FEDERAL RESERVE BULLETIN

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FEDERAL RESERVE BOARD

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FEDERAL RESERVE BOARD.

SUBSCRIPTION PRICE OF BULLETIN.

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

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FEDERAL RESERVE BULLETIN

VOL. 1 NOVEMBER 1, 1915 No. 7

WORK OF THE BOARD.

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

(1) Investigation and formulation of policy regarding the question of foreign agencies of Federal Reserve Banks in South America and elsewhere.

(2) Adoption of a policy with respect to open-market operations by Federal Reserve Banks as embodied in a letter of October 8 transmitted to Federal Reserve Agents.

(3) Investigation into petitions of Louisiana banks for transfer from the eleventh to the sixth reserve district.

(4) Decision of policy with respect to allotment of offers of bonds to Federal Reserve Banks on behalf of member banks.

(5) Investigation of conditions regarding examination of member banks.

Further development of the system of clearance under the gold-settlement fund has proceeded during the month, four Federal Reserve Agents having opened regular accounts in the Federal Reserve Agents' fund. The total amount in gold-order certificates held in the two funds on October 21 was $76,670.000.

During the month transit managers of Federal Reserve Banks held a conference at Chicago for the purpose of considering methods of enlarging and improving the existing system of clearing checks through Federal Reserve Banks. Governors of Federal Reserve Banks held a regular quarterly meeting at Minneapolis on October 21–23. Two members of the Board, Mr. Warburg and Mr. Harding, were in attendance during the sessions, in response to invitation, for the purpose of consultation and general exchange of ideas as to the progress of the work at the several banks. The Federal Reserve Agents' Clearance Committee held a session in Boston and adopted a report with reference to the general question of clearing checks, which will be found on page 369.

Applications of State banks and trust companies for membership in the system have continued at about the same rate as during the preceding month, a total of 30 applications having been favorably acted upon up to October 25.

Applications for fiduciary powers have continued numerous, and a considerable number have been favorably acted upon. In not a few instances, however, it has been found necessary to defer action pending the elimination of objectionable conditions by the applying banks, or the fulfillment of requirements that seem to be advisable as a preliminary to the granting of the desired powers.

The Board has received numerous questions from member banks with respect to the conditions under which elections of directors designed to fill places falling vacant at the close of the present year are to be held, and in reply it named November 16 as the date of formally opening the polls for the election of such directors, giving to Federal Reserve Agents instructions necessary for their guidance in securing nominations of electors, and in carrying through the choice of candidates for the vacant positions. The process of conducting the election of new directors to fill vacant appointments is now going on. Results probably can be announced early in December.

In accordance with the provisions of the Federal Reserve Act, the Board has directed Federal Reserve Banks to make a call upon their members for another installment of reserves, such installment to be due and payable on November 16. This will be one-twelfth of the total reserves required from country banks, and one-fifteenth of the total reserves required from city banks, there being, of course, no further call upon central reserve city institutions. Such reserves are payable in any form that may be determined by the Federal Reserve Banks themselves, and attention has been directed to the provision of the Federal Reserve Act authorizing Federal Reserve Banks to receive one-half of the installment if so desired in the form of rediscounted paper of eligible varieties.

Permission has been granted to the National City Bank of New York to establish a branch in Valparaiso, Chile, with sub-branches at Antofagasta and Santiago in the same country.

SERVICE TO MEMBER BANKS.

Following is the substance of a letter lately sent to all Federal Reserve Agents on behalf of the Board:

Under recent date the Federal Reserve Board received a letter from Governor Strong of the Federal Reserve Bank of New York, inquiring whether a Federal Reserve Bank may undertake to perform the following services for its member banks:

(1) Collect notes and drafts.

(2) Collect items not covered by the present collection system.

(3) Collect items drawn on banks which are not members of the Federal Reserve System.

(4) Execute orders for securities.

(5) Answer inquiries as to credits.

(6) Purchase commercial paper.

These questions have had the careful attention of the Board, and it has been thought that the matters referred to were of such large interest as to warrant a general letter addressed to each Federal Reserve Agent. I have the honor, therefore, to advise you as follows:

(1) *Collect notes and drafts?*

There is no doubt whatever that a Federal Reserve Bank may collect notes and drafts sent to it by its member banks for collection and credit, such collection being a necessary incident to the power of a Federal Reserve Bank to receive deposits from a member bank.

(2) *Collect items not covered by the present collection system?*

By items not covered by the present collection system, Mr. Strong evidently contemplates the collection of coupons, etc., and the legal principles discussed under the first question will apply equally well to the collection of such other items. It seems, therefore, that the second question should be answered in the affirmative.

(3) *Collect items drawn on banks which are not members of the Federal Reserve System?*

The Board has already held that Federal Reserve Banks may collect items drawn on nonmember banks, there being no difference whatever between the first question and this one as far as the legal rights are concerned. A Federal Reserve Bank could not, of course, accept checks drawn on nonmember banks for immediate credit, because such nonmember banks do not and can not legally have a deposit with the Federal Reserve Bank against which such items could be immediately charged; but there is no legal objection to the Federal Reserve Bank collecting such items from nonmember banks and crediting them when collected to the account of the member bank for which the service was performed.

(4) *Execute orders for securities?*

There does not seem to be any provision of the Federal Reserve Act which gives to the Federal Reserve Banks either express or implied authority to execute orders for securities for member banks. It is true that a Federal Reserve Bank may, in an exceptional case where commercial paper also has the additional security of stocks and bonds, have to sell such stocks or bonds to realize on the security in case of default. But the right to sell securities on such an occasion as that does not imply a power to act as an agent for a member bank in the execution of general orders for the purchase or sale of securities.

In connection with this matter the Board wishes, however, to suggest that it would be possible for Federal Reserve Banks acting on behalf of their members to transmit such orders to certain brokers, requesting such brokers to confirm their transactions direct to the member banks. It would not be proper for Federal Reserve Banks to give orders in their own name and to execute them on a commission basis. Federal Reserve Banks should not secure any revenue from such orders.

(5) *Answer inquiries as to credits?*

There is no express provision in the Act relating to the answer of inquiries as to credits, but inasmuch as the regulations of the Federal Reserve Board reasonably contemplate that member banks maintain credit files and certify in each application for rediscount of paper by a Federal Reserve Bank that statements as to the credit of the borrowers are on file, it would seem clear that each Federal Reserve Bank might advise its member banks in advance as to the credit of various borrowers in its district. Such advice, however, must be considered merely as advice and not as a guaranty on the part of the Federal Reserve Bank. It must be carefully considered, however, that the Federal Reserve Banks receive from their members confidential reports which they may not divulge and that this may lead to embarrassment.

(6) *Purchase commercial paper?*

While there is no express authority given in the Act permitting Federal Reserve Banks to act as agents for their member banks in the purchase of commercial paper, nevertheless, there is no doubt that a Federal Reserve Bank might, under the provisions of section 14, purchase bills of exchange of the kinds and maturities made eligible under section 13, and sell such paper to one of its member banks under an agreement made prior to the transaction. There does not seem, however, to be any power vested in a Federal Reserve Bank which would permit of its buying promissory notes for its member banks. The only express authority given for the purchase of bills of exchange in such a manner is in section 14 which makes no mention of promissory notes.

The Board desires to emphasize in dealing with this question the fact that the task of advising and purchasing paper for member banks will involve a moral responsibility which must not be underestimated. Difficulties will arise; paper which has been bought with the greatest care and in the best possible faith will turn out to be bad, or it might happen that the bank examiner might criticize paper bought by the Federal Reserve Bank, or which has been bought upon the strength of information received from a Federal Reserve Bank. However, it may be possible to find a mode of accommodating the banks, and the object might be achieved by the banks simply acting as intermediaries in the matter, turning over the information as received from others to the member banks, and, when purchasing paper, forwarding the same with the letter of the broker through whom it has been purchased, the letter being addressed direct to the purchasing member bank. Federal Reserve Banks should not indorse paper to their member banks, or turn over paper which they had previously bought. They should act distinctly only as intermediaries in the matter, without taking any responsibility or appearing as contractors.

The questions here raised might well be discussed at the conferences of Governors and Federal Reserve Agents, and the Board will be pleased to receive their reports and recommendations.

Meeting of Reserve Agents.

Federal Reserve Agents of the twelve Federal Reserve Banks have been invited by the Federal Reserve Board to meet in Washington on Thursday, November 4. These gentlemen, who are the chairmen of the boards of directors of the banks, will discuss with each other and with the Board problems, which have arisen or are anticipated, not to be solved through correspondence.

State Banks Admitted.

The following State banks have been admitted to the Federal Reserve System during the month of October, the number of such institutions which have joined the system now being 30: Bank of Hartsville, Hartsville, S. C.; Commercial Trust & Savings Bank, Joliet, Ill.; Commercial & Savings Bank, Albion, Mich.

FOREIGN AGENCIES.

The following press statement was issued by the Board on October 12:

At the meeting of the Federal Reserve Board this morning there came up for consideration and discussion the report of a committee of the Board, to whom had been referred the subject of banking relations with the South American and Central American countries, as recommended by the Secretary of the Treasury in correspondence transmitted to the Board October 6.

The committee report expressed the view that Federal Reserve Banks, being the custodians of the reserve money of the member banks, should not be permitted to do pioneer work in Latin American countries, granting credit facilities which would lead to a lockup of reserve money in loans which, in most of the cases, would be subject to wide fluctuations of foreign exchange. Secretary McAdoo stated that his recommendations about joint agencies for Federal Reserve Banks did not contemplate this character of operation.

The report reminded the Board of the policy pursued for generations by the large government banks of Europe, which do not go into foreign fields, except that they hold as secondary reserves foreign bills on the most important European countries where large discount markets exist and where the gold standard is established beyond question. In those countries these government banks maintain correspondents, and the committee believes that when normal conditions shall have been restored in Europe joint agencies or correspondents could be used to good advantage there. The committee also called attention to the fact that England, Germany, and France have established independent banks or branch banks of deposit banks in Latin American countries to do pioneer work, and that the United States should pursue the same course, inasmuch as it is necessary for banks going into this field to have the widest possible range of activity in order to be able to compete with the local banks and the branches of the foreign banks already established in these fields. Federal Reserve Banks being properly restricted to certain transactions, and such as may not interfere with the absolute liquidity of their condition, could not compete successfully in this respect, whereas it should be their function to do all in their power to assist American banks which enter the Latin American field.

The committee favored, and the Board and Secretary McAdoo concurred in, suggesting an amendment of the Federal Reserve Act which would enable American member banks to cooperate for the purpose of jointly owning and operating foreign banks. The contribution of the Federal Reserve Banks in this development in Latin America would primarily consist in providing conditions so favorable for American acceptances that the American banks willing to offer credit facilities there will be materially assisted in meeting the European rates which, at the present time and probably for some time to come, will compare unfavorably with the American discount rate.

Wherever the Federal Reserve Banks can help in the development of American banking by establishing direct connections in Latin American countries for the purpose of facilitating discount operations of this kind it will be, in the opinion of the committee, the proper function of Federal Reserve Banks to do so.

The committee took the position that American banks entering this field ought to be permitted to develop the opportunities first, but that in trade centers where American banks are not established it might be proper for the Federal Reserve Banks to appoint joint correspondents or agents in order to facilitate the development of American acceptances in such places.

The Board expressed itself as in entire agreement with these views of the committee. The Secretary of the Treasury, who was present at the meeting, announced himself as also in full accord. The Secretary stated that he agreed with the Board that the resources of the Federal Reserve Banks should not be invested in nonliquid loans in Latin American countries, and that he was in hearty accord with any measure that the Board might ultimately evolve which would have as a result the development of American banking in Latin American countries.

The committee hopes to make its final report early in November, after recommendations shall have been received from the conference of Governors of Federal Reserve Banks which is to take place at Minneapolis on October 20 and the conference of Federal Reserve Agents which is to take place in Washington on November 4.

EARNINGS AND EXPENDITURES OF FEDERAL RESERVE BANKS, JULY 1 TO SEPTEMBER 30, 1915.

There are presented below detailed figures of earnings and expenditures of each of the Federal Reserve Banks for the quarter ending September 30, 1915, in continuation of like figures published in the August Bulletin for the period November 16, 1914, to June 30, 1915.

The combined earnings of the Federal Reserve System for the three months ending September 30 are given as $599,813.16, and the total expenditures as $807,620.10. The latter are composed of current expenses, $394,730.21, the cost of printing and shipping Federal Reserve notes, $363,057.97, and the cost of equipment, $49,831.92. No account is taken in the above expenditures of amortization charges, which are reported separately only for the New York Federal Reserve Bank.

The total excess of earnings over current expenses for the quarter was $205,082.95, or at the rate of about 1.8 per cent on an average paid-in capital of $54,462,000. The more active southern banks report more favorable results of operation. Thus, Richmond shows net earnings from operation for the 3 months of $71,282.58, or at the rate of 8.5 per cent per annum on an average estimated capital for the quarter of $3,361,000; Atlanta's net earnings for the same period were $34,540.61, or at the rate of about 5.7 per cent per annum on an average capital of $2,417,000; while the net earnings of the Dallas bank, $52,362.81, were at the rate of about 7.6 per cent per annum on an average estimated capital of $2,761,000. Four banks, viz, Philadelphia, Cleveland, St. Louis, and Minneapolis, are shown not to have earned their current expenses for the quarter.

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The earnings for each of the three months show increasing totals, while the monthly current expenses show declining totals, with the result that the total net earnings of the system from $40,655.79 in July increased to $71,666.04 in August and to $92,761.12 in September.

Of the total earnings for the quarter, 56.5 per cent was from bills discounted, 21.7 per cent from municipal warrants, about 11.3 per cent from bankers' acceptances, less than 8 per cent from United States bonds, and the remainder from sundry operations, mainly commissions and exchange. These percentages vary considerably by banks and groups of banks. Thus the earnings of the southern banks for the quarter were derived almost exclusively from the discounting of notes. The New York bank derived its main revenue from bankers' acceptances and warrants, while the Chicago bank reports over 35 per cent of its total earnings from United States bonds, and only 25 per cent from discounts.

Of the current expenses, about 30 per cent went as compensation to bank officers and over 24 per cent as salaries to the clerical staff of the banks. The next largest item is the quarterly assessment for the running expenses of the Board, $54,142.13, or 13.7 per cent of the banks' total current expenses. Rent constituted slightly over 10 per cent. Other specified expense items for the quarter in excess of $10,000 were "printing and stationery," "postage," and "directors' fees."

The cost of Federal Reserve notes prepared during the quarter was $363,057.97. Over 65 per cent of this quarterly expense is charged to the New York bank. The cost of equipment, comprising mainly vaults and machinery, was $49,831, of which over 60 per cent represents the cost of vaults installed at the Minneapolis and Dallas Federal Reserve Banks.

Earnings and expenditures of the Federal Reserve Banks for the quarter from July 1 to Sept. 30, 1915.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
(1) Earnings for quarter ending Sept. 30, 1915:													
Bills discounted (members)	$2,853.21	$5,216.23	$6,155.51	$6,899.91	$95,611.07	$57,954.37	$15,855.71	$12,550.66	$19,666.45	$15,188.65	$81,843.85	$19,388.58	$330,184.20
Bills bought (bankers' acceptances)	12,927.33	30,202.67	8,351.07	2,164.02	83.33		4,554.80	2,149.04	1,259.98	2,628.04		3,425.72	67,746.00
Investments—													
United States bonds	2,500.00		1,663.05	4,872.42			21,462.63	1,225.00	5,134.39	5,088.06		5,050.00	46,995.55
Municipal warrants	19,359.44	45,893.03	15,102.48	12,306.23			15,599.87	5,313.88	4,163.80	4,104.55		8,501.62	130,344.90
Sundry profits	1,564.81	6,635.14	662.48	623.48	29.75	860.30	3,420.75		547.40	64.21	63.14	1,071.05	15,542.51
Total	39,204.79	87,947.07	31,934.59	26,866.06	95,724.15	58,814.67	60,893.76	21,238.58	30,772.02	27,073.51	81,906.99	37,436.97	599,813.16
(2) Current expenses for quarter ending Sept. 30, 1915:													
Quarterly assessment for expenses of Federal Reserve Board	4,804.93	10,920.30	5,261.75	5,950.30	3,354.90	2,415.80	6,613.20	2,788.86	2,376.65	2,964.24	2,755.60	3,935.60	54,142.13
Federal Advisory Council	55.00	500.00	56.50			40.00	30.00		10.00				691.50
Directors' fees	1,350.00	1,590.00	610.00	460.00	820.00	1,635.00	520.00	830.00	980.00	580.00	440.00	290.00	10,105.00
Legal fees	300.00		2,011.65		503.62	150.00	250.00		375.00	800.00	38.75		4,429.02
Salaries—													
Bank officers	8,474.98	19,549.96	8,999.98	7,500.00	6,883.29	7,563.91	12,500.00	12,700.12	6,750.00	6,750.00	8,624.95	11,541.67	117,838.86
Clerical staff	4,476.81	18,393.63	9,066.18	8,835.79	6,412.07	6,154.27	10,201.79	7,967.50	4,683.26	7,115.77	7,187.70	5,017.50	95,512.27
Special officers and watchmen	46.00	500.70	1,356.57	220.00	200.00	505.99	1,175.50	420.00	392.15	620.00	229.00	33.00	5,788.91
Other					309.25		774.60	300.00	30.85		1,155.25		2,569.95
Traveling expenses—													
Directors	285.75	540.00	247.03	446.25	378.47	767.37	404.47	203.60	448.60	672.65	497.10		4,891.29
Officers and clerks	124.73	535.89		445.94	177.85	262.10	306.39	364.44	451.98	450.66	290.35	613.52	4,023.85
Per diem allowance of directors	350.00	430.00	280.00	300.00	380.00	322.50	200.00	200.00	270.00	896.00	302.00	90.00	4,020.50
Telephone	250.33	518.24	342.35	187.83	73.24	96.77	278.16	188.97	133.74	120.79	106.67	74.39	2,371.48
Telegraph	14.30	69.91	140.52	59.65	26.73	28.22	49.75	109.10	45.36	79.48	105.23	17.60	745.85
Postage	536.28	1,663.54	496.70	801.81	608.25	958.42	986.03	1,105.05	380.68	2,482.26	951.18	349.30	11,409.50
Expressage	59.70	138.79	193.08	26.03	779.28	2.18	29.97	118.20	765.63	534.36	1,858.84	8.06	4,514.12
Rent	3,125.01	9,779.99	2,124.99	1,573.08	1,000.00	1,806.71	6,643.76	3,990.00	1,250.01	2,124.99	2,524.50	3,795.00	39,738.04
Insurance and premiums on fidelity bonds	175.79		168.67	244.38	16.54	289.36	75.18	460.55			63.09	*—94.00*	1,399.56
Light, heat, and power	248.82		204.57		90.76	3.10	272.87			141.50	1.30	61.05	1,023.97
Printing and stationery	496.49	3,742.72	1,120.92	694.70	1,482.66	906.80	718.43	802.34	441.06	995.51	651.73	849.50	12,902.86
Repairs and alterations	45.92	243.50	10.00	25.74	44.06	57.60	51.56		18.17	77.81	14.10	115.55	704.01
All other expenses n. o. s.	1,071.84	3,417.64	4,241.62	956.65	810.60	217.96	745.09	237.95	308.01	1,541.22	1,746.84	612.12	15,907.54
Total current expenses	26,292.68	72,534.81	36,933.08	28,728.15	24,441.57	24,274.06	42,826.75	32,786.68	20,111.15	28,947.24	29,544.18	27,309.86	394,730.21
Amounts amortized		39,801.59											39,801.59
(3) Excess of earnings over current expenses	12,912.11	15,412.26	*—4,998.49*	*—1,862.09*	71,282.58	34,540.61	18,067.01	*—11,548.10*	10,660.87	*—1,873.73*	52,362.81	10,127.11	205,082.95
(4) Cost of Federal reserve notes	18,978.87	204,426.15	16,864.93	16,636.43	10,263.30	8,780.75	31,935.39	13,211.42	8,498.56	6,960.73	8,896.89	17,604.55	363,057.97
(5) Equipment:													
Furniture and fixtures	76.75	721.51	291.19	272.80	582.53	570.85	45.20	132.07	262.50		373.65		3,329.95
Vaults				7.00		550.00			11,473.88		18,841.46		30,872.34
Machines	941.00	3,760.63	1,539.62	975.10		456.00	483.85	3,251.25	2,091.20	304.68		935.00	14,738.33
Other		737.54		88.42		35.44		1.65		28.25			891.30
Total	1,017.75	5,219.68	1,830.81	1,343.32	582.53	1,612.29	529.05	3,385.87	13,827.58	332.93	19,215.11	935.00	49,831.92
(6) Total expenditures, exclusive of amortization charges	46,289.30	282,180.64	55,628.82	46,707.90	35,287.40	34,667.10	75,291.19	49,383.97	42,437.29	36,240.90	57,656.18	45,849.41	807,620.10

Earnings and current expenses of the Federal Reserve Banks for each of the months of July, August, and September, 1915.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Earnings for July	$10,886.69	$21,260.39	$9,388.63	$7,906.34	$30,961.22	$19,086.25	$18,451.70	$5,940.20	$9,038.91	$6,910.10	$26,563.43	$13,551.15	$179,945.01
Earnings for August	12,673.44	29,521.57	10,794.96	9,095.01	33,194.76	18,546.84	20,155.58	7,077.45	10,766.40	8,950.82	27,171.88	12,121.94	200,070.65
Earnings for September	15,644.66	37,165.11	11,751.00	9,864.71	31,568.17	21,181.58	22,286.48	8,220.93	10,966.71	11,212.59	28,171.68	11,763.88	219,797.50
Current expenses for July	9,206.71	24,749.18	15,983.37	9,748.13	7,941.17	6,874.16	14,960.06	11,601.54	7,518.11	11,608.25	9,787.59	9,310.95	139,289.22
Current expenses for August	8,505.68	24,590.73	10,839.73	9,693.29	8,019.47	8,247.12	13,602.92	10,202.57	6,132.44	8,894.50	10,937.89	8,738.27	128,404.61
Current expenses for September	8,580.29	23,194.90	10,109.98	9,286.73	8,480.93	9,152.78	14,263.77	10,982.57	6,460.60	8,444.49	8,818.70	9,260.64	127,036.38
NOTE.—Advance payments by Federal Reserve Banks for maintenance of Federal Reserve Board from Oct. 1 to Dec. 31, 1915	4,804.93	10,920.30	5,261.75	5,950.30	3,354.90	2,415.80	6,613.20	2,788.24	2,376.65	2,964.24	2,755.60	3,935.60	54,141.51

Amortization charges of the New York bank, which have been disregarded in the foregoing statement, are made up as follows: (1) Organization expenses, including expenses of the Federal Reserve Board prior to July 1, 1915, $5,856.08; (2) cost of Federal reserve notes, $32,006.67; (3) cost of equipment, $1,938.84; total amortization charges, $39,801.59.

