54,844	89,147	64,070	184,126
June 20.....	2,332,162	147,297	921,169	133,349	185,616	67,233	64,636	345,400	80,595	51,224	87,660	64,339	183,644
June 27.....	2,344,709	147,510	939,566	133,870	182,894	67,099	65,072	343,840	79,719	52,967	89,741	63,807	178,624
Government—													
June 6.....	16,337	482	2,483	1,026	617	2,161	1,785	2,241	457	1,234	799	1,487	1,565
June 13.....	17,019	355	10,783	211	705	162	690	386	764	219	743	995	1,006
June 20.....	3,478	104	337	251	297	696	54	182	228	314	177	382	456
June 27.....	11,274	93	9,388	35	98	281	126	499	205	181	224	81	63
Foreign bank—													
June 6.....	5,280	426	1,206	539	590	289	238	789	244	153	204	199	403
June 13.....	8,832	426	4,758	539	590	289	238	789	244	153	204	199	403
June 20.....	10,134	658	3,832	834	913	448	369	1,220	377	237	316	307	623
June 27.....	8,703	658	2,401	834	913	448	369	1,220	377	237	316	307	623
Other deposits—													
June 6.....	17,375	92	8,427	93	1,171	84	94	1,212	313	231	629	38	4,991
June 13.....	17,855	75	8,320	75	1,657	87	97	1,402	269	214	863	30	4,766
June 20.....	20,388	470	8,581	448	1,566	698	246	1,334	656	290	882	56	5,161
June 27.....	17,114	133	8,168	72	1,234	112	111	1,320	334	206	549	39	4,834
Total deposits:													
June 6.....	2,423,822	153,618	960,532	143,312	190,003	73,623	70,206	352,077	81,484	56,642	90,437	66,125	185,763
June 13.....	2,436,139	151,558	973,858	139,219	190,593	71,645	67,220	358,296	81,768	55,430	90,957	65,294	190,301
June 20.....	2,366,162	148,529	933,919	134,882	188,392	69,075	65,305	348,136	81,856	52,065	89,035	65,084	189,884
June 27.....	2,381,800	148,394	959,523	134,811	185,139	67,940	65,678	346,879	80,635	53,593	90,830	64,234	184,144
Deferred availability items:													
June 6.....	615,204	60,543	152,709	49,826	55,776	53,378	24,733	72,053	33,345	12,122	32,354	30,336	38,029
June 13.....	691,028	71,976	176,294	57,744	68,532	55,447	21,838	85,119	33,430	12,662	36,083	27,232	44,671
June 20.....	678,374	68,966	174,278	57,159	68,072	54,595	22,786	84,798	31,935	13,789	34,394	26,740	40,862
June 27.....	582,086	59,406	144,922	50,061	62,151	46,626	17,892	72,988	27,877	11,203	29,330	22,872	36,758
Capital paid in:													
June 6.....	139,631	9,879	44,116	14,114	14,294	6,253	5,204	18,129	5,324	3,035	4,211	4,326	10,746
June 13.....	139,719	9,878	44,128	14,191	14,296	6,251	5,204	18,122	5,331	3,035	4,211	4,326	10,746
June 20.....	140,309	9,878	44,680	14,191	14,295	6,241	5,207	18,163	5,343	3,030	4,207	4,326	10,748
June 27.....	140,318	9,933	44,615	14,195	14,281	6,239	5,209	18,189	5,343	3,029	4,207	4,326	10,752
Surplus:													
June 6.....	233,319	17,893	63,007	21,662	24,021	12,324	9,996	32,778	10,397	7,039	9,046	8,527	16,629
June 13.....	233,319	17,893	63,007	21,662	24,021	12,324	9,996	32,778	10,397	7,039	9,046	8,527	16,629
June 20.....	233,319	17,893	63,007	21,662	24,021	12,324	9,996	32,778	10,397	7,039	9,046	8,527	16,629
June 27.....	233,319	17,893	63,007	21,662	24,021	12,324	9,996	32,778	10,397	7,039	9,046	8,527	16,629
All other liabilities:													
June 6.....	19,001	1,225	5,202	1,159	2,071	1,115	920	3,185	1,043	996	742	518	825
June 13.....	19,943	1,306	5,525	1,194	2,188	1,113	943	3,371	1,145	1,001	753	519	885
June 20.....	20,353	1,296	5,772	1,304	2,190	1,159	942	3,379	1,169	999	743	510	890
June 27.....	21,304	1,458	6,153	1,392	2,243	1,146	990	3,535	1,152	1,000	756	535	924
Total liabilities:													
June 6.....	5,029,347	375,390	1,563,747	355,162	478,532	201,862	248,956	735,770	186,965	135,044	193,328	141,725	412,926
June 13.....	5,125,573	384,052	1,594,700	364,290	493,109	200,991	240,081	753,008	187,334	134,248	196,957	136,972	437,831
June 20.....	5,037,889	379,112	1,554,137	355,786	487,351	196,607	238,249	743,709	186,158	132,109	193,029	135,958	435,689
June 27.....	4,963,462	371,218	1,552,292	350,354	481,276	189,937	231,735	732,747	181,098	130,481	188,937	130,425	425,962
MEMORANDA													
Ratio of total reserves to Fed- eral reserve note and deposit liabilities combined (per cent):													
June 6.....	68.7	64.2	69.4	67.6	68.4	60.2	59.5	73.5	64.4	67.4	65.2	64.5	75.3
June 13.....	67.6	60.9	67.2	67.0	67.9	62.5	58.1	71.3	64.2	68.7	64.1	64.1	77.7
June 20.....	69.0	59.8	68.4	61.1	70.7	59.4	61.2	73.1	60.3	70.5	64.6	68.1	88.0
June 27.....	68.7	59.9	69.8	57.1	67.3	55.6	62.7	70.1	64.5	73.6	70.3	67.7	86.6
Contingent liability on bills purchased for foreign corres- pondents:													
June 6.....	276,582	20,332	81,937	25,754	28,194	13,826	11,386	37,682	11,657	7,319	9,759	9,488	19,248
June 13.....	295,525	21,867	86,184	27,698	30,322	14,870	12,246	40,527	12,537	7,872	10,496	10,205	20,701
June 20.....	297,824	22,352	83,843	28,312	30,994	15,199	12,517	41,425	12,815	8,047	10,729	10,431	21,160
June 27.....	305,068	22,590	88,808	28,614	31,325	15,361	12,650	41,866	12,952	8,132	10,843	10,542	21,385
Own Federal reserve notes held by Federal reserve banks:													
June 6.....	369,112	26,077	119,300	30,928	26,698	17,582	28,625	44,167	10,612	6,101	6,756	5,154	47,112
June 13.....	388,924	26,221	119,814	25,680	24,655	17,643	30,642	51,847	10,325	6,008	7,796	5,726	62,567
June 20.....	399,373	25,434	122,298	28,374	31,887	17,364	30,985	51,435	9,829	5,273	8,082	5,441	62,965
June 27.....	395,320	24,976	125,399	25,561	27,788	16,759	30,053	50,308	10,899	6,203	7,994	6,999	62,381

FEDERAL RESERVE NOTES—FEDERAL RESERVE AGENTS' ACCOUNTS, BY WEEKS

[In thousands of dollars]

	Total	Federal Reserve Bank											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Federal reserve notes, received from comptroller:													
June 6.....	2,783,792	232,659	738,961	180,917	253,095	97,565	230,612	417,465	84,744	81,035	97,714	59,379	309,646
June 13.....	2,796,819	239,612	736,422	183,060	253,964	96,588	231,512	425,719	84,408	80,513	97,123	59,132	308,766
June 20.....	2,810,515	236,934	735,179	183,662	260,098	95,071	230,388	422,740	84,622	79,684	96,706	58,550	326,881
June 27.....	2,817,335	234,060	736,071	185,094	257,659	93,615	228,393	427,616	84,393	79,684	95,782	58,032	336,936
Federal reserve notes held by Federal reserve agent:													
June 6.....	816,310	74,350	281,480	24,900	34,030	24,814	64,090	115,750	18,820	19,724	34,420	22,322	101,600
June 13.....	802,470	81,950	284,720	27,100	33,830	24,734	65,990	118,550	18,820	19,424	33,420	22,322	71,600
June 20.....	811,770	78,950	280,400	28,700	37,830	24,494	65,390	114,850	19,340	19,224	33,020	22,322	87,240
June 27.....	817,380	74,950	276,600	31,300	36,430	24,104	66,270	118,950	17,800	18,864	33,020	21,102	97,800
Federal reserve notes issued to Federal reserve bank:													
June 6.....	1,967,482	158,309	457,481	156,017	219,065	72,751	166,522	301,715	65,924	61,311	63,294	37,047	208,046
June 13.....	1,994,349	157,662	451,702	155,960	220,134	71,854	165,522	307,169	65,588	61,089	63,703	36,800	237,166
June 20.....	1,998,745	157,984	454,779	154,962	222,268	70,577	164,998	307,890	65,282	60,460	63,686	36,218	239,641
June 27.....	1,999,955	159,110	459,471	153,794	221,229	69,421	162,023	308,666	66,593	60,820	62,762	36,930	239,136
Collateral held as security for Federal reserve notes issued to Federal reserve bank:													
Gold and gold certificates—													
June 6.....	354,607	35,300	153,161	-----	50,000	21,375	20,001	-----	8,300	14,167	-----	12,303	40,000
June 13.....	354,606	35,300	153,160	-----	50,000	21,376	20,000	-----	8,300	14,167	-----	12,303	40,000
June 20.....	354,626	35,300	153,161	-----	50,000	20,395	21,000	-----	8,300	14,167	-----	12,303	40,000
June 27.....	355,376	35,300	153,161	-----	50,000	20,395	21,750	-----	8,300	14,167	-----	12,303	40,000
Gold redemption fund—													
June 6.....	98,994	18,272	17,764	7,840	11,903	5,457	9,122	2,358	1,379	1,322	3,017	2,275	18,285
June 13.....	98,886	16,225	17,765	9,783	11,571	4,479	8,223	2,358	2,643	2,800	2,427	2,027	18,085
June 20.....	94,335	13,547	17,656	11,785	11,708	2,963	6,698	2,320	1,498	1,971	4,010	2,446	17,735
June 27.....	88,624	10,673	17,583	8,617	12,566	3,507	4,703	2,209	1,268	4,971	3,086	1,928	17,513
Gold fund—													
June 6.....	655,414	18,000	5,000	74,177	90,000	-----	55,000	213,000	8,500	23,000	38,860	3,000	126,877
June 13.....	665,494	18,000	5,000	69,177	90,000	-----	53,600	213,000	7,500	23,000	38,860	3,000	144,357
June 20.....	686,879	18,000	5,000	67,177	70,000	-----	61,000	213,000	7,500	23,000	36,860	2,000	183,342
June 27.....	684,276	18,000	5,000	57,177	70,000	-----	63,100	213,000	10,500	23,000	42,860	2,000	179,639
Eligible paper—													
June 6.....	1,197,134	110,554	384,081	74,570	110,572	52,168	83,174	150,650	49,907	28,936	35,251	28,007	89,264
June 13.....	1,234,877	120,129	399,153	79,726	114,180	51,087	83,811	164,530	50,462	26,481	33,783	26,515	85,020
June 20.....	1,159,342	122,705	375,897	91,096	101,868	54,130	76,477	149,912	54,566	25,030	34,448	25,969	47,154
June 27.....	1,195,831	123,560	380,146	98,769	115,182	55,728	72,760	174,273	50,417	22,102	28,267	24,206	50,421
Total collateral:													
June 6.....	2,306,149	182,126	560,006	156,587	262,475	79,000	167,297	366,008	68,086	67,425	77,128	45,585	274,426
June 13.....	2,353,363	189,654	575,078	158,686	265,751	76,942	165,634	379,888	68,905	66,448	75,070	43,845	287,462
June 20.....	2,295,182	189,642	551,714	170,058	233,574	77,488	165,175	365,232	71,864	64,168	75,318	42,718	288,231
June 27.....	2,324,107	187,533	555,890	164,563	247,748	79,630	162,313	389,482	70,485	64,240	74,213	40,437	287,573