INTERDISTRICT MOVEMENT OF FEDERAL RESERVE NOTES.

Amounts of Federal Reserve notes received from and returned to other Federal Reserve Banks for redemption or credit by each Federal Reserve Bank during the period Nov. 16, 1914, to Sept. 30, 1915.

District No.	Dist. No. 1—Boston.		Dist. No. 2—New York.		Dist. No. 3—Philadelphia.		Dist. No. 4—Cleveland.		Dist. No. 5—Richmond.		Dist. No. 6—Atlanta.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
	Dolls.	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*
1	....	....	415,175	83,930	10,690	10,010	9,405	105	33,140	535	9,255	295
2	75,215	413,425	....	....	120,290	681,310	108,185	11,750	915,565	17,630	226,390	34,775
3	10,005	11,690	675,460	120,290	....	....	23,655	335	195,520	1,225	16,635	1,295
4	105	10,315	10,735	108,185	335	23,655	....	....	4,650	875	465	750
5	535	35,865	14,195	915,565	4,225	193,580	875	4,790	....	....	6,860	44,865
6	265	15,800	35,210	331,105	1,535	26,500	1,135	510	54,080	8,410	....	....
7	855	16,925	83,800	50,195	4,010	7,490	12,280	1,205	19,735	185	21,195	1,215
8	685	1,770	34,590	25,395	1,265	2,510	6,655	85	12,260	170	55,655	985
9	....	10,305	440	42,085	....	3,765	115	440	50	175	30	1,285
10	50	7,485	2,620	40,555	45	3,490	385	380	610	245	435	420
11	15	8,780	2,175	107,845	55	8,325	275	720	580	950	2,230	10,600
12	2,580	3,205	56,480	95,785	1,725	4,020	3,975	80	12,080	20	6,530	155
	90,310	535,565	1,330,880	1,950,935	144,205	961,685	166,940	20,430	1,278,270	30,420	345,680	96,640

District No.	Dist. No. 7—Chicago.		Dist. No. 8—St. Louis.		Dist. No. 9—Minneapolis.		Dist. No. 10—Kansas City.		Dist. No. 11—Dallas.		Dist. No. 12—San Francisco.		Total.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
	Dolls.	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*	*Dolls.*
1	16,925	1,400	1,770	1,205	9,125	25	5,435	50	8,780	15	3,205	3,850	522,905	101,420
2	46,665	81,200	25,395	39,500	40,235	440	37,130	1,620	101,335	2,435	93,695	43,180	1,820,100	1,330,265
3	7,325	4,010	2,540	1,400	3,480	40	3,490	45	8,325	55	4,020	1,725	950,455	142,140
4	1,285	12,280	85	6,655	440	115	380	385	500	275	80	3,975	19,060	167,465
5	185	19,735	170	14,155	175	130	215	610	950	580	20	14,385	28,435	1,274,260
6	1,350	27,925	1,185	67,810	1,285	85	690	640	120,910	4,415	155	9,930	217,830	493,160
7	....	....	20,155	26,020	95,795	1,485	72,440	455	72,180	400	18,895	5,605	421,370	111,180
8	23,780	20,155	....	....	4,935	115	182,455	250	1,070,455	1,640	2,320	1,345	1,395,055	54,450
9	1,425	95,795	115	9,575	....	....	470	490	80	215	70	11,180	2,795	175,310
10	455	72,770	250	231,440	490	470	....	....	3,375	2,385	340	10,070	9,055	369,710
11	400	60,180	1,640	1,163,330	215	225	2,215	3,375	....	....	190	17,630	9,990	1,381,960
12	5,605	18,895	1,315	2,770	7,750	305	7,830	340	13,315	190	....	....	119,215	125,765
	105,400	417,375	54,650	1,563,860	163,925	3,435	312,780	8,260	1,400,235	12,605	122,990	122,875	5,516,265	5,727,085 b

SOME PROBLEMS OF THE FEDERAL RESERVE BANKING SYSTEM.

Hon. Paul M. Warburg, member of the Federal Reserve Board, offered the following remarks at the conference of Governors of Federal Reserve Banks held at Minneapolis October 22, 1915:

In these times, when we are so deeply stirred and bewildered by the unhappy fate that has overtaken Europe, when it is so hard and well-nigh impossible to understand the path along which man is progressing, nothing will help us more toward finding our bearings than the study of ancient history. The more fully we understand that, for thousands of years, human problems have remained fundamentally the same, the more nearly we succeed in attaining a judicial and sympathetic understanding of the tragic struggle of our race. Human problems and human nature, indeed, do not appear to have changed since the time of Themistocles' speech on "national preparedness," delivered 2,400 years ago, of which Plutarch tells us, urging the building of a strong navy, or since his confidential message to the Persian King, Xerxes, informing him after the battle of Salamis, that the "allies" were going to attack the Dardanelles. We are told this message caused Xerxes to evacuate Greece in order to rush back for the protection of his bridge across the Hellespont.

When reading a sketch of the life of Lucullus, I was surprised to find myself suddenly thinking of the Federal Reserve Act. Lucullus had been sent to Egypt, Libya, and Crete. Plutarch tells us:

"He also made Cyrene, and finding it in confusion * * * he restored it to order, and fixed its constitution, * * *. They asked him, it would seem, to write laws for them, and to mold their people into some form of sound government, whereupon he said that it was hard to be a lawgiver for them when they were having such good fortune. In fact, nothing is more ungovernable than a man reputed to be prosperous; and, on the other hand, nothing is more receptive of authority than a man who is humbled by misfortune."

So, you see, even in those days they required a 1907 in order to be ready for some sound legislation.

The following evening, I took up the life of Camillus, and came upon this incident:

After a protracted siege, Camillus had taken the city of Veii. He had vowed that, if he should take the city, he would consecrate the tenth part of the booty to the Delphian god. But, after the city had been taken, he apparently forgot his vow. At a later time, however, he referred the matter to the senate, and, the seers announcing that the gods were angry, the senate voted that every soldier under oath should return one-tenth of his share:

"The soldiers were filled with indignation * * *. However, all of them brought in the necessary portion, and it was decided to make a bowl of massive gold and send it to Delphi. Now there was a scarcity of gold in the city, and the magistrates knew not whence it could be had. So the women, of their own accord, determined to give the gold ornaments which they wore upon their persons for the offering, and these amounted to eight talents weight. The women were fittingly rewarded by the senate, which voted that thereafter, when women died, a suitable eulogy should be spoken over them, as over men. For it was not customary before that time, when a woman died, that a public encomium should be pronounced."

When I read this chapter, it struck me that the "votes for women" movement was already showing strength in the year 376 B. C. The Romans, however, were by far shrewder than the men of our generation, inasmuch as they at least secured a good and valid consideration for what they conceded.

The next thought that came to me in connection with this story was that even the question of the "gold reserve" is not modern, but that 2,000 years ago the same problem, how to withdraw gold from circulation and use it for the general good, confronted our forefathers. Seriously speaking, the incident can not but remind us of the gold now being given up to the Banque de France and the Reichsbank by the people of France and Germany.

Like Lucullus in Cyrene, the advent of the Federal Reserve System came at a time of acute adversity. Its operation, however, had so excellent an effect and the resulting changes were developed with such speed that many are now forgetful of its benefits. When, some months ago, we were near the brink of a most serious international complication, few people stopped to consider the fact that we were not then subjected, through fear of panic, to any convulsions, such as we should inevitably have experienced before the establishment of the Federal Reserve Banks. I shall not tire you by enumerating the benefits of the system. I believe that those who think already know them; while those who do not think will learn to know them from actual experience. That will be conspicuously the case when excess reserves are next reduced and when higher rates for money again prevail.

I could wish, for many reasons, that it might have been possible to open the Federal Reserve Banks before the war began and that they might have furnished the about $380,000,000 of notes that were issued under the Aldrich-Vreeland Act, as amended by the Federal Reserve Act. The functions of Federal Reserve Banks in general and our present policy would then be better understood and there would be less talk about our earning capacity and the necessity of preserving the prestige of our Federal Reserve Banks by earning dividends. Had the Federal Reserve Banks been in operation when the war began and had they issued all the currency required last autumn, the rediscounts underlying these notes, at 5 per cent interest, would have produced a return of about $4,500,000, or about the sum required to cover running expenses and dividends of all Federal Reserve Banks for a year.

If the Federal Reserve Banks had put out this circulation and secured this return, would anyone suggest at this time that our banks should now make efforts to employ their money? Would not everyone agree that this present period of excessive ease of money was the proper moment for the reserve banks to withdraw their reserve money from active employment?

Earning capacity must never be considered the test of the efficiency of Federal Reserve Banks. Personally I should have felt heartily ashamed had all our banks, considering the circumstances under which they began operations, earned their dividends in the past year. Such an earning, with all it implied, would have been a proof that they had completely misunderstood their proper functions and obligations. It must be conceded, however, that only men who have been trained in banking or who have given close study to the question will fully understand that failure to earn dividends does not mean the impairment of the prestige of a Federal Reserve Bank as it would that of a member bank. It can not, moreover, be denied that the banking instincts of those in charge of the banks will always remain—if only subconsciously—sensitive on this score.

For these reasons it may well prove advisable to reduce the proportion of the paid-in capital of the Federal Reserve Banks so as to reduce, as far as possible, the conscious and subconscious pressure to force the funds of Federal Reserve Banks into actual employment at times when these funds should properly be withdrawn or held idle. Unless in times of great ease of money Federal Reserve Banks withdraw the bulk of their money from actual employment, they can not possibly be prepared to have their funds available at the turn of the tide when their beneficial powers should make themselves felt.

It is apparent, therefore, that the smaller we can consistently make the dividend requirement and the operating expenses of the Federal Reserve Banks the better protected the system will be in time of trial.

But, on the other hand, we dare not consider the item of expense when it involves questions of safety. One of the heavy items of expense, for instance, is that of printing Federal Reserve notes. A large supply of such notes, ready whenever required, is, however, a most fundamental safeguard, and the steady issue of Federal Reserve notes resulting in an accumulation of gold and gold certificates in the hands of Federal Reserve Agents will form an important element of strength in times of need.

The Federal Reserve Banks have now in the hands of Federal Reserve Agents some $135,000,000 of gold and lawful money which, in case of a growing demand for rediscount by the member banks, may be freed by a process of redemption and substitution of commercial paper. This gold may be turned, as a free asset, into the vaults of the Federal Reserve Banks and may thus form the basis for an additional note issue of $200,000,000. It has been claimed by some of our critics that this process spells inflation. Nothing could be more unwarranted than such assertion. As long as there are deposited with the Federal Reserve Agents $10 of gold for each $10 issued in Federal Reserve notes there is neither inflation nor contraction, but simply a substitution of one gold certificate for another. But the beneficial effect will be shown when demand will spring up for additional circulation, when, as a result, this demand will be satisfied, not by paying out currency which may serve as reserve, but by issuing the Federal Reserve note which has been created for this very purpose. This process ought to be furthered by all member banks and even nonmember banks, for it is being carried on for their own protection. There is no such thing as the interest of a Federal Reserve Bank as against the interest of member banks. As yet, I fear, this is not sufficiently understood. The Federal Reserve Bank is the member banks'; it is your bank, your fire engine, constructed for your greater protection. You have paid for it and you are operating it. We are to be considered as your fire marshals. It is our function to see to it that the machinery is in good order and that conditions are such that fires may not too easily occur or spread too fast and too far. But yours is the engine, and yours is the fire.

It is to your interest that your engine should not become rusty or obsolete, but that it remain a well-oiled and efficient instrument. In other words, Federal Reserve Banks must remain active banks operating in certain fields with a varying degree of intensity.

If they are to exercise effectually the functions for which they have been created, access to these fields of operations must be given them ungrudgingly. They can not protect you unless they can secure for themselves the strategic position without which they can not act as regulators warding off interest rates both too high and too low and creating for the entire country a basis for a healthy development on a safe and solid foundation.

It is to your interest to see the Federal Reserve Banks as strong as they possibly can be. It staggers the imagination to think what the future may have in store for the development of American banking. With Europe's foremost financial powers limited to their own field, with the United States turned into a creditor nation of all the world, the boundaries of the field that lies open for us are determined only by our own power of safe expansion. The scope of our banking facilities will ultimately be limited by the amount of gold that we can muster as the foundation of our banking and credit structure. Gold that is carried in the pockets of the people, gold that accumulates as excess reserves in the member banks' vaults, does not afford the maximum service that the country is entitled to expect. Excess balances and idle gold should accumulate in the Federal Reserve Banks. They should not control $300,000,000 of gold, as they do now, or $450,000,000, as they will after another year, but they should control a billion or two of gold. The stronger the Federal Reserve Banks become, the stronger will be the country and the greater its chance to fulfill with safety and efficiency the functions of a world banker. The basis of this development must be confidence. Unless the member banks are profoundly convinced that their balances are as safe with the Federal Reserve Banks as they are in their own vaults—besides being more useful and efficient there—and unless they are convinced that the Federal Reserve Banks will not abuse their vast resources for inflation of credit or for the purpose of aggressively competing with the member banks, the full growth of the system, and with that the full growth of American banking, can not be developed.

I believe that I may say with confidence that both the Federal Reserve Banks and the Federal Reserve Board are fully alive to the duty and responsibility that rest upon them in this respect and that they will do their share of the work as they trust not only the member banks but those not now members will do theirs.

Believing in the bankers' sense of public duty and animated by the motive of creating the broadest possible foundation for the development of a strong and united banking system in the United States, the Board has gone to the utmost limits of liberality in determining conditions for the admission of State institutions. In order to achieve this aim, it found itself in the difficult position of having to concede to these State banks and trust companies conditions which, in certain respects, give them a distinct advantage over national-bank members. It is the hope and aim of the Board to see the powers of national banks beralized; still, for the time being, it remains a fact that State institutions entering our system are at an advantage. Such of them as are strong and conservative may come in practically with all the powers now enjoyed by them, and, in addition, may leave the system if they do not like t. Still they hesitate. As Lucullus said, "In times of prosperity it is hard to legislate," and Walter Bagehot, the British economist, expresses the same thought in slightly more modern language when he says: "Political economy is only an absorbing topic when a nation is, financially and industrially, uneasy."

Let me ask those of the State institutions that are proud of their independent standing: Is it quite fair to let your neighbors pay for the expense of the fire department when, in case of fire, you know you will count on the benefits of the general protection, and when, as a matter of fact, you enjoy every day the advantage of the greater security provided by your neighbors? Let me tell them, at the same time, that insurance companies are generally willing to take risks while applicants are young and conditions serene, but are not very eager to write new insurance when the "quake" is on. Let me ask you, too, is it conservative banking for State banks to reduce reserve requirements, as authorized by many State laws in consequence of the establishment of the Federal Reserve System, if these State banks do not enter the system? Should not State banks remaining outside the system, as a matter of prudence, continue to observe the old reserve requirements?

The thought is often expressed that "at the time of the next crisis the State banks will all come in." I think it may be safe to say that they will find that many will then come in after the next period of anxiety. This is not meant as a threat, but I am afraid it will be a physical impossibility to take them all in during such a period of stress. Examinations take time, and many State banks will not look as strong during a critical period as they may look to-day. Moreover, the Federal Reserve Banks will find it difficult, in fairness to their own members, then to burden themselves with banks that might add an element of weakness, remembering that in times of sunshine and peace such institutions had refused to contribute their share to the work of protecting the entire community.

And now permit me to relate to you one last reminiscence from ancient history. Aristotle, in defining the elements of liberty, gives us this definition: "One element of liberty is to govern and in turn to be governed. The other is, to live according to one's inclinations." I do not think that any modern writer has ever given a more interesting or a more original definition of liberty. Liberty without restriction is anarchy; submission to restriction arbitrarily imposed produces a slavish surrender of human rights. Between the two lies true liberty, which means the exercise of our own free will and powers within the limitations which, for the protection of our liberty, we have agreed to impose and enforce amongst ourselves.

Our Federal Reserve System is to be considered from this point of view. For your own safety and liberty you have created this law and created the necessary organization for its enforcement. You have elected your government and appointed your directors and officers. Do not think now of these administrative organs as something imposed upon you by others, but only as something of your own creation. This system, permitting you "to govern and in turn to be governed," as Aristotle puts it, is an expression and a safeguard of liberty.

You create your own traffic laws and clothe the traffic policeman with authority. As long as we obey the law, we consider him a means of protection and we resent him as a restraining influence, only when we exceed the speed limit. While the Federal Reserve System is in its early stages, there must of necessity be a great deal of regulatory work. But I sincerely hope that the writing of regulations will soon become an occasional or incidental function of the Federal Reserve Board and that traffic rules in banking will have become no more unusual or irritating than the raising of the hand of the traffic policeman.

As for myself, I am not in accord with the school of thought that believes that law and government's sole function is to regulate. I believe that the function of government is not only to regulate but to construct, and I believe that I am expressing the feelings of my colleagues of the Federal Reserve Board and of the men in charge of the Federal Reserve Banks when I say that we are looking forward to the time when all our energies may be applied, not to regulation, but to helpful cooperation in the general work of construction.

Reserve Notes Not Frankable.

Federal Reserve notes may not be sent through the mails under penalty envelopes or labels carrying the frank of the Federal Reserve Board. A ruling to this effect was first made by the Post Office Department. Desiring to use every effort to obtain the privilege, the Federal Reserve Board requested the Post Office Department to submit the question of franking Federal Reserve notes to the Attorney General. This was done the latter part of August, and on October 5 the following opinion of the Attorney General was sent to the Postmaster General, and by him forwarded to the Federal Reserve Board:

I have the honor to acknowledge your letter of August 24, 1915, wherein you request my opinion as to whether Federal Reserve notes can be sent through the mails under penalty envelopes or labels by the members of the Federal Reserve Board.

The solution of the question depends alone upon the correct interpretation of the act of December 23, 1913 (U. S. Stat. L., Advance Pamphlet, p. 251), commonly referred to as the Federal Reserve Act, the material portion whereof reads:

"When such (Federal Reserve) notes have been prepared, they shall be deposited in the Treasury, or in the subtreasury or mint of the United States nearest the place of business of each Federal Reserve Bank and shall be held for the use of such bank subject to the order of the Comptroller of the Currency for their delivery, as provided by this Act. * * *, and the expenses necessarily incurred in executing the laws relating to the procuring of such notes, and all other expenses incidental to their issue and retirement, shall be paid by the Federal Reserve Banks, and the Federal Reserve Board shall include in its estimate of expenses levied against the Federal Reserve Banks a sufficient amount to cover the expenses herein provided for."

This language plainly imposes upon the Federal Reserve Banks all expenses involved in the procurement, issuance, and retirement of Federal Reserve notes. As the shipment of these notes to the subtreasury, etc., and ultimately to the bank applying for them, is necessarily a step precedent to their issuance, it follows that the expense of such shipment is one "incidental to their (the notes) issue," and under the terms of the act must be borne by the banks.

Numerous other provisions of the Act, not necessary to be here set forth in detail, manifest the purpose of Congress to impose upon the banks all expenses connected with its administration.

Having reached the conclusion that the Federal Reserve Act imposes the expense of shipment upon the reserve banks, I deem it unnecessary to pass upon the additional reason assigned by your solicitor, viz, that these notes do not relate "exclusively to the business of the United States," and therefore, regardless of the Federal Reserve Act, could not enjoy the benefit of the free carriage provision of the Act of March 3, 1877 (19 Stat., 319, 335).

Allotment of Bonds.

Much interest has been apparent on the part of Federal Reserve Banks and member banks of the system in the retirement of bonds under section 18 of the Federal Reserve Act.

In response to certain of these inquiries there was sent by the Federal Reserve Board to the Conference of Governors, opened in Minneapolis on October 20, a letter containing the results of its consideration of the matter.

The principal points raised are as follows:

"1. In the allotment of bonds at the end of each quarter, wil e limitation of $25,000,000 be divided by four and the amount of bonds purchased by the reserve banks in that quarter be deducted from the quarterly amount?"

As to this the Board has had passed the following resolution:

Resolved, That until further notice, in requiring Federal Reserve Banks to purchase United States bonds offered for sale by member Banks under the provisions of section 18, the Federal Reserve Board will not allot to any one Federal Reserve Bank in any one quarter more than one-fourth of its pro rata share of the bonds to be purchased during the calendar year under the provisions of this section.

"2. In case the applications received exceed the amount to be allotted, will the allotments be based upon the order of receipt of the applications, or upon the pro rata share of each applying bank?"

It would seem that if the applications filed with the Treasurer exceed the amount to be allotted in any one quarter, the allotments should be based not upon the order of receipt of such applications but rather upon the pro rata share of each applying bank. The Act evidently contemplates that any bank which has its application on file 10 days prior to the end of the quarterly period will be on an equal footing with any other bank which has filed a similar application, and the order in which such applications are received would seem to be immaterial as long as they are filed before that 10-day period.

"3. Will any mention be made of bonds securing circulation other than the 2 per cent?"

Bonds made eligible for sale by member banks under section 18 are not limited to 2 per cent bonds but rather to any United States bonds which are securing circulation. That excludes the 3 per cent Panama bonds, series 1911, but the 1908–1918 3 per cent bonds and also the 4 per cent bonds, loan of 1925, are eligible if they, as a matter of fact, are securing circulation.

"4. To what date will the accrued interest on the bonds that are sold be figured?"

There is nothing definite in the Act to indicate what date shall be fixed to determine the amount of accrued interest on the bonds sold under section 18, but all provisions of that section, as read together, would seem to justify the conclusion that the accrued interest should be figured as of the date on which the lawful money to cover the purchase price of such bonds is deposited with the Treasurer of the United States.

"5. If an application to sell bonds is not granted in full at one quarter day, will it be considered as continuing in effect for the balance at the next quarter day, and so on, until the sale is completed?"

The Board believes that banks whose applications have not been granted in full at one quarter day should reapply.

Mr. Strong raises again the question whether or not the limitation of $25,000,000 contained in the proviso of section 18 prohibits the purchase by Federal Reserve Banks of bonds in the open market. The Board has already ruled on two or three occasions that that proviso is not intended to and does not apply to or restrict the purchase of Government bonds under the provisions of section 14 of the Act.

Conference of Governors.

The fifth conference of Governors of Federal Reserve Banks was held in Minneapolis, opening on October 20. There were present at the meeting, Governors Benjamin Strong, jr., Federal Reserve Bank of New York; A. L. Aiken, of the Federal Reserve Bank of Boston; C. J. Rhoads, of the Federal Reserve Bank of Philadelphia; J. B. McDougal, of the Federal Reserve Bank of Chicago; A. C. Kains, of the Federal Reserve Bank of San Francisco; George J. Seay, of the Federal Reserve Bank of Richmond; E. R. Fancher, of the Federal Reserve Bank of Cleveland; Theodore Wold, of the Federal Reserve Bank of Minneapolis; R. L. Van Zandt, of the Federal Reserve Bank of Dallas; C. M. Sawyer, of the Federal Reserve Bank of Kansas City; W. W. Hoxton, Deputy Governor of the Federal Reserve Bank of St. Louis; F. W. Foote, a director of the Federal Reserve Bank of Atlanta; C. R. McKay, of Chicago, with L. H. Hendricks and J. F. Curtis, of New York.

For the last two days Hon. Paul M. Warburg and Hon. W. P. G. Harding, of the Federal Reserve Board, were present at the conference.

This is the second conference of the governors that has been held away from the city of Washington, the first one having been held in Chicago last June.

Governor Strong, who is chairman of the conference for the current year, presided at the meeting. During the course of the four-day session about 70 topics were discussed. Among them were the following:

Directors' profits in dealing with member banks.

Appointment of representative to examine Federal Reserve notes sent to Washington for destruction.

Periodic reports of reserves by member banks.

Report of the executive committee of the conference, composed of Mr. McDougal, chairman, and Messrs. Aiken, Strong, Rhoads, Fancher, and Seay.

Reports of conference of auditors and accountants of the reserve banks held at Washington last summer.

Report of a conference of transit managers of the banks held in Chicago early in the month.

Report of committee on method of computing dividends.

Collections and clearances.

Gold settlement fund, daily settlements.

Functions to be exercised in behalf of member banks.

Cost of Federal Reserve notes.

Cost of returning Federal Reserve notes to bank of issue.

Retirement of national-bank notes and purchases of Government bonds.

Reserves of member banks.

Cooperation with national-bank examiners.

Standard form of trade acceptance.

Domestic acceptances.

Commodity rates.

Advisability of limited open market transactions.

Discussions were also had with respect to the advisability of recommending the enactment of amendments to the Federal Reserve Act on the following topics:

Date of transfer of reserves for member banks.

Elimination of designation of capital for foreign branches of national banks.

Direct authorization of domestic branches for national banks.

Par collections.

Domestic acceptances.

Loans on real estate.

Savings bank membership.

The conference adjourned to meet in about two months, probably in the city of Washington in order to be accessible to the Federal Reserve Board.

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GOLD SETTLEMENT FUND.

Total deposits of the Federal Reserve Banks with the gold settlement fund have decreased slightly since the issuance of the last Bulletin, the amount now held being $55,470,000. During the same period, however, the deposits of the Federal Reserve Agents have been materially increased and now stand at $21,200,000, as shown in the table giving summary of transactions for the account of Federal Reserve Agents from September 8 to October 21. Tables showing the amount of total clearings to and including October 21, and the balances at the clearings are given below, also a table showing net changes in ownership of gold held in the fund, from which it appears that such changes have amounted to 5.94 per cent of the total clearings.

Amount of clearings.

	Total clearings.	Balances.
Previously reported	$428,500,000	$87,355,000
Settlement of—		
Sept. 30	25,739,000	6,542,000
Oct. 7	30,640,000	8,060,000
Oct. 14	24,400,000	4,120,000
Oct. 21	38,874,000	4,643,000
Total	548,153,000	110,720,000

Changes in ownership of gold.

Federal Reserve Bank.	Total net deposits.	Balance, Oct. 14, 1915.	Increase.	Decrease.
Boston	$3,230,000	$2,620,000		$610,000
New York	28,000,000	3,734,000		24,266,000
Philadelphia	6,950,000	2,339,000		4,611,000
Cleveland	2,580,000	4,597,000	$2,017,000	
Richmond	1,500,000	6,904,000	5,404,000	
Atlanta	[1] —3,240,000	2,736,000	5,976,000	
Chicago	5,770,000	10,868,000	5,098,000	
St. Louis	1,220,000	4,054,000	2,834,000	
Minneapolis	1,400,000	5,125,000	3,725,000	
Kansas City	3,330,000	2,748,000		582,000
Dallas	[1] —1,250,000	6,062,000	7,312,000	
San Francisco	5,980,000	3,683,000		2,297,000
Total	55,470,000	55,470,000	32,366,000	32,366,000

[1] The withdrawals of the Federal Reserve Bank of Atlanta and the Federal Reserve Bank of Dallas have exceeded the amounts of the gold deposit made by them.

Gold settlement fund—Summary of transactions Sept. 30, 1915, to Oct. 21, 1915.

Federal Reserve Bank of—	Balance last statement, Sept. 23, 1915.	Gold.		Transfers.		Settlement of Sept. 30, 1915.				Sept. 30, 1915, balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$3,228,000					$1,082,000	$2,929,000	$1,847,000		$2,146,000
New York	8,789,000		$5,000,000	$5,600,000		3,757,000	9,256,000	5,499,000		4,432,000
Philadelphia	2,808,000	$5,000,000			$5,600,000		3,364,000	5,025,000	$1,661,000	5,069,000
Cleveland	4,813,000						433,000	480,000	47,000	4,860,000
Richmond	6,396,000	[1] 900,000	230,000				876,000	2,095,000	1,219,000	6,945,000
Atlanta	2,483,000	[1] 2,000,000					604,000	1,820,000	1,216,000	1,699,000
Chicago	12,454,000						3,153,000	3,739,000	586,000	13,040,000
St. Louis	5,124,000					1,396,000	2,952,000	1,556,000		3,728,000
Minneapolis	2,658,000						170,000	663,000	493,000	3,151,000
Kansas City	3,028,000					307,000	1,422,000	1,115,000		2,721,000
Dallas	5,053,000	1,500,000					568,000	1,351,000	783,000	4,336,000
San Francisco	1,916,000						12,000	549,000	537,000	2,453,000
Total	58,750,000	9,400,000	5,230,000	5,600,000	5,600,000	6,542,000	25,739,000	25,739,000	6,542,000	54,580,000

Federal Reserve Bank of—	Balance last statement, Sept. 30, 1915.	Gold.		Transfers.		Settlement of Oct. 7, 1915.				Oct. 7, 1915, balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$2,146,000						$4,050,000	$5,161,000	$1,111,000	$3,257,000
New York	4,432,000		$3,000,000		$872,000	$6,350,000	10,661,000	4,311,000		1,954,000
Philadelphia	5,069,000					1,572,000	3,650,000	2,078,000		3,497,000
Cleveland	4,860,000			$872,000		138,000	454,000	316,000		3,850,000
Richmond	6,945,000	[1] $700,000					1,187,000	2,159,000	972,000	7,217,000
Atlanta	1,699,000						875,000	1,724,000	849,000	2,548,000
Chicago	13,040,000						5,132,000	6,203,000	1,071,000	14,111,000
St. Louis	3,728,000						2,630,000	3,934,000	1,304,000	5,032,000
Minneapolis	3,151,000						145,000	727,000	582,000	3,733,000
Kansas City	2,721,000	200,000	50,000				1,306,000	1,446,000	140,000	2,711,000
Dallas	4,336,000	180,000					493,000	2,126,000	1,633,000	5,789,000
San Francisco	2,453,000						57,000	455,000	398,000	2,851,000
Total	54,580,000	1,080,000	3,050,000	872,000	872,000	8,060,000	30,640,000	30,640,000	8,060,000	56,550,000

Federal Reserve Bank of—	Balance last statement, Oct. 7, 1915.	Gold.		Transfers.		Settlement of Oct. 14, 1915.				Oct. 14, 1915, balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$3,257,000					$945,000	$3,384,000	$2,439,000		$2,312,000
New York	1,954,000				$264,000	944,000	7,660,000	6,716,000		1,274,000
Philadelphia	3,497,000					158,000	3,203,000	3,045,000		3,339,000
Cleveland	3,850,000					149,000	539,000	390,000		3,701,000
Richmond	7,217,000	[1] $900,000					1,620,000	3,022,000	$1,402,000	7,719,000
Atlanta	2,548,000	[1] 1,000,000					1,198,000	1,213,000	15,000	1,563,000
Chicago	14,111,000			$264,000		1,576,000	3,406,000	1,830,000		12,271,000
St. Louis	5,032,000						1,153,000	2,150,000	997,000	6,029,000
Minneapolis	3,733,000						103,000	613,000	510,000	4,243,000
Kansas City	2,711,000					348,000	1,663,000	1,315,000		2,363,000
Dallas	5,789,000	[2] 530,000					467,000	1,072,000	605,000	5,864,000
San Francisco	2,851,000						4,000	595,000	591,000	3,442,000
Total	56,550,000	2,430,000		264,000	264,000	4,120,000	24,400,000	24,400,000	4,120,000	54,120,000

Federal Reserve Bank of—	Balance last statement, Oct. 14, 1915.	Gold.		Transfers.		Settlement of Oct. 21, 1915.				Oct. 21, 1915, balance in fund after clearing.
		Withdrawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	$2,312,000				$300,000		$5,954,000	$5,962,000	$8,000	$2,620,000
New York	1,274,000		$5,000,000			$2,540,000	12,471,000	9,931,000		3,734,000
Philadelphia	3,339,000				21,000	1,021,000	5,439,000	4,418,000		2,339,000
Cleveland	3,701,000			$21,000	21,000		812,000	1,708,000	896,000	4,597,000
Richmond	7,719,000	[1] $1,100,000					2,992,000	3,277,000	285,000	6,904,000
Atlanta	1,563,000						964,000	2,137,000	1,173,000	2,736,000
Chicago	12,271,000			321,000		1,082,000	4,933,000	3,851,000		10,868,000
St. Louis	6,029,000	2,000,000					3,772,000	3,797,000	25,000	4,054,000
Minneapolis	4,243,000						129,000	1,011,000	882,000	5,125,000
Kansas City	2,363,000				34,000		997,000	1,348,000	351,000	2,748,000
Dallas	5,864,000	[2] 550,000		34,000			398,000	1,180,000	782,000	6,062,000
San Francisco	3,442,000						13,000	254,000	241,000	3,683,000
Total	54,120,000	3,650,000	5,000,000	376,000	376,000	4,643,000	38,874,000	38,874,000	4,643,000	55,470,000

[1] Transfer to Federal Reserve Agent.

[2] $500,000 transferred to Federal Reserve Agent.

Federal Reserve Agents' fund—Summary of transactions Sept. 8, 1915, to Oct. 21, 1915.

Federal Reserve Agent at—	Week ending Sept. 9, 1915.		Week ending Sept. 16, 1915.		Week ending Sept. 23, 1915.		Week ending Sept. 30, 1915.	
	Deposited.	Balance.	Deposited.	Balance.	Deposited.	Balance.	Deposited.	Balance.
Richmond	....	....	$2,600,000	$2,600,000	$1,100,000	$3,700,000	$900,000	$4,600,000
Atlanta	$2,500,000	$2,500,000	2,000,000	4,500,000	1,000,000	5,500,000	2,000,000	7,500,000
Total	2,500,000	2,500,000	4,600,000	7,100,000	2,100,000	9,200,000	2,900,000	12,100,000

Federal Reserve Agent at—	Week ending Oct. 7, 1915.		Week ending Oct. 14, 1915.		Week ending Oct. 21, 1915.	
	Deposited.	Balance.	Deposited.	Balance.	Deposited.	Balance.
Richmond	$700,000	$5,300,000	$900,000	$6,200,000	$1,100,000	$7,300,000
Atlanta	....	7,500,000	1,000,000	8,500,000	....	8,500,000
Dallas	....	....	500,000	500,000	500,000	1,000,000
San Francisco	....	....	....	....	4,400,000	4,400,000
Total	700,000	12,800,000	2,400,000	15,200,000	6,000,000	21,200,000

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank in effect Oct. 28, 1915.

	Maturities of 10 days and less.	Maturities of over 10 to 30 days, inclusive.	Maturities of over 30 to 60 days, inclusive.	Maturities of over 60 to 90 days, inclusive.	Agricultural and live-stock paper over 90 days.	Trade acceptances.		Commodity paper.
						To 60 days, inclusive.	Over 60 to 90 days, inclusive.	
Boston	3	4	4	4	5	3½	3½	[1] 3½
New York	3	4	4	4	5	3½	3½	....
Philadelphia	3	4	4	4	4½	3	3	[1] 3
Cleveland	3½	4	4	4½	5	3½	4	....
Richmond	....	4	4	4	5	3½	4	[1] 3
Atlanta	....	4	4	4	5	3½	3½	3
Chicago	....	4	4	4½	5	....	....	....
St. Louis	3	4	4	4	5	3½	3½	3
Minneapolis	....	4	4	4½	5	....	....	3
Kansas City	....	4	4	4	5	3½	3½	3
Dallas	....	4	4	4½	5	3½	4	3
San Francisco	3	3½	4	4½	6	3	3½	(2)

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

Authorized rate of acceptances, 2 to 4 per cent.

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

INFORMAL RULINGS OF THE BOARD.

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

Open-Market Operations.

The Federal Reserve Banks are empowered under section 14 of the Federal Reserve Act, subject to rules and regulations prescribed by the Federal Reserve Board, to—

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

The Board has already issued regulations covering the purchase in the open market of bankers' acceptances, of United States Government bonds, and of municipal warrants, but it has not yet issued regulations relating to "cable transfers" or to the purchase of "bills of exchange of the kinds and maturities by this Act made eligible for rediscount." The original bill for the establishment of Federal Reserve Banks, etc., permitted the purchase in the open market of "notes, drafts, and bills of exchange," but in the bill as finally enacted the words "notes and drafts" were stricken out in section 14, although they are retained in section 13, which relates to discount operations for member banks. After careful study and investigation the Board has reached the conclusion, in which it is sustained by opinion of Counsel, that Congress beyond question drew a distinction in sections 13 and 14 between the several forms of commercial paper, and that promissory notes, even though bearing an additional indorsement, must be regarded as excluded from open-market purchases under section 14. There remain then, as eligible for purchases under this section, "cable transfers" and "bills of exchange" of two kinds, (1) so-called foreign bills of exchange, and (2) domestic bills of exchange (other than bankers' acceptances) drawn by one party on another, as by a seller of goods upon the purchaser, such as have been classified by the Board as "trade acceptances," either accepted or not accepted at the time of purchase.

In view of the abnormal conditions prevailing in Europe, the Board feels that the banks should be more than usually cautious in any foreign exchange operations entered into at this time. As to open-market dealings in "domestic bills," while the special rate authorized for this class of paper may prove in the future a helpful factor in developing its freer use, the Board has been informed that the supply of desirable paper is still very limited. There are also other objections that may be urged against open-market operations in "domestic bills" at this time. However, the Federal Reserve Board recognizes that the Federal Reserve Banks have the right to engage in open-market operations in bills of exchange and that the decision whether the Federal Reserve Banks should engage in such open-market transactions rests entirely with them, severally, and not with the Federal Reserve Board. Should the transactions engaged in by any bank assume very large proportions or develop along lines which would make regulation appear desirable, the Federal Reserve Board will exercise its right at any time to regulate such transactions, but at present the Board deems it best to leave each Federal Reserve Bank free to exercise the authority granted under section 14, with respect to bills of exchange, without governing or restricting regulations, it being understood, of course, that any Federal Reserve Bank desiring to establish an open-market rate for domestic bills of exchange by this Act made eligible for rediscount will submit such rate to the Board for approval and determination in the customary way. You are cautioned that no bill may be bought in the open market which, even if indorsed by a member bank, would be ineligible for rediscount under section 13.

The Board appends opinions of Counsel bearing upon the subject of open-market transactions.

Please call this letter to the attention of your board of directors.

OCTOBER 8, 1915.

Election of Directors.

Inasmuch as the term of office of one Class A director and one Class B director of your bank will expire December 31, 1915, arrangements should be made to hold an election of directors to succeed those whose terms expire, such new directors to serve for terms of three years each.

For your information and guidance there are inclosed copies of forms used by the Reserve

Bank Organization Committee and letters of instruction sent at that time setting forth the procedure in such cases. The Board has fixed November 16 as the date for opening the polls. You should accordingly arrange to have printed:

(a) Certificate of election of district reserve elector.

(b) Certificate of nomination for Class A director.

(c) Certificate of nomination for Class B director.

These certificates, copies of which are inclosed, contain form of resolution to be adopted by the member banks. A sufficient number of these certificates should be prepared and mailed to each member bank in the group which elected the director whose term expires on December 31, 1915. It will be necessary, therefore, for you, as chairman of the board, to group the banks in your district in accordance with the Act, following the general lines of the plan set forth in the circular of the Organization Committee, herewith inclosed. When these certificates have been returned by the banks the electors should be listed and the preferential ballot prepared. A copy of the form used in the first election is also inclosed for your information.

Under the provisions of section 4 this ballot need not show the name of the bank placing in nomination any candidate, but a separate list may, at the option of the chairman, be prepared showing by whom each candidate is nominated. If this is done the ballot form used will be somewhat simplified, since the voting columns, showing the first, second, and third choice of the elector, can appear on the same page as the name of the candidate.

Arrangements should be made to have the ballots in the hands of the electors by November 1. The polls will be closed after 15 days from November 16.

SEPTEMBER 30, 1915.

Payment of Reserves.

Inasmuch as the date when the next installment of reserves will be payable by member banks to Federal Reserve Banks is approaching, the Federal Reserve Board has directed the transmission of this letter for the purpose of securing uniform action with reference to such payments.