FEDERAL RESERVE BANKS—HOLDINGS OF BILLS DISCOUNTED, BY STATES IN WHICH BORROWING BANKS ARE LOCATED

[End of month figures. In thousands of dollars]

State	1927								1928				
	May	June	July	August	September	October	November	December	January	February	March	April	May
United States.....	459,086	443,450	442,158	400,524	437,425	411,525	477,025	581,503	423,310	492,568	598,681	834,228	1,021,352
New England:													
Maine.....	1,319	2,300	733	951	2,394	1,808	1,473	909	752	718	909	1,072	2,123
New Hampshire.....	2,113	2,231	1,366	927	875	730	636	805	1,112	1,305	2,746	1,332	2,334
Vermont.....	1,041	1,375	1,078	884	783	1,128	649	558	534	698	992	934	1,029
Massachusetts.....	45,293	35,360	33,511	28,790	25,520	20,388	33,404	24,314	33,751	49,918	44,350	36,340	69,264
Rhode Island.....	4,263	487	1,304	2,047	1,772	787	552	304	102	396	1,225	593	5,913
Connecticut.....	3,005	4,354	3,343	4,439	2,530	2,504	3,096	3,083	2,196	3,260	1,809	1,759	5,203
Middle Atlantic:													
New York.....	72,497	73,559	76,794	84,443	104,472	83,170	129,769	266,687	103,025	69,063	128,001	262,280	328,125
New Jersey.....	24,989	25,548	30,156	24,924	25,258	22,225	22,140	19,150	19,923	19,642	23,051	32,784	35,636
Pennsylvania.....	77,521	66,089	49,741	45,242	51,733	46,622	57,920	104,217	59,006	83,277	80,029	82,553	103,524
East North Central:													
Ohio.....	15,633	20,777	21,992	13,485	21,483	24,403	15,868	15,535	12,783	34,405	33,392	28,779	42,039
Indiana.....	4,055	4,975	5,189	3,321	3,545	3,577	1,686	3,115	3,587	6,209	4,825	5,491	4,361
Illinois.....	26,334	18,996	19,662	9,712	17,639	25,266	23,797	14,203	15,356	18,645	66,447	63,390	64,238
Michigan.....	14,864	24,644	18,445	13,751	10,691	21,582	27,096	27,231	17,884	23,093	23,152	33,599	52,692
Wisconsin.....	8,980	11,008	7,513	4,679	3,944	4,132	3,320	6,658	2,735	12,932	16,557	14,781	13,537
West North Central:													
Minnesota.....	3,471	876	1,547	3,461	1,416	1,033	2,375	722	2,408	2,895	2,696	12,814	8,371
Iowa.....	5,810	3,463	3,599	2,913	2,888	4,555	6,870	4,023	4,586	3,772	3,887	3,599	4,015
Missouri.....	23,104	27,646	17,141	17,850	16,947	9,913	11,837	11,475	16,228	20,277	24,168	20,753	45,216
North Dakota.....	1,199	1,171	1,554	1,761	830	427	312	319	472	369	543	575	734
South Dakota.....	1,095	1,262	1,479	1,283	794	570	695	640	619	508	381	391	421
Nebraska.....	6,745	2,289	1,674	1,310	1,697	5,167	9,119	4,705	4,182	2,940	4,429	5,990	4,992
Kansas.....	2,927	2,314	1,794	1,338	1,417	3,639	2,980	1,246	1,199	1,061	1,062	1,452	3,269
South Atlantic:													
Delaware.....	949	836	646	532	317	711	783	474	620	719	597	979	1,977
Maryland.....	4,342	8,629	2,742	1,477	5,150	5,547	7,098	5,498	11,744	5,315	3,747	9,547	11,214
District of Columbia.....	704	81	485	115	1,315	1,465	500	920	320	320	550	245	1,520
Virginia.....	7,349	5,278	5,002	7,520	11,267	11,289	5,877	11,894	9,297	11,868	13,347	14,257	15,394
West Virginia.....	2,954	3,441	2,281	2,455	3,227	2,497	1,631	5,363	3,367	2,710	3,543	3,497	3,951
North Carolina.....	7,447	6,338	6,802	7,856	6,977	5,293	2,429	1,998	4,738	7,002	7,449	10,043	10,105
South Carolina.....	2,636	2,030	2,800	2,607	1,529	1,323	1,671	1,425	2,172	2,610	3,471	4,358	3,739
Georgia.....	5,505	6,571	5,882	6,457	5,467	4,722	6,575	3,582	4,013	5,229	7,041	20,600	23,114
Florida.....	1,955	1,817	2,504	3,445	4,142	4,406	3,502	2,619	1,799	1,946	1,345	1,360	2,643
East South Central:													
Kentucky.....	2,282	7,799	8,199	6,593	9,575	9,667	6,911	6,663	2,177	3,587	8,276	14,597	14,783
Tennessee.....	3,633	2,314	4,028	5,276	6,879	3,914	3,996	2,845	1,842	2,803	1,900	4,540	4,378
Alabama.....	7,139	6,107	6,177	5,310	3,670	2,830	5,389	2,411	4,641	4,961	6,412	10,412	8,632
Mississippi.....	2,520	2,190	3,045	4,028	3,725	1,945	1,563	1,239	1,225	1,639	3,456	4,103	5,464
West South Central:													
Arkansas.....	1,542	1,353	2,343	3,306	4,550	2,332	2,001	210	2,688	2,017	1,606	2,529	2,077
Louisiana.....	13,961	11,125	20,169	12,612	8,736	11,156	21,557	16,620	13,853	12,926	9,014	13,898	20,703
Oklahoma.....	2,094	2,316	1,995	2,583	4,695	2,388	1,245	688	1,325	1,661	2,287	3,656	5,006
Texas.....	5,147	5,481	9,393	12,574	4,767	10,323	6,436	848	4,960	1,949	3,991	9,302	9,938
Mountain:													
Montana.....	534	604	761	768	393	79	30	21	41	39	33	126	250
Idaho.....	1,194	1,217	1,582	1,328	779	551	351	161	199	234	241	339	405
Wyoming.....	152	192	278	427	230	104	48	48	48	48	2	103	129
Colorado.....	2,729	1,503	3,568	1,366	1,388	1,038	1,282	1,018	1,542	2,561	2,527	3,407	3,773
New Mexico.....	96	170	258	186	200	99	10	129	129	124	187	175	77
Arizona.....	534	240	346	389	325	284	180	190	164	183	198	184	180
Utah.....	1,719	995	2,201	1,977	1,171	952	198	198	255	368	860	2,163	1,644
Pacific:													
Washington.....	2,116	1,946	3,271	2,421	1,613	2,254	1,788	330	1,542	1,317	1,566	3,540	3,720
Oregon.....	1,850	1,684	1,811	672	492	875	247	393	958	1,948	2,203	3,463	3,077
California.....	29,754	30,470	44,064	38,763	46,218	38,955	38,490	3,978	45,210	60,869	48,191	81,553	66,068

ALL MEMBER BANKS—DEPOSITS, BY SIZE OF CITY, JUNE 13, 1928

[In thousands of dollars]

Federal reserve district or State	Net demand deposits					Time deposits				
	In places having a population of—				Total	In places having a population of—				Total
	Less than 5,000	5,000 to 15,000	15,000 to 100,000	100,000 and over		Less than 5,000	5,000 to 15,000	15,000 to 100,000	100,000 and over	
United States.....	1,636,730	1,147,431	2,417,459	13,964,939	19,166,559	1,963,257	1,326,517	2,577,160	7,572,013	13,438,947
DISTRICT										
Boston.....	46,317	77,201	214,442	1,084,236	1,422,196	74,784	99,886	224,547	599,944	999,161
New York.....	221,302	134,874	335,764	6,328,217	7,020,157	405,298	207,747	556,087	1,906,359	3,075,491
Philadelphia.....	141,748	74,395	155,102	824,035	1,195,280	301,228	151,549	280,827	372,982	1,106,586
Cleveland.....	131,802	122,145	196,589	1,083,299	1,533,835	214,627	168,500	244,049	1,006,588	1,633,764
Richmond.....	87,220	66,600	170,079	272,737	596,656	154,690	102,653	171,755	178,277	607,375
Atlanta.....	77,558	72,387	206,178	240,545	596,668	67,969	71,893	184,507	147,584	471,963
Chicago.....	191,873	137,927	434,123	1,921,362	2,685,285	259,700	188,572	464,160	1,366,307	2,278,739
St. Louis.....	102,157	73,311	101,227	446,310	723,005	94,271	60,932	88,661	296,884	540,748
Minneapolis.....	103,739	85,313	82,911	181,800	453,763	155,438	115,895	90,307	103,811	465,451
Kansas City.....	194,376	118,864	235,385	311,073	859,698	99,345	109,688	96,983	371,359	671,399
Dallas.....	186,335	103,829	131,749	242,833	664,746	21,698	32,937	60,628	87,348	202,611
San Francisco.....	152,303	80,585	153,910	1,028,472	1,415,270	114,209	60,610	101,944	1,408,946	1,685,709
STATE										
New England:										
Maine.....	11,266	6,931	25,993		44,190	36,720	28,640	44,210		109,570
New Hampshire.....	8,201	12,441	16,735		37,377	6,700	6,914	7,839		21,453
Vermont.....	6,753	8,603	2,349		17,705	18,110	19,211	2,228		39,549
Massachusetts.....	11,664	35,645	124,632	866,785	1,038,726	7,844	35,684	132,328	385,621	561,477
Rhode Island.....	1,019	4,059	125,584		130,662	6		6,780	184,625	191,411
Connecticut.....	9,968	13,581	51,499	108,628	183,670	8,264	9,437	43,336	44,784	105,821
Middle Atlantic:										
New York.....	159,320	67,156	201,806	6,013,305	6,441,587	297,108	128,154	340,209	1,653,403	2,418,874
New Jersey.....	87,508	88,180	140,424	348,668	664,780	143,446	105,076	223,071	278,953	730,546
Pennsylvania.....	161,899	107,719	211,978	1,188,724	1,670,320	367,919	232,476	375,866	539,616	1,515,877
East North Central:										
Ohio.....	57,716	58,157	97,193	631,687	844,753	75,324	53,757	105,056	794,098	1,028,235
Indiana.....	32,201	29,768	98,111	62,581	222,661	30,290	25,941	98,878	24,442	179,551
Illinois.....	98,086	64,778	162,268	1,318,378	1,643,710	97,409	69,686	119,773	756,228	1,043,096
Michigan.....	34,757	44,901	95,964	395,717	571,339	90,584	96,415	154,142	504,643	845,784
Wisconsin.....	23,326	23,888	64,179	112,220	223,613	52,435	41,932	71,744	70,816	236,927
West North Central:										
Minnesota.....	37,756	24,913	34,614	181,800	279,083	75,906	35,950	35,879	103,811	251,546
Iowa.....	56,858	22,435	70,053	32,266	181,612	62,081	27,008	84,239	10,178	183,506
Missouri.....	23,258	16,364	33,621	488,513	561,756	16,293	10,653	16,046	235,569	278,561
North Dakota.....	18,453	9,936	5,725		34,114	24,671	11,174	6,574		42,419
South Dakota.....	20,849	13,189	7,034		41,072	18,245	9,879	2,428		30,552
Nebraska.....	31,219	14,094	18,452	66,343	130,108	26,321	8,474	3,604	15,477	53,876
Kansas.....	49,240	34,794	50,349	7,175	141,558	24,317	17,390	16,471	3,201	61,379
South Atlantic:										
Delaware.....	3,432			36,406	39,838	10,062			4,773	14,835
Maryland.....	15,616	6,422	3,741	110,684	136,463	42,232	17,590	12,171	78,185	150,178
District of Columbia.....				82,597	82,597				43,625	43,625
Virginia.....	25,360	14,833	33,132	79,476	152,801	53,234	25,745	41,107	56,467	176,553
West Virginia.....	28,332	8,516	48,057		84,905	36,129	12,728	45,170		94,027
North Carolina.....	15,936	25,832	68,109		109,927	18,898	29,953	43,661		92,542
South Carolina.....	5,979	11,250	26,271		43,500	10,153	16,943	41,283		68,379
Georgia.....	13,918	12,070	45,279	56,493	127,760	11,713	13,501	42,589	40,498	108,301
Florida.....	22,752	17,398	75,129		115,279	16,939	17,548	70,208		104,695
East South Central:										
Kentucky.....	32,052	17,680	21,216	71,114	142,062	32,638	13,805	21,072	52,688	120,203
Tennessee.....	18,719	11,354	36,999	69,404	136,476	22,677	8,288	37,539	52,530	121,029
Alabama.....	21,923	10,610	34,714	44,876	112,153	15,514	12,766	23,442	28,304	80,028
Mississippi.....	4,321	19,509	15,157		38,987	3,072	17,286	14,002		34,360
West South Central:										
Arkansas.....	22,890	13,049	37,210		73,149	15,662	7,299	27,197		50,158
Louisiana.....	5,108	12,194	22,177	112,631	152,110	3,938	8,895		55,020	76,083
Oklahoma.....	73,828	36,789	122,105		232,722	23,234	15,561	65,308		104,103
Texas.....	173,173	93,062	108,886	242,833	617,954	17,324	28,760	48,937	87,348	182,369
Mountain:										
Montana.....	14,890	20,622	24,688		60,200	10,268	20,181	25,308		55,757
Idaho.....	13,334	10,694	9,395		33,423	7,482	6,887	8,581		22,950
Wyoming.....	8,213	13,317			21,530	5,283	9,617			14,900
Colorado.....	27,370	13,928	14,657	81,379	137,334	17,711	12,113	10,573	58,164	98,561
New Mexico.....	9,066	7,722	5,704		22,492	2,250	2,018	3,248		7,516
Arizona.....	3,656	3,166	24,107		30,929	2,033	2,099	12,423		16,555
Utah.....	6,754	3,111	5,178	34,162	49,265	7,078	4,567	1,546	19,480	32,671
Nevada.....	4,358	4,629			8,987	5,152	2,751			7,903
Pacific:										
Washington.....	31,552	16,546	27,799	124,924	200,821	27,458	8,676	24,340	71,636	132,110
Oregon.....	34,721	20,075	3,021	64,939	122,756	20,053	14,932	1,492	64,101	100,578
California.....	58,160	25,530	87,666	804,447	975,803	45,077	22,797	56,367	1,253,729	1,377,970

NOTE.—For back figures (and explanatory notes, especially as regards California, see BULLETIN for December, 1927, pp. 828, 873, and 886-925.

MATURITY DISTRIBUTION OF BILLS, CERTIFICATES OF INDEBTEDNESS, AND MUNICIPAL WARRANTS HELD BY FEDERAL RESERVE BANKS

[In thousands of dollars]

	Total	Within 15 days	16 to 30 days	31 to 60 days	61 to 90 days	91 days to 6 months	Over 6 months
Bills discounted:							
June 6.....	981,998	844,070	35,395	56,673	27,240	18,167	453
June 13.....	1,042,858	903,671	35,772	53,566	29,611	19,806	432
June 20.....	990,827	845,383	39,389	55,103	31,916	18,757	279
June 27.....	1,031,874	892,122	36,139	48,934	35,368	19,071	240
Bills bought in open market:							
June 6.....	266,394	83,708	78,334	74,557	23,722	6,073	-----
June 13.....	240,417	94,246	64,655	55,029	21,772	4,715	-----
June 20.....	223,882	98,312	49,300	48,376	22,887	5,007	-----
June 27.....	223,432	103,443	47,389	42,764	23,651	6,185	-----
Certificates of indebtedness:							
June 6.....	70,669	13,795	-----	-----	-----	-----	56,874
June 13.....	83,140	28,267	-----	-----	-----	-----	54,873
June 20.....	88,680	19,294	-----	-----	-----	43,253	26,133
June 27.....	66,374	736	-----	-----	-----	42,018	23,620
Municipal warrants:							
June 6.....	100	100	-----	-----	-----	-----	-----
June 13.....	100	100	-----	-----	-----	-----	-----
June 20.....	100	100	-----	-----	-----	-----	-----
June 27.....	-----	-----	-----	-----	-----	-----	-----

GOLD SETTLEMENT FUND—INTERBANK TRANSACTIONS FROM MAY 17 TO JUNE 20, 1928, INCLUSIVE

[In thousands of dollars]