Section 19 of the Federal Reserve Act requires each member bank not in a reserve or central reserve city to keep—

"in the Federal Reserve Bank of its district for a period of 12 months after said date two-twelfths, and for each succeeding 6 months an additional one-twelfth"

of 12 per cent of the aggregate amount of its demand deposits, and of 5 per cent of its time deposits. Similar language is used with reference to the banks in reserve cities.

The "said date" referred to is the date officially announced by the Secretary of the Treasury for the establishment of a Federal Reserve Bank in any district. That date was November 16, 1914.

It therefore follows that on November 16, 1915, country banks and banks in reserve cities will be required to pay their Federal Reserve Bank an additional installment of reserves. The amount thus to be paid by them will be for country banks one-twelfth of 12 per cent of their demand deposits, as held on and after November 16, plus one-twelfth of 5 per cent of their time deposits; and for banks in reserve cities one-fifteenth of 15 per cent of their demand deposits, plus one-fifteenth of 5 per cent of their time deposits.

It is suggested that each Federal Reserve Bank call the attention of each member bank to the date upon which the transfer of reserves above referred to is due, and that it arrange such additional details with member banks as may seem desirable. The Board recommends that the member banks be called upon to pay their own express charges unless there is some good reason why the Federal Reserve Bank of the district thinks it best to bear these express charges itself. The form in which payment is to be made may be suggested by the Federal Reserve Bank in such circular or notice as it may send out, and it will be well to make some reference to the provision of the Act that any Federal Reserve Bank may receive from its member banks as reserves not exceeding one-half of each installment eligible paper as described in section 13, properly indorsed and acceptable to the said Federal Reserve Bank.

OCTOBER 1, 1915.

"Federal" Not Now Prohibited.

You are advised that there is no provision of the Banking Act or of the Federal Reserve Act which prohibits the use of the word "Federal" by a State institution as a part of its name.

Section 5243 of the Revised Statutes of the United States forbids the use of the word "National" as a part of the name of a bank not organized under the national currency laws, and the matter is now being considered of asking Congress to amend this section so as to include the word "Federal."

The Board is glad to have this information, as it may prove helpful in obtaining the desired legislation.

OCTOBER 4, 1915.

Compensation of Deputy Reserve Agents.

At a meeting of the Federal Reserve Board, held this morning, October 6, I was instructed to inform the respective Federal Reserve Agents and directors of Federal Reserve Banks that, where the compensation of the Deputy Federal Reserve Agent is fixed upon a per diem basis and no regular duties have been assigned to him by the Federal Reserve Agent or by the respective boards of directors, no payment of compensation should be made to such deputy agents except for official services rendered to the banks at the request, in writing, of said Federal Reserve Agents or of said boards of directors. This ruling is not intended to prevent the payment of directors' fees for attendance at meetings of the board.

OCTOBER 6, 1915.

Eligible Acceptors.

I have received your letter of October 2, and have submitted the same to the Board.

Your letter contains the following paragraph:

"The point on which he desires information is, whether or not a firm, person, company, or corporation referred to in said subdivision (b) must be engaged exclusively in banking, or the business of accepting or discounting before its acceptances can be handled by Federal Reserve Banks. In other words, a commission house at Fort Worth, as incident to their main business, are engaged in the business of accepting and discounting; such is not their sole business, but they are engaged in that business in a limited degree. Now, the point upon which I desire information is, whether or not the Federal Reserve Bank may handle acceptances of concerns who do some accepting and discounting, but who do not engage exclusively in that business, or in the banking or trust company business?"

On this point I am directed to cite to you the provisions of the acceptance regulation, and to say that the question of determining the eligibility of an acceptor under the regulation is left to the discretion of Federal Reserve Banks themselves. It is, of course, understood that the Board would not wish to see concerns regarded as eligible acceptors which are not in the habit of carrying on some acceptance business regularly and are not generally of such character and standing as to qualify their acceptance as a "banker's acceptance."

OCTOBER 8, 1915.

Member Banks Not Receivers.

I wish to acknowledge receipt of your letter of October 8, relating to the question of national banks acting as receivers.

The Board has received a number of inquiries of this nature and has ruled that section 11 (k) does not confer upon it the authority to authorize national banks to act as receiver, the powers referred to in that section being limited to trustee, executor, administrator, and registrar of stocks and bonds.

OCTOBER 11, 1915.

Clayton Act Interpretation.

I wish to acknowledge receipt of your letter of October 12, relating to the question of your eligibility to serve as a director of both a national bank and a savings bank organized and operating under the laws of your State.

You are advised that there is nothing in section 8 of the Clayton Act which prohibits a person who is a director and officer of a national bank with total resources exceeding $5,000,000 from serving at the same time as a director of a State institution with resources less than that amount, provided, first, that the State institution is not a member of the Federal Reserve System, and second, that the State institution is not located in the same city as the national bank, or, if in the same city, that the city has less than 200,000 inhabitants.

Under the facts as stated by you it is evident that you are eligible to qualify as a director of both institutions mentioned in your letter.

OCTOBER 14, 1915.

Window Advertising.

Your letter of October 6 has been received and placed before the Board, and by it referred to a special committee. The opinion was expressed that member banks should be discouraged from placing signs on their windows reading "Deposits have Government protection," or "This bank has Government protection." It was suggested rather that a sign reading "Member of Federal Reserve System offers depositors all the protection and facilities afforded by membership."

OCTOBER 15, 1915.

LAW DEPARTMENT.

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

Pledges of Collateral Security.

Rediscounts held by a Federal Reserve Agent as security for Federal Reserve notes, and gold order certificates deposited with a Federal Reserve Agent for the purpose of reducing the liability of a Federal Reserve Bank for its outstanding Federal Reserve notes, must be so indorsed as to enable such agent to realize on such securities or to convert such certificates into gold if necessary.

JUNE 28, 1915.

SIR: The following question has been referred to this office for an opinion:

(1) Must rediscounts held by a Federal Reserve Agent as collateral for Federal Reserve notes be indorsed payable to such agent?

The term "collateral security" or "collateral" has been defined in Jones on Collateral Securities and Pledges to mean "a pledge of incorporeal property assigned or transferred and delivered by a debtor * * * to a creditor as security for the payment of a debt or the fulfillment of an obligation."

In consequence, section 16, in providing that a Federal Reserve Bank shall deposit collateral with the Federal Reserve Agent as security for Federal Reserve notes, impliedly requires that notes and bills made eligible for this purpose be pledged with the Federal Reserve Agent.

In order, therefore, to determine what steps must be taken to effect a valid pledge of the securities deposited with the Federal Reserve Agent as collateral for Federal Reserve notes, it is necessary to discuss briefly the legal points involved in the law of pledges.

A pledge is more than a lien. Both depend upon a continuance of possession by the pledgee or lienee and, generally speaking, title remains in the debtor in both cases. But the pledgee, unlike the lienee, has an implied power of sale, and this is the main distinguishing feature between the two. (Doane *v.* Russell, 3 Gray (Mass.), 382; First National Bank *v.* Harkness, 42 W. Va., 156, 164.)

A mortgage, on the other hand, is more than either of these, for it is in no way dependent upon possession and legal title vests in the mortgagee outright, the mortgagor retaining a mere equity of redemption. In the case of the pledge, however, the general property or title remains in the pledgor, the pledgee obtaining a specific property merely for the security of the obligation. (Jones *v.* Baldwin, 12 Pick. (Mass.), 316; Thompson *v.* Dolliver, 132 Mass., 103; Parshal *v.* Eggart, 52 Bab. (N. Y.) 367.)

There is an exception or qualification to this general distinction between mortgages and pledges, regarding the transfer of title, in the case of choses in action or negotiable instruments. (Jones on Collateral Securities and Pledges, 3d ed., p. 14.) This exception is a natural result of the fact that a negotiable instrument usually can not be pledged without a transfer of title necessarily resulting from the transfer of possession. The fact that the title does pass in such a case does not of itself make the transaction a mortgage. (2 N. Y. 443.)

In discussing this point in Gay *v.* Moss, 34 Cal. 125, 132, the court said:

"The assignment was absolute in form, but the thing assigned is a chose in action, and the assignment and delivery are necessary to give the pledgee the full authority to readily control it, and afford a prompt means of making the pledge available. For these reasons the fact that the title passes in form by the assignment, in case of a chose in action, does not necessarily make it a mortgage. It is a pledge * * *."

On page 15 of Collateral Securities and Pledges, supra, it is stated that—

"To make the pledge (of negotiable paper) an effectual security, it is necessary that the pledgee should have the legal title. * * * A transfer of the title to such incorporeal property is generally an essential part of the delivery of it in pledge. An absolute transfer of such property as security for a debt is a pledge and not a mortgage. The general property may be regarded as remaining in the debtor, though the legal title may be transferred to the creditor."

It would seem, therefore, that a Federal Reserve Bank, in transferring eligible paper to a Federal Reserve Agent as collateral security for Federal Reserve notes, should indorse such paper in some manner—to be discussed hereafter—such as will give to the agent the legal right to realize directly on this security whenever it is necessary.

It is true that negotiable paper made payable to order, may be pledged by the delivery of possession without indorsement, but in such case the pledgee obtains a mere equitable security, good as between him and the pledgor. The pledgor retains legal title, and though the pledgee could maintain a suit upon it in the name of the pledgor—and in some States in his own name—nevertheless, in such action he would be subject to any equitable defense against the pledgor set up by the defendant.

There is a further objection in the fact that the mere possession of such paper when not indorsed to the Federal Reserve Agent is not sufficient evidence that he is holding it in pledge. In such a case there must be some further evidence of a contract of pledge before the holder could be declared a pledgee. (Jones on Collateral Securities and Pledges, p. 111; Sharmer *v.* McIntosh, 43 Nebr., 509.) In this latter case two notes were delivered to the pledgee, under exactly similar circumstances. One was indorsed, the other unindorsed. The court held that the indorsed note was a valid pledge, under the facts, but that the unindorsed note was not, because there was no evidence of an actual contract of pledge. There must be, of course, a contract, either expressed or implied, in all cases. The general rule is that a mere delivery of the property, without any writing, constitutes a valid pledge, the contract being implied in law, but the delivery of an unindorsed negotiable note is not of itself sufficient evidence.

A collateral agreement giving the Federal Reserve Agent power of attorney to collect on all paper in his possession would give him only the right to sue on the paper in the name of the Federal Reserve Bank, and he would be subject to all equities or offsets which could be made against the bank itself.

Because of these objections, it seems a far safer and wiser course to require Federal Reserve Banks to make a valid legal pledge of paper deposited with the Federal Reserve Agent as collateral security; and in order to do this, it is necessary that an indorsement be made which would make the note payable to the Federal Reserve Agent, giving to him the legal right to realize directly, and without danger of equitable defenses, on the security in his possession. It is suggested, therefore, that in any case where the paper is not indorsed in blank by the member bank, the indorsement by the Federal Reserve Bank may be made in any one of the three following ways:

(1) The Federal Reserve Bank may indorse the rediscounts in blank;

(2) It may indorse them to the order of the Federal Reserve Agent; or

(3) It may indorse them, "Pay to the order of any bank or banker or to the Federal Reserve Agent, or to ourselves."

It is to be noted, however, that if eligible paper is tendered to the Federal Reserve Agent as collateral security indorsed in blank by the member bank which secured the rediscount, or if the paper is indorsed to the order of the Federal Reserve Bank or the Federal Reserve Agent, it will not be necessary for the Federal Reserve Bank to make any further indorsement in order to vest the proper title in the Federal Reserve Agent. In such case, however, the list of rediscounts filed with the Federal Reserve Agent showing securities deposited as collateral for Federal Reserve notes should contain a full description of all such items in order that they may be identified, if necessary, as a part of such collateral security.

It has been suggested by some of the Federal Reserve Banks that they would prefer not to reindorse rediscounts payable to the Federal Reserve Agent, because such an indorsement would indicate that this paper had been used as the basis of a note issue; but, if the indorsement suggested above—that is, an indorsement payable "to the order of any bank or banker, or to the Federal Reserve Agent, or to ourselves," be made, there will be no indication on the paper that it has actually been used as the basis of a note issue and at the same time the legal right due the reserve agent will have been afforded. Under such an indorsement he could collect direct on any rediscounts deposited with him for security of note issues.

Another question presented is:

(2) Must gold order certificates made payable to the Federal Reserve Bank be indorsed to the Federal Reserve Agent by such bank when such certificates are deposited with the Federal Reserve Agent for the purpose of reducing liability on outstanding note issues?

It is suggested that when gold order certificates which are made payable to the order of the Federal Reserve Banks are deposited with the Federal Reserve Agent for the purpose of reducing liability on outstanding note issues, the reserve bank should indorse such certificates payable "to the order of the Federal Reserve Agent or to the order of ourselves." Of course, if gold order certificates are issued payable "to the order of the Federal Reserve Bank or the Federal Reserve Agent," no further indorsement will be necessary.

It is true that these certificates are deposited with the Federal Reserve Agent, to be held by him until the Federal Reserve Bank offers in exchange its Federal Reserve notes, and it may be contended, therefore, that it is not necessary to vest the legal title to such certificates in the Federal Reserve Agent.

From a practical standpoint, however, he may be called upon to transfer some part of the gold represented by such certificates to the Treasurer for redemption of notes at the Treasury, or he may be called upon to deliver to the Federal Reserve Bank only a part of the gold so held; and so he must be placed in a position to convert such certificates into gold or into gold certificates, in denominations that will enable him to meet either of these two contingencies.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. CHARLES S. HAMLIN,

Governor Federal Reserve Board.

11672—15——4

Single Name Paper.

Any Federal Reserve Bank may, under the provisions of section 14 of the Federal Reserve Act, purchase acceptances and bills of exchange of certain kinds and maturities in the open market, but promissory notes as distinguished from bills of exchange, whether one or more names, are not eligible for such purchase.

OCTOBER 8, 1915.

SIR: The question has been raised whether Federal Reserve Banks may, under the provisions of section 14 of the Federal Reserve Act, purchase single-name paper in the open market.

Section 14 provides in part that—

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

Under the provisions of this section a Federal Reserve Bank may purchase bills of exchange (that is, orders drawn by one person on another to pay on demand, or at a fixed or determinable future time, a sum certain in money to order or to bearer), whether before or after acceptance, provided they are of the kinds and maturities made eligible for rediscount under section 13.

It is clear, however, that promissory notes, as distinguished from bills of exchange, are not eligible for purchase under section 14, irrespective of the number of names thereon.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. CHARLES S. HAMLIN,

Governor Federal Reserve Board.

Election of Directors.

Any person coming within the inhibitions of section 8 of the act generally known as the Clayton Antitrust Act, who is elected a director at the annual election in January, 1916, may serve in that capacity until October 15, 1916. The vacancy occurring in such case on October 15, 1916, may be filled by the remaining directors.

OCTOBER 12, 1915.

SIR: In an opinion published on page 222 of the August issue of the Federal Reserve Bulletin this office discussed the following question which had been submitted to it for consideration:

"If a director of a national bank having deposits, capital, surplus, and undivided profits aggregating more than $5,000,000 is elected at the annual meeting in January, 1916, may he, without violating section 8 of the act referred to, continue to serve until January, 1917, and at the same time serve as a director of another national bank?"

It had been suggested that directors under such circumstances, elected in January, 1916, could serve until January, 1917, by reason of that provision of the act, generally known as the Clayton Act, which reads as follows:

"* * * when a director, officer, or employee has been elected or selected in accordance with the provisions of this act it shall be lawful for him to continue as such for one year thereafter under said election or employment."

In the opinion referred to, however, after reviewing the general provisions of the act in question, the conclusion was reached that a person who is a director or other officer of a bank having aggregate resources of more than $5,000,000 will be ineligible to serve as a director on the board of another national bank or of a State bank or trust company which is a member of the Federal Reserve System after October 15, 1916, although elected at a meeting held in January, 1916.

From letters subsequently submitted to this office for consideration it appears that this opinion has been interpreted to mean that no bank can elect a director at the meeting to be held in January, 1916, if, after October 15, 1916, such director will become ineligible, and this specific question has been submitted to this office for consideration.

Section 5145, Revised Statutes, provides in part that directors of national banks shall be elected—

"* * * at meetings to be held on such day in January of each year as is specified therefor in the articles of association. The directors shall hold office for one year and until their successors are elected and have qualified."

Section 5146, Revised Statutes, provides in part that—

"Any director who ceases to be the owner of the required number of shares of the stock, or who becomes in any other manner disqualified, shall thereby vacate his place."

Section 5148, Revised Statutes, provides that—

"Any vacancy in the board shall be filled by appointment by the remaining directors, and any director so appointed shall hold his place until the next election."

In view of these provisions it seems clear that directors who will be ineligible to serve after October 15, 1916, may be elected at the annual meetings to be held in January, 1916; that they will become disqualified to serve on October 15, 1916, and that their offices will thereupon become vacant and their successors may be appointed by the remaining directors, who shall serve until the next election.

In the case of State banks or trust companies which are members of the Federal Reserve System, but which are not subject to the provisions of the Revised Statutes above quoted, successors to directors becoming disqualified on October 15, 1916, should be elected in accordance with the charters and by-laws of such associations and in conformity with any State laws which provide for filling vacancies on boards of directors of such State banks or trust companies.

Respectfully,

M. C. ELLIOTT, *Counsel.*

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

Fiduciary Powers Granted.

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

DISTRICT No. 1.

Trustee, executor, administrator, and registrar of stocks and bonds:
First National Bank, Brandon, Vt.
Trustee, executor, and registrar of stocks and bonds:
Norway National Bank, Norway, Me.

DISTRICT No. 3.

Trustee, executor, administrator, and registrar of stocks and bonds:
Deposit National Bank, Dubois, Pa.
Peoples National Bank, Laurel, Del.

DISTRICT No. 4.

Trustee, executor, administrator, and registrar of stocks and bonds:
First National Bank, Greenville, Pa.
McDowell National Bank, Sharon, Pa.
Trustee and registrar of stocks and bonds:
German National Bank, Marietta, Ohio.

DISTRICT No. 7.

Trustee, executor, administrator, and registrar of stocks and bonds:
Franklin County National Bank, Brookville, Ind.

DISTRICT No. 9.

Trustee, executor, administrator, and registrar of stocks and bonds:
Aberdeen National Bank, Aberdeen, S. Dak.

DISTRICT No. 11.

Trustee, executor, administrator, and registrar of stocks and bonds:
Marshall National Bank, Marshall, Tex.

DISTRICT No. 12.

Trustee, executor, administrator, and registrar of stocks and bonds:
First National Bank, Milton, Oreg.
American National Bank, Pendleton, Oreg.
First National Bank, Pendleton, Oreg.
First National Bank, Portland, Oreg.
Seattle National Bank, Seattle, Wash.
Trustee, executor, and administrator:
First National Bank, Harrisburg, Oreg.
Executor and administrator:
First National Bank, Ontario, Oreg.
Registrar of stocks and bonds:
Nevada First National Bank, Tonopah, Nev.

Intradistrict Clearing System.

Immediate credit at par has since October 4, 1915, been given by the Federal Reserve Bank of New York to drafts on the Federal Reserve Bank of Richmond, Va. Notice of this arrangement was given in the following letter:

RICHMOND, VA., *October 4, 1915.*

To members of the Federal Reserve Bank of Richmond:

This is to advise you that, from this date, your drafts on this bank will be received by the Federal Reserve Bank of New York from members of its collection system, until further notice for immediate credit at par.

Up to the present time drafts on Federal Reserve Banks have been received by other Federal Reserve Banks subject to deferred credit, according to a prearranged schedule.

The deferred credit period between the Federal Reserve Bank of New York and this bank has been one day, being the time of transit.

The arrangement now made will have practically the effect of giving the currency of New York exchange to your drafts on this bank.

We further advise you that by arrangement with the Federal Reserve Bank of New York, checks and drafts on all Richmond banks and trust companies, both members and nonmembers, will also be received by that bank from members of its collection system, until further notice, for immediate credit at par.

Very truly, yours,
GEO. J. SEAY, *Governor.*

The total number of banks which have joined the intradistrict clearing system is 2,456, shown by districts as follows:

District No. 1	50
District No. 2	126
District No. 3	120
District No. 4	123
District No. 5	91
District No. 6	74
District No. 7	116
District No. 8	365
District No. 9	184
District No. 10	951
District No. 11	96
District No. 12	160
Total	2,456

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

District No. 1.

Additions:
- Old Colony Trust Co., Boston, Mass.
- First National Bank, Greenfield, Mass.

Withdrawals:
- First National Bank, Suffield, Conn.

District No. 2.

Additions:
- First National Bank, East Newark, N. J.
- First National Bank, Morristown, N. J.

Withdrawals:
- National Bank of Westfield, Westfield, N. J.
- First National Bank, Tuckahoe, N. Y.

District No. 3.

Additions:
- Elk County National Bank, Ridgway, Pa.