Federal reserve bank	Transfers for Government account		Transit clearings		Federal reserve note clearings		Changes in ownership of gold through transfers and clearings		Balance in fund at close of period
	Debits	Credits	Debits	Credits	Debits	Credits	Decrease	Increase	
Boston.....	9,500	2,100	1,098,361	1,087,772	4,978	3,913	19,054	-----	53,779
New York.....	48,500	103,300	4,000,677	3,945,674	10,532	16,747	-----	6,012	195,565
Philadelphia.....	17,800	-----	954,563	953,700	6,373	5,520	19,516	-----	41,127
Cleveland.....	14,500	2,000	962,973	969,456	8,362	4,430	9,949	-----	74,715
Richmond.....	14,500	1,600	964,289	979,341	2,687	3,656	-----	3,121	16,833
Atlanta.....	6,500	4,200	381,400	363,164	4,311	3,435	21,412	-----	3,591
Chicago.....	37,000	5,100	1,717,913	1,757,654	8,082	7,572	-----	7,331	149,716
St. Louis.....	-----	9,700	658,008	636,621	2,369	3,223	10,828	-----	32,402
Minneapolis.....	1,000	5,500	218,534	217,762	1,484	1,650	-----	3,894	22,951
Kansas City.....	3,000	1,800	512,834	507,600	2,094	2,469	6,059	-----	36,054
Dallas.....	1,000	3,200	368,747	368,717	1,366	1,581	-----	2,385	25,917
San Francisco.....	5,000	19,800	500,319	611,157	3,270	1,707	-----	64,075	42,122
Total 5 weeks ending--									
June 20, 1928.....	158,300	158,300	12,398,618	12,398,618	55,908	55,908	86,818	86,818	694,772
May 16, 1928.....	61,100	61,100	13,108,988	13,108,988	56,563	56,563	-----	-----	796,155
June 22, 1927.....	227,900	227,900	14,283,043	14,283,043	66,788	66,788	-----	-----	591,050
May 18, 1927.....	81,500	81,500	11,690,592	11,690,592	53,787	53,787	-----	-----	628,497

WEEKLY REPORTING MEMBER BANKS
REPORTING MEMBER BANKS IN LEADING CITIES

PRINCIPAL RESOURCES AND LIABILITIES, BY WEEKS

[In thousands of dollars]

	Total	Federal Reserve District											
		Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chi- cago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco
Loans and investments—													
total:													
June 6.....	22,503,357	1,541,233	8,689,226	1,251,333	2,214,199	689,138	633,251	3,307,836	712,225	375,278	666,277	438,528	1,984,833
June 13.....	22,535,608	1,561,433	8,658,262	1,254,844	2,201,243	689,532	638,633	3,345,119	722,381	376,402	667,791	438,997	1,980,971
June 20.....	22,476,507	1,551,007	8,630,429	1,252,373	2,199,473	685,685	640,976	3,305,349	721,934	377,099	672,466	450,171	1,988,945
June 27.....	22,428,794	1,554,662	8,568,091	1,251,601	2,204,185	690,979	640,536	3,313,294	723,858	369,491	673,657	456,496	1,981,944
Loans and discounts—													
total:													
June 6.....	15,850,663	1,063,785	6,235,373	842,624	1,464,621	514,190	504,409	2,397,357	493,813	242,360	427,203	329,072	1,335,856
June 13.....	15,877,843	1,082,660	6,191,916	849,376	1,455,593	518,430	509,281	2,430,169	500,820	243,143	427,645	329,531	1,338,878
June 20.....	15,784,813	1,089,327	6,123,346	843,779	1,458,967	516,014	511,075	2,400,079	501,939	246,245	429,418	331,263	1,333,361
June 27.....	15,749,696	1,097,025	6,061,089	848,020	1,467,195	520,929	512,716	2,403,632	504,914	237,164	431,377	334,843	1,330,192
Secured by U. S.													
Government obliga-													
tions—													
June 6.....	124,520	6,671	46,863	7,339	13,844	3,567	6,044	22,131	4,403	2,400	3,588	3,500	4,161
June 13.....	129,864	7,162	53,166	7,240	13,807	3,236	5,060	22,284	4,441	2,366	3,601	3,404	4,097
June 20.....	117,613	10,767	34,718	7,268	13,943	3,396	4,570	24,667	4,628	2,396	3,318	3,690	4,254
June 27.....	128,434	11,163	47,081	8,176	14,100	3,043	4,456	21,862	4,667	2,357	3,415	3,780	4,334
Secured by stocks and													
bonds—													
June 6.....	6,837,865	416,653	3,032,098	466,947	660,917	177,749	128,870	1,072,155	212,179	80,884	118,238	84,379	377,796
June 13.....	6,777,969	432,609	2,948,421	468,077	658,185	180,730	133,289	1,088,114	212,353	81,512	119,856	83,206	371,617
June 20.....	6,704,584	432,716	2,909,693	468,256	665,531	178,838	131,788	1,062,871	213,208	82,012	122,723	83,367	358,581
June 27.....	6,670,154	433,610	2,844,254	469,581	672,215	182,931	134,368	1,076,177	214,205	75,367	123,823	85,184	358,439
All other loans and													
discounts—													
June 6.....	8,888,278	640,461	3,156,412	368,338	780,860	332,874	369,495	1,303,071	277,231	159,067	305,377	241,193	953,899
June 13.....	8,970,009	642,889	3,190,329	374,059	783,601	334,464	370,932	1,319,771	284,126	159,265	304,188	243,221	963,164
June 20.....	8,962,614	645,844	3,178,935	373,255	779,493	333,780	374,717	1,312,541	284,103	161,837	303,377	244,206	970,526
June 27.....	8,951,108	652,232	3,169,754	370,863	780,880	334,955	373,892	1,305,593	286,042	159,440	304,139	245,879	967,419
Investments—total:													
June 6.....	6,652,694	477,448	2,453,853	408,709	749,578	174,948	128,842	910,479	218,412	132,918	299,074	109,456	648,977
June 13.....	6,687,766	478,773	2,466,346	405,468	745,650	171,102	129,352	914,950	221,461	133,259	240,146	109,166	642,093
June 20.....	6,691,694	461,680	2,507,083	408,594	740,506	169,671	129,901	905,270	219,995	131,454	243,408	118,908	655,584
June 27.....	6,679,098	457,637	2,507,002	402,981	736,990	170,050	127,820	909,662	218,944	132,327	242,280	121,653	651,732
United States Govern-													
ment securities—													
June 6.....	3,013,186	185,109	1,180,692	109,857	326,846	78,192	61,098	376,989	78,809	69,860	111,278	76,130	358,326
June 13.....	3,014,134	185,986	1,191,250	107,955	323,493	74,779	62,187	381,995	79,347	69,876	110,775	76,151	350,340
June 20.....	3,047,941	168,654	1,233,847	109,766	319,658	74,983	64,642	376,876	78,729	67,863	111,305	85,033	356,585
June 27.....	3,016,624	164,886	1,221,583	107,606	316,030	75,222	63,065	375,556	77,450	68,397	110,206	83,357	353,266
Other bonds, stocks,													
and securities—													
June 6.....	3,639,508	292,339	1,273,161	298,852	422,732	96,756	67,744	533,490	139,603	63,058	127,796	33,326	290,651
June 13.....	3,643,632	292,787	1,275,096	297,513	422,157	96,323	67,165	532,955	142,114	63,383	129,371	33,015	291,753
June 20.....	3,643,753	293,026	1,273,236	298,828	420,848	94,688	65,259	528,394	141,266	63,591	131,743	33,875	298,999
June 27.....	3,662,474	292,751	1,285,419	295,375	420,960	94,828	64,755	534,106	141,494	63,930	132,074	38,296	298,486
Reserve balances with													
Federal reserve bank:													
June 6.....	1,762,029	101,742	827,725	85,236	131,467	41,860	41,109	257,830	45,755	27,726	55,100	32,638	113,841
June 13.....	1,764,941	100,407	817,641	82,748	130,585	44,273	40,274	267,102	46,328	27,799	55,666	32,553	119,565
June 20.....	1,721,389	98,812	802,293	78,417	129,925	40,468	38,217	257,712	44,950	24,349	54,368	33,169	118,709
June 27.....	1,739,306	97,993	820,500	78,587	127,663	41,053	39,118	256,230	45,881	26,154	56,337	33,444	116,346
Cash in vault:													
June 6.....	248,090	18,615	66,585	13,865	29,266	12,490	10,433	41,482	7,605	5,734	11,421	8,709	21,885
June 13.....	255,730	18,363	67,431	14,200	30,800	12,385	11,253	41,509	7,792	5,998	12,170	8,630	25,199
June 20.....	244,687	17,725	64,751	13,673	28,536	11,994	10,463	39,886	6,861	5,835	11,476	8,394	25,093
June 27.....	250,590	17,508	67,749	13,574	28,676	12,346	10,590	40,054	7,030	6,290	11,870	9,264	25,639
Net demand deposits:													
June 6.....	13,659,939	927,453	6,115,412	769,481	1,070,952	362,989	332,130	1,864,291	384,219	225,505	492,308	289,664	825,535
June 13.....	13,716,924	926,064	6,081,905	763,419	1,060,136	369,117	337,387	1,910,581	392,864	228,299	499,162	291,882	856,408
June 20.....	13,332,122	894,985	5,913,050	726,999	1,047,764	357,017	320,171	1,844,746	376,519	225,267	491,725	287,775	846,104
June 27.....	13,243,626	895,873	5,871,049	723,217	1,035,843	355,413	324,825	1,830,076	381,772	219,065	503,194	288,460	814,839
Time deposits:													
June 6.....	6,990,036	501,757	1,723,398	310,927	956,939	250,695	243,687	1,308,752	244,794	130,590	178,485	125,784	1,014,228
June 13.....	7,001,614	499,499	1,722,759	320,744	958,974	251,564	242,453	1,312,132	243,055	129,937	178,642	125,883	1,015,972
June 20.....	6,989,393	496,769	1,739,914	312,039	958,044	248,943	245,837	1,306,188	242,725	129,404	178,458	125,514	1,005,558
June 27.....	7,003,606	496,617	1,748,367	313,842	958,641	249,069	244,581	1,295,986	244,141	128,043	176,749	130,480	1,017,090
Government deposits:													
June 6.....	14					7				7			
June 13.....													
June 20.....	210,935	9,775	64,664	9,361	13,327	2,492	14,205	13,229	6,844	2,485	3,914	17,134	53,505
June 27.....	202,683	9,381	62,071	8,984	12,796	2,331	13,633	12,682	6,868	2,346	3,788	16,467	51,366

REPORTING MEMBER BANKS IN LEADING CITIES—Continued

PRINCIPAL RESOURCES AND LIABILITIES, BY WEEKS—Continued

[In thousands of dollars]

	Total	Federal Reserve District											
		Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chi- cago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco
Due from banks:													
June 6.....	1,116,836	48,839	142,180	59,007	92,044	52,051	62,697	251,793	49,697	46,290	106,698	60,338	145,202
June 13.....	1,156,979	44,431	143,829	58,428	92,440	56,908	69,586	259,169	48,100	48,309	113,251	62,755	159,773
June 20.....	1,138,514	55,002	148,424	56,626	85,047	46,852	67,856	246,785	49,088	45,833	110,655	58,895	167,451
June 27.....	1,084,720	48,821	135,678	58,171	84,003	46,231	66,714	240,486	43,297	45,527	118,613	52,575	144,604
Due to banks:													
June 6.....	3,209,205	139,732	1,230,599	177,663	221,693	103,423	102,516	517,781	123,633	96,551	205,116	95,478	195,020
June 13.....	3,185,833	139,547	1,224,898	174,958	215,297	96,325	104,603	515,117	120,554	94,112	203,280	88,367	208,775
June 20.....	3,126,005	144,502	1,217,177	166,771	209,943	94,598	103,748	493,152	116,201	87,626	197,443	87,927	206,917
June 27.....	3,090,516	133,546	1,220,645	163,317	208,883	92,244	99,137	487,154	115,496	84,412	197,485	86,544	201,653
Borrowings from Federal reserve bank—total:													
June 6.....	773,454	53,606	315,931	33,964	72,166	25,092	44,195	99,903	34,846	6,503	16,522	7,606	63,120
June 13.....	834,445	58,378	348,241	34,616	77,111	23,880	48,498	118,721	35,044	5,925	16,448	7,016	60,867
June 20.....	773,776	63,460	328,974	53,825	65,089	26,028	40,309	103,594	39,199	4,973	17,991	6,787	21,547
June 27.....	802,818	58,386	319,038	65,170	77,948	29,373	37,434	133,123	34,461	4,630	12,253	5,832	25,170
Secured by U. S. Government obligations—													
June 6.....	541,161	26,570	241,911	22,113	48,985	9,247	15,047	84,245	19,733	5,420	7,792	4,296	54,902
June 13.....	578,158	28,710	254,781	24,698	53,912	7,757	14,154	100,350	20,435	5,320	8,523	3,071	56,417
June 20.....	535,267	38,152	263,266	41,663	36,712	9,597	9,991	80,390	21,593	4,670	8,220	4,501	16,512
June 27.....	583,980	37,505	255,801	48,988	56,120	14,154	11,983	108,355	17,290	3,980	3,775	4,954	21,075
All other—													
June 6.....	232,293	27,036	74,020	11,851	23,181	15,845	28,248	15,658	15,113	1,083	8,730	3,310	8,218
June 13.....	256,287	29,668	93,460	9,918	23,199	15,823	34,344	18,341	14,609	605	7,925	3,945	4,450
June 20.....	238,509	25,308	65,708	12,162	28,377	16,431	30,313	25,204	17,606	303	9,771	2,286	5,035
June 27.....	218,838	20,881	63,237	16,182	21,828	15,219	25,451	24,768	17,171	630	8,478	878	4,095
Number of reporting banks:													
June 6.....	641	36	78	49	70	66	32	92	29	24	64	45	56
June 13.....	641	36	78	49	70	66	32	92	29	24	64	45	56
June 20.....	641	36	78	49	70	66	32	92	29	24	64	45	56
June 27.....	640	36	78	49	70	66	32	92	29	24	64	45	55

REPORTING MEMBER BANKS IN FEDERAL RESERVE BANK CITIES

PRINCIPAL RESOURCES AND LIABILITIES, BY WEEKS

[In thousands of dollars]

	Total	City											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Loans and investments:													
June 6	14,309,451	1,027,517	7,448,106	1,074,274	794,117	109,991	109,901	2,078,687	436,187	180,723	183,119	122,963	743,866
June 13	14,335,656	1,046,101	7,421,870	1,075,420	792,421	108,645	110,372	2,111,428	442,891	181,188	182,467	122,425	740,428
June 20	14,246,966	1,038,644	7,386,784	1,073,119	789,736	109,044	107,234	2,058,292	442,180	182,508	186,127	130,635	742,663
June 27	14,219,887	1,045,969	7,338,261	1,073,218	791,397	113,668	108,336	2,067,229	445,540	175,249	186,688	134,304	740,028
Loans:													
June 6	10,489,017	792,982	5,460,276	735,614	621,452	88,517	76,333	1,566,556	302,715	116,354	115,799	90,523	521,896
June 13	10,499,498	809,512	5,421,334	739,044	619,983	87,777	76,752	1,594,893	309,874	116,611	114,446	90,321	518,951
June 20	10,379,773	818,837	5,341,050	733,516	616,502	88,228	75,189	1,557,797	309,484	116,875	115,252	92,773	514,270
June 27	10,356,411	828,753	5,295,360	737,978	617,669	92,572	76,242	1,562,701	313,750	108,744	115,557	94,298	512,787
On securities—													
June 6	4,915,832	299,525	2,682,415	414,179	236,764	27,860	22,955	826,340	151,350	37,746	31,540	21,164	163,994
June 13	4,862,956	314,277	2,613,262	412,482	234,441	26,024	23,430	835,214	151,263	38,629	31,591	21,351	157,992
June 20	4,768,706	320,212	2,546,278	407,146	233,375	26,556	22,766	816,252	150,560	39,088	32,238	21,099	153,136
June 27	4,747,776	321,476	2,511,504	413,667	233,286	29,881	22,699	823,819	151,770	31,931	34,645	21,532	151,566
All other—													
June 6	5,573,185	493,457	2,777,861	321,435	384,688	60,657	53,378	740,216	151,365	78,608	84,259	69,359	357,902
June 13	5,636,542	495,235	2,808,072	326,562	385,542	61,753	53,322	756,679	158,611	77,982	82,855	68,970	360,959
June 20	5,611,067	498,625	2,794,772	326,370	383,127	61,672	52,423	741,545	158,924	77,787	83,014	71,674	361,134
June 27	5,608,635	507,277	2,783,856	324,311	384,383	62,691	53,543	738,882	161,960	76,813	80,912	72,766	361,221
Investments:													
June 6	3,820,434	234,535	1,987,830	338,660	172,665	21,474	33,568	512,131	133,472	64,369	67,320	32,440	221,970
June 13	3,836,158	236,589	2,000,536	336,376	172,438	20,868	33,620	516,535	133,017	64,577	68,021	32,104	221,477
June 20	3,867,193	219,807	2,045,734	339,603	173,234	20,816	32,045	500,495	132,696	65,633	70,875	37,862	228,393
June 27	3,863,476	217,216	2,042,901	335,240	173,728	21,096	32,094	504,528	131,790	66,505	71,131	40,066	227,241
Reserve with F. R. bank:													
June 6	1,261,054	77,374	760,893	76,778	42,401	6,991	6,399	182,470	28,975	15,570	16,253	8,481	38,469
June 13	1,254,968	77,521	747,724	74,391	43,152	7,248	6,592	187,571	28,937	15,265	16,199	8,552	41,816
June 20	1,230,599	76,621	735,501	70,882	42,769	6,340	5,875	184,397	28,825	12,404	15,689	8,635	42,661
June 27	1,239,661	74,977	751,888	70,302	42,786	6,268	5,925	179,580	29,417	14,109	16,249	8,740	39,420
Cash in vault:													
June 6	113,325	7,593	52,345	10,957	8,558	837	1,121	17,697	3,535	1,845	2,296	1,306	5,235
June 13	116,003	7,526	53,231	11,431	9,157	859	1,148	17,536	3,704	1,874	2,458	1,290	5,789
June 20	110,520	7,307	51,022	10,928	8,269	772	1,060	16,835	3,115	1,756	2,387	1,163	5,906
June 27	113,855	7,254	53,809	10,791	8,629	834	966	16,719	3,181	1,962	2,475	1,158	6,077
Net demand deposits:													
June 6	9,437,971	688,219	5,488,856	678,991	288,810	56,158	52,683	1,277,561	244,128	116,215	158,399	80,573	307,378
June 13	9,442,417	686,247	5,457,571	670,936	290,642	55,744	54,254	1,292,182	252,001	117,381	161,333	79,858	324,268
June 20	9,155,276	666,194	5,299,968	637,095	279,451	53,644	50,308	1,250,305	243,860	114,677	156,667	79,859	323,248
June 27	9,120,144	668,947	5,270,751	635,668	282,214	56,494	52,138	1,242,141	244,842	109,341	160,815	80,247	316,546
Time deposits:													
June 6	3,541,688	265,838	1,200,182	248,546	484,636	34,831	38,451	728,441	138,589	57,555	20,254	24,921	299,444
June 13	3,551,751	263,907	1,198,625	258,761	486,118	34,686	38,467	728,803	137,576	56,987	20,242	25,608	301,971
June 20	3,550,548	262,751	1,216,776	250,108	486,185	34,793	38,432	725,018	137,261	56,175	20,279	25,948	296,822
June 27	3,559,315	263,370	1,224,766	251,118	487,224	34,870	38,439	717,836	137,502	55,645	19,009	30,829	298,707
Government deposits:													
June 6	7									7			
June 13													
June 20	153,423	9,380	60,855	9,101	3,268	766	1,336	4,186	6,796	2,365	2,899	9,904	42,567
June 27	147,267	9,002	58,415	8,735	3,138	734	1,282	4,014	6,522	2,269	2,784	9,507	40,865
Due from banks:													
June 6	545,139	35,194	100,538	53,882	24,224	6,805	9,516	167,516	28,911	19,887	27,610	17,060	53,996
June 13	559,170	32,667	104,319	53,972	23,740	7,071	8,859	172,281	27,415	21,278	30,420	18,574	58,574
June 20	575,385	43,512	110,920	52,147	20,798	6,177	9,821	170,763	27,285	20,119	30,296	16,682	66,865
June 27	541,927	37,146	99,778	54,051	22,052	5,988	9,824	165,307	25,224	18,029	33,737	16,268	54,523
Due to banks:													
June 6	2,275,404	129,889	1,167,476	169,543	58,776	25,369	14,439	376,775	76,439	57,112	79,846	27,366	92,374
June 13	2,263,602	130,192	1,157,107	166,982	60,911	23,330	12,934	376,048	75,011	54,605	78,071	24,773	103,638
June 20	2,236,719	135,043	1,155,711	159,136	56,525	22,464	12,285	361,278	73,385	51,448	77,778	24,408	107,258
June 27	2,207,388	124,692	1,157,845	155,765	59,054	21,187	12,373	355,344	72,836	48,227	72,491	25,511	102,063
Borrowings from F. R. bank:													
June 6	505,199	42,936	263,233	25,518	17,821	6,298	14,851	48,053	22,286	3,160	6,408	3,726	50,909
June 13	569,964	49,113	296,793	25,433	17,350	5,383	14,081	71,490	21,770	2,735	8,003	3,882	53,931
June 20	495,713	49,767	268,750	44,912	16,931	5,861	13,838	49,995	19,431	1,985	7,273	2,932	14,038
June 27	512,581	44,740	255,813	54,637	13,222	7,943	12,962	73,608	21,717	1,835	7,073	1,206	17,825
Number of reporting banks:													
June 6	208	17	45	37	8	8	5	43	11	5	13	7	9
June 13	208	17	45	37	8	8	5	43	11	5	13	7	9
June 20	208	17	45	37	8	8	5	43	11	5	13	7	9
June 27	208	17	45	37	8	8	5	43	11	5	13	7	9