Withdrawals:
- Farmers National Bank, Watsontown, Pa.

District No. 4.

Additions:
- First National Bank, St. Paris, Ohio.

Withdrawals:
- Merchants National Bank, Butler, Pa.
- Spring Valley National Bank, Spring Valley, Ohio.

District No. 5.

Additions:
- First National Bank, Rocky Mount, N. C.
- First National Bank, Sumter, S. C.

District No. 6.

Additions:
- First National Bank, Daytona, Fla.
- First National Bank, Statesboro, Ga.
- First National Bank, Waynesboro, Ga.
- Citizens National Bank, Dickson, Tenn.

Withdrawals:
- First National Bank, Anniston, Ala.
- Cordele National Bank, Cordele, Ga.
- First National Bank, Sandersville, Ga.
- National Bank of Tifton, Tifton, Ga.
- First National Bank, Valdosta, Ga.
- First National Bank, Woodbury, Tenn.

District No. 7.

Additions:
- Mills County National Bank, Glenwood, Iowa.

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

District No. 8.

Additions:
- First National Bank, Clarksville, Ark.
- National Bank of Arkansas, Pine Bluff, Ark.

District No. 9.

Additions:
- Farmers National Bank, Aitkin, Minn.
- German-American Bank, Minneapolis, Minn.
- Stockmen's National Bank, Fort Benton, Mont.
- Commercial National Bank. Great Falls, Mont.
- Great Falls National Bank, Great Falls, Mont.

District No. 11.

Withdrawals:
- First National Bank, Jacksonville, Tex.
- First National Bank, Mount Calm, Tex.
- First National Bank, Omaha, Tex.
- First National Bank, Sulphur Springs, Tex.

District No. 12.

Additions:
- Northern California National Bank, Redding, Cal.
- First National Bank, St. Maries, Idaho.
- First National Bank, Brigham City, Utah.

Balances as Reserves.

The question whether State banks which are members of the Federal Reserve System may count as part of their reserves balances carried with other State banks and trust companies has been under advisement by the Counsel of the Federal Reserve Board.

Counsel now holds that, although the Illinois law is silent on the question, the Auditor of Public Accounts has specifically ruled that banks located in Illinois may count as part of their legal reserve, balances due from other State banks or trust companies, and it would seem to be entirely consistent with the purpose and intent of the Act for the Federal Reserve Board to permit State banks or trust companies located in Illinois, which become members of the Federal Reserve System, to count as part of their reserve balances due from other State banks or trust companies for a period of three years from the establishment of the Federal Reserve Bank of Chicago. The Board has approved Counsel's opinion in the matter.

REPORT OF FEDERAL RESERVE AGENTS' COMMITTEE ON CLEARINGS.

(Presented to Federal Reserve Board Oct. 18.)

In this report it is suggested that each district be allowed to handle the clearing situation in the way that seems best suited to meet its local conditions. It allows an immediate credit and immediate debit basis, or a deferred credit and deferred debit basis. It also suggests that each Federal Reserve Bank may carry such portion of its float as it feels that the needs of its member banks warrant. It also suggests that the intradistrict and interdistrict systems of clearings can be developed simultaneously.

In addition to what the report sets out, personally, I believe:

First. That whatever system is adopted by the respective Federal Reserve Banks, it should be made mandatory on the member banks of each district. A positive stand on the part of each Federal Reserve Bank, it seems to me, will help the banks to overcome their spirit of hesitation and inspire a spirit of confidence in what is being done.

Second. That whatever system is adopted, the ultimate aim should be an immediate credit and immediate debit basis, as this, in my judgment, is the soundest banking method, one that will correct the present evil of drawing checks against anticipated balances, and is less liable to other abuses.

Yours, respectfully,

WM. McC. MARTIN,
Chairman Federal Reserve Agents' Clearing Committee.

ST. LOUIS, MO., *October 13, 1915.*

SIRS: As requested, the committee on clearings of the Federal Reserve Agents has had two meetings and respectfully presents the following report:

The extension of the present collection facilities of Federal Reserve Banks is more of a reserve than a transit problem. In its transit aspects it opens a privilege to member banks, but in its reserve aspects the collection of their checks constitutes a restriction. Membership in the collection system requires them to carry larger reserves, the burden of which will be felt increasingly as more and more of their reserves are transferred to Federal Reserve Banks.

CHECKS ARE NOT COUNTED AS RESERVES AND RESERVES PAY THE COST OF COLLECTIONS.

One of the purposes of the Federal Reserve System is to concentrate reserves and put an end to the pyramided reserves which the National Bank Act has permitted. An inevitable accompaniment of this reform is the elimination of checks-in-transit from the reserves of member banks. Such checks, forwarded by one bank to another for collection and counted in its reserve before either credit or remittance for them has been received, constitute a so-called "float" of large proportion, the natural volume of which is often further increased by indirect routing and delayed remittance arrangements.

In many cases the same check-in-transit serves as a reserve for both a country bank and its reserve city correspondent. These two classes of banks are able to use their balances with reserve agents to compensate the latter for their services in collecting checks. Not only do they receive immediate credit for checks they deposit with reserve agents, but checks drawn upon them are seldom charged against their accounts; usually they are given several days in which to remit for them. Receiving immediate credit themselves for foreign items, they in turn do likewise for their depositors, although a collection charge is sometimes made. In this way the circulation of checks outside the place of origin is encouraged and is constantly increasing. The desire to convert such checks promptly into reserves has created the present transit and reserve problem.

SITUATION WHEN RESERVES WILL NO LONGER PAY FOR COLLECTIONS.

The Federal Reserve Act gradually requires the reserves to be transferred from present reserve agents to the reserve banks. With this transfer the tangle of reciprocal collection arrangements which the competition of half a century has developed will be unraveled and ended. Country and reserve city banks will, therefore, be brought face to face for the first time with the problem of collecting their foreign items. Reserves with reserve agents will no longer provide and pay for their service. Clearly the service can not be had for nothing; some one must pay the cost. Checks now count as reserves and the reserves carry the cost, but when the reserves have been completely transferred this will not be so. The cost will fall primarily on the bank which receives the foreign item on deposit. If the bank is unwilling to bear the cost, it must obviously impose it upon the person depositing the foreign item by either exacting a charge, deducting interest, or compelling a larger balance to be kept. Now that the cost of collecting foreign items is to be shifted from the reserve agent to the bank of original deposit, the latter must do just what the former has done—analyze its accounts and require those who deposit foreign items to keep compensating balances.

FEDERAL RESERVE BANKS MUST PROVIDE COLLECTION SYSTEM.

Clearly, if the Federal Reserve System deprives member banks of their present collection facilities, it must provide a substitute; not only must it do this as a matter of both justice and law, but it should do it as a matter of policy as well. For in a majority of the districts rediscounting has brought and probably will bring but a few of the member banks into active relations with their reserve banks. At best the relationship through rediscounting is occasional. But the daily depositing of checks and drawing of drafts will foster a close and normal relationship between the reserve bank and its members and will be constant evidence both to them and to the public that the system is doing something for them; nor will the effect of this be lost on the State banks.

The first step has been taken within each district. The need for an extension of the present system across district lines and to include state bank items and noncash items will become more pressing as more and more reserves are transferred and member banks' ability to collect through reserve agents is correspondingly curtailed. The approaching transfer of reserves on November 16 suggests the desirability of prompt action looking toward the establishment of a general system for the collection of all items. Such a system should be planned on lines of unquestioned soundness, assuring the most direct collections, and guarding as far as possible against inflation, manipulation of domestic exchange, and the purchase of "float" by reserve banks. Not only should existing unsound practices developed under competitive conditions be eliminated, but a constant watch should be kept for new elements of unsoundness to which new conditions may open the door.

The practice now inaugurated, of figuring the reserves of member banks from the books of the reserve banks is sound and prevents checks in the mail from counting as reserve before they reach the reserve bank. It is, however, not thoroughly understood by the member banks and as long as the Comptroller figures reserve from their books it will be difficult to change this long-established custom. Consequently, the reserve banks find themselves now carrying a considerable amount of float, although they have announced that it is against their policy to do so. In the Federal Reserve Bank of New York during August, reserves of member banks of the collection system outside of New York City averaged about one million dollars under the legal requirements.

EFFECT OF CALCULATING RESERVES FROM BOOKS OF RESERVE BANKS.

If all member banks joined the collection system and did business only with the reserve bank, each country and reserve city bank would be required to increase the reserves carried to an amount sufficient to offset the uncollected checks which are now constantly in transit to its reserve agents and are counted by it as reserves.

It is clear that the assumption of such a float will entail a distinct hardship on the country and reserve city banks. The hardship will be felt by them not only because it will reduce their loanable fund and their earnings, but because it will handicap them in competing with State banks. It is probable that until they have had time to adjust themselves and educate their depositors to carry their float the reserve banks will find it necessary to be somewhat lenient and share such portion of the burden as their resources will permit. It seems clear, however, that the development of the Federal Reserve collection systems will inevitably, by prompt collections, materially reduce the proportions of the present float.

SUGGESTED METHOD OF ELIMINATING CHECKS FROM RESERVES.

Having for so many years been able to count this float as reserve, it is probable that the complete assumption of it by the member banks can only be brought about by ruling of the Comptroller or by the imposition of the penalty for deficient reserves authorized by the Federal Reserve Act. The latter method would doubtless cause great dissatisfaction. The former is, therefore, to be preferred, but, in our opinion, it should not be attempted until the Comptroller has secured an agreement with all or nearly all State bank supervisors to make a joint ruling, effective after reasonable notice. At the same time, a study might profitably be made of what should constitute "net deposits" in calculating reserves, for adoption uniformly by supervising authorities. It is our belief that the excessive reserves now held by the banks make the present an especially favorable time to endeavor to effect this reform.

THE CHECK IS NOT LIKELY TO BE SUPERSEDED BY THE BANK TRANSFER.

If remittances to distant points could be made by means of bank transfer checks, the problem of the "float" would be substantially eliminated, but the individual check is an instrument of such convenience and value to the user, carrying, as it does, its receipt for the payment, that it is not likely to be superseded; in fact, through the use of voucher and other receipt forms of checks, receipting of bills and invoices is being quite generally abandoned.

EVENTUALLY THE DEPOSITOR MUST CARRY HIS FLOAT.

While it is undoubtedly sound to charge a depositor for paying his checks which he sends out of town in preference to buying a bank draft, yet member banks feel that this is an impracticable charge to impose. The practice even has some advantages to the member bank, for its reserve is not reached by its depositor's check as promptly as by its own draft. But for a depositor to draw against foreign items deposited, before the bank has collected or received credit for them, is obviously unsound. A bank may properly compensate itself for assuming the float which such a depositor, by accepting foreign items in payment of bills, creates either by charging for collecting such items or by requiring the depositor to maintain an increased average balance sufficient to carry them.

EXPLANATIONS WHICH SHOULD BE MADE.

In developing the present systems and extending them across district lines, it is suggested that each reserve bank should make to its member banks a frank statement of the reserve requirements of the Act and of the effect which the operation of the collection system will have upon their reserves. Also that it should explain to the member banks the desirability of analyzing the accounts at least of those customers who deposit out-of-town items and should offer its services to member banks to assist them in inaugurating such work. Also that the proposed development and extension of the collection system should be explained to the commercial, industrial, and agricultural interests of the country through appropriate organizations in order that they may understand the service which the Federal Reserve System is undertaking, largely for their benefit, and be prepared to bear their proper share of the burden.

RECOMMENDATIONS.

In view of the foregoing considerations, the committee recommends:

1. That as soon as practicable, and under arrangements which will make clear and restrict its use to the purposes for which it was established, settlements through the gold settlement fund should be made daily.

2. That the Federal Reserve Banks should soon arrange to undertake the collection of notes and drafts, and of items drawn on nonmember banks upon the most favorable terms which can be arranged in the respective districts.

3. That the Comptroller should be asked to endeavor to arrive at an agreement with all state bank supervisors that on and after a given date checks in the mail shall not be counted as reserve.

4. That through mutual agreements, each Federal Reserve Bank should receive checks drawn on members of the collection system of every other Federal Reserve Bank, deferring credit for them a sufficient number of days to allow them to reach the Federal Reserve Bank of the district of origin, plus the number of days, if any, allowed by such Federal Reserve Bank to reach the paying bank; and further

5. That through mutual agreement, any Federal Reserve Bank may receive for immediate credit checks drawn on members of the collection system of any other Federal Reserve Bank; and that whenever it is both practicable and more direct, member banks in such collection systems may send direct to the Federal Reserve Bank of the district of origin instead of to their own Federal Reserve Bank.

6. That the development of inter-district collecting need not await the completion of the intra-district collection systems.

7. That in extending the collection system both within and across district lines uniformity need not prevail but instead there should be freedom and flexibility of rules and requirements in order that each reserve bank may best meet the conditions and needs of its member banks.

8. That each Federal Reserve Bank should retain the right to change immediate credit points to deferred credit points, to assess upon members the cost of its collection service, to make charges against its member banks for using their balances to create exchange on other districts, and generally to make such rules and regulations as will enable it promptly to safeguard its position and protect itself against unsound developments.

Respectfully submitted.

WM. McC. MARTIN,
FREDERIC H. CURTISS,
PIERRE JAY,
Committee.

GENERAL BUSINESS CONDITIONS.

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

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

DISTRICT NO. 1—BOSTON.

There is considerable improvement in commercial activities throughout the district and the reports coming from the different lines of trade are not only cheerful but decidedly optimistic for the future. While it is difficult to differentiate between the normal seasonal demand and the unusual demand for European deliveries, or between the direct and indirect stimulus those orders have given to general business, still the domestic demand is daily becoming more and more a factor.

Money conditions, on the other hand, show little if any improvement over the preceding month, and while the financing of the Anglo-French loan, which was freely subscribed for in this district, was expected to strengthen money rates, as yet no apparent change has manifested itself. While the loans and discounts reported by the Boston banks show an increase over the preceding month, on the other hand, there is shown a heavy increase in the surplus reserves. The statistics for the month as compared with the previous month are as follows:

Excess reserve of Boston banks:	
Oct. 16, 1915	$78,831,000
Sept. 18, 1915	56,027,000
Due to banks:	
Oct. 16, 1915	141,529,000
Sept. 18, 1915	125,194,000
Demand deposits:	
Oct. 16, 1915	324,482,000
Sept. 18, 1915	282,551,000
Exchanges for the week ending—	
Oct. 16, 1915	203,964,782
Sept. 18, 1915	144,404,908
Oct. 16, 1914	134,223,120

Building and engineering operations in New England for the 10 months to October 13, 1915, $138,808,000, as compared with $134,219,000 in the corresponding period of 1914, the largest volume with two exceptions during the past 15 years.

Exports for September to the port of Boston, 1915, $7,177,360; 1914, $4,185,524. Imports for September to the port of Boston, 1915, $12,246,533; 1914, $11,426,000.

Receipts of the Boston post office for the month of September, 1915, show an increase of $30,000 over the corresponding month last year, and in increase of $130,000 over August, 1915.

Net operating revenues of the New York, New Haven & Hartford Railroad: August, 1915, $2,095,039; August, 1914, $1,632,239.

Net operating revenues of the Boston & Maine Railroad: August, 1915, $1,270,930; August, 1914, $921,607.

The demand for money is below normal, and rates continue much the same as during the previous month. There is a strong demand for good mercantile paper with but a limited amount in the hands of the brokers. Call loans, 3 per cent, with a slightly better demand from the brokers; time money, 3½ to 4 per cent; town notes, 2.10 per cent for shorter maturities and 2.40 per cent to 2.50 per cent up to six months; bankers' acceptances, 2$\frac{1}{16}$ to 2⅛ per cent.

The woolen mills are busy, and the worsted mills are doing a fair amount of business. The reports of the wool trade show that the demand is a little better if anything than the previous month, and prices are about the same.

The boot and shoe industry shows a marked improvement over the previous month. Orders are said to be coming in freely from the South and West, and many of the larger concerns are not only running full time, but are having more trouble filling orders than getting them. The wholesaler and the retailer have been running with a low stock of goods on hand for some time, and the present demand has created a large amount of orders to refurnish stock. The reports from the shoe business would indicate that business in that trade is better than it has been at any time during the past 18 months.

The cotton-mill situation is much the same. The fine-goods mills in New Bedford are doing a good business, and those mills manufacturing coarse goods are showing a steady improvement. Mills are buying cotton from "hand to mouth," being loath to buy cotton at 13 cents when they had bought that commodity a year ago at 7 cents. Those mills who bought heavily of cotton last year at low prices are showing good profits, as the price of goods is not only firm but is steadily going up, and it is felt that it will not be long before the goods will advance so that even at the present price of the staple a satisfactory profit will be shown.

The dye situation is still acute, and it is being felt to a considerable extent by the print mills, many of whom have been obliged to refuse orders and reduce their operations. Wood dyes and other substitutes are being used, but the operations of such mills have been considerably curtailed. While there is still some disturbance from labor, it is largely confined to industries working on foreign orders.

The bond houses are reporting a good demand for the higher grade of railroad bonds; in fact, the demand is exceeding the supply, thus creating higher prices. Savings-bank deposits in the district are increasing, and savings banks are purchasers of high-class securities, many of which are coming into this market showing evidence of former foreign ownership.

DISTRICT NO. 2—NEW YORK.

During September industrial activity increased, wholesale and retail trade expanded, and collections improved. Reports almost uniformly good have been received from many sections of this district. A correspondent summarizes the general crop situation of New York State as slightly below normal with prices in general above average. The potato crop was very poor, and in some places peaches were left ungathered because of the low price.

The most important recent event affecting American financial affairs was the formal agreement between the British and French Governments and a large American syndicate for the $500,000,000 five-year 5 per cent loan, which was underwritten at 96½, and is offered to the public at 98. It is also announced that American bankers are arranging to make a one-year 6 per cent loan of $25,000,000 to the Italian Government, to provide, as in the case of the Anglo-French loan, for purchases in this country and to stabilize exchange.

New York Clearing House banks on October 16 held deposits of $3,194,620,000, the largest amount ever reported by the association, and an increase of $1,269,266,000, or 65.9 per cent, since November 14, 1914. The loans and investments were $2,973,542,000, an increase of $840,372,000, or 39.4 per cent, since November 14, 1914. Excess reserves were $188,263,720. Compared with the statement of August 28 last deposits have increased $384,998,000, loans, etc., $318,168,000, and excess reserves decreased $16,535,860.

Statistics for September, 1915, compared with September, 1914, show the following: Exchanges through the New York Clearing House, $9,264,363,278, an increase of $4,636,239,836. The Stock Exchange was closed a year ago. New York City building permits, 28, for structures to cost $20,739,850—no change in number, but increased $15,630,800 in amount. New York State failures, 204, with liabilities of $2,543,609, a decrease of 25 in number and $9,231,300 in liabilities. Exports of merchandise from the port of New York, $163,608,127, an increase of $101,712,521, and higher than any previous month.

Record shipments of Canadian wheat are going out through New York this fall. The latest totals of exports from the port are $1,120,386,269, against $670,836,494 for the same period last year. Imports of merchandise at New York, $85,617,505, an increase of $9,498,964. Imports, according to the latest compilation, have reached a total of $740,218,702, against $760,664,577 for the same period last year. Including the $25,000,000 in sovereigns which arrived October 19, imports of sovereigns and francs amounting to $41,670,000 have been received at New York since September 10.

In September, $81,661,500 par value of bonds sold on the New York Stock Exchange, an increase of $8,600,000 over August; and 18,497,797 shares of stocks, a decrease of 1,936,440 from the preceding month. The speculative character of much of the trading has evoked some public comment.

The heavy movement of exports causes continued weakness in foreign exchange. Sterling moved within a narrower range between 4.66½ and 4.73 since it steadied after the violent fluctuations of last month. Continental rates were also steadier. Quotations for checks on October 21 were: Sterling, 4.66⅝; francs, 5.90; marks, 82⅛; lire, 6.39.

DISTRICT NO. 3—PHILADELPHIA.

Improved business conditions are reported from nearly all parts of the district. A hopeful sign is the report of increased sales by department stores, retail clothing, dry goods, grocery, and other concerns dealing directly with the consumer. While domestic trade is still below normal, for the first time this year we have reports of a distinct betterment. Most industries and manufacturing plants are busy, and in certain lines it is difficult to obtain merchandise, deliveries being slow.

Labor is well employed, and from the point of view of the laboring man conditions look good for the fall and winter.

The textile industry, one of the most important in this district, which a few months ago was the most depressed, now shows substantial recovery. In this district this industry includes manufactures of all kinds of cotton, woolen, and silk goods. It is estimated that plants are now being operated at from 70 to 75 per cent of their capacity, as compared with 30 or 40 per cent some months ago. There is much complaint that owing to the high cost of raw materials manufacturers' profits are too small. The scarcity of dyestuffs is a serious detriment to this industry and is daily becoming more acute. Collections are reported good.

Railroad shops are now operating on almost full time, being in a better condition than at any period since 1913. Substantial increase in the number of loaded freight cars being moved is reported, and this movement of loaded cars applies to both eastbound and westbound traffic. There are practically no good-order cars which are idle.

Coal-mining operations continue to improve, paper mills are busy, and glass industries are reported to be in fair condition. Building operations throughout the district are steadily increasing, although the lumber trade is dull and is still much below normal.

At the port of Philadelphia, imports, that for a number of months have shown a steady decline, are picking up because of importations of iron and copper ores, nitrate of soda, and sugar. Exports continue in large amount, greatly exceeding the corresponding figures of last year.

The general condition of crops is not as good as last month, and prices are not up to the average. Tobacco is of good quality, and good prices are anticipated, as it is reported that all the old tobacco has been distributed. The cattle trade is slow—the usual purchasing of live stock has been postponed because of the recent prevalence of the hoof-and-mouth disease. Activity is looked for in the near future.

The exceedingly small amount of rediscounts made by this bank for member banks is evidence that money is very plentiful in this district, and this is emphasized by the statements of the Philadelphia Clearing House Association, which show large increases in the excess reserves of its banks. There is apparently no immediate prospect of any change in the low rates for money prevailing here.

DISTRICT NO. 4—CLEVELAND.

Unprecedented conditions in the steel trade continue to be the big factors in influencing all business throughout this district. The report of unfilled orders on the Steel Corporation books for September, showing an increase of 409,153 tons, is an indication of the remarkable situation in that industry. This means that new business has kept up with the demands of production—in fact, is exceeding it. One change over last month's report is that much of the demand now in the steel trade is domestic, which has made contracting, even into next year, quite active. Prices of several items have been advanced $1 per ton in finished lines, and an uncertain advance in semifinished lines. A barometer of industry and trade throughout the country is the idle-car report for September, showing a decrease of 100,000 cars. The enormous tonnage in this district accounts for a large part of this decrease.

Traction travel in the down-town districts of the large cities is again on the increase. Suburban-train service demand is also larger, but this gain is moderate.

Building permits issued in the six large cities of the district show $7,252,791 against $4,531,000 for September, 1914. Post-office receipts in five large cities reporting show an average increase of 8 per cent over September, 1914. Retail business continues to improve, due no doubt to the large distribution of cash through increasing pay rolls at the mills.

Conditions in the lake trade are reflected in orders for two 12,000-ton steamers by the Pittsburgh Steamship Co., and another order for a similar-sized vessel by one independent company.

The soft-coal business and coke industry are much more satisfactory, and it is nearly a seller's market for the first time in several years.

Shoe manufacturers, shoe jobbers, wholesale carpet and dry goods dealers, jobbers in millinery, etc., report good business—in some cases as much as 25 to 30 per cent increase. Knit-goods and garment manufacturers report urgent demand for their output, taxing their capacity for early deliveries.

Correspondence from the southern portion of the district is distinctly optimistic. The greatest corn crop ever raised in Ohio and Kentucky is now being marketed. Farmers are inclined to hold their wheat for better prices, and owing to weather conditions it has been more profitable to use some small grain crops for feeding purposes, which has resulted in large purchases of live stock to fatten.

Collections since the 1st of September have been good, and while dealers see no reason to anticipate any sudden termination of the conditions prevailing, they are nevertheless keeping their accounts within bounds and insisting on customers keeping their affairs in good order, avoiding a very strong temptation to spread out and take on new burdens.

Money continues easy practically throughout the whole district, with rates unchanged from last month. There is a feeling, however, that the lowest rates were reached during the quarter ending September 30, and from this on there will be slightly better demand for money at a little improvement in rates.

DISTRICT NO. 5—RICHMOND.

After watching the slow and at times halting development of business during several months, it is now possible to report that this district is experiencing much improvement.

While cotton is largely responsible, it can fairly be said that the improvement is attributable to the fact that intelligent and very general curtailment of acreage, while naturally having a direct bearing upon the immediate price of the staple, accomplished much both immediately and it is hoped prospectively, in that the value of diversification has been clearly demonstrated. If the principle can be adhered to and the idea further developed in the future, landowners in the cotton States will soon insist, not only with themselves but with their tenants, that better average results will be had in diversification than in devoting their entire supply of energy to the cultivation of a single crop. It, therefore, is true that while the change in policy has resulted in high prices for a comparatively short crop of cotton, it also is the fact that the acreage withdrawn from cotton has yielded tobacco and grains of generous values, with the result that the farmers will remember the present year as one of plenty.

Cotton has been moving freely, permitting generous liquidation. The movement is allowing local jobbers and merchants to replenish, with confidence, stocks which have been carried at low-water mark, thus materially helping manufacturing lines. Many planters who have sold sufficient cotton to enable them to pay outstanding debts are now apparently disposed to store and hold part of their crop for prices which they hope to see even better than those prevailing at the moment. The liquidation noted can be observed all along the line from a local bank or merchant to the more or less distant bank, jobber, or manufacturer.

Tobacco has been of excellent quality and is selling at prices good for the growers.

Vegetable and fruit packing, a large industry in this district, after a long period of stagnation reports conditions to be decidedly better than was the case two months ago.

There is noted a very much better tone to business and a very marked change for the better in the demand for goods, particularly from the cotton districts.

Lumber, always slow to recover from stagnation, shows some real signs of improvement.

Retailers are quite generally feeling the effect of changed conditions, while automobile dealers, certainly in some sections, report more business at the moment and prospectively than for several months, which fact, while indicating immediate comfort of mind, may also suggest that the resolution prompting economy undertaken when in distress some months ago may have been forgotten.

Cotton milling is prosperous and mills are running full time, taking cotton as offered locally, though under no pressure either to buy or sell. Coal is in good position and its great tonnage is materially helping the railroads in caring for its territory.

Labor seems to be fully employed and on a basis satisfactory to all interests. Public-service utilities, such as street railways, gas and electric concerns, report an enlarged use of their facilities.

Banks, including most institutions located in sections which are debtor more or less continuously, are in a very easy position, many of them reporting funds to spare.

From present indications, a very comfortable and promising industrial situation with us at the moment is apt to continue to be in evidence during the next three or four months at least.

DISTRICT NO. 6—ATLANTA.

Events of the past month have not only sustained but increased the confidence of the general business public in the expanding activities of almost all lines. This is not confined to any particular section, but is the condition prevailing generally throughout the Sixth Federal Reserve District.

With the continued favorable development of the cotton market, the farmer appears disposed to sell and meet his obligations, many of which were extensions from last year. This is being reflected through the wholesalers and jobbers by merchants paying off their obligations and the purchasing of increased stocks by a renewal of their credit to its former status. The commercial travelers report a noteworthy increase in their sales, and say that merchants' sales are double in comparison with the same time last year.

The entire district has grain for sale this year, with more cattle and hogs than any previous season. Cotton for the first time can be classed as a somewhat "surplus-money crop."

The port communities were the most seriously affected during the depression, but with the movement of cotton, naval stores, and the increase in lumber exports the conditions are reported greatly improved in the past 30 days. The continued improvement in the business of the railroads is a reflection of the marked increase of business conditions in this district.

Bank clearings in Atlanta show an increase of 42 per cent, New Orleans 33 per cent, Savannah 92 per cent, with substantial increases in almost every large city in the district. Money is plentiful, and with the crops moving actively the banks have not found it necessary to rediscount to any great extent.

DISTRICT NO. 7—CHICAGO.

The business situation in this district, as reported by bankers in the large centers in Indiana, Michigan, Wisconsin, Illinois, and Iowa, can be summed up in the words of one of them to the effect that "affairs are seemingly gradually gaining in strength from day to day, trade is giving some evidence of being on the increase and a noticeable spirit of returning and increasing activity appears to be abroad."

While a few lines are operating at less than normal activity, there is evidence of more generally restored confidence and more activity in most lines. The weather conditions have been favorable and this undoubtedly has had a good influence in most branches of production and distribution.

Increased demand has enlarged the iron and steel outputs and there has been a further decrease in idle capacity and an enlargement in the reemployment of labor.

Inquiry discloses increasing business in general merchandise, both retail and wholesale. Capacity production in the automobile and automobile accessory business, which is very important in several cities in this district, continues in evidence. Improved conditions are reported in the general manufacturing lines and in both wholesale and retail trade at Chicago, Detroit, Indianapolis, Milwaukee, Des Moines, and Peoria.

With all of this increased activity the banks in the large centers show unusually large and increasing deposits, with interest rates at a low point. However, the banks in the smaller communities throughout the district seem to be well loaned up at their usual rates.

A considerable percentage of the corn crop in this district is soft and will not grade up to the market requirement. This will be fed to stock, probably resulting in increased loans by the country banks to farmers to carry live stock for feeding purposes and will probably increase the rediscount operations at this bank from that source.

Another feature of the cereal situation is delayed wheat marketing. The result of this is that elevators in Chicago are bare of new wheat and the houses which handle this product are heavy depositors, instead of large borrowers, which latter condition is the ordinary situation at this time of year.

DISTRICT NO. 8—ST. LOUIS.

Business interests in this district show continued improvement. The jobbing trade throughout the district appears to have made substantial gains during the past 30 days, and there seems to be a somewhat marked feeling of confidence among merchants. This is manifested by the adoption of a more liberal buying policy, which is having its effect upon both wholesalers and manufacturers. The number of failures for the third quarter of this year show an appreciable decrease as compared to the two previous quarters both in number of failures and total of liabilities.

Climatic conditions during September may be said to have been favorable. The rainfall, generally speaking, was below the normal for the month, but this was counterbalanced by the excessive precipitation in August. The temperature was somewhat above the normal, and this seems to have aided the various crops. The composite crop report of October 1 indicates that agricultural conditions in all the States within this district are satisfactory, and the harvest should be larger than either 1914 or the five-year average.

Cotton was the only crop which did not gain in condition during the month, and this staple shows a considerable loss as compared to previous reports. The price, however, has gone up, and from appearances the farmer will receive an adequate return. Cotton and wheat are both moving freely. The present reports on the corn crop indicate an exceptional yield in all of the States in this district. Illinois leads with an estimated production of 372,400,000 bushels. Reports indicate that the yield of oats, tobacco, potatoes, and other crops will also be above the 1914 harvest and the five-year average. The supply of small-fruit crops and truck-farm products continues plentiful, but the prices seem to have advanced somewhat in the past 30 days.

Banking conditions show little change. The demand for funds does not seem to be nearly as arge as usual at this time of the year, and rates are correspondingly low. Commercial paper rates remain abnormally low, best names quoted at $3\frac{1}{2}$ and 4 per cent, and little paper available.

The improvement in general business conditions continues. There seems to be a feeling of confidence among all classes of business men and farmers in this section which would seem to indicate further activity.

DISTRICT NO. 9—MINNEAPOLIS.

Rainy and unsettled weather during the first two-thirds of the month had an adverse effect on the marketing of grain at local points west to the Rocky Mountains and greatly reduced the expected arrivals at the Minneapolis and Duluth terminals. Wheat receipts have not more than kept pace with the milling and other current demands. There has been difficulty in securing a milling supply that is dry and hard, as the arriving wheat in many cases showed dampness. The Minneapolis mills have been producing on an unusually active scale, and the slow movement of the crop has been a handicap. Wet roads and interruptions to thrashing have been general in the wheat belt, with the result that the movement of grain from the farm to local elevators has been cut down materially.

Improved weather recently has brought a sharp increase in arrivals of wheat. Unless further rainy weather interferes, it is expected that the crop will now begin to move and that Minneapolis-Duluth receipts during the next six weeks will be very heavy.

An unfortunate feature of the situation resulting from adverse weather is a material reduction in the amount of fall plowing that is done or in progress. The period until cold weather sets in is short. Many fields that would ordinarily be plowed will not be touched this year. The remaining good weather will be largely utilized for thrashing rather than plowing.

Collections are showing some improvement as a result of the marketing of the crop and will further improve as grain moves in larger volume. Retail business is everywhere fair to good, with an excellent outlook. Manufacturing lines show little or no change. Wholesale business is good, especially in the hardware and grocery lines.

The demand for money is not what it should be, and banks generally are well fortified against all requirements. Rates hold about as before, with little or no change.

DISTRICT NO. 10—KANSAS CITY.

Financial conditions prevailing throughout District No. 10 have not materially changed since the date of our last report. While the demand for money has slightly increased, yet in some sections of the district deposits are increasing, and there seems to be an ample amount of loanable funds in the hands of local banks. The total deposits in Kansas State banks and trust companies September 15 were 16¾ millions more than a year ago, and loans were 7 millions more. There are now on deposit in Kansas banks, exclusive of national banks, about $130,000,000. Deposits show a shrinkage of about $1,000,000 since June statements were published, which is largely attributed to the lateness of the wheat harvest and the slow marketing of that crop.

Farmers are still inclined to hold their grain—wheat, oats, and corn—on account of prevailing prices, apparently believing that higher prices will rule a little later. Killing frosts have not yet visited the district, and Nebraska and northern Kansas farmers still entertain the hope of a bumper corn crop reaching full maturity. Cotton and cotton seed are bringing the highest prices in many years. Receipts of live stock, as well as prices, are below normal for this season of the year. The horse and mule market, while not as active as a few months ago, is above the average.

The oil industry is very active on account of the high prices prevailing. The milling industry is again becoming active, and lead and zinc mining is experiencing an era of great prosperity. Building operations throughout the district, and especially in the larger cities, are very extensive, with the naturally resultant great activity in the lumber and building materials trade. Wholesalers, jobbers, and retailers report active trade, with fair collections. Labor is generally employed throughout the district.

DISTRICT NO. 11—DALLAS.

Conditions throughout the eleventh district continue favorable. There is a general improvement in all lines of business and an optimistic feeling as to the fall months. At the prices now prevailing for cotton and cotton-seed products there is considerable movement, which has contributed to a general liquidation.

Interior banks report reduction of their loans and increasing deposits, with light demand for accommodations, and interest rates easier and below normal.

Jobbing houses report a large increase in shipments and retailers duplicating orders. Collections show continued improvements, and in some channels are fully normal or better.

In connection with the crop movement, during the past month this bank has made daily shipments to its members of currency and silver averaging from $150,000 to $200,000.

The net reduction in the loans of this bank for the first 15 days of October was $1,750,000, all of this liquidation being the rediscounts of member banks.

Live-stock interests throughout the district report excellent conditions, with plentiful forage and feed crops, and good prices prevailing for all classes of stock.

With the gathering and marketing of the cotton crop there has been an increasing demand for all classes of labor.

DISTRICT NO. 12—SAN FRANCISCO.

Crops, which in this district are of great variety, have this year been large. All have not yielded equal profits, some possibly even showing losses, but the final result will give fair average return for labor and capital employed. The localization of certain products in this territory is interesting. Ninety per cent of the lima beans of this country's commerce are grown near Ventura, Cal., because they mature there with the pods lying on the ground, while elsewhere poles are required to support the vines. Eighty-five per cent of the raisins produced in this country, amounting to approximately 115,000 tons this year, are grown within 50 miles of Fresno, Cal.

There is an absence of pessimism. This seems logical, in view of the certainty of large crops, coupled with present easy credit conditions. At least moderately good trade is an inevitable result, and here and there volume is exceeding that of the previous year.

Petroleum is one of the leading industries in this district, with a present annual production of approximately 100,000,000 barrels. This general condition would seem to assure a most favorable situation, but as a matter of fact this industry has been greatly depressed during the past few years and shows no present prospect for betterment. The production, approximating 250,000 barrels per day, about balances with current consumption, but approximately 60,000,000 barrels are in storage and there is a considerable "shut-in" production; that is, wells whose output would be immediately available if desired.

Some financially strong and ably managed corporations are operating with moderate profit, but many are not operating. Effort is making to consolidate more than 100 of the smaller companies. If accomplished, the industry would be in the hands of several large corporations whose financial strength would give greater stability to the industry while apparently assuring adequate competition.

Depression in lumbering continues. Mining is exceptionally active and profitable. The salmon-packing industry is in excellent condition. Trans-Pacific transportation has suffered a tremendous loss in the withdrawal of the Pacific Mail steamers. Although there are reports of a speedy increase in the number of ships of the Japanese line, yet these will naturally seek primarily the business of Japanese interests. The interruption of Panama Canal traffic is obviously a considerable loss to the Pacific coast because of the higher rates by rail. The railroads benefit accordingly. However, the congestion of transportation earlier predicted by many has not appeared.

Tabulation of the last published statements of national banks shows large increases in deposits quite generally throughout this district. It evidences conservatism that the increase in "cash and exchange" has been approximately equal to the increase of deposits, the loans having expanded very slightly. There seems to exist an attitude of contented confidence, with absence of speculative inclination.

DISTRIBUTION OF DISCOUNTS BY SIZES AND MATURITIES.

The total amount of commercial paper exclusive of bankers' acceptances discounted by the Federal Reserve Banks during September was $14,405,000, compared with $12,233,700 in August and $13,238,200 in July. The September total was about $1,000,000 in excess of the June total, the largest monthly total previously reported. Largely increased discount operations for the month are reported by the Atlanta, Chicago, Kansas City, and Dallas banks. Of the total bills discounted $301,400 were trade acceptances and $846,000 commodity paper, discounted at special, lower rates. About 80 per cent of the former class of paper and over 88 per cent of the latter class are reported from the Atlanta district. The number of notes discounted was 9,173, compared with 9,240 in August, 10,155 in July, and 10,734 in June. Of the total number of notes 67.1 per cent and of the total amount 65.4 per cent represented the share of the three southern banks, as against 73.5 and 68.2 per cent reported the month before.

The average size of all notes discounted during the month was $1,570, as against $1,324 in August, $1,304 in July, and $1,249 in June. The September average ranges from $1,217 for the Boston bank to $3,069 for the Philadelphia bank. The average for the three southern banks is about $1,529.

Of the total number of notes discounted about 33 per cent and of the total amount over 52 per cent were notes in amounts from $1,000 to $5,000, as against 29 and 54.4 per cent shown in last month's distribution. A large increase is noted in the number and amount of notes of over $10,000 in size, the proportion of this class of notes to the total amount of notes discounted showing an increase from 8.4 per cent in August to 13.7 per cent in September. The largest figures under this head are reported for the Atlanta district, where a relatively large amount of cotton and sugar paper of large denominations appears to have been discounted at the special 3 per cent rate for commodity paper.

Small notes (in amounts up to $250) constituted 22.8 per cent of the total number, though only slightly above 2 per cent of the total amount of discounts for the month. For the three southern banks, which handled about 80 per cent of the total number of small notes, the corresponding proportions were 26.7 per cent of the total number and about 2.4 per cent of the total amount of all paper discounted by them during the month.

The largest increase over the August figures is shown for the amount of 60-day paper discounted, the increases being especially marked in the case of the Atlanta and Dallas banks, while the amount of 10-day paper discounted is less than half the amount discounted in August. The total of agricultural and live-stock paper with maturities in excess of 90 days handled by the banks, while larger than the month before, constitutes a smaller percentage of the total monthly discounts. Over two-thirds of this class of paper was handled by the Chicago, Dallas, and Atlanta banks.

The number of banks accommodated during the month was 762, compared with 693 in August and 796 in July, and constitutes less than 10 per cent of the total number of member banks. Of the total banks accommodated 416, or about 55 per cent, were in the three southern districts, Dallas alone reporting 160 banks (out of a total of 648) which availed themselves of the discount privilege.

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

NUMBER OF PIECES AND AMOUNTS.

[In thousands of dollars.]

Bank.	To $100.		Over $100 to $250.		Over $250 to $500.		Over $500 to $1,000.		Over $1,000 to $2,500.		Over $2,500 to $5,000.		Over $5,000 to $10,000.		Over $10,000.		Total.		Per cent.	
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.
Boston			7	1.4	22	9.0	21	16.5	15	25.3	9	33.7	1	5.4			75	91.3	0.8	0.6
New York			12	2.2	41	15.9	74	61.2	55	84.7	25	95.9	4	26.3			211	286.2	2.3	2.0
Philadelphia	1	0.1	8	1.6	22	8.9	21	15.5	22	45.8	23	98.2	10	95.5	3	72.0	110	337.6	1.2	2.3
Cleveland	5	.4	9	1.8	11	4.5	19	15.9	78	141.6	36	148.6	32	168.5			190	481.3	2.1	3.3
Richmond	203	16.8	425	75.8	506	204.9	468	386.0	453	799.6	306	1,214.3	81	613.5	17	226.5	2,459	3,537.4	26.8	24.6
Atlanta	184	14.1	245	39.6	249	97.4	213	171.4	264	475.2	223	913.5	85	628.4	42	853.8	1,505	3,193.4	16.4	22.2
Chicago	10	.7	37	7.5	77	32.5	142	117.5	200	334.2	79	280.4	21	138.2	3	42.1	569	953.1	6.2	6.6
St. Louis	8	.5	30	5.1	84	31.7	58	45.8	110	175.1	56	222.8	17	120.8	1	10.2	364	612.0	4.0	4.3
Minneapolis	1	.1	35	5.9	54	20.5	99	68.4	89	138.6	26	81.7	24	133.2			328	448.4	3.6	3.1
Kansas City	58	4.6	192	33.8	212	78.4	195	144.5	192	320.7	82	318.1	20	126.6	17	311.1	968	1,337.8	10.5	9.3
Dallas	203	15.7	385	64.4	469	180.9	453	336.8	433	695.2	189	707.4	45	344.4	19	341.7	2,196	2,686.5	23.9	18.6
San Francisco	6	.5	26	4.3	33	11.9	38	24.0	44	71.0	22	86.5	19	120.0	10	121.8	198	440.0	2.2	3.1
Total	679	53.5	1,411	243.4	1,780	696.5	1,801	1,403.5	1,955	3,307.0	1,076	4,201.1	359	2,520.8	112	1,979.2	9,173	14,405.0	100.0	100.0

PERCENTAGES OF AMOUNTS OF EACH CLASS TO TOTAL.