LAND BANKS AND INTERMEDIATE CREDIT BANKS

LOANS OF FEDERAL AND JOINT-STOCK LAND BANKS

[In thousands of dollars]

Date	Net amount of loans outstanding		
	Total	Federal land banks (12 banks)	Joint-stock land banks (54 banks)
1926			
Aug. 31	1,664,130	1,053,336	610,794
Sept. 30	1,671,856	1,057,217	614,639
Oct. 31	1,682,273	1,063,056	619,217
Nov. 30	1,692,826	1,068,596	624,230
Dec. 31	1,710,295	1,077,819	632,476
1927			
Jan. 31	1,724,821	1,085,170	639,651
Feb. 28	1,745,404	1,097,642	647,762
Mar. 31	1,765,365	1,109,354	656,011
Apr. 30	1,732,395	1,117,914	614,481
May 31	1,741,275	1,124,055	617,220
June 30	1,738,165	1,130,648	607,517
July 31	1,742,575	1,134,896	607,679
Aug. 31	1,749,393	1,139,502	609,891
Sept. 30	1,752,665	1,143,130	609,535
Oct. 31	1,757,185	1,147,135	610,050
Nov. 30	1,758,834	1,150,943	607,891
Dec. 31	1,765,121	1,155,644	609,477
1928			
Jan. 31	1,767,515	1,158,717	608,798
Feb. 29	1,778,338	1,168,354	609,984
Mar. 31	1,786,862	1,175,858	611,004
Apr. 30	1,791,341	1,180,420	610,921
May 31	1,793,035	1,183,672	609,363

LOANS OF INTERMEDIATE CREDIT BANKS

[In thousands of dollars]

Class of loan	1928				1927
	June 2	June 9	June 16	June 23	June 25
Direct loans outstanding on—					
Cotton	5,735	5,270	3,685	3,517	2,099
Tobacco	2,553	2,504	2,807	2,455	6,187
Wheat	589	516	482	449	450
Canned fruits and vegetables	402	434	471	442	567
Raisins	5,669	5,645	5,618	5,595	5,000
Wool	269	296	403	532	560
Rice	990	925	906	800	1,054
All other	79	77	75	71	147
Total	16,286	15,667	14,447	13,861	16,064
Rediscounts outstanding for—					
Agricultural credit corporations	31,543	31,737	31,974	32,015	29,048
National banks	8	8	8	8	32
State banks	406	406	407	411	617
Livestock loan companies	22,179	22,328	22,244	22,289	19,643
Savings banks and trust companies	11	11	11	46	66
Total	54,147	54,490	54,644	54,769	49,406

BANK DEBITS

DEBITS TO INDIVIDUAL ACCOUNTS, BY FEDERAL RESERVE DISTRICTS

[In thousands of dollars]

	Number of centers	May, 1928	April, 1928	May, 1927
New York City	1	45,269,912	41,777,843	31,270,139
Outside New York City	140	26,345,816	25,225,418	22,873,229
Federal reserve district:				
Boston	11	3,007,290	2,994,682	2,724,323
New York	7	46,301,904	42,674,874	32,117,870
Philadelphia	10	2,656,842	2,523,698	2,249,857
Cleveland	13	2,705,272	2,741,802	2,589,809
Richmond	7	754,380	759,400	715,656
Atlanta	15	1,132,339	1,098,607	1,081,748
Chicago	21	6,874,173	6,582,238	5,955,775
St. Louis	5	1,333,525	1,236,854	1,202,490
Minneapolis	9	759,555	709,435	652,759
Kansas City	15	1,269,180	1,254,732	*1,195,289
Dallas	10	644,518	631,549	576,092
San Francisco	18	4,176,750	3,795,390	3,081,900
Total	141	71,615,728	67,003,261	54,143,368

* Revised figures.

PAR COLLECTION SYSTEM

MEMBERSHIP, BY FEDERAL RESERVE DISTRICTS

[Number of banks at end of May]

Federal reserve bank	Member banks		Nonmember banks			
			On par list		Not on par list ¹	
	1928	1927	1928	1927	1928	1927
United States	8,935	9,110	12,925	13,589	3,916	3,867
Boston	412	416	248	244		
New York	930	928	407	414		
Philadelphia	785	770	497	515		
Cleveland	825	842	1,026	1,034	10	10
Richmond	558	569	636	663	580	609
Atlanta	456	470	306	312	1,010	1,027
Chicago	1,263	1,312	3,644	3,738	198	181
St. Louis	593	601	1,824	1,939	461	436
Minneapolis	729	740	716	851	1,127	1,113
Kansas City	947	972	2,281	2,468	272	229
Dallas	792	817	647	681	200	201
San Francisco	645	673	693	730	58	61

¹ Incorporated banks other than mutual-savings banks.

EARNINGS AND EXPENSES OF MEMBER BANKS

TABLE 1.—ALL MEMBER BANKS, BY CLASS OF BANK, 1926 AND 1927

	Amounts (in thousands of dollars)						Amounts per \$100 of earning assets ¹					
	All member banks		National member banks		State member banks		All member banks		National member banks		State member banks	
	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926
Interest earned.....	1,749,008	1,713,107	1,107,242	1,063,204	641,766	649,903	\$5.30	\$5.46	\$5.41	\$5.51	\$5.11	\$5.36
Other earnings.....	371,269	316,756	182,055	149,818	189,214	166,938	1.12	1.01	.89	.78	1.51	1.38
Gross earnings.....	2,120,277	2,029,863	1,289,297	1,213,022	830,980	816,841	6.42	6.47	6.30	6.30	6.62	6.74
Interest on deposits.....	713,038	675,038	431,763	397,463	281,275	277,575	2.16	2.15	2.11	2.06	2.24	2.29
Interest on borrowed money.....	24,514	31,350	15,429	20,089	9,085	11,261	.07	.10	.08	.10	.07	.09
Salaries and wages.....	420,123	396,796	253,634	235,969	166,494	160,827	1.27	1.26	1.24	1.23	1.33	1.33
Taxes.....	109,778	105,885	69,219	68,270	40,559	37,615	.33	.34	.34	.35	.32	.31
All other expenses.....	248,246	234,787	148,771	137,085	99,475	97,702	.75	.75	.73	.71	.79	.81
Total expenses.....	1,515,704	1,443,856	918,816	858,876	596,388	584,980	4.59	4.60	4.49	4.46	4.76	4.82
Net earnings.....	604,573	586,007	370,481	354,146	234,092	231,861	1.83	1.87	1.81	1.84	1.87	1.91
Losses on loans.....	123,745	124,855	91,214	88,017	32,531	36,868	.38	.40	.45	.46	.26	.30
Losses on investments.....	37,284	35,909	25,665	26,261	11,619	9,648	.11	.11	.13	.14	.09	.08
All other losses.....	47,664	46,736	31,346	31,553	16,318	15,183	.14	.15	.15	.16	.13	.13
Total losses.....	208,693	207,530	148,225	145,831	60,468	61,699	.63	.66	.72	.76	.48	.51
Recoveries.....	51,129	53,006	35,027	36,662	16,102	16,344	.15	.17	.17	.19	.13	.13
Net losses ²	157,564	154,524	113,198	109,169	44,366	45,355	.48	.49	.55	.57	.35	.37
Net addition to profits.....	447,009	431,483	257,283	244,977	189,726	186,506	1.35	1.37	1.26	1.27	1.51	1.54
Dividends declared.....	312,680	284,809	197,555	176,421	115,125	108,388						
Loans ³	23,279,515	22,363,906	14,080,638	13,462,369	9,198,877	8,901,537						
Investments ³	9,749,932	9,025,251	6,399,593	5,799,358	3,350,339	3,225,893						
Total earning assets ³	33,029,447	31,389,157	20,480,231	19,261,727	12,549,216	12,127,430						
Capital funds ^{3 4}	5,162,702	4,820,129	3,254,507	3,077,183	1,908,195	1,742,946						
Other ratios ¹												
Earning assets per \$1 of capital funds.....	6.40	6.51	6.29	6.26	6.58	6.96						
Net profits per \$100 of capital funds.....	8.66	8.95	7.91	7.96	9.94	10.70						
Losses on loans per \$100 of loans.....	.53	.56	.65	.65	.35	.41						
Losses on investments per \$100 of investments.....	.38	.40	.40	.45	.35	.30						

¹ These ratios are based upon data taken from the customary abstracts of reports of condition and of earnings, expenses, and dividends. It should be borne in mind in using them that the statistics employed represent aggregates for all member banks reporting on the various dates, and such ratios as are shown in this and the following tables are therefore ratios of aggregates in which figures for large banks have a statistical influence somewhat disproportionate to their number in comparison with the figures for small banks. No adjustments have been made in the underlying data for changes during a given year in the number of banks whose reports underlie the statistics, since the figures presented are for sufficiently large groups that the results appear not to be appreciably affected by these changes.