Bank.	To $100.		Over $100 to $250.		Over $250 to $500.		Over $500 to $1,000.		Over $1,000 to $2,500.		Over $2,500 to $5,000.		Over $5,000 to $10,000.		Over $10,000.		Total.		Per cent.	
Boston				1.5		9.9		18.1		27.7		36.9		5.9				100.0		
New York				.8		5.5		21.4		29.6		33.5		9.2				100.0		
Philadelphia				.5		2.6		4.6		13.6		29.1		28.3		21.3		100.0		
Cleveland		0.1		.4		.9		3.3		29.4		30.9		35.0				100.0		
Richmond		.5		2.1		5.8		10.9		22.6		34.3		17.4		6.4		100.0		
Atlanta		.4		1.2		3.1		5.4		14.9		28.6		19.7		26.7		100.0		
Chicago		.1		.8		3.4		12.3		35.1		29.4		14.5		4.4		100.0		
St. Louis		.1		.8		5.2		7.5		28.6		36.4		19.7		1.7		100.0		
Minneapolis				1.3		4.6		15.3		30.9		18.2		29.7				100.0		
Kansas City		.3		2.5		5.9		10.8		24.0		23.8		9.5		23.2		100.0		
Dallas		.6		2.4		6.7		12.5		25.9		26.4		12.8		12.7		100.0		
San Francisco		.1		1.0		2.7		5.5		16.1		19.6		27.3		27.7		100.0		
Total		.4		1.7		4.8		9.7		23.0		29.2		17.5		13.7		100.0		

Commercial paper rediscounted during September by each of the Federal Reserve Banks, distributed by States and maturities as of date of rediscount.

[In thousands of dollars.]

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper rediscounted.
District No. 1—Boston:								
Connecticut	73							
Maine	70	4			4.9	29.2	1.5	35.6
Massachusetts	170							
New Hampshire	56	3			4.0	10.2		14.2
Rhode Island	18							
Vermont	48	2	9.9	18.1	9.0	4.5		41.5
Total	435	9	9.9	18.1	17.9	43.9	1.5	91.3
District No. 2—New York:								
New Jersey	131	2		9.2	3.8	5.0		18.0
New York	481	11	5.1	12.1	39.1	210.8	1.1	268.2
Total	612	13	5.1	21.3	42.9	215.8	1.1	286.2
District No. 3—Philadelphia:								
Delaware	24							
New Jersey	70	2	1.9	3.9	10.8	5.2		21.8
Pennsylvania	533	12	68.5	209.6	14.4	23.3		315.8
Total	627	14	70.4	213.5	25.2	28.5		337.6
District No. 4—Cleveland:								
Kentucky	72	4		1.8	22.8	12.5		37.1
Ohio	376	5	8.4	92.8	90.1	14.5	48.1	253.9
Pennsylvania	301	10	1.6	15.7	154.7	18.3		190.3
West Virginia	14							
Total	763	19	10.0	110.3	267.6	45.3	48.1	481.3

Commercial paper rediscounted during September by each of the Federal Reserve Banks, distributed by States and maturities as of date of rediscount—Continued.

[In thousands of dollars.]

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper rediscounted.
District No. 5—Richmond:								
District of Columbia	14	1	....	83.4	16.2	84.7	....	184.3
Maryland	98	3	....	1.9	26.8	54.3	3.0	86.0
North Carolina	80	38	.9	117.3	507.8	514.3	32.9	1,173.2
South Carolina	72	32	....	86.9	707.5	282.7	.4	1,077.5
Virginia	137	45	15.6	102.9	557.8	244.2	13.9	934.4
West Virginia	105	8	....	11.7	32.1	38.2	....	82.0
Total	506	127	16.5	404.1	1,848.2	1,218.4	50.2	3,537.4
District No. 6—Atlanta: [1]								
Alabama	95	30	....	20.9	304.3	488.6	74.3	888.1
Florida	55	18	....	31.0	114.6	308.0	35.3	488.9
Georgia	115	48	....	51.9	395.5	288.3	76.0	811.7
Louisiana	5	3	....	25.0	302.3	25.0	....	352.3
Mississippi	18	4	....	25.3	100.0	145.0	....	270.3
Tennessee	97	26	....	32.5	179.5	163.7	6.4	382.1
Total	385	129	....	186.6	1,306.2	1,418.6	192.0	3,193.4
District No. 7—Chicago:								
Illinois	316	10	....	11.0	94.8	73.2	35.3	214.3
Indiana	197	7	....	3.5	16.5	30.0	57.0	107.0
Iowa	348	44	....	16.9	136.3	229.5	192.5	575.2
Michigan	75	3	....	....	8.3	4.6	....	12.9
Wisconsin	51	1	....	1.0	20.7	22.0	....	43.7
Total	987	65	....	32.4	276.6	359.3	284.8	953.1
District No. 8—St. Louis:								
Arkansas	60	12	3.0	33.6	67.3	46.7	....	150.6
Illinois	156	12	....	2.9	19.0	54.6	9.8	86.3
Indiana	61	1	....	....	3.0	....	....	3.0
Kentucky	68	4	....	8.0	18.6	21.3	....	47.9
Mississippi	17	4	....	....	7.7	24.2	1.2	33.1
Missouri	80	13	.8	17.3	31.6	37.4	14.0	101.1
Tennessee	20	7	1.5	9.9	137.4	41.2	....	190.0
Total	462	53	5.3	71.7	284.6	225.4	25.0	612.0
District No. 9—Minneapolis:								
Michigan	31	....	....	....	....	....	....	....
Minnesota	279	18	....	4.0	82.8	63.3	51.6	201.7
Montana	64	6	....	1.2	10.2	19.7	....	31.1
North Dakota	152	9	....	9.8	14.6	43.2	4.6	72.2
South Dakota	115	5	....	1.5	16.1	9.1	16.0	42.7
Wisconsin	87	5	....	34.4	29.8	36.5	....	100.7
Total	728	43	....	50.9	153.5	171.8	72.2	448.4
District No. 10—Kansas City:								
Colorado	120	4	....	....	1.9	14.0	5.5	21.4
Kansas	217	20	4.2	200.5	224.7	85.9	33.1	548.4
Missouri	53	4	....	37.2	14.4	16.7	3.2	71.5
Nebraska	210	18	1.6	15.8	100.5	92.6	25.5	236.0
New Mexico	9	....	....	....	....	....	....	....
Oklahoma	308	43	8.7	39.9	202.9	159.3	49.7	460.5
Wyoming	33	....	....	....	....	....	....	....
Total	950	89	14.5	293.4	544.4	368.5	117.0	1,337.8
District No. 11—Dallas:								
Arizona	6	....	....	....	....	....	....	....
Louisiana	27	9	....	85.6	124.0	144.0	3.2	356.8
New Mexico	28	4	....	2.5	23.8	10.7	11.3	48.3
Oklahoma	42	18	....	27.5	94.4	61.2	32.0	215.1
Texas	545	129	....	108.4	986.4	765.1	206.4	2,066.3
Total	648	160	....	224.0	1,228.6	981.0	252.9	2,686.5
District No. 12—San Francisco:								
Alaska	1	....	....	....	....	....	....	....
Arizona	7	1	....	....	6.3	....	....	6.3
California	265	23	....	25.5	69.3	124.2	35.9	254.9
Idaho	57	3	....	6.1	7.8	6.4	7.9	28.2
Nevada	10	....	....	....	....	....	....	....
Oregon	86	9	....	18.1	2.2	91.8	....	112.1
Utah	23	....	....	....	....	....	....	....
Washington	78	5	....	22.2	8.7	7.6	....	38.5
Total	527	41	....	71.9	94.3	230.0	43.8	440.0

[1] Includes New Orleans branch.

Commercial paper rediscounted during September by each of the Federal Reserve Banks, distributed by States and maturities as of date of rediscount—Continued.

RECAPITULATION.

[In thousands of dollars.]

Districts and cities.	Number of member banks.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper rediscounted.	Per cent.
No. 1—Boston	435	9	9.9	18.1	17.9	43.9	1.5	91.3	0.6
No. 2—New York	612	13	5.1	21.3	42.9	215.8	1.1	286.2	2.0
No. 3—Philadelphia	627	14	70.4	213.5	25.2	28.5	....	337.6	2.3
No. 4—Cleveland	763	19	10.0	110.3	267.6	45.3	48.1	481.3	3.3
No. 5—Richmond	506	127	16.5	404.1	1,848.2	1,218.4	50.2	3,537.4	24.6
No. 6—Atlanta	385	129	....	186.6	1,396.2	1,418.6	192.0	3,193.4	22.2
No. 7—Chicago	987	65	....	32.4	276.6	359.3	284.8	953.1	6.6
No. 8—St. Louis	462	53	5.3	71.7	284.6	225.4	25.0	612.0	4.3
No. 9—Minneapolis	728	43	....	50.9	153.5	171.8	72.2	448.4	3.1
No. 10—Kansas City	950	89	14.5	293.4	544.4	368.5	117.0	1,337.8	9.3
No. 11—Dallas	648	160	....	224.0	1,228.6	981.0	252.9	2,686.5	18.6
No. 12—San Francisco	527	41	....	71.9	94.3	230.0	43.8	440.0	3.1
Total for September	7,630	762	131.7	1,698.2	6,180.0	5,306.5	1,088.6	14,405.0	100.0
Per cent for September	....	10.0	.9	11.8	42.9	36.8	7.6	100.0	....
Per cent for August	....	9.1	2.6	11.3	40.8	36.9	8.4	100.0	....
Per cent for July	....	10.5	.8	12.2	34.1	40.0	12.9	100.0	....
Per cent for June	....	10.3	13.5		29.1	38.7	18.7	100.0	....
Per cent for May	....	9.4	13.4		31.4	35.6	19.6	100.0	....
Per cent for April	....	8.1	11.6		33.9	39.2	15.3	100.0	....

Amount of commercial paper held by each of the Federal Reserve Banks on Friday, Oct. 1, 1915, distributed by maturities.

[In thousands of dollars.]

Federal Reserve Bank.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total.	Per cent.
Boston	29.3	26.7	70.1	31.3	....	157.4	0.5
New York	68.1	117.2	235.5	38.7	....	459.5	1.5
Philadelphia	145.9	34.9	72.4	16.9	....	270.1	.9
Cleveland	142.0	328.8	104.9	39.1	48.8	663.6	2.2
Richmond	1,323.0	2,348.4	3,135.2	925.7	16.3	7,748.6	25.8
Atlanta	636.0	1,516.4	2,409.2	1,098.2	230.1	5,889.9	19.6
Chicago	94.5	275.1	457.9	407.1	341.5	1,576.1	5.3
St. Louis	159.4	374.5	587.9	249.2	50.6	1,421.6	4.7
Minneapolis	124.2	287.2	626.6	363.0	161.4	1,562.4	5.2
Kansas City	284.1	771.0	670.2	330.8	109.5	2,165.6	7.2
Dallas	863.5	1,721.3	2,789.2	1,110.1	441.0	6,925.1	23.1
San Francisco	298.6	219.1	359.3	265.2	51.8	1,194.0	4.0
Total	4,168.6	8,020.6	11,518.4	4,875.3	1,451.0	30,033.9	100.0
Per cent	13.9	26.7	38.4	16.2	4.8	100.0	....

ACCEPTANCES.

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

Date.	Member banks.	Nonmember banks.		Private banks.	Total.
		Trust companies.	State banks.		
1915.					
September 27	7,281	5,314	74	408	13,077
October 4	9,000	4,898	132	343	14,373
October 11	8,957	5,118	116	134	14,325
October 18	9,015	4,802	116	199	14,132

Acceptances indorsed by member banks: Private bank acceptances, 12,000.

Distribution of bankers' acceptances held by Federal Reserve Banks, according to schedules on hand Oct. 18, 1915, by classes of acceptors and sizes.

Class of acceptors.	To $5,000.		Over $5,000 to $10,000.		Over $10,000 to $25,000.		Over $25,000 to $50,000.		Over $50,000 to $100,000.		Over $100,000.		Total.		Per cent.
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	
Member banks	199	$581,440	154	$1,265,118	179	$3,079,292	57	$2,329,559	13	$979,085	6	$780,000	608	$9,014,494	63.8
Trust companies	85	249,091	60	446,469	64	1,228,916	18	705,861	13	946,178	5	1,225,789	245	4,802,304	34.0
State banks	12	48,750	....	....	6	67,500	....	....	....	....	....	....	18	116,250	.8
Private banks	5	24,841	8	59,364	8	114,859	....	....	....	....	....	....	21	199,064	1.4
Total	301	904,122	222	1,770,951	257	4,490,567	75	3,035,420	26	1,925,263	11	2,005,789	802	14,132,112	100.0
Per cent	....	6.4	....	12.5	....	31.8	....	21.5	....	13.6	....	14.2	....	100.0	....

Amounts of acceptances held by the several Federal Reserve Banks at close of business on Fridays, Sept. 24 to Oct. 22, 1915.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Acceptances maturing within 10 days:													
Sept. 24	70	639	451	25	....	....	25	25	45	45	....	....	1,325
Oct. 1	251	527	281	70	....	....	160	94	73	93	....	46	1,595
Oct. 8	188	312	50	20	....	....	126	86	90	101	....	21	994
Oct. 15	763	1,259	219	192	....	....	301	192	88	114	....	80	3,208
Oct. 22	431	764	25	30	....	....	100	52	7	59	....	68	1,536
Acceptances maturing after 10 days but within 30 days:													
Sept. 24	954	1,523	280	237	....	....	436	236	116	128	....	146	4,056
Oct. 1	1,170	1,649	246	208	....	....	401	193	96	114	....	168	4,245
Oct. 8	1,355	1,777	221	337	....	....	335	157	32	80	....	172	4,466
Oct. 15	1,055	1,242	88	92	....	....	263	113	81	237	....	202	3,393
Oct. 22	965	736	178	115	....	....	510	87	93	212	....	195	3,091
Acceptances maturing after 30 days but within 60 days:													
Sept. 24	785	1,488	160	145	....	....	610	140	96	271	....	363	4,058
Oct. 1	1,241	1,265	259	129	....	....	617	122	96	237	....	307	4,273
Oct. 8	1,294	1,517	349	132	....	....	832	150	138	250	....	336	4,998
Oct. 15	1,424	1,282	459	209	....	....	730	94	79	82	....	257	4,616
Oct. 22	1,322	1,378	606	157	100	....	452	94	62	82	....	196	4,449
Acceptances maturing after 60 days but within 3 months:													
Sept. 24	626	1,269	868	107	100	....	350	93	59	51	....	96	3,619
Oct. 1	1,433	1,443	899	164	100	....	374	133	52	51	....	84	4,733
Oct. 8	1,201	1,522	821	93	100	....	269	111	65	62	....	102	4,346
Oct. 15	727	1,208	658	94	100	....	213	105	49	47	....	108	3,339
Oct. 22	672	1,909	635	178	....	....	393	171	101	87	....	113	4,259
Total acceptances held:													
Sept. 24	2,435	4,919	1,759	514	100	....	1,421	494	316	495	....	605	13,058
Oct. 1	4,095	4,884	1,685	571	100	....	1,552	542	317	495	....	605	14,846
Oct. 8	4,038	5,128	1,441	582	100	....	1,562	504	325	493	....	631	14,804
Oct. 15	3,969	4,991	1,454	587	100	....	1,527	504	297	480	....	647	14,556
Oct. 22	3,390	4,787	1,444	480	100	....	1,455	404	263	440	....	572	13,335

Amounts of acceptances purchased by each of the Federal Reserve Banks from Feb. 19 (date of first purchase) to June 30, and for the months of July, August, and September, 1915, distributed by maturities.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Acceptances maturing within 30 days:													
Feb. 19 to June 30	....	539	109	64	....	....	141	67	10	41	....	61	1,032
July	....	....	43	....	....	....	....	....	....	....	....	....	43
August	39	103	42	37	....	....	....	36	29	28	....	....	314
September	....	....	....	....	....	....	....	....	....	....	....	....	....
Total	39	642	194	101	....	....	141	103	39	69	....	61	1,389
Acceptances maturing after 30 days but within 60 days:													
Feb. 19 to June 30	235	1,543	368	598	....	....	310	226	119	61	....	633	4,093
July	17	276	237	33	....	....	71	24	13	4	....	23	698
August	17	269	121	18	....	....	35	18	....	17	....	17	512
September	....	38	....	136	....	....	23	36	17	35	....	25	310
Total	269	2,126	726	785	....	....	439	304	149	117	....	698	5,613
Acceptances maturing after 60 days but within 3 months:													
Feb. 19 to June 30	2,899	8,145	1,876	732	....	....	1,524	162	397	634	....	1,112	17,481
July	1,046	1,977	521	265	....	....	426	276	178	190	....	120	4,999
August	931	1,443	140	115	....	....	593	87	87	202	....	347	3,945
September	756	1,557	994	107	....	....	343	84	51	51	....	96	4,039
Total	5,632	13,122	3,531	1,219	....	....	2,886	609	713	1,077	....	1,675	30,464
Total acceptances bought:													
Feb. 19 to June 30	3,134	10,227	2,353	1,394	....	....	1,975	455	526	736	....	1,806	22,606
July	1,063	2,253	801	298	....	....	497	300	191	194	....	143	5,740
August	987	1,815	303	170	....	....	628	141	116	247	....	364	4,771
September	756	1,595	994	243	....	....	366	120	68	86	....	121	4,349
Grand total	5,940	15,890	4,451	2,105	....	....	3,466	1,016	901	1,263	....	2,434	37,466

FEDERAL RESERVE BANK STATEMENTS.

Resources and liabilities of each of the Federal Reserve Banks and of the Federal Reserve System at close of business on Fridays, Oct. 1 to Oct. 22, 1915.