² Total losses charged off less recoveries on assets previously charged off.

³ Averages of amounts from reports of condition for 4 call dates (Dec. 31, 1925, to Dec. 31, 1926), and for 5 call dates (Dec. 31, 1926, to Dec. 31, 1927).

⁴ Capital surplus and undivided profits less reserves for taxes, interest, etc., accrued.

TABLE 2.—ALL MEMBER BANKS, BY FEDERAL RESERVE DISTRICTS, 1926 AND 1927
[In thousands of dollars]

	Federal Reserve District											
	Boston		New York		Philadelphia		Cleveland		Richmond		Atlanta	
	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926
Interest earned.....	129,490	123,975	496,347	469,219	135,243	131,180	182,079	177,817	74,937	74,503	69,195	75,019
Other earnings.....	23,753	19,989	139,561	115,088	22,933	21,836	34,603	30,229	11,091	9,201	12,034	13,330
Gross earnings.....	153,243	143,964	635,908	584,307	158,176	153,016	216,682	208,046	86,028	83,704	81,229	88,349
Interest on deposits.....	60,477	57,028	208,882	190,106	51,790	48,597	83,366	78,728	28,434	26,693	24,047	24,567
Interest on borrowed money.....	1,658	2,083	6,273	6,916	2,027	2,580	2,029	2,752	1,508	2,761	2,174	2,779
Salaries and wages.....	26,080	24,799	119,304	106,219	27,675	26,320	39,143	37,951	16,845	16,473	17,375	17,941
Taxes.....	6,209	5,881	22,268	26,439	8,145	7,658	12,246	10,945	5,694	5,279	5,686	6,176
All other expenses.....	16,139	14,768	69,671	65,321	15,931	15,044	21,391	21,614	9,331	9,051	10,934	11,950
Total expenses.....	110,563	104,559	426,398	395,001	105,568	100,199	158,175	151,990	61,812	60,257	60,216	63,413
Net earnings.....	42,680	39,405	209,510	189,306	52,608	52,817	58,507	56,056	24,216	23,447	21,013	24,936
Losses on loans.....	10,484	8,506	23,526	23,880	4,902	6,222	10,372	9,774	6,460	5,647	7,676	8,431
Losses on investments.....	6,089	5,465	12,010	12,927	2,674	2,804	4,850	4,904	1,436	717	992	657
All other losses.....	2,600	3,550	9,949	14,158	2,401	2,410	4,089	3,925	1,969	1,321	1,823	2,041
Total losses.....	19,173	17,521	45,485	50,965	9,977	11,436	19,311	18,603	9,865	7,685	10,491	11,129
Recoveries.....	4,588	4,782	11,973	15,420	3,202	3,303	3,890	3,550	1,916	1,353	2,053	2,244
Net losses.....	14,585	12,739	33,512	35,545	6,775	8,133	15,421	15,053	7,949	6,332	8,438	8,885
Net addition to profits.....	28,095	26,666	175,998	153,761	45,833	44,684	43,086	41,003	16,267	17,115	12,575	16,051
Dividends declared.....	20,930	18,968	101,662	92,047	27,309	25,277	27,919	28,619	13,121	15,401	10,904	12,545
Loans ¹	1,764,709	1,714,229	7,285,849	6,679,146	1,613,632	1,559,473	2,176,701	2,118,208	1,021,517	1,023,795	903,701	965,975
Investments ¹	778,003	703,427	3,016,512	2,834,629	931,044	855,047	1,081,800	1,006,266	299,982	265,078	255,001	240,774
Earning assets ¹	2,542,712	2,417,656	10,302,361	9,513,775	2,544,676	2,414,520	3,258,501	3,124,474	1,321,499	1,288,873	1,158,702	1,206,749
Capital funds ¹	385,299	363,388	1,603,201	1,432,894	525,927	487,078	542,154	524,788	238,416	232,417	191,833	185,340

	Federal Reserve District											
	Chicago		St. Louis		Minneapolis		Kansas City		Dallas		San Francisco	
	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926
Interest earned.....	244,398	244,095	74,959	75,038	48,997	50,196	71,768	71,865	55,989	55,440	165,606	164,760
Other earnings.....	56,293	48,570	11,879	11,640	6,823	6,144	12,179	10,141	7,253	6,462	32,867	24,126
Gross earnings.....	300,691	292,665	86,838	86,678	55,820	56,340	83,947	82,006	63,242	61,902	198,473	188,886
Interest on deposits.....	100,369	97,648	27,999	26,969	20,707	21,067	24,462	24,685	14,540	13,694	67,965	65,256
Interest on borrowed money.....	2,740	3,472	2,102	2,703	282	509	781	964	945	1,503	1,995	2,328
Salaries and wages.....	62,098	59,445	17,917	17,421	12,305	12,390	19,759	19,462	15,735	15,310	45,892	43,065
Taxes.....	21,761	17,457	7,127	5,619	2,940	2,994	5,003	4,808	4,591	4,508	8,108	8,121
All other expenses.....	38,900	36,388	10,275	10,487	6,807	6,772	12,141	11,950	8,656	8,372	28,070	23,070
Total expenses.....	225,868	214,410	65,420	63,199	43,041	43,732	62,146	61,869	44,467	43,387	152,030	141,840
Net earnings.....	74,823	78,255	21,418	23,479	12,779	12,608	21,801	20,137	18,775	18,515	46,443	47,046
Losses on loans.....	16,542	15,183	5,628	6,561	6,075	6,238	10,723	11,812	8,639	8,356	12,718	14,275
Losses on investments.....	3,190	2,913	923	871	703	770	1,358	1,315	289	400	2,770	2,166
All other losses.....	6,661	5,018	1,903	2,501	1,164	1,280	3,752	2,681	2,509	1,906	8,844	5,945
Total losses.....	26,393	23,114	8,454	9,933	7,942	8,288	15,833	15,808	11,437	10,662	24,332	22,386
Recoveries.....	6,047	6,674	2,420	3,226	2,224	2,107	4,205	3,670	3,177	2,651	5,434	4,026
Net losses.....	20,346	16,440	6,034	6,707	5,718	6,181	11,628	12,138	8,260	8,011	18,898	18,360
Net addition to profits.....	54,477	61,815	15,384	16,772	7,061	6,427	10,173	7,998	10,515	10,504	27,545	28,686
Dividends declared.....	42,752	36,086	14,385	11,971	5,721	5,652	9,052	8,146	8,887	8,978	30,038	21,119
Loans ¹	3,445,687	3,338,552	943,001	955,868	545,171	570,862	780,000	797,082	671,798	659,528	2,127,749	1,981,187
Investments ¹	1,253,754	1,193,257	400,856	364,478	325,732	310,579	381,775	344,278	179,635	160,861	845,838	746,582
Earning assets ¹	4,699,441	4,531,809	1,343,857	1,320,346	870,903	881,441	1,161,775	1,141,358	851,433	820,390	2,973,587	2,727,769
Capital funds ¹	681,284	636,121	207,494	202,250	114,291	115,379	155,910	154,065	161,582	160,734	355,311	325,677

¹ Averages of amounts from reports of condition for four call dates (Dec. 31, 1925, to Dec. 31, 1926) and for five call dates (Dec. 31, 1926, to Dec. 31, 1927).