RESOURCES.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Gold coin and certificates in vault:													
Oct 1	14,186	133,071	7,584	11,883	5,894	6,059	26,638	4,139	3,383	4,572	3,603	6,262	227,274
Oct. 8	14,717	133,952	8,938	11,377	5,917	6,074	26,727	2,811	2,984	4,410	3,997	5,865	227,769
Oct. 15	14,087	129,903	11,428	11,269	5,958	6,076	29,461	2,376	2,227	4,408	3,997	5,766	226,956
Oct. 22	13,909	132,752	9,191	11,015	5,969	5,835	29,445	3,925	1,463	4,111	3,999	5,391	227,005
Gold settlement fund:													
Oct. 1	2,146	5,032	5,069	4,260	6,645	1,699	13,040	3,728	3,151	2,721	5,236	2,453	55,180
Oct. 8	3,257	1,954	3,947	3,850	6,517	2,548	14,111	5,032	3,733	2,711	5,789	2,851	55,850
Oct. 15	2,312	6,274	3,339	3,701	7,219	1,563	12,271	6,029	4,243	2,383	5,864	3,442	58,620
Oct. 22	2,620	3,734	2,339	4,597	6,104	2,736	10,868	4,054	5,125	2,748	6,062	3,683	54,670
Gold redemption fund:													
Oct. 1	6	55	37	....	375	225	....	35	30	77	341	21	1,202
Oct. 8	6	55	37	....	375	225	....	35	30	87	341	21	1,212
Oct. 15	6	55	37	....	375	225	....	35	30	87	341	21	1,212
Oct. 22	6	55	37	....	375	225	....	35	30	87	341	21	1,212
Legal tender notes, silver, etc.:													
Oct. 1	164	10,107	2,625	991	87	123	1,345	277	4	432	331	7	16,493
Oct. 8	47	15,368	2,490	1,001	90	148	1,097	194	6	430	424	7	21,302
Oct. 15	1	13,360	2,617	1,005	86	156	1,656	167	8	271	414	7	19,748
Oct. 22	442	28,495	2,740	1,003	84	153	977	147	7	266	307	5	34,626
Total reserve:													
Oct. 1	16,502	148,265	15,315	17,134	13,001	8,106	41,023	8,179	6,568	7,802	9,511	8,743	300,149
Oct. 8	18,027	151,329	14,962	16,228	12,899	8,995	41,935	8,072	6,753	7,638	10,551	8,744	306,133
Oct. 15	16,406	149,592	17,421	15,975	13,638	8,020	43,388	8,607	6,508	7,129	10,616	9,236	306,536
Oct. 22	16,977	165,036	14,307	16,615	12,532	8,949	41,290	8,161	6,625	7,212	10,709	9,100	317,513
Commercial paper:													
Oct. 1	157	459	270	664	7,749	5,890	1,576	1,422	1,562	2,166	6,925	1,194	30,034
Oct. 8	154	417	333	586	7,573	6,587	1,667	1,441	1,590	2,339	6,672	1,202	30,561
Oct. 15	149	392	280	534	7,138	6,273	1,833	1,499	1,568	2,464	6,242	1,031	29,403
Oct. 22	159	439	218	607	6,095	6,475	2,025	1,476	1,611	2,649	6,320	1,013	29,987
Bankers' acceptances:													
Oct 1	4,095	4,884	1,685	571	100	....	1,552	542	317	495	....	605	14,846
Oct. 8	4,038	5,128	1,441	582	100	....	1,562	504	325	493	....	631	14,804
Oct. 15	3,969	4,991	1,454	587	100	....	1,527	504	297	480	....	647	14,556
Oct. 22	3,390	4,787	1,444	480	100	....	1,455	404	263	440	....	572	13,335
United States bonds:													
Oct. 1	491	....	340	887	....	....	3,986	242	1,027	1,356	....	1,000	9,329
Oct. 8	491	....	344	887	....	....	3,986	212	1,032	1,501	....	1,000	9,483
Oct. 15	491	....	491	907	....	....	4,006	952	1,032	1,501	....	1,000	10,380
Oct. 22	491	....	491	932	....	....	4,031	952	1,082	1,501	....	1,000	10,480
Municipal warrants:													
Oct. 1	3,865	9,355	3,069	3,704	....	5	2,985	1,148	795	831	....	1,624	27,381
Oct. 8	3,735	9,231	3,017	3,691	....	4	2,970	1,153	770	821	....	1,637	27,029
Oct. 15	3,600	9,113	2,978	3,721	....	5	2,970	1,153	770	816	....	1,457	26,583
Oct. 22	3,249	8,513	2,891	3,663	....	4	2,940	1,140	793	809	....	1,379	25,381
Federal reserve notes, net assets:													
Oct. 1	369	8,928	584	272	....	....	2,161	633	527	....	....	1,904	15,378
Oct. 8	349	9,089	307	320	....	....	2,170	1,072	558	....	....	1,658	15,523
Oct. 15	329	8,872	621	198	....	....	2,174	199	913	....	....	1,930	15,236
Oct. 22	378	9,781	547	154	....	....	2,176	....	746	....	....	1,898	15,680
Due from other Federal reserve banks, net:													
Oct. 1	1,171	....	4,093	598	793	659	4,575	1,559	585	147	1,924	1,182	[1] 11,194
Oct. 8	512	....	2,539	745	967	289	2,336	1,628	493	....	1,087	1,608	[1] 7,723
Oct. 15	533	1,318	142	1,236	807	214	1,231	1,316	661	753	796	1,153	[1] 10,160
Oct. 22	507	....	3,400	1,035	1,488	1,270	2,483	2,344	526	527	1,568	1,600	[1] 12,342
All other resources:													
Oct. 1	189	391	979	178	266	193	176	206	64	481	121	82	3,326
Oct. 8	401	382	692	120	208	224	152	212	64	467	123	79	3,124
Oct. 15	418	391	458	125	64	362	122	310	63	503	117	85	3,018
Oct. 22	523	392	753	120	69	220	134	184	67	494	121	85	3,162
Total resources:													
Oct. 1	26,839	172,282	26,335	24,008	21,909	14,853	58,034	13,931	11,445	13,278	18,481	16,334	411,637
Oct. 8	27,707	175,576	23,635	23,159	21,747	16,099	56,778	14,324	11,585	13,259	18,433	16,559	414,380
Oct. 15	25,895	174,669	23,845	23,283	21,747	14,874	57,251	14,540	11,812	13,646	17,771	16,539	415,872
Oct. 22	25,674	188,948	24,051	23,606	21,184	16,918	56,534	14,661	11,713	13,632	18,718	16,647	427,880

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

Resources and liabilities of each of the Federal Reserve Banks and of the Federal Reserve System at close of business on Fridays, Oct. 1 to Oct. 22, 1915—Continued.

LIABILITIES.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Capital paid in:													
Oct. 1	5,134	10,987	5,267	5,944	3,358	2,417	6,632	2,782	2,489	3,023	2,764	3,931	54,728
Oct. 8	5,181	10,987	5,267	5,944	3,358	2,418	6,633	2,782	2,491	3,023	2,765	3,932	54,781
Oct. 15	5,181	10,987	5,267	5,944	3,349	2,418	6,633	2,782	2,491	3,025	2,765	3,933	54,775
Oct. 22	5,181	11,047	5,266	5,945	3,349	2,413	6,634	2,783	2,491	3,025	2,767	3,933	54,834
Government deposits:													
Oct. 1	......	......	......	......	5,000	5,000	......	......	......	......	5,000	......	15,000
Oct. 8	......	......	......	......	5,000	5,000	......	......	......	......	5,000	......	15,000
Oct. 15	......	......	......	......	5,000	5,000	......	......	......	......	5,000	......	15,000
Oct. 22	......	......	......	......	5,000	5,000	......	......	......	......	5,000	......	15,000
Reserve deposits, net:													
Oct. 1	21,705	152,737	21,068	18,064	7,378	5,394	51,402	11,149	8,956	9,144	5,484	12,403	324,884
Oct. 8	22,520	157,806	18,368	17,215	7,430	5,515	50,145	11,542	9,094	9,000	5,519	12,627	326,787
Oct. 15	20,714	161,355	18,578	17,339	7,529	4,647	50,618	11,758	9,321	9,374	4,927	12,606	328,766
Oct. 22	20,493	170,920	18,785	17,661	7,591	5,671	49,900	11,841	9,222	9,438	6,208	12,714	340,444
Federal reserve notes, net liability:													
Oct. 1	......	......	......	......	6,037	1,978	......	......	......	1,111	5,233	......	14,359
Oct. 8	......	......	......	......	5,820	3,097	......	......	......	1,159	5,149	......	15,225
Oct. 15	......	......	......	......	5,727	2,738	......	......	......	1,247	5,079	......	14,791
Oct. 22	......	......	......	......	5,098	3,762	......	37	......	1,169	4,743	......	14,809
Due to other Federal reserve banks, net:													
Oct. 1	......	6,092	......	......	......	......	......	......	......	......	......	......	......
Oct. 8	......	4,404	......	......	......	......	......	......	......	77	......	......	......
Oct. 15	......	......	......	......	......	......	......	......	......	......	......	......	......
Oct. 22	......	4,406	......	......	......	......	......	......	......	......	......	......	......
All other liabilities:													
Oct. 1	......	2,466	......	......	136	64	......	......	......	......	......	......	2,666
Oct. 8	......	2,379	......	......	139	69	......	......	......	......	......	......	2,587
Oct. 15	......	2,327	......	......	142	71	......	......	......	......	......	......	2,540
Oct. 22	......	2,575	......	......	146	72	......	......	......	......	......	......	2,793
Total liabilities:													
Oct. 1	26,839	172,282	26,335	24,008	21,909	14,853	58,034	13,931	11,445	13,278	18,481	16,334	411,637
Oct. 8	27,707	175,576	23,635	23,159	21,747	16,099	56,778	14,324	11,585	13,259	18,433	16,559	414,380
Oct. 15	25,895	174,669	23,845	23,283	21,747	14,874	57,251	14,540	11,812	13,646	17,771	16,539	415,872
Oct. 22	25,674	188,943	24,051	23,603	21,184	16,918	56,534	14,661	11,713	13,632	18,718	16,647	427,880

Circulation of Federal reserve notes at close of business on Fridays, Oct. 1 to Oct. 22, 1915.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Federal reserve notes issued to the bank:													
Oct. 1	5,120	61,620	5,030	6,600	11,300	11,280	4,380	3,325	7,100	6,780	14,465	4,000	141,000
Oct. 8	5,320	64,020	5,390	7,400	12,100	11,450	4,380	4,825	7,500	7,080	15,125	4,000	148,590
Oct. 15	5,320	65,520	5,830	7,600	12,700	12,550	4,380	4,825	8,300	7,080	15,285	4,400	153,790
Oct. 22	5,420	67,920	5,760	8,000	13,400	13,150	4,380	4,825	9,100	7,480	15,445	4,400	159,280
Federal reserve notes in the hands of the bank:													
Oct. 1	369	9,198	584	272	363	1,802	2,161	992	527	354	192	1,904	18,718
Oct. 8	349	9,359	307	320	280	853	2,170	1,572	558	406	436	1,658	18,268
Oct. 15	329	9,092	621	198	273	1,312	2,174	699	913	318	166	1,930	18,025
Oct. 22	378	10,001	547	154	202	488	2,176	463	746	496	162	1,898	17,711
Federal reserve notes in circulation:													
Oct. 1	4,751	52,422	4,446	6,328	10,937	9,478	2,219	2,333	6,573	6,426	14,273	2,096	122,282
Oct. 8	4,971	54,661	5,083	7,080	11,820	10,597	2,210	3,253	6,942	6,674	14,689	2,342	130,322
Oct. 15	4,991	56,428	5,209	7,402	12,427	11,238	2,206	4,126	7,387	6,762	15,119	2,470	135,765
Oct. 22	5,042	57,919	5,213	7,846	13,198	12,662	2,204	4,362	8,354	6,984	15,283	2,502	141,569
Gold and lawful money deposited with or to the credit of the Federal reserve agent:													
Oct. 1	5,120	61,350	5,030	6,600	4,900	7,500	4,380	2,966	7,100	5,315	9,040	4,000	123,301
Oct. 8	5,320	63,750	5,390	7,400	6,000	7,500	4,380	4,325	7,500	5,515	9,540	4,000	130,620
Oct. 15	5,320	65,300	5,830	7,600	6,700	8,500	4,380	4,325	8,300	5,515	10,040	4,400	136,210
Oct. 22	5,420	67,700	5,760	8,000	8,100	8,900	4,380	4,325	9,100	5,815	10,540	4,400	142,440
Carried to net liabilities:													
Oct. 1	......	......	......	......	6,037	1,978	......	......	......	1,111	5,233	......	14,359
Oct. 8	......	......	......	......	5,820	3,097	......	......	......	1,159	5,149	......	15,225
Oct. 15	......	......	......	......	5,727	2,738	......	......	......	1,247	5,079	......	14,791
Oct. 22	......	......	......	......	5,098	3,762	......	37	......	1,169	4,743	......	14,809
Carried to net assets:													
Oct. 1	369	8,928	584	272	......	......	2,161	633	527	......	......	1,904	15,378
Oct. 8	349	9,089	307	320	......	......	2,170	1,072	558	......	......	1,658	15,523
Oct. 15	329	8,872	621	198	......	......	2,174	199	913	......	......	1,930	15,236
Oct. 22	378	9,781	547	154	......	......	2,176	......	746	......	......	1,898	15,680

Statement of Federal reserve agents' accounts at close of business on Fridays, Oct. 1 to Oct. 22, 1915.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Federal reserve notes:													
Received from the Comptroller—													
Oct. 1	11,800	63,760	9,280	8,000	12,800	13,600	9,380	3,400	9,000	8,000	16,800	10,000	175,820
Oct. 8	11,800	67,560	9,280	8,000	12,800	15,200	9,380	6,600	13,000	9,000	18,260	10,000	190,880
Oct. 15	11,800	70,520	9,280	10,000	14,100	16,000	9,380	6,600	13,000	9,000	19,580	10,000	199,260
Oct. 22	11,800	73,520	12,480	10,000	14,100	16,000	9,380	6,600	13,000	9,000	19,580	10,000	205,460
Returned to the Comptroller—													
Oct. 1	300	....	310	....	....	....	120	....	....	....	15	....	745
Oct. 8	300	....	310	....	....	....	120	....	....	....	15	....	745
Oct. 15	300	....	310	....	....	....	120	....	....	....	15	....	745
Oct. 22	300	....	380	....	....	....	120	....	....	....	15	200	1,015
Chargeable to the Federal reserve agent—													
Oct. 1	11,500	63,760	8,970	8,000	12,800	13,600	9,260	3,400	9,000	8,000	16,785	10,000	175,075
Oct. 8	11,500	67,560	8,970	8,000	12,800	15,200	9,260	6,600	13,000	9,000	18,245	10,000	190,135
Oct. 15	11,500	70,520	8,970	10,000	14,100	16,000	9,260	6,600	13,000	9,000	19,565	10,000	198,515
Oct. 22	11,500	73,520	12,100	10,000	14,100	16,000	9,260	6,600	13,000	9,000	19,565	9,800	204,445
In the hands of the Federal reserve agent—													
Oct. 1	6,380	2,140	3,940	1,400	1,500	2,320	4,880	75	1,900	1,220	2,320	6,000	34,075
Oct. 8	6,180	3,540	3,580	600	700	3,750	4,880	1,775	5,500	1,920	3,120	6,000	41,545
Oct. 15	6,180	5,000	3,140	2,400	1,400	3,450	4,880	1,775	4,700	1,920	4,280	5,600	44,725
Oct. 22	6,080	5,600	6,340	2,000	700	2,850	4,880	1,775	3,900	1,520	4,120	5,400	45,165
Issued to the Federal reserve bank, less amount returned to the Federal reserve agent for redemption—													
Oct. 1	5,120	61,620	5,030	6,600	11,300	11,280	4,380	3,325	7,100	6,780	14,465	4,000	141,000
Oct. 8	5,320	64,020	5,390	7,400	12,100	11,450	4,380	4,825	7,500	7,080	15,125	4,000	148,590
Oct. 15	5,320	65,520	5,830	7,600	12,700	12,550	4,380	4,825	8,300	7,080	15,285	4,400	153,790
Oct. 22	5,420	67,920	5,760	8,000	13,400	13,150	4,380	4,825	9,100	7,480	15,445	4,400	159,280
Amounts held by the Federal reserve agent:													
In reduction of liability on outstanding notes—													
Gold coin and certificates—													
Oct. 1	5,120	61,350	5,030	6,270	....	....	4,260	2,966	7,100	5,315	9,010	4,000	110,451
Oct. 8	5,320	63,750	5,390	7,030	....	....	4,260	4,325	7,500	5,515	9,540	4,000	116,630
Oct. 15	5,320	65,300	5,830	7,220	....	....	4,260	4,325	8,300	5,515	9,540	4,400	120,010
Oct. 22	5,420	67,700	5,760	7,600	....	400	4,260	4,325	9,100	5,815	9,540	....	119,920
As security for outstanding notes—													
Commercial paper—													
Oct. 1	....	270	....	....	6,400	3,780	....	359	....	1,465	5,425	....	17,699
Oct. 8	....	270	....	....	6,100	3,950	....	500	....	1,565	5,585	....	17,970
Oct. 15	....	220	....	....	6,000	4,050	....	500	....	1,565	5,245	....	17,580
Oct. 22	....	220	....	....	5,300	4,250	....	500	....	1,665	4,905	....	16,840
Federal reserve agent's credit balances:													
In gold redemption fund—													
Oct. 1	....	....	....	330	....	....	120	....	....	....	....	....	450
Oct. 8	....	....	....	370	....	....	120	....	....	....	....	....	490
Oct. 15	....	....	....	380	....	....	120	....	....	....	....	....	500
Oct. 22	....	....	....	400	....	....	120	....	....	....	....	....	520
With F. R. Board—													
Oct. 1	....	....	....	....	4,900	7,500	....	....	....	....	....	....	12,400
Oct. 8	....	....	....	....	6,000	7,500	....	....	....	....	....	....	13,500
Oct. 15	....	....	....	....	6,700	8,500	....	....	....	....	500	....	15,700
Oct. 22	....	....	....	....	8,100	8,500	....	....	....	....	1,000	4,400	22,000
Total:													
Oct. 1	5,120	61,620	5,030	6,600	11,300	11,280	4,380	3,325	7,100	6,780	14,465	4,000	141,000
Oct. 8	5,320	64,020	5,390	7,400	12,100	11,450	4,380	4,825	7,500	7,080	15,125	4,000	148,590
Oct. 15	5,320	65,520	5,830	7,600	12,700	12,550	4,380	4,825	8,300	7,080	15,285	4,400	153,790
Oct. 22	5,420	67,920	5,760	8,000	13,400	13,150	4,380	4,825	9,100	7,480	15,445	4,400	159,280
Memorandum:													
Total amount of commercial paper delivered to the Federal reserve agent—													
Oct. 1	....	270	....	....	6,515	3,788	....	359	....	1,466	5,695	....	18,093
Oct. 8	....	270	....	....	6,126	4,055	....	500	....	1,568	5,748	....	18,267
Oct. 15	....	220	....	....	6,016	4,050	....	500	....	1,568	5,412	....	17,766
Oct. 22	....	220	....	....	5,379	4,251	....	500	....	1,667	4,972	....	16,989

GOLD IMPORTS AND EXPORTS.

Imports o gold, by customs districts, Jan. 1 to Oct. 15, 1915.

[In thousands of dollars.]

	Maine and New Hampshire.	Maryland.	New York.	Rhode Island	Porto Rico.	Florida.	New Orleans.	Arizona.	El Paso.	Laredo.	Alaska.	San Francisco.	Southern California.	Washington.	Buffalo.	Dakota.	Michigan.	St. Lawrence.	Vermont.	Total.
For week ending Sept. 24.																				
Ore and base bullion			6				21	5	6			40		85	60	7	29			259
Bullion, refined			213	5					1		140									359
United States coin			11											1						12
Foreign coin			516									4,816								5,332
Total			746	5			21	5	7		140	4,856		86	60	7	29			5,962
For week ending Oct. 1.																				
Ore and base bullion			9				10	14	17			54		117	195	3	15			434
United States mint or assay office bars																		208		208
Bullion, refined			51					28				1,207								1,286
United States coin						1														1
Foreign coin			4,038																	4,038
Total			4,098			1	10	42	17			1,261		117	195	3	15	208		5,967
For week ending Oct. 8.																				
Ore and base bullion			54				11	2	1			64		58	101	4	12			307
Bullion, refined			264						1		135	998		194	81					1,673
United States coin			1								2									3
Foreign coin			4,730				30					793								5,553
Total			5,049				41	2	2		137	1,855		252	182	4	12			7,536
For week ending Oct. 15.																				
Ore and base bullion			9					15	15		21	127		58	203	4	46			498
Bullion, refined			476								150	1,297								1,923
United States coin			3		2													1		6
Foreign coin			5,558									2,921								8,479
Total			6,046		2			15	15		171	4,345		58	203	4	46	1		10,906
Jan. 1 to Oct. 15.																				
Ore and base bullion	1		816				332	342	142	9	266	799	7	3,213	4,655	114	1,318	1		12,015
United States mint or assay office bars															3			6,920		6,923
Bullion, refined			8,996	5		10		450	1,328		2,871	10,885		1,775	279			8,131		34,730
United States coin	48,390		19,869		3	9	1				7	22	1	12	49			86,557		154,920
Foreign coin	11,650	50	20,674			25	30		8			36,488		498				5,254	3	74,680
Total	60,041	50	50,355	5	3	44	363	792	1,478	9	3,144	48,194	8	5,498	4,986	114	1,318	106,863	3	283,268

Exports of gold, by customs districts, Jan. 1 to Oct. 15, 1915.

[In thousands of dollars.]

	Maine and New Hampshire.	New York.	Porto Rico.	New Orleans.	Hawaii.	Alaska.	San Francisco.	Washington.	Buffalo.	Dakota.	Duluth and Superior.	Michigan.	Montana and Idaho.	St. Lawrence.	Vermont.	Total.
For week ending Sept. 24.																
United States mint or assay office bars									21							21
Bullion, refined, domestic								4	1							5
United States coin		503		10				3					1	1		518
Foreign coin		11	1						50							62
Total		514	1	10				7	72				1	1		606
For week ending Oct. 1.																
Ore and base bullion								27	1							28
United States mint or assay office bars														1		1
Bullion, refined, domestic									5						1	6
United States coin		1,300						7								1,307
Foreign coin									75							75
Total		1,300						34	81					1	1	1,417
For week ending Oct. 8.																
Ore and base bullion						3										3
United States coin		2												1		3
Total		2				3								1		6
For week ending Oct. 15.																
United States coin		585														585
Foreign coin		15														15
Total		600														600
Jan. 1 to Oct. 15.																
Ore and base bullion						16		250	3					1		270
United States mint or assay office bars									92					7		99
Bullion, refined:																
Domestic	2							19	17	4	1	7		6	14	70
Foreign									20							20
United States		8,805		10	24		195	84	8			1	2	5		9,134
Foreign coin		3,975	1						134					3		4,113
Total	2	12,780	1	10	24	16	195	353	274	4	1	8	2	22	14	13,706

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