TABLE 3.—RATIOS—ALL MEMBER BANKS, BY FEDERAL RESERVE DISTRICTS, 1926 AND 1927

	Federal Reserve District											
	Boston		New York		Philadelphia		Cleveland		Richmond		Atlanta	
	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926
Amount per \$100 of earning assets:												
Interest earned.....	\$5.09	\$5.13	\$4.82	\$4.93	\$5.32	\$5.43	\$5.59	\$5.69	\$5.67	\$5.78	\$5.97	\$6.22
Other earnings.....	.93	.83	1.35	1.21	.90	.90	1.06	.97	.84	.71	1.04	1.10
Gross earnings.....	6.03	5.95	6.17	6.14	6.22	6.34	6.65	6.66	6.51	6.49	7.01	7.32
Interest on deposits.....	2.38	2.36	2.03	2.00	2.04	2.01	2.56	2.52	2.15	2.07	2.08	2.04
Interest on borrowed money.....	.07	.09	.06	.07	.08	.11	.06	.09	.11	.21	.19	.23
Salaries and wages.....	1.03	1.03	1.16	1.12	1.09	1.09	1.20	1.21	1.28	1.28	1.60	1.49
Taxes.....	.24	.24	.22	.28	.32	.32	.38	.35	.43	.41	.49	.51
All other expenses.....	.64	.61	.68	.69	.63	.62	.66	.69	.71	.70	.94	.99
Total expenses.....	4.35	4.32	4.14	4.15	4.15	4.15	4.85	4.86	4.68	4.68	5.20	5.25
Net earnings.....	1.68	1.63	2.03	1.99	2.07	2.19	1.80	1.79	1.83	1.82	1.81	2.07
Total losses.....	.75	.72	.44	.54	.39	.47	.59	.60	.75	.60	.91	.92
Recoveries.....	.18	.20	.12	.16	.13	.14	.12	.11	.15	.10	.18	.19
Net losses.....	.57	.53	.33	.37	.27	.34	.47	.48	.60	.49	.73	.74
Net addition to profits.....	1.11	1.10	1.71	1.62	1.80	1.85	1.32	1.31	1.23	1.33	1.09	1.33
Other ratios:												
Earning assets per \$1 of capital funds.....	6.60	6.65	6.43	6.64	4.84	4.96	6.01	5.95	5.54	5.55	6.04	6.51
Net profits per \$100 of capital funds.....	7.29	7.34	10.98	10.73	8.72	9.17	7.95	7.81	6.82	7.36	6.56	8.66
Losses on loans per \$100 of loans.....	.59	.50	.32	.36	.30	.40	.48	.46	.63	.55	.85	.87
Losses on investments per \$100 of investments.....	.78	.78	.40	.46	.29	.33	.45	.49	.48	.27	.39	.27

	Federal Reserve District											
	Chicago		St. Louis		Minneapolis		Kansas City		Dallas		San Francisco	
	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926
Amount per \$100 of earning assets:												
Interest earned.....	\$5.20	\$5.39	\$5.58	\$5.68	\$5.63	\$5.69	\$6.18	\$6.30	\$6.58	\$6.76	\$5.57	6.04
Other earnings.....	1.20	1.07	.88	.88	.78	.70	1.05	.89	.85	.79	1.11	.88
Gross earnings.....	6.40	6.46	6.46	6.56	6.41	6.39	7.23	7.18	7.43	7.55	6.68	6.92
Interest on deposits.....	2.14	2.15	2.08	2.04	2.38	2.39	2.11	2.16	1.71	1.67	2.29	2.39
Interest on borrowed money.....	.06	.08	.16	.20	.03	.06	.07	.08	.11	.18	.07	.09
Salaries and wages.....	1.32	1.31	1.33	1.32	1.41	1.41	1.70	1.71	1.85	1.87	1.54	1.58
Taxes.....	.46	.39	.53	.43	.34	.34	.43	.42	.54	.55	.27	.30
All other expenses.....	.83	.80	.77	.79	.78	.77	1.05	1.05	1.02	1.02	.94	.85
Total expenses.....	4.81	4.73	4.87	4.79	4.94	4.96	5.35	5.42	5.22	5.29	5.11	5.20
Net earnings.....	1.59	1.73	1.59	1.78	1.47	1.43	1.88	1.76	2.21	2.26	1.56	1.72
Total losses.....	.56	.51	.63	.75	.91	.94	1.36	1.39	1.34	1.30	.82	.82
Recoveries.....	.13	.15	.18	.24	.26	.24	.36	.32	.37	.32	.18	.15
Net losses.....	.43	.36	.45	.51	.66	.70	1.00	1.06	.97	.98	.64	.67
Net addition to profits.....	1.16	1.36	1.15	1.27	.81	.73	.88	.70	1.24	1.28	.93	1.05
Other ratios:												
Earning assets per \$1 of capital funds.....	6.90	7.12	6.48	6.53	7.62	7.64	7.45	7.41	5.27	5.10	8.37	8.38
Net profits per \$100 of capital funds.....	8.00	9.72	7.41	8.29	6.18	5.57	6.53	5.19	6.51	6.54	7.75	8.81
Losses on loans per \$100 of loans.....	.48	.45	.60	.69	1.11	1.09	1.38	1.48	1.29	1.27	.60	.72
Losses on investments per \$100 of investments.....	.25	.24	.23	.24	.22	.25	.36	.38	.16	.25	.33	.29

TABLE 4.—NATIONAL BANKS, BY FEDERAL RESERVE DISTRICTS, JUNE 30, 1927 TO DECEMBER 31, 1927

NOTE.—The following statistics of earnings and expenses of national banks were compiled by the Comptroller of the Currency from reports submitted by national banks. Similar information for the last half of 1928, the first half of 1927, and the fiscal year ending June 30, 1927, was published in the Comptroller's Annual Report for 1927 on pages 48 to 63 and 601 to 627. Corresponding figures for State member banks for the last half of 1927 were published on page 371 of the May, 1928, issue of the Bulletin.

[In thousands of dollars]

	National member banks, by Federal reserve districts													Non-member national banks ¹	All national banks		
	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco				
Gross earnings:																	
Interest received—																	
On loans ²	403,560	29,421	85,231	32,381	31,060	25,268	21,330	51,672	17,793	17,298	24,652	21,558	45,896	197	403,757		
On investments ³	149,374	13,782	42,235	16,253	16,824	5,374	4,353	14,379	5,798	6,227	7,427	3,121	13,601	113	149,487		
On balances with other banks.....	14,090	1,001	2,528	604	1,219	835	987	1,379	648	819	1,475	1,139	1,456	18	14,108		
Unclassified.....																	
Domestic exchange and collection charges.....	9,316	250	1,867	221	244	531	985	1,174	419	965	691	1,164	805	35	9,351		
Foreign exchange department.....	7,405	329	4,022	431	164	26	106	1,231	30	97	10	104	855	1	7,406		
Commissions received.....	525	6	17	4	8	8	5	118	22	254	28	1	54	1	525		
Trust department.....	7,712	796	2,623	321	478	287	244	781	218	62	259	96	1,547	7	7,719		
Profits on securities sold.....	27,725	3,485	10,054	3,462	3,047	979	714	2,168	574	696	591	308	1,647	16	27,741		
Other earnings.....	39,226	3,437	9,862	1,511	2,935	2,009	1,927	4,582	914	1,509	2,689	2,231	5,620	32	39,258		
Total earnings.....	658,933	52,507	158,439	55,188	55,979	35,317	30,651	77,484	26,416	27,927	37,822	29,722	71,481	420	659,353		
Expenses:																	
Salaries and wages.....	132,901	9,036	28,981	9,477	10,323	7,011	6,901	15,773	5,472	5,848	9,167	7,512	17,400	104	133,005		
Interest paid—																	
On borrowed money ²	7,417	680	1,796	700	492	566	584	605	388	113	341	412	740	-----	7,417		
On deposits—																	
Time.....	129,952	11,543	24,013	13,101	13,492	8,603	6,537	13,874	5,127	7,229	6,036	3,402	16,995	54	130,006		
Demand.....	64,269	6,934	20,060	5,098	5,630	2,336	1,966	8,938	2,176	1,447	3,057	2,444	4,183	27	64,296		
Bank.....	29,995	1,579	11,035	1,137	2,154	1,132	1,099	3,581	1,382	1,058	2,097	1,355	2,386	10	30,005		
Unclassified.....																	
Taxes.....	35,308	2,702	6,420	2,471	3,095	2,862	2,940	4,249	2,159	892	2,561	2,421	2,536	14	35,322		
Other expenses.....	74,501	5,505	15,909	4,996	5,661	3,620	3,941	9,471	2,757	3,155	5,045	3,956	10,485	52	74,553		
Total expenses.....	474,343	37,979	108,214	36,980	40,847	26,130	23,968	56,491	19,461	19,742	28,304	21,502	54,725	261	474,604		
Net earnings.....	184,590	14,528	50,225	18,208	15,132	9,187	6,683	20,993	6,955	8,185	9,518	8,220	16,756	159	184,749		
Recoveries on charged-off assets:																	
Loans and discounts.....	10,088	407	1,689	452	520	432	483	1,075	557	902	1,426	1,342	803	8	10,096		
Bonds, securities, ect.....	3,632	1,116	816	633	164	100	66	263	76	64	131	11	192	-----	3,632		
All other.....	5,057	762	1,048	81	122	258	213	401	74	286	367	296	1,149	-----	5,057		
Total net earnings and recoveries.....	203,367	16,813	53,778	19,374	15,938	9,977	7,445	22,732	7,662	9,437	11,442	9,869	18,900	167	203,534		
Losses charged off:																	
On loans and discount.....	50,789	4,145	9,936	2,849	2,861	2,611	2,927	6,776	1,727	2,837	4,233	4,708	5,179	10	50,799		
On bonds, securities, etc.....	12,418	2,486	3,357	1,009	1,429	514	239	894	241	391	565	120	1,173	14	12,432		
On banking house, furniture and fixtures.....	11,601	834	2,259	833	1,238	529	565	1,332	314	273	827	660	1,937	20	11,621		
On foreign exchange.....	135	3	29	10	12	1	1	5	-----	-----	8	3	63	-----	135		
All other losses.....	6,866	246	943	198	196	211	444	913	180	375	705	775	1,680	2	6,868		
Total losses charged off.....	81,809	7,714	16,524	4,899	5,736	3,866	4,176	9,920	2,462	3,876	6,338	6,266	10,032	46	81,855		
Net addition to profits.....	121,558	9,099	37,254	14,475	10,202	6,111	3,269	12,812	5,200	5,561	5,104	3,603	8,868	121	121,679		
Dividends declared.....	106,914	7,205	24,641	8,687	7,191	5,543	4,084	16,128	4,764	2,901	4,604	5,237	15,929	92	107,006		
Number of banks ⁴	7,759	376	771	687	726	512	380	982	483	674	941	701	526	6	7,765		

¹ Includes national banks of Alaska and Hawaii.
² Includes discount.

³ Includes dividends.
⁴ As on Dec. 31, 1927.

FEDERAL RESERVE DISTRICTS

